



**Macedon
Ranges**
Shire Council

2016–2017 **Annual Report**

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About this Annual Report

This Annual Report aims to inform our community about Council's performance for the financial year (1 July 2016 to 30 June 2017) and provide details of our operations, and our various achievements and challenges. Performance is measured against Council's goals and objectives outlined in the Council Plan 2013–17 (Year four), which incorporates the Health and Wellbeing Plan.



A Message from the Mayor and CEO



Cr Jennifer Anderson

On behalf of my fellow Councillors and Council staff I am pleased to present Council's 2016/17 Annual Report.

Council Elections were held in October 2016 and I would like to acknowledge the retiring Councillors and welcome all newly elected Councillors.

This Annual Report is the last one relating to the Council Plan 2013–2017 created by the previous Council.

A significant amount of our work this past year has focused on the development of a new ten year Council Plan that incorporates a Health & Wellbeing Plan. You told us that you wanted to be more involved in Council decision-making so we undertook much more extensive community consultation than ever before.

During the development of the Council Plan the State Minister for Planning announced he endorsed all 12 recommendations of the Macedon Ranges Protection Advisory Committee report. Our work continues to ensure that we safeguard the uniqueness of our beautiful region as we focus on planning for the future across a number of areas, in accordance with these recommendations.

It's been another significant year for Hanging Rock as Council seeks to explore options for the future of this iconic site. A new strategic advisory committee has been appointed and we are working with them, the Victorian Government, the Traditional Owners and the community in developing a master plan. The cultural heritage and natural beauty of Hanging Rock holds a special place for residents and visitors alike, and is deserving of an overarching plan that guides future proposed uses and financial sustainability.

The adoption of Council's first Climate Change Action Plan was a major achievement this year and is a step in the right direction to protecting our environment. This plan commits us to investigating ways to achieve zero net carbon emissions by 2030.

As we look forward to 2017/18, we are focused on implementing the first year of our new Council Plan and demonstrating real, measurable outcomes for the community in everything that we do to ensure all life across the Macedon Ranges is protected and enhanced.



Mayor, Cr Jennifer Anderson



CEO Peter Johnston

This Annual Report marks the fourth and final year of the Council Plan 2013–2017.


We recognise that we are planning for the future wellbeing of our community by the decisions we make now. This year we have delivered a \$16m capital works program and with limited resources, continued to provide quality services to the community.

Public facilities and open spaces are a priority for Council. Our work to create healthy and active communities is further supported by our collective efforts with local sports clubs to secure funding for facility upgrades at sports facilities in numerous towns; and \$100,000 to explore the feasibility of developing a regional sports hub.

In June 2017 we celebrated the opening of the Kyneton Community Park. This community-led project has been many years in the making and is an example of how all levels of government can work with local communities to achieve great things. It's also pleasing to see plans are progressing to transform the former Romsey Primary School site to bring together a new community health centre and nature-based park. This is another example of a vibrant community vision that will deliver real benefits for all ages and abilities.

This past year has been very successful and as this is my last Annual Report as Chief Executive Officer of Macedon Ranges Shire Council, I would like to take this opportunity to congratulate our staff and volunteers for their professionalism and dedication to delivering great outcomes for our residents and visitors. We could not deliver the range of quality services and projects without you—thank you all for the work that you do. I would also like to thank the previous and current Councillors for their ongoing commitment to enhancing our residents' wellbeing and building resilient communities.

I'm very proud of what this organisation has achieved over the past nine years. The Macedon Ranges region has a remarkable community spirit and an extremely positive future.



Peter Johnston, Chief Executive Officer

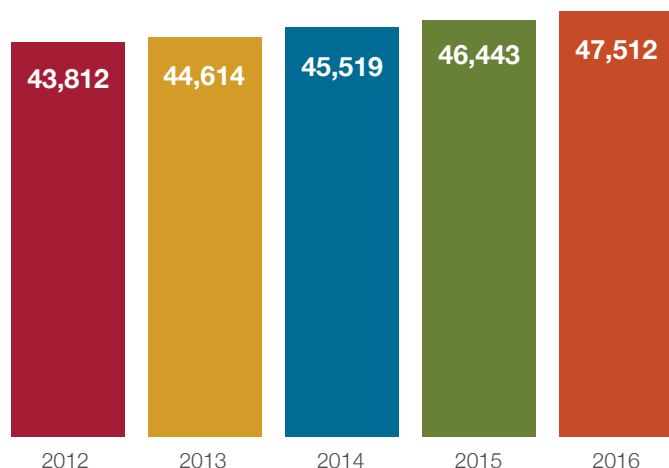
Our Liveable Shire

The Macedon Ranges is renowned for its semi-rural lifestyle, beautiful natural landscapes, historic towns and architecture, gourmet food and wine, and vibrant community life.

Demographic data sourced from Australian Bureau of Statistics, Census of Population and Housing 2016 and Estimated Resident Population 2016. Compiled and presented in profile.id by .id.

Population growth over past five years

Year ending 30 June



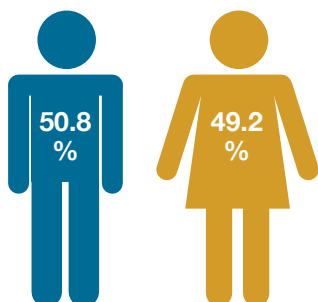
Top five countries of birth

(other than Australia, which is the highest)



2.3%

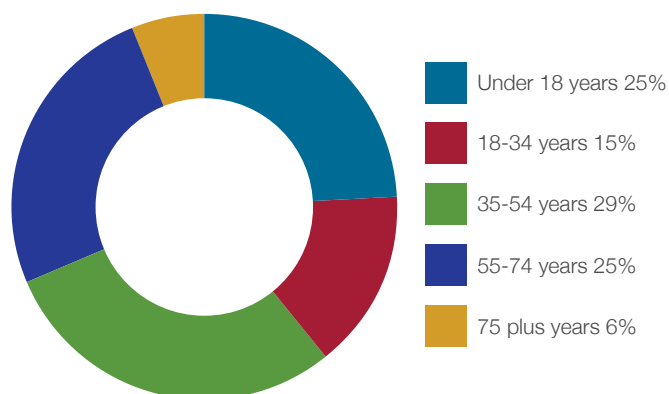
Population growth
in 2016 to 47,512



Top five languages spoken at home

(other than English, which is the highest)

Population age breakdown

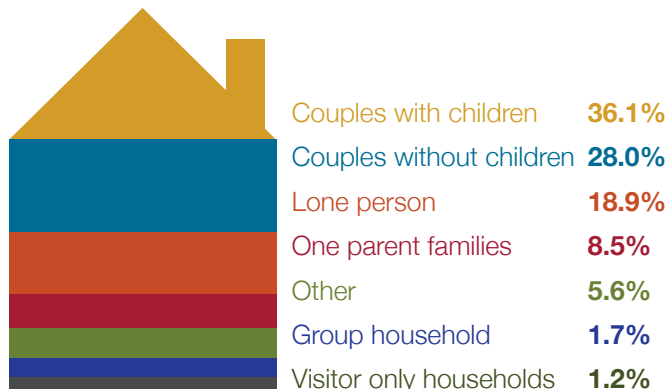


94 people from **31** countries became citizens at **5** ceremonies

Our Liveable Shire

Household type

Total number of households: 16,766



35.3%
of people live in a **rural setting**
(outside a town boundary)

64.7%
of people live in a **township**

There were **22,070** rateable properties as at 30 June 2017, an **increase of 1.2%** on the **previous** year, and **4.98%** over the last **five** years

Shire infrastructure

Council maintains:

841 km of sealed roads
797 km of unsealed roads
309 km of kerb and channel
188 km of footpaths
199 bridges and culverts
9,637 stormwater pits
258 km of underground stormwater pipes

Sport and recreation

Council maintains:

38 parks, gardens and nature reserves
24 sports grounds
61 playgrounds
73 tennis courts
5 skate parks
4 aquatic facilities
6 indoor stadiums



Our Services

Macedon Ranges Shire Council provides a range of services and infrastructure that support healthy and vibrant communities throughout the shire.

This section provides information about the services provided by Council and funded in its 2016/17 budget. Service costs reflect all funding sources, including state and federal government grants, fee income and ratepayer funds, where applicable.

In planning and delivering our services to the community, we are guided by:

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



Community Support

Those living with a disability*, older people, their families and carers

Cost: \$3 million

Council supports older residents or those living with a disability* to stay active, independent and living at home for as long as possible. This includes domestic assistance, meals, home maintenance, personal care, and shopping assistance.

Council also supports older residents to participate in their local community by advocating for their needs and interests, and coordinating healthy ageing programs and activities.

*After 2016/17 Council will no longer provide disability services due to the introduction of the National Disability Insurance Scheme.



Community & Culture

Residents, local artists, school students and visitors

Cost: \$2.3 million

Council coordinates an annual performing arts season, public art projects, heritage events and professional development opportunities. It also liaises with community groups to assist them to deliver community cultural activities.

Young people aged 10–24 years

Council provides mental health programs, leadership opportunities, youth spaces and events to support the development of young people and help them feel socially connected.

Local communities

Council works with local communities to develop projects they have identified as important to their health, social wellbeing and community connectedness. This includes shared community spaces, community education and capacity building programs.

Our Services



Council & Customer Service

The whole community

Cost: \$3.82 million

Council provides online, face-to-face and telephone customer service to the community across four service centres in the shire. A range of communications and consultation channels inform and allow the community to have their say.

Council also provides grants to community groups through its Small Community Grants and Community Funding schemes.



Early Years Services

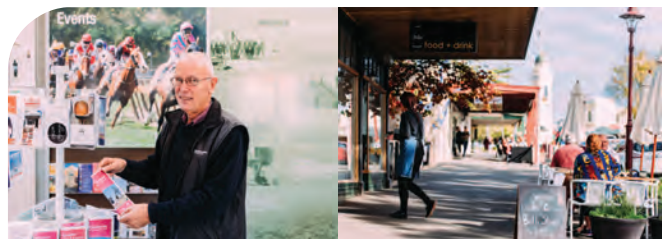
Children up to school age and their parents/carers

Cost: \$4.38 million

Through its Maternal and Child Health service, Council supports families in the areas of parenting, health and development for children from birth to school age.

