

# Annual Report

14  
15



**Macedon  
Ranges**  
Shire Council



# About this Annual Report

## Our vision

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.

## Our mission

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

## Our values

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

## About this Annual Report

This Annual Report aims to inform the Macedon Ranges community and stakeholders about Council's performance for the financial year 1 July 2014 to 30 June 2015.

Performance is measured against Council's goals and objectives outlined in the Council Plan 2013–17 (Year two), 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:

### Year in Review

Provides readers with a snapshot of the year, including messages from our Mayor and Chief Executive Officer, a financial summary and an overview of operations.

### People and Governance

Outlines our Councillors, Executive team, organisation structure and key information about our staff and volunteers. It also reports on our governance framework, annual grants, awards and donations.

### Our Goals

This section provides a description of each service area and our service performance indicators under the Local Government Performance Reporting Framework.

It also reports on the strategic indicators and major initiatives outlined in our Council Plan. As specified in the body of the report, data for some indicators was not available during this reporting period but will be reported on in future years of the Council Plan.

### Performance Statement

Includes our audited Performance Statement to 30 June 2015, including the prescribed performance indicators and measures specified in the *Local Government (Planning and Reporting) Regulations 2014*.

### Financial Statements

Includes a guide to the financial statements and the audited financial statements for the year.



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# 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 2014/15, Council spent \$70.3 million in operational expenditure and \$16.9 million in capital expenditure to deliver services and projects.

The following summary shows how much was spent on each operational service area per ratepayer. It does not include capital works expenditure. An explanation of finances can be found in the Financial Statements, beginning on page 79.



Garbage and recycling collection/disposal

**\$306**



Planning and building services

**\$183**



Recreation and sporting facilities

**\$262**



Council and customer service

**\$165**



Maintenance of parks, open spaces and the environment

**\$205**



Organisational development

**\$80**



Local laws enforcement and public health

**\$143**



Libraries

**\$60**



Business development and tourism

**\$69**



Council roads, bridges, drains and paths

**\$300**



Corporate services, including debt and interest repayments

**\$273**



Kindergartens, maternal and child health

**\$162**



# Financial Summary



**\$1,740**

Rates and charges for a median valued property (\$445,000)



**\$3,160**

Operating expenditure per assessment



**\$789**

Capital expenditure per assessment



Engineering planning and projects, including building maintenance

**\$157**



Aged and disability support services

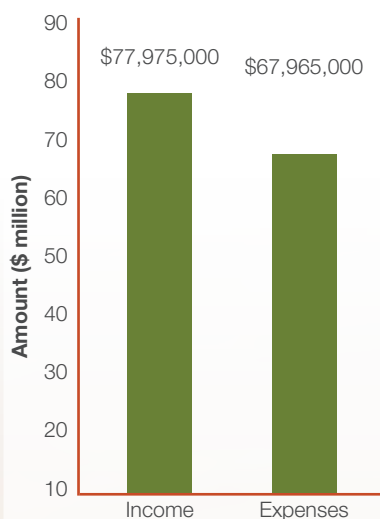
**\$171**



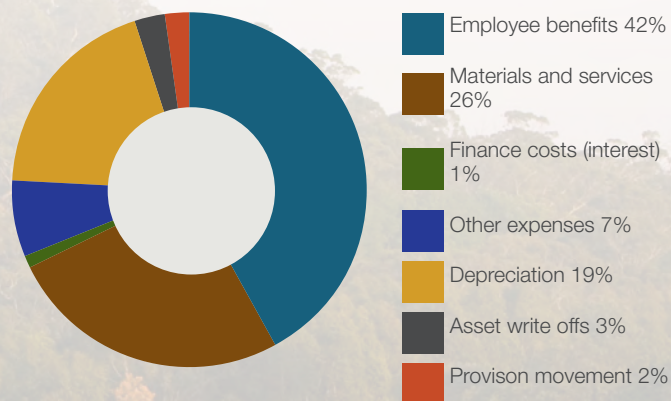
Arts, community, culture and youth services

**\$95**

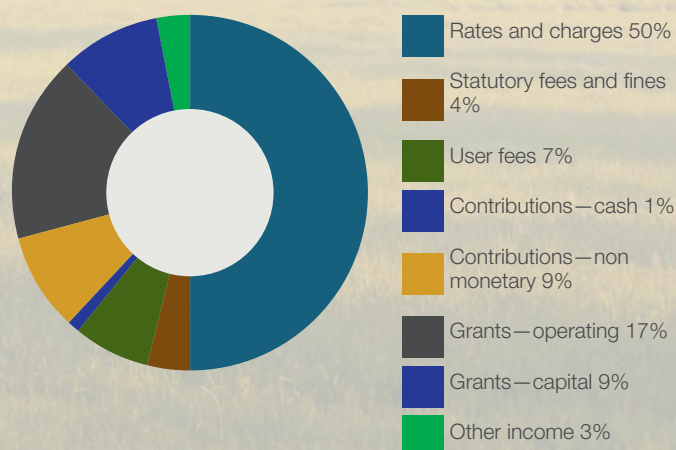
## Income vs operating expenses



## Council's operating expenses



## Council's income sources



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# Our Liveable Shire

The Macedon Ranges Shire spans 1,747 square kilometres and is divided into three wards, each represented by three Councillors (see pages 13–15).

It is renowned for its picturesque landscapes, native forests and unique natural features including Hanging

Rock and Mount Macedon. Other major natural features include forested gullies, waterfalls, grasslands, fertile soils and mineral springs.

The unique landscape of the shire, together with the proximity to Melbourne and Bendigo, have attracted residents and visitors since the early 1800s.

## Kyneton

Situated on the banks of the Campaspe River, Kyneton is a historic rural town that is a major urban centre with significant heritage buildings, streetscapes and botanical gardens.

It is the second largest town in the shire and performs an important retail and service role to the surrounding agricultural district and townships.



## Woodend

Woodend features historic buildings and streetscapes, and has a distinctive rural village character. The town was literally named 'Wood End' because it is located where the Black Forest ends. It also boasts significant views of Mount Macedon and Hanging Rock.



## Macedon and Mount Macedon

Macedon is a small rural town, surrounded by native bush and rural valley views, and located at the base of Mount Macedon.

Mount Macedon is a mountain village with magnificent houses and gardens surrounded by beautiful parklands, waterfalls and mountain peaks. The town is one of the few internationally recognised garden townships in Australia.



## Gisborne

Gisborne is the largest town in the shire and a major urban centre. It has a semi-rural character and a wealth of open spaces.

The town combines rural and suburban features, including modern cafés and boutiques, against a setting of mature oaks, heritage buildings and country homesteads.





## Top five reasons people choose to move to the shire

1. The rural lifestyle
2. Beauty of the area
3. For a 'tree change'
4. Close proximity to Melbourne
5. To raise children

Source: New Ratepayer Survey—Key Findings, 2014.



### Lancefield

Lancefield is a small town situated in a rolling agricultural landscape at the geographic centre of Victoria. It has wide, tree-lined avenues and rural views in all directions.

Key landscape features include Melbourne Hill to the south, and Deep Creek and Mount William Range to the east.



### Romsey

Romsey is a historic township, known for its characteristic streetscape and country hospitality. The town is surrounded by rolling hills of fertile, volcanic soils making it the perfect place for growing produce, grazing cattle and sheep, horse breeding and other agricultural pursuits.



### Riddells Creek

Riddells Creek contains heritage buildings and two historic bluestone railway bridges. Its wide country streets, exotic treed avenues and lush green parklands invite visitors and locals to enjoy a slice of country life.



## Traditional custodians

Dja Dja Wurrung, Taungurung and Wurundjeri peoples.



# Message from the Mayor

## Cr Jennifer Anderson



**This year sees a change in the way Victorian councils have to report on the year's activities.**

**Previously Council reported on key projects from the Council Plan, which along with financial statements, were used as a measure of our success.**

Now, Council reports on its performance via a new Victorian Government reporting framework that includes a set of standard indicators that focus on transparency and accountability.

The indicators will ensure that all councils collect and report on their performance in a consistent way. Over time, it will also provide us with the ability to benchmark our performance against other like councils.

### Our environment and open spaces

There are many things Council has achieved in the last financial year that we can be proud of—a number of which involve protecting our environment. Although not officially reported in budget documents and performance indicators, these achievements are important to maintaining the natural beauty and liveability of our shire.

Council has added new sustainability initiatives to the budget and has been looking into ways of identifying our 'carbon footprint' (CO<sub>2</sub>-equivalent emissions volume and intensity) so that we can investigate ways to reduce our collective impact on our planet's atmosphere while also saving money.

Our protection of open spaces and reserves was increased this year, with the UL Daly Nature Reserve gaining an environmental management plan, and the listing of Hanging Rock Reserve on the Victorian Heritage Register.

Council continued to work towards the purchase of the old Romsey Primary School site to establish an all-abilities park and not-for-profit community use, while open space in Wyralla Crescent in Gisborne will remain as such for the local community.

We have also adopted a new weed and pest management plan, a waste management strategy and many other policies, procedures and strategies that will support how we can continue to work with local communities to plan for the future.

### Community places and programs

A number of our great achievements in the past financial year include programs that bring people together such as the Casserole Club and the weekly Kyneton Community Lunch. These programs continue to go from strength to strength and play an important role in fostering community spirit.

Our efforts in emergency management, including acknowledging the need for increased resources to support the response to the increase in domestic violence following disasters, are achievements of which I am proud.

### Supporting health and wellbeing

Our many volunteers must be acknowledged for their continual efforts to support Council and the community.

I'd like to extend a big thank you to those who served on the Positive Ageing Advisory Committee (PAAC) that ceased at the end of June. The work of PAAC will be continued by the new Health and Wellbeing Advisory Committee, who will help guide Council in our policy and strategic development to ensure that local communities continue to enjoy good health and wellbeing.

I would also like to recognise the ongoing work that happens behind the scenes of our youth team, our mental health workers, and those supporting our older residents and people living with a disability. Your hard work is inspirational, and without you we couldn't celebrate many of our ongoing achievements.

### Your councillors and communities

This last year saw the retirement of Cr Joe Morabito, and I wish to thank him for his years of advocating for his community, and particularly for supporting the new Councillors over the last two years. I welcome Cr Ian Ellis who replaces him as the third East Ward Councillor.

Much of what Council has achieved in the last year has only been possible through the collaborative work of all levels of government, Councillors, staff and our local communities and I would like to thank everyone for their contributions—large or small.

We are very fortunate to live in such a beautiful part of the world. The Macedon Ranges really is the best place to live, work, play and do business.



# Message from the CEO

## CEO Peter Johnston



**During the past year, Council has been continuing our work on strengthening our partnerships with other levels of government—all of which contributes to our vision for creating a strong sense of place and community.**

This Annual Report showcases our achievements, including the significant investments in our daily operational works and services, community facilities across the shire and the ongoing work in advocating for the diverse needs of our local communities. It also identifies the challenges associated with the provision of a wide range of services, and outlines our future priorities to provide opportunities and create projects that are viable, deliverable and can be maintained for future generations.

As mentioned in the Mayor's Message on page 6, new reporting requirements have seen a significant change to the structure and format of this year's Annual Report. All councils are now required to report against a set of performance indicators across three key areas: service performance, financial performance and sustainability capacity.

### Planning for our future

Over the past 12 months Council has reaffirmed its commitment to advocate for new projects and actions that will meet the needs of our growing community for many years to come. This includes continued advocacy to improve telecommunication networks and public transport infrastructure across the shire.

We've concentrated on providing efficient customer-focused processes that balance the environmental, infrastructure and social needs while keeping rates affordable. We are also pleased to have met all of our financial reporting and budgeting timeframes.

We continue to plan for the future wellbeing of our community through significant investment in playgrounds, netball courts and sports stadiums in partnership with local agencies and community groups. This includes completion of the first stage of the Macedon Ranges Netball Complex in New Gisborne; works at our outdoor pools; and the new indoor sports stadium based at Gisborne Secondary College, which

will operate under a joint user agreement with Council, the school and local user groups.

The establishment of a new Health and Wellbeing Advisory Committee also promotes positive health and wellbeing initiatives to ensure that residents of all ages and abilities can live in accessible and inclusive communities.

### Building safe and resilient communities

Unfortunately, several of our local communities faced another summer of bushfires, with fires at Baynton, Pastoria and Black Hill Reserve. Council played an important role in supporting the recovery process for more than 30 landowners and two local wineries that were impacted by these fires, and I'd like to acknowledge the efforts of everyone who has been involved in helping these communities recover.

In other areas of emergency planning, Council has been involved in the development of a new strategy that aims to prevent violence against women during and after emergencies such as bushfires. The plan, which builds on our work as a partner in the Central Victorian Prevention of Violence of Against Women initiative is thought to be the first of its kind to be developed by local government in Victoria.

### Thank you

In October 2014, Cr Joe Morabito retired after serving as an East Ward Councillor since 2008. I would like to acknowledge and thank Cr Morabito for his dedication to serving and working with residents in his capacity as a Councillor over the past six years, and also during 2003/04. I'd also like to welcome Cr Ian Ellis who was sworn in on 24 November following a countback procedure.

I'd like to thank our residents, businesses, community groups, volunteers, councillors and dedicated staff for all that you do to make the shire the special place that it is. We look forward to continuing to engage with, and advocate for, the best interests of the community while continuing to provide high quality services to the Macedon Ranges community.



# Overview of Operations

Macedon Ranges Shire Council provides many different services to the Macedon Ranges community, including:

- aged and disability support
- arts and culture exhibitions and events
- business development training and services
- environmental programs and weed control
- garbage and recycling collection
- kindergartens
- libraries
- local laws and public health services
- roads and footpaths
- maternal and child health services
- parks, reserves and open spaces
- planning and building services
- recreation and sport facilities
- school crossing supervisors
- tourism support and visitor services
- youth programs.

Council is focussed on delivering high quality strategic and operational decisions that reflect our values—a sense of place, community, balance and integrity. These decisions reflect the major initiatives outlined in the 2014/15 Budget and are measured against the indicators of success in the Council Plan 2013–2017 that are reported on in this report.

For more information, refer to the Our Goals section in this report (pages 36–67).

## Economic factors

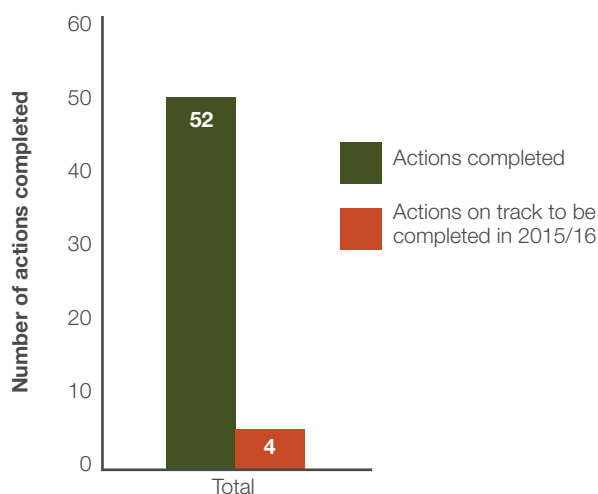
In 2014/15, Council adopted a revised Financial Reserves Policy to assist in the ongoing management of public facilities and infrastructure.

As the shire continues to grow, Council continues to face significant rises in energy, insurance and fuel costs; plus increasing costs associated with the maintenance of community places, open spaces, roads, stormwater drainage and footpaths across the shire.

## Annual actions

During 2014/15, Council completed 52 of the 56 annual actions outlined in year two of the Council Plan 2013–17.

### Council Plan 2013–17 (Year two) actions





## Major capital works

During 2014/15, Council spent nearly \$17 million on capital works, including the major projects listed below.

- **Roads, bridges and footpaths: \$7,149,000**  
These programs include funds for new roads, resealing works, bridge maintenance and expansion of the shire's footpath network.
- **Hanging Rock infrastructure upgrades: \$775,000**  
Upgrades to electricity and water supplies, improved lighting, landscaping and road works, and planning for improvements to visitor shelters, toilets, barbecues and car parking.
- **Gisborne Office extension: \$890,000**  
Works to create additional workstations, a meeting room, a training room and accessible toilet facilities.
- **Macedon Ranges Netball Complex: \$975,000**  
Construction of eight outdoor netball courts, including two show courts with lighting.
- **Stage 1 Kyneton Landfill rehabilitation: \$395,000**  
Rehabilitation works on the site of the former Kyneton Landfill.
- **Gilbert Gordon Oval upgrade: \$739,000**  
Surface and drainage works to improve the oval so that it can withstand wet weather and be played on all year round.
- **Gisborne Early Learning Centre: \$209,000**  
The centre will provide two rooms for three-and four-year-old kindergarten, two maternal and child health consulting rooms, a toy library and shared community space for use by playgroups, visiting service providers, immunisations and other community groups/activities.

## Major achievements

Council completed a number of significant projects and initiatives during 2014/15, some of which are highlighted below.

- Completion of the Mount Macedon Waste Water Project in partnership with Western Water.
- Introduction of a new meal sharing initiative for older residents called the Casserole Club.
- Establishment of a Health and Wellbeing Advisory Committee.
- Construction of a two-court indoor sports stadium at Gisborne Secondary College in partnership with the Victorian Government.
- Completion of the change room upgrades at Barkly Square.
- Formalised Council's sister city relationship with Tokai City, Japan (pictured below).

For more information about Council's many achievements, see pages 36–67.





# A Year in Our Shire



## Women of Empire

As part of the Women of Empire national touring exhibition, thirty extraordinary historical costumes were on display at the Kyneton Museum to commemorate the role of women during the World War 1 campaign. The museum opened seven days a week over the two-week exhibition to allow as many people as possible to visit.

- Introduction to Apprenticeships and Traineeships workshop
- East Journey at Kyneton Town Hall
- Freemasonry Unlocked at Kyneton Museum
- Swamp Juice at the Kyneton Town Hall
- Victorian Visitor Information Centre Summit

- Social Media workshop for business
- Working with Council workshop
- Spring into Gardening with Vasili
- 'International Ready' Tourism excellence workshop

- Kyneton Cup
- Business Networking Night
- Domestic Ties at Kyneton Museum
- International Day of People With a Disability Dinner Dance

July

August

September

October

November

December

- Macedon Ranges Youth Awards
- Battle of the Bands
- Barassi The Stage Show at Kyneton Town Hall
- Macedon Ranges Friends of East Timor (MRFoET) MILK morning tea
- Pasture and weed management for livestock and horses
- Kisstroyer at Kyneton Town Hall

- Introduction to Export workshop
- Live4Life five-year celebration
- Kamahl at Kyneton Town Hall
- Home Business morning tea
- Macedon Ranges Seniors Festival
- Macedon Ranges Bird Forum

- The Spirit of Christmas Lunch at Kyneton Town Hall
- International Volunteer Day celebrations at Kyneton Mechanics Institute



## International Day of People with a Disability

To celebrate International Day of People with a Disability, Council hosted a dinner dance at the Kyneton Bowling Club. More than 90 people attended and enjoyed a night of fun, music, dancing, food and games.



# A Year in Our Shire



## Macedon Ranges Youth Awards

In August Council celebrated the outstanding achievements of young people and the invaluable contributions they make to the local community in front of a full house at Kyneton Town Hall. There were 188 young people nominated for awards across 17 categories that included sport, arts, community participation, academic achievement and Live4Life initiatives.

- News Year's Day and Australia Day Races at Hanging Rock
- Australia Day Awards at Kyneton Town Hall

- Rod Stewart concert at Hanging Rock
- Kyneton Aquathon
- Kyneton Community Park Community Consultations
- Home Business morning tea
- Tahir-Who Stole My Donkey? at Kyneton Town Hall
- Mental Health First Aid for the shire's five Men's Sheds
- Cultural Diversity Week
- Colourfest-Multicultural Film Festival at Kyneton Town Hall
- Art Without Borders at Kyneton Town Hall
- Talking Difference in Schools with L-Fresh the Lion



## Smart Business Conference

Fifty-seven local businesses attended this year's Smart Business Conference at the Kyneton Town Hall, with many taking advantage of packages to book multiple sessions across the two days.

- Smart Business Conference
- YEP! Dance Party
- Grey Light Dance
- The Paris Underground Cabaret at Kyneton Town Hall
- First Things First at Kyneton Town Hall
- 'Dying to Talk' seminar

January

February

March

April

May

June

- Youth Leadership Camp 2015
- 'Packaging Your Product' Tourism excellence workshop
- Lancefield Aquathon
- Woodend Aquathon
- Picnic at Hanging Rock film night at Hanging Rock
- Eagles concert at Hanging Rock
- 28th Annual Car Club Picnic at Hanging Rock

- Gisborne Aquathon
- Introduction to Apprenticeships and Traineeships workshop
- The Women of the '60s at Kyneton Town Hall
- 'Off The Street' skate, scoot and BMX events in Woodend and Romsey
- Luminous Flux at Kyneton Town Hall
- Pants Down Circus Rock at Kyneton Town Hall
- Run the Rock at Hanging Rock
- The Soldier's Gift—the illustrations of Jane Tanner at Kyneton Museum

- Weed Management workshop
- Macedon Ranges Youth Summit—'the view from here...'
- Women of Empire at Kyneton Museum
- Sex with Strangers at Kyneton Town Hall
- Event Planning workshop
- Healthy Heart Week

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# Our People





## East Ward



**Cr Graham Hackett**  
(Deputy Mayor,  
November 2013–  
November 2014)

Elected: October 2012

Mobile: 0408 287 788

Email: ghackett@mrsc.vic.gov.au

Attended 10 Ordinary Council Meetings and six Special Council Meetings.

### Representation as at 30 June 2015:

- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Macedon Ranges Agribusiness Forum
- Macedon Ranges Equine Industry Network
- Macedon Ranges Regional Park 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 11 Ordinary Council Meetings and two Special Council Meetings.

### Representation as at 30 June 2015:

- Annual meeting of Braemar College
- CEO Performance Appraisal Advisory Group



**Cr Ian Ellis**

Elected: 24 November 2014\*

Mobile: 0400 025 455

Email: iellis@mrsc.vic.gov.au

Attended seven Ordinary Council Meetings and three Special Council Meetings.

### Representation as at 30 June 2015:

- Calder Highway Improvement Committee
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Local Safety Committee
- Naming/Re-naming Working Group
- Section 223 Committee

\*Cr Ian Ellis was sworn in on 24 November 2014 following the resignation of Cr Joe Morabito for health reasons. Cr Ellis was appointed following a countback procedure by the Victorian Electoral Commission.



**Cr Joe Morabito**

Elected: November 2008

Re-elected: October 2012

Resigned: 23 October 2014

- Health and Wellbeing Advisory Committee
- Municipal Association of Victoria
- Municipal Emergency Management Planning Committee
- Naming/Re-naming Working Group
- Section 223 Committee
- Victorian Local Governance Association

## South Ward



**Cr John Letchford**

Elected: November 2008  
Re-elected: October 2012

Mobile: 0401 682 364  
Email: [jletchford@mrsc.vic.gov.au](mailto:jletchford@mrsc.vic.gov.au)

Attended 11 Ordinary Council Meetings and six Special Council Meetings.

### Representation as at 30 June 2015:

- Annual meeting of Braemar College
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Local Safety Committee
- Municipal Association of Victoria
- Municipal Fire Management Committee
- Naming/Re-naming Working Group
- Peri Urban Councils Group
- Section 223 Committee



**Cr Russell Mowatt  
Deputy Mayor**

Elected: October 2012

Mobile: 0418 531 281  
Email: [rmowatt@mrsc.vic.gov.au](mailto:rmowatt@mrsc.vic.gov.au)

Attended nine Ordinary Council Meetings and six Special Council Meetings.

### Representation as at 30 June 2015:

- Audit Committee
- 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](mailto:spiper@mrsc.vic.gov.au)

Attended 11 Ordinary Council Meetings and six Special Council Meetings.

### Representation as at 30 June 2015:

- CEO Performance Appraisal Advisory Group
- Health and Wellbeing Advisory Committee

- Macedon Ranges Equine Industry Network
- Municipal Emergency Management Planning Committee
- Naming/Re-naming Working Group
- Section 223 Committee



## West Ward



**Cr Jennifer Anderson**  
**Mayor**

Elected: October 2012

Mobile: 0408 273 670

Email: janderson@mrsc.vic.gov.au

Attended 11 Ordinary Council Meetings and five Special Council Meetings.

### Representation as at 30 June 2015:

- Audit Committee
- CEO Performance Appraisal Advisory Group
- Hanging Rock Development Advisory Committee
- Kyneton Woodlands Project
- 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 11 Ordinary Council Meetings and six Special Council Meetings.

