



**Macedon  
Ranges**  
Shire Council

# 2012/2013

## Annual Report





# Our Vision, Mission, Values and Goals

## Our Vision

### What we aspire to achieve

To provide leadership in this inspired region by providing the opportunity for all to live a fulfilling life, while protecting our heritage, environment and a sense of community through our shared commitment to a sustainable Macedon Ranges.

## Our Mission

### What we will do to achieve our Vision

- Engage in a partnership with the community, the business sector, other councils, levels of government and agencies to enhance the overall health and wellbeing of our community.
- Embrace the leadership role we have within this community to facilitate engagement and participation of our citizens and their understanding of what we are doing.
- Provide a local response to global issues and work actively with our residents, business community and relevant agencies to raise broad environmental awareness and understanding.
- Provide physical assets such as roads, footpaths, drains, buildings and public amenities which are the fundamental infrastructure of a community and facilitate safe, healthy and equitable access and service delivery for our community and visitors.

## Our Values

### What we believe about the Macedon Ranges

In pursuing our vision, Macedon Ranges Shire Council believes in, and is committed to, the following values:

#### Awareness

We are aware of the attributes and the potential of our region.

#### Rich Fabric

Our character is a unique tapestry of people, heritage and nature.

#### Our Home

This will provide everything that we need to live the life we want.

#### Deep Connection

It is part of us and we are part of it.

## Our Goals

### Sustainable Living

Economic vitality derived from sustainable principles.

### Community Wellbeing

Healthy, vibrant and resilient communities.

### Sustainable Environment and Infrastructure

Safe, functional assets and a protected natural environment.

### Responsible Governance

Transparent, accountable leadership and democratic decision-making.



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## OVERVIEW

# Our Vision, Mission, Values and Goals



## About this Report

### Purpose of this Report

This Annual Report aims to inform the Macedon Ranges community and stakeholders about Council's performance for the financial year 1 July 2012 to 30 June 2013.

Performance is measured against Council's goals and objectives through a sustainable approach to achieving the community's vision for our shire to 2025.

The Council Plan 2009–2013 is the primary vision and planning document that sets out the broad direction Council has decided on for its term in office. The Plan is built on the following four themes:

### Sustainable Living

#### Economic vitality derived from sustainable principles

To promote responsible and sustainable care of our natural and built environment so all people can enjoy the unique attributes of the Macedon Ranges, and to lead and promote a sustainable economic environment.

### Community Wellbeing

#### Healthy, vibrant and resilient communities

To promote and support social, recreational, cultural and community life by providing both essential and innovative amenities, services and facilities in the Macedon Ranges.

### Sustainable Environment and Infrastructure

#### Safe, functional assets and a protected natural environment

To promote responsible and sustainable planning, building and environmental practices when developing and maintaining community and natural assets.

### Responsible Governance

#### Transparent, accountable leadership and democratic decision-making

To provide governance and leadership through a commitment to democratic processes, financial stewardship, organisation development and fostering Council's organisational values. Council's planning and reporting methodologies are explained in the Responsible Governance section starting on page 47.

This report includes Council's audited performance statement (page 63) and financial statement (page 80). The Victorian Local

Government Indicators (pg 60) and other details as required by the Local Government Act 1989 can be found within the Statutory Information section (page 58).

To reduce environmental impact, a limited number of printed copies of this Annual Report have been produced.

Residents and interested parties are encouraged to access the report from Council's website, [mrsc.vic.gov.au](http://mrsc.vic.gov.au), or by contacting the Communications/Public Relations unit on (03) 5422 0310.

### A Guide to this Report

#### For ease of use, this report is divided into five sections.

#### Overview

Vision, Mission, Values and Goals  
About this Annual Report  
Our Liveable Shire  
Community Highlights  
Events  
Year in Review  
Community Financial Summary  
Message from the Mayor and CEO

#### Our People

Councillors  
Executive Management Team  
Organisation Structure  
Organisational Development  
Our Workforce  
Volunteers

#### Our Goals

Sustainable Living  
Community Wellbeing  
Sustainable Environment and Infrastructure  
Responsible Governance

#### Statutory Information

Community Satisfaction Survey  
Victorian Local Government Indicators  
Information and Privacy

#### Performance and Financial Statements

Performance Statement  
Independent Auditor's Reports  
Financial Performance  
Financial Report  
Notes to Financial Statements



## Our Liveable Shire

The latest population data released by the Australian Bureau of Statistics shows a 1.4 per cent population increase in the Macedon Ranges Shire over the past 12 months, with the current official population figure of 43,371 rising from 42,780 in 2011.

The number of rateable properties, which includes houses, farms, land and businesses also rose by 0.4 per cent to 20,632, compared to 20,538 in 2011.

The shire is connected to Melbourne and Bendigo via the V-Line fast train service and the Calder Freeway. V-Line services run daily from the south-east through to the north-west of the shire. When travelling by car, the Macedon Ranges is located less than one hour from Melbourne and Bendigo, and 40 minutes from Melbourne Airport.

Spanning an area of 1,747 square kilometres, the traditional custodians of the land are the Dja Dja Wrung and Wurundjeri peoples.

Renowned for its semi-rural lifestyle, the northern part of the shire is characterised by agricultural enterprises including sheep and cattle grazing, broad acre cropping, and manufacturing operations. The southern part of the shire is also rural in character with tourism an important and growing industry.

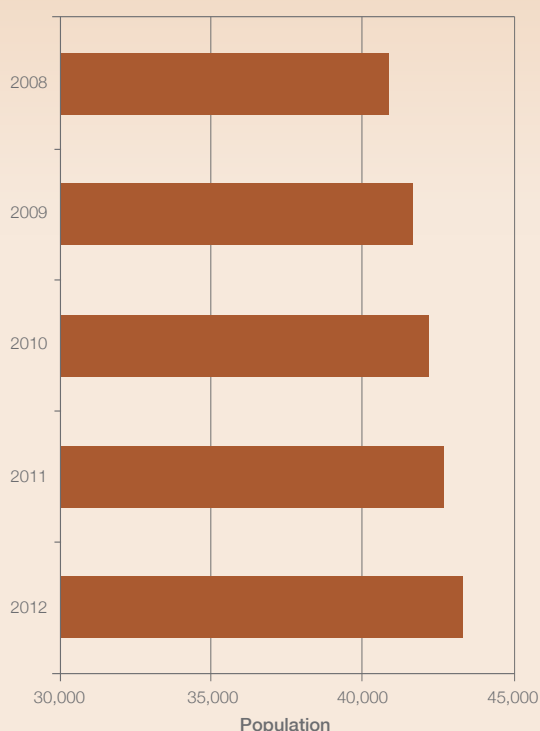
Key features of the shire include gourmet food, fine wine, art, major events, natural attractions such as the iconic Hanging Rock, the memorial cross and gardens of Mount Macedon, historic townships, conference venues, bed and breakfast and other forms of accommodation.

## Population Breakdown

Female .....	51 per cent
Male .....	49 per cent
Under 18 years .....	26 per cent
18–34 years .....	15 per cent
35–64 years .....	45 per cent
65–plus years .....	14 per cent

Source: 2011 Census.

## Population Growth Over the past five years



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented in profile.id by .id the population experts.

## OVERVIEW

# Our Liveable Shire





## Year in Review

### Council Plan and Health And Wellbeing Plan 2013–17

Council's vision, goals and objectives for the next four years were laid out in the *Council Plan 2013–17*. It also describes how Council will review and evaluate its performance. For the first time, the Council Plan incorporates the *Municipal Public Health and Wellbeing Plan* in recognition of Council's role in improving community health and wellbeing.

### New Look Council

Council's new website was launched in March following significant research and consultation, which included 200 residents and businesses who took part in workshops, testing exercises and an online survey. New features include:

- A 'find your nearest' search
- Online requests and payment services
- Bin date check
- Event search by township or category
- Online business directory
- Mobile web site.

New Council branding was introduced, which included an updated logo for the first time in 17 years. A new contemporary visual identity was adopted to better represent the region and Council services to new and existing residents, businesses and visitors.

### Infrastructure

A bridge upgrade program commenced following a structural review of Council's 62 road bridges, 60 footbridges and 74 other bridges. Works were completed on bridges in Pastoria, Lancefield, Riddells Creek, New Gisborne, Darraweit Guim and Newham.

A \$260,000 footpath construction program targeting high traffic areas like school and business districts was implemented to improve pedestrian facilities.

### Romsey Sports Precinct

A number of projects that form part of the Romsey Recreation Precinct Master Plan were completed or progressed significantly during the year. Construction of the \$1.8 million Romsey Senior Sports Pavilion, located at the Romsey Recreation Reserve, was completed while the Junior Sports Pavilion neared completion. The Senior Sports Pavilion includes change rooms, a community meeting and function room, kitchen, storage space, disabled public toilets and spectator viewing area. The \$1 million Romsey Oval was officially opened in November, providing a second sports facility for athletics, football, soccer and cricket.

### Social Media

Council launched two Facebook pages during the year to provide information, and promote activities and events. The Macedon Ranges Emergency Alerts Facebook Page aims to support community preparedness, relief and recovery from emergencies and hazards in the region such as bushfires, heatwaves or floods. It provides useful tips for residents and businesses in the region on how to prepare for an emergency situation. An Arts and Culture Facebook page was also launched to promote festivals, events, exhibitions and community activities.

### Walking Kyneton

As part of the Transport Connections *Way There* project, young people developed an active transport map of Kyneton. Groups of young people all started from the Kyneton Youth Space and walked in different directions for 15 minutes, recording distances, routes and places of interest. The information was converted, with help from local artist Adrian Doyle and the Blender Studios Team, into a stylised public art piece.

### Museum

It was a big year for the Kyneton Museum. Visitor numbers to the museum, which is open three days per week, exceeded 2,000 and exhibitions ranged from a collection of rare and interesting objects to a Bourke Street Heritage Walk display. The Friends of the Kyneton Museum donated \$30,000 for interpretive signs and the Museum Accreditation Program re-accredited the museum until 2017. To top off a great year, Museum Curator Bronwyn Wilson received a Highly Commended award for her professionalism and hard work engaging communities at the Annual Museum Sector Awards.





## Kyneton Mechanics Institute

In its first full year of operation since its \$2 million restoration in 2011/12, locals and visitors once again embraced the Kyneton Mechanics Institute. More than 8,000 people attended a range of community functions, events and meetings. The space was used for 24 private and public events or activities, 95 public and community meetings and 37 youth drama classes run by a private operator. It was also a temporary home for the Victorian Electoral Commission offices for three months.

## Planning for our Future

Council continued its work to include the Macedon Ranges Settlement Strategy, which was completed in 2011/12, into the Macedon Ranges Planning Scheme. Planning experts recommended the implementation of the Settlement Strategy into the local policy section of the Planning Scheme via Amendment C84. Once approved by the Minister for Planning, Amendment C84 will provide certainty and direction for the future growth and development of the region. Town Structure Plans for Gisborne and Romsey were introduced into the Planning Scheme. The Kyneton Town Structure Plan was adopted by Council in June 2013 and the Woodend and Riddells Creek Town Structure Plans also progressed during the year.

### OVERVIEW

## Year in Review

## Health and Wellbeing in Focus

Macedon Ranges residents have a greater sense of wellbeing than most Victorians, according to the VicHealth Indicators Survey 2011 results released during the year.

Residents gave their wellbeing an average score of 80.1 out of 100, above the 77.5 state average.

Other areas where residents rated higher than the Victorian average included citizen engagement, volunteering and perceptions of safety.

Despite the high proportion of people commuting more than two hours each day, Macedon Ranges residents are still more likely to enjoy a family meal together than other Victorian families.

Macedon Ranges residents are also significantly less likely to spend seven hours or more sitting down on an average weekday.

Preliminary findings from the Victorian Population Health Survey 2011–2012 show adults living within the shire are similar to other Victorians across a range of health indicators including smoking, physical activity, fruit and vegetable consumption, overweight and obesity, psychological distress and self-reported health status.

*A snapshot of resident's health and wellbeing. (Victorian Population Health Survey 2011–12: Preliminary Findings).*

Category	Macedon Ranges (%)	Victorian average (%)
Meet the physical activity guidelines of 30 minutes exercise performed five times per week	64.3	63.9
Currently smoke	15.3	15.7
Eat enough fruit and vegetables each day	6.8	5.2
Are overweight or obese	54.6	49.8
Experience moderate levels of psychological distress	26.4	21.5
Consider their health status as excellent or very good	51.1	46.6



## Events

### Bruce Springsteen at Hanging Rock

American rock legend Bruce Springsteen entertained two packed crowds at Hanging Rock over the Easter weekend.

More than 34,000 people attended the concerts, which contributed almost \$10 million to the local economy.

Around 17 per cent of total ticket sales went to interstate Springsteen fans, bringing 5,000 visitors to the region. Thousands more came from Melbourne, with 15 per cent traveling to Hanging Rock by charter bus.

Infrastructure at Hanging Rock will be upgraded over the next two years to support future events, picnicking and visitors after Council successfully secured \$2 million of federal government funding.

### Mount William Hand Back Ceremony

Council provided funding to the Wurundjeri community and Mount William Committee through its Community Funding Scheme to organise a celebration marking the official hand back of the Mount William Quarry to the traditional owners. Officiated by Minister for Families, Community Services and Indigenous Affairs The Hon. Jenny Macklin, the event was attended by more than 200 people, many of whom came from near-by Aboriginal communities. The Mount William Quarry is a significant site for Aboriginal heritage. It was the only greenstone quarry in Australia and many of the stones were used for axes and other tools over centuries.

## Australia Day Awards

Council's annual Australia Day awards were announced at a ceremony held at the Kyneton Town Hall on Saturday 26 January.

This year, an arts ambassador award was added to the four annual categories: citizen of the year, young citizen of the year, community achievement, and community event. These awards recognise individuals and groups that have made a significant contribution to the local community.

### Citizen of the Year

Janice Shumack

### Young Citizen of the Year

Indigo Nicholson

### Community Achievement

Michael Richardson  
Phyllis Boyd

### Community Event of the Year

Vision Australia Gisborne's 3S Lunch

### Arts Ambassador

Australian Decorative & Fine Arts Society,  
Central Victoria—Young Arts Program

As part of Council's Australia Day celebrations, Council granted community events in six towns with \$500 each to host a range of activities such as a pool party, running race and trivia competition.



Photo credit: Bruce Hedge

## Projection Art Award

A number of high quality entries were received for the inaugural Projection Art Award, which focused on projecting artwork onto an indoor or outdoor structure or space, like a building façade, using a short or long-range projector. Capturing the theme, *Stories Within*, winning artists John Power and Freya Pitt represented local community values and showcased the unique characteristics of the Macedon Ranges.

## Touring Program

Council presented 21 shows across the shire, with ticket sales skyrocketing by 64 per cent on the previous year when 18 shows came to town.

The sell-out performance of *Caravan Burlesque* had all the elements of a true burlesque show, with the Kyneton Town Hall transformed into an old style nightclub and café seating that enticed the artists to mingle with the audience post-performance.

About 150 people shook off the winter blues at a transformed Kyneton Town Hall in June. Couches and bars were brought in to give the town hall a country pub feel for the *Winter Blues Night* revellers and talented local performers.

## Senior's Events

Seniors living in the Macedon Ranges enjoyed a range of free events during the 30<sup>th</sup> annual Victorian Seniors Festival. Two free 'Come and Try' classes were held in Woodend. The Gentle Exercise class was followed by morning tea at Buffalo Sports Stadium while seniors keen to be more active tried the Strength for Health class. A highlight of the week was a performance at the Kyneton Town Hall called *It's a Wonderful Life*. This free cabaret performance was extremely popular, showcasing songs and stories by Macedon Ranges favourite Rebecca Morton.

Council also coordinated an Ageing Well Expo in partnership with local community and health agencies. This year, the event was titled *Celebrate Life* and showcased services and activities for older residents. The *Grey Light Olde Time Dance* was once again held in partnership with Victoria Police and attended by 150 residents.

## Business Events

The Professional Development Calendar grew to 16 events in 2012/13 with many reaching full attendance capacity. Council's three Business Networking Evenings each attracted around 100 guests each night. Marketing and online strategy events were popular and a presentation from leading online business network platform, LinkedIn, sold out two events and workshops.

## Community Events

Each year, Council proudly supports a number of events through funding and marketing activities. The Age Harvest Picnic at Hanging Rock, held each year on the last Sunday in February, provided a whole day of entertainment including cooking demonstrations from well-regarded chef Travis McAuley of iconic Melbourne restaurant Hellenic Republic, owned by MasterChef George Calombaris. More than 100 cars took part in the Macedon Ranges Great Grand Tour, a 300km journey that started in Gisborne, taking in all of the shire's townships and ending with dinner at the Kyneton Town Hall. A number of annual festivals that have become staples on the Macedon Ranges event calendar included the Kyneton Daffodil Festival, Woodend Arts Festival and Daylesford Macedon Produce Harvest Festival. Council was also pleased to again support the Macedon Ranges Cup, which was launched in 2011/12.

In 2012/13, 66 local community groups shared \$167,500 under Council's Community Funding Scheme, which supports the activities and events of local community groups.

## Youth Events

Youth participation in Council events continued to grow. In 2012/13 more than 600 Year 8 students from the shire's five secondary schools came along to the launch of Live4Life and 1,128 students received CyberLife education sessions.

Each week, around 46 young people enjoyed the Youth Spaces where a variety of activities involving arts, crafts, scavenger hunts, cooking, and theme nights were held.

Almost 1,500 young people attended Music In The Sticks events, which included a DJ/pool party, the FReeZA Push Start Battle of the Bands Regional Finals, a Drug and Alcohol Awareness Workshop, the IDAHO community festival, and the Chill Bill music event.





# Council Services and Expenditure

## Community Financial Summary

The annual budget is aligned with the four year Council Plan and each area of activity supports Council's desired outcomes for the community.

In 2012/13, Council spent \$69 million in operational and capital expenditure on a range of services, projects and programs. Council invested additional resources in the areas of community safety and development, leisure services, walking and cycling paths, positive ageing and local roads and parks.

As a not-for-profit organisation, each year the budget is balanced by ensuring all generated income from rates, user fees, and federal and state government grants is spent or allocated.

The figures below include total operational and capital expenditure including items funded by grants.

<b>\$192</b> spent per ratepayer	<b>Community Wellbeing Children's Services</b> \$4.03 million Provides services to children and families, including maternal and child health, kindergartens and occasional child care, and provides support to community-managed children's services. Also includes capital works on renewing and expanding kindergarten facilities.	<b>Cultural Development</b> \$0.87 million Supports arts and cultural development in the shire, including the operation of the Kyneton Museum, provision of grants for local artists, and the provision of a quality range of shows through the professional touring program.	<b>\$42</b> spent per ratepayer
<b>\$152</b> spent per ratepayer	<b>Community Support Services</b> \$3.19 million Provides services to support people with disabilities, the frail aged and carers supporting these clients. Services include home care, delivered meals, personal care, property maintenance and respite.	<b>Libraries</b> \$1.09 million Funds the operation of libraries at Romsey, Woodend, Gisborne and Kyneton.	<b>\$52</b> spent per ratepayer
<b>\$114</b> spent per ratepayer	<b>Community Development</b> \$2.39 million Includes youth development, community housing, emergency recovery management, and promotes the planning, development and provision of programs that build community wellbeing and capacity in the shire.	<b>Responsible Governance Council and Customer Service</b> \$3.66 million Includes the operation of Council's customer service facilities in Kyneton, Gisborne, Woodend and Romsey. Provides support to Councillors including the coordination of Councillor initiated grants, the annual community funding scheme and Council's public relations and communications.	<b>\$175</b> spent per ratepayer
<b>\$269</b> spent per ratepayer	<b>Recreation Services</b> \$5.64 million Supports 15 Committees of Management of Council reserves and facilities, and over 400 recreation organisations. Facilitates the provision and maintenance of reserves, sports grounds, halls and other community facilities throughout the shire.	<b>Organisational Development</b> \$1.80 million Includes human resource management, employee relations, risk management, occupational health and safety and the development of strategies and systems for improving organisational performance.	<b>\$86</b> spent per ratepayer
<b>\$211</b> spent per ratepayer	<b>Leisure and Aquatic Centres</b> \$4.42 million Includes the operation of recreation and leisure centres in Woodend, Macedon, Riddells Creek, Romsey and Gisborne; indoor aquatic centres in Gisborne and Kyneton and outdoor pools in Lancefield and Woodend.	<b>Corporate Services</b> \$0.41 million Includes internal auditing and the management and administration of Council's public tendering processes.	<b>\$19</b> spent per ratepayer
		<b>Accounting services, fleet and rate collection</b> \$2.99 million Includes rate collection, accounts payable/receivable, purchasing, banking, financial accounting, investments, payroll and fleet management.	<b>\$143</b> spent per ratepayer

## OVERVIEW

# Community Financial Summary

### Property Sales and Valuations

**\$34**  
spent per  
ratepayer

\$0.70 million

Includes property valuations and the purchase, sale and lease of Council properties.

**\$80**  
spent per  
ratepayer

### Organisational Support

\$1.67 million

Includes information technology, records and geographic mapping.

### Loan Redemption and Bank Charges

**\$72**  
spent per  
ratepayer

\$1.52 million

In keeping with Council's Strategic Resource Plan, the balance of outstanding debt represents 14 per cent of total rate revenue and the annual interest and principal repayments equate to 4.5 per cent of rate revenue.

### Sustainable Environment and Infrastructure

#### Local Roads, Bridges, Drains and Footpaths

**\$722**  
spent per  
ratepayer

\$15.13 million

Includes the maintenance and construction of local roads, bridges and drains.

**\$139**  
spent per  
ratepayer

#### Parks and Gardens

\$2.92 million

Includes maintenance of Council parks, playgrounds, street trees and reserves.

#### Infrastructure Planning, Design and Projects

**\$227**  
spent per  
ratepayer

\$4.77 million

Includes street lighting and the maintenance of public buildings, ranging from large halls to sporting facilities and public toilets; investigation/minor works relating to drainage, flooding, parking and road safety; engineering assessments of planning applications; approval of civil development plans; and supervision of development works.

### Environmental Services

**\$44**  
spent per  
ratepayer

\$0.93 million

Includes weed control on public land, a tree planting program, community education programs in coordination with local landcare organisations and the protection and development of significant landscapes.

### Public facilities

**\$16**  
spent per  
ratepayer

\$0.33 million

Includes the maintenance and operation of 40 public toilet blocks, 178 street bins and 32 barbecues across the shire.

### Garbage and recycling collection

**\$278**  
spent per  
ratepayer

\$4.85 million

This service is provided to approximately 17,000 properties. The cost is fully recovered through the garbage and recycling charge of \$226 and the garden bin charge of \$52 which is applied to those properties receiving the service.

### Sustainable Living

#### Community Safety

**\$110**  
spent per  
ratepayer

\$2.31 million

Includes the application of local laws, responsible pet and animal ownership, food safety, immunisation, septic tank and wastewater treatment installations, emergency management, coordination of supervised school crossings and fire prevention.

### Economic Development and Tourism

**\$56**  
spent per  
ratepayer

\$1.17 million

Includes enhancing the operations of industrial estates, supporting and attracting businesses to provide local employment and strengthen the local economy, and the operation of two accredited Visitor Information Centres.

### Planning and Building Services

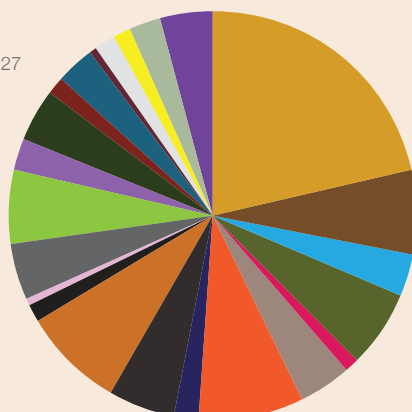
**\$140**  
spent per  
ratepayer

\$2.93 million

Includes statutory planning, strategic planning and building services.

## How Council's budget is spent

Local Roads \$722
Infrastructure Planning, Design and Projects \$227
Community Development \$114
Leisure and Aquatic Centres \$211
Property Sales and Valuations \$34
Planning and Building Services \$140
Garbage and Recycling Collection \$278
Loan Redemption and Bank Charges \$72
Council and Customer Service \$175
Recreation Services \$269
Libraries \$52
Public Facilities \$16



Community Support Services \$152
Children's Services \$192
Organisational Development \$86
Accounting Services, Fleet and Rate Collection \$143
Cultural Development \$42
Community Safety \$110
Corporate Services \$19
Economic Development and Tourism \$56
Environmental Services \$44
Organisational Support \$80
Parks and Gardens \$139



## Message from the CEO



**Chief Executive  
Officer**

**Peter  
Johnston**

### Community Satisfaction

Through the latest community satisfaction survey, it was encouraging to see that residents noted an improvement in Council's direction in 2012/13, and continued to rate Council's customer service and waste management services highly. The survey results also highlighted some areas for improvement including maintenance of sealed and unsealed roads, and roadside slashing and weed control.

Road maintenance is a particularly challenging area for large rural shires—we manage 1600km of roads, 50% of which are unsealed. The quality of our local road network is important to residents and over 20% of our total budget, or \$722 per ratepayer, is spent on roads, bridges, drains and paths. We aim to provide road surfaces to an acceptable standard within our financial capacity and in the face of changing weather conditions, and will continue to work in partnership with VicRoads, community groups and landowners to manage fuel loads and weeds on roadsides.

### Grants and Funding

Total grants received by Council were lower than in 2010/11, when we received some significant grants for capital works projects. Some of the larger grants received this year were for the Romsey Sports Precinct and kindergarten building works in Macedon, Kyneton and Woodend. Other grants included the VicRoads Black Spot program for the construction of two roundabouts in Kyneton, and the Victorian Government Country Roads and Bridges restoration program.

Some important grant announcements were made during the year including \$2 million to improve infrastructure at Hanging Rock under the federal government's Regional Development Australia Fund. We were also successful in securing a further \$1M from the VicRoads Black Spot program for more road safety upgrades, to be undertaken in 2013/14.

### Secure Financial Position

Council's debt levels are at their lowest since the organisation was formed in 1995, putting Council in a strong position to be able to borrow for future projects if required. Our capital works totalled more than \$17 million—the third highest to date, with key works including \$5 million on roads, \$2.7 million on the Romsey Sports Precinct, \$1 million on kindergarten upgrades and \$700,000 on footpaths. These works, along with a revaluation of our assets and a \$13 million contribution from developers, have brought out total asset value to an all-time high of \$563 million. Council's key financial ratios in relation to debt and liquidity remain strong and within Victorian Auditor-General's Office's 'low risk' criteria.

### New Council Direction

In 2012/13 considerable time and effort went into shaping a new direction for the organisation, with the election and induction of a new Council and the development of a new four-year Council Plan. To meet legislative requirements associated with the new Council, we also reviewed our delegations, Councillor Code of Conduct and Councillor allowances. A new addition to the Council Plan was the incorporation of the health and wellbeing plan, which gives more strategic importance to Council's role in this area. Another focus for Council will be to further strengthen our partnership with the community through improved communication and consultation processes.

I wish to thank our new, departing and returning Councillors; staff; volunteers and the broader community for their combined efforts and contributions during the year, which have taken us to a new level of organisational performance and given us a renewed focus on the future of our region.



**Mayor**

**Cr Roger Jukes**

New faces have brought fresh ideas, energy and enthusiasm to Council's elected leadership team this year, with the election of a new Council including four first-time Councillors and myself as a first-time Mayor. The first seven months of our term has been a period of learning for some, and for others, one of consolidation as we look back on the achievements of the previous Council and ahead to our goals over next four years.

## Planning for Future Growth

In 2012/13 Council continued its work of balancing demand for additional services, facilities and infrastructure as a result of a growing population with maintaining a semi-rural environment for residents and protecting the special character of our towns.

An important step in planning for the future growth of our towns has been the development of town structure plans and accompanying neighbourhood character studies for Kyneton, Woodend and Riddells Creek. We have also progressed significant planning scheme amendments such as formalising the Macedon Ranges Settlement Strategy as part of our Municipal Strategic Statement.

Our families have also seen progress in the past 12 months on newly constructed or planned infrastructure for early years services. This is in response to both a growing population and new requirements for 15 hours' kindergarten a week for every child. Changes include upgrades at kindergartens in Woodend, Macedon and Kyneton, and plans for an early years hub in Gisborne, our fastest growing township for children aged 0–4 years.

Sport continues to grow in our region, and we progressed plans and funding arrangements with the Victorian Government during the year for an indoor sports stadium in Gisborne and an outdoor netball court complex in New Gisborne. The Romsey Sports Precinct senior pavilion was completed, offering modern facilities for football

and netball clubs, along with a range of tennis, netball and multi-purpose court projects in Riddells Creek, Newham, South Gisborne and Woodend.

## Supporting our Key Tourism Icons

Hanging Rock currently generates approximately \$11 million for our regional economy annually. In addition to supporting the two highly successful Bruce Springsteen concerts in March this year, Council conducted research, consultation and strategic planning in 2012/13 around the future of Hanging Rock and in particular, its capacity to support itself, cater for growing numbers of visitors and host a range of future events.

Significant funding was secured from the Australian Government during the year to improve infrastructure at the reserve, including construction of toilets, shelters and barbecues and connection to underground power and water supply. Council also did an economic impact analysis of the Bruce Springsteen concerts and surveyed residents and businesses on the potential to hold future concerts at the site.

This work has been an important part of Council's role, as the custodian of Hanging Rock, in ensuring that it remains a major drawcard to our region and generates enough income to care for itself into the future. The next steps are to plan for future large-scale concerts and finalise a long-term development and investment plan for the reserve.

## Community Partnerships and Consultation

A priority in the new Council Plan is to review and improve how we communicate and consult with our community. As a Council we are faced with the challenging task of making decisions on a wide range of issues which affect a range of people in different ways. How we seek, assess and act upon diverse community input is critical to that decision-making process.

I would like to thank our departing Councillors from the previous term for helping us achieve many of the outcomes in this report, and am looking forward to working with my fellow Councillors and Council staff on strengthening our partnership with residents and businesses, and balancing the varying needs of our community.

## OVERVIEW

# Message from the Mayor



# Our People ○

Behind the wide range of services, projects and initiatives delivered by Council, is a team of dedicated elected Councillors and hundreds of officers who have chosen local government as a career path. In 2012/13 we farewelled five Councillors, thanking them for their service to the Macedon Ranges. At the same time, we welcomed five new Councillors. Our executive management team, headed by CEO Peter Johnston, has seen little change over the years, supporting a stable workforce of loyal and committed leaders and staff.

13–15.....	Councillors—East, West and South Ward
16 .....	Executive Management Team
17 .....	Our Workforce
18–19 .....	Organisation Structure
20–21 .....	Organisational Development
22 .....	Volunteers



## East Ward



**Cr Joe Morabito**

Elected: October 2012, November 2008, March 2003

Mobile: 0400 025 455

Email: [jmorabito@mrsc.vic.gov.au](mailto:jmorabito@mrsc.vic.gov.au)

Attended 10 Ordinary Council Meetings and six Special Council Meetings.

Representation as at 30 June 2013:

- Hanging Rock Development Advisory Committee
- Macedon Ranges Equine Industry Network
- Saleyards Advisory Committee



**Cr Henry McLaughlin**

Elected: October 2012, November 2008

Mobile: 0400 028 507

Email: [hmclaughlin@mrsc.vic.gov.au](mailto:hmclaughlin@mrsc.vic.gov.au)

Attended 10 Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2013:

- Annual meeting of Braemar College
- Macedon Ranges Community Access Advisory Group



**Cr Graham Hackett**

Elected: October 2012

Mobile: 0408 287 788

Email: [ghackett@mrsc.vic.gov.au](mailto:ghackett@mrsc.vic.gov.au)

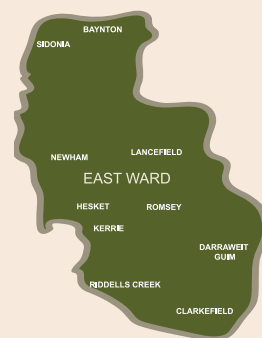
Attended six Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2013:

- Macedon Ranges Agribusiness Forum
- Hanging Rock Development Advisory Committee
- Macedon Ranges Equine Industry Network
- Macedon Ranges Local Safety Committee
- Macedon Ranges Regional Park Committee
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Committee
- Saleyards Advisory Committee
- Youth Services Liaison

## OUR PEOPLE

### Councillors



## Retiring Councillor—East Ward

### Cr Joan Donovan

Elected: November 2008

Retired: October 2012



## South Ward

## Councillors



**Cr John Letchford**

Elected: October 2012, November 2008, November 2005, March 2000, March 1997

Mobile: 0401 682 364

Email: [jletchford@mrsc.vic.gov.au](mailto:jletchford@mrsc.vic.gov.au)

Attended 10 Ordinary Council Meetings and seven Special Council Meetings.

