



**Macedon
Ranges**
Shire Council

Annual Report 2013/14



Our Goals —A Snapshot

An inspiring place

Page 26



The Romsey Junior Football team at the completed Romsey Sports Precinct.

An empowered community

Page 36



Local walking groups helped to develop three new walking maps as part of the 10 year Walking and Cycling Strategy.

A high performing organisation

Page 52



Council supported BlazeAid to replace burnt fencing on 110 Macedon Ranges properties after the 2014 fires.

Dedication

The Macedon Ranges Shire is rich in agricultural land, making farming a vital part of the local economy. Council dedicates this Annual Report to the shire's resilient

Achievements

- Amendment C84 was adopted for incorporation into the Macedon Ranges Planning Scheme, subject to Ministerial approval—a major milestone in the implementation of Council's Settlement Strategy.
- Town Structure Plans for Woodend and Riddells Creek were adopted after significant community consultation and review.
- The \$5 million Romsey Sports Precinct was completed after two years of works, including two sports pavilions, new netball/tennis courts, cricket nets and a bowling green.
- Environmental Management Plans were developed for Stanley Park Reserve, Mount Macedon, and UL Daly Nature Reserve, Gisborne.

Achievements

- More than 30 community groups and 120 individuals participated in 26 workshops as part of the inaugural Building Community Capacity project.
- The two-year Healthy Active People Initiative was completed, which engaged more than 450 people in physical and healthy eating activities in 2013/14.
- A Walking and Cycling Strategy was developed for the next 10 years, focusing on improving access to shared trails, or joint walking and cycling routes.
- Two regional industry support forums were established to represent the equine and agribusiness sectors in the Macedon Ranges.

Achievements

- Following the 2014 fires, Council supported nearly 400 fire-affected residents through its recovery operations centre, providing outreach visits and assistance with property clean-up and land management. See pages 10–11.
- A three-year corporate communications strategy was developed to deliver a proactive and planned approach to informing and engaging with the community.
- Council advocated to state and federal governments for improved local transport, and conducted studies for telecommunications and internet services.
- The Loddon Mallee South Regional Growth Plan was developed in conjunction with other councils to provide direction on land-use and development across the region.

farming community, especially those affected by fire during the year. Thank you to all farmers, who make our shire an inspiring place to live and work.

Cherry Cole's cover photo, titled Morning Storm Coming, was taken from her Riddells Creek property. It was submitted to Council's agricultural photo competition in 2013/14, along with many other photographs featured in this report.

Challenges

- Balancing landowner and community expectations for planning applications to build new dwellings within rural and farming zones, particularly on lots under 40 hectares.
- Delays to the Mount Macedon Wastewater Project due to project complexities and difficulty getting on-site work started.
- A decline in income for Hanging Rock due to the postponement or cancellation of some events.
- Waste going to landfill and cross-contamination (wrong things in bins) was higher than expected for the population and services provided, increasing landfill costs and environmental impacts.

Future actions

- Complete the Rural Living Review and Macedon Ranges Localised Planning Statement, and progress Planning Scheme Amendments for Kyneton, Riddells Creek and Woodend Town Structure Plans.
- Progress planning and development of an early years hub in Gisborne and community parks in Kyneton and Romsey.
- Complete Stage 1 of the Macedon Ranges Regional Netball Complex and upgrade court and oval surfaces including Gilbert Gordon Oval, Woodend.
- Complete the Mount Macedon Wastewater project and develop a new waste management strategy.

Challenges

- Delays to the development of an early years hub in Gisborne due to challenges with the preferred site.
- Some Council-owned buildings presented severe signs of deterioration and the costs of repairing and renewing structures exceeded Council's budget.
- Ensuring service delivery remained high, and sustainable, in light of Victorian Government funding cuts and a new Australian Government framework for reviewing Home and Community Care services.
- Informing Visitor Information Centre volunteers of new guidelines and requirements, including a new position description.

Future actions

- Adopt an order relating to pets in public places (for example, on and off leash areas and cat curfews).
- Complete fire hazard inspections and issue advisory notices earlier to give property owners more time to clean up and reduce fire risk.
- Work with Gisborne Secondary College to develop a joint community and school indoor sports stadium.
- Support an action group and action plan for suicide prevention and initiatives that raise awareness of mental health and wellbeing.
- Develop an agribusiness mentoring scheme for new operators and landholders, and identify and address farm planning for transition.

Challenges

- The 2014 fires put a strain on some services, and impacted upon staff health and wellbeing, particularly those who were directly in contact with fire-affected residents. Staff were supported through debriefing and counselling sessions.
- Issues attracting a high level of media coverage impacted on the community's perceptions of Council's overall performance such as proposed development of Hanging Rock's East Paddock and a proposed site for Gisborne's new early years hub.
- The introduction of new emergency management legislation placed greater emphasis on the role of local councils in developing community resilience in emergency management.

Future actions

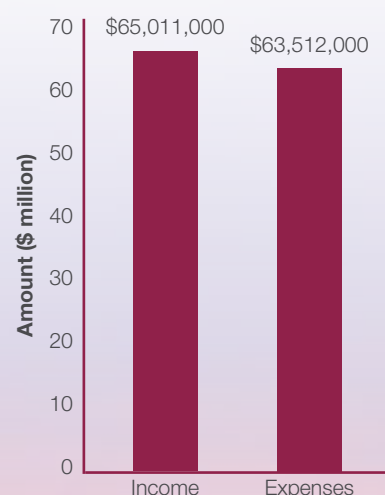
- Develop a shared approach to emergency relief and recovery with other municipalities across central Victoria.
- Continue to recognise the value of volunteers.
- Review Council's Community Consultation Framework.
- Develop online functionality on Council's website to improve service delivery.
- Commence the extension of the Gisborne Administration Centre to provide additional staff accommodation.
- Ensure the Auditor-General's six indicators of financial sustainability remain in the low risk category, and that Council's financial reserves are properly managed.
- Continue to advocate to state and federal governments to advance projects and partnerships.

Financial Summary

Council Services and Expenditure

Council's annual budget is aligned with the four-year Council Plan. Each area of activity supports Council's goals and objectives for the community. In 2013/14, Council spent \$63,512,000 in operational expenditure and \$14,337,000 in capital expenditure to deliver services, programs and projects. The following summary shows how much money was spent on each service per ratepayer.

Income vs operating expenses



An inspiring place



Engineering Planning, Design and Projects

\$160 per ratepayer

\$3.4 million

Provided planning for drainage, flood mitigation, car parking and road safety, as well as street lighting and maintenance for 286 Council-owned buildings.



Local Roads

\$308 spent per ratepayer

Total spend: \$6.54 million

Maintained, renewed, upgraded and built new roads, paths, bridges, drains, and kerb and channel.



Environmental Services

\$38 per ratepayer

\$0.80 million

Managed Council's conservation reserves and roadside vegetation, including weed control programs and implementing Environmental Management Plans.



Parks and Public Facilities

\$169 spent per ratepayer

Total spend: \$3.59 million

Maintained recreation reserves, sporting fields, botanic gardens, playgrounds, public open spaces and bushland reserves.



Garbage and Recycling Collection

\$297 per ratepayer

Total spend: \$5.02 million

Managed weekly collection of garbage and recycling to nearly 18,257 residences and green waste to 9,700 residences within urban areas.



Planning and Building Services

\$187 per ratepayer

Total spend: \$3.97 million

Developed policies, strategies and plans to manage growth and development. Allowed for 483 planning applications to be processed and 1,078 building permits to be issued.



Aquatic and Leisure Centres

\$202 per ratepayer

Total spend: \$4.29 million

Each week, approximately 50 fitness and aquatic classes were delivered. There were 9,390 Learn to Swim participants and 219,425 aquatic visitations.



Children's Services

\$172 per ratepayer

Total spend: \$3.65 million

Maintained, renewed and upgraded early years infrastructure and services, which included managing eight kindergartens and providing maternal and child health support for 494 new babies and their families.



Community and Culture

\$101 per ratepayer

Total spend: \$2.14 million

Delivered projects to improve community wellbeing, including the award winning youth mental health initiative, Live4Life. Presented a program of performance, visual arts, and cultural and heritage events.



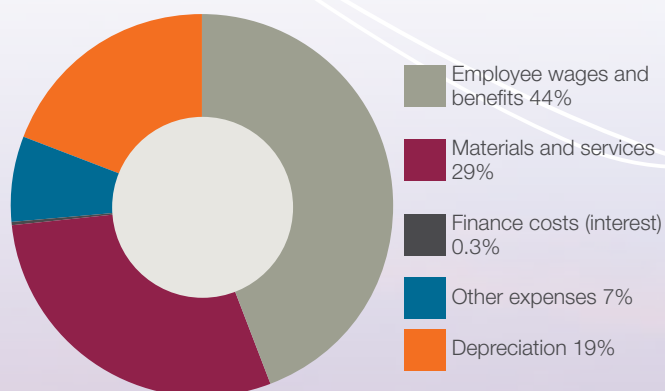
Community Safety

\$119 per ratepayer

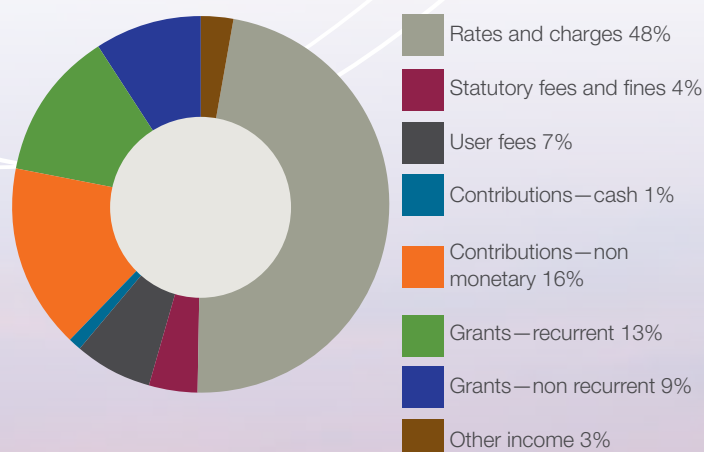
Total spend: \$2.52 million

Provided fire hazard inspections on private property, managed roadside slashing, delivered immunisation programs and enforced local laws.

Council's operating expenses



Council's income sources



A high performing organisation



Community Support Services

\$165 per ratepayer

Total spend: \$3.50 million

Maintained, renewed, upgraded and delivered Home and Community Care services, which included delivering 16,351 meals to 65 residents.



Corporate Services

\$22 per ratepayer

Total spend: \$0.47 million

Undertook four reviews of operational areas to identify internal controls and level of legislative compliance.



Loan Servicing and Bank Charges

\$59 per ratepayer

Total spend: \$1.26 million

The balance of outstanding debt represents 7.68 per cent of rate revenue and the annual interest and principal repayments equate to 3.37 per cent of rate revenue.



Economic Development and Tourism

\$65 per ratepayer

Total spend: \$1.38 million

Delivered 15 professional development sessions to 395 people. Managed two Visitor Information Centres and other information outlets. Turned policies into action by implementing plans and strategies.



Council and Customer Service

\$169 per ratepayer

Total spend: \$3.58 million

Provided contact for customers at four offices and managed 66,673 telephone calls. Distributed 200 media releases, five *Shire Life* newsletters and the Annual Report while managing the website and social media channels. Funded 55 community groups and organisations under the Community Funding Scheme, processed 31 Councillor Grants Program applications, and supported Australia Day events and citizenship ceremonies.



Organisational Development

\$82 per ratepayer

Total spend: \$1.74 million

Provided training and leadership to staff, maintained a safe working environment, and gave industrial service advice to ensure legislative compliance.



Libraries

\$57 per ratepayer

Total spend: \$1.21 million

Provided library services in Gisborne, Kyneton, Woodend and Romsey as part of the Goldfields Library Corporation.



Finance and Property Services

\$163 per ratepayer

Total spend: \$3.47 million

Paid more than 16,000 supplier invoices, purchased goods and services based on Council's Procurement Policy, produced financial information for all reporting requirements and issued more than 78,000 rates instalment notices.



Organisational Support

\$81 per ratepayer

Total spend: \$1.71 million

Supported 58 network servers and 308 desktop and laptop computers across 34 facilities. Classified and registered about 66,000 items of incoming mail, and maintained a Geographic Information System to provide spatial data covering more than 100 themes.



Recreation and Sport

\$59 per ratepayer

Total spend: \$1.26 million

Managed Hanging Rock, 20 sporting reserves and other facilities including 81 tennis courts, 49 playgrounds, nine lawn bowling greens, seven equestrian areas, five skate parks, and four BMX tracks.

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

We lead, partner and advocate to strengthen our community and our natural, cultural and built environment.

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

- Sense of place
- Sense of community
- Balance
- Integrity

This Annual Report aims to inform the Macedon Ranges community and stakeholders about Council's performance for the financial year 1 July 2013 to 30 June 2014.

Performance is measured against Council's goals and objectives outlined in the Council Plan 2013–17, which incorporates the Health and Wellbeing Plan.

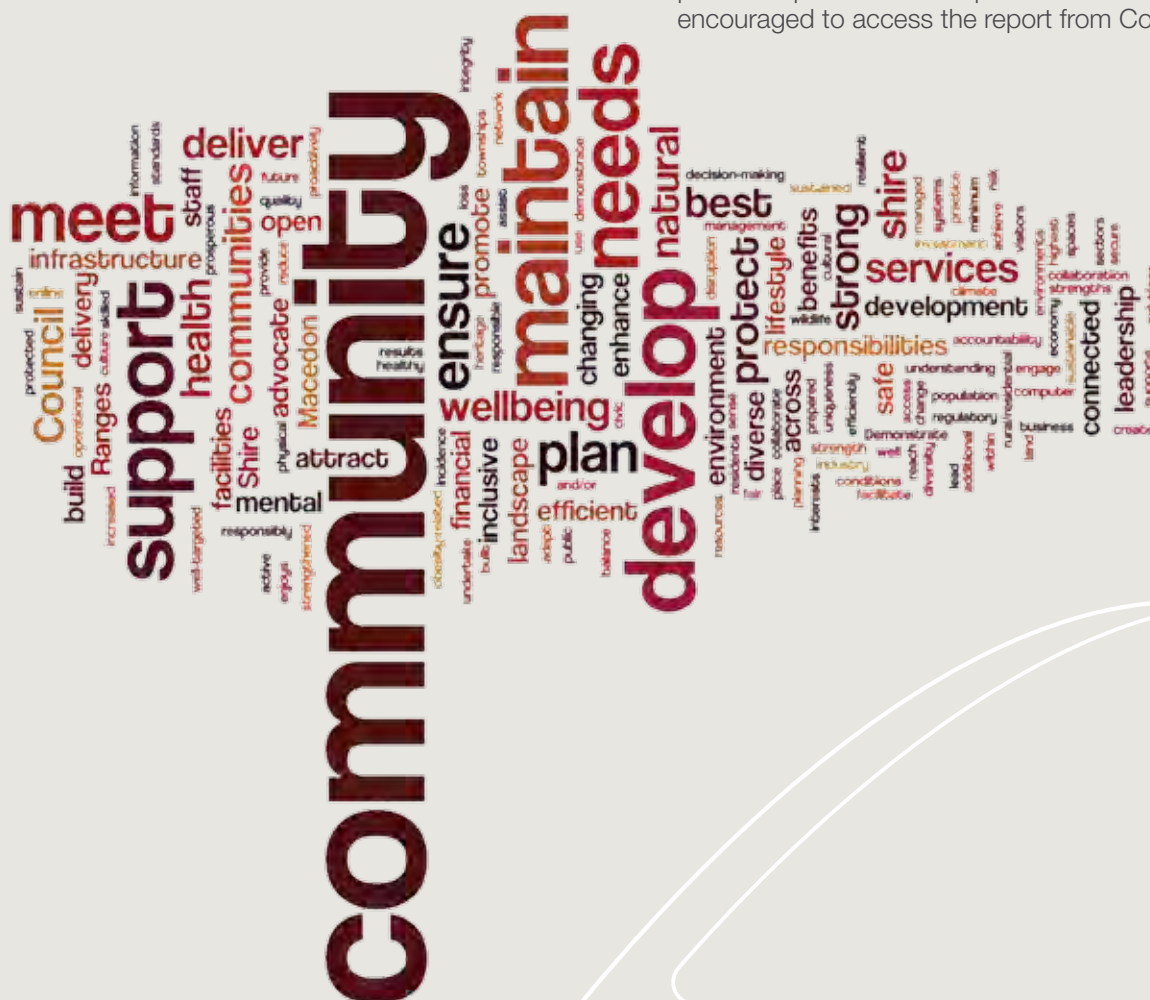
The Council Plan is delivered through a sustainable approach to achieving the community's vision for the shire to 2040, and is built on three themes:

- An Inspiring Place
- An Empowered Community
- A High Performing Organisation

This report is divided into five sections:

- Overview
- Our People
- Our Goals
- Statutory Information
- Performance and Financial Statements

To reduce environmental impact, a limited number of printed copies have been produced. Residents are encouraged to access the report from Council's website.



Contents

Overview

Our Goals—A Snapshot	1
Financial Summary	2
Vision, Mission, Values.....	4
About this Annual Report.....	4
Our Liveable Shire	6
Mayor's Report	8
CEO's Report	9
2014 Fires	10
Calendar of Events	12

Our People

Councillors	15
Organisational Structure	18
Executive Management Team	20
Workforce.....	22
Volunteers	25

Our Goals

An Inspiring Place	26
An Empowered Community	36
A High Performing Organisation.....	52

Statutory Information

Community Satisfaction Survey	66
Victorian Local Government Indicators	67
Information and Privacy	68

Performance and Financial Statements

Performance Statement.....	70
Independent Auditor's Report	74
Financial Report.....	86
Notes to the Financial Report	91
Standard Statements.....	142

Our Liveable Shire

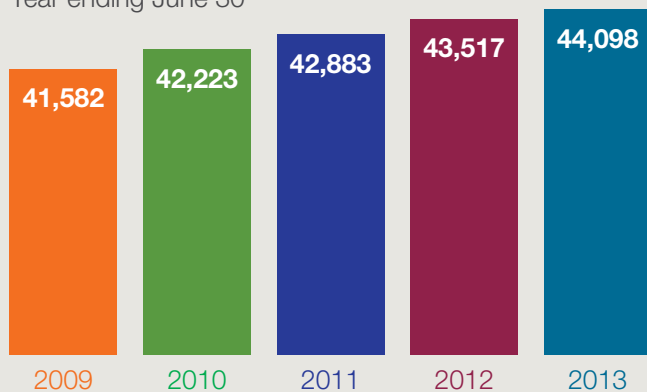
The Macedon Ranges is renowned for its semi-rural lifestyle.

The northern part of the shire is characterised by agricultural enterprises including sheep and cattle grazing, broadacre cropping, and manufacturing operations. The south is rural in character with larger townships.

Demographic data sourced from the Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011.

Population growth over past five years

Year ending June 30



Population

Population grew by 1.34 per cent in 2013 to 44,098.



Traditional custodians

Dja Dja Wrung, Taungurung and Wurundjeri peoples.



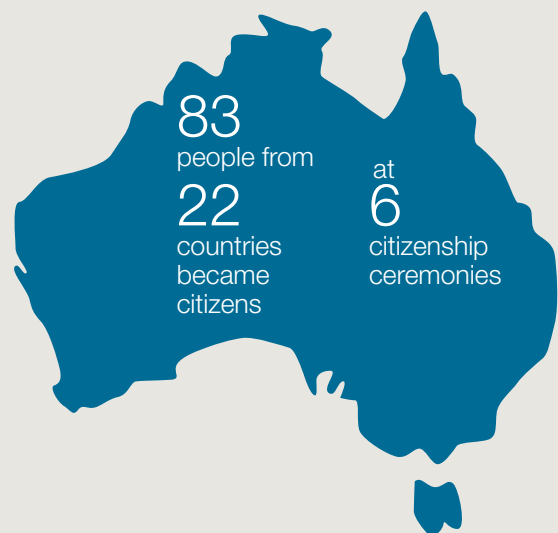
Top five languages spoken at home

(other than English, which is the highest)



Top five countries of birth

(other than Australia, which is the highest)



Key features

Gourmet food, wine, art, Hanging Rock, the Memorial Cross and gardens of Mount Macedon, historic townships, bed and breakfasts.

Welcome to Hanging Rock



Shire infrastructure

Council manages and maintains:

842km of sealed roads	282km of kerb and channel
839km of unsealed roads	162km of paths
136 road bridges	58 footbridges
22 community centres and halls	7,957 stormwater pits
	226km of underground stormwater pipes

Our residents enjoy

47 parks and reserves	49 playgrounds
5 skate parks	7 equestrian areas
81 tennis courts	4 aquatic facilities
	5 indoor sports stadiums

Properties

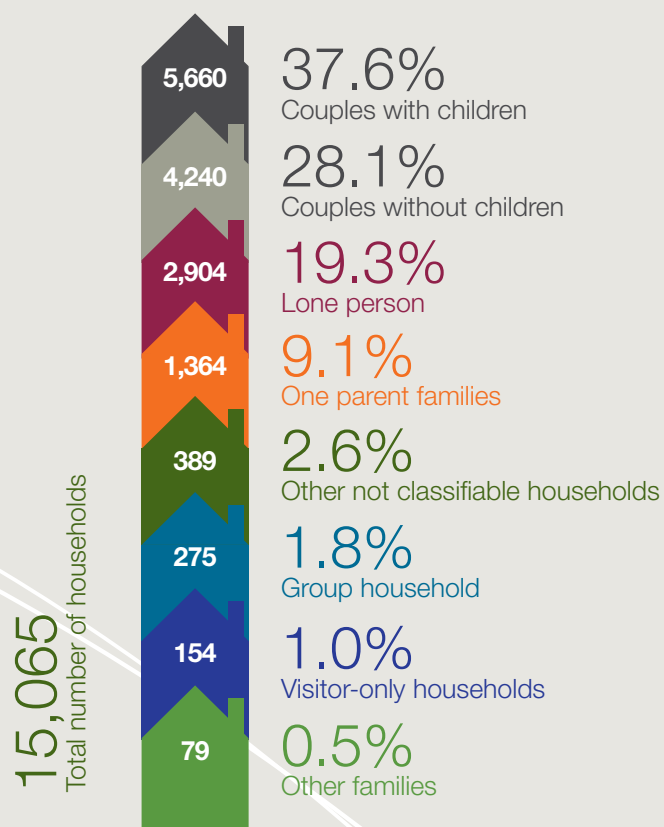
The number of rateable properties rose by 0.4 per cent to 20,632.

35%
properties are
in rural settings
(outside a town
boundary)

65%
properties are
in townships



Household type



Message from Mayor Cr Roger Jukes



This Annual Report details Council's achievements in implementing the first year of our four-year Council Plan. It provides an insight into the diversity of projects and services that Council undertakes to protect the

inspiring place in which we live, support an empowered community and maintain a high performing organisation.

Planning for our region and economy

Our community has had input into a range of strategic work over the last 12 months that has allowed us to plan for the future of our towns, our landscapes and our economy. Both Council and our community have been particularly forward thinking in managing population growth and supporting our key industries such as equine, agriculture and tourism.

In 2013/14, we completed town structure plans for Riddells Creek, Woodend and Kyneton, finalised an amendment to place our Settlement Strategy's directions into the Planning Scheme, and commenced development of a Localised Planning Statement which will give special recognition to our region in state policy.

Two key industries, agriculture and equine, now have representation at a local level in the form of the Agribusiness Forum and the Ranges Equine Industry Network. Each group is working to implement actions in strategic plans developed by Council in consultation with our community. These plans will see agricultural and equine activities grow and develop in the region over the next few years.

Our tourism industry was supported by an increase of nearly 6,000 paid visitors to Hanging Rock—I believe this is in part thanks to concerts held at the site in previous years, which raised its profile as a tourism icon. Council has been helping businesses take advantage of these opportunities through greater collaboration among tourism operators and the re-introduction of a tourism excellence program.

Celebrating our sense of community

We are fortunate to live in a region where residents are connected by a very strong sense of community. This is reflected in the high level of volunteerism in our shire, as reported in the latest census data. Hundreds of volunteers directly support the delivery of Council services each year, and Council did further work in 2013/14 to strengthen its communication and support processes to these community-minded residents.

Our community spirit is also celebrated each year with the Australia Day Awards, the Youth Awards and several citizenship ceremonies. This year we recognised the contributions of 28 individuals and groups at various awards ceremonies, and 83 of our residents became new citizens, originating from 22 different countries.

Advocating for our community

Council was proactive in pursuing state and federal government funding and advocating for much-needed services in 2013/14. These included the establishment of a telecommunications black spot register, and involvement in a regional campaign for the rollout of high speed broadband as part of the National Broadband Network (NBN).

Transport is an area where Council can make a real difference in its advocacy role. This year we were successful in ensuring that the GisBus service is retained on a permanent basis in Gisborne. We also had regular meetings with V/Line to advocate for improved passenger capacity and car parking for our large commuter population.

Delivering on our commitments

For the sixth year in a row, Council kept the average rate increase below 5 per cent without any reduction in services, despite absorbing a greater share of service delivery costs from other tiers of government, including libraries and school crossings.

We have completed 44 out of 45 of our Council Plan actions for 2013/14, with the remaining action underway for completion in 2014/15. A priority for next year will be to design a new early years hub in Gisborne—despite some challenges this year, we are well on our way to finalising a site and designing a facility that meets the needs of children and families.

Thank you to our Councillors for their commitment to the Macedon Ranges, and to our residents, businesses and community groups for their contributions to protecting and improving the liveability of our shire.

Message from CEO Peter Johnston



Every day in 2013/14, over 100 Council services were carried out by 600-plus full time, part time and casual staff in a polite, friendly way and with genuine care for our community.

These included providing Learn to Swim classes, mowing sports ovals, removing fallen trees from roads, preparing residents for the summer fire season, supporting our youth, families and elderly, and maintaining a high quality of life for all residents and visitors to enjoy.

This Annual Report is an opportunity to celebrate Council's achievements, reflect on challenges we experienced during the year, and recognise the contribution that Councillors, staff, volunteers, state and federal government partners and community groups make to our region.

Community health and wellbeing

More than any other level of government, councils have a direct impact on physical and mental health and wellbeing in the community. In 2013/14, we made a significant contribution in this area by increasing opportunities for residents to participate in passive and active recreational opportunities.

Active recreation was supported by the completion of major recreational facilities such as the Romsey Sports Precinct and Barkly Square sports pavilion in Kyneton. We also made significant progress on a new outdoor netball complex in New Gisborne and indoor sports stadium at Gisborne Secondary College. The adoption of a new walking and cycling strategy will also increase opportunities for walking and cycling over the next 10 years, encouraging residents to be more physically and socially active.

It is also pleasing to note the high usage of our aquatic and Learn to Swim programs this year, with record numbers of visitors to our facilities. This was supported by an expansion of hours at the Gisborne Aquatic Centre, to better meet the needs of lap swimmers and our large commuter population.

2014 fires

The fires in January and February reminded our residents of the importance of preparedness in an emergency, and highlighted the recovery role that Council plays in our community. Fire events take an immediate and ongoing emotional, economic and social toll on families and communities, and the

impacts of these fires were particularly devastating for farmers in the region.

Despite the fire events and the ensuing months being a challenging time for many residents and the organisation, they are an example of how well Council, emergency services, support agencies and the community work together in times of great need. Council also managed to continue its usual operations without any major impacts to service delivery.

It has been heartening to see our community and landscapes in the south and east of the shire recover since early 2014. Thank you to all the agencies, community groups and staff who have been involved in the ongoing fire recovery effort.

Financial performance

In 2013/14, we funded a range of new initiatives and maintained the existing level and standard of service that we provide to our community while keeping our recurrent expenditure tightly controlled and within budget. We achieved this with a rate rise of under 5 per cent for the sixth consecutive year, and through actively seeking grant funding.

This is an excellent result and supports our Council Plan objective to ensure Council's financial resources are sustainable and managed responsibly. At the end of June 2014, Council's financial position remained strong with more than \$600 million in community assets under our stewardship. We have achieved a small operating surplus and maintained our debt at a prudential level to ensure we are also able to renew ageing infrastructure.

Community satisfaction

The quality of Council's service delivery was reflected in our Community Satisfaction Survey results for 2013/14, with Council improving or maintaining its result in 15 of 20 individual service areas. However residents rated us lower than previous years in community consultation, advocacy and overall Council direction. This may be in part due to the time at which the survey was undertaken—when key issues, such as the fires and a proposal to explore private investment in a small part of the East Paddock adjacent to Hanging Rock—were front of mind for many residents.

Councillors and the Executive team have taken note of the feedback received from our community via the Community Satisfaction Survey on Council's overall direction, and will continue to work in partnership with residents, businesses and community groups to provide quality works and services for the liveability of our shire. In closing, I would like to acknowledge Councillors, staff and our community who have all contributed to successfully delivering the first year of our Council Plan.

2014 Fires

In the summer of 2014, fires travelled quickly over the shire's landscape, impacting directly on communities, towns and rural areas.

Between 25 January and 9 February, over 350 properties were affected by fire. Among these, five homes were completely lost, and many outbuildings were damaged or destroyed. Also lost in the fires were nearly 12,000 livestock and more than 500km of fencing.

During the fires, Council played an important role in preparing the community and keeping them informed. Council also assisted in the fire-fighting effort by providing access to staging areas, graders, water tankers and excavators.

A Municipal Emergency Coordination Centre at the Gisborne service centre was established to coordinate resources for supporting emergency service agencies. A Relief Centre at the Gisborne Community Centre provided immediate assistance to residents displaced by the fires, providing food, accommodation and personal support. Over 100 people attended, along with 70 dogs and other animals.



Kyneton
Trentham Road
Kyneton (10ha)

Kyneton Metcalfe
Road Greenhill
(120ha)

Cypress Drive
Taradale
(10ha)

Harts Lane
Kyneton
(13ha)

25 January

26 January

28 January

1 February


Shire-wide fire impact summary

Item	Area/ number
Area of properties assessed	14,097ha
Damaged area of properties assessed	3,807ha
Stock losses—sheep, cattle, horses, alpacas, bee hives, deer and poultry	11,892
Infrastructure losses—houses and sheds	30
Fencing destroyed	537.7km
Horticulture—fruit and olive trees	11.4ha

Source: Macedon Ranges Fire Impact Study, which draws on information collected by Council, Department of Environment and Primary Industries, Country Fire Authority and Victoria Police.

Recovery

Activity	Number
Residents who attended community fire recovery meetings	1,300
Requests for assistance received	386
Goods and services donated	188+
Residents visited by outreach workers	300+
Farmers who attended workshops	75



**THANK
YOU
CFA**

Recovery

After the fires, Council held community recovery meetings in partnership with the CFA in Riddells Creek, Gisborne, Romsey, Darraweit Guim and Malmsbury.

A recovery operations centre was established, and outreach visits were made to fire-affected residents. Council organised for residents with contaminated tanks to have their water replaced, and sent staff to assess buildings and trees posing immediate threat to people and homes. Trees along roadsides were also assessed and dangerous trees removed.

Fire-affected residents were able to apply for a deferral on their rates payments, and farming workshops were held to address impacts like erosion, water quality, livestock nutrition and weed management.

Planning and building permit applications were fast-tracked for fire-affected residents needing to rebuild, and associated fees were waived.

Challenges

Replacing burnt fencing was one of the biggest challenges and not-for-profit group BlazeAid set up a fencing base camp in Clarkefield to repair burnt fences with support from Council, and the Lions and Rotary clubs. Council picked up 135 tonnes of burnt fencing and one tonne of burnt fencing posts from properties and waived fees at transfer stations.

While there were no major disruptions to Council services, the 2014 fires resulted in some temporary facility closures in high risk areas. In addition, some day-to-day activities were put on hold while staff attended to emergency response, relief and recovery. Following the fires, Council resources were committed to working closely with affected landowners, community groups and other agencies to assist with land management, weed control, revegetation, and the assessment and removal of dangerous trees.

While devastation occurred, thousands of homes were saved thanks to the efforts of firefighters. Council thanks all volunteers from the CFA, SES, Red Cross, VCC Emergencies Ministry, Wildlife Network and many other community groups who assisted with response, relief and recovery.

