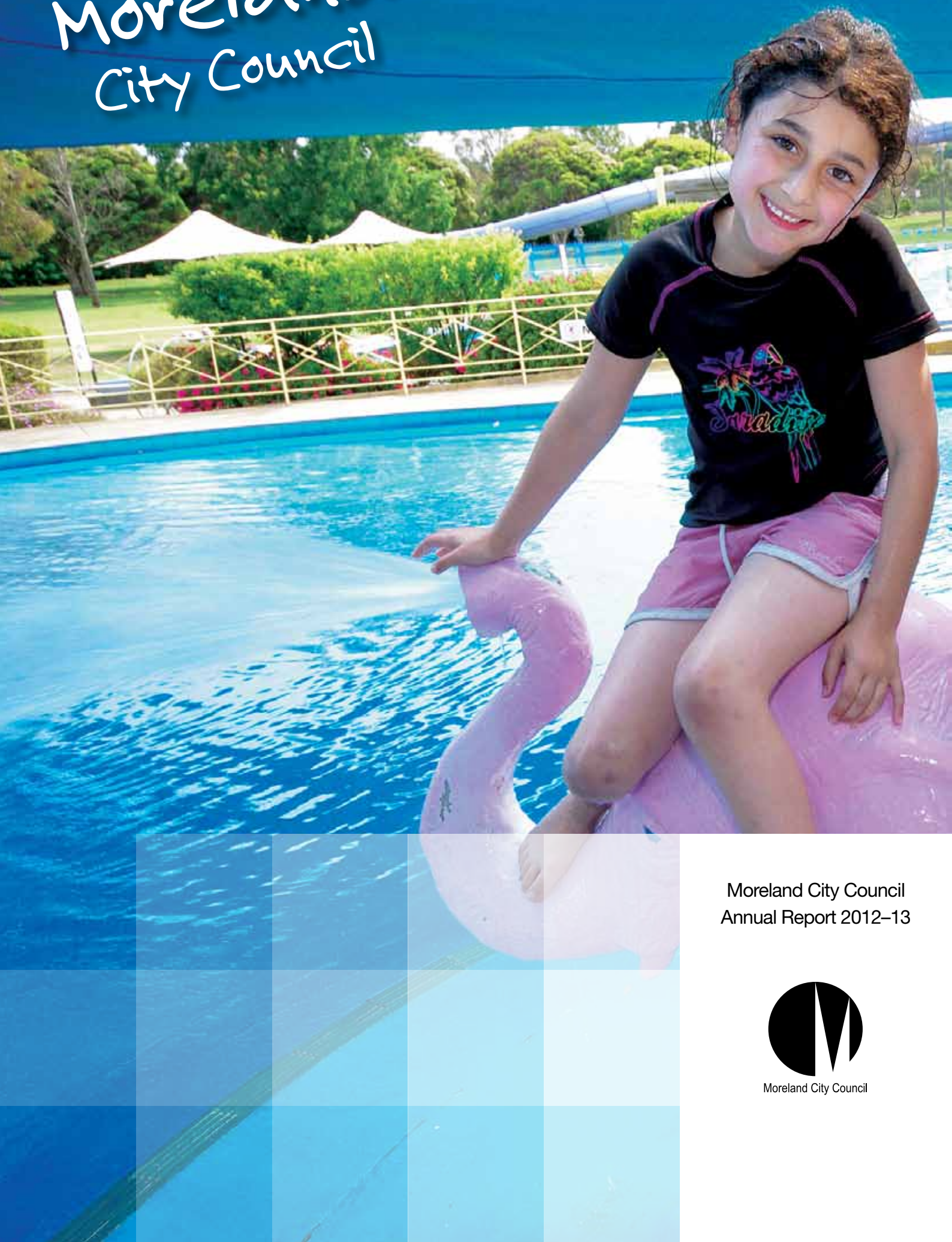
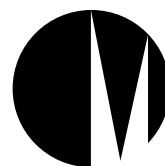


Moreland City Council



Moreland City Council
Annual Report 2012–13



Moreland City Council

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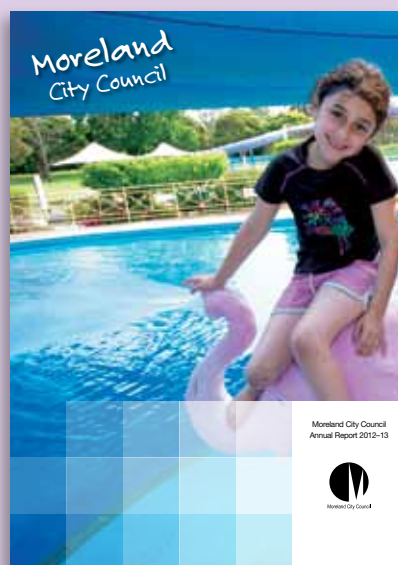
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Cover photo: Young patron at Oak Park swimming pool

Welcome to the 2012–13 Annual Report



PURPOSE OF REPORT

The *Moreland City Council Annual Report 2012–13* provides a comprehensive account of Council's performance from 1 July 2012 to 30 June 2013. The *Moreland City Council's Council Plan 2009–13* is the guiding document for this annual report. The council plan describes our strategic objectives in four focus areas and the key initiatives to be implemented to achieve them. The annual report provides an update on the highlights and achievements emanating from this program, and addresses the various challenges and setbacks experienced throughout the year. It also identifies the future directions and challenges that lie ahead for our city.

WHERE CAN I GET A COPY?

You can view a hard copy of the annual report at each of the three citizen service centres, or at any of the municipal libraries. If you would like a copy to keep, please contact our Citizen Service call centre on (03) 9240 1111 to arrange for one to be sent to you. Electronic copies are available on our website www.moreland.vic.gov.au

WE WELCOME YOUR FEEDBACK

We encourage readers of our annual report to provide feedback to assist us in improving our reporting. You can contact us via email to info@moreland.vic.gov.au, visit our website moreland.vic.gov.au, or call Council on 03 9240 1111.

SUMMARY OF SECTIONS

Overview

This section provides summary reports from the Mayor and Chief Executive Officer, along with highlights and background information about the Council and the Moreland community.

Operations

This section provides operational reports on governance, human resources, best value, organisational profiles and operational outputs.

Performance

This section provides performance reporting against the focus areas in the council plan, the key strategic activities that implement the council plan, and a number of Victorian local government performance indicators.

Financials

This section provides standard financial reports for the financial year.

CONTACT

Council offices

Office hours: 8.30 am to 5.00 pm
Moreland Civic Centre
90 Bell Street
Coburg, Victoria 3058

Brunswick Citizens Service Centre
233 Sydney Road
Brunswick, Victoria 3056

Glenroy Citizens Service Centre
796N Pascoe Vale Road
Glenroy, Victoria 3046

Postal address:
Locked Bag 10
Moreland, Victoria 3058

General enquiries:
Telephone: 03 9240 1111
Facsimile: 03 9240 1212
Email: info@moreland.vic.gov.au
Website: moreland.vic.gov.au

To contact Council in your language via an interpreter, please phone Council's Language Link service. Phone numbers for each language are listed at below.

Language Link

中文	9280 1910
Italiano	9280 1911
Ελληνικά	9280 1912
العربية	9280 1913
Türkçe	9280 1914
Việt Ngữ	9280 1915
Español	9280 1916
Hrvatski	9280 1917
हिन्दी	9280 1918

All other languages
9280 1919

Mayor's Introduction



The past 12 months have brought many changes for the City of Moreland and, in turn, opportunities to make this a great city for all.

A new Council was elected in October 2012, and since that time, we have adopted a new council plan for 2013–17 and a new set of values to guide our activities as an organisation. We also embarked on the development of a Moreland Community Plan 2025 with the community, of which a first draft will be released for public consultation in early 2014.

The 2012–13 financial year was the last year of delivering on our *Council Plan 2009–13*, which sets out the goals and objectives against which the organisation has measured its performance.

In the last year of the *Council Plan 2009–13*, a number of hard-won achievements stand out.

First of all, it was very encouraging to have a heads of agreement signed for a major hospital to be built on the parcel of land to the east of the Bell Street municipal offices. This followed a successful expression of interest process for the development of selected sites in The Coburg Initiative area.

On another front where it has been very challenging to get a positive result, Council has endorsed a preferred solution to achieve the proposed Glenroy grade separation of road and rail. A Regional Grade Separation Project will commence in partnership with Darebin City Council in 2013–14.

I am also pleased to report substantial progress on a number of significant but complex infrastructure projects, including:

- The construction of sporting and community facilities at Fawkner's CB Smith Reserve, now well underway.
- The Brunswick Baths redevelopment. Although this project has had issues with the outdoor pool during construction,

the dry facilities opened in March, and indoor aquatic facilities opened in April. The opening of the outdoor 50m pool is scheduled for the start of the 2013–14 summer season. The results of this project are looking impressive, with the new facilities already being well used by the community.

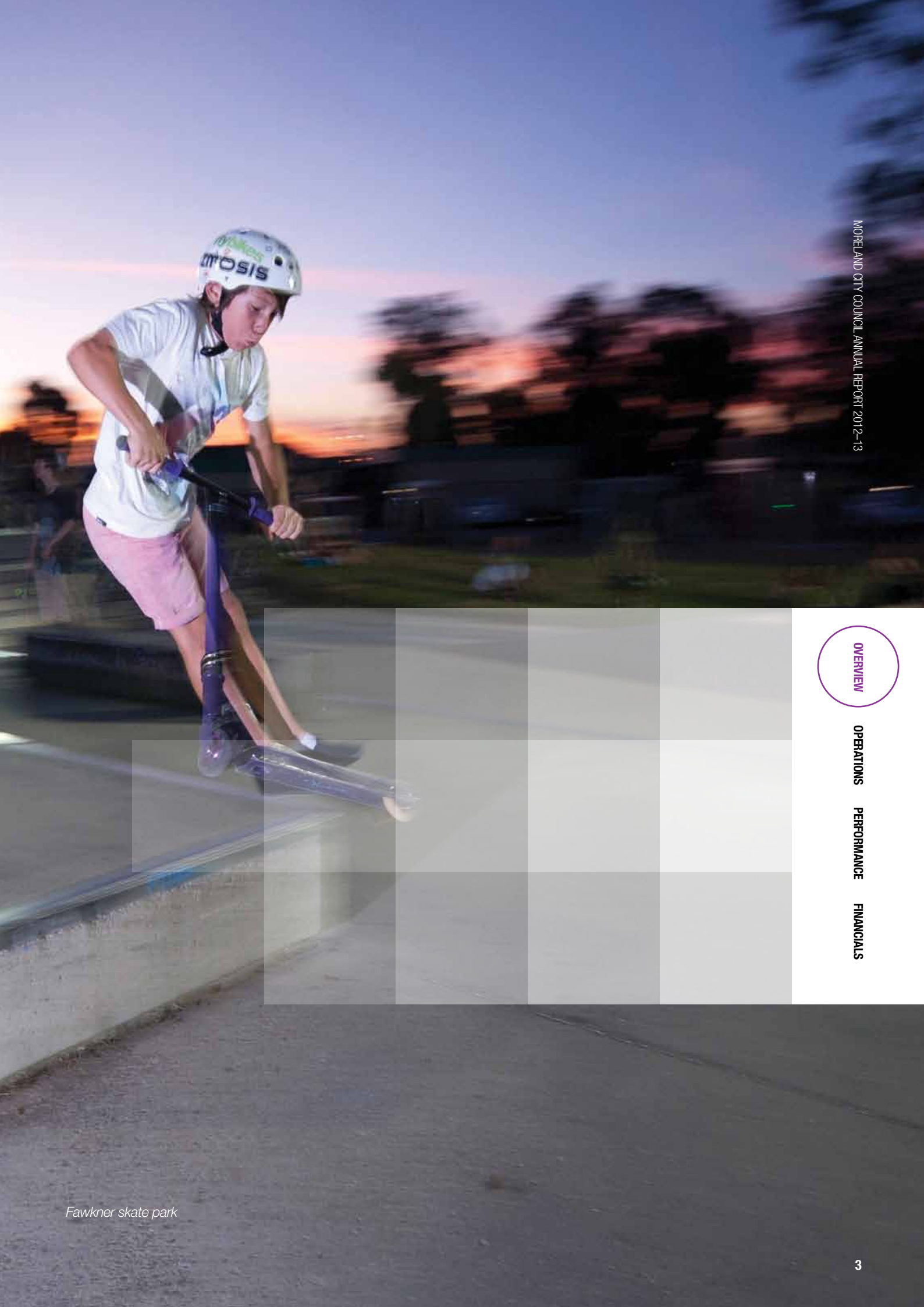
- The OXYgen youth facility. Although delayed by several months due to utility connection issues, this facility is expected to be operational by August 2013 and will provide a fabulous venue and activity programs for the young people of Moreland.

The signing of a contract for the purchase of the Northern Golf Course site was a tremendous achievement and bodes well for future access to public open space in the northern part of the municipality.

However, it was disappointing to see plans to hold a referendum on the Constitutional recognition of local government scrapped alongside the announcement of a new federal election poll date. It is to be hoped that the opportunity for a referendum on this topic will come around again in the near future, with bi-partisan support behind it.

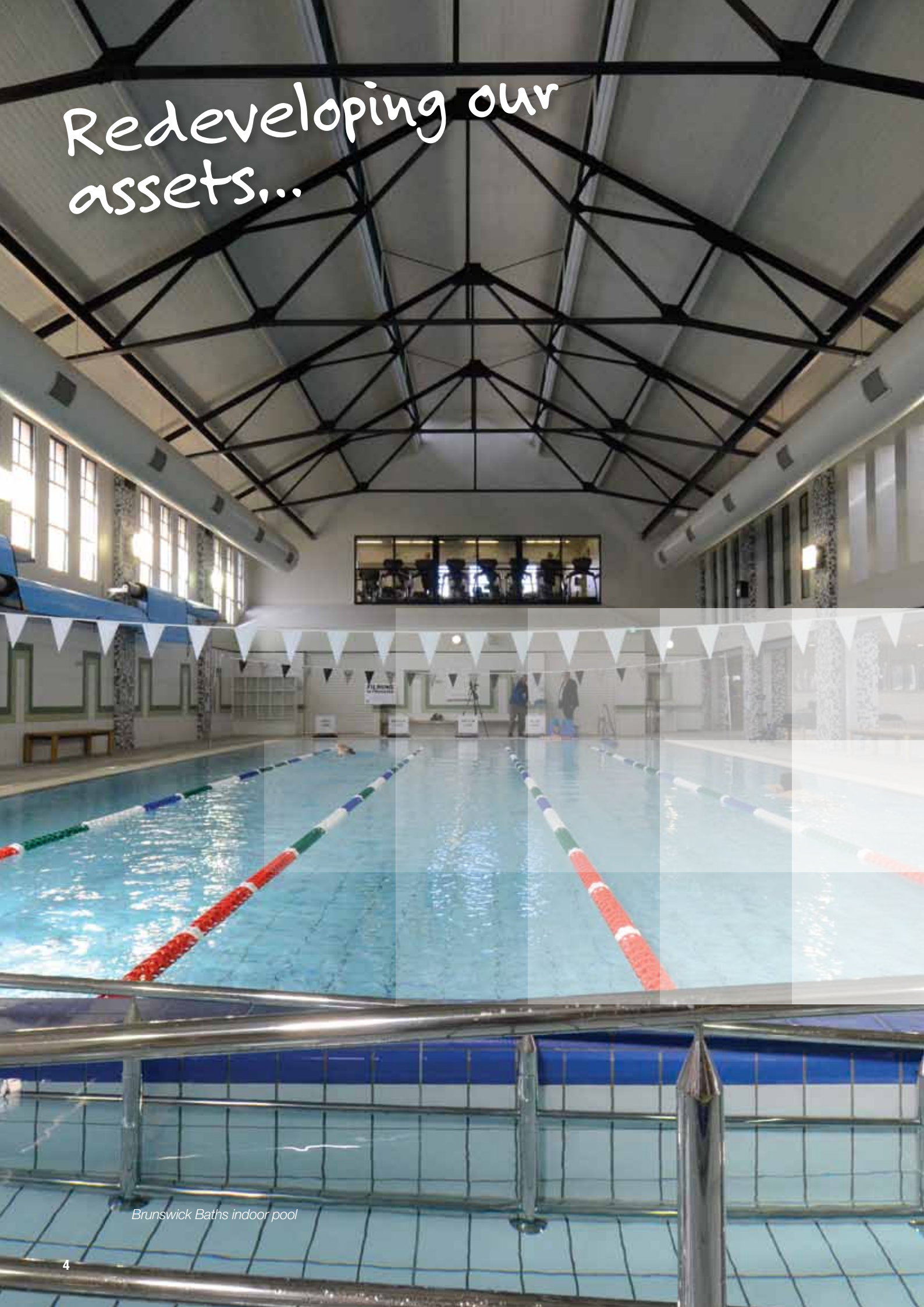
My fellow councillors and I look forward to the successful implementation of the new *Council Plan 2013–17* and reporting on its progress in coming years.

**Cr Oscar Yildiz
Mayor 2012–13**



Fawkner skate park

Redeveloping our
assets...



Brunswick Baths indoor pool



The ABC of the Brunswick Baths Redevelopment

A. Dry facilities opened on 18 March 2013

This includes gym, cardio room, cycle room and functional training room.

B. Indoor aquatics opened on 19 April 2013

This includes the indoor program pool, waterplay pool, spa, sauna and steam rooms.

C. The outdoor pool opened on 23 October for the 2013 summer season

After extensive consultation, testing and evaluation, repair works to the outdoor 50m pool were undertaken.

The new concrete pool base was poured and cured throughout July and August.

The pool was filled and tested to ensure water tightness, then tiled.

The final pool testing and commissioning occurred in late spring, and repairs were completed, with the outdoor pool opening on October 2013.

The outdoor children's splash pad operates on the same circulation and filtration system as the outdoor pool and we were able to open this facility also once the outdoor 50m pool became operational.

These facilities have been extremely popular since opening.

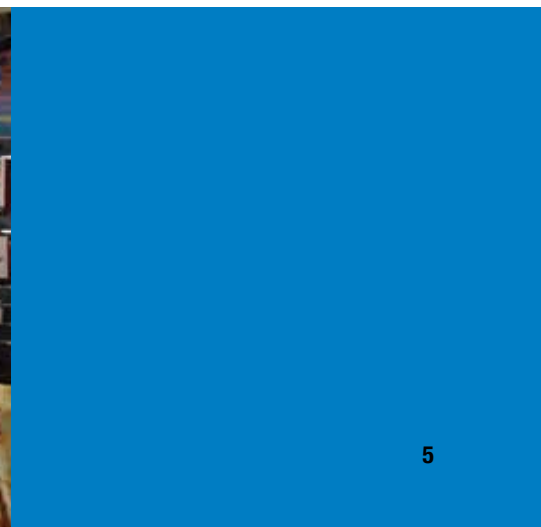
For more information, visit: <http://www.activemoreland.com.au>

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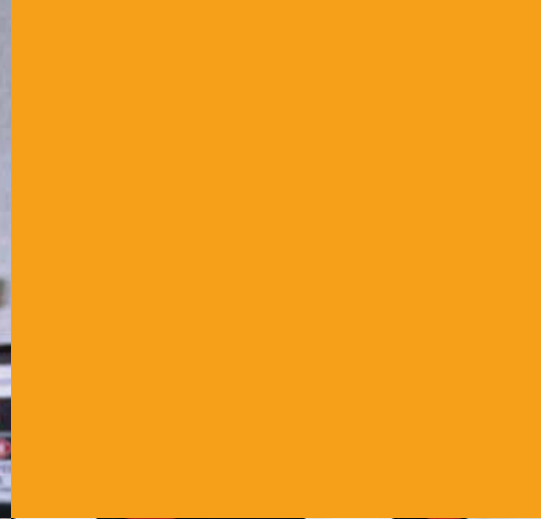
FINANCIALS



Giving our community a voice...



Consulting on Community Plan in Victoria Street Brunswick



Community Plan 2025

Council is developing a community plan with a 12-year vision, through to 2025.

The Moreland Community Plan will bring together the ambitions of the whole community, including services, community groups and organisations, businesses, individuals and Council to set out a general vision.

A community plan is like a road map toward the future; the partners determine the destination and, through different actions, projects

and initiatives, they work toward this destination.

To be a true community process, the development of the plan needs commitment from Council, other organisations and the community, to identify and reach shared goals.

These shared goals have been developed through intensive community engagement, with opportunities for every member of the community to have their say. Consultation vehicles have included community conversations,

consultations with community groups, listening posts and a Mini Moreland event.

This involved talking to 1,300 people, some of whom had never before been consulted by Council.

The results of the public consultation will inform a draft community plan for further consultation in early 2014.

For more information, visit:
<http://www.moreland.vic.gov.au/about-moreland/community-plan-2025.html>

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Creating opportunities
for young people...



Artist's impression of youth facility in Gaffney Street Coburg North



MORELAND YOUTH SERVICES



OxYgen Project

The new OxYgen Youth Centre in Coburg took rapid shape, with the pre-fabricated pieces coming together on site in just a fortnight to form a striking state-of-the-art facility.

Making a statement with its vibrant art feature wall, the new centre on Gaffney Street – the first of its kind in Moreland – includes an eLounge with WiFi and computers, an activity and music rehearsal room, meeting rooms, a landscaped outdoor area and office spaces, and this is just stage one!

Future stages of the development of the facility are set to include multipurpose areas, and further office and outdoor social spaces.

OxYgen is set to launch in mid August, a date which cannot come soon enough for members of Council's Youth committee, which has been the driving force behind this major project.

For more information, visit:
<http://www.moreland.vic.gov.au/community-services/young-people/oxygen.html>

OVERVIEW

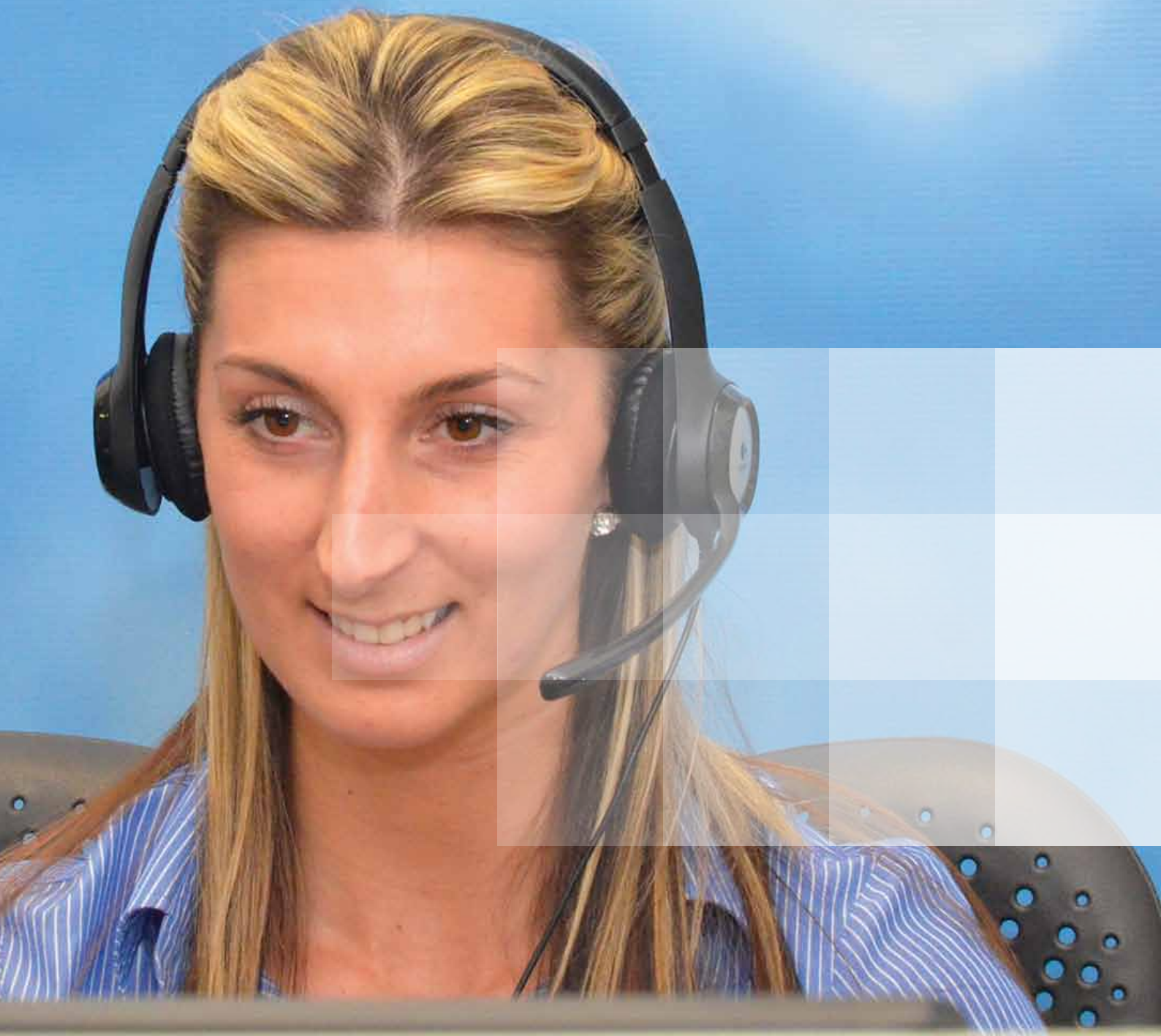
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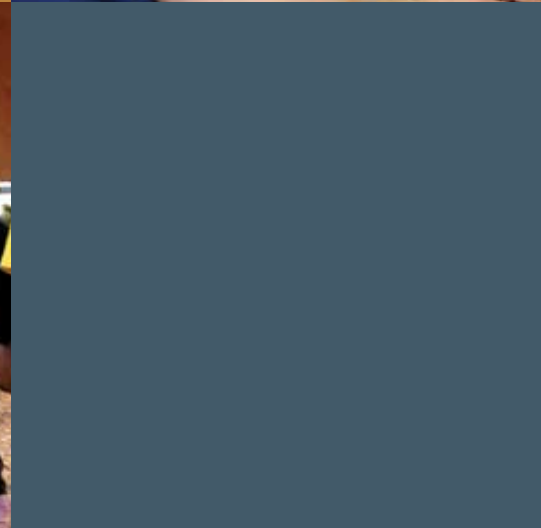
FINANCIALS



Leading the way in
communication...



Citizens Service staff at Coburg Civic Centre



Video Connect

The National Broadband Network is making it much easier to stream high resolution video, and Moreland City Council has responded by launching Moreland Video Connect. Moreland Video Connect allows people to make video calls to Council, live chat and to participate in webinars – online versions of the traditional information sessions which people have to travel to in person.

After making a video call during a visit to Council, former Federal Minister for Broadband, Communications and the Digital Economy, the Hon.

Stephen Conroy, described it as “like sitting at the same desk”. “I think you’re probably the most advanced [Council] at the moment ...this is where the future is, and you are there first,” Senator Conroy said.

To find out more, visit:
<http://www.moreland.vic.gov.au/about-council/eservices/moreland-video-connect.html>

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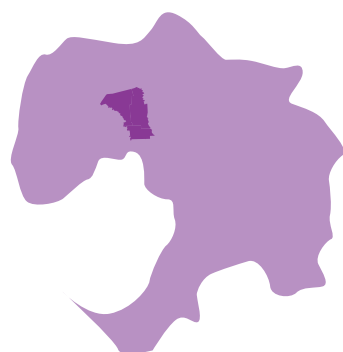
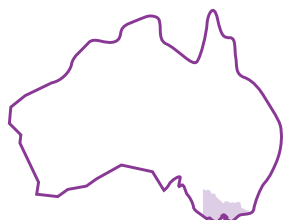


Our City

The City of Moreland covers the inner and mid-northern suburbs of Melbourne. It lies between four and 14km north of central Melbourne, and covers a diverse range of communities.

The name Moreland is derived from Moreland Road which runs through the middle of the municipality. A train station on the Upfield line is also called Moreland. The name of the road and locality originated from land speculator Farquhar McCrae who named the area after his father's birthplace in Jamaica.

The City of Moreland covers the 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 the suburbs of Fitzroy North and Tullamarine are also located in the City.



- Inner Melbourne
- City of Moreland

COUNCIL PLAN 2009-13

Our Purpose

The council plan describes our strategic objectives in four focus areas and the key initiatives to be implemented to achieve them. Moreland City Council delivers good governance to achieve a more socially and environmentally just and sustainable city.

Our Vision

Moreland City Council will partner the community to be a city that is lively, proud, celebrates its diversity, and cares for and respects all of its citizens.

Our Strategic Statement

Moreland City Council will be recognised as an accountable, innovative and collaborative organisation that delivers Council's vision for the City.