Representation as at 30 June 2013:

- Arts Advisory Committee
- CEO Performance Appraisal Advisory Group
- Municipal Association of Victoria
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Committee
- Peri Urban Councils Group
- Youth Services Liaison



**Cr Russell Mowatt**  
Deputy Mayor

Elected: October 2012

Mobile: 0418 531 281

Email: [rmowatt@mrsc.vic.gov.au](mailto:rmowatt@mrsc.vic.gov.au)

Attended seven Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2013:

- Calder Highway Improvement Committee
- Hanging Rock Development Advisory Committee
- Macedon Ranges Further Education Centre
- Positive Ageing Advisory Committee



**Cr Sally Piper**

Elected: October 2012

Mobile: 0400 865 543

Email: [spiper@mrsc.vic.gov.au](mailto:spiper@mrsc.vic.gov.au)

Attended six Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2013:

- Arts Advisory Committee
- Annual meeting of Braemar College
- Macedon Ranges Agribusiness Forum
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Community Access Advisory Group
- Macedon Ranges Equine Industry Network
- Municipal Emergency Management Planning Committee
- Youth Services Liaison

## Retiring Councillors—South Ward

### Cr Rob Guthrie

Elected: November 2008, November 2005, March 2003

Retired: October 2012

### Cr Helen Relph

Elected: November 2008, January 2005

Retired: October 2012

## West Ward



**Cr Roger Jukes**  
Mayor

Elected: October 2012, November 2008

Mobile: 0400 647 445

Email: [rjukes@mrsc.vic.gov.au](mailto:rjukes@mrsc.vic.gov.au)

Attended 11 Ordinary Council Meetings and six Special Council Meetings.

Representation as at 30 June 2013:

- Audit Committee
- Macedon Ranges Agribusiness Forum
- CEO Performance Appraisal Advisory Group
- Daylesford Macedon Ranges Regional Tourism Board
- Kyneton Mechanics Institute Advisory Committee
- Macedon Ranges Employment and Training Network
- Tourism Macedon Ranges Inc



**Cr John Connor**

Elected: October 2012, November 2005, March 2003, March 2000

Mobile: 0412 870 500

Email: [jconnor@mrsc.vic.gov.au](mailto:jconnor@mrsc.vic.gov.au)

Attended six Ordinary Council Meetings and five Special Council Meetings.

Representation as at 30 June 2013:

- Arts Advisory Committee
- Calder Regional Waste Management Group
- Goldfields Regional Library
- Library Advisory Committee
- Peri Urban Councils Group
- Positive Ageing Advisory Committee
- Saleyards Advisory Committee
- Tourism Macedon Ranges Inc
- Victorian Local Governance Association
- Workspace Australia

### OUR PEOPLE

## Councillors



**Cr Jennifer Anderson**

Elected: October 2012

Mobile: 0408 273 670

Email: [janderson@mrsc.vic.gov.au](mailto:janderson@mrsc.vic.gov.au)

Attended seven Ordinary Council Meetings and five Special Council Meetings.

Representation as at 30 June 2013:

- Audit Committee
- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Kyneton Woodlands Project Group
- Macedon Ranges Heritage Council
- Municipal Association of Victoria
- Peri Urban Councils Group
- Youth Services Liaison

### Retiring Councillors – West Ward

#### Cr Henryka Benson

Elected: November 2008

Retired: October 2012

#### Cr Neil Manning

Elected: November 2008, March 1997

Retired: October 2012



## Executive Management Team



**Chief Executive  
Officer**

**Peter Johnston**

Tel: (03) 5422 0308

B.Bus (Local Govt), FIMM, JP

Peter has worked in local government and for water authorities over the last 33 years, including five years in the dual roles of Shire Secretary/ Chief Executive Officer with the former Shire of Romsey and Secretary of the Romsey/Lancefield Water Board, three years as Corporate Services Manager with Western Water, and close to 10 years as Chief Executive Officer at Corangamite Shire Council.

Peter joined Council in January 2008.



**Director  
Planning &  
Development**

**Sophie  
Segafredo**

Tel: (03) 5421 9655

B.Arts (Urban Studies), Grad Dip L.G. Law,  
Mast. Built Envir.

Sophie has 28 years' experience in the planning and environment field across both the public and private sector. Having worked in a variety of Victorian and New South Wales metropolitan and regional localities, Sophie joined Council in August 2010.



**Director  
Community  
Wellbeing**

**Karen  
Stevens**

Tel: (03) 5422 0224

Grad.Cert.Bus.-App. Business, Adv.Dip. Bus.  
Man.

Karen has extensive experience in local government, and the development and delivery of innovative services to meet the needs of the community. She was previously employed as Acting Executive Manager Community Services with Moonee Valley City Council. Karen joined Council in November 2010.



**Director  
Corporate  
Services**

**Glenn  
Owens**

Tel: (03) 5422 0392

B.Bus., FIMM

Glenn has 32 years' local government experience at four Victorian rural councils. Glenn joined Council in January 1995 and was appointed to his current position in November 2000.



**Director  
Assets and  
Operations**

**Dale  
Thornton**

Tel: (03) 5421 9637

Cert. Civ. Eng, Post Grad. Dip. Admin. Mgt,  
Mast.Bus.Man

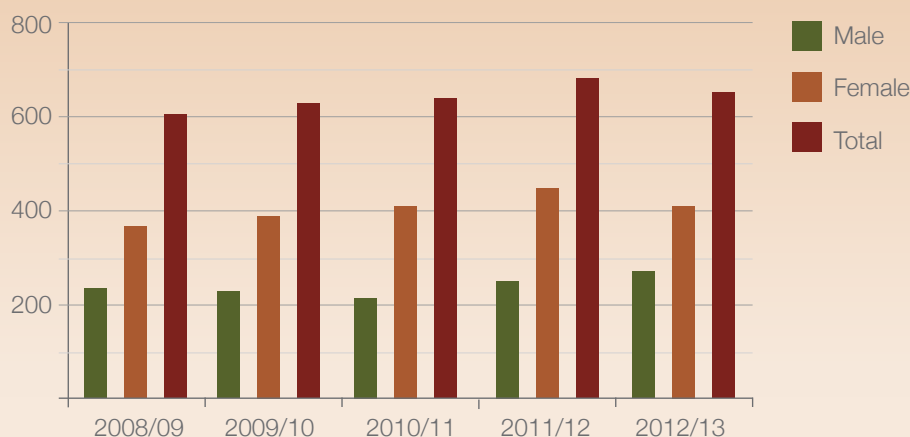
Dale has worked in local government for 15 years, and has 21 years' experience in the metropolitan water industry. Dale joined Council in February 2008.

## Our Workforce

A total of 201 people were employed on a full-time basis at Macedon Ranges Shire Council as at 30 June 2013.

An additional 157 staff served the Macedon Ranges community in their part-time role at Council and a further 262 people were employed on a casual basis throughout the year. Temporary workers made up 3.2 per cent of the total 641 employees for the year.

Council's workforce has decreased by 3.6 per cent from the previous year.



## OUR PEOPLE

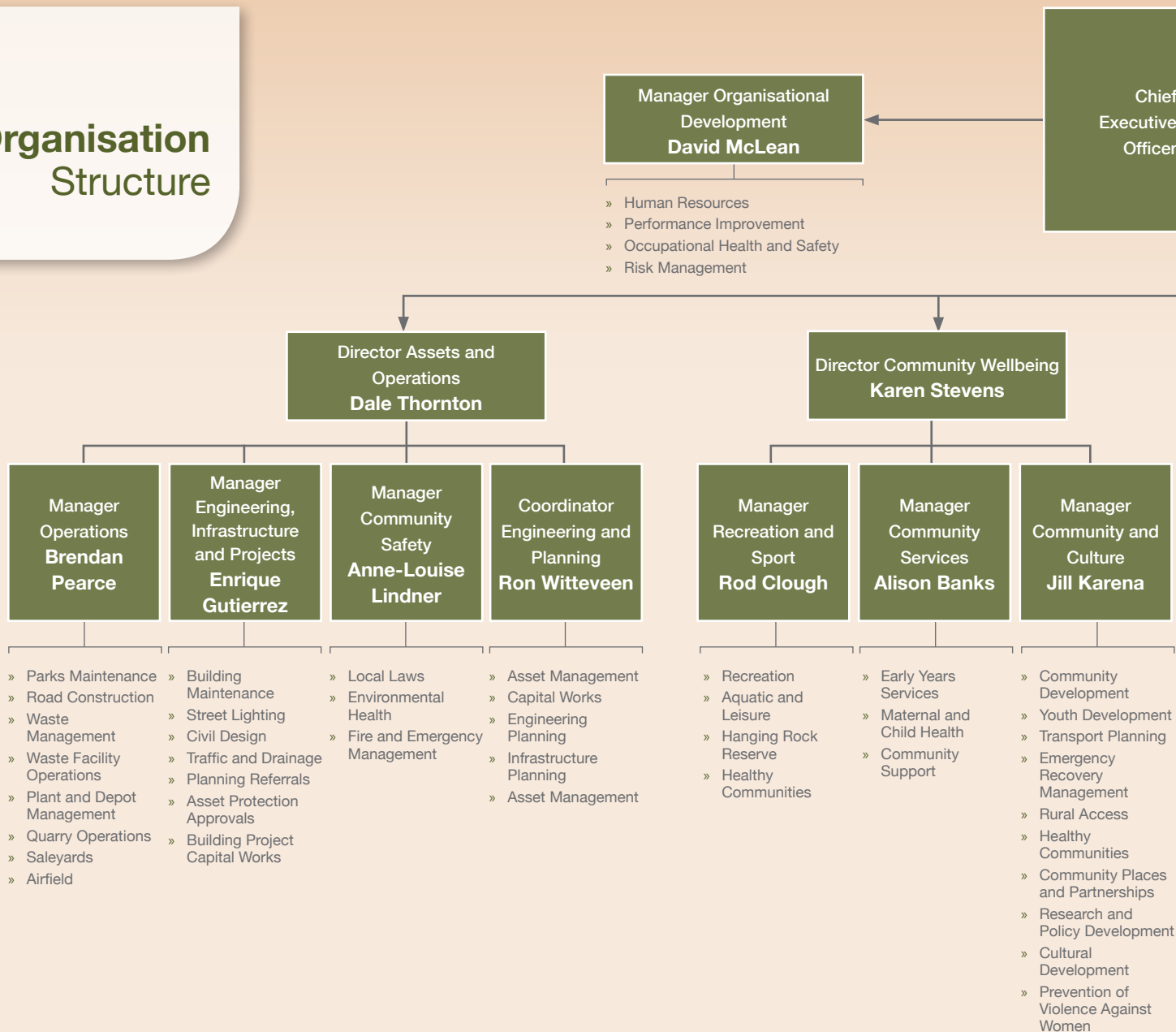
## Workforce

Council congratulates the following members of its workforce who achieved significant service milestones in 2012/13:

Name	Department	Name	Department
10 Years		15 Years	
Wendy Ashton	Community Safety	Noel Christiansen	Operations
Suzanne Atkinson	Community Services	Suzanne Cox	Community Services
Kevin Barkley	Finance	Christopher Neville	Operations
Luke Beattie	Recreation and Cultural Development	Christine Sullivan	Economic Development and Tourism
Trudy Campbell	Council and Customer Service	Stanley Wilson	Community Safety
Penelope Cummins	Finance	20 Years	
Janice Elliot	Community Safety	Kathryn Muldowney	Community Safety
Brendan Finucane	Recreation and Cultural Development	Christine O'Higgins	Community Services
Gail Greer	Community Safety	Steven Shanahan	Operations
Anne-Louise Lindner	Community Safety	Vicki Showler	Community Safety
Elon McCormick	Council and Customer Service	25 Years	
John Menk	Operations	David Bachelor	Community Safety
Darren Noble	Operations	Edward Brown	Recreation and Cultural Development
Anne Walsh	Recreation and Cultural Development	Gavin Christiansen	Operations
Peter Warrener	Operations	Barbara Francis	Community Services
Margaret White	Community Services	Ivy Fraser	Community Services
Elaine Young	Community Services	Christine Leggo	Planning and Development
		30 Years	
		Kevin Keating	Operations



# Organisation Structure



## OUR PEOPLE

# Organisation Structure

**Peter Johnston**

**Manager Council and Customer Service  
Stephen Mahon**

- » Customer Service
- » Governance and Council Support
- » Public Relations and Communications

**Director Corporate Services  
Glenn Owens**

**Director Planning and Environment  
Sophie Segafredo**

**Contracts Coordinator  
Corinne Farley**

**Manager Information and Communications  
Maureen Trezise**

- » Information Technology
- » Records Management
- » Geographic Information Systems (GIS)

**Manager Finance  
Leon den Dryver**

- » Payroll
- » Accounts Payable
- » Management Accounting
- » Property and Valuations
- » Fleet Management
- » Rates
- » Purchasing
- » Accounts Receivable

**Manager Strategic Planning and Environment  
Katie Xiao**

- » Sustainability Programs
- » Environment and Conservation Services
- » Strategic Land Use Planning
- » Planning and Environmental Policy

**Manager Economic Development and Tourism  
Kylie Lethbridge**

- » Business Incentive Programs
- » Economic Development Research and Strategies
- » Event Assistance
- » Visitor Information Centre Management
- » Business Support Programs

**Manager Planning and Development  
Rick Traficante**

- » Statutory Planning
- » Building Services
- » Planning Compliance



## Organisational Development

## Organisational Development

### Human Resources

Council continued to provide advice and leadership across the organisation to effectively support all staff in an effort to deliver excellent services to the Macedon Ranges community.

### Recruitment

Changes in the recruitment guidelines and practices resulted in the attraction of high calibre candidates for vacant positions and continued improvement in Council's compliance levels.

### Staff induction

A revised induction process was coordinated for new staff to ensure familiarity with the organisation's various computer packages, organisational systems and processes that enable them to effectively undertake their roles in an efficient manner.

### Policies

In accordance with the Council Plan, 25 per cent of human resources policies and procedures were updated.

### Human Resources Information System

Work commenced on designing and building an integrated Finance and Human Resources System, which will include payroll. The system, due for completion in 2013/14, will provide efficiencies through the automation of manual processes, capturing information required for compliance and auditing purposes, and improving accessibility to management information.

### Employee Assistance Program

The Employee Assistance Program continued throughout the year. This important service ensures staff can access support when they face difficult circumstances and assists them by providing a supportive and productive organisational culture.

### Occupational Health And Safety And Risk Management

#### Asbestos Audit

Stage 2 of the Asbestos Audit was completed with 113 Council owned or managed buildings assessed. A total of 170 buildings have now been audited and where immediate action has been identified, the appropriate remedial action

has been implemented. Audits will continue throughout 2013/14. Once completed, an Asbestos Management Plan will be developed and implemented to ensure Council continues to be proactive in its risk management.

### Training

The following training was initiated and/or conducted in 2012/13 to ensure a safe and effective working environment:

- Prevention of Workplace Bullying
- Fraud Prevention
- OHS for Managers
- OHS for Health and Safety Representatives
- First Aid and CPR.

### Risk assessments

Risk assessments were undertaken when required throughout the year. This included pre and post construction assessments of building projects.

Specialised Risk Assessments in relation to Fraud and Climate Change were completed. The risks identified were added to the risk register for development of actions plans to reduce risks.

### WorkSafe integrated approach

Council worked in partnership with WorkSafe to implement effective safety measures and to improve WorkCover performance.

An Occupational Health and Safety cultural survey was undertaken to compare Council's results to other councils and similar sized employers. While some areas requiring continuing improvement were identified, overall they showed Council performed well, particularly in the area of hazard and injury reporting, and communicating with supervisors.

An action plan is in development and will be implemented in conjunction with WorkSafe.

## Future Directions

- Finalise the Enterprise Agreement that provides terms and conditions of employment for staff at Council
- Implement the Finance and Human Resources System and provide user training across the organisation
- Continue to build and embed proactive risk management practices throughout the organisation.

## OUR PEOPLE

# Organisational Development

Risk and Safety Performance Indicators	2012/13
Rate of Incidents and Hazards Reported	54.23 per 100 FTE*
Rate of Claims (both minor** and standard)	6.2 per 100 FTE*
Rate of Time Lost Claims	3.88 per 100 FTE*
Rate of Medical Expenses Only Claims	1.96 per 100 FTE*
Rate of Standard Claims	1.96 per 100 FTE*
Rate of Minor** Claims	1.96 per 100 FTE*

\* Full Time Equivalent Employee.

\*\* Both time lost and medical expenses only claims under the employer liability threshold payable (in 2012/13 this was \$629 medical costs and/or the first 10 days of time lost).

Reporting and Compliance	2012/13
Percentage of planned internal audits and inspections undertaken	100 per cent
Percentage of Provisional Improvement Notices actioned on time	100 per cent
Percentage of OHS representatives who undertook OHS training	100 per cent
Percentage of managers who undertook OHS training	100 per cent
MAV Insurance Audit of Public and Professional Liability score	79 per cent
Jardine Municipal Asset Protection Plan Audit Score	N/A*
Commercial Crime Audit score	N/A*

\*Scheduled for 2013/14.

## Volunteers

Council officially acknowledged the hundreds of volunteers who support the Macedon Ranges community at an event in Gisborne in November. Volunteers participate in a wide range of Council service areas including family and youth, aged and disability, environment, arts and culture, tourism and recreation, emergency management and healthy communities.

According to the latest ABS Census results (2011), 24 per cent of Macedon Ranges residents volunteered through an organisation. This represents one in four residents and is significantly higher than the 17 percent average recorded for people volunteering in both Victoria, and nationally.

### Family and Youth

Macedon Ranges kindergarten committees are run by volunteers focused on developing the kindergarten community by providing social events for parents and families, networking, supporting kindergarten staff, and fundraising. The Macedon Ranges Kindergarten Cluster Group is a volunteer advisory group for the eight Council-managed kindergartens.

A group of Year 9 students participating in Live4Life became leadership volunteers, playing a significant role in developing the Year 8 program of activities. Known as The Crew, these Live4Life volunteers took part in a leadership day and assisted in the delivery of mental health educational sessions.

The Youth Ambassadors group continues to make an invaluable voluntary contribution to Council and the broader community. The group represents their peers at community forums and participates in consultation activities including the development of Council's new Youth Development Strategy. During the year, 10 young people aged 15–18 volunteered as part of the Music In The Sticks Crew. This crew participated in event management, promotion, media and marketing, sound and lighting, and front of house functions to deliver safe, fun events to young people.

### Aged and Disability

Council appreciates the work of its 64 active volunteers that assist elderly residents in a range of ways, including delivering Meals on Wheels and providing transport. This figure increased by nine volunteers during the year. The Positive Ageing Advisory Committee comprises seven community volunteers who advocate for the needs and expectations of older people across the shire. The Macedon Ranges Community Register is staffed mostly by volunteers, who also participated in meetings and training at Council during the year.

### Environment

The shire's 30 active Landcare and Friends volunteer groups are supported by Council's Landcare support program to provide a diverse range of services and projects to the community. For example, in 2012/13, the Newham Landcare Group arranged 30 volunteers to plant more than 600 small trees and shrubs as part of a Council-funded planting project at Hanging Rock.

### Arts and Culture

Kyneton Museum volunteers are an integral part of the museum's operations. Council appreciates the work of these volunteers who play an important role in meeting and greeting visitors, providing catering at events and functions, and organising working bees. They also assisted in delivering education programs and undertaking research projects. During the year, volunteers also distributed promotional material for performing arts shows.

### Tourism and Recreation

Volunteers are represented on a number of advisory committees that assist Council with tourism and recreation facilities and services. Among these are the:

- Hanging Rock Development Advisory Committee
- Library Advisory Committee
- Friends of Kyneton Museum
- Friends of Macedon Ranges Libraries
- Rural Access Macedon Ranges Community Access Advisory Group.

There are also 80 volunteers that work in the Kyneton and Woodend Visitor Information Centres and play an important role in promoting the region and local businesses to visitors and new residents.

### Emergency Management

Council works with volunteer staff and agency networks in preparing for emergency events. In 2012/13, 14 volunteers were trained and supported in their roles in effectively running Emergency Relief Centres.

### Healthy Communities

As part of Council's Healthy and Active People Initiative, two volunteers conducted beginner bike riding programs. During the year, four bike riding programs were held over six weeks in the shire. These volunteers also facilitated bike maintenance workshops. Council's nine walking groups were supported by at least one volunteer each.





# ○ Our Goals

Macedon Ranges Shire Council is guided by four key goals—Sustainable Living, Community Wellbeing, Sustainable Environment and Infrastructure, and Responsible Governance. It is around these goals that we can build programs and services that meet our community's needs, and our vision for a sustainable shire. It is also by these goals that we measure our own performance.

24	.....Sustainable Living
30	.....Community Wellbeing
40	.....Sustainable Environment and Infrastructure
46	.....Responsible Governance



# Sustainable Living ○

25 .....	Tourism and Economic Development
27 .....	Strategic Planning and Environment
28 .....	Statutory Planning and Building
28 .....	Challenges
29 .....	Future Directions



## Economic Development Agribusiness Plan

The inaugural Macedon Ranges Agribusiness Plan was completed during the year, providing an insight into the opportunities and challenges facing the shire's agricultural industry. It also recognises and promotes the industry's contribution to the local economy and the community. Developed in consultation with local agribusinesses, the five-year plan integrates feedback received via a survey, one-on-one interviews and extensive community consultation as well as additional research. The process resulted in 14 key actions under four strategic themes—communication, transition, information and facilitation, and growth opportunities.

## Equine Strategy

2012/13 saw the implementation of Macedon Ranges Equine Industry Strategy begin. The Equine Industry Strategy was developed in 2011/12 after a feasibility study showed the equine industry to be worth \$140 million to the local region. As part of the first year of implementing the strategy, Council developed a database and held meetings with members of the equine community who were asked to participate in the establishment of the Ranges Equine Industry Network. This network will facilitate

communication among anyone with an interest in horses in the Macedon Ranges (both business and recreational). It also has an ongoing role in guiding the equine industry's future development by assisting Council with implementing the five year Macedon Ranges Equine Strategy.

## Business Survey

Council invited all 3,898 local business operators to participate in the third bi-annual business survey to provide an in-depth understanding of issues and challenges facing businesses operating in the shire. A total of 391 businesses responded, a 27 per cent increase in participation compared to the last business survey held in 2011.

Key findings from the survey respondents included:

- an increase in businesses exporting goods and services overseas
- a majority of businesses implement sustainable practices
- a growing need for high speed internet.

The survey responses will enable Council to better support local businesses by aligning projects and strategies that address the identified needs.

## OUR GOALS

## Sustainable Living

## At a Glance

- 846,000 tourists visited the region
- Almost \$10 million generated from Bruce Springsteen concerts
- 300 businesses attended business networking evenings
- 391 businesses responded to the business survey
- 16 professional development events held
- 19,711 visitors to visitmacedonranges.com website each month
- 29,509 people visited Kyneton and Woodend visitor information centres
- Noxious weeds treated at 375 sites covering 2,000 hectares
- 626 planning permits considered
- 85 building permits approved.



Photo credit: Bruce Hedge



## Sustainable Living

### Supporting businesses

Further research into the Business Centre Feasibility Study during the year identified the need for better promotion and support of existing services and facilities available for businesses within the shire. It also highlighted the need to continue supporting private enterprises to provide services to the Macedon Ranges community.

Council met with a network of local real estate agents three times during the year to provide current information on services and activities in relation to land use, growth and development in the shire. A Business Leaders Forum was held to listen to issues being faced by our business community. A broad cross-section of businesses and industry sectors from major employers to new and innovative businesses were invited to attend. At the 2012 Forum, Damian Drum, MP, Member for Northern Region and Parliamentary Secretary Regional Development was the guest presenter, followed by a facilitated panel discussion.

The Macedon Ranges online business directory was launched in conjunction with Council's new website in March. The directory features free listings for all Macedon Ranges-based businesses and grew to 400 listings by the end of 2012/13.

### Professional development

The Professional Development Calendar grew to 16 events in 2012/13, two more than the previous year. Attendances increased at business events with many selling out.

Over the past three years, participation numbers at Council's Business Networking Evenings have grown by 40 per cent. In 2012/13, the three evening events attracted around 100 attendees each night. Online marketing is a popular topic and this year a representative from online business network platform, LinkedIn, presented at two sell-out events, which were followed-up by a workshop the next day.

The Home Based Business morning teas continue to be a success. The informal format of these events provides an opportunity for home-based business owners, who often work in isolation, to connect and engage with other like-minded businesses.

Small landholders in shire were given an opportunity to enhance their farming skills and knowledge at a workshop co-presented by Council and the Department of Primary Industries. The workshop covered pests, weeds and animal health as well as small landholders' obligations and responsibilities. A second small landholders' workshop was held for local farmers in partnership with the Victorian Farmers

Federation to gain an understanding of animal management, bio-security, and occupational health and safety on farms.

### Japanese sister city

Council moved closer to formalising a Sister City relationship with Tokai City Council in Japan. The relationship will formalise the friendship between the two councils which has developed over time. A formal relationship will investigate potential economic development opportunities that may benefit local businesses and communities.

### Regional Living Expo

Macedon Ranges Shire Council prepared and hosted a stand at the three-day Regional Living Expo held in April at the Melbourne Exhibition Centre. This state government initiative aims to promote Victoria's regional and rural areas. The Expo attracted 9,500 people, a 15 per cent increase in the previous and inaugural year.

### NBN roll-out

Council continued advocating for high-speed broadband for the region. An NBN community information session was held to ensure businesses and residents remain informed about local NBN roll-out developments.

### Tourism

#### Visitation

Tourism remained the region's largest industry, generating around \$306 million in 2012/13.

Visitation to the Macedon Ranges was around 846,000 with 379,000 staying overnight. The average age of overnight visitors is 45–64 years, while day visitors are mostly aged 35–45.

Holiday and leisure accounts for 38 per cent of visitor arrivals while 40 per cent are visiting family or friends. Around 11 per cent travel to the Macedon Ranges for business and the remaining 11 per cent visit for employment or education.

#### Visitor Information Centres

The Kyneton Visitor Information Centre, which opened in February 2012, now has 35 volunteers assisting one full time officer. At the Woodend Visitor Information Centre, 37 volunteers support two part-time tourism officers. Together, these information centres assisted 29,509 visitors to find their way around the region while highlighting events and special attractions.

Kyneton became an accredited information centre by the Australian Tourism Accreditation Program while Woodend completed an accreditation renewal for a further three years.

## Hanging Rock

The Economic Impact Analysis on the two Bruce Springsteen concerts held over the Easter long weekend showed \$9,655,302 million was generated from the two events along with the creation of 29 full-time equivalent jobs. Hanging Rock hosted the two sell-out concerts which attracted nearly 34,000 concert-goers.

Macedon Ranges Shire Council was pleased to secure a \$2 million federal government grant to improve infrastructure at Hanging Rock over the next two years. The funding, which falls under the Regional Development Australia Fund, will support future events, picnicking and visitors to Hanging Rock. In total, the project is estimated to cost \$3 million. Council will contribute the remaining funds over the next two budgets.

Improving Hanging Rock is expected to bring around \$22 million in economic benefits to the region and create 10 full-time equivalent jobs each year.

## Regional promotion

Council's final destination sign, a project that commenced in 2011/12, was installed in shire's east between Romsey and Bolinda.

Council partnered with a local transport company to produce an eye-catching truck curtain, which provides a unique promotional opportunity as the vehicle travels between Melbourne and the Macedon Ranges each day. The curtain carries a landscape image of the region along with the words 'Wouldn't you rather be here?'. It also promotes the Council-managed [visitmacedonranges.com](http://visitmacedonranges.com) website. This site averaged 19,711 visits each month in 2012/13.

## Strategic Planning and Environment

### Settlement Strategy

Council continued its work to include the Macedon Ranges Settlement Strategy, which was completed in 2011/12, into the Macedon

Ranges Planning Scheme. In October, an expert panel released a report recommending the implementation of the Settlement Strategy into the local policy section of the Macedon Ranges Planning Scheme via Amendment C84. The panel also recommended some revisions to amendment documents. These changes were made and put on public exhibition in early 2013. Once finalised, Amendment C84 will provide certainty and direction for the future growth and development of the region.

## Town Structure Plans

Town Structure Plans for the planned growth of Gisborne and Romsey were introduced into the Macedon Ranges Planning Scheme.

The Kyneton Town Structure Plan was adopted in 2013 and the Woodend and Riddells Creek Town Structure Plans progressed during the year. These plans ensure that strategic policy and planning controls protect and build upon town character, environmental values, amenity, and lifestyle aspirations.

Hundreds of residents participated in the town structure planning processes. In Woodend more than 120 people attended a community meeting and Council received more than 70 submissions on the initial Woodend Town Structure Plan Discussion Paper. More than 300 Riddells Creek residents made written submissions to the Draft Town Structure Plan and 60 residents attended a public workshop to have their say on issues and options for the Kyneton Town Structure Plan.

A variety of consultation methods were used to increase community engagement and participation towards the best possible planning outcomes. Methods included photographic and written submissions, workshops, drop-in centres, a community walk in Riddells Creek, town meetings and committees.

## OUR GOALS

# Sustainable Living



### More planning amendments

In 2012/13, the following Council-initiated amendments to the Macedon Ranges Planning Scheme were approved:

- Romsey Development Contributions Plan
- Romsey Outline Development Plan
- Gisborne Outline Development Plan Parts 1 and 2
- Industrial and Commercial Design and Development Guidelines
- Gaming Policy.

### Weed control

Council's extensive weed control program ensures the shire's biodiversity is protected and enhanced, fire hazards are reduced, and the natural appearance of roadsides and reserves is improved. In 2012/13 Council implemented control measures of noxious and environmental weeds at 375 sites with around 130 hectares of weeds treated over a total area spanning 2,000 hectares. Council contributed \$255,000 from the 2012/13 budget for control, which is further supplemented by state government grants totalling around \$110,000.

### Supporting landcare groups

A total of 19 landcare groups received funding and/or support from Council during the year.

Council joined Mount Alexander Shire Council, the Upper Campaspe Landcare Network and landcare volunteers and residents to map the spread of Texas Needle Grass, a new emerging weed growing in the Malmsbury, Langley and Taradale areas. Some control trials to manage this weed commenced during the year.

Council also worked with local landcare groups to tackle gorse and blackberry growth on private properties and roadsides in Ashbourne. More than 40 landowners joined a program to work with the Upper Campaspe Landcare Network and Ashbourne Landcare Group to map and prepare a three-year plan to control gorse and blackberry in the area.

### Corridors of Green project

Council participated in Melbourne Water's Corridors of Green project to control weeds and revegetate waterways on local public land. Across the shire, five sites underwent weed control works during the year.

### Bushland management

Management plans were developed for four Council-owned bushland reserves developed by Macedon Ranges Shire Council in partnership with the Department of Environment and Primary Industries. The plans for Barringo

Reserve in New Gisborne, Mount Gisborne Reserve in Gisborne and Bushland Reserves in both Riddells Creek and Bullengarook will help protect and enhance the ecological values of these reserves while providing for continued low impact recreation activities.

### Statutory Planning and Building Permits

Compared to the previous year, building permit approvals increased by 64 per cent to a total of 85 in 2012/13 while planning permit applications reduced slightly by 5 per cent. Council processed a total of 626 planning permits with 78 per cent of these dealt with under delegation. Only 7.6 per cent of applications were refused.

Council managed 48 appeals in the Victorian Civil and Administrative Tribunal, almost double the number of appeals held in 2011/12 (26).

Applications for works to the value of \$443,580,773 were considered.

### New appointments

After being vacant for over 12 months, the role of Municipal Building Surveyor was filled. This appointment, together with the creation of a new position, Building Inspector, means Council is now providing a more efficient building service. A Heritage Advisor was appointed during the year to offer free advice particularly around heritage overlays that apply in many of the shire's larger towns. This role is jointly funded by Council and Heritage Victoria.

### Checklist

A 10-point planning permit checklist was developed as part of Council's redeveloped website. The checklist is designed to assist proponents in completing their permit application.

### Challenges

A funding application to the federal government to replace inefficient street lights with more energy efficient models, which could have saved the community \$5 million over the next 20 years, was unsuccessful. Another approach to replace inefficient street lighting will be developed.

After two years, water catchment policy issues remain unresolved. As a result, there has been no change in the significant delays in processing applications within a water catchment. Council anticipates the finalisation of the Domestic Wastewater Management Plan may assist resolving these issues in the future.



## Future Directions

- Continue to ensure businesses are listed on Council's online business directory
- Implement the Macedon Ranges Agribusiness Plan's first year actions including an Agribusiness Forum
- Assess current and future constraints and opportunities of the Kyneton Airfield and its surrounds (subject to funding)
- Redevelop the region's tourism website, visitmacedonranges.com
- Implement new technology and a volunteer recruitment program for the visitor information centres
- Develop a new interactive website, Our Landscapes Profiles, to promote the region's history, culture and natural environment
- Place the Woodend Structure Plan and Neighbourhood Character Study on public exhibition
- Finalise Town Centre Plans for Macedon and Mount Macedon business centres
- Introduce an improved planning referral system and a formal pre-application process.