**Calder Freeway
Malmsbury
(13ha)**

**Old Drummond
Road Taradale
(11ha)**

**Dalrymple
Road Fire
(1,100ha)**

**Mickleham-
Kilmore Fire
(10,200ha)**

4 February

5 February

9 February

9 February

Media and communications 9–26 February 2014

Facebook

Post shares	1,300
Post engagements	18,902
New 'Likes'	1,385
Greatest individual post reach	16,800

Website

Fire-related page views	2,297
Total website unique visits	15,297

Media

Media enquiries	12
Media releases	24

Calendar of Events 2013/14

- Melbourne Fringe on Tour at the Kyneton Town Hall
- Kyneton Community Park Mid-Winter Feast*
- *The Illustrations of Mark Wilson* at the Kyneton Museum

- Kyneton Daffodil and Arts Festival*
- Improving Cash Flow and Profitability
- Social Media for Business Workshop
- *Everything Must Go* at the Kyneton Town Hall and Gisborne Mechanics Institute

- Budburst Wine and Food Festival*
- Kyneton Cup*
- Kyneton Show*
- Business Networking Evening
- Malmsbury Village Fair*
- White Ribbon Ambassadors Morning Tea
- International Day of People with Disability Dinner Dance
- Paws in the Park*
- *Porcelain Punch* at the Kyneton Town Hall
- Screaming Eagle Skate Festival

July

August

September

October

November

December

- Business Networking Event
- Macedon Ranges Battle of the Bands
- *Australian Queen Tribute Show* at the Kyneton Town Hall
- *Red Shoes* at the Kyneton Town Hall
- Mark Wilson Educational Workshop
- Kyneton Antique Fair*

- Macedon Ranges Youth Awards
- Business Leaders Forum
- Home Business Morning Tea
- Craft Markets Australia at Hanging Rock*
- Walktober
- Macedon Ranges Children's Day Out
- *Squaring the Wheel* at the Kyneton Town Hall
- *Ripe* Debra Byrne at the Kyneton Town Hall
- *The Vinyl Solution* at the Kyneton Town Hall
- *An Iron in the Fire* at the Kyneton Museum
- Age-friendly Expo

- Celebrating our Volunteers at the Kyneton Town Hall
- Christmas Day Lunch at the Kyneton Town Hall

- Australia Day Awards at the Kyneton Town Hall
- New Year's Day Races at Hanging Rock*
- Australia Day Races at Hanging Rock*
- Australia Day community events in Baynton, Gisborne, Kyneton, Malmsbury, Romsey, Tylden and Woodend

- Business Networking Evening
- Biosecurity for Livestock and Horses Workshop
- Preparing an Award Submission (Business Excellence Awards)
- Fire Recovery Workshop
- Craft Market at Hanging Rock*
- *Kitchen Talks* at the Kyneton Town Hall
- Cultural Diversity Week—A Taste of Timor Leste
- Lost Trades Fair at the Kyneton Museum*
- Kyneton Aquathon
- Live4Life 2014 Launch

- Smart Business Conference
- Powercor Macedon Ranges Business Awards
- Run the Rock*
- Grey Light Dance at the Kyneton Town Hall
- *Yes I Remember It Well* at the Kyneton Town Hall
- *Mr McGee and the Biting Flea* at the Kyneton Town Hall
- *The Dark Party* at the Kyneton Town Hall
- Annual Picnic at Hanging Rock Classic Car Show*

January

February

March

April

May

June

- Business Planning Workshop
- Home Business Morning Tea
- Film Night at Hanging Rock
- Macedon Ranges Sustainable Living Festival*
- *We Saw the Queen* at the Kyneton Museum

- Healthy Lifestyles Community Lunch
- Preparing an Award Submission (Business Excellence Awards)
- Home Business Morning Tea
- Regional Living Expo
- Anzac Day Dawn Service at Mount Macedon*
- MAD Ride*
- Gisborne Aquathon
- *100 Frames* at the Kyneton Museum and Town Hall

- Woodend Winter Arts Festival*
- Sustainable Gardening Workshop
- Music In The Sticks Open Mic
- Get Knitted—Yarnbombing at Woodend Library
- Workshop: Running Festivals and Events
- *Go Away Mr Worrythoughts* at the Kyneton Town Hall
- Music of the Night at the Kyneton Town Hall
- *The Audreys* at the Kyneton Town Hall

* Events supported or sponsored by Council. All other events were Council-run.

Our People



Councillors

East Ward



Cr Graham Hackett
Deputy Mayor

November 2013–
30 June 2014

Elected: October 2012

Mobile: 0408 287 788

Email: ghackett@mrsc.vic.gov.au

Attended nine Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2014:

- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Macedon Ranges Agribusiness Forum
- Macedon Ranges Equine Industry Network
- Macedon Ranges Regional Park Committee
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Committee
- Naming/Re-naming Working Group
- Section 223 Committee
- Tourism Macedon Ranges Inc



Cr Henry McLaughlin

Elected: November 2008

Re-elected: October 2012

Mobile: 0400 028 507

Email: hmclaughlin@mrsc.vic.gov.au

Attended 10 Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2014:

- Annual meeting of Braemar College
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Community Access Advisory Group
- Naming/Re-naming Working Group
- Section 223 Committee



Cr Joe Morabito

Elected: November 2008

Re-elected: October 2012

Mobile: 0400 025 455

Email: jmorabito@mrsc.vic.gov.au

Attended 10 Ordinary Council Meetings and three Special Council Meetings.

Representation as at 30 June 2014:

- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Macedon Ranges Equine Industry Network
- Naming/Re-naming Working Group
- Section 223 Committee

Councillors

South Ward



Cr John Letchford

Elected: November 2008

Re-elected: October 2012

Mobile: 0401 682 364

Email: jletchford@mrsc.vic.gov.au

Attended 11 Ordinary Council Meetings and two Special Council Meetings.

Representation as at 30 June 2014:

- Arts Advisory Committee
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Local Safety Committee
- Municipal Association of Victoria
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Committee
- Naming/Re-naming Working Group
- Peri Urban Councils Group
- Section 223 Committee
- Youth Advisory Committee



Cr Russell Mowatt

Deputy Mayor

November 2012–
November 2013

Elected: October 2012

Mobile: 0418 531 281

Email: rmowatt@mrsc.vic.gov.au

Attended 11 Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2014:

- Calder Highway Improvement Committee
- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Macedon Ranges Further Education Centre
- Naming/Re-naming Working Group
- Positive Ageing Advisory Committee
- Section 223 Committee



Cr Sally Piper

Elected: October 2012

Mobile: 0400 865 543

Email: spiper@mrsc.vic.gov.au

Attended 10 Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2014:

- Annual meeting of Braemar College
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Equine Industry Network
- Municipal Emergency Management Planning Committee
- Naming/Re-naming Working Group
- Section 223 Committee
- Youth Advisory Committee

Councillors

West Ward



Cr Jennifer Anderson

Elected: October 2012

Mobile: 0408 273 670

Email: janderson@mrsc.vic.gov.au

Attended 11 Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2014:

- Audit Committee
- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Kyneton Woodlands Project Group
- Macedon Ranges Heritage Council
- Naming/Re-naming Working Group
- Peri Urban Councils Group
- Section 223 Committee



Cr John Connor

Elected: October 2012

Mobile: 0412 870 500

Email: jconnor@mrsc.vic.gov.au

Attended 10 Ordinary Council Meetings and four Special Council Meetings.

Representation as at 30 June 2014:

- Arts Advisory Committee
- Calder Regional Waste Management Group
- CEO Performance Appraisal Advisory Group
- Goldfields Regional Library
- Naming/Re-naming Working Group
- Positive Ageing Advisory Committee
- Section 223 Committee
- Tourism Macedon Ranges Inc
- Victorian Local Governance Association
- Workspace Australia



Cr Roger Jukes
Mayor

Elected: November 2008

Re-elected: October 2012

Mobile: 0400 647 445

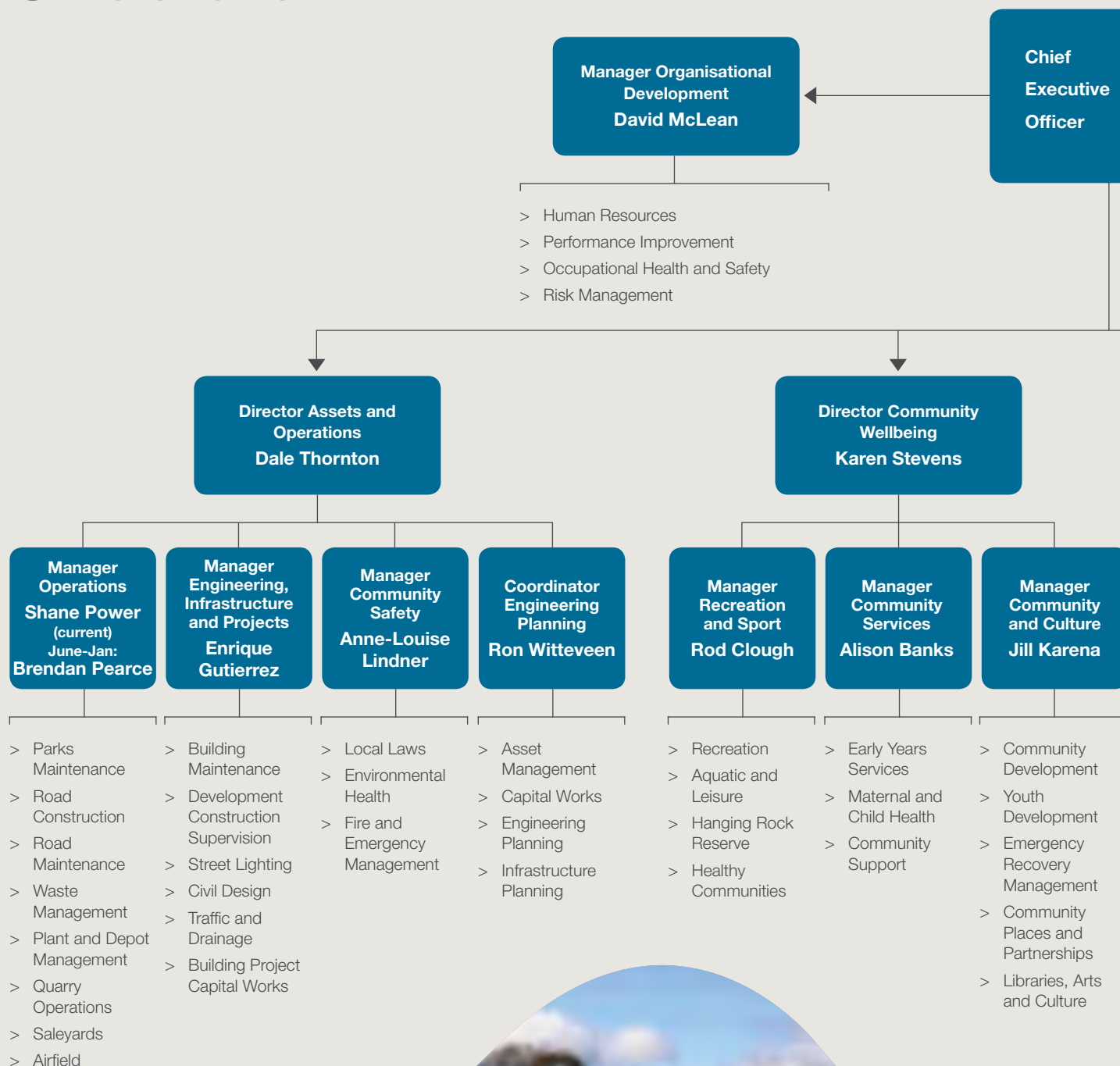
Email: rjukes@mrsc.vic.gov.au

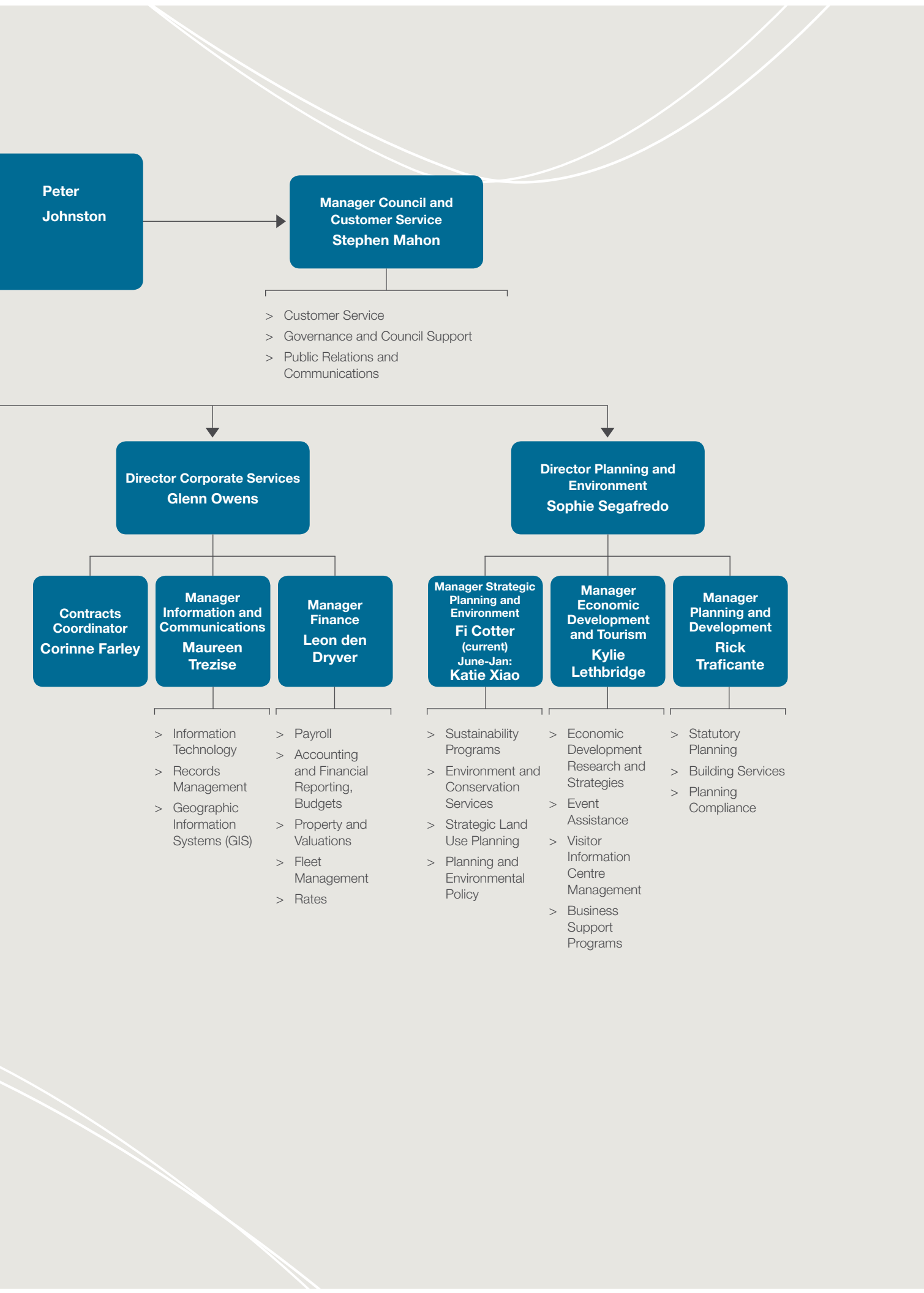
Attended 11 Ordinary Council Meetings and three Special Council Meetings.

Representation as at 30 June 2014:

- Audit Committee
- Macedon Ranges Agribusiness Forum
- CEO Performance Appraisal Advisory Group
- Daylesford Macedon Ranges Regional Tourism Board (substitute)
- Macedon Ranges Community Access Advisory Committee
- Macedon Ranges Employment and Training Network
- Naming/Re-naming Working Group
- Section 223 Committee

Organisation Structure





Executive



Chief Executive Officer
Peter Johnston

Tel: (03) 5422 0308

BBus(LocalGov), GradCert(LocalGovMgt),
FIMM, JP

Peter has worked in local government and for water authorities over the last 34 years. This has included five years as Shire Secretary/Chief Executive Officer with the former Shire of Romsey and Secretary of the Romsey/Lancefield Water Board, Corporate Services Manager with Western Water and Chief Executive Officer at Corangamite Shire Council. Peter joined Council in January 2008.



Assets and Operations
Director: Dale Thornton

Tel: (03) 5421 9637

Cert(CivEng), GradDip(AdmMgt), MBusMgt

Dale has worked in local government for 16 years, and has 21 years' experience in the metropolitan water industry. Dale joined Council in February 2008.



Community Wellbeing
Director: Karen Stevens

Tel: (03) 5422 0224

GradCert(AppBus), AdvDip(BusMgt)

Karen has extensive experience in local government, and the development and delivery of innovative services to meet the needs of the community. Karen joined Council in November 2010.



Corporate Services
Director: Glenn Owens

Tel: (03) 5422 0392

BBus, FIMM

Glenn has 33 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.



Planning and Environment
Director: Sophie Segafredo

BArts(Urban Studies), GradDip(LocalGovLaw),
MBltEnv, GradDip(Bus)

Sophie has 29 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.

Our Workforce

In 2013/14, Macedon Ranges Shire Council's workforce increased by 2.5 per cent on the previous year to 658 employees.

Of this number, Council employed 221 people on a full time basis.

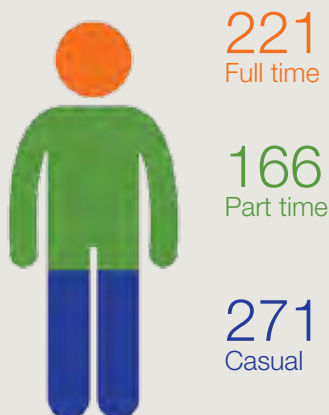
An additional 166 staff served the Macedon Ranges community on a part time basis and another 271 people made up Council's pool of casual staff.

Temporary workers made up 0.47 per cent of the total number of employees for the year.

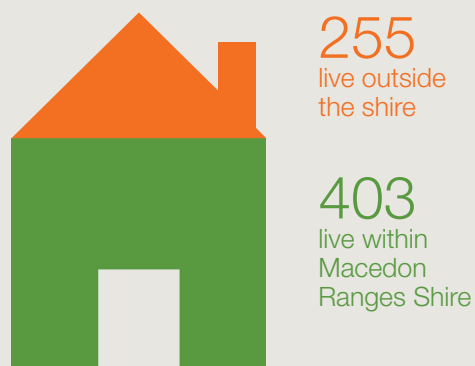
Employees over the past five years

	2009/10	2010/11	2011/12	2012/13	2013/14
Female	398	404	441	408	414
Male	213	211	223	233	244
Total	611	615	664	641	658

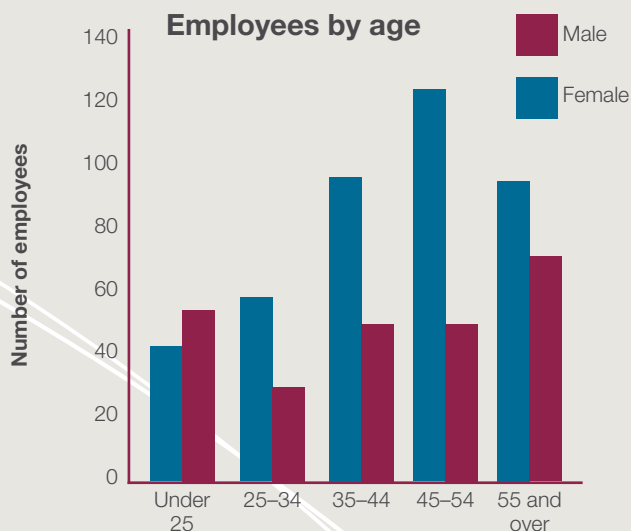
Employment categories



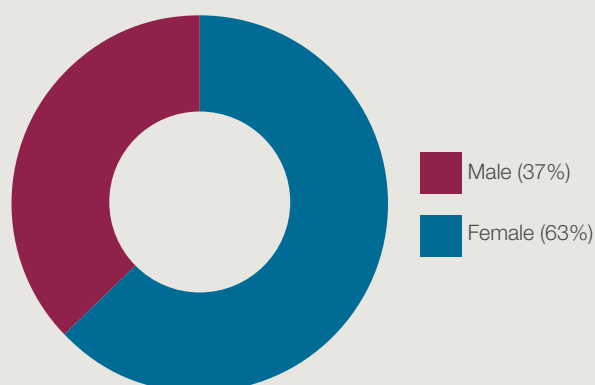
Where our staff live



Employees by age



Staff by gender 2013/14



Our Workforce

Council is proud of its stable workforce of loyal and committed employees. In 2013/14, 21 employees achieved a significant service milestone.

10 years

Name	Department
Donna Armstrong	Community Services
Judith Williams	Community Services
David Semmens	Finance
Karen Lee	Community Services
Eddie Poposek	Operations
Kevin Mitchell	Engineering, Infrastructure and Projects
Michele Furness	Community Services
David Reuther	Community Services
Jeanette Stewart	Community Services

15 years

Name	Department
Sandra Witmitz	Community Services
Raelene Crozier	Community Services
Gail Greer	Finance
Philip Harvey	Community Safety
Jennifer McQuade	Community Services
Karen Holt	Community Services
Geoffrey Parker	Recreation and Sport
Stephen Dye	Finance

Our Workforce

25 years

Name	Department
Glenn Owens	Corporate Services
Pamela Ginnane	Recreation and Sport
Louise Farenden	Community Wellbeing directorate



Glenn Owens

Glenn has worked in Council's Corporate Services area since 1989, and holds the position of Director. For 25 years he has provided internal support for finance, rates, valuations, records, IT, human resources, risk management, OHS and tendering. He believes Council employees are encouraged to make a difference, and their opinions are respected and contributions valued. A career highlight was managing a project that provided landcare and environment experience to school leavers.

It is these kind of leadership opportunities that Glenn enjoys most about his job.



Pamela Ginnane

Pamela began working for the Shire of Gisborne in 1976 as a secretary and after a short time with the building department, began work at the Gisborne Fitness Centre. Currently Coordinator of the Gisborne Fitness Centre, Pamela said the opening of the Gisborne Aquatic Centre was the highlight of her 25 years at Council. Pamela is also a fitness, aquatic and aerobics instructor, and personal trainer. She believes helping clients achieve their goals is the best part of her job.

45 years

Name	Department
John Giuliani	Engineering

Our Workforce

Council understands the importance of providing a supportive environment for its staff. It offers an Employee Assistance Program to ensure staff have access to professional support when they face difficult circumstances. This was especially important during the February bushfires. During the year, the program was made available around the clock, every day of the year, and provided crisis assistance during emergencies.

Council's induction session for new staff was reviewed. This session focuses on organisational standards and expectations, the staff Code of Conduct and Council's Advisory Committees.

Throughout the year, Council provided staff training that would ensure a safe and effective working environment. In addition to general occupational health and safety, training was provided in the following specific areas:

- Fraud prevention
- First aid and CPR
- Fire warden and chief fire warden.

Council's building emergency evacuation plans were

reviewed during the year. As a result, new fire wardens and first aiders were trained for the Kyneton and Gisborne administration offices, and the Woodend Operations Centre.

Council provided a number of risk assessments and inspections at various Council-owned or operated sites throughout the shire. These assessments and inspections were conducted to identify hazards and risks. Action was taken to implement control measures and assist in the overall risk mitigation strategy to protect people, finances, assets and property.

A number of proactive assessments were also carried out where redevelopment works were under construction, or where a potential risk was identified. These were analysed and managed in line with Council's risk management strategy.

As part of WorkSafe Victoria's proactive intervention program, an audit of hazardous materials storage was undertaken at Council's operations centre in Woodend and the aquatic centres in Kyneton and Gisborne.

Risk and safety performance indicators per 100 full time employees 2013/14

Rate of incidents and hazards reported	30
Rate of standard claims	2.53
Rate of claims (minor* and standard)	6.64
Rate of minor* claims	4.11
Rate of time lost claims	1.58
Rate of medical expenses claims	2.53

** Minor claims are both time lost and medical expenses claims under the employer liability threshold payable, which was \$642 medical costs and/or the first 10 days of time lost in 2013/14.*

Reporting and compliance 2013/14

Provisional Improvement Notices actioned on time	Nil received
Number of Reportable Incidents	1
Percentage of OHS representatives who undertook training	100%
Percentage of fire wardens who undertook training	100%
MAV Insurance Audit of Public and Professional Liability	Conducted biennially
JMAPP Property Risk Management Audit	69% risk score

Volunteers

Volunteers work in a range of Council services. Their role is vital to the community and without them Council could not run its wide range of services and activities.

The Macedon Ranges Shire is fortunate to have 24 per cent of its population volunteering (ABS Census 2011). This is significantly higher than the 17 per cent state and national average of community volunteers.

During the year, 506 people of all ages offered their time and talents to Council and the community in a variety of roles.

Council increased the volunteer travel reimbursement rate for volunteers using their own vehicle as part of their

role to bring it into line with the Australian Taxation Office (ATO) rate. The rate will continue to increase in line with the ATO rate in future years.

Each year, Council recognises volunteers at an event held in their honour. In December, more than 100 volunteers attended the celebration in Gisborne where they were recognised for making a significant contribution to the Macedon Ranges community.

At Council's two Visitor Information Centres, the work of volunteers was acknowledged at three events during the year. A morning tea was held for National Volunteer Week, Christmas was celebrated by a lunch event, and Council held a winter social dinner.

Service	Number of volunteers	Roles
Family and Youth	166	Kindergarten committees, and youth ambassadors and leaders.
Aged and Disability	83	Meals on Wheels, Community Register, Client Transport and Positive Ageing Advisory Committee.
Arts, Culture and Libraries	40	Kyneton Museum, libraries and arts advisory committees.
Tourism	72	Visitor Information Centres
Recreation	54	Sport and swimming programs, the Healthy Communities Initiative and the Hanging Rock Development Advisory Committee.
Emergency Management	91	Council's emergency management committees, and relief and recovery services to the community during the February fires.
Total number of volunteers	506	

These numbers represent regular volunteers only. There are many hundreds of people that volunteer their time to do a range of activities on an ad hoc basis throughout the year.



Gus Hocking

"I love being a part of the Music In The Sticks crew. It gives young people the opportunity to work towards any dreams they have, make friends and construct mass networks."



Margaret Baker

"I enjoy my role at the Kyneton Visitor Information Centre, mainly for the opportunity to showcase the area I love to visitors. I also enjoy working with fellow volunteers as we share many interests."



Norma Richardson

"I have been doing Meals on Wheels for over 25 years—since it first started in Woodend. I enjoy every minute."

Our Goals

An Inspiring Place

At a glance

- \$8 million worth of capital works delivered
- 93,652 visitors to Hanging Rock
- 23,000 street trees assessed
- 76 hectares of weeds treated over 1,190 hectares of land
- 7,500 tonnes of recyclable and green material diverted from landfill
- 690,000 garbage bins and 110,589 green bins emptied
- 52km of gravel roads resheeted
- 27km of bitumen roads constructed
- \$437,000 of new drainage works completed
- 483 planning permit applications received
- 1,078 building permits issued
- 74 subdivisions and developments approved.

An Inspiring Place

Challenges

- A decline in income at Hanging Rock due to the postponement of the Rolling Stones concert, cancellation of the annual car show, and removal of the Harvest Picnic from the annual events calendar.
- Balancing landowner and community expectations for planning applications to build new dwellings within rural and farming zones, particularly on lots under 40 hectares.
- Dealing with proposals for dwellings located within water catchments or areas affected by the new Bushfire Management Overlay.
- Delays to the Mount Macedon Wastewater Project due to project complexities and difficulty getting on-site work started.
- Increased costs associated with EPA compliance and requirements for monitoring and maintaining closed landfill sites.
- Waste going to landfill and cross-contamination (wrong things in bins) was higher than it should be for the population and services provided, increasing landfill costs and environmental impacts.
- New Victorian Government planning and environment reforms directly impacted on Council's workload and capacity to respond and implement them.

Achievements

- Amendment C84 was adopted for incorporation into the Macedon Ranges Planning Scheme, subject to Ministerial approval—a major milestone in the implementation of the Settlement Strategy.
- The \$5 million Romsey Sports Precinct was completed.
- Woodend and Riddells Creek Town Structure Plans were adopted.
- The Macedon Ranges Heritage Strategy was adopted by Council and includes actions to protect, manage, identify and promote the shire's heritage assets.
- A 10-year Open Space Strategy was developed to support passive and active recreation, social and environmental experiences, and tourism visitation.
- Actions from the Natural Environment Strategy were implemented including the development of Environmental Management Plans for Stanley Park Reserve, Mount Macedon, and UL Daly Nature Reserve, Gisborne.
- A Regional Climate Change Adaptation Plan was developed in conjunction with other councils in the Southern Loddon Mallee Region.
- Transfer stations in Kyneton and Woodend were upgraded to maximise resource recovery services.
- Infrastructure projects identified by the community in Lancefield, Bullengarook and Carlsruhe commenced, which focused on enhancing central community spaces.

Council's performance ratings

Roads and footpaths

2010	2011	2012	2013	2014
Condition of local streets and footpaths				
46	44	52	51	52
Maintenance of unsealed roads				
N/A	N/A	44	40	45
Roadside slashing and weed control				
N/A	N/A	52	44	42

Condition of local streets and footpaths

Maintenance of unsealed roads

Roadside slashing and weed control

Waste management

2010	2011	2012	2013	2014
64	66	74	72	76

Appearance of public areas

2010	2011	2012	2013	2014
67	68	72	69	71

Planning

2010	2011	2012	2013	2014
Planning and building permits				
52	49	46	46	47
Town planning policy				
N/A	N/A	49	53	49
Planning for population growth				
N/A	N/A	50	52	50

Planning and building permits

Town planning policy

Planning for population growth

Results taken from the Community Satisfaction Survey 2014.

Where a five-year comparison is not available due to changes in reporting methodology in 2012, a three-year comparison has been made.

See page 66 for more information.

Goal 7 Our lifestyle, culture and sense of place are strengthened by best practice planning and development.

Managing population growth

After three years of extensive community consultation and panel hearings, Council reached a significant milestone in the implementation of the Settlement Strategy by adopting the Macedon Ranges Planning Scheme Amendment C84.

The new amendment updated Council's Municipal Strategic Statement to include the Settlement Strategy and other adopted policies, which will direct future growth and development in the shire to the year 2036. It was subject to a two-stage independent panel hearing process, where the community had the opportunity to provide their views.

The Woodend and Riddells Creek Town Structure Plans were also completed and adopted by Council for incorporation into the Planning Scheme. These plans ensure that strategic policy and planning controls protect and build upon town character, environmental values and lifestyle aspirations.

Participating in state planning policy

In early 2014, Council conducted extensive consultation with the community to prepare a Localised Planning Statement, which will recognise the Macedon Ranges as an area of special significance in state planning policy.

Consultation activities included workshops, information sessions and an online survey that attracted more than 1,000 responses. A draft statement was released for public comment, which will be finalised in 2014/15. The Victorian Government is supporting this work.

Providing for future housing needs

In March 2014, Council formally adopted the New Gisborne Development Plan for existing undeveloped land west of Station Road in New Gisborne. The plan shows the location of future housing, roads, open space, walking and cycling routes and commercial development. The plan is expected to accommodate about 350 new houses.

Rural living

Council commenced analysis of the supply and demand of rural living zoned land and continued to review current planning permit applications for dwellings in the shire's rural and farming zones. These investigations will inform the review of Council's Rural Living Strategy in 2014/15.

Parks and gardens

Pruning of oak trees at the corner of Saunders Road and Station Road in New Gisborne improved visibility around the area, and provided better access for mowing and maintenance.



23,000
trees assessed for
health and condition

Council invested \$50,000 in upgrading or replacing park furniture at multiple parks within the shire. Among these were 15 picnic sets, eight park benches and two bike racks.

Protecting cultural heritage

The Macedon Ranges Heritage Strategy 2014–18 was adopted. The strategy contains actions for the protection, management, identification and promotion of the shire's heritage assets and will inform future work plans.

Reconciliation

Further enhancements were made at the Common in Carlsruhe. In consultation with the traditional owners of the land, represented by the Taungurung Clans Aboriginal Corporation, planning commenced for a welcome sign and other interpretive signage to be erected in the Taungurung language.

Statutory planning

Council considered planning permit applications for works to the value of \$253,129,723 during 2013/14.

- 483 planning permit applications received — 7.6 increase on 2012/13
- 357 dealt with under delegation
- Only 13 permit applications refused (2.7%)

Council managed 23 appeals in the Victorian Civil and Administrative Tribunal, a decrease of 25 on the previous year.

A high number of planning permit amendments were received, totalling 385, compared to the previous year of 369 amendments.

Planning information checklists were developed, and the Statutory Planning section on Council's website was revamped, to provide applicants with a better understanding of processes and requirements.

This activity, along with a review of forms and procedures, resulted in an improvement to the quality of applications received.

As a result of these improvements, 47 per cent of applications were decided within 60 days, compared to 40 per cent the previous year.



Building services

Building permits across the municipality continued to grow, with 1,078 permits issued in 2013/14. This was an 8 per cent increase on the previous year's 999 permits.

Of these permits, 144 were issued by Council's Municipal Building Surveyor, representing an 89 per cent increase from last year (76).

A new procedure for Place of Public Entertainment (POPE) permits commenced, which significantly assisted community and tourism groups to host events. Hanging Rock Reserve and the Kyneton and Hanging Rock racecourses were issued five-year POPE permits, making it easier for groups to use these facilities for public events.

A review of all building services fees was completed. This ensures the service remains competitive and appropriate fees are achieved.

A number of reviews were completed on mapping Bushfire Prone Areas, as designated under the Building Regulations. This involved preparing submissions to the Department of Transport, Planning and Local Infrastructure that detailed where once hazardous grasslands had now been developed into new subdivisions. The new Bushfire Prone Area maps were incorporated into Council's mapping system to provide staff with access to this information.

New subdivisions and developments

Goal 7 Our environment and landscape is protected and sustained.

Hanging Rock

Hanging Rock is the region's most iconic tourism landmark. General visitation to Hanging Rock increased by 8.4 per cent on the previous year, with more than 77,000 paid visitors through the gates.

The importance of Hanging Rock as a natural asset and tourist icon has been recognised by all levels of government. As a state-owned asset, Council has been working for many years with the Victorian Government on the need for ongoing funding to maintain Hanging Rock. 2013/14 saw the completion of a substantial piece of work looking at funding options.