Our Strategic Focus Areas

1. A Sustainable and Just City
2. A Proud City
3. A Healthy and Educated Community
4. A Responsive Organisation

Our Values: How We Work

Moreland City Council's Values, as detailed in the *Council Plan 2009-13* are:

Collaboration

- Empowerment

Service

- Excellence
- Results

Social Justice

- Compassionate
- Ethical

Innovation

- Creative
- Risk
- Courage
- Discipline

Stewardship

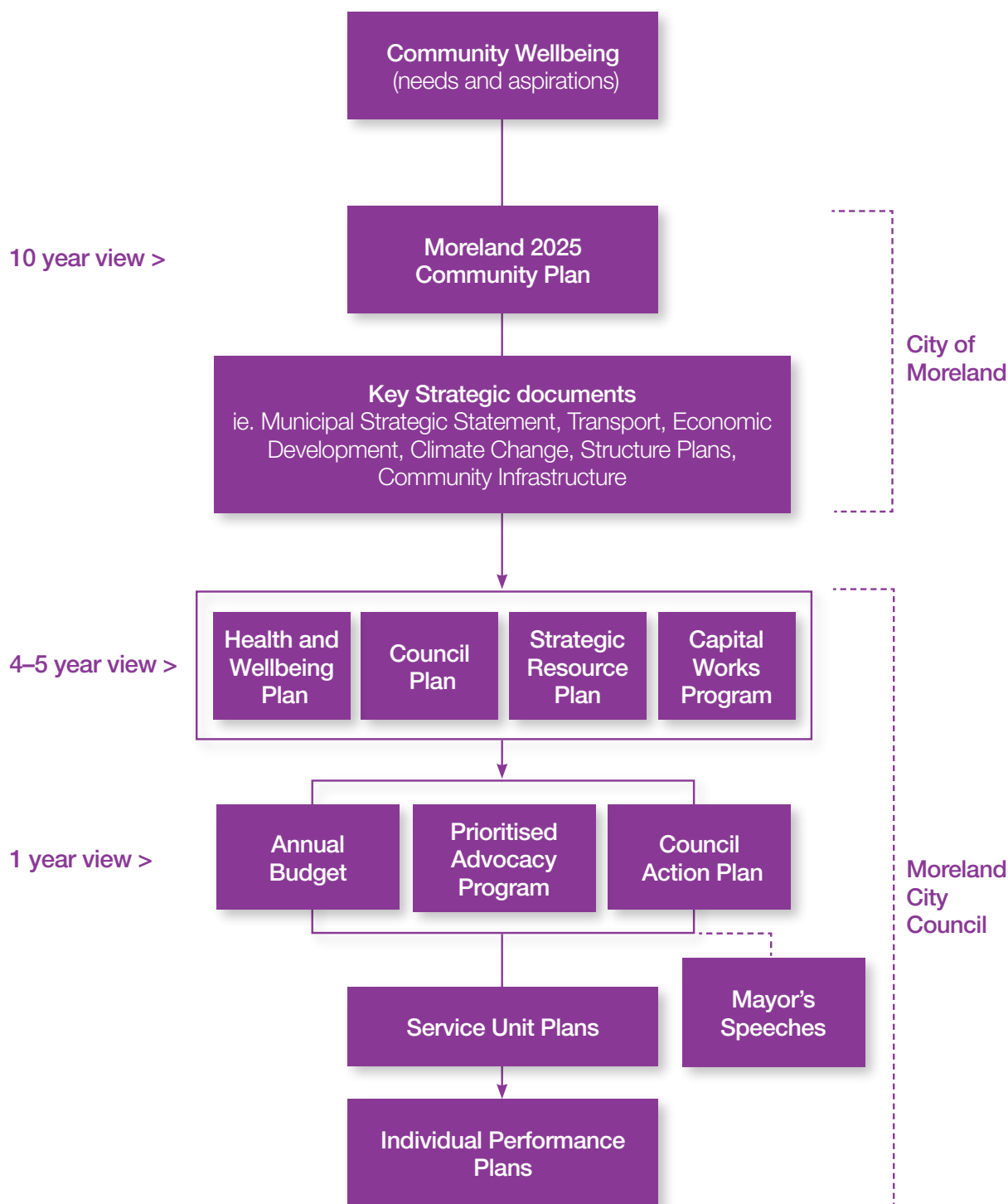
- Care
- Commitment
- Discipline
- Transparency
- Accountability
- Integrity



Mosaic sculpture at Coburg Lake

Strategic Planning Framework

This chart gives an overview of Moreland City Council's plans that drive our service delivery, projects and resource allocation:



PERFORMANCE HIGHLIGHTS

<p>Focus Area: A SUSTAINABLE AND JUST CITY</p> <p>See page 53</p>	<p>Achievements</p> <ul style="list-style-type: none"> • Through the Sustainable Design Assessment in the Planning Process (SDAPP) program, greenhouse gas savings of more than 2,600 tonnes CO₂e and water savings of 37ML were achieved. • Implemented Shopping Strip Renewal Program, including construction of Tyson Street and Justin Avenue, and design work for Anderson Road, with construction planned in 2013–14. • Invited expressions of interest for the development of selected sites in The Coburg Initiative area. A heads of agreement was signed for a hospital project. • Commenced construction of sporting and community facilities at CB Smith Reserve. • Signed a contract for the purchase of the Northern Golf Course site.
<p>Focus Area: A PROUD CITY</p> <p>See page 55</p>	<p>Achievements</p> <ul style="list-style-type: none"> • Conducted a range of local festivals and special events, including: Fawkner Festa, Carols by the Lake, Movies in the Park, Music for the People, 3046 Festival on the Streets and Coburg Carnivale. • Completed and launched Glenroy Public Art Project. • Held 12 Exhibitions at the Counihan Gallery.
<p>Focus Area: A HEALTHY AND EDUCATED COMMUNITY</p> <p>See page 56</p>	<p>Achievements</p> <ul style="list-style-type: none"> • The libraries commenced building an e-book collection, including a contract with Wheelers, with 2,000 titles available. A contract with Overdrive resulted in additional titles being available. • The Brunswick Baths dry facilities opened in March and the indoor aquatic facilities opened in April. • Brearley, DeChene, Mott and Stage 1 of Shore Reserve playgrounds were completed in line with program. DeChene Reserve is a major refurbishment. • Implemented single service contract for aquatic facilities. • Completed tennis/ netball courts at Reaburn Reserve. • Delivered 'Life's a Gamble' theatre project.
<p>Focus Area: A RESPONSIVE ORGANISATION</p> <p>See page 59</p>	<p>Achievements</p> <ul style="list-style-type: none"> • Developed 100% of service unit plans using Results Based Accountability (RBA) methodology. • Completed 81% of actions in service unit plans. • Prepared the new <i>Council Plan 2013–2017</i>. • Achieved a rate of 82% for customer service requests completed on time. • Improved community access to Council services by increasing the proportion of online versus non-online transactions for common processes available via the Council website. • Completed a benchmarking exercise for Council's waste services and commenced implementing benchmark outcomes.





Challenges

- The design and documentation of the Sydney Road Coburg streetscape beautification project between Bell Street and Munro / Harding Streets was behind schedule but is expected to be completed by September 2013.
- Council has endorsed a preferred solution to achieve the proposed Glenroy grade separation. A Regional Grade Separation Project will commence in partnership with Darebin City Council in 2013-14.
- Discussions continued to secure the future of the Koori School in Glenroy for community benefit.
- Completion of Brunswick Activity Centre Controls was delayed due to the extension of the public exhibition period and volume of submissions received.



Challenges

- A new funding stream was being developed for community initiated festivals and events in areas of the municipality with limited Council-provided arts activity. The funding round is due to commence in October 2013.
- Plans to hold a referendum on the Constitutional recognition of local government together with the federal election was cancelled alongside the announcement of a new poll date.
- The review and update of the Waste and Litter Strategy progressed and will be completed in late 2013.



Challenges

- Development of a 10-year community plan was delayed due to a prolonged consultation period. A draft will be released for public consultation in early 2014.
- The staged opening of the re-developed Brunswick Baths was delayed due to issues with outdoor pool during construction. Council opened the outdoor 50m pool in October 2013.
- The 'Digital Moreland Strategy' will need to be refined and re-focused in light of the slow roll out of the NBN and other changes in the community uptake of digital technology.
- The opening of the OxYgen youth space and delivery of youth services was delayed by several months. OxYgen is expected to be fully operational by August 2013.



Challenges

- Although behind schedule, implementation of a proactive swimming pool compliance and essential safety measures program is underway and will become ongoing in 2013-14.
- Implementation of a revised MoreValue program will proceed in 2013-14 following an evaluation of two pilot reviews carried out in 2012-13.
- An airspace use feasibility study of Council car parks was delayed. Timelines have been revised and reported to Council. The project will be progressed further once the outcomes and learnings from the expression of interest and request for proposal process for the pilot site are known.

Snapshot of Moreland

Moreland can be characterised as a municipality with a steadily-growing population which retains a high level of cultural and linguistic diversity. Households in Moreland have changed greatly over the past decade, with decreasing proportions of family households and an increasing proportion of lone-person households, resulting in smaller household sizes overall. Significant differences in socioeconomic advantage and disadvantage occur across the municipality.

POPULATION

The estimated resident population of Moreland in June 2012 was 156,953 people. Between 1996 and 2001, the population of Moreland remained steady at around 136,000. Since 2001, steady population growth has occurred across Moreland, with the population increasing by approximately 20,000, or 15%, since 2001. (Source: Australian Bureau of Statistics, *Estimated Resident Population Statistics and 2011 Census of Population and Housing*)

BIRTHS IN MORELAND

The City of Moreland has seen a dramatic increase in the number of babies born in the municipality in recent years, with an average of 2,000 babies born in Moreland each year since 1995. In the 2012-13 financial year, 2,589 babies were born in Moreland. This represents a 12.2% increase since the 2008-09 financial year, and a 36.1% increase in births since 2000-01. (Source: *Moreland Maternal and Child Health database*)

INDIGENOUS POPULATION

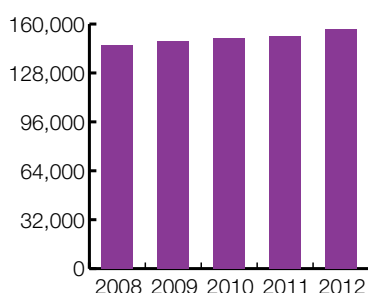
The total number of indigenous residents in Moreland increased to 703 people in 2011 from 627 in 2006. (Source: Australian Bureau of Statistics, *2011 Census of Population and Housing*)

CULTURAL DIVERSITY

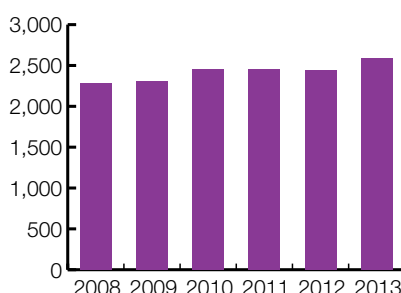
The City of Moreland is a highly culturally and linguistically diverse municipality. Many different cultural groups live in Moreland and residents of Moreland speak approximately 140 different languages at home. In 2011, more than one-third of Moreland residents were born overseas. Of the total Moreland population, 60% were born in

Australia. Of those residents born overseas, 87% were born in non-English-speaking countries and 13% were born in English-speaking countries. The main countries of birth of Moreland residents, apart from Australia, represent the traditional migrant groups from Europe, including Italy, Greece and the United Kingdom, along with India, Lebanon, China, and New Zealand. (Source: Australian Bureau of Statistics, *Census of Population and Housing*). However, new arrivals to Moreland show changes to Moreland's cultural diversity. New arrivals are more likely to be born in India, China, Pakistan, Lebanon, Sri Lanka, the Philippines, and Iran. (Source: *Department of Immigration and Citizenship Settlement database*)

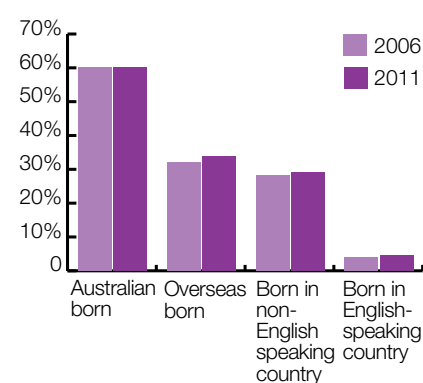
Population



Births (financial year)



Cultural diversity



AGE PROFILE

Moreland's age profile is broadly similar to that of metropolitan Melbourne, with a median age of 35 years. However, Moreland has a larger proportion of older people compared to the Melbourne Statistical Division (MSD). There are smaller proportions of 5 to 14 year olds and 55 to 64 year olds in Moreland relative to the MSD. The number and proportion of persons in the 35–54 year age group in Moreland has increased substantially over the last decade and is now fairly similar to the MSD. (Source: Australian Bureau of Statistics, 2011 Census of Population and Housing)

LIFE EXPECTANCY

The life expectancy of residents living in Moreland is similar to the Victorian average and is increasing. Women in Moreland (and Victoria) live longer than males by approximately five years. The life expectancy of females born in Moreland between 2004 and 2006 is 83.8 years whereas the life expectancy of males is 78.3 years. (Source: Department of Human Services, Life Expectancy Estimates)

EDUCATION AND OCCUPATION

Moreland has experienced improved retention of students from Year 10 to Year 12 in recent years, from 71% in 2005 to 90% in 2011. (Source: Department of Education and Early

Childhood Development, Summary Statistics Victorian Schools)

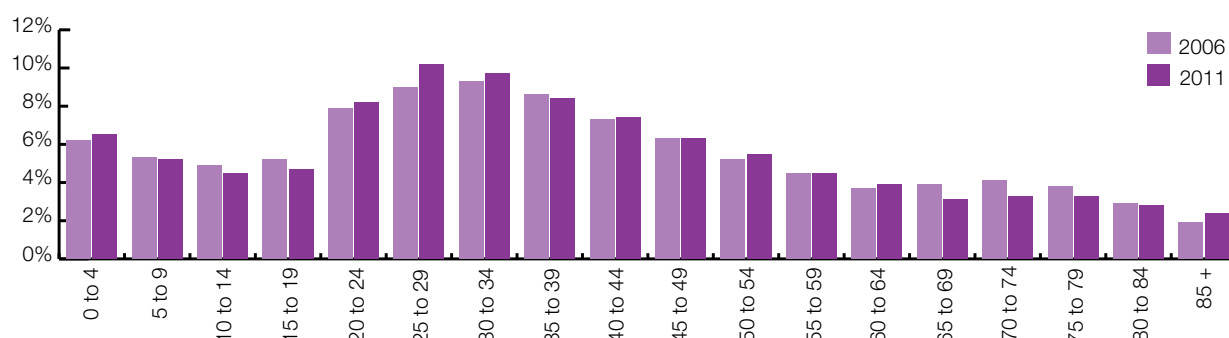
People in Moreland are also becoming better educated. The proportion of residents in Moreland who have non-school qualifications continues to increase. Many more residents in 2006 had completed a non-school qualification than in 1991 – 40% compared with 22%. (Source: Australian Bureau of Statistics, 2006 Census of Population and Housing)

The occupations of residents of Moreland have also changed. The proportion of professionals, associate professionals and intermediate clerical, sales and service workers has increased, while a fall has occurred in the proportion of trades



Beardsley Park opening

Age profile



Snapshot of Moreland (cont.)

people and related workers, advanced clerical, sales and service workers, and labourers and related workers. For example, the proportion of Moreland residents in the workforce classified as 'professionals' increased from 19% in 1996 to 26% in 2006. (Source: Australian Bureau of Statistics, 2006 Census of Population and Housing)

HOUSING AND FAMILIES IN MORELAND

The number of homes in Moreland is increasing. In 2011, Moreland had 63,302 private dwellings (including unoccupied dwellings), up from 59,231 in 2006. Moreland has witnessed substantial changes in households over the past decade. The proportion of families with children has decreased over this period. Moreland had a smaller proportion of these households in 2011 at 59% of all household types compared to 63% in metropolitan Melbourne. The proportion of households comprised of couples without children has remained fairly stable over the past three census periods, while increases have occurred in the proportions of lone-person households. Moreland has a higher proportion of these households in comparison to the metropolitan average. For example, 27% of households in Moreland were lone-person households compared to 23% in metropolitan Melbourne in 2011. (Source: Australian Bureau of Statistics, 2011 Census of Population and Housing)

HOUSING STOCK

The majority of occupied private dwellings in Moreland are separate houses (65%), which is significantly below the metropolitan average of 73%. The proportion of separate

houses in Moreland has continued to fall with the growth of flats, units or apartments, along with semi-detached dwellings. Moreland has a significantly higher proportion of these dwellings (35%) compared with the MSD (27%). Between 2006 and 2011, the number of private dwellings in Moreland increased by 4,071 to a total of 63,302.

Residential property prices in Moreland over the past decade have risen at a relatively fast rate, especially in the years between 2007 and 2010. Following the rapid rise in house and unit prices, the median price for both houses and units fell in 2011. The median house price in Moreland in 2011 was \$561,500 – a decrease of 5.3% since 2010. The gap between the median price of houses and the median price of units is closing, with the median price for a unit in Moreland in 2011 being \$410,000. However, this has also decreased since 2010, a decrease of 2.4%. (Source: Department of Sustainability and Environment, A Guide to Property Values, 2011)

COMMUNITY WELLBEING

Council is committed to building and maintaining a vibrant and liveable city. Results from Council's annual Community Indicators Survey 2012 indicate that, as in previous years, people living in Moreland believe their local area has a positive sense of community and is a good place to live. The results show continuing high levels of perceived community wellbeing. In 2012, 81% of respondents agreed that there is a positive sense of community in Moreland. As in previous years, a high 89% agreed that Moreland is a good place to raise a family. High levels of agreement were

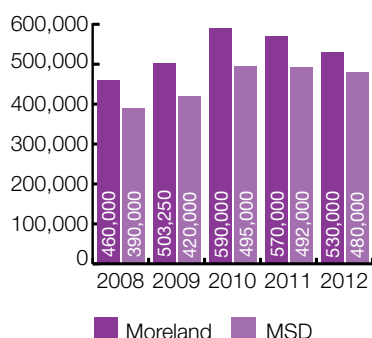
recorded for the ability to access a variety of recreation facilities and leisure activities (88% agreement), while 89% of respondents agreed with the statement "You can get to know your neighbours". Moreland continues to rate highly for measures relating to cultural diversity, with 92% agreement with the statement "Cultural diversity enriches local community life" and 90% agreement that people from different ethnic backgrounds are made welcome in their neighbourhoods.

The only area showing a consistent decrease in agreement has been the affordability of living in the area. This indicator has steadily declined over the six years of the survey, dropping from 68% in 2005 to 45% in 2010. In 2012, this figure rose slightly to 52% agreement but is still low.

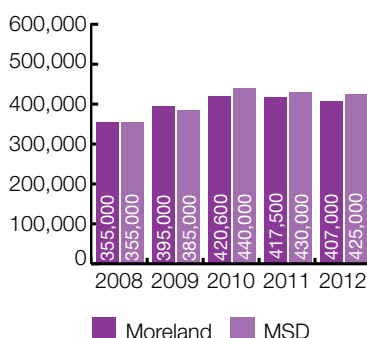
MORELAND OF THE FUTURE

Population projections predict Moreland's population will grow over the coming years. It is expected that the Moreland population will increase to approximately 188,500 by 2031, or an increase of 21.5% from 2011 figures. The most significant growth is predicted to occur in Brunswick and Brunswick East, with the populations rising by 27% and 84.4% respectively. The biggest shift in Moreland's age structure will be the rise in the proportion of residents aged 45–64 years. This proportion is predicted to rise from 20.2% of the total population in 2011 to 22.3% in 2031, or an additional 10,700 residents. It is also predicted that the number of lone-person households will increase. This will contribute to a reduction in the median household size from 2.5 persons per household in 2001 to 2.4 in 2031. (Source: Forecast ID population projections for Moreland).

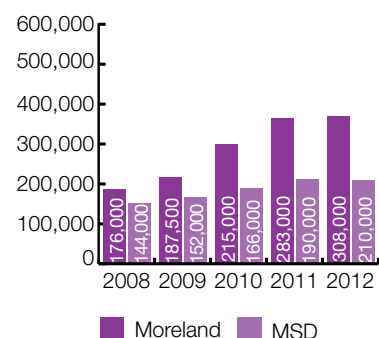
Housing – houses



Housing – unit/apartment



Housing – vacant house block





Public art sculpture at former Glenroy school site

Your Councillors

Moreland City Council consists of 11 councillors elected from three wards across the City of Moreland. Voters in the Moreland community elect councillors every four years.

In addition to representing the interests of their wards, six councillors are each given specific responsibility for a Council department. These councillors are known as portfolio councillors. Project responsibility for particular issues is also allocated to councillors.

Eleven councillors were elected to Moreland City Council in October 2012. The City of Moreland is divided into three wards: North-West Ward (four councillors), North-East Ward (four councillors) and South Ward (three councillors). The next Council election will be held in 2016.

COUNCILLORS AS AT 27 OCTOBER 2012 – CURRENT

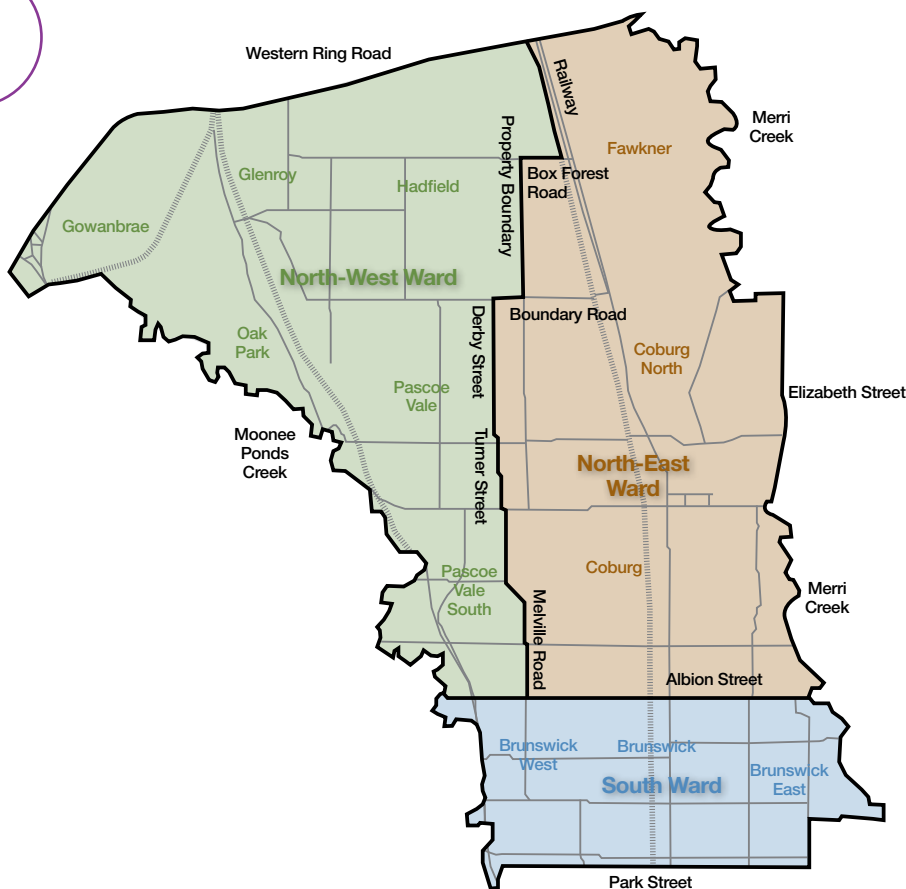
Moreland City Council held its Council elections on 27 October 2012, whereby 11 councillors were elected.

The following councillors were sworn in on 1 November 2012:

- Cr Oscar Yildiz, JP (Mayor)
- Cr John Kavanagh
- Cr Helen Davidson
- Cr Lita Gillies (Deputy Mayor)
- Cr Lambros Tapinos
- Cr Samantha Ratnam
- Cr Meghan Hopper

Due to a recount in the North East Ward, the following councillors were not sworn in until 12 November 2012:

- Cr Sue Bolton
- Cr Rob Thompson
- Cr Lenka Thompson
- Cr Michael Teti



South Ward

Cr Lambros Tapinos



Phone: 03 9018 5265
Fax: 03 8672 6489
Mobile: 0433 419 075
Email: ltapinos@moreland.vic.gov.au

Elected to Council: November 2008
Mayor of Moreland: December 2008 – December 2009
Portfolio Councillor Planning and Economic Development
Councillor Responsible for East Timor / Friendship Cities
Councillor Responsible for Recreation / Leisure (shared with Cr Teti)
Member Urban Planning Committee
Member of the Audit Committee

Lambros has lived in Brunswick his entire life and has always been passionate about his local area. His vision for Moreland is to provide a safe, friendly and caring community that works together to meet its collective hopes and aspirations to make Moreland a better place to live and work, a community that provides essential services to its aged citizens and young families.

He is interested in international politics, the environment, history, archaeology, football, soccer and having fun. He loves Moreland for its people, the community and its diversity.

In the past, he has been the president of the National Union of Students (Victorian Branch) and worked for Victorian Labor Senator David Feeney as an electorate officer. Currently, he works for Victoria University.

South Ward

Cr Samantha Ratnam



Phone: 03 9018 5324
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Mobile: 0433 275 434
Email: sratnam@moreland.vic.gov.au

Elected to Council: October 2012
Portfolio Councillor Social Development (shared with Cr Hopper)
Councillor Responsible for Social Diversity and Reconciliation
Councillor Responsible for Youth (shared with Cr Davidson)
Member Urban Planning Committee

Samantha has been an active member of the Moreland Greens since 2009 and volunteer in the inner city area through the Collingwood Soup Van, Eating Disorders Foundation of Victoria and Hotham Mission Asylum Seeker Project. Samantha loves living in Moreland and is especially drawn to the vibrant active neighbourhood, the openness and warmth of the people, and the strong social conscience of the community.

Samantha is a social worker and has worked in drug and alcohol rehabilitation, mental health, international development and migrant settlement services. She is currently completing a PhD in youth sociology that focuses on how young people participate in their communities as citizens.

Samantha's vision for Moreland is a sustainable and liveable community that residents take pride in, a city that cares for all residents especially those experiencing disadvantage and hardship, and a city that is a leader in sustainability policy and practice.

Samantha believes the top five issues facing Council over the next five years are ensuring that social and transport infrastructure can support the pace and scale of new urban development, ensuring that the city addresses climate change and reduces carbon emissions, having urban development that can address population increases, while keeping resident voices at the centre of planning decisions, providing more affordable housing options, and ensuring residents have enough open space.

Samantha's interests in local issues include community health and wellbeing, supporting young people to participate in community life, sustainable transport, community safety and creating environmentally-sustainable and liveable neighbourhoods. Samantha's hobbies and interests include music, dance, art, sport and yoga.

Over the next four years, Samantha would like to see Council improve options for sustainable and active forms of transport e.g. walking, cycling and public transport, help residents feel heard and represented in urban planning matters, and setting the goal and working towards making Moreland City carbon neutral.

Your Councillors (cont.)

South Ward

Cr Meghan Hopper



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Elected to Council: October 2012
Portfolio Councillor Social Development (shared with Cr Ratnam,
Councillor Responsible for Status of Women
Member Urban Planning Committee

Meghan's family has been part of the Moreland community for more than 100 years. Meghan feels closely connected to this area and its people and wants to give back to the community that has given so much to her family.

For Meghan, the top five issues facing Council over the next five years are developing Moreland sustainably and in line with the history and culture of the area, growing amenities and infrastructure to meet its growing population, improving library services' community safety, and supporting its thriving arts community.

Meghan is a member of a number of local organisations including CERES, Triple R, Women's Health in the North and Moreland Library. So, perhaps unsurprisingly, she is particularly interested in the arts, women's health and safety, living sustainably, and learning and library services.

Over the next four years, Meghan would like to see Council achieve better consultation with the community on planning, improvements to library services and have strong arts, events and festivals, including the Sydney Road Street Party.

Meghan's vision for Moreland is a sustainable, diverse and creative Moreland.

Meghan's hobbies and interests include reading, especially political biographies, writing on women's issues, attempting to play her piano and seeing live music. Meghan also volunteers with The Smith Family as a mentor, which she has been doing since 2010.

Meghan is a member of CERES and has been to a number of its community events. Meghan is also a member of Triple R and used to present 'Room with a View'.

Meghan's favourite things about Moreland are that the community embraces the best of its history whilst also constantly evolving and that it is so close to the city but has retained its suburban feel and community focus.

Meghan works two days a week as the communications officer at a women's organisation, and is doing a PhD part-time in journalism and gender studies. She also has a background in higher education.

North-East Ward

Cr Sue Bolton



Phone: 03 9018 5246
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Email: sbolton@moreland.vic.gov.au

Elected to Council: October 2012

Councillor Responsible for Accessible and Affordable Housing (shared with Cr Lenka Thompson)

Sue ran for Council because she wanted to see a council that put community need before developer greed. Sue feels that the developers and big business have too much influence over local, state and federal governments but residents don't get much of a say. Sue would like to see residents having a bigger say over what happens in Council.

Sue's vision for Moreland is for Moreland to preserve its heritage, particularly its Aboriginal heritage, and increase the amount of green space. It needs to look after its manufacturing base as a major source of jobs. Moreland can be a leader in the shift to 100% renewable energy and could develop a green jobs hub. Moreland needs to develop as a council that provides residents with a genuine opportunity to control the type of developments in municipality.

Four things that Sue would like to see this Council achieve in the next four years are improving services, especially in the northern part of Moreland where unemployment is highest, creating a more liveable city by backing residents

against the big developers and creating more green and public spaces, working towards a council and community that uses 100% renewable energy and improving and increasing the number of public toilets.

For Sue, the top five issues facing Council over the next five years are: increasing services to support an increasing population at the same time as state and federal governments are shifting the costs of providing services onto local government; traffic congestion and overcrowded public transport and the pressures of inappropriate development; increased cost of living pressures from unemployment, underemployment and job casualisation; lack of affordable and public housing in Moreland; and, addressing climate change by shifting to 100% renewable energy.

Sue has campaigned against the sell-off of public housing. She supported the campaign to stop the state government closing down the Aboriginal school in Glenroy and is involved in the campaign to support refugees and asylum seekers. Sue has helped workers who have been involved in local industrial disputes, and has been involved in a number of campaigns involving the Middle Eastern and Muslim communities.

Sue's favourite thing about a community like Moreland is the people.

Sue has worked in varied jobs, but her main jobs have been as a bus driver, a truck driver and, more recently, a public servant and administration worker.

North-East Ward

Cr Lenka Thompson



Phone: 03 9018 5261
Fax: 03 8672 6480
Mobile: 0417 353 020
Email: lthompson@moreland.vic.gov.au

Elected to Council: January 2012

Councillor Responsible for Accessible and Affordable Housing (shared with Cr Sue Bolton)

Councillor Responsible for Sustainability, Climate Change and Water

Councillor Responsible for Sustainable Transport

Member Audit Committee

Lenka ran for Council as part of her strong connection with the Moreland Greens. Having lived in Moreland for the last 12 years and growing up in Castlemaine where the sense of community is ever present, Lenka was attracted to the opportunity of standing in the 2008 local government elections as a voice for the section of the public which espouses grassroots democracy, ecological sustainability, peace and non-violence, and social justice on Council.

For Lenka, the top five issues facing Council over the next five years are: having the whole of the municipality work towards being carbon neutral; ensuring there is adequate housing stock for those most disadvantaged in the municipality; bringing urban planning into a participatory model where residents have a say in what kind of development happens around them; adapting sustainably to the increasing population moving into the municipality; and, implementing the Fire Services Levy so that residents still have the capacity to pay for their rates (a crucial source of income for Council to deliver its services).