## OUR GOALS

## Sustainable Living

## Council's Key Performance Indicators\*

### Community satisfaction rating for the appearance of public areas

2009	2010	2011	2012	2013
65	67	68	72	69

After a four point rise last year (72) from the 2011 result (68), Council's performance in this area decreased by three points. At 69, community satisfaction with the appearance of public areas is the same as the large rural shires average.

### Community satisfaction rating for traffic management and parking

2009	2010	2011	2012	2013
64	60	60	60	62

Community satisfaction in this area rose by 2 points, slightly higher than the large rural shires average (60) and significantly better than the statewide result (57).

### Community satisfaction rating for town planning approvals

2009	2010	2011	2012	2013
50	52	49	46	46

There was no change in community satisfaction for planning and building permits compared to the previous year, however, the result remains significantly lower than the statewide (55) and large rural shires (54) average points.

### Community satisfaction rating for business and community development and tourism

	Macedon Ranges	Statewide	Large Rural Shires
2012	63	62	61
2013	61	62	60

Community satisfaction in this area dropped two points from last year and was one point below the statewide, and one point above the large rural shire, average results.

\* Where a five-year comparison is not available due to changes in reporting methodology in 2011/12, Council has benchmarked performance against statewide and large rural shires' survey results over two years. See page 59 for more information about the Community Satisfaction Survey.



# Community Wellbeing

31 .....Aquatic and Leisure

32 .....Community Development

32 .....Community Places and Partnerships

32 .....Transport

33 .....Universal Access

34 .....Community Support

34 .....Cultural Development

36 .....Families and Children

36 .....Healthy Communities

37 .....Youth Development

38 .....Challenges

39 .....Future Directions

## Aquatic and Leisure Participation rises

More people are using Council's aquatic and leisure facilities, with participation rates rising across general visitations and membership programs.

Aquatic visitations rose from 222,000 in 2011/12 to 230,000 in 2012/13, representing a 3.6 per cent increase. Fitness attendances increased by 15 per cent on the previous year to 60,000 and indoor stadium participants rose from 132,000 in 2011/12 to 140,000 in 2012/13.

The year also saw a jump in gym memberships with Gisborne Fitness Centre and Kyneton Toyota Sports and Aquatic Centre experiencing an average 18 per cent rise in members. In its second full year of operation, the Kyneton Toyota Sports and Aquatic Centre recorded 350 members while the more established Gisborne Fitness Centre finished 2012/13 with 420 members.

The Learn to Swim program held at Gisborne Aquatic Centre rose by 5 per cent, while a 22 per cent increase on the previous year's participants was recorded at the Kyneton Toyota Sports and Aquatic Centre.

## Aquathon

A record high of 167 participants competed in the annual Kyneton Aquathon. Kleenheat Gas, Kyneton RSL and iSeekBlinds sponsored the popular two-stage swimming and running race held in March.

## New life saving program

A new water safety education program called AquaAware earned Council a finalist nomination in the Aquatic and Recreation Victoria industry awards for innovation. AquaAware is school-based program held weekly at the Kyneton Sports and Aquatic Centre.

## Upgrades and improvements

Council funds and manages an ongoing program to upgrade and improve aquatic and leisure facilities. Highlights of 2012/13 included:

- Installing defibrillators at all Council aquatic and leisure facilities
- Replacing the old electricity-operated pool heating system at Gisborne Aquatic Centre with natural gas to provide a more reliable and energy efficient operating system
- Commencing access improvements at Kyneton Toyota Sports and Aquatic Centre, including the installation of a lift
- Completing reception upgrade works at Gisborne Aquatic Centre
- Completing detailed designs for the Gisborne Indoor Sports Stadium and progressing the joint use agreement with Gisborne Secondary College
- Making annual improvements at outdoor pools in Woodend and Lancefield including tree works, shade structures, pool painting and plant replacement.

## OUR GOALS

## Community Wellbeing

## At a Glance

- 230,000 aquatic visits
- 60,000 fitness attendances
- 140,000 indoor stadium participants
- 460 new babies born
- 42,823 people attended a cultural event
- 480 residents took part in 39 Healthy Active People Initiative activities
- 408,000 library books loaned
- 212 young people attended seven Music In The Sticks events
- 104 adults trained in Youth Mental Health First Aid
- 1,128 students took part in 22 CyberLife sessions.





## Community Wellbeing

### Community Development Health and Wellbeing DVD

A DVD was produced with funding from the Victorian Department of Health to increase awareness within the organisation about the important role all Council departments play in contributing to community health and wellbeing. The DVD tells the story of Council's positive impact on resident's lives by following a day-in-the-life of a local extended family. The DVD was shown to staff during the development of the *Municipal Health and Wellbeing Plan* and will be used as a community education tool to promote Council services.

### Community profile

ABS Census data from the past five years was collated and used to present detailed and accurate information about the Macedon Ranges population. Simple, clear tables and charts along with factual commentary were made available online to provide easily accessible information about the local community. The online profile helps individuals, groups and organisations understand the Macedon Ranges community better and enables research, planning and advocacy work to be undertaken with greater confidence.

### Social housing

Council transferred 32 social housing properties to Community Housing Victoria Limited during the year. Council worked with Community Housing Victoria to ensure the transition of the properties, located in Kyneton, Woodend, Gisborne, Romsey and Macedon, was smooth for the tenants.

### Prevention of Violence Against Women

After extensive community consultation, Council endorsed the Prevention of Violence Against Women in Our Community Project Plan.

Among the strategies outlined in the plan was Council's inaugural participation in White Ribbon Day held in November.

About 100 vehicles owned by Council, Cobaw Community Health and Kyneton Hospital displayed exterior magnetic signs to raise awareness about preventing violence against women. The signs carried slogans such as 'Violence against women. Our community says NO!' and 'Respect for men, respect for women. We all deserve it!'

### Hot days

Council opened Hot Day Out centres in Gisborne, Romsey and Kyneton to help residents stay cool as temperatures soared on

two extremely hot days in January and February. The three centres provided people with a cool, comfortable place to relax away from the heat and were particularly aimed at residents over 65 years, people with a disability or medical condition, and expecting or breastfeeding mothers.

### Community Places and Partnerships Putting Locals First

Council developed and implemented the Putting Locals First—*On Our Way* project, which focused on enhancing central community spaces in Bullengarook, Carlsruhe and Lancefield.

*On Our Way* enables community identified infrastructure projects and master plans to be implemented. Council secured \$276,200 for the project through Regional Development Victoria's Putting Locals First funding and contributed the remaining \$140,593.

Implementation was achieved in partnership with local community groups and committees, with the following projects completed in 2012/13:

- Lancefield Mechanics Institute renovations
- Carlsruhe Common and Yelka Park improvements including upgrades to walking tracks, new BBQ shelter, additional seating and improvements to public toilets
- Bullengarook Recreation Reserve improvements including upgrades to roads and the equestrian facility, improvements at the Old School Hall, and installation of a universal access toilet at the Allan Hobbs pavilion.

### Transport Transport Connections

The Transport Connections *Way There* project commenced during the year, engaging young people to creatively connect with their towns and active transport through arts processes, community based mapping and mentorship.

The first phase of the project involved working with young people from Kyneton to integrate active transport themes and street art. This project culminated in temporary artwork which was displayed in the former Kyneton swimming pool. Phase 2 of *Way There* focused on creating an active transport map of Kyneton from young people's perspective. Several workshops with young people were held to produce the public art map, highlighting local places of meaning and active transport distances and routes.

## OUR GOALS

# Community Wellbeing

### Web portal

Development of the Getting Around Community Transport Web Portal commenced to improve access to community transport and provide more accurate travel information. The upgrades will provide a comprehensive and interactive resource of community-based transport in the Loddon Mallee and Barwon South-West regions. Once completed, residents will be able to use the web portal to plan trips using a mixture of community and public transport options and service providers will be able to coordinate their resources efficiently.

### Universal Access

#### Accessible communities

The Accessible Communities project, which was funded by the Australian Government, was finalised in 2012/13 with automatic doors installed at Kyneton Toyota Sports and Aquatic Centre and a covered ramp built at the Kyneton Youth Space among the final projects. Accessible Communities provided Council with the opportunity to address access issues that have been identified over a number of years. It also provided a method of identifying the gaps that exist for future accessibility works.

#### Training

Access and Inclusion training was held for two Council departments during the year. The Community Safety and Finance departments received training that involved completing everyday tasks with a simulated disability. Council also provided access and inclusion information to all new staff.

#### Access maps

Universal Access maps were developed for Kyneton, Woodend, Gisborne and Romsey/Lancefield. These innovative maps provide

non-transport solutions to enhance access and participation by people with limited access to transport. The four maps include information and features that are inclusive for the whole community including:

- Mobility features and barriers
- Amenities
- Service locations
- Points of interest.

A limited number of maps will be printed and available to download for free from Council's website in 2013/14.

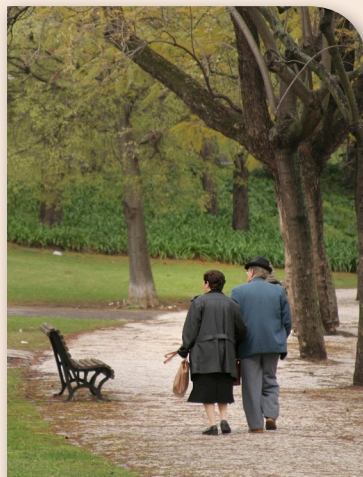
### Neighbourhood Houses

Council worked closely with the shire's Neighbourhood Houses to strengthen the delivery of community development initiatives. This included:

- Providing financial assistance to enable 12 neighbourhood house staff, volunteers and committee members to attend the annual Association of Neighbourhood Houses and Learning Centres Conference in May
- Facilitating partnerships between Neighbourhood Houses and other community groups to plan and deliver local programs
- Providing assistance to improve the planning, delivery and evaluation of neighbourhood house projects and programs.

### All abilities park

A feasibility study for the former Romsey Primary School site has been undertaken and Council has given in principle support for the construction of an all abilities children's park on the site.



## Community Wellbeing

### Community Support HACC Services

In 2012/13, the Victorian Department of Health's quality review of Council's Home and Community Care (HACC) services against the Community Common Care Standards showed Council met 83 per cent of expected outcomes.

This is a significant result for Council, which had been under-performing in reaching these targets over the past three years.

Council was aiming for a return to its three-year high of 77 per cent recorded in 2009/10, and was therefore very pleased with its 83 per cent result at a time when client needs are at an all time high.

The number of hours assessing and reviewing client needs has increased significantly over the past three years. In 2012/13, 1,883 hours were spent on 540 clients. In 2011/12, 1,773 hours were performed, which was an increase on the 1,157 hours recorded in 2010/11.

The number of home support work hours, which includes cleaning and general duties also increased during the year. In 2012/13, 32 support workers each averaged 15 hours per week of home support, totalling 480 hours per week compared to 300 hours per week recorded in 2011/12.

More residents are making use of Council's home modification program. Throughout the year, 1,099 vouchers were redeemed, a 64 per cent increase on the previous year. More than 1,500 hours were spent on general home maintenance including the installation of ramps, handrails and bathroom modifications.

Council finalised its first HACC Diversity Plan in consultation with other HACC agencies operating in the shire. The plan focuses on Council's priority areas including residents living with dementia, Culturally and Linguistically Diverse communities, social isolation and the Gay, Lesbian, Bisexual, Transgender and Intersex community.

Council's HACC team was further bolstered during the year with the recruitment of a Service Delivery Team Leader, Assessment Care Plan Team Leader and Community Support Coordinator. A number of officers were also appointed to improve Council's response time to referrals. Council's HACC volunteers are working closer with Council officers by attending meetings and training opportunities.

### Respite

During the year Council assisted 88 active respite care clients living within the shire.

Around 4,200 hours of respite was provided throughout the year, with Council workers travelling an estimated 10,089km to provide client support.

### Client transport

Volunteer drivers assisted 48 senior residents by providing 153 trips to doctor's appointments, family engagements and other events. Total hours spent on client transport rose from 530 hours in 2011/12 to 612 in 2012/13.

### Packaged Care

Council's Packaged Care service includes a full range of clients including 16 Community Aged Care Package (CACP), two Extended Aged Care at Home, and two Extended Aged Care at Home Dementia.

The average age of clients receiving a CACP package is 79 years. Of Council's 16 CACP clients, 12 live alone and the average number of chronic conditions or co-morbidities is seven.

### Carers Recognition Act

The *Carers Recognition Act 2012* was introduced during the year.

Work has commenced on addressing the requirements of the Act through our continuous improvement plan which is assessed through the Common Care Standards Audit.

Continued work will be undertaken over the next 12 months to ensure all components of the Act are met. This will include promotion of the principles of the Act to people in care relationships who receive council services, people in care relationships and the wider community, and inclusion of these principles in the relevant induction and training programs for staff and volunteers.

### Cultural Development

In 2012/13, 42,823 people attended an event at one of Council's five cultural venues.

The new-look Cultural Development e-newsletter was launched with more than 1,000 residents receiving the publication direct to their email address. The e-newsletter was also made available on the website.

Local secondary and primary school students attended 16 Cultural Development Education workshops.

An Arts and Culture Facebook page was developed to promote the shire's arts and cultural events. From its launch date in March to 30 June 2013, a total of 10,946 people visited or saw the page via their news feed or ticker. At 30 June, the page had around 277 'Likes'.



## Hanging Rock

More than 145,000 people visited the Macedon Ranges' most iconic landmark in 2012/13. This figure shows a 10.35 per cent increase in Hanging Rock visitors from 2011/12.

The number of events held over summer at Hanging Rock rose from eight (2011/12) to 12 in 2012/13, resulting in almost double the number of event attendances to 75,000.

Bruce Springsteen and the E Street Band was an enormous success. 'The Boss' entertained 34,000 people over two performances held on the Easter long weekend.

## Kyneton Museum

Visitation to the Kyneton Museum, which is open three days per week, totalled 2,057 during the year.

Among the 2012/13 exhibitions was a showcase of beautiful, unusual and interesting objects rarely seen from the Museum Collection called Treasures from the Collection. The Making their Mark exhibition ran for three months, displaying materials related to the Bourke Street Heritage Walk, which was developed by the Rotary Club of Kyneton in 2008.

Council supported a \$30,000 signage project that commenced with funding provided by the Friends of the Kyneton Museum. Interpretive information signs were installed, providing historical information about the Museum's kitchen, laundry, carriages, stables and Theadon Cottage.

Re-accreditation in the Museum Accreditation Program (MAP) was received until 2017. The MAP recognises museums that have achieved high professional standards in caring for collections, exhibitions and programs.

Museum Curator Bronwyn Wilson received a Highly Commended award for her professionalism and hard work engaging communities at the Annual Museum Sector Awards.

A dedicated Museum brochure was published with 10,000 copies published and distributed throughout the year.

## Touring program

A total of 21 shows were presented across the shire, with ticket sales exceeding budget expectations by 64 per cent.

One of the highlights of the 2012/13 Touring Program calendar was the sell-out performance of Caravan Burlesque. Part of a national tour, the show was performed at 27 venues around the country, including the Kyneton Town Hall. The venue was transformed into an old style nightclub with the stage running out into the café seating, enabling the cast to mingle with the audience after the show.

World-renowned hand shadow artist, Raymond Crowe performed his latest work, Curiosities. Ventriloquism, smoke painting, puppetry, performing fleas, shadow play, comedy and an interactive dinosaur enthralled the crowd at the Kyneton Town Hall.

About 150 people spent a cold June evening listening to local music as part of the Winter Blues night. The Kyneton Town Hall was transformed into a country pub, decked out with bars and couches. Entertainment was provided by local talent including Taylor Sheridan, Tully Sumner, Jarrod Shaw, Archer Shepherd and the Long Lost Daddies.

## Cultural Diversity Week

Local schools received a taste of Africa as part of Cultural Diversity Week.

Workshops to teach students African dance styles, folk songs and drum-playing were held in Woodend and Lancefield, and a film screening and performance by the Asanti Dance Theatre was held at the Kyneton Town Hall.

## Reconciliation Week

Council joined elder representatives of the Wurundjeri Tribe Land & Compensation Cultural Heritage Council in presenting to local schools as part of National Reconciliation Week. Students heard stories about the history of the Wurundjeri people and the cultural significance of Mount William Stone Axe Quarry and the Sunbury Earthen Rings.

## Land titles handed back

Macedon Ranges Shire Council gifted the Mount William Axe Quarry, a site of significant Aboriginal cultural heritage land, to the Land Compensation Cultural Heritage Council in 1997. During 2012/13 it was handed back to the Wurundjeri people in a moving ceremony attended by 200 people at the 9-hectare Lancefield property.

## Kyneton Mechanics Institute

In its first full year of operation following an extensive renovation, more than 8,000 people attended 24 private and public events or activities and 95 public and community meetings at the Kyneton Mechanics Institute.

Hiring space at the Kyneton Mechanics Institute reached 60 per cent occupancy, with many local community groups making good use of the free meeting areas available for not for profit groups up to six times a year.

One private operator ran 37 youth drama classes from the Institute, and the Victorian Electoral Commission used the space as offices for three months.

## OUR GOALS

# Community Wellbeing

## Community Wellbeing

### Families and Children Maternal and Child Health

In 2012/13 Macedon Ranges welcomed 460 new babies, 216 born to first time mothers. Maternal and Child Health (MCH) nurses made 458 home visits. Key Age and Stage visits for two, four and eight week assessments averaged at around 445 babies each and the same number attended their 12 month assessment. This number increased to 459 young children attending for their 18 month assessment.

Five Council MCH nurses attended the bi-annual MCH conference held in Canberra during the year.

### Early Years

All Council-managed kindergartens achieved all requirements under the National Quality Standards and the National Quality Framework, which includes universal access to 15 hours of weekly kindergarten for every child.

Kindergarten hours increased from 12 hours in 2012 to 15 hours in 2013. Universal Access planning included serviced capacity studies, service modelling, workforce planning and implementation and staff and community consultation.

As part of the Department of Education and Early Childhood Development Early Learning Facility Upgrade Program, infrastructure upgrades were completed at Macedon, Woodend and Lady Brooks kindergartens; and the Kyneton Maternal and Child Health Centre. These upgrades increased floor space and created an integrated children's service by providing shared office spaces and flexible family areas.

The facility upgrades support the increasing demand for kindergarten places and the National Quality Standards.

In April 2013, Riddells Creek and Romsey kindergartens joined the group of kindergartens managed by Council.

Council continued to explore options for an early years hub in Gisborne, to meet future growth and demand for early years services in the township and will combine kindergarten, maternal child health and visiting specialist children's services.

### Healthy Communities

Almost 500 residents participated in Council's Healthy and Active People Initiative, which is funded by the Australian Government.

As part of the initiative, a total of 39 programs, community events and information sessions were held across the shire.

The bicycle program was popular with a beginner's course, social group and maintenance sessions held during the year. About 30 beginner bicycle riders took part in a four or six week program while two social bike riding groups were formed. Learning to maintain a bicycle was popular with two sessions attracting 48 eager participants. Volunteers ran the beginner's program and bike maintenance sessions.

Council held two Cooking for One or Two programs for 56 participants. A community garden and lunch project called Kitchen Connections was established in partnership with the Kyneton Community Learning Centre. As part of this program 11 monthly lunches were held with a total of 200 attendees. Council also held two staff Healthy Lunch demonstrations and information sessions for 31 employees, hosted by a local nutritionist, during Work Safe week.

The *Walking and Your Health* forum attracted 17 attendees and 24 residents went along to the Healthy Lifestyle Information Session.



## OUR GOALS

# Community Wellbeing

In May, the Woodend Walking Group was re-established, bringing the total number of walking groups in the shire to nine.

Media coverage of Council's Healthy and Active People Initiative was good with 45 mentions in print media, including newsletters, and on radio and television.

Council promoted the programs, activities and events through the distribution of around 4,000 promotional items including fliers, posters and brochures. The community database used to promote programs directly to individuals grew during the year from 580 (2011/12) to 695.

### Libraries

Goldfield Library Corporation manages four libraries throughout the shire in Kyneton, Woodend, Gisborne and Romsey. In 2012/13 visitations to the four libraries increased slightly to 265,000 compared to 260,000 visits in 2011/12. Membership rose by 3.2 per cent on the previous year to 17,000. While visits and members increased, the number of items borrowed reduced by 7,000. Across the four libraries, a total of 408,000 items were loaned in 2012/13.

### Recreation Development

Council was responsible for the construction and project management of a number of recreation based capital projects during the year.

Among the significant projects of 2012/13 were:

- Substantial progression of the \$4.3 million Romsey Sports Precinct project to near-completion
- Completion of the \$1 million Romsey Community Sports Oval located in the Romsey Primary School grounds, adjacent to Romsey Park. Construction of this new oval is part of the Romsey Sports Precinct project
- Commencement of the \$400,000 Romsey Recycled Water project funded by the state government, Council and Western Water. This project will supply recycled water to two sporting ovals and a golf course in Romsey
- Commencement of \$625,000 in works for a new sports pavilion and at Barkly Square in Kyneton. The state government, Council and the Kyneton United Soccer Club are funding this project.

Council manages 20 sporting reserves across the shire, home to 133 local sporting clubs. These facilities are utilised by 47 seasonal user groups or sports clubs. A total of 4,635 regular participants used these facilities in 2012/13, comprising 1,605 senior males, 675 senior females, 1,971 junior males and 384 junior females.

The following projects were finalised in 2012/13:

- Multi purpose courts at Riddells Creek and Newham
- Kyneton Golf Bowls Club Green reconstruction
- Woodend Bowls Club green, and Lancefield Bowling Club building, renovations
- Redevelopment of the Tony Clarke change rooms funded by the federal and state governments, Macedon Junior and Senior Football Clubs and Macedon Cricket Club
- South Gisborne Tennis Club accessibility works
- The Daylesford to Macedon Ranges Rail Trail and Regional Netball Complex feasibility studies.

These projects commenced in 2012/13:

- Woodend Tennis Court reconstruction works
- Tylden multi purpose courts
- Kyneton Showgrounds Master Plan
- Loddon Mallee Regional Football (Soccer) Development Plan.

### Youth Development

#### Live4life

Live4Life was proud to be the recipient of the Mental Health First Aid Australia's Community Award, which acknowledges community-wide efforts to increase mental health literacy.

For the first time, students ran the Live4Life launch held at the start of the school year. The event, which took place at Sacred Heart College, attracted more than 600 Year 8 students from the five secondary schools that took part in delivering the Live4Life program during the year.

Youth Mental Health First Aid courses continued to be in demand, with the course expanding its delivery to target community health professionals, teachers and parents. In 2012/13, 104 adults were trained in Youth Mental Health First Aid, giving them the necessary skills to support young people with mental health issues.

CyberLife sessions were delivered successfully into the educational curriculum of secondary schools across the shire. A total of 1,128 students took part in 22 CyberLife sessions, which aim to enhance responsible use of digital media by young people.

The mental health education program targeted to Year 7 and 8 students, SenseAbility, was delivered in 8–10 sessions at Gisborne Secondary College and Braemar College.



## Community Wellbeing

### Youth Spaces

A staff evaluation of Council's Youth Spaces revealed the program continued to successfully engage young people across the shire. A key achievement of Youth Spaces was the growing number of young people involved in planning, initiating, organising and managing a diverse range of activities. Participants enjoyed activities such as arts, crafts, scavenger hunts, cooking and theme nights. The average attendance of Youth Spaces was 46 young people each week.

### Music In The Sticks

The Music In The Sticks crew delivered seven events across the shire in 2012/13. Participation in creating and producing these events, along with the 1,490 youth who attended, showed the significant contribution young people make in enhancing, defining and participating in the region's culture. Successful events delivered in 2012/13 included a DJ/pool party in Gisborne called Soggy Beets Fest, the FReeZA Push Start Battle of the Bands Regional Finals in Kyneton, a Drug and Alcohol Awareness workshop in Woodend, IDAHO—a community festival celebrating diversity, and the Chill Bill music event.

### Youth awards

Each year Council acknowledges the work done by young people in the Macedon Ranges community. In 2012/13, Council received 80 nominations for the 19 individual and group award categories. More than 200 people attended the awards night.

### Challenges

- The lack of a weather station in the Macedon Ranges made it difficult to determine if local conditions required a heatwave response, including activation of Council's Hot Day Out centres.
- Council continues to balance the demand for additional services, facilities and infrastructure as a result of growing population while maintaining a rural environment for residents.
- The stop to state government funding that subsidised occasional childcare services resulted in fee increases for parents in 2012/13.
- Changes to bushfire regulations increased Council's effort in ensuring management plans are in place on code red days.
- Four social housing properties were unable to be transferred due to ownership or land use zoning issues.
- Council continued to explore options to identify a suitable location for an early years hub in Gisborne that balances our responsibilities for providing child and family services critical to community health and wellbeing, with environmental and open space considerations in the growing township.



## OUR GOALS

# Community Wellbeing

## Future Directions

- Develop a Prevention of Violence Against Women media advocacy project to give local women who have experienced intimate partner violence a voice in the media and community
- Complete the Romsey Indoor Aquatic Feasibility Study and Outdoor Pool Masterplan
- Introduce social media into Council's Aquatic and Leisure Centres to allow better interaction and feedback with members
- Install artwork at the Kyneton Youth Resource Centre as part of the Transport Connections Way There project
- Develop a toolkit to support the upgrade of Council's Getting Around Community Transport Web Portal
- Continue implementation of the Accessible Communities Program
- Continue negotiations with the Victorian Government to acquire the former Romsey Primary School site for the development of an all abilities playground
- Continue to explore options for the construction of an early years hub in Gisborne.

## Council's Key Performance Indicators\*

### Community satisfaction rating for recreational facilities

2009	2010	2011	2012	2013
64	71	71	69	68

Community satisfaction with recreation facilities dropped one point from last year but remained two points higher than the large rural shires (66) average.

### Community satisfaction rating for elderly support services

Macedon Ranges	Statewide	Large Rural Shires
66	69	69

Community satisfaction for elderly support services fell by three points from last year and remained below the statewide and large rural shires averages which were both 69.

### Community satisfaction rating for family support services

Macedon Ranges	Statewide	Large Rural Shires
64	67	67

Community satisfaction for family support services increased one point from last year and trails the statewide and large rural shires averages of 67 points each.

### Community satisfaction rating for disadvantaged support services

	Macedon Ranges	Statewide	Large Rural Shires
2012	60	63	62
2013	61	62	62

Community satisfaction with disadvantaged support services rose by one point from last year and was only one point behind the statewide and large rural shires averages of 62 points each.

\* Where a five-year comparison is not available due to changes in reporting methodology in 2011/12, Council has benchmarked performance against statewide and large rural shires' survey results over two years. See page 59 for more information about the Community Satisfaction Survey.



# Sustainable Environment and Infrastructure

41	.....Engineering Infrastructure and Projects
42	.....Engineering and Planning
42	.....Environmental Health
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## Engineering Infrastructure and Projects

There was a significant change to the number of subdivisions approved during the year, with 49 assessed and approved compared to 67 in the previous year. Of these approvals, seven were large subdivisions of more than 100 lots. The total number of large subdivisions under construction during the year totalled five. Council is supervising these developments. In 2012/13, the number of legal points of discharge was 478, asset protection permits rose from 394 in the previous year to 555, and 16 build over easement applications were assessed.

Major works undertaken in 2012/13 included the \$1.6 million Romsey Senior Pavilion, the \$600,000 Romsey Junior Pavilion and the Riddells Creek tennis courts. Upgrades to three kindergartens in Macedon, Kyneton and Woodend were completed. This included demolition and extension works

valued at over \$1 million. Funding for these works included \$700,000 from the Victorian Government's Early Learning Facility Upgrade Program and \$479,500 from Council.

Council spent \$295,000 on improving the Gisborne Mechanics Institute. Works included restumping and asbestos removal, a new storeroom and kitchenette, replastering, painting, lighting, air conditioning, ramp access and landscaping.

Two major roundabouts in Kyneton, funded under the state government's Black Spot program, were designed and constructed at the intersections of Beauchamp/Wedge streets and Epping/Edgecombe streets. Construction commenced on a new major roundabout at Aitken and Willowbank roads in Gisborne. This roundabout will provide a safe traffic environment for the surrounding new developments.

## OUR GOALS

## Sustainable Environment & Infrastructure

Year	Asset Production Permits*	Legal Point of Discharge**	Approved Subdivisions
2012/13	555	478	49
2011/12	394	392	67
2010/11	581	486	48
2009/10	550	521	34
2008/09	292	411	18

\*Asset protection permits protect public infrastructure and assets from damage during construction, building or demolition works and make the applicant liable for repair costs.

\*\*Legal point of discharge is the location where a property connects to Council's drainage system.

## At a Glance

- 4,440 vaccines administered
- 450 food premises inspected
- 142 tobacco inspections
- 36 sales to minors tobacco test purchase inspections
- 50km of fire access tracks treated
- 1,000km of roadside slashing completed
- 31.20km of gravel roads resheeted
- 2,273km of roads graded
- 26.59km of roads resealed
- 11,034 dogs and 3210 cats registered
- 429 dogs and 132 cats impounded.



### Engineering and Planning

A comprehensive condition report was carried out on all roads and bridges during the year, which enabled a detailed analysis to be undertaken by Council. In conjunction with maintenance demands and customer requests, a long-term program of rehabilitation works for roads and bridges was developed.

All existing footpaths were recorded and incorporated in Council's Geometric Information System (GIS), which enabled a comprehensive review of Council's Shire Wide Footpath Plan and the planned construction of all high priority paths over the next few years.

Council completed the Drainage and Open Space Asset Management Plan, completing the MAV's requirement for the National Asset Management Framework program. Asset management plans are now in place for all four main asset groups including roads, buildings, drainage and open space.

Council was successful in securing \$1.05 million in funding from the state government's Black Spot program to upgrade Three Chain Road, Romsey Road and the Burke and Wills Track.

Integration of the Asset Register with Council's GIS system was completed and the incorporation of all assets in the register commenced.

Funding from Regional Development Victoria was also secured to upgrade:

- Goode Street, Gisborne
- A path in Victoria Street, Macedon
- Jubilee Hall car park in Macedon
- Roadside parking and footpaths in Mount Macedon.

### Environmental Health

#### Reducing tobacco sales to minors

For the third consecutive year, Council conducted 36 Sales to Minors tobacco test purchases with funding provided by the Department of Health. The test purchases, to see if businesses are selling tobacco to young people under the age of 18 years, were again conducted at outlets where tobacco is sold. These included milk bars, service stations and supermarkets across the shire. It was pleasing that all tests resulted in full compliance by the business operators involved.

### Smoke-free outdoor areas policy

Outdoor areas around children's playground equipment and Council-owned, operated and leased building entrances were made smoke free on 1 July 2012. In addition, four businesses joined Council's voluntary program to provide smoke free outdoor dining areas on Council land.

### Wastewater management

Council has worked in partnership with Western Water, other Victorian Government agencies and the community over the past four years to develop and implement a sustainable and cost effective wastewater servicing scheme for Macedon and Mt Macedon. This scheme will involve a combination of improved on-site wastewater management and low-pressure sewerage for constrained sites.

In 2012/13, Council met with more than 450 property owners and inspected domestic wastewater management systems within the project area to ensure wastewaters are being managed effectively and safely within the property's allotment.

### Immunisation

Since January, secondary school boys have been able to receive the Gardasil vaccine, which protects them against developing a range of cancers and bolsters the effectiveness of this vaccine in women.

At the start of the school year the state government began funding the vaccine for Year 7 boys under the National Immunisation Program. Year 9 boys have also been able to get the vaccine at school under a catch-up program for the next two years.

These additional 300 vaccines to 600 students contributed to the rise in the number of vaccines administered during the year. In 2011/12, Council administered 3,917 vaccines, which rose to 4,440 in 2012/13.

The Immunisation Program for 2012/13 consisted of five preschool sessions delivered over two days each month at venues in Gisborne, Kyneton, Woodend, Riddells Creek and Romsey.

The school program involved three visits to all secondary colleges throughout the municipality.



Year	Number of vaccines administered
2008–09	4396
2009–10	3804
2010–11	3622
2011–12	3887
2012–13	4473

## Fire and Emergency Management

A Facebook page providing information about how local communities can be better prepared for emergencies was launched in January. Council posted on the page an average of five times per week. In the first five months, a total of 18,623 people visited or saw the page via their news feed or ticker. At the end of June the page had around 380 'Likes'.

An emergency management DVD was produced in partnership with the CFA and Mount Players Theatre Company, which will be used for community education.

The Fire Ready project in Bullengarook was successfully completed, including the development of an emergency preparation planner and Community Information Guide.

Macedon Ranges Shire Council became the first Victorian local government to invite two young people to become members of the Municipal Emergency Management Planning Committee. It was also the first council to conduct a heatwave exercise, which was planned, led and evaluated in partnership with a range of emergency service organisations. Council's Heatwave Plan was reviewed and in partnership with the SES and other agencies, Council's first Flood Emergency Plan was developed and endorsed by the Municipal Emergency Management Planning Committee.