In May, the Minister for Planning visited Hanging Rock and announced that the Victorian Government would commit to fund maintenance of the Crown Reserve at a rate of \$250,000 per annum. The Victorian Government also committed to providing access to other funding streams for major upgrades and environmental projects at the Rock.

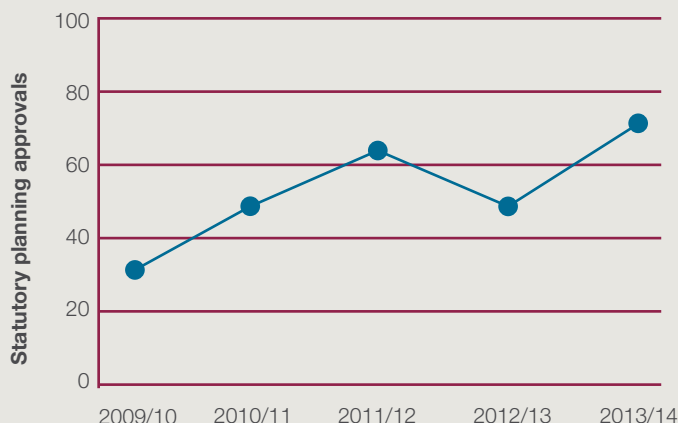
Council welcomed this funding commitment, which will contribute to rejuvenating ageing infrastructure, ongoing weed, pest and animal control, and will help to enhance the overall visitor experience.

Council also commenced plans for infrastructure upgrades to the Hanging Rock precinct, following a

In 2013/14, Council approved 74 subdivisions and developments, a 33 per cent increase on the previous year. Of these, 11 were large developments with more than 20 lots each. The largest developments approved were in Gisborne where a 197-lot development on Brooking Road, and 90 lots on Willowbank Road, were approved.

The number of Asset Protection Permits issued decreased by 8 per cent to 508, and legal points of discharge decreased by 6 per cent to 447.

Approved subdivisions



\$2 million funding announcement from the Australian Government's Regional Development Australia Fund in 2012/13, complementing a \$1 million Council contribution. As part of this project, development of a Cultural Heritage Management Plan started during the year.

After the Bruce Springsteen concert delivered a \$9.7 million economic boost to the region in 2012/13, this year saw no international performance after the Rolling Stones were forced to cancel following the sudden death of lead singer Mick Jagger's partner L'Wren Scott. About 20,000 people were expected to attend the concert on Sunday 30 March with many local businesses gearing up to welcome the influx of people.

A five-year agreement to host up to four concerts each year was made with Frontier Touring. In 2014/15, three international acts will perform in the East Paddock. The Rolling Stones rescheduled to November 2014, The Eagles announced a show for February 2015 and Rod Stewart will return in March.

The Macedon Ranges and District Motor Club's Picnic at Hanging Rock event was postponed from February to May due to extreme weather and fire danger. This decision, made in consultation with Council and emergency services, proved sound due to fires which

An Inspiring Place



Hanging Rock (cont.)

broke out on that day. Unfortunately attendance in May wasn't as strong due to wet and cold weather.

Other events in 2013/14 included craft markets held in October and March, New Year's Day and Australia Day races, the Valentine's Day film night, Camp Out at the Rock, and Run the Rock.

Hanging Rock events and visitations

	2009/10	2010/11*	2011/12*	2012/13*	2013/14
Number of events	8	8	9	13	8
Paid event attendances	25,622	48,468	40,576	75,068	16,583
Paid general visitors[#]	62,366	64,904	64,408	71,074	77,069
Total visitors	87,988	113,372	104,984	146,142	93,652

* Frontier Touring's concerts increased event attendance and may have also contributed to an increase in overall visitor numbers.

[#] General visitor numbers are estimated based on average number of bus and car passengers. Entrance fees are paid per vehicle, not visitor.

Climate change

Council participated in the preparation of a Regional Climate Change Adaptation Plan along with other councils in the Southern Loddon Mallee Region. The plan prioritises adaptation projects to be implemented in the region. These regional initiatives will build on Council's existing work to implement the Macedon Ranges Climate Change Adaptation Plan 2013, including improvement to local emergency management policies and procedures.

Fauna monitoring

Council launched its fauna monitoring program aimed at understanding and protecting the habitat of the shire's native species. In 2013/14 Council worked with local community groups and schools to construct nest boxes aimed at attracting sugar gliders and phascogale. These nest boxes will be installed in a range of Council-managed bushland reserves and will complement other activities such as spotlight nights and installation of wildlife cameras.

Environmental education and events

In 2013/14 Council doubled its distribution list for its environmental email newsletter to 1,300. The monthly *Environmental eNews* provided a range of information about local projects, environmental updates and local events in the Macedon Ranges.

Throughout the year Council hosted environmental workshops and events and participated in local festivals. These included:

- an information stall at the Kyneton Show and the Macedon Ranges Sustainable Living Festival in Woodend
- a Fauna Evening to celebrate the launch of the community nest box and fauna monitoring program

- two free gardening workshops in partnership with Western Water in Woodend and Lancefield
- a Landcare forum at the Lancefield Show and an end-of-year barbecue at Woodend Children's Park.

Weed and pest control

Weed and pest animal control measures were implemented at around 250 sites across the shire. These works targeted noxious weeds on Council's roadsides and reserves, improving the environmental and aesthetic values of these areas and assisting with the reduction in fire hazards. Around 76 hectares of weeds were treated over 1,190 hectares of land.

Council also released a draft Weed and Pest Animal Strategy for public comment, which will establish a strategic framework for Council's future management of invasive species.

Nature and bushland reserves

Environmental Management Plans for Stanley Park Reserve in Mount Macedon and UL Daly Nature Reserve in Gisborne were developed, which outline Council's vision for these reserves. These plans include long and short term management actions for protecting and enhancing the environmental values of the sites.

These plans, along with Council's fauna monitoring program and weed control measures, are actions from the Natural Environment Strategy and the shire's other reserve management plans.

Partnerships with environmental groups

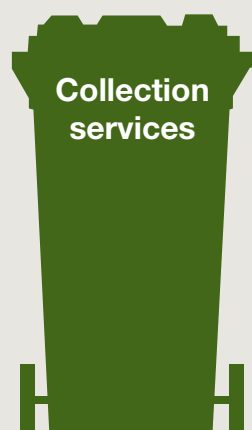
Council worked in partnership with local Landcare and friends groups to conduct weed control, revegetation and maintenance works in bushland reserves including Mount Gisborne, Hobbs Road, Woodend Grassland, Barringo and UL Daly Nature Reserve.

Council continued to support Landcare and friends groups throughout the shire. A total of 26 groups received funding and/or support during the year. For more information, see page 62.

Recycled water

Council worked in partnership with Western Water to deliver recycled water to Romsey. The works included a pump station, underground pipe network and connection to existing water storage facilities. The project was funded by the Victorian Government's Putting Locals First program (\$299,160) with contributions from Council (\$20,000) and Western Water (\$79,720). The recycled water supply will irrigate the two sports ovals at Romsey Sports Precinct, and is available to the Romsey Golf Course.

Waste management



18,257
properties received
garbage and recycling
services

9,700
properties received
Council's green waste
collection service

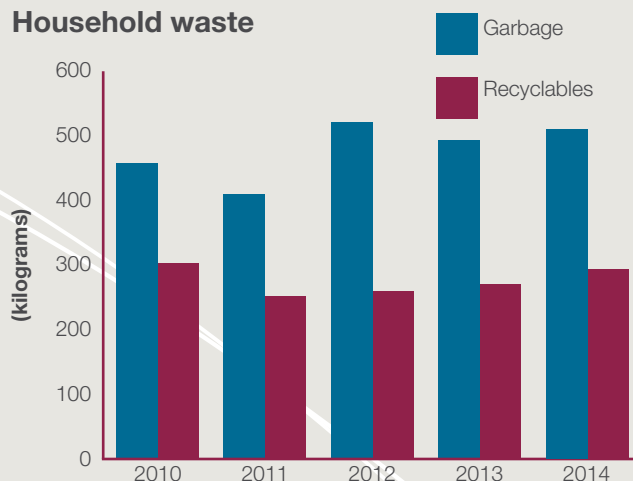
690,000
garbage bins collected

354,016
recycling bins collected

110,589
green bins collected

631
missed bins

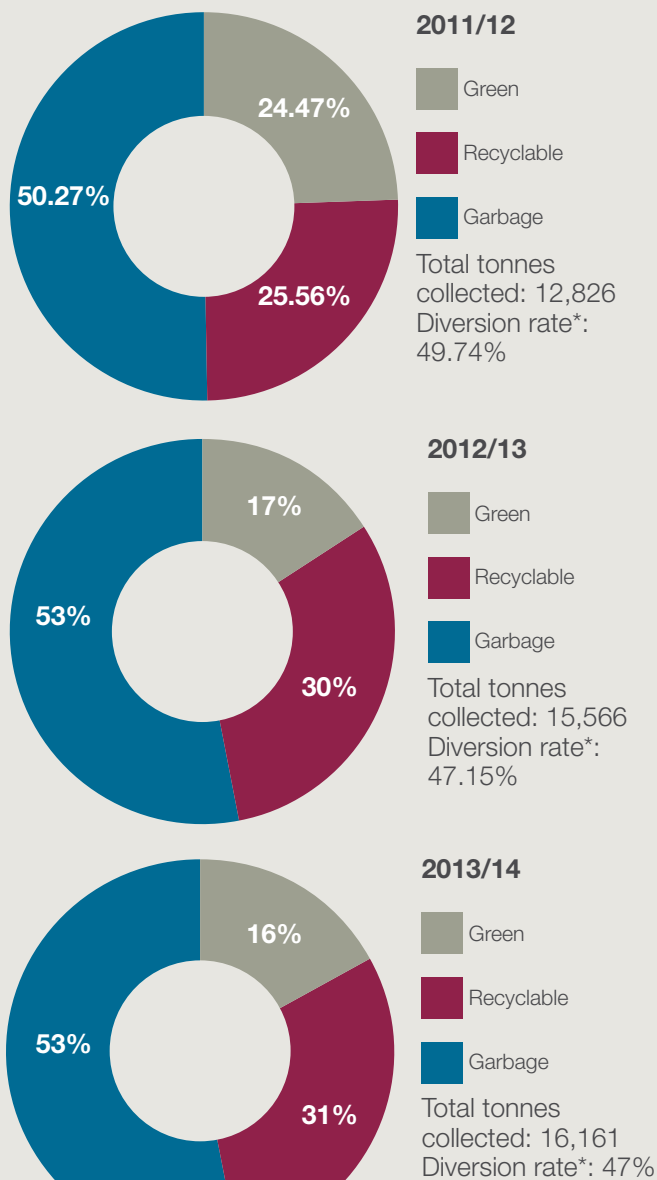
Household waste



Mount Macedon Wastewater Project

Now in its fourth year and nearing completion, the Mount Macedon Wastewater Project continued to improve sewerage management and services to properties in Mount Macedon where on-site septic systems are failing and posing a risk to community health and the environment. This project is funded by the Department of Environment and Primary Industries and delivered by Council in partnership with Western Water. The scheme offers up to 70 per cent of upgrade costs for systems that are failing. Upgrades to systems are due to commence in October 2014.

Waste collections and diversion rates



*Diversion rate: amount of waste diverted from landfill (e.g. recyclables).

Transfer stations and landfill sites

Council invested \$125,000 in upgrading transfer stations in Kyneton and Woodend to maximise hard surface areas and resource recovery services at each facility. Of this investment figure, Council spent \$93,000 on a new drop-off area at the Woodend Transfer Station to increase capacity for recycling electronic waste, such as televisions and computer hardware. The remaining funds for this \$108,000 project came from Sustainability Victoria as part of the Australian Government's National Television and Recycling Scheme.

Council continued to work with the EPA to ensure each of its closed landfill sites were monitored and met environmental best practice standards. To meet best practice environmental management guidelines, Council commenced re-design of the landfill cap at the closed Kyneton landfill in preparation for construction over the coming years.

Review of waste management strategy

Council reviewed the 2007 waste management strategy and identified issues and opportunities to reduce the shire's waste to landfill volumes, which will be addressed as part of development of a new strategy involving community consultation in 2014.

Materials received at transfer stations 2009/10–2013/14

Materials	Woodend	Romsey	Kyneton	Totals (Tonnes)
Pressing Steel	1583.5	791	828.2	3,202.7
Aluminium/copper & brass/ electronic motors/insulated cable/ iron/stainless steel	24.6	1	15.5	41.1
Aluminium cans	17.5	13.9	82.3	113.7
Gas bottles	8.2	7.2	5.7	21.1
Batteries	38.1	26.9	19.4	84.4
Computers/electrical goods	94.3	40.5	40.1	174.9
Paper/cardboard	0	1.1	0	1.1
Glass	193.7	56.4	117.7	367.8
Tyres—car	0	26.1	32.2	58.3
Totals (Tonnes)	1,959.9	964.1	1,141.1	4,065.1

Goal 7 Our infrastructure supports the needs of future generations.

Capital works

Council delivered \$8 million worth of capital works in building and recreation projects in 2013/14.

All programmed capital works were successfully tendered and completed with the exception of the Simons Hill Road bridge, which was delayed by the February fires and will now be completed in 2014/15.

Roads, bridges and footpaths

Council invested significantly in roads, bridges and footpaths to continually improve safety for motorists and pedestrians while increasing the lifespan of these vital infrastructure assets.

Road repairs and reconstruction

During the year, road repairs and reconstruction works amounted to \$1.7 million. Among the many road reconstruction projects completed was a 1.6km section of Tylden-Springhill Road. Funding for this \$596,000 project was shared equally between Macedon Ranges Shire Council and Hepburn Shire Council.

52km	2.1km	27km
gravel roads resheeted	asphalt roads resurfaced	bitumen road resurfaced

The reconstruction of a 1.9km section of Kyneton-Springhill Road included road widening and the installation of new guardrail. As a result of these works, some old single lane sections of the road became dual lanes.

The Australian Government's Roads to Recovery program provided \$1.5 million for the reconstruction of two sections on Carrington Street in Macedon.

Asphalt resurfacing works were done on Station Road, Woodworth Street and Plummer Street in New Gisborne; Willowbank Road, Gisborne; and Thomas Court, Banksia Street and Samuel Court in Woodend.

In Woodend, Council completed reconstruction works on Russells Road. A section from Sullivans Road to Bawden Road was constructed and sealed at a cost of \$97,000 and further upgrades, totalling more than \$150,000, were completed on Nicholson Street.

Road safety

As part of the \$1.05 million received from the Victorian Government's Black Spot fund, safety improvements were made to:

- Three Chain Road, Newham
- Burke & Wills Track, Showlers Road and Wescott Lane, Lancefield
- Romsey Road and Straws Lane, Hesket.

As a result of a change to the Heavy Vehicle National Law, Council became responsible for assessing applications from heavy vehicle operators to travel on shire roads in February. These applications were previously assessed by VicRoads and are now the responsibility of local government. Council assesses the suitability of road and travel conditions for various classes of heavy vehicles, and issues a response to applicants within set timeframes.

VicRoads constructed overtaking lanes on the Melbourne-Lancefield Road near Monegeetta, significantly improving the safety of this major arterial road, partly due to extensive advocacy by Council

Council allocated \$60,000 to install guardrail at hazardous locations within the shire. These included Pyalong Road, Blackwood Road, Mission Hill Road, Mowbrays Road and Pipers Creek Road.

Footpaths

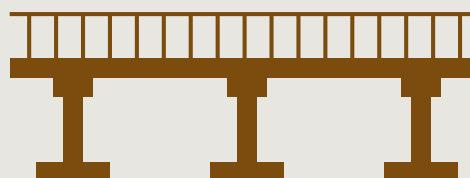
As part of Council's \$220,000 Footpath Renewal Program, more than 600 metres of footpaths were constructed along White Avenue in Romsey, creating path links between the primary school, public toilets and skate park.

Construction of new sections of footpaths along Edgecombe, Beauchamp, Mollison and Simpson streets in Kyneton were completed.

New footpaths were built on Smith Street, Macedon; Jinker Way, Romsey; and Collier Street in Woodend. Footpaths were upgraded in Dalton Street, Gisborne; Ferrier Street, New Gisborne; High Street, Lancefield; Park Lane and Station Street, Romsey; Wood Street, Woodend and Smith Street, Macedon.

Bridges and intersections

A new roundabout was constructed at the corner of Aitken Street and Willowbank Road in Gisborne. Two intersection upgrades were completed in Romsey—at the corner of Ochiltrees and Crooked Roads, and at Park and Boundary Roads.



Bridge upgrades were completed at:

- Three Chain Road, Carlsruhe
- Central Road, Tylden
- Moffats Lane, Romsey
- Simons Hill Road, Darraweit Guim (commenced).

Kyneton Saleyards

In 2013/14, the Kyneton Saleyards yielded \$6.4 million in direct sales and many times that amount in regional benefits, through the sale of around 11,000 cattle. While cattle numbers were similar to last year (12,669), there was a significant 60 per cent decline in the number of sheep sales. This was largely due to the ongoing effects of drought conditions over the past two years and resulted in a \$2 million decrease in turnover for the year.

Drainage



458

requests for drainage
maintenance
received

501

maintenance upgrades
required following
Council inspections

Council's Drainage Management Plan was adopted in 2013/14, which included verifying drainage data across the shire to better understand infrastructure, and assist with planning for future flood events. Verification work was completed in Gisborne and New Gisborne, with Macedon and Mount Macedon works underway.

During 2013/14, 17 requests were received to upgrade drainage or provide new drainage systems and about \$180,000 in improvement works were completed or started.

New drainage works totaling \$437,000 were undertaken in the following locations:

- Filmer Place, Riddells Creek
- Argent Court, Riddells Creek
- Wood/Urquhart Street, Woodend
- Quahlee Estate, Woodend
- Outlook Lane, Gisborne
- Stirling Way, Gisborne.

Kyneton Airfield

Council received \$40,000 from the Victorian Government's Putting Locals First Program to undertake an economic opportunities analysis for the Kyneton Airfield. Extensive stakeholder and community consultation was undertaken to assess the airfield's current land uses and economic benefits to the community, and to identify future economic opportunities of retaining the asset. The draft Kyneton Airfield Economic Opportunities Analysis was put on public exhibition and will be finalised in 2014/15.

Asset management

During the year, all Council buildings, drainage assets (pits, pipes and retarding basins) and footpaths were migrated to a centralised register. The asset register data is available to the whole of Council, with key staff trained to use the new management tool. A data capture and mapping exercise of retarding basins in the shire was also completed.

The Open Space Asset Management Plan was adopted and a review of the Asset Management Strategy was undertaken.

Open space

Council developed and adopted a 10-year Open Space Strategy. This document provides a framework for how Council manages and provides for open space across the shire to support passive and active recreation, social and environmental experiences, and tourism visitation. The project was undertaken with funding from Sport and Recreation Victoria.

Community facilities

Works started on a number of infrastructure projects identified by the community in Lancefield, Bullengarook and Carlsruhe. The works focused on enhancing central community spaces and were identified from established master plans. Council received \$276,000 in funding for these projects through the Victorian Government's Putting Locals First—On Our Way program.

Council continued its work on a feasibility study for the future of the Laurie Green Pavilion in Lancefield. The project involved consultation with the Lancefield sports precinct users on future uses for the pavilion. The final feasibility study will be presented to Council in 2014/15.

The Allan Hobbs Pavilion upgrade in Bullengarook was completed. This included window caulking, replacing damaged fascias, supplying barge flashing, correcting stormwater drainage, and rendering and painting the brickwork. An all access toilet was also installed along with another toilet at the Pony Club end of the reserve.

Council delivered three community infrastructure projects in Macedon and Mount Macedon that were partly funded by Regional Development Victoria. In Macedon, the Jubilee Hall car park was sealed, and a footpath was constructed to link the existing path in Smith Street to the business district in Victoria Street. Parallel parking and a footpath on Mount Macedon Road, Mount Macedon, were constructed. This project was a joint venture between Council and VicRoads and included a cycling lane and road safety improvements.

Council worked closely with Kyneton Community Park Inc. to develop state and federal government funding proposals to transform the former caravan park, adjacent to the Kyneton Botanic Gardens, into a nature-based play park. Council sought \$300,000 from Regional Development Victoria and another \$500,000 from the Australian Government. The outcome of these proposals will be determined in 2014/15.

Legal point of discharge



Asset protection permits





Romsey Sports Precinct

One of the year's most significant achievements was the completion of the \$5 million Romsey Sports Precinct.

The precinct includes a new oval, two sports pavilions, bowling green and cricket nets. A new entry into Romsey Park was constructed, along with tennis and netball courts. A playground was installed and upgrades to existing facilities were completed. The Australian and Victorian governments, Council and Romsey Park user groups funded the two-year project.

To see the Romsey Sports Precinct through to completion, the following works took place in 2013/14:

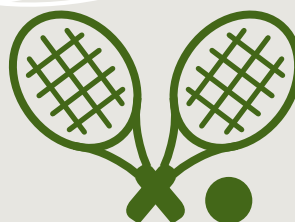
- Replacement of the synthetic bowls rink surface at the Romsey Bowling Club
- Construction of the senior sports pavilion and car park
- Construction of the junior pavilion
- Construction of new netball/double tennis courts.

Courts and pavilions

Construction on a new \$625,000 sports pavilion funded by the Victorian Government, Council and the Kyneton District Soccer Club was completed at Barkly Square.

In Woodend, six new tennis courts with fencing and lighting were built. The Victorian Government, Council and Tennis Australia funded this \$780,000 project.

A \$210,000 multi-purpose court at Tylden was completed, incorporating tennis, netball and basketball courts with lighting.



6
new tennis courts in
Woodend

Works commenced on a new regional outdoor netball complex in New Gisborne, with funding contributions from Council (\$800,000), the Macedon Ranges Netball Association (\$120,000), the Victorian Government (\$1.27 million), and the Australian Government (\$325,000). The complex will incorporate eight courts including two show courts, a pavilion, entrance and car park. Council also provided the site for the new complex.

Sports stadiums

Council signed a Joint Use Agreement with Gisborne Secondary College for a two-court indoor stadium in Gisborne and committed \$1.5 million in funding. Works are scheduled to commence in July 2014.

Roof insulation works were undertaken at the Riddells Creek Leisure Centre to reduce condensation and program disruption.

Recreation reserves

The Gilbert Gordon Oval and Kyneton Showgrounds master plans were completed.

Council undertook irrigation works at Riddells Creek Recreation Reserve, and completed lighting works at the Woodend Bowling Club.

Future actions

- Progress Planning Scheme Amendments for C84 (Municipal Strategic Statement), and Kyneton, Riddells Creek and Woodend Town Structure Plans.
- Implement town centre reviews for Macedon and Mount Macedon.
- Complete the Rural Living Review and Macedon Ranges Localised Planning Statement.
- Progress planning and development of community parks in Kyneton and Romsey.
- Complete Stage 1 of the Macedon Ranges Regional Netball Complex and upgrade a range of court and oval surfaces including Gilbert Gordon Oval, Woodend.
- Raise community awareness about Aboriginal culture at Mount William and implement a schools project to celebrate local history at the Kyneton Museum.
- Implement the Reserve Environmental Management Plans and progress Council's fauna monitoring program.
- Support Neighbourhood Houses to develop environmental sustainability plans.
- Return Bluestone Theatre to active community use.
- Progress planning for the Gisborne early years hub.
- Support community groups to improve community infrastructure through the Places and Partnerships Program.
- Complete a cultural heritage management plan, environmental management plan, and improvements to visitor facilities at Hanging Rock.
- Complete a Woodend to Hanging Rock recycled water and shared trail feasibility study.
- Complete the Mount Macedon Wastewater project and develop a new waste management strategy.

Our Goals

An Empowered Community

At a glance

- 219,425 aquatic visitations
- 9,390 Learn to Swim enrolments
- 17 performing arts events
- 54,270 attendances at Council-owned cultural venues
- 16,351 meals delivered
- 494 babies born
- 450 people engaged in Healthy Active People activities
- 140 young people nominated for Youth Awards
- 15 professional development sessions delivered to 395 business representatives
- 720,000 people visited the Macedon Ranges
- 3,205 cats and 10,862 dogs registered
- 4,548 vaccinations administered
- 773 children enrolled in kindergarten.

An Empowered Community

Challenges

- Ensuring service delivery remained high, and sustainable, in light of Victorian Government funding cuts and a new Australian Government framework for reviewing Home and Community Care services.
- Delays to the development of an early years hub in Gisborne due to challenges with the preferred site.
- Increased community participation in swimming, leisure and recreational activities placed capacity pressure on facilities including the Gisborne Aquatic Centre and Romsey Recreation Centre.
- Lack of support funding for the ongoing delivery of Council's teen Mental Health First Aid Program.
- Informing Visitor Information Centre volunteers of new guidelines and requirements, including a new position description.
- Some Council-owned buildings presented severe signs of deterioration and the costs of repairing and renewing structures exceeded Council's budget.
- The formation of new community groups delayed some projects, however, provided better outcomes.

Achievements

- More than 30 community groups and 120 individuals participated in 26 workshops as part of the inaugural Building Community Capacity project.
- Live4Life was delivered to 420 Year 8 students from the shire's six secondary colleges.
- The business directory grew by 300 listings, reaching a total of 749 listed businesses.
- A Walking and Cycling Strategy was developed for the next 10 years and includes 30 and 60 minute walking loops.
- A new kindergarten enrolment system was introduced to streamline processes.
- Timor-Leste culture was celebrated with exhibitions and activities during Cultural Diversity Week.
- Council sponsored the Powercor Macedon Ranges Business Excellence Awards, which received 312 nominations and included a Local Producer Award presented by the Macedon Ranges Agribusiness Forum.
- The Municipal Emergency Management Plan was revised to include planning for vulnerable people and ensure gender is considered in emergency planning.

Council's performance ratings

Recreation, culture and libraries

2010	2011	2012	2013	2014
Recreation				
71	71	69	68	71
Community and cultural activities				
N/A	N/A	66	66	66
Arts centres and libraries				
N/A	N/A	67	69	70

Recreation

Community and cultural activities

Arts centres and libraries

Community support services

2010	2011	2012	2013	2014
Elderly				
N/A	N/A	66	66	67
Disadvantaged				
N/A	N/A	60	61	61
Family				
N/A	N/A	63	64	64

Elderly

Disadvantaged

Family

Enforcement of local laws

2010	2011	2012	2013	2014
62	63	65	64	64

Business and community development and tourism

2010	2011	2012	2013	2014
NA	NA	63	61	63

Results taken from the Community Satisfaction Survey 2014. Where a five-year comparison is not available due to changes in reporting methodology in 2012, a three-year comparison has been made. See page 66 for more information.

Goal 7 Our community is inclusive and connected and enjoys strong mental and physical health and wellbeing.

Fitness and aquatic programs

New programs were introduced across Council's aquatic and leisure centres including Les Mills group fitness classes, mixed basketball, circus skills, hydro exercise and a school holiday activities program.

Aquatics and Recreation Victoria awarded Kyneton Toyota Sports & Aquatic Centre teacher, Marie Noonan, the 2014 Teacher of Swimming and Water Safety. Teachers Stephanie Ventouras and Kate Freston were nominated for awards, and AquaAware was nominated for the Innovative Program Award. AquaAware, Council's industry-recognised aqua education program, was delivered to 19 schools during the year.

For the first time, Council's annual Aquathon event was expanded to run two competitions within the shire—at Kyneton Toyota Sports & Aquatic Centre and Gisborne Aquatic Centre. There were 94 entrants to the Kyneton event, which was sponsored by Kleenheat, Campaspe Family Practice and Kyneton RSL. In Gisborne, 95 entrants participated in the Mitre 10 sponsored event.

At Gisborne Aquatic Centre, opening hours were extended to better meet the needs of lap swimmers. Utility costs at this facility were reduced by more than 10 per cent following a conversion of the pool heating system from electricity to natural gas.

Masterplans were developed for the Woodend and

Lancefield outdoor pools and annual improvements were made at these facilities, which included pool painting and shell repairs, chemical dosing improvements and tree audit works.

A new recycled water irrigation system was installed at the Woodend Outdoor Pool, and a feasibility study was completed for Romsey Aquatic Centre.

The Strength for Health program, which provides greater mobility and independence to many elderly participants, celebrated its 10-year anniversary.

Studio works at Kyneton Sports & Aquatic Centre were undertaken to allow lift access to the refurbished group fitness room.

Facebook pages were created for the Gisborne Fitness and Aquatic Centre and Kyneton Toyota Sports & Aquatic Centre in March 2014, with 353 likes and 373 likes achieved by 30 June 2014.

Aquatic, fitness and leisure centre participation

There was a decline in fitness centre attendances and memberships, most likely due to the introduction of new competitors into the local fitness market over the past 12 months.

Aquatic, fitness and leisure participation numbers

	2011/12	2012/13	2013/14
Aquatic visitations	173,274	193,899	219,425
Fitness attendances	52,000	60,000	50,389
Indoor stadium visitations	137,000	140,000	135,580
Learn to Swim enrolments	8,382	9,303	9,390
Gym memberships	660	770	667

Cultural events

During 2013/14, there were 20,000 seats or places available for locals and visitors to attend a cultural activity held within the shire.

Council's events program again offered professional touring theatre and music shows, exhibitions and special events. A number of cultural awareness events that celebrated Australia's diversity were held, providing more opportunities for residents to actively engage in local arts and culture.

Community interest in arts and culture continues to grow with 3,500 active participants registered on the ticketing database at the close of 2013/14 compared to 3,126 last year. In 2012/13, Council launched an Arts and Culture Facebook page, which almost tripled in 'Likes' to 650 at 30 June 2014.

At the launch of the 2014 Performing Arts Season in February, tickets to the year's shows were sold at 25 per cent discount on the full price. In the first hour, \$6,000 worth of tickets had been purchased.

Performances

The Victorian Government, through its Regional Partnerships Funding Program, provided \$50,000 to the Macedon Ranges Performing Arts Program.

ADMIT ONE

2,534
performing arts attendees

\$43,780
gross income

Highlights from the 2013/14 calendar included a night with the Australian Queen Tribute Band, which saw many of the 259 patrons dress up in their favourite 1970s gear. This event topped the year's box office takings with \$9,254.90 in ticket sales.

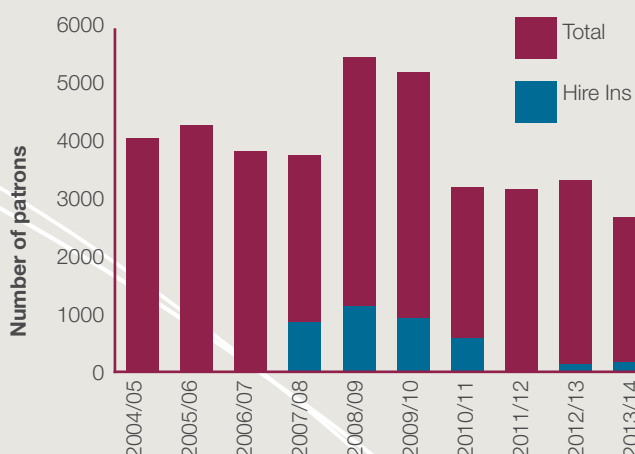
Iconic Australian singer Debra Byrne entertained 131 fans at a mid-morning concert held in October, and 158 people took a journey through art-house cinema and the ethos of punk rock with the Dirty Brothers in *The Dark Party*.

Children's theatre proved popular with almost 400 people packing the Kyneton Town Hall during two performances of *Mr McGee and the Biting Flea*—a showcase of six whimsical Pamela Allen stories performed by the Patch Theatre Company.

Go Away Mr Worrythoughts was performed to 400 primary school children. This performance-based health program, delivered in partnership with Cobaw Community Health and Bendigo Bank, provided strategies for children dealing with anxiety.

At the refurbished Gisborne Mechanics Institute, two family shows were held. In September, 48 people attended *Everything Must Go*, which was also performed at the Kyneton Town Hall in front of 45 theatre-goers. *Squaring the Wheel* took to the stage in October, attracting around 70 people. This show attracted a further 80 people during two shows at the Kyneton Town Hall.

10 years of box office hits



Public art

Artists were invited to submit an Expression of Interest to develop a piece of public artwork for installation at the Lions Club Park in Romsey. Council's Arts Funding Scheme allocated \$25,000 to commission the artist and artwork, which will be selected and installed in 2014/15.

Exhibitions

Exhibitions were held throughout the shire, and the Kyneton Museum remained a popular space for curators and visitors.

The high quality exhibitions held at Kyneton Museum in 2013/14 resulted in visitor numbers soaring to an all time high of 8,000. This represents a 400 per cent increase on visitor numbers for the previous year and was largely due to the unique Lost Trades Fair exhibition held in March.

Exhibition highlights from the year include *The Illustrations of Mark Wilson* exhibition, where original artworks and material from the acclaimed author's picture book, *Inside the World of Tom Roberts*, were displayed. The *100 Frames* exhibition told the story of the Victorian 100 Year Flood Event in photographs from the community of the Gannawarra Shire and beyond. This exhibition was also displayed at the Kyneton Town Hall.