The local issues that Lenka is especially interested in include The Coburg Initiative, affordable housing, sustainable transport, neighbourhood houses, and the city's natural assets and open space.

Three things Lenka wants this Council to achieve in the next four years include: increasing the affordable housing stock in areas which provide a full and participatory life for those in hardship and are disadvantaged; implementing initiatives which assist in having a carbon-neutral municipality; and, maintaining and enhancing the natural open space accessible to every resident and visitors.

Lenka's vision for Moreland is a Moreland which respects its natural and urban environments, thereby creating a sustainable future.

Your Councillors (cont.)

North-East Ward

Cr Rob Thompson



Phone: 03 9018 5310

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Email: rthompson@moreland.vic.gov.au

Lenka's hobbies and interests include: live music, gardening, camping, movies, dancing, sport, friends and family, cooking, and reading – that is, before all of the Council reports came along!

Lenka's involvement in community activities in Moreland include: Cycovia, Fawkner Festa, Movies in the Park, Brunswick Music Festival, Sydney Road Street Party, water monitoring of Merri Creek, and PermaBlitzes when they are in Moreland.

Lenka's favourite things about Moreland are its people, natural assets, diverse cultures and the cuisine available, and accessibility to all modes of transport.

Lenka is a hydrogeologist / environmental scientist working in the contaminated land and groundwater area. Her role includes project management, undertaking field-based research and interpretation of results for clients, so she has a good mix of office and field work.

Elected to Council: October 2012
Portfolio Councillor Corporate Services
Councillor Responsible for Children

Many of us wish things were done differently, or don't understand why things are done at all in Council. Some will complain to their neighbours, some will shrug and say nothing, others will protest, write to the newspaper or just lament. Rob decided to be part of the process, be a part of the solution, and be a part of shaping Moreland.

For Rob, the top five issues facing Council over the next five years are: the introduction of the fire services levy that will be collected by Council; the need to address our ageing assets; bluestone lanes; managing assistance for the aged; and, a solid and clear stance on development and what we want Moreland to look like in the next 10 or 20 years.

There are a number of issues that Rob would like to look at locally, including: The Coburg Initiative and what we plan to do to keep it on track; developing a strategy to reduce speed or at least the danger of traffic using our smaller streets, particularly those around parks and schools (as rat runs); and, the development of a level crossing at the rail lines in Munro Street near Dan Murphy's.

For Rob, the opportunity to turn Moreland into a residential and commercial hub that can deliver local employment, along with great bars, cafés, restaurants and retail outlets, is of primary interest. He believes that doing this without eliminating the heritage and beauty of our suburbs will be the challenge over the coming years.

Rob's hobbies and interests are largely on hold for the moment as he adapts to the requirements and commitments of work, Council and family. However, when given the opportunity, Rob would love to travel, entertain and ride horses with friends in rural Victoria.

Rob's favourite things about Moreland include not only great restaurants and bars, but the wonderful craft or boutique beer producers in Brunswick, easy access to pools and recreational facilities, and the constant upgrading and development of the existing ones. Access to and from Moreland is also made easy with the freeway at our door step and public transport across the suburbs.

For the past 10 years, Rob has worked in the Infrastructure business managing road maintenance contracts in country Victoria on behalf of VicRoads. He has also worked in event management and was involved in the traffic and transport for the 2006 Commonwealth Games and other major events.

North-East Ward

Cr Michael Teti



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Elected to Council: November 2008
Deputy Mayor December 2011 – October 2012
Portfolio Councillor City Infrastructure
Councillor Responsible for Aged Services
Councillor Responsible for Recreation and Leisure
(shared with Cr Lambros Tapinos)
Member Urban Planning Committee

A young Lawyer, Michael is able to juggle his demanding career with his passion for progress and basic services in the Moreland community. Michael's keen interest in youth education through community sport led him to spearhead the CB Smith Community Sports Hub and Educational Facility, which aims to provide the northern community with more sporting and education opportunities. Michael sees the creation of a facility like this in the north as critical in harnessing the talent and energy of youth in the area, and that by providing a top quality sporting and education facility, we can ensure that the next generation is able to reach its full potential both in the class room and on the sporting field. Michael passionately advocates for quality services, such as Moreland's in-house Meals on Wheels service. He believes that Moreland residents must receive good value for their rates.

North-West Ward

Cr John Kavanagh



Phone: 03 9018 5257
Fax: 03 8672 6478
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Email: jkavanagh@moreland.vic.gov.au

Elected to Council: November 2004
Mayor December 2011 – October 2012
Portfolio Councillor Organisation Development and Urban Safety
Chairperson Audit Committee
Member Urban Planning Committee

John joined Council following the November 2004 election. He has always been passionate about making a difference to the local community. He comes from a family with many generations of activism. His vision for Moreland is that it is a vibrant, peaceful and welcoming city with well maintained public spaces.

John enjoys family activities, current affairs, reading biographies, horse racing and following the Carlton Football Club.

John loves Moreland's complete diversity – not only its cultural diversity, but the diversity of housing styles, of streetscapes, of shopping strips and of sporting facilities, as well as of age and religious affiliation.

John has been a primary school teacher for 30 years, the last 15 in Moreland. He previously also worked part-time in petrol stations.

North-West Ward

Cr Helen Davidson



Phone: 03 9018 5308
Fax: 03 8672 6476
Mobile: 0403 709 948
Email: h davidson@moreland.vic.gov.au

Elected to Council: October 2012
Councillor Responsible for Youth (shared with Cr Samantha Ratnam)

Helen's work with Victoria Legal Aid and a desire to reach the broader community led her to run for Council in 2012. Having lived in Glenroy her whole life, she feels that giving back to the community is an important part of being a councillor. She sets aside time each evening and on weekends to stay on top of her councillor duties and be responsive to the community. During her term, Helen would like to see greater communication and engagement between Council and the community, and is looking forward to progressing Council's budget so that goals are achieved in a timely manner and within budget. Grade separation for the Glenroy rail crossing is also on the list, as well as a vision for more cafés and businesses in the area. Helen would like to see Glenroy become more of an activity hub in Moreland.

Your Councillors (cont.)

North-West Ward

Cr Oscar Yildiz JP



Phone: 03 9240 1222
Fax: 03 9240 1223
Mobile: 0413 850 357
Email: oyildiz@moreland.vic.gov.au

Elected to Council: November 2008
Mayor December 2010 – December 2011; Dec 2012 – present

Oscar ran for Council to be the voice of the community, to continue delivering valuable projects for the community and to represent Moreland residents passionately, honestly and responsibly.

For Oscar, the top five issues facing Council over the next five years are the impact of rates on residents (in particular, the elderly), inappropriate over-development, improving and renewing sporting facilities, renewing ageing infrastructure, rubbish and asbestos dumping, and the general amenity of the municipality.

Local issues that Oscar is especially interested in include grade separation at Glenroy crossing, upgrading the Oak Park Swimming Pool, more exercise equipment in parks and better playground equipment, attracting locals to work shop and stay in Moreland, and inappropriate over-development.

Three things that Oscar would like to see Council achieve in the next four years are to pass on the lowest rate rise to residents and provide the best return on their investment, new public toilets in areas of need, and to deliver and take responsibility for the most vulnerable groups in the community such as the elderly and youth.

Oscar's vision for Moreland is to be a city that provides outstanding customer service, a city that cares for its residents, celebrates diversity, and is welcoming and a leader in introducing initiatives which provide the best return for ratepayers.

Oscar's hobbies and interests outside of Council include all sports – including AFL, soccer, swimming, body boarding, golf, taekwondo, and bike riding – as well as family, anti-bullying, socialising, and a variety of other outdoor activities.

Community activities in Moreland that Oscar has been involved in include sporting clubs, community groups, being a board member of various organisations and a justice of the peace.

Some of Oscar's favourite things about Moreland include: accessibility to shopping strips, affordability, sporting facilities – including swimming pools, bicycle paths, children's play areas, parks and open space – restaurants, and the diversity of its people and facilities.

Oscar has experience in a multitude of roles as a secondary, primary, TAFE and university teacher, the CEO of Bully Free Australia Foundation, a managing director, a marketing manager, a justice of the peace, Mayor, councillor and franchise owner.

North-West Ward

Cr Lita Gillies



Phone: 03 9018 5249
Fax: 03 8672 6477
Mobile: 0418 213 777
Email: lgillies@moreland.vic.gov.au

Elected to Council: October 2012
Deputy Mayor Dec 2012 – present
Councillor Responsible for City Amenity and Improvement
Member Urban Planning Committee

Lita was elected to Council in 2012 with a vision to be a voice for the Moreland community, to keep rates low, and to ensure that the North-West Ward gets its fair share of Council's resources. A union organiser for the Australian Services Union, Lita prides herself in helping others every day and has accumulated extensive knowledge in regard to the very best practices in Council service provision. Lita has some hidden talents too. She sings, plays double bass and piano. A member and supporter of the Glenroy RSL, the Broadmeadows District Gardening Group and local radio station 98.9 North West FM, Lita sees community groups as having a pivotal role in shaping Moreland. Some of her role models include her mum, dad and people who risk their safety, comfort or job to help another person or stand up against adversity.

COUNCILLORS AS AT 15 DECEMBER 2008 TO 30 JUNE 2012

South Ward

Cr Lambros Tapinos

Elected to Council: November 2008

Mayor of Moreland: December 2008 – December 2009

Portfolio Councillor Economic Development

Councillor Responsible for City Amenity and Improvement

Member Urban Planning Committee

Member of the Audit Committee

Cr Jo Connellan

Elected to Council: November 2004

Portfolio Councillor City Development

Councillor Responsible for Sustainable Transport (shared with Cr Pryor)

Councillor Responsible for Sustainability, Climate Change and Water

Member Urban Planning Committee

Cr Alice Pryor

Elected to Council: November 2004

Deputy Mayor December 2010 – December 2011

Portfolio Councillor Organisational Development

Councillor Responsible for Youth

Councillor Responsible for Sustainable Transport (shared with Cr Connellan)

Chairperson Urban Planning Committee

Member of the Audit Committee

North-East Ward

Cr Anthony Helou JP

Elected to Council: March 1996

Mayor of Moreland: April 1998 – March 1999, April 2004 – November 2004, December 2005 – December 2006

Councillor Responsible for Social Diversity and Reconciliation

Member Urban Planning Committee

Member Audit Committee (until March 2012)

Cr Lenka Thompson

Elected to Council: January 2012

Cr Stella Kariofyllidis

First elected to Council: March 1996

Stella was first elected to Council in March 1996 and was the first Greek-born female Mayor in Australia, and the first female Mayor of Moreland, March 2000 to March 2001.

Re-elected to Council: November 2008

Mayor of Moreland December 2009 – December 2010

Portfolio Councillor Social Development

Councillor Responsible for Status of Women

Member Urban Planning Committee

Cr Michael Teti

Elected to Council: November 2008

Deputy Mayor December 2011 – October 2012

Councillor Responsible for Aged Services

Councillor Responsible for Recreation and Leisure (shared with Cr Yildiz)

Member Urban Planning Committee

North-West Ward

Cr John Kavanagh

Elected to Council: November 2004

Mayor December 2011 – October 2012

Chairperson Audit Committee

Councillor Responsible for Children

Cr Kathleen Matthews-Ward

Elected to Council: November 2004

Deputy Mayor: December 2007 – December 2010

Portfolio Councillor City Infrastructure

Councillor Responsible for Accessible and Affordable Housing

Cr Oscar Yildiz JP

Elected to Council: November 2008

Mayor December 2010 – December 2011

Portfolio Councillor Corporate Services

Cr Enver Erdogan

Elected to Council: November 2008

Member Urban Planning Committee

Councillor Responsible for East Timor

CEO's Report



The past year, being the last year for implementing the *Council Plan 2009-13*, saw a concerted effort to round out a number of key projects and prepare the ground for the next four years under the leadership of a new Council.

Council's underlying financial operating surplus for 2012-13 was \$1.3M. Total budget expenditure for the year was \$159M. Budget outcomes were broadly in line with the Five Year Financial Plan, which outlines the Council's medium-term blueprint for delivering services and maintaining assets in an ageing but growing municipality.

The past year saw a continued push to upgrade ageing infrastructure, and build new infrastructure in areas of growing need. A Capital Works Program of nearly \$34M was directed at a wide variety of projects, with the total capital spend being \$13.8M above the financial depreciation expense for the year.

A major focus of Council's program over the past four years has been to improve the sustainability of the municipality. To this end, Council has aimed to achieve a number of objectives in relation to climate change, the local economy, transport, infrastructure and open space, land use and development, and housing. Particular highlights on this front over the past year have included:

- Greenhouse gas savings of over 2,600 tonnes CO₂e and water savings of 37ML achieved through the Sustainable Design Assessment in the Planning Process (SDAPP) program.
- A heads of agreement for a major hospital project in The Coburg Initiative area signed.
- A five-year extension to the agreement secured for the use of the former Brunswick Secondary

College Senior School from the state government for the purpose of the Brunswick Business Incubator.

- Implemented Shopping Strip Renewal Program, including construction of Tyson Street and Justin Avenue and design work for Anderson Road.
- Contract for the purchase of part of the Northern Golf Course site for open space signed.
- A preferred solution to achieve the proposed Coburg and Glenroy grade separations of rail and road was endorsed by Council. A Regional Grade Separation Project will commence in partnership with Darebin City Council in 2013-14.

A second focus of Council's program has been to increase the pride people feel in their local community by improving the appearance and cleanliness of the city, fostering greater community resilience, celebrating what makes Moreland great, and fostering community creativity. Notable achievements in the past year on this front include:

- Completed and launched Glenroy Public Art Project.
- Development of a new funding stream for community-initiated festivals and events in areas of the municipality with limited Council-provided arts activity.
- Commenced implementation of recommendations of a review of waste services.
- A review and update of the Waste and Litter Strategy, which will be completed in late 2013.

A third focus for Council activity has been promoting a healthy and educated community, with particular attention to health needs across the life cycle, aged care services, sports and recreation opportunities, educational opportunities, community engagement, community services, and investing in our young people.

Highlights here in 2012-13 included:

- The next stage in the rejuvenation of Fawkner's CB Smith Reserve saw the commencement of construction of a number of sporting and community facilities.
- Brunswick Baths dry facilities opened in March and indoor aquatic facilities opened in April. Council aims to open the outdoor 50m pool in December 2013.

- Brearley, DeChene, Mott, and Stage 1 of Shore Reserve playgrounds were completed.
- Commenced structural repairs and improvements to the Brunswick library.
- Short-term use and development of the Glenroy Primary School site endorsed by Council.
- Although the opening of the OXYgen youth space and delivery of youth services was delayed by several months, it is expected to be operational by August 2013.
- Commenced extension to CB Smith Skate Park in Fawkner.

The final focus of Council's four-year program has been the continued improvement in the responsiveness of the organisation. In this regard, there has been a number of notable achievements over the past year, including:

- Achieved a rate of 82% for customer service requests completed on time.
- A 30% increase in the proportion of online transactions for common processes (e.g. animal registration renewals, and infringement payments) available online via the Council website.
- Implemented a program to address outstanding high risk building matters.
- Reduced development advice average response time from 40 days to 31 days.
- Deployed mobile online self service capabilities: implemented website access for mobile devices and five new online planning applications general enquiry forms for mobile devices.
- Implemented Council's Digital Local Government Project. This initiative has developed 10 customer service "How to videos".
- Commencement of a new proactive Planning Enforcement system in 2013.

I am satisfied that, over the past four years, the larger part of the intent of the *Council Plan 2009-13* has been achieved, and that we can confidently build on these considerable achievements in the years ahead.

Peter Brown
Chief Executive Officer

New shared bike path in Renown Street Coburg

Financial Snapshot

This financial snapshot is based on the report from page 73.

FIVE YEAR FINANCIAL PLAN

Council is guided by the principles of the Five Year Financial Plan for the period 2011–12 to 2015–16. This plan was not intended to be static, and has been reviewed annually as part of the Council planning process and updated to reflect changing circumstances.

The aim of the Five Year Financial Plan is to ensure that Council is able to undertake its strategic and governance role, and to maintain and repair its infrastructure assets at the level expected by the community while at the same time continuing to deliver the services needed by the community.

On pages 73–141 you will find the formally presented Financial Statements of Council prepared in accordance with relevant accounting standards and legislative requirements. These reports are comprehensive and, as such, stakeholders and members of the community may find them difficult to interpret. This overview aims to simplify the pertinent information regarding Council's financial performance for 2012–13.

INCOME – WHERE DID THE MONEY COME FROM?

Total income for the year was \$159.9M. There was an overall revenue increase of \$10.9M (or 7.3%) compared to that of 2011–12, primarily due to increased rates and charges, user fees, and capital grants. The majority of this revenue comes from rates and charges income of \$109.53M.

Other major sources of revenue were government grants of \$19.31M (12.1%) and user charges and other fines of \$20.52M (12.8%).

EXPENSES – HOW WAS THE MONEY SPENT?

Total expenditure for the year was \$142.8M. Overall expenses decreased in 2012–13 by approximately \$8.1M, which is primarily due to the inclusion of Vision Super Defined Benefit Call which was included in the prior year of (\$13.2M). The majority of total expenses consists of employee costs of \$69.6M and contract payments, materials and services of \$49.2M.

Council is reporting an accounting surplus of \$17.1M for financial year 2012–13. It is, however, important to note that this accounting profit

includes items that are either one-off or committed for capital expenditure. After excluding non-cash developer contributions, capital grants and contributions, open space contributions, transfers to reserves and funds carried forward for incomplete works, Council achieved a modest underlying surplus of \$1.278M. This is a modest result in the context of a total budget turnover of approximately \$159M and the surplus is necessary to meet debt redemption payment obligations.

CAPITAL SPENDING BY COUNCIL PROGRAM

Total capital spending for the year was \$34.222M. Council continues to address its capital works program across a wide range of projects with the total capital spend being \$13.788M above the depreciation for the year. However, renewal works were \$1.11M below depreciation.



Council street-cleaning machine

EXPENDITURE PROFILE 2012-13

Category	Proportion of Total Expenditure (%)
Capital Works	24.2%
Administration	12.8%
Aged and Disability Services	8.2%
Waste Collection and Recycling	6.8%
Property Services	5.6%
Roads and Footpaths	5.6%
Planning and Urban Strategy	5.4%
Parks and Street Trees	5.3%
Local Laws and Regulations	4.2%
Arts Library	3.9%
Health and Immunisation	3.6%
Street Cleansing	2.3%
Customer Service	2.1%
Recreation and Leisure	2.0%
Children's Services	1.9%
Asset Maintenance	1.8%
Economic Development	1.7%
Governance	1.4%
Corporate Planning	0.6%
Transport and Conservation	0.6%



Sparta Place, Brunswick

The Year in Moreland - Financial Year 2012-13



SEPTEMBER QUARTER (2012)

- Public forum on Murray Whelan novels, with author Shane Maloney, 13 July
- Moreland Human Right Forum, 19 July
- Launch of Broadband in Brunswick, 4 August
- 'Footprints' exhibition, 2 September – 2 October
- Moreland Business Network Spring Event, 4 September
- Sustainable House Day, 9 September
- 'Flock' theatre performance, 19–22 September
- Dance Sister Dance, 22 September

DECEMBER QUARTER (2012)

- Grand Final Day Sisters Market, 1 October
- 'Active Moreland Bootcamp' program commences, 15 October
- 'Life's A Gamble' community theatre project performance, 26 October
- 'Return of the Sacred Kingfisher Festival', 27 October
- Council elections, 27 October
- Fawknor Festa, 30 October – 3 November
- PepperTree Place Annual Garden Fiesta, 10 November
- Merlynston Diverse Voices Festival, 18 November
- Gowbanbrae Community Festival, 18 November

- Anatolian Alevi Festival, 25 November
- 'Transforming Australia – The Broadband Revolution and the Digital Economy' book launch, 26 November
- 'Life's A Beach' public discussion on climate change, 1 December
- Television and Computer Collection Weekend, 1–2 December
- Maurice Blackburn Oration, 5 December
- Carols by the Lake, 8 December
- 'Waste Not' documentary screening, 8 December
- 'Plant-a-gift' event, 10 December
- 'Seize the Day' community event, 15 December





MARCH QUARTER (2013)

- Launch of 'Active Moreland' website, 22 January
- Movies in the Park, 8 February
- Anatolian Peace and Friendship Festival, 10 February
- Councillors Strategic Planning Workshop, 15–16 February
- Movies in the Park, 15 February
- 'The Great Moreland Regifting', 16 February
- Ride to Pool Day, 17 February
- 'Flicks and Kicks' launch of free Wi-Fi in Harmony Park, 22 February
- Music for the People, 23 February
- 'The Miracles' exhibition, 25 January – 17 February
- 'Drawn Out' exhibition, 25 January – 17 February

- Greening Moreland Forum, 25 February
- Australia Day Citizenship Ceremony, 26 January
- 'Sound and Vision' exhibition, 1 March – 31 March
- Mayor's Charity Cup Final, 3 March
- Sydney Road Street Party, 3 March
- Brunswick Music Festival, 13 March – 24 March
- '3046: Festival on the Streets', 16 March – 28 March
- New technology session on 'eBooks and eAudio-books', 21 March
- Cultural Diversity Week launch, 22 March
- Harvest Festival, 23 March

JUNE QUARTER (2013)

- Indoor aquatic area of Brunswick Baths re-opened to the public, 19 April
- 'I Send Mixed Messages' exhibition, 12 April – 5 May
- 'My Dad The people Smuggler' exhibition, 12 April – 5 May
- 'Seize the Street' National Youth Week street party, 19 April
- Celebration of IDAHO, 17 May
- 'Witnessing The Intervention' exhibition, 17 May – 16 June
- 'Ghost Citizens' exhibition opening, 16 May
- Coburg Carnivale, 4 – 8 June
- 'Mayor for a Day', 9 June
- Council votes to accept \$250,000 grant for CCTV cameras, 12 June
- 'Detox Your Home' chemical collection, 18 June
- Refugee Week book discussion, 20 June
- 'Homeward Bound' public art exhibition launch, 27 June
- 'My River' exhibition opening, 28 June



Operations

MORELAND CITY COUNCIL ANNUAL REPORT 2012-13

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Coburg Town Hall in Bell Street Coburg

Governance Update

Moreland City Council delivers good governance to achieve a more socially and environmentally just and sustainable city. Council is strongly committed to fostering open, responsive and consultative governance.

Local government is the third sphere of government. The local government of Moreland derives its power, role, purpose and functions from the *Local Government Act 1989*. Moreland City Council is committed to providing good governance to the Moreland community.

Council believes local government is a legitimate form of government in its own right and is committed to nurturing a democratic and participatory culture at the first level of government. This includes consultative decision-making and meaningful opportunities for individual and community involvement in the issues that affect the lives of people who live, work and recreate in Moreland.

A strong sense of democracy in Moreland also demands that Council acts on its responsibility to represent the needs and aspirations of its citizens to other decision-makers and levels of government.

COUNCIL MEETINGS

Council meetings, at which decisions on issues affecting citizens are made, are held once a month. Council meetings provide citizens with an opportunity to witness the discussion and decisions of Council, to ask questions of councillors and to raise issues for Council to consider in its decision-making process. Outside of the formal agenda, citizens are given 30 minutes in which matters can be raised with Council. Council met 17 times during the reporting period 2012–13. Six of those meetings were Special Council meetings.

PROJECT AND PORTFOLIO COUNCILLORS

The roles of Mayor, portfolio councillors and councillors “Responsible for” were established to assist Council’s effective governance. In acting on behalf of Council, all councillor office holders strive to represent the views of Council. Actual authority is only exercised by Council itself or its authorised delegates. Councillor office holders are expected to assist Council in providing direction to the administration.

1 July 2012 to 27 October 2012 Councillor attendance at Council meetings

1 July 2012 to 27 October 2012	No. of meetings attended (Five meetings held)
Cr Lambros Tapinos	4
Cr Jo Connellan	5
Cr Alice Pryor	5
Cr Anthony Helou	5
Cr Stella Kariofylidis	5
Cr Michael Teti	4
Cr John Kavanagh	5
Cr Kathleen Matthews-Ward	5
Cr Oscar Yildiz	5
Cr Enver Erdogan	4
Cr Lenka Thompson	5

27 October 2012 to 30 June 2013 Councillor attendance at Council meetings

27 October 2012 to 30 June 2013	No. of meetings attended (12 meetings held)
Cr Lambros Tapinos	11
Cr Samantha Ratnam	12
Cr Meghan Hopper	12
Cr Sue Bolton	11
Cr Rob Thompson	12
Cr Michael Teti	7
Cr Lenka Thompson	11
Cr Oscar Yildiz	12
Cr John Kavanagh	12
Cr Helen Davidson	11
Cr Lita Gillies	11

Notes: Not all councillors were sworn in at the Special Council meeting on 1 November 2012 due to a recount in the North-East Ward. Cr Sue Bolton, Cr Rob Thompson, Cr Lenka Thompson and Cr Michael Teti were sworn in on 12 November 2012. All other councillors were sworn in on 1 November 2012. These councillors have not been counted as an apology for 1 November 2012 meeting.

Governance Update (cont.)

MAYOR

The Mayor's role is at the apex of Council structures in relation to policy-making and the setting of Council priorities. The political aspirations of the community are embedded in the role of the Mayor. The Mayor embodies the community's democratic leadership. The Mayor represents a primary form of accountability and responsible governance.

PORTFOLIO COUNCILLORS

Portfolio councillors provide leadership on behalf of Council in the area of the portfolio responsibility. Relationships between portfolio councillors and Council's departmental directors facilitate the capacity of the portfolio councillor to be informed about key departmental issues and the director to be aware of Council's position on relevant issues. Portfolio councillors keep the relevant director informed and are available to the Director for consultation. Directors ensure that portfolio councillors are kept informed of all relevant issues.

1 July 2012 to 27 October 2012

Council department	Portfolio councillor
City Development	Cr Jo Connellan
City Infrastructure	Cr Kathleen Matthews-Ward
Corporate Services	Cr Oscar Yildiz
Social Development	Cr Stella Kariofyllidis
Economic Development	Cr Lambros Tapinos
Organisational Development and Urban Safety	Cr Alice Pryor

12 November 2012 to 30 June 2013

Council department	Portfolio councillor
Planning and Economic Development	Cr Lambros Tapinos
City Infrastructure	Cr Michael Teti
Corporate Services	Cr Rob Thompson
Social Development	Cr Meghan Hopper and Cr Samantha Ratnam
Organisational Development and Urban Safety	Cr John Kavanagh

COUNCILLORS RESPONSIBLE FOR

The 'Councillor Responsible for' assists coordination between Council and community activity on key issues that require a specific focus from councillors, which may involve more than one portfolio area and which require a greater Council focus than usual for strategic or community relations reasons.

1 July 2012 to 27 October 2012

Key issue:	Councillor/s responsible for:
Accessible and Affordable Housing	Cr Kathleen Matthews-Ward
Aged Services	Cr Michael Teti
East Timor	Cr Enver Erdogan
Children	Cr John Kavanagh
Sustainability, Climate Change and Water	Cr Jo Connellan
City Amenity and Improvement	Cr Lambros Tapinos
Recreation and Leisure	Cr Oscar Yildiz and Cr Michael Teti
Social Diversity and Reconciliation	Cr Anthony Helou
Sustainable Transport	Cr Jo Connellan and Cr Alice Pryor
Status of Women	Cr Stella Kariofyllidis
Youth	Cr Alice Pryor

12 November 2012 to 30 June 2013

Key issue:	Councillor/s responsible for:
Accessible and Affordable Housing	Cr Lenka Thompson and Cr Sue Bolton
Aged Services	Cr Michael Teti
East Timor / Friendship Cities	Cr Lambros Tapinos
Children	Cr Rob Thompson
Sustainability, Climate Change and Water	Cr Lenka Thompson
City Amenity and Improvement	Cr Lita Gillies
Recreation and Leisure	Cr Lambros Tapinos and Cr Michael Teti
Social Diversity and Reconciliation	Cr Samantha Ratnam
Sustainable Transport	Cr Lenka Thompson
Status of Women	Cr Meghan Hopper
Youth	Cr Samantha Ratnam and Cr Helen Davidson

MAJOR COMMITTEES

Council has two major committees: the Urban Planning Committee; and the Audit Committee.

URBAN PLANNING COMMITTEE

The Urban Planning Committee (UPC) deals with planning and building applications as well as traffic management issues. All affected parties are provided with an opportunity to speak on applications and issues. This committee has a pivotal role in developing the quality of life in Moreland. In the reporting year, the committee met 12 times and considered 46 reports.

1 July 2012 to 27 October 2012 Councillor attendance at UPC meetings

1 July 2012 to 27 October 2012	No. of meetings attended (Four meetings held)
Cr Jo Connellan	4
Cr Alice Pryor	4
Cr Anthony Helou	4
Cr Stella Kariofyllidis	3
Cr Enver Erdogan	1
Cr Lambros Tapinos	3
Cr Lenka Thompson	4
Cr Michael Teti	2
Cr Kathleen Matthews-Ward	4
27 October 2012 to 30 June 2013	No. of meetings attended (Eight Meetings Held)
Cr Lambros Tapinos	8
Cr Samantha Ratnam	8
Cr Meghan Hopper	5
Cr Michael Teti	2
Cr Lenka Thompson	8
Cr John Kavanagh**	4**
Cr Helen Davidson	7

Notes: ** Cr John Kavanagh was appointed to the Urban Planning Committee in March 2013.

AUDIT COMMITTEE

Consistent with the requirements of the *Local Government Act 1989* and good corporate governance generally, Council has an Audit Committee. For public accountability purposes, Council has formed the committee under section 86 of the *Local Government Act 1989*. This means that formal meeting agendas are prepared, minutes are kept and the meetings are open for members of the public to attend. Audit Committee agenda papers and minutes are available for public inspection. The current charter and terms of reference of the Audit Committee were reviewed by the committee and an updated charter was adopted by Council in November 2009. The Moreland City Council Audit Committee Charter is generally consistent with the February 2011 best practice guidelines for audit committees titled *Audit Committees – A Guide to Good Practice in Local Government*.