Council provides high quality early childhood education programs across eight kindergartens and an occasional care service in Woodend*.

*Council commenced a review of the occasional care service in 2016/17.



Economic Development & Tourism

Residents, businesses and visitors

Cost: \$1.55 million

Council seeks to create employment opportunities by fostering a vibrant local economy and entrepreneurship.

Council develops and implements tourism strategies and policies that raise the profile of the Macedon Ranges as a tourist destination and provide an environment for a prosperous and vibrant industry that will continually strive for excellence.



Community Safety

The whole community

Cost: \$2.48 million

Council plans and prepares the community for the possibility of emergencies in the Macedon Ranges. This includes providing preparedness advice, assisting with emergency response and relief, and bringing people together to coordinate recovery efforts.

Council protects and enhances community safety and liveability through its Local Law No.10 in relation to animals, signage, waste, fire management and more, as well as through a number of state government acts and regulations.

Council contributes to the safety and health of residents through best practice policies and procedures around food safety, wastewater, immunisations, cigarette sales to minors, pest and vermin control and notifications of infectious diseases.

Our Services



Environment

👤👤 The whole community

Cost: \$1.1 million

Council manages a shire-wide weed control program, runs environmental education programs in the community and plans how we will respond to emerging environmental challenges such as climate change, water shortage, biodiversity and conservation.



Libraries

👤👤 The whole community

Cost: \$1.46 million

Goldfields Library Corporation manages four libraries (Gisborne, Kyneton, Romsey and Woodend) on Council's behalf. Libraries promote literacy and lifelong learning, and offer vibrant, community-centred spaces for people to gather.



Parks & Gardens

👤👤 The whole community

Cost: \$3.65 million

Council maintains the safety and appearance of the shire's outdoor recreation facilities, open spaces and natural assets.



Planning & Building

👤👤 Landowners, builders, developers and the broader community

Cost: \$4.46 million

Council processes statutory planning and building applications for land use, development, building works, subdivision, signage and vegetation removal. It investigates complaints and illegal planning activity, ensures compliance with permits and provides an enquiry service for permit applicants and prospective property purchasers.

Council provides strategic advice to the community on planning matters, and prepares plans and strategies that focus on land use and development, cultural heritage management, biodiversity and environmental sustainability.



Recreation, Aquatics & Leisure

👤👤 The whole community

Cost: \$6.21 million

Council offers sport, fitness and leisure programs and activities for all ages across its aquatic centres, outdoor pools, fitness centres and indoor sports stadiums.

Council plans, develops and manages outdoor recreation facilities across the shire, including sporting grounds, stadiums, tennis courts and skate parks.

Council manages the day-to-day operation of Hanging Rock Reserve—including general visitations and events—and plans for the long-term maintenance and protection of Hanging Rock as a natural asset and tourism icon.

Our Services



Roads, Drains, Buildings & Paths

Road and footpath users

Cost: \$10.47 million

Council maintains a 1,700km road network, car parks, buildings, paths, road bridges and major culverts, footbridges, kerbsides and drainage.

Council upgrades and develops new infrastructure projects across the shire, including community and recreational facilities.



Waste Management

Residents and businesses

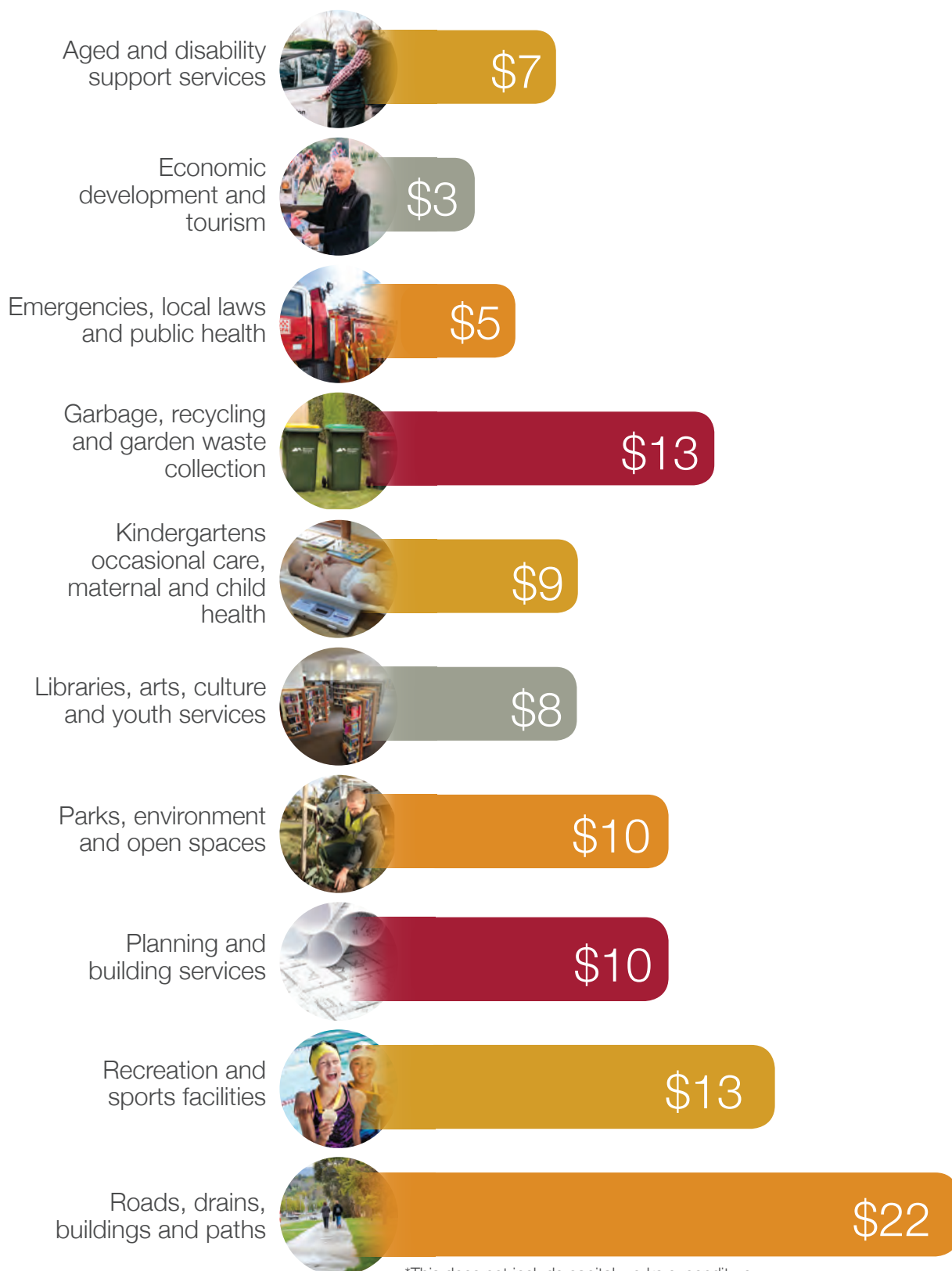
Cost: \$6.02 million

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 monitoring and rehabilitation, and street/park bins.



Financial Snapshot

In 2016/17, Council spent \$67 million in operational expenditure on delivering services to the community. The following summary provides a breakdown of how each \$100* is spent. More detailed information is included in the Financial Statements, beginning on page 84.



Financial Snapshot

Economic factors

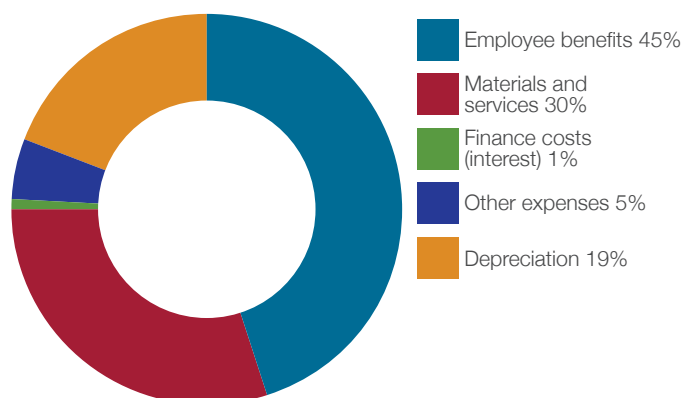
In 2016/17, interest rates and Consumer Price Index (CPI) increases remained at historically low levels. This resulted in lower increases in some expenditure categories due to lower inflation. However, most of Council's expenditure is on salaries and construction costs which are not directly tied to CPI.

The lower interest rates have reduced returns on our investments but on the positive side, new borrowings

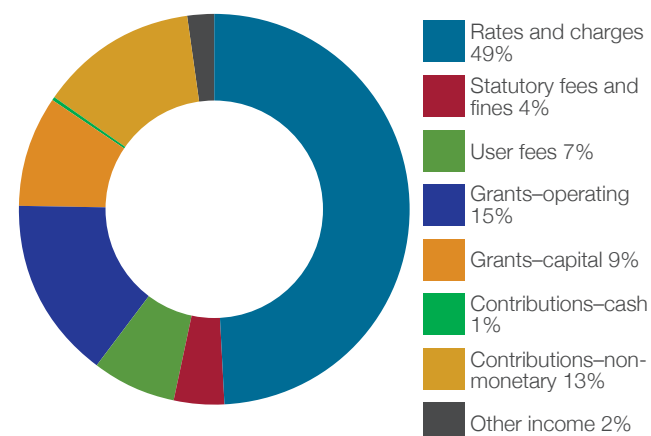
taken up later in the financial year were at a lower interest rate than any of our previous loans.

Late in the year the Commonwealth Government made a decision to pay half of the 2017/18 Grants Commission allocation in advance. This early payment of \$3.5m received in June 2017 resulted in Council having higher than normal cash and investment balances at the end of the financial year.