### Representation as at 30 June 2015:

- CEO Performance Appraisal Advisory Group
- Goldfields Regional Library
- Health and Wellbeing Advisory Committee
- Local Government Waste Forum
- 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, November 2013–November 2014)**

Elected: November 2008  
Re-elected: October 2012

Mobile: 0400 647 445

Email: rjukes@mrsc.vic.gov.au

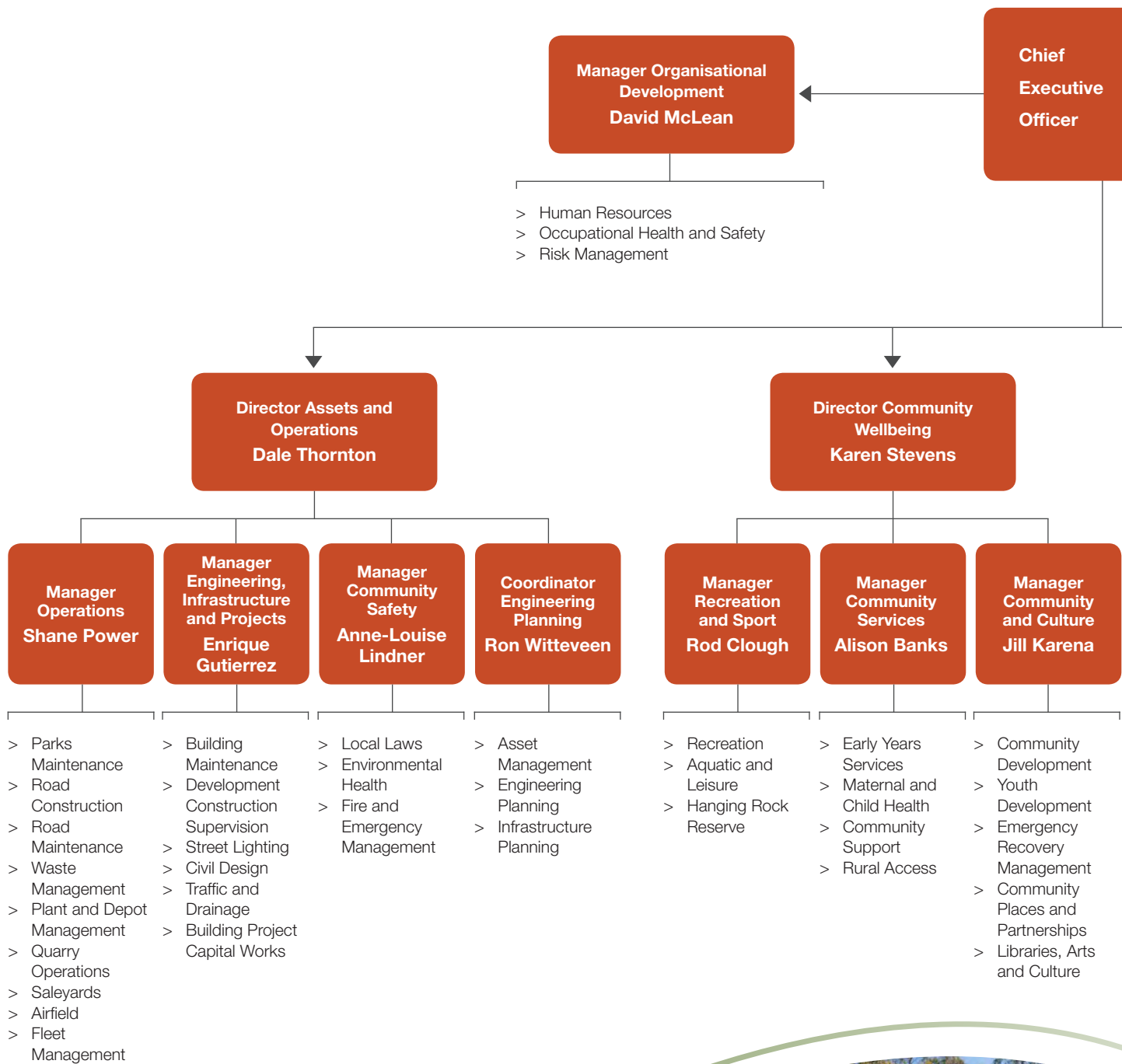
Attended 11 Ordinary Council Meetings and five Special Council Meetings.

### Representation as at 30 June 2015:

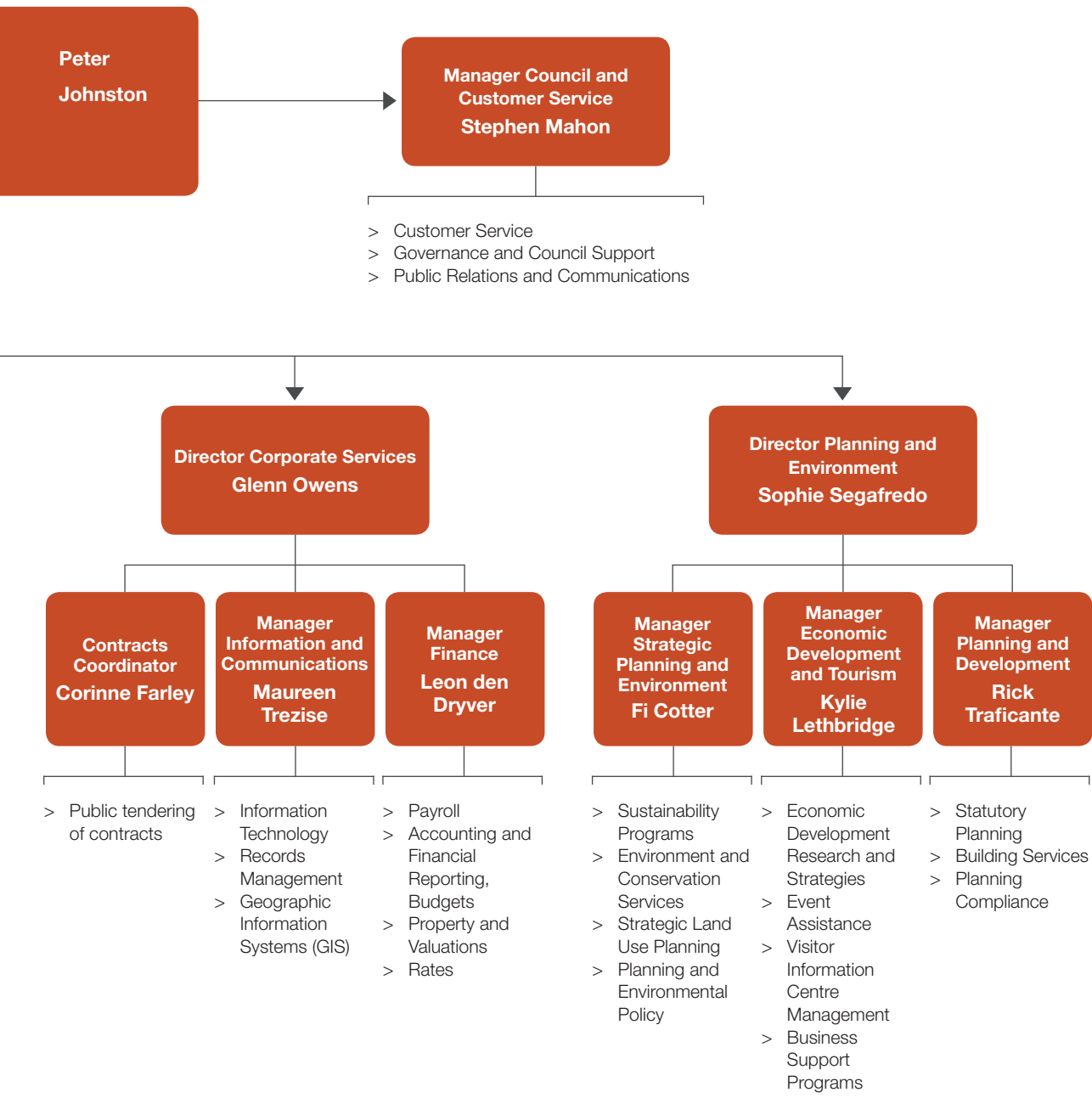
- CEO Performance Appraisal Advisory Group
- Daylesford Macedon Ranges Regional Tourism Board
- Macedon Ranges Agribusiness Forum

- Macedon Ranges Employment and Training Network
- Macedon Ranges Equine Industry 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 35 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 17 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**

Tel: (03) 5421 9655

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

Sophie has 30 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

The following tables provide a summary of full time equivalent staff by organisational structure, employment type, gender and classification.

Employee type/gender	CEO (FTE)	Assets and Operations (FTE)	Community Wellbeing (FTE)	Corporate Services (FTE)	Planning and Environment (FTE)	Total FTE
Perm FT – F	13.00	12.00	18.00	16.00	23.20	82.20
Perm FT – M	3.00	85.00	17.00	14.00	14.00	133.00
Perm PT – F	7.44	6.14	68.95	1.63	5.38	89.54
Perm PT – M	0.00	2.27	2.96	0.00	1.80	7.04
Casual – F	3.09	3.48	18.58	0.00	0.51	25.66
Casual – M	0.00	2.47	7.29	0.24	0.50	10.50
<b>Total</b>	<b>26.53</b>	<b>111.37</b>	<b>132.79</b>	<b>31.87</b>	<b>45.38</b>	<b>347.95</b>

FTE: full time equivalent. FT: full time. PT: part time. F: female. M: male.

Employment classification	Female (FTE)	Male (FTE)	Total (FTE)
Band 1	4.43	1.39	5.82
Band 2	0.39	3.63	4.02
Band 3	30.77	41.41	72.19
Band 4	41.15	18.79	59.94
Band 5	37.77	20.45	58.23
Band 6	24.63	27.81	52.44
Band 7	17.01	24.61	41.62
Band 8	1.42	1.00	2.42
Band not applicable	39.83	11.45	51.27
<b>Total</b>	<b>197.41</b>	<b>150.54</b>	<b>347.95</b>

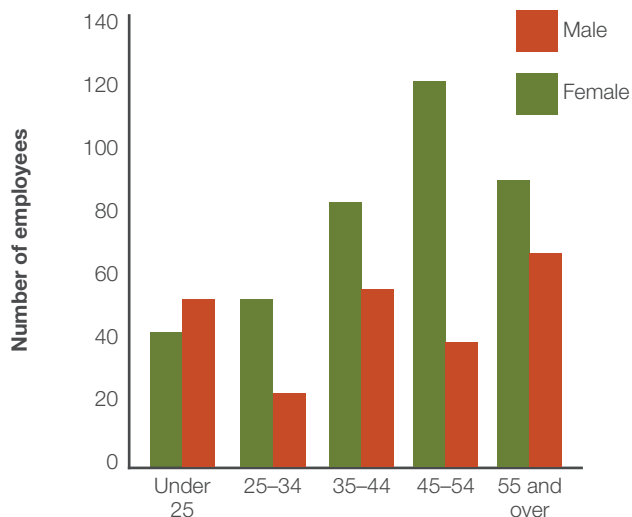
FTE: full time equivalent.



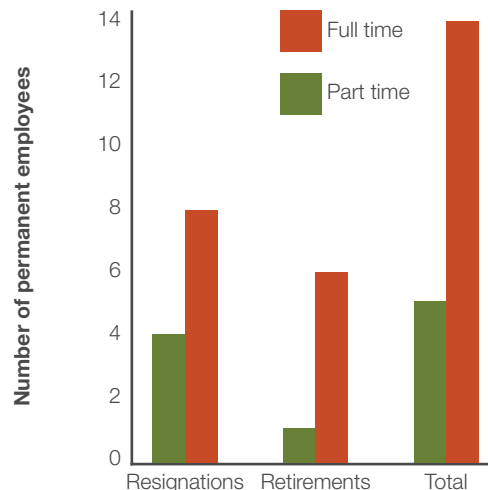


# Our Workforce

## Employees by age



## Staff turnover



## Where our staff live



169 live outside the shire



455 live within the Macedon Ranges Shire

Figures are based on head count (not FTE as per data on page 19).

## Equal Employment Opportunity Program

Council provides an Equal Opportunity Program to promote equal opportunities for all employees.

Council's Equal Opportunity Policy is provided to all staff at the commencement of their employment. Equal Employment Opportunity training is provided as part of the employee induction process. The training, which is provided via a digital eLearning program, ensures employees have an understanding of the characteristics that are protected attributes under the Equal Opportunity legislation, and their obligations as an employee and/or supervisor.

Council has also implemented in-house training for supervisors and managers that outlines their responsibilities and obligations in relation to Equal Employment Opportunity during recruitment.

## Professional development

During the year, a number of employees undertook professional development training through LGPro—Victoria's peak body for local government professionals.

Ongoing training is provided to all employees to raise awareness of Council's legislative and industrial obligations. Training on the correct use of Council's corporate systems is also provided by employees, for employees.

Facilitated workshops and professional development programs on issues including consultation and engagement were undertaken, in addition to support for formal study provided through the Study Assistance Program that was also available.

Human Rights training was conducted by the Victorian Human Rights and Equal Opportunity Commission.



Volunteers are the lifeblood of our communities.

Council benefits from more than 500 volunteers who help out with 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.

## 2014/15 highlights

- Volunteers from the Kyneton Museum attended a series of preventative conservation workshops to learn about storage, handling and display practices that will assist with the management of the museum's collection and visiting exhibitions.
- Thirty-one volunteers who support Council's Live4Life, Music In The Sticks and Youth Ambassadors programs attended a three-day leadership camp.
- At the Visitor Information Centres, Council continued to roll out its improved volunteer recruitment, induction and training program, providing six local learning tours, three information sessions and a range of additional activities to enhance service levels, skills and product knowledge of volunteers.
- In December, on the eve of International Volunteer

Day, more than 100 volunteers attended an annual end-of-year volunteers celebration in Kyneton where they were recognised for their contribution to the Macedon Ranges community.

**24%**  
the Macedon Ranges  
population regularly  
volunteer. Source: ABS Census 2011.

Service	Number of volunteers	Roles
Family and Youth Development	166	Kindergarten committees, Live4Life, Youth Ambassadors and Music In The Sticks programs.
Home and Community Care	81	Delivered community meals, community register, client transport and Positive Ageing Advisory Committee.
Arts, Culture and Libraries	73	Arts Advisory Committee, Kyneton Museum and libraries.
Tourism	69	Visitor Information Centres.
Recreation	27	Sport and swimming programs and the Hanging Rock Development Advisory Committee.
Community places and partnerships	100	Community park committees, men's sheds, neighbourhood houses, community halls and reserves.
Emergency Management	47	Council's emergency management committees, relief and recovery services and Landcare volunteers played a critical role in the rehabilitation works at Black Hill Reserve after the fires.
Corporate Services	1	Student volunteer on work placement through the Victorian Certificate of Applied Learning program.

**Total number of volunteers 564**

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.



## Grants 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.

In 2014/15, a total of \$3,500 was provided to seven community groups to host various events such as breakfast barbecues, an Aussie film screening, an antiques fair and a fun run with special guest and Australia Day Ambassador Steve Moneghetti.



### Community Funding Scheme

Council's annual Community Funding Scheme supports the activities of community groups and events. In 2014/15, Council distributed \$180,894 in grants between 57 community groups and organisations.

### Landcare group grants

24 Landcare and 'Friends of' groups shared in \$20,639 in funding to support their contribution to maintaining and restoring our natural environment through projects such as species protection, weeding and revegetation works.



## Other grants and donations

### Councillor grants program

Councillor grants of up to \$1,500 are available throughout the year for community projects. Twenty-nine applications were funded in 2014/15, totalling \$24,105.

### Community newsletter grants

Nine community newsletters shared in \$7,600 to support the ongoing work that each publication does to provide local communities with a valuable source of local information.

### Neighbourhood House and Community Centre support

Council contributed \$3,286 to the four neighbourhood houses and two education/learning centres in the shire in recognition of the educational, social and recreational benefits and opportunities provided to local communities.

### Parks improvement program

The Riddells Creek Lions Memorial Park Working Group was allocated \$3,000 to construct a sensory garden. The Macedon Ranges Dog Obedience Club Inc was allocated \$3,000 to top dress and seed an open space area at the Riddells Creek Recreation Reserve.

## Awards

### Australia Day Awards

Six individuals and one community group were recognised for their community contributions at the 2015 Australia Day Awards ceremony.

Adam Bourke was awarded Citizen of the Year for always demonstrating community spirit in doing all that he can for the local community. The Young Citizen of the Year award went to Hayden Muir, who completed a 752km ride to Canberra to raise awareness and funds for the Epilepsy Foundation. He raised more than \$20,000, including a donation of \$50 from Prime Minister Tony Abbott on the steps of Parliament House.

Shantelle Grant, Tamara Wilson and Fiona Le Nepveu received Community Achievement Awards and Stephen Brockman was awarded Arts Ambassador of the Year.

The O'Pig Newham Sculptural Pig Festival was named Community Event of the Year.

### Excellence in reporting

Council was one of 45 organisations and only 15 councils to win a Gold Award at the 2015 Australasian Reporting Awards.

The Australasian Reporting Awards encourage organisations from all sectors (corporate, government and non-profit) to communicate openly, honestly and effectively with their stakeholders on their activities each year.

This is the first time Council has met the strict criteria for a Gold award, having won Silver for its two previous reports, and several Bronze awards in other years.





## Governance

Macedon Ranges Shire Council is constituted under the *Local Government Act 1989* to provide leadership and good governance for the shire and its local community.

We interpret good governance as being about how we make and implement decisions, our accountability to residents, the information exchange between staff and Councillors, and how we engage with the community.

We have a clear vision to provide the opportunity for all to live a fulfilling life, while protecting our heritage, environment and a sense of community through our shared commitment to a sustainable Macedon Ranges.

Our framework of good governance practice is defined by the four principles of excellence below. Within these principles we have clear statements and processes that guide Council and the organisation.

- **Vision and mission:** In pursuing our vision and mission, we believe in and are committed to, the following values: sense of place, sense of community, balance and integrity.
- **Roles and relationships:** Our Councillors have clearly defined roles. They are distinct from the roles of Chief Executive Officer and Council staff. We support our Councillors by providing clear guidelines and resources.
- **Decision-making and management:** Our decision-making is based on and guided by adopted Council policies and strategies. It is informed by community consultations and engagement, advisory committees, Council delegates and Council officers. Decisions on reports submitted to Council are made at monthly Council meetings and Special Committees of Council. Decisions are reported via meeting minutes, annual reports and quarterly reports.
- **Accountability:** Our work output is measured annually against the Performance Statement, while we learn how our community rates our performance through the yearly Community Satisfaction Survey.

Audits are performed regularly by independent auditors appointed by the Victorian Auditor General. The purpose of an audit is to protect the interests of ratepayers and other stakeholders. The Auditor General provides an Audit Opinion based on inspection and analysis. For example, the audit of Council's Financial Statement focuses on the accuracy of recording income and expenditure, the existence and measurement of assets and liabilities, and compliance with accounting standards.



## Meetings of Council

Council meetings are generally held on the fourth Wednesday of each month from 7pm, with one meeting per year being held in Kyneton, Romsey and Woodend, with the remainder in Gisborne.

Community members are able to ask a question about any Council matter during public question time.

Special Council meetings are held when urgent matters arise.

There are times when Council may resolve to close a meeting to discuss:

- personnel and industrial relations issues
- legal issues
- personal hardship of a resident/ratepayer
- matters regarding commercial transactions in which Council has an interest.

During 2014/15, Council held:

- 11 Ordinary Council meetings
- 6 Special Council meetings

Councillor	Council meeting	Special Council meeting	Total
Cr Jennifer Anderson (Mayor)	11	5	16
Cr Roger Jukes (former Mayor)	11	5	16
Cr John Connor	11	6	17
Cr Ian Ellis (elected 24 November 2014)	7	3	10
Cr Graham Hackett	10	6	16
Cr Henry McLaughlin	11	2	13
Cr John Letchford	11	6	17
Cr Russell Mowatt	9	6	15
Cr Sally Piper	11	6	17
Cr Joe Morabito (retired 23 October 2014)	2	1	3





## Special Committees

The *Local Government Act 1989* allows councils to establish one or more special committees consisting of Councillors, Council staff, community representatives, and representatives from other authorities such as the Victorian Government.

The following table contains a list of all special or advisory committees established by Council, their membership, and the purpose for which each committee was established.

Special Committee	Councillors	Community members /groups	Other authorities	Purpose
Airfield Advisory Committee	3	6	0	Advises Council on the management and long-term objectives of the airfield.
Audit Committee	2	3	0	Advises Council on risk management, internal control, accountability and financial reporting.
CEO Performance Appraisal Advisory Group	9	0	0	Coordinates the performance review process of the CEO in accordance with the Local Government Act.
Hanging Rock Development Advisory Committee	3	7	1	Advises Council on matters relating to Hanging Rock.
Health and Wellbeing Advisory Committee	3	13	0	Advises and promotes positive health and wellbeing initiatives.
Kyneton Woodlands Project Committee	1	10	2	Provides advice and support to the North Central Catchment Management Authority project team that assists landholders to protect, enhance and restore remnant woodland vegetation.
Macedon Ranges Agribusiness Forum	2	9	0	Advises Council and identifies challenges and opportunities for the agricultural industry in the shire.
Macedon Ranges Equine Industry Network (REIN)	3	12	0	Assists with the implementation of the Equine Industry Strategy.
Macedon Ranges Heritage Council	1	5*	0	Provides advice to Council about heritage matters.
Municipal Emergency Management Planning Committee	2	0	16*	Coordinates and plans emergency management processes, including the development and review of the Municipal Emergency Management Plan.

Municipal Fire Management Committee	1	0	7*	Oversees fire management in the shire, including the implementation of the Municipal Fire Management Plan.
Naming/ Re-naming Working Group	9	0	0	Recommends names for locations and infrastructure within the shire.
Positive Ageing Advisory Committee	2	7	0	Advises and promotes initiatives around positive ageing.
Section 223 Committee	9	0	0	Considers all submissions made under Section 223 of the Act.

\* In some cases, community groups and external authorities nominate multiple representatives so these figures are representative of the number of community groups or external authorities rather than individual positions.

## Code of Conduct

The *Local Government Act 1989* requires Council to prepare and adopt a Councillor Code of Conduct within 12 months after each general election. At the Special Council meeting 14 November 2012 all Councillors formally signed a copy of the Code of Conduct adopted on 28 October 2009 and endorsed a recommendation to review the code. A Councillor working group reviewed the code over a period of four months and on 25 September 2013 Council adopted a revised Councillor Code of Conduct.

The code addresses a range of issues associated with the role of Councillors including:

- Councillor conduct principles
- Roles and responsibilities
- Misuse of position
- Conflict of interest provisions
- Conduct during elections
- Processes for dealing with breaches of the code
- Dispute resolution procedures
- Social media
- Acceptable gifts

The code promotes the central idea that an elected representative requires public trust to make decisions and represent the best interests of the community.

## Conflict of Interest

Councillors, Council staff and delegated Council committees must make decisions in the best interest of the community. In doing so, it must be clear that bias or private interests do not affect public duty.

Councillors, Council staff and members of Council-appointed committees are expected to:

- be trustworthy
- act impartially
- avoid conflicts of interest
- be accountable and responsive

Conflicts of interest occur when a personal or private interest might compromise the ability to act in the public interest.

Having a conflict of interest is a problem when it is not declared and managed in accordance with Council policy and



procedure.

Council has procedures in place for disclosing a conflict of interest, such as the declaration of a conflict as a standard agenda item at all Council and committee meetings. Councillors, Council staff and committee members are expected to excuse themselves from any decision-making process if they have a conflict of interest. Examples of decision-making processes are:

- providing advice to Council
- acting on behalf of Council or under delegated authority
- preparing a report for Council or for a special committee
- discussing and voting on a Council decision.

During 2014/15, four conflicts of interest were declared at Council meetings.

Both the Staff and Councillor Codes of Conduct attend to the issue of conflicts of interest and have guides attached in the appendices.



## Councillor allowances

In accordance with Section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duties. The Mayor is entitled to receive a higher allowance.

The Victorian Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on their income and population. Macedon Ranges Shire Council is a category two council.

For the period 1 July 2014 to 30 November 2014, the Councillor annual allowance for a category two council was fixed at \$22,965 per annum and the allowance for the Mayor was \$71,058 per annum. The Minister for Local Government approved an annual adjustment of 2.5% to be effective from 1 December 2014. The annual allowances were adjusted for the period 1 December 2014 to 30 June 2015 at \$23,539 per annum for the Councillor allowance and \$72,834 per annum for the Mayoral allowance.

Under Commonwealth legislation, the Superannuation Guarantee—that Councils must pay to Councillors who are not subject to tax withholding arrangements—also increases annually. The Superannuation Guarantee was increased from 9.25% to 9.5% on 1 July 2014.

The following table contains a summary of the allowances (including the superannuation guarantee) paid to each Councillor during the year, allowing for changeover of Mayor from 20 November.

Councillors	Allowance \$
Cr Jennifer Anderson (Mayor)	\$58,627
Cr Roger Jukes (former Mayor)	\$45,791
Cr John Connor	\$25,513
Cr Ian Ellis (elected 24 November 2014)	\$15,530
Cr Graham Hackett	\$25,513
Cr Henry McLaughlin	\$25,513
Cr John Letchford	\$25,513
Cr Russell Mowatt	\$25,513
Cr Sally Piper	\$25,513
Cr Joe Morabito (retired 23 October 2014)	\$10,478

## Councillor expenses

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred while performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The Councillor Support Policy guides the provision of a vehicle to the Mayor, and any expenses that Council shall reimburse a Councillor, including attendance at conferences, seminars and training. It outlines the process for this to occur, and the transparency and accountability protocols that shall govern the provision of these resources.

## Management

Council's management framework consists of policies, strategies and procedures across a range of areas including audits, risk management, community engagement, reporting, procurement, and emergency management.



Under the *Local Government Act 1989*, Council must undertake an assessment against a prescribed governance and management checklist, which has been included below. The following items have been highlighted as important components of the management framework.

### Audit Committee

The Audit Committee is formally appointed under Section 139 of the Local Government Act as an Advisory Committee to Council. Its role is to assist Council in the effective conduct of its responsibilities, and to review and provide advice upon accountable financial management, good corporate governance and risk management, effective internal systems and fostering an ethical environment.

As at 30 June 2015, the committee consisted of three independent members: Mr Barrie Sutton (Chair), Ms Corrine Siddles and Mr Brian Collins; and two Councillors: Cr Jennifer Anderson (Mayor) and Cr Russell Mowatt. Independent members are appointed for a two-year term and Councillors are appointed for a one-year term. The chair is elected by the independent members.

The committee meets four times a year. The Internal Auditor, Chief Executive Officer and Director Corporate Services attend all Audit Committee meetings. The Victorian Auditor General's agents attend at least two meetings per year to present the audit strategy and audit report.

The Audit Committee meeting minutes are circulated to the Councillors, Executive, Managers and Auditors. During 2014/15, the Committee submitted four brief reports to Council and an Annual Report including the Committee's self-assessment of its own performance.

