

Annual Report

2013–2014

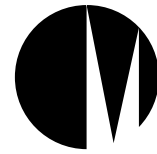


Moreland City Council









Moreland City Council

Annual Report

2013–2014

Welcome

This report outlines how the City of Moreland performed from 1 July 2013 to 30 June 2014.

The Council Plan 2013–2017 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 originating from this plan and addresses the challenges experienced throughout the year.

If you would like to view or order a copy of the Annual Report or the Council Plan, you can visit our Citizens Service Centres or contact us (03) 9240 1111. You can also view these documents at any of our libraries or on our website moreland.vic.gov.au.

We also welcome your feedback on this Annual Report.

You can contact us on (03) 9240 1111, email us at info@moreland.vic.gov.au or write to us at Locked Bag 10, Moreland, 3058.

Citizen Service Centres

Office hours: 8.30 am to 5 pm
Moreland Civic Centre
90 Bell Street Coburg, Victoria 3058

Brunswick Citizens Service Centre
233 Sydney Road
Brunswick, Victoria 3056

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

Language Link

廣東話	9280 1910
Italiano	9280 1911
Ελληνικά	9280 1912
عربي	9280 1913
Türkçe	9280 1914
Tiếng Việt	9280 1915
हिंदी	9280 1918
普通话	9280 0750
ਪੰਜਾਬੀ	9280 0751

All other languages
9280 1919



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Performance

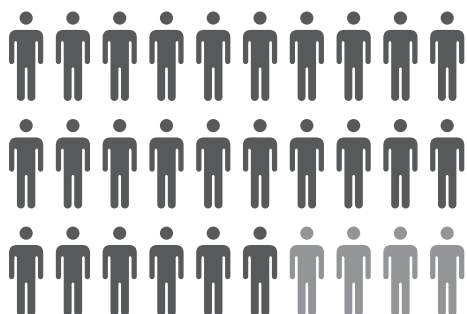
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Snapshot of Moreland

160,029
PEOPLE



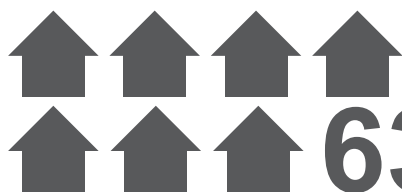
2586
NEW BABIES



Median house price



Median unit price



PRIVATE
DWELLINGS

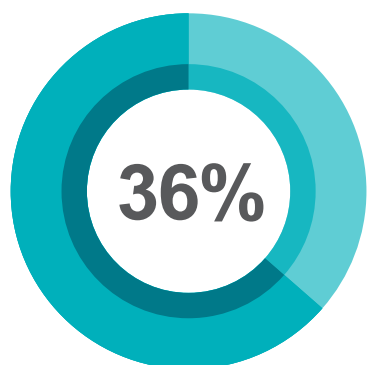
63,302



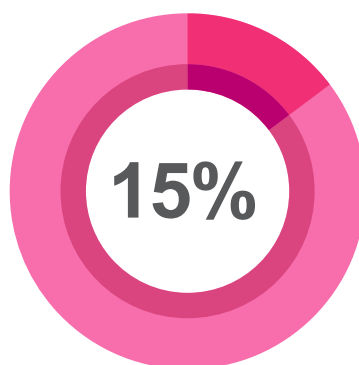
Hectares
land area



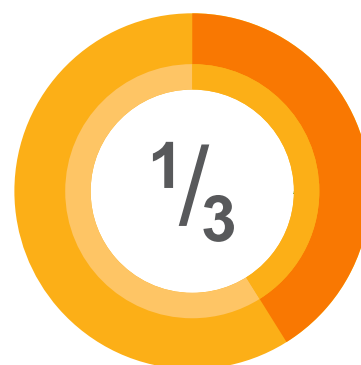
Persons
per hectare



36% of dwellings are
medium or high density



15% population
increase since 2001



One-third of residents
born overseas

**MORELAND POPULATION WILL
INCREASE TO APPROXIMATELY
188,500 BY 2031**

188,500





Mayor's message

As someone who has lived my whole life in Moreland, I am proud of the way our Council served the local community in this financial year.

One of the key challenges that we faced during this year – and will continue to face in the future – is environmental sustainability. This is an area where we have taken strong action. We are one of only five Councils in Australia committed to becoming carbon neutral, which is reflected across a range of areas, including our promotion and support of environmentally sustainable design, the Moreland Watermap 2020 and the Zero Carbon Evolution Strategy.

A major focus for Council during this financial year was planning. We have improved the planning laws in our area with the introduction of the Moreland Local Planning Policy Framework, which includes the Municipal Strategic Statement, the Moreland Residential Zone Plan, the Structure Plan and the Design Code. Once approved and implemented, these planning protocols will improve the quality of developments and stop the over development in our residential streets.

Important infrastructure activity for Council included the completion of works at the Brunswick Library, Brunswick Baths and Brunswick Town Hall. The grandstand and grounds at CB Smith Reserve in Fawkner are now also near completion. Numerous commercial precincts were revitalised, including three areas in Glenroy. We continued to make significant progress with The Coburg Initiative, including plans for a new hospital and the renewal of the central commercial area.

As is the case every year, some of our most important work was performed on a daily basis through the efforts of Council staff in the areas of maternal and child health, home help, meals delivery and aged care.

[These key services that look after our younger and older people are highly valued by all within our community.]

The general cleanliness of our city continues to be a key challenge for Council. We make a concerted effort to maintain the amenity of the municipality, but more needs to be done to combat problems such as graffiti and dumped rubbish. Clearly these are areas where Council cannot operate alone. We require the help and cooperation of all residents to demonstrate civic pride and maintain well-presented residences, streets and suburbs.

I would also like to take this opportunity to acknowledge the ongoing efforts of our Chief Executive Officer, Peter Brown. Peter has instilled in his team an ethos of always putting the community first and a strong work ethic, and I thank him for his work on behalf of Council staff.

Cr Lambros Tapinos



Chief Executive Officer's report

This was a year of strong performance for Moreland Council as we worked to deliver the best possible outcomes for residents across the municipality. The underlying financial operating surplus for 2013–2014 was \$4.789 million with a total budget expenditure of \$154 million. Budget outcomes were in line with the Five Year Financial Plan, which outlines the Council medium-term blueprint for delivering services and maintaining assets.

We continued to build new infrastructure in areas of growing need while upgrading existing infrastructure. A Capital Works Program of \$42.333 million was directed at a wide variety of projects, with the total capital spend being \$19.364 million above the financial depreciation expense for the year. As the financial year ended, the trials for laying bluestones in Brunswick laneways commenced.

Streetscapes and shopping strips have been renewed with an emphasis on environmental sustainability and improved amenity, including the Jewell Station precinct, Brunswick (partnership with VicTrack); Anderson Road, Fawkner; Justin Avenue, Glenroy; Michael Street, Brunswick; Wheatsheaf Road, Glenroy; and Pascoe Vale Road, Glenroy.

Coburg continued to be a focal point via The Coburg Initiative. Heads of Agreement were signed with a provider for a new hospital and negotiations for construction progressed. A heritage building was purchased in Urquhart Street for a new co-located children's centre and maternal and child health centre. Construction commenced on final stages of Pentridge Boulevard, linking Sydney Road to Bell Street.

Council's ongoing commitment to sustainability was exemplified by the adoption of the Zero Carbon Evolution Strategy, a transformative implementation plan for local government and community leadership on climate change. This bold strategy aims to reduce carbon emissions across the entire Moreland community by 22 per cent by 2020, a reduction that would see

the municipality living within its 'carbon budget' and on track to zero carbon. This was paired with a Carbon Management Strategy targeting Council's corporate emissions.

Council continued to implement National Carbon Offset Standard Accreditation, making Moreland the second Council in Victoria (and 1 of 5 nationally) to be carbon neutral for its corporate operations.

The Moreland Electric Vehicle Project was a finalist in the LGPro Sustainability Initiative awards (2014) and won a Keep Australia Beautiful National Energy Innovation Award (2013). Moreland is now the leading Council in Australia in terms of installed electric vehicle charge stations, including Victoria's first public 'fast charge' point.

Moreland Watermap 2020 was endorsed by Council in June 2014, a clear implementation plan for us to become a Water Sensitive City. A major practical step towards this is the Stormwater Harvesting Project at Charles Mutton Reserve in Fawkner, which will deliver 13 millilitres per annum of treated stormwater to be used for irrigation at the reserve.

In the reporting period, 87 planning permit applications were assessed as part of the Sustainable Design Assessment in the Planning Process Program, with environmental savings calculated at 6,445 tonnes of greenhouse gas (CO²-e) and 119 millilitres of potable water. The Amendments Unit also contributed, working with five other Councils to introduce Environmentally

Efficient Design into local planning policy, incorporated into the Moreland Planning Scheme (still awaiting approval from the Minister for Planning).

Key policy frameworks that were endorsed by Council included the Moreland Local Planning Policy Framework including the Municipal Strategic Statement; new Residential Zones (awaiting Ministerial approval); and the Moreland Activity Centre Framework. Economic Development facilitated successful grants to two local businesses – Koko Black and PMI Imageworks – through the Melbourne North Industry Innovation Fund, totalling \$5.6 million in funding and 210 projected jobs.

Moreland continued to work at improving responsiveness to customer service requests. A total of 61,749 customer service requests were received, with 84 per cent completed on time, an improvement on the previous year (82 per cent). There was a 25 per cent increase in the proportion of online transactions for common processes, including animal registration renewals and infringement payments, as we encourage customers to take their service requests into the digital space. For example, Council now provides community members the ability to view planning applications undergoing public notice online at any time.

Council received 1,877 applications for planning permits, an increase of 28 per cent on the previous financial year, and reduced the backlog of planning compliance matters by 53 per cent. Council's planning permit decision-making performance was the best in the state when benchmarked against other Councils, and is generally in the top three in monthly State Government Planning Permit Activity reporting, with 69 per cent of decisions made within statutory timeframes. The number of decisions appealed to VCAT dropped to an all-time low of 5 per cent.

It was another year of significant Home Support service, with 140,000 hours of support delivered through personal care, respite, home support, home maintenance and

planned activity. Maternal and Child Health workers logged 2,585 Moreland births. Council's Family Day Care service was accredited and received an 'exceeding' rating. Several key social strategies were endorsed by Council, including the Later Years Strategy, Affordable Housing Strategy and Recreation Strategy.

More than 750,000 visits were made to Moreland libraries, with an overall satisfaction rating of 91.7 per cent in the annual survey of members. The RFID (self-service) system was rolled out at all library branches.

Over 71,500 people attended Council festivals and events. Moreland became the second Council in Australia to receive White Ribbon Workplace Accreditation.

As ever, roads and rubbish remained crucial aspects of our service delivery. Approximately 10.83 kilometres of road were reconstructed or resurfaced, and 14 kilometres of footpath were replaced. Council workers handled 29,856 tonnes of waste, 15,529 tonnes of commingled recycling and 8,867 tonnes of green organics.

I am confident that we will build on our considerable achievements in all of these diverse areas in the coming year and the years ahead. In closing, I would especially like to thank our staff for their great work in bringing such a range of exemplary services, programs and strategies to our Moreland community.



Peter Brown



The Commons Development, Anstey Station, Brunswick



Snapshot of Moreland 2013–2014

Location

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

Population

The estimated resident population of Moreland in June 2013 was 160,029 people. Between 1996 and 2001, the population of Moreland remained steady at around 136,000. Since 2001, the population has increased by approximately 20,000 or 15 per cent.¹

Births

Moreland has seen a dramatic increase in births, with an average of 2,000 babies born in Moreland each year since 1995. In this financial year 2,586 babies were born in Moreland. This is a 12.2 per cent increase since the 2008–2009 financial year, and a 36 per cent increase since 2000–2001.²

Aboriginal and Torres Strait Islander population

The total number of Aboriginal and Torres Strait Islander residents in Moreland increased to 703 people in 2011 from 627 in 2006.³

Cultural diversity

The City of Moreland is a highly culturally and linguistically diverse municipality, with residents speaking approximately 140 different languages at home.

In 2011, more than one-third of Moreland residents were born overseas. Of those residents, 87 per cent

were born in non-English-speaking countries and 13 per cent were born in English-speaking countries. The main countries of birth of 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.⁴

New arrivals to Moreland are changing Moreland's cultural diversity and are now more likely to be born in India, China, Pakistan, Lebanon, Sri Lanka, the Philippines, Nepal and Iran.⁵

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 residents compared to the Melbourne Statistical Division (MSD). There are smaller proportions of 5 to 14 year olds and 55 to 64 year olds relative to the MSD. The number and proportion aged 35 to 54 years has increased substantially over the last decade and is now similar to the MSD.⁶

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 2008 and 2010 is 84.2 years whereas the life expectancy of males is 78.7 years.⁷

Education and occupation

Moreland has experienced a significant improvement in the retention of students from Year 10 to Year 12 over the past decade; however, there was a slight decrease between 2011 and 2013, from 90 per cent to 88 per cent.⁸ The proportion of Moreland residents who have

^{1,3,4,6} Australian Bureau of Statistics, 2011 Census of Population and Housing

² Moreland Maternal and Child Health database

⁵ Department of Immigration and Citizenship Settlement database

⁷ Department of Human Services, Life Expectancy Estimates



non-school qualifications has increased with 47 per cent more residents in 2011 having completed a non-school qualification than in 2001.⁹

The proportion of managers and professionals in Moreland has increased from 19 per cent in 1996 to 29 per cent in 2011, while the proportion of technicians and trades workers, labourers and sales workers has decreased.¹⁰

Housing and families

In 2011, Moreland had 63,302 private dwellings (including unoccupied dwellings), up from 59,231 in 2006. Moreland has also witnessed substantial changes in households over the past decade. The proportion of families with children has decreased – with 59 per cent of all household types in 2011 compared to 63 per cent in metropolitan Melbourne.

The proportion of households comprised of couples without children has remained fairly stable over the past three census periods, while the proportion of lone person households has increased. Moreland has a higher proportion of these households in comparison to the metropolitan average, with 27 per cent of households lone person households compared to 23 per cent in metropolitan Melbourne in 2011.¹¹

Housing stock

Sixty-five per cent of occupied private dwellings in Moreland are separate houses, which is significantly below the metropolitan average of 73 per cent. The proportion of separate houses in Moreland has continued to fall with the growth of flats, units, apartments and semi-detached dwellings. Moreland has a significantly higher proportion of these dwellings (35 per cent) compared with the MSD (27 per cent). 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 between 2007 and 2010. Following the rapid rise in house and unit prices, the median price for both houses and units fell in 2011 and 2012. The median house price in Moreland in 2013 was \$590,000 – the same median price as in 2010, but a recovery from the previous price decline. The median price for a unit in Moreland in 2013 was \$417,500, decreasing by 1.3 per cent since 2012 when unit prices peaked at \$423,500.¹²

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 the vast majority (81 per cent) of Moreland residents 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.

As in previous years, a high 89 per cent agreed that Moreland is a good place to raise a family. Eighty-eight per cent agreed that they were able to access a variety of recreation facilities and leisure activities, while 89 per cent of respondents agreed with the statement 'You can get to know your neighbours'.

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

The only area showing a consistent decrease in agreement is the affordability of living in the area, dropping from 68 per cent in 2005 to 45 per cent in 2010. In 2012 this figure rose slightly to 52 per cent agreement, but is still low.

⁸ Department of Education and Early Childhood Development, Summary Statistics Victorian Schools

^{9,10,11} Australian Bureau of Statistics, 2011 Census of Population and Housing

¹² A Guide to Property Values, Department of Sustainability and Environment, 2013



Highlights

Our Bluestone City

On 12 September 2013, Councillors unanimously voted for Moreland to become the 'Bluestone City' after much community debate regarding the preservation of the area's bluestone laneways. Built between 1890 and 1950 and spanning 67 kilometres, Moreland has one of Victoria's largest networks of bluestone laneways.

Laneways will now be reconstructed in the traditional manner (as far as possible) and sections that have already been concreted will be reconstructed in the original bluestone. This decision recognises the laneways, together with bluestone bridges and other architecture, as an iconic feature of the local streetscape and urban identity and a highly regarded historical and cultural asset.

Supporting innovation

Every year Council offers grants ranging from \$5,000 to \$40,000 to the community. This year Council was proud to support some truly inspiring and worthy projects, ideas and initiatives that will make Moreland an even better place to live.

A photography project for vision impaired people, a home safety and wellbeing kit in Greek for seniors and carers, and street and digital artwork workshops for youth from Aboriginal and Torres Strait Islander, migrant and refugee backgrounds are just a few of the exciting projects to receive grants. More substantial capital works grants include an accessible ramp at Gillon Oval in Brunswick; a kitchen and bar renovation at City Oval in Coburg and Raeburn Reserve in Pascoe Vale; and new sports field lighting at Hosken Reserve.

Safety first

Community safety was a big issue for Moreland residents in 2013–2014 and Council is committed to improving the safety of local streets with a focus on lighting, public transport and CCTV cameras. Increased bike path lighting, illuminated late-night taxi ranks in four locations in Brunswick and recommendations for new lighting measures and upgrading to LED lights in some areas are just a few of the improvements already made. A funding agreement with the Department of Justice Community Crime Prevention Unit saw the installation

of CCTV cameras in the Sydney Road entertainment strip in Brunswick. A Community Safety Leadership Group was endorsed in April 2013, and a one-off Community Safety Grant of \$125,000 was introduced to help prevent family violence, including support for new parents and respectful relationship education for secondary students.