The overall purpose of the Audit Committee is to provide a forum for communication between Council, management, and the internal and external auditors, and to assist Council in its oversight responsibilities by monitoring, reviewing and advising on:

- the external auditors' performance
- the independence and performance of the internal audit function
- the truth and fairness of the view given by the annual financial, standard and performance statements of Council
- Council's accounting policies and practices in accordance with current and emerging accounting standards
- fraud risk mitigation and investigation
- the management and exercise of delegations
- compliance with legal and regulatory requirements and policies
- compliance with Council's policy framework

Governance Update (cont.)

- Internal controls, the control environment, and the overall efficiency and effectiveness of financial operations
- Council's overall risk management, and business continuity policy and programs.

The committee is presently chaired by Cr Kavanagh, with two other councillor members, Cr Thompson and Cr Tapinos, the Chief Executive Officer Peter Brown, and three representatives external to Council's operations and governing body. Council is fortunate to have the continuing services of Mr Michael Francis (Managing Director of local Moreland company Pneuvay Engineering Pty Ltd), Mr Kevin Quigley (local resident, chartered accountant and business consultant) and Mr John Hoffmann (local chartered accountant). The committee met on four occasions during 2012-13.

Audit Committee Meetings 1 July 2012 to 30 June 2013

1 July 2012 to 31 October 2012

	No. of meetings held	No. of meetings attended
Cr John Kavanagh (Chair)	1	1
Cr Alice Pryor	1	1
Cr Lambros Tapinos	1	-
Mr Michael Francis	1	1
Mr John Hoffmann	1	1
Mr Kevin Quigley	1	1

1 November 2012 to 30 June 2013

	No. of meetings held	No. of meetings attended
Cr John Kavanagh (Chair)	3	3
Cr Lenka Thompson	3	3
Cr Lambros Tapinos	3	1
Mr Michael Francis	3	3
Mr John Hoffmann	3	3
Mr Kevin Quigley	3	3



Coburg Lake Reserve

STATE AND FEDERAL GOVERNMENT INVESTIGATIONS

Moreland City Council was not the subject of any state or federal government investigations.

DOCUMENTS CONTAINING PRESCRIBED MATTERS OPEN FOR PUBLIC INSPECTION

Council is committed to open and transparent governance and in accordance with the *Local Government Act 1989* (the Act) and Section 11 of the *Local Government (General) Regulations 2004*, the following documents are available for public inspection at Moreland Civic Centre, 90 Bell Street, Coburg:

- details of current allowances fixed for the Mayor, Lord Mayor (if any) and councillors under section 74 or 74A of the Act
- the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
 - (i) Ranges of remuneration of senior officers, where the difference between the lower amount and the high amount in each range must not exceed \$10,000; and
 - (ii) The number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i)
- details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by councillors or any member of Council staff in the previous 12 months, including the names of the councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel, including accommodation costs
- names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act
- a list of all special committees established by Council and the purpose for which each committee was established
- a list of all special committees established by the Council which were abolished or ceased to function during the financial year
- minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act
- minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings, which have been closed to members of the public under section 89 of the Act
- a register of delegations kept under sections 87, 88 and 98 of the Act, including the dates on which the last reviews under section 86(6) and 98(6) of the Act took place
- submissions received in accordance with section 223 of the Act during the previous 12 months
- agreements to establish regional libraries under section 196 of the Act

- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- a register of authorised officers appointed under section 224 of the Act
- a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant
- a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council
- a list of contracts valued at \$150,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more
 - (i) which the Council entered into during the financial year without first engaging in a competitive process; and
 - (ii) which are not contracts referred to in section 186(5) of the Act

Note: The act provides that an amount higher than \$150,000 may be fixed by Order in Council made under section 186(1) of the Act.

Inspection of these documents can be arranged by contacting the Manager Governance on 9240 2454.

CODE OF CONDUCT

Moreland City Council has developed a code of conduct for Councillors. It was endorsed by Council in March 2013.

Governance Update (cont.)

FREEDOM OF INFORMATION

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

Moreland City Council is subject to the FOI Act and responds to requests directly related to its operations.

There were 36 FOI requests processed in 2012-13. There were four requests granted in full, twenty-one in part and two requests denied in full. The others were either withdrawn or not proceeded with. There was no internal review requested. Of the 36 requests received, nine were planning or building related, five health / personal information related; the other requests seeking information on areas of Council. Of the requests that were partly denied, the most common exemption clause used was section 33(1), which relates to the unreasonable disclosure of information relating to the personal affairs of any person.

The FOI Act has four basic principles:

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

ACCESSING FOI

Requests to access FOI must be in writing and accompanied by an application fee of \$25.70 (effective 1 July 2013). Applicants should indicate in which form access is required.

On receipt of a request, a decision must be made within 45 days. Where a decision is made to refuse or defer access, the applicant will be notified in writing of the reasons for the refusal and the procedures available to appeal the decision.

For all enquiries to access information available to the public, or FOI, contact Council's Manager Governance on 9240 2454.

LOCAL LAWS

Council has the following local laws:

- Environmental and Civic Assets Local Law 2006
- Moreland City Council General Local Law 2007
- Meeting Procedure Local Law 2010.

WHISTLEBLOWER LEGISLATION

The *Whistleblowers Protection Act 2001* (the Act) commenced operation on 1 January 2002. With the introduction of the Victorian Government Independent Broad-based Anti-Corruption Commission (IBAC) it was replaced by the *Protected Disclosure Act 2012* in February 2013. The purpose of the current (and previous) Act is to encourage and facilitate the making of disclosures of improper conduct by Council officers or councillors.

The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

As required by section 58 of the Protected Disclosure Act, Moreland City Council has developed disclosure procedures to facilitate the making of disclosures under the Act. The procedures can be found on Council's website. During the period to 30 June 2013, there were no complaints referred to Council by the Ombudsman or IBAC.

All correspondence, phone calls or emails from internal or external whistleblowers should be addressed to Moreland City Council's Protected Disclosure Coordinator on phone 9240 2294 or email ithomas@moreland.vic.gov.au.

INFORMATION PRIVACY POLICY

Moreland City Council believes that the responsible handling of personal information is a key aspect of good democratic governance,

and is strongly committed to protecting every individual's right to privacy. Accordingly, Council is committed to full compliance with its obligations under the *Information Privacy Act 2000* (Vic) and the *Health Records Act 2001* (the Acts). In particular, Council will comply with the Information Privacy Principles (IPPs) and Health Privacy Principles (HPPs) contained in the Acts. Council's policy applies to all personal information held by Council.

For example, Council holds personal (and, in some cases, sensitive) information on its local citizens and ratepayers (e.g. names and addresses) in order to carry out its functions (e.g. planning, valuation and property services). It may also request personal information in order to provide education, welfare and other community services (e.g. child care services). In some instances, personal information may be contained on a public register (e.g. register of building permits, food premises and animal registration details).

The Information Privacy Policy applies to all Council employees, councillors and contractors of Moreland City Council. Training and awareness sessions, local procedures and a policy manual have been set in place to best ensure the protection of personal information and to provide strong security frameworks around its use and disclosure.

Any person wishing to access their personal information should contact Council's Privacy Officer on 9240 2294. If any citizen believes that their personal information is inaccurate, incomplete or out of date, they may request Council to correct the information. If any citizen feels aggrieved by Council's handling of their personal information, the individual may make a complaint to Council's Privacy Officer. The complaint will be investigated as soon as possible and a written response will be provided. Alternatively, any person may make a complaint to the Privacy Commissioner. During the period to 30 June 2013, there was one complaint referred to Council by the Privacy Commissioner.



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Useful links

Activity providers

Find an activity

Aquatic and leisure centres

Important announcements

Outdoor pool opening times



AWARDS AND CITATIONS

- Annual Report 2012 – Australasian Reporting Awards (Bronze)
- Aquatics and Recreation Victoria – Environmental Sustainability Award 2013
- Aquatics and Recreation Victoria – Sustainability Award for Fawkner Leisure Centre
- Earth Hour Community Challenge Winner in the 150,001 to 300,000 population category
- Finalist in 2013 LGPro Awards Special Projects Initiative – Brunswick Activity Centre Bicycle Corral Trial

- Finalist in LGPro Aged and Disability Services Awards, 2012 – Moreland Seniors Panel
- Finalist in the AHRI (Australian Human Resources Institute) Team Award
- Finalist LGPro Awards for Excellence – Innovative Carbon Management Action Project
- Food Act Report published by the Victorian Department of Health in 2012 cited Moreland's 'Don't dine unless you see this sign' communication with CALD communities
- LGPro Awards for Excellence, 2013 – certificate of recognition for Innovative Management Initiative

- Planning Institute of Australia (Victoria Chapter) President's Award and Best Planning Ideas Large Project Award for the Moreland Higher Density Design Code
- School crossing supervisor nominated for School Crossing Supervisor of the Year in the School Crossings Victoria Annual Awards held in July 2012
- Triennial Municipal Emergency Management Plan audit was passed and awarded to Moreland at above benchmark standards
- Victorian Sport Awards 2012 – 'Best Sports Development Initiative' – Active Moreland Website

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Council's People

OUR EXECUTIVE MANAGEMENT TEAM

Moreland City Council's executive team as at 30 June 2013 is shown below. The entire corporate management team is shown in the organisational chart that follows.



Peter Brown

Chief Executive Officer – Peter Brown

Bachelor of Engineering (Civil), Graduate Diploma of Municipal Engineering, Graduate Diploma (Urban Policy and Planning), MBA

Peter commenced his career in the private sector, undertaking structural and civil engineering projects. Peter has been in local government for 27 years in senior management positions. Joining Council in 2000 as Director City Works, he was appointed Chief Executive Officer in 2002.



Nerina Di Lorenzo

Director City Infrastructure – Nerina Di Lorenzo

Bachelor of Engineering (Civil), Bachelor of Business Administration (Management)

Nerina commenced her career in the private sector, delivering petrochemical and construction projects on the oil rigs of Bass Strait. Nerina joined local government 14 years ago, holding senior management positions in business improvement roles and engineering roles. Nerina was appointed Director City Infrastructure at Moreland in 2009.

The City Infrastructure group contains:

- City Operations (encompassing waste services, street cleansing and outdoor maintenance units such as roads and parks maintenance)
- Capital Works Delivery
- Strategic Transport and Property



James Scott

Director Corporate Services – James Scott

Bachelor of Business (Accounting), Chartered Accountant

James has a finance background and worked for commercial organisations in the airline and financial consulting sectors for 12 years before joining Council in 2002. He was appointed to the role of Director Corporate Services in July 2005. He was seconded to The Coburg Initiative as project director from April 2008 to February 2010.

The Corporate Services group contains:

- Citizen Services
- Finance and Business Systems
- Information Technology
- Governance
- Project Management Office



Kirsten Coster

Director Planning and Economic Development – Kirsten Coster

Bachelor of Applied Science (Town Planning), Masters of Business (Marketing)

Kirsten was appointed to the role of Director Economic Development in August 2009 returning to local government after a role as a director in the private sector for three years with a national town planning and economic development services consultancy. Kirsten has a strong background in economic development, land use strategies and major projects, having worked in these fields in both the private and public sectors for over 20 years.

The Planning and Economic Development group contains:

- City Development
- City Economy and Places
- City Strategy and Design



Andrew Day

Director Social Development – Andrew Day

Bachelor of Speech Pathology, Masters of Business Management (Organisational Change)

Andrew was appointed to the role of Director Social Development in February 2011. Andrew's background includes clinical and management roles in the health and not-for-profit sectors. He joined local government in 2005 and has held a range of management positions in the community wellbeing and organisational development areas. The Social Development group contains:

- Aged and Disability Services
- Cultural Development
- Youth and Leisure
- Social Policy and Early Years Services
- Friends of Aileu Project



Gerry Smith

Director Organisational Development and Urban Safety – Gerry Smith

Bachelor of Arts, Graduate Diploma (Management), MBA

Gerry's background covers experience in line-management, human resources, corporate planning and organisational development roles following a career as a logistics officer in the Australian Defence Force. Gerry has held management roles in HR management and corporate services in local and state government and the private sector before joining Council in 2007 as Executive Manager Human Resources. Gerry was appointed to the role of Director Organisational Development in October 2010. The Organisational Development and Urban Safety group contains:

- Council Planning and Performance
- Marketing and Communications
- Human Resources
- Risk and OH&S
- Urban Safety

Corporate Management Team

Structure as at 30 June 2013



Operational Outputs

SERVICE DELIVERY 2012–13

Details of the operational and service activity across selected services are given below:

Measure	Quantity
Waste sent to landfill (total tonnes)	29,385 tonnes
Landfill (average rubbish per dwelling)	465 kg
Paper and bottle recycling	13,970 tonnes ¹
Tonnes of green waste collected	8276.2 tonnes
Delivered meals total:	194,248
• Meals delivered to Moreland residents	145,246
• Whittlesea / Nillumbik Contract	48,822
Total home care hours delivered	144,000
Trees and shrubs planted	15,752
Number of library loans	1,309,161
Planning permit applications received	1152
Planning permit applications received for subdivision	310
Dogs and cats registered	10,462 dogs 4,737 cats
Kms of streets cleaned	37,815.5kms

CAPITAL WORKS 2012–13

Capital Works Projects delivered in the 2012–13 budget included:

✓ Aquatic and leisure centres	\$8,761,227
✓ Parks and reserves	\$4,124,426
✓ Roads and carparks	\$3,955,794
✓ Civic buildings	\$2,441,639
✓ Pavilion and sports clubs	\$2,316,476
✓ Transport management	\$2,061,705
✓ Footpaths and bike paths	\$1,835,732
✓ Libraries and cultural buildings	\$1,688,308
✓ Climate change	\$1,521,709
✓ Community use facilities	\$1,455,008
✓ Information technology	\$1,226,658
✓ Coburg 2020	\$1,004,165
✓ Library collection	\$887,188
✓ Council fleet	\$876,432
✓ Early years' facilities	\$809,897
✓ Drainage	\$669,320

¹ Estimate only based on actual numbers for first 11 months.

Community Satisfaction

Each year, Moreland participates in a survey of local government services administered by the Department of Planning and Community Development. The survey aims to provide data so individual councils can track the views of their residents over time.

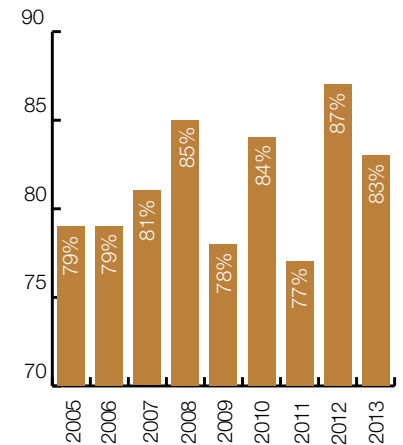
In 2012, Moreland scored 87% for overall performance while, in 2013, scored 83%, showing a small decrease in satisfaction.

Twenty Council services were surveyed, with four of these receiving ratings above 90%. The area of Council that received the highest rating was family support services (96%). This was followed by arts centres and libraries (94%),

community and cultural activities (94%), recreational facilities (92%), environmental sustainability (89%) and customer service (89%).

The lowest levels of satisfaction were for planning and building permits at 64%, planning for population growth in the area at 64%, and the condition of local streets and footpaths in your area at 59%.

Community satisfaction with local government



Source: DPCD Community Satisfaction with Local Government Survey



Patrons at Brunswick Baths outdoor pool

Our Human Resources

WORKFORCE DATA

As at 30 June 2013, Council had 1,105 employees. The profile of Council's workforce by gender, department and status (full-time, part-time or casual) is shown below:

Department	FT			PT			CASUAL			TOTAL		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
CEO Group	1	2	3	1	0	1	0	0	0	2	2	4
City Infrastructure	26	189	215	3	4	7	0	1	1	29	194	223
Corporate Services	41	32	73	38	5	43	5	0	5	84	37	121
Planning and Economic Development	38	22	60	15	2	17	0	0	0	53	24	77
Organisational Development and Urban Safety	40	42	82	40	18	58	2	2	4	82	62	144
Social Development	93	36	129	230	32	262	108	37	145	431	105	536
Totals	239	323	562	327	61	388	115	40	155	681	424	1105

INDIGENOUS EMPLOYMENT

Council has capacity to offer two traineeships per year for indigenous residents in the Moreland and adjacent areas. In the financial year of 2012–13, one indigenous trainee was employed and the remainder of the funding for the program was used to fund a temporary part-time role for the previous year's trainee. Council engaged Apprenticeships Plus to facilitate a mature-age indigenous trainee. Whilst working at Moreland, she will complete a Certificate III in Business. Upon completion of this traineeship, an employment opportunity will be made available for the trainee.

WORKPLACE RELATIONS

The Moreland City Council Enterprise Agreement (2012) was certified and implemented on 21 December 2012 with staff briefing sessions held across Council to highlight the key changes to conditions of employment and work practices.

A number of successful initiatives occurred throughout the year including a review of the Waste Services Unit in consultation with the Australian Services Union that resulted in significantly improved work practices producing higher levels of customer service at lower cost.

Also, throughout the year funding for the Inclusion Support Agency ceased in December 2012 and affected staff were successfully redeployed into other roles and contracts within the Social Development Directorate.

The Council Employee Code of Conduct was completely revised and updated with a new look and incorporating the Organisational Values that have been adopted by the Council and all Council staff.

Workplace relations throughout the year remained harmonious, with one day lost due to industrial action by waste services operators in October.

	2008–09	2009–10	2010–11	2011–12	2012–13
Number of days lost due to industrial dispute	14	0	18	0	1

Our Human Resources (cont.)

BUILDING WORKPLACE CULTURE

Our Values

During 2012, a major activity was conducted to refresh, introduce and embed the newly revised organisational values. Thirty employees volunteered to be trained as values champions to support the delivery of the program. All staff participated in a values workshop where they were familiarised with the behaviours associated with each value and how to apply the values in their daily work and decision-making. Internal systems and processes were adjusted to incorporate the values and they also form part of the employee performance management system. The values have been very well received and are now integral to the Moreland workplace culture.

Performance

The use and implementation of service unit plans has continued with an emphasis on measuring and improving performance. Each service unit has a number of measures and actions in place that link to organisational priorities in the *Council Plan 2013-17*. Service unit plans have been developed for 100% of services using the Results Based Accountability methodology. These actions were the focus for service delivery in 2012.

The Organisational Culture Inventory (OCI) measures the operating culture and employee experience within an organisation. This survey is run every three years and is due again in 2013-14. Line managers will participate in result debriefings, and will design and implement action plans with their units.

LEARNING AND DEVELOPMENT

Developing our Leaders: "Aim for Blue"

The "Aim for Blue" leadership development program supports the move towards a more constructive and higher performing workplace culture through a combination of tailored workshops and development activities designed to build existing leadership capability, and to enhance the confidence of leaders when interacting with staff.

The programs aim to support the development of our leaders at all levels. "Aim for Blue" explicitly links these programs to our Human Synergistics culture measurement tools: Organisational Culture Inventory (OCI) and Life Styles Inventory (LSI).

The "Aim for Blue" program in 2012-13 continued to focus on contributing to a positive culture at Moreland City Council by investing in its leaders.

The 2013-14 Aim for Blue Program will introduce a number of coaching workshops. Coaching has been identified as a skills development opportunity for staff in positions of influence and these programs will support the organisation's shift towards a coaching culture.

E-Learning

Moreland City Council has continued to use e-learning as a training delivery tool for staff. This web based e-Learning system delivers compliance, induction and various personal development training online with a course library of over 400 different courses from which to choose.

Throughout the year, 414 different e-learning courses were assigned to staff with a total of 257 staff undertaking online courses.

Corporate Training Program (including OHS)

Council is deeply committed to developing its staff in order to enable people to reach their potential and to perform at higher levels in their jobs.

Throughout the year, 144 separate training programs were run, with 1,481 staff undertaking corporate training (including OH&S training). The programs conducted under the Corporate Training Program are shown below:

Corporate Training 2012-13 (including OHS)

Training Category	Number of attendees (instances)	Number of courses run
OH&S	428	36
Business	273	24
Leadership	215	20
Diversity	70	6
Lifestyle and Wellbeing	85	7
Compliance	221	16
Systems/Finance	189	35
Overall Total	1,481	144

Occupational Health, Safety and Risk

OCCUPATIONAL HEALTH AND SAFETY

Council is committed to ensuring a safe and healthy environment for its employees, contractors, visitors and members of the public affected by our workplace activities. Council's commitment is stated within its Occupational Health & Safety (OH&S) Policy. The policy states that Council's overall workplace safety objective is to eliminate all work-related incidents, illnesses and injuries, as far as reasonably practicable and to provide a safe, productive workplace that promotes and enhances the quality of working life, and enhances Council's ability to provide quality services to the community.

Council strives, through a process of continuous improvement, to fully integrate health and safety into all aspects of its activities. Council has committed to ensuring that all legislative requirements are being met and that a safety management system is in place to provide a preventative and systematic approach to OH&S. To facilitate compliance, and to continually improve on the management of OH&S, Council has developed an OH&S Strategic Plan 2011–14 containing six key strategic objectives to be actioned over a three-year period. Actions undertaken in 2012–13 included:

- 21 units across Council achieved recertification of their SafetyMap accreditation and two new units became SafetyMap accredited.
- Three defibrillation units were installed across Council at Glenroy Library, Brunswick Library and Coburg Library.
- There was a continued focus on raising awareness of OH&S throughout the organisation, with a strong emphasis on improving incident reporting timeframes.
- Council's consultation processes continued to operate effectively with all OH&S committees functioning and meeting regularly.
- The OH&S & Risk team continued to work with high risk areas to undertake risk assessments, mitigate risks and identify areas for improvement.

CORPORATE TRAINING PROGRAM – OH&S TRAINING

Throughout the year, 39 OH&S training programs were run with 517 staff undertaking OH&S training. The OH&S programs conducted under the Corporate Training Program are outlined below:

OHS Training 2012–13

Course	Number of courses run	Number of staff attended (instances)
CPR	7	95
Defensive Driver Training	1	16
Fire Warden	1	14
First Aid Level 2	6	85
Heavy Vehicle Driver Training	4	40
Manual Handling	5	81
Noise Awareness	2	27
Occupational Violence Prevention	3	45
Asbestos Awareness	1	16
Dangerous Goods and Hazardous Substances	1	6
OHS Rep 5 Day Training	1	1
OHS Rep Refresher Training	2	29
Work Safe at Heights	1	13
OH&S, Risk & Injury Management Training	2	31
Plant Safety Training	2	18
Overall Total	39	517



Keeping the streets of Moreland clean

Occupational Health, Safety and Risk (cont.)

MORECARE – INJURY MANAGEMENT

In 2012–13 there was a slight decrease in the number of incidents and injuries reported by 6% and 10% respectively, when compared to the previous year. However, due to the nature of the reported injuries, the number of workers' compensation claims have increased slightly when compared to last year.

The following initiatives were implemented to assist in preventing injuries and, if an injury is sustained, to assist employees to return to their pre injury work and life as soon as possible:

- The Early Intervention Program continued to be successful, with the majority of injuries being musculoskeletal in nature, accounting for 55% of all injuries this year. Council has found the Early Intervention Program to be extremely effective in managing minor injuries by reducing recovery times and, in turn, the impact on the employee and their workplace.

- Manual handling continues to be a major contributor to how the injuries occur. As a result, the Manual Handling Internal Reference Group was established in 2012 to develop strategies to reduce the number of these types of injuries. The group developed an action plan with five key actions moving forward. The action plan is currently being implemented.
- OH&S, Risk and Injury Management Workshops continued to be rolled out to all supervisory staff through the Corporate Training Calendar to improve their knowledge and awareness in these key areas.
- The majority of claims in 2012–13 were sustained within high risk areas in Social Development and City Infrastructure, namely: Home Support, Libraries, Open Space and Street Cleansing. Citizen Services, and Parking and Local Laws have also reported a notable number of injuries in 2012–13. Of all employees who lodged a claim in 2012–13, four employees still remain unfit for any work.

MOREHEALTH – EMPLOYEE HEALTH AND WELLBEING

The Health and Wellbeing Program is designed to support employees in managing their own health and wellbeing through education and by providing them with tools to make better decisions. During the year, employees participated in self-funded pilates and meditation, WorkHealth checks, the Global Corporate Challenge (walking challenge), fitness testing and advice, skin checks as well as seminars covering topics such as men's health, women's health, cardiovascular health, diabetes and a number of other relevant initiatives.

RISK MANAGEMENT

Risk management continues to be a strong focus at Council. Risk has been integrated into Council's business planning and is reinforced through projects and procurement.

The service unit risk registers are regularly reviewed and the Corporate Risk Register reviewed and updated every six months with high and extreme risks identified and treatment plans established to manage those risks. The Corporate Risk Register has been endorsed by the Audit Committee.

Risk management is integral to Council operations and, as such, OH&S and risk management workshops are regularly held for supervisors and leaders across the organisation as part of the Corporate Training Calendar.

The MAV Risk Management Audit was held on the 28 February 2013. Council received an overall score for the 2012–14 Audit of 83%, a significant improvement on the 2010–12 score of 69% (review in 2012 was 73%). The audit assesses Council's risk management processes for Organisational Risk Management, Reactive Risk Management, Asset Facilities Management, Special Committees and Building Services/ Town Planning.

Injury Management Results

	2008–09	2009–10	2010–11	2011–12	2012–13
No. of incidents reported (inc. injuries)	272	269	295	385	361
No. of injuries reported	175	181	190	241	217
No. of claims	34	28	26	18	21
Average claim cost \$	\$35,276	\$23,702	\$16,295	\$42,574	\$44,314
No. of days lost	1545	324	214	601	529
Employees returned to work	22	15	15	14	17
Number return to work	3	0	1	0	4

*For return to work information, only time lost claims have been included in the above count.

Best Value

The MoreValue Program is Council's chosen vehicle to deliver on the Best Value principles outlined in Section 208A of the *Local Government Act 1989*. The Act requires that:

All services must:

- *Meet quality and cost standards*
- *Be responsive to community needs*
- *Be accessible to those for whom it is intended*

A council must:

- *Achieve continuous improvement in its provision of services*
- *Develop a program of regular consultation with its community in relation to the services it provides*
- *Report regularly, at least once a year, on its achievements to its community in relation to the Best Value principles*

Following a review of the MoreValue program in 2011, two Council services were piloted for review using the revised MoreValue methodology during 2012–13. Reviews of Council's Civic Facilities Service (incorporating Bookings and Events Management and Council Facilities Management) and Community Transport Service were conducted.

These piloted reviews were evaluated for their effectiveness in delivering on the Best Value principles. Findings from the evaluation of the pilots will assist Council to further refine and improve the MoreValue program.

In addition, a discussion paper was circulated within the organisation, which proposes a uniform approach to continuous improvement across Council services. A further proposal designed to drive continuous improvement within Council will be proposed in late 2013, after appropriate organisational consultation.

A number of initiatives were or are being implemented across the organisation to drive service improvement and deliver best value outcomes, including:

- Completion of a benchmarking exercise relating to Council's

Waste Services and the implementation of benchmark outcomes to improve customer service levels at reduced cost.

- Implementation of a renewed Customer Service Strategy.
- Implementation of Council's Digital Local Government Project. This initiative has developed 10 customer service "How to" videos.
- An improved service standard for customer enquiries and complaints, with Council's target of 80% exceeded. A rate of 82% completed on time was achieved in the last quarter of 2012–13.
- An improved customer response by the Transport Development team. The percentage of requests responded to within the set timeframe increased from 63% to 71%.
- Improved response times for land use planning development referrals. Average response times reduced from 40 days to 31 days.
- Introduction of state-of-the-art parking management technology and procedures to enable Council's Urban Safety Parking Operations Unit to achieve key service goals of community safety and improved parking access. These include:
 - Implementation of new fully integrated handheld ticketing devices;
 - Use of in-ground sensors (pods) which detect overstaying vehicles; (Moreland is the first council to implement an operational live back-to-base reporting of pod alarms, enabling more efficient use of officer resources)
 - Introduction of one-up patrols during business hours;
 - Implementation of foot patrols allowing better interaction with the general public.

- An improved community information access through:
 - The deployment of mobile on-line self-service capabilities. This has included the implementation of web-for-mobile devices and the introduction of two on-line forms designed for mobile devices.
 - A 30% increase in the proportion of online transactions for common processes (e.g. animal registration renewals, and infringement payments) available online via the Council website.
- Completed a review of Council's Accounts Receivable function. This review resulted in an enhanced credit control process.

Performance

MORELAND CITY COUNCIL ANNUAL REPORT 2012-13

OVERVIEW

OPERATIONS

PERFORMANCE

FINANCIALS



*Basketball courts in Victoria Street
West Brunswick*

PERFORMANCE REVIEW: A Sustainable and Just City

Achievements

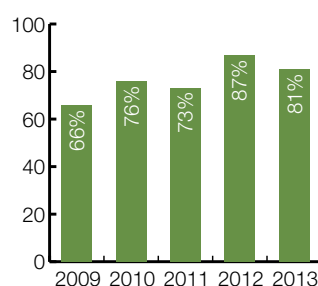
Challenges

Climate change	<ul style="list-style-type: none"> Implemented Carbon Management Strategy to achieve a 500 tonne reduction in CO₂e for buildings. Through the Sustainable Design Assessment in the Planning Process (SDAPP) program, achieved greenhouse gas savings of over 2,600 tonnes CO₂e (equivalent to taking over 500 cars off the road for one year) and water savings of 37ML (equivalent to 15 Olympic swimming pools), compared with conventional designs. Delivered projects focusing on reducing potable water consumption, reducing storm water pollution and increasing the use of treated storm water. 	<ul style="list-style-type: none"> Implementation of energy efficient Public Lighting Project (stage 1) has been delayed due to contract issues. The review of the Moreland Climate Action Plan has been re-scheduled for 2013-14. The update of the Integrated Water Management Plan has been re-scheduled for 2013-14.
Local economy	<ul style="list-style-type: none"> Progressed Brunswick Place Framework, with stages 1 and 2 completed, and stage 3 drafted. Commenced preparation of the Glenroy Place Framework; a final draft is expected to be completed by end of August 2013. Implemented Shopping Strip Renewal Program, including construction of Tyson Street and Justin Avenue, and design work for Anderson Road, with construction planned in 2013-14. Invited Expressions of Interest for the development of selected sites in The Coburg Initiative area. A heads of agreement was signed for a hospital project. Invited Expressions of Interest for a suitable partner to fund café/restaurant facility at Harry Atkinson Centre in Coburg Lake precinct. Following the decision not to proceed with the development management agreement with Equiset, a new approach to releasing one development cluster at a time was agreed to by Council in February 2012. An advisory group was also endorsed by Council and will be established when heads of agreement have been confirmed for two key development clusters. A five-year extension to the agreement was secured for the use of the former Brunswick Secondary College Senior School from the state government for the purpose of the Brunswick Business Incubator. 	<ul style="list-style-type: none"> The design and documentation of the Sydney Road Coburg streetscape beautification project between Bell Street and Munro / Harding Streets is behind schedule but is expected to be completed by September 2013.