## Local Laws

Public consultation commenced to gain community feedback on the draft new Local Law (no.10) for the Macedon Ranges, in preparation for the expiration of the current law (no.8) in 2013/14. Local Law no.10 proposes new or revised controls around open air burning, the keeping of animals, septic tank maintenance, and shipping containers on residential land.

Council partnered with all local veterinary practices in the shire to start holding multiple half-price micro-chipping days for the community throughout June. This will continue in July 2013.

The 2012–16 Domestic Animal Management Plan was adopted during the year. The four-year plan sets out how the shire can be more animal-friendly by recognising and balancing the needs of pets, their owners and those who don't own pets.

Council resorted to seizing nine unregistered pedigree dogs after numerous requests for the owner to register the animals resulted in the matter being heard in the Magistrates Court.

Council manages 18 school crossings across the shire and employs 27 School Crossing Supervisors who all completed a training course by School Crossings Victoria during the year. Council was pleased to see the Holy Cross Primary School Crossing on Station Road in New Gisborne become fully operational after Council voluntarily constructed the crossing and the school secured funding for a supervisor.

## Parks and Gardens

A major undertaking during the year was the continuation of the Street Tree Assessment and Maintenance program. The health and condition of all 18,000 street trees in the shire were assessed and any required work by an arborist was prioritised as high, medium or low.

A data collection program for Council-owned infrastructure assets that exist in all parks and reserves throughout the shire was completed. This data will provide a base to enable better asset management of these important community assets.

Council oversees the powerline clearance contract in Gisborne and Kyneton. This requires that all trees be pruned throughout the year to specified clearances from powerlines in accordance with the regulations of Energy Safe Victoria.

## OUR GOALS

# Sustainable Environment & Infrastructure

## Infrastructure Bridges

Following a complete structural review of Council's 62 road bridges, 60 footbridges and 74 other bridges over waterways and other structures, a major bridge upgrade program commenced during the year. Seven bridges were upgraded in Pastoria, Lancefield, Riddells Creek, New Gisborne, Darraweit Guim and Newham.

## Pedestrian facilities

Council commenced a \$260,000 footpath construction program in townships across the shire to improve pedestrian facilities. The 2012/13 footpath program targeted high traffic areas located in and around schools, business districts, community facilities and areas where sections were missing from the existing network. New sections were completed along Corinella Road in Woodend, providing a connecting pathway from Ashbourne Road to the Railway Station car park. In addition, a 150 metre section was completed on Argyle Street in New Gisborne, stretching from Station Road to the reserve, plus works on Kilmore Road in Gisborne.

Other footpath works were completed at:

- Gisborne: Dalton Street, Gisborne-Melton Road
- Kyneton: Beauchamp Street, Leete Street, Barton Street and Mitchell Street
- Lancefield: High Street
- Macedon: Smith Street
- Romsey: Park Lane and Station Street
- Woodend: Brooke Street, Wood Street and Anslow Street.

## Roads

The length of gravel roads that were resheeted during the year amounted to 31.2km. A total of 2,273km of roads were graded and Council resealed a further 25.59km of bitumen sealed roads.

The following roads were upgraded in 2012/13 with Council funding:

- Victoria Street, Kyneton
- Stawell Street, Romsey
- Aitken Street/Willowbank Road roundabout, Gisborne (design and tender award only).

Council received \$760,842 from the federal government under the Roads to Recovery Program for upgrade and rehabilitation works. These funds were used on roads in Woodend, Carlsruhe and Macedon.

For the second consecutive year, the state government granted \$1 million to Council via its Country Roads and Bridges restoration program.

\$447,115 in funding from the state government's Blackspot Road Safety Improvement program was also received for two roundabouts in Kyneton.

Via a Special Charge Scheme funded by Council and residents, improvements works were undertaken at these locations:

- Taylors Road, Mount Macedon
- Harts Lane, Kyneton
- Jacobs Avenue, Tower and Orr Streets, Kyneton.

## Kyneton Airfield

Council received \$30,000 from Regional Development Victoria's Putting Locals First program. The funding will provide Council with a detailed analysis of the current economic impact of the Kyneton Airfield. The analysis will identify immediate and long-term benefits of retaining and supporting the Kyneton Airfield. It will also provide an evidence base for land-use and policy development relevant to the airfield and its surrounds.

## Kyneton Saleyards

The Kyneton Saleyards this year sold 12,669 cattle and 17,683 sheep for a total turnover of \$8,095,578.00.

The cattle numbers were up on last year while sheep numbers were down slightly. The higher number of cattle sold is likely due to increased breeder numbers in the shire. The income to local graziers is down due to a reduction in demand from buyers.

## Waste Management

### Waste collection breakdown

The results from waste collection during 2012/13 showed a 47.15% diversion of waste from landfill. In 2011/12 the diversion rate was 49.74%. The decrease in diversion from landfill can be explained by a reduction in the amount of green waste collected due to dryer seasonal conditions.

Waste	Total (Tonnes)	Percentage
Green	2,692	17%
Recyclables	4,647	30%
Garbage	8,227	53%
<b>TOTAL tonnes collected</b>	<b>15,566</b>	<b>100%</b>

Council is nearly two years into the five-year waste collection contract with Wheelie Waste. The 2012/13 financial year provided the first full year's data of green material collected. The number of properties receiving garbage and recycling services increased by 480. This included around 320 new dwellings and 160 rural properties opting into the service. Since the commencement of the current contract, and the extension to the rural areas of the shire, Council has increased the number of properties receiving the service by 1,780. The number of missed bin reports declined further with just 484 bins missed in 2012/13. In 2011/12, 926 bins were missed during the months of October–June when the new contractor commenced.



This reduction is the result of Council working with the contractor to fine-tune collection runs and of improved mapping technology.

## Challenges

Limited staff resources remain a challenge for Council, particularly at a time when funding for capital works projects continues to rise, placing added demand on delivery, and when permit applications requiring processing continue to increase.

The lack of readily available asset information relating to Council works made updating asset data and financial information difficult.

The costs of meeting the EPA's requirements under new guidelines for closed landfills are expected to be a challenge across local government.

## Macedon Ranges waste stream

Year	Number of households	Number of Commercial properties	Total Garbage (Tonnes)	Total Recyclables (Tonnes)	*Total Green Waste (Tonnes)	Garbage/ household (kilograms)	Recyclables/ household (kilograms)
2009	13,461	1010	6,574	4,223	N/A	454	292
2010	13,790	1010	6,934	4,461	N/A	469	301
2011	16,023	1390	7,087	4,367	N/A	407	251
2012	15,503	990	8,568	4,194	2,768	520	254
2013	15,687	1021	8,227	4,646	2,691	492	278

\*Macedon Ranges Shire Council's household green waste collection service commenced in October 2011.

## OUR GOALS

## Sustainable Environment & Infrastructure

## Future Directions

- Adopt Council's Local Law no.10
- Introduce a Council Order in relation to dogs in public places and potentially designate off-leash areas
- Implement stage 2 of the Smoke Free Outdoor Policy to include all playing fields, sporting grounds, clubrooms, pavilions and Council events
- Complete the Mount Macedon Wastewater Project
- Complete the roundabout at the intersection of Willowbank/Aitken streets in Gisborne
- Upgrade Kyneton and Woodend Transfer Stations to improve recycling opportunities
- Promote the Macedon Ranges Emergency Alerts Facebook page to increase following.

## Council's Key Performance Indicators\*

### Community satisfaction rating for local roads and footpaths

2009	2010	2011	2012	2013
46	46	44	52	51

Community satisfaction in this area dropped one point from the previous year.

### Community satisfaction rating for waste management

2009	2010	2011	2012	2013
67	64	66	74	72

While community satisfaction fell by two points compared to the previous year, Council's performance remained higher than the statewide (71) and large rural shires (68) average points.

### Community satisfaction rating for enforcement of local laws

2009	2010	2011	2012	2013
61	62	63	65	64

The community's satisfaction with enforcement of local laws fell by one point compared to the previous year, and is one point lower than the statewide and large rural shires averages.

\* Reporting methodology for the Department of Planning and Community Development's annual Community Satisfaction Survey changed in 2012. Where a five-year comparison is not available, Council has benchmarked its performance against statewide and large rural shire survey results. See page 59 for more information about the Community Satisfaction Survey.

# Responsible Governance

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## Council's Governance Role

Macedon Ranges Shire Council was established by an Order of the Governor in Council on 19 January 1995 and operates in accordance with the Local Government Act 1989, as amended by the Local Government (Democratic Reform) Act 2003.

The role of Council is to:

- Act as a representative government by taking into account the diverse needs of the local community in decision-making
- Provide leadership by establishing strategic objectives and monitoring their achievement
- Maintain the viability of the Council by ensuring that resources are managed in a responsible and accountable manner
- Advocate the interests of the local communities to other communities and governments
- Act as a responsible partner in government by taking into account the needs of other communities
- Foster community cohesion and encourage active participation in civic life.

The Council comprises nine elected representatives who are supported by an organisation of 615 staff and many dedicated volunteers, including members of Council Advisory Committees and Committees of Management.

## Finance

All key financial timelines were met in 2012/13. This included the 2011/12 Annual Financial Statements adopted by Council on 30 August 2012. The Victorian Auditor General raised no significant issues in relation to Council's financial accounts. The 2013/14 Budget and Strategic Resource Plan were adopted on 12 June 2013 in accordance with the agreed timetable.

The implementation of a new Finance and Human Resource system commenced, with completion of the roll-out expected by the end of 2013/14. The new system aims to improve efficiencies across the organisation.

Implementation of a new rostering and time recording system was completed at the Kyneton Toyota Sports and Aquatic Centre, the Gisborne Aquatic Centre and the Gisborne Fitness Centre. This project, undertaken in conjunction with Council's Recreation Unit, resulted in a reduction in time taken to input timesheets.

Debt management and investment policies were reviewed and approved by Council during the year.

## OUR GOALS

# Responsible Governance

## At a Glance

- 17,459 payments to suppliers processed
- 75,971 rate instalment notices issued
- 308,659 payments to Council receipted
- 1,801 supplementary property valuations processed
- 20,466 general property valuations completed as part of the 2012 General Valuation
- 13,602 pays to Council staff issued
- 26,948 items of mail registered
- 101 desktop, laptop and tablet computers purchased
- 215 media releases and alerts distributed
- 21 media briefings held
- 361 media enquiries answered
- 148 New Resident Kits distributed
- 297 newspaper advertisements placed.





### Information and Communications

The Information and Communications Strategic Plan 2012–2015 was adopted with 54 projects to be implemented over the next three years.

Of these projects, 22 were completed, including:

- Records Management Strategic Plans
- Email and web filtering solution
- Social media (phase 1)
- New Council website
- Electronic Council meeting trial.

Council has 291 desktop computers on its network, located across 32 sites. In 2012/13, 48 desktop computers and 37 laptops were purchased along with 16 iPads for Councillors and executive managers.

Council's network performed to near perfection with 99 per cent uptime. Disaster recovery exercises were successfully undertaken to ensure data could be recovered.

In 2012/13, 26,948 mail items were registered. Archives, stored off-site at two locations, were sorted, classified and registered for identification and retrieval. More than 1,000 boxes past their retention date were destroyed.

### Council and Customer Service Council Plan 2013–17

Macedon Ranges' future for the next four years was set out in the Council Plan 2013–2017.

For the first time, the Council Plan incorporates the Municipal Public Health and Wellbeing Plan. The new integrated plan raises the profile of Council's role in improving community health and wellbeing. In developing the plans, Council consulted with the community via a survey which was completed online, in writing or at one of four community forums. A total of 338 residents completed online surveys, 21 written submissions were received and 92 surveys were completed by community forum participants.

In addition, two key stakeholder roundtable discussions were held with health and wellbeing professionals, and the state government.

### Council elections

The October 2012 local government elections returned four Councillors and elected five new Councillors. A new Councillor Resource Kit containing a range of resources and information was distributed at the Councillor induction sessions.

### Councillor Grants

The Councillor Grants guidelines were reviewed to keep the scheme up-to-date with best practice. Following the review, not-for-profit community groups can now only apply for grants of up to \$500. In 2012/13, 21 Councillor Grant applications were funded compared to 47 in 2011/12. The decrease in applications received is most likely due to the three-month suspension of the scheme during a Council election year.

### Community Funding Scheme

Council distributed \$165,000 in grants between 52 local community groups and organisations under the annual Community Funding Scheme. Of the successful applications, 37 per cent related to community projects, 28 per cent to sporting activities, 24 per cent for arts, tourism and events, and 11 per cent for family and children's service-related initiatives.

### Public Relations and Communications

#### Media

On average, Council responds to seven media enquiries and distributes four media releases each week. A total of 21 media briefings were held in 2012/13, where journalists had the opportunity to meet with Council officers about news, issues and events. Alternate briefings also included a summary of Council meeting agenda items, where journalists receive background information about what is being debated and decided by Councillors that week.

#### Website

Council launched its new website, which was redeveloped in line with user research results and consultation.

A design that better reflects the region was incorporated into the redevelopment along with improved functionality such as a mobile-friendly site, a user feedback mechanism on all pages, bin collection dates and better search capabilities. The site now accepts online payments and applications. A searchable directory of Council facilities such as parks, gardens and community halls was added along with a community and business directory offering free listings to local businesses and community groups.

About 20 internal web publishers were trained to write for the web and upload content. Over 600 pages of content were reviewed and 500 images sourced for the project.

In the three months immediately following the launch of the new website, visitor numbers increased on the three months pre-launch by 8 per cent and average session times rose from 2.28 minutes to 4.45 minutes.

## Branding

For the first time since council amalgamations in 1995, Macedon Ranges Shire Council underwent a rebrand to introduce a new visual identity.

A unified and contemporary identity for the organisation was created. This new brand better represents the region and Council services to new and existing residents, businesses and visitors.

With a more legible, flexible logo and clear guidelines around the new visual identity, Council can more clearly and effectively communicate with the community about its services and programs.

## Social media

A working group was established to build capacity around using social media. The group identified pilot projects including the development of Facebook pages for emergency preparedness education, and promoting local arts and cultural events.

## Community

Council presented at a networking breakfast attended by local businesses on writing media releases and promoting their business through the media.

A total of \$5,660 in grants was provided to nine community newsletters. Council developed and distributed five printed newsletters to 20,000 households and businesses.

## Meetings and Committees

### Ordinary and Special Council Meetings

Council's meeting structure and cycle is the public face of its decision-making process.

From July 2012 to June 2013, 11 Ordinary Council Meetings were held on the last Wednesday of every month, except in January.

Comprising all Councillors, these meetings rotated between the townships of Kyneton, Gisborne and Romsey, and commenced at 7pm.

In this period, Council also held seven Special Council Meetings to consider matters that required a decision earlier than the next available Ordinary Meeting, and one Section 223 Committee.

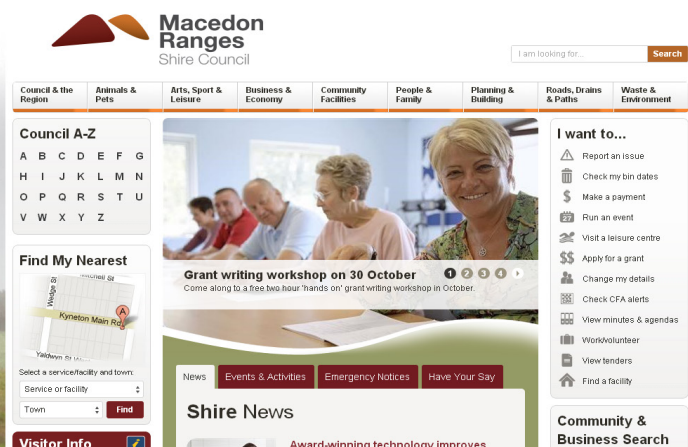
At Ordinary Council Meetings, individual Councillors are able to submit, in advance of the meeting, a Notice of Motion that proposes a course of action that Council should pursue. Notices of Rescission are motions that propose that a previous decision of Council be revoked.

### Councillor Briefings (Assemblies of Councillors)

Before making decisions at a Council meeting, Councillors are often briefed on matters by Council staff, and sometimes outside advisors. Briefing sessions enable Councillors to discuss issues frankly and fully among themselves and with senior staff, and work through topics in a way that would not be possible in an open Council meeting. They are an important forum for advice and discussion in the lead up to a formal decision about a complex issue, or for Councillors to request additional information to assist in making decisions. Councillors do not make legally binding decisions in these informal forums. A record of matters discussed at Councillor briefings is maintained and presented to Council each month.

## OUR GOALS

# Responsible Governance



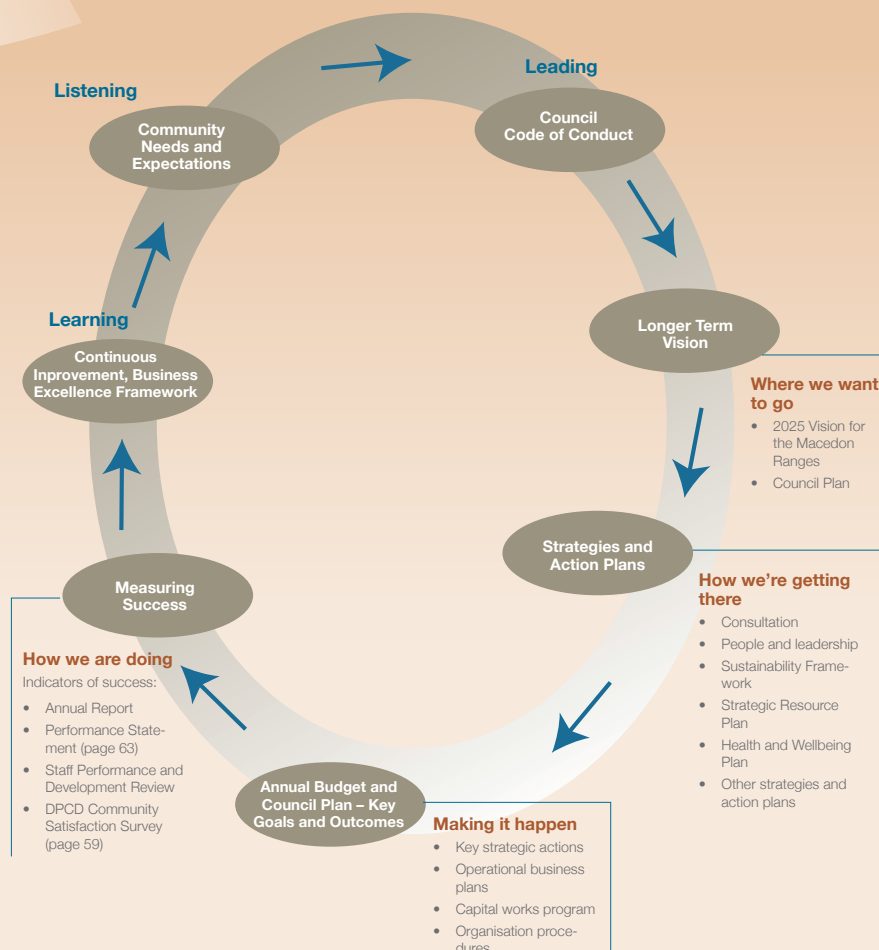


## Annual Planning and Reporting on Performance

### How we plan, work and improve at Macedon Ranges Shire Council

This framework sets out the relationships between Council plans and strategies and their linkages to community and organisational activities. It also represents the planning, action, reporting and review process as a continuous improvement cycle.

## Responsible Governance



### Council Advisory Committees:

Committee	Meeting Frequency	Purpose
Arts Development Advisory Committee	Annually and other meetings as required	Provides advice to Council on the development of arts and culture.
Audit Advisory Committee	Quarterly	Advises Council on risk management, internal control, accountability and financial reporting. Consists of two Councillors and three community representatives.
Community Access Advisory Group	Monthly	Advises Council on issues that affect adults and children living with a disability.
Hanging Rock Development Advisory Committee	Quarterly	Advises Council on development issues relating to Hanging Rock.
Library Advisory Committee	Three times a year	Provides advice to Council on the development and provision of library services across the shire.
Kyneton Mechanics Institute Advisory Committee	Quarterly	To provide recommendations on the management and long term objectives of the facility.
Kyneton Saleyards Advisory Committee	Quarterly	Oversees and advises Council about operational issues for the Saleyards.
Positive Ageing Advisory Committee	Monthly	Advises and promotes initiatives around positive ageing.
Youth Liaison Advisory Committee	As required	To provide guidance, advocacy and leadership on youth matters.

## Council's Key Performance Indicators\*

### Community satisfaction rating for advocacy and lobbying on behalf of the community

2009	2010	2011	2012	2013
62	62	60	52	53

Community satisfaction in this area rose by one point from the previous year and is on par with the large rural shires average result.

### Community satisfaction rating for informing the community

	Macedon Ranges	Statewide	Large Rural Shires
2012	59	60	57
2013	58	61	60

Community satisfaction in this area dropped by one point from last year and is below the statewide and large rural shires average results.

### Community satisfaction rating for community consultation and engagement

2009	2010	2011	2012	2013
57	59	56	54	55

Community satisfaction in this area rose by one point from the previous year and is on par with the large rural shires average result.

### Community satisfaction rating for customer service

2009	2010	2011	2012	2013
68	69	67	69	70

Community satisfaction in this area rose by one point from the previous year and is one point higher than the large rural shires average result.

\* Where a five-year comparison is not available due to changes in reporting methodology in 2011/12, Council has benchmarked performance against statewide and large rural shires' survey results over two years. See page 59 for more information about the Community Satisfaction Survey.

## OUR GOALS

## Responsible Governance

## Challenges

The rural landscape of the shire makes wireless technology difficult and unreliable, particularly for small towns that do not attract investment in the latest telecommunications infrastructure. Almost all sites previously functioning on the

3G network have needed to convert back to DSL to ensure connection is reliable, increasing operating costs. Council continues to work with NBN Co on the roll-out of high speed broadband.

## Future Directions

- Develop a Corporate Communications Strategy
- Evaluate social media pilot projects and explore further uses of social media for community consultation
- Develop an online image library
- Review content, format and distribution of Council's New Resident Kits
- Review Council's website accessibility compliance and implement technology for vision impaired users
- Upgrade the network domain to Windows 2008, deploy Windows 7 and Office 2010 to all desktop computers
- Finalise the implementation of the new Finance and Human Resource system
- Complete the 2014 General Revaluation.

## Grants and Donations

### Australia Day Community Grants Program

Council's annual Australia Day Community Grants program provides grants of up to \$500 to assist community groups to coordinate free public events within the Macedon Ranges Shire.

Baynton Hall Committee—community film night, food and entertainment	\$450
Lancefield Motorcycle Committee and Lancefield Neighbourhood House—barbecue and pool party	\$500
Lions Club of Kyneton—community breakfast	\$500
The GREAT Association—community celebrations including a flag raising ceremony, parade, music, games and a barbecue brunch.	\$500
Tylden Hall Committee—community breakfast	\$500
Woodend Rotary and RSL—community celebrations including speeches, a scout march, entertainment and games.	\$500
<b>TOTAL</b>	<b>\$2,950</b>

### Community Funding Scheme

Council's annual Community Funding Scheme supports the activities of local community groups and events.

Bolinda Hall and Reserve Committee of Management—kitchen upgrade	\$6,000
Bullengarook Playgroup—shed and storage facilities	\$3,811
Clarkefield Recreation Reserve Committee of Management	\$5,000
Country Women's Association, Gisborne—creative arts exhibition	\$3,000
Friends of Black Hill Reserve—signage	\$4,200
Friends of Kyneton Museum—historic photo opportunity project	\$1,260
Gisborne Gazette—computer and networking equipment	\$1,450
Gisborne Little Athletics Centre—long jump synthetic surface upgrade	\$4,000
Gisborne Cemetery Trust—purchase of a slasher	\$4,890
Gisborne Tennis Club—barbeque area extension works	\$6,000
Kyneton and District Toy Library—storage facilities	\$1,500



Kyneton Agricultural Society—bike emporium project	\$4,200
Kyneton Art Group—art display screens	\$2,667
Kyneton Community and Learning Centre—healthy communities map project	\$2,000
Kyneton Community Park—‘Telling our story’ project	\$4,200
Kyneton Daffodil and Arts Festival—branding, website and social media project	\$3,000
Kyneton District Football Netball Club—corporate governance project	\$3,000
Kyneton Hand Weavers and Spinners Group—craft workshops	\$776
Kyneton Historical Society—photocopier purchase	\$3,000
Kyneton MS Peer Support Group—accessibility, participation and social inclusion project	\$999
Kyneton Music Festival—equipment purchase	\$3,961
Lancefield Community Gym—community gym feasibility study	\$6,000
Lancefield Men’s Shed—equipment purchase	\$1,980
Lost Trades Fair—event funding	\$4,000
Macedon Ranges Community Exchange—community exchange project	\$1,400
Macedon Ranges Friends of East Timor—annual programs	\$4,000
Macedon Ranges Further Education Centre Inc—A place for everyone, lifelong learning project	\$2,000
Macedon Ranges Home Business Network—website development	\$1,830
Macedon Tennis Club—operation shelter	\$2,123
Macedon Villages Volunteers—railway station garden restoration project	\$6,000
Malmsbury Advance Association—Mechanics Institute Hall project	\$3,000
Malmsbury Town Hall Management Committee—town hall sound upgrades	\$4,500
Mt Macedon Golf Club—defibrillator purchase	\$1,140
Mt Macedon/Macedon Carols by Candlelight—equipment purchase	\$4,200

*Continued*

## OUR GOALS

# Responsible Governance

## Responsible Governance

New Gisborne Tennis Club—Seats for Inclusion for All project	\$1,782
Newham Mechanics Institute—sculptural pig project	\$6,000
Riddells Creek Football Netball Club—line marker purchase	\$2,216.50
Riddells Creek Junior Mixed Basketball Association—Basketball for Everyone project	\$2,600
Riddells Creek Tennis Club—amenities project	\$5,000
Romsey Business and Tourism Association—‘Light up the sky’ community event	\$3,000
Romsey Junior Football Club—junior coaches boxes project	\$3,000
Romsey Mechanics Institute—kitchen upgrades	\$3,500
Romsey Playgroup—Let’s play inside/outside project	\$2,000
Romsey Toy Library—supporting children with special needs project	\$1,000
St Paul’s Playgroups—playground/outdoor equipment projects	\$3,381
Sunbury & District Over Sixties Cricket Club—The ‘Twelfth Man’ program	\$1,500
The Town House—logo and signage	\$1,080
Transition Town Riddell—portable promotion unit purchase	\$1,417
Tylden Community Hall—projector purchase	\$4,000
Woodend Children’s Festival—annual festival	\$6,000
Woodend District Netball Club—court resurfacing project	\$3,000
Woodend Neighbourhood House—community needs assessment project	\$2,700
<b>TOTAL</b>	<b>\$164,264</b>

### Councillor-Initiated Grants Program

This funding scheme provides individual Councillors with the opportunity to assist projects and initiatives that arise during the financial year.

Asanti Dance School	\$300
Country Women’s Association, Gisborne—creative arts exhibition	\$3,000
Friends of Daly Reserve	\$500
Friends of Jacksons Creek	\$335

Friends of Kyneton Museum—historic photo opportunity project	\$1,260
Gisborne Tennis Club—barbeque area extension works	\$6,000
Kyneton Agricultural Society—bike emporium project	\$4,200
Kyneton Community and Learning Centre	\$500
Kyneton Community and Learning Centre—healthy communities map project	\$2,000
Kyneton Community Christmas Day lunch	\$800
Kyneton Community Park Incorporated	\$1,200
Kyneton Connections Incorporated	\$400
Kyneton Daffodil and Arts Festival Incorporated	\$100
Kyneton Secondary College School Captain Awards	\$300
Kyneton Visitor Information Centre Plaque	\$200
Lancefield Australia Day barbecue and pool party	\$400
Lancefield Men's Shed—equipment purchase	\$1,980
Macedon Ranges Junior Golf Tournament	\$1,000
Macedon Ranges Masonic Lodge #97	\$500
Macedon Ranges Sustainability Festival	\$250
Riddells Creek Toy Library	\$393.50
Romsey Street Festival	\$2,500
Rotary Club of Woodend	\$250
State Conference for Museums Australia	\$510
Teddy Bear's Picnic	\$500
Windarring Birthday Celebrations	\$200
Woodend Landcare Group	\$900
Woodend Lions Club Carols event	\$420
Zonta	\$150
<b>TOTAL</b>	<b>\$13,109</b>

## OUR GOALS

# Responsible Governance



### Landcare Group Support Program

Each year Council supports a funding program for landcare and friends groups working on natural resource management projects in the shire.

Ashbourne Landcare Group	\$800
Baynton Sidonia Landcare Group	\$800
Bullengarook Landcare Group	\$800
Campaspe River and Land Management Group	\$800
Campaspe Valley Landcare Group	\$880
Clarkefield and District Farm/Landcare Group	\$800
Deep Creek Landcare Group	\$880
Friends of Black Hill	\$800
Langley Landcare Group	\$800
Malmsbury District Landcare Group	\$800
Newham and District Landcare Group	\$880
Pipers Creek and District Landcare Group	\$500
Riddells Creek Landcare Group	\$800
Sheila Cameron Guides Landcare Group	\$800
Stanley Park Management Committee	\$800
Trentham District Landcare Group	\$800
Upper Deep Creek Landcare Network	\$880
Upper Maribyrnong Catchment Group	\$880
Woodend Landcare Group	\$800
<b>TOTAL</b>	<b>\$15,300</b>

### Macedon Ranges Arts Fund

This fund is available to professional artists living or working in the Macedon Ranges Shire and focuses on the endeavours, development and promotion of local professional artists and practitioners.

Art Projection Project—Freya Pitt	\$2,000
Art Projection Project—John Power	\$2,000
Country Women's Association Gisborne—creative arts exhibition	\$3,000
Retrospective Photographic Exhibition	\$3,000
Romsey Art Group Exhibition	\$700
<b>TOTAL</b>	<b>\$7,700</b>

## Other Grants And Donations

Bullengarook Bellows newsletter	\$500
Gisborne Gazette newsletter	\$500
Gisborne Secondary College Chaplaincy Program	\$2,585
Guim Tales newsletter	\$880
Kyneton Community and Learning Centre	\$3,500
Kyneton Connect newsletter	\$800
Kyneton Secondary College Chaplaincy Program	\$2,585
Lancefield Mercury newsletter	\$500
Lancefield Neighbourhood House	\$3,500
Macedon Ranges Further Education Centre	\$3,500
Malmsbury Mail newsletter	\$500
Riddell Roundup newsletter	\$550
Riddells Creek Neighbourhood House	\$3,115
Romsey Community House	\$3,115
Romsey Rag newsletter	\$880
The New Woodend Star newsletter	\$550
Woodend Neighbourhood House	\$3,500
<b>TOTAL</b>	<b>\$31,060</b>

## OUR GOALS

# Responsible Governance







# Statutory Information

As much as it is a requirement under the Local Government Act (1983), Macedon Ranges Shire Council is committed to providing transparent information to our community. This includes participating in the Community Satisfaction Survey, which is undertaken annually by the state government and publicly accessible along with all Council policies, procedures, and privacy and local laws.

- 59.....Community Satisfaction Survey
- 60 .....Victorian Local Government Indicators 2012/13
- 61 .....Information and Privacy



## Community Satisfaction Survey

The Community Satisfaction Survey is an independent statewide survey conducted by the Department of Planning and Community Development, which measures residents' satisfaction with the services and performance of their council.

The results for 2012/13 are benchmarked against both a statewide group of 71 municipalities and 17 large rural shires. A total of 400 Macedon Ranges residents were surveyed, of which 80 per cent have lived in the region for 10 years or more.

## Core Performance Measures

Residents rated Council's overall performance two points higher than in 2011/12 and the result shows Council is on par with the statewide average. Council's overall direction rating increased by three points and improvements were seen across community consultation and engagement, advocacy and customer service areas.

### STATUTORY INFORMATION

## Community Satisfaction Survey

Core Performance Measures	Macedon Ranges Shire Council 2012	Macedon Ranges Shire Council 2013	Large Rural Shires	Statewide Group
Overall Performance	58	60	47	60
Community Consultation	54	55	55	57
Advocacy	52	53	53	55
Customer Service	69	70	69	71
Overall Council Direction	49	52	51	53

## Key Service Areas

Council's performance was rated highest on waste management (72) and once again exceeded both the statewide and large rural shire averages for waste management.

Town planning policy performance increased by four points, and Council's customer service rating increased slightly from 69 in 2012 to 70 in 2013 with 41 per cent rating the service 'good'.

Key areas for improvement highlighted by the community included maintenance of sealed and unsealed roads, and roadside slashing and weed control.

Other service areas that rated higher than large rural shire averages were business and community development and tourism (61) and recreational facilities (68).

For specific results on individual services areas, see the individual reports in the Our Goals section of this Annual Report.

## Comparisons with Previous Years' Results

Changes in ratings against previous years' results have been noted in the Our Goals section of this report. In 2011/2012, changes were made to the survey, which included increasing the sample size and changing the target respondents to residents over 18 years. Where a five year comparison has not been possible due to these changes, Council has benchmarked against the state and large rural shires.