The *Iron in the Fire* exhibition featured an amazing array of irons of all shapes and sizes, including children's toy irons and miniatures. Many of the irons were loaned to the Museum from Victorian members of the Australian Iron Collectors Association, while others came from the Museum's own collection.

Council, together with Friends of the Kyneton Museum supported local business, Rundell & Rundell, to present the unique Lost Trades Fair in March. This special event showcased the talents of crafts men and women, which attracted 6,000 people to Kyneton and the Museum over two days.

Arts venues and patronage

Council manages four arts venues across the shire, and supports eight committees of management for community halls and mechanics institutes.

An Empowered Community

Planning for health and wellbeing

All areas of Council contribute to positive health and wellbeing outcomes for the community including maternal and child health services, kindergartens, parks and gardens, rubbish collection, street cleaning and many other services needed by residents, businesses and visitors.

For this reason, Council's Health and Wellbeing Plan was incorporated into the Council Plan 2013–2017 for the first time. The plan's goals and objectives were developed based on Council's understanding that health and wellbeing is determined by more than just age, sex or genetic make-up.

Using social media for public health and wellbeing

Council managed the Local Government Social Media Project, which was funded by the Department of Health (Loddon Mallee Region) and included the City of Greater Bendigo as a partner. This project identified how social media could be used to develop and implement public health and wellbeing strategies with the aim to improve each councils' engagement with the community.

Suicide prevention

Following an inter-agency workshop on suicide prevention in October, Council organised for members of the community affected by suicide to come together and share their stories. Facilitated by former beyondblue CEO Dawn O'Neil, the workshop aimed to identify how Council and the community could be more responsive and supportive in suicide prevention.

After the workshop, Council facilitated the establishment of a Suicide Prevention Action Group comprising community members and representatives from key service providers in the shire. This group will develop an action plan for better outcomes in suicide prevention, response and recovery.

Bluestone Theatre

Council worked with the Friends of the Bluestone Theatre to plan future upgrades to the historic building so that it can be returned to safe community use. Through its Regional Development Fund, the Victorian Government provided \$400,000 to fix identified safety hazards. Expressions of Interest were sought from qualified heritage architects to design the works for the Victorian Heritage listed building. The project is due to be completed in 2015.

Reconciliation

Mount William Aboriginal interpretation tours held in collaboration with the Wurundjeri tribe were booked out by local schools and others from outside the Macedon Ranges.

Cultural Diversity Week

Council and the Macedon Ranges Friends of East Timor partnered to present a series of exhibitions and activities during Cultural Diversity Week (17–23 March) that celebrated the cultural heritage of Timor-Leste.

A free photographic exhibition was held at the Woodend Library, and at the Kyneton Town Hall where a cultural film night and festive dinner sold out to 100 guests.

During Reconciliation Week (27 May–3 June) Council joined representatives from the Wurundjeri tribe and Land Compensation Cultural Heritage Council elders to educate year five and six students from 11 local primary schools about the history of the Wurundjeri people, the significance of Mount William Stone Axe Quarry and the Sunbury Earthen Rings.

Home and Community Care (HACC)

Council provides an important community support service to older residents needing help around their homes and with meals, domestic duties and personal care.



Home assessment officers were provided with tablet computers and software to capture information during these visits instead of using hard copy forms and manual data entry. This new model of mobile service delivery reduced time spent on administration and made it easier to track vulnerable people. The project was recognised by the Municipal Association of Victoria who granted Council with an Award for Excellence in technological innovation for improvements to service delivery in August 2013.

HACC Service



13,891

hours of domestic assistance including cleaning and general household duties.

1,262

hours of home maintenance including installing ramps and handrails.

4,569

hours of respite provided to 92 clients.

887

hours of transport support provided to 67 residents during 227 trips.

Our ageing population

Development of a diversity plan commenced to address key issues affecting the different needs of the shire's ageing population. Among the issues addressed will be social isolation and dementia.

Senior groups and volunteers participated in five training sessions on elder abuse awareness.

A number of operational reviews were completed, and plans were developed around community support. Among these were:

- Home maintenance
- Food services
- Veterans Home Care.

Access and inclusion

Council's annual age-friendly community expo, *A place for everyone—always*, celebrated what makes the Macedon Ranges a special place to live for people of all ages and abilities. Expo activities raised awareness about what it means to be age-friendly, or inclusive of all.

More than 100 older Macedon Ranges residents enjoyed the reminiscent atmosphere and live music provided by Sacred Heart College at the third *Grey Light Dance* held at the Kyneton Town Hall on 8 May. This police-initiated event was held in partnership with Council and supported by local businesses, including Kyneton Toyota and Bendigo Bank.

As part of Council's Community Support respite programs, disability clients and their carers attended performances at the Kyneton Town Hall.

Council allocated \$40,000 per year for the next three years to improving accessibility at Council facilities across the shire. These improvements will start in 2014/15.

A dinner dance was held for 80 people celebrating the annual *International Day of People with a Disability*. This Council event was held at the Kyneton Bowling Club on 3 December, the 21st anniversary of this international day of celebration.

Development of the Community Access and Inclusion Plan 2014-2018 started, with completion expected in late 2014. This plan will introduce structures across Council that address access and inclusion issues in the community.

Kindergartens



Macedon, Lady Brooks in Kyneton and Woodend kindergartens underwent a refurbishment during the year with Council and Victorian Government funding. Premier Denis Naphthine attended the official opening of the refurbished Lady Brooks Kindergarten.

The refurbishments included larger and more integrated learning environments needed to provide 15 hours of weekly kindergarten for children the year before they start school. They also allowed more children to attend kindergarten, with an increase in room capacity from 30 to 33 children in Macedon, 24 to 33 at Lady Brooks and 25 to 33 in Woodend.

A new kindergarten enrolment system was implemented to streamline the registration process, and a Family eNewsletter was launched to provide information via email about Council's early years services, programs and events to residents, families and local service providers.

An Empowered Community

Kindergartens (cont.)

National Quality Standards Ratings for Macedon Ranges kindergartens

	Exceeded	Met	Working towards
Gisborne (Swinburne Avenue)	4	3	0
Gisborne (Grant Avenue)	1	6	0
Kyneton (Lady Brooks)	1	5	1
Lancefield	4	3	0
Macedon	1	6	0
Riddells Creek	6	1	0
Romsey	0	5	2
Woodend	2	5	0

Maternal and Child Health

494
babies born

190
first time mums



Key age and stage visits	No. of children
Two weeks	483
Four weeks	480
Eight weeks	476
Four months	497
Eight months	442
One year	441
18 months	421
Two years	475
Three and a half years	448
Total visits	4,659

The Gisborne Maternal and Child Health (MCH) centre was relocated to the old Council offices on Hamilton Street, next to the Gisborne Library. The move was made in consultation with user groups, and minor renovations were done to accommodate the service.

Infant feeding was supported at Gisborne by hosting the Supporting Infant Feeding Practices in Local Communities Project one afternoon each week.

The Kyneton MCH centre was refurbished as part of the 2011/12 Early Learning Facility Upgrade Program. Works included a shared entrance with the Kindergarten, construction of a toy library space, an accessible toilet and a new kitchen.

The second Playsteps Program was delivered across all MCH services in partnership with Tweddle Child and Family Health Service. During the year, five families, two early childhood professionals and an MCH nurse participated in the program, which focuses on enhancing relationships between children and parents or carer through play.

In August, Council delivered the inaugural Bringing Up Great Kids program in partnership with Cobaw Community Health. Ten families participated, with a large percentage of fathers attending. The Australian Childhood Foundation developed this program for families, particularly those considered vulnerable or at risk.

A number of emergency management plans were developed during the year for MCH services. This included the Children's Sub Plan and the MCH Centre Fire Plan.

The MCH Coordinator attended six state and four regional meetings during the year to advocate for more projects and partnerships that will benefit all families living in the shire.



New early learning centre in Gisborne

Planning for a new location and funding to build an early years hub in Gisborne continued. A new early childhood service is needed to meet Gisborne's growing population. Council explored a range of locations during the year with an outcome expected in 2014/15.

Childcare

Following an identified need for out of school hours care in Kyneton, Council worked with local primary schools and the Department of Education and Early Childhood Development to develop and fund a suitable solution. This resulted in an out of school hours care service opening, which provides before and after school support for families with children attending Kyneton primary schools.

Council's occasional care service in Woodend took 1,186 total enrolments from children aged six weeks to five years—a slight increase on the previous year.

Enrolments for children aged under three years increased by 42 per cent, with a high number of returning families, while enrolments for children aged three years and above decreased.

Children's programs and activities

Council coordinated the roll-out of the Walk to School program in eight primary schools, leading to successful health promotion and media coverage.

Council hosted the Children's Day Out community health expo on Sunday 27 October as part of Children's Week. Parents were provided information about local community groups and services that support children's health and wellbeing while children enjoyed dancing, music, theatre, arts, sports and play.

The Victorian Prevention Health Promotion and Achievement program, Smiles for Miles, was implemented into Council's kindergarten cluster. This initiative aims to improve oral health of preschool-aged children, based on the World Health Organisation's Health Promoting Schools Framework.

Healthy Active People Participant feedback

I have gained knowledge to help me improve decision-making about my own health and wellbeing

I have been encouraged to make positive changes to my level of exercise

I have been encouraged to make healthy changes to my eating habits

Healthy communities

Council's two-year Healthy Active People Initiative ended on 30 June.

Funded by the Australian Government's National Partnership Agreement, this initiative tackled weight-related health issues and chronic disease by encouraging increased physical activity and healthy eating.

In its last year of funding more than 450 members of the community engaged in programs, activities, information sessions and events, which were supported by 10 champions from health and wellbeing fields across the shire.

- 20 people took part in three beginner bike riding programs.
- 40 people participated in four Cooking for One or Two sessions.
- 150 people attended the 10 monthly lunches held as part of the Kitchen Connections program.
- 100 resource packs were issued to GPs and health organisations about the initiative.

The Healthy Active People initiative was well supported by the community, with more than 75 per cent of participants reporting an improvement in their knowledge of healthy living along with greater encouragement to make healthier eating choices.

Council also developed its Walking and Cycling Strategy as part of Healthy Active People during the year. This strategy will remain a legacy to the funded initiative as it aims to increase participation in walking and cycling over the next 10 years. As part of the strategy, three walking maps were developed in consultation with local walking groups for Kyneton, Gisborne and Woodend. The maps outline 30 and 60 minute walking loops to help people become more active.

Agree	Disagree	Haven't thought about it
75.5%	9.4%	15.2%
79.8%	8.3%	11.9%
74.2%	10.6%	15.1%

An Empowered Community

Healthy communities (cont.)

As part of the initiative, Council organised walks as part of Walktober. These October weekend events started in Woodend, Mount Macedon, Riddells Creek, Romsey and Newham.

Council partnered with Kyneton Community and Education Centre to deliver the Healthy Communities Mural project. Local primary school students created the murals with assistance from local artists. In an effort to promote local food growing, Council and Lancefield Neighbourhood House developed and delivered the Incredible Edible Lancefield Project, which included the installation of 20 wine barrel planter boxes on the main street by the community.

During the year, the project received 76 mentions in the media via print, radio or television. Over the two-year funding period, the Healthy Active People pages on Council's website received 5,600 page visits. A celebration to mark the end of the initiative was held at the Kyneton Mechanics Institute in April and was attended by 60 people.

Live4Life

The multi-award winning Live4Life initiative continued to be delivered to Year 8 students from the six secondary colleges across the shire, encouraging mental health awareness and understanding.

During third and fourth term in 2013, 12 education sessions were delivered to 420 students. These students also attended a celebration event that showcased their work around the theme of 'Reach Out'.

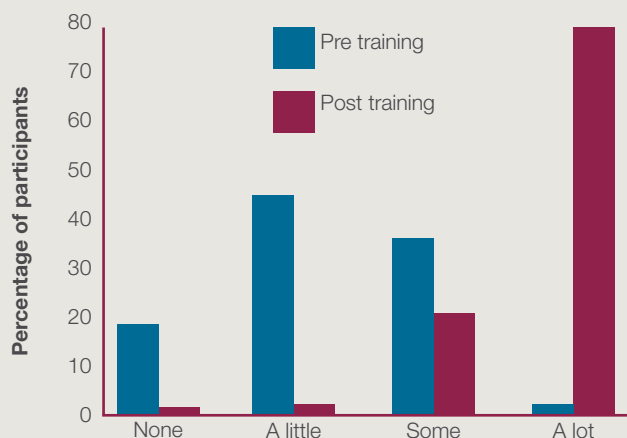
At the start of the school year, 559 students attended the annual launch of Live4Life. In the first half of the year, these students took part in 19 education sessions.

Council held six meetings for its youth crew, each attended by 30 young people, and a leadership camp was held for 14 young people.

After participating in a successful research project in 2012/13, Council added the Teen Mental Health First Aid training to its program. This training is available to Year 11 students across the shire.

During the year, 320 upper primary and early secondary students received education about safe and responsible use of digital media during 12 CyberLife sessions.

What level of knowledge do you feel you have about youth mental health services in the Macedon Ranges Shire?



Eight Youth Mental Health First Aid courses were attended by 117 parents, teachers and community members engaged with young people as part of Live4Life.

Participants were asked to indicate their level of knowledge they considered themselves to have of young people in a number of areas including depression, anxiety, eating disorders, substance misuse and psychosis (pre and post training). See chart above.

Youth spaces

Council's youth spaces in Kyneton, Woodend, Gisborne, Malmsbury and Romsey are important connections for young people to their townships. During 2013/14, around 330 young people attended these spaces to connect with each other and participate in activities and programs like sport, cooking and crafts.

Music In The Sticks

The Music In The Sticks crew led a number of music and festival events during the year. Among these were the Annual Battle of the Bands, Chill Bill music festival, Kyneton Secondary College Carnival, a youth event at the Kyneton Music Festival, and Macedon Youth Awards. The 12-person crew facilitated every aspect of these events including stage management, engaging artists, publicity and promotion, lighting and sound.

Youth Ambassadors

During the year, 18 senior school students were nominated or self-nominated to participate in the Macedon Ranges Youth Ambassadors leadership initiative. The group attended a three-day leadership camp to enhance their planning skills, which will help them deliver projects that address body image and alcohol and other drug use.

Youth awards

An unprecedented 140 nominations, almost double the previous year, were received for the 2013 Youth Awards. This showed a sincere commitment by the young people of Macedon Ranges to contribute across a broad range of categories including the arts, education, business and the community.

Building community capacity

More than 30 community groups and 120 individuals participated in Council's inaugural Building Community Capacity project, which provided community groups across the shire with opportunities to develop knowledge and skills in strategic and operational planning, project planning, collaboration, consultation and stakeholder engagement, governance and legal responsibilities. A total of 26 workshops were held, with participants from community organisations, neighbourhood houses, volunteers, and committee and board members.

Council supported a regional project to create an online toolbox providing practical resources for

community planning groups, local government and other stakeholders involved in small towns that are changing and evolving from what they once were.

Council supported local women to participate in the Loddon Mallee Leadability Program. The program was conducted over six full days between February and May, culminating in a graduation day at the Castlemaine Gaol. The program provided women with a disability the opportunity to develop their individual skills, confidence, awareness of local issues, and knowledge of, and access to, local community leadership opportunities.

Men's Sheds

The Macedon Ranges Men's Shed Cluster was established, bringing the five sheds together each quarter to identify joint projects and capacity building opportunities. Council also supported Woodend residents to establish a Men's Shed, and assisted Lancefield Men's Shed to review its operations and develop a strategic and financial plan for the future.

Goal **➤** Our economy is diverse, strong and prosperous.

Business development and training

An exciting new business development and training program was introduced in response to feedback received from Council's business surveys and previous participants.

The program included a range of training, networking and business development workshops that were delivered in partnership with key government, industry and local business bodies. Some of the events were actions from the Macedon Ranges Agribusiness, Equine, and Tourism strategies.

15 workshops, training and information sessions, and networking nights were delivered to 395 individuals.

For the first time, the program included industry-specific workshops for agribusiness and equine businesses. Owners of livestock and horses had the opportunity to enhance their bio-security knowledge and, following the devastating fires of February 2014, two free recovery workshops for fire-affected landholders interested in pasture recovery and farm planning were held.

An open night was held at the Woodend Visitor Information Centre for tourism operators and volunteers. A new information session format was undertaken, which featured presentations from 10 local tourism operators.

A number of workshops were held to enhance skills such as writing grant applications and award submissions, improving cash flow and profitability, and planning and running events and festivals in the shire.

Council hosted three morning teas for home-based business owners to connect with each other, and two business networking evenings.

In partnership with Small Business Victoria, Council hosted the inaugural Smart Business Conference at the Kyneton Town Hall in May. The two-day conference included a networking night and 12 individual events and workshops attended by 141 individuals representing 60 businesses. The conference concept was a first for Victoria and feedback from attendees indicated that they would like it to be an annual event.

Council provided monthly eNewsletter updates to over 1,300 businesses throughout the year, covering events, support, resources and other opportunities for businesses in the shire.

Highlights from the 2013 Business Survey

- 79 per cent introduced some form of sustainable practice in their business operations.
- 61 per cent of home-based businesses said high-speed internet was the most important service they need.
- 13 per cent export their services and/or products.
- 70 per cent indicated their gross income (turnover) had increased on the previous year.

An Empowered Community

Forums and networks

A forum to represent the local agricultural industry was launched to provide a voice for agribusinesses from viticulture, wool, alpacas, apiculture, sheep, beef and horticulture industries. The aim was to create greater awareness of the agribusiness sector, address challenges and identify opportunities for growth. The forum was listed as a high priority in Council's five-year Agribusiness Plan, completed in 2012/13. The group will work in partnership with Council and other key stakeholders to deliver the actions of the plan.

For the third consecutive year, Council supported the Macedon Ranges Home Business Network, which was formed in 2010 by three local businesses. Since the network was introduced, membership has grown from 12 people (2011/12) to 40 current members.

Council continued to meet with a network of local real estate agents to provide information on Council services and activities such as planning and permits, zoning and other strategic research and strategies in relation to land-use, growth and development.

The annual Business Leaders Forum was held with more than 60 businesses attending. Parliamentary secretaries Damian Drum MP and Russell Northe MP provided an update on Victorian Government support for small business. A facilitated session gave attendees the opportunity to provide feedback to the speakers.

Business awards

Council was once again a major sponsor of the Powercor Macedon Ranges Business Excellence Awards, held at the Kyneton Town Hall in June. From 312 nominations there were 35 finalists, and 11 individuals received awards in front of 180 guests. This year Council introduced a mentor program, which proved successful with 18 finalists and six winners taking advantage of the program.

Riddells Creek business, Construction Training International, won Business of the Year. To recognise the significant contribution made by the agricultural sector, a Local Producer Award was introduced this year. Representatives from the newly formed Macedon Ranges Agribusiness Forum presented the award.

Buy Local business promotion

Council continued to promote its online business directory to businesses and residents. The directory grew to 749 listings in 2013/14, with an additional 300 businesses added. Council promoted the directory via direct mail and advertisements in local newspapers.

Regional Living Expo

Council attended the Regional Living Expo held at the Melbourne Exhibition Centre in April to promote the region as a place to set up a business and create employment opportunities. The expo attracted 9,638 people over three days. Most questions related to real estate, schools and education, medical facilities and employment opportunities.

Sister City

Council sent a delegation to Japan in September to discuss the formalisation of its Sister City Relationship with Tokai City. The group also met with AusTrade representatives to explore potential trade opportunities and introduced local produce from the Macedon Ranges.

As a result, a five-year action plan was developed and the relationship will be formalised in 2014/15. In February, Council assisted a group of Japanese students from Tokai City to visit Braemar College in Woodend.

Economic planning

The Daylesford Macedon Ranges Tourism Board developed a new Regional Strategic Plan in partnership with Tourism Macedon Ranges Inc. and Council.

A training needs analysis was undertaken in partnership with the Central Ranges Local Learning and Employment Network and Learn Local providers. It assessed local businesses' skills to improve local training options. Partners included the Kyneton Community and Learning Centre, Woodend Neighbourhood House, Lancefield Neighbourhood House and Macedon Ranges Further Education Centre. The project was supported by \$50,000 from the Victorian Government, with project partners contributing \$20,000.

Council committed \$35,000 and the Victorian Government \$60,000 to investigate the possibility of establishing a large-scale equine centre in the shire. The study is an action in the 2012–16 Equine Strategy, which aims to support sustainable growth of the region's \$140 million equine industry, and create local employment opportunities. The proposed centre would be a multi-purpose facility capable of hosting international events, competitions, educational experiences and other equine activities.

Council finalised a review of its Festivals and Events Strategy and will now develop clear guidelines on how it will assess, support and fund festivals and events in the future. Council will consider the recommendations for adoption in 2014/15.

Visitors

Tourism is the region's largest industry accounting for approximately 16 per cent of local employment opportunities.



The team of 72 volunteers at Council's accredited Visitor Information Centres in Kyneton and Woodend provided assistance to 27,000 visitors. Work commenced on introducing a more interactive experience for visitors by enhancing visual displays and promoting upcoming events. New printed material was introduced, including walking maps and facts sheets on eateries, galleries, wellbeing services and other topics.

An extensive operational review of the centres resulted in the launch of a revitalised volunteer recruitment, induction and training program. A new position description was developed and six training shifts with a tourism officer or other volunteers were introduced, along with the existing eight local learning tours that take place each year. Training tips on various topics were also featured in the monthly volunteer newsletters, and Council recruited two casual relief employees in each centre to support paid staff and volunteers.

Tourism branding and marketing

In 2013/14, Council provided resources for the redevelopment and launch of the new Macedon Ranges Naturally Cool branding. The new logo, which is inspired by the shape and colours of the ranges, includes nine strands representing all of the shire's villages.

The visitmacedonranges.com website continued to perform strongly with more than 255,000 visits, representing an increase of 8 per cent on the previous year. The website was well complemented by the Macedon Ranges Naturally Cool Facebook page, which gained a strong following and had almost 300 posts. This Facebook page averaged 151 unique visits daily.

Visit Macedon Ranges website hits

Average unique visits per month

2012/13	2013/14
19,711	21,184

Most popular pages

Home page	12.05%
Accommodation	8.33%
Hanging Rock	7.86%
Activities	3.61%
Food and Wine	2.43%

RV Friendly Shire

Council became a Recreational Vehicle Friendly Shire in response to requests from the business community and the Campervan Motorhome Club of Australia.

To meet the criteria some minor infrastructure works were completed. These included signage installation and line marking to provide long vehicle parking options near shops and services in various towns across the shire.

A dump point and overnight parking site were installed at the Kyneton Mineral Springs. Caravan parks at Macedon and Lancefield continued to be promoted as part of the shire's recreational vehicle offering.



Goal 7 Our community is well-prepared, resilient and safe.

Community safety and crime prevention

Council continued its role on the Macedon Ranges Local Safety Committee, including involvement in the Lock It Or Lose It project with Gisborne Secondary College and Victoria Police. This project aims to reduce theft from, and theft of, vehicles in the shire. Under the guidance of Swinburne University School of Design, Year 11 students from Gisborne Secondary College designed, and are implementing, a community awareness campaign encouraging people to lock their vehicles.

The project was funded as part of the Victorian Government's Community Crime Prevention Program and launched by Minister of Crime Prevention, the Hon. Edward O'Donohue, in June 2014.

Fire preparedness

A fire-ready advertising campaign was undertaken to encourage residents to prepare their properties for the fire season, and to promote the importance of having a bushfire survival plan. The campaign included advertisements in local newspapers and an article in Council's resident newsletter, *Shire Life*.

Council's Emergency Alerts Facebook page was also used as part of the campaign. A significant increase in 'Likes' for this page was achieved, rising from 358 to more than 2,800 during the year. The Facebook page was a useful tool for communicating with the community during the February fires. Updates were provided on local relief, support and recovery services available. Some of these posts reached as many as 18,000 people.

Property inspections commenced in early November to identify fire risks.

- 1,200 fire prevention notices issued.
- 98 percent of properties complied.
- 1,000km of roadsides slashed for fire prevention.

A short film titled *Fire Ready in the Macedon Ranges* was launched, highlighting the importance of having a bushfire survival plan. The film provided useful tips on how to support family and neighbours to be fire-ready. The film was produced in partnership with the Mount Players Theatre Group and the CFA.

Emergency planning

In October, an emergency exercise was held to test and review Council's emergency procedures and systems that would be used in a real life event. The scenario of the exercise was based on a major car event at Hanging Rock that was impacted by a bushfire. The outcomes of this exercise proved beneficial when faced with the real fires in February. One of these was working with the car club to postpone the event that was scheduled at Hanging Rock on 9 February.

In March, Council received further funding from the Victorian Government to continue its emergency management role. This funding will be used to train key staff in emergency responsibilities, prepare and enact emergency management plans, run multi-agency emergency test exercises, and educate our community about dealing with emergency situations.

The following emergency resources were also developed during the year:

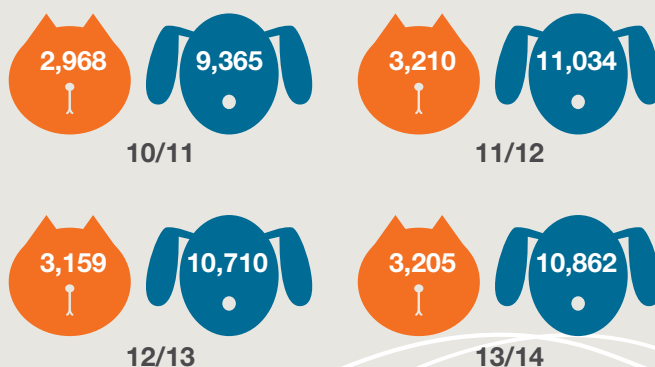
- Community Emergency Preparation Planner
- Emergency Safety Kit
- Heatwave Plan and Flood Emergency Plan.

The Municipal Emergency Management Plan, which details the agreed arrangements for the prevention of, response to, and recovery from emergencies that could occur in the shire, was revised to include the importance of planning for vulnerable people and to ensure gender is considered in all emergency planning. The revised plan was endorsed by the Municipal Emergency Management Planning Committee and adopted by Council on 25 June.

For information about Council's emergency response and recovery role during and after fires that impacted the region in January and February 2014, see pages 10–11.

Cats and dogs

In 2013/14, the number of registered cats in the shire reached 3,205 while 10,862 dogs were registered.



A holding facility for lost dogs was established to give pet owners 24 hours to claim their pet before being transferred to the Lost Dogs' Home in North Melbourne.

A temporary cat pound and shelter was established in partnership with Woodend business, Tony's Practice Veterinary Clinic. Over two months, 27 desexed, vaccinated, microchipped, wormed and vet-checked cats were adopted for a reduced fee of \$60 each (from \$160).

Council conducted a community survey on pets in public places, which was an action in Council's Domestic Animal Management Plan. More than 14,000 invitations were sent to pet owners with their pet registration notices and 798 responses were received. The results showed strong community support for off-leash areas for dogs and cat curfews across the shire.

Incidents of dog attacks continue to be of concern, although the number of incidents has decreased from the year before. Council has taken a proactive approach to prosecuting dog owners whose animals have been involved in serious attacks on animals or people.

Dog attacks

	2012/13	2013/14
Dog attacks/rush on persons or animals	119	102
Number of dogs surrendered	13	8
Number of prosecutions	7	19

Promoting responsible pet ownership in the community has been a key focus for Council over the last 12 months. This has been done by regularly producing media releases reminding residents to effectively contain their animals, reporting on court rulings, and reminding residents to report all dog attacks.

Council participated in the annual Paws in the Park walk, a partnership with a local veterinary clinic and other agencies that provides residents with an opportunity to meet other like-minded pet owners and receive valuable information about animal health and responsible pet ownership.

New local laws

The General Purposes and Amenity Local Law No.10 was developed after thorough consultation with the community. Adopted in September, the new local law revised controls on open air burning, the keeping of animals, septic tank maintenance, recreational motor vehicles, shipping containers on residential land and other community amenity issues.

School crossings

Council manages 19 school crossings across the shire and employs 31 school crossing supervisors.

In response to high numbers of children walking and riding to school, funding was received from VicRoads for a new School Crossing Supervisor at Gisborne's Holy Cross Primary School, after a new crossing was constructed by Council last year.

Mount Macedon Primary School nominated Alan Ford for the School Crossings Victoria Supervisor of the Year Award, in recognition of his dedication to the role of ensuring children's safety.



An Empowered Community

Preventing violence against women

Council continued its role in the regional Prevention of Violence Against Women in Our Community project, funded by the Victorian Government.

The project addresses the causes of violence through policy, programs and planning within Council, and by influencing attitudes and behaviour towards women and promoting positive and healthy relationships in the community.

Council activities included:

- A family violence clause around special leave entitlements in Council's Enterprise Bargaining Agreement
- Presentations on violence against women to nine business units
- Dramatic performances of scenarios around gender equity in the workplace, performed by male staff members.

During 2013/14 the following community activities were held:

- A morning tea in the lead up to White Ribbon Day, which introduced three local White Ribbon Ambassadors—West Ward Councillor John Connor, Victoria Police Inspector Ryan Irwin and Council's Director of Assets and Operations Dale Thornton.
- Establishment of a prevention of violence against women sub-committee as part of Council's Municipal Emergency Management Planning Committee.
- Recruitment of women who have experienced domestic violence as part of a regional media advocacy project coordinated by the Centre for Non-Violence in Bendigo. More than one-third of applicants came from the Macedon Ranges.

Reducing the impacts of smoking

For the fourth consecutive year, Council received funding from the Department of Health to conduct 25 Sales to Minors tobacco tests at retail outlets that sell cigarettes. An under-age test purchase assistant was engaged to conduct the test purchases at retail outlets such as milk bars, petrol stations and supermarkets. Of the retail outlets tested, two sold cigarettes to a minor and were given an official warning before being re-tested. Both proved compliant on the second test.

Council implemented smoke-free zones around all sporting grounds, playing fields, clubrooms and pavilions in the shire. Similar zones also apply to some outdoor events sponsored or run by Council. The new smoke-free zones were part of Stage two of Council's Smoke-free Outdoor Areas Policy, which was adopted in May 2012. Stage one saw smoke-free outdoor areas established around children's playgrounds and Council-owned and operated building entrances in 2012/2013.

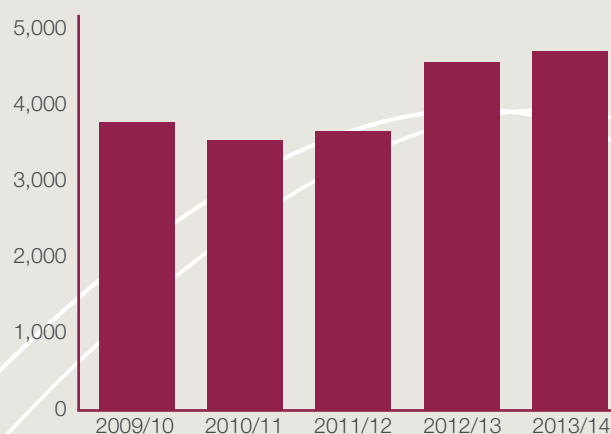
As part of the policy, alfresco cafes and restaurants in the shire were encouraged to sign up to create smoke-free outdoor dining areas in an effort to minimise exposure to second-hand smoke and reduce the take-up of smoking. Four food businesses have joined the program.

Immunisations

Council's immunisation program consisted of five pre-school sessions delivered over two days each month at venues in Gisborne, Kyneton, Woodend, Riddells Creek and Romsey. The school program included three visits to all secondary colleges throughout the shire.

All Year 7 students were offered vaccinations for Human Papillomavirus (HPV) and Varicella (chickenpox). This year was also the final year of the Year 9 boys' catch up HPV program. Boostrix, which vaccinates against tetanus, diphtheria and pertussis (whooping cough), was offered to all Year 10 students.

Number of vaccinations administered



Food safety

Council inspected 440 food premises during the year, which included eight complaint investigations of alleged food poisoning incidences.

Council continued to work with proprietors on registrations for temporary and mobile food premises for food sold or served at community events such

as festivals, markets, single temporary stalls, fetes or sausage sizzles. During the year, 46 temporary food premises were inspected to ensure the Food Act was adhered to, a much smaller number than the 96 that were conducted in 2012/2013 when changes to the Food Act were introduced.

Future actions

- Develop an agribusiness mentoring scheme to assist new operators and landholders, and identify and address farm planning for transition.
- Complete the Macedon Ranges Equine Centre Feasibility Study.
- Continue to implement the local skills audit in partnership with the Macedon Ranges Employment and Training Network (five year project).
- Develop and implement a long-term 'Buy Local' business sustainability program.
- Develop a Youth Charter and work with Youth Ambassadors to tackle alcohol and other drugs, and body image issues.
- Support an action group and plan for suicide prevention and initiatives that raise awareness of mental health and wellbeing.
- Work with Gisborne Secondary College to implement a joint community and school indoor sports stadium.
- Support community groups to run healthy and active events or programs.
- Expand the health and fitness spaces at the Romsey Recreation Centre.
- Implement healthy eating and oral health initiatives in kindergartens.
- Support an action plan to prevent violence against women in emergencies.
- Complete fire hazard inspections and issue advisory notices earlier to give property owners more time to clean up and reduce fire risk.
- Progress the planning of Maternal and Child Health services for vulnerable families and children.
- Develop a friendship agreement with the East Timor sub-district of Turiscai.
- Introduce new positive ageing programs that support older residents' ability to remain connected to their community.
- Adopt an order relating to pets in public places (on and off leash areas for dogs, and cat curfews).