%

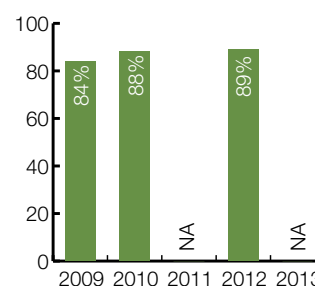
(Moreland Community Indicators Survey was not administered in 2011 or 2013)

Satisfied with business and community development and tourism



Source: DPCD Community Satisfaction with Local Government Survey

Agree there are good parks and open areas in the neighbourhood



Source: Moreland Community Indicators Survey

PERFORMANCE REVIEW: A Sustainable and Just City (cont.)

Achievements

Challenges

Transport and mobility	<ul style="list-style-type: none"> Implemented a proactive Rights of Way (ROW) maintenance program. Developed a proactive ROW sales program. Implemented the pedestrian strategy, including improved streetscapes, more trees, improved shade, improved seating and appropriate lighting on principal pedestrian routes. Successful operation of Parking Overstay Detection Systems (PODS) and installation of new PODS in areas that require tighter enforcement and data collection. Investigated community bus link to transit points and major roads. Undertook a range of advocacy activities relating to a range of transport issues, including: better co-ordination between public transport modes; bike racks on buses; longer and more accessible trams on Moreland tram routes; more bike parking and storage at railway stations; more low floor buses, and accessible stops and tram routes; more pedestrian crossings on busy (arterial and major) roads; upgrade of the Upfield line; changes to Zone One and Zone Two boundaries, particularly on the bus routes in the north of the municipality; grade separation (underpass) in Glenroy and expansion of Craigieburn bike path. 	<ul style="list-style-type: none"> <i>Newlands Rd Bicycle path was unable to be completed due to structurally unsafe adjoining bluestone wall. Minor projects were brought forward. However, resource constraints limited any additional works that could be completed.</i> <i>Council has endorsed a preferred solution to achieve the proposed Glenroy grade separation but the state government is not prepared to endorse in principle or acknowledge this solution. A Regional Grade Separation Project will commence in partnership with Darebin City Council in 2013-14.</i> <i>No state government funding was allocated for the expansion of the Upfield bike path in 2012-13. Council is pursuing alternative options with M80 team and VicRoads.</i>
Infrastructure and open space	<ul style="list-style-type: none"> Completed detailed design for Sussex Neighbourhood House. Completed Public Realm and Infrastructure Strategy for Brunswick, including Transportation Study. Conducted first stage of review of land used as open space in Moreland to identify ownership and inappropriately-zoned land. Commenced construction of facilities at CB Smith Reserve. Installed exercise equipment at Brearley, DeChene and CB Smith reserves. Completed design work for Mechanics Institute/ Dawson Street streetscape improvements. Commenced using Community Infrastructure Framework to inform community infrastructure planning. Adopted and continued implementing the Public Toilet Strategy. Increased annual tree planting by 500 trees. Completed a review of Neighbourhood House Strategy. Council endorsed short-term use and development of the Glenroy Primary School site. Completed design work for stage 1 of Coburg Town Hall upgrade. Signed contract for the purchase of the Northern Golf Course site. Advocated against inner city councils being required to comply with the Electrical Safety (Line Clearance) Regulations 2010 to the same extent as rural councils. Continued to investigate opportunities for shared use agreements for use of open space with local primary and secondary schools, including Glenroy West Primary School. Draft Shared Use Policy completed. Progressed shared use agreements for Glenroy West Primary School. 	<ul style="list-style-type: none"> <i>Consultation and masterplan for Fleming Park buildings and open space was delayed.</i> <i>A feasibility study on the use of the Brunswick Civic and Arts Precinct, including resolution of a community hub and the Saxon Street property, was delayed.</i> <i>Discussions are continuing to secure the future of the Koori School in Glenroy for community benefit.</i>

PERFORMANCE REVIEW: A Proud City

Achievements

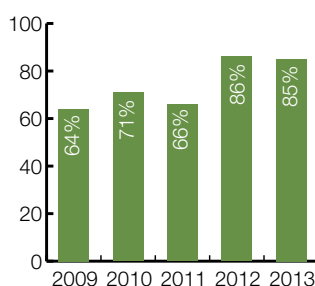
Challenges

Celebrations	<ul style="list-style-type: none"> Conducted a range of local festivals and special events, including: Fawkner Festa; Carols by the Lake; Movies in the Park; Music for the People; 3046 Festival on the Streets; and, Coburg Carnivale. 	<ul style="list-style-type: none"> <i>A new funding stream is currently being developed for community-initiated festivals and events in areas of the municipality with limited Council-provided arts activity. Funding round expected to commence in October 2013.</i>
Creativity	<ul style="list-style-type: none"> Completed and launched Glenroy Public Art Project. Held 12 exhibitions at the Counihan Gallery. Held 'MoreArt' exhibition from 30 September to 28 October and displayed a program of ephemeral installations in March through the 'Watch this Space' Public Art program. Held 'Picture This' exhibition at the Counihan Gallery In Brunswick from 5 July to 5 August 2012, featuring the works of indigenous artists. 	
Sector recognition	<ul style="list-style-type: none"> Participated in the sectoral campaign for the Constitutional recognition of local government. 	<ul style="list-style-type: none"> <i>Plans to hold a referendum on the Constitutional recognition of local government together with the federal election were scrapped alongside the announcement of a new poll date.</i>
Waste and litter	<ul style="list-style-type: none"> Commenced implementation of recommendations of the Waste Services Review. Completed detailed service reviews for: street sweeping; footpath sweeping; litter bin collection; and, shopping centre cleaning. Completed detailed service reviews for bike path sweeping and lane cleaning and spraying. 	<ul style="list-style-type: none"> <i>The review and update of the Waste and Litter Strategy will be completed in late 2013.</i> <i>A review of the Area Integrated Maintenance program was postponed pending related services reviews within the Street Cleansing Unit.</i> <i>Whilst the Waste and Litter Strategy action plan actions were implemented, development of a policy for Waste and Litter at Sporting Clubs was delayed to ensure input from new councillors.</i>

%

(Moreland Community Indicators Survey was not administered in 2011 or 2013)

Satisfied with appearance of public areas



Source: DPCD Community Satisfaction with Local Government Survey

Agree the area is a good place to live



Source: Moreland Community Indicators Survey

PERFORMANCE REVIEW: A Healthy and Educated Community

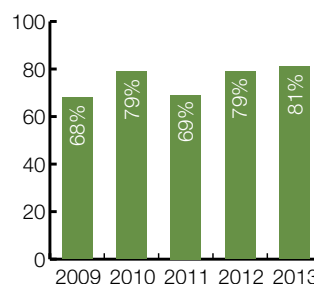
Achievements

Challenges

Ageing	<ul style="list-style-type: none"> Continued participation in the Regional Kitchen project, delivering 500 meals. Pursued opportunities through technology to improve aged services to the Moreland community. Partnerships developed with Vision Australia, LaTrobe University, Melbourne Health, Melbourne University, NARI, and City of Whittlesea to develop partnership projects and funding submissions. Progressed 'Ageing Well At Home with Broadband' project in line with schedule. Deployed iPads for use by assessment officers. Developed Elder Abuse Prevention Toolkit with the Moreland Aged and Disability Services network. Held successful Seniors Expo in October. Christmas functions were well attended. Easter Luncheon took place in April. 	
Community engagement	<ul style="list-style-type: none"> Promoted key Council Initiatives using social media, such as the Town Hall online voting platform, which was used for a number of significant consultations, including the community plan and the funding for CCTV issue. Distributed <i>Inside Moreland</i> Magazine in June 2013. Commenced re-design of the Council website to meet WCAG 2.0 accessibility requirements. 	<ul style="list-style-type: none"> <i>Development of a 10-year community plan has been delayed. A draft framework and staff facilitation training were delivered, and engagement activities were completed. A draft plan will be released for further public consultation in early 2014.</i> <i>'Digital Moreland Strategy' will need to be refined and re-focused in light of the slow roll out of NBN and other changes in the community uptake of digital technology. This will encompass the major objectives of the Social Media and Digital Communications Strategies.</i>

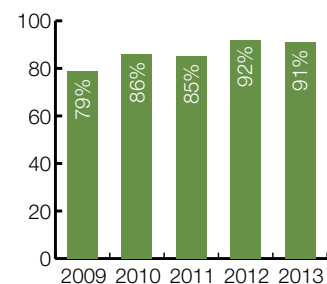
%

Satisfied with community consultation and engagement



Source: DPCD Community Satisfaction with Local Government Survey

Satisfied with recreational facilities



Source: DPCD Community Satisfaction with Local Government Survey

Achievements

Challenges

Community services	<ul style="list-style-type: none"> Commenced structural repairs and improvements to the Brunswick library. Commenced building an e-book collection, including a contract with Wheelers, with 2,000 titles available. A contract with Overdrive resulted in additional titles being available. Installed four self-service kiosks and security gates at the Coburg Library, two self-service kiosks at the temporary Brunswick Library, three self-service kiosks and security gates at the Glenroy Library, and security gates only at the Fawkner Library. Established Library Facebook site. Developed mobile accessibility, including the library catalogue. Maintained library program of activities for children and young people, including: weekly Story Time and Rhyme Time sessions; one monthly book group; program of school holiday activities; short story competition and Summer Read Fest for adults and juniors; talks and presentations to preschools and crèches. Facilitated a program of activities and initiatives to foster early literacy development, including provision of BookStart Kits to all newborns in Moreland and talks promoting the benefits of reading. Facilitated access to digital media, including: provision of internet tours; peer support introduction to the Internet for over 55s; provision of free access to a range of subscription databases; and, introductory sessions to new and emerging technologies. Facilitated a series of book groups, book chat sessions, and new materials promotional events, with an emphasis on targeting the culturally and linguistically diverse (CALD) community. 	<ul style="list-style-type: none"> <i>Implementation of Child Friendly City aspects of Early Years Plan has been delayed. An early years development officer role commenced in February 2013. The focus of this role is on furthering the Child Friendly Cities agenda, including undertaking an audit of progress regarding the implementation of the Early Years Plan.</i>
Education	<ul style="list-style-type: none"> Advocated a number of education improvements, including increased year 12 retention rates, increased rate of secondary education, and provision of education appropriate to local job opportunities. Continued to advocate for a year 7-12 secondary school in Coburg through participation in planning for the new high school. 	
Health	<ul style="list-style-type: none"> Implemented Moreland Playground Strategy. Brearley, DeChene, Mott, and stage 1 of Shore Reserve playgrounds completed in line with program. Inspected all food premises in municipality. Delivered 'Life's a Gamble' theatre project. Completed and launched 'Reclaim the Game' project with Moonee Valley Council. 	

PERFORMANCE REVIEW:

A Healthy and Educated Community (cont.)

Achievements

Challenges

Sport and recreation	<ul style="list-style-type: none"> Completed detailed design for Oak Park Aquatic Centre. Implemented Single Service Contract for aquatic facilities. Universal membership commenced in July 12. Active Moreland Branding rolled out successfully. Implemented Tennis Court Strategy and explored options for a tennis court at Gowanbrae. Reaburn Reserve Tennis/Netball Courts completed. Completed Brunswick tennis courts. Commenced Harold Stevens Athletic Track refurbishment. Installed lighting at Hosken Reserve Sportsfield. 	<ul style="list-style-type: none"> <i>Development of Sports and Recreation Strategy has been delayed by several months.</i> <i>Staged opening of re-developed Brunswick Baths has been delayed due to issues with outdoor pool during construction. Dry facilities opened in March, indoor aquatic facilities opened in April. Aiming to open outdoor 50m pool in December 2013.</i> <i>Construction of Oak Park Aquatic Centre has been delayed to enable the business case to be developed. Business case analysis is being undertaken to confirm the scope of the project as a first step. This will be completed in August 2013, presented to the board and councillors, and will then inform the design. Once the design is confirmed, funds will be sought for construction.</i>
Youth	<ul style="list-style-type: none"> Delivered 'Flicks and Kicks' event (outdoor movies), which was attended by up to 500 young people. Commenced extension to CB Smith Skate Park in Fawkner. Commenced installation of multi-purpose sports court at Shore Reserve, Pascoe Vale South as part of the redevelopment of the reserve. Established the Moreland Youth Network, which has successfully engaged a range of stakeholders across schools, agencies and the business sector. Delivered FReeZA program. Seven events held in 2012-13. The FReeZA committee (comprised of 22 young people) and over 1,000 young people attended the events. Held a series of skate clinics and a skating competition in February and November respectively. A new partnership with Skateboarding Australia was established to activate city skate parks. Continued provision of a number of activities and events to engage young people from newly-arrived backgrounds, including social soccer programs, school-based dance programs, life skills programs, and 'Dance Sister Dance' social event. Offered a number of activities and programs for young people to be active, including health and fitness, social soccer, lunch-time dance sessions in schools, skate clinics and competition, and dance events. 	<ul style="list-style-type: none"> <i>The opening of the OxYgen youth space and delivery of youth services was delayed by several months. The planning application for a masterplan was approved and stage 1 delivered on time and within budget with minor delays due to power and gas connection which has delayed the start of operations. OxYgen is expected to be operational by August 2013.</i>

PERFORMANCE REVIEW: A Responsive Organisation

Achievements

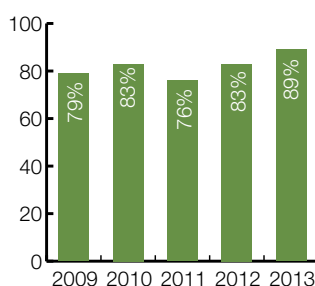
Challenges

Advocacy	<ul style="list-style-type: none"> Advocated for more funding from other levels of government to keep up with an increasing demand for services and asset renewal. Advocated for an increase to scheduled planning permit and amendment fees. MAV has subsequently written to Council advising that it met the Minister who stated that the fees will be reviewed and finalised in the 2013–14 financial year to provide greater cost recovery for councils. 	
Business improvement	<ul style="list-style-type: none"> Developed and tested an e-recruit system. Achieved 91% Performance and Development Review completion rate. Implemented improvements in policy development practices to maximise the use of policy development skills across the organisation. Maintained effective relations with government on key policy issues affecting the municipality. Developed 100% of service unit plans using Results Based Accountability methodology. Completed 81% of actions in service unit plans. Completed Review of Community Transport. 	<ul style="list-style-type: none"> <i>Further development of performance measures is needed for each service using the Results Based Accountability methodology.</i> <i>The roll-out of a project management system to consolidate and standardise corporate reporting has been delayed until 2013–14.</i> <i>Implementation of a revised MoreValue program will proceed in 2013–14 following an evaluation of two pilot reviews carried out in 2012–13.</i>
Corporate planning	<ul style="list-style-type: none"> Developed a new <i>Council Plan 2013–17</i>. 	

%

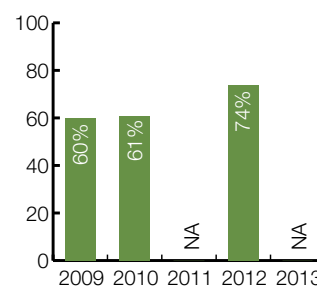
(Moreland Community Indicators Survey was not administered in 2011 or 2013)

Satisfied with customer contact



Source: DPCD Community Satisfaction with Local Government Survey

Agree are adequately informed about Council activities such as festivals and events



Source: Moreland Community Indicators Survey

PERFORMANCE REVIEW: A Responsive Organisation (cont.)

Achievements

Challenges

Customer service	<ul style="list-style-type: none"> Completed waste services benchmarking project and commenced implementation. Adopted a new Domestic Animal Management Plan. Achieved a rate of 82% for customer service requests completed on time. Implemented a program to address high risk outstanding building matters. Implemented a renewed Customer Service Strategy. Improved customer service response times for transport-related Customer Request System (CRS) from 63% to 71%. Reduced development advice average response time from 40 days to 31 days. Improved enforcement of animal management, including: introduced weekly patrols of all off-lead parks; increased number of registrations; and, introduced out-of-hours on-call service. Deployed mobile on-line self-service capabilities, implemented website access for mobile devices and five new online planning applications general enquiry forms for mobile devices. Improved community access to Council services by increasing the proportion of online versus non-online transactions for common processes available via the Council website. Of 2012-13 common processes available online, 72% are performed via self-service transactions (online and agency) versus 28% manually. 	<ul style="list-style-type: none"> <i>Although behind schedule, implementation of a proactive swimming pool compliance and essential safety measures program is underway and will become ongoing in 2013-14.</i>
Democratic governance	<ul style="list-style-type: none"> Conducted an extensive 'Enrol to Vote' campaign in the lead up to local council elections. Facilitated the running of a council election, meeting all statutory requirements. 	
Financial management	<ul style="list-style-type: none"> Ensured budget outcomes are in accordance with Five Year Financial Plan; 2012-13 Budget adopted in June 2012 with a break-even funding position; 2011-12 actual accounts received Auditor-General's unqualified approval and an overall green light for financial sustainability. 	<ul style="list-style-type: none"> <i>An airspace use feasibility study of Council car parks was delayed. Timelines have been revised and reported to Council. The project will be progressed further once the outcomes and learnings from the expression of interest and request for proposal process for the pilot site are known.</i>
Workplace culture	<ul style="list-style-type: none"> Finalised and implemented a new Enterprise Bargaining Agreement. Put in place treatment plans for all risks on the Corporate Risk Register. Implemented Occupational Health and Safety systems which meet statutory requirements, and maximise the health and safety of the Council work environment. Adoption of new Employee Code of Conduct. 	<ul style="list-style-type: none"> <i>There were delays in preparing a draft Organisational Development Strategy, which is yet to be endorsed by the executive group.</i>

Performance Statement

Key Strategic Objective	Activity	Measure	Target	Result	Comment
KSO 1: Collaborate with the community and respond actively to climate change	Complete implementation of energy efficient Public Lighting Project (stage 1)	Implementation of stage 1 area completed	By June 2013	Not Achieved	Contract issues have delayed project.
KSO 2: Facilitate the development of the local economy and jobs	Implement Shopping Strip Renewal Program	1. Commencement of works at Anderson Street staged over two financial years 2. Completion of works at Tyson St and Justin Ave	1. Sept 2013 2. June 2013	Achieved	1. Design for Anderson Road completed by June 2013 with construction planned in next financial year. 2. Construction of Tyson Street and Justin Avenue completed by June 2013.
KSO 2: Facilitate the development of the local economy and jobs	Invite EOIs for the development of selected sites in The Coburg Initiative area	EOI process undertaken for specific parcel(s)	June 2013	Achieved	Heads of agreement signed for hospital project.
KSO 3: Improve transport and mobility	Implement pedestrian strategy including improved streetscapes, more trees, improved shade, improved seating and appropriate lighting on principal pedestrian routes	As per adopted 2012–13 Capital Works Program	June 2013	Achieved	Pedestrian capital works progressed as planned: bus shelters, threshold treatment, Cumberland / O’Hea, DDA works, Cardinal Road / Glenroy.
KSO 3: Improve transport and mobility	Implementation of the Parking Strategy	Successful operation of the PODS and installation of new PODS on an ongoing basis in areas that start to require tighter enforcement and data collection	June 2013	Achieved	Fully operational, final component Back to Base complete.
KSO 4: Maintain and enhance appropriate infrastructure and open space	Complete detailed design for Sussex Neighbourhood House	Council endorsement of detailed design	Dec 2012	Not Achieved	Council report (April 2013) endorsed the detailed design and planning permit application. Achieved but not by the December 2012 target due to additional work on concept plan, together with the Sussex Neighbourhood House.
KSO 4: Maintain and enhance appropriate infrastructure and open space	Complete Fleming Park Master Plan	Complete consultation and master plan for Fleming Park buildings and open space	Dec 2012	Not Achieved	Consultation is likely to occur in early 2014. Overall project managed through the Youth and Leisure with Open Space components managed through Open Space Design and Development.

Performance Statement (cont.)

Key Strategic Objective	Activity	Measure	Target	Result	Comment
KSO 4: Maintain and enhance appropriate infrastructure and open space	Continue construction at CB Smith Reserve	Construction of facilities in accordance with action plan	As per action plan	Achieved	Construction underway and currently has schedule and budget on target.
KSO 4: Maintain and enhance appropriate infrastructure and open space	Implement Community Infrastructure Framework	1. Framework to inform all community infrastructure planning 2. Framework to inform the development of the ten-year community plan	1. Framework informs the Capital Works Program and facility 2. June 2013	Achieved	Scoping sessions completed. Community needs assessments and suburb profiles completed (one for each suburb in the municipality). Framework endorsed by Moreland Executive Group and information session for all users has been held.
KSO 4: Maintain and enhance appropriate infrastructure and open space	Increase annual tree planting numbers	Implement program	Increase number of trees planted pa by 500 to 4,500 by 30 June 2013	Achieved	Project crosses two financial years with commencement underway. Target of 4,500 trees has been budgeted for and will be reached in 2013 planting season. Resources allocated for increased vehicles to assist with maintenance of this area.
KSO 4: Maintain and enhance appropriate infrastructure and open space	Prepare a feasibility study on the use of the Brunswick Civic and Arts Precinct including resolution of a community hub and the Saxon Street property	Completion of feasibility study and report to Council	March 2013	Not Achieved	Business case development is being finalised. A draft will be ready for Council's feedback at an issues and discussion workshop in July 2013.
KSO 4: Maintain and enhance appropriate infrastructure and open space	Scope uses for the proposed use of the Glenroy Primary School site	Endorsement of a Council report for short-term use (long-term use to be reviewed by Social Development)	Aug 2012	Achieved	Council endorsed short-term use and development at its meeting on 8 August 2012.
KSO 5: Effective use of Council land use and development policies for outcomes appropriate to the long-term needs of communities	Complete Brunswick Activity Centre Controls	Report to Council on submissions received following exhibition period of Amendment C134	June 2013	Not Achieved	Public exhibition was extended until 1 March 2013. Due to extension of exhibition and volume of submissions received for C134, C123 and C142, submissions are planned to be reported to Council in second half of 2013.
KSO 5: Effective use of Council land use and development policies for outcomes appropriate to the long-term needs of communities	Complete Development Contributions Plan	Report to Council seeking final adoption of Amendment C133 following panel hearing	June 2013	Not Achieved	Delays to finalising projects list with Council. A report on submissions / requesting Panel submitted to July 2013 Council meeting.

Key Strategic Objective	Activity	Measure	Target	Result	Comment
KSO 5: Effective use of Council land use and development policies for outcomes appropriate to the long-term needs of communities	Complete Municipal Strategic Statement (MSS) and Local Planning Policy (LPP) Review (includes policy position on reverse living)	Complete draft MSS and LPP changes for Council endorsement for release for public consultation in 2013	Sept 2012	Achieved	Draft MSS endorsed at September 2012 Council meeting. Revised MSS reported to Council at 12 June 2013 meeting. Further work is now required to integrate new Residential Zones recently released by state government and activity centre work into the MSS. This work is part of a new 2013-14 Business Case.
KSO 5: Effective use of Council land use and development policies for outcomes appropriate to the long-term needs of communities	Finalise Planning Scheme Amendment – TCI Amendment C123	Completion of planning scheme amendment package for Council's adoption and to write to Minister for Planning seeking Authorisation to prepare (exhibit) amendment C123	Sept 2012	Achieved	Council adopted complete amendment package for C123 at 11 July 2012 Council Meeting.
KSO 5: Effective use of Council land use and development policies for outcomes appropriate to the long-term needs of communities	Implement a proactive planning enforcement program	Extent of proactive Inspections	Proactive inspections increased by 30% over previous year	Achieved	New proactive planning enforcement procedure developed and being implemented with seven new active cases. The seven new investigation cases and growing from a baseline of '0' with no prior proactive enforcement system have achieved the target. Council report DED/27 discusses the performance of planning enforcement and establishes new improved planning enforcement targets for future years.
KSO 11: Appropriately respond to the population health needs of people at all ages and stages	Implement Moreland Playground Strategy	Implementation of strategy milestones and deliverables provided	In accordance with plan or progress report to Council by Jan 2013	Achieved	Brearley & DeChene, Mott and stage 1 of Shore Reserve playgrounds completed in line with program.

Performance Statement (cont.)

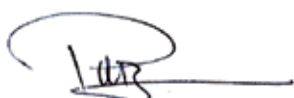
Key Strategic Objective	Activity	Measure	Target	Result	Comment
KSO 13: Ensure that the community has access to a range of sporting and recreational facilities	Complete detailed design for Oak Park Aquatic Centre	Council endorsement of detailed design	Sept 2012	Not Achieved	Master plan completed and detailed business case underway. Council resolved on 12 September 2012 to resume detailed design after business case completed.
KSO 13: Ensure that the community has access to a range of sporting and recreational facilities	Construction of Brunswick Baths	Completion of construction	Dec 2012	Not Achieved	Staged opening proposed due to issues with outdoor pool during construction.
KSO 15: Facilitate community connection and engagement	Develop a 10-year community plan underpinned by broad community consultation	Plan adopted by Council	By June 2013	Not Achieved	Draft framework developed, staff facilitation training has been delivered and engagement activities completed. However, through the board it has been agreed that the community plan will not be adopted until Sept 2013.
KSO 17: Invest in our young people	Commence operating a youth space and deliver youth services	Space operational and providing services	June 2013	Not Achieved	Stage 1 delivered on time and within budget with minor delays due to power and gas connection which has hindered operations from commencing. The facility is expected to be operational by August 2013.
KSO 18: Improve service to citizens	Implement a proactive swimming pool compliance and essential safety measures program	1. Identify all swimming pools in Moreland 2. Implement the proactive program	1. By December 2012 2. Program commenced by Feb 2013	Not Achieved	Staff member appointed. Processes developed and register of all swimming pools underway. This has now been transferred to base budget and is ongoing in 2013-14.
KSO 18: Improve service to citizens	Implement Digital Local Government Project	1. Develop 10 customer service 'How to ...' videos 2. Trial video customer service option	1. June 2013 2. December 2012	Achieved	Thirteen videos have been completed. Moreland Video Connect has been implemented.

Key Strategic Objective	Activity	Measure	Target	Result	Comment
KSO 18: Improve service to citizens	Implement renewed Customer Service Strategy	1. Adoption of the Customer Service Strategy 2. Implementation of the action plan	1. By March 2013 2. As per action plan timelines	Achieved	Strategy has been endorsed by MEG, project has been mobilised, action plan implementation commenced.
KSO 18: Improve service to citizens	Implement revised MoreValue program	1. Program adopted by Council 2. Implement as per Council adoption	1. December 2012 2. Ongoing	Not Achieved	Pilot program with Civic Facilities and Community Transport completed. Prioritisation program and criteria being developed for endorsement by MEG and Council.
KSO 20: Leverage technology to improve service delivery	Deploy mobile online self-service capabilities	1. Implement web for mobile devices 2. Implement at least two online forms designed for mobile devices	1. 30 September 2012 2. 30 April 2013	Achieved	Measure 1 was achieved, as demonstrated by using a smart phone or tablet and pointing your browser to www.moreland.vic.gov.au and tapping OK to visit our mobile site. Measure 2 was achieved with nine new planning applications general enquiry forms.
KSO 21: Align and implement organisational plans	Develop <i>Council Plan 2013-17</i>	Adoption of <i>Council Plan 2013-17</i>	30 June 2013	Achieved	Council plan adopted on 24 June 2013.
KSO 21: Align and implement organisational plans	Implement a project management system to consolidate and standardise corporate reporting	1. Conduct tender and purchase software 2. Implement software and develop scheduled reports	1. December 2012 2. June 2013	Not Achieved	Contracts are being signed and system will be in use in July 2013.
KSO 22: Foster a motivated, responsive, innovative, performance-oriented workplace culture	Develop an Organisational Development Strategy	1. MEG endorsement 2. Council endorsement of Strategy	1. Sept 2012 2. Dec 2012	Not Achieved	Draft Organisational Development Strategy developed.
KSO 23: Maintain a clear, transparent and ethical decision-making and performance management process	Encourage all residents who are eligible to vote in Council elections to be enrolled to vote	Development of program to encourage non-citizens to enrol to vote	June 2012 for roll-out in 2012-13	Achieved	An extensive 'Enrol to Vote' campaign was conducted in association with Marketing and Communications. An analysis of the success of this campaign was undertaken via a community survey.

CERTIFICATION OF THE PERFORMANCE STATEMENT

I, Peter Brown, Chief Executive Officer, certify that in my opinion, the accompanying Performance Statement have been prepared in accordance with the *Local Government Act 1989*.

As at the date of signing, I am not aware of any circumstances that would render the particulars in the Performance Statement misleading or inaccurate



Peter Brown
Chief Executive Officer
Dated: 12 September 2013, at Coburg

Statement of Councillors

I, Oscar Yildiz, Mayor and Councillor

I, John Kavanagh, Councillor

Being Councillors authorised by Council to sign the Performance Statement in its final form, and having made all reasonable enquiries, certify that, in our opinion the accompanying Performance Statement on Moreland City Council in respect of the 2012/2013 financial year is presented fairly in accordance with the *Local Government Act 1989*.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the Performance Statement misleading or inaccurate.