## Victorian Local Government Indicators 2012/13

		2012-13	2011-12	Diff	
1.	Affordability/Cost of Governance	Average rates and charges per assessment	\$1,640	\$1,582	\$58
		Rates and charges declared as being receivable	\$34,472,570	\$32,555,020	
		Number of assessments	21,024	20,580	
2.		Average rates and charges per residential assessment	\$1,620	\$1,578	\$42
		Rates and charges declared for all residential assessments	\$30,139,444	\$28,126,727	
		Number of residential assessments	18,604	17,827	
3.	Sustainability	Average liabilities per assessment	\$945	\$1,192	(\$247)
		Total liabilities	\$19,868,891	\$24,534,000	
		Number of assessments	21,024	20,580	
4.		Operating result per assessment	\$905	\$644	\$261
		Operating result per financial statements	\$19,022,000	\$13,250,000	
		Number of assessments	21,024	20,580	
5.	Services	Average operating expenditure per assessment	\$2,805	\$3,009	(\$204)
		Operating expenditure per the financial statements	\$58,980,000	\$61,926,000	
		Number of assessments	21,024	20,580	
6.		Community Satisfaction Rating for Overall Performance generally of the Council	Refer to page 59 for details over 5 years		
7.	Infrastructure	Average capital expenditure per assessment	\$815	\$898	(\$83)
		Total capital expenditure	\$17,140,000	\$18,482,000	
		Number of assessments	21,024	20,580	
8.		Renewal Gap	50.2%	65.0%	
		Current spending on renewal	\$4,612,015	\$5,361,140	
		Long term Av. Annual Asset Consumption (AAAC)	\$9,195,825	\$8,246,249	
9.		Renewal and Maintenance Gap	68.7%	79.1%	
		Current spending on renewal plus maintenance	\$10,043,174	\$10,897,315	
		Long term Av. Annual Asset Consumption (AAAC) plus maintenance	\$14,626,984	\$13,782,424	
10.	Governance	Community Satisfaction Rating for Council's Advocacy	Refer page 59 for details over 5 years		
11.		Community Satisfaction Rating for Council's Engagement	Refer page 59 for details over 5 years		

## Definitions

**Assessment:** a property which is subject to rates and charges.

**Average Annual Asset Consumption (AAAC):** the amount of the Council's asset base consumed during a year.

**Renewal Gap:** the ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had originally to the AAAC.

**Renewal and Maintenance Gap:** the ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had originally plus current spending on maintenance to AAAC plus maintenance.

## Information and Privacy

### Information available

A wide range of information is readily available for public inspection or can be accessed under the Freedom of Information Act (1982). These include:

- Current allowances for the Mayor, Deputy Mayor and Councillors
- Senior officers' gross salaries, contributions to superannuation, value of a motor vehicle provided, allowances, and other benefits for the present financial year and the previous financial year (if applicable)
- Interstate and overseas travel expenditure by Councillors or Council officers
- Councillors who were required to submit a return of interest during the financial year and the date the returns were submitted
- Council officers who were required to submit a return of interest during the financial year and the date the returns were submitted
- Agendas for and minutes of ordinary and special meetings kept under Section 93 of the Local Government Act (1989), except where such minutes relate to parts of meetings that were 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 Local Government Act (1989), except where such minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act
- Applications for enrolment on the voters' roll under Sections 12 and 13 of the Local Government Act (1989) for the immediate past roll and the next roll being prepared
- Register of delegations kept under Sections 87, 88 and 98 of the Local Government Act (1989)
- Submissions received under Section 223 of the Local Government Act (1989) during the previous 12 months
- Agreements to establish regional libraries under Section 196 of the Local Government Act (1989)
- Register of leases entered into by the Council
- Register of Authorised Officers appointed under Section 224 of the Local Government Act (1989)
- A list of donations and grants made by the Council during the financial year
- A list of the names of the organisations of which the Council was a member during the financial year
- A register of Council's contracts in accordance with the Local Government Act (1989).

### Privacy

Macedon Ranges Shire Council is committed to protecting the privacy of residents and ratepayers. Council will not disclose personal information to a third party without the resident's consent, unless required to do so by law.

### Protected Disclosures

The Protected Disclosures Act (2012) replaces the former Whistleblowers Protection Act (2001).

Council has had no protected disclosures pursuant to the Protected Disclosures Act (2012).

The nominated officer pursuant to the Freedom of Information Act (1982), Information Privacy Act (2000), and the Protected Disclosures Act (2012) is the Manager, Council and Customer Service who can be contacted by phoning (03) 5422 0352.

### Local Laws

Macedon Ranges Shire Council has two local laws:

- Local Law No. 8—consolidating and updating six previous local laws, which came into operation on 1 October 2003
- Local Law No. 9—Macedon Ranges Shire Council Meeting Procedure, which came into operation on 25 July 2007.

These laws assist Council in relation to its responsibilities to maintain a safe, peaceful and ordered community environment.

All Council Meetings are conducted in accordance with Local Law No. 9, which deals with:

- The election of the Mayor and Deputy Mayor
- The use of Council's common seal
- The procedures governing the conduct of Council meetings and Special Committee Meetings.

## STATUTORY INFORMATION

## Information and Privacy



# Performance and Financial Statements

While Council's performance is measured against its four goals—Sustainable Living, Community Wellbeing, Sustainable Environment and Infrastructure, and Responsible Governance—so too is it measured on our ability to balance our various income streams against operating costs to ensure we deliver a strong and diverse local economy.

63	.....2012/2013 Performance Statement
68	.....Independent Auditor's Report
71	.....Financial Performance
80	.....Financial Report
85	.....Notes to Financial Report



# 2012/2013 Performance Statement

In accordance with Section 132 of the Local Government Act 1989 this Statement has been prepared, identifying those Actions (Key Strategic Activities) that Council included in the 2012/2013 Budget and details the extent to which it achieved these Actions.

## PERFORMANCE AND FINANCIAL STATEMENTS

## 2012/2013 Performance Statement

### Our Key Outcomes

<b>1.</b>	<b>Sustainable Living</b>	
<b>1.2</b>	<b>Appropriate development enhancing our lifestyle and community.....</b>	<b>1</b>
1.2.1.10	Advance Kyneton Structure Plan	
<b>1.3</b>	<b>A community that is safe to live in.....</b>	<b>1</b>
1.3.1.2	Implement stage 1 of the Smoke Free Outdoor Areas Policy	
1.3.1.5	Conduct two microchipping sessions in accordance with Domestic Animal Management Plan	
<b>2.</b>	<b>Community Wellbeing</b>	
<b>2.1</b>	<b>Engaged and connected community.....</b>	<b>2</b>
2.1.2.14	Support youth activities in conjunction with other agencies	
<b>2.2</b>	<b>Improved quality of life for our community.....</b>	<b>2</b>
2.2.1.48	Continue planning for early years services	
<b>3.</b>	<b>Sustainable Environment and Infrastructure</b>	
<b>3.1</b>	<b>Enhanced and protected natural environment .....</b>	<b>3</b>
3.1.1.9	Continue to implement the natural environment strategic initiatives	
3.1.3.2	Measure the effectiveness of the introduction of integrated waste management services	
<b>3.2</b>	<b>Sustainable asset management.....</b>	<b>3</b>
3.2.1.2	Review and revise Open Space and Drainage Asset Management Plans by 30 June 2013	
<b>4.</b>	<b>Responsible Governance</b>	
<b>4.1</b>	<b>Democratic governance.....</b>	<b>4</b>
4.1.2.9	Promote Council Meetings and ensure that all information regarding Council agendas and minutes are available to the public in a timely manner.	
<b>4.3</b>	<b>Responsible financial stewardship.....</b>	<b>4</b>
4.3.1.1	Complete Audit Committee self-assessment and Annual Report	

## 2012/2013 Performance Statement

1. Sustainable Living		
1.1	Outcome:	Appropriate development enhancing our lifestyle and community
1.1.1	Strategic Action:	Develop appropriate Strategic Land Use Policies that enhance the liveability and sustainability of our communities and support diversity of housing options.
	Key Action:	Advance Kyneton Structure Plan.
	Indicator:	Structure Plan completed by 30 June 2013.
	Result:	Achieved.
	Comment:	Kyneton Structure Plan adopted at Council Meeting on 26 June 2013.
1.2	Outcome:	A community that is safe to live in
1.2.1	Strategic Action:	Continue to promote and improve the health and safety of the community in the areas of water treatment, immunisation, building design and regulation and domestic animal control.
	Key Action:	Implement Stage 1 of the Smoke Free Outdoor Areas Policy.
	Indicator:	Stage 1 of the policy implemented.
	Result:	Achieved.
	Comment:	Four businesses have joined the voluntary alfresco dining program, signage has been delivered and promotion of businesses is occurring.
1.3	Outcome:	A community that is safe to live in
1.3.1	Strategic Action:	Continue to promote and improve the health and safety of the community in the areas of water treatment, immunisation, building design and regulation and domestic animal control.
	Key Action:	Conduct two microchipping sessions in accordance with the Domestic Animal Management Plan.
	Indicator:	Two microchipping sessions conducted.
	Result:	Achieved.
	Comment:	Two microchipping sessions were held in partnership with local vets in Gisborne and Kyneton.

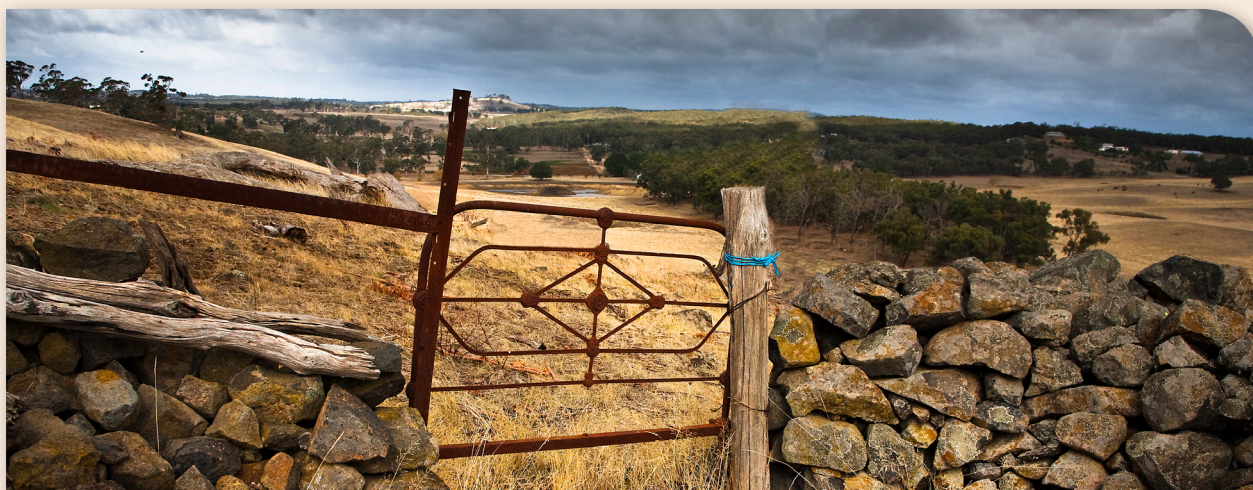


## 2. Community Wellbeing

2.1	Outcome:	Engaged and connected community
2.1.1	Strategic Action:	Provide appropriate, inclusive and sustainable facilities for active and passive participation in community life.
	Key Action:	Support youth activities in conjunction with other agencies
	Indicator:	Develop a three year Youth Development Strategy by 30 June 2013
	Result:	Achieved.
	Comment:	A Youth Strategy was developed and circulated for public consultation by 30 June 2013.
2.2	Outcome:	Improved quality of life for our community
2.2.1	Strategic Action:	Advocate and plan for improved family and children's services.
	Key Action:	Continue planning for early years services.
	Indicator:	Review the Gisborne Early Years Feasibility Study and present options to Council for the future of the Grant Avenue Kindergarten service by 30 June 2013.
	Result:	Achieved.
	Comment:	Reports were presented to Council at the August 2012 and March 2013 Ordinary Council Meetings regarding an Early Years Hub.

## PERFORMANCE AND FINANCIAL STATEMENTS

## 2012/2013 Performance Statement



## 2012/2013 Performance Statement

3. Engaged and connected community		
3.1	Outcome:	Enhanced and protected natural environment
3.1.1	Strategic Action:	Encourage sustainable land management practices
	Key Action:	Continue to implement the natural environment strategic initiatives.
	Indicator:	Adopt two new Reserve Management Plans.
	Result:	Achieved.
	Comment:	Management Plans adopted for: Woodend Racecourse Grassland; Bald Hill Bushland Reserve; Sandy Creek Road, Riddells Creek; Hobbs Road Reserve, Bullengarook; Barringo Reserve; and Mount Gisborne Reserve.
3.2	Outcome:	Enhanced and protected natural environment
3.2.1	Strategic Action:	Provide effective and integrated waste management services.
	Key Action:	Measure the effectiveness of the introduction of integrated waste management services.
	Indicator:	5% percentage increase in recycling diverted from the waste stream.
	Result:	Achieved.
	Comment:	The measured increase in recycling diverted from the waste stream is greater than 5%. This is mainly due to the introduction of the green garden bin service. It has increased from 32% to 45%.
3.3	Outcome:	Sustainable asset management
3.3.1	Strategic Action:	Plan for the management of infrastructure in a sustainable manner.
	Key Action:	Review and revise Open Space and Drainage Asset Management Plans by 30 June 2013.
	Indicator:	Plans to be completed by 30 June 2013 for the purposes of public consultation.
	Result:	Achieved.
	Comment:	Both plans have been reviewed and redrafted for the purposes of public consultation

## 2012/2013 Performance Statement

4. Responsible Governance		
2.1	Outcome:	Democratic governance
2.1.1	Strategic Action:	Ensure accountable, transparent and honest decision-making.
Key Action:		Promote Council Meetings and ensure that all information regarding Council agendas and minutes are available to the public in a timely manner.
Indicator:		Notice papers available online from 12.00noon on the Monday prior to each meeting. Minutes available online within five working days of the meeting.
Result:		Achieved.
Comment:		Established timeframes met with regard to notice paper and minute distribution.
2.2	Outcome:	Responsible financial stewardship
2.2.1	Strategic Action:	Increase the transparency of financial management
Key Action:		Complete Audit Committee self-assessment and Annual Report.
Indicator:		Report submitted to Council by 31 December 2012.
Result:		Achieved.
Comment:		The Audit Committee self-assessment was undertaken on 27 November 2012 and the Annual Report (including the results of the Committee's self-assessment) was presented to the Council Meeting on 12 December 2012 by the Audit Committee Chairman, Brian Collins.

## Conclusion

For the purposes of sections 127(d) and 132 of the Local Government Act, Council places significant emphasis on the selection of Key Strategic Activities (from its Council Plan) to be included in the Performance Statement and has successfully completed all of the identified actions for the 2012/2013 Council year.



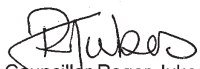
# Independent Auditor's Report

## Certification of Performance Statement

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council in respect of the 2012/2013 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance Indicators and measures set out in relation to the achievement of the business plan in respect of that year described in Council's corporate plan and describes the extent to which the business plan was met in that year having regard to those Indicators and measures.

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

  
Councillor Roger Jukes  
At Kyneton  
13/09/2013

  
Councillor Jennifer Anderson  
At Kyneton  
13/09/2013



Victorian Auditor-General's Office

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## PERFORMANCE AND FINANCIAL STATEMENTS

# Independent Auditor's Report

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors, Macedon Ranges Shire Council

##### *The Performance Statement*

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

##### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the Macedon Ranges Shire 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.

# Independent Auditor's Report

## Independent Auditor's Report (continued)

### *Independence*

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

### *Auditor's Opinion*

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

### *Matters Relating to the Electronic Publication of the Audited Performance Statement*

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

MELBOURNE  
16 September 2013

  
John Doyle  
Auditor-General



## A Guide to the Financial Statements

The following guide may be useful for gaining an understanding of Council's financial position.

Council's audited Financial Statements for the year ended 30 June 2013, on the following pages, are prepared in accordance with the Accounting Standards and the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The statements have been approved in principle by Council, audited by the Auditor-General's agents, MDHC Audit Assurance, and approved by the Victorian Auditor General.

The financial statements comprise the Comprehensive Income Statement, the Balance Sheet, the Statement of Changes in Equity and the Cash Flow Statement. The following is a brief summary of these Statements.

## PERFORMANCE AND FINANCIAL STATEMENTS

## Financial Performance

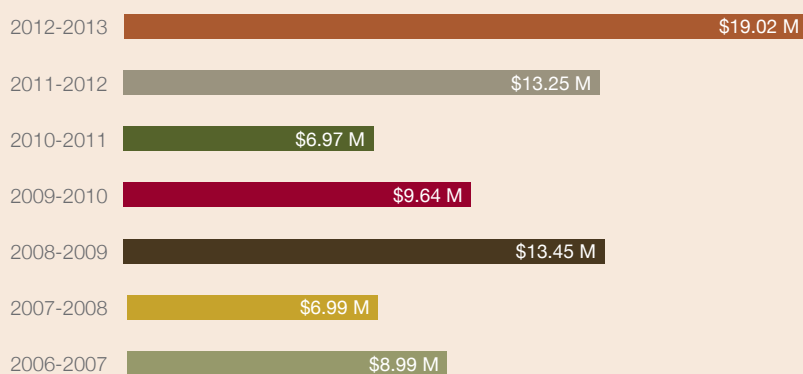
### Comprehensive Income Statement

The summary of the income statement is follows:

	2012/13	2011/12
Revenue [1]	78.00m	75.18m
Less		
Expenses [2]	58.98m	61.93m
<b>Net Surplus</b>	19.02m	13.25m
Other Comprehensive Income [3]	24.19m	12.79m
<b>Comprehensive Result</b>	43.21m	26.04m

### Operating Surplus

The following graph shows operating surplus for the past seven years:



### [1] total income increased in 2012/13 by \$2.82m from 2011/12

- Rates and charges increased by \$2.01m. Rate income was higher than 2011/12 as rates were increased by 4.8% and there was also an increase in the number of rateable properties (around 1%).
- Contributions of non monetary assets increased by \$1.33m. Non monetary asset income generally relates to the transfer of

infrastructure (roads, footpaths, etc) by developers to Council following completion of subdivisions. These assets become the property of Council and hence increase Council's asset levels. The value of the assets is recorded as income when the transfer of ownership takes place. The total value of asset transferred varies considerably from year to year depending on the level of development in the shire.

## Financial Performance

- Statutory Fees and Fines increased by \$0.99m. The increase is mainly due to higher Planning contributions (\$0.53m) and the sale of valuation data to the State Revenue Office (\$0.23m). The income from the State Revenue Office is received every two years after the general valuation is completed.

Partly offsetting these increases was lower grant income:

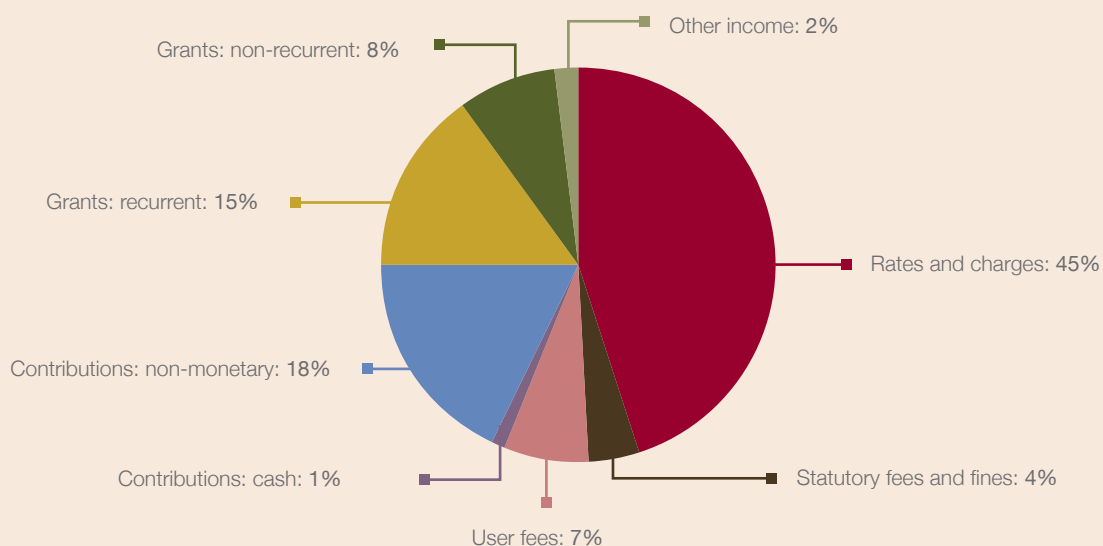
Grants were \$1.93m lower than 2012/13:

- Recurrent grants were \$1.33m lower than 2011/12. The main reason for the decrease in grants was due to the timing of the payment of the Grants Commission allocations. In 2011/12 Council received three quarters of the 11/12 Grants Commission allocation and half of the 12/13 allocation. In 2012/13 Council has received half of the 2012/13 allocation and half of the 2013/14 allocation. So effectively Council received one year and a quarter of payments

in 2011/12 and one year of payments in 2012/13. This decrease is partly offset by higher kindergarten grants due Council taking over the management of two new kindergartens during the year. As a result of this and increases in kindergarten hours grants for this program were \$0.35m higher than 2011/12.

Non recurrent grants have also decreased by \$0.76m. The level of non recurrent grants varies from year to year depending on Council projects and the availability of funding. Some of the larger grants received in 2012/13 were for the Romsey Sports Precinct (\$1.30m) and kindergarten building works grants (\$0.70m). In 2011/12 funding of \$1.92m was received in relation to flood restoration works (most of the flood damage occurred in 2010/11). Other large grants received in 2011/12 were Neighbourhood Safer Places Grant (\$0.86m) and Kyneton Mechanics Institute Restoration Grant (\$0.61m).

The following graph provides a breakdown of Council's income sources for 2012/13:

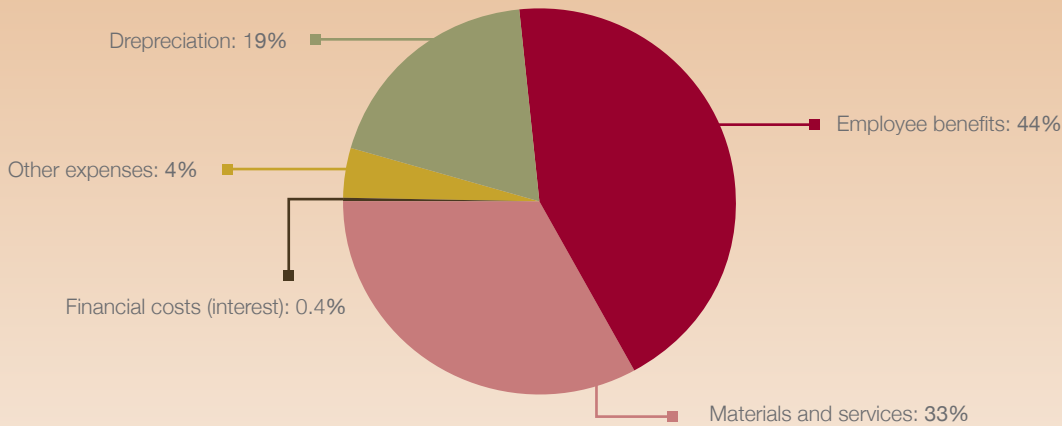


### [2] Total expenses decreased in 2012/13 by \$2.95m

- Employee benefits decreased by \$2.55m. The 2011/12 expense included a liability of \$3.82m related to the shortfall in Local Authorities Superannuation Fund Defined Benefit Plan. The Plan's shortfall impacted all Victorian Councils. With

this liability removed, employee costs increased by \$1.31m. This is mainly a result of the salary increase included in the EBA of 3.7% (approx \$0.91m) and staff increases resulting from Council taking over management of two additional kindergartens during the year (\$0.20m impact). There were also some other staff increases included in the budget.

The following graph provides a breakdown of Council's operating expenses for 2012/13:



## PERFORMANCE AND FINANCIAL STATEMENTS

### Financial Performance

#### [3] Other Comprehensive Income increased by \$11.93m

Other comprehensive income is primarily movements in the asset revaluation reserve as a result of asset revaluations. In accordance with accounting standards, Council's assets are revalued on a cyclical basis and as most infrastructure revaluations are based on current replacement cost they generally result in an increase in asset values.

During 2012/13 Council's unsealed road pavements, sealed road surfaces, bridges and footpaths were revalued resulting in an increase in asset values of \$24.19m. The revaluations completed in 2011/12 resulted in a slightly lower increase in asset values. The 2011/12 results also included a write down of the social housing assets that were being transferred to a housing association at no cost.

#### Balance Sheet

The Balance Sheet shows what Council owns as assets and what it owes as liabilities. The bottom line of this statement is Total Equity which is an accumulation over time of the net worth of Council.

#### Current Assets are \$4.46m lower than 2011/12.

The decrease is mainly related to a lower level of Council financial assets (investments). The key reason for the decrease in investments is that Council paid Vision Superannuation \$3.64m during the year to fund the defined benefit superannuation shortfall. This payment was made out of Council reserves as there was no funding included in the budget. Note: the liability recorded in 2011/12 was \$3.82m, the actual payment was lower because a discount was

received for early payment.

#### Current Liabilities have increased by \$1.07m.

This increase is mainly due to increases in refundable deposits (bonds held for development works) and higher employee long service leave provisions.

#### Non Current Assets have increased by \$43.51m.

Non Current assets are assets which are not expected to be converted into cash in the next 12 months. The increase is mainly due to asset revaluations that were conducted during 2012/13 for unsealed road pavements, sealed road surfaces, bridges and footpaths. Fixed assets are reviewed periodically in line with accounting standards. These revaluations have increased asset values by \$24.19m.

Asset values were also increased as a result of Council's capital works program which totalled \$17.14m in 2012/13 and assets contributed to Council from developers which amounted to \$13.73m. These increases are partly offset by the depreciation expense.

#### Non Current Liabilities have decreased by \$5.23m.

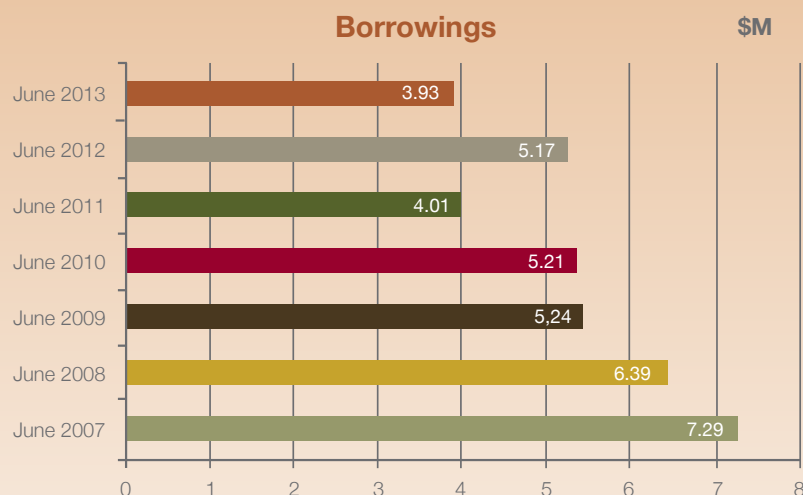
Non Current Liabilities relate to borrowings and provisions that are not payable within the next year. The decrease is mainly due to the liability for the contribution of \$3.82m to the Local Authorities Superannuation Fund Defined Benefit Plan shortfall which was recorded in the 2011/12 accounts. As mentioned above, the contribution was paid in 2012/13 and hence there is no longer a liability.

There has also been a decrease in borrowings during the year as no new loans were taken up.



## Financial Performance

The following graph shows Council's borrowing levels over the last 7 years:



*Total Equity* is the term used to describe the value of the Council to its ratepayers and is divided between:

- Accumulated Surplus — the value of all net assets over time
- Asset Revaluation Reserve
- Reserves — funds reserved for specific future expenditure.

Council's accumulated surplus was \$562.67m at the end of 2012/13, an increase of \$43.21m from 2011/12 which is mainly due to the operating surplus of \$19.02m and the increase in the Asset Revaluation Reserve of \$24.19m.

### Cash Flow Statement

The Statement of Cash Flows is a record of cash received and cash paid by Council for the financial year. It excludes non-cash expenses such as depreciation that are included in the Income Statement and includes items such as capital expenditure and proceeds from loans that are not included in the Income Statement.

Cash Flows are concerned with the three distinct areas:

- Operating, which are normal Council operations.
- Investing, which are payments for capital equipment and proceeds from the sale of assets.
- Financing, which includes proceeds from investments maturing, loan proceeds received and repayment of loans. Increases in investments with a maturity of more than three months are treated as cash outflows.

The operating cashflow for 2012/13 was impacted by a payment of \$3.6m to Vision Superannuation in relation to the shortfall in Local Authorities Superannuation Fund Defined Benefit Plan. The actual payment was lower than the amount accrued in 2011/12 (\$3.8m) due to a discount received for early payment.

Overall the Statement shows that cash on hand was \$6.94m at the end of the year. The level of cash is slightly higher than 2011/12, this was due to Council holding more funds in an on call account that was attracting higher returns than term deposits available. However, there was a reduction in investments (financial) asset to fund the superannuation payment.

Further detailed information on the reports above can be obtained in the attached Financial Statements.

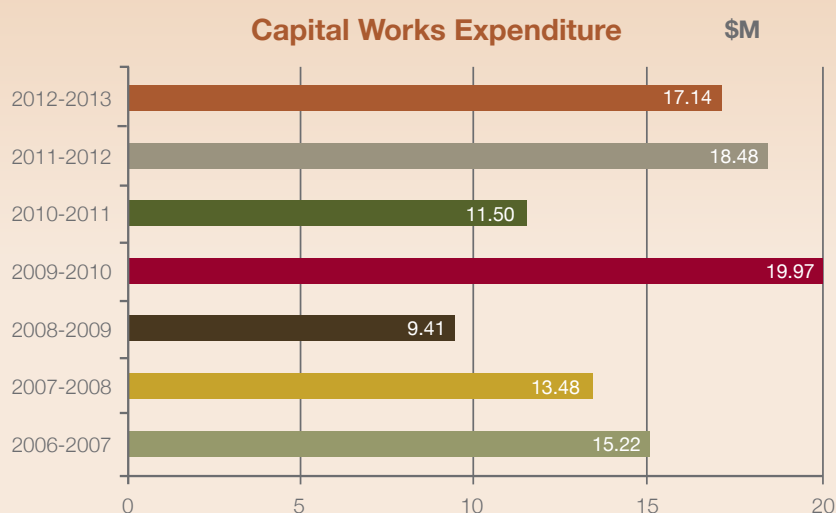
## Financial Performance

### Capital Works

The Standard Statement of Capital Works indicates the level of expenditure incurred on capital works areas. Further information is provided on this expenditure by the type of capital works. The statement indicates that expenditure on capital works amounted to \$17.14m for the year.

Some of the key areas of capital works were roads (\$4.96m), Romsey sports precinct (\$2.68m), plant (\$1.78m, including replacement of 3 graders), kindergarten improvement works (\$0.97m), footpaths (\$0.72m) and bridges (\$0.63m).

Capital expenditure fluctuates from year to year due to the scheduling of major one-off projects and the availability of grant funding. The following graph shows the level of capital expenditure over the last seven years.



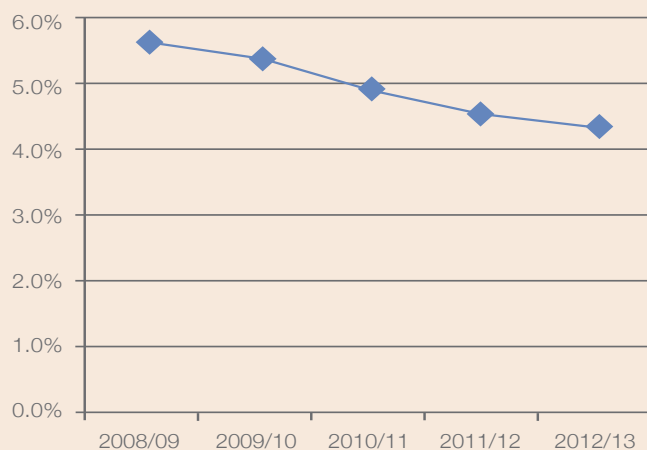
### Financial Ratios

Financial ratios and their trend over time can provide an indication of the financial health of an organisation and its medium to longer term financial sustainability.

#### Debt Commitment Ratio

*(Debt Servicing and Redemption / Rate Revenue)*

The debt commitment ratio illustrates the amount of income required to fund Council's debt for the year. Council's borrowings have reduced over the last five years and hence the debt commitment ratio has also reduced.