Trains Not Tolls

During this financial year, Council escalated its opposition to the state government's proposed East West Link project – a stance that is in sync with Council's decade-long record of advocating for better public transport options instead of large-scale spending on more roads.

The new road network has potential major impacts on Moreland residents, including loss of bike paths for up to four years, increased local traffic, loss of open spaces and sporting facilities, and cuts to budgets for roads, footpaths, transport, library and leisure centres. As well as actively supporting the City of Yarra's Trains Not Toll Roads campaign, Council continued to keep Moreland residents informed about the project's potential environmental, social and technical impacts. Council will continue to contest the road network in 2014–2015.



Sustainable City of the Year

In July 2013, Council was named the 2013 Sustainable City of the Year at the Keep Australia Beautiful Victoria Sustainable Cities Awards ceremony for its efforts in addressing climate change. Lead by Moreland Energy Foundation (MEFL), Council supports a range of innovative programs such as Zero Carbon Moreland; a behaviour change program with more than 4,000 local participants; Clean Energy Solutions; a bulk buying scheme for residents to buy affordable solar panels, hot water services and electric bikes; and Communities for Nature, which has seen 16,000 native seedlings planted by close to 200 households on their nature strips across Brunswick. As well as taking out the top award, Council and MEFL won the Community Government Partnership award for the Moreland Energy Partnership. CERES also won the Cultural Heritage Award for their Indigenous Program – Living Heritage.

Future Moreland

During 2013, Council spoke with more than 1,700 community members in forums, workshops, public listening posts and surveys to find out their vision for Moreland. The information Council gathered formed the basis of the Moreland 2025 Community Plan. An aspirational document that reflects what is important to residents, businesses and community groups, this long-term plan is about creating a better future for people living in Moreland and expresses the shared vision and values that will help guide planning and policy over the next 12 years. Council endorsed the plan on 14 May 2014 and is now seeking community feedback on the draft document as part of a formal public submission process.

Brunswick Baths

In two stages over 2013 and 2014, Council completed its largest ever infrastructure project – the new 50-metre outdoor pool and the redevelopment of the gym, cardio room, cycle room, occasional childcare and indoor aquatic facilities at the Brunswick Baths. The \$17.7 million project successfully maintained the historic character of this beautiful and iconic building, while transforming it into a state-of-the-art facility. The indoor aquatics facility offers a 20-metre ‘program pool’ with an

access ramp, new spa, sauna and steam room, and a new water-play pool with slide and water cannons, ideal for young swimmers becoming familiar with water.

A new elevator also provides more access to the facilities on the upper level and ample bicycle parking will continue to meet the needs of Brunswick’s growing cycling community.



Oxygen Centre

Launched in 2009, the Oxygen Project is all about improving and creating spaces and services for young people in Moreland. One the major successes of the project is the Oxygen Centre – a dedicated space in Coburg for young people to hang out and access support services. The centre is also home to members of the Moreland Youth Service team who are committed to making the centre a welcoming place for young people in the local area. The brand new building has a fully decked out band room, complete with drum kit, guitar and amps, and staff and partner organisations offer a range of free programs, including music, dance and song writing lessons, homework support, open studio art sessions and DJ workshops, along with regular barbecues and other events.





Council Plan 2013–2017

At a Special Council Meeting on 24 June 2013, Council endorsed the Council Plan 2013–2017, including the Five-year Financial Plan.

Purpose

The Council Plan describes our strategic objectives in five themes and the key initiatives to be implemented to achieve them. Moreland City Council exists to care for and meet the changing needs of our community in a sustainable way.

Vision

By 2017, a sustainable Moreland will have a more resilient community, more attractive, accessible and safe places, a stronger local economy and services that meet the needs of our growing community.

Values: How We Work

Customers and Community First

We acknowledge our main purpose is to work with our community and customers.

Respect

I will support and value others.

Personal Accountability

I take pride in my work and am responsible for doing it well.

Integrity

I will do what I say.

One Team

We will work within and across the organisation to achieve community outcomes.

Council Plan's five themes

1 Moreland's People

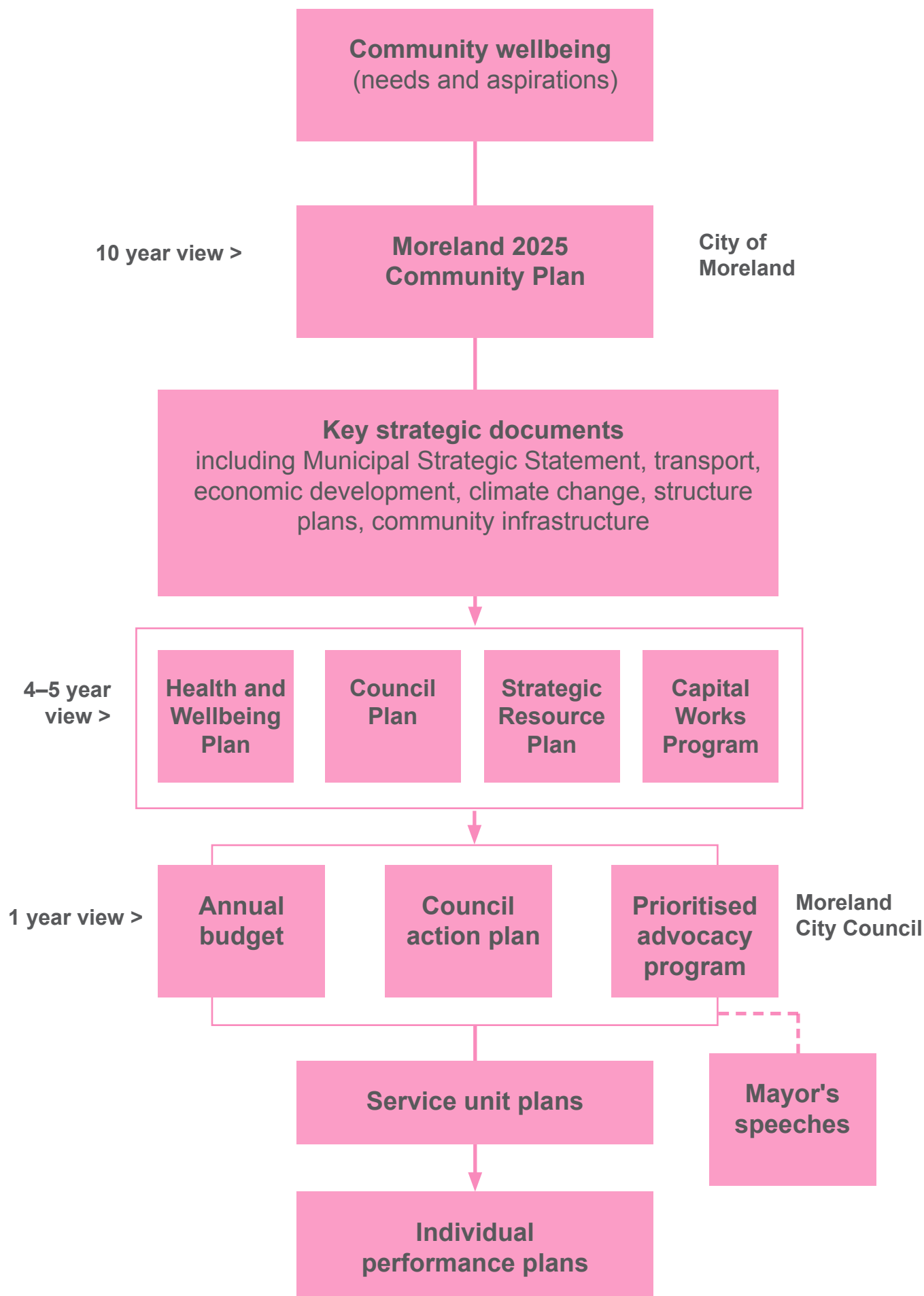
2 Moreland's Places and Spaces

3 Environmentally Sustainable Moreland

4 Moreland's Sustainable Economy

5 Civic Leadership

Strategic Planning Framework





Tre Espresso, Sparta Place, Brunswick



Council Plan performance monitor 2013–2014

These tables provides a summary of Council's progress under the priority themes in the Council Plan.

Moreland's people

Measure	2012–2013	2013–2014	Source
Proportion of respondents satisfied with Council performance in the area of recreational facilities	91%	90%	LGV satisfaction with local government survey
Immunisation rates per capita (for children aged 60–63 months)	90%	94%	Australian Childhood Immunisation Register
Proportion of actions in Health and Wellbeing Plan completed		86%	Health and Wellbeing Action Plan 2013–2014 Status Report
Attendance at aquatic and leisure facilities and Council-owned sports facilities – recreation services	12,813	13,986	Recreation services allocation applications
Attendance at aquatic and leisure facilities and Council-owned sports facilities – contracted services	615,699	863,523	Contracted service providers data reports
Proportion of respondents satisfied with Council performance in the area of family support services	96%	94%	LGV satisfaction with local government survey
Proportion of respondents satisfied with Council performance in the area of elderly support services	88%	90%	LGV satisfaction with local government survey
Proportion of advocacy program items relating to affordable housing achieved	50%	100%	Council report

Moreland's places and spaces

Measure	2012–2013	2013–2014	Source
Proportion of population / residences within 500 metres of a park	-	99.32%	GIS report
Proportion of respondents satisfied with Council performance in the area of local streets and footpaths	59%	70%	LGV satisfaction with local government survey
On-road bike paths (formal and informal)	0.43 metres per capita	0.42 metres per capita	Capital Works Program records
Off-road shared paths	0.40 metres per capita	0.40 metres per capita	Capital Works Program records
Proportion of advocacy items relating to public transport achieved	82%	100%	Council report
Proportion of respondents satisfied with Council performance in the area of appearance of public areas	85%	84%	LGV satisfaction with local government survey
Ministerial approval of Planning Scheme amendments that implement Council structure plans	-	C122 approved on 10/10/2013	Victorian Government Gazette
Number of performances and other cultural activities at Mechanics Institute Performance Arts Centre (MIPAC)	-	202	Performing Arts Moreland report and Metanoia records for Mechanics Institute
Number of visits to Mechanics Institute Performance Arts Centre (MIPAC)	4,848	8,166	Performing Arts Moreland report and Metanoia records for Mechanics Institute
Retention of identified heritage sites and places	-	C145; C129; C155	Victorian Government Gazette
Proportion of respondents satisfied with Council performance in the area of environmental sustainability	89%	89%	LGV satisfaction with local government survey
Increase in recycling tonnage per capita	8.9 tonnes	10.3 tonnes	Service records
Decrease in waste to landfill per capita	20.2 tonnes	20.4 tonnes	Service records
Open space land (M ²) per capita	-	35.9m ²	GIS report

Civic leadership

Measure	2012–2013	2013–2014	Source
Percentage of advocacy program items achieved	82%	100%	Council report
Proportion of respondents satisfied with Council performance in the area of community consultation and engagement	81%	76%	LGV satisfaction with local government survey
Sustainability index for road assets (including roads, carparks, footpaths / bikepaths, traffic management devices, bridges)	49%	77%	Capital Works Program records
Proportion of sealed local roads below the intervention level of 3.5	9%	6.5%	Capital Works Program records
Proportion of footpaths 'poor' or 'very poor'	0.9%	1%	Capital Works Program records
Median rate level as a proportion of median household annual income	2.1%	2.1%	Finance
Proportion of respondents satisfied with Council performance in the area of customer service	89%	86%	LGV satisfaction with local government survey
Proportion of payments conducted online	72.5%	73.9%	Pathway and supplier portal





Oxygen Centre, Coburg

South Ward

Councillor and Mayor Lambros Tapinos
Councillor Samantha Ratnam
Councillor and Deputy Mayor Meghan Hopper



North-West Ward

Councillor John Kavanagh
Councillor Lita Gillies
Councillor Helen Davidson
Councillor Oscar Yildiz JP



North-East Ward

Councillor Michael Teti
Councillor Sue Bolton
Councillor Lenka Thompson
Councillor Rob Thompson



Councillors

In 2013–2014 the Moreland community was represented by 11 Councillors elected from three wards across Moreland – North–West Ward (four Councillors), North–East Ward (four Councillors) and South Ward (three Councillors). Voters in the Moreland community elect Councillors every four years. The last election was in 2012 and the next election is in 2016. In addition to representing the interests of their wards, some Councillors are Portfolio Councillors with specific responsibility for a Council department. Responsibility for particular issues is also allocated to Councillors.

Councillor and Mayor Lambros Tapinos

Mayor in 2008–2009 and re-elected in 2013
Councillor Responsible for East Timor and Friendship Cities and Member of the Audit Committee
Phone (03) 9018 5265
Mobile 0433 419 075
Email ltapinos@moreland.vic.gov.au

Councillor and Deputy Mayor Meghan Hopper

Elected in 2012
Portfolio Councillor for Planning and Economic Development (shared with Cr Davidson); Councillor Responsible for Status of Women; and Chair of the Urban Planning Committee
Phone (03) 9018 5291
Mobile 0409 694 937
Email mhopper@moreland.vic.gov.au

Cr Samantha Ratnam

Elected in 2012
Portfolio Councillor for Social Development (shared with Cr Gillies); Councillor Responsible for Social Diversity and Reconciliation; and Councillor Responsible for Youth
Phone (03) 9018 5324
Mobile 0433 275 434
Email sratnam@moreland.vic.gov.au

Cr Sue Bolton

Elected in 2012
Councillor Responsible for Accessible and Affordable Housing (shared with Cr Lenka Thompson) and Councillor Responsible for Sustainable Transport (shared with Cr Lenka Thompson)
Phone (03) 9018 5246
Mobile 0417 583 664
Email sbolton@moreland.vic.gov.au

Cr Helen Davidson

Elected in 2012
Portfolio Councillor for Planning and Economic Development (shared with Cr Hopper) and Member of the Urban Planning Committee
Phone (03) 9018 5308
Mobile 0403 709 948
Email h davidson@moreland.vic.gov.au

Cr John Kavanagh

Elected in 2004 and Mayor from 2011–2012
Councillor Responsible for City Amenity and Improvement and Chairperson of the Audit Committee
Phone (03) 9018 5257
Mobile 0427 550 935
Email jkavanagh@moreland.vic.gov.au

Cr Michael Teti

Elected in 2008 and Deputy Mayor 2011–2012
Portfolio Councillor for City Infrastructure (shared with Cr Lenka Thompson); Councillor Responsible for Aged Services; Councillor Responsible for Recreation and Leisure (shared with Cr Yildiz); and Member of the Urban Planning Committee
Phone (03) 9018 5296
Mobile 0435 105 368
Email mteti@moreland.vic.gov.au

Cr Lenka Thompson

Elected in 2012
Portfolio Councillor for City Infrastructure (shared with Cr Teti); Councillor Responsible for Accessible and Affordable Housing (shared with Cr Bolton); Councillor Responsible for Sustainability, Climate Change and Water; Councillor Responsible for Sustainable Transport (shared with Cr Bolton); and Member of the Audit Committee
Phone (03) 9018 5261
Mobile 0417 353 020
Email lthompson@moreland.vic.gov.au

Cr Rob Thompson

Elected in 2012
Portfolio Councillor for Corporate Services; Councillor Responsible for Children; Member of the Urban Planning Committee; and Member of the Audit Committee
Phone (03) 9018 5310
Mobile 0409 760 436
Email rthompson@moreland.vic.gov.au

Cr Oscar Yildiz JP

Elected in 2008 and Mayor 2010–2012 and 2012–2013
Councillor Responsible for Recreation and Leisure (shared with Cr Teti)
Phone (03) 9018 5263
Mobile 0413 850 357
Email oyildiz@moreland.vic.gov.au

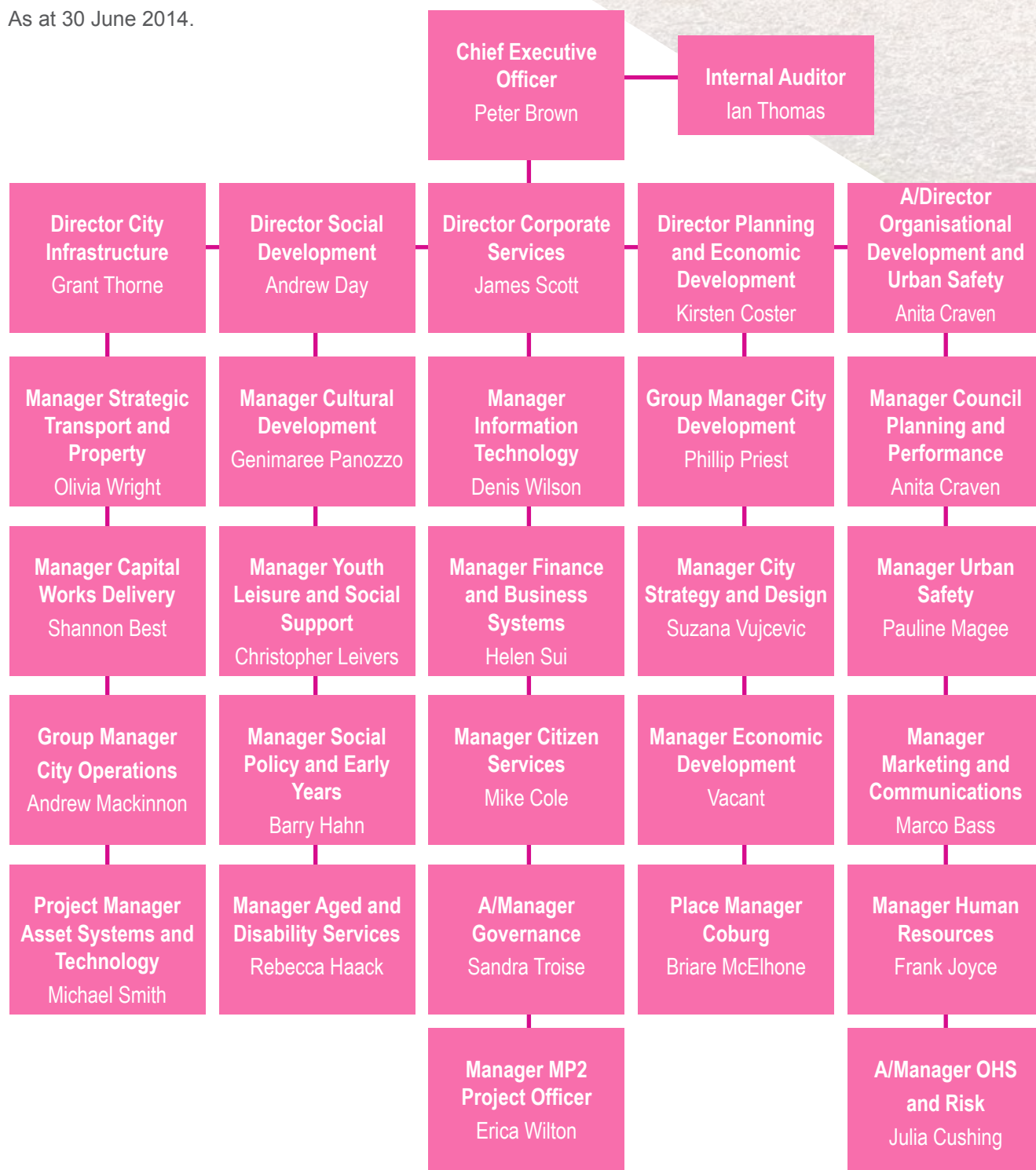
Cr Lita Gillies

Elected in 2012 and Deputy Mayor 2012–2013
Portfolio Councillor for Social Development (shared with Cr Ratnam) and Member of the Urban Planning Committee
Phone (03) 9018 5249
Mobile 0418 213 777
Email lgillies@moreland.vic.gov.au



Corporate structure

As at 30 June 2014.