Mayor and Councillor
Oscar Yildiz
Dated: 12 September 2013



Councillor
John Kavanagh
Dated: 12 September 2013



Coburg Night Market at Bridges Reserve Coburg



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Moreland City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Moreland City Council which comprises the statement and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Moreland City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Moreland City Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Moreland City Council for the year ended 30 June 2013 included both in the Moreland City Council's annual report and on the website. The Councillors of the Moreland City Council are responsible for the integrity of the Moreland City Council's website. I have not been engaged to report on the integrity of the Moreland City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
16 September 2013



John Doyle
Auditor-General

Victorian Government Performance Indicators

Category	Proposed Indicator	Indicator definitions and comments	2011	2012	2013
	1. Average rates and charges per assessment	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: general rates and charges declared under SS. 160, 161, 161A of the <i>Local Government Act 1989</i> ; municipal charges, and services rates and charges (i.e. garbage services) levied under SS. 159 and 162 respectively; and supplementary rates declared divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	\$1360.23	1451.58	1550.18
	2. Average rates and charges per residential assessment	Rates and charges declared for all residential assessments (as per the definition in 1. above, except for assessments only) divided by the number of residential assessments.	\$1275.78	1354.65	1442.70
SUSTAINABILITY	1. Average liabilities per assessment	Total liabilities as per the published financial statements (i.e. AAS27); less items held in trust (reflected in assets also held); divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	\$866.41	1242.66	1216.49
	2. Operating result per assessment	Operating result per financial statements (i.e. AAS27); divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	\$72.62	-21.16	242.61
SERVICES	1. Average operating expenditure per assessment	Operating expenditure per the financial statements (i.e. AAS27) (including asset sales and depreciation); divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	\$1956.37	2230.83	2027.19
	2. Community satisfaction rating for overall performance generally of Council. (indexed mean)	Council result from the Annual Community Satisfaction with Local Government Survey (Chart One: Summary of Results – Result No. 1) coordinated by the Local Government Division.	63	62	60

Category	Proposed Indicator	Indicator definitions and comments	2011	2012	2013
SERVICES	1. Average capital expenditure per assessment	<p>Amount capitalised to the balance sheet and contributions by a local government to major assets not owned by the local government, including expenditure on:</p> <p>capital renewal of existing assets which returns the service potential or the life of the asset to that which it had originally;</p> <p>capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users;</p> <p>capital upgrade which upgrades an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally;</p> <p>divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).</p> <p>Note: exactly what is included, as capital expenditure will vary according to the local government's policy in defining the 'asset' and its 'life'.</p>	\$361.25	433.42	485.90
	2. Renewal gap. Renewal and maintenance gap	<p>Ratio of current spending on renewal to the long-term Average Annual Asset Consumption (AAAC) 26%.</p> <p>Ratio of current spending on renewal plus maintenance to AAAC plus maintenance 35%. The AAAC is the amount of a local government's asset base consumed during a year based on current replacement cost (i.e. cost or fair value) divided by useful life; and totalled for each and every infrastructure asset.</p>	69% 78%	80% 95%	60% 117%
GOVERNANCE	1. Community satisfaction rating for Council's advocacy and community representation on key local issues. (indexed mean)	Council result from the Annual Community Satisfaction with Local Government Survey (Chart 1: Summary of Results – Result No 2) coordinated by the Local Government Division.	61	56	57
	2. Community satisfaction rating for Council's engagement in decision-making on key local issues. (indexed mean)	Council result from the Annual Community Satisfaction with Local Government Survey (Chart 1: Summary of Results – Result No 3) coordinated by the Local Government Division.	60	55	57

Financials

MORELAND CITY COUNCIL ANNUAL REPORT 2012-13

OVERVIEW

OPERATIONS

PERFORMANCE

FINANCIALS

Velo Cycles in Nicholson Street Brunswick East

A Plain English Guide to the Financial Report

1. INTRODUCTION

The financial report is a key report presented by the local government of Moreland. It shows how Council performed financially during the 2012-13 financial year and the overall position at the end of the financial year (30 June 2013).

Council's financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Finance and Reporting) Regulations 2004*. Particular terms required by the standards may not be familiar to some readers. Further, Council is a 'not-for-profit' organisation and some of the generally-recognised terms used in private sector company reports are not appropriate to Council's reports.

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

2. WHAT IS CONTAINED IN THE ANNUAL FINANCIAL REPORT?

Council's financial report has two main sections; namely, the report and the notes. There are four statements and 39 notes. These are prepared by Council's staff, examined by the Council Audit Committee and by Council, and then audited by the Victorian Auditor-General.

The four statements are included in the first few pages of the report. They are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and Cashflow Statement.

The notes detail Council's accounting policies and the make up of values contained in the statements.

3. COMPREHENSIVE INCOME STATEMENT

The comprehensive income statement shows:

- the sources of Council's revenue under various income headings;
- the expenses incurred in running Council during the year.

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

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

4. BALANCE SHEET

The balance sheet is a snap shot of the financial situation as at 30 June. It shows what Council owns as assets and what it owes as liabilities. Towards the bottom of the balance sheet is a line showing net assets. This is the net worth of Council, which has been built up over many years.

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

The components of the balance sheet are described here.

4.1 Current and Non-current Assets

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

4.2 Current and Non-current Liabilities

- Payables are those to whom Council owes money as at 30 June.
- Provisions include accrued long service and annual leave owed to employees.
- Trust funds represent monies held in trust by Council.
- Loans represent Council's outstanding borrowings.

4.3 Net Assets

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

4.4 Total Equity

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

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

A Plain English Guide to the Financial Report (cont.)

5. STATEMENT OF CHANGES IN EQUITY

During the course of the year, the value of total ratepayers' equity as set out in the balance sheet changes. This statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- the 'profit or loss' from operations, described in the statement as operating surplus or (deficit) for the year
- the use of monies from Council's reserves
- revaluation of the assets; this takes place on a regular basis. It also occurs when existing assets are taken up in the books for the first time.

6. CASHFLOW STATEMENT

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

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

Council's cash arises from, and is used in, three main areas:

- cashflows from operating activities:
 - receipts – all cash received into Council's bank account from ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.
 - payments – all cash paid by Council from its bank account

to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

- cashflows from investing activities:
 - this section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.
- cashflows from financing activities:
 - this is where the receipt and repayment of borrowed funds are recorded.

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

7. NOTES TO THE ACCOUNTS

The notes section is a very important and informative part of the report. The accounting standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described in Note 1.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Cashflow Statement.

Where Council wishes to disclose other information which cannot be incorporated into the statements, then this is shown in the notes.

Other notes include:

- the cost of the various functions of Council
- the break down of expenses, revenues, reserves and other
- assets

- contingent liabilities
- transactions with persons related to Council
- financial performance indicators.

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

8. STANDARD STATEMENTS

The standard statements section provides three of the four statements mentioned above (Comprehensive Income Statement, Balance Sheet and Cashflow Statement) together with a further statement (Statement of Capital Works).

The statement of capital works sets out the expenditure on creating or buying property, infrastructure, plant and equipment assets by each category of asset. It also shows how much of the total has been spent on renewing, upgrading, expanding or creating new assets.

These standard statements provide a comparison between the actual results for the year and the budget that was set at the start of the year. All major differences are explained in the accompanying notes.

9. STATEMENTS BY PRINCIPAL ACCOUNTING OFFICER AND COUNCILLORS

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

The Certification of Councillors is made by two councillors on behalf of Council that, in their opinion, the financial statements are fair and not misleading.

10. AUDITOR GENERAL'S REPORT

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

Council's main office is located at:
90 Bell Street Coburg, Victoria 3058.

External Auditor –
Auditor-General of Victoria

Internal Auditor – Senior Officer –
Mr Ian Thomas

Solicitors – Various

Bankers –
Commonwealth Bank of Australia

Website address –
www.moreland.vic.gov.au

Financial Report

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Comprehensive Income Statement

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Income			
Rates and charges	3	109,526	100,704
Statutory fees and fines	4	7,500	5,831
User fees	5	13,019	11,415
Contributions – cash	7 (a)	2,616	1,909
Contributions – non-monetary assets	7 (b)	1,202	3,408
Grants – operating (recurrent)	6	15,482	16,466
Grants – operating (non-recurrent)	6	526	1,031
Grants – capital (non-recurrent)	6	3,303	2,965
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	606	159
Other income	9	6,213	5,979
Fair value adjustments for investment property	24	(130)	(380)
Total income		159,863	149,487
Expenses			
Employee costs	10	69,565	80,597
Materials and services	11	49,194	47,335
Bad and doubtful debts	12	1,535	842
Depreciation and amortisation	13	20,434	20,227
Finance costs	14	1,953	1,799
Other expenses	15	75	71
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	16	20	47
Total expenses		142,776	150,918
Surplus/(deficit)		17,087	(1,431)
Other comprehensive income			
Net asset revaluation increment / (decrement) reversals	29 (a)	20,336	(15,297)
Comprehensive result		37,423	(16,728)

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

Balance Sheet

As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	33,818	37,499
Trade and other receivables	18	16,353	12,784
Financial assets	19	6,700	-
Inventories	20	110	123
Non-current assets classified as held for sale	21	-	4,145
Other assets	22	247	2,106
Total current assets		57,228	56,657
Non-current assets			
Investments in associates accounted for using the equity method	16	1,296	1,316
Shares in MAPS Ltd		2	2
Property, infrastructure, plant and equipment	23	1,483,202	1,445,888
Investment property	24	24,650	24,780
Total non-current assets		1,509,150	1,471,986
Total assets		1,566,378	1,528,643
Liabilities			
Current liabilities			
Trade and other payables	25	14,464	14,807
Trust funds and deposits	26	1,351	1,325
Provisions	27	15,999	15,193
Interest-bearing loans and borrowings	28	9,445	1,745
Total current liabilities		41,259	33,070
Non-current liabilities			
Provisions	27	1,215	1,168
Interest-bearing loans and borrowings	28	31,631	37,918
Trade and other payables	25	11,573	13,210
Total non-current liabilities		44,419	52,296
Total liabilities		85,678	85,366
Net assets		1,480,700	1,443,277
Equity			
Accumulated surplus		461,967	443,793
Asset revaluation reserve	29 (a)	1,010,792	990,456
Other reserves	29 (b)	7,941	9,028
Total equity		1,480,700	1,443,277

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2013

		Total 2013 \$'000	Accumulated Surplus 2013 \$'000	Asset Revaluation Reserve 2013 \$'000	Other Reserves 2013 \$'000
2013	Note				
Balance at beginning of the financial year		1,443,277	443,793	990,456	9,028
Surplus/(deficit) for the year		17,087	17,087	-	-
Net asset revaluation increment(decrement)	29(a)	20,336	-	20,336	-
Transfers to other reserves	29(b)	-	(6,212)	-	6,212
Transfers from other reserves	29(b)	-	7,299	-	(7,299)
Balance at end of the financial year		1,480,700	461,967	1,010,792	7,941

		Total 2012 \$'000	Accumulated Surplus 2012 \$'000	Asset Revaluation Reserve 2012 \$'000	Other Reserves 2012 \$'000
2012	Note				
Balance at beginning of the financial year		1,460,005	444,713	1,005,753	9,539
Surplus/(deficit) for the year		(1,431)	(1,431)	-	-
Net asset revaluation increment / (decrement)	29(a)	(15,297)	-	(15,297)	-
Transfers to other reserves	29(b)	-	(3,986)	-	3,986
Transfers from other reserves	29(b)	-	4,497	-	(4,497)
Balance at end of the financial year		1,443,277	443,793	990,456	9,028

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

Cash Flow Statement

For the Year Ended 30 June 2013

	Note	2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		107,427	99,708
Statutory fees and fines		5,462	4,699
User charges and other fines (inclusive of GST)		7,233	7,256
Grants (inclusive of GST)		19,562	20,828
Developer contributions (inclusive of GST)		5,093	3,986
Reimbursements (inclusive of GST)		1,120	1,255
Interest		1,985	1,762
Rents (inclusive of GST)		2,038	2,252
Other receipts (inclusive of GST)		4,601	2,974
Net GST refund/payment		6,597	6,503
Material and consumables (inclusive of GST)		(55,215)	(58,854)
Employee costs (including redundancies)		(69,749)	(67,131)
Additional superannuation contributions resulting from actuarial review		(1,069)	-
Other payments		(75)	(153)
Net cash provided by (used in) operating activities	30	35,010	25,085
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(36,549)	(24,700)
Proceeds from sale of property, infrastructure, plant and equipment		5,071	558
Trust funds and deposits		26	105
(Payments for) or receipts from other financial assets		(6,700)	9,300
Net cash provided by (used in) investing activities		(38,152)	(14,737)
Cash flows from financing activities			
Finance costs		(1,953)	(1,799)
Proceeds from interest-bearing loans and borrowings		3,000	12,300
Repayment of interest-bearing loans and borrowings		(1,586)	(1,369)
Net cash provided by (used in) financing activities		(539)	9,132
Net increase (decrease) in cash and cash equivalents		(3,681)	19,480
Cash and cash equivalents at the beginning of the financial year		37,499	18,019
Cash and cash equivalents at the end of the financial year	31	33,818	37,499
Financing arrangements	32		
Restrictions on cash assets	33		

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Report

For the Year Ended 30 June 2013

INTRODUCTION

- (a) 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.

- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district
 - to promote the social, economic and environmental viability and sustainability of the municipal district
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community
 - to improve the overall quality of life of people in the local community
 - to promote appropriate business and employment opportunities
 - to ensure that services and facilities provided by the Council are accessible and equitable
 - to ensure the equitable imposition of rates and charges
 - to ensure transparency and accountability in Council decision making.

External Auditor – Auditor-General of Victoria

Internal Auditor – Ian Thomas

Solicitors

- Maddocks
- DLA Piper Australia
- Elliot Stafford & Associates
- Macquarie Lawyers
- Hunt & Hunt Lawyers
- Harwood Andrews Lawyers
- Russell Kennedy
- Meerkin and Apel Lawyers
- Garland Hawthorn Brahe
- TP Legal

Bankers – Commonwealth Bank of Australia

Website address – www.moreland.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2004.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

This financial report has been prepared on the accrual and going concern basis.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(h), 1(j), 1(l), 1(t), 1(w), 1(x) and 1(z).

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

All entities controlled by Council, such as special committees of management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 45.

(b) Change in accounting policies

There were no changes in accounting policy during the financial year.

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets 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.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

User 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment, infrastructure

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

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental; payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised progressively as it is earned.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

(d) Trade and other receivables and inventories

Trade and other receivables

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

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

Other inventories are measured at the lower of cost and net realisable value.

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

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

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

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

Artworks are not depreciated.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period
Buildings	20 to 100 years
Plant and equipment	3 to 10 years
Motor vehicles	up to 10 years
Computer equipment	3 to 10 years
Furniture and fittings	3 to 10 years
Library books	3 to 10 years
Infrastructure	
road surface	up to 30 years
road payment (includes right-of-ways)	up to 100 years
drains	up to 100 years
footpaths (includes shared footways)	up to 50 years
kerb and channel	up to 75 years
bridges / retaining walls	up to 80 years
other structures (includes playground equipment, furniture and other road associated assets etc.)	up to 100 years

(f) Repairs and maintenance

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

(g) Borrowing costs

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. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

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

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(h) Recognition and measurement of assets

Acquisition

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

Where assets are constructed by Council, cost includes all materials used in construction, direct labour and borrowing costs incurred during construction.

The following classes of assets have been recognised in note 23. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$'000
Property	
Land	
land	No limit
land under roads	No limit
Buildings	
buildings	1
Plant and equipment	
plant and equipment	3
furniture and fittings	1
computer equipment	1
library books	1
Motor vehicles	3
Artworks	1
Infrastructure	
Roads surface, drains, footpaths, kerb and channel	1
Road pavement	1
Bridges	1
Street furniture	10
Park furniture, fences and playground equipment (other structures)	5

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, motor vehicles, furniture and fittings, computer equipment, library books and artworks, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

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.

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

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

Land under roads

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

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(i) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, deposits at call, and other highly-liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(j) Financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) Investments

Investments (non-financial), other than investments in associates, are measured at cost.

At balance date, Moreland City Council had a 100% interest in the Moreland Energy Foundation Limited. It has assessed the materiality of the Moreland Energy Foundation Limited annual accounts and determined that the foundation will be consolidated into its financial statements. As such, it is not currently necessary to disclose the foundations accounts on a four-column, parent and consolidated basis, as they are not material. The current contract of service which exists between Moreland City Council and Moreland Energy Foundation Limited expires on 30 June 2015.

(l) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition. Council has an interest in Regional Kitchen Pty Ltd and RFK Pty Ltd Trading as Community Chef. The Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

(m) Tender deposits and trust funds

Amounts received as tender deposits and retention amounts controlled by Council are recognised as trust funds until they are returned or forfeited (refer to note 26).

Separate and distinct trust funds are maintained for all monies held under trust deed arrangements. Trust funds are classified as current liabilities (refer to note 26).

(n) Employee costs

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers' compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(n) Employee costs (cont.)

Classification of employee costs

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Superannuation

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 34.

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.

(o) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight-line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council has no finance leases at this time.

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(p) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(q) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the Balance Sheet. Such agreements are recognised on an 'as incurred' basis.

(r) Website costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(t) Impairment of assets

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

(u) Rounding

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

(v) Non-current assets held for sale

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

(w) Investment property

Investment property, comprising freehold commercial properties, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight-line basis over the lease term.

(x) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(y) Contingent assets and contingent liabilities and commitments

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

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

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(z) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Standard / interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on local government financial statements
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> • simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value • removing the tainting rules associated with held-to-maturity assets • simplifying the requirements for embedded derivatives • removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost • allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument • reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2015	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 and AASB 131.	Applicable for annual reporting periods commencing on or after 1 January 2013	<p>Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 12 in a not-for-profit context.</p> <p>As such, impact will be assessed after the AASB's deliberation.</p>

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(z) Pending Accounting Standards (cont.)

Standard / interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on local government financial statements
AASB 13 Fair Value Measurement	This standard outlines the requirements for measuring the fair value of assets and liabilities, and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities, other observable inputs and unobservable inputs.	Applicable for annual reporting periods commencing on or after 1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 119 Employee Benefits	In this revised standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses. In particular, there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the Comprehensive Operating Statement.	Applicable for annual reporting periods commencing on or after 1 January 2013	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 128 Investments in Associates and Joint Ventures	This revised standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	Applicable for annual reporting periods commencing on or after 1 January 2013	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(z) Pending Accounting Standards (cont.)

Standard / interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on local government financial statements
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This standard gives effect to consequential changes arising from the issuance of AASB 9.	Applicable for annual reporting periods commencing on or after 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	Applicable for annual reporting periods commencing on or after 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	Applicable for annual reporting periods commencing on or after 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	This standard outlines consequential changes arising from the issuance of the five 'new standards' to other standards. For example, references to AASB 127 Consolidated and Separate Financial Statements are amended to AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements, and references to AASB 131 Interests in Joint Ventures are deleted as that standard has been superseded by AASB 11 and AASB 128 (August 2011).	Applicable for annual reporting periods commencing on or after 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.

Notes to the Financial Report

For the Year Ended 30 June 2013

1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(z) Pending Accounting Standards (cont.)

Standard / interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on local government financial statements
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending standard makes consequential changes to a range of standards and Interpretations arising from the issuance of AASB 13. In particular, this standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	Applicable for annual reporting periods commencing on or after 1 January 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from this standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	Applicable for annual reporting periods commencing on or after 1 Jan 2012	This amending standard could change the current presentation of 'Other economic flows – other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 Employee Benefits.	Applicable for annual reporting periods commencing on or after 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.

Notes to the Financial Report

For the Year Ended 30 June 2013

2 UNDERLYING SURPLUS/(DEFICIT)

	2013 \$'000	2012 \$'000
Profit/(loss)	17,087	(1,431)
Less		
Capital grants	3,303	1,837
Capital contribution (cash)	2,041	1,815
Non-cash developer contributions	1,202	3,407
Open space contribution	5,093	3,986
Add		
Defined benefit call	-	13,210
Underlying surplus/(deficit)	5,448	734

The reported profit/(loss) of \$16.944 million for 2013 (2012: \$1.431 million (loss)) includes once-off and committed for capital expenditure items.

The Council's defined underlying surplus/(deficit) represents the Council's determined sustainable operating result, which has been calculated after the exclusion of once-off and committed for capital expenditure items, as per above. The concept of underlying surplus/(deficit) is not defined in Australian Accounting Standards.

Non-cash developer contributions, open space contributions and defined benefit calls are items of a Council-determined once-off nature, whilst capital grants and contributions are excluded due to the fact that those funds are not available for day-to-day use.

The open space contributions are similar to other capital contributions as they are transferred to reserves for future asset improvement works on the resort and recreational lands. Council needs a sizable underlying surplus to meet a number of financial and investment obligations and commitments. This includes:

- 1) Loan principal repayment obligations resulting from Council's borrowing portfolio;
- 2) Council has, in August 2011, resolved to transfer surpluses generated from the leisure centre contract to a reserve for future capital investments on Council's aquatic centres;
- 3) Council's investment on capital works (rates funded) need to exceed the depreciation to ensure infrastructure investment, in particular, renewal expenditure is at a satisfactory level.

3 RATES AND CHARGES

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

The valuation base used to calculate general rates for 2012-13 was \$36.102 billion (2011-12 \$34.086 billion). The 2012-13 rate in the CIV dollar was 0.002729 (2011-12, 0.002666).

Residential / commercial / industrial	99,274	91,508
Supplementary rates and rate adjustments	1,446	1,811
Garbage charge	8,460	7,052
Special rates and charges	346	333
Total rates and charges	109,526	100,704

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation was first applied in the rating year commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating period commencing 1 July 2010.

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
4 STATUTORY FEES AND FINES		
Infringements and costs	5,331	3,625
PERIN court recoveries	220	250
Town planning fees	969	1,015
Land information certificates	96	94
Permits	884	847
Total statutory fees and fines	7,500	5,831

5 USER FEES		
(a) Leisure centre fees	156	241
Resort and recreation fees*	5,093	3,986
Fees – ticket machines / parking meters	148	156
Aged services fees	2,165	2,188
Registration fees	1,019	972
Road occupancy charges	760	524
Building services' fees	445	410
Valuation fees/supplementary charges	283	118
Garbage and waste collection	1,029	982
Other fines	497	269
Right-of-way closures	147	166
Other fees and charges	1,277	1,403
Total user fees	13,019	11,415

* Resort and recreation fees received during the year are transferred to other reserves pursuant to section 18 of the *Subdivision Act 1988* (Resort and Recreation Reserve) (refer note 29 (b)).

(b) Ageing analysis of contractual receivables

Please refer to the Ageing of Trade and Other Receivables table in Note 38 (e) for the ageing analysis of contractual receivables.

Notes to the Financial Report

For the Year Ended 30 June 2013

6 GRANTS

Grants were received in respect of the following:

Summary of grants

Federally-funded grants	2,472	2,805
State-funded grants	16,839	17,657

Total	19,311	20,462
--------------	---------------	---------------

Operating recurrent

Victorian Grants Commission – general purpose	4,581	5,895
Home help	5,616	5,280
Maternal and child health	1,251	1,090
Recreation	94	195
Victorian Grants Commission – local roads	842	1,069
Libraries	920	862
Families and children	1,485	1,468
Food services	292	294
Local roads and bridges	-	4
School crossing supervisors	172	170
Waste and environment	10	-
Business and economic services	35	-
Access for all abilities	166	139
Drug strategy development	18	-

Total Operating recurrent	15,482	16,466
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Operating non-recurrent

Environment protection	231	310
Recreation	69	-
Business and economic services	136	244
Families and children	-	90
Community welfare	90	-
Community health	-	280
Home help	-	107

Total Operating non-recurrent	526	1,031
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Capital non-recurrent

Environment protection	1,143	1,126
Recreation	406	1,257
Local roads and bridges	437	437
Families and children	900	-
Community welfare	200	145
Community health	217	-

Total capital non-recurrent	3,303	2,965
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Notes to the Financial Report

For the Year Ended 30 June 2013

6 GRANTS (CONT.)

Conditions on grants

Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

	2013 \$'000	2012 \$'000
Active recreation	-	743
Families and children	900	36
Business and economic services	111	190
Home help	20	40
Community welfare	152	-
Recreation	354	-
Community health	-	96
Waste and environment	27	53
Total	1,564	1,158

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Waste and environment	-	40
Community health	96	40
Home help	40	-
Business and economic services	190	-
Recreation	-	12
Families and children	36	88
Local roads and bridges	-	-
Maternal and child health	-	-
Active recreation	764	64
Access for all abilities	-	34
Waste and environment	53	-
Other	-	34
	1,179	312

Net increase / (decrease) in restricted assets resulting from grant revenues for the year:

385	846
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Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
7 CONTRIBUTIONS		
(a) Cash		
VicRoads	531	199
Capital	1,510	1,616
Other	575	94
Total	2,616	1,909
(b) Non-monetary assets		
Land under roads	275	351
Infrastructure	927	3,057
Total	1,202	3,408
Total contributions	3,818	5,317
8 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Proceeds of sale	5,071	558
Write down of assets disposed	(4,465)	(399)
Total	606	159
9 OTHER INCOME		
Interest	1,498	1,284
Interest on rates	526	437
Investment property rental	303	412
Other rent	1,652	1,743
Sale of non-plant and equipment	69	55
Legal costs	303	242
Payroll	94	98
Employee	11	11
Moreland Energy Foundation Limited	1,093	847
Other	664	850
Total other income	6,213	5,979
10 EMPLOYEE COSTS		
Wages and salaries	53,485	52,073
WorkCover	1,723	2,275
Casual staff	389	483
Annual leave and long service leave	6,171	5,994
Superannuation	5,043	4,879
Additional superannuation contributions resulting from actuarial review **	-	13,210
Fringe benefits tax	166	146
Other employee-related costs	2,438	1,241
Redundancy	150	296
Total employee costs	69,565	80,597

** During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet its obligations to members of the defined benefit plan.

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
11 MATERIALS AND SERVICES		
Utilities	3,129	2,459
Contractors	10,957	9,444
Works contracts	68	80
General services	18,555	19,391
Office services and supplies	5,248	4,900
Other supplies	2,459	2,336
Materials	302	469
Minor equipment and medical supplies	1,309	1,313
Other related costs	1,858	1,733
Property leases and rentals	1,063	995
Metropolitan Fire Brigade levy	1,894	1,819
Council grants and sponsorships	914	1,122
Insurance	1,438	1,274
Total materials and services	49,194	47,335
12 BAD AND DOUBTFUL DEBTS		
Parking fine debtors	1,358	846
Other debtors	177	(4)
Total bad and doubtful debts	1,535	842
13 DEPRECIATION AND AMORTISATION		
Property		
Buildings	4,720	3,957
Plant and equipment		
Plant, machinery and equipment	227	229
Fixtures, fittings and furniture	66	54
Computers and telecommunications	1,220	1,691
Motor vehicles	1,473	1,645
Library books	844	800
Infrastructure		
Road surface	2,445	2,348
Road pavement	2,534	2,511
Bridges	229	220
Footpaths and cycleways	2,322	2,215
Drainage	975	925
Kerb and channel	1,068	1,009
Other infrastructure	2,311	2,623
Total depreciation and amortisation	20,434	20,227

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
14 FINANCE COSTS		
Interest – borrowings	1,953	1,799
Total finance costs	1,953	1,799
15 OTHER EXPENSES		
Auditors' remuneration	65	65
Councillors' allowances	10	6
Total other expenses	75	71
16 INVESTMENT IN ASSOCIATES		
Investments in associates accounted for by the equity method are:		
Council's overall movement in investment in associates for the year was:	(20)	(47)
Total	(20)	(47)
Council's total share in investment in associates	1,296	1,316
– RFK Pty Ltd Trading as Community Chef and Regional Kitchen Pty Ltd		
<i>Background</i>		
Investments in associates accounted for by the equity method are:		
– RFK Pty. Ltd. – Council held a 0.04% share of ownership at balance date		
– Regional Kitchen Pty. Ltd. – Council held a 6.58% share of ownership at balance date		
RFK Pty Ltd Trading as Community Chef – 0.04% (based on % of total shares held)		
<i>Council's share of accumulated surplus (deficit)</i>		
Council's share of accumulated surplus (deficit) at start of year	-	-
Reported surplus (deficit) for year	-	-
Council's share of accumulated surplus (deficit) at end of year	-	-
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	-	-
Share of surplus(deficit) for year	-	-
Carrying value of investment at end of year	-	-
<i>Council's share of expenditure commitments</i>		
Operating commitments	-	-
Regional Kitchen Pty Ltd – 6.58%		
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	1,116	1,163
Reported surplus(deficit) for year	(20)	(47)
Council's share of accumulated surplus (deficit) at end of year	1,096	1,116
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	1,316	1,363
Share of surplus(deficit) for year	(20)	(47)
Carrying value of investment at end of year	1,296	1,316
<i>Council's share of expenditure commitments</i>		
Operating commitments	49	12
	49	12

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
17 CASH AND CASH EQUIVALENTS		
Cash on hand	12	12
Cash at bank	3,306	937
Term deposits	30,500	36,550
Total cash and cash equivalents	33,818	37,499
Users of the financial report should refer to Note 33 for details of restrictions on cash assets and Note 35 for details of existing Council commitments		
18 TRADE AND OTHER RECEIVABLES		
Current		
Rates' debtors	9,161	7,061
Parking infringement debtors	5,079	6,733
Provision for doubtful debts – parking infringements	(2,808)	(5,135)
Other debtors	4,465	3,992
Provision for doubtful debts – other debtors	(615)	(444)
Net GST receivable	1,071	577
Total	16,353	12,784
19 FINANCIAL ASSETS		
Current		
Term deposits	6,700	-
Total	6,700	-
20 INVENTORIES		
Inventories held for distribution	110	123
Total inventories	110	123
21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Balance at beginning of financial year	4,145	-
Disposals during year	(4,145)	-
Transfers to assets held for sale	-	4,145
Total non-current assets held for sale	-	4,145
22 OTHER ASSETS		
Current		
Prepayments	29	1,930
Accrued income	213	176
Other	5	-
Total	247	2,106

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Summary		
at cost	79,446	82,369
at Council valuation	1,839	1,564
at fair value as at 30 June 2013	758,937	-
at fair value as at 30 June 2012	1,005,165	1,006,111
at fair value as at 30 June 2010	-	689,792
Less accumulated depreciation	(362,185)	(333,948)
Total	1,483,202	1,445,888
Property		
Land		
at cost	-	-
at fair value as at 30 June 2012	866,496	866,549
	866,496	866,549
Land under roads		
at Council valuation	1,839	1,564
	1,839	1,564
Total land	868,335	868,113
Buildings		
at cost	17,697	-
at fair value as at 30 June 2012	138,669	141,126
Less accumulated depreciation	(4,720)	-
Total buildings	151,646	141,126
Total property	1,019,981	1,009,239

A revaluation is necessary when the fair value of each revalued class of asset differs materially from its carrying amount at balance date. Mr Heath Bedford, a certified practising valuer of Westlink Consulting, has completed a review of the carrying amount of land and building assets as at 30 June 2013. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued at a discount of 10 per cent to market value based on legal precedents. The review methodology included analysis of recent land and building sales to determine the movement in values as displayed by the market. Council has accepted the review guidance of the valuer, which concluded that the movement in value of Council land and building assets since the last valuation undertaken at 30 June 2012 is not material.