Our Goals

A High Performing Organisation

At a glance

- 16,817 payments made to suppliers
- 272,500 payments made to Council
- 78,725 rates instalment notices issued
- 14,205 pays issued to Council staff
- 66,673 phone calls received by Council's main phone line
- 324 media enquiries received
- 230 advertisements placed in local newspapers
- 77 eNewsletters distributed to 8,600 subscribers
- 203 New Resident Kits distributed on request
- 289 users provided website feedback
- 66,000 items of incoming correspondence received
- 308 desktop and laptop computers owned by Council.

A High Performing Organisation

Challenges

- The 2014 fires put a strain on some services and departments, and impacted upon staff health and wellbeing, particularly those who were directly in contact with fire-affected residents. Staff were supported by the organisation through debriefing and counselling sessions.
- Issues attracting a high level of media coverage impacted on the community's perceptions of Council's overall performance such as proposed development of Hanging Rock's East Paddock, changes to volunteer programs, and a proposed site for Gisborne's new early years hub.
- Keeping Council's asset data up-to-date as the volume of new works in the shire increases, while implementing new software and migrating infrastructure asset classes.
- Changes to the way Facebook shares posts reduced Council's organic reach, meaning content publishers needed to work harder at getting fans to like, comment, share and click on posts. This also resulted in the need for paid advertising.
- The introduction of new emergency management legislation placed greater emphasis on the role of local councils in developing community resilience in emergency management.

Achievements

- A three-year corporate communications strategy was developed to deliver a proactive and planned approach to informing and engaging with the community.
- Online functionality was enhanced, including a jobs feature on the mobile website, accessible document formats, usability improvements, and online job applications integrated with HR systems.
- Options for improving telecommunications between the Kyneton and Gisborne offices were explored.
- A review of Council's Advisory Committees was undertaken.
- Council advocated to state and federal governments for improved local transport, and conducted studies for telecommunications and internet services.
- The Loddon Mallee South Regional Growth Plan was developed in conjunction with other councils to provide direction on land-use and development across the region.
- New systems for Finance and Human Resources were implemented to improve efficiencies.

Council's performance ratings

Customer service

2010	2011	2012	2013	2014
69	67	69	70	69

Advocacy and lobbying on behalf of the community

2010	2011	2012	2013	2014
62	60	52	53	50

Emergency and disaster management

2012	2013	2014
70	68	72

Communication and consultation

2010	2011	2012	2013	2014
------	------	------	------	------

Informing the community

N/A	N/A	59	58	55
-----	-----	----	----	----

Community consultation and engagement

59	56	54	55	47
----	----	----	----	----



Results taken from the Community Satisfaction Survey 2014. Where a five-year comparison is not available due to changes in reporting methodology in 2012, a three-year comparison has been made. See page 66 for more information.

Goal ↗ We proactively engage with, and demonstrate accountability to, the community; and build and sustain financial strength.

Ordinary and Special Meetings

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

From July 2013 to June 2014, 11 Ordinary Council Meetings were held on the fourth Wednesday of every month except in January.

Comprising all Councillors, these meetings were held mostly in Gisborne. Three Ordinary Council meetings were also held in Kyneton, Romsey and Woodend.

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

Finance

Council adopted the 2012/13 Annual Financial Statements on 28 August 2013 with no significant issues raised by the Victorian Auditor General.

The 2014/15 Budget and Strategic Resource Plan was adopted on 18 June 2014.

The 2014 General Valuation of properties was completed by 30 June 2014. Valuations are done every two years and form the basis of Council's residential rates.

In 2013 councils throughout Victoria were required for the first time to collect the Fire Services Property Levy on behalf of the Victorian Government. A system to do this was implemented and the levy was included on the 2013/14 rate notices.

A new finance system supplied by TechnologyOne was implemented in February 2014 to improve the efficiency of Council's outdated payroll, accounts payable, purchasing, budgeting and reporting systems.

Financial services

Payments	2012/13	2013/14
Payments made to suppliers	17,459	16,817
Payments made to Council	308,659	272,500
Pays issued to Council staff	13,602	14,205

Rates and properties

Rate instalment notices	75,971	78,725
Supplementary property valuations	1,801	1,538
General property valuations	20,466	21,496

Service delivery

To ensure services are delivered in line with adopted standards, guidelines and best practice, in 2013/14 the development of service plans across the organisation commenced. These service plans will ensure informed decision-making and improved efficiency in providing services to the community for present and future generations.

Council implemented an internal cross-organisational training program to enable front line staff to have onsite exposure to many activities of Council, which increased their capacity to resolve issues raised by residents.



66,673
phone calls received

264
per working business day

Of the 66,673 phone calls made to Council, 46.75 per cent of queries were resolved at the time, 42 per cent were transferred to another area of Council, and 11.25 per cent resulted in a request being logged through the Customer Request Management system or a message passed on to another area of Council.

In 2013/14, an internal planning register for community consultation activities was developed to support better coordination, and a review of Council's consultation framework and processes commenced (to be completed in 2014/15).



Media

During 2013/14, Council distributed 200 media releases and responded to 324 media enquiries on a range of topics. Media briefings were held almost fortnightly, totalling 21 for the year. At these briefings, journalists met with Council officers to hear the latest news, issues and events. Alternate briefings included a summary of Council meeting agenda items.

A total of 230 advertisements were placed in local newspapers. These included news items, public notices, job vacancies and tender opportunities.

Publications

Each of the five editions of Council's bi-monthly newsletter, *Shire Life*, were distributed to 22,000 residents and businesses.

A total of 77 subject-based eNewsletters were distributed to residents, businesses and visitors. These newsletters covered six areas—aquatics and leisure, arts and culture, disability support, environment, business, and families/children—and were emailed to 8,600 subscribers.

New Resident Kits were updated and made available by request via Council's website, telephone or in person at Council service centres. During the year, 203 new residents requested a kit.

Website

Around 20 web publishers across Council provided daily website updates. Staff received further training in monitoring website user analytics, which allowed Council to develop detailed reports on the website pre and post redevelopment.

Traffic to the website increased by 26 per cent since the new website was launched in 2012/13. A 50 per cent increase was achieved in the amount of time spent on individual webpages and visitors accessing the site from smartphones and tablet devices rose by 7.5 per cent.

Council continued to develop its online functionality to improve service delivery with:

- the addition of a jobs feature on the mobile version of the website
- the provision of further accessible document formats (MS Word and PDF)
- usability improvements for accessing Council meeting agendas and minutes via tablet devices
- the integration of online job applications with Council's internal Human Resource Management System.

Feedback was received from 289 users on website content via a useful thumbs up/thumbs down function on each webpage. Improvements were made to this process to ensure feedback was promptly actioned and responded to.

Social media



Pages created in 2013/14:

- Gisborne Fitness & Aquatic Centre
- Kyneton Toyota Sports & Aquatic Centre.

Council began using Facebook apps and running competitions via these pages. Among these was a successful Extreme Weather photo competition for the Emergency page. Council also began using Facebook's paid advertising feature, including geo-targeting, to promote page posts and events.

Strategy and branding

A three-year corporate communications strategy was adopted by Council in May, setting out a proactive, planned approach to informing and engaging with the community. Around 800 residents were consulted during the development of the strategy.

The roll-out of Council's new brand continued with further templates developed. Signage, uniforms and other promotional materials were also updated.

Improving efficiencies

Work commenced on the development of a cross-organisational online image library to provide local and relevant photographs for use on Council's website and in publications.

Technology for the telephone on-hold message was updated to allow messages to be recorded in-house by staff. This is a more cost-effective and flexible option from the previous service, which was outsourced. Messages can now be updated more regularly, particularly during emergencies and as circumstances change.

Emergency recovery

Council has 14 sub-plans for relief and recovery activities following emergencies in the region. In 2013/14, Council worked with a range of stakeholders to review these plans and began development of a new Children's Recovery sub-plan. This is being done in collaboration with Save the Children so that guidelines about how to best support young people and children during and after an emergency can be developed. Following the fires in 2014, a need was also identified for an outreach sub-plan to be developed in 2014/15. This plan will outline how Council will work with other agencies such as Red Cross and VCC Emergencies Ministry to deliver personal support visits to emergency-affected residents in the shire.

Council held two meetings with all agencies involved in recovery planning, before and after the fire season. Council also began investigating how to address gender

Emergency recovery (cont.)

equity and violence against women in its emergency planning.

For information about Council's emergency recovery role during and after fires that impacted the region in January and February 2014, see pages 10–11.

Goal ➤ We provide quality and efficient services that meet community needs.

Libraries

The role of libraries is evolving from loaning books and other items to offering vibrant, community-centred spaces with programs and activities for all ages. Council worked hard during the year to keep up with this change.

Goldfields Library Corporation manages the four libraries in the shire on behalf of Council—Gisborne, Kyneton, Romsey and Woodend. Initiatives in 2013/14 included:

- A partnership between Gisborne Library and local bookshop, Book Bonding, to deliver an evening program of author visits
- Kyneton Library supported residents of a local aged care facility by delivering books and other items
- Romsey Library worked with Romsey Playgroup, Romsey Toy Library and Romsey Community House to create a welcoming, lively community hub
- Woodend Library initiated a community art project called Get Knitted.

During the year, visits to the four libraries remained steady and membership increased slightly. Items borrowed decreased, most likely due to web loans, which are not yet identified in loan calculations. Web loans are growing as people increasingly use online library services.

Gisborne, Kyneton and Romsey libraries hosted Hot Day Centres for the first time over the summer. The libraries provided residents with a cool, comfortable place to go to escape the four-day heatwave in January.

Internet and network connectivity

Council's network was again stable at 99 per cent uptime for the second consecutive year. Almost all of Council's remote sites experienced performance issues with internet connection during the year. This is due to the rural landscape of the shire, which makes telecommunications technology sometimes difficult and unreliable. It is also particularly evident in areas where population numbers are small and therefore do not attract investment in infrastructure from telecommunications companies.

These connectivity issues prompted Council to explore options for improving the telecommunications link between the Kyneton and Gisborne offices in 2013/14. Council joined the MAV's Telecommunications contract, which sought proposals from telecommunications service providers to improve connectivity. This contract provided an opportunity to improve the data connections and transfer speeds to all sites across our entire network.

Online data

Around 1,400 unique visitors accessed the online Macedon Ranges Community Profile and Social Atlas during 2013/14. These websites present population data from the 1991 and 2011 censuses based on age, ethnicity, education, employment, income and other factors, and maps of selected 2011 Census statistics.

Strategic plan actions

Roll-out of the Information and Communications Strategic Plan 2012–2015 continued, with a total of 27 out of the plan's 54 projects complete.

During 2013/14, five projects were delivered and a further eight commenced. These included:

- Upgrading to Microsoft Exchange
- Deploying Windows 7 to all desktop and laptop computers
- Branded email signatures
- An online kindergarten enrolment system
- A Human Resource Information System
- A new Finance system
- Improvements to fire hazard management
- Developing a Council image library
- Introducing an electronic aged care assessment form.



Security

The use of externally facing systems and eBusiness technologies opens organisations up to the outside world, and only through the effective use of security technologies can increased risks to Council information assets be mitigated.

The perimeter vulnerability assesment, which was conducted in March 2014, aimed to provide an appraisal of the defences put in place to protect information assets from attack. While this assessment revealed no

critical issues, three medium risk and seven low risk issues were identified, assessed and addressed.

Records and correspondence

Council received almost 66,000 items of incoming correspondence during the year, of which 44 per cent were registered (28,873 items). The amount of incoming correspondence has been growing rapidly in recent years and to assist with the increased workload, a new full-time position has been approved in the 2014/15 Budget.

Information and communications technology

	2011/12	2012/13	2013/14
Desktop and laptop computers owned by Council	283	291	308
Number of servers (physical and virtual)	38	44	58
Number of staff requests received by IT Help Desk	N/A	2,495	3,351
Registered items of incoming correspondence	N/A	26,948	28,873
Number of staff using the Geographic Information System	225	218	234
Desktops purchased	38	48	127
Laptops purchased	35	37	14
iPads and tablets purchased	0	16	0

Goal 7 We lead and advocate for the best interests of the community.

Civic and community leadership

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 leadership and governance 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 Council by ensuring that resources are managed in a responsible and accountable manner
- Advocate for the interests of 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 staff and many dedicated volunteers, including members of Council advisory committees and committees of management.

Codes of conduct for Councillors, staff and volunteers are required by the Local Government Act 1989, and are important tools in maintaining standards of behaviour and public trust in the organisation. Through regular induction programs for new staff and the annual endorsement of the Councillor Code of Conduct, our collective commitment to these standards was maintained in 2013/14.

Council Advisory Committees

Council undertook a review of its Advisory Committees and determined to disband the Library Advisory and the Community Access committees. The Kyneton Mechanics Institute, Saleyards Advisory and the Arts and Culture Advisory committees became reference/user groups.

A Health and Wellbeing Advisory Committee was established. Recruitment and selection of members for this group, which will provide advice to Council on strategy and policy developments that impact on the health and wellbeing of the community, will commence in 2014/15.

Councillor briefings (Assemblies of Councils)

Before making decisions at a Council meeting, Councillors are sometimes briefed on matters by Council staff. Briefings 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 decisions in these informal forums. A record of matters discussed at Councillors briefings is maintained and presented to Council each month.

40 meetings were held with state and federal government representatives to advance projects and partnerships.

Regional Growth Plan

Council was active in its involvement with the development and implementation of the Loddon Mallee South Regional Growth Plan in 2013/14. Regional growth plans provide broad direction for land-use and development across regional Victoria and provide a detailed planning framework for key regional centres.

Transport

Council wrote to local members advocating for a continuation of the GisBus service, which was successful. An extensive community consultation with Woodend residents was undertaken to better understand their needs for local transport. The consultation involved surveys, community listening posts, workshops and interviews. A report was finalised and Council will assess the recommendations in 2014/15.

Black spot register

A register for internet and mobile service black spots in the shire was established to support Council's advocacy campaign for improved telecommunications. The register enabled local businesses and residents to record locations where internet or mobile services are weak or unavailable. They could also provide details on the effect it had on their day-to-day business.

A report summarising the data collected will be presented to telecommunication providers, and state and federal government representatives, to highlight the need for better mobile and high-speed internet services in the Macedon Ranges.

Social housing

Council continued negotiations with the Department of Human Services and other stakeholders around the future of the remaining social housing properties in its portfolio. Individual plans for the transition of each remaining property will be developed in 2014/15.

Romsey All Abilities Park

Negotiations commenced between Council and the Victorian Education Department to purchase the former Romsey Primary School site. Council advocated strongly for the land to become a community space rather than be sold at a higher value for residential development. A decision will be made in 2014/15.

Future actions

- Review Council's Community Consultation Framework, media and social media policies, and advertising arrangements.
- Commence the extension of the Gisborne Administration Centre to provide additional staff accommodation.
- Continue to recognise the value of volunteers.
- Ensure the Auditor-General's six indicators of financial sustainability remain in the low risk category, and that Council's financial reserves are properly managed.
- Develop online functionality to improve service delivery, an online image library, and include the shire's population and household forecasts on Council's website.
- Implement new corporate systems for the management of documents, human resources, contractor induction, and performance indicator data.
- Complete an IT Disaster Recovery Exercise and upgrade computers from Windows XP to Windows 7, and Microsoft Office.
- Advocate to state and federal government departments and stakeholders to advance projects and partnerships, improve transport, and provide better telecommunications infrastructure.
- Develop a Youth Employment Policy.
- Provide corporate systems training and eLearning programs to staff and deliver at least two corporate culture leadership sessions.
- Participate in developing the Loddon Mallee South Regional Transport Plan.
- Develop and implement an asbestos management plan and review risk management practices and reporting.
- Develop a shared approach to emergency relief and recovery with other municipalities across central Victoria.

Grants, Awards and Donations

Each year Council provides grants to community groups from a number of programs and schemes. It also provides support to the shire's six neighbourhood houses.

Australia Day Township Celebration Grants

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

1st Romsey Scout Group—community barbecue and family fun activities	\$500
Baynton Hall Committee—community film night	\$400
Lions Club of Kyneton—community barbecue breakfast	\$500
Malmsbury Town Hall Management Group—antiques, Australiana and artisans event	\$500
The GREAT Association Inc. —community barbecue breakfast	\$500
Tylden Hall Committee—community barbecue breakfast	\$500
Woodend Rotary, RSL and Scouts—flag parade and barbecue	\$500
Total	\$3,400

Australia Day Awards

Nine community groups received an Australia Day Township Celebration Grant and five individuals and groups were recognised for making a significant contribution to the local community.

Artists for Orphans Inc. founder Roni Wildeboer was awarded Citizen of the Year for her work with orphaned children affected by Agent Orange in Vietnam. The Young Citizen of the Year award went to John-Joe Wilson for his leadership, work around student wellbeing and helping to establish the Lookout program at Sacred Heart College.

Eric Scoble and the Windarring Meals on Wheels team, which includes Beth Hipworth, Emma Goodwin, Luke Wren and Gabrielle Martin, received Community Achievement Awards.

The successful Christmas Lunch at the Kyneton Town Hall was named Community Event of the Year.



Community Funding Scheme

Council's annual Community Funding Scheme supports the activities of community groups and events. Council distributed \$178,160 in grants between 55 community groups and organisations. This year, one-third of the applications received were from new applicants. Of the successful applications, 32 per cent related to community buildings and development, 30 per cent to arts, events and tourism, 25 per cent to sports and recreation, and the remainder to environment, family and children's services, and heritage-related initiatives. For a full list of Community Funding Scheme recipients for 2013/14, please visit Council's website.

Gisborne Little Athletics

Gisborne Little Athletics received funding for a new synthetic long jump run up that services two pits. This asset will provide great benefits to the club's membership, which has increased by over 50 per cent in the last year. Local schools also use the club's facilities regularly.



Lost Trades Fair

Around 7,000 people flocked to Kyneton in March for the inaugural Lost Trades Fair. Held at the Kyneton Museum, the fair showcased traditional lost and rare trades. The unique event included demonstrations in chairmaking, coopering (barrel making), bucket making, letterpress printing, leather carving, French polishing, bootmaking, whipmaking, hedge laying, dry stone walling, stonemasonry, printmaking and spinning.



Sculptural pig project

Newham Primary School students and local artists decorated 10 life-sized fibreglass pigs as part of the Newham Mechanics Institute O Pig sculptural pig project. The decorated pigs were displayed around Newham, and the project finished with an autumn festival celebrated with local produce and music.



Councillor Grants program

The number of Councillor Grant applications that were funded rose from 21 in 2012/13 to 31 in 2013/14. The maximum funding amount was increased during the year from \$500 to \$1500, and not-for-profit community groups were able to apply online for an easier and more streamlined process.

1st Riddells Creek Scout Group	\$500
1st Romsey Scout Group	\$500
Carlsruhe Fire Brigade	\$500
Clarkefield Music Festival	\$400
Cobaw Community Health	\$455
Gisborne Festival Committee	\$1,500
KPS Parents and Friends	\$301
Gisborne Community Carols	\$1,000
Jubilee Hall	\$150
Kyneton Community Park Inc.	\$850
Kyneton Primary School	\$270
Kyneton Secondary College	\$200
LACSACGA	\$750
Lancefield Men's Shed	\$500
Lancefield Neighbourhood House	\$600
Lifestyle Carer's Group	\$800
Macedon and Mount Macedon Business and Tourism Association	\$1,500
Macedon Ranges Friends of East Timor	\$1,500
Macedon Ranges Sustainability Group (Kyneton Transition Hub)	\$1,500
Macedon Ranges Toy Shop	\$1,000
Mount Macedon/Macedon Carols by Candlelight	\$944
Mount Macedon Primary School	\$500
Newham Mechanics Institute	\$350
Riddells Creek Pony Club	\$1,500

A High Performing Organisation

Romsey & Lancefield Districts Historical Society Inc.	\$500
Romsey Primary School	\$500
Sacred Heart College Kyneton	\$500
Woodend Cemetery Trust Inc.	\$500
Woodend Lions Club	\$500
Woodend Playgroup	\$500
Woodend Toy Library	\$750
Total	\$21,820

Macedon Ranges Toy Shop

The Macedon Ranges Toy Shop opens for Christmas and provides toys and books to over 250 children who may otherwise go without. Parents and carers can choose a main gift, book or soft toy, and a stocking filler. This not-for-profit, community group relies solely on donations. Council contributed \$1,000 in 2013/14.

Landcare Group support

Ashbourne Landcare Group	\$800
Bullengarook Landcare Group	\$800
Campaspe River and Land Management Group	\$800
Campaspe Valley Landcare Group	\$800
Carlsruhe Landcare Group	\$800
Clarkefield and District Farm/Landcare Group	\$700
Deep Creek Landcare Group	\$800

Friends of Black Hill	\$800
Friends of Daly Nature Reserve	\$800
Friends of Hanging Rock	\$800
Friends of Mount Gisborne	\$800
Greening of Riddell	\$800
Macedon Ranges Indian Myna Action Group	\$800
Malmsbury District Landcare Group	\$800
Newham and District Landcare Group	\$800
Riddells Creek Landcare Group	\$800
Shiela Cameron Guides Landcare Group	\$800
Stanley Park Committee of Management	\$800
Trentham District Landcare Group	\$800
Tylden Landcare Group	\$800
Upper Campaspe Combined Landcare Groups	\$800
Upper Deep Creek Landcare Network	\$800
Upper Maribyrnong Catchment Group	\$800
Woodend Landcare Group	\$800
Total	\$19,900

Bullengarook Landcare

Bullengarook Landcare was among 24 landcare groups to receive an \$800 grant in 2013/14.

In line with Council's fauna monitoring program, this active Landcare group constructed and installed around 60 nest boxes for native animals. Many of these nest boxes were installed on Council reserves. Records of species discovered in the nest boxes will be recorded for Council to gain a greater understanding of species living in local reserves, which will support better environmental management.



Neighbourhood House and Community Centre support

Kyneton Community and Learning Centre	\$3,584
Lancefield Neighbourhood House	\$3,584
Macedon Ranges Further Education Centre	\$3,584
Riddells Creek Neighbourhood House	\$3,190
Romsey Community House	\$3,190
Woodend Neighbourhood House	\$3,584
Total	\$20,716

Neighbourhood House

The Lancefield Neighbourhood House Incredible Edible Lancefield project was launched in 2013/14. As part of this project, Council supported a working bee that involved planting edible plants in 24 half wine barrels along Main Street, Lancefield, in partnership with the community and local businesses. The Incredible Edible project supports growing fruit and vegetables in public places for everyone to enjoy, gardening workshops, and campaigns around local food issues.



Community newsletter grants

Bullengarook Bellows newsletter	\$800
Gisborne Gazette newsletter	\$880
Guim Tales newsletter	\$880
Kyneton Connect newsletter	\$800
Lancefield Mercury newsletter	\$800
Malmsbury Mail newsletter	\$800
Riddell Roundup newsletter	\$880
Romsey Rag newsletter	\$880
The New Woodend Star newsletter	\$880
Total	\$7,600

Statutory Information



Statutory Information

The Department of Planning and Community Development conducted its annual Community Satisfaction Survey again in 2013/14 on behalf of Victorian councils.

Council's performance over the last 12 months was assessed by 400 participating residents, and benchmarked against a statewide average and other large rural shires.

Council improved or maintained its 2012/13 result in 15 of 20 individual services areas. The most significant improvements were in disaster management and waste management.

Compared to other large rural shires, Council continued to perform highly in overall performance and customer service. However, it rated lower than previous years and other large rural shires in community consultation, advocacy and overall Council direction.

Overall Community Satisfaction Survey results

Performance measures	Macedon Ranges Shire Council 2013	Macedon Ranges Shire Council 2014	Large Rural Shires	Statewide Group
Overall performance	60	59	57	61
Community consultation	55	47	55	57
Advocacy	53	50	54	56
Customer service	70	69	68	72
Overall Council direction	52	48	51	53

Individual service areas results

Individual service area performance measures	Macedon Ranges 2013	Macedon Ranges 2014
Arts centres and libraries	69	70
Community and cultural activities	65	66
Maintenance of unsealed roads	40	45
Roadside slashing and weed control	44	42
Condition of local streets and footpaths	51	52
Planning and building permits	46	47
Planning for population growth	52	50
General town planning policy	53	49
Community consultation and engagement	55	47
Informing the community	58	55
Lobbying on behalf of the community	53	50
Emergency and disaster management	68	72
Elderly support services	66	67
Disadvantaged support services	61	61
Family support services	64	64
Business and community development and tourism	61	63
Enforcement of local laws	64	64
Recreational facilities	68	71
Appearance of public areas	69	71
Waste management	72	76
Parking facilities	62	62

Victorian Local Government Indicators

			2012-2013	2013-2014	Diff
1	Affordability/ Cost of Governance	Average rates and charges per assessment Rates and charges declared as being receivable Number of assessments	\$1,769 \$36,768,524 21,024	\$1,640 \$34,472,570 20,780	\$129
2		Average rates and charges per residential assessment Rates and charges declared for all residential assessments Number of residential assessments	\$1,749 \$32,195,338 18,604	\$1,620 \$30,139,444 18,409	\$129
3	Sustainability	Average liabilities per assessment Total liabilities Number of assessments	\$902 \$18,753,479 21,024	\$945 \$19,868,891 20,780	(\$43)
4		Operating result per assessment Operating result per financial statements Number of assessments	\$657 \$13,643,000 21,024	\$905 \$19,022,000 20,780	(\$248)
5	Services	Average operating expenditure per assessment Operating expenditure per the financial statements Number of assessments	\$3,117 \$64,764,000 21,024	\$2,805 \$58,980,000 20,780	\$312
6		Community Satisfaction Rating for Overall Performance generally of the Council	Refer to page 11 for details over 5 years	Refer to page 11 for details over 5 years	Refer to page 11 for details over 5 years
7	Infrastructure	Average capital expenditure per assessment Total capital expenditure Number of assessments	\$690 \$14,337,000 21,024	\$815 \$17,140,000 20,780	(\$125)
8		Renewal Gap Current spending on renewal Long term Av. Annual Asset Consumption (AAAC)	56.4% \$5,976,406 \$10,603,375	50.2% \$4,612,015 \$9,195,825	
9		Renewal and Maintenance Gap Current spending on renewal plus maintenance Long term Av. Annual Asset Consumption (AAAC) plus maintenance	72.5% \$12,174,175 \$16,801,144	68.7% \$10,043,174 \$14,626,984	
10	Governance	Community Satisfaction Rating for Council's Advocacy	Refer to page 11 for details over 5 years	Refer to page 11 for details over 5 years	Refer to page 11 for details over 5 years
11		Community Satisfaction Rating for Council's Engagement	Refer to page 11 for details over 5 years	Refer to page 11 for details over 5 years	Refer to page 11 for details over 5 years

Definitions

Assessment = a property which is subject to rates and charges.

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.

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

Information and Privacy

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 Council
- Register of Authorised Officers appointed under Section 224 of the Local Government Act (1989)
- A list of donations and grants made by Council during the financial year
- A list of the names of the organisations of which Council was a member during the financial year
- A register of Council's contracts in accordance with the Local Government Act (1989).

Local laws

Macedon Ranges Shire Council has two local laws:

- Local Law No. 9 – Macedon Ranges Shire Council Meeting Procedure, which came into operation on 25 July 2007
- Local Law No. 10 – Macedon Ranges Shire Council General Purposes and Amenity Local Law, which came into operation on 25 September 2013. This local law assists Council in maintaining a safe, peaceful and ordered community environment.

Council meetings

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, and Special Committee, meetings.

Privacy and disclosures

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.

Application of the Protected Disclosure Act (2012) replaced the Whistleblowers Protection Act (2001).

The Protected Disclosure Act (2012) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Council does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

During 2013/14, there were no disclosures made under the Protected Disclosure Act 2012.

Disclosures of improper conduct or detrimental action by Council or any of its employees and/or officers may be made to the Protected Disclosure Coordinator.

Disclosures of improper conduct or detrimental action by Councillors should be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street Melbourne, VIC 3000
1300 735 135
www.ibac.vic.gov.au

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action Council or any of its employees and/or officers, are available on the Department's website.

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.

Performance and Financial Statements



2013/2014 Performance Statement

In accordance with Section 132 of the Local Government Act 1989 this Statement has been prepared, identifying Actions (Key Strategic Activities) that Council included in the 2013/2014 Budget and details the extent to which these Actions have been achieved.

Our key outcomes

1. An inspiring place

1.1. Our lifestyle, culture and sense of place is strengthened by best practice planning and development

1.1.1. To protect and maintain the integrity of townships within a context of population growth

1.1.1.2. Woodend Structure Plan adopted by 30 June 2014

1.2. Our environment and landscape is protected and sustained

1.2.1. To protect the natural diversity and uniqueness of the landscape and wildlife

1.2.1.1. Develop a Pest Animal Management Plan by 30 June 2014

1.3. Our infrastructure supports the needs of future generations

1.3.1. To plan for, develop and maintain community facilities that meet changing needs

1.3.1.2. Complete Romsey Sport precinct by 30 June 2014

2. An empowered community

2.3. Our economy is diverse, strong and prosperous

2.3.1. To facilitate and support the development of diverse industry sectors that build on the natural and built strengths of the shire

2.3.1.2. Deliver two Industry Support Forums by 30 June 2014

2.4. Our community is inclusive and connected and enjoys strong mental and physical health and wellbeing

2.4.1. To increase community understanding of, and support for, mental health and wellbeing

2.4.1.2. Develop strategies to increase community mental health literacy and ability to access effective support and services through holding mental health round tables with local and specialist agencies by 30 June 2014

2.5. Our community is well-prepared, resilient and safe

2.5.1. To develop and maintain safe environments

2.5.1.2. To have a current and certified Municipal Emergency Management Plan by 30 June 2014

3. A high-performing organisation

3.3. We proactively engage with, and demonstrate accountability to, the community; and build and sustain financial strength

3.3.1. To deliver fair and open decision-making across the business of Council

3.3.1.1. Communications Strategy presented to Council by 30 December 2013

3.3.2. To ensure Council's financial resources are sustainable and managed responsibly

3.3.2.1. Ensure Budget and Strategic Resources Plan are approved by Council by 30 June 2014

3.4. We provide quality and efficient services that meet community needs

3.4.1. To ensure that our community benefits from the efficient delivery of our regulatory and operational responsibilities

3.4.1.1. Complete the biennial evaluation of all properties in accordance with the Valuer General Best Practice Guidelines by 30 June 2014

An inspiring place

Outcome:	Our lifestyle, culture and sense of place is strengthened by best practice planning and development
Strategy:	To protect and maintain the integrity of townships within a context of population growth.
Key action:	Woodend Structure Plan
Indicator:	The structure plan is adopted by 30 June 2014.
Result:	Achieved
Comment:	The structure plan was adopted at the May 2014 Ordinary Council Meeting.
Outcome:	Our environment and landscape is protected and sustained
Strategy:	To protect the natural diversity and uniqueness of the landscape and wildlife.
Key action:	Pest Animal Management Plan
Indicator:	The plan is developed by 30 June 2014.
Result:	Achieved
Comment:	The Pest Animal Management Plan was adopted at the June 2014 Ordinary Council Meeting.
Outcome:	Our infrastructure supports the needs of future generations
Strategy:	To plan for, develop and maintain community facilities that meet changing needs.
Key action:	Complete Romsey Sport Precinct.
Indicator:	To be completed by 30 June 2014.
Result:	Achieved
Comment:	Project completed with date of opening on 29 April 2014.

An empowered community

Outcome: Our economy is diverse, strong and prosperous

Strategy: To facilitate and support the development of diverse industry sectors that build on the natural and built strengths of the shire.

Key Action: Deliver two Industry Support Forums.

Indicator: Forums to be delivered by 30 June 2014.

Result: Achieved

Comment: General business networking night held on 4 March 2014 with 60 attendees. End-of-year networking night and workshop conducted with approximately 70 attendees. Home-based businesses networking seminar held and Business Victoria workshops conducted on 20 February 2014 and 30 April 2014 respectively.

Outcome: Our community is inclusive and connected and enjoys strong mental and physical health and wellbeing

Strategy: To increase community understanding of, and support for, mental health and wellbeing.

Key Action: Develop strategies to increase community mental health literacy and ability to access effective support and services through holding mental health round tables with local and specialist agencies.

Indicator: Mental health round tables to be held by 30 June 2014.

Result: Achieved

Comment: Suicide prevention round table held on 14 October 2013 and planning is underway to take findings to a community-based workshop event.

Outcome: Our community is well-prepared, resilient and safe

Strategy: To develop and maintain safe environments.

Key Action: To have a current and certified Municipal Emergency Management Plan.

Indicator: The plan to be adopted by 30 June 2014.

Result: Achieved

Comment: As a result of the February fires in the Macedon Ranges, the Municipal Emergency Management Plan has been reviewed and was presented to the June 2014 Ordinary Council Meeting.