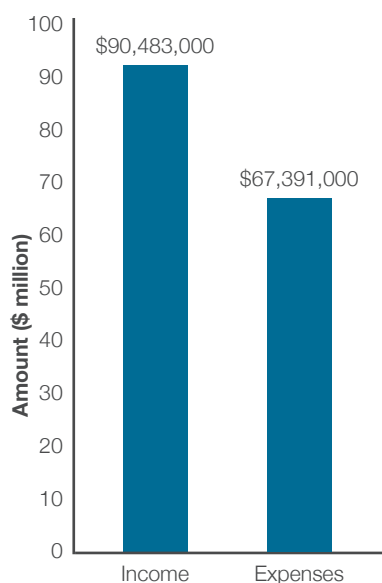
Council's operating expenses



Council's income sources



Income vs operating expenses



Year in Review

In 2016/17, 45 out of 52 actions in year four of the Council Plan 2013–2017 were either completed or on track for completion (over 90%). Council spent \$16.6 million on capital works.

Major capital works

Kyneton Community Park

\$766,000

This nature-based play space, including a ropes course, fence maze, tractor tyre tunnel and log play area, was opened to the public in June, bringing a long-awaited community-led project to fruition. Located within the botanic gardens, the park is a celebration of Kyneton's unique heritage and natural environment.



Streetlight globe replacement program

\$825,000

Council completed Stage 1 and commenced Stage 2 of its streetlight replacement program, which will replace approximately 1,700 streetlights with energy efficient LEDs. This is expected to result in a reduction of approximately 680 tonnes of CO₂ greenhouse emissions and \$128,000 in energy costs each year over the twenty year life of the lights.



Hanging Rock picnic shelters

\$1.3 million

Two new picnic shelters with toilets, barbecues, seating and car parking were constructed in the East Paddock, adjacent to Hanging Rock. The shelters are part of a long-term vision to provide facilities to encourage picnicking and events in the East Paddock and reduce pressure on areas near the Rock.



Major achievements

- A new 10-year Council Plan was developed, incorporating the Health & Wellbeing Plan. A broad consultation program sought input via online channels, community listening posts conducted by Councillors, and traditional methods.
- Council was one of only two local governments in Australia to be recognised with a gold award as a Mental Health First Aid Skilled Workplace by Mental Health First Aid Australia. The award was achieved by training more than 20 per cent of full-time employees in mental health first aid.
- Council facilitated the incorporation of ten community halls across the shire. This move away from section 86 committees to 'Macedon Ranges Community Halls Incorporated' has improved compliance with the *Local Government Act 1989* (VIC) and streamlined the way committee members manage their halls.
- Detailed designs were completed for the Romsey Community Open Space project at the former Romsey Primary School site in Main Street, Romsey. The park is a community-led project involving the Greater Romsey All Abilities Park Committee and Cobaw Community Health.

Year in Review

- A Climate Change Action Plan was completed, establishing a program to reduce Council's emissions by 25 per cent by 2020–21, and committing Council to investigating ways to become carbon neutral by 2030.
- Council's pilot Rural Challenge project worked with ten local sporting clubs and community organisations to promote gender equality.
- Ministerial approval was granted for several planning scheme amendments, including the long-awaited structure plans for Kyneton, Woodend, and Riddells Creek.
- At Hanging Rock, a new Strategic Advisory Committee was established, work on a master plan commenced, and significant progress was made on the implementation of an Environmental Management Plan. For more information, see pages 12–13.



Coranderrk ILBIJERRI Theatre Company

Attracting record audience numbers for drama at the Kyneton Town Hall, Coranderrk is an emotional story of resistance and strength. It recreates the Victorian Parliamentary Inquiry in 1881 where the men and women of the Coranderrk Aboriginal Reserve went head-to-head with the Aboriginal Protection Board.

Council hosted a pre-show Q&A and provided teacher resource kits for this 2017 VCE Theatre Studies playlisted work.

The pre-show talk was a fantastic way to introduce the performance and the kids benefitted enormously from the opportunity to discuss the play with someone prior to the show.

The students, some of whom had not seen a live theatre performance before, found the play inspirational and admired the skill of the storytellers on stage.

—Wayne Pickering, VCE Theatre Studies teacher,
Daylesford Secondary College

Council elections

Council held general elections in October 2016 to appoint nine Councillors for a four year term. Seven new and two returning Councillors were elected via a postal ballot conducted by the Victorian Electoral Commission.

Events

In addition to hosting many events throughout the year, Council supported over 90 community events in the form of grants, in-kind support, advice to organisers, and the hosting of two event workshops.

Below is a snapshot of events hosted or supported by Council in 2016/17.

- 5,471 patrons attended 19 shows at the Kyneton Town Hall as part of Council's annual performance season. Sell-out shows included Buddy's Back and Kitty Flanagan: Smashing.
- Over 5,700 young people across the shire participated in nearly 200 events and development opportunities including Live4Life activities, a Youth Leadership Camp, a Youth Summit (18–25 years), the 2016 Youth Awards, Battle of the Bands, Gaming in the Sticks, and a skate/BMX/scooter event at Gisborne Skate Park.
- Council's annual Business Seminars, Networking & Training Program held 13 workshops and seminars with 536 participants.
- Events held for older people included the Grey Light Dance in partnership with Kyneton Police and the Riddells Creek Dance.
- Council supported 'Extinct—The Lancefield Megafauna Festival' in November. The festival celebrated its second year with a guest appearance from renowned environmentalist and author, Tim Flannery.
- The International Day of People with Disability was celebrated in December with an all abilities dinner dance. This was a sold-out event with 120 guests attending at the Kyneton Bowling Club.
- 24 workshops and environment events were held about local threatened species, farm planning and sustainable land management, weed and pest animal control, home energy and water efficiency, worm farms and compost bins, sustainable garden design and more.

Year in Review 2016/17

–Hanging Rock

Highlights

- 112,519 visitors—a 10.35% increase on 2015/16 and double the amount of visitors to the reserve compared to ten years ago.
- 37,479 people attended eight events.
- Guided tours increased by 33.4% from 2015/16.
- Shelter bookings increased by 6.5% from 2015/16.
- Completion of the Hanging Rock Essential Infrastructure project funded by the Australian Government (\$2 million) and Council (\$1 million). The project included:
 - Construction of two new picnic shelters in the East Paddock.
 - Electrical and water supply to the East Paddock.
 - Services supply and lighting upgrades across the whole reserve.
 - Landscaping and revegetation works across the whole reserve.
- Continuation of the third year of a four year funding agreement (\$250,000 per year) with the Victorian Government to enhance and maintain the reserve with the following works undertaken:
 - Refurbishment of the lagoon toilet block including new accessible amenities.
 - Continued pest animal and weed control activities.
 - Risk mitigation tree works throughout reserve.
- Commenced consultation on and development of a reserve master plan jointly funded by the Victorian Government and Council.
- Establishment of the Hanging Rock Strategic Advisory Committee.
- Support provided to the Traditional Owners Hanging Rock Connections project.
- Implementation of the Environmental Management Plan including:
 - Pest animal control and weed management.
 - Establishment of flora monitoring plots.
 - Removal of barbed wire from internal fences.
 - Fauna monitoring including bat and bird surveys resulting in a significant find of the near-threatened Brown Tree-Creeper bird (south-eastern form).

- Nest box monitoring, with increased occupation rates from 20.83% in 2016 to 50% in 2017.
- Planting of approximately 2,250 indigenous plants of various species: 850 in the riparian zone, 1,200 in the East Paddock and 200 on the summit.
- Commencement of wildlife fencing and depot in the East Paddock.
- Successful return concert by Bruce Springsteen.
- Filming for television series remake of Picnic at Hanging Rock—due for release late 2017.
- Filming on-site of a promotional music video by internationally renowned musician Ed Sheeran.

Challenges

- Delays in completing the reserve master plan.
- Inclement weather experienced for Camp Out event.
- Reduced crowds due to rain on Car Club day.



Awarded
Certificate of
Excellence
for three
consecutive
years

Rated 4.5/5 stars and the number one
attraction in the Macedon Ranges.



A wallaby at Hanging Rock Reserve, captured by one of Council's fauna monitoring cameras.

Year in Review 2016/17

—Hanging Rock

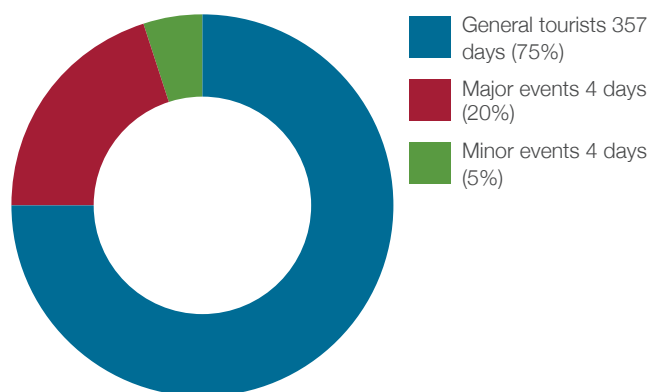
Events

- Craft Markets Australia events—19 November 2016 and 25 March 2017
- New Years Day and Australia Day horse racing meets
- Bruce Springsteen concert—11 February 2017
- Macedon Ranges & District Motor Club annual car show—12 Feb 2017
- Run the Rock—1 April 2017
- Camp Out at the Rock—8 April 2017

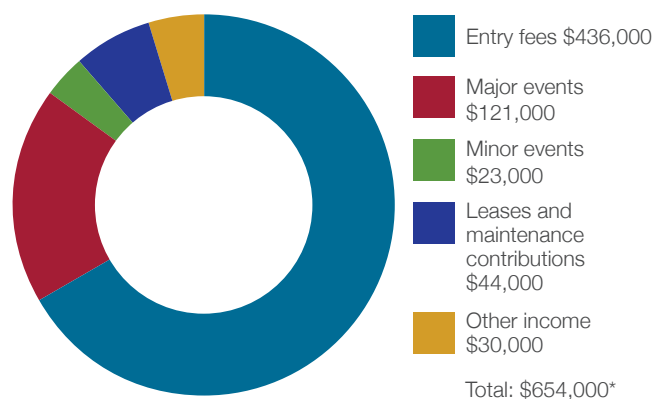
Future priorities

- Complete the refurbishment of the final two toilet blocks.
- Finalise Hanging Rock Reserve Master Plan.
- Continue implementation of Hanging Rock Environmental Management Plan.
- Continue to improve visitor facilities.