Financial snapshot

Five Year Financial Plan

Council is guided by the principles of the Five Year Financial Plan for the period 2011–2012 to 2015–2016. 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 continuing to deliver essential services. On pages 76–130 you will find the formally presented Council financial statements 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 the year.

Income – where the money came from

Total income for the year was \$162.5 million. There was an overall revenue increase of \$2.6 million (or 1.6 per cent) compared to that of 2012–2013, primarily due to increased rates and charges and fair value adjustments for investment property. The majority of this revenue comes from rates and charges income of \$114.27 million. Other major sources of revenue were government grants of \$17.7 million (10.9 per cent) and user charges and other fines of \$20.88 million (12.8 per cent).

Expenses – how the money was spent

Total expenses for the year were \$147.3 million. Overall expenses increased in the year by approximately \$4.5 million, which is primarily due to employee costs and depreciation. The majority of total expenses consist of employee costs of \$71.8 million and contract payments, materials and services of \$48.7 million. Council is reporting an accounting surplus of \$15.2 million for the financial year. It is, however, important to note that this accounting profit includes items that are either one-off or committed for capital expenditure. After excluding non-cash developer contributions, capital grants and contributions and open space contributions, Council achieved a modest underlying surplus of \$4.789 million. This is a modest result in the context of a total budget

turnover of approximately \$162 million where the surplus is necessary to meet debt redemption payment obligations and to complete carry forward projects.

Capital spending by Council programs

Total capital spending for the year was \$42.333 million. Council continues to work at addressing its capital works program across a wide range of projects with the total capital spend being \$19.364 million above the depreciation for the year. However, renewal works were \$4.82 million below depreciation.

Category	Proportion of total expenditure %
Administration	6.4
Aged, disability and social services	9.1
Arts, culture and libraries	4.0
Asset maintenance	4.1
Asset management	1.0
Capital works	26.1
Youth and children's services	2.1
Customer service	1.9
Governance	2.6
Health and immunisation	2.2
Local laws and regulations	4.6
Parks and street trees	5.4
Planning and economic development	7.2
Property services	3.2
Recreation and leisure	2.0
Roads and footpaths	2.3
Street cleansing	2.2
Systems and communications	4.4
Transport	2.1
Waste collection and recycling	7.1







CB Smith Reserve, Fawkner



Governance

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

Council meetings

Decisions on issues affecting Moreland residents are made at Council meetings, which are held once a month.

These meetings provide residents with an opportunity to participate in Council's discussions and decision-making process. Outside of the formal agenda, residents have 30 minutes at each meeting to raise matters with Council.

Council met 14 times during the reporting period. Two of those meetings were Special Council meetings.

Councillor attendance at 14 Council meetings 2013–2014

Cr Oscar Yildiz	14
Cr Samantha Ratnam Cr Sue Bolton Cr Lenka Thompson Cr John Kavanagh	13
Cr Meghan Hopper Cr Rob Thompson Cr Helen Davidson Cr Lita Gillies	12
Cr Lambros Tapinos	10
Cr Michael Teti	6

Major committees

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

Urban Planning Committee

The Urban Planning Committee considers matters related to planning, building, environmental health, property, roads and traffic in accordance with Council's obligations as outlined in the Council Plan and in accordance with the legislative framework. All affected parties have the opportunity to speak on applications and issues at the meetings. The Urban Planning Committee has a pivotal role in developing the quality of life in Moreland. The committee met 12 times and considered 33 reports in the reporting period.

Councillor attendance at 12 Urban Planning Committee meetings 2013–2014

Cr Meghan Hopper Cr Helen Davidson	11
Cr Lita Gillies	8
Cr Rob Thompson	8*
Cr Lenka Thompson Cr John Kavanagh	7**
Cr Lambros Tapinos Cr Samantha Ratnam	4***
Cr Michael Teti	3

* Cr R Thompson joined the Urban Planning Committee on 11 November 2013.

** Cr Kavanagh and Cr L Thompson resigned from the Urban Planning Committee on 12 March 2014.

*** Cr Tapinos and Cr Ratnam resigned from the Urban Planning Committee on 11 November 2013.





Audit Committee

Consistent with the requirements of the Local Government Act 1989 and good corporate governance generally, Council has an Audit Committee. The Committee is an advisory committee to Council. The current Charter and Terms of Reference of the Audit and Committee were reviewed by the Committee and an updated Charter was adopted by Council in February 2014. The Moreland Council Audit Committee Charter is generally consistent with the February 2011 best practice guidelines for audit committees outlined in *Audit Committees: A Guide to Good Practice in Local Government*.

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

The Committee is presently chaired by Cr John Kavanagh, with two other Councillor members, Cr Rob Thompson and Cr Lenka Thompson, the Chief Executive Officer Peter Brown and three external representatives.

Council is fortunate to have the continuing services of Michael Francis (Managing Director of Pnevuvay Engineering Pty Ltd, a local Moreland company), Kevin Quigley (local resident, chartered accountant and business consultant) and John Hoffmann (local chartered accountant).

The committee met four times in the reporting period.

State and federal government investigations

Councillor attendance at four Audit Committee meetings 2013–2014

Cr John Kavanagh (Chair)	4
Cr Lenka Thompson	4
Cr Rob Thompson	3
Michael Francis	4
John Hoffmann	4
Kevin Quigley	4

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

Freedom of Information

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
 - 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 1111.





Freedom of Information

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

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

Moreland City Council is subject to the FOI Act and responds to requests directly related to its operations. There were 37 FOI requests processed in 2013–2014. There were seven requests granted in full, 26 in part and four requests denied in full. There was no internal review requested. Of the 37 requests received, 14 were planning or building related, eight health or personal information related and 15 requests for information about other 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.

Accessing FOI

Requests to access FOI must be in writing and accompanied by an application fee of \$26.50. Applicants should indicate in the form which 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.

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 that 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 the reporting period 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 1111 or email info@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 (for example, names and addresses) in order to carry out its functions (for example, planning, valuation and property services). It may also request personal information in order to provide education, welfare and other community services (for example, child care services). In some instances, personal information may be contained on a





public register (for example, register of building permits, food premises and animal registration details).

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 (phone 9240 1111). If any citizen believes that their personal information is inaccurate, incomplete or out of date, they may request Council to correct the information. If any citizen feels aggrieved by 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 financial year there were no complaints referred to Council by the Privacy Commissioner.

Awards and citations

- Australasian Reporting Awards (Bronze): Annual Report 2012–2013
- Aquatics and Recreation Victoria Annual Awards – Online Communications Finalist
- IPPA Victoria Leadership in the Public Sector Awards for 2013: Aim for Blue program
- Keep Australia Beautiful – Community Government Partnerships Award Winner: Moreland Energy Partnership, the road map to carbon neutrality
- Keep Australia Beautiful – National Energy Innovation Sustainable Cities Award Winner
- Keep Australia Beautiful – Sustainable City of the Year – City of Moreland (Victoria) Award Winner
- LGPro Awards – Community Infrastructure Under \$1.5 million Finalist: Oxygen
- LGPro Awards – Sustainability Initiative Finalist 2014 for the Moreland Electric Vehicle Project
- Place Leaders Asia Pacific – Place Practice Category Award Winner 2014 for the Fighting Crime with Placemaking, Better Block Brunswick initiative
- Stormwater Australia – Highly Commended Excellence in Infrastructure 2014 for the Charles Mutton Reserve 13ML/a Stormwater Harvesting System
- Vicsport Award Winner – Best Sports Development Initiative by an Industry Associate/Corporate Supporter – ALLPLAY
- Victorian Health Promotion Foundation Awards Finalist – ALLPLAY





Brunswick Library

Service delivery 2013—2014



Waste sent to landfill

29,856 TONNES

Landfill (average rubbish per dwelling)

466 KGS

Paper and bottle recycling

16,529 TONNES

Green waste collected

8867 TONNES

operations



1,317,147

Library loans



17,985

Trees and shrubs
planted



144,000

Home Support
hours delivered



1513

Planning permit
applications received



363

Planning permit
applications received
for subdivision



35,790.5

Kilometres of
streets cleaned



136,686

Meals delivered to
Moreland residents

48,644

Whittlesea / Nillumbik
Contract (meals)

16,872

Whittlesea / Nillumbik
Contract (sandwiches)



Registrations

Moreland City Council







Brunswick Library



Capital works projects delivered in 2013–2014 budget	Amount
Land assets	\$12,650,791
Roads and carparks	\$5,131,295
Parks and reserves	\$3,761,848
Footpaths and bikepaths	\$2,826,950
Libraries and cultural buildings	\$2,216,467
Climate change	\$2,176,419
Aquatic and leisure centres	\$2,157,493
Council fleet	\$1,909,923
Pavilion and sports club	\$1,810,429
Information technology	\$1,267,595
Transport management	\$1,173,137
Library collection	\$919,515
Business centre renewal	\$668,961
Drainage	\$597,200
Early years facilities	\$490,189
Coburg 2020	\$482,221

Community satisfaction

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

In 2014, Moreland scored 87 per cent for overall performance compared with 83 per cent in 2013, showing an increase in satisfaction.

Twenty-one Council services were surveyed, with four of these receiving ratings above 90 per cent. The areas of Council that received the highest rating were community and cultural activities, and arts centres and libraries (both on 95 per cent). This was followed by family support services (94 per cent), waste management (93 per cent), recreational facilities (90 per cent), elderly support services, and environmental sustainability (89 per cent). The lowest levels of satisfaction were for planning and building permits at 55 per cent, planning for population growth in the area and general town planning policy (both at 65 per cent).

Human resources

Workforce data

As at 30 June 2014, Council had 1075 employees.

CEO Group	4
City Infrastructure	222
Corporate Services	104
Planning and Economic Development	84
Organisational Development and Urban Safety	141
Social Development	520
Total	1075

Full time	Part time	Casual
544	391	140

Aboriginal and Torres Strait Islander employment

Council has the capacity to offer two traineeships per year for Aboriginal and Torres Strait Islander residents in the Moreland and adjacent areas. This financial year, one full-time trainee graduated from her certificate course and found work elsewhere after graduating.

A previous trainee graduate was offered an extension as an employee in the Records Unit, and a new full-time trainee was appointed working in the Information Technology and Home Support areas. Council engaged Apprenticeships Plus to facilitate the successful placement of the trainee.

Workplace relations

The Moreland City Council Enterprise Agreement 2012 (the Agreement) will expire 30 June 2015. Council's Joint Consultative Committee, which comprises a number of workplace and management representatives, remains in place to facilitate discussion and consultation between Council and the unions on matters arising out of the Agreement. The revised Council Employee Code of Conduct incorporating the organisational values was implemented across the organisation. Throughout the year, workplace relations within Council remained largely harmonious. A number of minor restructures have occurred to improve service delivery in areas such as Marketing and Communications and Environmental Health. An organisational restructure was implemented 1 July 2014, following consultation with unions and staff during June 2014. This restructure resulted in the reduction of five departments to four departments and the creation of a new Property Branch.

0 days lost due to industrial dispute

Building workplace culture

During 2013, there was an ongoing focus to embed the organisational values that were adopted in 2012. This work has included embedding training and awareness of the values through the employee induction process.

The use and implementation of annual service unit planning 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. Service unit plans have been developed for all services using the RBA methodology. These actions were the focus for service delivery in 2013. Additionally, every year organisational KPIs are put in place for all supervisor staff to ensure that their areas and staff are being managed consistently across the organisation. These KPIs include financial and project management, human resources, occupational health and safety, risk, procurement and delivery against the Council Plan.

The Organisational Culture Inventory (OCI) measures the operating culture and employee experience within



an organisation. This survey was run in early 2014 and in late 2014, line managers will participate in result debriefings and design and implement action plans with their units.

Learning and development

Developing our leaders: Aim for Blue Program

The Aim for Blue leadership development program supports the move towards a more constructive and higher performing workplace culture through a combination of support, tailored workshops and development activities designed to build existing leadership capability and to enhance the confidence of leaders when interacting with staff. Aim for Blue explicitly links these programs to our Human Synergistics culture measurement tools: Organisational Culture Inventory and Life Styles Inventory.

The Aim for Blue Program continued to focus on contributing to a positive culture at Council by investing in its leaders with a particular focus on a coaching culture and managing for performance. The 2014–2015 Aim for Blue Program will continue to focus on coaching and will introduce the notion of mentoring.

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 to choose from.

Throughout the financial year, 21 different e-learning courses were assigned to staff with a total of 132 staff undertaking online courses.

Corporate Training Program (including OHS)

Council is committed to investing in its staff through development and training opportunities and recognises that building internal capacity of staff contributes to improving the performance of the organisation.

Category	Courses run	Attendees (instances)
Occupational health and safety	45	510
Business and workplace effectiveness	29	286
Leadership and management	24	264
Diversity and social awareness	3	49

Compliance	15	198
Lifestyle, wellbeing and self-development	5	57
Systems training	21	72
Total	142	1,445

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 our Occupational Health and Safety (OHS) Policy.

The Policy states that Council's overall workplace safety objective is to eliminate all work-related incidents, illnesses and injuries, so far as is 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 is 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 OHS.

To facilitate compliance, and to continually improve on the management of OHS, Council has developed an OHS Strategic Plan 2011–2014 containing six key strategic objectives to be actioned over a three-year period. Actions undertaken during the financial year include:

- Three units achieved accreditation: Property Services, City Strategy and Design and Recreation Services. Additionally, eight units successfully participated in the annual surveillance audit. Twenty-six units have now achieved SafetyMAP accreditation across Council.
- Three defibrillator units were deployed across Council at Campbell Turnbull Library, Fawkner Library and Walter Street Depot. This completes the rollout of these potential life saving devices across Council. There are a total of nine defibrillator units deployed across Council.
- There has been a continued focus on raising awareness of OHS, with a strong focus on improving incident reporting timeframes.



- Council's consultation processes continue to operate effectively with all OHS Committees functioning and meeting regularly.
- The OHS and Risk team continues to work with high risk areas to undertake risk assessments, mitigate risks and identify areas for improvement.

Corporate Training Program OHS 2013–2014		
Course category	Courses run	Attendees (instances)
CPR	10	96
Critical incident and debriefing	1	11
SMART driver training	1	12
First aid level 2	7	61
Infection control	1	15
JSA	1	5
Manual handling	20	316
Occupational violence prevention	1	18
Asbestos awareness	1	10
Dangerous goods and hazardous substances	1	16
OHS rep five-day training	1	1
Sunsmart	5	94
OHS rep refresher training	3	32
Work-life balance	1	12
Work safe at heights	1	8
OHS, risk and injury management training	3	23
Return to work	6	94
Staff safety	1	14
Traffic management	2	45
Plant safety training	1	9
Total	71	667

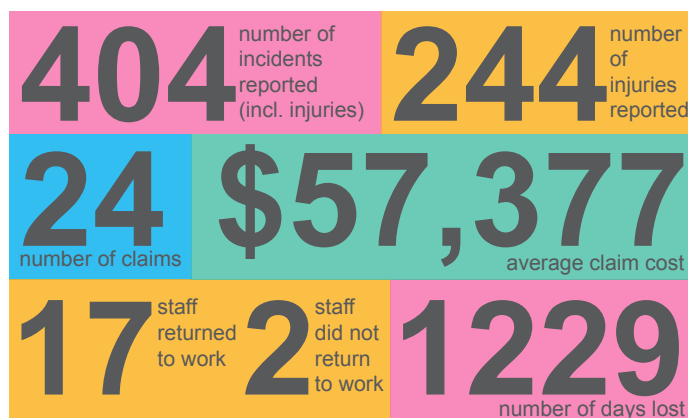
MoreCare – injury management

There was a 10.6 per cent increase in the number of incidents and injuries reported when compared to the previous year. Due to the nature of the reported injuries, the number of workers compensation claims has increased slightly when compared to last year.