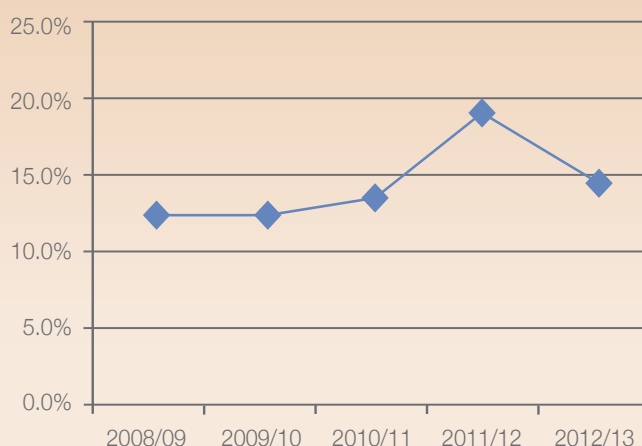


## Financial Performance

### Debt Exposure Ratio

*(Total Liabilities / Total Realisable Assets)*

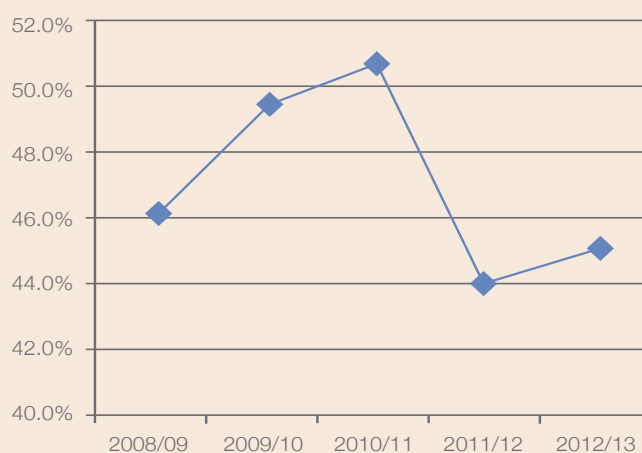
The debt exposure identifies Council's exposure to debt and is an indicator of its solvency. In the past four years Council's debt ratio has remained at similar levels, the increase in 2011/12 was mainly due to the contribution Council was required make as a result of the shortfall in the Local Authorities Superannuation Fund Defined Benefit Plan (\$3.82m). The exposure reduced again in 2012/13 after the contribution was paid. Council's debt exposure remains at a modest level.



### Revenue Ratio

*(Rate Revenue / Total Revenue)*

The revenue ratio measures Council's dependence on rates to fund its annual budget. The ratio is heavily dependent on the level of grant funding received; the level of grants can vary significantly from year to year. Council's reliance on rate revenue increased slightly in 2012/13 due to a lower level of grants than 2011/12.



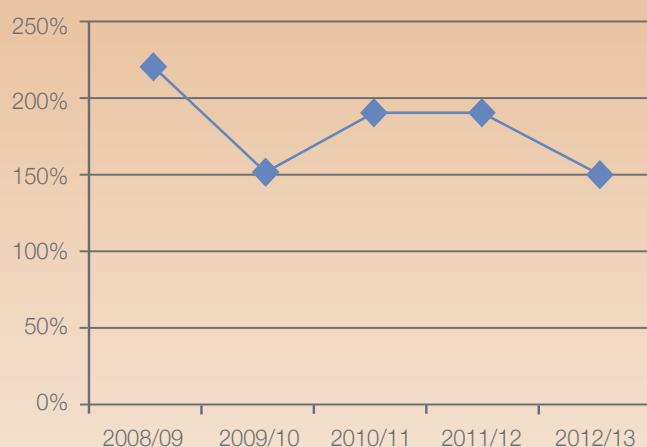
### Working Capital

*(Current Assets / Current Liabilities)*

Working capital ratio is a liquidity measure and provides an assessment of the number of times Council is able to meet its current commitments. Council's working capital ratio has remained above 150% for the last five years which indicates that Council has no immediate issues in meeting its financial obligations.



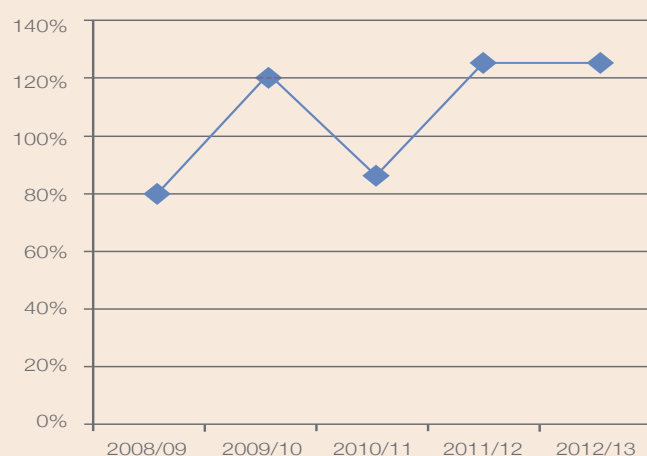
## Financial Performance



### Investment Gap Ratio

*(Capital expend on Asset Renewal and Upgrades/Depreciation)*

The investment gap ratio provides an indicator as to whether capital spending is sufficient to replace aging assets. On average Council's capital works renewal expenditure has matched depreciation over the past five years.



### Notes to the Accounts

When reading the financial statements, the accompanying notes provide detailed information to assisting in understanding how figures are comprised and why they have been included. The notes are in accordance with the requirements of the accounting standards.

A reference number is contained within the financial tables and these point the reader to the relevant note.

The notes should be read in conjunction with the financial statements to get a clear picture of the accounts.

### Standard Statements

The Standard Statements are a requirement of the Local Government Act, they are prepared on a basis consistent with the Financial Statements but are not required to meet all the reporting requirements of accounting standards and other mandatory professional reporting requirements.

## Financial Performance

The Standard Statements comprise of:

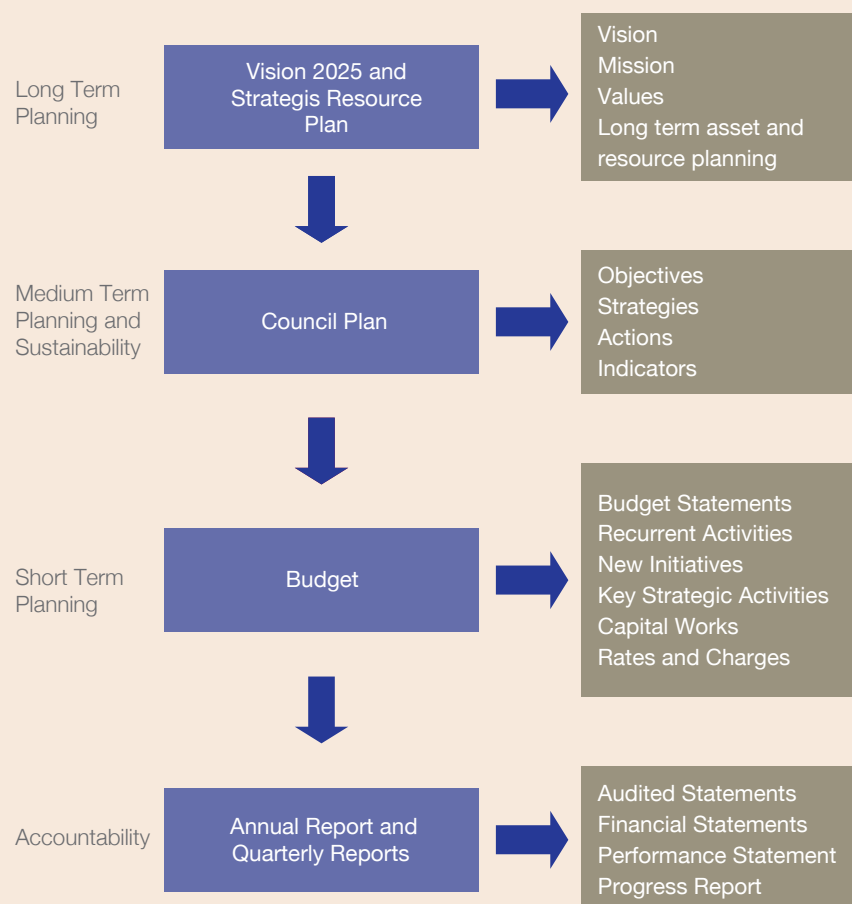
- Standard Statement of Financial Performance
- Standard Statement of Financial Position
- Standard Statement of Cash Flows
- Standard Statement of Capital Works
- Notes to the Standard Statements

Standard Statements provide a comparison between the 2012/13 approved budget and the end of year results.

Most of the Standard Statements are similar to those in the Financial Statements as outlined in Section 2 of this report; however, the Financial Statements do not include a detailed Capital Works report.

### Towards Financial Sustainability

The Annual Financial Statements are a component of Council's strategic planning and reporting framework.



## Long Term Financial Planning

Council's longer term financial planning is guided by its Strategic Resource Plan. The Strategic Resource Plan (SRP) provides a sound financial framework for Council to formulate annual budgets and assists with its decision-making on major issues and projects.

Council reviews its SRP annually to ensure that Council's finances are in a state to support the strategic goals and outcomes defined in the Council Plan.

Financial assumptions are also revisited and refined to ensure they continue to reflect the current directions of the Council Plan, together with the latest financial results.

While the 2012/13 results are slightly ahead of the forecast in the SRP, there is no material impact on Council's long term financial assumptions and there are no significant changes in Council's operations that impact the long term plan.

## 2012/13 Budget

Each year Council prepares and adopts an annual budget. The 2012/13 budget was the culmination of considerable input from Councillors, the management team, staff and the community. The draft budget was displayed for public feedback for 28 days. Following a review of the feedback, the final budget was approved by Council on 13 June 2012.

One of Council's key objectives in the budget process is not to make a large surplus but rather to prepare a balanced budget and then work throughout the year to deliver this result.

## Regular Reporting to the Community

Council continued to report to the community through its Quarterly Reports, which are presented to open meetings of Council and are published on Council's website.

The report includes summary financial statements along with more detailed financial reporting on performance at the department level in respect to operating budget and capital works. The Quarterly Report also includes updates on Council Plan actions and other non-financial performance reports.

The Annual Financial Statements provide detailed information of Council's financial performance for year.



## Financial Report

### Financial Statements

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## FINANCIAL REPORT

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For the Year Ended  
30 June 2013

## Comprehensive Income Statement

	Note	2013 \$'000	2012 \$'000
<b>Income</b>			
Rates and charges	2	35,092	33,077
Statutory fees and fines	3	3,185	2,194
User fees	4	5,720	5,549
Contributions - cash	6 (a)	906	758
Contributions - non-monetary assets	6 (b)	13,729	12,398
Grants - recurrent	5	11,414	12,586
Grants - non-recurrent	5	6,101	6,864
Net gain on disposal of property, infrastructure, plant and equipment	7	-	60
Other income	8	1,686	1,690
Share of net profits of associates and joint ventures accounted for by the equity method	15	45	-
Decrease in provision for landfill liability	26	25	-
Fair value adjustments for investment property	23	99	-
<b>Total income</b>		<b>78,002</b>	<b>75,176</b>
<b>Expenses</b>			
Employee benefits	9	(25,968)	(28,519)
Materials and services	10	(19,208)	(19,169)
Bad and doubtful debts	11	(35)	(3)
Depreciation and amortisation	12	(10,926)	(10,422)
Finance costs	13	(275)	(225)
Other expenses	14	(2,414)	(2,241)
Net loss on disposal of property, infrastructure, plant and equipment	7	(154)	-
Share of net losses of associates and joint ventures accounted for by the equity method	15	-	(106)
Fair value adjustments for investment property	23	-	(263)
Increase in provision for landfill liability	26	-	(978)
<b>Total expenses</b>		<b>(58,980)</b>	<b>(61,926)</b>
<b>Surplus</b>		<b>19,022</b>	<b>13,250</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to surplus or deficit			
Net asset revaluation increment(decrement)	28(a)	24,186	15,794
Impairment losses	28(a)	-	(3,000)
<b>Comprehensive result</b>		<b>43,208</b>	<b>26,044</b>

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

### PERFORMANCE AND FINANCIAL STATEMENTS

## Comprehensive Income Statement

For the Year Ended  
30 June 2013

# Balance Sheet

For the Year Ended  
30 June 2013

## Balance Sheet

	Note	2013 \$'000	2012 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	6,935	5,918
Trade and other receivables	17	5,589	5,413
Other financial assets	18	9,290	14,855
Inventories	19	5	5
Non-current assets classified as held for sale	20	1,450	1,586
Other current assets	21	309	261
<b>Total current assets</b>		<b>23,578</b>	<b>28,036</b>
<b>Non-current assets</b>			
Other financial assets	18	21	21
Investments in associates accounted for using the equity method	15	1,457	1,413
Property, Infrastructure, Plant and Equipment	22	556,883	513,408
Investment property	23	3,349	3,363
<b>Total non-current assets</b>		<b>561,710</b>	<b>518,205</b>
<b>Total assets</b>		<b>585,288</b>	<b>546,241</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	5,471	5,188
Provisions	26	5,068	4,646
Interest-bearing loans and borrowings	27	1,057	1,241
Other current liabilities	25	4,003	3,457
<b>Total current liabilities</b>		<b>15,599</b>	<b>14,532</b>
<b>Non-current liabilities</b>			
Trade and other payables	24	-	3,822
Provisions	26	4,148	4,497
Interest-bearing loans and borrowings	27	2,875	3,932
<b>Total non-current liabilities</b>		<b>7,023</b>	<b>12,251</b>
<b>Total liabilities</b>		<b>22,622</b>	<b>26,783</b>
<b>Net Assets</b>		<b>562,666</b>	<b>519,458</b>
<b>Equity</b>			
Accumulated surplus		262,784	244,093
Reserves	28	299,882	275,365
<b>Total Equity</b>		<b>562,666</b>	<b>519,458</b>

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



## Statement of Changes in Equity

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		519,458	244,093	269,040	6,325
Comprehensive result	28(a)	43,208	19,022	24,186	-
Transfers to other reserves	28(b)	-	(2,728)	-	2,728
Transfers from other reserves	28(b)	-	2,397	-	(2,397)
<b>Balance at end of the financial year</b>		<b>562,666</b>	<b>262,784</b>	<b>293,226</b>	<b>6,656</b>

2012	Note	2012 \$'000	Accumulated Surplus 2012 \$'000	Asset Revaluation Reserve 2012 \$'000	Other Reserves 2012 \$'000
Balance at beginning of the financial year		493,414	231,476	256,246	5,692
Comprehensive result	28(a)	26,044	13,250	12,794	-
Transfers to other reserves	28(b)	-	(3,487)	-	3,487
Transfers from other reserves	28(b)	-	2,854	-	(2,854)
<b>Balance at end of the financial year</b>		<b>519,458</b>	<b>244,093</b>	<b>269,040</b>	<b>6,325</b>

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

## PERFORMANCE AND FINANCIAL STATEMENTS

### Statement of Changes in Equity

For the Year Ended  
30 June 2013

## Cash Flow Statement

### FINANCIAL REPORT

## Cash Flow Statement

For the Year Ended  
30 June 2013

	Note	2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates		34,813	32,709
User charges		10,173	9,774
Grants		18,068	20,961
Interest		1,005	1,131
Other receipts		3,391	4,390
Payments to suppliers		(19,350)	(18,600)
Payments to employees		(25,720)	(24,184)
Payout of superannuation defined benefits		(3,638)	-
Other payments		(5,004)	(6,022)
<b>Net cash provided by (used in) operating activities</b>	29	13,738	20,159
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	43	(17,269)	(18,253)
Proceeds from sale of property, infrastructure, plant and equipment		518	1,613
<b>Net cash provided by (used in) investing activities</b>		(16,751)	(16,640)
<b>Cash flows from financing activities</b>			
Finance costs		(293)	(242)
Net (increase)/decrease in longer term investments		5,565	(4,339)
Proceeds from interest bearing loans and borrowings		-	2,440
Repayment of interest bearing loans and borrowings		(1,242)	(1,271)
<b>Net cash provided by (used in) financing activities</b>		4,030	(3,412)
Net increase (decrease) in cash and cash equivalents		1,017	107
Cash and cash equivalents at the beginning of the financial year		5,918	5,811
<b>Cash and cash equivalents at the end of the financial year</b>	30	6,935	5,918
<b>Financing arrangements</b>	27		
<b>Restrictions on cash assets</b>	31		

The above cash flow statement should be read with the accompanying notes.

## Introduction

(a) The Macedon Ranges Shire Council was constituted in January 1995 following the amalgamation of the former shires of Gisborne, Romsey, Newham and Woodend and Kyneton. The Council's main office is located at 129 Mollison Street Kyneton, Victoria.

(b) Other details in relation to the Macedon Ranges Shire Council are as follows:

External Auditor - Auditor-General of Victoria

Internal Auditor - WHK Horwath

Solicitor - Maddocks

Banker - National Australia Bank

Website address - [www.mrsc.vic.gov.au](http://www.mrsc.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, Cash Flow Statement, 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.

## Note 1 Significant Accounting Policies

### (a) Basis of accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(h), 1(k), 1(s) and 1(t).

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.

### (b) Change in accounting policies

There has been no significant change in accounting policy during 2012/13. However, it should be noted that the Debt Management Policy was reviewed and updated during the year and this resulted in a minor change to the calculation of doubtful debts.

### (c) Revenue recognition

#### Rates, grants and contributions

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

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

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

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. 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.

## PERFORMANCE AND FINANCIAL STATEMENTS

# Notes to the Financial Report

For the Year Ended  
30 June 2013



# Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 1 Significant accounting policies (cont.)

### 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. The method used to calculate doubtful debts is in accordance with Council's Debt Management Policy.

### 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.

### (d) Trade and other receivables and inventories

#### Trade and other receivables

Receivables are carried at cost. A provision for doubtful debts is recognised when there is evidence that an impairment has occurred.

### Inventories

Inventories held for distribution are measured at cost.

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

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed over a three year cycle. Depreciation rates and methods are reviewed within the same cycle.

Road earthworks are not depreciated.

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:

Property:	Period
Land	
▸ land improvements	Unlimited
▸ landfill	30 years
Buildings	
▸ buildings	50 years
▸ building improvements	50 years
Leasehold improvements	
Plant and Equipment	
▸ plant, machinery and equipment	7 - 25 years
▸ fixtures, fittings and furniture	4 - 20 years
Equipment	
Other	
Infrastructure:	
Roads	
▸ road formation, pavements and seals	50 - 100 years
▸ Bridges	80 - 100 years
Footpaths & cycleway	
▸ Footpaths, kerbs and channels	30 - 50 years
Drainage	
▸ Drainage	100 years

## Note 1 Significant accounting policies (cont.)

### (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. Capitalised costs include an appropriate share of employee costs and plant hire charges, where applicable.

### (g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### (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. The vast majority of Council's purchased assets are recorded at their purchase price.

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

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:

Property:	threshold limit
Land	
▸ land and improvements	\$ 10,000
▸ land under roads	\$ 10,000
Buildings	
▸ buildings and improvements	\$ 10,000
Plant and Equipment	
▸ plant, machinery and equipment	\$ 1,000
▸ fixtures, fittings and furniture	\$ 1,000
▸ computers and telecommunications	\$ 1,000
▸ motor vehicles	\$ 1,000
▸ artworks	\$ 1,000
Infrastructure:	
Roads	
▸ road formation, pavements and seals	\$ 10,000
Bridges	\$ 10,000
Footpaths, kerbs and channels	\$ 10,000
Drainage	\$ 10,000

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
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## Notes to the Financial Report

For the Year Ended  
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### Note 1 Significant accounting policies (cont.)

#### (h) Recognition and measurement of assets (cont.)

##### Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, motor vehicles and office furniture and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. For assets that cannot be exchanged eg; roads, replacement cost is generally used as the basis for valuation. At balance date, Council reviewed the carrying value of selected classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis generally 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 are 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.

#### (j) Financial assets

The financial assets, including investments, are valued at cost.

#### (k) Accounting for investments in associates

Council's investment in the North Central Goldfields Library Corporation is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entity. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the Library Corporation is recognised in the comprehensive income statement.

#### (l) Deposits

Amounts received as asset protection bonds, tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 25).

#### (m) Employee benefits

##### Wages and Salaries

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

##### Annual leave

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

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

##### Long service leave

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

All long service leave (current and non current) has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.



## Note 1 Significant accounting policies (cont.)

### Classification of employee benefits

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

### Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Council to the relevant superannuation plans in respect to the services of the Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements the Council is required to comply with.

### Sick Leave

No provision is made in respect of employee entitlements for sick leave because it is non-vesting and the anticipated pattern of future sick leave to be taken indicates that accumulated non-vesting sick leave will never be taken.

### (n) Leases

#### 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.

### (o) 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 twelve 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.

### (p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except in the rare event 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.

### (q) Impairment of assets

At each reporting date, the Council reviews the carrying value of its asset classes to determine whether there is any indication that these assets have been materially 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.

### (r) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

### (s) Non-current assets held for sale

A non-current asset held for sale 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 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 is expected to be completed within 12 months from the date of classification.

## PERFORMANCE AND FINANCIAL STATEMENTS

# Notes to the Financial Report

For the Year Ended  
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## Notes to the Financial Report

For the Year Ended  
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### Note 1 Significant accounting policies (cont.)

#### (t) Investment property

Council has a small amount of investment properties, these properties were 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 the municipal valuer or 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.

#### (u) Financial guarantees

Where they exist, material 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. At balance date Council did not have any material financial guarantees in place.

#### (v) 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.

#### (w) 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.



## Note 1 Significant accounting policies (cont.)

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 9 Financial Instruments	AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are:	The impact is not likely to be extensive in the local government sector and unlikely to impact Macedon Ranges Shire Council. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.	Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives	Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).
	<ul style="list-style-type: none"> <li>• Amortised cost – those assets with 'basic' loan features'.</li> </ul>			
	<ul style="list-style-type: none"> <li>• Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).</li> </ul>			
	<ul style="list-style-type: none"> <li>• Fair Value through profit and Loss - everything that does not fall into the above two categories.</li> </ul>			
	The following changes also apply:			
	<ul style="list-style-type: none"> <li>• Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.</li> </ul>			
	<ul style="list-style-type: none"> <li>• There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.</li> </ul>			
	<ul style="list-style-type: none"> <li>• Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</li> </ul>			
AASB 10 Consolidated Financial Statements	<p>The standard introduces a single model of control, which is used to determine whether an investee must be consolidated. The existence of control is determined based on:</p> <ul style="list-style-type: none"> <li>• Power to direct the activities of an investee (irrespective of whether such power is exercised).</li> <li>• Exposure, or rights, to variable returns from its involvement with the investee.</li> <li>• The ability to use its power over the investee to affect the amount of the investor's returns.</li> </ul>	The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights. While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries. This change is unlikely to impact Macedon Ranges Shire Council.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013

### PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013



## FINANCIAL REPORT

# Notes to the Financial Report

For the Year Ended  
30 June 2013

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 11 Joint Arrangements	<p>AASB 11 classifies all joint arrangements as either joint operations or joint ventures:</p> <ul style="list-style-type: none"> <li>Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement.</li> <li>Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below).</li> </ul>	The use of proportionate consolidation to account for joint ventures is no longer permitted. This change is unlikely to impact Macedon Ranges Shire Council as it currently has no joint ventures.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013
AASB 12 Disclosure of Involvement with Other Entities	<p>AASB 12 requires the disclosure of information to enable users to evaluate the nature of, and risks associated with, its interests in other entities and The effect of those interests on its financial position, financial performance, and cash flows. AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:</p> <ul style="list-style-type: none"> <li>Significant judgments and assumptions, including how control, joint control, or significant influence has been determined.</li> <li>Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks.</li> <li>Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks.</li> <li>Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks.</li> </ul>	The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in. Macedon Ranges Shire Council has an interest in the Goldfield Library Corporation so additional disclosures are likely to be required.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013

Pronouncement	What's new?	Impact/Action	Transition	Effective date
AASB 13 Fair Value Measurement	<p>AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:</p> <ul style="list-style-type: none"> <li>Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date.</li> <li>Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.</li> <li>Level 3 – unobservable inputs for the asset or liability.</li> </ul> <p>There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>	The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standard may assist those councils that have equity investments that are no longer able to be held at cost.	Early adoption is permitted.	Periods beginning on or after 1 January 2013
AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	The standards require the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called "corridor" method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.	Where adequate information is available, the entity will apply the new standard from 1 July 2013 when the new standard applies to Macedon Ranges Shire Council.		1 January 2013/1 July 2013

## PERFORMANCE AND FINANCIAL STATEMENTS

# Notes to the Financial Report

For the Year Ended  
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## Note 2 Rates and charges

2013  
\$'000

2012  
\$'000

Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated market value at the date of valuation.

The valuation base used to calculate general rates for 2012/13 was \$9,902 million (2011/12 \$8,366 million). The 2012/13 general rate in the capital improved value dollar was \$0.002704 (2011/12, \$0.003028).

General	22,668	21,384
Business	1,596	1,645
Agricultural	1,875	1,992
Municipal Charge	3,596	3,382
No building	3	4
Cultural and recreational land	20	21
Landfill recovery	189	186
EPA landfill levy	431	336
Garbage charge	3,803	3,491
Garbage bin service charge	438	320
Not For Profit Housing	47	41
Supplementary	426	274
<b>Total rates and charges</b>	<b>35,092</b>	<b>33,077</b>

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

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

### FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
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### Note 3 Statutory fees and fines

	2013 \$'000	2012 \$'000
Town planning and building fees	141	494
Roads and infrastructure fees	1,475	546
Animal control fees	535	507
Permits	478	442
Infringements and costs	106	42
Other statutory fees	450	163
<b>Total statutory fees and fines</b>	<b>3,185</b>	<b>2,193</b>

### Note 4 User fees

	2013 \$'000	2012 \$'000
Property rentals	590	644
Gravel pit sales	323	268
Waste management	410	419
Cultural activities	99	47
Community, aquatic and leisure centres	2,381	2,430
Hanging Rock Reserve	370	348
Family and childrens services	487	394
Community development	2	16
Aged and disabled services	529	481
Saleyards	292	259
Debt recovery	129	121
Planning and building services	19	20
Other fees and charges	88	102
<b>Total user fees</b>	<b>5,720</b>	<b>5,549</b>

#### PERFORMANCE AND FINANCIAL STATEMENTS

### Notes to the Financial Report

For the Year Ended  
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## Notes to the Financial Report

For the Year Ended  
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### Note 5 Grants

	2013 \$'000	2012 \$'000
(a) Grants were received in respect of the following:		
Corporate Services		
Grants commission	4,395	5,445
Assets & Operations		
Roads	4,608	5,837
Infrastructure	274	1,135
Community safety	730	1,341
Other	12	112
Community Wellbeing		
Aged and disability services	1,954	1,919
Family and childrens services	2,372	1,269
Community development	721	727
Recreational and cultural services	2,309	1,486
Planning & Environment		
Planning and building	-	14
Environmental services	104	112
Economic development	36	53
<b>Total Grants</b>	<b>17,515</b>	<b>19,450</b>

### Summary of grants

Recurrent grants	11,414	12,586
Non-recurrent grants	6,101	6,864
<b>Total</b>	<b>17,515</b>	<b>19,450</b>

Recurrent grants are inclusive of Roads to Recovery and Victoria Grants Commission Road grants.

Conditions on grants:

There were grants totalling \$4.946million (\$5.33 million in 2011/12) recognised as revenue during the current reporting year which had attached special conditions and were not expended as at the reporting date.

Included in the above grants was the following major grant which was received in the latter part of the reporting year but which relates to the 2012/13 year. 50% of the 2013/14 grant was received in advance in 2012/13 as was the case in the previous financial year.

Grants commission instalment	3,320	3,231
<b>Total</b>	<b>3,320</b>	<b>3,231</b>

## Note 6 Contributions

	2013 \$'000	2012 \$'000
<b>(a) Cash</b>		
Roads and infrastructure	203	197
Recreation, culture, aquatic and leisure	377	178
Family and childrens services	19	9
Aged and disabled services	4	3
Legal recoveries	-	20
Plant and park operations	70	65
Town development and streetscapes	-	195
Other cash contributions	234	90
<b>Total</b>	<b>906</b>	<b>758</b>
<b>(b) Non-monetary assets</b>		
Land under roads	1,420	927
Infrastructure	12,309	11,471
<b>Total</b>	<b>13,729</b>	<b>12,398</b>
<b>Total contributions</b>	<b>14,635</b>	<b>13,156</b>

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2013 \$'000	2012 \$'000
Proceeds of sale	518	1,613
Written down value of assets disposed	(672)	(1,553)
<b>Total</b>	<b>(154)</b>	<b>60</b>

## Note 8 Other income

	2013 \$'000	2012 \$'000
Interest	711	941
Interest on rates	175	140
Insurance recoveries	223	301
Merchandise and material sales	164	140
Other income	413	168
<b>Total other income</b>	<b>1,686</b>	<b>1,690</b>



## Notes to the Financial Report

For the Year Ended  
30 June 2013

### Note 9 Employee benefits

	2013 \$'000	2012 \$'000
Wages and salaries	21,246	19,880
Annual leave and long service leave	1,243	1,347
Superannuation	1,748	1,764
Superannuation - additional call*	-	3,822
Other oncosts	1,731	1,705
<b>Total employee benefits</b>	<b>25,968</b>	<b>28,519</b>

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

### Note 10 Materials and Services

	2013 \$'000	2012 \$'000
Administration	2,038	2,103
Operations	5,534	5,275
Utilities	1,745	1,518
Contracts and consultants	9,892	10,273
<b>Total materials and services</b>	<b>19,208</b>	<b>19,169</b>

### Note 11 Bad and doubtful debts

	2013 \$'000	2012 \$'000
Other debtors	35	3
<b>Total bad and doubtful debts</b>	<b>35</b>	<b>3</b>

### Note 12 Depreciation and amortisation

	2013 \$'000	2012 \$'000
<b>Property</b>		
Land		
Landfill assets	173	173
<b>Buildings</b>		
Buildings and improvements	1,463	1,502
<b>Plant and Equipment</b>		
Plant and equipment	468	370
Furniture and equipment	447	411
Motor vehicles	19	18

## Note 12 Depreciation and amortisation (cont.)

	2013 \$'000	2012 \$'000
<b>Infrastructure</b>		
Roads	6,648	6,315
Bridges	298	290
Footpaths, kerbs and channels	573	543
Drainage	389	384
Other infrastructure	448	416
<b>Total depreciation and amortisation</b>	<b>10,926</b>	<b>10,422</b>

## Note 13 Finance costs

	2013 \$'000	2012 \$'000
Interest - Borrowings	275	225
<b>Total</b>	<b>275</b>	<b>225</b>

## Note 14 Other expenses

	2013 \$'000	2012 \$'000
Auditors' remuneration	81	82
Councillors' allowances	268	262
Operating lease rentals	707	593
Contributions and donations	1,358	1,304
<b>Total other expenses</b>	<b>2,414</b>	<b>2,241</b>

## Note 15 Investment in associates

	2013 \$'000	2012 \$'000
Investments in associates accounted for by the equity method are:		
- North Central Goldfields Regional Library Corporation	1,457	1,413
<b>Total</b>	<b>1,457</b>	<b>1,413</b>

### North Central Goldfields Regional Library Corporation

#### Background

The Macedon Ranges Shire Council has an equity interest in the North Central Goldfields Regional Library Corporation. The equity share in the Corporation as at 30 June 2013 was \$1,457,294.

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
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For the Year Ended  
30 June 2013**Note 15 Investment in associates (cont.)**

	2013 \$'000	2012 \$'000
The equity holders in the Regional Library Corporation and their relevant holdings are;		
Macedon Ranges Shire Council	21.25%	
Greater Bendigo City Council	61.75%	
Loddon Shire Council	5.60%	
Mount Alexander Shire Council	11.39%	
<b>Council's share of accumulated surplus(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	322	579
Adjustment arising from change to equity share	13	11
Reported surplus(deficit) for year	(13)	(136)
Transfers (to) from reserves	(57)	(132)
Council's share of accumulated surplus(deficit) at end of year	265	322
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	575	434
Adjustment arising from change to equity share	23	9
Transfers (to) from reserves	57	132
Council's share of reserves at end of year	655	575
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	1,413	1,519
Adjustment arising from change to equity share	57	30
Share of surplus(deficit) for year	(13)	(136)
Carrying value of investment at end of year	1,457	1,413

*(Council's share of equity as per the un-audited 30 June 2013 financial statements of the Library Service)*

**Note 16 Cash and cash equivalents**

	2013 \$'000	2012 \$'000
Cash on hand	8	8
Cash at bank	2,296	5,666
Money market call account	4,032	244
Term deposits	600	-
<b>Total cash and cash equivalents</b>	6,935	5,918
Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
<b>Restricted funds</b>		
Reserve funds allocated for specific future purposes (Note 28)	3,239	2,308
<b>Total restricted funds</b>	3,239	2,308
<b>Total unrestricted cash and cash equivalents</b>	3,696	3,610



## Note 17 Trade and other receivables

	2013 \$'000	2012 \$'000
Current		
Rates debtors	2,101	1,822
Other sundry debtors	2,567	2,571
Provision for doubtful debts - other debtors	(86)	(74)
Net GST receivable	1,007	1,094
<b>Total trade and other receivables</b>	<b>5,589</b>	<b>5,413</b>

## Note 18 Other financial assets

	2013 \$'000	2012 \$'000
Current		
Term deposits	9,290	14,855
<b>Total current other financial assets</b>	<b>9,290</b>	<b>14,855</b>
Non-current		
Shares in Lancefield Community Bank - at cost	12	12
Shares in Gisborne Community Bank - at cost	9	9
	21	21
<b>Total other financial assets</b>	<b>9,311</b>	<b>14,877</b>

## Note 19 Inventories

	2013 \$'000	2012 \$'000
Inventories held for distribution	5	3
<b>Total inventories</b>	<b>5</b>	<b>3</b>

## Note 20 Non-current assets classified as held for sale

	2013 \$'000	2012 \$'000
Land held for sale - at fair value as at 30 June 2013 **	1,450	-
Land held for sale - at fair value as at 30 June 2012 **	-	1,586
<b>Total non-current assets classified as held for sale</b>	<b>1,450</b>	<b>1,586</b>

\*\* The land was valued by Hayley Drummond AAPI, Municipal Valuer, and is net of anticipated selling costs.