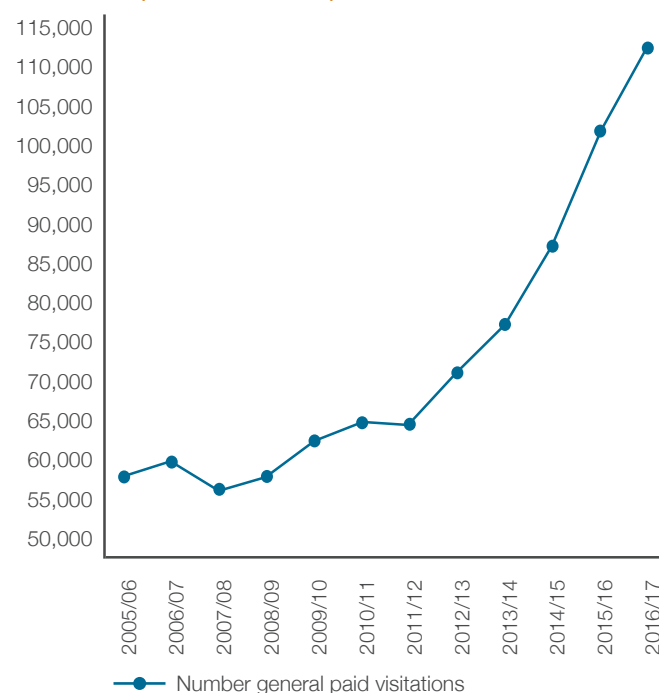
Visitations



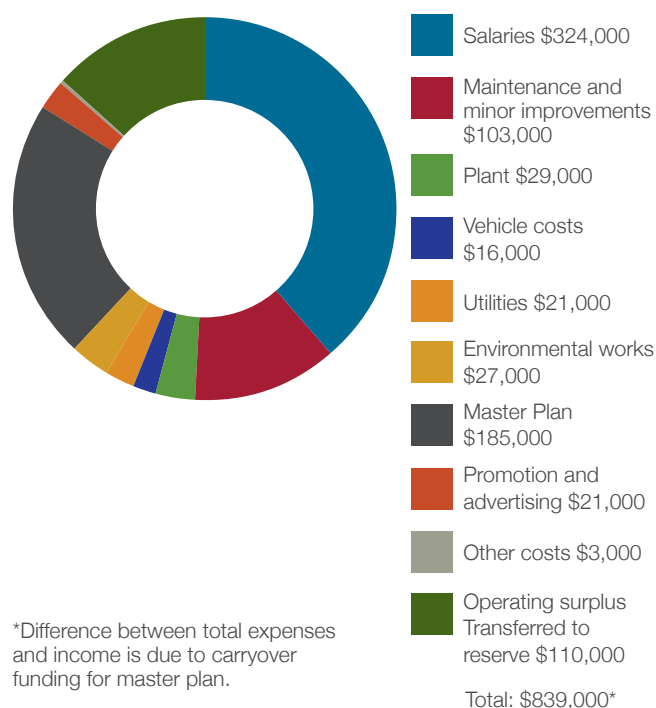
Income



Visitor (non-event) trends



Operating expenses



*Difference between total expenses and income is due to carryover funding for master plan.

Grants, Awards and Donations

Grants and Donations

Australia Day celebrations

In 2016/17, a total of \$4,400 was provided to nine community groups to host various events such as breakfast barbecues, parades, film screenings and fun runs.

Community grants

In 2016/17, 28 successful applicants shared \$117,103 in Community Funding Scheme grants to develop new projects, services and activities.

Small community grants of up to \$1,500 are available throughout the year for community projects. Twenty-three applications were funded in 2016/17, totalling \$21,725.

Note: as 2016 was a General Election year, this grant program was closed from 1 July to 22 October 2016.



Kyneton Community and Learning Centre received \$5,923 to establish a social enterprise that will help sustain the Kyneton Community Lunch.

Community newsletter grants

Eight community newsletters shared in \$4,800 from Council to support the ongoing work each publication does to provide valuable local information to communities.

Community Weed Partnership Program

Eight Landcare and Friends groups shared in \$8,321 for weed control activities on Council-managed land.

Environmental group grants

A total of \$21,575 was distributed among 27 Landcare and Friends groups to support their ongoing contributions to protecting and enhancing our natural environment.



Council and local Landcare groups marked 30 years of Victorian Landcare at a Forum in Newham.

Events and festivals grants

In its first year, Council's Events & Festivals Grant Program provided 30 event organisers with cash and/or in-kind support. A total of \$96,638 was awarded and in-kind support was provided to the value of \$9,760.

Neighbourhood house support

Council contributed a total of \$20,442 to six neighbourhood houses in the shire in recognition of the social activities and learning opportunities provided to local communities.

Places for People

The Places for People program supports community groups to plan for and develop community infrastructure projects. In 2016/17, a total of \$45,000 was awarded to nine community projects in Lancefield, Kyneton, Romsey, Tylden and Woodend.

Grants, Awards and Donations

Awards

Aquatics and Recreation Awards

Joan Foote-Jackson, who works at Kyneton Toyota Sports & Aquatic Centre, was awarded Infant, Preschool and Primary Teacher of the Year at the 2017 Aquatics and Recreation Industry Awards. This is the fourth year in a row a Council staff member has been recognised at the industry awards.



Gisborne Aquatic Centre was also a finalist in Lifesaving Victoria's Swim School of the Year Award.

VicHealth Awards

Council's Live4Life initiative was a finalist in the Improving Mental Wellbeing category in the 2016 VicHealth Awards.

Victorian Apprentice and Industry Awards

Council's Horticulture apprentice, Justin Cole, won Best 2nd Year Apprentice in the Parks & Gardens category in 2017.



Australia Day Awards

Five individuals and one community group were recognised for their community contributions at the 2017 Australia Day Awards ceremony.

- Judy Cope-Williams was awarded Citizen of the Year for her tireless work with the Cope-Williams Foundation and Resonance, a local string orchestra for young people.
- The Young Citizen of the Year award went to Ashley Eadon for her passionate work with humanitarian aid and social justice.
- Amy Bell, Juli Robinson and Cherry Servis received Community Achievement awards.
- Zonta International Women's Day Dinner 2016 was named Community Event of the Year.



Australia Day Award recipients at the Kyneton Town Hall

Business Awards

Eleven businesses were recognised for providing outstanding service to the shire as part of the 2016 Bendigo Bank Macedon Ranges Business Excellence Awards.

Thirty-five finalists were identified by a judging panel of independent business professionals. The winners were announced at an Awards Gala Dinner at the Kyneton Town Hall in September 2016.

Youth Awards

In August 2016, Council recognised 11 young people and six school/community groups for their contributions and achievements to the Macedon Ranges. For full details, see: mrsc.vic.gov.au/2016youthawards

Our People



Councillors

East Ward



Cr Henry Bleeck

Elected: October 2016

Attended 7 Ordinary Council Meetings and 5 Special Council Meetings.

Representation as at 30 June 2017:

- Annual meeting of Braemar College Ltd
- Municipal Fire Management Committee
- Place Naming Committee
- Section 223 Committee



Cr Natasha Gayfer

Elected: October 2016

Attended 7 Ordinary Council Meetings and 5 Special Council Meetings.

Representation as at 30 June 2017:

- Annual Meeting of Braemar College Ltd
- Central Victorian Greenhouse Alliance
- CEO Performance Appraisal Advisory Group
- Health & Wellbeing Advisory Committee
- Kyneton Woodlands project
- Local Government Waste Forum
- Peri Urban Councils Group
- Place Naming Committee
- Section 223 Committee
- Victorian Local Governance Association



Cr Bill West

Elected: October 2016

Attended 7 Ordinary Council Meetings and 5 Special Council Meetings.

Representation as at 30 June 2017:

- Airfield Advisory Committee
- Calder Highway Improvement Committee
- Daylesford Macedon Ranges Regional Tourism Board
- Goldfields Library Corporation Board
- Place Naming Committee
- Section 223 Committee

Retiring Councillors— East Ward:

Cr Ian Ellis

Elected: November 2014
Retired: October 2016

Cr Graham Hackett

Elected: October 2012
Retired: October 2016

Cr Henry McLaughlin

Elected: November 2008
Retired: October 2016

Councillors

South Ward



Cr Mandi Mees

Elected: October 2016

Attended 7 Ordinary Council Meetings and 5 Special Council Meetings.

Representation as at 30 June 2017:

- Airfield Advisory Committee
- Calder Highway Improvement Committee
- CEO Performance Appraisal Advisory Group
- Macedon Ranges Equine Industry Network
- Place Naming Committee
- Section 223 Committee



Cr Helen Radnedge

Elected: October 2016

Attended 7 Ordinary Council Meetings and 5 Special Council Meetings.

Representation as at 30 June 2017:

- Health & Wellbeing Advisory Committee
- Macedon Ranges Heritage Council
- Macedon Ranges Local Safety Committee
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Committee
- Place Naming Committee
- Section 223 Committee
- Tourism Macedon Ranges Inc.



Cr Andrew Traits

Elected: October 2016

Attended 6 Ordinary Council Meetings and 5 Special Council Meetings.

Representation as at 30 June 2017:

- Audit Committee
- CEO Recruitment Advisory Committee
- Macedon Ranges Agribusiness Forum
- Macedon Ranges Equine Industry Network
- Municipal Association of Victoria
- Place Naming Committee
- Rural Councils Victoria Inc.
- Section 223 Committee
- Tourism Macedon Ranges Inc.
- Victorian Local Governance Association

Retiring Councillors — South Ward:

Cr John Letchford

Elected: November 2008
Retired: October 2016

Cr Russell Mowatt

Elected: October 2012
Retired: October 2016

Cr Sally Piper

Elected: October 2012
Retired: October 2016

Councillors

West Ward



Cr Jennifer Anderson Mayor

Elected: October 2012 and
October 2016

Attended 10 Ordinary Council
Meetings and 5 Special Council
Meetings.