Council has implemented a range of initiatives 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 continues to be successful, with the majority of injuries being musculoskeletal in nature, accounting for 57 per cent 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.
- Sprains and strains continue to be a major type of injuries. Due to this, an ergonomic sweep was conducted to all desk-based staff to raise awareness on workstation ergonomics. There was also an awareness session on the vehicle ergonomics. This program mainly assisted to identify potential problem areas, and determine suitable amendments.
- Injury management and return to work training has been rolled out to all supervisory staff this year to improve their knowledge and awareness.
- The majority of claims were sustained within our high risk areas in Social Development and City Infrastructure, namely: Home Support, Social Support, Waste Services, Roads and Street Cleansing. Of all employees who lodged a claim during the year, four employees still remain unfit for any work.

Injury management results



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

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 employees with the tools to enable them to make better decisions.

During the year, employees participated in self-funded pilates and meditation, skin checks, ergonomic sweeps of work stations as well as seminars covering topics such as Heal Program presented by Merri Community Health, D'Accord sessions and diabetes.

Risk management

Risk management continues to be a strong focus at Council. Risk has been integrated into Council's business planning and also continues to be reinforced through Projects and Procurement.

The Service Unit Risk Registers are regularly reviewed and the Corporate Risk Register is 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, OHS and risk management workshops are regularly held for supervisors and leaders across the organisation as part of the corporate training calendar.

The 2012–2014 MAV Risk Management Audit was held on the 28 February 2013. Council received an overall score of 94 per cent, which is a significant improvement on the 2010–2012 score of 69 per cent (review in 2012 was 73 per cent).

The Audit assesses Council's risk management processes for organisational risk management, reactive risk management, asset facilities management, special committees and building services and town planning.

Best value

The MoreValue Program is how Council delivers on the Best Value principles outlined in Section 208A of the *Local Government Act*. The Act requires that all services must meet quality and cost standards; be responsive to community needs and 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 2012–2013: Civic Facilities Service (incorporating Bookings and Events Management and Facilities Management) and Community Transport Service.

These reviews were evaluated for their effectiveness in delivering on the Best Value principles. The findings enabled further improvement of the MoreValue Program.

For example, in October 2013 Council adopted Lean Thinking as its Continuous Improvement methodology. Lean Thinking provides a uniform approach to continuous improvement across Council services. In February 2014, a significant project based on Council's parking infringement internal review process commenced.

This project identified significant financial and customer improvements, including:

- Projected year-on-year savings of \$38,500 per annum from avoided PIN revenue write-offs and reduced overtime.
- Improved customer response times from 90 days

at project commencement to 44 days at June 30 and projected to achieve a new service standard of less than 10 business days by August 2014.

Other initiatives implemented in 2013–2014 to drive service improvement and deliver best value outcomes include:

- A review into Maternal and Child Health administration identified improvement opportunities to increase nurse direct care from 50 to 60 per cent by centralising client appointments, bookings and SMS reminders within the service administration team; installing a new bookings software capability; and reducing nurse travel for administration purposes and the client 'did not attend' appointment rate.
- A review of the Mayor and CEO procedure for responding to correspondence streamlined the process and significantly reduced response times. It also resulted in improved software enhancements to reduce response times for Mayor and CEO correspondence across all Council departments.
- The launch of an e-recruit system to electronically manage end-to-end recruitment. This system makes the recruiting process more transparent, simplified and efficient for recruiting staff. It also increases responsiveness to candidates and is expected to significantly reduce paper use and increase data and reporting capacity.
- A reduction by 53 per cent in the backlog of planning compliance matters from a peak of 273 to 144 at the end of June 2014.
- Council's planning permit decision-making performance was the best in state for a number of months in 2014 when benchmarked against other Councils, and is generally in the top three in monthly State Government Planning Permit Activity reporting, with 69 per cent of decisions made within statutory timeframes. The community are now also able to view planning applications undergoing public notice online at any time.
- A program to monitor and improve phone standards across Council commenced in February

2014. The first round revealed that 74 per cent of Council staff responded to standard. This was second highest compared to seven benchmarked councils.

- The implementation of a new invoice management software system improved the process and efficiency of the accounts payable function.
- Online lodgement enhancements for three more business processes, including options for residential and commercial planning applications, including a request to seek a pre-application meeting; legal point of discharge; and e-mail receipting.
- Process and customer service improvements for road openings and road closures permit application, including a reduction in the timeframe for permit and invoice with specific conditions generation.



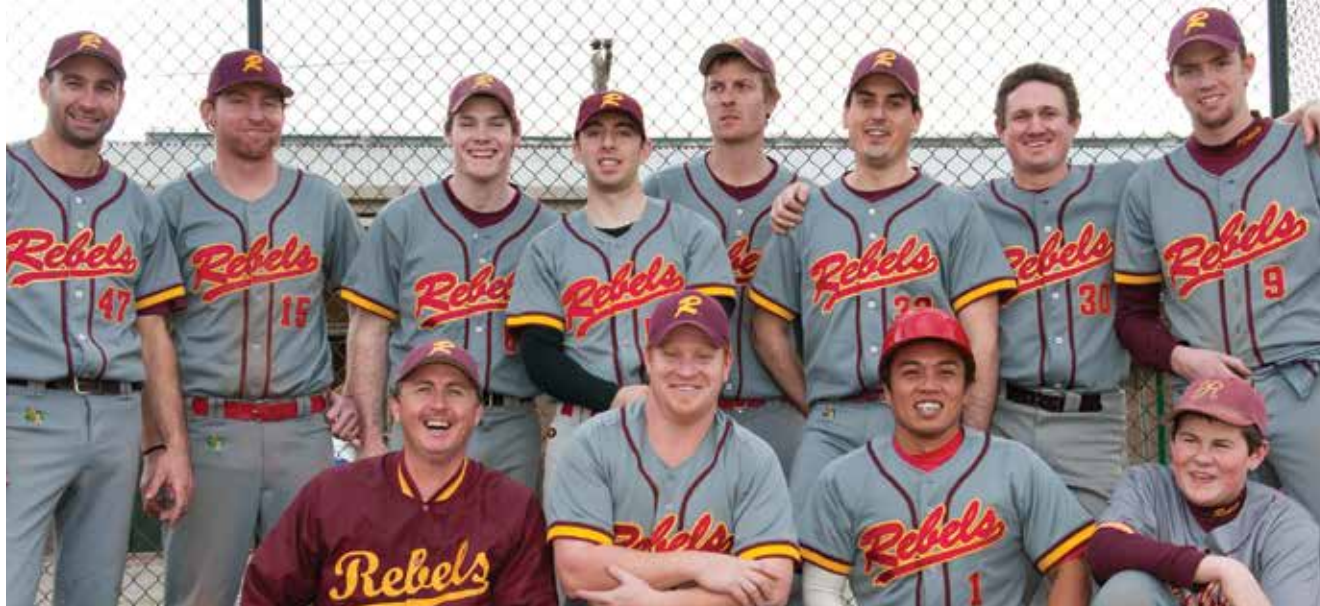


Counihan Gallery in Brunswick



Performance review

Moreland's people		
Focus area	Achievements	Challenges
Moreland community members are mentally and physically healthy and active	<ul style="list-style-type: none"> Completed the Brunswick Baths Adopted a new Health and Wellbeing Plan Commenced work to cost the removal of the fence around Coburg Oval to improve accessibility for the broader community Commenced construction of the multipurpose courts in Gowanbrae Endorsed the Sport and Physical Activity Strategy Developed and adopted the Moreland Domestic Animal Management Plan Upgraded playgrounds in Shore Reserve South and Parker Reserve Continued to campaign for the installation of noise walls on the M80 	<ul style="list-style-type: none"> Ongoing work to finalise business case and feasibility of the Oak Park Aquatic Centre redevelopment Finalising works at CB Smith Reserve providing better facilities, sporting fields and open space
Moreland community members feel connected to others and have access to the necessary services	<ul style="list-style-type: none"> Completed design and prepared tender for the new Pascoe Vale Community Facility (incorporating Sussex Neighbour House) Opened the Oxygen Centre in Coburg with regular programs running Developed and adopted a new Ageing Well Strategy Completed the rollout of self-serve loan systems in Moreland libraries 	<ul style="list-style-type: none"> Finalising construction to expand facilities at Barry Beckett and Anne Sgro children's centres Ongoing work to address challenges associated with legislative and funding changes in the aged and disability sector Work in partnership with Department of Human Services and Neighbourhood Houses to ensure their ongoing sustainability Continue to progress the extensive work necessary to finalise the Development Contributions Plan
Moreland community is educated	<ul style="list-style-type: none"> Implemented the Moreland Digital Strategy and Plan Implemented webinars and video calls for the community to connect with Moreland staff 	<ul style="list-style-type: none"> Construction completed with reoccupation and collection reinstatement scheduled for completion in August 2014
Moreland community feels safe and is safe	<ul style="list-style-type: none"> Established the Community Safety Reference Group to action safety initiatives throughout the community Continued graffiti removal to keep the city clean 	<ul style="list-style-type: none"> Ongoing work to install CCTV cameras and the activation of Wilson Avenue in Brunswick
Moreland community has access to affordable housing	<ul style="list-style-type: none"> Adopted the Moreland Affordable Housing Strategy Adopted the Moreland Activity Centres and Housing Strategy Made a submission to Senate inquiry into affordable housing 	
The human rights of Moreland's diverse community are upheld	<ul style="list-style-type: none"> Implemented the 'White Ribbon' action plan to support, action and highlight the need to prevent family violence Held the Honouring Women in Moreland Awards as part of International Women's Day celebrations Adopted the Reconciliation Policy and action plan 	<ul style="list-style-type: none"> Continue streamlining policy through the inclusion of Human Rights and Inclusion Framework into the current Access and Inclusion Policy



Moreland's places and spaces

Focus area	Achievements	Challenges
People have access to local places, spaces and public transport	<ul style="list-style-type: none"> Finalised and adopted the master plan for Fleming Park Adopted a funding strategy to redevelop the Brunswick Civic and Arts Precinct Adopted the Coburg Streetscape Masterplan Continued campaign to secure funding for improvements to the Upfield bike path Gained state government approval for the Craigieburn bike path 	<ul style="list-style-type: none"> Continue the work to finalise the concept plans and business case for the ongoing usage of the former Glenroy Primary School Continue work to renew public spaces, including Coburg streetscapes
People can access a variety of mobility options	<ul style="list-style-type: none"> Implemented ongoing work to improve pedestrian accessibility, including footpath works and addressing disability access 	<ul style="list-style-type: none"> Ongoing work to improve transport and traffic in the Brunswick Activity Centre
Attractive and well maintained built environment, streetscapes and landscapes	<ul style="list-style-type: none"> Planted 4,000 new street trees throughout the municipality Continued to implement the waste services review based on results reported to Council in October 2013 Made a submission to state government for Plan Melbourne, including addressing community concerns on state legislated notification frameworks 	<ul style="list-style-type: none"> Ongoing work with the state government and community to address new residential codes and development across the municipality
Cultural and artistic focus on the City of Moreland continues to thrive	<ul style="list-style-type: none"> Successfully facilitated a transition of Mechanics Institute Performing Arts Centre (MIPAC) management from Performing Arts Moreland (PAM) to Council Completed and installed new public art for Coburg 	
The historical places of the City of Moreland continue to be enhanced	<ul style="list-style-type: none"> Completed the panel hearing process for an amendment to the Lygon Street Heritage Study Stage 2 through key milestones, including authorisation, exhibition and consideration of submissions Endorsed the development of walking maps 	



Environmentally sustainable Moreland

Focus area	Achievements	Challenges
Reduction of non-renewable energy, fresh water usage and carbon emissions	<ul style="list-style-type: none"> Adopted the Carbon Management Strategy Achieved National Carbon Offset Standard accreditation for Moreland Adopted a new Watermark Strategy to implement improvements for water and stormwater management Adopted the Moreland Community Climate Action Plan 	
Moreland community is focused on reducing consumption	<ul style="list-style-type: none"> Adopted the Waste and Litter Strategy 	
The City of Moreland's natural environment is preserved and enhanced	<ul style="list-style-type: none"> Completed Bush Reserve new community park Endorsed new Edgars Creek Conservation and Development Plan Continued support of Creek Committees 	<ul style="list-style-type: none"> Bush Reserve construction underway and due for completion late 2014 Drafting commenced for the Open Space Shared Use Policy

Moreland's sustainable economy

Focus area	Achievements	Challenges
The City of Moreland has a growing local economy	<ul style="list-style-type: none"> Prepared report endorsing Coburg Planning Scheme amendment package for state government seeking authorisation Continued to support the Brunswick Business Incubator 	<ul style="list-style-type: none"> Ongoing work to develop Coburg Central to provide improved employment opportunities for the community



Civic leadership		
Focus area	Achievements	Challenges
Partnerships are used to deliver community outcomes	<ul style="list-style-type: none"> Successfully launched the Northern Infrastructure Study, through the partnership of seven northern Councils Continued work to action grade separation work for Coburg and Glenroy 	<ul style="list-style-type: none"> Continue to engage with community members, groups and partner organisations to develop and implement the Moreland 2025 Community Plan
Moreland community has access to information, opportunities to participate in decision making and access to decision makers	<ul style="list-style-type: none"> Endorsed the Engagement Strategy and utilised to inform major community engagement efforts by Council Improved communication through the use of social media activity with Facebook likes growing to over 3000 Supported the MAV campaign for constitutional recognition of local government 	<ul style="list-style-type: none"> Ongoing work to progress new software to support improved web technology and capacity
Moreland City Council is financially responsible taking account of current and future needs	<ul style="list-style-type: none"> External consultant completed an organisational review Continued to implement a new asset management system to improve the maintenance and improvement of assets 	<ul style="list-style-type: none"> Review of pilot programs completed Preliminary discussion paper written on way forward pending outcomes of organisational review
Moreland community has access to responsive services	<ul style="list-style-type: none"> Continued actions to improve Customer Service responsiveness, through both systems improvements and staff training 	





Performance statement

Moreland's people					
Key strategy	Strategic action	Measure	Target	Achieved	Comment
Moreland community members are mentally and physically healthy and active					
Enhance and support health and wellbeing outcomes for the Moreland community through the implementation of the Health and Wellbeing Plan	Adopt a new Health and Wellbeing Plan	Adopt the Health and Wellbeing Plan and annual action plan	October 2013	✓	Council adopted the Health and Wellbeing Plan on 11 September 2013
Deliver infrastructure to meet the health and wellbeing needs of the community	Finalise business case and feasibility for Oak Park Aquatic Centre redevelopment	Adopt implementation action plan	December 2013	✗	The business case and feasibility for the redevelopment of Oak Park Aquatic Centre has not been formally adopted by Council, but was presented to Councillors in December 2013 at an information session
Deliver infrastructure to meet the health and wellbeing needs of the community	Complete detailed design for new Pascoe Vale Community Facility (incorporating Sussex Neighbour House), and prepare tender documentation	Completed design and prepared tender	April 2014	✓	The detailed design and tender documentation has been prepared for the new Pascoe Value Community Facility
Moreland community members feel connected to others and have access to the necessary services					
Deliver Council facilities, services and programs that are inclusive and accessible across all lifecycle stages	Deliver programs and events for young people at Oxygen Centre in Coburg	Youth centre operational and running programs		✓	Oxygen Centre was officially launched in July 2013 and opened to the public in September 2013. Since opening, Oxygen has attracted over 3000 young people
Support libraries and community facilities, such as neighbourhood houses, to facilitate access to a range of services and programs that promote social connectedness	Complete structural and remediation works at the Brunswick Library	Reopen library to community	January 2014	✗	Delays to this project have resulted in timeline overruns, with construction complete and the library open to the public in August 2014



Moreland community is educated

Provide access to a range of lifelong learning opportunities	Implement Moreland Digital Strategy and Plan	Number of webinars delivered per month	One per month until project completion	✓	This project was completed in December 2014 and achieved the key outcomes of the project, including delivering in excess of one webinar per month, multiple video calls per month. This was made possible due to the refinement of the technology platform
		Number of video calls per month	Five per month		
		Refine technology platform	Completed by January 2014		

Moreland community feels safe and is safe

Support the improvement of community safety through the implementation of community safety initiatives	Implement community safety initiatives	Successfully implement community safety initiatives	June 2014	✓	There were a number of initiatives driven by the leadership group relating to community safety. The key project was installation of CCTV in Brunswick. This project is on track to be operational in August 2014, which is consistent with project timelines
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Moreland community has access to affordable housing

Support the improvement of affordable housing options to accommodate the diverse Moreland community	Adopt Moreland Affordable Housing Strategy	Adopt Strategy and implementation plan	August 2013	✗	The Moreland Affordable Housing Strategy was adopted by Council in December 2013
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The human rights of Moreland's diverse community are upheld

Deliver Council services that support and promote the diversity of Moreland community	Evaluate the Access and Inclusion Policy 2010–2014	Complete evaluation and endorse revised direction	June 2014	✗	Evaluation of the access and inclusion policy was completed and a revised direction is being worked on to integrate this into a Human Rights and Inclusion Framework. This has not yet been endorsed by Council
Support the prevention of family violence	Implement White Ribbon action plan	Achieve 100 per cent of 2013–2014 actions	June 2014	✓	All actions from the White Ribbon action plan were completed during 2013–2014, which included accreditation as a White Ribbon workplace in December 2013

Moreland's places and spaces

Key strategy	Strategic action	Measure	Target	Achieved	Comment
People have access to local places, spaces and public transport					
Deliver projects and initiatives to improve access of local spaces and places to meet the needs of Moreland's growing community	Undertake scoping and detailed design for Glenroy Primary School 'Early Years and Learning Hub'	Adopt action plan	June 2014	✗	Glenroy Primary School Draft Concept plans and business case have been finalised, but have not yet been adopted by Council
People can access a variety of mobility options					
Deliver projects and initiatives to induce a shift towards more environmentally sustainable travel modes of walking, cycling and public transport	Implement Brunswick Integrated Transport Strategy	Deliver the CAPEX projects that have been funded in the program	June 2014	✗	CAPEX program for the Brunswick Integrated Transport Strategy is underway and is due for completion in August 2014
Attractive and well maintained built environment, streetscapes and landscapes					
Deliver services, projects and initiatives that focus on improving the appearance of streetscapes and landscapes	Develop program of works to implement adopted Moreland Street Landscape Strategy and continue street tree planting program in residential streets	Develop program of works and plant 4,000 street trees	June 2014	✓	A total of 4,144 street trees were planted during 2013–2014
Attractive and well maintained built environment, streetscapes and landscapes					
Support the development of high quality buildings that meet the needs of Moreland's changing city	Continue to progress the amendment (C142) through key milestones including consideration of submissions and panels process	Complete panel hearing process	June 2014	✗	This project was not achieved due to a change in state government policy, when they announced that they are preparing a design code at a state level. Moreland Officers are supporting this process by working with Office of Victorian Government Architects. Council will still progress Amendment C142 concurrently with work at the state level to introduce a Design Code. Council approved commencement of the panel process in July 2014.