### Internal audit

The purpose of an internal audit (also known as a review) is to provide an independent and objective assurance to the Audit Committee and Council by reviewing and testing the existence and effectiveness of policies, procedures and practices of an area of operation. An internal audit is aimed at reviewing operational risks and implementing controls to eradicate or minimise the risk. The objective of internal audits is two-fold. Firstly, for the Internal Auditor to offer an opinion on the existing policies and procedures. Secondly, for the Internal Auditor to provide recommendations to improve the policies and procedures to reduce the risk of systemic problems arising in the future.

Council has a risk based three-year Internal Audit Plan, which is reviewed annually by the Audit Committee to ensure the audit resources remain focused on the appropriate areas. The annual review considers risk and the impact of any change on operations, systems or the business environment.

During 2014/15, Council's internal auditing processes were completed by Crowe Horwath, and covered the following service areas: Maternal and Child Health, Property Valuations (rateable properties and Council-owned properties), Accounts payable (creditors) and Freedom of Information.

The Internal Auditor attends each Audit Committee meeting to report on the status of the Internal Audit Plan and to present findings of completed reviews. All identified audit issues are risk rated, with subsequent recommendations assigned to the responsible Manager and tracked in Council's performance reporting system. Quarterly status updates on the implementation of recommendations are reported to the Executive and the Audit Committee.

### External audit

Council is externally audited by the Victorian Auditor-General. During 2014/15 the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the June and August Audit Committee meetings to present the audit strategy and Audit Report. The external audit management letter and response are also provided to the Audit Committee.

### Risk management

In 2014/15, new processes facilitated improvements in incident reporting, particularly from high-risk work areas.

Council was also commended for occupational health and safety practices at the Woodend Transfer Station, with the results of a WorkSafe Victoria inspection stating the site 'is a credit to its staff'.

## Risk and safety performance indicators per 100 full time employees 2014/15

Rate of incidents and hazards reported	32.68
Rate of standard claims	3.44
Rate of minor** claims	3.15
Rate of time lost claims	2
Rate of medical expenses claims	1.15

\*\*Minor claims are both time lost and medical expenses only claims under the employer liability threshold payable, which was \$660 medical costs and/or the first 10 days of time lost in 2014/15.

## Reporting and compliance 2014/15

Provisional Improvement Notices actioned on time	Nil received
Number of Reportable Incidents*	Two
Percentage of OHS representatives who undertook training	100%
Percentage of fire wardens who undertook training	100%
MAV Insurance Audit of Public and Professional Liability	Not undertaken as at 30 June 2015
JMAPP Property Risk Management Audit	Not undertaken as at 30 June 2015

\*Serious workplace incidents that required reporting to WorkSafe.





## Governance and management checklist

<b>1 Community engagement policy</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy ('Community Consultation Framework') Date of operation of current policy: 17 December 2014	<input checked="" type="checkbox"/>
<b>2 Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Guidelines (available as part of the above Community Consultation Framework) Date of operation of current guidelines: 17 December 2014	<input checked="" type="checkbox"/>
<b>3 Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 17 June 2015	<input checked="" type="checkbox"/>
<b>4 Annual budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 17 June 2015	<input checked="" type="checkbox"/>
<b>5 Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: 5 February 2014 (Roads), 26 November 2014 (Asset Management Strategy)	<input checked="" type="checkbox"/>
<b>6 Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of adoption of current strategy: 17 June 2015	<input checked="" type="checkbox"/>
<b>7 Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 10 June 2014	<input checked="" type="checkbox"/>
<b>8 Fraud policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 22 May 2012	<input checked="" type="checkbox"/>
<b>9 Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 24 June 2014	<input checked="" type="checkbox"/>
<b>10 Procurement policy</b> (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 12 December 2012	<input checked="" type="checkbox"/>
<b>11 Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of adoption: 1 June 2009	<input checked="" type="checkbox"/>
<b>12 Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of adoption: 5 May 2013	<input checked="" type="checkbox"/>
<b>13 Risk management strategy</b> (strategy outlined in Council's approach to managing risks to the Council's operations)	Strategy Date of operation of current framework: 1 November 2006	<input checked="" type="checkbox"/>

# Governance and Management

<b>14 Audit Committee</b> (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act  Date of establishment of current committee: 27 February 2013	<input checked="" type="checkbox"/>
<b>15 Internal audit</b> (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged  Date of engagement of current provider: 20 August 2014	<input checked="" type="checkbox"/>
<b>16 Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework  Date of operation of current framework: 1 July 2014	<input checked="" type="checkbox"/>
<b>17 Council Plan reporting</b> (quarterly reports reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the relevant quarter of the financial year)	Four reports Date of reports: 27 August 2014, 26 November 2014, 26 February 2015 and 29 April 2015	<input checked="" type="checkbox"/>
<b>18 Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act  Date statements presented: 27 August 2014, 26 November 2014, 26 February 2015 and 29 April 2015	<input checked="" type="checkbox"/>
<b>19 Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports  Date of reports: 29 July 2014 and 20 January 2015	<input checked="" type="checkbox"/>
<b>20 Performance reporting</b> (annual report measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Report  Date of reports: 1 July 2014	<input checked="" type="checkbox"/>
<b>21 Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act  Date presented: 22 October 2014	<input checked="" type="checkbox"/>
<b>22 Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date of review: 23 September 2013	<input checked="" type="checkbox"/>
<b>23 Delegations</b> (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 24 July 2013	<input checked="" type="checkbox"/>
<b>24 Meeting procedures</b> (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act  Date local law made: 3 August 2007 (expires 3 August 2017)	<input checked="" type="checkbox"/>

I certify that this information presents fairly the status of Council's governance and management arrangements.

Karen Stevens  
Acting Chief Executive Officer  
Dated: 28/09/2015

Cr Russell Mowatt  
Deputy Mayor  
Dated: 28-9-15



## Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council.

### Documents available for public inspection

In accordance with Part 5 of the *Local Government (General) Regulations 2004* the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* at 129 Mollison Street, Kyneton:

- details of current allowances fixed for the Mayor and Councillors
- details of senior officers' total salary packages for the current and previous financial year
- details of overseas and interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by councillors or any other member of Council staff in the previous 12 months
- names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- names of Councillors who submitted returns of interest during the financial year and dates returns were submitted
- agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings that have been closed to members of the public
- a list of special committees established by Council and the purpose for which each committee was established
- a list of all special committees established by Council that were abolished or ceased to function during the financial year
- minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings that have been closed to members of the public
- a register of delegations
- submissions received in accordance with Section 223 of the Act during the previous 12 months
- agreements to establish regional libraries
- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by Council as lessor or lessee, including the name of the other party to the lease and the terms and value of the lease
- a register of authorised officers
- 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 and details of all membership fees and other amounts and services provided during that year to each organisation by Council
- a list of contracts valued at \$150,000 or more which Council entered into during the financial year without first engaging in a competitive (tender) process.

### Freedom of Information

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

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

Access to information can be requested from the Freedom of Information officer electronically, by post or in person. The request must:

- be in writing
- identify as clearly as possible which document/s are being requested
- be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information can be found at [foi.vic.gov.au](http://foi.vic.gov.au) and on Macedon Ranges Shire Council's website.

## Protected Disclosure Procedures

In accordance with section 69 of the *Protected Disclosures Act 2012* a council must include in their annual report information about:

- how to access the procedures established by council under Part 9 of that Act and
- the number and types of protected disclosures complaints investigated during the financial year.

The *Protected Disclosures Act 2012* promotes openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2014/15 financial year no disclosures were received by Council.





# An Inspiring Place



Nest boxes installed at various bushland reserves 70



Hanging Rock visitors\* 136,417

\* includes paid visitations only.



Building permits issued 1,037



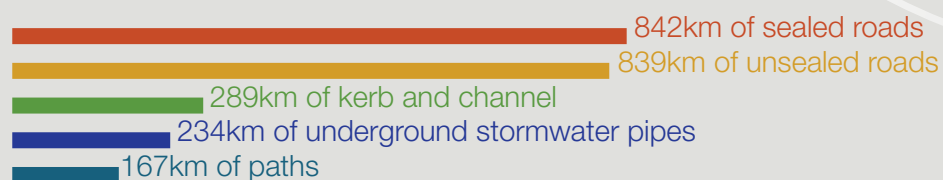
Planning permits processed 605



Bridge inspections 136

## Shire infrastructure

Council manages and maintains:



8,123 stormwater pits

64 road bridges

64 footbridges



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

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

Council aims to maintain the integrity of townships within the context of population growth and to also protect the cultural heritage of the Macedon Ranges. Council is also committed to developing and maintaining inclusive public open spaces within the shire while balancing agricultural and rural/residential lifestyle land use.

Strategic indicators	Result	Comments
Community satisfaction with town planning policy and approvals.	Town planning policy: 50  Planning permits: 48	Council's rating has increased by one point in both performance areas, up from 49 and 47 in 2014.  Source: Community Satisfaction Survey 2015.
Percentage of people who feel the shire has a pleasant environment, nice streets, open spaces and is well planned.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.
Community satisfaction with the appearance of public areas.	69	Council's rating has declined by two points, down from 71 in 2014.  Source: Community Satisfaction Survey 2015.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major initiatives	Progress
Progress planning scheme amendments for Kyneton, Riddells Creek and Woodend town structure plans.	Underway. Draft amendment documentation has been prepared with the first round of community consultation to begin in September 2015.
Implement the Macedon and Mount Macedon Town Centre Review.	Completed.
Planning for community parks in Kyneton and Romsey.	Underway. In Kyneton, stage 1 construction works are due to be completed in January 2016. In Romsey, Council has finalised the purchase of the former Romsey Primary School site and is exploring funding opportunities for the construction of an all abilities park on the site.
Stage 1 of the Macedon Ranges Netball Complex.	Completed.
Support Wurundjeri Tribe Land and Compensation Cultural Heritage Council to raise community awareness about Aboriginal culture at Mount William.	Completed.
Collaborate with schools in the shire on a history project at the Kyneton Museum.	Completed.
Progress the Rural Living Review.	Completed.



The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

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## Service and Description

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### Strategic Planning

Council prepares and reviews plans and strategies for direct service delivery to the community. Its focus is on land use and development, cultural heritage management, biodiversity and environmental sustainability. It provides advice about strategic planning, promotes sustainable living and supports community involvement in the protection of the local natural environment. It also reviews and responds to relevant policy and legislative changes.

#### Highlights 2014/15

- The Mount Macedon Village Centre Study will guide future development and zoning of the commercial area on Mount Macedon Road was completed.
- Council adopted the Macedon Village Centre Study that will guide for future development in the commercial area of Victoria Street.
- The community was invited to comment on the In the Rural Living Zone draft report that reviewed opportunities and constraints for all 15,500 hectares of Rural Living zoned land.
- Council prepared draft planning provisions to implement the Kyneton, Woodend and Riddells Creek structure plans for inclusion in the Macedon Ranges Planning Scheme in 2015/16.

#### Challenges 2014/15

- Council's adopted Localised Planning Statement was not approved by the Minister for Planning prior to the change of the Victorian Government.
- Council was unable to finalise a number of planning scheme amendments due to delays in the Victorian Government's review and approval process.

### Statutory Planning and Building

Statutory Planning and Building are responsible for processing statutory planning applications for use, development, works, subdivision, signage and vegetation removal. It investigates complaints and illegal planning activity, ensures compliance with planning permits and provides a planning enquiry service for residents and permit applicants.

#### Highlights 2014/15

- Council received 591 new planning application types and processed 605 planning applications in the 2014/15 year—44 per cent of which were processed in under 60 days of receipt.
- A significant majority of Council's decisions that were appealed have been upheld and reinforced by VCAT. This shows that the decisions being made are at a very high standard, reflecting consistent implementation of the Macedon Ranges Planning Scheme and policies.
- A total of 1,037 building permits were issued in 2014/15. This is a three per cent decrease on the previous year's 1,078 permits.
- The growth in the number of building permits issued by Council's Municipal Building Surveyor increased to 150, compared with 142 in 2013/14.
- Important work continued with the Victorian Government into reviewing Bushfire Prone Area designations for new subdivisions.

#### Challenges 2014/15

- Council saw an increased workload from investigating and actioning a higher number of illegal building works.

## An Inspiring Place

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Measure
<b>Timeliness</b> <i>Time taken to decide planning applications</i> The median number of days between receiving a planning application and a decision on that application	91 days	No material variations.
<b>Service standard</b> <i>Planning applications decided within 60 days</i> The percentage of planning application decisions made within 60 days out of the total planning decisions made	44.55%	No material variations.
<b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> The percentage of VCAT decisions that did not set aside Council decisions out of the total VCAT planning application decisions	53.33%	No material variations.
<b>Service cost</b> <i>Cost of statutory planning service</i> The direct cost of the statutory planning service divided by the number of planning applications received	\$1,931.45	No material variations.

## Goal ► Our environment and landscape is protected and sustained.

Council aims to protect the natural diversity and uniqueness of the Macedon Ranges landscape and wildlife, and to ensure responsible management of our natural environment. Council is also planning for and adapting to climate change.

Strategic indicators	Result	Comments
Effectiveness of environmental management.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.
Effectiveness of roadside weed program.	46	Council's rating has increased by four points, up from 42 in 2014. Source: Community Satisfaction Survey 2015.

Major initiatives	Progress
Present the Macedon Ranges Localised Planning Statement to Council.	Completed.
Implementation of actions from various Environmental Management Plans.	Completed.
Support neighbourhood houses in the shire to develop environmental sustainability plans.	Completed.
Install energy-efficient lighting at the Riddells Creek Leisure Centre, Romsey Recreation Centre, Buffalo Sports Stadium and Kyneton Toyota Sports & Aquatic Centre.	Completed.



The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

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### Service and Description

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#### Waste management

Council is responsible for the strategic and sustainable management of waste in the shire. This includes kerbside collection activities for household waste, recyclables and green waste, and waste education programs for the community. Council also manages the shire's transfer stations, landfill rehabilitation, and street and park bins.

##### Highlights 2014/15

- Council's kerbside recycling and green waste collection services diverted in excess of 7,015 tonnes of recyclable material that would have otherwise ended up in landfill.
- Council launched its waste and recycling guide to help residents recycle effectively and to reduce the amount of waste being sent to landfill.
- Adoption of the Waste Management Strategy and a new Waste Management Officer position was created.

##### Challenges 2014/15

- Resourcing and completing new compliance requirements set by the Environment Protection Authority (EPA) in Pollution Abatement Notices for each of Council's closed landfill sites.

#### Hanging Rock

Council is committed to planning for the long-term maintenance and protection of Hanging Rock as a natural asset and tourism icon.

##### Highlights 2014/15

- Completion of a Cultural Heritage Management Plan, associated salvage works and the electrical upgrade in the main reserve, including lighting.
- Secured Victorian Government funding to undertake an Environmental Management Plan.
- Hanging Rock was recognised as a place of state heritage significance and listed on the Victorian Heritage Register.
- Council appointed architects for shelter and landscape designs for the East Paddock.
- A new entry ticketing system was installed.
- Refurbishment works on the main toilet block commenced.
- Work began on the barbecue replacement project.
- There was an increase in general attendances by 13 per cent.
- A successful summer event season was held with almost 50,000 attending 10 events.

##### Challenges 2014/15

- The Rolling Stones cancelled their concert at Hanging Rock for a second time.
- A large storm hit Hanging Rock during the Eagles concert.

## Environment

Council is committed to helping the community to live more sustainably in response to emerging environmental challenges such as climate change, water shortage, biodiversity and conservation. Council promotes sustainability within the built and natural environments and is developing and implementing policies and procedures that set direction in environmental management across the shire.

### Highlights 2014/15

- Council adopted an Environmental Management Plan for UL Daly Nature Reserve in Gisborne, which provides a vision for the reserve's future use and management.
- Council completed a review of the Natural Environment Strategy 2009 to provide directions for a new Environment Strategy.
- Council adopted the Weed and Pest Animal Strategy that provides a strategic framework for managing invasive plants and animals across the shire.
- Council collaborated with the Friends of Black Hill Reserve to facilitate recovery of the reserve following the bushfire in January 2015.
- Council constructed and installed approximately 70 nest boxes at various bushland reserves by working in partnership with local Landcare and 'Friends of' groups, Woodend and Kyneton Men's Sheds, the Green Army and Malmsbury Youth Justice.
- Council staff discovered threatened species (Phascogale at Black Hill Reserve and Greater Glider at Bald Hill Reserve) as a result of Council's fauna monitoring program.
- Council provided support and advice to over 30 local Landcare and 'Friends of' groups and helped to establish the Friends of Bald Hill Reserve.

### Challenges 2014/15

- The bushfire at Black Hill Reserve in January 2015 meant resources were diverted to the recovery process.

## Parks and Gardens

Council plays a key role in contributing to the functionality, safety and appearance of the shire's outdoor recreation facilities, open spaces and natural assets.

### Highlights 2014/15

- Council undertook a \$16,000 expansion of the irrigation system at the Kyneton Botanical Gardens, which means that heritage listed trees and lawns are now connected to the town's recycled water pipeline.
- \$65,000 was invested in the renewal of park infrastructure across the shire.
- Riddells Creek Recreation Reserve, Woodend Racecourse Oval, Kyneton Showgrounds and Gardiner Reserve in Gisborne were top dressed.

### Challenges 2014/15

- Managing the diversion of resources as a result of the emergency response to the Pastoria fires in December 2014 and Black Hill fires in January 2015.

## Wastewater

Council, in partnership with local water authorities, is responsible for ensuring that residents have access to healthy and reliable wastewater services.

### Highlights 2014/15

- Through a partnership with Western Water and funding from the Victorian Government, 84 properties in Mount Macedon now have access to healthy, safe wastewater systems with the introduction of a new sewer system to over 30 properties, and the upgrade of 54 private septic systems in the town. These 54 properties are now fully compliant with EPA requirements.
- Council undertook 416 wastewater inspections and approved 170 wastewater applications in 2014/15.



## An Inspiring Place

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Measure
<b>Waste collection</b>		
<b>Satisfaction</b> <i>Kerbside bin collection requests</i> The number of kerbside garbage and recycling bin requests divided by the number of kerbside bin collection households (x1,000)	118.51	No material variations.
<b>Service standard</b> <i>Kerbside collection bins missed</i> Number of kerbside garbage and recycling collection bins missed divided by the number of scheduled kerbside garbage and recycling collection bin lifts (x10,000)	4.15	No material variations.
<b>Service cost</b> <i>Cost of kerbside garbage collection service</i> Direct cost of the kerbside garbage bin collection service divided by the number of kerbside garbage collection bins	\$90.01	No material variations.
<b>Service cost</b> <i>Cost of kerbside recyclables collection service</i> Direct cost of the kerbside recyclables bin collection service divided by the number of kerbside recyclables collection bins	\$33.36	No material variations.
<b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> The percentage of recyclables and green organic waste collected out of the total kerbside bin collection	45.48%	No material variations.

## Goal ► Our infrastructure supports the needs of future generations.

Council is planning for, developing and maintaining community facilities that meet the community's changing needs. Council is also focused on ensuring shire infrastructure supports the needs of local communities into the future.

Strategic indicators	Result	Comments
Community satisfaction with local roads and footpaths.	53	Council's rating has increased by one point, up from 52 in 2014. Source: Community Satisfaction Survey 2015.
Percentage of people who feel their area has easy access to recreational and leisure facilities.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.

Major initiatives	Progress
Complete upgrades to the Bluestone Theatre.	Completed.
Support community groups to plan and deliver projects via the Places and Partnerships Program.	In progress. Four applications have been approved and Council officers are working with community groups to implement each project.
Progress planning of services to be provided at the Gisborne Early Years Hub.	In progress. Consultation with key stakeholders and potential partners has commenced and will continue throughout the lifespan of the project.
Collection of road sign data that will map road sign locations in Council's Geographic Information System.	Completed.
Complete Level 1 inspections on all Council bridges.	Completed.
Refurbishment works on the Barringo Road Bridge to increase the road limit.	Completed.
Complete the first stage of a reconstruction cap on the closed Kyneton Landfill.	Deferred until September–November 2015.
Irrigation works at the Kyneton Botanical Gardens and Market Street car park.	Completed.
Car park construction works in Market Street, Kyneton.	Completed.
Change room upgrades at Barkly Square in Kyneton.	Completed.
Oval lighting and court upgrades at Gardiner Reserve, Gisborne.	Completed.
Riddells Creek Access and Inclusion Project.	In progress. Designs are underway with works to be completed in 2015/16.
Road construction works in Washington Lane, Woodend.	Works have been deferred to 2015/16.
Road construction works in Rodney Street, Gisborne.	Completed.
Plant Purchase and Replacement program.	Completed.



The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

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## Service and Description

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### Recreation and sport infrastructure projects

Council takes a lead role in the planning, development, provision and management of open space and recreation facilities across the shire. These facilities include leisure centres, indoor and outdoor pools, sporting grounds and stadiums. Council also project manages recreation capital works projects and plays a lead role in providing strategies, policies and direction relevant to the effective delivery of sporting and recreational opportunities and projects to the community.

#### Highlights 2014/15

- Construction of eight courts, including two show courts, and car parking was completed at the Macedon Ranges Netball Complex in New Gisborne.
- The new indoor sports stadium in Gisborne was completed and will operate under a joint usage agreement with Gisborne Secondary College.
- Facility upgrades at the Romsey Recreation Centre were completed.
- Council refurbished the indoor court surface at Buffalo Sports Stadium in Woodend to include competition-standard line marking.
- The Woodend outdoor netball courts lighting and resurfacing project was completed.
- Work commenced on refurbishing the change rooms at the Riddells Creek Recreation Reserve.
- Reconstruction works at Gilbert Gordon Oval in Woodend to overhaul the grounds drainage and recycled water irrigation system were completed and new instant turf was laid in January 2015.
- Stage 1 maintenance work was completed on Woodend and Lancefield outdoor pools as identified in the Lancefield and Woodend Outdoor Pools Master Plan (2013), including car park sealing, pump reconditioning, plant replacement and grounds maintenance.
- Council completed an energy audit on its aquatic and leisure facilities to help guide future operational or infrastructure improvements.
- In partnership with Council and using funding from Regional Development Victoria's Putting Locals First Program, Bullengarook Recreation Reserve committee completed significant improvements to amenities at the reserve.



### Engineering infrastructure and projects—roads, paths, drains, bridges and road safety

Council plays a key role in contributing to the functionality, safety and appearance of the shire's network of roads, car parks, paths, road bridges and major culverts, footbridges, kerb and channel, drainage and fire access tracks.

#### Highlights 2014/15

- Council invested significantly in the renewal of its road assets to improve road safety and increase the lifespan of local roads as part of the Road Asset Management Plan and the Reseal Project, and its road construction, drainage improvement works, and bridge and major culvert renewal programs.
- Completion of reconstruction works along a 300-metre section of Ashbourne Road, Woodend and a 500-metre section of Lauriston-Reservoir Road, Kyneton.
- Reconstruction of Rodney Street, Gisborne to include a full width sealed road to accommodate dual traffic, complete with a footpath, kerb and channel, landscaping and drainage works.
- Council continued to expand the network of footpaths and pedestrian crossings across the shire with 898 metres of new footpaths constructed throughout the shire.
- A dual pedestrian crossing on Wedge Street, Kyneton was constructed to improve pedestrian safety at the intersection of Wedge and Mitchell streets.

### Asset management

Council is responsible for a range of important community assets such as buildings, car parks, roads, bridges, drains, parks, open spaces, footpaths, street trees and furniture, signs, machinery and equipment. Funds are allocated in Council's annual budget for capital works to manage and maintain these community assets.

#### Highlights 2014/15

- All capital works programmed for 2014/15 were completed within budget.
- Completion of the first stage of the signage capture project that saw 5,500 sign locations referenced in Council's Geographic Information System, which will help Council to better manage township, street, road, advisory and directional signage.
- A car parking survey of major towns was completed.
- Adoption of the 2014 Asset Management Strategy.
- A \$150,000 upgrade to car parking in Kyneton's town centre to provide an additional 30 off-street car parks to residents and visitors was completed.
- Partial funding for an asset maintenance management system was secured.

### Saleyards and Airfield

Council is responsible for the management of the Kyneton Saleyards and the Kyneton Airfield.

#### Highlights 2014/15

- Council and the Victorian Government partnered to develop a plan for the future of the Kyneton Airfield. Council agreed to the continued use of the site as an airfield and committed to the development of a community governance committee and master plan to deal with the identified challenges and opportunities of the airfield.
- Strategic planning for the future of the Kyneton Saleyards commenced in January 2015 based on a key recommendation from the Agribusiness Plan 2013–2018.
- Consultations were held with local producers, stock agents, transport operators, Hardwick's abattoir and livestock industry associations about the future of the Kyneton Saleyards. This information will inform the development of a draft strategic plan that will identify the current benefits and future opportunities for the facility.
- The Kyneton Aero Club hosted a familiarisation training session with local emergency services to help prepare incident response plans for the airfield.