Representation as at 30 June 2017:

- Audit Committee
- CEO Performance Appraisal
Advisory Group
- CEO Recruitment Advisory
Committee
- Goldfields Library Corporation
Board
- Local Government Waste
Forum
- Macedon Ranges Heritage
Council
- Municipal Association of
Victoria
- Place Naming Committee
- Public Road Committee
- Rural Councils of Victoria Inc.
- Section 223 Committee



Cr Roger Jukes

Elected: November 2008,
October 2012 and October 2016

Attended 11 Ordinary Council
Meetings and 4 Special Council
Meetings.

Representation as at 30 June 2017:

- Airfield Advisory Committee
- CEO Performance Appraisal
Advisory Group
- CEO Recruitment Advisory
Committee
- Macedon Ranges
Agribusiness Forum
- Macedon Ranges Employment
& Training Network
- Macedon Ranges Equine
Industry Network
- Place Naming Committee
- Section 223 Committee
- Workspace Australia



Cr Janet Pearce

Elected: October 2016

Attended 7 Ordinary Council
Meetings and 5 Special Council
Meetings.

Representation as at 30 June 2017:

- Central Ranges Local Learning
and Employment Network
Board
- CEO Recruitment Advisory
Committee
- Health & Wellbeing Advisory
Committee (Chair)
- Macedon Ranges Local Safety
Committee
- Municipal Emergency
Management Planning
Committee (Chair)
- Place Naming Committee
- Section 223 Committee

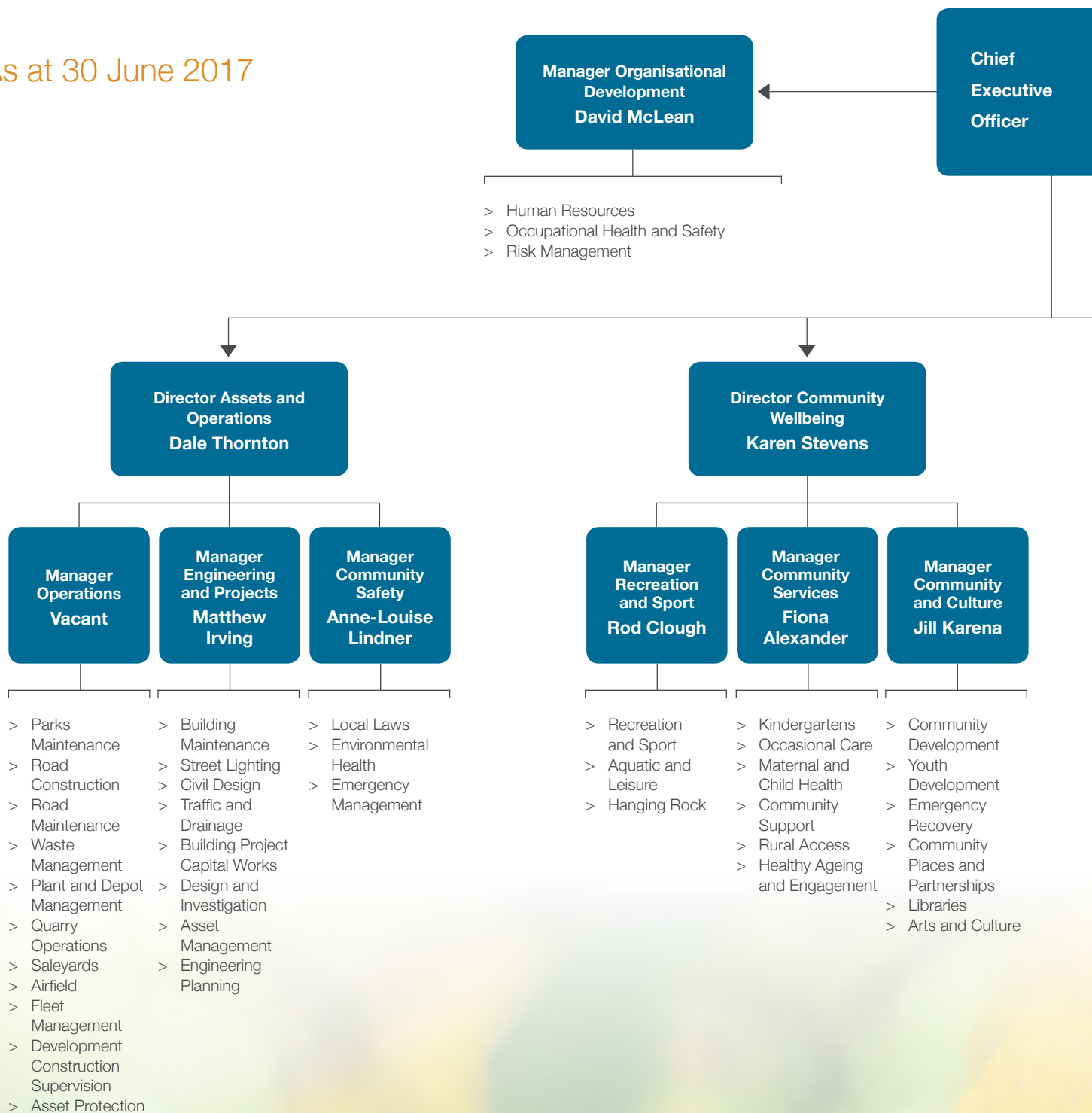
Retiring Councillor— West Ward:

Cr John Connor

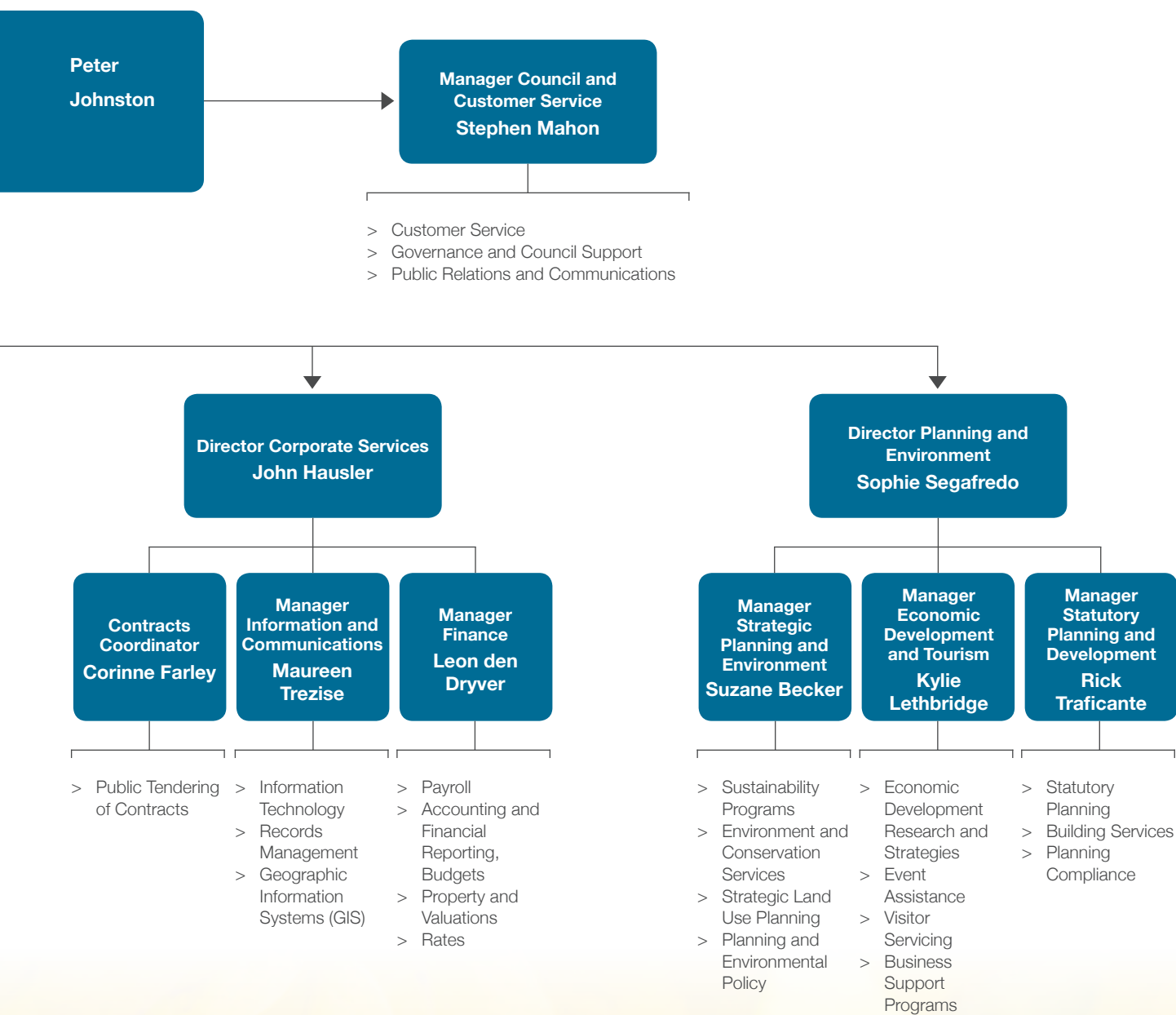
Elected: October 2012
Retired: October 2016

Organisation Structure

As at 30 June 2017



Organisation Structure



Executive

Chief Executive Officer

Peter Johnston

Qualifications: BBus(LocalGov), GradCert(LocalGovMtg), FIMM, JP

Peter joined Council in January 2008. Peter has worked in local government and for water authorities over the last 37 years. Previous positions include Shire Secretary/Chief Executive Officer with the former Shire of Romsey, Secretary of the Romsey/Lancefield Water Board, Corporate Services Manager with Western Water and Chief Executive Officer at Corangamite Shire Council.