Delivery of services, projects and initiatives that focus on improving the appearance of streetscapes and landscapes	Implement and report on outcomes of waste services review as per Council resolution	Achieve planned outcomes of the review, and report the results to Council	October 2013	✓	The results and progress on implementing the waste services review were reported to Council in September 2013
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Cultural and artistic focus of the City of Moreland continues to thrive

Present, facilitate and partner a range of arts and cultural experiences	Facilitate a successful transition of Mechanics Institute Performing Arts Centre (MIPAC) management from Performing Arts Moreland (PAM) to Council	Sign contract and put a new program in place for 2014	December 2013	✓	Council Funding Agreement with Metanoia was signed for management of the Mechanics Institute in June 2013 and transition was successful
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The historical places of the City of Moreland continue to be enhanced

Continue to identify and protect places of identified heritage places through the Heritage Overlay in the Moreland Planning Scheme and the planning permit process	Prepare and progress an amendment for Lygon Street Heritage Study Stage 2 through key milestones including authorisation, exhibition, consideration of submissions and panel process	Completion of panel hearing process	June 2014	✓	Panel hearing for Amendment C149 was conducted 8–10 April 2014. Council will have considered the panel recommendations by 9 July 2014.
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Environmentally sustainable Moreland

Key strategy	Strategic action	Measure	Target	Achieved	Comment
Reduction of non-renewable energy, fresh water usage and carbon emissions					
Deliver projects and initiatives that contribute to waste-sensitive urban design, improving water quality and water efficiency	Adopt updated Moreland Community Climate Action Plan	Adopt implementation plan	June 2014	✓	Zero Carbon Evolution 2020 was endorsed by Council at its meeting on 11 June 2014
Moreland community is focused on reducing consumption					
Promote reduction in consumption by the community	Adopt Waste and Litter Strategy	Adopt Waste and Litter Strategy	June 2014	✓	Council adopted the Waste and Litter Strategy at the June 2014 Council meeting



The City of Moreland's natural environment is preserved and enhanced

Implement Moreland Open Space Strategy	1. Complete Edgars Creek Conservation and Development Plan	1. Endorse Plan	June 2014	✘	Council has endorsed the Edgars Creek Plan. The Bush Reserve construction is underway, but is behind schedule. Council is working with Jemena to complete the works by late 2014. The Shared Use Policy has also been drafted and continues progress.
	2. Complete Bush Reserve redevelopment to new community park	2. Complete construction			
	3. Develop open space shared use policy	3. Endorse policy			

Moreland's economy

Key strategy	Strategic action	Measure	Target	Achieved	Comment
The City of Moreland has a growing local economy					
The Coburg Initiative	Complete business case for Development Cluster 2 and execute contracts by provider, make final decision	Complete hospital provider's feasibility study for the project, prepare contract documentation and commence 223 Submission process if proceeding	April 2014	✘	A Heads of Agreement has been executed and the hospital business case is being undertaken with a decision expected in late 2014
Support and facilitate a growing local economy through activity centre and land use planning strategies	Develop a Municipal Strategic Statement amendment package for consideration prior to seeking state government authorisation to amend the scheme	Council report endorsing amendment package to state government seeking authorisation	June 2014	✓	New Local Planning Policy Framework (including MSS), also incorporating the Moreland Activity Centre Framework was endorsed by Council at its meeting on 12 March 2014



Civic Leadership					
Key strategy	Strategic action	Measure	Target	Achieved	Comment
Partnerships are used to deliver community outcomes					
Build, maintain and participate in key community partnership initiatives	Adopt Moreland 2025 Community Plan and commence implementation of action plan	1. Adopt	September 2013	✘	Timelines for Council adoption of the plan were extended in late 2013, with a revised adoption date of September 2014. Council endorsed the Community Plan for public consultation in May 2014 and the Section 223 process was completed on 27 June 2014
		2. Progress against action plan	June 2014		
Moreland community has access to information, opportunities to participate in decision making and access to decision makers					
Improve opportunities for community members to engage with Council	Endorse Engagement Strategy and utilise to inform major community engagement efforts by Council	Report to Council	June 2014	✓	The Engagement Strategy was reported to Council at information session in April 2014
Moreland City Council is financially responsible taking account of current and future needs					
Maintain the financial sustainability of the organisation	Implement Asset Management Information System	1. Implement Roads Assets	December 2013	✘	The road assets were imported in the new Asset Management System in July 2013. Building assets have been delayed due to resourcing issues and are expected to be imported in by the end of 2014
		2. Implement Building Assets	March 2014		



Increase organisational productivity through MoreValue Program and continuous improvement initiatives	Adopt and implement revised MoreValue program	Report to Council on achievement of 2 per cent productivity dividend for each Service Review	June 2014	✘	The adoption of a revised MoreValue Program was delayed to allow for the outcomes of the organisational review. A draft program was completed by June 2014 and scheduled for a discussion with the Moreland executive in August 2014
Maintain the financial sustainability of the organisation	1. Implement Five year Financial Plan	1. Adopt 2014–2015 budget	June 2014	✘	The 2014–2015 budget will be adopted by Council on 9 July 2014
	2. Increase renewal expenditure	2. Renewal/ upgrade expenditure for 2013–2014 is no less than depreciation		✓	
Moreland community has access to responsive services					
Improve customer interactions and opportunities for Moreland community	Implement new software system to improve the functionality of Council public website	New system operational	June 2014	✘	Design and useability of the new system is on target, but overall timelines have been delayed due to the CMS provider going into administration in January 2014





Soldiers Memorial, Brunswick Town Hall





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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 2014 of the Moreland City Council which comprises the statement, the related notes and the certification of 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.

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.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Auditor's Opinion

In my opinion, the performance statement of the Moreland City Council in respect of the 30 June 2014 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 2014 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
17 September 2014


Dr Peter Frost
Acting Auditor-General



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 2014, at Coburg

Statement of Councillors

I, Lambros Tapinos, 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 2013/2014 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
Lambros Tapinos
Dated: 12 September 2014



Councillor
John Kavanagh
Dated: 12th September 2014

Victorian Government Performance Indicators

Proposed Indicator	Indicator definitions and comments	2012	2013	2014
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 Local Government Act 1989; 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).	\$1,451.58	\$1,550.18	\$1,582.63
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.	\$1,354.65	\$1,442.70	\$1,360.90
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).	\$1,242.66	\$1,216.49	\$1,146.79
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).	\$-21.16	\$242.61	\$210.22
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).	\$2,230.83	\$2,027.19	\$2,040.31
Community satisfaction rating for overall performance generally of Council	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 1) coordinated by the Local Government Division.	62	60	61

Average capital expenditure per assessment	Amount capitalised to the balance sheet and contributions by a local government to major assets not owned by the local government, including expenditure on: capital renewal of existing assets which returns the service potential or the life of the asset to that which it had originally; capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users; 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; divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck). Note: Exactly what is included, as capital expenditure will vary according to the local government's policy in defining the 'asset' and its 'life'.	\$433.42	\$485.90	\$586.32
Renewal gap. Renewal and maintenance gap	Ratio of current spending on renewal to the long-term Average Annual Asset Consumption (AAAC) 26%. 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.	60% 78%	95% 117%	82% 84%
Community satisfaction rating for Council's advocacy and community representation on key local issues (indexed mean)	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart 1: Summary of Results - Result No 2) coordinated by the Local Government Division.	55	57	54
Community satisfaction rating for Council's engagement in decision-making on key local issues	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart 1: Summary of Results - Result No 3) coordinated by the Local Government Division (indexed mean).	56	57	55



Parking and Road Safety Officer



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 financial year and the overall position at the end of the financial year (30 June 2014). 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 45 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 cash flow 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, and
- the expenses incurred in running Council during the year.

The expenses relate only to the 'operations' and do not include the cost associated with the purchase of or the building of assets. While asset purchase costs are not included in the expenses there is an item for 'depreciation'. This amount is the value of the assets used up during the year. The key figure to look at is the 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 is 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, and
- Accumulated surplus is the value of all net assets accumulated over time.

5. Statement of changes in equity

During the course of the year the value of total ratepayer's equity as set out in the balance sheet changes. This



statement shows the values of such changes and how these changes arose. The main reasons for a change in equity stem from:

- 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. Cash flow statement

The cash flow 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:

- Cash flows 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.
- Cash flows from investing activities
 - This section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.
- Cash flows from financing activities
 - This is where the receipt and repayment of borrowed funds are recorded.
 - The bottom line of the cash flow statement states the cash held at the end of the financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

7. Notes to the accounts

The notes are a very important and informative section of the report. The accounting standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established it is necessary to provide details of Council's accounting policies. These are described 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 cash flow 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 breakdown of expenses, revenues, reserves and other assets
- contingent liabilities
- transactions with persons related to Council, and
- 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 (income statement, balance sheet and cash flow 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, and 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.



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Comprehensive income statement

For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Income			
Rates and charges	3	114,268	109,526
Statutory fees and fines	4	8,312	7,500
User fees	5	12,565	13,019
Contributions – cash	7 (a)	(271)	2,616
Contributions – non-monetary assets	7 (b)	1,772	1,202
Grants – operating (recurrent)	6	13,658	15,482
Grants – operating (non-recurrent)	6	438	526
Grants – capital (non-recurrent)	6	3,604	3,303
Net gain / (loss) on disposal of property, infrastructure, plant and equipment	8	83	606
Other income	9	6,015	6,213
Fair value adjustments for investment property	24	2,046	(130)
Total income		162,490	159,863
Expenses			
Employee costs	10	71,815	69,565
Materials and services	11	48,710	49,194
Bad and doubtful debts	12	1,448	1,535
Depreciation and amortisation	13	22,969	20,434
Finance costs	14	2,285	1,953
Other expenses	15	67	75
Share of net profits / (losses) of associates and joint ventures accounted for by the equity method	16	18	20
Total expenses		147,312	142,776
Surplus / (deficit)		15,178	17,087
Other comprehensive income			
Items that will not be reclassified to surplus or deficit:			
Net asset revaluation increment / (decrement)	29 (a)	62,491	20,336
Comprehensive result		77,669	37,423

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

Balance sheet

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	20,533	33,818
Trade and other receivables	18	16,863	16,353
Financial assets	19	11,000	6,700
Inventories	20	127	110
Non-current assets classified as held for sale	21	349	-
Other assets	22	154	247
Total current assets		49,026	57,228
Non-current assets			
Investments in associates accounted for using the equity method	16	1,278	1,296
Shares in MAPS Ltd		2	2
Property, infrastructure, plant and equipment	23	1,565,528	1,483,202
Investment property	24	26,696	24,650
Total non-current assets		1,593,504	1,509,150
Total assets		1,642,530	1,566,378
Liabilities			
Current liabilities			
Trade and other payables	25	12,944	14,464
Trust funds and deposits	26	1,361	1,351
Provisions	27	16,752	15,999
Interest-bearing loans and borrowings	28	1,891	9,445
Total current liabilities		32,948	41,259
Non-current liabilities			
Provisions	27	1,487	1,215
Interest-bearing loans and borrowings	28	49,726	31,631
Trade and other payables	25	-	11,573
Total non-current liabilities		51,213	44,419
Total liabilities		84,161	85,678
Net assets		1,558,369	1,480,700
Equity			
Accumulated surplus		474,837	461,967
Asset revaluation reserve	29 (a)	1,073,283	1,010,792
Other reserves	29 (b)	10,249	7,941
Total equity		1,558,369	1,480,700

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

Statement of changes in equity

For the year ended 30 June 2014

2014

	Note	Total 2014 \$'000	Accumulated surplus 2014 \$'000	Asset revaluation reserve 2014 \$'000	Other reserves 2014 \$'000
Balance at beginning of the financial year		1,480,700	461,967	1,010,792	7,941
Surplus / (deficit) for the year		15,178	15,178	-	-
Net asset revaluation increment / (decrement)	29(a)	62,491	-	62,491	-
Transfers to other reserves	29(b)	-	(7,961)	-	7,961
Transfers from other reserves	29(b)	-	5,653	-	(5,653)
Balance at end of the financial year		1,558,369	474,837	1,073,283	10,249

2013

	Note	Total 2013 \$'000	Accumulated surplus 2013 \$'000	Asset revaluation reserve 2013 \$'000	Other reserves 2013 \$'000
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

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 2014

Cash flows from operating activities

	Note	2014 Inflows / (outflows) \$'000	2013 Inflows / (outflows) \$'000
Rates		112,827	107,427
Statutory fees and fines		6,930	5,462
User charges and other fines		8,537	7,233
Grants operating		14,280	16,259
Grants capital		3,604	3,303
Developer contributions		5,423	5,093
Reimbursements		986	1,120
Interest		1,790	1,985
Rents		2,277	2,038
Other receipts		902	4,601
Net GST refund / payment		7,199	6,597
Material and consumables		(44,778)	(41,129)
External contracts		(9,039)	(10,957)
Utilities		(3,977)	(3,129)
Employee costs (including redundancies)		(69,772)	(69,749)
Additional superannuation contributions resulting from actuarial review		(13,070)	(1,069)
Other payments		(75)	(75)
Net cash provided by (used in) operating activities	30	24,044	35,010

Cash flows from investing activities

Payments for property, infrastructure, plant and equipment		(42,050)	(36,549)
Proceeds from sale of property, infrastructure, plant and equipment		755	5,071
Trust funds and deposits		10	26
(Payments for) or Receipts from other financial assets		(4,300)	(6,700)
Net cash provided by (used in) investing activities		(45,585)	(38,152)

Cash flows from financing activities

Finance costs		(2,285)	(1,953)
Proceeds from interest bearing loans and borrowing		13,072	3,000
Repayment of interest bearing loans and borrowings		(2,531)	(1,586)
Net cash provided by (used in) financing activities		8,256	(539)
Net increase (decrease) in cash and cash equivalents		(13,285)	(3,681)
Cash and cash equivalents at the beginning of the financial year		33,818	37,499
Cash and cash equivalents at the end of the financial year	31	20,533	33,818
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

Introduction

- (a) The Moreland City Council was established by an Order of the Governor in Council on the 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, and
- 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

AASB 13 Fair value measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance

with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see note 21 and 23 disclosures). Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances, which were previously classified by Council as short-term benefits, no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(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 is 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 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.

(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.

(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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where assets are constructed by Council, cost includes all materials used in construction, direct labour 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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 23. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 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.

(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

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values. Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

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

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

The components of this current liability are measured at:

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

Non-current liability – conditional LSL representing less than seven years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as another economic flow.

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 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.

(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.



(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 2009–2011: 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]	<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, and 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, and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 July 2015	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.	Applicable for annual reporting periods commencing on or after 1 July 2014	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on local government financial statements
AASB 11 Joint Arrangements	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.	Applicable for annual reporting periods commencing on or after 1 July 2014	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
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 July 2014	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.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	Applicable for annual reporting periods commencing on or after 1 July 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
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 July 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.

2 Underlying surplus / (deficit)

	2014 \$'000	2013 \$'000
Profit / (loss)	15,178	17,087
Less		
Capital grants	3,604	3,303
Capital contribution (cash)	(410)	2,041
Non-cash developer contributions	1,772	1,202
Open space contribution	5,423	5,093
Underlying surplus / (deficit)	4,789	5,448

The reported profit / (loss) of \$15.178 million for 2014 (2013: \$17.087 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 2013–2014 was \$36.501 billion (2012–2013 \$36.102 billion) and the rate in the CIV dollar was 0.002811 (2012–2013, 0.002729).