# An Inspiring Place

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Measure
<b>Roads</b>		
<b>Satisfaction of use</b> <i>Sealed local roads requests</i> Number of sealed local road requests divided by the total kilometres of sealed local roads (x100)	28.33	No material variations.
<b>Condition</b> <i>Sealed local road below the intervention level</i> Percentage of kilometres of sealed local roads below the renewal intervention level set by Council out of total kilometres of sealed local roads	97.82%	No material variations.
<b>Service cost</b> <i>Cost of sealed local road reconstruction</i> Direct cost of sealed local road reconstruction divided by the square metres of sealed local roads reconstructed <i>Cost of sealed local road resealing</i> Cost of sealed local road resealing	\$52.87  \$6.33	No material variations.
<b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> Community satisfaction rating out of 100 with how Council has performed on the condition of the sealed local roads	51	
<b>Aquatic facilities</b> <b>Service standard</b> <i>Health inspections of aquatic facilities</i> Number of authorised officer inspections of Council aquatic facilities divided by the number of Council aquatic facilities	0	It is not a legislative requirement for an Environmental Health Officer to inspect and sample aquatic facilities, however Council's aquatic staff undertake regular inspections and samples.
<b>Service cost</b> <i>Cost of indoor aquatic facilities</i> Direct cost of indoor aquatic facilities less income received divided by the number of visits to indoor aquatic facilities <i>Cost of outdoor aquatic facilities</i> Direct cost of outdoor aquatic facilities less income received divided by the number of visits to outdoor aquatic facilities	\$1.77  \$19.95	
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> Number of visits to aquatic facilities divided by Municipal population	6.85	

## Future priorities

- Completion of the following projects:
  - Macedon Ranges Netball Complex pavilion in New Gisborne
  - Kyneton Showgrounds power upgrade including the oval and netball court lighting project
  - Gisborne Bowling Club Synthetic Rink Project
  - Pavilion at Dixon Field in Gisborne.
- Commence work on the development of a new shire-wide Leisure Strategy Plan.
- Completion of the capital works program including refurbishment of the Gisborne Aquatic Centre reception and office areas and Stage 2 outdoor pool audit works.
- Completion of works at Hanging Rock as part of Regional Development Fund Essential Infrastructure project, which includes electrical, telecommunications and hydraulics infrastructure in the East Paddock.
- Conduct condition surveys for all Council's roads and bridges.
- Construction of a cap for the closed Kyneton landfill to complete the rehabilitation of the site in accordance with EPA requirements and environmental best practice.
- Deliver actions from the Waste Management Strategy.





# An Empowered Community



Delivered meals 8,188



Social support transport trips 238



Museum visitors 2,741



Visitor Information Centres enquiries  
25,880



Performances and exhibitions 21



Aquatic centre and outdoor pool visits 308,470

# 19/19

Council Plan actions  
completed



# An Empowered Community

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

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

Council promotes strong, connected communities. Council aims to increase community understanding of, and support for, mental health and wellbeing and to create a healthy active community, reducing the incidence of obesity-related concerns.

Strategic indicators	Result	Comments
Percentage of people who can get help from friends, family or neighbours when they need it.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.
Percentage of people participating in organised sport.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.
Percentage of people who eat the recommended daily fruit and vegetable intake.	6.8%: fruit and vegetables 9.9%: vegetables only 42.6%: fruit only	Source: Victorian Population Health Survey 2011–12, Department of Health and Human Services.
Percentage of people who meet the physical activity guidelines	64.3%	Source: Victorian Population Health Survey 2011–12, Department of Health and Human Services.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major initiatives	Progress
Develop a program of healthy and active Australia Day activities.	Completed.
Work with the 2014 Youth Ambassadors to further explore and respond to two issues (alcohol and other drugs/body image) identified at the 2011 Macedon Ranges Youth Summit.	Completed.
Continue to raise community awareness of mental health and wellbeing.	Completed.
Implement a joint user agreement for The Stadium in Gisborne.	Completed.
Provide funding opportunities to community groups to run healthy, active events or programs.	Completed.
Implement healthy eating and oral health priorities in Council-managed kindergartens as part of the Victorian Prevention and Health Promotion Achievement Program.	Completed.



# An Empowered Community

Top dress ovals at the Riddells Creek Recreation Reserve and Woodend Racecourse Reserve.	Completed.
Complete construction of the Macedon Ranges Netball Complex.	In progress. Stage 1 works are completed, with Stage 2 works to be completed in late 2015.
Develop community parks in Kyneton and Romsey.	In progress. Works are set to commence in late 2015 in Kyneton and Council is continuing to work closely with the community to progress the planning and development of a park on the former Romsey Primary School site.
Infrastructure upgrades at Hanging Rock.	In progress. A number of works including the Cultural Heritage Management Plan, electrical upgrades and lighting, landscaping, road and parking works have been completed.
Replace barbecues and tables at Hanging Rock.	In progress. Barbecues have been installed and the replacement of tables has been deferred pending the completion of the reserve's design guide.
Replace the sound system and elevated platform in the Kyneton Town Hall.	Completed.
Installation of air conditioning at the Woodend Library.	Completed.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

## Service and Description

### Aquatics and leisure

Council plays a vital part in encouraging healthy and active communities, by providing opportunities to participate in sport and recreation. The programs and facilities around the shire encourage a fun, safe and engaging environment for an active lifestyle for all community members. Council works to ensure equitable access to recreational services while being considerate of the cultural, social, recreational and demographic diversity of the community.

#### Highlights 2014/15

- The inaugural Macedon Ranges Aquathon series was an outstanding success with more than 300 entrants participating in aquathon events held at Woodend, Lancefield, Kyneton and Gisborne.
- Healthy Heart Week (22–26 June 2015) at the Kyneton Toyota Sports & Aquatic Centre was well received with 73 community members from the Macedon Ranges registering and participating in various activities.
- A 'community tip-off' basketball match was held to celebrate the completion of the indoor double court facility—The Stadium—in Gisborne.
- Pam Mathews, a Kyneton Toyota Sports & Aquatic Centre staff member, won the Teacher of Swimming & Water Safety Award at the annual Aquatics and Recreation Victoria Industry Awards. This is the second consecutive year the winner has been from the Macedon Ranges Shire Council and shows the outstanding contribution and commitment to excellence by the staff.
- Kyneton Toyota Sports & Aquatic Centre had record gym membership numbers of over 500.
- Council had record enrolments in the Learn to Swim programs at the two indoor pools. Gisborne Aquatic Centre exceeded 1,400 students and Kyneton Toyota Sports & Aquatic Centre exceeded 1,000 students.

## Cultural development

Council coordinates an annual performing arts season and manages special projects that range from public art to building upgrades for cultural facilities. It liaises and partners with community groups to assist them to deliver cultural activities. It supports arts and heritage events and provides professional development for local artists and students through workshops.

### Highlights 2014/15

- 2,741 people visited the Kyneton Museum.
- Staff and volunteers worked together to open the Kyneton Museum seven days a week during the successful Women of Empire textiles exhibition.
- 2015 Cultural Diversity Week celebrations were held in Kyneton from 15–22 March to the theme ‘everyone belongs’.
- 2,626 audience members attended shows at the Kyneton Town Hall, a 22 per cent increase from last financial year.
- A business incubator for local artists called Popupart, an outlet for artists to sell work through a mobile gallery and an online store, was developed by Council in collaboration with City of Greater Bendigo, Hepburn Shire Council and Mount Alexander Shire Council.
- Educational resources on the Aboriginal history of Mount William were developed and provided to the Wurundjeri Tribal Council.
- The Bluestone Theatre upgrades were completed, with \$400,000 provided through the Victorian Government’s Regional Development Fund.

## Healthy/positive ageing

Council encourages and assists older residents to be as independent and active as possible and enjoy participating in their local community. Council coordinates healthy ageing programs and activities, advocates with and for older residents and seeks feedback about what is important to older people.

### Highlights 2014/15

- Council introduced a pilot program called Casserole Club to Lancefield, a new meal sharing initiative for older residents that has seen over 150 meals shared between neighbours so far.
- A successful review and restructure of the Community Support unit meant that a Healthy Ageing Team was formed to provide a more efficient and responsive service to the ageing community, as identified in the Council Plan 2013–17.
- A three-year Age-friendly Communities Action Plan was developed and endorsed to support healthy and active ageing in the Macedon Ranges.
- \$2,700 in Seniors Festival Grants was distributed to community groups to support Seniors Festival activities.
- The Grey Light Old Time Dance, held by Council in partnership with Victoria Police, was attended by around 80 guests.
- Council hosted two ‘Dying to Talk’ seminars, designed to help people start a conversation about the difficult topic of dying and what might matter most towards the end of life.

## Youth development

Council’s youth programs help young people in the shire feel socially connected. The programs support the mental health and wellbeing and overall development of young people in the community.

### Highlights 2014/15

- Council celebrated the fifth year of the Live4Life Program, a robust community and schools mental health promotion partnership.
- Council delivered teen Mental Health First Aid Training to every Year 11 student in the shire’s secondary schools.
- Council delivered Mental Health education sessions to every Year 8 student in the shire’s secondary schools.
- Kyneton Town Hall was at capacity to celebrate the annual Youth Awards event where the outstanding contributions made by young people to the local community were recognised.
- Over 60 young people attended a Youth Ambassador LEAD Youth Summit — ‘The View from Here...’ to explore



# An Empowered Community

young people's experience of living in the Macedon Ranges and their ideas about improving that experience.

- Council implemented the Youth Engagement Program (YEP!), which provides enhanced opportunities for young people to engage in their community through activities and skill development programs across the shire.
- Council continued to provide an innovative and exciting platform for upcoming young musical artists through the Music In The Sticks program (MITS).
- Seventy-two parents and teachers from across the Macedon Ranges attended five free Youth Mental Health First Aid Training sessions.

## Challenges 2014/15

- Victorian Government funding was significantly reduced leaving Council with less capacity to respond to the needs of local young people through programs and activities.
- The broader youth service system was significantly impacted by Federal Government of Australia funding changes, leaving the shire's most vulnerable young people with reduced access to critical services.
- Council continued to negotiate for equitable access to shared community spaces to deliver youth specific programs and activities.

## Suicide prevention

Council drives the coordination of resources for suicide prevention in the Macedon Ranges, working closely with individuals in our community who have been impacted by suicide or who are caring for a loved one with a mental illness. Council has partnered with Victoria Police, Cobaw Community Health, Mind Australia, Bendigo Health, St Luke's, Care Connect, Kyneton Health, Gisborne Medical Clinic, Hope Assistance Local Tradies and Lifeline to support the Macedon Ranges Suicide Prevention Action Group.

## Highlights 2014/15

- Council supported the development of the Macedon Ranges Suicide Prevention Action Group and their action plan.
- To raise awareness around suicide prevention, the first Macedon Ranges Lifeline Out of the Shadows Walk was held in October 2014 in partnership with the Macedon Ranges Suicide Prevention Action Group.

## Community places and partnerships

Council supports and facilitates the development of community-based places and partnerships that promote health, social wellbeing and community connectedness.

## Highlights 2014/15

- Council helped to secure a \$300,000 grant from Regional Development Victoria for Stage 1 of the Kyneton Community Park.
- Improvements to Bullengarook Recreation Reserve, Carlsruhe Common, Yelka Park and Lancefield Mechanics Institute were completed, funded with assistance from the Regional Development Victoria's 'Putting Locals First—On Our Way' program. This also included a feasibility study for the Laurie Green Pavilion at Lancefield Park.
- Council signed the Friendship Agreement with the sub-district of Turiscai in Timor-Leste and hosted a two-week study tour for two representatives from Timor-Leste in July 2014.
- Council launched the Places for People Program that supports community groups and organisations to plan, develop and implement community infrastructure projects across the shire.
- Four community groups were awarded Places for People Program grants totalling \$45,000 including Macedon Village Volunteers, Lancefield Park, Bolinda Community Hall and Gisborne Community Hall.

## Challenges 2014/15

- The remaining tenants of the Men's Rooming House in Gisborne were unable to be rehoused within the Macedon Ranges due to a lack of low-cost and accessible rental housing in the shire.

## Goal ► Our economy is diverse, strong and prosperous.

Council facilitates and supports the development of diverse industry sectors that build on the natural and built strengths of the shire.

Strategic indicators	Result	Comments
Community satisfaction with economic development.	63	No change from 2014 performance rating.
Tourist and visitor numbers attracted to, and/or expenditure in, Macedon Ranges Shire.	987,000 visitors	Source: Daylesford and Macedon Ranges Regional Tourism Board.
Percentage of people who are unemployed.	3.66%	Source: economy.id
Percentage of people with tertiary education.	19.1%	Source: Victorian Population Health Survey 2011–12, Department of Health and Human Services.

Major initiatives	Progress
Assist in the development of local business by delivering the Business Development and Training Program.	Completed.
Develop a mentoring scheme to assist new agribusiness operators and other land holders in the shire, and plan for transition into the industry.	Completed.
Complete the Macedon Ranges Equine Centre Feasibility Study.	Completed.
Continue to implement the local skills audit in partnership with the Macedon Ranges Employment and Training Network.	Completed.
Develop and begin implementation of a long-term business sustainability program (Buy Local).	Completed.
Participate in the Victorian Government's Regional Living Program.	Completed.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

### Service and Description

#### Economic development

Council supports the economic viability of the community by fostering a vibrant local economy, supporting local businesses and encouraging local entrepreneurs.

#### Highlights 2014/15

- A feasibility study into the development of a new equine centre was successfully completed and endorsed by Council as the first step in assessing the potential for an equine centre in the Macedon Ranges.



# An Empowered Community

- Council launched the Agribusiness Producers Guide to promote local products and increase business opportunities between local wholesalers, stockists, consumers and farmers. The guide is supporting a key recommendation from the Agribusiness Plan 2013–18.
- Completion of a telecommunications black spot report that was used to advocate for improved connectivity in the region and secure support through the Australian Government's Federal Black Spot Funding Program.
- 372 people attended 15 workshops, morning teas, events and forums as part of the annual Business Seminar, Networking and Training Calendar for 2014/15.
- Council hosted the 2015 Smart Business Conference in May 2015 and delivered 13 Small Business Victoria workshops to 121 attendees over the two-day event. Fifty-one businesses also attended networking lunches over both days.

## Challenges 2014/15

- Issues with the new online booking system for Council's business events and business training programs meant some participants had to book over the phone.

## Tourism

Council develops and implements strategies and policies around tourism in the shire. In an increasingly competitive environment, Council aims to raise the profile of the Macedon Ranges as a tourist destination, to service visitors to the region and to provide an environment for a prosperous and vibrant tourism industry that will continually strive for excellence.

## Highlights 2014/15

- Tourism website [visitmacedonranges.com](http://visitmacedonranges.com) continued to perform well, averaging 32,935 visits per month, peaking at 44,325 in April and overall receiving 395,229 visits. This represents a 55 per cent increase on 2013/14.
- The region's media presence also continued to grow via the Macedon Ranges Naturally Cool Facebook page, averaging 208 visits per day, representing an increase of 38 per cent on 2013/14.
- The shire's two accredited Visitor Information Centres in Woodend and Kyneton responded to 25,880 visitor enquiries, a decrease of 4.1 per cent on 2013/14.
- Council launched the first Macedon Ranges Ride Guide which maps 17 on-road and off-road trails suitable for a range of user groups and abilities.
- Council continued to work with the Daylesford Macedon Ranges Regional Tourism Board, including delivery of the 2014/15 Visitor Guide and region-wide visitor 'app'.
- In partnership with Tourism Macedon Ranges Inc., Council delivered the Macedon Ranges Official Visitor Map, the 'Unlocking Tourism in the Macedon Ranges' digital resource kit for local tourism businesses and commenced the redevelopment of the tourism website [visitmacedonranges.com](http://visitmacedonranges.com)
- The refurbishment of the Woodend Visitor Information Centre was completed, enhancing the visitor experience at the premises.
- Kyneton was declared Australia's 200th RV (Recreational Vehicle) Friendly Town by the Campervan and Motorhome Club of Australia.
- Council's sister city relationship with Tokai City in Japan was formalised.

## Challenges 2014/15

- Macedon Ranges Visitor Information Centre walk-in enquiries decreased by 13 per cent compared to 2013/14. Walk-in enquiries at visitor information centres state-wide decreased by 16 per cent.
- Cancellation of the Rolling Stones concert at Hanging Rock negatively impacted visitation and the local economy.

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

Council will develop and maintain safe environments to support communities to meet their wellbeing and health needs.

Strategic indicators	Result	Comments
Percentage of people who feel safe after dark.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.
Percentage of people who feel the shire has an active community, that people do things and get involved in local activities/issues.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.

Major initiatives	Progress
Develop an action plan to prevent violence against women in emergencies.	Completed.
Plan, conduct and evaluate an emergency management exercise in partnership with local emergency services and other agencies to test a component of the Municipal Emergency Management Plan.	Completed.
Complete additional roadside slashing to improve community safety.	Completed.
Review maternal and child health services to identify ways to better meet the needs of vulnerable families and children.	Completed.
Consult with older residents to develop new community-based activities and opportunities.	Completed.





# An Empowered Community

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

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## Service and Description

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### Fire and emergency management

Council is responsible for planning and preparing the community for the possibility of emergencies in the Macedon Ranges, with a focus on prevention, responsiveness and recovery.

#### Highlights 2014/15

- Council developed and implemented the Emergency Communications Plan and the Emergency Relief Centre Food and Water Plan.
- Council achieved 95 per cent compliance rate with Fire Prevention Notices and issued approximately 100 less Fire Prevention Notices than in 2013/14.
- Proactive work to reduce the fire risk on certain properties in the shire meant that at least two fires that were deliberately lit did not cause significant damage.
- With the help of a CFA Fire Access Road Subsidy Scheme grant, Council partnered with the CFA to install two 23,000-litre water tanks at the Darraweit Guim fire station.
- The ability to provide emergency information and support to the community was increased by the effective use and increased take up of the Macedon Ranges Emergency Alerts Facebook page.
- Twenty two staff from across the organisation who have an emergency management role were trained in Mental Health First Aid.

#### Challenges 2014/15

- Significant changes to emergency management legislation in Victoria and the introduction of a new body, Emergency Management Victoria, to oversee emergency management functions across the industry, meant increased administration and review requirements.

### Emergency recovery

Council supports the community after fire and emergency events, and brings together organisations and individuals in committees to coordinate recovery efforts. Recovery can include rehabilitation of access tracks created on private land to fight fires, water replacement for dams, feed and fodder for livestock, cleaning of contaminated water tanks, tree safety assessments and general property clean-up.

#### Highlights 2014/15

- Council supported the recovery of 23 landowners affected by the fires in the Black Hill area in January 2015, and the nine landowners affected by the Baynton-Pastoria fire in December 2014. This included two local wineries, Kyneton Ridge and Granite Hills.
- A fire recovery football match was held in Romsey to acknowledge and celebrate the recovery process following the February 2014 fires.

### Prevention of violence against women

Council is committed to building a community that is respectful and inclusive and where women can live free from violence, and the fear of violence. Council will demonstrate leadership on this subject in the local community and beyond.

#### Highlights 2014/15

- Council's Prevention of Violence Against Women Statement of Commitment was endorsed by Council on 25 March 2015.
- Council developed the Prevention of Violence Against Women in Emergencies Plan, which is the first municipal-level plan to prevent violence against women in emergencies in Victoria.
- The Elephant in the Room, an aptly named, colourful fibreglass elephant created in Wodonga by a group of women survivors of family violence was displayed at various venues in the shire for two months from March 2015. The elephant aims to encourage people to talk about the often hidden issue of family violence.

## Future priorities

- Expansion of the Casserole Club project across the shire to include all townships.
- Implementation of the Age-friendly Communities Action Plan.
- Development of a Macedon Ranges Positive Ageing Plan.
- Implementation of the Prevention of Violence Against Women in Emergencies Action Plan.
- Development of operational protocols to recognise Aboriginal culture and heritage for the organisation.
- Development of a Council Youth Charter.
- Finalisation of the Community Emergency Risk Assessment (CERA) process.
- Review of the Municipal Fire Management Plan.
- Development of a new Leisure Strategy.





# A High Performing Organisation



Cats registered 3,116



Dogs registered 10,638



Birth notices 467



Home visits 471



Ordinary and Special Council meetings 17



Customer service calls received 61,485

## 18/19

Council Plan actions completed



# A High Performing Organisation

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

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

Council aims to deliver fair and open decision-making across the business of Council and will ensure Council's financial resources are sustainable and managed responsibly. Council plans to deliver online services and information that meet the needs of the community and will collaborate across departments to achieve the best results for the Macedon Ranges community.

Strategic indicators	Result	Comments
Community satisfaction with Council engagement with community in decision-making on key local issues.	Consultation and engagement: 52	Council has made a noticeable improvement in this core performance measure, which has increased by five points, up from 47 in 2014.
	Community decisions: 52	2014 data is not available as this is a new core performance measure.  Source: Community Satisfaction Survey 2015.
Percentage of people who feel there are opportunities to have a real say on issues that are important.	Not available	Data for this indicator was not available during the reporting period. It will be reported on in future years of the Council Plan.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major initiatives	Progress
Community Consultation Framework review.	Completed.
Implementation of an online induction system for contractors.	Underway. It is anticipated that the new system will be completed in 2015/16.
Annual volunteers function.	Held on Thursday 4 December 2014 at the Kyneton Mechanics Institute.
Development of a policy and procedure for public memorials.	Completed.
Financial Reserves Policy review.	Completed.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

### Service and Description

#### Customer service

Council is committed to operating under quality and effective service standards when engaging with the community, its residents, ratepayers and other stakeholders.

#### Highlights 2014/15

- The review of existing Advisory Committees was completed.
- Council established a Health and Wellbeing Advisory Committee.
- The Community Funding Scheme and Councillor Grants Scheme distributed \$185,000 to a diverse range of community groups and projects.



# A High Performing Organisation

- Council completed the review and endorsement of a number of governance policies including privacy and protected disclosures.
- Council continued to regularly send customer service staff on secondment to other units to strengthen customer service officers' organisational knowledge and development of relationships across the organisation.

## Communications/consultations

Council is committed to providing quality, effective community consultation processes by using consistent, timely, accessible and engaged communications between Council and residents, ratepayers and businesses of the Macedon Ranges.

### Highlights 2014/15

- Council reviewed its Community Consultation Framework and conducted training for staff in community consultation.
- Council reviewed its newspaper advertising arrangements to identify cost savings and opportunities to improve the amount, variety, consistency and quality of information reaching the community via local newspapers.
- Council's email newsletter templates were redesigned to make them easily accessible to mobile device users.
- Council upgraded its website content management system and subscribed to an online program that will help Council meet web quality assurance and accessibility standards.
- Council reviewed its media, social media and corporate branding policies, and developed a Roles Statement to guide staff in fulfilling their communications responsibilities.

## Finance

Council ensures that its financial resources are managed responsibly and that it delivers accountable and professional financial services to its customers, and transparent and timely reporting to meet legislative requirements.

### Highlights 2014/15

- All of Council's financial reporting and budgeting timeframes were met.
- The Financial Reserves Policy was reviewed and the revised policy was endorsed by Council.
- Council developed and implemented an online secure payments solution to accept online customer credit card payments. The payment solution allows for ticketing and bookings to be made via the website for occasional care, youth programs, arts and cultural events, and business development and training programs.

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Measure
<b>Governance</b>		
<b>Transparency</b>	2.72%	
<i>Council resolutions at meetings closed to the public</i>		
Percentage of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public, out of the number of resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors.		
<b>Consultation and engagement</b>	52	
<i>Satisfaction with community consultation and engagement</i>		
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement.		

# A High Performing Organisation

## Attendance

92.16

### *Council attendance at Council meetings*

Percentage of the total of the number of Councillors who attended each ordinary and special meeting divided by the product of the number of ordinary and special Council meetings multiplied by the number of elected Councillors.

## Service cost

\$42,900

### *Cost of governance*

Direct cost of the governance service divided by the number of Councillors elected at the last Council general election.

## Satisfaction

53

### *Satisfaction with Council decisions*

Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community.

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

Council supports residents and visitors with well-targeted services and supports and develops staff to enhance service delivery. Council will ensure that the community benefits from efficient delivery of its regulatory and operational responsibilities and have computer networks that are secure and efficient to help staff undertake their responsibilities with minimum risk of information loss and disruption.

Strategic indicators	Result	Comments
Community satisfaction with Council's overall performance in key service areas and responsibilities.	59	Council continues to perform highly in overall performance, maintaining its rating and sitting three points above the Victorian average for large rural shires. Source: Community Satisfaction Survey 2015.
Community satisfaction with Council's interaction and responsiveness in dealing with the public.	65	While Council's overall direction and performance ratings continued to rate higher this year, Council's customer service rating declined by four points compared to last year. Source: Community Satisfaction Survey 2015.

Major initiatives	Progress
Provision of population and household forecasts for the shire available online.	Completed.
Implement new processes to capture and collate performance indicator data to meet the Local Government Performance Reporting Framework obligations.	Completed.
Complete an IT Disaster Recovery Exercise.	Completed.
Upgrade all workstations from Windows XP to Windows 7 and Microsoft Office 2013.	Completed.
Redevelop and reinstate a Corporate Systems Training Program.	Completed.
Implement a new electronic document management system.	Completed.

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# A High Performing Organisation

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

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## Service and Description

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### Libraries

Libraries promote literacy and information discovery and offer vibrant, community-centred spaces that promote community participation and lifelong learning. Goldfields Library Corporation manages the four libraries (Gisborne, Kyneton, Romsey and Woodend) in the shire on behalf of Council.

#### Highlights 2014/15

- The Woodend library was upgraded, including new carpet and heating and cooling, using funding from the Victorian Government's Living Libraries Infrastructure Program.
- A field of poppies was created outside Woodend Library to commemorate the 100th anniversary of Anzac Day.

### Information and communications

Council's data and records are managed responsibly to deliver accountable and professional IT services to ensure operating efficiency and compliance.

#### Highlights 2014/15

- Council upgraded the Wide Area Network to deliver a significant increase in bandwidth to all our major sites and provide stability to the smaller sites, for a modest increase to annual expenditure.
- Implementation of a new electronic document management system.
- Windows 7 and Office 2013 were deployed to all Council desktop and laptop computers.
- Work on the Information and Communications Strategic Plan 2012–2015 continued, with a total of 34 of the plan's 54 projects completed, including an upgrade to the VoIP telephony system and the backup and disaster recovery systems.

#### Challenges 2014/15

- Technical issues with the upgrade to the disaster recovery system resulted in the delay of the estimated completion date. A short term solution has been implemented, pending a permanent resolution from the hardware supplier.

### Kindergartens and occasional care

Council manages eight kindergartens across the shire. The service offers 15 hours of kindergarten for four-year-olds, pre-kinder programs for three-year-olds and occasional care for children aged six weeks to five years. Programs are regulated under the National Quality Framework for Early Childhood Education and Care.