A high performing organisation

Outcome:	We proactively engage with, and demonstrate accountability to, the community; and build and sustain financial strength
Strategy:	To deliver fair and open decision-making across the business of Council.
Key Action:	Communications Strategy
Indicator:	The strategy to be adopted by Council by 30 December 2013.
Result:	Not achieved
Comment:	The Communications Strategy 2013–2017 was adopted at the May 2014 Ordinary Council Meeting.
Strategy:	To ensure Council's financial resources are sustainable and managed responsibly.
Key Action:	Budget and Strategic Resources Plan approved by Council.
Indicator:	Budget and Strategic Resources Plan to be adopted by Council by 30 June 2014.
Result:	Achieved
Comment:	Council's Budget and Strategic Resource Plan were adopted at the Special Council Meeting on 18 June 2014.
Outcome:	We provide quality and efficient services that meet community needs
Strategy:	To ensure that our community benefits from the efficient delivery of our regulatory and operational responsibilities.
Key Action:	Complete the biennial evaluation of all properties in accordance with the Valuer General Best Practice Guidelines.
Indicator:	Revaluation completed by 30 June 2014.
Result:	Achieved
Comment:	The 2014 General Valuation of the shire was adopted at the June 2014 Ordinary Council Meeting.

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 2013/14 Council Year.

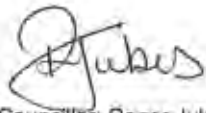
Certification of Performance Statement

Certification of Performance Statement

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council in respect of the 2013/2014 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
Date: 26/09/2014



Councillor: Jennifer Anderson
At Kyneton
Date: 26/09/2014

Independent Auditor's Report—Performance Statement

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Macedon Ranges Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Macedon Ranges Shire Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the 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.

Auditing in the Public Interest

Independent Auditor's Report—Performance Statement

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.

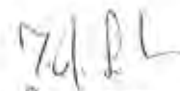
Auditor's Opinion

In my opinion, the performance statement of the Macedon Ranges Shire Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Macedon Ranges Shire Council for the year ended 30 June 2014 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
29 September 2014


John Doyle
Auditor-General

A Guide to the Financial Statements

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

Council's audited Financial Statements for the year ended 30 June 2014, 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, McLean Delmo Bentleys Audit Pty Ltd, and approved by the Auditor General.

The financial statements comprise the Comprehensive Income Statement, the Balance Sheet, the Statement of Changes in Equity and the Cash Flow Statement.

Comprehensive Income Statement

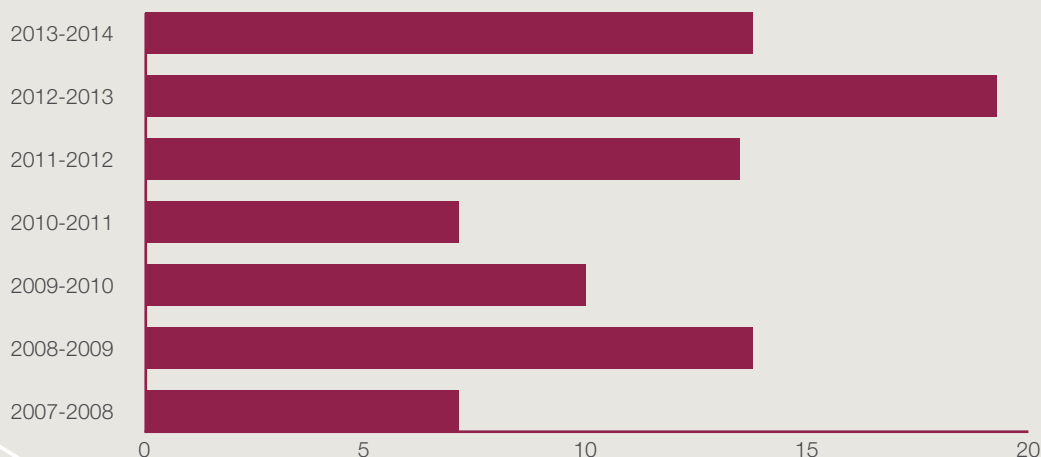
The Comprehensive Income Statement shows Council's operating revenue and expenses for the year plus the net asset revaluation reserve increase, which in simple terms is the increase in the value of Council's assets resulting from any asset revaluations conducted during the year.

The summary of the income statement as follows:

	2013/14	2012/13
Revenue (1)	\$78.40m	\$78.00m
Less		
Expenses (2)	\$64.76m	\$58.98m
Net Operating Surplus	\$13.64m	\$19.02m
Other Comprehensive Income (3)	\$41.55m	\$24.19m
Comprehensive Result	\$55.19m	\$43.21m

Operating Surplus

\$M



The explanation of some of the key changes between 2012/13 and 2013/14 in the components of Comprehensive Income is as follows:

(1) Total income increased in 2013/14 by \$0.40m from 2012/13

While the overall increase was small, there were some large movements between the income categories.

- Rates and charges increased by \$2.3m.

Rate income was higher than 2012/13 due to rates being increased by 4.8% and there was also an increase in the number of rateable properties (around 1%).

Offsetting this increase was lower income in the following areas

- Grants were \$1.1m lower than 2013/14.

The main reason for the decrease in recurrent operating grants is that the Grants Commission payments were \$3.0m higher in 2012/13. For the last few years, the Grants Commission had been paying half of the next year's grant in advance. In 2013/14 the Grants Commission has reverted back to paying the grant in the year of the allocation. As a result Council has only received the other half of the 2013/14 allocation this year (the other half was received in 2012/13).

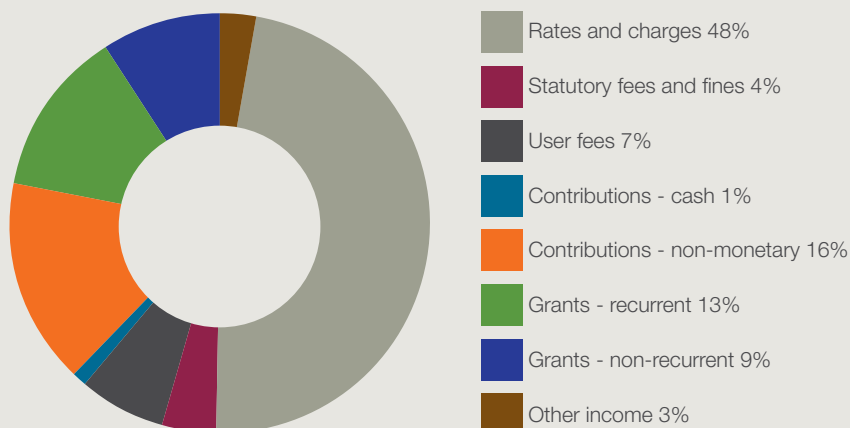
This decrease is partly offset by higher kindergarten grants (\$0.63m) due to Council taking over the

management of two new kindergartens part-way through 2012/13. The Roads to Recovery grant was also higher in 2013/14 (\$1.02m).

- Contributions of non-monetary assets decreased by \$0.92m.

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 and subsequent transfer of infrastructure to Council.

The following graph provides a breakdown of Council's income sources for 2013/14:



(2) Total expenses increased in 2013/14 by \$5.78m

- Employee benefits increased by \$2.76m.

Employee benefits have increased due to salary increases under the Enterprise Agreement, new staff approved in the 2013/14 budget and an increase to the superannuation contribution. There was also an increase in Kindergarten staffing due to Council taking over management of two Kindergarten part of the way through last year (full impact this year). Casual staffing has also increased at Council's aquatic and leisure centres due to increased service demand. The increased costs at the Kindergarten and aquatic and leisure facilities are offset by these services generating higher income.

- Depreciation Expense has increased by \$1.48m.

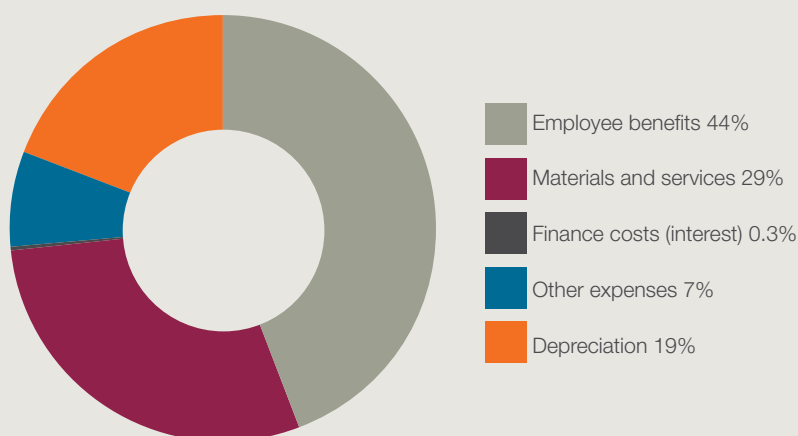
Depreciation has increased due to asset revaluations that were conducted during 2012/13 and 2013/14. In 2013/14 this included sealed roads (pavement and formation), unsealed roads (formation) and drainage. The revaluations resulted in an increase in asset values

in 2013/14 (\$42.9m) and a subsequent increase in depreciation. Also contributing to the increase in asset values and depreciation were assets contributed from developers and the capitalisation of completed capital works projects.

- Landfill liability provision increased by \$1.14m.

Council owns three former landfill sites and ongoing monitoring and rehabilitation works are required. During the year it was identified that further rehabilitation works would be required at the former landfill in Kyneton. The landfill liability provision has been increased to reflect the additional works that will be required over the next 1–2 years.

The following graph provides a breakdown of Council's operating expenses for 2013/14:



(3) Other comprehensive income increased by \$17.36m

Other comprehensive income is primarily movements in the asset revaluation reserve as a result of asset revaluations. Council does not revalue all of its assets each year. The assets are grouped into categories and in accordance with accounting standards, the asset categories are revalued on a cyclical basis over a number of years. As most infrastructure revaluations are based on current replacement cost they generally result in an increase in asset values.

The increase is due to asset revaluations that were conducted during the year for sealed roads (pavement and formation), unsealed roads (formation), drainage assets land and buildings. In 2012/13 asset revaluations were completed for unsealed road pavements, sealed road surfaces, bridges and footpaths.

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 \$3.0m lower than 2012/13.

The decrease is mainly related to a lower level of Council financial assets (investments) and lower cash balance. The key reason for the decrease in cash and financial assets is that the Grants Commission paid half of the 2013/14 allocation (\$3m) in June 2013. These funds were unspent at year end in 2012/13. In 2013/14 the Grants Commission has reverted to paying the grant when it is due so no payments were received in advance this year.

Current liabilities have decreased by \$3.1m.

The decrease in current liabilities is due to lower borrowings and a lower level of refundable deposits. Borrowings have reduced as no new loans were taken up during the year. Loans that were budgeted in 2013/14 have been postponed and will now be taken up in early 2014/15. Refundable deposits (bonds held for development works) have also decreased.

Non current assets have increased by \$56.4m.

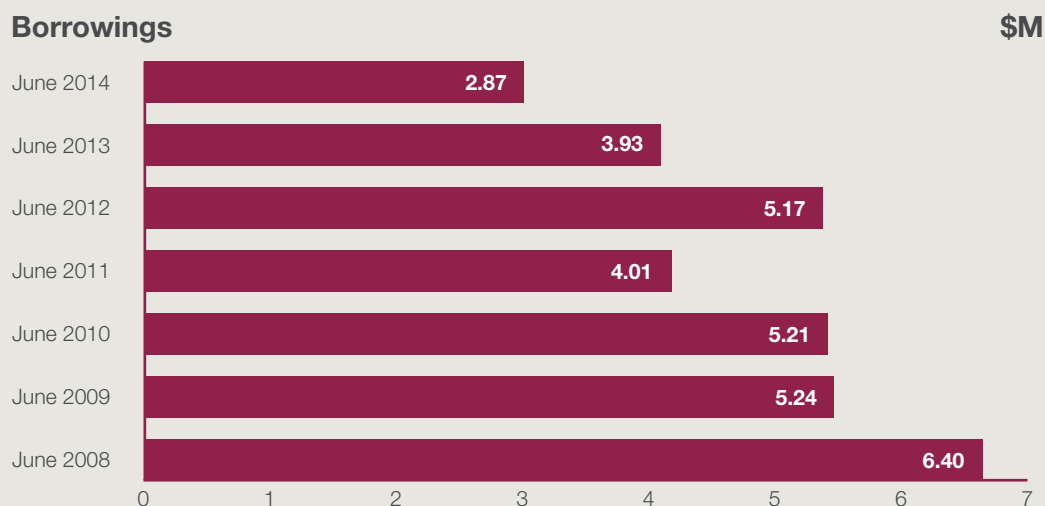
Non current assets are assets which are not expected to be converted into cash in the next 12 months. The increase is mainly due to asset revaluations that were conducted during 2013/14 for sealed roads (pavement and formation), unsealed roads (formation), drainage assets land and buildings. The revaluations resulted in an increase in asset values of \$42.9m.

Asset values were also increased as a result of Council's capital works program which totalled \$14.3m in 2013/14 and assets contributed to Council from developers which amounted to \$12.8m. These increases are partly offset by the depreciation expense.

Non current liabilities have increased by \$1.4m.

Non current liabilities relate to borrowings and provisions that are not payable within the next year. The increase is mainly due to the increase in the landfill provision \$1.1m (see income statement analysis for further details).

The following graph shows Council's actual debt levels over the last seven 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; and
- Reserves – funds reserved for specific future expenditure.

Council's accumulated surplus was \$617.9m at the end of 2013/14, an increase of \$55.19m from 2012/13 which is mainly due to the operating surplus of \$13.6m and the increase in the Asset Revaluation Reserve of \$41.6m.

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 as follows:

- 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.

Overall the Statement shows that cash on hand was \$4.9m at the end of the year. The level of cash is slightly lower than 2013/14; this was due to Council holding more funds in an on call account in 2012/13 that was attracting higher returns than term deposits available. However, overall there was a reduction in investments (financial) assets as a result of half of the grants commission allocation for 2013/14 being paid in advance in June last year.

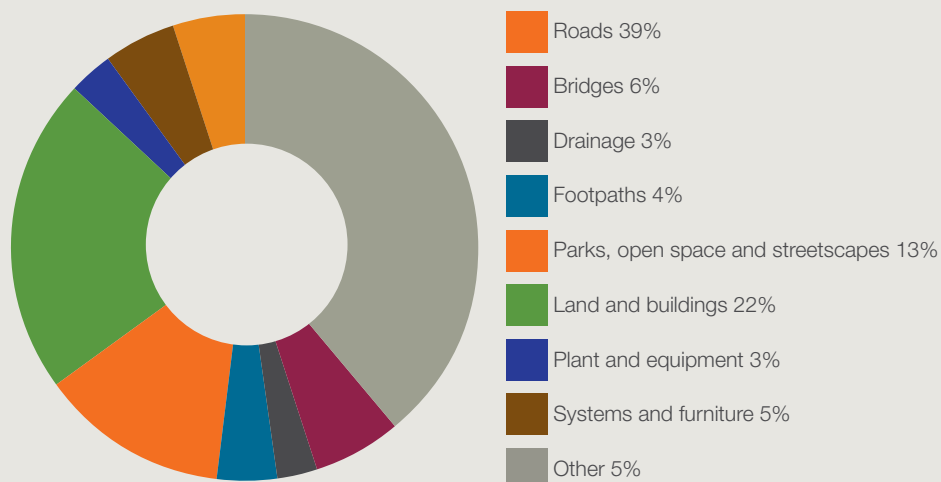
Further detailed information on the reports above can be obtained in the attached Financial Statements.

Capital Works

Note 43 to the financial statements outlines the level of expenditure on capital works in 2013/14. The note shows that expenditure on capital works amounted to \$14.3m for the year.

Some of the key areas of capital works were roads (\$5.5m), bridges (\$0.85m), the regional netball complex in Gisborne (\$0.83m), Woodend tennis courts (\$0.68m), Barkly Square pavilion (\$0.53m), footpath construction and renewal (\$0.52m) and drainage works (\$0.51m).

The following graph provides a breakdown of Council's capital works expenditure for 2013/14:

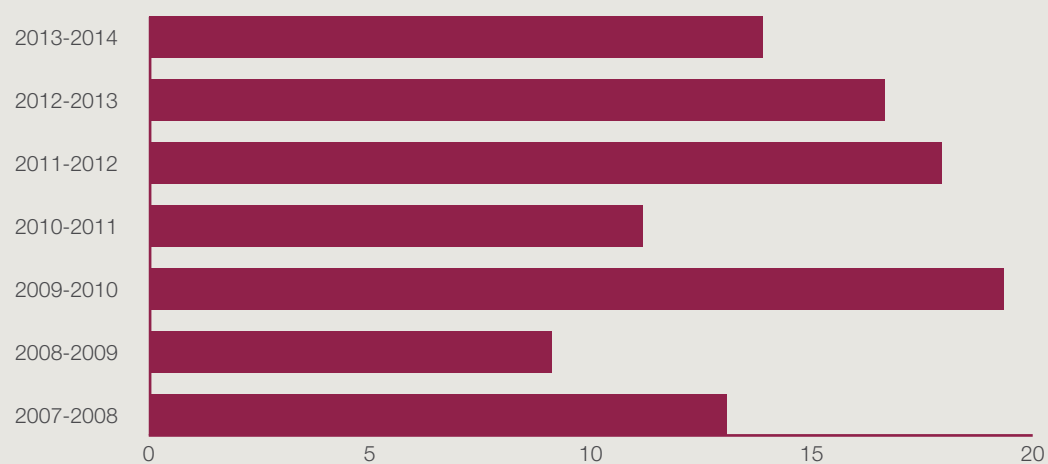


The following graph shows the level of capital expenditure over the last seven years:

Capital expenditure fluctuates from year to year due to the scheduling of major one-off projects and the availability of grant funding.

Capital Expenditure

\$M



Financial ratios

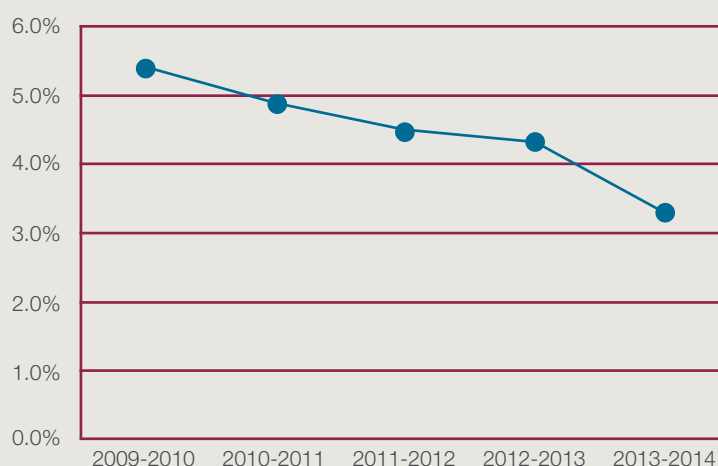
Financial ratios and their trend over time can provide an indication of the financial health of an organisation and its medium to longer term financial sustainability.

Debt Commitment Ratio

(Debt Servicing & Redemption/Rate Revenue)

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

Debt commitment

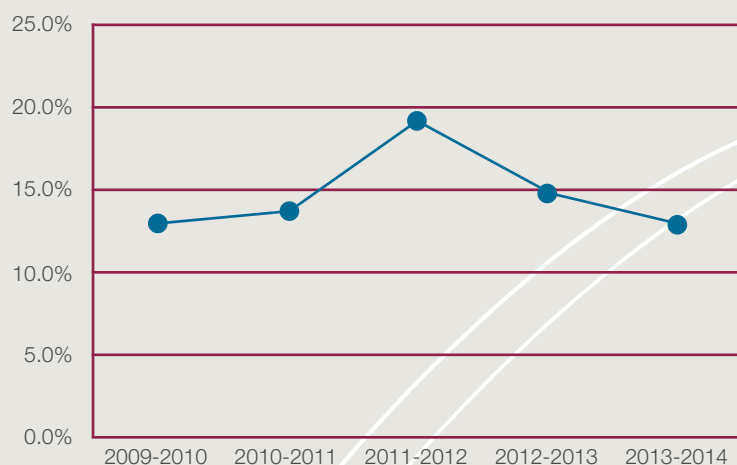


Debt Exposure Ratio

(Total Liabilities/Total Realisable Assets)

The debt exposure identifies Council's exposure to debt and is an indicator of its solvency. Council's debt exposure remains at a modest level. In the past four years Council's debt ratio has remained at similar levels; the spike in 2011/12 was 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).

Debt exposure

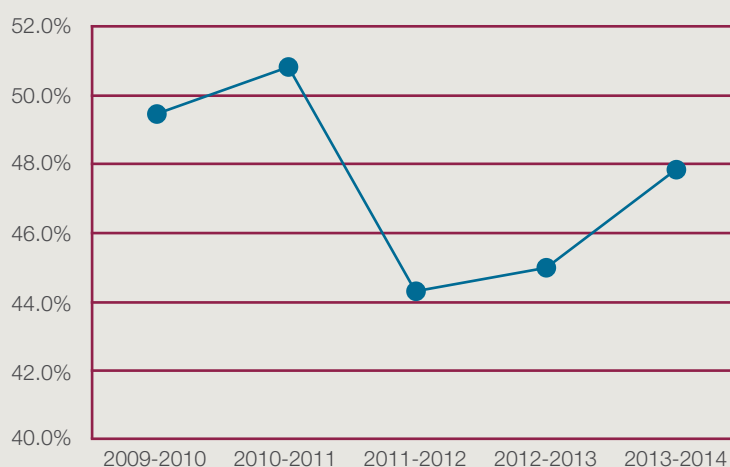


Revenue Ratio

(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 2013/14 due to a lower level of grants than 2012/13.

Revenue

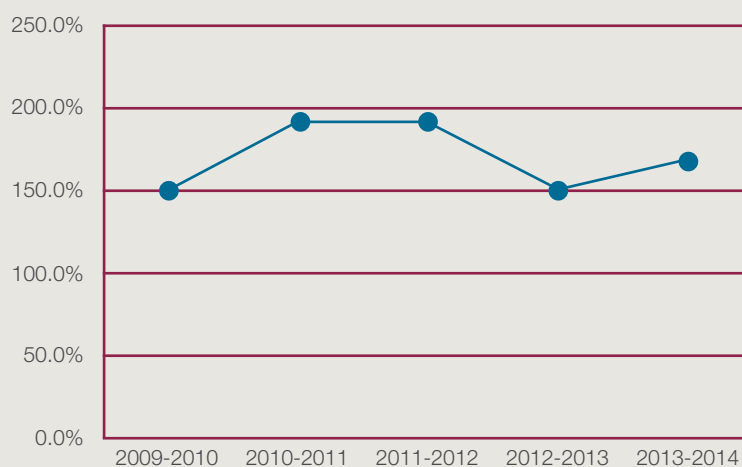


Working Capital

(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.

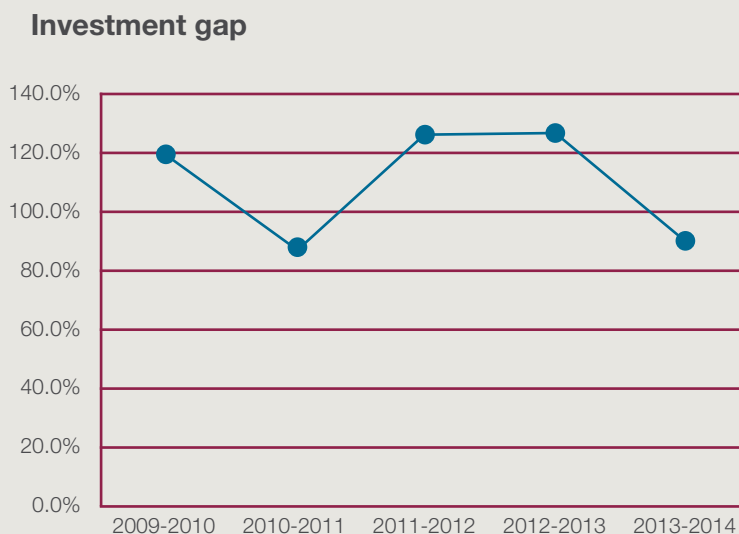
Working Capital



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 ageing 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.

The Standard Statements comprise of:

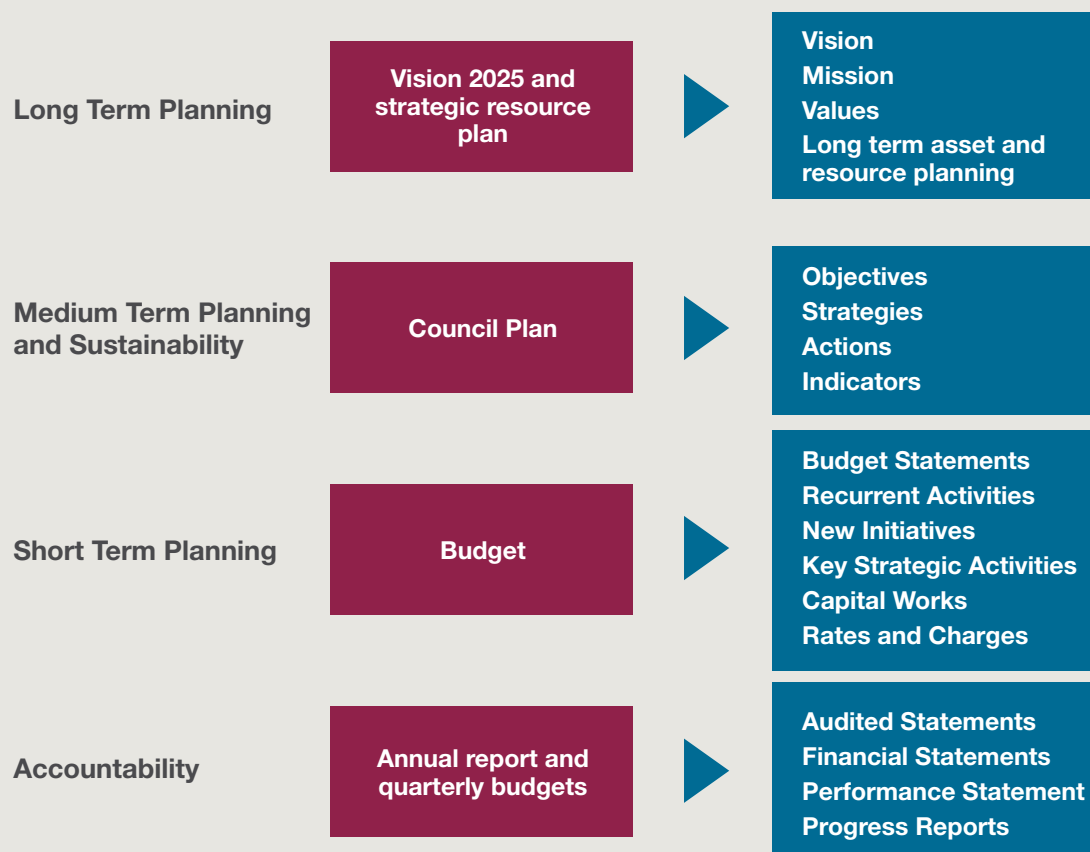
- Standard Statement Income Statement
- Standard Balance Sheet
- Standard Cash Flow Statement
- Standard Statement of Capital Works
- Notes to the Standard Statements

Standard Statements provide a comparison between the 2013/14 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.

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 (SRP), which 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 2013/14 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.

2013/14 Budget

Each year Council prepares and adopts an annual budget. The 2013/14 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 12 June 2013.

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 for the year ended 30 June 2014

Table of Contents

Financial Statements

Comprehensive Income Statement	87
Balance Sheet	88
Statement of Changes in Equity	89
Cash Flow Statement	90

Notes to Financial Statements

Introduction	91
Note 1 Significant accounting policies	91
Note 2 Rates and charges	99
Note 3 Statutory fees and fines	100
Note 4 User fees	100
Note 5 Grants	101
Note 6 Contributions	102
Note 7 Gain or loss on disposal of assets	102
Note 8 Other income	102
Note 9 Employee costs	103
Note 10 Materials and services	103
Note 11 Bad and doubtful debts	103
Note 12 Depreciation and amortisation	104
Note 13 Finance costs	104
Note 14 Other expenses	104
Note 15 Investments in associates	105
Note 16 Cash and cash equivalents	106
Note 17 Trade and other receivables	106
Note 18 Financial assets	106
Note 19 Inventories	107
Note 20 Assets held for sale	107
Note 21 Other current assets	107
Note 22 Property, infrastructure, plant and equipment	108
Note 23 Investment property	117
Note 24 Trade and other payables	117
Note 25 Other current liabilities	117
Note 26 Provisions	118
Note 27 Interest bearing loans and borrowings	120
Note 28 Reserves	121
Note 29 Reconciliation of cash flows from operating activities to surplus or deficit	123
Note 30 Reconciliation of cash and cash equivalents	123
Note 31 Restricted assets	123
Note 32 Superannuation	124
Note 33 Commitments	127
Note 34 Operating leases	128
Note 35 Contingent liabilities and contingent assets	128
Note 36 Financial instruments	129
Note 37 Auditors' remuneration	135
Note 38 Events occurring after balance date	135
Note 39 Related party transactions	135
Note 40 Revenue, expenses and assets by functions/activities	137
Note 41 Financial ratios (Performance indicators)	138
Note 42 Capital expenditure	139
Certification of the Financial Report	141

Comprehensive Income Statement For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Income			
Rates and charges	2	37,437	35,092
Statutory fees and fines	3	2,921	3,185
User fees	4	5,588	5,720
Contributions—cash	6 (a)	855	906
Contributions—non-monetary assets	6 (b)	12,809	13,729
Grants—operating (recurrent)	5	7,124	8,723
Grants—operating (non-recurrent)	5	841	347
Grants—capital (recurrent)	5	2,671	2,691
Grants—capital (non-recurrent)	5	5,944	5,754
Other income	8	1,629	1,686
Fair value adjustments for assets held for sale	20	10	-
Fair value adjustments for investment property	23	578	99
Total income		78,407	77,932
Expenses			
Employee costs	9	(28,724)	(25,968)
Materials and services	10	(19,109)	(18,667)
Bad and doubtful debts	11	28	(35)
Depreciation and amortisation	12	(12,405)	(10,926)
Finance costs	13	(201)	(275)
Other expenses	14	(3,101)	(2,955)
Net loss on disposal of property, infrastructure, plant and equipment	7	(36)	(154)
Share of net losses of associates and joint ventures accounted for by the equity method	15	(76)	45
Increase in provision for landfill liability	26	(1,140)	25
Total expenses		(64,764)	(58,910)
Surplus		13,643	19,021
Other comprehensive income			
Net asset revaluation increment (decrement)	28(a)	41,550	24,186
Comprehensive result		55,193	43,208

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

Balance Sheet For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	4,868	6,935
Trade and other receivables	17	5,469	5,589
Other financial assets	18	8,950	9,290
Inventories	19	6	5
Non-current assets classified as held for sale	20	1,043	1,450
Other current assets	21	273	309
Total current assets		20,609	23,578
Non-current assets			
Other financial assets	18	21	21
Investments in associates accounted for using the equity method	15	1,381	1,457
Property, infrastructure, plant and equipment	22	612,542	556,883
Investment property	23	4,215	3,349
Total non-current assets		618,159	561,710
Total assets		638,768	585,288
Liabilities			
Current liabilities			
Trade and other payables	24	4,804	5,471
Provisions	26	4,918	5,068
Interest-bearing loans and borrowings	27	323	1,057
Other current liabilities	25	2,417	4,003
Total current liabilities		12,462	15,599
Non-current liabilities			
Provisions	26	5,896	4,148
Interest-bearing loans and borrowings	27	2,551	2,875
Total non-current liabilities		8,447	7,023
Total liabilities		20,909	22,622
Net Assets		617,859	562,666
Equity			
Accumulated surplus		274,395	262,784
Reserves	28	343,464	299,882
Total Equity		617,859	562,666

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

Statement of Changes in Equity

For the Year Ended 30 June 2014

	Note	Total 2014 \$'000	Accumulated Surplus 2014 \$'000	Asset Revaluation 2014 \$'000	Other Reserves 2014 \$'000
2014					
Balance at beginning of the financial year		562,666	262,784	293,226	6,656
Comprehensive result	28(a)	55,193	13,643	41,550	-
Transfers to other reserves	28(b)	-	(2,800)	-	2,800
Transfers from other reserves	28(b)	-	768	-	(768)
Balance at end of the financial year		<u>617,859</u>	<u>274,395</u>	<u>334,776</u>	<u>8,688</u>
2013					
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)
Balance at end of the financial year		<u>562,666</u>	<u>262,784</u>	<u>293,226</u>	<u>6,656</u>

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

Cash Flow Statement For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$'000	2013 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		36,974	34,813
User charges		8,847	10,173
Grants		17,647	18,068
Interest		679	1,005
Other receipts		3,637	3,391
Payments to suppliers		(20,773)	(18,809)
Payments to employees		(28,009)	(25,720)
Payout of superannuation defined benefits liability		-	(3,638)
Other payments		(6,264)	(5,545)
Net cash provided by (used in) operating activities	29	<u>12,738</u>	<u>13,738</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	43	(14,436)	(17,269)
Proceeds from sale of property, infrastructure, plant and equipment		567	518
Net cash provided by (used in) investing activities		<u>(13,869)</u>	<u>(16,751)</u>
Cash flows from financing activities			
Finance costs		(218)	(293)
Net (increase)/decrease in longer term investments		340	5,565
Repayment of interest bearing loans and borrowings		(1,058)	(1,242)
Net cash provided by (used in) financing activities		<u>(936)</u>	<u>4,030</u>
Net increase (decrease) in cash and cash equivalents		(2,067)	1,017
Cash and cash equivalents at the beginning of the financial year		6,935	5,918
Cash and cash equivalents at the end of the financial year	30	<u>4,868</u>	<u>6,935</u>
Financing arrangements	27		
Restrictions on cash assets	31		

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

Notes to the Financial Report

For the Year Ended 30 June 2014

Introduction

(a) The Macedon Ranges Shire Council was constituted in January 1995 following the amalgamation of the former Shires of Gisborne, Romsey, Newham & 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: 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 (Planning and Reporting) Regulations 2014.