	2014 \$'000	2013 \$'000
Residential / commercial / industrial	102,848	99,274
Supplementary rates and rate adjustments	1,868	1,446
Garbage charge	9,091	8,460
Special rates and charges	461	346
Total rates and charges	114,268	109,526

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied in the rating year commencing 1 July 2014. The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation first applied to the rating period commencing 1 July 2012.

4 Statutory fees and fines

	2014 \$'000	2013 \$'000
Infringements and costs	5,368	5,331
PERIN court recoveries	293	220
Town planning fees	1,266	969
Land information certificates	116	96
Permits	1,269	884
Total statutory fees and fines	8,312	7,500

5 User fees

	2014 \$'000	2013 \$'000
(a) Leisure centre fees	2	156
Resort and recreation fees*	5,423	5,093
Fees – ticket machines / parking meters	233	148
Aged services fees	2,162	2,165
Registration fees	1,013	1,019
Road occupancy charges	244	760
Building services fees	492	445
Valuation fees / supplementary charges	85	283
Garbage and waste collection	1,130	1,029
Other fines	362	497
Right of way closures	102	147
Other fees and charges	1,317	1,277
Total user fees	12,565	13,019

* 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.

6 Grants

Grants were received in respect of the following:

Summary of grants	2014 \$'000	2013 \$'000
Federally funded grants	1,556	2,472
State-funded grants	16,145	16,839
Total	17,701	19,311

	2014 \$'000	2013 \$'000
Operating recurrent		
Victorian Grants Commission – general purpose	2,715	4,581
Home help	5,819	5,616
Maternal and child health	1,318	1,251
Recreation	-	94
Victorian Grants Commission – local roads	450	842
Libraries	974	920
Families and children	1,405	1,485
Food services	588	292
School crossing supervisors	187	172
Waste and environment	-	10
Business and economic services	57	35
Access for all abilities	117	166
Drug strategy development	28	18
Total operating recurrent	13,658	15,482
Operating non-recurrent		
Environment protection	332	231
Recreation	-	69
Business and economic services	60	136
Community welfare	46	90
Total operating non-recurrent	438	526
Capital non-recurrent		
Environment protection	861	1,143
Recreation	590	406
Local roads and bridges	466	437
Families and children	650	900
Community welfare	1,037	200
Community health	-	217
Total capital non-recurrent	3,604	3,303

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:

Conditions on grants	2014 \$'000	2013 \$'000
Families and children	655	900
Business and economic services	-	111
Home help	23	20
Community welfare	370	152
Libraries	63	-
Recreation	551	354
Environment protection	175	-
Waste and environment	-	27
Total	1,837	1,564

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

	2014 \$'000	2013 \$'000
Waste and environment	27	-
Community health	-	96
Home help	20	40
Business and economic services	111	190
Recreation	182	-
Families and children	282	36
Community welfare	87	-
Active recreation	-	764
Waste and environment	-	53
Total	709	1,179
Net increase / (decrease) in restricted assets resulting from grant revenues for the year	1,128	385

7 Contributions

	2014 \$'000	2013 \$'000
(a) Cash		
VicRoads	141	531
Capital	(551)	1,510
Other	139	575
Total	(271)	2,616

(b) Non-monetary assets		
Land under roads	-	275
Infrastructure	1,772	927
Total	1,772	1,202
Total contributions	1,501	3,818

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

	2014 \$'000	2013 \$'000
Proceeds of sale	755	5,071
Write down of assets disposed	(672)	(4,465)
Total	83	606

9 Other income

	2014 \$'000	2013 \$'000
Interest	1,153	1,498
Interest on rates	637	526
Investment property rental	424	303
Other rent	1,759	1,652
Sale of non-plant and equipment	66	69
Legal costs	225	303
Payroll	105	94
Employee	60	11
Moreland Energy Foundation	1,030	1,093
Other	556	664
Total other income	6,015	6,213

10 Employee costs

	2014 \$'000	2013 \$'000
Wages and salaries	55,133	53,485
Workcover	1,707	1,723
Casual staff	478	389
Annual leave and long service leave	7,021	6,171
Superannuation	5,607	5,043
Fringe benefits tax	167	166
Other employee related costs	1,495	2,438
Redundancy	207	150
Total employee costs	71,815	69,565

11 Materials and services

	2014 \$'000	2013 \$'000
Utilities	3,977	3,129
Contractors	9,039	10,957
Works contracts	81	68
General services	20,466	18,555
Office services and supplies	5,093	5,248
Other supplies	2,338	2,459
Materials	302	302
Minor equipment and medical supplies	1,375	1,309
Other related costs	1,738	1,858
Property leases and rentals	1,069	1,063
Fire services property levy	165	-
Metropolitan Fire Brigade levy	-	1,894
Council grants and sponsorships	1,517	914
Insurance	1,550	1,438
Total materials and services	48,710	49,194

12 Bad and doubtful debts

	2014 \$'000	2013 \$'000
Parking fine debtors	1,228	1,358
Other debtors	220	177
Total bad and doubtful debts	1,448	1,535

13 Depreciation and amortisation

	2014 \$'000	2013 \$'000
Property		
Buildings	5,256	4,720
Plant and equipment		
Plant, machinery and equipment	242	227
Fixtures, fittings and furniture	68	66
Computers and telecommunications	1,376	1,220
Motor vehicles	1,479	1,473
Library books	784	844
Infrastructure		
Road surface	2,138	2,445
Road pavement	2,820	2,534
Bridges	260	229



Footpaths and cycleways	2,232	2,322
Drainage	1,332	975
Kerb and channel	914	1,068
Other infrastructure	4,068	2,311
Total depreciation and amortisation	22,969	20,434

14 Finance costs

	2014 \$'000	2013 \$'000
Interest – borrowings	2,285	1,953
Total finance costs	2,285	1,953

15 Other expenses

	2014 \$'000	2013 \$'000
Auditors' remuneration	68	65
Councillors' allowances	(1)	10
Total other expenses	67	75

16 Investment in associates

Investments in associates accounted for by the equity method are:

	2014 \$'000	2013 \$'000
Council's overall movement in investment in associates for the year was:	(18)	(20)
Total	(18)	(20)
Council's total share in investment in associates	1,278	1,296
– 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	1,096	1,116
Reported surplus (deficit) for year	(18)	(20)
Council's share of accumulated surplus (deficit) at end of year	1,078	1,096
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	1,296	1,316
Share of surplus (deficit) for year	(18)	(20)
Carrying value of investment at end of year	1,278	1,296
<i>Council's share of expenditure commitments</i>	49	49
Operating commitments	49	49

17 Cash and cash equivalents

	2014 \$'000	2013 \$'000
Cash on hand	12	12
Cash at bank	2,321	3,306
Term deposits	18,200	30,500
Total cash and cash equivalents	20,533	33,818

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

	2014 \$'000	2013 \$'000
Current		
Rates debtors	10,602	9,161
Parking infringement debtors	5,527	5,079

Provision for doubtful debts – parking infringements	(3,102)	(2,808)
Other debtors	3,314	4,465
Provision for doubtful debts – other debtors	(828)	(615)
Net GST receivable	1,350	1,071
Total	16,863	16,353

19 Financial assets (current)

	2014 \$'000	2013 \$'000
Term deposits	11,000	6,700
Total	11,000	6,700

20 Inventories

	2014 \$'000	2013 \$'000
Inventories held for distribution	127	110
Total inventories	127	110

21 Non-current assets classified as held for sale

	2014 \$'000	2013 \$'000
Balance at beginning of financial year	-	4,145
Disposals during year	-	(4,145)
Transfers to assets held for sale	349	-
Total non-current assets held for sale	349	-

Assets held for sale are carried at fair value less cost of disposal. The following table provides Council's fair value measurement hierarchy for assets held for sale.

	Level 1	Level 2	Level 3
Land	-	349	-
Buildings	-	-	-
Total	-	349	-

22 Other assets

	2014 \$'000	2013 \$'000
Current		
Prepayments	-	29
Accrued income	149	213
Other	5	5
Total	154	247

23 Property, infrastructure, plant and equipment

	2014 \$'000	2013 \$'000
Summary		
at cost	79,554	79,446
at Council valuation	1,839	1,839
at fair value as at 30 June 2014	1,099,621	-
at fair value as at 30 June 2013	758,938	758,937
at fair value as at 30 June 2012	-	1,005,165
Less accumulated depreciation	(374,424)	(362,185)
Total	1,565,528	1,483,202
Property (Land)		
at cost	-	-
at fair value as at 30 June 2014	934,264	-
at fair value as at 30 June 2012	-	866,496
	934,264	866,496
Land under roads		
at Council valuation	1,839	1,839
	1,839	1,839
Total land	936,103	868,335
Buildings		
at cost	-	17,697
at fair value as at 30 June 2014	165,357	-
at fair value as at 30 June 2012	-	138,669
Less accumulated depreciation	-	(4,720)
Total buildings	165,357	151,646
Total property	1,101,460	1,019,981

Valuation of land (excluding land under roads) and buildings were undertaken by Ms Irene Margaritis AAPI and Mr. Jesse Cranfield AAPI, certified practicing valuers of Westlink Consulting. 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 percent to market value based on legal precedents.

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. Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land – non-specialised	-	170,953	-
Land – specialised	-	-	763,311
Land under roads	-	-	1,839
Buildings	-	-	165,357
Total	-	170,953	930,507

No transfers between levels occurred during the year.

	2014 \$'000	2013 \$'000
Plant and equipment		
Motor vehicles		
at cost	14,655	13,668
Less accumulated depreciation	(9,540)	(8,788)
	5,115	4,880
Plant and equipment		
at cost	4,019	3,823
Less accumulated depreciation	(2,637)	(2,420)
	1,382	1,403
Furniture and fittings		
at cost	1,907	1,844
Less accumulated depreciation	(1,554)	(1,487)
	353	357
Computer equipment		
at cost	17,439	16,078
Less accumulated amortisation	(15,717)	(14,341)
	1,722	1,737
Library books		
at cost	12,464	11,545
Less accumulated depreciation	(8,232)	(7,449)
	4,232	4,096
Artworks		
at cost	737	724
	737	724
Total plant and equipment	13,541	13,197
Infrastructure		
Road surface		
at cost	1,528	-
at fair value as at 30 June 2013	54,339	54,339
Less accumulated depreciation	(14,242)	(12,104)
	41,625	42,235
Road pavement		
at cost	1,108	-
at fair value as at 30 June 2013	306,130	306,130
Less accumulated depreciation	(133,836)	(131,016)
	173,402	175,114

Drains		
at cost	2,926	-
at fair value as at 30 June 2013	129,814	129,814
Less accumulated depreciation	(51,394)	(50,062)
	81,346	79,752
Footpaths		
at cost	2,089	-
at fair value as at 30 June 2013	98,114	98,114
Less accumulated depreciation	(48,958)	(46,726)
	51,245	51,388
Kerb and channel		
at cost	588	-
at fair value as at 30 June 2013	71,500	71,500
Less accumulated depreciation	(42,962)	(42,048)
	29,126	29,452
Bridges		
at cost	348	-
at fair value as at 30 June 2013	18,293	18,293
Less accumulated depreciation	(5,998)	(5,738)
	12,643	12,555
Other structures		
at cost	4,189	-
at fair value as at 30 June 2013	80,747	80,747
Less accumulated depreciation	(39,354)	(35,286)
	45,582	45,461
Total infrastructure	434,969	435,957

Fair value assessments have been performed at 30 June 2014 for infrastructure. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2015–2016.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Details of the Council's infrastructure assets and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	215,027
Bridges	-	-	12,643
Drains	-	-	81,346
Footpaths	-	-	51,245
Kerb and channel	-	-	29,126
Other structures	-	-	45,582
Total	-	-	434,969

No transfers between levels occurred during the year.

	2014 \$'000	2013 \$'000
Works in progress		
Buildings at cost	6,537	12,343
Infrastructure at cost	8,767	1,472
Other plant and equipment at cost	254	252
Total works in progress	15,558	14,067
Total property, infrastructure, plant and equipment	1,565,528	1,483,202



Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Westlink Consulting to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by Westlink Consulting. The valuation was performed using the depreciated replacement cost method, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land under roads

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

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an 'as new' standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3. There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value

2014	Specialised land	Specialised buildings	Land under roads	Infrastructure
Opening balance	707,163	151,646	1,839	435,957
Depreciation	-	(5,256)	-	(13,763)
Impairment loss	-	-	-	-
Revaluation	47,091	5,702	-	-
Acquisitions (Disposals)	9,057	13,265	-	12,776
Transfers	-	-	-	-
Closing balance	763,311	165,357	1,839	434,969



Description of significant unobservable inputs into level 3 valuations

	Valuation technique	Significant unobservable inputs	Range	Sensitivity
Specialised land	Market based direct comparison approach	Community service obligation adjustment	15% to 30%	Note 1
Specialised buildings	Depreciated replacement Cost	Direct cost per square metre	\$250 to \$54,000	Note 2
		Useful life of buildings	25 to 100 years	Note 3
Land under roads	Market-based direct comparison approach	Extent and impact of restriction of use	90%	Note 1
Road surface	Depreciated replacement cost	Cost per square metre	\$12 to \$17	Note 4
		Useful life of infrastructure	5 to 30 years	Note 3
Roads pavement	Depreciated replacement cost	Cost per square metre	\$62 to \$155	Note 2
		Useful life of infrastructure	50 to 100 years	Note 3
Footpaths	Depreciated replacement cost	Cost per square metre	\$20 to \$333	Note 2
		Useful life of infrastructure	20 to 80 years	Note 3
Kerb and channel	Depreciated replacement cost	Cost per metre	\$50 to \$107	Note 6
		Useful life of infrastructure	75 to 80 years	Note 3
Bridges	Depreciated replacement cost	Cost per unit	\$45,000 to \$1,070,000	Note 6
		Useful life of infrastructure	25 to 200 years	Note 3
Drains (Pits / pipes)	Depreciated replacement cost	Cost per unit	\$1,100 to \$4,700	Note 5
		Cost per metre	\$136 to \$2,850	Note 3
		Useful life of infrastructure	90 to 110 years	Note 5
Other structures	Depreciated replacement cost	Cost per unit	\$27 to \$37,500	Note 6
		Useful life of infrastructure	5 to 80 years	Note 3

Note 1 Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value

Note 2 Increase or decrease in the direct cost per sqm adjustment would result in a significantly lower or higher fair value

Note 3 Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value

Note 4 Increase or decrease in the direct cost per square metre significantly lower or higher fair value

Note 5 Increase or decrease in the direct cost per unit adjustment would result in a significantly lower or higher fair value

Note 6 Increase or decrease in the direct cost per metre adjustment would result in a significantly lower or higher fair value

2014	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Revaluation increments (decrements) Note 29 (a) \$'000	Depreciation and amortisation Note 3 \$'000	Written down value of disposals \$'000	Impairment losses recognised in profit or loss \$'000	Transfers / Movements between asset type \$'000	Balance at end of financial year \$'000
Property								
Land	866,496	11,918	56,789	-	590	-	(349)	934,264
Land under roads	1,839	-	-	-	-	-	-	1,839
Total land	868,335	11,918	56,789	-	590	-	(349)	936,103
Buildings	151,646	13,265	5,702	5,256	-	-	-	165,357
Total buildings	151,646	13,265	5,702	5,256	-	-	-	165,357
Total property	1,019,981	25,183	62,491	5,256	590	-	(349)	1,101,460
Plant and equipment								
Motor vehicles	4,880	1,782	-	1,479	68	-	-	5,115
Plant and equipment	1,403	235	-	242	14	-	-	1,382
Furniture and fittings	357	64	-	68	-	-	-	353
Computer equipment	1,737	1,361	-	1,376	-	-	-	1,722
Library books	4,096	920	-	784	-	-	-	4,232
Artworks	724	13	-	-	-	-	-	737
Total plant and equipment	13,197	4,375	-	3,949	82	-	-	13,541
Infrastructure								
Road surface	42,235	1,528	-	2,138	-	-	-	41,625
Road pavement	175,114	1,108	-	2,820	-	-	-	173,402
Drains	79,752	2,926	-	1,332	-	-	-	81,346
Footpaths	51,388	2,089	-	2,232	-	-	-	51,245
Kerb and channel	29,452	588	-	914	-	-	-	29,126
Bridges / Retaining walls	12,555	348	-	260	-	-	-	12,643
Other structures	45,461	4,189	-	4,068	-	-	-	45,582
Total infrastructure	435,957	12,776	-	13,763	-	-	-	434,969
Works in progress								
Buildings	12,343	-	-	-	-	-	(5,806)	6,537
Motor vehicles	-	-	-	-	-	-	-	-
Plant and equipment	105	-	-	-	-	-	18	123
Computer equipment	147	-	-	-	-	-	(16)	131
Infrastructure	955	-	-	-	-	-	4,663	5,618

Other structures	517	-	-	-	-	-	2,632	3,149
Artworks	-	-	-	-	-	-	-	-
Total works in progress	14,067	-	-	-	-	-	1,491	15,558
Total property, plant and equipment, infrastructure	1,483,202	42,334	62,491	22,969	672	-	1,142	1,565,528

(a) Transfers / Movements between asset type

Within the financial year \$0.349M was transferred to assets held for sale. Further movements were the result of Works in progress.