#### Highlights 2014/15

- Council launched the Macedon Ranges Kids eNews, distributing information on services, programs and events to shire residents, families and local service providers.
- Council received \$650,000 in funding from the Department of Education and Training for the development of the Gisborne Early Learning Centre.
- The Romsey Kindergarten and Swinburne Avenue Kindergarten in Gisborne received funding from the Victorian Government to rebuild their playgrounds.
- Council received a \$12,000 grant from the Municipal Association of Victoria to enhance the Early Years central enrolment system.

#### Challenges 2014/15

- Flooding at Woodend Kindergarten in July 2014 resulted in the need to close and reschedule kindergarten sessions.
- Some kindergarten centres faced a reduction in sessions and staff hours due to low enrolments.

### Maternal and child health

Council's Maternal and Child Health (MCH) service supports families in the areas of parenting, health and development for children up to school age. Council provides a comprehensive and focused approach for the promotion, prevention, early detection and intervention of the physical, emotional or social factors affecting young children and their families in the Macedon Ranges.

## Highlights 2014/15

- Gisborne MCH centre began an open session on Tuesday afternoons focusing on breastfeeding and infant feeding support.
- A new parenting support group, Bringing Up Baby, was started to support mothers with their emotional wellbeing and attachment with their baby.
- All staff attended professional development programs: Better Health Professionals Ask Better Questions, Bystander training, State-wide MCH Conference and the National MCH Conference in Perth.
- Two MCH students and 18 medical students participated in work placement at various MCH centres.

## Community support, including access and inclusion

Council provides home and community care services that advocate for, and support, more than 750 clients, including those living with a disability, older people, and their families and carers.

## Highlights 2014/15

- The Community Access and Inclusion Plan 2014–18 was endorsed, which builds on the success and learnings of Council's previous plan.
- A dinner dance was held on the International Day for People with a Disability, with 90 guests attending.

## Challenges 2014/15

- Ongoing investigation into Aged Care Reform and how that will affect Council's role and responsibility around Home and Community Care (HACC).

## Local laws

Council regulates a number of Victorian Government acts and regulations and Council's own local laws for the community, specifically pet and livestock owners, road users and school users. The local laws include regulation around domestic animal and livestock management, parking and school crossings.

## Highlights 2014/15

- Numbers for reclaimed, rehomed and euthanased cats have improved with more cats rehomed and reclaimed. All rehomed cats were desexed, microchipped, vaccinated, wormed and health checked by a vet.
- Council's animal pound and shelter was audited by the Bureau of Animal Welfare and Council achieved 100 per cent compliance under the *Domestic Animals Act 1994* and the *Code of Practice for the Management of Dogs and Cats in Shelters and Pounds*.
- The Bureau of Animal Welfare congratulated Council and formally acknowledged the high standard of staff knowledge and training undertaken in pound management and operations.
- Council introduced a discounted animal registration fee for residents who adopt pets from registered animal shelters in Victoria as part of the Domestic Animal Management Plan to encourage and promote responsible pet ownership.
- Dog attacks in the shire continue to fall due to Council's processes introduced in 2012.
- Council completed works to the livestock impoundment facility to improve animal welfare and staff and community safety.
- Council introduced proactive parking patrols to improve access to local businesses and to enhance community safety.

## Challenges 2014/15

- The number of wandering or unsecure livestock complaints increased.
- The number of dumped rubbish complaints (littering) increased.

## Environmental health—immunisations, smoking, food safety



# A High Performing Organisation

Council plays a key role in contributing to the safety and health of Macedon Ranges Shire residents by promoting healthy practices and lifestyle. Council implements best practice policies and procedures according to the relevant acts and regulations around food safety, immunisations, cigarette sales, pest and vermin control and notifications of infectious diseases.

## Highlights 2014/15

- Council successfully delivered its immunisation program at five venues every month in Gisborne, Kyneton, Woodend, Riddells Creek and Romsey.
- The diphtheria-tetanus-pertussis Boostrix vaccine was offered to all secondary school students in Years 7, 8, 9 and 10 and has now been successfully transitioned from Year 10 to Year 7 in secondary schools in 2015. This catch up program saw an additional 1,500 vaccinations being administered to school age children in the first six months of 2015.
- Council, under a funding agreement with the Department of Health, conducted 27 'Sales to Minors' tests at retail outlets that sell cigarettes. Of the retail outlets tested, two sold cigarettes to a minor and were given an official warning before being re-tested; both proved to be compliant on the second test.

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Measure
<b>Food safety</b>		
<b>Service standard</b> <i>Food safety assessments</i> Percentage of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> out of the number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>	84.47%	No material variations.
<b>Service cost</b> <i>Cost of food safety service</i> Direct cost of the food safety service divided by the number of food premises registered or notified in accordance with the <i>Food Act 1984</i>	\$296.03	No material variations.
<b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> Percentage of critical non-compliance outcome notifications and major compliance notifications about a food premises followed up out of the total critical non-compliance outcome notifications and major non-compliance notifications about food premises		Systems are currently under review and will be reported on in next year's report.
<b>Animal management</b>		
<b>Service standard</b> <i>The number of animals reclaimed out of the number of animals collected</i>	61.98%	No material variations.
<b>Service cost</b> <i>Cost of animal management service</i> Direct cost of animal management service divided by the number of registered animals	\$43.33	No material variations.
<b>Health and safety</b> <i>Animal management prosecutions</i>	16	No material variations.

# A High Performing Organisation

<b>Libraries</b>		
<b>Utilisation</b> <i>Library collection usage</i> Number of library collection item loans divided by the number of library collection items	5.10	No material variations.
<b>Resource standard</b> <i>Standard of library collection</i> Percentage of library items purchased in the last five years divided by the number of library collection items	62.75%	No material variations.
<b>Service cost</b> <i>Cost of library service</i> Direct cost of the library service divided by the number of visits	\$3.75	No material variations.
<b>Participation</b> <i>Active library members</i> Percentage of active library members divided by the Municipal population	19.5%	No material variations.
<b>Home and Community Care</b>		
<b>Service standard</b> <i>Compliance with Community Care Common Standards</i> Percentage of Community Care Common Standards expected outcomes met out of the number of expected outcomes under the Community Care Commons Standards	100%	No material variations.
<b>Participation</b> <i>Participation in HACC service</i> Percentage of people that received a HACC service out of the Municipal target population for HACC services	14.96%	No material variations.
<i>Participation in HACC service by CALD people</i> Percentage of CALD people who receive a HACC service out of the Municipal target population in relation to CALD people for HACC services		No material variations.
<b>Maternal and Child Health (MCH)</b>		
<b>Satisfaction</b> <i>Participation in first home visit</i> Percentage of first MCH home visits out of the number of birth notifications received	105.32%	No material variations.
<b>Service standard</b> <i>Infant enrolments in the MCH service</i> Percentage of infants enrolled in the MCH service (from birth notifications received) out of the number of birth notifications received	100%	No material variations.
<b>Participation</b> <i>Participation in the MCH service</i> Percentage of children who attend the MCH service at least once (in the year) out of the number of children enrolled in the MCH service	84.36%	No material variations.
<i>Participation in the MCH service by Aboriginal children</i> Percentage of Aboriginal children who attend the MCH service at least once (in the year) out of the number of children enrolled in the MCH service	72.73%	No material variations.

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# A High Performing Organisation

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

Council demonstrates the highest standards of civic and community leadership by advocating for and promoting regional solutions that will benefit the Macedon Ranges Shire.

Strategic indicators	Result	Comments
Community satisfaction with Council advocacy and community representation on key local issues.	53	Council's advocacy and representation performance rating performed well, improving by three points compared to 2014. Source: Community Satisfaction Survey 2015.

Major initiatives	Progress
Advocate for improved public transport infrastructure and participation in the development of the Loddon Mallee South Regional Transport Plan.	Council continues to meet with and lobby Victorian and Australian government representatives to secure support and infrastructure funding.
Advocate for improved telecommunications infrastructure.	Completed.
Development of a Youth Employment Policy.	Completed.
Delivery of staff organisational awareness and leadership training.	Completed.

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or section of the community who are provided the service.

### Service and Description

#### Advocacy

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 and to advocate for the interests of local communities to other communities and governments. Nine elected Councillors are supported by the organisation and many dedicated volunteers to foster community cohesion and encourage active participation in civic life.

#### Highlights 2014/15

##### Telecommunications and black spots

Council recorded a register of telecommunications and mobile device black spots across the shire. A black spot report was developed based on 633 registrations received from 42 communities, with the highest response rates coming from Kyneton, Woodend and South Gisborne. Council's report will inform advocacy discussions with the Australian and Victorian governments as well as telecommunications providers and NBN Co.

##### Loddon Mallee Regional Strategic Plan 2015–2018

Council endorsed the Loddon Mallee Regional Strategic Plan 2015–2018, which will assist Council to promote and advocate for projects and actions that will positively transform the region.

##### Positive Ageing Advisory Committee

Council wrote to the Prime Minister to voice concerns over the abolition of the Advisory Panel for Positive Ageing and to advocate for the appointment of a Federal Minister responsible for the ageing.

##### Transport

Council continues to advocate to maintain the GisBus service as a permanent fixture, retaining the three buses, and to investigate the establishment of a Woodend bus service. Support for these services from the Victorian and Australian governments is essential.

# A High Performing Organisation

## Prevention of violence against women

Council prepared a submission to the Royal Commission into Family Violence (Victoria), as Terms of Reference of the Royal Commission specifically mention the role of local government in both prevention and responding to family violence and also the impact of family violence on people in rural and regional areas.

## Environment and planning

Council is advocating to work with Victorian and Australian governments' environment departments to identify the biodiversity and endangered/threatened native animal habitats to ensure the Macedon Ranges' pristine environment is recognised by the Victorian Government's localised planning statement.

## Future priorities

- Continue to advocate to the Victorian and Australian governments to maintain the GisBus service as a permanent fixture and establish a Woodend bus service.
- Implementation of a new Maternal and Child Health Data Management System.
- Support the training of new maternal and child health nurses by offering rural placement.
- Introduction of online kindergarten enrolments.
- Development of the Municipal Early Years Plan.
- Development of a single Communications Guidelines document for staff, and couple this with staff communications briefings and training opportunities.
- Review the Customer Service Charter to incorporate guidelines on customer relations and communications for all staff and volunteers.
- Upgrade and enhance the website to continue to meet the needs of users.
- Continue to develop Council's social media presence to further engage and communicate with the community.
- Completion of the 2016 General Valuation.
- The transition from the Home and Community Care program to the Home Support Program.
- Opening of the Gisborne Early Learning Centre.
- Completion of the Disaster Recovery Project.





# Performance Statement





# Performance Statement for the year ended 30 June 2015

## Ref Reg

17(1)

### Description of municipality

The Macedon Ranges Shire Council (the council) is situated north-west of Melbourne. The traditional owners are the Dja Dja Wurrung, Taungurung and Wurundjeri peoples.

The Macedon Ranges region is renowned for its pristine landscapes, native forests and unique natural features including Hanging Rock and Mount Macedon. Other major natural features include forested gullies, waterfalls, native grasslands, productive soils and mineral springs.

The shire enjoys good rainfall and a more temperate climate than areas to the north and south. The unique landscape of the shire, together with the proximity to Melbourne have attracted residents and visitors since the early 1800's.

The Macedon Ranges population is spread across nine towns and a number of smaller settlements. The largest towns are Gisborne, Kyneton, Romsey and Woodend. About 35% of people in Macedon Ranges live outside a town boundary in a rural setting

The largest industry is retail, with tourism an emerging sector. The council covers an area of 1747.4 km2 and has a population of 44,093 which is expected to grow to 55,908 over the next 16 years.

## Sustainable Capacity Indicators for the year ended 30 June 2015

Ref Reg	Indicator/measure	Results 2015	Material Variations
15(3) Sch3 16(1) 17(2)	<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue/Municipal population]	\$1,085	
	<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants/Municipal population]	\$356	
	<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses/Municipal population] <i>Infrastructure per head of municipal population</i> [Value of infrastructure/Municipal population] <i>Population density per length of road</i> [Municipal population/Kilometres of local roads]	\$1,520  \$12,276  26.30	
	<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	9	

### Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)



# Service Performance Indicators for the year ended 30 June 2015

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

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

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

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Ref Reg	Indicator/measure	Results 2015	Material Variations
15(1) Sch3 16(1) 17(2)	<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	52.00	
	<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100	53.33%	
	<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	51.00	
	<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members/ Municipal population] x100	19.5%	
	<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins/ Weight of garbage, recyclables and green organics collected from kerbside bins] x100	45.48%	

# Service Performance Indicators for the year ended 30 June 2015 (cont.)

<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> 6.9 [Number of visits to aquatic facilities/ Municipal population]		
<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> 16 [Number of successful animal management prosecutions]		
<b>Food safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	-	Systems are currently being reviewed and will be reported on in next year's report.
<b>Home and community care</b> <b>Participation</b> <i>Participation in HACC service</i> 19.10% [Number of people that received a HACC service/Municipal target population for HACC services] x100 <b>Participation</b> <i>Participation in HACC service by CALD people</i> 17.10% [Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services] x100		
<b>Maternal and child health</b> <b>Participation</b> <i>Participation in the MCH service</i> 84.33% [Number of children who attend the MCH service at least once (in the year)/ Number of children enrolled in the MCH service] x100 <b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> 75.00% [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x100		

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# Service Performance Indicators for the year ended 30 June 2015 (cont.)

## Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

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

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

"food premises" has the same meaning as in the Food Act 1984

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

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

# Financial Performance Indicators for the year ended 30 June 2015

Ref Reg	Dimension/indicator/measure	Results	Forecasts				Material Variations
		2015	2016	2017	2018	2019	
15(2) Sch3 16(1) 16(2) 17(2) 17(3)	<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-2.53%	-1%	-1%	0%	1%	
	<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets/Current liabilities] x100 <b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash/Current liabilities] x100	171.24%	158.2%	175.6%	172.6%	180.8%	
		65.83%	79.41%	99.03%	104.08%	111.51%	refer note 1
	<b>Obligations</b> <b>Loans and borrowings</b> <i>[Interest bearing loans and borrowings/ Rate revenue] x100</i> <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings/ Rate revenue] x100 <b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities/Own source revenue] x1000 <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses/Asset depreciation] x100	16.60%	33.11%	30.37%	28.18%	22.17%	refer note 2
		1.45%	1.94%	2.21%	2.14%	6.02%	refer note 3
		20.81%	34.76%	34.42%	27.07%	22.19%	
		75.19%	87.72%	52.92%	51.93%	52.83%	refer note 4
	<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue/Adjusted underlying revenue] x100 <b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100 <b>Efficiency</b> <b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses/Number of property assessments]	60.05%	63.83%	65.49%	66.25%	67.00%	
		0.36%	0.38%	0.38%	0.40%	0.39%	
		\$3,160	\$3,115	\$3,185	\$3,260	\$3,334	

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# Financial Performance Indicators for the year ended 30 June 2015 (cont.)

Ref Reg	Dimension/indicator/measure	Results	Forecasts				Material Variations
		2015	2016	2017	2018	2019	
	<b>Revenue level</b>						
	<i>Average residential rate per residential property assessment</i>	\$1,885	\$1,945	\$2,037	\$2,133	\$2,234	
	[Residential rate revenue/Number of residential property assessments]						
	<b>Workforce turnover</b>						
	<i>Resignations and terminations compared to average staff</i>	5.52%	5.35%	5.19%	5.18%	5.18%	
	[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100						

## Material Variations

**Note 1** Council has borrowed funds via the Local Government Funding Vehicle (LGFV) which requires a lump sum repayment of the principal in full at the end of the term. Council is putting funds aside in a reserve each year to repay the principal when it falls due. This is resulting in an increase in unrestricted cash.

**Note 2** Planned borrowings are increasing in 2015/16 in line with Strategic Resource Plan. A lower level of borrowings is planned in 2016/17 to 2018/19.

**Note 3** As mentioned above no principal repayments are required for the LGFV until late in the forecast period.

**Note 4** The long term capital works plan is reviewed annually and a lower level of asset renewal projects is planned in 2017-2019. The capital plan is reviewed annually.

## Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

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

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

## Other Information for the year ended 30 June 2015

### Ref Reg

#### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 17th June 2015 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

## Certification of the Performance Statement

Ref	Reg
(1)(1)	In my opinion, the accompanying performance statement has been prepared in accordance with the <i>Local Government Act 1989</i> and the <i>Local Government (Planning and Reporting) Regulations 2014</i> .
(1)(2)	 Leon Den Driever, BComs (Hons), CPA <b>Principal Accounting Officer</b> <b>Dated: 28/09/2015</b>
(3)(1)	In our opinion, the accompanying performance statement of the <i>Macedon Ranges Shire Council</i> for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the <i>Local Government Act 1989</i> and the <i>Local Government (Planning and Reporting) Regulations 2014</i> .
	The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.
	At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.
	We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.
	 Cr Russell Mowatt <b>Councillor</b> <b>Dated: 28/09/2015</b>
	 Cr Henry McLaughlin <b>Councillor</b> <b>Dated: 28/09/2015</b>
	 Karen Stevens <b>Acting Chief Executive Officer</b> <b>Dated: 28/09/2015</b>



# Independent Auditor's Report—Performance Statement



Victorian Auditor-General's Office

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Facsimile 61 3 8601 7010  
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## INDEPENDENT AUDITOR'S REPORT

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

### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2015 of Macedon Ranges Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

# Independent Auditor's Report—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 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
29 September 2015

  
Dr Peter Frost  
Acting Auditor-General



# Financial Statements





# A Guide to the Financial Statements

The following guide in conjunction with the Financial Statements may be useful to gaining an understanding of Council's financial position.

Council's audited Financial Statements for the year ended 30 June 2015 are prepared in accordance with the Accounting Standards, the requirements of the *Local Government Act 1989* and *Local Government (Finance and Reporting) Regulations 2014*. The *Local Government (Planning and Reporting) Regulations 2014* came into effect for the year ended 30 June 2015. Under the revised regulations Councils are required to prepare their Financial Statements in accordance with the revised Local Government Model Financial Report. As a result of the revised regulations the format of the Financial Statements has changed from prior years.

The Statements have been approved in principle by Council, audited by the Auditor General's agents, RSD Chartered Accountants, and approved by the Victorian Auditor-General's Office.

## 1. Financial Statements

The Financial Statements include a comparison between the 2014/15 financial year and the 2013/14 financial year.

The Financial Statements comprise the:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash flows
- Statement of Capital Works
- Notes to the Financial Statements.

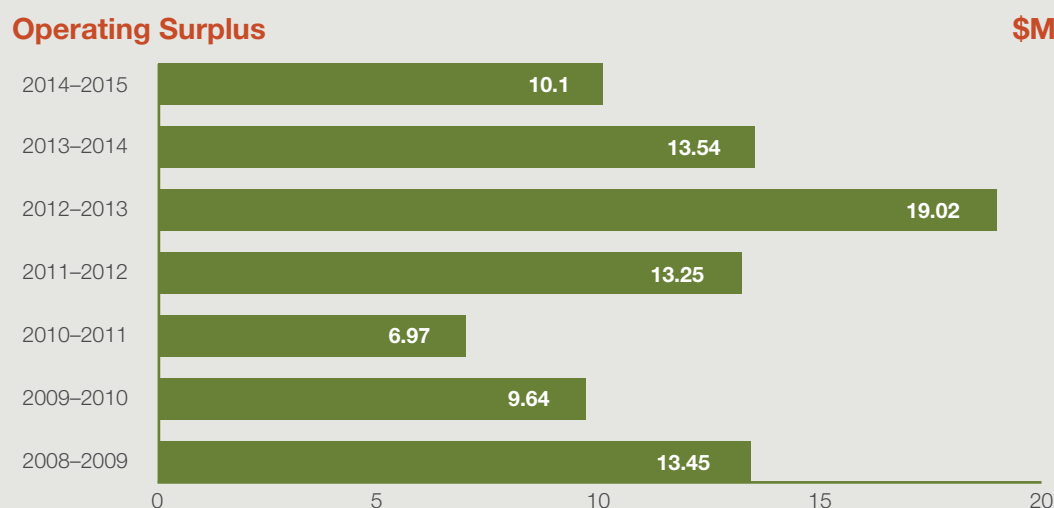
## 2.1 Comprehensive Income Statement

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 statement does not include the cost of asset purchases, loan repayments or reserve funds. It does however include the depreciation of asset values as an expense. The statement is summarised as follows:

	2014/15	2013/14
Revenue (1)	\$77.98m	\$78.33m
Less		
Expenses (2)	\$67.97m	\$64.69m
<b>Net Operating Surplus</b>	<b>\$10.01m</b>	<b>\$13.64m</b>
Other Comprehensive Income (3)	\$-	\$41.55m
<b>Comprehensive Result</b>	<b>\$10.01m</b>	<b>\$55.19m</b>

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





Explanations of some of the key changes between 2014/15 and 2013/14 in the components of the Comprehensive Income Statements are as follows:

### (1) Total income decreased by \$0.68m

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

- Rates and charges increased by \$2.37m.

Rate income was higher than 2013/14 due to rates being increased by 4.8% and there was also an increase in the number of rateable properties (around 1%).

- Operating grants increased by \$5.48m.

The year on year variance is due to the timing of grants commission payments. In 2014/15 Council was paid its full allocation for 14/15 plus half of the 15/16 allocation. In 2013/14 only half the allocation was paid (the other half was paid in 12/13). The fluctuations in payment timing has resulted in a year on year increase in the grants commission (operating component) of \$4.6m.

Council also received a reimbursement from the State Government (\$0.6m) for costs incurred in the 2013/14 bushfires.

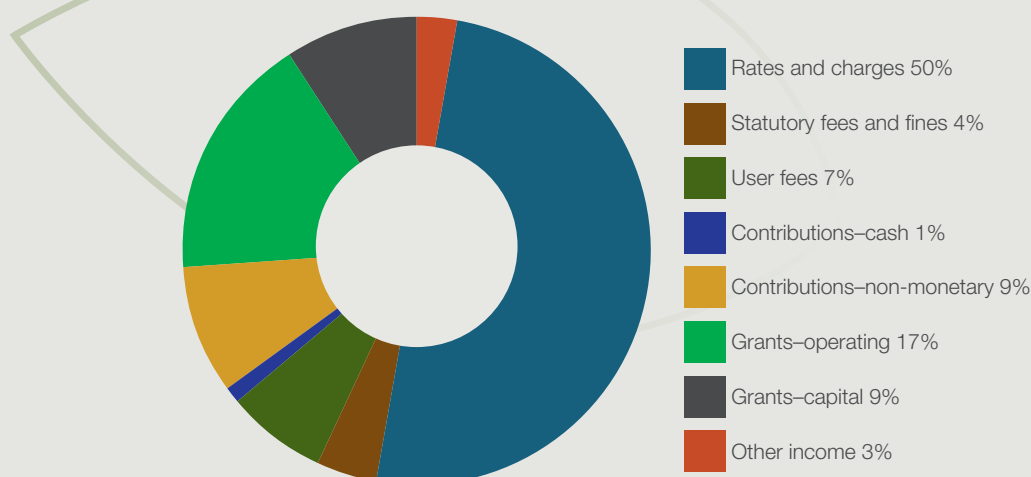
Offsetting these increases was lower income in the following area:

- Contributions of non-monetary assets decreased by \$5.41m.

Non-monetary asset income generally relates to the transfer of infrastructure (such as roads and footpaths) 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.

- Net gain (loss) on disposal of property, infrastructure, plant and equipment decreased by \$2.30m due to asset write-offs.

The following graph provides a breakdown of Council's income sources for 2014/15:



### (2) Total expenses increased by \$3.3m

- Employee benefits increased by \$0.90m.

The increase is due to wage increases under the Enterprise Agreement and additional resourcing approved in the 2014/15 budget. Partly offsetting these increases was a reduction in the workcover premium.

- Depreciation expense increased by \$1.09m.

The increase is mainly due to a review of other infrastructure assets undertaken during the year. Upon the review, the depreciation rate increased for this category resulting in an increase in the depreciation expense of \$0.6m. Depreciation on roads and drainage also increased.

- Other expenses increased by \$1.64m.

Other expenses are higher due to a one-off contribution of \$1.5m towards the construction of the Gisborne indoor stadium. The stadium is located at the Gisborne

Secondary College and hence is not a Council asset.

- Landfill liability provision increased by \$1.37m.

Council owns three former landfill sites and has been conducting rehabilitation works at these sites over several years. Last year the EPA conducted an assessment of the former landfill site at Kyneton and 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.

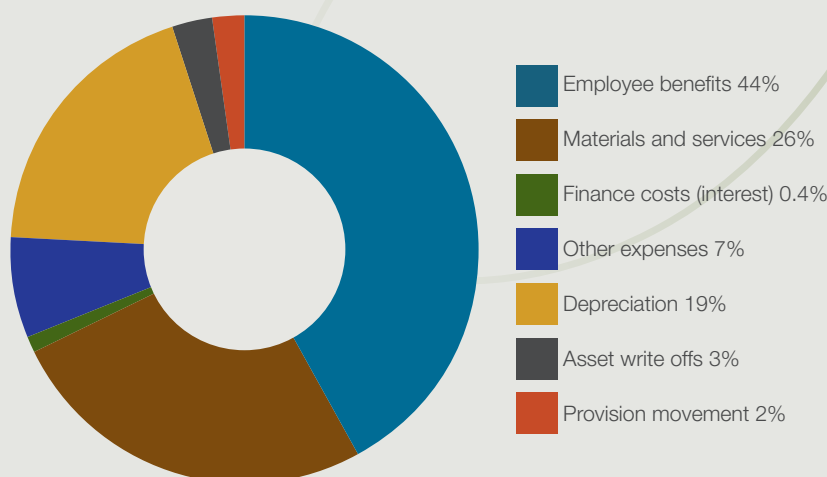
As a result at the end of last financial year Council increased the provision for rehabilitation for this site, however, a later assessment undertaken by Council has indicated that the cost of the works will be higher than expected and therefore the provision has been increased to factor in the works required. These works have been included in the 2015/16 budget.