Assets and Operations

Director: Dale Thornton

Qualifications: Cert(CivEng), GradDip(AdmMgt), MBusMgt

Dale joined Council in February 2008. Dale has worked in local government for 19 years and has 21 years' experience in the metropolitan water industry.

Areas of responsibility: Operations, Engineering, Infrastructure and Projects, Community Safety and Engineering Planning.

Community Wellbeing

Director: Karen Stevens

Qualifications: GradCert(AppBus), AdvDip(BusMgt)

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

Areas of responsibility: Recreation and Sport, Community Services and Community and Culture.

Corporate Services

Director*: John Hausler

Qualifications: BBus(Banking&Finance), MMgtInfoSys, CPA

John joined Council in January 2017. John has 19 years of experience in the finance and water industries including two years of experience within Victorian and South Australian rural councils.

Areas of responsibility: Contracts, Information and Communications, and Finance.

*Glenn Owens retired as Director Corporate Services in December 2016 after 26 years of service.

Planning and Environment

Director: Sophie Segafredo

Qualifications: BArts(Urban Studies), GradDip(LocalGovLaw), MBLtEnv, GradDip(Bus)

Sophie joined Council in August 2010. Sophie has over 30 years of experience in the planning and environment field across both public and private sectors, and has worked in a variety of metropolitan and regional localities.

Areas of responsibility: Strategic Planning and Environment, Economic Development and Tourism and Planning and Development.

Left to right: Dale Thornton, Sophie Segafredo, Peter Johnston, Karen Stevens, John Hausler



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 - Female	13.0	16.0	26.0	14.0	17.0	86.0
Perm FT - Male	3.0	77.0	15.0	16.0	13.0	124.0
Perm PT - Female	7.7	8.2	73.2	3.1	5.5	97.7
Perm PT - Male	0.6	1.8	3.5	0.0	0.8	6.8
Casual - Female	2.6	3.0	17.7	0.3	0.2	23.8
Casual - Male	0.0	3.1	7.0	0.0	0.3	10.5
Total	26.9	109.1	142.4	33.4	36.8	348.8

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

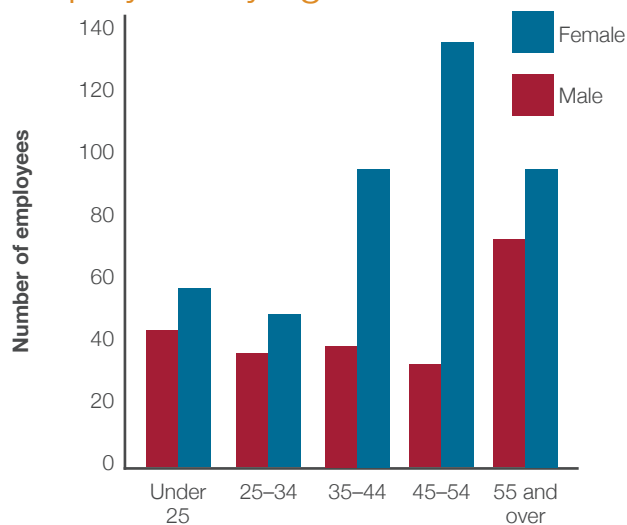
Employment Classification	Female (FTE)	Male (FTE)	Total FTE
Band 1	3.4	1.7	5.1
Band 2	0.4	4.2	4.6
Band 3	31.8	37.5	69.3
Band 4	39.7	22.1	61.8
Band 5	34.8	18.7	53.5
Band 6	27.9	24.9	52.8
Band 7	19.3	18	37.3
Band 8	1	1	2
Band Not Applicable	49.3	13.1	62.4
Total	207.6	141.3	348.8

FTE: full time equivalent

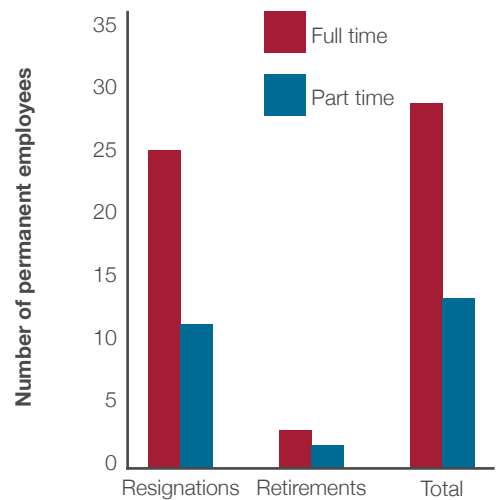


Our Workforce

Employees by age



Staff turnover



Where our staff live*



*Figures are based on head count (not FTE as per data on page 23)

Equal Employment Opportunity Program

Council provides an Equal Employment Opportunity (EEO) Program to promote equal opportunities for all employees.

Council's EEO Policy is provided to all staff at the commencement of employment. EEO training is provided as part of the 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 EEO legislation and their obligations as an employee and/or supervisor.

In-house training is provided for supervisors and managers that outlines their responsibilities.

Professional development

During the year, all staff undertook training in mandatory modules via our eLearning system, and induction training was provided to new employees on the correct use of Council's corporate systems and employees obligations. Training was also provided in response to the Child Safe Standards which came into effect this year.



Our Volunteers

Volunteers

The contributions of volunteers significantly improve the liveability of the Macedon Ranges and without their support, Council could not deliver many of its services and programs.

More than 400 residents volunteer their time across a range of Council services. Council also works closely with volunteers from local community groups across the shire, from Landcare and Friends groups, to service clubs, sports clubs and committees.

26 per cent of the Macedon Ranges population are volunteers (ABS Census 2016). This is significantly higher than the 19 per cent national average.

Supporting younger generations

- In excess of 180 parents/carers across the shire helped with the planning and development of our kindergarten programs and excursions.
- More than 60 volunteers helped to promote the positive mental health of young people and support activities such as music events, gigs and youth spaces.



Social Connect

This year, Council trialled a project that provided volunteers and older people who may be socially isolated with an opportunity to come together for a social outing—such as going out for a cuppa, visiting a friend, walking a pet, or going to the library.

Community support

- Support was provided by 104 volunteers to older people and those living with a disability through the delivery of meals, transport, the community register, Casserole Club and social activities.

Libraries

- Library volunteers help with a range of tasks, including clerical and collection management at Kyneton Library, preparing resources for the Woodend Library's children's outreach program, and the Home Based Library service in Gisborne. The Friends of Macedon Ranges Libraries also run activities and raise funds to support library services.

Roy, Jim and John volunteer at Council's Visitor Information Centres in Kyneton and Woodend.



Celebrating arts and culture

- More than 64 volunteers supported local arts and culture, volunteering at the Kyneton Museum, community halls, and Council's annual performing arts season at the Kyneton Town Hall.

Enhancing the visitor experience

- A team of 67 dedicated volunteers responded to visitor enquires at Council's visitor information centres, 363 days of the year.
- These volunteers participate in training, local learning tours, information sessions, OH&S inductions and a range of additional activities to enhance service levels, skills and product knowledge.
- Five visitor information centre volunteers were invited to the Victorian Senior of the Year awards ceremony at Government House in October 2016.

Healthy and active lifestyles

- Council has a number of volunteer committees of management and advisory and consultative committees that support the daily operations of Council reserves and facilities. This is in addition to more than 100 sporting clubs across the shire primarily operated by local community volunteers.

Emergency relief and recovery

- Twenty residents contributed expertise and local knowledge to Council's emergency planning, representing local communities on the Municipal Emergency Management Planning Committee and Municipal Fire Management Planning Committee.



Celebrating our volunteers

Each year, Council recognises its volunteers at an event held in their honour. In December, more than 80 volunteers attended a celebration in Woodend.

A Christmas lunch, social evenings and National Volunteer Week morning tea were also held for visitor information centre volunteers.

Governance



Overview

Macedon Ranges Shire Council is constituted under the Local Government Act 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 work in partnership with the community to protect and enhance life across the Macedon Ranges.

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

- Vision and culture: in pursuing our vision, 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 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 and via annual 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. Internal and external audits are performed regularly. Internal audits focus on operations, procedures, internal controls and risk management. External audits focus on financial records.

Meetings of Council

Council meetings are held in Gisborne on the fourth Wednesday of each month from 7pm.

Members of the public who are present at Ordinary Council Meetings are permitted to prepare, in writing, up to two questions on any Council matter.

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.

For the 2016/17 year, Council held 11 Ordinary and 5 Special Council meetings.

Current Councillors	Council Meeting	Special Council Meeting	Total
Cr Jennifer Anderson	10	5	15
Cr Henry Bleeck	7	5	12
Cr Natasha Gayfer	7	5	12
Cr Roger Jukes	11	4	15
Cr Mandi Mees	7	5	12
Cr Janet Pearce	7	5	12
Cr Helen Radnedge	7	5	12
Cr Andrew Twaits	6	5	11
Cr Bill West	7	5	12

Retiring Councillors	Council Meeting	Special Council Meeting	Total
Cr John Connor	4	-	4
Cr Ian Ellis	4	-	4
Cr Graham Hackett	4	-	4
Cr John Letchford	4	-	4
Cr Russell Mowatt	4	-	4
Cr Henry McLaughlin	1	-	1
Cr Sally Piper	4	-	4

Committees

Special and advisory committees

The Local Government Act 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 lists all special or advisory committees established by Council, their membership, and the purpose for which each committee was established.