2013	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Revaluation increments (decrements) Note 29 (a) \$'000	Depreciation and amortisation Note 3 \$'000	Written down value of disposals \$'000	Impairment losses recognised in profit or loss \$'000	Transfers / Movements between asset type \$'000	Balance at end of financial year \$'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.

24 Investment property

	2014 \$'000	2013 \$'000
Balance at beginning of financial year	24,650	24,780
Fair value adjustments	2,046	(130)
Balance at end of financial year	26,696	24,650

Independent valuations of investment properties were performed at 30 June 2014 by Brendan Sheales (AAPI) and Irene Margaritis (AAPI), certified practicing valuers of Westlink Consulting who have recent experience in the location and category of the property being valued.

The valuation is at fair value, based on the current market value for the property. The valuation is a level two valuation, meaning it is based on quoted prices for similar assets in an active market.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2014. For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

	Carrying amount	Fair value measurement at end of reporting period		
	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment property	26,696	-	26,696	-
Total	26,696	-	26,696	-

25 Trade and other payables

	2014 \$'000	2013 \$'000
Current		
Trade payables	7,017	6,975
Accrued expenses	5,927	7,489
Total trade and other payables	12,944	14,464
Non-current		
Other payables	-	11,573
Total	12,944	26,037

26 Trust funds and deposits

	2014 \$'000	2013 \$'000
Refundable planning deposits	339	275
Trust funds	614	598
Refundable civic facilities deposits	61	53
Retention amounts	199	185
Other refundable deposits	147	240
Total trust funds and deposits	1,361	1,351

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.

27 Provisions

	Annual leave \$ '000	Long service leave \$ '000	Service gratuity \$ '000	Other \$ '000	Total \$ '000
2014					
Balance at beginning of the financial year	5,506	11,651	34	23	17,214
Additional provisions	4,765	2,416	1	10	7,192
Amounts used	(4,715)	(1,446)	-	-	(6,161)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(4)	(2)	-	-	(6)
Balance at the end of the financial year	5,552	12,619	35	33	18,239
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



(a) Employee provisions

	2014 \$'000	2013 \$'000
Current provisions expected to be settled within 12 months		
Annual leave	4,754	4,448
Long service leave	1,566	1,322
	6,320	5,771
Current provisions expected to be settled after 12 months		
Annual leave	798	1,058
Long service leave	9,566	9,114
Service gratuity	35	34
Other	33	23
	10,432	10,229
Total Current provisions	16,752	15,999
Non-current		
Long service leave	1,487	1,215
	1,487	1,215
Aggregate carrying amount of employee provisions		
Current	16,752	15,999
Non-current	1,487	1,215
	18,239	17,214
The following assumptions were adopted in measuring the present value of employee benefits		
Weighted average increase in employee costs	4.44%	4.50%
Weighted average discount rates	3.57%	3.79%
Weighted average settlement period	12	12

28 Interest-bearing loans and borrowings

	2014 \$'000	2013 \$'000
Current		
Borrowings – secured	1,891	9,445
	1,891	9,445
Non-current		
Borrowings – secured	49,726	31,631
Total	51,617	41,076
The maturity profile for Council's borrowings :		
Not later than one year	1,891	9,445
Later than one year and not later than five years	27,936	7,752
Later than five years	21,790	23,879
Total	51,617	41,076
Aggregate carrying amount of interest-bearing loans and borrowings		
Current	1,891	9,445
Non-current	49,726	31,631
Total interest-bearing loans and borrowings	51,617	41,076

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 2.96% 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 2014 was \$5.975M (2013: \$6.63M).

The NAB loan is a 20 year variable rate principal and interest loan set at a 4.06% interest rate at balance date. This loan commenced on 24 August 2010. Its closing balance at 30 June 2014 was \$6.33M (2013: \$6.51M).

The first of 2 loans with the ANZ bank is a 20 year loan (4 year fixed rate principal and interest loan) set at a 6.58% interest rate and the closing balance as at 30 June 2014 was \$7.78M. (2013: \$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, and the closing balance as at 30 June 2014 was \$4.25M (2013: \$4.5M). Both of these loan commenced on 24 June 2011.

The first loan with the Commonwealth Bank is secured for 5 years (until June 2018) fixed rate of 4.62%. The closing balance at 30 June 2014 was \$7.28M (2013: 7.6M). In August Moreland secured a new variable loan of \$13M. The third loan secured until June 2014 was refinanced in combination with the variable \$13M loan into one interest only loan with a balance at 30 June 2014 of \$20M. The loan has a maturity date of July 2015.

29 Reserves

(a) Asset revaluation 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
2014				
Property				
Land	644,034	56,789	-	700,823
Buildings	70,643	5,702	-	76,345
	714,677	62,491	-	777,168
Infrastructure				
Road surface	42,156	-	-	42,156
Road pavement	118,231	-	-	118,231
Bridges	9,333	-	-	9,333
Footpaths	31,929	-	-	31,929
Drainage	47,589	-	-	47,589
Kerb and channel	14,727	-	-	14,727
Other structures	32,150	-	-	32,150
	296,115	-	-	296,115
Total asset revaluation reserves	1,010,792	62,491	-	1,073,283
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 reserves	990,456	20,336	-	1,010,792

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.

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period \$'000
2014				
Public resort and recreation land fund (Restricted)	5,900	5,422	(3,375)	7,947
Housing strategy	614	-	-	614
Moonee ponds creek development	308	-	(68)	240
Leisure centre development reserve	1,119	-	(503)	616
Moreland land and Property reserve	-	2,261	(1,707)	554
Landfill reserve	-	279	-	279
Total Other reserves	7,941	7,962	(5,653)	10,250
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

The Public resort and recreation land fund accumulates developers contributions paid to Council and is used to provide or improve recreation land and facilities. The Housing strategy provides funds for the purchase of community housing projects along with other housing initiatives. The Moonee ponds creek development provides funds for the revitalisation of the Moonee Ponds Creek required because of freeway and CityLink works. The Moreland land and property reserve represents surplus cash from land and property sales to enable the purchase of strategic land and property assets. The Landfill reserve represents unused landfill expenditure budget that Council will use for future waste related initiatives.

30 Reconciliation of cash flows from operating activities to surplus or deficit

	2014 \$'000	2013 \$'000
Surplus / (deficit) for the year	15,178	17,087
Depreciation / Amortisation	22,969	20,434
(Profit) / loss on disposal of property, plant and equipment, infrastructure	(83)	(606)
Movement in investment in associates	18	20
Fair value adjustments for investment property	(2,046)	130
Contributions – non-monetary assets	(1,772)	(1,202)
(Decrease) / Increase in provision for doubtful debts	507	(2,157)
Change in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(955)	(1,456)
(Increase) / decrease in prepayments	29	1,902
Increase / (decrease) in trade and other payables	(10,808)	(9)
(Increase) / decrease in inventories	(17)	14
(Decrease) in provisions	1,024	853
Net cash provided by / (used in) operating activities	24,044	35,010

31 Reconciliation of cash and cash equivalents

	2014 \$'000	2013 \$'000
Cash and cash equivalents (see note 17)	20,533	33,818
Total reconciliation of cash and cash equivalents	20,533	33,818

32 Financing arrangements

	2014 \$'000	2013 \$'000
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).

	2014 \$'000	2013 \$'000
Reserve funds (note 29)	7,947	5,900
Total restricted assets	7,947	5,900

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 (9.25% required under Superannuation Guarantee Legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. 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 2014, the Superannuation Guarantee contribution rate will increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal

Budget, this progressive increase to 12% will be delayed until 2022.

Defined benefit plan

As provided under Paragraph 34 of AASB 119, Moreland City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

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. For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

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 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 2011–2012 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. The amount of the unpaid shortfall at 30 June 2014 is \$nil (30 June 2013: \$13.070M).

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.

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation), or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

Vision Super has detailed a 31 March 2014 VBI estimate of 104.6%. As at the time of preparation of this report the VBI estimate for 30 June 2014 had not been released.

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 follows:

	31 Dec 2011 \$'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
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.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

	2014 \$'000	2013 \$'000
Employer contributions to Local Authorities Superannuation Fund (Vision Super) (a+c)	5,608	5,043
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date (b+d)	619	13,470
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	901	913
a)	901	913
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	13,070
b)	-	13,070
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,479	3,110
Employer contributions to Vision Super for disbursement to other super funds	1,228	1,020
c)	4,707	4,130
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	455	306
Employer contributions payable to Vision Super for disbursement to other super funds at reporting date	164	95
d)	619	400

35 Commitments

The Council has entered into the following commitments.

	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
2014					
Operating					
Garbage collection	8,275	8,939	17,359	-	34,573
Administration	948	734	174	-	1,856
Cleaning contracts for council buildings	696	-	-	-	696
Leisure centres	101	9	-	-	110
IT systems support	1,332	-	-	-	1,332
Recycling	(500)	(500)	(1,000)	-	(2,000)
Social services	62	-	-	-	62
Libraries	146	146	53	-	345
Street cleansing	21	-	-	-	21
Total	11,081	9,328	16,586	-	36,995
Capital					
Works	-	-	-	-	-
Total	-	-	-	-	-
2013					
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

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):

	2014 \$'000	2013 \$'000
Not later than one year	943	943
Later than one year and not later than five years	2,015	2,874
Later than five years	-	-
	2,958	3,817

(b) Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office and/or retail complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2014 \$'000	2013 \$'000
Not later than one year	1,681	1,586
Later than one year and not later than five years	6,712	6,345
Later than five years	23,018	24,145
	31,411	32,076

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 2014 was \$480,000 and therefore a contingent liability exists for this amount.

	2014 \$'000	2013 \$'000
Guarantees for loans to other entities	480	540

Contingent assets

As at 30 June 2014 there were no contingent assets identified by Council. (2013 Nil)



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	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate based on the daily 11 am return. The interest rate at balance date was 2.50% (2.65% in 2012–2013).
		Interest is recognised as it accrues.	Term deposits provided an average return 3.70% for the period invested. Funds held in term deposits in 2012–2013 provided an average return of 4.51% for the period invested.
		Investments and bills are valued at cost.	Council did not have any funds invested in Managed funds during the 2013–2014 financial year, or during the prior 2012–2013 financial year.
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenues are recognised as they accrue.	
		Managed funds are measured at market value.	
Trade and other receivables			
Other debtors	18	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. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free at this time. Credit terms are usually up to 60 days.
Financial liabilities			
Trade and other payables	25	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.	General Creditors are unsecured, not subject to interest charges and are normally settled within 21 days from end of month of invoice receipt.
Interest-bearing loans and borrowings	28	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.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings was 4.38% (5.05% in 2012–2013).
		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.	As at balance date, the Council had no finance leases.
Bank overdraft		Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The overdraft interest rate at balance date was 9.23% (9.48% in 2012–2013).

(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:					
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
2014						
Financial assets						
Cash and cash equivalents	-	20,521	-	-	12	20,533
Financial assets	-	11,000	-	-	-	11,000
Trade and other receivables	-	-	-	-	2,487	2,487
Total financial assets	-	31,521	-	-	2,499	34,020
Weighted average interest rate		3.70%				
Financial liabilities						
Trade and other payables	-	-	-	-	12,944	12,944
Trust funds and deposits	614	-	-	-	747	1,361
Interest-bearing loans and borrowings	32,305	-	-	19,312	-	51,617
Total financial liabilities	32,919	-	-	19,312	13,691	65,922
Weighted average interest rate	3.61%		3.63%	6.00%		
Net financial assets (liabilities)	(32,919)	31,521	-	(19,312)	(11,192)	(31,903)
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
Other assets	-	-	-	-	-	-
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)



(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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assets				
Cash and cash equivalents	20,533	33,818	20,533	33,818
Financial assets	11,000	6,700	11,000	6,700
Trade and other receivables	2,487	3,850	2,487	3,850
Total financial assets	34,020	44,368	34,020	44,368
Financial liabilities				
Trade and other payables	12,944	26,037	12,944	26,037
Trust funds and deposits	1,361	1,351	1,361	1,351
Interest-bearing loans and borrowings	51,617	41,076	51,617	41,076
Total financial liabilities	65,922	68,464	65,922	68,464

(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.

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, and
- 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, and
- 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, and
- 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.

Movement in provisions for doubtful debts

	2014 \$'000	2013 \$'000
Balance at the beginning of the year	615	444
New Provisions recognised during the year	255	183
Amounts already provided for and written off as uncollectible	8	7
Amounts provided for but recovered during the year	(50)	(19)
Balance at end of year	828	615

Ageing of trade and other receivables

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

	2014 \$'000	2013 \$'000
Current (not yet due)	1,650	3,689
Past due by up to 30 days	723	281
Past due between 31 and 90 days	113	56
Past due by more than 90 days	-	-
Total trade and other receivables	2,486	4,026

Ageing of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$827,505 (2013: \$615,297) were impaired. The amount of the provision raised against these debtors was \$827,505 (2013: \$615,297). The individually impaired debtors relate to general and sundry debtor 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:

	2014 \$'000	2013 \$'000
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	828	615
Total trade and other receivables	828	615

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

The Council's 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 months 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
2014							
Trade and other payables	12,944	-	-	-	-	12,944	12,944
Trust funds and deposits	373	224	149	-	766	1,512	1,361
Interest-bearing loans and borrowings	2,074	2,075	23,397	9,847	30,170	67,563	51,617
Total financial liabilities	15,391	2,299	23,546	9,847	30,936	82,019	65,922
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

(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	
	\$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2014					
Financial assets					
Cash and cash equivalents	20,521	(410)	(410)	205	205
Financial assets	11,000	(220)	(220)	110	110
Financial liabilities					
Interest-bearing loans and borrowings	32,305	646	646	(323)	(323)
2013					
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)

(g) Fair value hierarchy

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





Gowanbrae Community Centre

39 Auditors' remuneration

	2014 \$'000	2013 \$'000
Audit fee to conduct external audit – Victorian Auditor-General	58	56
Fees for other services provided by auditors	10	9
	68	65

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.

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 Lambros Tapinos
(Mayor from 1 November 2013 to current)
- Councillor Meghan Hopper
(Deputy Mayor from 1 November 13 to current)
- Councillor Oscar Yildiz
(Mayor from 1 July to 31 October 2013)
- Councillor Lita Gillies
(Deputy Mayor from 1 July to 31 October 2013)
- Councillor John Kavanagh
- Councillor Lenka Thompson
- Councillor Michael Teti
- Councillor Samantha Ratnam
- Councillor Sue Bolton
- Councillor Rob Thompson
- Councillor Helen Davidson

Chief Executive Officer

- Peter Brown

(ii) Remuneration of responsible persons

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

Income range	2014 No.	2013 No.
\$1 – \$ 9,999	-	6
\$10,000 – \$19,999	-	6
\$20,000 – \$29,999	9	3
\$50,000 - \$59,999	1	1
\$60,000 – \$69,999	1	1
\$350,000 – \$359,999	-	1
\$360,000 – \$369,999	1	-
	12	18
Total remuneration for the reporting year for responsible persons included above amounted to	\$748,893	\$716,407

(iii) No retirement benefits have been made by the Council to a responsible person (2012–2013, \$Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a responsible person during the reporting year (2012–2013, \$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 (2012–2013, \$Nil).

(vi) Senior officers remuneration

A senior officer other than a responsible person, is an officer of Council whose total annual remuneration exceeds \$133,000, or if remuneration is less than \$133,000 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	2014 No.	2013 No.
\$133,000 – \$139,999	4	1
\$140,000 – \$149,999	2	5
\$150,000 – \$159,999	5	5
\$160,000 – \$169,999	3	5
\$170,000 – \$179,999	4	1
\$180,000 – \$189,999	-	1
\$190,000 – \$199,999	1	-
\$210,000 – \$219,999	-	2
\$220,000 – \$229,999	-	3
\$230,000 – \$239,999	3	-
\$270,000 – \$279,999	1	-
	23	23
Total remuneration for the reporting year for senior officers included above	\$3,982,425	\$3,935,938

42 Revenue, expenses and assets by functions / activities

	Rates Income		CEO's Office		Corporate Services		Social Development	
Income	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Grants	-	-	-	-	3,074	5,516	10,535	9,449
Other	114,268	109,526	-	-	8,581	4,325	3,328	4,249
Total	114,268	109,526	-	-	11,655	9,841	13,863	13,698
Expenses	-	-	783	686	47,843	40,048	32,192	30,828
Surplus (Deficit) for the year	114,268	109,526	(783)	(686)	(36,188)	(30,207)	(18,329)	(17,130)
Assets attributed to functions / activities	-	-	170	166	10,346	9,703	1,054,212	977,927

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

Chief Executive Officer's Office

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

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

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

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 Delivery
- City Operations

City Infrastructure		Planning and Economic Development		Organisational Development and Urban Safety		Total	
2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
3,223	2,599	865	199	3	1,548	17,701	19,311
853	7,108	9,432	7,928	8,328	7,416	144,789	140,552
4,076	9,707	10,297	8,127	8,331	8,964	162,490	159,863
38,265	45,782	13,904	13,986	14,325	11,446	147,312	142,776
(34,189)	(36,075)	(3,607)	(5,859)	(5,994)	(2,482)	15,178	17,087
494,406	489,055	3,287	3,500	3,107	2,851	1,565,528	1,483,202

Organisational Development and Urban Safety Department

Organisational Development 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

Economic Development 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



43 Financial ratios (performance indicators)

	2014 \$'000	2014 (%)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
Debt servicing costs	2,285	= 1.41%	1,953	= 1.22%	1,799	= 1.20%
Total revenue	162,490		159,863		149,487	

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	4,816	= 4.21%	3,539	= 3.23%	3,168	= 3.15%
Rate revenue	114,268		109,526		100,704	

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	114,268	= 70.32%	109,526	= 68.51%	100,704	= 67.37%
Total revenue	162,490		159,863		149,487	

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	69,856	= 6.08%	58,291	= 5.42%	56,024	= 5.26%
Total realisable assets	1,148,647		1,075,371		1,064,407	

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.