- Net gain/(loss) on disposal of property, infrastructure, plant and equipment increased by \$2.34m

The key reason for the increase is that the balance of

other infrastructure assets was reviewed during the year and some items have been written off (\$1.7m).

**The following graph provides a breakdown of Council's operating expenses for 2014/15:**



### **(3) Other comprehensive income is lower by \$41.55m**

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 2013/14 balance was 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 2014/15 there were no asset revaluations required.

## **2.2 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 decreased by \$7.79m.**

The increase is mainly related to a higher level of Council financial assets (investments) and lower cash balance. The key reason for the increase in cash and financial assets is that the Grants Commission paid half of the 2015/16 allocation (\$3.3m) in June 2015. There were also several large capital works projects being completed over two years so some of the funds in Council's cash and investments will be used to fund projects in 2015/16.

### **Non-Current Assets increased by \$7.99m.**

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 capital works expenditure by Council and assets contributed by developers following subdivisions (eg new roads). These increases are partly offset by the depreciation expense.

### **Current Liabilities increased by \$4.12m.**

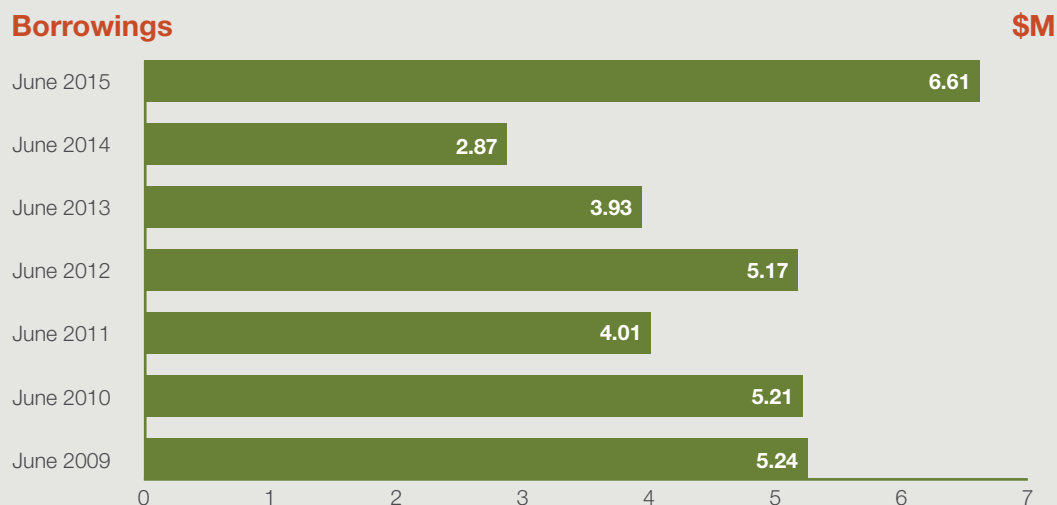
The increase is mainly due to an increase in the landfill provision. As mentioned in the section 2.1, the provision has increased due to additional rehabilitation works required. There has also been a movement between the current component of the landfill and the non current balance as significant works will be completed in the next 12 months and hence part of the provision has moved to current liabilities.

### **Non-Current Liabilities increased by \$1.65m.**

Non-Current Liabilities relate to borrowings and provisions that are not payable within the next year. The increase is mainly due to budgeted borrowings taken up during the year (\$4.06m). Offsetting this increase in borrowings is a decrease in the landfill provision (refer current liabilities).



The following graph shows Council's debt levels over the past 7 years



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

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

Council's accumulated surplus was \$627.87m at the end of 2014/15, an increase of \$10.01m from 2013/14 which is due to the operating surplus recorded during the year (refer section 2.1).

### 2.3 Statement of Cash Flows

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 Comprehensive Income Statement and includes items such as capital expenditure and proceeds from loans that are not included in the Comprehensive Income Statement.

The Statement of Cash Flows is concerned with 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 of Cash Flows shows that cash on hand was \$9.75m at the end of the year. The level of cash is higher than 2014/15, this was mainly due to the early payment of half of the 2015/16 grants commission allocation (\$3.3m) in late June 2015.

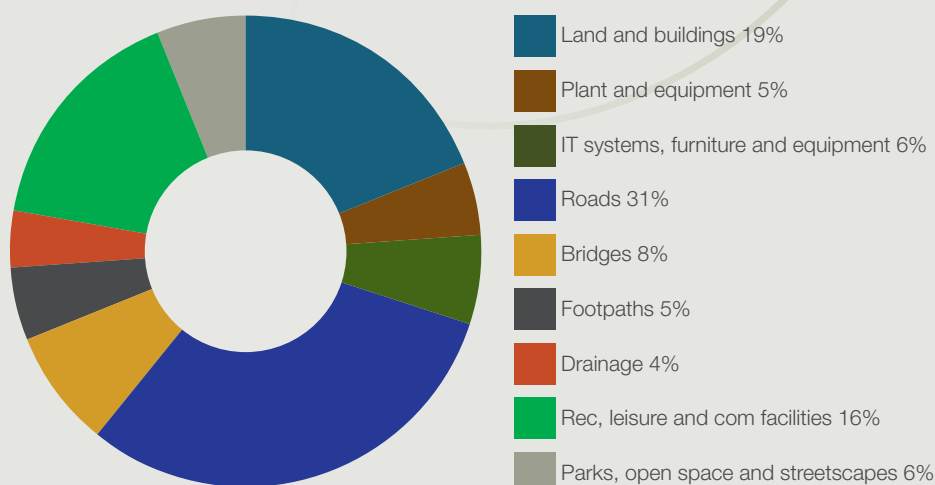
## 2.4 Statement of Capital Works

The Statement of Capital Works outlines the level of expenditure on capital works in 2014/15. The note shows that expenditure on capital works amounted to \$16.97m for the year.

Some of the key areas of capital works were roads (\$5.2m), bridges (\$1.3m), footpaths (\$0.8m) and

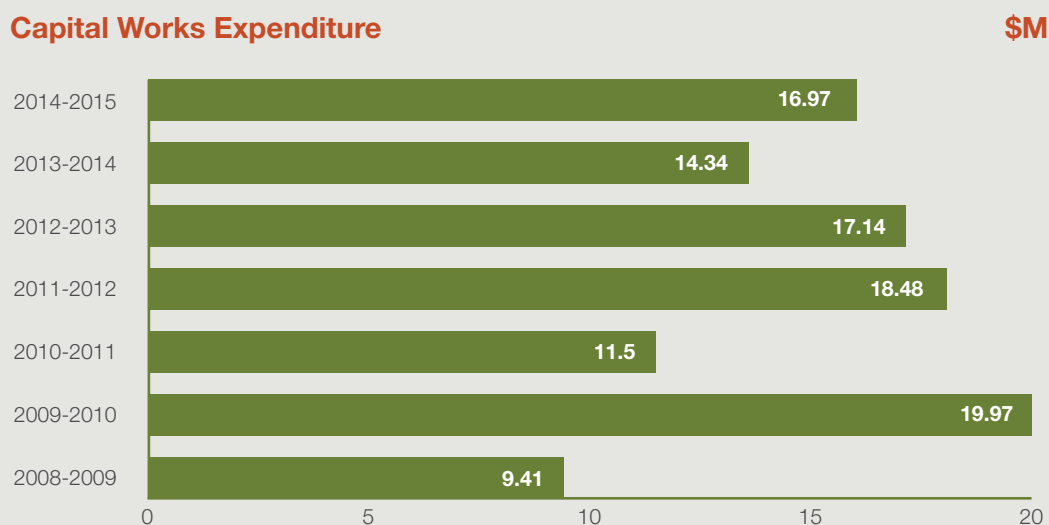
drainage (\$0.7m). There was also significant works completed at several recreation facilities across the Shire including the new regional netball complex in New Gisborne (\$1.0m), Gilbert Gordon Oval in Woodend (\$0.7m) and Gardiner Reserve in Gisborne (\$0.3m).

The following graph provides a breakdown of Council's capital works expenditure for 2014/15:



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.





## Financial Ratios

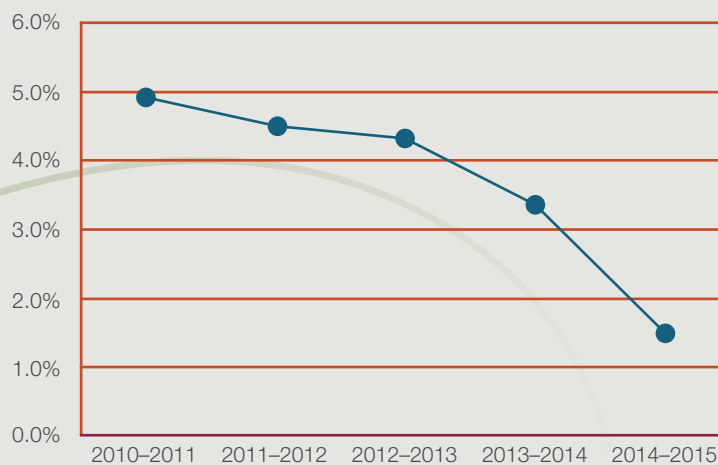
Financial ratios and their trend over time can provide an indication of the financial health of an organisation and its medium to longer term financial sustainability. The Local Government Performance Reporting Framework came into effect 30 June 2015. The framework includes a range of financial ratios that are reported in the Annual Report. For a number years Council has been reporting the following financial ratios.

### 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 been reducing over prior years and hence the debt commitment ratio has also reduced. In 2014/15 Council has borrowed funds through the Local Government Funding Vehicle which is facilitated by the Municipal Association of Victoria (MAV). These borrowings are interest only with the full amount of the principal being payable in five years. As a result, the debt commitment ratio decreased in 2014/15 even though the debt went up as there was no loan repayments on the new debt.

#### Debt commitment



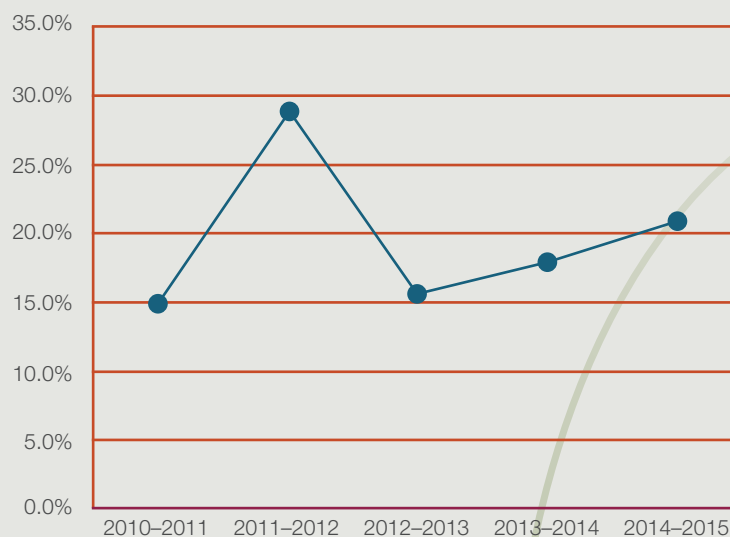
### Indebtedness

*(Non-current liabilities/Own-sourced revenue)*

Indebtedness measure the ability to cover existing debt and planned debts from our own funds. As mentioned above, there was some new borrowings in 2014/15 but Council's indebtedness remains at a modest level.

For reference, 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) which was recorded as liability in 2011/12 and paid in the next year.

#### Indebtedness

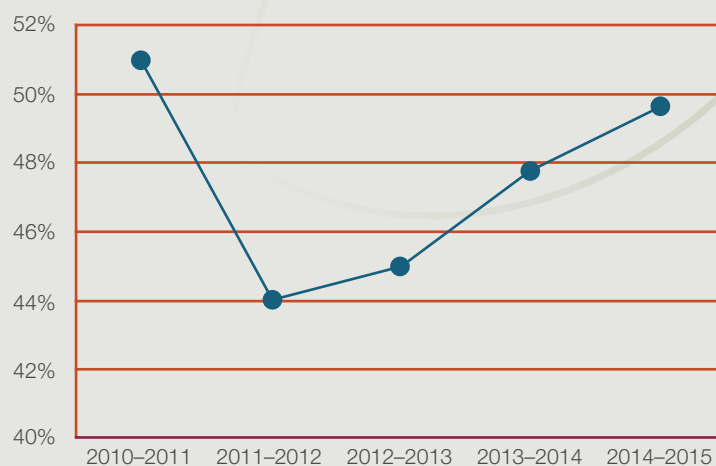


## Revenue Ratio

(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 2014/15 as there was a small decrease in other income.

### Revenue

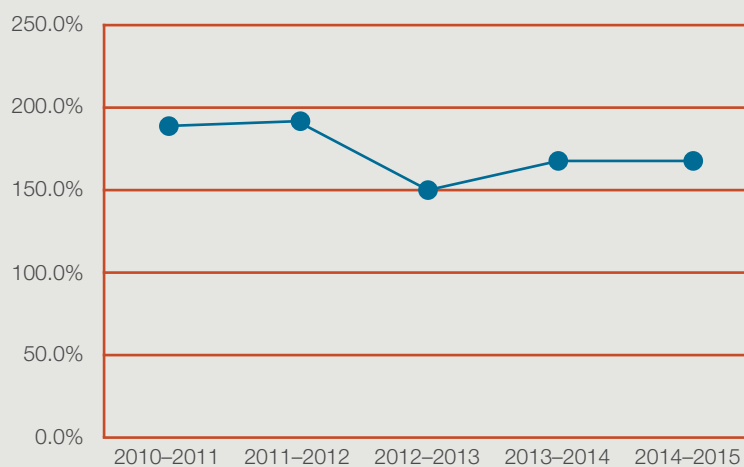


## Working Capital

(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



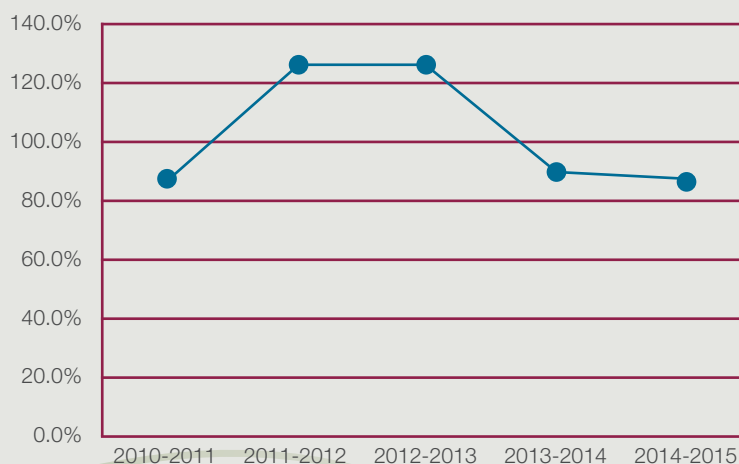


## Investment Gap Ratio

(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.

### Investment gap



## Notes to the Accounts

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

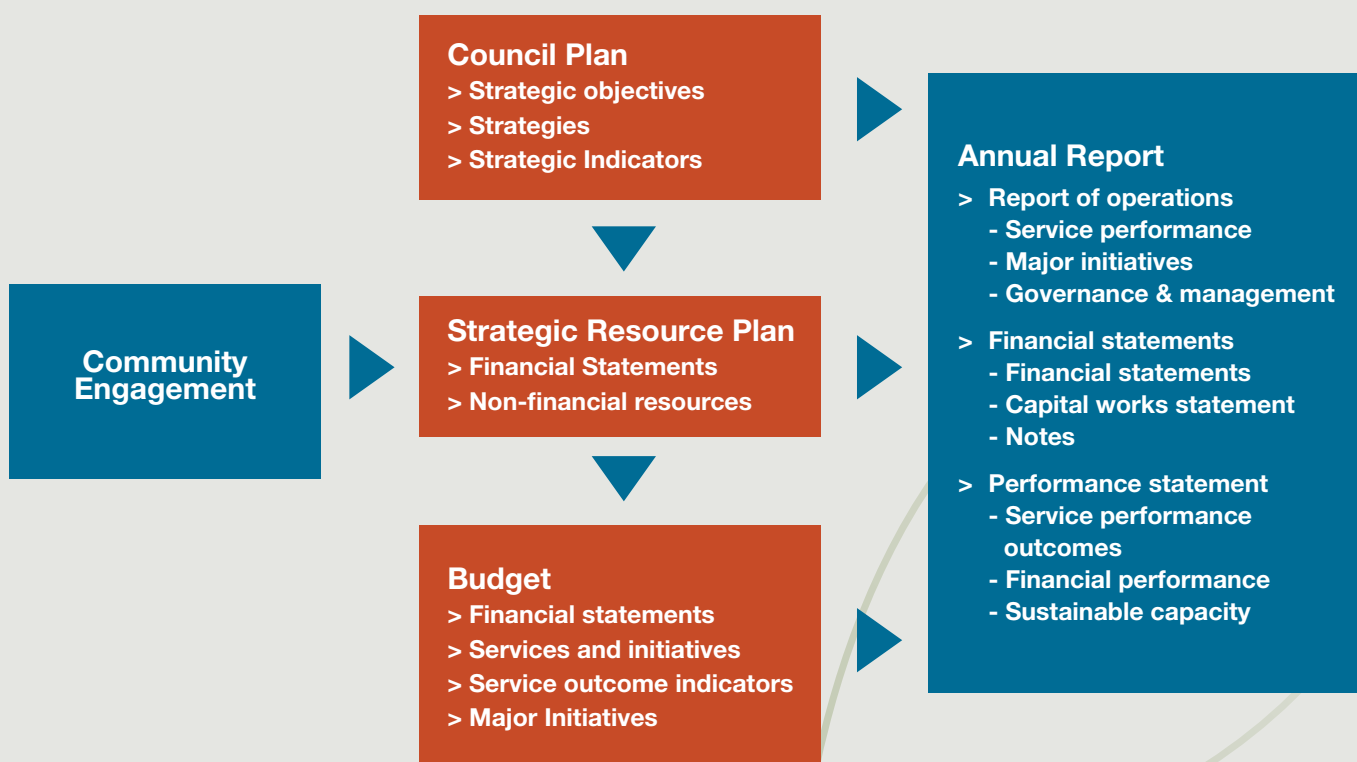
tables and these point the reader to the relevant note.

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

A reference number is contained within the financial

## Towards Financial Sustainability

The following diagram shows the relationships between the key planning and reporting documents as well as the opportunities for community input and feedback at each stage of the planning and reporting cycle.



## 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 2014/15 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.

### 2014/15 Budget

Each year Council prepares and adopts an annual budget. The 2014/15 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 18 June 2014.

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 2015

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# Comprehensive Income Statement For the Year Ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Income</b>			
Rates and charges	3	39,806	37,437
Statutory fees and fines	4	3,156	2,921
User fees	5	5,737	5,298
Grants—operating	6	13,449	7,965
Grants—capital	6	7,682	8,615
Contributions—monetary	7	908	855
Contributions—non monetary	7	7,404	12,809
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(2,335)	(36)
Fair value adjustments for assets held for sale	21	-	10
Fair value adjustments for investment property	24	-	578
Share of net profits/(losses) of associates and joint ventures	16	55	(76)
Other income	9	2,113	1,919
<b>Total income</b>		<b>77,975</b>	<b>78,295</b>
<b>Expenses</b>			
Employee costs	10	(29,821)	(28,919)
Materials and services	11	(18,257)	(18,914)
Bad and doubtful debts	12	(7)	28
Depreciation and amortisation	13	(13,492)	(12,405)
Borrowing costs	14	(277)	(201)
Other expenses	15	(4,737)	(3,101)
(Increase)/decrease in provision for landfill liability	28	(1,374)	(1,140)
<b>Total expenses</b>		<b>(67,965)</b>	<b>(64,652)</b>
<b>Surplus/(deficit) for the year</b>		<b>10,010</b>	<b>13,643</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment (decrement)	30(a)	-	41,550
<b>Total comprehensive result</b>		<b>10,010</b>	<b>55,193</b>

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

## Balance Sheet As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	9,752	4,868
Trade and other receivables	18	4,971	5,469
Other financial assets	19	12,330	8,950
Inventories	20	6	6
Non-current assets classified as held for sale	21	1,043	1,043
Other assets	22	296	273
<b>Total current assets</b>		<b>28,398</b>	<b>20,609</b>
<b>Non-current assets</b>			
Other financial assets	19	21	21
Investments in associates	16	1,436	1,381
Property, infrastructure, plant and equipment	23	618,854	611,122
Investment property	24	4,215	4,215
Intangible assets	25	1,629	1,420
<b>Total non-current assets</b>		<b>626,155</b>	<b>618,159</b>
<b>Total assets</b>		<b>654,553</b>	<b>638,768</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	26	4,676	4,545
Other Current Liabilities	27	2,973	2,676
Provisions	28	8,592	4,918
Interest-bearing loans and borrowings	29	343	323
<b>Total current liabilities</b>		<b>16,584</b>	<b>12,462</b>
<b>Non-current liabilities</b>			
Provisions	28	3,834	5,896
Interest-bearing loans and borrowings	29	6,266	2,551
<b>Total non-current liabilities</b>		<b>10,100</b>	<b>8,447</b>
<b>Total liabilities</b>		<b>26,684</b>	<b>20,909</b>
<b>Net Assets</b>		<b>627,869</b>	<b>617,859</b>
<b>Equity</b>			
Accumulated surplus		284,173	274,395
Reserves	30	343,696	343,464
<b>Total Equity</b>		<b>627,869</b>	<b>617,859</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2015

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2015</b>					
Balance at beginning of the financial year		617,859	274,395	334,776	8,688
Surplus/(deficit) for the year		10,010	10,010	-	-
Net asset revaluation increment/(decrement)	30(a)	-	-	-	-
Transfers to other reserves	30(b)	-	(6,665)	-	6,665
Transfers from other reserves	30(b)	-	6,433	-	(6,433)
<b>Balance at end of the financial year</b>		<b>627,869</b>	<b>284,173</b>	<b>334,776</b>	<b>8,920</b>
<b>2014</b>					
Balance at beginning of the financial year		562,666	262,784	293,226	6,656
Surplus/(deficit) for the year		13,643	13,643	-	-
Net asset revaluation increment/(decrement)	30(a)	41,550	-	41,550	-
Transfers to other reserves	30(b)	-	(2,800)	-	2,800
Transfers from other reserves	30(b)	-	768	-	(768)
<b>Balance at end of the financial year</b>		<b>617,859</b>	<b>274,395</b>	<b>334,776</b>	<b>8,688</b>

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



## Statement of Cash Flows For the Year Ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		39,578	36,974
Statutory fees and fines		3,156	2,921
User fees		6,455	5,926
Grants - operating		7,682	8,177
Grants - capital		13,449	8,615
Contributions - monetary		908	855
Interest received		787	679
Trust funds and deposits taken		2,976	2,715
Other receipts		2,190	1,552
Net GST refund		2,760	2,707
Employee costs		(28,936)	(28,009)
Materials and services		(19,852)	(19,861)
Trust funds and deposits repaid		(2,715)	(3,627)
Other payments		(7,290)	(6,886)
<b>Net cash provided by (used in) operating activities</b>	31	21,148	12,738
<b>Cash flows from investing activities</b>			
Net (increase)/decrease in other financial assets		(3,380)	340
Payments for property, infrastructure, plant and equipment		(16,969)	(14,436)
Proceeds from sale of property, infrastructure, plant and equipment		605	567
<b>Net cash provided by (used in) investing activities</b>		(19,744)	(13,529)
<b>Cash flows from financing activities</b>			
Finance costs		(255)	(218)
Proceeds from borrowings		4,058	-
Repayment of borrowings		(323)	(1,058)
<b>Net cash provided by (used in) financing activities</b>		3,480	(1,276)
Net increase (decrease) in cash and cash equivalents		4,884	(2,067)
Cash and cash equivalents at the beginning of the financial year		4,868	6,935
<b>Cash and cash equivalents at the end of the financial year</b>	17	9,752	4,868
Restrictions on cash assets	17		

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

## Statement of Capital Works For the Year Ended 30 June 2015

	2015 \$'000	2014 \$'000
<b>Property</b>		
Land	863	82
<b>Total land</b>	863	82
Buildings	1,673	2,328
Building improvements	942	687
<b>Total buildings</b>	2,615	3,015
<b>Total property</b>	3,478	3,097
<b>Plant and equipment</b>		
Plant, machinery and equipment	830	396
Fixtures, fittings and furniture	113	55
Computers and telecommunications	938	736
<b>Total plant and equipment</b>	1,881	1,187
<b>Infrastructure</b>		
Roads	5,011	5,000
Bridges	1,297	111
Footpaths and cycleways	841	431
Drainage	655	521
Recreational, leisure and community facilities	2,764	2,214
Parks, open space and streetscapes	1,002	880
Other infrastructure	40	220
<b>Total infrastructure</b>	11,610	9,377
<b>Total capital works expenditure</b>	16,969	13,661
<b>Represented by:</b>		
New asset expenditure	3,930	2,581
Asset renewal expenditure	10,144	10,290
Asset expansion expenditure	1,426	40
Asset upgrade expenditure	1,469	750
<b>Total capital works expenditure</b>	16,969	13,661

The above statement of capital works should be read with the accompanying notes.

# Notes to the Financial Report for the year ended 30 June 2015

## Introduction

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.

## Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works 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

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (l) )
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (m) )
- the determination of employee provisions (refer to note 1 (s) )

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) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

### (c) Principles of consolidation

No entities have been consolidated into Council.

### (d) Accounting for investments in associates and joint arrangements

#### Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### Joint arrangements

Council is not part of any joint venture operations.

### (e) Revenue recognition

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.

#### Rates and Charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

#### Statutory fees and fines

Statutory 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.

#### User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

#### Grants

Grant income is recognised when Council obtains control of the contribution. This 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.

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

#### Contributions

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

### Sale of property, infrastructure, plant and equipment

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



## Note 1 Significant accounting policies (cont.)

### Interest

Interest is recognised 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.

### (f) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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 between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a 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.