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

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)		
Plant and equipment		
Motor vehicles		
at cost	13,668	14,283
Less accumulated depreciation	(8,788)	(8,339)
	4,880	5,944
Plant and equipment		
at cost	3,823	3,698
Less accumulated depreciation	(2,420)	(2,267)
	1,403	1,431
Furniture and fittings		
at cost	1,844	1,733
Less accumulated depreciation	(1,487)	(1,420)
	357	313
Computer equipment		
at cost	16,078	15,027
Less accumulated amortisation	(14,341)	(13,121)
	1,737	1,906
Library books		
at cost	11,545	10,657
Less accumulated depreciation	(7,449)	(6,604)
	4,096	4,053
Artworks		
at cost	724	713
Less accumulated depreciation	-	-
	724	713
Total plant and equipment	13,197	14,360
Infrastructure		
Road surface		
at cost	-	2,760
at fair value as at 30 June 2013	54,339	-
at fair value as at 30 June 2010	-	80,320
Less accumulated depreciation	(12,104)	(12,042)
	42,235	71,038
Road pavement		
at cost	-	2,282
at fair value as at 30 June 2013	306,130	-
at fair value as at 30 June 2010	-	275,596
Less accumulated depreciation	(131,016)	(116,701)
	175,114	161,177

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)		
Drains		
at cost	-	6,209
at fair value as at 30 June 2013	129,814	-
at fair value as at 30 June 2010	-	88,957
Less accumulated depreciation	(50,062)	(41,256)
	79,752	53,910
Footpaths		
at cost	-	4,529
at fair value as at 30 June 2013	98,114	-
at fair value as at 30 June 2010	-	94,097
Less accumulated depreciation	(46,726)	(41,410)
	51,388	57,216
Kerb and channel		
at cost	-	4,226
at fair value as at 30 June 2013	71,500	-
at fair value as at 30 June 2010	-	75,952
Less accumulated depreciation	(42,048)	(47,466)
	29,452	32,712
Bridges		
at cost	-	781
at fair value as at 30 June 2013	18,293	-
at fair value as at 30 June 2010	-	17,618
Less accumulated depreciation	(5,738)	(5,284)
	12,555	13,115
Other structures		
at cost	-	4,913
at fair value as at 30 June 2013	80,747	-
at fair value as at 30 June 2010	-	55,688
Less accumulated depreciation	(35,286)	(38,038)
	45,461	22,563
Total infrastructure	435,957	411,731
A revaluation of infrastructure assets has been determined in accordance with the principles and guidelines of the current Australian Accounting Standards (AASB116). The valuation was undertaken by Jeyam Jeyendra – B. Eng (Civil), Darren Kumar – B. Eng (Civil), Tim Provis – Certificate IV Eng (Civil), Rosalyn Sutcliffe – Dip Mgt, Dip MP and reviewed by Lee Dowler B.Eng (Hons) Civil Engineering.		
The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
Works in progress		
Buildings at cost	12,343	10,398
Infrastructure at cost	1,472	107
Other plant and equipment at cost	252	53
Total works in progress	14,067	10,558
Total property, infrastructure, plant and equipment	1,483,202	1,445,888

Notes to the Financial Report

For the Year Ended 30 June 2013

23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) note 29 (a)	Depreciation and amortisation note 13	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers / movements between asset type	Balance at end of financial year
2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
land	866,549	-	-	-	3,704	-	3,651	866,496
land under roads	1,564	275	-	-	-	-	-	1,839
Total land	868,113	275	-	-	3,704	-	3,651	868,335
buildings	141,126	17,697	(2,457)	4,720	494	-	494	151,646
Total buildings	141,126	17,697	(2,457)	4,720	494	-	494	151,646
Total property	1,009,239	17,972	(2,457)	4,720	4,198	-	4,145	1,019,981
Plant and equipment								
motor vehicles	5,944	652	-	1,473	243	-	-	4,880
plant and equipment	1,431	222	-	227	23	-	-	1,403
furniture and fittings	313	110	-	66	-	-	-	357
computer equipment	1,906	1,051	-	1,220	-	-	-	1,737
library books	4,053	887	-	844	-	-	-	4,096
artworks	713	11	-	-	-	-	-	724
Total plant and equipment	14,360	2,933	-	3,830	266	-	-	13,197
Infrastructure								
road surface	71,038	1,505	(27,863)	2,445	-	-	-	42,235
road pavement	161,177	906	15,565	2,534	-	-	-	175,114
drains	53,910	2,080	24,737	975	-	-	-	79,752
footpaths	57,216	2,930	(6,436)	2,322	-	-	-	51,388
kerb and channel	32,712	771	(2,963)	1,068	-	-	-	29,452
bridges/retaining walls	13,115	166	(497)	229	-	-	-	12,555
other structures	22,563	4,959	20,250	2,311	-	-	-	45,461
Total infrastructure	411,731	13,317	22,793	11,884	-	-	-	435,957
Works in progress								
buildings	10,398	-	-	-	-	-	1,945	12,343
motor vehicles	18	-	-	-	-	-	(18)	-
plant and equipment	18	-	-	-	-	-	87	105
computer equipment	17	-	-	-	-	-	130	147
infrastructure	107	-	-	-	-	-	848	955
other structures	-	-	-	-	-	-	517	517
artworks	-	-	-	-	-	-	-	-
Total works in progress	10,558	-	-	-	-	-	3,509	14,067
Total property, plant and equipment, infrastructure	1,445,888	34,222	20,336	20,434	4,464	-	7,654	1,483,202

(a) Transfers/movements between asset type

Within the financial year \$4.145M was transferred from assets held for sale and then disposed. Further movements were the result of works in progress.

Notes to the Financial Report

For the Year Ended 30 June 2013

23 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Transfers / movements between asset type	Balance at end of financial year
	\$'000	\$'000	(a) \$'000	note 13 \$'000	\$'000	\$'000	\$'000	\$'000
2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
land	886,011	50	(15,578)	-	283	-	(3,651)	866,549
land under roads	1,213	351	-	-	-	-	-	1,564
Total land	887,224	401	(15,578)	-	283	-	(3,651)	868,113
buildings	136,814	8,482	281	3,957	-	-	(494)	141,126
Total buildings	136,814	8,482	281	3,957	-	-	(494)	141,126
Total property	1,024,038	8,883	(15,297)	3,957	283	-	(4,145)	1,009,239
Plant and equipment								
motor vehicles	5,709	1,996	-	1,645	116	-	-	5,944
plant and equipment	1,193	467	-	229	-	-	-	1,431
furniture and fittings	287	80	-	54	-	-	-	313
computer equipment	2,646	951	-	1,691	-	-	-	1,906
library books	3,993	860	-	800	-	-	-	4,053
artworks	698	15	-	-	-	-	-	713
Total plant and equipment	14,526	4,369	-	4,419	116	-	-	14,360
Infrastructure								
road surface	72,065	1,321	-	2,348	-	-	-	71,038
road pavement	161,911	1,777	-	2,511	-	-	-	161,177
drains	50,413	4,422	-	925	-	-	-	53,910
footpaths	57,054	2,377	-	2,215	-	-	-	57,216
kerb and channel	30,514	3,207	-	1,009	-	-	-	32,712
bridges/retaining walls	12,610	725	-	220	-	-	-	13,115
other structures	22,955	2,231	-	2,623	-	-	-	22,563
Total infrastructure	407,522	16,060	-	11,851	-	-	-	411,731
Works in progress								
buildings	5,520	-	-	-	-	-	4,878	10,398
motor vehicles	460	-	-	-	-	-	(442)	18
plant and equipment	148	-	-	-	-	-	(130)	18
computer equipment	41	-	-	-	-	-	(24)	17
infrastructure	558	-	-	-	-	-	(451)	107
other structures	881	-	-	-	-	-	(881)	-
artworks	6	-	-	-	-	-	(6)	-
Total works in progress	7,614	-	-	-	-	-	2,944	10,558
Total property, plant and equipment, infrastructure	1,453,700	29,312	(15,297)	20,227	399	-	(1,201)	1,445,888

(a) Transfers/movements between asset type

Within the financial year \$4.145M was transferred to assets held for sale. Further movements were the result of works in progress.

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
24 INVESTMENT PROPERTY		
Balance at beginning of financial year	24,780	25,160
Fair value adjustments	(130)	(380)
Balance at end of financial year	24,650	24,780

Independent valuations of investment properties were performed at 30 June 2013 by Mr Brendan Sheales (AAPI), Mr Heath Bedford (AAPI) and Miss Irene Margaritis (AAPI), certified practising valuers of Westlink Consulting who have recent experience in the location and category of the property being valued. Information required from Council was provided.

25 TRADE AND OTHER PAYABLES

Current

Trade payables	6,975	8,618
Accrued expenses	7,489	6,189
Total trade and other payables	14,464	14,807

Non-current

Other payables	11,573	13,210
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Total

	26,037	28,017
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The Local Authorities Superannuation latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406M excluding contributions tax, in the defined benefit fund of which Council is a member. Council was formally informed of its share of the shortfall on 2 August 2012. Council's intention is to make payments each year for 15 years. As at balance date, the value of Council's remaining obligation is \$13.070M (2011/12, \$13,210M). Of this figure, \$1.497M is included within current trade and other payables and \$11.573M is included within non-current other payables.

26 TRUST FUNDS AND DEPOSITS

Refundable planning deposits	275	347
Trust funds	598	589
Refundable civic facilities deposits	53	49
Retention amounts	185	131
Other refundable deposits	240	209
Total trust funds and deposits	1,351	1,325

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.

Notes to the Financial Report

For the Year Ended 30 June 2013

27 PROVISIONS

	Annual leave \$ '000	Long service leave \$ '000	Service gratuity \$ '000	Other \$ '000	Total \$ '000
2013					
Balance at beginning of the financial year	5,138	11,159	34	30	16,361
Additional provisions	4,534	1,764	1	-	6,299
Amounts used	(4,151)	(1,267)	(1)	(7)	(5,426)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(15)	(5)	-	-	(20)
Balance at the end of the financial year	5,506	11,651	34	23	17,214
2012					
Balance at beginning of the financial year	4,908	10,559	34	30	15,531
Additional provisions	4,390	1,896	-	-	6,286
Amounts used	(4,019)	(1,244)	-	-	(5,263)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(141)	(52)	-	-	(193)
Balance at the end of the financial year	5,138	11,159	34	30	16,361

	2013 \$'000	2012 \$'000
(a) Employee provisions		
Current (i)		
Annual leave	5,506	5,138
Long service leave	10,436	9,991
Service gratuity	34	34
Other	23	30
	15,999	15,193
Non-current (ii)		
Long service leave	1,215	1,168
	1,215	1,168
Aggregate carrying amount of employee provisions:		
Current	15,999	15,193
Non-current	1,215	1,168
	17,214	16,361
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.50%	4.31%
Weighted average discount rates	3.79%	3.06%
Weighted average settlement period	12	12
(i) Current		
All annual leave and the long service leave entitlements representing seven or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	1,771	5,522
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	14,228	9,671
	15,999	15,193
(ii) Non-current		
Long service leave representing less than seven years of continuous service measured at present value	1,215	1,168

Notes to the Financial Report

For the Year Ended 30 June 2013

28 INTEREST-BEARING LOANS AND BORROWINGS

Current

Borrowings – secured

2013 \$'000	2012 \$'000
9,445	1,745
9,445	1,745

Non-current

Borrowings – secured

31,631	37,918
---------------	---------------

Total

41,076	39,663
---------------	---------------

The maturity profile for Council's borrowings is:

Not later than one year

9,445	1,745
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Later than one year and not later than five years

7,752	6,981
-------	-------

Later than five years

23,879	30,937
--------	--------

Total

41,076	39,663
---------------	---------------

Aggregate carrying amount of interest-bearing loans and borrowings:

Current

9,445	1,745
-------	-------

Non-current

31,631	37,918
--------	--------

Total interest-bearing loans and borrowings

41,076	39,663
---------------	---------------

Loans with the Westpac, NAB, ANZ and Commonwealth banks have been secured by a claim on future municipal rate receipts up to an amount equal to the outstanding value of the debt at the time of any loan default.

The Westpac loan is a 20-year variable rate loan set at a 3.12% interest rate at balance date. Interest and principal payments are being made on a monthly basis. This loan, which had an original maturity date of 28 November 2026, is considerably ahead of that scheduled repayment date. Its closing balance at 30 June 2013 was \$6.63M.

The NAB loan is a 20-year variable rate principal and interest loan set at a 4.19% interest rate at balance date. This loan commenced on 24 August 2010. Its closing balance at 30 June 2013 was \$6.51M.

The first of two loans with the ANZ bank is a 20-year loan (four-year fixed rate principal and interest loan) set at a 6.58% interest rate (\$8.24M). The second loan is a 20-year loan (10-year fixed rate principal and interest loan) set at a 7.3% interest rate (\$4.5M). Both of these loan commenced on 24 June 2011.

There are two Commonwealth Bank loans. Both are \$7.6M each as at 30 June 2013. The first loan is secured for five years (until June 2018) fixed rate of 4.62%. The second loan is secured for one year (until June 2014) at a discounted variable rate of 3.5%. These loans are expected to have a maturity date of June 2033. \$12.2M of these loans refinanced the interest only loan with the Commonwealth Bank, which existed as at 30 June 2012.

Notes to the Financial Report

For the Year Ended 30 June 2013

29 RESERVES

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation surplus				
2013				
Property				
Land	644,034	-	-	644,034
Buildings	73,100	(2,457)	-	70,643
	717,134	(2,457)	-	714,677
Infrastructure				
Road surface	70,019	(27,863)	-	42,156
Road pavement	102,666	15,565	-	118,231
Bridges	9,830	(497)	-	9,333
Footpaths	38,365	(6,436)	-	31,929
Drainage	22,852	24,737	-	47,589
Kerb and channel	17,690	(2,963)	-	14,727
Other structures	11,900	20,250	-	32,150
	273,322	22,793	-	296,115
Total asset revaluation surplus	990,456	20,336	-	1,010,792
2012				
Property				
Land	659,612	(15,578)	-	644,034
Buildings	72,819	281	-	73,100
	732,431	(15,297)	-	717,134
Infrastructure				
Road surface	70,019	-	-	70,019
Road pavement	102,666	-	-	102,666
Bridges	9,830	-	-	9,830
Footpaths	38,365	-	-	38,365
Drainage	22,852	-	-	22,852
Kerb and channel	17,690	-	-	17,690
Other structures	11,900	-	-	11,900
	273,322	-	-	273,322
Total asset revaluation surplus	1,005,753	(15,297)	-	990,456

This reserve shows the overall net increase in land, buildings and infrastructure assets as a result of revaluations applied over time. Revaluation increments are credited directly to the asset revaluation surplus except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense.

Notes to the Financial Report

For the Year Ended 30 June 2013

29 RESERVES (CONT.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2013				
Public resort and recreation land fund (restricted)	8,044	5,093	(7,237)	5,900
Housing Strategy	614	-	-	614
Moonee Ponds Creek development	370	-	(62)	308
Leisure centre development reserve	-	1,119	-	1,119
Total other reserves	9,028	6,212	(7,299)	7,941
2012				
Public resort and recreation land fund (restricted)	7,764	3,986	(3,706)	8,044
Car park development fund (restricted)	5	-	(5)	-
Barkly Street traffic management (restricted)	17	-	(17)	-
Moreland Open Space Strategy	343	-	(343)	-
Housing Strategy	614	-	-	614
Moreland energy management reserve fund	353	-	(353)	-
Moonee Ponds Creek development	443	-	(73)	370
Total other reserves	9,539	3,986	(4,497)	9,028

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 car park development fund provides funding for new car parks and car park redevelopment.

The Barkly Street traffic management fund provides funding for traffic management in Barkly Street.

The Moreland Open Space Strategy provides funds to improve and increase the availability of open space in the municipality.

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

The Moreland Energy Management Reserve Fund provides funds for the evaluation of energy consuming fixtures and equipment within Council buildings and their replacement with more efficient items.

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

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
30 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS OR DEFICIT		
Surplus/(deficit)	17,087	(1,431)
Depreciation/amortisation	20,434	20,227
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(606)	(159)
Movement in investment in associates	20	47
Fair value adjustments for investment property	130	380
Contributions – non-monetary assets	(1,202)	(3,408)
(Decrease) / increase in provision for doubtful debts	(2,157)	759
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,456)	(6,941)
(Increase)/decrease in prepayments	1,902	(1,931)
Increase/(decrease) in trade and other payables	(9)	16,704
(Increase)/decrease in inventories	14	8
(Decrease) in provisions	853	830
Net cash provided by/(used in) operating activities	35,010	25,085
31 RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents (see note 17)	33,818	37,499
Total reconciliation of cash and cash equivalents	33,818	37,499
32 FINANCING ARRANGEMENTS		
Bank overdraft	4,000	4,000
Used facilities	-	-
Unused facilities	4,000	4,000
33 RESTRICTED ASSETS		
Council has cash and cash equivalents (note 17) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (Recreational Lands Reserves).		
Reserve funds (note 29)	5,900	8,044
Total restricted assets	5,900	8,044

Notes to the Financial Report

For the Year Ended 30 June 2013

34 SUPERANNUATION

Post-employment Benefit

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

The fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25%, and will progressively increase to 12% by 2019.

Defined Benefit Plan

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the plan's assets and liabilities are pooled and are not allocated by employer, the actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Moreland City Council does not use defined benefit accounting for these contributions.

Moreland City Council makes employer contributions to the defined benefit category of the fund at rates determined by the trustee on the advice of the Fund's actuary. On the basis of the results of the most recent full actuarial investigation conducted by the fund's actuary as at 31 December 2011, Moreland City Council makes employer contributions to the fund's Defined Benefit category at rates determined by the fund's trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011/12).

In addition, Moreland City Council reimburses the fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Moreland City Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the fund. As such, assets accumulate in the fund to meet member benefits, as defined in the trust deed, as they accrue.

Short Fall Amounts

The Local Authorities Superannuation Fund's (Vision Super) latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Moreland City Council is a contributing employer. Moreland City Council was made aware of the expected shortfall during the 2011-12 year and was informed of its share of the shortfall on 2 August 2012. Moreland City Council has not been advised of any further adjustments.

Council has accounted for this shortfall as at 30 June 2012 in the Comprehensive Income Statement (refer Note 10) and in the Balance Sheet as trade and other payables (refer Note 25). The amount of the unpaid shortfall at 30 June 2013 is \$13.070M. This unpaid amount is included in the Balance Sheet as trade and other payables.

The fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Moreland City Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Notes to the Financial Report

For the Year Ended 30 June 2013

34 SUPERANNUATION (CONT.)

Accrued Benefits

The fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 as follows:

	31-Dec-11 \$'000
Net market value of assets	4,315,324
Accrued benefits	4,642,133
Difference between assets and accrued benefits	(326,809)

Vested benefits (minimum sum which must be paid to members when they leave the fund)	4,838,503
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The financial assumptions used to calculate the accrued benefits for the defined benefit category of the fund were:

Net investment return	7.50% p.a.
Salary inflation	4.25% p.a.
Price inflation	2.75% p.a.

	2013 \$'000	2012 \$'000
Employer contributions to Local Authorities Superannuation Fund (Vision Super) (a + c)	5,043	17,995

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date. (b + d)	13,470	13,505
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Defined benefits fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	913	14,176
a) 913	14,176	

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	13,070	13,210
b) 13,070	13,210	

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,110	2,907
Employer contributions to Vision Super for disbursement to other super funds	1,020	912
c) 4,130	3,819	

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	306	222
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Employer contributions payable to Vision Super for disbursement to other super funds at reporting date	95	73
d) 400	295	

Notes to the Financial Report

For the Year Ended 30 June 2013

35 COMMITMENTS

The Council has entered into the following commitments:

2013	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	7,807	8,212	22,269	-	38,288
Administration	587	555	589	-	1,731
Cleaning contracts for Council buildings	759	696	-	-	1,455
Leisure centres	157	101	9	-	267
IT systems support	1,329	1,332	-	-	2,661
Recycling	(500)	(500)	(1,500)	-	(2,500)
Social services	-	-	-	-	-
Consultancies	-	-	-	-	-
Total	10,139	10,396	21,367	-	41,902
Capital					
Works	102	-	-	-	102
Total	102	-	-	-	102

2012	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	6,699	7,807	25,809	4,671	44,986
Administration	464	7	7	-	478
Cleaning contracts for Council buildings	759	759	696	-	2,214
Leisure centres	190	157	110	-	457
IT systems support	1,327	1,329	1,332	-	3,988
Recycling	(500)	(500)	(1,500)	(500)	(3,000)
Social services	-	-	-	-	-
Consultancies	-	-	-	-	-
Total	8,939	9,559	26,454	4,171	49,123
Capital					
Works	91	-	-	-	91
Total	91	-	-	-	91

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
36 OPERATING LEASES		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land, and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	943	941
Later than one year and not later than five years	2,874	3,438
Later than five years	-	296
	3,817	4,675
(b) Operating lease receivables		
The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between one 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:		
Not later than one year	1,586	1,651
Later than one year and not later than five years	6,345	6,606
Later than five years	24,145	24,148
	32,076	32,405
37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS		
Contingent liabilities		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets, the likelihood of making such contributions in future periods has increased. At this point in time, it is not known if additional contributions will be required, their timing or potential amount.		
On 25 July 1994, Council entered into a guarantee and indemnity with the Australian and New Zealand Banking Group Limited and Basketball Stadiums Victoria Co-Operative Ltd trading as Sports Stadiums Victoria, for a bank loan for the purposes of building a new basketball stadium at Coburg on land leased from Council which is valued in excess of the contingent liability. The original loan (and extent of possible Council exposure) was \$800,000. The balance of the loan guaranteed by Council, as at 30 June 2013 was \$540,000 and therefore a contingent liability exists for this amount.		
Guarantees for loans to other entities	540	680
Contingent assets		
As at 30 June 2013 there were no contingent assets identified by Council.		

Notes to the Financial Report

For the Year Ended 30 June 2013

38 FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	17	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments and bills are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value.</p>	<p>On call deposits returned a floating interest rate based on the daily 11am return. The interest rate at balance date was 2.65% (3.40% in 2011–12).</p> <p>Term deposits provided an average return of 4.51% for the period invested. Funds held in term deposits in 2011–12 provided an average return of 5.35% for the period invested.</p> <p>Council did not have any funds invested in managed funds during the 2012–13 financial year, or during the prior 2011–12 financial year.</p>
Trade and other receivables			
Other debtors	18	<p>Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and interest free at this time. Credit terms are usually up to 60 days.</p>
Financial liabilities			
Trade and other payables	25	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General creditors are unsecured, not subject to interest charges and are normally settled within 21 days from end of month of invoice receipt.</p>
Interest-bearing loans and borrowings	28	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings was 5.05% (5.97% in 2011–12).</p> <p>As at balance date, the Council had no finance leases.</p>
Bank overdraft		<p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p>	<p>The overdraft is subject to annual review.</p> <p>It is secured by a mortgage over Council's general rates and is repayable on demand.</p> <p>The overdraft interest rate at balance date was 9.48% (9.83% in 2011–12).</p>

Notes to the Financial Report

For the Year Ended 30 June 2013

38 FINANCIAL INSTRUMENTS (CONT.)

(b) Interest rate risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	Fixed interest maturing in:					Total \$'000
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	
2013						
Financial assets						
Cash and cash equivalents	-	33,806	-	-	12	33,818
Financial assets	-	6,700	-	-	-	6,700
Trade and other receivables	-	-	-	-	3,850	3,850
Total financial assets	-	40,506	-	-	3,862	44,368
Weighted average interest rate		4.51%				
Financial liabilities						
Trade and other payables	-	1,497	11,573	-	12,967	26,037
Trust funds and deposits	598	-	-	-	753	1,351
Interest-bearing loans and borrowings	20,741	-	-	20,335	-	41,076
Total financial liabilities	21,339	1,497	11,573	20,335	13,720	68,464
Weighted average interest rate	3.63%	7.50%	7.50%	6.01%		
Net financial assets (liabilities)	(21,339)	39,009	(11,573)	(20,335)	(9,858)	(24,096)
	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	
2012						
Financial assets						
Cash and cash equivalents	-	37,487	-	-	12	37,499
Financial assets	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	3,548	3,548
Other assets	-	-	-	-	-	-
Total financial assets	-	37,487	-	-	3,560	41,047
Weighted average interest rate		5.81%				
Financial liabilities						
Trade and other payables	-	-	13,210	-	14,807	28,017
Trust funds and deposits	589	-	-	-	736	1,325
Interest-bearing loans and borrowings	26,220	-	-	13,443	-	39,663
Total financial liabilities	26,809	-	13,210	13,443	15,543	69,005
Weighted average interest rate	5.26%			6.83%		
Net financial assets (liabilities)	(26,809)	37,487	(13,210)	(13,443)	(11,983)	(27,958)

Notes to the Financial Report

For the Year Ended 30 June 2013

38 FINANCIAL INSTRUMENTS (CONT.)

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Cash and cash equivalents	33,818	37,499	33,818	37,499
Financial assets	6,700	0	6,700	0
Trade and other receivables	3,850	3,548	3,850	3,548
Total financial assets	44,368	41,047	44,368	41,047
<i>Financial liabilities</i>				
Trade and other payables	26,037	28,017	26,037	28,017
Trust funds and deposits	1,351	1,325	1,351	1,325
Interest-bearing loans and borrowings	41,076	39,663	41,076	39,663
Total financial liabilities	68,464	69,005	68,464	69,005

(d) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

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

Notes to the Financial Report

For the Year Ended 30 June 2013

38 FINANCIAL INSTRUMENTS (CONT.)

(e) Risks and mitigation (cont.)

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. Interest rate risk arises from interest-bearing financial assets and liabilities that we use. Non-derivative interest-bearing assets are predominantly short-term liquid assets. Our interest rate liability risk arises primarily from long-term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding
- reducing risks of refinancing by managing in accordance with target maturity profiles
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

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

- conformity with state and federal regulations and standards
- capital protection
- appropriate liquidity
- diversification by credit rating, financial institution and investment product
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government, we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

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 37.

Notes to the Financial Report

For the Year Ended 30 June 2013

	2013 \$'000	2012 \$'000
38 FINANCIAL INSTRUMENTS (CONT.)		
(e) Risks and mitigation (cont.)		
<i>Movement in provisions for doubtful debts</i>		
Balance at the beginning of the year	444	530
New provisions recognised during the year	183	211
Amounts already provided for and written off as uncollectible	7	12
Amounts provided for but recovered during the year	(19)	(309)
Balance at end of year	615	444
<i>Ageing of trade and other receivables</i>		
At balance date, other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade and other receivables was:		
Current (not yet due)	3,689	3,198
Past due by up to 30 days	281	219
Past due between 31 and 90 days	56	100
Past due by more than 90 days	-	31
Total trade and other receivables	4,026	3,548
<i>Ageing of individually-impaired trade and other receivables</i>		
At balance date, other debtors representing financial assets with a nominal value of \$615,297 (2012 \$473,467) were impaired. The amount of the provision raised against these debtors was \$615,297 (2012: \$444,467). The individually-impaired debtors relate to general and sundry debtors' and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of trade and other receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 90 days	-	-
Past due by more than 90 days	615	473
Total trade and other receivables	615	473

Notes to the Financial Report

For the Year Ended 30 June 2013

38 FINANCIAL INSTRUMENTS (CONT.)

(e) Risks and mitigation (cont.)

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date
- we will be forced to sell financial assets at a value which is less than what they are worth, or
- we may be unable to settle or recover financial assets at all.

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 readily-accessible standby facilities and other funding arrangements in place
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitor budget to actual performance on a regular basis
- 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 exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for financial liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
2013							
Trade and other payables	12,967	1,609	14,985	-	-	29,561	26,037
Trust funds and deposits	377	226	151	-	746	1,500	1,351
Interest-bearing loans and borrowings	2,075	2,058	4,077	11,900	38,901	59,011	41,076
Total financial liabilities	15,419	3,893	19,213	11,900	39,647	90,072	68,464
2012							
Trade and other payables	14,807	-	14,201	-	-	29,008	28,017
Trust funds and deposits	368	221	147	-	620	1,356	1,325
Interest-bearing loans and borrowings	1,924	1,906	3,757	10,842	44,526	62,955	39,663
Total financial liabilities	17,099	2,127	18,105	10,842	45,146	93,319	69,005

Notes to the Financial Report

For the Year Ended 30 June 2013

38 FINANCIAL INSTRUMENTS (CONT.)

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 4.05%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2013	\$'000				
Financial assets:					
Cash and cash equivalents	33,806	(676)	(676)	338	338
Financial assets	6,700	(134)	(134)	67	67
Trade and other receivables	3,850	-	-	-	-
Financial liabilities:					
Trade and other payables	13,070	261	261	(131)	(131)
Interest-bearing loans and borrowings	20,741	415	415	(207)	(207)

		Interest rate risk			
		-2 %		+1%	
		-200 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000
2012	\$'000				
Financial assets:					
Cash and cash equivalents	37,499	(750)	(750)	375	375
Financial assets	-	-	-	-	-
Trade and other receivables	3,548	-	-	-	-
Financial liabilities:					
Interest-bearing loans and borrowings	26,220	524	524	(262)	(262)

(g) Fair value hierarchy

All financial assets carried at fair value are measured at quoted prices in active markets for identical assets or liabilities.