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

AASB 13 Fair Value Measurement

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

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

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2012/13 comparative period (please see note 22 disclosures).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

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

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

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

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

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

AASB 119 Employee Benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as

Note 1 Significant accounting policies (cont.)

short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Councils measurement of the annual leave provision.

(c) Revenue recognition

Rates, grants and contributions

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

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

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

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and 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.

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.

Other Income

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

(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 lower of cost and net realisable value.

(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 on the next page and are consistent with the prior year unless otherwise stated:

Note 1 Significant accounting policies (cont.)

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
Infrastructure:	
Roads	
road formation, pavements and seals	50–100 years
bridges	80–100 years
footpaths, kerbs and channels	30–50 years
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. Borrowing costs include interest on borrowings and related bank charges.

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. 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 Period
Land	
land and improvements	\$10,000
land under roads	\$10,000
landfill	\$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

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 e.g. 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 would be revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 22 Property, infrastructure, plant and equipment.

Note 1 Significant accounting policies (cont.)

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis generally ranging from 2–3 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) Other financial assets

The other 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

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

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

Current Liability—unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

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

- nominal value—component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability—conditional LSL representing less than 7 years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Macedon Ranges Shire 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 that the Council is required to comply with.

Note 1 Significant accounting policies (cont.)

Personal (Sick) Leave

No provision is made in respect of employee entitlements for personal 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 12 months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(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. Figures in the financial statement may not equate due to rounding.

(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.

(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 by way of a note and are measured at their nominal value and inclusive of the GST payable.

Note 1 Significant accounting policies (cont.)

Pronouncement	Summary	Application Date	Impact on Council
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 was 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.	1-Jul-15	The impact is not likely to be extensive in the local government sector including Macedon Ranges Shire Council. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed.
	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:		This will also create a requirement to measure some instruments annually that has not previously existed.
	– Amortised cost—those assets with ‘basic’ loan features’.		
	– 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).		
	– Fair Value through profit and loss—everything that does not fall into the above two categories.		
	The following changes also apply:		
	– 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.		
	– 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.		
	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.		
AASB 10 Consolidated Financial Statements	This Standard forms the basis for determining which entities should be consolidated into an entity’s financial statements. AASB 10 defines ‘control’ as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.	1-Jul-14	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated, however, this standard will have little impact on Macedon Ranges Shire Council.

Note 1 Significant accounting policies (cont.)

Pronouncement	Summary	Application Date	Impact on Council
	The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.		
	This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.		
	The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.		
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1-Jul-14	The AASB has finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11. Macedon Ranges Shire Council currently has no joint ventures so there is unlikely to be any impact.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.	1-Jul-14	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
	The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.		
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not-for-profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not-for-profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1-Jul-14	Council has yet to determine the impact of this standard.

Note 2 Rates and charges

	2014 \$'000	2013 \$'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 2013/14 was \$9,948 million (2012/13 \$9,902 million). The 2013/14 general rate in the capital improved value dollar was \$0.002829 (2012/13, \$0.002704).		
General	24,185	22,668
Business	1,696	1,596
Agricultural	1,957	1,875
Municipal Charge	3,835	3,596
No building	1	3
Cultural and recreational land	21	20
Landfill recovery	192	189
EPA landfill levy	477	431
Garbage charge	4,160	3,803
Garbage bin service charge	483	438
Not For Profit Housing	44	47
Supplementary	386	426
Total rates and charges	37,437	35,092

The date of the latest general revaluation of land for rating purposes within the municipal district is 1 January 2014, and the valuation will be first applied in the rating year commencing 1 July 2014.

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

Note 3 Statutory fees and fines

	2014 \$'000	2013 \$'000
Town planning and building fees	165	141
Roads and infrastructure fees	1,246	1,475
Animal control fees	549	535
Permits	546	478
Infringements and costs	226	106
Other statutory fees	189	450
Total statutory fees and fines	2,921	3,185

Note 4 User fees

	2014 \$'000	2013 \$'000
Property rentals	474	590
Gravel pit sales	222	323
Waste management	463	410
Cultural activities	53	99
Community, aquatic and leisure centres	2,609	2,381
Hanging Rock Reserve	338	370
Family and childrens services	626	487
Community development	5	2
Aged and disabled services	325	529
Saleyards	197	292
Debt recovery	184	129
Planning and building services	29	19
Other fees and charges	63	88
Total user fees	5,588	5,720

Note 5 Grants

	2014 \$'000	2013 \$'000
Grants were received in respect of the following:		
Chief Executive		
Other	4	-
Corporate Services		
Grants commission	2,335	4,395
Other	72	
Assets & Operations		
Roads	4,713	4,608
Infrastructure	45	274
Community safety	497	730
Other	160	12
Community Wellbeing		
Aged and disability services	2,180	1,954
Family and childrens services	2,302	2,372
Community development	457	721
Recreational and cultural services	3,633	2,309
Planning & Environment		
Planning and building	60	-
Environmental services	31	104
Economic development	91	36
Total Grants	16,580	17,515
Summary of grants		
Grants—operating (recurrent)	7,124	8,723
Grants—operating (non-recurrent)	841	347
Grants—capital (recurrent)	2,671	2,691
Grants—capital (non-recurrent)	5,944	5,754
Total	16,580	17,515
Recurrent grants are inclusive of Roads to Recovery and Victoria Grants Commission Road grants.		
Conditions on grants:		
There were grants totalling \$3.97million (\$4.95 million in 2012/13) 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 in the 2012/13 year was the following major grant which was received in the latter part of that reporting year but which related to the 2013/14 year. No such grant was received in advance in 2013/14		
Grants commission instalment	-	3,320
Total	-	3,320

Note 6 Contributions

	2014 \$'000	2013 \$'000
(a) Cash		
Roads and infrastructure	451	203
Recreation, culture, aquatic and leisure	309	377
Family and childrens services	1	19
Aged and disabled services	5	4
Plant and park operations	37	70
Other cash contributions	52	234
Total	855	906
(b) Non-monetary assets		
Land under roads	332	1,420
Infrastructure	12,478	12,309
Total	12,809	13,729
Total contributions	13,665	14,635

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

	2014 \$'000	2013 \$'000
Proceeds of sale	596	518
Written down value of assets disposed	(632)	(672)
Total	(36)	(154)

Note 8 Other income

	2014 \$'000	2013 \$'000
Interest	496	711
Interest on rates	202	175
Insurance recoveries	10	223
Merchandise and material sales	421	164
Other income	500	413
Total other income	1,629	1,686

Note 9 Employee costs

	2014 \$'000	2013 \$'000
Wages and salaries	23,672	21,246
Annual leave and long service leave	1,570	1,243
Superannuation	1,910	1,748
Other oncosts	1,572	1,731
Total employee benefits	28,724	25,968

Note 10 Materials and services

	2014 \$'000	2013 \$'000
Administration	1,296	2,038
Operations	5,809	5,534
Utilities	2,191	1,745
Contracts and consultants	9,813	9,351
Total materials and services	19,109	18,667

Note 11 Bad and doubtful debts

	2014 \$'000	2013 \$'000
Other debtors	(28)	35
Total bad and doubtful debts	(28)	35

Note 12 Depreciation and amortisation

	2014 \$'000	2013 \$'000
Property		
Land		
Landfill assets	173	173
Buildings		
Buildings and improvements	1,485	1,463
Plant and Equipment		
Plant and equipment	554	468
Furniture and equipment	626	447
Motor vehicles	19	19
Infrastructure		
Roads	7,354	6,648
Bridges	310	298
Footpaths, kerbs and channels	1,002	573
Drainage	393	389
Other infrastructure	489	448
Total depreciation and amortisation	12,405	10,926

Note 13 Finance costs

	2014 \$'000	2013 \$'000
Interest - Borrowings	201	275
Total finance costs	201	275

Note 14 Other expenses

	2014 \$'000	2013 \$'000
Auditors' remuneration	93	81
Councillors' allowances	279	268
Operating lease rentals	1,198	1,248
Contributions and donations	1,488	1,358
Impairment Losses	43	-
Total other expenses	3,101	2,955

Note 15 Investment in associates

	2014 \$'000	2013 \$'000
Investments in associates accounted for by the equity method are:		
- North Central Goldfields Regional Library Corporation	1,381	1,457
Total investments in associates	1,381	1,457
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 2014 was \$1,381,095.		
The equity holders in the Regional Library Corporation and their relevant holdings are:		
Macedon Ranges Shire Council	21.60%	
Greater Bendigo City Council	61.62%	
Loddon Shire Council	5.49%	
Mount Alexander Shire Council	11.29%	
Council's share of accumulated surplus (deficit)		
Council's share of accumulated surplus (deficit) at start of year	265	322
Adjustment arising from change to equity share	(1)	13
Reported surplus (deficit) for year	(66)	(13)
Transfers (to) from reserves	235	(57)
Council's share of accumulated surplus (deficit) at end of year	433	265
Council's share of reserves		
Council's share of reserves at start of year	655	575
Adjustment arising from change to equity share	(5)	23
Transfers (to) from reserves	(235)	57
Council's share of reserves at end of year	415	655
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,457	1,413
Adjustment arising from change to equity share	(10)	57
Share of surplus (deficit) for year	(66)	(13)
Carrying value of investment at end of year	1,381	1,457

(Council's share of equity as per the un-audited 30 June 2014 financial statements of the Library Service)

Note 16 Cash and cash equivalents

	2014 \$'000	2013 \$'000
Cash on hand	8	8
Cash at bank	2,205	2,296
Money market call account	1,655	4,032
Term deposits	1,000	600
Total cash and cash equivalents	4,868	6,935
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:		
Restricted funds		
Reserve funds allocated for specific future purposes (Note 28)	4,147	3,239
Total restricted funds	4,147	3,239
Total unrestricted cash and cash equivalents	721	3,696

Note 17 Trade and other receivables

	2014 \$'000	2013 \$'000
Current		
Rates debtors	2,564	2,101
Other sundry debtors	2,027	2,567
Provision for doubtful debts - other debtors	(52)	(86)
Net GST receivable	930	1,007
Total trade and other receivables	5,469	5,589

Note 18 Other financial assets

	2014 \$'000	2013 \$'000
Current		
Term deposits	8,950	9,290
Total current other financial assets	8,950	9,290
Non-current		
Shares in Lancefield Community Bank - at cost	12	12
Shares in Gisborne Community Bank - at cost	9	9
Total non-current other financial assets	21	21
Total other financial assets	8,971	9,311

Note 19 Inventories

	2014 \$'000	2013 \$'000
Inventories held for distribution	6	5
Total inventories	6	5

Note 20 Non-current assets classified as held for sale

	2014 \$'000	2013 \$'000
Land held for sale - at fair value as at 30 June 2014 **	1,043	-
Land held for sale - at fair value as at 30 June 2013 **	-	1,450
Total non-current assets classified as held for sale	1,043	1,450

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

Assets held for sale are carried at fair value less cost of disposal.

The following table provides Councils fair value measurement hierarchy for assets held for sale:

Carrying value at 30 June		Fair value measurement at the end of the period using (1):		
		Level 1	Level 2	Level 3
Land	1043		1043	

(1) Classified in accordance with fair value hierarchy, see note 22

Movement in assets held for sale

	2014 \$'000	2013 \$'000
Balance at beginning of the period	1,450	1,586
Add acquisitions	-	141
Less sales/transfers	(417)	(276)
Add fair adjustment	10	-
Balance at the end of the period	1,043	1,450

Note 21 Other current assets

	2014 \$'000	2013 \$'000
Prepayments	273	309
Total other current assets	273	309

Note 22 Property, infrastructure, plant and equipment

	2014 \$'000	2013 \$'000
Summary		
at cost	54,794	63,352
Less accumulated depreciation	6,633	8,382
	48,161	54,970
at fair value as at 30 June 2014	571,793	-
Less accumulated depreciation	103,922	-
	467,871	-
at fair value as at 30 June 2013	139,552	147,224
Less accumulated depreciation	46,267	42,435
	93,285	104,789
at fair value as at 30 June 2012	2,666	384,094
Less accumulated depreciation	-	74,712
	2,666	309,382
at fair value as at 30 June 2011	-	38,043
Less accumulated depreciation	-	10,506
	-	27,537
at fair value as at 30 June 2010	-	67,814
Less accumulated depreciation	-	8,406
	-	59,408
at fair value as at 30 June 2004	3,394	3,394
Less accumulated depreciation	2,835	2,597
	559	797
Total	612,542	556,883
Property		
Land		
at cost	-	320
at fair value as at 30 June 2014	60,977	-
at fair value as at 30 June 2012	-	55,718
	60,977	56,038
Land under roads		
at Council valuation at 30 June 2014	332	-
at Council valuation at 30 June 2013	1,420	1,420
at Council valuation at 30 June 2012	2,666	2,666
	4,418	4,086
Landfill		
at cost	5,179	5,179
Less accumulated depreciation	1,523	1,350
	3,656	3,829
Total Land	69,051	63,953

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

	2014 \$'000	2013 \$'000
Buildings and improvements		
at cost	-	2,432
Less accumulated depreciation	-	26
	-	2,406
at fair value as at 30 June 2014	70,970	-
at fair value as at 30 June 2012	-	71,832
Less accumulated depreciation	-	1,437
	70,970	70,395
Total Buildings	70,970	72,801
Total Property	140,021	136,754

Valuation of land and buildings were undertaken by Hayley Drummond AAPI, Municipal Valuer. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land—non-specialised	-	45,851	-
Land—specialised	-	-	15,126
Land under roads	-	-	4,418
Buildings—non-specialised	-	36,833	-
Buildings —specialised	-	-	34,137
Total	-	82,684	53,681

No transfers between levels occurred during the year.

Plant and Equipment

at cost	7,283	7,413
Less accumulated depreciation	2,625	2,273
Total Plant and Equipment	4,658	5,140
Furniture and equipment		
at cost	3,057	5,216
Less accumulated depreciation	626	3,089
Total Furniture and Equipment	2,431	2,127

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

	2014 \$'000	2013 \$'000
Other Assets		
Motor vehicles		
at cost	268	195
Less accumulated depreciation	31	12
	<u>237</u>	<u>183</u>
Library books		
at cost	100	100
Less accumulated depreciation	100	100
	<u>-</u>	<u>-</u>
Art works		
at cost	300	300
Less accumulated depreciation	7	7
	<u>293</u>	<u>293</u>
Total Other Assets	<u>531</u>	<u>475</u>
Infrastructure		
Sealed Roads		
at cost	8,053	14,461
Less accumulated depreciation	290	414
	<u>7,763</u>	<u>14,047</u>
at fair value (1) (4) (8) (10) (11) (12)	388,603	335,182
Less accumulated depreciation	103,724	92,094
	<u>284,879</u>	<u>243,088</u>
Unsealed Roads		
at cost	1,501	712
Less accumulated depreciation	24	-
	<u>1,477</u>	<u>712</u>
at fair value (2) (5) (10) (13)	58,152	49,716
Less accumulated depreciation	7,922	6,397
	<u>50,230</u>	<u>43,319</u>
Bridges		
at cost	1,359	488
Less accumulated depreciation	4	-
	<u>1,355</u>	<u>488</u>
at fair value as at 30 June 2013 (6)	30,934	31,188
Less accumulated depreciation	12,705	12,611
	<u>18,229</u>	<u>18,577</u>

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

	2014 \$'000	2013 \$'000
Footpaths, Kerbs and Channels		
at cost	3,961	2,499
Less accumulated depreciation	56	-
	3,906	2,499
at fair value as at 30 June 2013 (7)	51,411	51,411
Less accumulated depreciation	13,960	13,014
	37,451	38,397
Drainage		
at cost	595	1,271
Less accumulated depreciation	-	13
	595	1,258
at fair value as at 30 June 2014 (3) (9)	48,546	38,043
Less accumulated depreciation	11,877	10,506
	36,669	27,537
Other Infrastructure Assets		
at cost	20,474	16,582
Less accumulated depreciation	1,347	1,098
	19,127	15,484
at fair value as at 30 June 2004 (14)	3,394	3,394
Less accumulated depreciation	2,835	2,597
	559	797
Total Infrastructure	462,240	406,203

The valuation of infrastructure assets is at fair value based on the cost approach which utilises the current replacement cost, adjusted for the condition of the asset.

- (1) The revaluation of the pavement category of sealed roads urban and rural was undertaken on 30 June 2014 by an external consultant and council officers.
- (2) The revaluation of the formation category of unsealed roads, sealed roads urban and rural was undertaken on 30 June 2014 by an external consultant and council officers.
- (3) The revaluation of drainage was undertaken on 30 June 2014 by an external consultant and council officers.
- (4) 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.
- (5) The revaluation of the pavement category of unsealed roads was undertaken on 30 June 2013 by an external consultant and council officers.
- (6) The revaluation of bridges was undertaken on 30 June 2013 by an external consultant.
- (7) The revaluation of footpaths, kerbs and channels was undertaken on 30 June 2013 by an external consultant and council officers.
- (8) 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.
- (9) The revaluation of drainage was undertaken on 30 June 2011 by an external consultant and council officers.
- (10) 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 and council officers.

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

(11) The revaluation of the surface category of sealed roads urban and rural was undertaken on 30 June 2009 by an external consultant and council officers.

(12) The revaluation of the pavement category of sealed roads urban and rural was undertaken on 30 June 2008 by an external consultant and council officers.

(13) The revaluation of the pavement category of unsealed roads was undertaken on 30 June 2009 by an external consultant and council officers.

(14) The revaluation of other infrastructure assets was undertaken on 30 June 2004 by council officers.

The external consultant appointed for the above revaluations was Mr Peter Moloney, Dip.CE., M.I.E. of Moloney Asset Management Services.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	335,109
Bridges	-	-	18,229
Footpaths, kerbs and channels	-	-	37,451
Drainage	-	-	36,669
Other infrastructure assets	-	-	559
Total	-	-	428,017

No transfers between levels occurred during the year

Works in progress

Buildings at cost	1,799	3,750
Other infrastructure at cost	814	2,282
Other at cost	49	152

Total Works in progress

2,662 6,184

Total property, infrastructure, plant and equipment

612,542 556,883

Non-specialised land, non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by Hayley Drummond AAPI, Municipal Valuer, to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014. To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market-based direct comparison approach.

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

Specialised land and specialised buildings

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

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

An independent valuation of Council's specialised land and specialised buildings was performed by Hayley Drummond. The valuation was performed using either the market-based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land Under Roads

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

Infrastructure

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

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's infrastructure assets was performed by Mr Peter Moloney, Dip.CE., M.I.E. of Moloney Asset Management Services in consultation with Council officers. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2014.

NP. There were no changes in valuation techniques throughout the period to 30 June 2014. For all assets measured at fair value, the current use is considered to be highest and best use.

2014	Specialised Land \$'000	Specialised Buildings \$'000	Land Under Roads \$'000	Infrastructure \$'000
Opening Balance	10,962	30,980	4,086	371,554
Depreciation	-	(620)	-	(8,986)
Impairment Loss	-	-	-	(43)
Revaluation	4,164	-373	-	41,715
Acquisitions/(disposals)	-	4,150	332	11,514
Transfers	-	-	-	12,263
Closing Balance	15,126	34,137	4,418	428,017

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

Description of significant unobservable inputs into Level 3 valuations				
	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land and Land Improvements	Market based direct comparison approach (refer above)	Direct cost per square metre	\$5/\$300	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher value
		Extent and impact of restriction of use	30% /80% discount	Increase or decrease in the extent of restriction would result in a significantly lower or higher value
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre	\$1,000/\$2,000	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher value
		Useful life of specialised buildings	50 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher value
Land Under Roads	Market-based direct comparison approach (refer above)	Direct cost per square metre	\$33/\$145	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher value
		Extent and impact of restriction of use	85% discount	Increase or decrease in the extent of restriction would result in a significantly lower or higher value
Infrastructure				
Roads	Depreciated Replacement Cost	Cost per unit	\$2/\$195	Increase or decrease in the cost per unit would result in a significantly lower or higher value
		Useful life of roads	50/100 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher value
Bridges	Depreciated Replacement Cost	Cost per unit	\$500/\$3000	Increase or decrease in the cost per unit would result in a significantly lower or higher value
		Useful life of bridges	80/100 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher value
Footpaths, kerbs and channels	Depreciated Replacement Cost	Cost per unit	\$9/\$203	Increase or decrease in the cost per unit would result in a significantly lower or higher value
		Useful life of footpaths, kerbs and channels	30/50 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher value
Drainage	Depreciated Replacement Cost	Cost per unit	\$114/\$3,076	Increase or decrease in the cost per unit would result in a significantly lower or higher value
		Useful life of drainage	100 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher value
Other Infrastructure	Depreciated Replacement Cost	Cost per unit	\$200/\$52,500	Increase or decrease in the cost per unit would result in a significantly lower or higher value
		Useful life of other infrastructure	10/80 years	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher value

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

2014	Balance at Beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 12)	Written down value of disposals	Impairment losses (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
land	56,038	-	5,045	-	-	-	(106)	60,977
land under roads	4,086	332	-	-	-	-	-	4,418
landfill	3,829	-	-	173	-	-	-	3,656
Total land	63,953	332	5,045	173	-	-	(106)	69,051
buildings and improvements	72,801	1,297	(5,210)	1,485	-	-	3,567	70,970
Total property	136,754	1,628	(165)	1,658	-	-	3,461	140,021
plant and equipment	5,140	318	-	554	246	-	-	4,658
furniture and equipment	2,127	778	-	626	-	-	152	2,431
motor vehicles	183	73	-	19	-	-	-	237
artworks	293	-	-	-	-	-	-	293
Sub total	7,743	1,169	-	1,199	246	-	152	7,619
Infrastructure								
roads	301,166	12,271	38,081	7,354	-	-	185	344,349
bridges	19,065	733	-	310	-	43	139	19,584
footpaths, kerbs and channels	40,896	1,463	-	1,002	-	-	-	41,357
drainage	28,795	5,136	3,634	393	-	-	92	37,264
other infrastructure	16,281	2,028	-	489	-	-	1,866	19,686
Total infrastructure	406,203	21,631	41,715	9,548	-	43	2,282	462,240
Works in progress								
buildings	3,750	1,799	-	-	-	-	(3,750)	1,799
other infrastructure	2,282	814	-	-	-	-	(2,282)	814
other	152	49	-	-	-	-	(152)	49
Total works in progress	6,184	2,662	-	-	-	-	(6,184)	2,662
Total property, plant and equipment, infrastructure	556,883	27,090	41,550	12,405	246	43	(289)	612,542

(a) Impairment losses

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

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

2013	Balance at Beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 28)	Depreciation and amortisation (note 12)	Written down value of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
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	-	1,637	6	(27)	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
Infrastructure							
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
Works in progress							
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
Total property, plant and equipment, infrastructure	513,408	30,636	24,186	10,926	393	(26)	556,883

(a) Impairment losses

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

Note 23 Investment property

	2014 \$'000	2013 \$'000
Balance at beginning of financial year	3,348	3,363
Acquisitions/(disposals)	289	(113)
Fair value adjustments	578	99
Balance at end of financial year	4,215	3,348

Valuation of investment property has been determined by the Municipal Valuer Hayley Drummond AAPI. The valuation is at fair value, based on the current market value for the property and is a level two valuation, meaning it is based on quoted prices for similar assets in an active market.

Investment properties are carried at fair value. The following table provides Councils fair value measurement hierarchy for investment properties;

	Carrying value at 30 June \$'000	Fair value measurement at the end of the period using (1)		
		Level 1	Level 2	Level 3
Land	1,974		1,974	
Buildings	2,241		2,241	
Total	4,215		4,215	

(1) Classified in accordance with fair value hierarchy - see note 22

Note 24 Trade and other payables

	2014 \$'000	2013 \$'000
Current		
Creditors	4,061	4,295
Accrued loan interest	3	19
Accrued employee costs:		
Salaries and wages	561	1,016
Rostered days off	145	114
Time-in-lieu	34	27
Total current trade and other payables	4,804	5,471

Note 25 Other current liabilities

	2014 \$'000	2013 \$'000
Prepaid income	262	1,250
Refundable deposits	1,998	2,607
Trust monies	157	146
Total trust funds and deposits	2,417	4,003

Note 26 Provisions

Employee benefits	Annual leave \$'000	Long service leave \$'000	Total \$'000
2014			
Balance at beginning of the financial year	1,460	3,762	5,222
Additional provisions	1,567	736	2,303
Amounts used	(1,391)	(295)	(1,686)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	-	35	35
Balance at the end of the financial year	1,636	4,238	5,874
2013			
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	1,460	3,762	5,222
Other provisions	Ladfill restoration \$'000	Land sale rebates \$'000	Total \$'000
2014			
Balance at beginning of the financial year	3,695	300	3,994
Additional provisions	1,800	-	1,800
Amounts used	(43)	(214)	(257)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(660)	-	(660)
Balance at the end of the financial year	4,792	86	4,878
2013			
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	3,695	300	3,994

Note 26 Provisions (cont.)

	2014 \$'000	2013 \$'000
(a) Employee benefits		
Current (i)		
Annual leave	1,698	1,460
Long service leave	2,990	3,116
	<u>4,688</u>	<u>4,576</u>
Non-current (ii)		
Long service leave	1,248	646
	<u>1,248</u>	<u>646</u>
Aggregate carrying amount of employee benefits:		
Current	4,688	4,576
Non-current	1,248	646
	<u>5,937</u>	<u>5,222</u>
	No.	No.
Total staff numbers	662	641
Total equivalent full time staff numbers	340	303
	2014	2013
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.44%	4.50%
Weighted average discount rates	3.24%	3.40%
	2014 \$'000	2013 \$'000
Current provisions expected to be settled in 12 months:		
Annual leave	1,461	1,398
Long service leave	346	380
(b) Landfill restoration		
Current	144	193
Non-current	4,648	3,502
Total	<u>4,792</u>	<u>3,695</u>
(c) Land sale rebates		
Current	86	300
Total	<u>86</u>	<u>300</u>

Note 27 Interest-bearing loans and borrowings

	2014 \$'000	2013 \$'000
Current	323	1,057
	323	1,057
Non-current		
Borrowings - secured	2,551	2,875
Total	2,874	3,932
The maturity profile for Council's borrowings is:		
Not later than one year	323	1,057
Later than one year and not later than five years	1,512	1,421
Later than five years	1,039	1,454
Total	2,874	3,932
Security for borrowings		
The bank loans are secured over the general rates of the Council.		
Financing		
Unrestricted access was available at the reporting date to the following lines of credit:		
Credit cards	50	50
Bank loans	2,874	3,932
Total facilities	2,924	3,982
Used at reporting date:		
Bank loans	2,874	3,932
	2,874	3,932
Unused at reporting date:		
Credit cards	50	50
	50	50

Note 28 Reserves

(a) Asset revaluation reserve	Balance at beginning of reporting period \$'000	Impairment loss recognised in the comprehensive Income Statement \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2014				
Land and buildings	64,377	-	(165)	64,212
Infrastructure	228,420	-	41,715	270,135
Non-current assets classified as held for sale	29	-	-	29
Artworks	250	-	-	250
Equity in Regional Library Corporation	149	-	-	149
Total asset revaluation reserve	293,226	-	41,550	334,776

Note 28 Reserves (cont.)

(a) Asset revaluation reserve	Balance at beginning of reporting period \$'000	Impairment loss recognised in the comprehensive Income Statement \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2013				
Land and buildings	64,377	-	-	64,377
Infrastructure	204,235	-	24,186	228,420
Non-current assets classified as held for sale	29	-	-	29
Artworks	250	-	-	250
Equity in Regional Library Corporation	149	-	-	149
Total asset revaluation reserve	269,040	-	24,186	293,226

The asset revaluation reserve is used to record the increased (net) value of Councils assets over time.

(b) Other reserves	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2014				
* Public open space	1,273	550	(105)	1,718
* Car parking	32	-	(12)	20
* Hanging Rock	323	250	(25)	548
* Community facilities	605	(335)	-	270
* Footpaths	77	117	-	194
* Road contributions	373	29	(144)	258
* Gisborne development plan	104	489	-	593
* Romsey development plan	-	27	-	27
* Senior citizens accommodation maintenance	241	10	-	250
* Drainage	211	58	-	269
Fire prevention	2	-	(2)	0
Waste management facilities	24	-	-	24
Plant replacement	125	911	(64)	972
Management property disposals	2,400	422	(94)	2,728
Gravel pit operations	372	81	-	453
Landfill recovery	494	192	(322)	364
Total Other reserves	6,656	2,800	(768)	8,688

Note 28 Interest-bearing loans and borrowings (cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2013				
* Public 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
Total Other reserves	6,325	2,728	(2,397)	6,656

* Non-discretionary reserves \$4,147 2013/14 (\$3,239 2012/13) which are subject to statutory requirements and/or other agreements.

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

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.

Romsey development plan reserve—comprises developer contributions for development projects in the outer areas of Romsey.

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.

Note 29 Reconciliation of cash flows from operating activities to surplus

	2014 \$'000	2013 \$'000
Surplus	13,643	19,022
Depreciation/amortisation	12,405	10,926
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	36	154
Share of net (profits)/losses of associates and joint ventures	76	(45)
Increase/(decrease) in provision for landfill liability	1,140	-
Fair value adjustments for assets held for sale	(10)	-
Fair value adjustments for investment property	(578)	(99)
Contributions—non-monetary assets	(12,809)	(13,729)
Financing activity—Interest paid	218	293
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	119	(176)
(Increase)/decrease in prepayments	36	(48)
Increase/(decrease) in trade and other payables	(651)	(3,520)
Increase/(decrease) in other current liabilities	(1,586)	546
Increase/(decrease) in employee benefits	715	432
Increase/(decrease) in interest payable	(16)	(19)
Net cash provided by/(used in) operating activities	12,738	13,738

Note 30 Reconciliation of cash and cash equivalents

	2014 \$'000	2013 \$'000
Cash and cash equivalents (see note 16)	4,868	6,935
Total reconciliation of cash and cash equivalents	4,868	6,935

Note 31 Restricted assets

	2014 \$'000	2013 \$'000
Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had restrictions in relation to reserve funds (non-discretionary).		
Fire services property levy	259	-
Reserve funds (note 28)	4,147	3,239
Total restricted assets	4,406	3,239

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.

Accumulation

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 2014, this was 9.25% 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 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5%.

Defined Benefit Plan

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

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

"Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

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.

Employer Contributions

Regular contributions

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

Note 32 Superannuation (cont.)

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

Funding calls

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

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

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

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for 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.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Note 32 Superannuation (cont.)

Retrenchment increments

During 2013/14, the Council was not required to make payments to the Fund in respect of retrenchment increments (\$0 in 2012/13). Council's liability to the Fund as at 30 June 2014, for retrenchment increments, accrued interest and tax is \$0 (\$0 in 2012/13).

Shortfall amounts

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 and in the Balance Sheet in Current Liabilities Trade and Other Payables.

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). There was no outstanding balance as at 30 June 2014.

Superannuation contributions

Fund	2014 \$'000	2013 \$'000
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	201	199
	201	199
Accumulation plan		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,395	1,276
	1,395	1,276
Other funds		
Employer contributions to other funds	576	447
	576	447

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2014.

Note 33 Commitments

The Council has entered into the following commitments

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2014					
Operating					
Building maintenance and cleaning	404	258	645	-	1,307
Total	404	258	645	-	1,307
Capital					
Roads and bridges	779	-	-	-	779
Recreational Facilities	1,669	-	-	-	1,669
Total	2,448	-	-	-	2,448
Total	2,852	258	645	-	3,755

	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
2013					
Operating					
Building maintenance	282	259	478	-	1,019
Audit services	50	-	-	-	50
Total	332	259	478	-	1,070
Capital					
Roads	279	-	-	-	279
Recreational Facilities	898	-	-	-	898
Buildings	831	-	-	-	831
Computer Systems	524	-	-	-	524
Total	2,533	-	-	-	2,532
Total	2,865	259	478	-	3,602

Note 34 Operating leases

	2014 \$'000	2013 \$'000
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	699	745
Later than one year and not later than five years	1,314	1,422
Later than five years	1,193	1,405
	<u>3,206</u>	<u>3,572</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	91	56
Later than one year and not later than five years	305	140
Later than five years	233	235
	<u>629</u>	<u>431</u>

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.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets a likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount (see note 32).

Guarantees for loans to other entities

Council has guaranteed a loan taken out by the Romsey Junior Football Club Incorporated. The original loan (and extent of possible Council exposure) was \$17,300. At balance date the outstanding balance is \$16,607.

Council has also guaranteed a loan taken out by the Romsey Football Netball Club Incorporated. The original loan (and extent of possible Council exposure) was \$17,500. At balance date the outstanding balance is \$16,795.

Both loans relate to Club contributions to the construction of oval lighting.