### (g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

### (h) Trade and other receivables

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

### (i) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

### (j) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

### (k) Non-current assets classified as held for sale

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

### (l) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

#### Acquisition

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

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (m) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

#### Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

## Note 1 Significant accounting policies (cont.)

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. Further details regarding the fair value hierarchy are disclosed at Note 23, Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 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 reserve 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 reserve 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.

## (m) Depreciation and amortisation of property, infrastructure, plant and equipment and 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 annually. Depreciation rates and methods are reviewed annually.

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

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

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

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.



## Note 1 Significant accounting policies (cont.)

Property:	Period	Threshold Limit \$'000
land	-	10
land improvements	-	10
<b>Buildings</b>		
heritage buildings	50 years	10
buildings	50 years	10
building improvements	50 years	10
leasehold improvements	50 years	10
<b>Plant and Equipment</b>		
plant, machinery and equipment	7 - 25 years	1
fixtures, fittings and furniture	4 - 20 years	1
computers and telecommunications	3 - 10 years	1
<b>Infrastructure:</b>		
road pavements and seals	15-18 years	10
road substructure	80-90 years	10
road formation and earthworks	100 years	10
road kerb, channel and minor culverts	30-50 years	10
bridges	100 years	10
footpaths and cycleways	30-40 years	10
drainage	100 years	10
recreational, leisure and community facilities	10-50 years	10
parks, open space and streetscapes	10-50 years	10
<b>Intangible assets</b>		
intangible assets	3-5 years	1

### (n) 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.

### (o) Investment property

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

### (p) Impairment of assets

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

### (q) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 27).



## Note 1 Significant accounting policies (cont.)

### (r) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

#### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on borrowings.

### (s) Employee costs and benefits

The calculation of employee costs and 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 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 wholly settled within 12 months.

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

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, 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.

### (t) Landfill rehabilitation provision

Council is obligated to restore three landfill sites to a particular standard. All three landfill sites are closed and are not receiving any further infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

### (u) 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.

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

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

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

### (w) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 36 Contingent Liabilities and Contingent Assets.

### (x) Contingent assets and contingent liabilities and commitments

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

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

## Note 1 Significant accounting policies (cont.)

### (y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

### (z) 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.

### (aa) Changes to Local Government Reporting Regulations

The regulations for Local Government reporting changed in 2014. The new regulations requires that councils use a recommended set of model accounts for financial reporting. These financial statements have been updated to align with the Local Government model accounts. The changes have also been made to the comparative year information.

## Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold for budget variances of more than 10% and \$100,000 where further explanation is warranted. 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 detailed below are those adopted by Council on 18 June 2014. The Budget was based on

assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

### a) Income and Expenditure

	<b>Budget 2015 \$'000</b>	<b>Actual 2015 \$'000</b>	<b>Variance 2015 \$'000</b>	<b>Ref</b>
<b>Income</b>				
Rates and charges	39,770	39,806	36	
Statutory fees and fines	2,800	3,156	356	1
User fees	5,680	5,737	57	
Grants - operating	9,383	13,449	4,066	2
Grants - capital	8,747	7,682	(1,065)	3
Contributions - monetary	504	908	404	4
Contributions - non monetary	9,995	7,404	(2,591)	5
Share of net profits/(losses) of associates and joint ventures	-	55	55	
Other income	1,682	2,113	431	6
<b>Total Income</b>	<b>78,561</b>	<b>80,310</b>	<b>1,749</b>	
<b>Expenses</b>				
Employee costs	30,144	29,821	323	
Materials and services	18,742	18,257	485	
Bad and doubtful debts	18	7	11	
Depreciation and amortisation	12,889	13,492	(603)	
Borrowing costs	443	277	166	7
Other expenses	2,720	4,737	(2,017)	8
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	2,335	(2,335)	9
(Increase)/decrease in provision for landfill liability	-	1,374	(1,374)	10
<b>Total expenses</b>	<b>64,956</b>	<b>70,300</b>	<b>(5,344)</b>	
<b>Surplus/(deficit) for the year</b>	<b>13,605</b>	<b>10,010</b>	<b>(3,595)</b>	



## Note 2 Budget comparison (cont.)

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The favourable budget variance is mainly due to higher than expected statutory planning contributions. Planning contributions are generally received from developers and amounts contributed each year can vary depending on the level of development activity. This income will be used in future years to assist in funding the Shire's infrastructure requirements.
2	Grants - operating	Operating grants are provided to support the provision of Council services (eg preschools, aged care, etc). The level of grants is higher than expected as the Grants Commission paid half of the 2015/16 grant allocation (\$2.3m) in advance in June 2015. These funds were included in the 2015/16 budget. Preschool and Community support grants were higher than budget (\$0.2m) due to increased service numbers. Council also received some unbudgeted grants including a reimbursement from the State Government (\$0.6m) in relation to costs incurred in 2013/14 as result of bushfire damage, and a grant in relation to a one off septic tank upgrade program (\$0.5m).
3	Grants - capital	Capital grants are provided to support capital works (asset) projects. Most of the grants are one off as they relate to specific projects, however there are some ongoing grants to support road construction. Capital grants are less than budget as a budgeted grant in relation to the Hanging Rock East Paddock project (\$2m) will now be received in 2015/16. Partly offsetting this variance is the early payment of the half of the 2015/16 grants commission roads grant (\$1m).
4	Contributions - monetary	This income arises from contributions received from Community groups, clubs and other groups towards Council projects. Most of the favourable budget variance relates to contributions received from residents in relation to a project to upgrade septic systems (\$0.16m) and a club contribution towards an upgrade of a bowling rink (\$0.27m) that was higher than budget.
5	Contributions - non monetary	This income is mainly related to new roads contributed to Council by developers when new subdivisions are completed. The income varies considerably from year to year depending on the number of subdivisions and the timing of the assets being handed over to Council. The actual income for the year is lower than the budget which was based on prior years.
6	Other income	Other income was higher than expected mainly due to a prior year refund of costs in relation to Council's waste management operations (\$0.2m). The interest income (\$0.05m), diesel fuel rebate (\$0.03m) and the saleyards income (\$0.03m) were also higher than budget.
7	Borrowing costs	Borrowing costs are under budget as some budgeted loans were not taken up during the year as the related capital projects will now be completed over two years and hence the funding was not required this year. These loans will now be taken up in 2015/16.
8	Other expenses	Other expenses are above budget mainly due to a one off contribution of \$1.5m to the construction of the Gisborne indoor stadium. This expense was budgeted in 2013/14 but the project was not completed until 2014/15. The stadium is located on Department of Education land and hence is not a Council asset. There was also \$0.25m of unbudgeted expenditure in relation to a project to upgrade septic tank systems. This expenditure was offset by additional income.
9	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	A review of other infrastructure assets was undertaken during the year and it was found that some assets should be written off as they no longer provided an economic benefit to Council and hence should no longer be included in the balance sheet as an asset. There was no budget for this write off as the review was undertaken after the budget for 2014/15 had been adopted.
10	(Increase)/decrease in provision for landfill liability	Council owns three former landfill sites and has been conducting rehabilitation works at these sites over several years. Last 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. As a result at the end of last financial year Council increased the provision for rehabilitation for this site, however, a later assessment undertaken by Council has indicated that the cost of the works will be higher than expected and therefore the provision has been increased to factor in the works required. Changes to the provision were not included in the budget.

## Note 2 Budget comparison (cont.)

### b) Capital Works

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
<b>Property</b>				
Land	-	863	863	1
<b>Total Land</b>	-	863	863	
Buildings	2,357	1,673	(684)	2
Building improvements	750	942	192	3
<b>Total Buildings</b>	3,107	2,615	(492)	
<b>Total Property</b>	3,107	3,478	371	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	772	830	58	
Fixtures, fittings and furniture	-	113	113	4
Computers and telecommunications	735	938	203	5
<b>Total Plant and Equipment</b>	1,507	1,881	374	
<b>Infrastructure</b>				
Roads	6,095	5,011	(1,084)	6
Bridges	512	1,297	785	6
Footpaths and cycleways	871	841	(30)	
Drainage	300	655	355	7
Recreational, leisure and community facilities	2,993	2,764	(229)	
Parks, open space and streetscapes	4,908	1,002	(3,906)	8
Other infrastructure	649	40	(609)	9
<b>Total Infrastructure</b>	16,328	11,610	(4,718)	
<b>Total Capital Works Expenditure</b>	20,942	16,969	(3,973)	
<b>Represented by:</b>				
New asset expenditure	7,889	3,930	(3,959)	
Asset renewal expenditure	7,245	10,144	2,899	
Asset expansion expenditure	1,500	1,426	(74)	
Asset upgrade expenditure	4,308	1,469	(2,839)	
<b>Total Capital Works Expenditure</b>	20,942	16,969	(3,973)	

## Note 2 Budget comparison (cont.)

### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	During the year Council purchased land in New Gisborne which will be used for new sportsfields in future years. The purchase was not included in the budget and was funded from the open space reserve.
2	Building	Expenditure on buildings is lower than expected mainly due to the Gisborne office extension being completed over two years. As a result some of the amount budgeted in 2014/15 will be spent in 2015/16.
3	Building improvements	Expenditure on buildings improvements is higher than budget as some building maintenance works which were included in the operational budget were costed to capital as they were above the capitalisation threshold. There is an offsetting budget variance in the comprehensive income statement.
4	Fixtures, fittings and furniture	The budgets for some furniture and fitting purchases for the Council's kindergartens (\$0.7m) were included under buildings (above) when the budget was adopted. There were also some minor purchases that were costed to capital works but the budget was included in the operating programs.
5	Computers and telco	This program is higher than budget as some software and computer replacements were budgeted in 2013/14 but the expenditure was incurred this year.
6	Roads/Bridges	Council received a grant of \$1m under the Country Roads and Bridges program. When the budget was completed - \$0.65m of the grant was allocated to roads and \$0.35m to bridges. During the year it was decided to spend more of the funding on bridges and less on roads. When viewed together, roads and bridges expenditure is close to budget.
7	Drainage	Expenditure is higher than budget as some works that were included in 2013/14 budget were completed in 2014/15.
8	Parks, open space and streetscapes	The program is under budget as the Hanging Rock east paddock development project (\$3m) has been delayed and will now be completed in 2015/16. The Romsey all abilities park and the Kyneton Community park projects were also budgeted in 2014/15 but will now be completed in 2015/16.
9	Other infrastructure	The budget for this category includes landfill rehabilitation works at the former Kyneton landfill (\$0.5m). The actual rehabilitation expenditure in 2014/15 has been booked to the provision for landfill in accordance with accounting standards. This has resulted in a variance to budget.



## Note 3 Rates and charges

	2015 \$'000	2014 \$'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 2014/15 was \$10,842 million (2013/14 \$9,948 million). The 2014/15 general rate in the capital improved value dollar was \$0.002786 (2013/14: \$0.002829).		
General Rates	25,999	24,186
Agricultural Land Rates	2,017	1,957
Commercial/Industrial Rates	1,822	1,696
Municipal charge	4,078	3,834
Waste management charge	5,416	5,312
Supplementary rates and rate adjustments	403	386
Other Rates	71	66
<b>Total rates and charges</b>	<b>39,806</b>	<b>37,437</b>

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

## Note 4 Statutory fees and fines

	2015 \$'000	2014 \$'000
Animal control fees	566	549
Infringements and costs	170	226
Permits	602	546
Roads and infrastructure fees	1,194	1,246
Town planning fees	164	165
Other statutory fees	460	189
<b>Total statutory fees and fines</b>	<b>3,156</b>	<b>2,921</b>

## Note 5 User fees

	2015 \$'000	2014 \$'000
Aged and health services	247	325
Child care/children's programs	695	626
Cultural Activities	72	53
Debt recovery	220	184
Gravel pit sales	227	222
Hanging Rock reserve fees	511	338
Leisure centre and recreation	2,741	2,594
Facility Hire	208	199
Saleyards	221	197
Waste management services	464	463
Other fees and charges	131	97
<b>Total user fees</b>	<b>5,737</b>	<b>5,298</b>

## Note 6 Grants

	2015 \$'000	2014 \$'000
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	11,627	8,670
State funded grants	9,504	7,910
<b>Total</b>	<b>21,131</b>	<b>16,580</b>
<b>Operating Grants</b>		
Recurrent - Commonwealth Government		
Aged and disability Services	322	299
Victoria Grants Commission	6,935	2,335
Recurrent - State Government		
Aged and disability Services	1,970	1,892
Emergency management	47	38
Family and children	2,062	1,957
Maternal and child health	301	288
Other	86	146
School crossing supervisors	69	64
Youth and culture	138	105
<b>Total recurrent operating grants</b>	<b>11,930</b>	<b>7,124</b>

## Note 6 Grants (cont.)

	2015 \$'000	2014 \$'000
Non-recurrent - Commonwealth Government		
Other	30	136
Non-recurrent - State Government		
Economic Development	54	111
Emergency management	802	149
Family and children	4	55
Other	118	132
Roads and bridges	18	43
Waste Water Management	487	206
Youth and culture	6	9
<b>Total non-recurrent operating grants</b>	1,519	841
<b>Total operating grants</b>	13,449	7,965
<b>Capital Grants</b>		
Recurrent - Commonwealth Government		
Roads to Recovery	1,000	1,715
Victoria Grants Commission	3,010	956
<b>Total recurrent capital grants</b>	4,010	2,671
Non-recurrent - Commonwealth Government		
Parks, Open Space and streetscapes	-	522
Recreational, leisure and community facilities	330	1,670
Roads and bridges	-	1,037
Non-recurrent - State Government		
Buildings	348	180
Footpaths and cycleways	566	-
Other Infrastructure	29	17
Parks, Open Space and streetscapes	120	333
Recreational, leisure and community facilities	1,279	1,185
Roads and bridges	1,000	1,000
<b>Total non-recurrent capital grants</b>	3,672	5,944
<b>Total capital grants</b>	7,682	8,615
<b>Conditions on grants</b>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	4,809	3,974
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	(3,974)	(4,945)
	835	(971)
Included in the above grants in the 2014/15 year was the following major grant which was received in the latter part of that reporting year but which related to the 2015/16 year. No such grant was received in advance in 2013/14.		
Grants commission instalment	3,306	-
<b>Total</b>	3,306	-



## Note 7 Contributions

	2015 \$'000	2014 \$'000
Monetary	908	855
Non-monetary	7,404	12,809
<b>Total contributions</b>	<b>8,312</b>	<b>13,664</b>
Contributions of non monetary assets were received in relation to the following asset classes.		
Land	404	-
Land under Roads	393	332
Infrastructure	6,607	12,477
Other	-	-
<b>Total non-monetary</b>	<b>7,404</b>	<b>12,809</b>

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

	2015 \$'000	2014 \$'000
Proceeds of sale	605	596
Write down value of assets disposed	(2,940)	(632)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(2,335)</b>	<b>(36)</b>

## Note 9 Other income

	2015 \$'000	2014 \$'000
Commission	146	131
Interest on investments	542	496
Interest on rates	245	202
Insurance recoveries	335	208
Investment property rental	162	290
Merchandise and material sales	309	426
Other	374	166
<b>Total other income</b>	<b>2,113</b>	<b>1,919</b>

## Note 10 (a) Employee costs

	2015 \$'000	2014 \$'000
Wages and salaries	23,229	22,538
Casual staff	3,383	2,857
Superannuation	2,289	2,139
WorkCover	647	1,188
Fringe benefits tax	273	197
<b>Total employee costs</b>	<b>29,821</b>	<b>28,919</b>

## Note 10 (b) Superannuation

	2015 \$'000	2014 \$'000
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	202	201
	<u>202</u>	<u>201</u>
Employer contributions payable at reporting date.	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,440	1,372
Employer contributions - other funds	647	566
	<u>2,087</u>	<u>1,938</u>
Employer contributions payable at reporting date.	-	-

The Macedon Ranges Shire 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. 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 2015, this was 9.5% required under Superannuation Guarantee Legislation (2013/14, this was 9.25%)).

### Defined Benefit

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.

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 the Macedon Ranges Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

## Note 11 Materials and services

	2015 \$'000	2014 \$'000
Administration	1,710	1,443
Building maintenance	882	1,017
Consultants	1,147	1,483
Contract payments	8,341	8,304
General maintenance	754	662
Information technology	558	566
Insurance	771	745
Materials & Supplies	2,047	2,503
Utilities	2,047	2,191
<b>Total materials and services</b>	<b>18,257</b>	<b>18,914</b>

## Note 12 Bad and doubtful debts

	2015 \$'000	2014 \$'000
Other debtors	7	(28)
<b>Total bad and doubtful debts</b>	<b>7</b>	<b>(28)</b>

## Note 13 Depreciation and amortisation

	2015 \$'000	2014 \$'000
Property	1,419	1,485
Landfill	173	173
Plant and equipment	960	954
Infrastructure	10,603	9,568
Intangible assets	337	225
<b>Total depreciation and amortisation</b>	<b>13,492</b>	<b>12,405</b>

Refer to note 23 for a more detailed breakdown of depreciation and amortisation charges



## Note 14 Borrowing costs

	2015 \$'000	2014 \$'000
Interest - Borrowings	277	201
<b>Total borrowing costs</b>	<u>277</u>	<u>201</u>

## Note 15 Other expenses

	2015 \$'000	2014 \$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	35	37
Auditors' remuneration - Internal	40	56
Contributions and donations	3,335	1,488
Councillors' allowances	319	279
Operating lease rentals	1,006	1,198
Other expenses	2	43
<b>Total other expenses</b>	<u>4,737</u>	<u>3,101</u>

## Note 16 Investment in associates

	2015 \$'000	2014 \$'000
Investments in associates accounted for by the equity method are:		
- North Central Goldfields Library Corporation	1,436	1,381
<b>North Central Goldfields Library Corporation</b>		
<b>Background</b>		
The Macedon Ranges Shire Council has an equity interest in the North Central Goldfields Regional Library Corporation at as 30 June 2015.		
The equity holders in the Regional Library Corporation and their relevant holdings are;		
Macedon Ranges Shire Council	21.91%	21.60%
Greater Bendigo City Council	61.48%	61.62%
Loddon Shire Council	5.40%	5.49%
Mount Alexander Shire Council	11.21%	11.29%
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	433	265
Reported surplus(deficit) for year	35	(66)
Transfers (to) from reserves	195	235
Adjustment arising from change to equity share	7	(1)
Council's share of accumulated surplus(deficit) at end of year	670	433
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	415	655
Adjustment arising from change to equity share	6	(5)
Transfers (to) from reserves	(195)	(235)
Council's share of reserves at end of year	226	415
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	1,381	1,457
Share of surplus(deficit) for year	35	(66)
Adjustment arising from change to equity share	20	(10)
Carrying value of investment at end of year	1,436	1,381
<b>Council's share of expenditure commitments</b>		
Operating commitments	6	26
Capital commitments	-	7
Council's share of expenditure commitments	6	33
<b>Council's share of contingent liabilities and contingent assets</b>		
Council's share of contingent liabilities and contingent assets	-	-
<i>(Council's share of equity as per the un-audited 30 June 2015 financial statements of the Library Service)</i>		

## Note 17 Cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash on hand	24	8
Cash at bank	6,406	2,205
Money market call account	822	1,655
Term deposits	2,500	1,000
	<u>9,752</u>	<u>4,868</u>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Cash on hand - Trust funds and deposits (Note 27)	2,416	2,155
- Lancefield tip assurance bank account	471	461
<b>Total restricted funds</b>	<u>2,887</u>	<u>2,616</u>
<b>Total unrestricted cash and cash equivalents</b>	<u>6,865</u>	<u>2,252</u>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	3,386	2,686
- Cash held for non-discretionary reserves (Note 30)	3,469	4,147
<b>Total funds subject to intended allocations</b>	<u>6,855</u>	<u>6,833</u>



## Note 18 Trade and other receivables

	2015 \$'000	2014 \$'000
Rates debtors	2,849	2,564
Net GST receivable	991	930
Other debtors	752	1,503
Accrued income	426	524
Provision for doubtful debts - other debtors	(47)	(52)
<b>Total trade and other receivables</b>	<b>4,971</b>	<b>5,469</b>

### a) Ageing of 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 (excluding statutory receivables and accrued income) was:

Current (not yet due)	577	1,027
Past due by up to 30 days	52	264
Past due between 31 and 180 days	58	183
Past due between 181 and 365 days	42	28
Past due by more than 1 year	23	1
<b>Total trade &amp; other receivables</b>	<b>752</b>	<b>1,503</b>

### b) Movement in provisions for doubtful debts

Balance at the beginning of the year	52	86
New Provisions recognised during the year	27	21
Amounts already provided for and written off as uncollectible	(6)	(4)
Amounts provided for but recovered during the year	(26)	(51)
<b>Balance at end of year</b>	<b>47</b>	<b>52</b>

### c) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$47k (2014: \$52k) were impaired. The amount of the provision raised against these debtors was \$47k (2014: \$52k). These individually 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 receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)	1	2
Past due between 31 and 150 days	10	5
Past due between 151 and 365 days	16	12
Past due by more than 1 year	20	33
<b>Total trade &amp; other receivables</b>	<b>47</b>	<b>52</b>

## Note 19 Other financial assets

	2015 \$'000	2014 \$'000
<b>Current</b>		
Term deposits	12,330	8,950
	<u>12,330</u>	<u>8,950</u>
<b>Non current</b>		
Shares in Lancefield Community Bank - at cost	12	12
Shares in Gisborne Community Bank - at cost	9	9
	<u>21</u>	<u>21</u>
<b>Total</b>	<u>12,351</u>	<u>8,971</u>

## Note 20 Inventories

	2015 \$'000	2014 \$'000
Inventories held for distribution	6	6
<b>Total inventories</b>	<u>6</u>	<u>6</u>

## Note 21 Non current assets classified as held for sale

	2015 \$'000	2014 \$'000
Balance at beginning of period	1,043	1,450
add acquisitions	-	-
add/(less) sales/transfers	-	(417)
add fair value adjustment	-	10
<b>Total non current assets classified as held for resale</b>	<u>1,043</u>	<u>1,043</u>

## Note 22 Other assets

	2015 \$'000	2014 \$'000
Prepayments	296	273
<b>Total other assets</b>	<u>296</u>	<u>273</u>

## Note 23 Property, infrastructure plant and equipment

Land and Buildings	Land - specialised \$'000	Land - non specialised \$'000	Landfill \$'000	Land under Roads \$'000	Total Land \$'000	Heritage Buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Building Improvements \$'000	Leasehold Improvements \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
At fair value 1 July 2014	15,126	45,851	5,179	4,418	70,574	306	34,137	36,527	-	-	70,970	1,799	143,343
Accumulated depreciation at 1 July 2014	-	-	(1,523)	-	(1,523)	-	-	-	-	-	-	-	(1,523)
	15,126	45,851	3,656	4,418	69,051	306	34,137	36,527	-	-	70,970	1,799	141,820
Movements in fair value													
Acquisition of assets at fair value	-	818	-	-	818	-	-	1,331	-	-	1,331	1,329	3,478
Contributed Assets	-	404	-	393	797	-	-	-	-	-	-	-	797
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	-	(513)	-	-	(513)	-	-	-	-	-	-	-	(513)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(1,168)	(1,168)
	-	709	-	393	1,102	-	-	1,331	-	-	1,331	161	2,594
Movements in accumulated depreciation													
Depreciation and amortisation	-	-	(173)	-	(173)	(6)	(683)	(730)	-	-	(1,419)	-	(1,592)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(173)	-	(173)	(6)	(683)	(730)	-	-	(1,419)	-	(1,592)
At fair value 30 June 2015	15,126	46,560	5,179	4,811	71,676	306	34,137	37,858	-	-	72,301	1,960	145,937
Accumulated depreciation at 30 June 2015	-	-	(1,696)	-	(1,696)	(6)	(683)	(730)	-	-	(1,419)	-	(3,115)
	15,126	46,560	3,483	4,811	69,980	300	33,454	37,128	-	-	70,882	1,960	142,822
Plant and Equipment		Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Artwork \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000					
At fair value 1 July 2014		7,552	584	788	300	100	49	9,373					
Accumulated depreciation at 1 July 2014		(2,656)	(157)	(204)	(7)	(100)	-	(3,124)					
		4,896	427	584	293	-	49	6,249					
Movements in fair value													
Acquisition of assets at fair value		825	112	412	-	-	(15)	1,334					
Revaluation increments/decrements		-	-	-	-	-	-	-					
Fair value of assets disposed		(114)	-	-	-	(100)	-	(214)					
Impairment losses recognised in operating result		-	-	-	-	-	-	-					
Transfers		74	30	(40)	-	-	(34)	30					
		785	142	372	-	(100)	(49)	1,150					
Movements in accumulated depreciation													
Depreciation and amortisation		(651)	(70)	(238)	-	-	-	(959)					
Accumulated depreciation of disposals		30	-	-	-	100	-	130					
Impairment losses recognised in operating result		-	-	-	-	-	-	-					
Transfers		(53)	63	-	-	-	-	10					
		(674)	(7)	(238)	-	100	-	(819)					
At fair value 30 June 2015		8,337	726	1,160	300	-	-	10,523					
Accumulated depreciation at 30 June 2015		(3,330)	(164)	(442)	(7)	-	-	(3,943)					
		5,007	562	718	293	-	-	6,580					