(e) Working capital ratio (to assess Council's ability to meet current commitments)						
Current assets	49,026	= 148.80%	57,228	= 138.70%	56,657	= 171.33%
Current liabilities	32,948		41,259		33,070	

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)						
Current assets	49,026	= 217.74%	57,228	= 184.42%	56,657	= 242.14%
Current liabilities	22,516		31,031		23,399	

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 twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

44 Capital expenditure

	Note	2014 \$'000	2013 \$'000
Capital expenditure areas			
Roads		5,313	6,112
Drains		2,926	2,080
Open space		16,107	4,959
Land and buildings		13,265	17,697
Plant, equipment and other		4,375	2,933
Bridges		348	166
Other structures		-	275
Total capital works		42,334	34,222
Represented by			
Renewal	(a)	18,147	19,325
Upgrade	(b)	5,128	8,081
Expansion	(c)	137	120
New	(d)	18,922	6,696
Total capital works		42,334	34,222

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:

	Note	2014 \$'000	2013 \$'000
Total capital works (includes contributions – non-monetary assets)		42,334	34,222
Asset identified / Derecognised and movement in works in progress	23	1,142	7,654
Asset revaluation movement	29 (a)	62,491	20,336
Depreciation / Amortisation	13	(22,969)	(20,434)
Written down value of assets sold	23	(672)	(4,464)
Net movement in property, plant and equipment, infrastructure	23	82,326	37,314

a) Asset renewal expenditure

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) Asset upgrade expenditure

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) Asset expansion expenditure

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.

(d) New asset expenditure

Expenditure which creates a new asset that provides a new service that did not previously exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.

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, 2014
Coburg

In our opinion the accompanying financial statements present fairly the financial transactions of Moreland City Council for the year ended 30 June 2014 and the financial position of the Council as at that date.

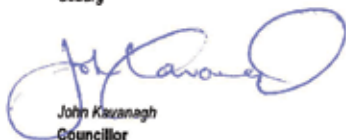
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on September 10, 2014 to certify the financial statements in their final form.



Lambros Tapinos
Mayor and Councillor

Date : 12 September, 2014
Coburg



John Kazianagh
Councillor

Date : 12th September, 2014
Coburg



Peter Brown
Chief Executive Officer

Date : 12 September, 2014
Coburg



Standard statements

Notes accompanying the standard statements for the year ended 30 June 2014

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 77 to 80 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 24 June 2013. 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 is contained in the general purpose financial report on pages 81 to 119. The detailed budget can be obtained by contacting Council or through the Council's web site. The standard statements must be read with reference to these documents.



Standard income statement

For the year ended 30 June 2014

	Ref	Actual 2013–2014 \$'000	Budget 2013–2014 \$'000	Variances	
				\$'000	%
Revenue					
Rates and charges	1	114,268	112,230	2,038	1.8
Statutory fees and fines	2	8,312	7,917	395	5.0
User fees	3	12,565	10,752	1,813	16.9
Contributions – cash	4	(271)	-	(271)	-
Contributions – non-monetary assets	5	1,772	-	1,772	-
Grants – operating	6	14,096	15,683	(1,587)	(10.1)
Grants – capital	7	3,604	1,867	1,737	93.0
Net gain / (loss) on disposal of property, infrastructure, plant and equipment	8	83	-	83	-
Other income	9	6,015	5,450	565	10.4
Fair value adjustments for investment property	10	2,046	-	2,046	-
Total revenues		162,490	153,900	8,590	5.6
Expenses					
Employee costs	11	71,815	73,611	1,796	2.4
Materials and services	12	48,710	43,561	(5,149)	(11.8)
Bad and doubtful debts	13	1,448	1,197	(251)	(21.0)
Depreciation and amortisation	14	22,969	20,830	(2,139)	(10.3)
Finance costs	15	2,285	2,946	661	22.4
Other expenses		67	77	10	2.6
Share of net profits / (losses) of associates and joint ventures accounted for by the equity method	16	18	-	(18)	-
Total expenses		147,312	142,221	(5,091)	(3.6)
Net surplus (deficit)		15,178	11,679	3,499	30.0

The above standard income statement should be read in conjunction with the note to, and forming part of, the financial report.



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 building activity occurring within the municipality.
2	Statutory fees and fines	This variance is due to planning permit fees being above budget.
3	User fees	Subdivider contributions were higher than anticipated due to increased development activities.
4	Contributions – cash	This variance was due to a cancellation of an invoice issued in the prior financial year.
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 on-going responsibility.
6	Grants – operating	This variance is due to Council not receiving the 2014–2015 VGC operating grant prior to year end as had occurred in prior years.
7	Grants – capital	These grants are significantly above budget due to the recognition of \$322k in unbudgeted grants related to the consolidated accounts of the Moreland Enterprise Foundation Limited (MEFL). In addition, an unbudgeted grant of \$650k was received for the Fawkner Primary School project and \$500k for the Brunswick Baths project.
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 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 increase.
11	Employee costs	Employee costs are below budget due to vacant positions and an allowance was made within the budget for defined benefit contributions.
12	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.
13	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.
14	Depreciation and amortisation	Depreciation expense for the year was above budget as a result of higher than anticipated new asset purchases and completion of construction projects.
15	Finance costs	This favourable variance is due to better than budgeted interest rate resulting from the implementation of Council's Borrowing Strategy.
16	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 2013–2014.

Standard balance sheet

As at 30 June 2014

	Ref	Actual 2013–2014 \$'000	Budget 2013–2014 \$'000	Variances	
				\$'000	%
Assets					
Current assets					
Cash and cash equivalents	17	20,533	29,989	(9,456)	(31.5)
Trade and other receivables	18	16,863	13,584	3,279	24.1
Financial assets	17	11,000	-	11,000	-
Inventories		127	123	4	3.3
Non-current assets classified as held for sale	19	349	4,145	(3,796)	(91.6)
Other assets		154	181	(27)	(14.9)
Total current assets		49,026	48,022	1,004	2.1
Non-current assets					
Investments in associates accounted for using the equity method (includes shares in MAPS Ltd)	20	1,280	1,318	(38)	(2.9)
Property, infrastructure, plant and equipment	21	1,565,528	1,487,677	77,851	5.2
Investment property	22	26,696	25,622	1,074	4.2
Total non-current assets		1,593,504	1,514,617	78,887	5.2
Total assets		1,642,530	1,562,639	79,891	5.1
Current liabilities					
Trade and other payables	23	12,944	13,287	343	2.6
Trust funds and deposits	24	1,361	1,325	(36)	(2.7)
Provisions	25	16,752	16,619	(133)	(0.8)
Interest-bearing loans and borrowings	26	1,891	2,314	423	18.3
Total current liabilities		32,948	33,545	597	1.8
Non-current liabilities					
Provisions	25	1,487	1,407	(80)	(5.7)
Interest-bearing loans and borrowings	26	49,726	50,066	340	0.7
Trade and other payables	23	-	13,210	13,210	-
Total non-current liabilities		51,213	64,684	13,471	20.8
Total liabilities		84,161	98,229	14,068	14.3
Net assets		1,558,369	1,464,410	93,959	6.4
Equity					
Accumulated surplus	27	474,837	463,859	10,978	2.4
Asset revaluation reserve	28	1,073,283	990,455	82,828	8.4
Other reserves	28	10,249	10,096	153	1.5
Total equity		1,558,369	1,464,410	93,959	6.4

The above standard balance sheet should be read in conjunction with the note to, and forming part of, the financial report.

Standard cash flow statement

For the year ended 30 June 2014

	Ref	Actual 2013–2014 \$'000	Budget 2013–2014 \$'000	Variances	
				\$'000	%
Cash flows from operating activities					
Rates and charges	29	112,827	111,891	936	0.8
Statutory fees and fines	30	6,930	8,443	(1,513)	(17.9)
User fees	31	13,960	9,981	3,979	39.9
Contributions – cash	32	(271)	-	(271)	-
Grants – operating	33	14,280	15,683	(1,403)	(8.9)
Grants – capital	34	3,604	1,867	1,737	93.0
Interest received	35	1,790	1,178	612	51.9
Other receipts	36	11,635	3,895	7,740	198.7
		164,755	152,938	11,817	7.7
Employee costs	37	(82,842)	(72,778)	(10,064)	(13.8)
Materials and consumables	38	(44,778)	(33,154)	(11,624)	(35.1)
External contracts	39	(9,039)	(9,586)	547	5.7
Utilities	40	(3,977)	(2,324)	(1,653)	(71.1)
Other payments		(75)	(57)	(18)	(30.9)
		(140,711)	(117,899)	(22,812)	(19.3)
Net cash inflow (outflow) from operating activities		24,044	35,039	(10,995)	(31.4)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	41	755	400	355	88.8
Purchase of financial assets	42	(4,300)	-	(4,300)	-
Payments for property, plant and equipment	43	(42,050)	(44,264)	2,214	5.0
Trust monies and deposits paid	44	10	-	10	-
Net cash inflow (outflow) from investing activities		(45,585)	(43,864)	(1,721)	(3.9)
Cash flows from financing activities					
Proceeds from interest bearing loans and borrowings	45	13,072	13,072	-	-
Finance Costs	46	(2,285)	(2,946)	661	22.4
Repayment of interest bearing loans and borrowings	47	(2,531)	(1,805)	(726)	(40.3)
Net cash inflow (outflow) from financing activities		8,256	8,321	(65)	(0.8)
Net increase (decrease) in cash held		(13,285)	(504)	(12,781)	(2,537.1)
Cash at the beginning of the year		33,818	30,492	3,326	10.9
Cash at the end of the year		20,533	29,988	(9,455)	(31.5)

Reconciliation of operating result and net cash flows from operating activities

For the year ended 30 June 2014

Net surplus (deficit) from operations		15,178	11,679	3,499	30.0
Depreciation and amortisation		22,969	20,830	2,139	10.3
(Profit) Loss on sale of property, plant and equipment		(83)	-	(83)	-
Finance costs		2,285	2,946	(661)	(22.4)
Net movement in current assets and liabilities		(16,305)	(416)	(15,889)	(3,822.7)
Net cash inflow (outflow) from operating activities		24,044	35,039	(10,995)	(31.4)

The above standard statement of cash flows should be read in conjunction with the note to, and forming part of the financial report.



Variance explanation report

Ref.	Item	Explanation
17	Cash and cash equivalents	The variance has been affected by short term deposits being allocated to longer term financial assets \$11M. Overall cash and cash equivalents combined with financial assets were higher than forecast due in part to the year-end impact of the consolidation of MEFL.
18	Trade and other receivables	Council brought to account a higher than anticipated growth in rates and sundry debtors.
19	Asset held for sale	Assets expected to be held for sale as of June 2014 were sold during the financial year.
20	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.
21	Property, infrastructure, plant and equipment	This variance is largely due to the unbudgeted impact of the revaluation of Council's and building assets and the net result of asset depreciation, purchases and sales.
22	Investment property	This variance is due to the impact of the revaluation of Council's Investment properties.
23	Trade and other payables	Council's 2014 budget reflected the unpaid \$13M obligation to the Vision Super 'defined benefits' superannuation scheme. Council has paid the total outstanding amount in 2014 earlier than budgeted.
24	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.
25	Provisions	Overall employee provisions were slightly higher than budget.
26	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.
27	Accumulated surplus	The unbudgeted movements between reserves and the accumulated surplus, together with operating result variances to budget account for this movement.
28	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.
29	Rates and charges	Collection of Rates revenue was at a higher level than anticipated due to higher than expected rates income from supplementary valuations.
30	Statutory fees and fines	This variance is due to the receipts of parking and planning permit fees being less than expected.
31	User fees	Sub-divider contributions were higher than anticipated due to the higher level of overall subdivision activity.
32	Contributions - cash	This variance was due to a cancellation of an invoice issued in the prior financial year.
33	Grants operating	Grants were below budget due to the Victorian Grants commission ceased paying next year's grant in advance.
34	Grants capital	Council received an unbudgeted grant of \$650k for the Fawkner Primary School project and \$500k for the Brunswick Baths project.
35	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.
36	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 \$1.321M of unbudgeted revenue after consolidating MEFL operations is another major factor.
37	Employee costs	This variance is largely due to the \$13M payment of Council obligations to the Vision Super 'defined benefits' superannuation scheme during the financial year and the consolidation of unbudgeted MEFL employee expenses.



38	Materials and consumables	Unbudgeted MEFL expenditure and the variance between gross and net payment values as payments were budgeted at net of GST values.
39	External contracts	The variance can be attributed to payments made on the Garbage and recycling contracts being less than budgeted.
40	Utilities	This variance is due to higher than budgeted utility costs at the Leisure Centres and parks within the municipality.
41	Proceeds from sale of property, plant and equipment	The variance reflects a higher than expected sale proceeds of land sold during the year.
42	Purchase of financial assets	This variance reflects the increase in Council's longer term deposit investments.
43	Payments for property, plant and equipment	The variance is due to delays in some capital projects.
44	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.
45	Proceeds from interest bearing loans and borrowings	Proceeds from loans have been in line with budget.
46	Finance costs	This favourable variance is due to better than anticipated loan interest rate.
47	Repayment of interest bearing loans and borrowing	Council made increased principal loan repayments throughout the year.



Standard statement of capital works

For the year ended 30 June 2014

	Ref	Actual 2013– 2014 \$'000	Budget 2013– 2014 \$'000	Variances	
				\$'000	%
Capital works areas					
Roads	48	5,313	12,166	6,853	56.3
Drains	49	2,926	890	(2,036)	(228.8)
Open space	50	16,107	17,907	1,801	10.1
Land and buildings	51	13,265	6,906	(6,359)	(92.1)
Plant, equipment and other	52	4,375	6,040	1,665	27.6
Other structures	53	-	180	180	100.0
Bridges	54	348	-	(348)	-
Total capital works		42,334	44,089	1,756	4.0
Represented by					
Renewal	55	18,147	17,767	(380)	(2.1)
Upgrade	56	5,128	4,391	(737)	(16.8)
Expansion	57	137	-	(137)	-
New assets	58	18,922	21,931	3,009	13.7
Total capital works		42,334	44,089	1,755	4.0

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	59	42,334	44,089	1,755	4.0
Movement in works in progress		1,142	-	(1,142)	-
Depreciation and amortisation	60	(22,969)	(20,830)	2,139	10.3
Asset revaluation movement	61	62,491	-	(62,491)	-
Written down value of assets sold	62	(672)	(400)	272	68.0
Net movement in property, plant and equipment		82,326	22,859	(59,467)	(260.1)

The above standard statement of capital works should be read in conjunction with the note to, and forming part of, the financial report.



Variance explanation report

Ref.	Item	Explanation
48	Roads	Funds budgeted to be spent on road projects will be carried forward into the new financial year.
49	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.
50	Open space	Several major park infrastructure, sportsfield and street landscaping projects, have been delayed until the new financial year.
51	Land and buildings	Council purchased additional land and buildings within the municipality including the Glenroy Primary School.
52	Plant, equipment and other	Variance due to the lower than expected purchasing of plant and equipment throughout the year.
53	Other structures	There was no movement in the assets classified as Land under roads during the year.
54	Bridges	Work was completed on several footbridges.
55	Renewal expenditure	This expenditure has largely been in line with budget. Significant costs attributed to the Brunswick Baths and Brunswick Library were of a renewal nature.
56	Upgrade expenditure	This variance in part is due to the works at the Brunswick Baths and Brunswick Library. A large percentage of these costs were of an upgrade nature.
57	Expansion expenditure	Expenditure works originally classified as renewal type were actually of an expansion nature.
58	New assets	This variance is predominately due to unfinished capital infrastructure projects carried forward to 2014–2015 and savings made from the purchase of land and buildings for the Coburg Child Care Centre.
59	Total capital works	There are several major projects that are being carried forward into the new year.
60	Depreciation and amortisation	Depreciation expense for the year was above budget as a result of higher than anticipated new asset purchases and completion of construction projects.
61	Asset revaluation movement	A valuation of land and building assets was undertaken by Council resulting in an adjustment to the fair value of these assets.
62	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 assets during the year.





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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 2014 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 2014 of Moreland City 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 statement 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 2014 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*.

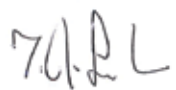
Basis of Accounting for Standard Statements

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 2014 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
17 September 2014


Dr Peter Frost
Acting Auditor-General

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Auditing in the Public Interest

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, 2014

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 10 September, 2014 to certify the Standard Statements in their final form.



Mayor and Councillor
Lambros Tapinos

Dated: 12 September, 2014



Councillor
John Kavanagh

Dated: 12th September, 2014



Chief Executive Officer
Peter Brown

Dated: 12 September, 2014



Lygon Street, Brunswick East

Lygon Street, Brunswick East





GLENROY
GOWANBRAE

»»» — EAST — »»»

BRUNSWICK

««« — WEST — «««

coburg north

COBURG

PASCOE VALE

PASCOE VALE SOUTH

△ OAK PARK

HADFIELD

FAWKNER