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
Financial assets			
Cash and cash equivalents and other financial assets	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 3.7%. The interest rates at balance date were 2.25%, 2.50%, 2.70% and 3.35% (2.25%, 2.75% and 3.70% in 2012/2013). Funds returned fixed interest rate of between 3.45% and 4.28% (3.8% and 6.0% in 2012/2013).
Trade and other receivables			
Trade and other variables 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.
Financial Liabilities			
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 2012/2013).

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:

Fixed interest maturing in:	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
2014						
Financial assets						
Cash and cash equivalents	4,859	-	-	-	8	4,868
Other financial assets	-	8,971	-	-	-	8,971
Trade and other receivables	-	-	-	-	5,469	5,469
Total financial assets	4,859	8,971	-	-	5,477	19,308
Weighted average interest rate	2.53%	3.60%				
Financial liabilities						
Trade and other payables	-	-	-	-	4,804	4,804
Interest-bearing loans and borrowings	-	323	1,512	1,039	-	2,874
Total financial liabilities	-	323	1,512	1,039	4,804	7,678
Weighted average interest rate		6.22%	6.25%	5.81%		
Net financial assets (liabilities)	4,859	8,648	(1,512)	(1,039)	674	11,630
2013						
Financial assets						
Cash and cash equivalents	6,927	-	-	-	8	6,935
Other financial assets	-	9,311	-	-	-	9,311
Trade and other receivables	-	-	-	-	5,589	5,589
Total financial assets	6,927	9,311	-	-	5,597	21,836
Weighted average interest rate	3.21%	4.14%				
Financial liabilities						
Trade and other payables	-	-	-	-	5,471	5,471
Interest-bearing loans and borrowings	-	1,057	1,421	1,453	-	3,932
Total financial liabilities	-	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

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	
	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000
Financial assets				
Cash and cash equivalents	4,868	6,935	4,868	6,935
Other financial assets	8,971	9,311	8,971	9,311
Trade and other receivables	5,469	5,589	5,469	5,589
Total financial assets	<u>19,308</u>	<u>21,837</u>	<u>19,308</u>	<u>21,837</u>
Financial liabilities				
Trade and other payables	4,804	5,471	4,804	5,471
Trust funds and deposits	2,156	2,753	2,156	2,753
Interest-bearing loans and borrowings	2,873	3,932	2,873	3,932
Total financial liabilities	<u>9,833</u>	<u>12,156</u>	<u>9,833</u>	<u>12,156</u>

(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 Transport Planning and Local Infrastructure 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

Note 36 Financial Instruments (cont.)

- appropriate liquidity
- diversification by credit rating and financial institution
- monitoring of return on investment
- comparison of returns with budget.

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

Credit risk

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

- we 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.

	2014 \$'000	2013 \$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	86	73
New Provisions recognised during the year	21	43
Amounts already provided for and written off as uncollectible	(4)	(22)
Amounts provided for but recovered during the year	(51)	(8)
Balance at end of year	<u>52</u>	<u>86</u>

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:

	2014 \$'000	2013 \$'000
Current (not yet due)	2,483	2,369
Past due between 31 and 60 days	264	1,147
Past due between 60 and 90 days	183	1
Past due between 90 and 120 days	28	5
Past due by more than 120 days	1	52
Total Trade & Other Receivables	<u>2,957</u>	<u>3,574</u>

The ageing above does not include rate debtors.

Note 36 Financial Instruments (cont.)

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$52k (2012-2013 \$86k) were impaired. The amount of the provision raised against these debtors was \$52k (2012-2013: \$86k). 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:

	2014 \$'000	2013 \$'000
Current (not yet due)	2	2
Past due by up to 30 days	-	1
Past due between 31 and 150 days	5	11
Past due between 151 and 365 days	12	47
Past due by more than 1 year	33	27
Total Trade & Other Receivables	52	86

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.

2014	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	4,804	-	-	-	-	4,804	4,804
Trust funds and deposits	2,156	-	-	-	-	2,156	2,156
Interest-bearing loans and borrowings	159	164	343	1,168	1,039	2,874	2,874
Total financial liabilities	7,118	164	343	1,168	1,039	9,833	9,833

Note 36 Financial Instruments (cont.)

2013	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
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

(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.

Interest rate risk					
2014	\$'000	-1 % -100 basis points		+1 +100 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	4,868	(49)	(49)	49	49
Other financial assets	8,971	(90)	(90)	90	90
Financial liabilities:					
Interest-bearing loans and borrowings	2,873	29	29	(29)	(29)

Interest rate risk					
2013	\$'000	-1 % -100 basis points		+1 +100 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets:					
Cash and cash equivalents	6,935	(69)	(69)	69	69
Other financial assets	9,311	(93)	(93)	93	93
Financial liabilities:					
Interest-bearing loans and borrowings	3,932	39	39	(39)	(39)

Note 37 Auditors' remuneration

	2014 \$'000	2013 \$'000
Audit fee to conduct external audit—Victorian Auditor-General	37	31
Internal audit fees - Crowe Horwath	56	50
	<u>93</u>	<u>81</u>

Note 38 Events occurring after balance date

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

Note 39 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

Councillor Roger Jukes	01/07/2013–30/06/2014 (Mayor 01/07/2013–30/06/2014)
Councillor Jennifer Anderson	01/07/2013–30/06/2014
Councillor John Connor	01/07/2013–30/06/2014
Councillor Graham Hackett	01/07/2013–30/06/2014
Councillor John Letchford	01/07/2013–30/06/2014
Councillor Henry McLaughlin	01/07/2013–30/06/2014
Councillor Joe Morabito	01/07/2013–30/06/2014
Councillor Russell Mowatt	01/07/2013–30/06/2014
Councillor Sally Piper	01/07/2013–30/06/2014

Chief Executive Officer

Peter Johnston	1/07/2013–30/06/2014
----------------	----------------------

Note 39 Related party transactions (cont.)

Remuneration of Responsible Persons

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

	2014 \$'000	2013 \$'000
\$0–\$9,999	-	5
\$10,000–\$19,999	-	5
\$20,000–\$29,999	8	2
\$30,000–\$39,999	-	1
\$70,000–\$79,999	-	1
\$110,000–\$119,999	1	-
\$280,000–\$289,999	1	1
	<u>10</u>	<u>15</u>
Total Remuneration for the reporting	<u>\$1,000</u>	<u>\$1,000</u>
year for Responsible Persons included above amounted to:	<u>606</u>	<u>517</u>

Note - in 2012/13 there were more responsible persons due new Councillors being elected during the year.

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2012/13, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/13, \$0).

(v) Other Transactions

Council purchased services from Bridgestone Kyneton amounting to \$72,173 during 2013/14 (\$34,593 during 2012/13). 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 2014 there was \$2,801 owed by Council to Bridgestone Kyneton.

(vi) Senior Officers

A Senior Officer other than a Responsible Person, is an officer of Council whose total annual remuneration exceeds \$133,000, or if remuneration is less than \$133,000 has management responsibilities and reports directly to the Chief Executive Officer.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2014 \$'000	2013 \$'000
Less than \$133,000	-	1
\$133,000–\$139,999	5	4
\$140,000–\$149,999	4	2
\$160,000–\$169,999	-	1
\$170,000–\$179,999	1	1
\$180,000–\$189,999	-	1
\$190,000–\$199,999	2	1
\$200,000–\$209,999	1	-
	<u>13</u>	<u>11</u>
Total Remuneration for the reporting	<u>\$1,000</u>	<u>\$1,000</u>
year for Responsible Persons included above amounted to:	<u>2,026</u>	<u>1,667</u>

Note 40 (a) Income, expenses and assets by function/activities

	2013/14			2012/13				
	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	5,306	343	(4,963)	-	5,413	0	(5,413)	-
Assets & Operations	31,516	27,148	(4,368)	477,636	27,428	26,559	(869)	425,442
Community Wellbeing	15,997	13,240	(2,757)	-	15,259	12,437	(2,822)	-
Planning & Environment	5,213	1,690	(3,523)	-	6,082	1,699	(4,383)	-
Corporate Services	6,732	35,986	29,254	161,132	4,798	37,307	32,509	159,846
Total	64,764	78,407	13,643	638,768	58,980	78,002	19,022	585,288
Surplus for the year			13,643				19,022	

(b) Total assets shown in note 41(a) are reconciled with the amounts shown for assets in the Balance Sheet as follows:

	2013/14 \$'000	2012/13 \$'000
Current assets	20,609	23,578
Non current assets	618,159	561,710
	<u>638,768</u>	<u>585,288</u>

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, childcare, pre-schools and contributions to welfare organisations. Also includes recreational services comprising libraries, recreational centres and cultural services including live performances, museum and arts centre.

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.

Note 41 Financial ratios (Performance indicators)

	2014 \$'000	2014 (%)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
Debt servicing costs	201		275		225	
Total revenue	78,407	= 0.26%	78,002	= 0.35%	75,176	= 0.30%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

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

Debt servicing and redemption costs	1,259		1,517		1,497	
Rate revenue	37,437	= 3.36%	35,092	= 4.32%	33,077	= 4.53%

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	37,437		35,092		33,077	
Total revenue	78,407	= 47.75%	78,002	= 44.99%	75,176	= 44.00%

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	16,762		19,383		26,783	
Total realisable assets	121,737	= 13.77%	132,440	= 14.64%	131,610	= 20.35%

Any liability represented by a restricted asset (note 31) is excluded from total indebtedness.

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.

Note 41 Financial ratios (Performance indicators) (cont.)

	2014 \$'000	2014 (%)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)
(e) Working capital ratio (to assess Council's ability to meet current commitments)						
Current assets	20,609		23,578		28,036	
Current liabilities	12,462	= 165.37%	15,599	= 151.15%	14,532	= 192.93%

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	20,609		23,578		28,036	
Current liabilities	9,818	= 209.90%	12,863	= 183.30%	12,089	= 231.92%

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

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

Note 42 Capital expenditure

Capital expenditure areas

	2014 \$'000	2013 \$'000
Roads	5,534	4,961
Bridges	853	626
Drainage	514	472
Footpaths, kerbs and channels	519	717
Parks, open space and streetscapes	1,905	1,957
Other infrastructure	661	531
Land and buildings	3,132	5,180
Plant and equipment	392	1,776
Furniture, systems and equipment	827	686
Other	-	234
Total capital works	14,337	17,140

Note 42 Capital expenditure (cont.)

		2014 \$'000	2013 \$'000
Represented by:			
Renewal	(a)	7,312	8,265
Upgrade	(b)	3,770	5,541
Expansion	(c)	-	-
New		3,108	3,068
Other		147	266
Total capital works		14,337	17,140
Property, plant and equipment, infrastructure movement			
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:			
Total capital works		14,337	17,140
Contributions - non-monetary assets	6(b)	12,809	13,729
Asset revaluation movement	28(a)	41,550	24,186
Depreciation/amortisation	12	(12,405)	(10,926)
Written down value of assets sold	22	(632)	(672)
Net movement in property, plant and equipment, infrastructure	22	55,659	43,456

(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

Macedon Ranges Shire Council
2013/2014 Financial Report

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 (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Leon den Driever
Principal Accounting Officer

Date: 26/09/2014
Kyneton

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

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

We have been authorised by the Council on 27 August 2014 to certify the financial statements in their final form.



Roger Jones
Councillor

Date: 26/09/2014
Kyneton



Jennifer Anderson
Councillor

Date: 26/09/2014
Kyneton



Peter Johnston
Chief Executive

Date: 26/09/2014
Kyneton

Standard Statements

Notes to the Standard Statements

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 from 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 86-141 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 10 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 12 June 2013. 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 86-141. 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 Income Statement for the year ended 30 June 2014

	2013/14 Actual \$'000	2013/14 Budget \$'000	\$'000	Variances %	Ref
Revenues from ordinary activities					
Rates and charges	37,437	37,112	325	1%	
Statutory Fees & Fines	2,921	2,213	708	32%	1
User Charges	5,588	5,434	154	3%	
Contributions—Cash	855	503	352	70%	2
Grants—Recurrent	9,795	11,935	(2,140)	-18%	3
Grants—Non-Recurrent	6,785	5,829	956	16%	4
Other revenues	1,629	1,432	197	14%	5
Total Revenues	65,011	64,458	553	1%	
Expenses from ordinary activities					
Employee costs	28,724	28,338	(386)	-1%	
Materials and contracts	19,109	18,146	(963)	-5%	6
Bad & Doubtful Debts	(28)	16	44	275%	7
Borrowing costs	201	291	90	31%	
Depreciation	12,405	12,514	109	1%	
Other expenditure	3,101	4,542	1,441	32%	8
Total Expenses	63,512	63,847	335	1%	
Sub Total	1,498	611	887		
Other Items:					
Net gain/(loss) on disposal of assets	(36)	0	(36)	-100%	
Increase/(decrease) in equity share in Regional Library	(76)	0	(76)	100%	
Increase in provision for landfill liability	(1,140)	0	(1,140)	100%	9
Fair Value Adjustments for Assets held for sale	10	0	10	-100%	
Fair Value Adjustments For Investment Properties	578	0	578	100%	10
Contributions—Non-Monetary Assets	12,809	2,300	10,509	457%	11
Net surplus/(deficit) from operations	13,643	2,911	10,722		
Movements in equity	41,550	0	41,550		
Net increase/(decrease) in asset revaluation reserve	41,550	0	41,550	100%	12
Total changes in equity	55,193	2,911	52,272		

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 (\$0.66m 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 the shire's infrastructure requirements.

2. 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 an unbudgeted contribution received from a bordering Council towards a road project that crossed both shires.

3. Recurrent Grants

Recurrent grants are ongoing grants that are expected to be received each year for the foreseeable future. Most of these grants relate to the provision of services (eg preschools, aged care, etc) but there are also some ongoing grants that assist in funding road infrastructure works. The level of grants is lower than expected as the Grants Commission paid half of the 2014/15 grant allocation (\$3m) in advance in June 2013. The budget expectation was that the grants would be received in 2013/14. Partly offsetting this unfavourable variance is a higher than expected level of pre-school grants.

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 were received for the Romsey Sport Field project (\$1.7m). This grant was not included in the 2013/14 adopted budget as it was originally expected that they would be received in 2012/13. Partly offsetting this variance were lower than budget grants for other projects such as the New Gisborne Regional Netball Complex. This is a timing issue and the grant will now be received in 2014/15.

5. Other Revenues

Other revenues are above budget due to higher gravel sales from Council's gravel pit and higher insurance claims.

6. Materials & Contracts

Expenditure on materials and contracts was higher than expected mainly due to higher waste management costs and emergency works required as a result of the February bushfires. It is expected that some of the emergency costs will be reimbursed by the Victorian Government in 2014/15. Also contributing to the variance was some grant funded projects that were carried over from 2012/13, this expenditure was not included in the adopted budget.

7. Bad and Doubtful Debts

A credit was recorded for bad and doubtful debts this year as some debtors that were considered doubtful at the end of 2012/13 made payments during the year.

8. Other expenditure

The main reason for the budget variance is that budget included a project contribution towards the Gisborne Indoor Stadium (\$1.5m). It is expected that the contribution will now be made in 2014/15.

9. Increase in the landfill liability

Council owns three former landfill sites and has been conducting rehabilitation works at these sites over several years. During the year the EPA conducted an assessment of the former landfill site at Kyneton and have issued Council with a Pollution Abatement Notice (PAN). The PAN requires Council to re-cap the site to current standards and to install sewer infrastructure to manage excessive leachate levels. Council has been undertaking remedial works as per the landfill provision allocation to minimise the impact of leachate levels. As the site has been previously capped Council were not required to have provision for rehabilitation at this site, the issue of a PAN has changed this situation and therefore the provision has been increased to factor in the works required. These works will be completed in 2014/15 and 2015/16. Changes to the provision were not factored into the budget.

10. Fair Value Adjustments For Investment Properties

Council owns a number of properties where commercial leases are in place. The value of these properties is classed under investment properties in the balance sheet. These properties were revalued during the year resulting in an increase in values of \$0.59m.

11. 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 is difficult to accurately forecast.

12. Net asset revaluation increment

Council's assets are revalued on a cyclical basis. In 2013/14 asset revaluations that were conducted during the year for sealed roads (pavement and formation), unsealed roads (formation), drainage assets land and buildings. Under accounting standards the increase in values following a revaluation needs 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 Standard Balance Sheet). A budget line for the asset revaluations was not included in the 2013/14 budget.

* For the purposes of this document a significant budget variance is taken to be a variance of more than 10% 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 Balance Sheet as at 30 June 2014

	2013/14 Actual \$'000	2013/14 Budget \$'000	\$'000	Variances %	Ref
Current assets					
Cash	4,868	5,309	(441)	-8.3	1
Other financial assets	8,950	15,600	(6,650)	-42.6	1
Receivables	5,469	5,708	(239)	-4.2	
Other current assets	279	270	9	3.3	
Non-current assets held for resale	1,043	302	741	100.0	2
Total current assets	20,609	27,189			
Non-current assets					
Other financial assets	21	21	0	0.0	
Investment in Regional Library	1,381	1,413	(32)	-2.3	
Land	69,051	60,322	8,729	14.5	4
Buildings	70,970	78,791	(7,821)	-9.9	5
Infrastructure	462,240	412,317	49,923	12.1	6
Furniture, systems and equipment	2,431	2,496	(65)	-2.6	
Plant and equipment	4,658	4,223	435	10.3	
Other	530	384	146	38.0	
Works in progress	2,662	0	2,662	100.0	7
Investment Properties	4,215	3,363	852	25.3	8
Total non-current assets	618,159	563,330			
Total assets	638,768	590,519			
Current liabilities					
Payables	4,804	5,511	(707)	-12.8	9
Provisions	4,918	5,621	(703)	-12.5	10
Interest bearing liabilities	323	843	(520)	-61.7	11
Other current liabilities	2,417	3,519	(1,102)	-31.3	12
Total current liabilities	12,462	15,494			
Non-current liabilities					
Provisions	5,896	4,326	1,570	36.3	13
Interest bearing liabilities	2,551	8,939	(6,388)	-71.5	11
Total non-current liabilities	8,447	13,265			
Total liabilities	20,909	28,759			
Net assets	617,859	561,760			
Equity					
Accumulated surplus	274,395	261,901	12,494	4.8	
Asset revaluation reserve	334,776	292,259	42,517	14.5	14
Reserves	8,688	7,600	1,088	14.3	15
Total equity	617,859	561,760			

Comments in relation to key budget variances*:

1. Cash and Financial Assets

Financial assets are investments held for more than 3 months, cash relates to amounts in bank accounts and in investments maturing in less than 3 month. The lower investment balance was mainly due to planned loans not being taken up in 2013/14 and hence some projects have been funded from Council's cash reserves in the short term. The MAV is in the process of establishing a vehicle for Council's to borrow funds at cheaper rates. It was decided to postpone the 2013/14 borrowings until this facility was established in early 2014/15.

2. 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 more lots would be sold by the end of the financial year, however, several lots remain in Council's ownership.

4. Land

The value of land assets were higher than budget mainly as a result of asset revaluations. Council land and buildings are revalued every two years in line with the General Valuation. The 2013/14 valuation resulted in increases in the recorded value of Council land which were higher than the budget expectation.

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). There was also slight reduction in building values following the revaluation Council buildings during the year. Council building capital works since the last revaluation (2 years ago) were included at cost. The revaluation is based on market value which can be lower than the cost of construction cost.

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 into 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.

Asset revaluations were conducted during the year for sealed roads (pavement and formation), unsealed roads (formation), drainage assets and buildings. This resulted in an increase in asset values of \$41.7m. Also increasing the asset values were infrastructure contributions from developers following subdivisions (\$12.3m) and infrastructure capital works (\$7.96m) completed during the year. Partly offsetting these increases was the depreciation expense on existing assets.

7. Capital works in progress

A number of projects were in progress at the end of the year including the Regional Netball Complex in Gisborne and works at the Hanging Rock East Paddock. These projects will be completed in 2014/15.

8. Investment Properties

The value of Council's investment properties is higher than budget due to a revaluation of the assets conducted during the year. The other part of the increase is as result of two Council properties being reclassified to investment properties as new commercial leases were signed during the year. The value of these properties was included under property, infrastructure, plant and equipment in 2012/13.

9. Payables

The level of payables was lower than expected at the end of the year. The payable balance can vary depending on the timing of payments and the value of invoices on hand.

10. Current provisions

The variance mainly relates to a lower 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 budget assumption was that more landfill rehabilitation works would be done in 2014/15 but some of the works will now be done in 2015/16 which has resulted in a lower current provision and a higher non-current provision (on the following page).

11. Current and Non-current borrowings

Borrowings are lower than expected as loans included in the 2013/14 budget were not taken up. The MAV is in the process of establishing a vehicle for Councils to borrow funds at cheaper rates. It was decided to postpone the 2013/14 borrowings until this facility was established in early 2014/15. Also expenditure on some capital projects has been lower than expected so associated loans have not been required this year.

12. Other current liabilities

Other current liabilities include income received in advance and refundable bonds and deposits. The lower than expected level of other liabilities mainly relates to a lower level of income received in advance this year. Refundable deposits were also lower than expected. 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 and also the provision for staff long service. Overall the landfill provision is higher than expected due to a recent assessment of the former Kyneton landfill site which has identified that further rehabilitation works are required. Staff leave entitlements are also higher than expected.

14. The asset revaluation reserve

Council's assets are revalued on a cyclical basis. The increase asset valuation reserve is due to asset revaluations conducted during the year for sealed roads (pavement and formation), unsealed roads (formation), drains, land and buildings. This increase was higher than budget.

15. Reserves

This balance relates to financial reserves that have been set aside to fund future expenditure. The reserves can be statutory (e.g. planning contributions for car parking) or non-statutory (e.g. the Hanging Rock Reserve). The increase in reserves was higher than expected mainly due a higher level of planning contributions.

** For the purposes of this document a significant budget variance is taken to be a variance of more than 10% 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 Cash Flow Statement for the year ended 30 June 2014

	2013/14 Actual \$'000	2013/14 Budget \$'000	\$'000	Variances %	Ref
Receipts					
General Rates and Charges	36,974	36,980	(6)	0.0	
Government Grants Received	17,647	17,564	83	0.5	
User Charges & Contributions	8,847	7,775	1,072	13.8	1
Interest Received	679	813	(134)	-16.5	
Other Receipts	3,637	4,219	(582)	-13.8	2
Total Receipts	67,784	67,351	433		
Payments					
Payments to Suppliers	(20,773)	(18,477)	(2,296)	12.4	3
Payments to Employees	(28,009)	(28,395)	386	-1.4	
Other Payments	(6,264)	(8,142)	1,878	-23.1	4
Total Payments	(55,046)	(55,014)	(32)		
Net cash flows from operating activities	12,738	12,337	401		
Cash flows from investing activities					
Payments for property, plant and equipment	(14,436)	(17,273)	2,837	-16.4	5
Proceeds from sale of property, plant and equipment	567	834	(267)	-32.0	6
Net cash flows used in investing activities	(13,869)	(16,439)	2,571		
Cash flows from financing activities					
Increased/(Decreased) Borrowings	(1,058)	5,851	(6,909)	-118.1	7
Net (increase)/decrease in long-term investments	340	(500)	840	-168.0	8
Interest Paid	(218)	(223)	5	-2.1	
Net cash flows provided by financing activities	(936)	5,128	(6,064)		
Net increase/(decrease) in cash held	(2,067)	1,026	(3,093)	-301.4	
Cash at the beginning of the year	6,935	4,283	2,652	61.9	9
Cash at the end of the year	4,868	5,309	(441)		

Comments in relation to key budget variances*:

1. User charges and 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 community 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 \$2.7m; these receipts were lower than expected as capital expenditure and the associated GST was below budget. As there is no GST on rates Council receives a net refund on the GST from the Australian Tax Office, i.e. 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; this is in part due to the higher expense recorded (see income statement) and also due to a reduction in refundable deposits during the year. These deposits are paid to Council and held in trust until the development works are completed. They are then returned to the developer if planning conditions are met.

4. Other payments

Other payments are below budget as a contribution of \$1.5m in relation to the construction of the Gisborne Indoor Stadium was included in the budget. As the project was delayed the payment will now be made in 2014/15. As mentioned above this category also includes net GST paid by Council to suppliers of \$2.7m which were below budget. These amounts are refunded by the tax office (see note 2).

5. Payments for property, plant and equipment

Council's capital works expenditure was lower than budget as some large projects are being completed across two financial years and less expenditure has been incurred this year than expected. The Standard Statement of Capital Works contains more detail on the particular projects.

6. Proceeds from sale of property, plant and equipment

This item represents income from sale of Council property, plant and equipment. The key items in this category are the sale of land and of items of plant that are being replaced. Income is slightly under budget as a higher level of land sales in the New Gisborne Industrial Estate was included in the budget.

7. Decreased Borrowings

This item represents loan repayments made less any new loans taken up. Proceeds from borrowings were lower than expected as loans included in the 2013/14 budget were not taken up. The MAV is in the process of establishing a vehicle for Councils to borrow funds at cheaper rates. It was decided to postpone the 2013/14 borrowings until this facility was established in early 2014/15. Also as mentioned above expenditure on some capital projects has been lower than expected so associated loans have not been required this year.

8. Long Term Investments

Funds from longer term investments (i.e. the reduction in investments) was higher than budget mainly due to the postponement of loans mentioned above. This has meant that Council has used some cash reserves during the year to fund projects in the short term.

9. Cash at the beginning of the year

The level of cash on hand at the end of 2012/13 was higher than expected following the receipt of several large grants in advance in June last year.

** For the purposes of this document a significant budget variance is taken to be a variance of more than 10% and \$0.25m.*

Macedon Ranges Shire Council Standard Statement of Capital Works for the year ended 30 June 2014

	2013/14 Actual \$'000	2013/14 Budget \$'000	\$'000	Variances %	Ref
Capital Works Areas					
Roads and streets	5,534	5,410	124	2.3	
Bridges	853	540	313	58.0	1
Drainage	514	862	(348)	-40.4	2
Footpaths, kerbs and channels	519	550	(31)	-5.6	
Parks and recreation facilities	1,905	3,804	(1,899)	-49.9	3
Other infrastructure	661	537	124	23.1	4
Land and buildings	3,132	4,081	(949)	-23.3	5
Plant and equipment	392	791	(399)	-50.4	6
IT systems, furniture and equipment	827	767	60	7.8	
Other	0	0	0	100.0	
Total Capital Works	14,337	17,342			

Types of Capital Works

Renewal	7,312	5,664	1,648	29.1	
Upgrade	3,770	6,558	(2,788)	-42.5	
Expansion	0	0	0	100.0	
New assets	3,108	5,120	(2,012)	-39.3	
Other	147	0	147	100.0	
Total Capital Works	14,337	17,342			

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:	14,337	17,342
Asset revaluation movement	41,550	0
Depreciation	(12,405)	(12,514)
Written down value of assets sold	(-632)	(834)
Contributed assets	12,809	0
Other items	0	0

Net movement in property, plant & equipment

55,659	3,994
--------	-------

Comments in relation to key budget variances*:

1. Bridges

Capital expenditure on bridges was higher than budget as some works that were originally budgeted in 2012/13 were carried over and completed in 2013/14. Most of these works were funded by grants.

2. Drainage

Capital expenditure on drainage was lower than expected. Budgeted drainage works at Beech Court Gisborne are in progress but the project will now be completed in 2013/14.

3. Parks and recreation expenditure

The main reason for the budget variance some projects are in progress at year end and hence expenditure is under budget. Some of the key projects are the infrastructure works in the Hanging Rock East Paddock and works at the Gilbert Gordon Oval in Woodend. These projects will be completed in 2014/15.

4. Other Infrastructure

This category of expenditure a range of capital projects including minor traffic management works, bus shelters and works at the transfer stations. Expenditure is above budget mainly due to rehabilitation works required at the former Kyneton landfill site. These works were not budgeted.

5. Land and buildings capital expenditure

Land and buildings capital expenditure was under budget mainly due to works at Council's Gisborne office being lower than expected. This project is being completed over two years and most of this expenditure will now be incurred in 2014/15.

6. Plant and Equipment expenditure

Expenditure on plant replacement was below budget as some budgeted purchases were made at the end of last financial year and hence were included in the 2012/13 results.

For the purposes of this document a significant budget variance is taken to be a variance of more than 10% and \$0.25m.

Certification of Standard Statements

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 (Planning and Reporting) Regulations 2014.

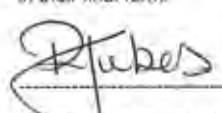


Leon den Dryver
Principal Accounting Officer
Date: 26/ 09 /2014
At Kyneton

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 (Planning and Reporting) Regulations 2014.

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 27 August 2014 to certify the standard statements in their final form.



Councillor Roger Jukes
Date: 26/ 09 /2014
At Kyneton



Councillor Jennifer Anderson
Date: 26/ 09 /2014
At Kyneton



Peter Johnston
Chief Executive Officer
Date: 26/ 09 /2014
At Kyneton



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

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 2014 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 2014 of Macedon Ranges Shire Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the 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.

Auditing in the Public Interest

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Macedon Ranges Shire Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Macedon Ranges Shire Council for the year ended 30 June 2014 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
29 September 2014


John Doyle
Auditor-General

2
Acting in the Public Interest

Index

A

Achievements 8, 9, 27, 35, 37, 53
Advisory committees 24, 25, 53, 57
Advocacy 1, 8, 9, 33, 42, 50, 53, 57, 58, 66, 67
Aged services 25, 40, 41, 51, 56
Agribusiness 1, 37, 45, 46, 51
Aquatic centres 2, 7, 55
Asset management 28, 29, 34
Australia Day 3, 8, 13, 59
Awards 8, 12, 13, 22, 23, 37, 45, 46, 59

B

Building services 2, 29

C

Capital works program 2, 26, 32
Chief Executive Officer 9, 20
Children's services 2, 41–43
Committees 25, 57
Communications 11, 53, 55, 56
Community Consultation 1, 8, 9, 28, 32, 34, 49, 53, 54, 55, 58, 66
Community Funding Scheme 3, 60
Community Satisfaction Survey 9, 27, 37, 53, 66, 67
Council buildings 1, 2, 34, 37, 40
Council meetings 15–17, 54, 55, 58, 68
Council Plan 2, 4, 8, 9, 40
Council offices Back Cover
Councillors 15–17
Culture 2, 25, 28, 37, 38, 55
Customer service 3, 53, 54, 66

D

Disability services 25, 41, 45, 55
Donations 59–62

E

Early years 1, 2, 37, 41–43, 53
Economic Development 3, 46
Emergency management 1, 11, 25, 30, 37, 42, 48, 53, 55, 56
Employees 18–24
Environment 2, 3, 27–32, 63
Events 12, 25, 29, 30, 36, 13, 38, 39, 41, 44, 59
Executive 18–20
Exhibitions 39, 40
Expenditure 2–3, 139–140
External Audit 135

F

Financial Performance 70–154
Fires 2014 1, 9, 10–11
Fire prevention 48, 51
Floods 33, 48
Footpaths 27, 32, 33
Freedom of Information 68

G

Goals 26, 36, 52
Governance 57
Grants and donations 59

H

Hanging Rock 1, 3, 6, 26, 27, 29, 30, 35, 47, 48, 53
Housing 28, 29
Human Resources 1, 53, 55, 56
ICT 57
Immunisation 2, 50
Infrastructure 2–3, 32–35

K

Kyneton Mechanics Institute 12, 39, 44, 57
Kyneton Museum 12, 13, 39

L

Libraries 3, 37, 42, 56
Live4Life 13, 37, 44
Local Laws 37, 49, 68

M

Maps 29, 43, 47, 56
Maternal and Child Health 2, 40, 42, 51
Mayor 8, 17
Media 1, 10–11, 44, 52, 55
Mental health 1, 37, 38, 44, 51
Mission 4

N

Nature reserves 30
Native Vegetation 30

O

Occupational Health and Safety 24
Open space 2, 27, 28, 34
Organisational structure 18–19

P

Parks 1, 2, 3, 7, 28
Pets 1, 48–49
Planning (land use) 1
Planning permits 26, 28, 27, 29, 34, 46
Population growth 6, 27, 28
Prevention of violence against women 50, 51
Privacy 68

R

Rates 2–3, 54
Recreation 1, 2–3, 25, 27, 32, 37, 38
Roads 2, 7, 26, 27, 32, 33

S

Safety 2, 24, 47, 48
Saleyards 33
Shire profile 6–7
Social media 11, 38, 40, 47, 48, 53, 55
Sports stadiums 1, 7, 35
Staff 18–19
Statutory information 66–68

T

Tourism 3, 25, 37, 45, 46, 47

U

Understanding the Financial Statements 77

V

Vision and values 4
Volunteers 1, 11, 25, 41
Victorian Local Government Indicators 67

W

Ward map 15–17
Waste 2, 27, 31, 32, 66
Wastewater 1, 27, 31, 32, 35
Website 1, 11, 44, 55
Weeds 26, 30
Whistleblowers Protection 68

Y

Youth 25, 36, 44, 45, 51, 58

Macedon Ranges Shire Council

All mail and tenders to:
PO Box 151, Kyneton 3444

Tel: (03) 5422 0333
Fax: (03) 5422 3623

Email: mrsc@mrsc.vic.gov.au
Website: mrsc.vic.gov.au

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

Kyneton Town Hall–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, are available by contacting Council on (03) 5422 0333 or via mrsc@mrsc.vic.gov.au