## Note 23 Property, infrastructure plant and equipment (cont.)

Infrastructure	Roads	Bridges	Footpaths and Cycleways	Drainage	Recreational leisure and Community	Parks open Spaces and Streetscapes	Other Infrastructure	Work In Progress	Total Plant and Equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value									
1 July 2014	490,171	32,293	21,403	49,141	6,470	8,799	8,601	814	<b>617,692</b>
Accumulated depreciation at 1 July 2014	(121,201)	(12,710)	(4,667)	(11,877)	(582)	(1,777)	(1,825)	-	<b>(154,639)</b>
	<b>368,970</b>	<b>19,583</b>	<b>16,736</b>	<b>37,264</b>	<b>5,888</b>	<b>7,022</b>	<b>6,776</b>	<b>814</b>	<b>463,053</b>
<b>Movements in fair value</b>									
Acquisition of assets at fair value	4,134	1,297	386	157	1,802	198	40	3,596	<b>11,610</b>
Contributed Assets	2,975	-	908	2,771	-	-	-	-	<b>6,654</b>
Fair value of assets disposed	(1,379)	(512)	-	(65)	-	-	(2,773)	-	<b>(4,729)</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	<b>-</b>
Transfers	134	-	-	-	10	8	(71)	1,033	<b>1,114</b>
	<b>5,864</b>	<b>785</b>	<b>1,294</b>	<b>2,863</b>	<b>1,812</b>	<b>206</b>	<b>(2,804)</b>	<b>4,629</b>	<b>14,649</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(8,036)	(331)	(561)	(513)	(444)	(630)	(88)	-	<b>(10,603)</b>
Accumulated depreciation of disposals	897	407	-	22	-	-	1,060	-	<b>2,386</b>
Contributed Assets	-	-	-	(47)	-	-	-	-	<b>(47)</b>
Transfers	-	-	-	-	(1)	(1)	16	-	<b>14</b>
	<b>(7,139)</b>	<b>76</b>	<b>(561)</b>	<b>(538)</b>	<b>(445)</b>	<b>(631)</b>	<b>988</b>	<b>-</b>	<b>(8,250)</b>
At fair value 30 June 2015	496,035	33,078	22,697	52,004	8,282	9,005	5,797	5,443	<b>632,341</b>
Accumulated depreciation at 30 June 2015	(128,340)	(12,634)	(5,228)	(12,415)	(1,027)	(2,408)	(837)	-	<b>(162,889)</b>
	<b>367,695</b>	<b>20,444</b>	<b>17,469</b>	<b>39,589</b>	<b>7,255</b>	<b>6,597</b>	<b>4,960</b>	<b>5,443</b>	<b>469,452</b>

## Note 23 Property, infrastructure plant and equipment (cont.)

Land and Buildings	Land - specialised \$'000	Land - non specialised \$'000	Landfill \$'000	Land under Roads \$'000	Total Land \$'000	Heritage Buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Building Improvements \$'000	Leasehold Improvements \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
At fair value 1 July 2013	13,808	42,230	5,179	4,086	65,303	533	37,528	36,203	-	-	74,264	3,750	143,317
Accumulated depreciation at 1 July 2013	-	-	(1,350)	-	(1,350)	(11)	(751)	(701)	-	-	(1,463)	-	(2,813)
	13,808	42,230	3,829	4,086	63,953	522	36,777	35,502	-	-	72,801	3,750	140,504
<b>Movements in fair value</b>													
Acquisition of assets at fair value	-	-	-	-	-	-	-	1,298	-	-	1,298	1,799	3,097
Contributed assets	-	-	-	332	332	-	-	-	-	-	-	-	332
Revaluation increments/decrements	1,318	3,727	-	-	5,045	(227)	(3,391)	(4,541)	-	-	(8,159)	-	(3,114)
Fair value of assets disposed	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	(106)	-	-	(106)	-	-	3,567	-	-	3,567	(3,750)	(289)
	1,318	3,621	-	332	5,271	(227)	(3,391)	324	-	-	(3,294)	(1,951)	26
<b>Movements in accumulated depreciation</b>													
Depreciation and amortisation	-	-	(173)	-	(173)	(11)	(751)	(724)	-	-	(1,486)	-	(1,659)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation Increments/decrements	-	-	-	-	-	22	1,502	1,425	-	-	2,949	-	2,949
	-	-	(173)	-	(173)	11	751	701	-	-	1,463	-	1,290
At fair value 30 June 2014	15,126	45,851	5,179	4,418	70,574	306	34,137	36,527	-	-	70,970	1,799	143,343
Accumulated depreciation at 30 June 2014	-	-	(1,523)	-	(1,523)	-	-	-	-	-	-	-	(1,523)
	15,126	45,851	3,656	4,418	69,051	306	34,137	36,527	-	-	70,970	1,799	141,820

## Note 23 Property, infrastructure plant and equipment (cont.)

Plant and Equipment	Heritage plant and equipment \$'000	Plant machinery and equipment \$'000	Fixtures Fittings and furniture \$'000	Computers and telecomms \$'000	Artwork \$'000	Library Books \$'000	Wip \$'000	Total plant and equipment \$'000
At fair value 1 July 2013	-	7,609	669	497	300	100	152	<b>9,327</b>
Accumulated depreciation at 1 July 2013	-	(2,286)	-	-	(7)	(100)	-	<b>(2,393)</b>
	-	5,323	669	497	293	-	152	<b>6,934</b>
<b>Movements in fair value</b>								
Acquisition of assets at fair value	-	141	13	291	-	-	49	<b>494</b>
Revaluation increments /decrements	-	-	-	-	-	-	-	-
Fair value of assets disposed	-	(448)	-	-	-	-	-	<b>(448)</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	250	(98)	-	-	-	(152)	-
	-	(57)	(85)	291	-	-	(103)	<b>46</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	-	(603)	(157)	(204)	-	-	-	<b>(964)</b>
Accumulated depreciation of disposals	-	233	-	-	-	-	-	<b>233</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	-	(370)	(157)	(204)	-	-	-	<b>(731)</b>
At fair value 30 June 2014	-	7,552	584	788	300	100	49	<b>9,373</b>
Accumulated depreciation at 30 June 2014	-	(2,656)	(157)	(204)	(7)	(100)	-	<b>(3,124)</b>
	-	4,896	427	584	293	-	49	<b>6,249</b>



## Note 23 Property, infrastructure plant and equipment (cont.)

Infrastructure	Roads \$'000	Bridges \$'000	Footpaths and Cycleways \$'000	Drainage \$'000	Recreational leisure and Community \$'000	Parks open Spaces and Streetscapes \$'000	Other Infra- structure \$'000	Work In Progress \$'000	Total Plant Infra- structure \$'000
At fair value 1 July 2013	439,042	31,464	20,532	40,279	4,819	6,556	8,601	2,282	553,575
Accumulated depreciation at 1 July 2013	(113,383)	(12,399)	(4,129)	(11,484)	(462)	(1,613)	(1,620)	-	(145,090)
	325,659	19,065	16,403	28,795	4,357	4,943	6,981	2,282	408,485
<b>Movements in fair value</b>									
Acquisition of assets at fair value	5,479	733	410	504	860	1,168	-	814	9,968
Contributed assets	7,384	-	461	4,632	-	-	-	-	12,477
Revaluation increments/decrements	38,081	-	-	3,634	-	-	-	-	41,715
Fair value of assets disposed	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	(43)	-	-	-	-	-	-	(43)
Transfers	185	139	-	92	791	1,075	-	(2,282)	-
	51,129	829	871	8,862	1,651	2,243	-	(1,468)	64,117
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(7,818)	(311)	(538)	(393)	(120)	(164)	(205)	-	(9,549)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(7,818)	(311)	(538)	(393)	(120)	(164)	(205)	-	(9,549)
At fair value 30 June 2014	490,171	32,293	21,403	49,141	6,470	8,799	8,601	814	617,692
Accumulated depreciation at 30 June 2014	(121,201)	(12,710)	(4,667)	(11,877)	(582)	(1,777)	(1,825)	-	(154,639)
	368,970	19,583	16,736	37,264	5,888	7,022	6,776	814	463,053

## Note 23 Property, infrastructure plant and equipment (cont.)

### Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, 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.

Specialised land 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 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land - non-specialised	-	46,560	-
Land - specialised	-	-	23,420
Buildings - non-specialised	-	37,128	-
Buildings - specialised	-	-	33,454
Buildings - heritage	-	-	300
<b>Total</b>	-	83,196	57,174

### Valuation of infrastructure

Valuation of infrastructure assets has been determined by experienced council officers. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	367,695
Bridges	-	-	20,442
Footpaths and cycleways	-	-	17,469
Drainage	-	-	39,589
Recreational, leisure and community facilities	-	-	7,255
Waste management	-	-	-
Parks, open space and streetscapes	-	-	6,597
Aerodromes	-	-	-
Other infrastructure	-	-	4,960
<b>Total</b>	-	-	464,007

## Note 23 Property, infrastructure plant and equipment (cont.)

### Description of significant unobservable inputs into level 3 valuations

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 30% and 85%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$5 and \$195 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$1,100 to \$2,200 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 40 years to 60 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2015 \$'000	2014 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	4,811	4,418
<b>Total specialised land</b>	<u>4,811</u>	<u>4,418</u>

## Note 24 Investment property

	2015 \$'000	2014 \$'000
Balance at beginning of financial year	4,215	3,348
Additions	-	289
Fair value adjustments	-	578
Balance at end of financial year	<u>4,215</u>	<u>4,215</u>

### Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by the Municipal Valuer Hayley Drummond AAPI who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.



## Note 25 Intangible assets

	Software \$'000
Carrying amount at 1 July 2014	1,686
Accumulated amortisation at 1 July 2014	(266)
	<u>1,420</u>
<b>Movements in carrying amount</b>	
Additions	547
Amortisation expense	(338)
Carrying amount at 30 June 2015	<u>2,233</u>
Accumulated amortisation at 30 June 2015	(604)
	<u>1,629</u>
Carrying amount at 1 July 2013	993
Accumulated amortisation at 1 July 2013	(33)
	<u>960</u>
<b>Movements in carrying amount</b>	
Additions	693
Amortisation expense	(233)
Carrying amount at 30 June 2014	<u>1,686</u>
Accumulated amortisation at 30 June 2014	(266)
	<u>1,420</u>

## Note 26 Trade and other payables

	2015 \$'000	2014 \$'000
Trade payables	1,643	3,238
Accrued expenses	2,844	1,059
Other payables	189	248
<b>Total trade and other payables</b>	<u>4,676</u>	<u>4,545</u>

## Note 27 Other Current Liabilities

	2015 \$'000	2014 \$'000
Fire services levy	316	259
Prepaid Income	241	262
Refundable deposits	2,227	1,998
Trust monies	189	157
<b>Total other current liabilities</b>	<b>2,973</b>	<b>2,676</b>

### Purpose and nature of items

**Refundable deposits** - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities. This account also includes retention amounts; Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

**Fire Service Levy** - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

## Note 28 Provisions

	Landfill restoration \$'000	Other \$'000	Total \$'000
<b>2015</b>			
Balance at beginning of the financial year	4,792	86	4,878
Additional provisions	1,205	1	1,206
Amounts used	(478)	-	(478)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	169	-	169
<b>Balance at the end of the financial year</b>	<b>5,688</b>	<b>87</b>	<b>5,775</b>
<b>2014</b>			
<b>Balance at beginning of the financial year</b>	<b>3,695</b>	<b>300</b>	<b>3,995</b>
Additional provisions	1,800	-	1,800
Amounts used	(43)	(214)	(257)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(660)	-	(660)
<b>Balance at the end of the financial year</b>	<b>4,792</b>	<b>86</b>	<b>4,878</b>

## Note 28 Provisions (cont.)

	2015 \$'000	2014 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	1,468	1,523
Long service leave	1,971	1,237
	<u>3,439</u>	<u>2,760</u>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	238	175
Long service leave	2,213	1,753
	<u>2,451</u>	<u>1,928</u>
Total current provisions	<u>5,890</u>	<u>4,688</u>
<b>Non-current</b>		
Long service leave	761	1,248
Annual leave	-	-
Total non-current provisions	<u>761</u>	<u>1,248</u>
Aggregate carrying amount of employee provisions:		
Current	5,890	4,688
Non-current	761	1,248
Total aggregate carrying amount of employee provisions	<u>6,651</u>	<u>5,936</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	2.73%	3.24%
Weighted average settlement period	40 mths	32 mths
<b>(b) Landfill restoration</b>		
Current	2,615	144
Non-current	3,073	4,648
	<u>5,688</u>	<u>4,792</u>
The following assumptions were adopted in measuring the present value of landfill rehabilitation:		
Weighted average increase in costs	2.50%	3.00%
Weighted average discount rates	3.03%	3.57%
Weighted average settlement period	7 yrs	8 yrs
<b>(c) Land sale rebates</b>		
Current	87	86
	<u>87</u>	<u>86</u>



## Note 29 Interest-bearing loans and borrowings

	2015 \$'000	2014 \$'000
<b>Current</b>		
Borrowings - secured	343	323
	<u>343</u>	<u>323</u>
<b>Non-current</b>		
Borrowings - secured	6,266	2,551
	<u>6,266</u>	<u>2,551</u>
<b>Total</b>	<u>6,609</u>	<u>2,874</u>

### a) The maturity profile for Council's borrowings is:

Not later than one year	343	323
Later than one year and not later than five years	5,667	1,512
Later than five years	599	1,039
	<u>6,609</u>	<u>2,874</u>

The borrowings are secured by a charge over the rates of the council.

## Note 30 Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2015</b>			
<b>Property</b>			
Land	44,751	-	44,751
Buildings	19,461	-	19,461
	<u>64,212</u>	<u>-</u>	<u>64,212</u>
<b>Infrastructure</b>			
Roads	225,860	-	225,860
Kerb & Channel	15,105	-	15,105
Bridges	3,543	-	3,543
Drainage	25,628	-	25,628
	<u>270,136</u>	<u>-</u>	<u>270,136</u>
<b>Other assets</b>			
Artwork	250	-	250
Equity in North Central Goldfields Library	149	-	149
Assets held for sale	29	-	29
	<u>428</u>	<u>-</u>	<u>428</u>
<b>Total asset revaluation reserves</b>	<u>334,776</u>	<u>-</u>	<u>334,776</u>
<b>2014</b>			
<b>Property</b>			
Land	39,706	5,045	44,751
Buildings	24,671	(5,210)	19,461
	<u>64,377</u>	<u>(165)</u>	<u>64,212</u>
<b>Infrastructure</b>			
Roads	187,779	38,081	225,860
Kerb & Channel	15,105	-	15,105
Bridges	3,543	-	3,543
Drainage	21,994	3,634	25,628
	<u>228,421</u>	<u>41,715</u>	<u>270,136</u>
<b>Other assets</b>			
Artwork	250	-	250
Equity in North Central Goldfields Library	149	-	149
Assets held for sale	29	-	29
	<u>428</u>	<u>-</u>	<u>428</u>
<b>Total asset revaluation reserves</b>	<u>293,226</u>	<u>41,550</u>	<u>334,776</u>

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

## Note 30 Reserves (Cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2015</b>				
Public open space*	1,718	1,021	(1,871)	868
Car parking*	20	-	-	20
Hanging Rock*	548	148	(249)	447
Community facilities*	269	97	-	366
Footpaths*	194	50	-	244
Road contributions*	258	110	(26)	342
Gisborne development plan*	593	42	(30)	605
Romsey development plan*	27	2	-	29
Senior citizens accommodation maintenance*	251	-	-	251
Drainage*	269	28	-	297
Debt repayment	-	305	-	305
Waste management facilities	24	-	(24)	-
Plant replacement	972	1,023	(747)	1,248
Management property disposals	2,728	320	(3,048)	-
Gravel pit operations	453	87	-	540
Landfill recovery	364	413	(438)	339
Commercial development	-	2,820	-	2,820
Asset conversion	-	199	-	199
<b>Total Other reserves</b>	<b>8,688</b>	<b>6,665</b>	<b>(6,433)</b>	<b>8,920</b>
<b>2014</b>				
Public open space*	1,273	550	(105)	1,718
Car parking*	32	-	(12)	20
Hanging Rock*	323	250	(25)	548
Community facilities*	605	(336)	-	269
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	-	251
Drainage*	211	58	-	269
Fire prevention	2	-	(2)	-
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
<b>Total Other reserves</b>	<b>6,656</b>	<b>2,800</b>	<b>(768)</b>	<b>8,688</b>

\* Non-discretionary reserves subject to statutory requirements and/or other agreements. \$3.469m 2014/15 (\$4.147m 2013/14)



## Note 30 Reserves (Cont.)

**Plant replacement**—surplus from plant operations for capital replacements.

**Asset conversion**—net proceeds from the sale of land for capitals works projects. (This reserve was part of the Management Property Disposal Reserve in prior years).

**Commercial development**—net proceeds from the sale of industrial/commercial for the purchase and development of land to be used for industrial/commercial purposes. (This reserve was part of the Management Property Disposal Reserve in prior years).

**Gravel pit operations**—surplus from Gravel Pit operations for capital works projects.

**Hanging Rock**—surplus from Hanging Rock operations for capital works projects.

**Maintenance seniors accommodation**—resident contributions for maintenance of units.

**Landfill recovery**—funding from rates (and previously from the former landfill recovery charge) for landfill monitoring and rehabilitation.

**Debt repayment**—annual budget allocation to accumulate the required amount of funds to repay the borrowed money when it is due to be repaid. (This reserve was established in 2014/15).

**Public open space**—developer contributions for open space projects.

**Community facilities**—developer contributions for community infrastructure facilities.

**Car parking**—developer contributions for car parking projects.

**Roads**—developer contributions for roads works.

**Drainage**—developer contributions for drainage works.

**Gisborne development plan**—developer contributions for capital works projects in Gisborne.

**Romsey development plan**—developer contributions for capital works projects in Romsey.

**Footpaths**—developer contributions for footpath works.

## Note 31 Reconciliation of cash flows from operating activities to surplus/ (deficit)

	2015 \$'000	2014 \$'000
Surplus/(deficit) for the year	10,010	13,643
Depreciation/amortisation	13,492	12,405
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,335	36
Impairment losses	-	76
Fair value adjustments for assets held for sale	-	(10)
Fair value adjustments for investment property	-	(578)
Contributions - Non-monetary assets	(7,404)	(12,809)
Share of net profits/losses of associates	(55)	76
Borrowing Costs	277	218
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	400	119
Decrease in prepayments	(23)	36
Increase/(decrease) in accrued income	98	-
Increase/(decrease) in trade and other payables	108	(667)
(Decrease)/increase in other liabilities	298	(1,662)
(Increase)/decrease in inventories	-	-
Increase/(Decrease) in provisions	1,612	1,855
<b>Net cash provided by/(used in) operating activities</b>	<b>21,148</b>	<b>12,738</b>

## Note 32 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
<b>2015</b>					
<b>Operating</b>					
Building Security	30	30	-	-	60
Open space management	44	-	-	-	44
Consultancies	60	60	120	-	240
Software support	94	94	147	-	335
Cleaning contracts for council buildings	382	267	546	-	1,195
<b>Total</b>	<u>610</u>	<u>451</u>	<u>813</u>	<u>-</u>	<u>1,874</u>
<b>Capital</b>					
Buildings	3,963	-	-	-	3,963
Roads	257	-	-	-	257
Recreational, leisure and Community	675	-	-	-	675
Parks, open space and streetscapes	15	15	20	-	50
<b>Total</b>	<u>4,910</u>	<u>15</u>	<u>20</u>	<u>-</u>	<u>4,945</u>
<b>2014</b>					
<b>Operating</b>					
Cleaning contracts for council buildings	404	258	645	-	1,307
<b>Total</b>	<u>404</u>	<u>258</u>	<u>645</u>	<u>-</u>	<u>1,307</u>
<b>Capital</b>					
Roads	779	-	-	-	779
Recreational Facilities	1,669	-	-	-	1,669
<b>Total</b>	<u>2,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,448</u>



## Note 33 Operating leases

	2015 \$'000	2014 \$'000
<b>(a) Operating lease commitments</b>		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	673	699
Later than one year and not later than five years	1,526	1,314
Later than five years	962	1,193
	<u>3,161</u>	<u>3,206</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	95	91
Later than one year and not later than five years	266	305
Later than five years	210	233
	<u>571</u>	<u>629</u>

## Note 34 Contingent liabilities and contingent assets

### (a) Contingent liabilities

#### (i) Superannuation

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 the 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.

#### *Funding Arrangements*

The Macedon Ranges Shire 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 latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Macedon Ranges Shire Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

## Note 34 Contingent liabilities and contingent assets (Cont.)

Net Investment Return	7.50% p.a
Salary Inflation	4.25% p.a
Price Inflation	2.75% p.a

Vision Super has advised that the estimated VBI at 30 June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

### 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 30 June 2014, 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with the required Superannuation Guarantee (SG) contribution rate.

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.

#### *Funding Calls*

If the defined benefit category is in an unsatisfactory financial position at actuarial AASB 119 148(d)(iv) investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category 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. 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 the Macedon Ranges Shire Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the AASB 119 148 (d)(v) 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.

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. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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.

### Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which the Macedon Ranges Shire Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The Macedon Ranges Shire Council was notified of the results of the actuarial investigation during January 2015.

## Note 34 Contingent liabilities and contingent assets (Cont.)

### Superannuation contributions

Contributions by the Macedon Ranges Shire Council to superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$'000	2014 \$'000
Vision Super	Defined	9.5%	202	201
Vision Super	Accumulation	9.5%	1,473	1,395
Other Funds (Various)	Accumulation	9.5%	660	576

In 2014/15 the Macedon Ranges Shire Council did not pay any amounts to Vision Super in relation any unfunded liability payments. No amounts were owing in relation to any unfunded liability as at 30 June 2015.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$203,000.

#### (ii) 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 \$14,754.

Council has 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 \$14,200

Both loans relate to Club contributions to the construction of oval lighting.

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

#### (b) Contingent assets

Council has not completed a full review of the condition of its open space assets. Open space assets include netball and tennis courts, oval surfaces and bowling greens. A review will be completed in 2015/16 and it is likely it will result in an increase in asset values. As at 30 June 2015 the amount of the increase cannot be estimated accurately.

## Note 35 Financial Instruments

#### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

#### (b) 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 is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

#### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument



## Note 35 Financial Instruments (Cont.)

will fluctuate due to changes in market interest rates. 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. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has some exposure to cash flow interest rate risk through its cash and term deposits that are at market rates.

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

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

### (c) Credit risk

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

### (d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset. To help reduce these risks Council:

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

## Note 35 Financial Instruments (Cont.)

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in note 34, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 29.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

### (e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

#### *Fair value hierarchy*

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

### (f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.66%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

## Note 36 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 Jennifer Anderson	01/07/2014 - 30/06/2015 (Mayor 19/11/2014 to 30/06/2015)
Councillor Roger Jukes	01/07/2014 - 30/06/2015 (Mayor to 19/11/2014)
Councillor John Connor	01/07/2014 - 30/06/2015
Councillor Graham Hackett	01/07/2014 - 30/06/2015
Councillor John Letchford	01/07/2014 - 30/06/2015
Councillor Hendry McLaughlin	01/07/2014 - 30/06/2015
Councillor Russell Mowatt	01/07/2014 - 30/06/2015
Councillor Sally Piper	01/07/2014 - 30/06/2015
Councillor Ian Ellis	24/11/2014 to 30/06/2015
Councillor Joe Morabito	01/07/2014 -23/10/2014

#### **Chief Executive Officer**

Peter Johnston

## Note 36 Related party transactions (Cont.)

### (ii) Remuneration of responsible persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2015 No.	2014 No.
\$1 - \$9,999	1	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	6	8
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	1	-
\$110,000 - \$119,999	-	1
\$290,000 - \$299,999	1	1
	<u>11</u>	<u>10</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	559	606

### (iii) Senior officers remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:  
a) has management responsibilities and reports directly to the Chief Executive; or  
b) whose total annual remuneration exceeds \$136,000

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2015 No.	2014 No.
Income Range:		
Less than \$136,000	-	4
\$136,000 - \$139,999	6	1
\$140,000 - \$149,999	3	4
\$150,000 - \$159,999	2	-
\$160,000 - \$169,999	-	1
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	2
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	2	-
	<u>15</u>	<u>13</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	2,376	2,026



## Note 36 Related party transactions (Cont.)

### (iv) Responsible persons retirement benefits

No amounts were paid in respect to the retirement of a responsible person in 2014/15.

### (v) Loans to responsible persons

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2013/14, \$0).

### (vi) Transactions with responsible persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

Council purchased services from Bridgestone Kyneton amounting to \$47,103 during 2014/15 (\$72,173 during 2013/14). 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 2015 there were no amounts owed by Council to Bridgestone Kyneton (\$2,801 as at 30 June 2014).

## Note 37 Events occurring after balance date

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

# Certification of the Financial Report

Macedon Ranges Shire Council  
2014/2015 Financial Report

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## Certification of the Financial Statements

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: 28/09/2015  
Kyneton

In our opinion the accompanying financial statements present fairly the financial transactions of Macedon Ranges Shire Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

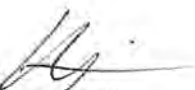
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Russell Mowatt  
Councillor

Date: 28/09/2015  
Kyneton



Henry McLaughlin  
Councillor

Date: 28/09/2015  
Kyneton



Karen Stevens  
Acting Chief Executive Officer

Date: 28/09/2015  
Kyneton

# Independent Auditor's Report—Financial Report



Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Macedon Ranges Shire Council

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of Macedon Ranges Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

#### *The Councillors' Responsibility for the Financial Report*

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 Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is 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 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, 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 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.

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—Financial Report

## Independent Auditor's Report (continued)


### *Independence*

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

### *Opinion*

In my opinion the financial report presents fairly, in all material respects, the financial position of the Macedon Ranges Shire Council as at 30 June 2015 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*.

MELBOURNE  
29 September 2015

  
Dr Peter Frost  
Acting Auditor-General

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## **Administration Centres**

Kyneton, 129 Mollison Street  
Hours: Mon–Fri 8.30am–5pm

Gisborne, 40 Robertson Street  
Hours: Mon–Fri 8.30am–5pm

## **Service Centres**

Romsey Community Hub, 96–100 Main Street  
Hours: Mon, Tues, Wed, Fri 9.30am–5pm  
Thurs 9.30am–6pm

Woodend Library, Corner High and Forest Streets  
Hours: Mon, Tues, Thurs, Fri 9.30am–5pm  
Wed 9.30am–6pm

## **Kyneton Town Hall–Box Office**

Tel: 1300 888 802

## **Visitor Information Centres**

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