## Note 21 Other current assets

	2013 \$'000	2012 \$'000
Prepayments	309	261
<b>Total other current assets</b>	<b>309</b>	<b>261</b>

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## Note 22 Property, infrastructure, plant and equipment

	2013 \$'000	2012 \$'000
<b>Summary</b>		
at cost	63,352	55,099
Less accumulated depreciation	8,382	7,382
	54,970	47,717
at fair value as at 30 June 2013	147,224	-
Less accumulated depreciation	42,435	-
	104,789	-
at fair value as at 30 June 2012	384,094	389,794
Less accumulated depreciation	74,712	70,220
Less accumulated impairment losses	-	3,000
	309,382	316,574
at fair value as at 30 June 2011	38,043	38,043
Less accumulated depreciation	10,506	10,125
	27,537	27,918
at fair value as at 30 June 2010	67,814	96,794
Less accumulated depreciation	8,406	18,571
	59,408	78,223
at fair value as at 30 June 2009	-	68,554
Less accumulated depreciation	-	26,614
	-	41,940
at fair value as at 30 June 2004	3,394	3,394
Less accumulated depreciation	2,597	2,358
	797	1,036
<b>Total</b>	556,883	513,408
<b>Property</b>		
<b>Land</b>		
at cost	320	-
at fair value as at 30 June 2012	55,718	57,353
Less accumulated impairment losses	-	1,603
	56,038	55,750
<b>Land under roads</b>		
at Council valuation at 30 June 2013	1,420	-
at Council valuation at 30 June 2012	2,666	2,666
	4,086	2,666
<b>Landfill</b>		
at cost	5,179	5,179
Less accumulated depreciation	1,350	1,178
	3,829	4,001
<b>Total Land</b>	63,953	62,417

## Note 22 Property, infrastructure, plant and equipment (cont.)

	2013 \$'000	2012 \$'000
<b>Buildings and improvements</b>		
at cost	2,432	1,323
Less accumulated depreciation	26	-
	2,406	1,323
at fair value as at 30 June 2012	71,832	73,230
Less accumulated depreciation	1,437	-
Less accumulated impairment losses	-	1,397
	70,395	71,833
<b>Total Buildings</b>	72,801	73,156
<b>Total Property</b>	136,754	135,573
Valuation of land (including land under roads) and buildings were undertaken by Hayley Drummond AAPI, Municipal Valuer. 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.		
Land under roads is valued at fair value. Fair value is based on Council valuations at 30 June 2013 and 30 June 2012 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for engloba (undeveloped and/or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.		
<b>Plant and Equipment</b>		
at cost	7,413	6,417
Less accumulated depreciation	2,273	2,091
<b>Total Plant and Equipment</b>	5,140	4,326
<b>Furniture and Equipment</b>		
at cost	5,216	4,605
Less accumulated depreciation	3,089	2,641
<b>Total Furniture and Equipment</b>	2,127	1,964
<b>Other Assets</b>		
Motor vehicles		
at cost	195	135
Less accumulated depreciation	12	40
	183	95
<b>Library books</b>		
at cost	100	100
Less accumulated depreciation	100	100
	-	-
<b>Art works</b>		
at cost	300	300
Less accumulated depreciation	7	7
	293	293
<b>Total Other Assets</b>	475	388

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## Note 22 Property, infrastructure, plant and equipment (cont.)

	2013 \$'000	2012 \$'000
<b>Infrastructure</b>		
<b>Sealed Roads</b>		
at cost	14,461	11,008
Less accumulated depreciation	414	279
	14,047	10,729
at fair value (1) (5) (9) (10) (11)	335,182	326,351
Less accumulated depreciation	92,094	86,532
	243,088	239,819
<b>Unsealed Roads</b>		
at cost	712	2,262
Less accumulated depreciation	-	40
	712	2,222
at fair value (2) (9) (12)	49,716	40,287
Less accumulated depreciation	6,397	8,584
	43,319	31,703
<b>Bridges</b>		
at cost	488	3,036
Less accumulated depreciation	-	49
	488	2,987
at fair value as at 30 June 2013 (3)	31,188	-
Less accumulated depreciation	12,611	-
	18,577	-
at fair value as at 30 June 2010 (8)	-	25,378
Less accumulated depreciation	-	10,559
	-	14,819
<b>Footpaths, Kerbs and Channels</b>		
at cost	2,499	3,808
Less accumulated depreciation	-	65
	2,499	3,743
at fair value as at 30 June 2013 (4)	51,411	-
Less accumulated depreciation	13,014	-
	38,397	-
at fair value as at 30 June 2009 (13)	-	29,877
Less accumulated depreciation	-	9,730
	-	20,147
<b>Drainage</b>		
at cost	1,271	891
Less accumulated depreciation	13	4
	1,258	887
at fair value as at 30 June 2011 (6)	38,043	38,043
Less accumulated depreciation	10,506	10,125
	27,537	27,918

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## Notes to the Financial Report

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## Note 22 Property, infrastructure, plant and equipment (cont.)

	2013 \$'000	2012 \$'000
<b>Other Infrastructure Assets</b>		
at cost	16,582	13,841
Less accumulated depreciation	1,098	888
	15,484	12,953
at fair value as at 30 June 2004 (14)	3,394	3,394
Less accumulated depreciation	2,597	2,358
	797	1,036
<b>Total Infrastructure</b>	<b>406,203</b>	<b>368,963</b>
<p>[1] The revaluation of the surface category of sealed roads urban and rural was undertaken on 30 June 2013 by an external consultant and council officers.</p> <p>[2] The revaluation of the pavement category of unsealed roads was undertaken on 30 June 2013 by an external consultant and council officers.</p> <p>[3] The revaluation of bridges was undertaken on 30 June 2013 by an external consultant.</p> <p>[4] The revaluation of footpaths, kerbs and channels was undertaken on 30 June 2013 by an external consultant and council officers.</p> <p>[5] The revaluation of the pavement category of sealed roads urban and rural was undertaken on 30 June 2012 by an external consultant and council officers.</p> <p>[6] The revaluation of drainage was undertaken on 30 June 2011 by an external consultant.</p> <p>[7] The revaluation of drainage was undertaken on 30 June 2010 by council officers utilising an industry building index rate.</p> <p>[8] The revaluation of bridges was undertaken on 30 June 2010 by an external consultant.</p> <p>[9] The revaluation of the formation category of sealed roads urban and rural and unsealed roads was undertaken on 30 June 2010 by an external consultant.</p> <p>[10] The revaluation of the surface category of sealed roads urban and rural was undertaken on 30 June 2009 by an external consultant.</p> <p>[11] The revaluation of the pavement category of sealed roads urban and rural was undertaken on 30 June 2008 by an external consultant.</p> <p>[12] The revaluation of the pavement category of unsealed roads was undertaken on 30 June 2009 by an external consultant.</p> <p>[13] The revaluation of footpaths, kerbs and channels was undertaken on 30 June 2009 by an external consultant.</p> <p>[14] The revaluation of other infrastructure assets was undertaken on 30 June 2004 by council officers.</p> <p>The external consultant appointed for the above revaluations was Mr Peter Maloney, Dip.CE., M.I.E. of Maloney Asset Management Services.</p>		
<b>Works in progress</b>		
Buildings at cost	3,750	-
Other infrastructure at cost	2,282	2,117
Other at cost	152	77
<b>Total Works in progress</b>	<b>6,184</b>	<b>2,194</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>556,883</b>	<b>513,407</b>

### PERFORMANCE AND FINANCIAL STATEMENTS

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## Note 22 Property, infrastructure, plant and equipment (cont.)

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses	Transfers	Balance at end of financial year
			(note 28)	(note 12)				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	55,750	320	-	-	6	-	(26)	56,038
land under roads	2,666	1,420	-	-	-	-	-	4,086
landfill	4,001	-	-	173	-	-	-	3,829
Total land	62,417	1,740	-	173	6	-	(26)	63,953
buildings and improvements	73,156	1,109	-	1,463	-	-	(1)	72,801
Total property	135,573	2,849	-	1,636	6	-	(28)	136,754
plant and equipment	4,326	1,582	-	468	300	-	-	5,140
furniture and equipment	1,964	534	-	447	-	-	77	2,127
motor vehicles	95	194	-	19	87	-	-	183
artworks	293	-	-	-	-	-	-	293
Sub total	6,678	2,310	-	934	387	-	77	7,743
<b>Infrastructure</b>								
roads	284,473	9,051	14,289	6,648	-	-	-	301,166
bridges	17,806	63	1,494	298	-	-	-	19,065
footpaths, kerbs and channels	23,890	9,177	8,402	573	-	-	-	40,896
drainage	28,805	379	-	389	-	-	-	28,795
other infrastructure	13,989	714	-	448	-	-	2,026	16,281
Total infrastructure	368,963	19,385	24,185	8,356	-	-	2,026	406,203
<b>Works in progress</b>								
buildings	-	3,750	-	-	-	-	-	3,750
other infrastructure	2,117	2,190	-	-	-	-	(2,025)	2,282
other	77	152	-	-	-	-	(77)	152
Total works in progress	2,194	6,093	-	-	-	-	(2,102)	6,184
<b>Total property, plant and equipment, infrastructure</b>	<b>513,408</b>	<b>30,636</b>	<b>24,186</b>	<b>10,926</b>	<b>393</b>	<b>-</b>	<b>(26)</b>	<b>556,883</b>

## Note 22 Property, infrastructure, plant and equipment (cont.)

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses	Transfers	Balance at end of financial year
			(note 28)	(note 12)		(a)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	49,763	10	7,695	-	-	1,603	(116)	55,750
land under roads	1,739	927	-	-	-	-	-	2,666
landfill	4,174	-	-	173	-	-	-	4,001
Total land	55,676	937	7,695	173	-	1,603	(116)	62,417
buildings and improvements	73,959	4,438	(3,423)	1,502	-	1,397	1,081	73,156
Total property	129,635	5,375	4,273	1,676	-	3,000	965	135,573
plant and equipment	3,479	1,292	-	370	75	-	-	4,326
furniture and equipment	1,247	643	-	411	-	-	485	1,964
motor vehicles	131	-	-	18	18	-	-	95
artworks	293	-	-	-	-	-	-	293
Sub total	5,150	1,935	-	799	93	-	485	6,678
<b>Infrastructure</b>								
roads	263,420	15,876	11,492	6,315	-	-	-	284,473
bridges	17,289	807	-	290	-	-	-	17,806
footpaths, kerbs and channels	22,675	1,758	-	543	-	-	-	23,890
drainage	28,663	526	-	384	-	-	-	28,805
other infrastructure	12,369	1,676	-	416	-	-	360	13,989
Total infrastructure	344,416	20,643	11,492	7,948	-	-	360	368,963
<b>Works in progress</b>								
buildings	1,259	-	-	-	-	-	(1,259)	0
other infrastructure	686	1,792	-	-	-	-	(361)	2,117
other	485	77	-	-	-	-	(485)	77
Total works in progress	2,430	1,869	-	-	-	-	(2,105)	2,194
<b>Total property, plant and equipment, infrastructure</b>	<b>481,631</b>	<b>29,822</b>	<b>15,765</b>	<b>10,423</b>	<b>93</b>	<b>3,000</b>	<b>(294)</b>	<b>513,408</b>

(a) Impairment losses

Impairment losses are recognised in the comprehensive income statement under Other Comprehensive Income.



## FINANCIAL REPORT

### Notes to the Financial Report

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#### Note 23 Investment property

	2013 \$'000	2012 \$'000
Balance at beginning of financial year	3,363	3,331
Acquisitions/(disposals)	(113)	295
Fair value adjustments	99	(263)
<b>Balance at end of financial year</b>	<b>3,349</b>	<b>3,363</b>

Valuation of investment property has been determined at fair value by the Municipal Valuer Hayley Drummond AAPI.

#### Note 24 Trade and other payables

	2013 \$'000	2012 \$'000
<b>Current</b>		
Creditors	4,295	4,256
Accrued loan interest	19	38
Employee costs:		
Salaries and wages	1,016	763
Rostered days off	114	104
Time-in-lieu	27	27
<b>Total current trade and other payables</b>	<b>5,471</b>	<b>5,188</b>
<b>Non-current</b>		
Accrued Superannuation Defined Benefits Liability	-	3,822
<b>Total non-current trade and other payables</b>	<b>-</b>	<b>3,822</b>

#### Note 25 Other current liabilities

	2013 \$'000	2012 \$'000
Prepaid income	1,250	1,208
Refundable deposits	2,607	2,074
Trust monies	146	175
<b>Total trust funds and deposits</b>	<b>4,003</b>	<b>3,457</b>

## Note 26 Provisions

<b>Employee benefits</b>	<b>Annual leave</b>	<b>Long service leave</b>	<b>Total</b>
<b>2013</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Balance at beginning of the financial year	1,366	3,424	4,790
Additional provisions	1,361	776	2,138
Amounts used	(1,267)	(375)	(1,643)
Increase/(decrease)in the discounted amount arising because of time and the effect of any change in the discount rate	-	(63)	(63)
Balance at the end of the financial year	<b>1,460</b>	<b>3,762</b>	<b>5,222</b>

### 2012

Balance at beginning of the financial year	1,282	2,995	4,277
Additional provisions	1,248	562	1,810
Amounts used	(1,164)	(310)	(1,474)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	177	177
Balance at the end of the financial year	<b>1,366</b>	<b>3,424</b>	<b>4,790</b>

### Other provisions

#### 2013

	<b>Landfill restoration</b>	<b>Land Sale Rebates</b>	<b>Total</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Balance at beginning of the financial year	3,953	400	4,353
Additional provisions	-	50	50
Amounts used	(233)	(150)	(383)
Increase/(decrease)in the discounted amount arising because of time and the effect of any change in the discount rate	(25)	-	(25)
Balance at the end of the financial year	<b>3,695</b>	<b>300</b>	<b>3,994</b>

#### 2012

Balance at beginning of the financial year	4,002	200	4,202
Additional provisions	-	200	200
Amounts used	(1,027)	-	(1,027)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	978	-	978
Balance at the end of the financial year	<b>3,953</b>	<b>400</b>	<b>4,353</b>

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## Note 26 Provisions

	2013 \$'000	2012 \$'000
<b>(A) Employee benefits</b>		
Current (i)		
Annual leave	1,460	1,366
Long service leave	3,116	2,783
	<b>4,576</b>	<b>4,149</b>
Non-current (ii)		
Long service leave	646	641
	<b>646</b>	<b>641</b>
Aggregate carrying amount of employee benefits:		
Current	4,576	4,149
Non-current	646	641
	<b>5,222</b>	<b>4,790</b>
	<b>No.</b>	<b>No.</b>
Total staff numbers	641	649
Total eft staff numbers	303	290
	<b>2013</b>	<b>2012</b>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.50%	4.31%
Weighted average discount rates	3.40%	2.87%
	<b>\$'000</b>	<b>\$'000</b>
Anticipated long service leave payments to be paid in the next 12 months based on a review of prior long service leave payments	380	340
<b>(B) Landfill restoration</b>		
Current	193	97
Non-current	3,502	3,856
Total	<b>3,695</b>	<b>3,953</b>
<b>(C) Land sale rebates</b>		
Current	300	400
Total	<b>300</b>	<b>400</b>

## Note 27 Interest-bearing loans and borrowings

	2013 \$'000	2012 \$'000
<b>Current</b>		
Borrowings - secured	1,057	1,241
	<u>1,057</u>	<u>1,241</u>
<b>Non-current</b>		
Borrowings - secured	2,875	3,932
Total	<u>3,932</u>	<u>5,173</u>
The maturity profile for Council's borrowings is:		
Not later than one year	1,057	1,241
Later than one year and not later than five years	1,421	2,090
Later than five years	<u>1,454</u>	<u>1,842</u>
<b>Total</b>	<u>3,932</u>	<u>5,173</u>
<b>Security for borrowings</b>		
The bank loans are secured over the general rates of the Council.		
<b>Financing</b>		
Unrestricted access was available at the reporting date to the following lines of credit:		
Credit cards	50	50
Bank loans	<u>3,932</u>	<u>5,173</u>
Total facilities	<u>3,982</u>	<u>5,223</u>
Used at reporting date:		
Bank loans	<u>3,932</u>	<u>5,173</u>
	<u>3,932</u>	<u>5,173</u>
Unused at reporting date:		
Credit cards	<u>50</u>	<u>50</u>
	<u>50</u>	<u>50</u>

## Note 28 Reserves

	Balance at beginning of reporting period	Impairment Loss Recognised in the Comprehensive Income Statement	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>(A) Asset revaluation reserve</b>				
<b>2013</b>				
Land and buildings	64,377	-	-	64,377
Infrastructure	204,235	-	24,186	228,421
Non-current assets classified as held for sale	29	-	-	29
Artworks	250	-	-	250
Equity in Regional Library Corporation	149	-	-	149
<b>Total asset revaluation reserve</b>	<u>269,040</u>	<u>-</u>	<u>24,186</u>	<u>293,226</u>
<b>2012</b>				
Land and buildings	63,104	(3,000)	4,273	64,377
Infrastructure	192,743	-	11,492	204,235
Non-current assets classified as held for sale	-	-	29	29
Artworks	250	-	-	250
Equity in Regional Library Corporation	149	-	-	149
<b>Total asset revaluation reserve</b>	<u>256,246</u>	<u>(3,000)</u>	<u>15,794</u>	<u>269,040</u>

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

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## Note 28 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
<b>(B) Other reserves</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2013</b>				
* Public open space	756	552	(35)	1,273
* Car parking	32	-	-	32
* Hanging Rock	226	102	(5)	323
* Community facilities	245	371	(11)	605
* Footpaths	93	33	(49)	77
* Road contributions	483	46	(156)	373
* Gisborne Development Plan	53	51	-	104
* Senior citizens accommodation maintenance	224	17	-	241
* Drainage	195	16	-	211
Fire prevention	2	-	-	2
Waste management facilities	24	-	-	24
Plant replacement	598	982	(1,455)	125
Management property disposals	2,530	283	(413)	2,400
Gravel pit operations	286	86	-	372
Landfill recovery	578	189	(273)	494
<b>Total Other Reserves</b>	<b>6,325</b>	<b>2,728</b>	<b>(2,397)</b>	<b>6,656</b>
<b>2012</b>				
* Public open space	480	407	(131)	756
* Car parking	32	-	-	32
* Hanging Rock	206	54	(34)	226
* Community facilities	172	73	-	245
* Footpaths	92	1	-	93
* Road contributions	460	23	-	483
* Gisborne Development Plan	-	53	-	53
* Senior citizens accommodation maintenance	208	16	-	224
* Drainage	142	53	-	195
Fire prevention	2	-	-	2
Waste management facilities	24	-	-	24
Plant replacement	533	1,142	(1,077)	598
Management property disposals	1,594	1,479	(543)	2,530
Gravel pit operations	288	-	(2)	286
Landfill recovery	1,459	186	(1,067)	578
<b>Total Other Reserves</b>	<b>5,693</b>	<b>3,485</b>	<b>(2,854)</b>	<b>6,325</b>

\* Non-discretionary reserves subject to statutory requirements and/or other agreements.

Public open space reserve - comprises contributions from subdivisional works for funding of open space projects.

## Note 28 Reserves (cont.)

Car parking reserve – comprises developer contributions for car parking projects.

Hanging Rock reserve – comprises surplus funding from Hanging Rock operations directed towards capital works.

Community facilities reserve – comprises developer contributions for community facilities projects.

Footpaths reserve – comprises developer contributions for footpath works.

Road contributions reserve – comprises developer contributions for roadworks.

Gisborne Development Plan reserve – comprises developer contributions for development projects in the outer areas of Gisborne.

Senior citizens accommodation maintenance reserve – comprises occupants' contributions towards maintenance of accommodation units.

Drainage reserve – comprises developer contributions for drainage works.

Fire prevention reserve – comprises funding towards fire prevention works.

Waste management facilities reserve – comprises funding for development of waste management facilities.

Plant replacement reserve – comprises surplus funding from plant operations directed towards capital replacements.

Management property disposals reserve – comprises proceeds of property sales directed towards funding of capital works.

Gravel pit operations reserve – comprises surplus funding from gravel pit operations directed towards capital works.

Landfill recovery reserve – comprises funding from landfill recovery charge for landfill rehabilitation and transfer stations.

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## Note 29 Reconciliation of cash flows from operating activities to surplus

	2013 \$'000	2012 \$'000
Surplus	19,022	13,250
Depreciation/amortisation	10,926	10,422
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	154	(60)
Share of net (profits)/losses of associates and joint ventures	(45)	106
Increase/(decrease) in provision for landfill liability	-	978
Fair value adjustments for investment property	(99)	263
Contributions - Non-monetary assets	(13,729)	(12,398)
Financing activity - Interest paid	293	242
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(176)	2,041
(Increase)/decrease in prepayments	(48)	(31)
Increase/(decrease) in trade and other payables	(3,520)	4,231
Increase/(decrease) in other current liabilities	546	618
Increase/(decrease) in employee benefits	432	513
Increase/(decrease) in interest payable	(19)	(16)
<b>Net cash provided by/(used in) operating activities</b>	<b>13,738</b>	<b>20,159</b>

**Note 30 Reconciliation of cash and cash equivalents**

	2013 \$'000	2012 \$'000
Cash and cash equivalents (see note 16)	6,935	5,918
<b>Total reconciliation of cash and cash equivalents</b>	<b>6,935</b>	<b>5,918</b>

**Note 31 Restricted assets**

	2013 \$'000	2012 \$'000
Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to reserve funds (non-discretionary).		
Reserve funds (note 28)	3,239	2,308
<b>Total restricted assets</b>	<b>3,239</b>	<b>2,308</b>

**Note 32 Superannuation**

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are due.

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 (for the year ended 30 June 2013, this was 9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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

**Defined Benefit Plan**

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

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

In addition, the 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 by the VBI multiplied by the benefit).

The 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.

**Shortfall amounts**

The Local Authorities Superannuation Fund latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding the contributions tax) in the

defined benefit category of which the Council is a contributing employer. Council was made aware of the expected shortfall during the 2011/12 year and was informed formally of its share of the shortfall on 2 August 2012. Macedon Ranges Shire Council has not been advised of any further adjustments. The projected value of Council's contribution to the shortfall at 30 June 2012 (excluding contributions tax) amounted to \$3,822,300 which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Benefits (see note 9) and in the Balance Sheet in Current Liabilities Trade and Other Payables (see note 24).

Council paid its contribution in October 2012 and received an early payment discount of \$184,724. This has been accounted for on the 2012/13 Comprehensive Operating Statement within Employee Benefits (see note 9) and in the Balance Sheet in Current Liabilities Trade and Other Payables (see note 24).

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie 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 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.

### Retrenchment increments

During 2012/13, the Council was not required to make payments to the Fund in respect of retrenchment increments (\$0 in 2011/12). Council's liability to the Fund as at 30 June 2013, for retrenchment increments, accrued interest and tax is \$0 (\$0 in 2011/12).

### Accrued benefits

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

	31-Dec-11 \$'000
Net Market Value of Assets	4,315,324
Accrued Benefits	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
The difference above is prior to subsequent payments made by Councils towards the shortfall during the 2012/13 year.	
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

### Superannuation contributions

	2013 \$'000	2012 \$'000
<b>Fund</b>		
<b>Defined benefits fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	199	197
	199	197
<b>Accumulation plan</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,276	1,228
	1,276	1,228
<b>Other funds</b>		
Employer contributions to other funds	447	389
	447	389

## PERFORMANCE AND FINANCIAL STATEMENTS

# Notes to the Financial Report

For the Year Ended  
30 June 2013



For the Year Ended  
30 June 2013**Note 33 Commitments**

The Council has entered into the following commitments

2013	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Building maintenance and cleaning	282	259	478	-	1,019
Audit services	50	-	-	-	50
Total	332	259	478	-	1,070
<b>Capital</b>					
Roads	279	-	-	-	279
Recreational Facilities	898	-	-	-	898
Buildings	831	-	-	-	831
Computer Systems	524	-	-	-	524
Total	2,533	-	-	-	2,532
<b>Total</b>	2,865	259	478	-	3,602

2012	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Building maintenance	230	230	230	-	689
Road maintenance	28	28	-	-	56
Total	258	258	230	-	746
<b>Capital</b>					
Roads	284	-	-	-	284
Halls	290	-	-	-	290
Total	574	-	-	-	574
<b>Total</b>	832	258	230	-	1,320

## Note 34 Operating Leases

	2013	2012
	\$'000	\$'000
<b>(A) Operating Lease Commitments</b>		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	745	650
Later than one year and not later than five years	1,422	1,299
Later than five years	1,405	1,598
	<u>3,572</u>	<u>3,547</u>

### (B) Operating Lease Receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 15 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	56	91
Later than one year and not later than five years	140	147
Later than five years	235	257
	<u>431</u>	<u>495</u>

## PERFORMANCE AND FINANCIAL STATEMENTS

### Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 35 Contingent liabilities and contingent assets

### Contingent Liabilities

The Council is presently involved in some minor 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. However, the outcome of these matters is unlikely to have a material impact on Council's finances.

### Contingent Assets

There were no known contingent assets at balance date.

## Note 36 Financial Instruments

### (A) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
Cash and cash equivalents	16	Cash on hand and at bank is valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash.	On call deposits returned interest rates of between 2.25% and 4.3% (3.0% to 5.6% in 2011/2012). The interest rates at balance date were 2.25%, 2.75%, 3.70% and 4.25% (3.0%, 3.5% and 4.3% in 2011/2012).  Funds returned fixed interest rate of between 3.8% and 6.0% (4.4% and 7.0% in 2011/2012).
Trade and other receivables Other debtors	17	Receivables are carried at face value. 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.
<b>Financial Liabilities</b>			
Trade and other payables	24	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 28 days of invoice receipt.
Interest-bearing loans and borrowings	27	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 interest rate for individual loans is fixed for the period of the loan. Loans are repayable in equal instalments comprising principal and interest. Interest is payable in arrears. Interest rates for loans are in the range of 5.48% to 7.603% (5.48% to 7.603% in 2011/2012).

## FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 36 Financial instruments (cont.)

### (B) Interest Rate Risk

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

2013	Fixed interest maturing in:					
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>		-				
Cash and cash equivalents	6,927	-	-	-	8	6,935
Other financial assets	-	9,311	-	-	-	9,311
Trade and other receivables	-	-	-	-	5,589	5,589
<b>Total financial assets</b>	6,927	9,311	-	-	5,597	21,836
Weighted average interest rate	3.21%	4.14%				
<b>Financial Liabilities</b>						
Trade and other payables	-	-	-	-	5,471	5,471
Interest-bearing loans and borrowings	-	1,057	1,421	1,453	-	3,932
<b>Total financial liabilities</b>	-	1,057	1,421	1,453	5,471	9,403
Weighted average interest rate		5.91%	6.24%	5.94%		
Net financial assets (liabilities)	6,927	8,254	(1,421)	(1,453)	126	12,432
<b>2012</b>						
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
Cash and cash equivalents	5,910	-	-	-	8	5,918
Other financial assets	-	14,876	-	-	-	14,876
Trade and other receivables	-	-	-	-	5,413	5,413
<b>Total financial assets</b>	5,910	14,876	-	-	5,421	26,208
Weighted average interest rate	3.05%	5.19%				
<b>Financial Liabilities</b>						
Trade and other payables	-	3,822	-	-	5,188	9,010
Interest-bearing loans and borrowings	-	1,242	2,090	1,842	-	5,173
<b>Total financial liabilities</b>	-	5,064	2,090	1,842	5,188	14,183
Weighted average interest rate		5.87%	6.07%	5.99%		
Net financial assets (liabilities)	5,910	9,812	(2,090)	(1,842)	234	12,024

## PERFORMANCE AND FINANCIAL STATEMENTS

### Notes to the Financial Report

For the Year Ended  
30 June 2013



## Note 36 Financial Instruments (cont.)

### (C) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	6,935	5,918	6,935	5,918
Other financial assets	9,311	14,876	9,311	14,876
Trade and other receivables	5,589	5,413	5,589	5,413
Total financial assets	21,836	26,208	21,836	26,208
<b>Financial Liabilities</b>				
Trade and other payables	5,471	9,010	5,471	9,010
Trust funds and deposits	2,753	2,249	2,753	2,249
Interest-bearing loans and borrowings	3,932	5,172	3,932	5,172
Total financial liabilities	12,156	16,431	12,156	16,431

### (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 an inquiry process. We manage interest rate risk on our net debt portfolio by reducing risks of refinancing by managing in cash in accordance with targets and by 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 and process that ensures:

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

## Note 36 Financial Instruments (cont.)

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

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.

<b>Movement in Provisions for Doubtful Debts</b>	<b>2013 \$'000</b>	<b>2012 \$'000</b>
Balance at the beginning of the year	73	170
New Provisions recognised during the year	43	37
Amounts already provided for and written off as uncollectible	(22)	(104)
Amounts provided for but recovered during the year	(8)	(30)
Balance at end of year	86	73

### 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 & Other Receivables was:

	<b>2013 \$'000</b>	<b>2012 \$'000</b>
Current (not yet due)	2,281	2,210
Past due between 31 and 60 days	1,147	1,348
Past due between 60 and 90 days	1	50
Past due between 90 and 120 days	5	8
Past due by more than 120 days	52	1
Total Trade & Other Receivables	3,486	3,617

Notes: The aging above does not include rate debtors.

### Ageing of individually impaired trade and other receivables

At balance date, other debtors representing financial assets with a nominal value of \$86k (2011-2012: \$73k) were impaired. The amount of the provision raised against these debtors was \$86k (2011-2012: \$73k). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	<b>2013 \$'000</b>	<b>2012 \$'000</b>
Current (not yet due)	2	-
Past due by up to 30 days	1	-
Past due between 31 and 150 days	11	11
Past due between 151 and 365 days	47	23
Past due by more than 1 year	27	39
Total Trade & Other Receivables	86	73

## PERFORMANCE AND FINANCIAL STATEMENTS

### Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 36 Financial Instruments (cont.)

### Liquidity Risk

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

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

To help reduce these risks we:

- have a liquidity monitoring process which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- 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 Councils 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

2013	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	5,471	-	-	-	-	5,471	5,471
Trust funds and deposits	2,753	-	-	-	-	2,753	2,753
Interest-bearing loans and borrowings	482	575	323	1,098	1,453	3,932	3,932
Total financial liabilities	8,707	575	323	1,098	1,453	12,156	12,156

2012	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	5,188	-	3,822	-	-	9,010	9,010
Trust funds and deposits	2,249	-	-	-	-	2,249	2,249
Interest-bearing loans and borrowings	621	621	1,381	1,075	1,476	5,173	5,173
Total financial liabilities	8,057	621	5,203	1,075	1,476	16,432	16,432

### (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 -1% in market interest rates (AUD) from year-end rates of 2.75%.

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.

## FINANCIAL REPORT

# Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 36 Financial Instruments (cont.)

		Interest rate risk			
		-1 %		+1 %	
		-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2013	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL ASSETS:</b>					
Cash and cash equivalents	6,935	(69)	(69)	69	69
Other financial assets	9,311	(93)	(93)	93	93
<b>FINANCIAL LIABILITIES:</b>					
Interest-bearing loans and borrowings	3,932	39	39	(39)	(39)
2012	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL ASSETS:</b>					
Cash and cash equivalents	5,918	(59)	(59)	59	59
Other financial assets	14,876	(149)	(149)	149	149
<b>FINANCIAL LIABILITIES:</b>					
Interest-bearing loans and borrowings	5,172	52	52	(52)	(52)

## Note 37 Auditors' Remuneration

	2013	2012
	\$'000	\$'000
Audit fee to conduct external audit - Victorian Auditor-General	31	29
Internal audit fees - Crowe Horwath	50	53
	81	82

## Note 38 Adjustment to Comparatives

Adjustments to comparatives have in previous years occurred following a revaluation of infrastructure assets. There are no adjustments required to 2011/12 comparatives in respect to revaluations of infrastructure assets undertaken in the 2012/13 year.