Committee	Councillors	Community	Other	Purpose
Airfield Advisory Committee	3	6	-	Advises Council on the management and long-term objectives of the airfield.
Audit Committee	2	3	1	Advises Council on risk management, corporate governance, improving operational controls and ethics.
Bullengarook Recreation Reserve Section 86 Committee	-	8	-	Management of community facility.
CEO Recruitment Advisory Committee	4	-	-	Oversees the CEO appointment process.
CEO Performance Appraisal Advisory Group	4	-	-	Coordinates the performance review process of the CEO in accordance with the Local Government Act.
Clarkefield Recreation Reserve Section 86 Committee	-	2	-	Management of community facility.
Hanging Rock Strategic Advisory Committee	-	8	-	Advises on strategic matters and master plan development.
Health and Wellbeing Advisory Committee	4	10	-	Advises and promotes positive health and wellbeing initiatives.
Macedon Ranges Agribusiness Forum	2	12	-	Represents the shire's agricultural industry and works with Council to implement the Macedon Ranges Agribusiness Plan 2013–18.
Macedon Ranges Equine Industry Network	3	11	-	Assists with the implementation of the Equine Industry Strategy.
Municipal Emergency Management Planning Committee	2	11	27	Coordinates and plans emergency management processes in accordance with the Municipal Emergency Management Plan.
Municipal Fire Management Planning Committee	2	7	7	Oversees fire management in the shire, including the implementation of the Municipal Fire Management Plan.
Place Naming Committee	9	-	-	Considers place name applications within the shire.
Public Road Committee	1	-	-	Determines road requirements in accordance with the <i>Road Management Act 2004</i> (VIC).
Section 223 Special Committee	9	-	-	Considers submissions made under Section 223 of the Local Government Act.
Stanley Park Special Committee	-	8	-	Management of public bushland reserve.

Note: During 2016/17, nine community hall special committees were dissolved and incorporated as Macedon Ranges Community Halls Inc.

Councillor Allowances and Expenses

Allowances

In accordance with section 74 of the Local Government Act, 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 2 council.

For the period 1 July 2016 to 30 November 2016, the Councillor annual allowance for a category 2 council was fixed at \$24,127 per annum and the allowance for the Mayor was \$74,655 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to be effective from 1 December 2016. The annual allowances were adjusted for the period 1 December 2016 to 30 June 2017 at \$24,730 per annum for the Councillor allowance and \$76,521 per annum for the Mayoral allowance.

Please note that previous equivalent superannuation guarantee payments were calculated based on advice received from Victorian Government in 2013. Council has been informed by the Department of Environment, Land, Water and Planning that this previous advice has been repealed by the Commonwealth Government. Based on this most recent advice, the equivalent superannuation guarantee percentage has been reduced from 10.5 per cent to 9.5 per cent, with effect from 7 November 2016.

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 on 17 November.

Current Councillors	Allowance \$
Cr Jennifer Anderson*	61,032.31
Cr Henry Bleeck	17,557.63
Cr Natasha Gayfer	17,557.63
Cr Roger Jukes*	25,799.42
Cr Mandi Mees	17,557.63
Cr Janet Pearce	17,557.63
Cr Helen Radnedge	17,557.63
Cr Andrew Twaits	17,557.63
Cr Bill West	17,557.63

*These Councillors were re-elected in November 2016, so allowance figures cover two terms.

Retiring Councillors	Allowance \$
Cr John Connor	8,241.79
Cr Ian Ellis	8,241.79
Cr Graham Hackett	25,502.10
Cr John Letchford	8,241.79
Cr Russell Mowatt	8,241.79
Cr Henry McLaughlin	8,241.79
Cr Sally Piper	8,241.79

Expenses—Current Councillors

Councillor	Travel	Car mileage	Childcare	I&CT	Conferences/training
Cr Jennifer Anderson*		\$1,418.58		\$1,757.75	\$2,472.73
Cr Henry Bleeck		\$1,951.10		\$451.45	
Cr Natasha Gayfer				\$641.25	
Cr Roger Jukes				\$436.58	
Cr Mandi Mees		\$1,455.53	\$1,172.72	\$290.55	
Cr Janet Pearce	\$105.68	\$4,006.87		\$809.39	\$1,240.91
Cr Helen Radnedge	\$71.29	\$2,648.70		\$641.93	\$1,513.64
Cr Andrew Twaits		\$2,041.24		\$113.87	
Cr Bill West		\$4,561.74		\$721.49	

*Cr Anderson, as Mayor for the period November 2016 to June 2017, was paid \$18,720 as a vehicle provision payment.

Expenses/ Code of Conduct

Expenses—Retiring Councillors

Councillor	Travel	Car mileage	Childcare	I&CT	Conferences/ training
Cr John Connor	\$56.65	\$4,064.09		\$355.26	
Cr Ian Ellis		\$1,301.13		\$273.87	
Cr Graham Hackett*			\$23.35	\$404.36	
Cr John Letchford				\$693.73	
Cr Russell Mowatt		\$220.73		\$749.02	
Cr Henry McLaughlin	\$45.83	\$4,000.18		\$1,816.41	\$36.91
Cr Sally Piper				\$371.30	

*Cr Hackett, as Mayor for the period July to October 2016, was paid \$8,067.13 as a vehicle provision payment.

Definitions

Travel: travel costs paid by Council or reimbursed to a Councillor incurred in the performance of the Councillor's role. Typically these are fares for public transport and parking. They exclude car mileage (which is recorded separately) and transport associated with conference and training attendance.

Car mileage: reimbursement of costs for personal vehicle usage for Council purposes based on per kilometre rates.

Childcare: costs associated with the care of children while a Councillor is performing their role.

I&CT: costs paid by Council or reimbursed to a Councillor associated with information technology including mobile telephones, internet connections and the provision of hardware and software.

Conferences/training: costs associated with attendance at conferences and training. Includes costs such as registration fees, accommodation, meals, travel and incidental costs.

Code of Conduct

The Local Government Act requires Council to prepare and adopt a Councillor Code of Conduct within four months after each general election.

A review of the Code of Conduct commenced after the General Election. Issues discussed during the review were: complaints from the public about Councillors, Gifts and Hospitality, Victorian Child Safe Standards and improving the clarity of the Code of Conduct.

A revised Councillor Code of Conduct was adopted on 22 February 2017 and addresses a range of issues associated with the role of Councillors with regard to conduct, misuse of position, conflicts of interest, dispute resolution and acceptable gifts. The Code promotes the central idea that elected representation 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, and be accountable and responsive. Conflicts of interest occur when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest can exist in any number of instances. 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 delegated 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, and discussing and voting on a Council decision.

During 2016/17, nineteen 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.

Management

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, Council must undertake an assessment against a prescribed governance and management checklist, which has been included on page 34. The following items have been highlighted as important components of the management framework.



Risk management

In 2016/17 Council implemented an online health and safety induction system for Council volunteers and contractors. This ensures that all members of the community engaged with Council have an understanding of their rights and obligations under Council's Occupational Health and Safety (OHS) requirements.

Council also undertook a public tender process for the brokerage of its insurance portfolio to ensure that best value is achieved in the current soft insurance market, achieving substantial savings.

Council continues to have a high rate of hazard reporting. This can be attributed to staff being encouraged to report all incidents, which helps to improve safety in the workplace.

Risk and safety performance indicators per 100 full time employees

Rate of incidents and hazards reported	53.9
Rate of standard claims	2.3
Rate of minor* claims	0.6
Rate of time lost claims	1.7
Rate of medical expenses claims	1.4

*Minor claims are both time lost and medical expenses only claims under the employer liability threshold payable, which was \$682.00 for medical costs and/or the first 10 days of time lost in 2016/17.

Reporting and Compliance

Provisional improvement notices actioned on time	N/A
Number of reportable incidents**	Nil
Percentage of OHS reps who undertook training	38%
JMAPP Property Risk Management Audit	N/A

**Serious workplace incidents that require reporting to WorkSafe.

Management/ Statutory Information

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 on good corporate governance, fostering an ethical environment, managing risk and improving operational controls.

As at 30 June 2017, the Committee consisted of three independent members: Mr Brian Collins (Chair), Ms Corrine Siddles and Mr Peter Matthews; and two Councillors: Cr Jennifer Anderson (Mayor) and Cr Andrew Twaits. The 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 meetings. The Victorian Auditor General's agent presents to the May and August Audit Committee meetings to outline the audit strategy and discuss the audit report. Meeting minutes are circulated to the Councillors, Executive, Managers and Auditors. During 2016/17, the Committee submitted four brief reports to Council plus an including the Committee's self-assessment of its 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 2016/17, Council's internal auditing processes covered the following service areas: statutory planning, information technology disaster recover planning, local laws infringements and enforcement, and protected disclosures.

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.

Financial and performance audit

In August 2016 the annual audit of Council's Financial Statements and Performance Statement for 2015/16 was completed by the Victorian Auditor-General's agent. The agent attends the June and August Audit Committee meetings to present the audit strategy and audit report. The agent also provides an interim and a final audit management letter, which identifies any issues of concern that arose during the audit. The management letter plus officer's response are provided to the Audit Committee. No high priority issues were raised.

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 Regulation 12 of the *Local Government (General) Regulations 2015* (VIC) the following is a list of the prescribed documents that are available for inspection, copies of which can be obtained for the purposes of section 222 of the Act at 129 Mollison Street, Kyneton:

- details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or any other member of Council staff in the previous 12 months
- the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months
- a register of delegations kept under sections 87(1) and 98(4) of the Act
- details of all leases involving land that were entered into by the Council as lessor
- a register maintained under section 224(1A) of the Act of authorised officers
- a list of donations and grants made by Council in the previous 12 months.

Statutory Information

Freedom of Information

The *Freedom of Information Act 1982* (VIC) (FOI Act) 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).

During 2016/17, Council received 20 requests for access to information.

Further information can be found at www.foi.vic.gov.au and on Council's website.

Protected Disclosure Procedures

In accordance with section 69 of the *Protected Disclosures Act 2012* (VIC) a Council must include in their Annual Report information about:

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

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

During 2016/17, one protected disclosure was notified to Council officers appointed to receive disclosures, and was referred to the Independent Broad-based Anti-corruption Commission.

Contracts

All contracts above public tendering thresholds that were entered into during the year were publicly advertised through a competitive process.