39 AUDITORS' REMUNERATION

Audit fee to conduct external audit – Victorian Auditor-General
Fees for other services provided by internal auditor

	2013 \$'000	2012 \$'000
Audit fee to conduct external audit – Victorian Auditor-General	56	56
Fees for other services provided by internal auditor	9	9
	<u>65</u>	<u>65</u>

40 EVENTS OCCURRING AFTER BALANCE DATE

Council is not aware of any events subsequent to balance date at this time which should be disclosed in this financial report.

Notes to the Financial Report

For the Year Ended 30 June 2013

41 RELATED PARTY TRANSACTIONS

(i) Responsible persons

Names of persons holding the position of a responsible person at the Council at any time during the year are:

Councillors

Councillor John Kavanagh (Mayor from 1/07/12 to 31/10/12)
Councillor Oscar Yildiz (Mayor from 1/11/12 to current)
Councillor Michael Teti (Deputy Mayor from 1/7/12 to 31/10/12)

Councillor Lambros Tapinos
Councillor Lenka Thompson

Councillors after 1 November 2012

Councillor Lita Gillies (Deputy Mayor 1/11/12 to current)
Councillor Samantha Ratnam
Councillor Meghan Hopper

Councillor Sue Bolton
Councillor Rob Thompson
Councillor Helen Davidson

Councillors prior to 1 November 2012

Councillor Stella Kariofyllidis
Councillor Alice Pryor
Councillor Kathleen Matthews-Ward

Councillor Anthony Helou
Councillor Enver Erdogan
Councillor Jo Connellan

Chief Executive Officer

Peter Brown

(ii) Remuneration of responsible persons

The numbers of responsible officers, whose total remuneration from Council and any related entities fall within the following bands:

	2013 No.	2012 No.
\$1 – \$ 9,999	6	-
\$10,000 – \$19,999	6	2
\$20,000 – \$29,999	3	7
\$30,000 – \$39,999	-	1
\$50,000 – \$59,999	1	2
\$60,000 – \$69,999	1	-
\$320,000 – \$329,999	-	1
\$350,000 – \$359,999	1	-
	<u>18</u>	<u>13</u>
	\$	\$

Total remuneration for the reporting year for responsible persons included above amounted to:

716,407 697,652

(iii) No retirement benefits have been made by the Council to a responsible person. (2011-12, \$Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a responsible person during the reporting year (2011-12, \$Nil).

(v) Other transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with responsible persons, or related parties of such responsible persons during the reporting year (2011-12, \$Nil).

Notes to the Financial Report

For the Year Ended 30 June 2013

41 RELATED PARTY TRANSACTIONS (CONT.)

(vi) Senior officers' remuneration

A senior officer other than a responsible person, is an officer of Council whose total annual remuneration exceeds \$130,000, or, if remuneration is less than \$130,000, has management responsibilities and reports directly to the Chief Executive Officer.

The number of senior officers other than the responsible persons, are shown below in their relevant income bands:

Income range:

\$130,000 – \$139,999

\$140,000 – \$149,999

\$150,000 – \$159,999

\$160,000 – \$169,999

\$170,000 – \$179,999

\$180,000 – \$189,999

\$200,000 – \$209,999

\$210,000 – \$219,999

\$220,000 – \$229,999

	2013 No.	2012 No.
	1	4
	5	6
	5	2
	5	8
	1	-
	1	-
	-	1
	2	4
	3	-
	23	25

Total remuneration for the reporting year for senior officers included above, amounted to:

	\$	\$
	3,935,938	4,118,696

Notes to the Financial Report

For the Year Ended 30 June 2013

42 REVENUE, EXPENSES AND ASSETS BY FUNCTIONS/ACTIVITIES

	Rates Income		CEO's Office		Corporate Services	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME						
Grants	-	-	-	-	5,516	7,208
Other	109,526	100,704	-	-	4,325	5,556
TOTAL	109,526	100,704	-	0	9,841	12,764
EXPENSES	-	-	686	722	40,048	53,333
SURPLUS (DEFICIT) FOR THE YEAR	109,526	100,704	(686)	(722)	(30,207)	(40,569)
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	-	-	166	141	9,703	10,385

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

Chief Executive Officer's Office

The CEO's Office is responsible for the Council's overall operations and the internal audit function.

The office includes the following branches:

Chief Executive Officer Internal Auditor

Corporate Services Department

The Corporate Services Department is responsible for compliance with the corporate governance requirements and for providing a range of strategic and operational financial services to business units and to the Council as a whole.

The department includes the following branches:

Information Technology Director Corporate Services MP2 Project Office
Finance and Business Systems Citizens Services Governance

Social Development Department

The Social Development Department promotes and enhances community wellbeing through funding programs, advocacy, service provision, community partnerships and regulatory activity.

The department includes the following branches:

Director Social Development Culture and Library Services Aged Services
East Timor Project Social Policy and Early Years Youth and Leisure

City Infrastructure Department

The City Infrastructure Department enhances community wellbeing through the provision of a broad range of asset maintenance, enhancement and creation services.

The department includes the following branches:

Director City Infrastructure Strategic Transport and Property
Capital Works City Operations
Delivery

Notes to the Financial Report

For the Year Ended 30 June 2013

Social Development		City Infrastructure		Planning and Economic Development		Organisational Development and Urban Safety		Total	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9,449	9,811	2,599	1,846	199	1,597	1,548	-	19,311	20,462
4,249	3,715	7,108	6,523	7,928	12,279	7,416	248	140,552	129,025
13,698	13,526	9,707	8,369	8,127	13,876	8,964	248	159,863	149,487
30,828	31,207	45,782	41,890	13,986	14,839	11,446	8,927	142,776	150,918
(17,130)	(17,681)	(36,075)	(33,521)	(5,859)	(963)	(2,482)	(8,679)	17,087	(1,431)
977,927	962,944	489,055	467,905	3,500	3,252	2,851	1,261	1,483,202	1,445,888

Organisational Development and Urban Safety Department

The Organisational Development Department provides services related to internal and external communication, planning and performance, human resource welfare and management, and project planning and compliance.

The department includes the following branches:

Director Organisational Development and Urban Safety	OHS and Risk Management	Urban Safety
Communications and Research	Human Resources	Council Planning and Performance

Planning and Economic Development Department

The Economic Development Department promotes and enhances economic development within the municipal precinct through a number of major projects and strategies.

The department includes the following branches:

Director Planning and Economic Development	Coburg Place Management	City Development
City Strategy and Design	City and Economy Places	

Notes to the Financial Report

For the Year Ended 30 June 2013

43 FINANCIAL RATIOS (PERFORMANCE INDICATORS)

	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
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- (a) **Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

Debt servicing costs	1,953	= 1.22%	1,799	= 1.20%	1,528	= 1.11%
Total revenue	159,863		149,487		137,220	

Debt-servicing costs refer to the payment of interest on loan borrowings, finance lease and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

- (b) **Debt commitment ratio** (to identify Council's debt redemption strategy)

Debt servicing and redemption costs	3,539	= 3.23%	3,168	= 3.15%	2,305	= 2.50%
Rate revenue	109,526		100,704		92,310	

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

- (c) **Revenue ratio** (to identify Council's dependence on non-rate income)

Rate revenue	109,526	= 68.51%	100,704	= 67.37%	92,310	= 67.27%
Total revenue	159,863		149,487		137,220	

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

- (d) **Debt exposure ratio** (to identify Council's exposure to debt)

Total indebtedness	58,291	= 5.42%	56,024	= 5.26%	44,262	= 4.11%
Total realisable assets	1,075,371		1,064,407		1,075,777	

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 33) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land – other controlled; buildings on other controlled land; restricted assets; heritage assets; roads and lanes; footpaths; kerb and channel; drains; and bridges.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

Notes to the Financial Report

For the Year Ended 30 June 2013

43 FINANCIAL RATIOS (PERFORMANCE INDICATORS) (CONT.)

	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
(e) Working capital ratio (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	57,228	= 138.70%	56,657	= 171.33%	38,375	= 126.30%
<u>Current liabilities</u>	41,259		33,070		30,385	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	57,228	= 211.71%	56,657	= 242.14%	38,375	= 188.02%
<u>Current liabilities</u>	27,031		23,399		20,410	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

Notes to the Financial Report

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
44 CAPITAL EXPENDITURE			
Capital expenditure areas			
Roads		6,112	8,682
Drains		2,080	4,422
Open space		4,959	2,281
Land and buildings		17,697	8,482
Plant, equipment and other		2,933	4,369
Bridges		166	725
Other structures		275	351
Total capital works		34,222	29,312
Represented by:			
Renewal	(a)	19,325	18,640
Upgrade	(b)	8,081	1,079
Expansion	(c)	120	56
New		6,696	9,537
Total capital works		34,222	29,312
Property, plant and equipment, infrastructure movement			
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:			
Total capital works (includes contributions – non-monetary assets)		34,222	29,312
Asset identified / derecognised and movement in works in progress	23	7,654	(1,201)
Asset revaluation movement	29 (a)	20,336	(15,297)
Depreciation/amortisation	13	(20,434)	(20,227)
Written down value of assets sold	23	(4,464)	(399)
Net movement in property, plant and equipment, infrastructure	23	37,314	(7,812)
(a) Renewal			
Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.			
(b) Upgrade			
Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.			
(c) Expansion			
Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.			

45 SPECIAL COMMITTEES AND OTHER ACTIVITIES

Council is not aware of any special committees or other activities which need to be accounted for in this financial report or which have not been included due to materiality.

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.



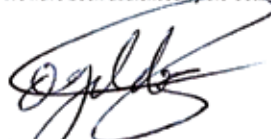
James Scott, Chartered Accountant
Principal Accounting Officer

Date : 12 September, 2013
Coburg

In our opinion the accompanying financial statements present fairly the financial transactions of Moreland City Council for the year ended 30 June 2013 and the financial position of the Council as at that date.

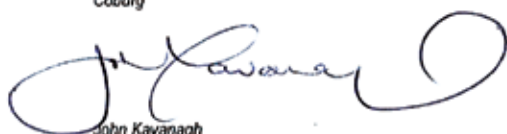
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on September 11, 2013 to certify the financial statements in their final form.



Oscar Yildiz
Mayor and Councillor

Date : 12 September, 2013
Coburg



John Kavanagh
Councillor

Date : 12 September, 2013
Coburg



Peter Brown
Chief Executive Officer

Date : 12 September, 2013
Coburg

Notes Accompanying the Standard Statements

for the year ended 30 June 2013

1. BASIS OF PREPARATION OF STANDARD STATEMENTS

Moreland City Council is required to prepare and include audited Standard Statements within its Annual Report. Four statements are required – a Standard Income Statement, Standard Balance Sheet, Standard Statement of Cash Flows and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Report and the budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages one to four of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent, except where the variance is considered to be of material value. 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 included in the Standard Statements are based on those adopted by the Council on 25 June 2012. Some adjustments to the adopted budgets were required to ensure alignment with the main statements in the Annual Financial Report. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet the Council's business plan 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.

Detailed information on the actual financial results are contained in the General Purpose Financial Report on pages 81 to 128. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

Standard Income Statement

For the Year Ended 30 June 2013

	Actuals 2012-13 \$'000	Budget 2012-13 \$'000	Variances \$'000 %	Ref
Revenue				
Rates and charges	109,526	107,380	2,146	2.0
Statutory fees and fines	7,500	8,962	(1,462)	(16.3)
User fees	13,019	10,883	2,136	19.6
Contributions – cash	2,616	1,000	1,616	161.6
Contributions – non-monetary assets	1,202	-	1,202	-
Grants – operating	16,008	15,457	551	3.6
Grants – capital	3,303	1,187	2,116	178.2
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	606	-	606	-
Other income	6,213	4,096	2,117	51.7
Fair value adjustments for investment property	(130)	-	(130)	-
Total revenues	159,863	148,965	10,898	7.3
Expenses				
Employee costs	69,565	69,527	(38)	(0.1)
Materials and services	49,194	44,930	(4,264)	(9.5)
Bad and doubtful debts	1,535	1,313	(222)	(16.9)
Depreciation and amortisation	20,434	20,891	457	2.2
Finance costs	1,953	2,772	819	29.6
Other expenses	75	77	2	2.6
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	20	-	(20)	-
Total expenses	142,776	139,510	(3,266)	(2.3)
Net surplus (deficit)	17,087	9,455	7,632	80.7

The above *Standard Income Statement* should be read in conjunction with the note to, and forming part of, the financial report.

Standard Income Statement

For the Year Ended 30 June 2013

2. VARIANCE EXPLANATION REPORT

Ref.	Item	Explanation
1	Rates and charges	This variance is largely due to significantly higher than budgeted supplementary rates income. This additional income is derived from the continuing high level of subdivision activity occurring within the municipality.
2	Statutory fees and fines	This variance is due to parking and planning permit fees being below budget.
3	User fees	Sub-divider contributions were higher than anticipated due to increased development activities.
4	Contributions – cash	Capital contributions were higher than anticipated.
5	Contributions – non-monetary assets	This variance is due to the recognition of donated assets from completed developments during the year for which Council has now accepted ongoing responsibility.
6	Grants – operating	This variance is due to above budget results which have occurred across a range of partly grant funded Council services. Expenditure obligations apply to these additional funds.
7	Grants – capital (non-recurrent)	This variance is due to grants being significantly above budget due to the recognition of \$498k in unbudgeted grants related to the consolidated accounts of the Moreland Enterprise Foundation Limited (MEFL). In addition, an unbudgeted grant of \$499k was received for the Fawkner Cogeneration project and \$900k for the refurbishment of three child care centres.
8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	This variance is a result of higher than expected sale proceeds obtained on the sale of property, plant and equipment.
9	Other income	This variance is due to above budget interest and \$1.563M of unbudgeted revenue after consolidating MEFL operations.
10	Fair value adjustments for investment property	Market valuations undertaken for Council's investment properties by qualified valuers, resulted in this overall decrement.
11	Materials and services	The primary reasons for this variance are the approved use of agency staff to fill staff vacancies, higher than budgeted consultancy costs which includes the consolidation of MEFL consultancy costs and expenditure originally budgeted as part of the capital program which were actually operating in nature.
12	Bad and doubtful debts	At balance date, debtors were assessed for recoverability. As a result, the provision increase for parking debtors was higher than budget primarily due to a higher than anticipated number of parking fines in excess of the statutory lodgement period.
13	Depreciation and amortisation	Depreciation expense for the year was below budget as a result of lower than anticipated new asset purchases and completion of construction projects.
14	Finance costs	This favourable variance is due to better than budgeted interest rate resulted from the implementation of Council's borrowing strategy.
15	Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	A decrease in Council's equity interest in the regional food kitchen enterprise is primarily due to the recognition of the loss made by the enterprise for 2012-13.

Standard Balance Sheet

For the Year Ended 30 June 2013

	Actuals 2012-13 \$'000	Budget 2012-13 \$'000		Variances \$'000 %	Ref
Assets					
Current assets					
Cash and cash equivalents	33,818	27,157	6,661	24.5	16
Trade and other receivables	16,353	13,598	2,755	20.3	17
Financial assets	6,700	-	6,700	-	18
Inventories	110	131	(21)	(16.0)	
Other assets	247	263	(16)	(6.1)	
Total current assets	57,228	41,149	16,079	39.1	
Non-current assets					
Investments in associates accounted for using the equity method (includes shares in MAPS Ltd)	1,298	1,365	(67)	(4.9)	19
Property, infrastructure, plant and equipment	1,483,202	1,482,314	888	0.1	20
Investment property	24,650	24,649	1	0.0	
Total non-current assets	1,509,150	1,508,328	822	0.1	
Total assets	1,566,378	1,549,477	16,901	1.1	
Current liabilities					
Trade and other payables	14,464	13,773	(691)	(5.0)	21
Trust funds and deposits	1,351	1,221	(130)	(10.6)	22
Provisions	15,999	15,978	(21)	(0.1)	23
Interest-bearing loans and borrowings	9,445	1,668	(7,777)	(466.3)	24
Total current liabilities	41,259	32,640	(8,619)	(26.4)	
Non-current liabilities					
Provisions	1,215	1,111	(104)	(9.4)	23
Interest-bearing loans and borrowings	31,631	39,690	8,059	20.3	24
Trade and other payables	11,573	0	(11,573)	-	21
Total non-current liabilities	44,419	40,801	(3,618)	(8.9)	
Total liabilities	85,678	73,441	(12,237)	(16.7)	
Net assets	1,480,700	1,476,036	4,664	0.3	
Equity					
Accumulated surplus	461,967	462,297	(330)	(0.1)	25
Asset revaluation reserve	1,010,792	1,005,752	5,040	0.5	26
Other reserves	7,941	7,987	(46)	(0.6)	26
Total equity	1,480,700	1,476,036	4,664	0.3	

The above *Standard Balance Sheet* should be read in conjunction with the note to, and forming part of, the financial report.

Standard Balance Sheet

For the Year Ended 30 June 2013

3. VARIANCE EXPLANATION REPORT

Ref.	Item	Explanation
16	Cash and cash equivalents	Cash balances at year end were significantly higher than forecast due to a higher than anticipated opening cash balance, delays in a number of large capital projects and the year-end impact of the consolidation of MEFL. The variance has also been affected by short-term deposits being allocated to longer term financial assets \$6.7M. (refer note 19)
17	Trade and other receivables	Council brought to account a higher than anticipated growth in rates and sundry debtors.
18	Financial assets	This increase reflects a movement in Council's term deposit investments with longer investment periods. This result affected the movement in cash and cash equivalents. (refer note 17)
19	Investments in associates accounted for using the equity method	This variance largely reflects the unbudgeted movement in Council's equity position in the regional kitchen enterprise.
20	Property, infrastructure, plant and equipment	This variance is largely due to the unbudgeted impact of the revaluation of Council's infrastructure and the net result of asset depreciation, purchases and sales.
21	Trade and other payables	Council's current liability variance largely relates to the recognition of 2013-14 financial year unfunded super obligations. Similarly, the non-current liability variance reflects the long-term obligations to the Vision Super "defined benefits" superannuation scheme.
22	Trust funds and deposits	This variance reflects the unbudgeted impact of movements in the value of both trust funds and deposits between the reporting periods and any unanticipated opening balance differences.
23	Provisions	Overall employee provisions were slightly higher than budget.
24	Interest-bearing loans and borrowings	Overall loan borrowings are below budget due to higher than budget debt redemption resulting from a lower than anticipated interest rate on a loan with a fixed repayment schedule.
25	Accumulated surplus	The unbudgeted movements between reserves and the accumulated surplus, together with operating result variances to budget, account for this movement.
26	Reserves	This variance is primarily due to the unbudgeted impact of Council's asset revaluations. The net of transfers in and out of the Public Resort and Recreation Land Fund reserve also contribute to this result.

Standard Cash Flow Statement

For the Year Ended 30 June 2013

MORELAND CITY COUNCIL ANNUAL REPORT 2012-13

	Actuals 2012-13 \$'000	Budget 2012-13 \$'000		Variances \$'000 %	Ref
Cash flows from operating activities					
Rates and charges	107,427	106,759	668	0.6	27
Statutory fees and fines	5,462	8,464	(3,002)	(35.5)	28
User fees	12,326	9,102	3,224	35.4	29
Contributions – cash	2,616	1,000	1,616	161.6	30
Grants	19,562	16,644	2,918	17.5	31
Interest received	1,985	1,145	840	73.4	32
Other receipts	11,740	3,342	8,398	251.3	33
	161,118	146,456	14,662	10.0	
Employee costs	(70,818)	(68,688)	(2,130)	(3.1)	34
Materials and consumables	(55,215)	(45,804)	(9,411)	(20.5)	35
Other payments	(75)	(77)	2	2.6	
	(126,108)	(114,569)	(11,539)	(10.1)	
Net cash inflow (outflow) from operating activities	35,010	31,887	3,123	9.8	
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	5,071	3,270	1,801	55.1	36
Purchase of financial assets	(6,700)	-	(6,700)	-	37
Payments for property, plant and equipment	(36,549)	(36,823)	274	0.7	38
Trust monies and deposits paid	26	-	26	-	39
Net cash inflow (outflow) from investing activities	(38,152)	(33,553)	(4,599)	(13.7)	
Cash flows from financing activities					
Proceeds from interest bearing loans and borrowings	3,000	6,864	(3,864)	(56.3)	40
Finance costs	(1,953)	(2,772)	819	29.5	41
Repayment of interest bearing loans and borrowings	(1,586)	(1,551)	(35)	(2.3)	42
Net cash inflow (outflow) from financing activities	(539)	2,541	(3,080)	(121.2)	
Net increase (decrease) in cash held	(3,681)	875	(4,556)	(520.6)	
Cash at the beginning of the year	37,499	26,283	11,216	42.7	
Cash at the end of the year	33,818	27,158	6,660	24.5	
Reconciliation of operating result and net cash flows from operating activities					
For the year ending 30 June 2012					
Net surplus (deficit) from operations	17,087	9,455	7,632	80.7	
Depreciation and amortisation	20,434	20,891	(457)	(2.2)	
(Profit) Loss on sale of property, plant and equipment	(606)	-	(606)	-	
Finance costs	1,953	2,772	(819)	(29.5)	
Net movement in current assets and liabilities	(3,858)	(1,231)	(2,627)	(213.4)	
Net cash inflow (outflow) from operating activities	35,010	31,887	3,123	9.8	

The above *Standard Statement of Cash Flows* should be read in conjunction with the note to, and forming part of the financial report.

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Standard Cash Flow Statement

For the Year Ended 30 June 2013

4. VARIANCE EXPLANATION REPORT

Ref.	Item	Explanation
27	Rates and charges	Collection of rate revenue was at a higher level than anticipated due to higher than expected rates income from supplementary valuations.
28	Statutory fees and fines	This variance is due to the receipts of parking and planning permit fees being less than expected.
29	User fees	Sub-divider contributions were higher than anticipated due to the higher level of overall subdivision activity.
30	Contributions – cash	The variance was attributed to higher than budget capital contributions received throughout the year.
31	Grants	Grants were significantly above budget due to the recognition of \$498k in unbudgeted grants related to the consolidated accounts of the MEFL. In addition, grant receipts were budgeted at net of GST values.
32	Interest received	Actual interest received is above budget due to a higher than forecast level of funds available for investment and the receipt of interest in the reporting period which was recognised as accrued interest in the prior financial year.
33	Other receipts	This variance is primarily due to unbudgeted GST receipts from the ATO, and above budget interest and property rental income receipts. In addition, \$1.563M of unbudgeted revenue after consolidating MEFL operations is another major factor.
34	Employee costs	This variance is largely due to the \$1M payment of Council obligations to the Vision Super "defined benefits" superannuation scheme during the financial year and the consolidation of unbudgeted MEFL employee expenses.
35	Materials and consumables	The variance is due to higher utility payments, contractor payments, unbudgeted MEFL expenditure and the variance between gross and net payment values as payments were budgeted at net of GST values.
36	Proceeds from sale of property, plant and equipment	The variance reflects a higher than expected sale proceeds of land sold during the year.
37	Purchase of financial assets	This variance reflects the increase in Council's longer-term deposit investments.
38	Payments for property, plant and equipment	Payments have largely been in line with budget. Part of the variance is due to delays in some capital projects.
39	Trust monies and deposits paid	This increase is due to a marginal increase in the value of both trust funds and deposits between the reporting periods. The budget had not forecast any change in value.
40	Proceeds from interest bearing loans and borrowings	The original budget anticipated a \$4M loan to be carried forward from 2011-12. Council eventually took up this loan in June 2012 to take advantage of low interest rates, therefore reducing the required loan raising for this year.
41	Finance costs	This favourable variance is due to better than anticipated loan interest rate.
42	Repayment of interest bearing loans and borrowings	Repayments have largely been in line with budget.

Standard Statement of Capital Works

For the Year Ended 30 June 2013

MORELAND CITY COUNCIL ANNUAL REPORT 2012-13

	Actuals 2012-13 \$'000	Budget 2012-13 \$'000		Variances \$'000 %	Ref
Capital works areas					
Roads	6,112	6,902	790	11.4	43
Drains	2,080	735	(1,345)	(182.9)	44
Open space	4,959	6,693	1,734	25.9	45
Land and buildings	17,697	12,205	(5,492)	(45.0)	46
Plant, equipment and other	2,933	4,536	1,603	35.3	47
Other structures	275	2,020	1,745	86.4	48
Bridges	166	-	(166)	-	49
Total capital works	34,222	33,091	(1,131)	(3.4)	

Represented by:

Renewal	19,325	19,225	(100)	(0.5)	50
Upgrade	8,081	5,124	(2,957)	(57.7)	51
Expansion	120	-	(120)	-	52
New assets	6,696	8,742	2,046	23.4	53
Total capital works	34,222	33,091	(1,131)	(3.4)	

	Actuals 2012-13 \$'000	Budget 2012-13 \$'000		Variances \$'000 %	Ref
Property, plant and equipment movement					
Reconciliation worksheet					
The movement between the previous year and the current year in property, plant and equipment as shown in the Standard Balance Sheet links to the net of the following items:					
Total capital works	34,222	33,091	1,131	3.4	54
Movement in works in progress	7,654	-	7,654	-	
Depreciation and amortisation	(20,434)	(20,891)	457	2.2	55
Asset revaluation movement	20,336	-	20,336	-	56
Written down value of assets sold	(4,464)	(3,270)	(1,194)	(36.5)	57
Net movement in property, plant and equipment	37,314	8,930	(28,384)	(317.8)	

The above *Standard Statement of Capital Works* should be read in conjunction with the note to, and forming part of, the financial report.

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Standard Statement of Capital Works

For the year ending 30 June 2013

5. VARIANCE EXPLANATION REPORT

Ref.	Item	Explanation
43	Roads	Funds budgeted to be spent on road projects will be carried forward into the new financial year.
44	Drains	Higher than forecast drainage expenditure occurred as a result of new drainage assets installed as part of road reconstruction as well as recognition of donated assets from completed developments.
45	Open space	Several major park infrastructure, sportsfield and street landscaping projects, have been delayed until the new financial year.
46	Land and buildings	The variance is mainly due to expenditure on the Brunswick Library and the Brunswick Baths projects which were provided for in the prior budget.
47	Plant, equipment and other	Minor variance due to the lower than expected purchasing of plant and equipment throughout the year.
48	Other structures	This variance is due to the delay in the street lighting project as a result of time delays in establishing the necessary work contracts.
49	Bridges	As part of the open space works program it was determined that additional works needed to be performed on retaining walls. Work was also completed on several footbridges.
50	Renewal expenditure	This expenditure has largely been in line with budget. 60% of the \$14M costs attributed to the Brunswick Baths were of a renewal nature.
51	Upgrade expenditure	This variance in part is due to the completion of the Brunswick Baths project. 40% of the \$14M costs were of an upgrade nature.
52	Expansion expenditure	Expenditure works originally classified as renewal type were actually of an expansion nature.
53	New assets	This variance is predominately due donated roads infrastructure assets and a lower level of new assets built.
54	Total capital works	The main reason for this variance was the completion of Brunswick Baths and several unbudgeted land purchases.
55	Depreciation and amortisation	Depreciation expense for the year was slightly below budget as a result of unexpected donated Infrastructure assets.
56	Asset revaluation movement	A valuation of infrastructure assets was undertaken by Council resulting in an adjustment to the fair value of these assets.
57	Written down value of assets sold	The written down value of assets is higher than forecast due to unbudgeted written down value of sold land and building assets during the year.

CERTIFICATION OF STANDARD STATEMENTS

In my opinion, the accompanying Standard Statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.



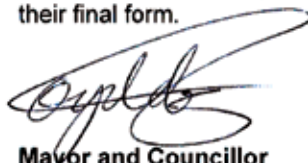
Principal Accounting Officer
James Scott, CA

Dated: 12 September, 2013

In our opinion, the accompanying Standard Statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the Standard Statements misleading or inaccurate.

We were authorised by the Council on 11 September, 2013 to certify the Standard Statements in their final form.



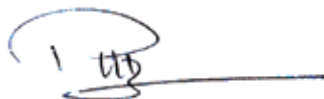
Mayor and Councillor
Oscar Yildiz

Dated: 12 September, 2013



Councillor
John Kavanagh

Dated: 12 September, 2013



Chief Executive Officer
Peter Brown

Dated: 12 September, 2013



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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Moreland City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2013 of the Moreland City Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Moreland City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

Auditing in the Public Interest

Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Moreland City Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Moreland City Council for the year ended 30 June 2013 included both in the Moreland City Council's annual report and on the website. The Councillors of the Moreland City Council are responsible for the integrity of the Moreland City Council's website. I have not been engaged to report on the integrity of the Moreland City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
16 September 2013


John Doyle
Auditor-General

Abbreviations

ACRONYM	TITLE
AASB	Australian Accounting Standards Board
AHRI	Australian Human Resources Institute
AIM	Area Integrated Maintenance
CALD	Cultural and Linguistic Diversity
CEO	Chief Executive Officer
CERES	Centre for Education and Research in Environmental Strategies
CIV	Capital Improved Value
CPI	Consumer Price Index
CRS	Customer Request System
DAMP	Domestic Animal Management Plan
DDA	Disability Discrimination Act
DMA	Development Management Agreement
EBA	Enterprise Bargaining Agreement
EOI	Expression of Interest
FOI	Freedom of Information
GST	Goods and Services Tax
HOA	Heads of Agreement
HPP	Health Privacy Principle
IBAC	Independent Broad-based Anti-Corruption Commission (Victoria)
IPP	Information Privacy Principle
LGPro	Local Government Professionals
LPP	Local Planning Policy
LSI	Life Styles Inventory
MAV	Municipal Association of Victoria
MP2	Moreland PRINCE 2 (project management methodology)
MSD	Melbourne Statistical Division
MSS	Municipal Strategic Statement
NBN	National Broadband Network
OCI	Organisational Culture Inventory
OHS	Occupational Health and Safety
PODS	Parking Overstay Detection System
RBA	Results Based Accountability
RFP	Request for Proposal
ROW	Right of Way
SDAPP	Sustainable Design Assessment in the Planning Process
TCI	The Coburg Initiative
UPC	Urban Planning Committee

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