## Note 39 Events Occurring after Balance Date

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

## Note 40 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

Cr Henry McLaughlin 1/07/2012 - 30/06/2013 (Mayor 1/07/2012 - 27/10/2013)

Cr Roger Jukes 1/07/2012 - 30/06/2013 (Mayor 14/11/2012 - 30/06/2013)

Cr Helen Relph 1/07/2012 - 27/10/2013

Cr Henryka Benson 1/07/2012 - 27/10/2013

Cr Joan Donovan 1/07/2012 - 27/10/2013

Cr Joe Morabito 1/07/2012 - 30/06/2013

Cr John Letchford 1/07/2012 - 30/06/2013

Cr Neil Manning 1/07/2012 - 27/10/2013

Cr Rob Guthrie 1/07/2012 - 27/10/2013

Cr Graham Hackett 31/10/2012 - 30/06/2013

Cr Jennifer Anderson 31/10/2012 - 30/06/2013

Cr John Connor 31/10/2012 - 30/06/2013

Cr Russell Mowatt 31/10/2012 - 30/06/2013

Cr Sally Piper 31/10/2012 - 30/06/2013

Note - the commencement date for new Councillors elected during 2012/13 is taken to be the date that they were sworn in.

#### Chief Executive Officer

Peter Johnston 1/07/2012 - 30/06/2013

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013



For the Year Ended  
30 June 2013**Note 40 Related Party Transactions (cont.)****(ii) Remuneration of Responsible Persons #**

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

	2013 No.	2012 No.
\$0-\$9,999	5	-
\$10,000-\$19,999	5	-
\$20,000-\$29,999	2	8
\$30,000-\$39,999	1	-
\$70,000-\$79,999	1	1
\$260,000-\$269,999	-	1
\$270,000-\$279,999	1	-
	15	10
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	517	545

# Note - due to the Council election during the year the number of responsible officers is higher than 2011/12.

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2011/12, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2011/12, \$0).

**(v) Other Transactions**

Council purchased services from Bridgestone Kyneton (formerly Kyneton Tyres & More) amounting to \$34,593 during 2012/13 (\$50,318 during 2011/12). During this time Cr Roger Jukes was the owner of this business. All purchases were at arms length and were in the normal course of Council's operations. As at 30 June 2013 there was \$2,089 owed by Council to Bridgestone Kyneton.

**(vi) Senior Officers Remuneration**

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

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2013 No.	2012 No.
Income Range:		
Less than \$127,000##	1	2
\$127,000 - \$129,999	-	1
\$130,000 - \$139,999	4	1
\$140,000 - \$149,999	2	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	1	1
	11	9
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	1,667	1,212

## Note 40 Related Party Transactions (cont.)

## The disclosure requirements for senior officer remuneration increased from \$127k in 2011/12 to \$130k in 2012/13. For the purpose of comparison, senior officers with remuneration above \$127k have been left in the 2012 column.

## Note 41 (a) Income, expenses and assets by function/activities

	2012/13				2011/12			
	Expenses \$'000	Revenues \$'000	Net Revenue/ (Cost) \$'000	Note 41(b) Assets * \$'000	Expenses \$'000	Revenues \$'000	Net Revenue/ (Cost) \$'000	Note 41(b) Assets * \$'000
Chief Executive Officer	5,413	0	(5,413)	-	5,025	386	(4,639)	-
Assets & Operations	27,428	26,559	(869)	425,442	29,236	27,764	(1,472)	382,152
Community Wellbeing	15,259	12,437	(2,822)	-	14,271	10,025	(4,246)	-
Planning & Environment	6,082	1,699	(4,383)	-	4,998	1,426	(3,572)	-
Corporate Services	4,798	37,307	32,509	159,846	8,396	35,575	27,179	164,089
<b>Total</b>	<b>58,980</b>	<b>78,002</b>	<b>19,022</b>	<b>585,288</b>	<b>61,926</b>	<b>75,176</b>	<b>13,250</b>	<b>546,241</b>
<b>Surplus for the year</b>			<b>19,022</b>				<b>13,250</b>	

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

(b) Total assets shown in note 41(a) are reconciled with the amounts shown for assets in the Balance Sheet as follows:

	2012/13 \$'000	2011/12 \$'000
Current assets	23,578	28,036
Non current assets	561,710	518,205
	<b>585,288</b>	<b>546,241</b>

### Chief Executive Officer

Services comprise the operation and maintenance of council chambers, committee rooms and administrative support to councillors. Also includes customer service, human resources, risk management, organisational performance and best value implementation.

### Assets and Operations

Services comprise of construction, design, maintenance and cleaning of roads, footpaths, bridges, parking facilities and traffic signs, parks and gardens, plant and includes garbage and recycling collection, saleyards, environmental health, local laws and operation of waste management centres.

### Community Wellbeing

Services comprise senior citizen and home and community care services including prepared meals, home care and social support services. Family and youth services include maternal and child health, child care, pre schools, low income housing and contributions to welfare organisations. Also includes recreational services comprising libraries, recreational centres and cultural services including live performances, museum and arts centre.

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 41 (a) Income, expenses and assets by function/activities (Cont.)

### Planning and Environment

Services comprise town planning and strategic planning services, building approval and inspection services and environmental services. Also includes economic development, tourism and promotion services.

### Corporate Services

Services comprise administration of Council's finances, information and communication services, revenue collection, records management, valuations, rates, fleet management and management of council properties.

## FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
30 June 2013

## Note 42 Financial ratios (Performance indicators)

	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
Debt servicing costs	275		225		296	
Total revenue	78,002	0.35%	75,176	0.30%	59,975	0.49%

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 & redemption costs	1,517	4.32%	1,497	4.53%	1,498	4.91%
Rate revenue	35,092		33,077		30,530	

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	35,092	44.99%	33,077	44.00%	30,530	50.90%
Total revenue	78,002		75,176		59,975	

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	19,383	14.64%	26,783	20.35%	17,466	13.54%
Total realisable assets	132,440		131,610		128,969	

Any liability represented by a restricted asset (note 31) is excluded from total indebtedness.

## Note 42 Financial ratios (Performance indicators) (cont.)

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

land and buildings on Crown land; restricted assets; total infrastructure assets; and Council's investment in associate.

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)

	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
Current assets	23,578	= 151.15%	28,036	= 192.93%	27,031	= 191.49%
Current liabilities	15,599		14,532		14,116	

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	23,578	= 183.29%	28,036	= 231.92%	27,031	= 227.53%
Current liabilities	12,863		12,089		11,880	

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.

## Note 43 Capital Expenditure

	2013 \$'000	2012 \$'000
<b>Capital Expenditure Areas</b>		
Roads	4,961	5,651
Bridges	626	807
Drainage	472	526
Footpaths, kerbs and channels	717	513
Parks, open space and streetscapes	1,957	2,141
Other infrastructure	531	1,326
Land and buildings	5,180	4,449
Plant and equipment	1,776	1,292
Furniture, systems and equipment	686	719
Other	234	1,058
<b>Total Capital Works</b>	<b>17,140</b>	<b>18,482</b>

## PERFORMANCE AND FINANCIAL STATEMENTS

### Notes to the Financial Report

For the Year Ended  
30 June 2013



For the Year Ended  
30 June 2013**Note 43 Capital Expenditure (cont.)**

		2013 \$'000	2012 \$'000
Represented by:			
Renewal	(a)	8,265	8,952
Upgrade	(b)	5,541	4,188
Expansion	(c)	-	157
New		3,068	4,132
Other		266	1,053
<b>Total Capital Works</b>		<b>17,140</b>	<b>18,482</b>

**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:

		2013 \$'000	2012 \$'000
Total capital works		17,140	18,482
Contributions - non-monetary assets	6(b)	13,729	12,398
Asset revaluation movement	28(a)	24,186	15,794
Depreciation/amortisation	12	(10,926)	(10,422)
Written down value of assets sold	22	(672)	(1,553)
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>22</b>	<b>43,457</b>	<b>34,699</b>

**(A) Renewal**

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

**(B) Upgrade**

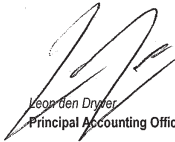
Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

**(C) Expansion**

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

### 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.



Margaret Dryden  
Principal Accounting Officer

Date : 13/09/2013  
Kyneton

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

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

We have been authorised by the Council on 28 August 2013 to certify the financial statements in their final form.



Roger Jones  
Councillor

Date : 13/09/2013  
Kyneton



Jennifer Anderson  
Councillor

Date : 13/09/2013  
Kyneton



Glenn Owens  
Acting Chief Executive

Date : 13/09/2013  
Kyneton

## PERFORMANCE AND FINANCIAL STATEMENTS

# Notes to the Financial Report

For the Year Ended  
30 June 2013

## 1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Statement of Financial Performance, Standard Statement of Financial Position, 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 Local Government (Finance and Reporting) Regulations 2004.

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

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 66 to 97 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 budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten per cent. 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 Statements are those adopted by Council on 13 June 2012. 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 council's business plan and financial performance targets for both the short and long term.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 80 to 129. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.

## Macedon Ranges Shire Council Standard Statement Of Financial Performance for the year ended 30 June 2013

	2012/13 Budget	Variances			2012/13 Actual
	\$'000	\$'000	%	Ref	\$'000
<b>Revenues from ordinary activities</b>					
Rates and charges	34,939	153	0%		35,092
Statutory Fees & Fines	2,312	873	38%	1	3,185
User Charges	5,137	583	11%	2	5,720
Contributions - Cash	578	328	57%	3	906
Grants - Recurrent	11,716	(302)	-3%		11,414
Grants - Non Recurrent	7,461	(1,360)	-18%	4	6,101
Other revenues	1,896	(210)	-11%		1,686
<b>Total Revenues</b>	<b>64,040</b>	<b>65</b>	<b>0%</b>		<b>64,104</b>
<b>Expenses from ordinary activities</b>					
Employee costs	26,149	181	1%		25,968
Materials and contracts	18,169	(1,039)	-6%	5	19,208
Bad & Doubtful Debts	6	(29)	-483%		35
Borrowing costs	315	40	13%		275
Depreciation	11,214	288	3%		10,926
Other expenditure	3,897	1,483	38%	6	2,414
<b>Total Expenses</b>	<b>59,750</b>	<b>923</b>	<b>2%</b>		<b>58,826</b>
<b>Sub Total</b>	<b>4,291</b>	<b>988</b>			<b>5,278</b>
<b>Other Items:</b>					
Net gain/(loss) on disposal of assets	0	(154)	-100%	7	(154)
Increase/(decrease) in equity share in Regional Library	0	45	100%		45
Increase in provision for landfill liability	0	25	100%		25
Fair Value Adjustments For Investment Properties	0	99	100%		99
Contributions - Non Monetary Assets	0	13,729	100%	8	13,729
<b>Net surplus/(deficit) from operations</b>	<b>4,291</b>	<b>12,887</b>	<b>300%</b>		<b>19,022</b>
<b>Movements in equity</b>					
Net increase/(decrease) in asset revaluation reserve	0	24,186	100%	9	24,186
<b>Total changes in equity</b>	<b>4,291</b>	<b>37,073</b>			<b>43,208</b>

### PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013



## Notes to the Financial Report

For the Year Ended  
30 June 2013

### Comments in relation to key budget variances\*:

#### 1. Statutory fees & fines

The favourable budget variance is mainly due to higher than expected statutory planning contributions (\$0.772m favourable to budget). Planning contributions are generally received from developers as part of a subdivision. This income will be used in future years to assist in funding infrastructure requirements.

#### 2. User Charges

User charges were above budget in several areas including gravel pit sales (\$0.207k), leisure centres (\$0.11m), Hanging Rock (\$0.098m) and aquatic facilities (\$0.074m).

#### 3. Contributions - Cash

This income arises from contributions received from Community groups, clubs and other groups towards Council projects. The income is higher than expected due to unbudgeted contributions received from a bordering Council towards a road project and a contribution to the Romsey Sports Precinct project.

#### 4. Non Recurrent Grants

Non recurrent grants are generally one off capital grants to fund specific projects. The main reason for the budget variance is that grants received for the Romsey Sport Field project were \$2m lower than expected. This is a timing issue and the grant will now be received in 2013/14. Partly offsetting this variance was a higher than expected level of grant funding received for blackspot road works

#### 5. Materials & Contracts

Expenditure on materials and contracts was higher than expected expenditure across a range of areas including waste management (\$0.30m), road maintenance costs (\$0.14m), building department contractors to backfill staff vacancies (\$0.16m), strategic planning consulting works carried over from 2011/12 (\$0.1m) and leisure facility costs (\$0.08m). In some cases these additional costs were offset by either higher income or lower salary expenditure.

#### 6. Other expenditure

The main reason for the budget variance is that budget included a project contribution towards the Gisborne Indoor Stadium. It is expected that the contribution will now be made in 2013/14. Partly offsetting this variance is higher than expected equipment hire costs.

#### 7. Net loss on disposal of assets

During the year a number of plant items were replaced. The equipment being replaced was either sold at auction or traded in. The funds received from the disposal of these assets was lower than the carry value of the assets. This resulted in a net loss being recorded. The budgeted assumption was that the assets would be disposed of at the carrying value.

#### 8. Contributions of Non Monetary Assets

This income is mainly related to new roads contributed to Council by developers when new subdivisions are completed. Council does not budget for these contributions as the level of income varies considerably from year to year and cannot be accurately forecast.

#### 9. Net asset revaluation increment

Council's assets are revalued on a cyclical basis. In 2012/13 unsealed road pavements, sealed road surfaces, bridges and footpaths were revalued resulting in an increase in asset values. Under accounting standards the increase in values following a revaluation need to be recorded as income in the Comprehensive Income Statement. The other side of this adjustment is an increase in the related asset values (see Statement of Financial Position).

*\*For the purposes of this document a significant budget variance is taken to be a variance of more than 10 per cent and \$0.25m. However, a comment may be included where an item does not meet the threshold if the nature of the item warrants explanation.*

## Macedon Ranges Shire Council Standard Statement Of Financial Position as at 30 June 2013

	2012/13 Budget \$'000		Variances \$'000 %	Ref	2012/13 Actual \$'000
<b>Current assets</b>					
Cash	3,110	3,825	123.0	1	6,935
Other financial assets	11,200	(1,910)	-17.1	1	9,290
Receivables	7,787	(2,198)	-28.2	2	5,589
Other current assets	241	73	30.3		314
Non-current assets held for resale	0	1,450	100.0	3	1,450
<b>Total current assets</b>	22,338				23,578
<b>Non-current assets</b>					
Other financial assets	21	0	0.0		21
Investment in Regional Library	1,519	(62)	-4.1		1,457
Land	53,747	10,206	19.0	4	63,953
Buildings	79,241	(6,440)	-8.1	5	72,801
Infrastructure	354,556	51,647	14.6	6	406,203
Furniture, systems and equipment	2,397	(270)	-11.3	7	2,127
Plant and equipment	3,835	1,305	34.0	8	5,140
Other	416	59	14.2		475
Works in progress	0	6,184	100.0	9	6,184
Investment Properties	3,331	18	0.5		3,349
<b>Total non-current assets</b>	499,063				561,710
<b>Total Assets</b>	521,401				585,288
<b>Current liabilities</b>					
Payables	4,948	523	10.6	10	5,471
Employee benefits	4,606	(30)	-0.6		4,576
Provisions	100	392	391.7	11	492
Interest bearing liabilities	1,113	(56)	-5.0		1,057
Other current liabilities	2,973	1,030	34.6	12	4,003
<b>Total current liabilities</b>	13,740				15,599
<b>Non-current liabilities</b>					
Payables	0	0	0.0		0
Employee benefits	642	4	0.6		646
Provisions	2,644	858	32.5	13	3,502
Interest bearing liabilities	3,801	(926)	-24.4	14	2,875
<b>Total non-current liabilities</b>	7,087				7,023
<b>Total Liabilities</b>	20,827				22,622
<b>Net Assets</b>	500,574				562,666
<b>Equity</b>					
Accumulated surplus	237,831	24,953	10.5	15	262,784
Asset revaluation reserve	256,246	36,980	14.4	16	293,226
Reserves	6,497	159	2.4		6,656
<b>Total Equity</b>	500,574				562,666

### PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013

**Comments in relation to key budget variances\*:****1. Cash and Financial Assets**

Cash includes cash on hand and short-term investments of less than 3 months. Financial assets are investments held for more than 3 months. The key reason for the higher cash balance was due to a higher level of funds being held in shorter term investments to take advantage of higher returns offered. Overall the cash and financial asset balances are higher than expected as some capital works projects were incomplete at year end and funding was not required before the end of the year. These projects will be completed in 2013/14.

**2. Receivables**

Receivables were lower than budget at the end of the year. The budget assumed a higher level of accrued income based on the 2011/12 forecast. The level of accrued income can vary considerably each year depending on the timing of grant invoicing.

**3. Non current assets held for resale**

The balance mainly relates to the Council land for sale in the New Gisborne Industrial Estate. The budget assumption was that all lots would be sold by the end of the financial year, however, a number of lots remain in Council's ownership.

**4. Land**

The value of land assets were higher than budget mainly as a result of asset revaluation. Council land and buildings are revalued every two years in line with the General Valuation. The 2011/12 valuation resulted in increases in the recorded value of Council land. The valuation was not completed when the 2012/13 budget was adopted and hence were not sufficiently factored in to the budget.

**5. Buildings**

The value of Council buildings was lower than expected due to some incomplete building works at year end that were classified as works in progress (see note 8) and a slight reduction in building values following the revaluation which occurred in late 2011/12 (see note 4).

**6. Infrastructure assets**

This asset category includes Council roads, bridges, drainage and footpath assets. The budget variance is mainly due to a revaluation of assets which was not adequately factored in to the adopted budget. Council's assets are revalued on a cyclical basis with most infrastructure assets being valued at current replacement cost which results in the revaluation increasing the asset values. A revaluation of sealed pavements (a component of roads) was completed in late 2011/12, the review resulted in an increase in recorded asset values of \$11.5m. The review was completed after the budget was adopted. Further asset revaluations were undertaken in 2012/13 of Unsealed road pavements, sealed road surfaces, bridges and footpaths which resulted in an increase in asset values of \$24.2m. Also increasing the asset values were infrastructure contributions from developers following subdivisions (\$12.3m) and infrastructure capital works (\$8.3m) completed during the year. Partly offsetting these increases was the depreciation expense on existing assets.

**7. Furniture, systems and equipment**

This category is below budget due to lower than expected expenditure on a systems project that commenced during the year. The Finance and Human Resources system project is being implemented over two financial years and expenditure in year one (2012/13) was lower than expected. The new system will be implemented in 2013/14.

**8. Plant & equipment**

The higher plant asset values is due to the purchase of three new graders during the year. The old graders were leased and the these leases expired during the year. Rather than lease the new equipment it was determined that it would be financially beneficial to buy new graders instead. The additional expenditure was funded from the plant reserve.

**9. Capital works in progress**

A number of projects were in progress at the end of the year including the Romsey Sports Precinct and works at several of Council's Kindergartens. These projects will be completed early in 2013/14.

**10. Payables**

Payables were slightly higher than expected due to a higher level of unpaid invoices on hand at the end of the year. The timing of the receipt and payment of invoices can vary from year to year.

## 11. Current provisions

The variance mainly relates to a higher level of current provisions in relation to landfill rehabilitation. Council owns three former landfill sites and under accounting standards a provision must be maintained for future rehabilitation works. The increase in the current landfill provision is due to expected works that will be undertaken in 2013/14. The level of 2013/14 works has been revised since the 2012/13 budget was adopted.

## 12. Other current liabilities

Other current liabilities includes income received in advance and refundable bonds and deposits. The higher than expected level of other liabilities mainly relates to a higher volume of refundable deposits at the end of the year. Most of these deposits are paid to Council by developers when subdivision works are undertaken. If works are completed in accordance with permits then the deposits are refunded. The level of deposits held varies in accordance with the level of subdivisional works undertaken.

## 13. Non Current Provisions

This provision represents the non current component of the landfill liability which was mentioned above. Overall the landfill provision is higher than expected as some restoration works are yet to be undertaken.

## 14. Non current borrowings

Borrowings are lower than expected as the budget included loans to fund the Gisborne indoor Stadium (\$0.500m) and some other smaller capital loans (\$0.350m). These loans were not taken up as the related projects did not commence or were incomplete at year end. It is expected that the loans will be taken up in 2013/14.

## 15. Accumulated Surplus

The accumulated represents the value of all net assets less reserves that have accumulated over time. The higher than budgeted balance is mainly a result of higher levels of non monetary assets received in 2011/12 and 2012/13. See the Income Statement for details of income received from non monetary asset transfers.

## 16. The asset revaluation reserve

Council's assets are revalued on a cyclical basis. In 2012/13 Council revalued its unsealed road pavements, sealed road surfaces, bridges and footpaths which resulted in an increase in asset values of \$24.2m. These revaluations resulted in an increase in the value of these assets and as result of this revaluation \$24.2m was transferred to the asset revaluation reserve. Other asset revaluations were completed in late 2011/12. As mentioned above the revaluation was completed after the budget was adopted.

*\*For the purposes of this document a significant budget variance is taken to be a variance of more than 10 per cent and \$0.25m.*

### PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013





## Macedon Ranges Shire Council Standard Statement Of Cash Flows for the year ended 30 June 2013

	2012/13 Budget \$'000		Variances \$'000 %	Ref	2012/13 Actual \$'000
<b>Cash Flows from Operating Activities</b>					
<b>Receipts</b>					
General Rates and Charges	34,866	(53)	-0.2		34,813
Government Grants Received	19,168	(1,100)	-5.7		18,068
User Charges & Contributions	7,847	2,326	29.6	1	10,173
Interest Received	1,079	(74)	-6.9		1,005
Other Receipts	3,018	373	12.4	2	3,391
<b>Total Receipts</b>	<b>65,978</b>	<b>1,472</b>			<b>67,450</b>
<b>Payments</b>					
Payments to Suppliers	(18,225)	(1,125)	6.2	3	(19,350)
Payments to Employees	(25,948)	(3,410)	13.1	4	(29,358)
Other Payments	(4,597)	(407)	8.9	5	(5,004)
<b>Total Payments</b>	<b>(48,769)</b>	<b>(4,943)</b>			<b>(53,712)</b>
<b>Net cash flows from operating activities</b>	<b>17,209</b>	<b>(3,471)</b>			<b>13,738</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	(17,441)	172	-1.0		(17,269)
Proceeds from sale of property, plant and equipment	1,777	(1,259)	-70.8	6	518
<b>Net cash flows used in investing activities</b>	<b>(15,664)</b>	<b>(1,087)</b>			<b>(16,751)</b>
<b>Cash flows from financing activities</b>					
Increased/(Decreased) Borrowings	(420)	(822)	195.7	7	(1,242)
Net (increase)/decrease in long-term investments	(400)	5,965	-1491.3	8	5,565
Interest Paid	(331)	38	-11.5		(293)
<b>Net cash flows provided by financing activities</b>	<b>(1,151)</b>	<b>5,181</b>			<b>4,030</b>
<b>Net increase /(decrease) in cash held</b>	<b>394</b>	<b>623</b>	<b>158.1</b>		<b>1,017</b>
<b>Cash at the beginning of the year</b>	<b>2,716</b>	<b>3,202</b>	<b>117.9</b>	<b>9</b>	<b>5,918</b>
<b>Cash at the end of the year</b>	<b>3,110</b>	<b>3,825</b>			<b>6,935</b>

### FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
30 June 2013

## Comments in relation to key budget variances\*:

### 1. User charges & contributions

Receipts from user charges and contributions were higher than expected mainly due to a higher level of Statutory Planning contributions. Planning contributions are generally received from developers as part of a subdivision. This income will be used in future years to assist in funding infrastructure requirements. User charges and project contributions were also higher than budget.

### 2. Other receipts

Other receipts includes GST refunds from the Australian Tax Office of \$2.6m, these receipts were slightly higher than expected. As there is no GST on rates Council receives a net refund on the GST from the Australian Tax Office, ie the amount of GST paid to suppliers is more than the GST on Council's income. There is an offsetting amount in GST outflows (see note 4).

### 3. Payments to Suppliers

Payments to suppliers were higher than expected due to above budget costs across a range of Council departments (see Income Statement note 5). In some cases the higher expenditure was offset by higher income or lower salary costs.

### 4. Payments to Employees

Payments to employees were higher than budget due to a payment of \$3.6m to Vision Superannuation to fund the shortfall in the Local Authorities Superannuation Fund Defined Benefit Plan. An actuarial review completed in 2011/12 found that there were insufficient funds to cover the superannuation liability due to the weaker share market. All Victorian Council's are required to contribute additional funds to address the shortfall. Council was not advised the amount of the shortfall until late in 2011/12 so the payment was not factored into the budget. The liability was recorded in the 2011/12 accounts and hence there was no impact on the expenses recorded in 2012/13 Income Statement. The impact of the superannuation contribution was partly offset by lower than expected salary expenses.

### 5. Other payments

Other payments include net GST paid by Council to suppliers of \$2.6m which were above budget. These amounts are refunded by the tax office (see note 2).

### 6. Proceeds from sale of property, plant and equipment

Council has a number of lots (land) for sale in the New Gisborne Industrial Estate. When the budget was prepared it was assumed that all of these lots would be sold during the year and the related sale funds would be received, however, only one lot was actually sold in 2012/13, as a result the proceeds are below budget.

### 7. Borrowings

This item represents loan repayments made less any new loans taken up. The 2012/13 budget included \$1.27m of loan repayments and the take up of several loans totalling (\$0.85m), the largest of these was \$0.5m for Council's contribution to the Gisborne Indoor Sports Centre. As this project did not commence in 2012/13 the loan funds were not taken up. As a result of this net borrowing decreased during the year.

### 8. Longer Term Investments

The level of longer term investments can vary considerably from year to year depending on the timing of investment maturity and the availability of funds to invest. The decrease in longer term investments was mainly due to the payment of Council's contribution to the Defined Benefit Superannuation shortfall (see Note 4 above). Council was not advised of the amount of the contribution until after the 2012/13 budget was adopted, hence the payment was not factored into the budget.

### 9. Cash at the beginning of the year

The level of cash on hand at the end of 2011/12 was higher than expected following the receipt of several large grants at the end of the year.

*\*For the purposes of this document a significant budget variance is taken to be a variance of more than 10 per cent or \$0.25m.*

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013

## Macedon Ranges Shire Council Standard Statement Of Capital Works For the year ended 30 June 2013

### FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
30 June 2013

	2012/13 Budget		Variances		2012/13 Actual
	\$'000	\$'000	%	Ref	\$'000

### Capital Works Areas

Roads and streets	4,955	6	0.1		4,961
Bridges	755	(129)	-17.1	1	626
Drainage	670	(198)	-29.6	2	472
Footpaths, kerbs and channels	577	140	24.3	3	717
Parks and recreation facilities	5,982	(4,025)	-67.3	4	1,957
Other infrastructure	714	(183)	-25.6	5	531
Land and buildings	2,384	2,796	117.3	6	5,180
Plant and equipment	767	1,009	131.6	7	1,776
IT Systems, Furniture and equipment	651	35	5.4		686
Other	0	234	100.0	8	234
<b>Total Capital Works</b>	<b>17,454</b>				<b>17,140</b>

### Types of Capital Works

Renewal	8,787	(522)	-5.9		8,265
Upgrade	3,510	2,031	57.9		5,541
Expansion	0	0	100.0		0
New assets	5,157	(2,089)	-40.5		3,068
Other	0	266	100.0		266
<b>Total Capital Works</b>	<b>17,454</b>				<b>17,140</b>

### Property, Plant & Equipment movement Reconciliation Worksheet

The movement between the previous year and the current year in property, plant and equipment as shown in the Statement of Financial Position links to the net of the following items:

Total capital works:	17,454	17,140
Asset revaluation movement	0	24,186
Depreciation	(11,214)	(10,926)
Written down value of assets sold	(1,777)	(672)
Contributed Assets	0	13,729
Other items	0	0
<b>Net movement in property, plant &amp; equipment</b>	<b>4,463</b>	<b>43,457</b>

## Comments in relation to key budget variances\*:

### 1. Bridges

Capital expenditure on bridges was \$0.129m lower than expected. Some planned works are now scheduled for completion early in the 2013/14 year.

### 2. Drainage

Capital expenditure on drainage was \$0.198m lower than expected. The budget variance mainly relates to a drainage project contribution that Council is required to make. It was expected that the contribution would be paid in 2012/13 but it will now be paid in the next financial year.

### 3. Footpaths, kerbs and channels

Capital expenditure on Footpaths, kerbs and channels was \$0.14m higher than expected. The budget variance mainly relates to a some works that were originally budgeted in 2011/12 but the projects were completed in 2013/14. This higher expenditure is offset by lower expenditure last year.

### 4. Parks and recreation expenditure

The main reason for the budget variance was is that the Romsey Sports Precinct budget (\$3.2m) was included in this category. Upon review the most of the budget should have been included under the Land and Buildings category (see note 6). In addition some other budgeted projects were incomplete at year end, these projects will now been completed in 2013/14.

### 5. Other infrastructure expenditure

The budget variance mainly relates to planning works that were budgeted in relation to the Gisborne Early years hub. The project has been deferred and is now expected to commence in 2013/14.

### 6. Land & buildings capital expenditure

Land and buildings capital expenditure was \$2.8m higher than budget. As outlined in Note 4, the budget for this category did not include the Romsey Sports Precinct project. Expenditure for this project totalled \$2.1m in 2012/13 with some works now carrying over into 2013/14. Land for car parking was purchased in Kyneton (\$0.32m) which was not included in the budget, this purchase is funded in the 2013/14 budget. Council also received an unbudgeted grant for the On Our Way project (\$0.25m) and has undertaken the related capital works at a number of Council facilities.

### 7. Plant & Equipment expenditure

The above budget expenditure on plant was due to the purchase of three new graders during the year. The old graders were leased and the these leases expired during the year. Rather than lease the new equipment it was determined that it would be financially beneficial to buy new graders instead. The additional expenditure was funded from the plant reserve.

### 8. Other Capital Works

This category includes landfill rehabilitation works which totalled \$0.23m in 2012/13. Council undertook some additional restoration works during the year which were a flow on from the works conducted in the previous two years.

*\*For the purposes of this document a significant budget variance is taken to be a variance of more than 10 per cent or \$0.25m.*

## PERFORMANCE AND FINANCIAL STATEMENTS

## Notes to the Financial Report

For the Year Ended  
30 June 2013



## Independent Auditor's Report

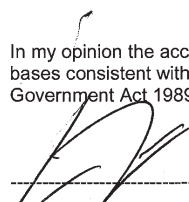
### FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
30 June 2013

### MACEDON RANGES SHIRE COUNCIL CERTIFICATION OF STANDARD STATEMENTS

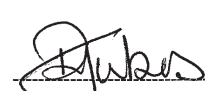
In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

  
**Leon den Dryver**  
**Principal Accounting Officer**  
Date : 13/09/2013  
At Kyneton

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 Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by Council on 28 August 2013 to certify the standard statements in their final form.

  
**Councillor Roger Jukes**  
Date : 13/09/2013  
At Kyneton  
**Councillor Jennifer Anderson**  
Date : 13/09/2013  
At Kyneton  
**Glenn Owens**  
**Acting Chief Executive**  
Date : 13/09/2013  
At Kyneton

# Independent Auditor's Report

**VAGO**

Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Macedon Ranges Shire Council

#### *The Financial Report and Standard Statements*

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

The accompanying standard statements for the year ended 30 June 2013 of the Council which comprises standard statement of financial performance, standard statement of financial position, standard statement of cash flows, standard statement of capital works, the related notes and the certification of standard statements have been audited.

#### *The Councillors' Responsibility for the Financial Report and Standard Statements*

The Councillors of the Macedon Ranges Shire 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.

## PERFORMANCE AND FINANCIAL STATEMENTS

## Independent Auditors Report

For the Year Ended  
30 June 2013

## Independent Auditor's Report

### FINANCIAL REPORT

## Notes to the Financial Report

For the Year Ended  
30 June 2013

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

#### *Basis of Accounting for Standard Statements*

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

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

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

MELBOURNE  
16 September 2013

  
John Doyle  
Auditor-General

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*Auditing in the Public Interest*

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## Administration Centres

Kyneton—129 Mollison Street  
Hours: Mon–Fri 8.30am–5pm  
Gisborne—40 Robertson Street  
Hours: Mon–Fri 8.30am–5pm

## Service Centres

Romsey Community Hub—96–100 Main Street  
Hours: Mon, Tues, Wed, Fri 9.30am–5pm,  
Thurs 9.30am–6pm  
Woodend Library—Corner High and Forest Streets  
Hours: Mon, Tues, Thurs, Fri 9.30am–5pm,  
Wed 9.30am–6pm

## Town Hall Kyneton–Box Office

Tel: 1300 888 802

## Visitor Information Centres

Woodend—Tel: (03) 5427 2033  
Kyneton—Tel: (03) 5422 6110

Further copies, or more detailed information relating to matters contained in this report, is available by contacting Council on (03) 5422 0333 or email [mrsc@mrsc.vic.gov.au](mailto:mrsc@mrsc.vic.gov.au)