Infrastructure contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987* (VIC), a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in-kind. The report must be published in Council's Annual Report. For the 2016/17 year the following information about infrastructure and development contributions is disclosed:

Gisborne Development Contributions Plan

Balance of funds July 2016	\$624,852
Contributions by developers	\$112,911
Drainage Reserve Fersfield Road Gisborne	(\$225,000)
Fersfield Road Gisborne footpath	(\$50,000)
Balance of funds June 2017	\$462,763

Romsey Development Contribution Plan

Balance of funds July 2016	\$52,078
Contributions by developers	\$3,129
Balance of funds June 2017	\$55,207
Romsey projects completed by developer in lieu of contributions: Knox Road Romsey upgrade and seal	\$256,507



Governance & Management Checklist

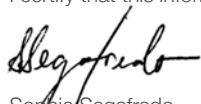
The Local Government Act requires Council to undertake an assessment against a prescribed governance and management checklist, as outlined below.

1 Community Engagement Policy —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	✓
2 Community Engagement Guidelines —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	✓
3 Strategic Resource Plan 2017/18 —plan under section 126 of the Local Government 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: 28 June 2017	✓
4 Annual Budget 2017/18 —plan under section 130 of the Local Government Act setting out the services to be provided and initiatives undertaken over the next 12 months and the funding and other resources required to implement the plan	Adopted in accordance with section 130 of the Act Date of adoption: 28 June 2017	✓
5 Asset Management Plans —plans that set out the asset maintenance and renewal needs to key infrastructure asset classes for at least the next 10 years	Plans Date of operation of current plans: Asset Management Plan Part A, General information 27 June 2012, Part B Roads 28 September 2011, Part C Buildings 27 June 2012, Part D Drainage 25 September 2013, Part E Open Space 25 September 2013, Asset Management Strategy 26 November 2014	✓
6 Rating Strategy —strategy setting out the rating structure of Council to levy rates and charges	Strategy Date of adoption of current strategy: 28 June 2017	✓
7 Risk Policy —policy outlining Council's commitment and approach to minimising the risks to Council's operations	Policy Date of operation of current policy: 13 September 2016	✓
8 Fraud Policy —policy outlining Council's commitment and approach to minimising the risk of fraud	Policy Date of operation of current policy: 8 November 2016	✓
9 Municipal Emergency Management Plan —plan under section 20 of the <i>Emergency Management Act 1986</i> (VIC) for emergency prevention, response and recovery	Plan in accordance with section 20 of the Act Date of preparation: 26 August 2015	✓
10 Procurement Policy —policy under section 186A of the Local Government Act outlining the matters practices and procedures that will apply to all purchases of goods, services and works	Prepared and approved in accordance with section 186A of the Act Date of approval: 24 May 2017	✓
11 Business Continuity Plan —plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster	A three-year plan was developed during the reporting period, but was pending approval as at 30 June 2017.	✗
12 Disaster Recovery Plan —plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster	Date of adoption: 6 July 2015	✓
13 Risk Management Strategy —strategy outlining Council's approach to managing risks to Council's operations	Strategy Date of operation: 1 November 2006 A revised Risk Management Framework (Strategy) has been developed pending future approval.	✗

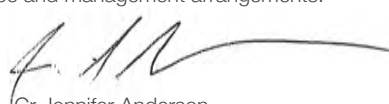
Governance & Management Checklist

14 Audit Committee —advisory committee to Council under section 139 of the Local Government 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: 25 November 2003 Date of establishment of current committee: 22 March 2017.	✓
15 Internal Audit —independent accounting professionals engaged by Council to analyse and provide recommendations aimed at improving Council's governance, risk and management controls	Engaged Date of engagement of current provider: 12 May 2017	✓
16 Performance Reporting Framework —a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act	Framework Date of operation of current framework: 24 August 2016	✓
17 Council Plan reporting —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	Reports Date of reports presented: 23 November 2016, 22 February 2017, 26 April 2017, 23 August 2017	✓
18 Financial reporting —quarterly statements to Council under section 138 of the Local Government Act comparing budgeted revenue and expenditure with actual revenue and expenditure	Statements Date statements presented: 23 November 2016, 22 February 2017, 26 April 2017, 23 August 2017	✓
19 Risk reporting —six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Reports Date of reports: 30 December 2016, 30 June 2017	✓
20 Performance reporting —annual report measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Local Government Act	Financial and non-financial performance statements presented quarterly, with annual statements presented on: 24 August 2016	✓
21 Annual Report —annual report under sections 131, 132 and 133 of the Local Government Act to the community containing a report of operations and audited financial and performance statements	Annual Report presented in accordance with section 134 of the Act: 19 October 2016	✓
22 Councillor Code of Conduct —Code under section 76C of the Local Government 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 reviewed: 22 February 2017	✓
23 Delegations —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: 23 July 2015 Council is required to review its delegations within 12 months of the General Election. This review will be completed by 22 October 2017	✓
24 Meeting procedures —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 Local Law made on 3 August 2007 and will expire on 3 August 2017	✓

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



Sophie Segafredo
Acting Chief Executive Officer
Dated: 28/9/17



Cr Jennifer Anderson
Mayor
Dated: 28/9/17

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Fast Facts in 2016/17:

18/22

**Council Plan
actions
completed**

8

**Planning Scheme
Amendments**
approved by the
Minister for Planning

603

**planning permits
processed**

1,076

**building permits
processed**

444

fauna observations
reported through fauna
surveys

358

km of roadsides treated
as part of Council's weed
program

19,958

**head of cattle
and sheep**
sold at the Kyneton
Saleyards

4,250

tonnes
of waste recycled

3,275

tonnes
of green waste
composted

268

**wastewater/
septic tanks**
inspected

6,073

road repairs
completed (potholes,
shoulders, edges)

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

Achievements

- Established the Hanging Rock Strategic Advisory Committee and commenced development of the Hanging Rock Reserve Master Plan. (For a full report on Hanging Rock, see pages 12–13.)
- Ministerial Approval was granted for planning scheme amendments C99, C98 and C100, introducing the long-awaited structure plans for Kyneton, Woodend, and Riddells Creek. This will provide crucial direction on how these towns will be planned into the future. Over 5,300 landowners and submitters were notified of the approval.
- The Minister also approved planning scheme amendments C110, C103, C105 and C109, which were to implement the Rural Living Strategy; rezone the old Kyneton swimming pool site for housing development; facilitate horse and equine services around the Kyneton racecourse; and address minor errors and anomalies to the Macedon Ranges Planning Scheme.
- Began implementation of the recommendations of the Macedon Ranges Protection Advisory Committee and coordination of an agreed work plan and revised Localised Planning Statement.
- A panel hearing was held and supportive panel report generated regarding Amendment C114, which introduces a Design and Development Overlay to the Macedon Village Centre.
- Council was commended by Planning Panels Victoria for its commitment to strategic planning as part of the panel on Macedon Urban Design Guidelines.
- Concept plans were prepared to support residential zone overlay provisions for undeveloped land in Lancefield, ensuring a coordinated approach for future development in the area.
- Commenced the Gisborne Neighbourhood Character Study to identify valued neighbourhood precinct characteristics and guide future residential development.
- Extensive community consultation was undertaken for the Draft Kyneton South Framework Plan, which provides direction for the potential development of the site in the medium to long-term.
- Commenced preparation of heritage sites statements for Gisborne/New Gisborne and Kyneton, with an aim to protect heritage assets and ensure future development is sensitive to these sites.
- Received a \$74,000 grant from the Victorian Planning Authority to support a master plan and land rezoning for the expansion of the Gisborne Business Park. The project will bring new commercial and industrial land to market, and drive business retention and development in the area.
- Successfully applied for a \$13,000 grant to communicate the upcoming Victorian Government update of the Bushfire Management Overlay.
- A total of 623 planning permit applications were received to the value of \$108,680,110, representing a six per cent increase on the previous year.
- 603 planning applications were decided, with 72 per cent processed within 60 days, compared with 60 per cent in the previous year, and 45 per cent in 2014/15. 591 applications were dealt with under delegation.
- Managed 26 appeals in the Victorian Civil and Administrative Tribunal (VCAT), 20 less than the previous year.
- Planning information checklists were updated for VicSmart applications following the Victorian Government's expansion of application types. Of VicSmart applications, 39 were decided, all within the required 10 working day timeframe.
- 1,076 building permit applications were received, down from 1,135 in the previous year. Report and consent applications have also decreased by 16% from 152 to 128.
- Council issued more permits for new dwellings in the 2016–17 year than in the previous four years.
- Continued to provide input to the Victorian Government regarding removal of bushfire prone area designations for new subdivisions, promoting a reduction in building costs for the community.
- Participated in planning for the Regional Floodplain Management Strategy led by catchment management authorities.
- Completed the Gisborne Movement Network Study which considered current and future traffic movements within the township.
- Approved 64 subdivisions and developments, of which seven are considered major developments, comprising more than 20 lots each. The largest developments were situated in Gisborne and Romsey.

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Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Community satisfaction with town planning policy and approvals.	Town planning policy: 47 Planning and building permits: 43	Similar results to previous year. Council's performance is lower than the state-wide and large rural shire averages. Source: Community Satisfaction Survey 2017
Percentage of people who feel the shire has a pleasant environment, nice streets, open spaces and is well planned.	87%	Small increase from 2011/12 (83.3%). Sources: <ul style="list-style-type: none"> Department of Health and Human Services 2017, <i>Personal communication</i> Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>
Community satisfaction with the appearance of public areas.	72	Council's rating increased by one point, up from 71 in 2016. Slightly higher than the state-wide and large rural shire averages. Source: Community Satisfaction Survey 2017

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Review the residential neighbourhood character planning controls for Gisborne township.	In progress. Review has been completed and will be placed on public exhibition in November 2017. Project completion February 2018.
Produce the Kyneton South Development Contribution Plan (DCP).	Council redirected resources to the preparation of the Kyneton South Framework Plan instead of the DCP. This provides a foundation for the preparation of an infrastructure plan, then a DCP to follow.
Prepare and exhibit a planning scheme amendment to implement the Macedon/Mount Macedon Urban Design Guidelines.	Completed.
Complete Stage 2 of the Kyneton Community Park.	Completed.
Deliver Stage 1 of the Romsey Open Space project in partnership with Greater Romsey All Abilities Park Inc.	In progress. Multi-partner project with extensive community consultation and external funding sources. Community consultation is complete, now proceeding with on ground works.
Advocate to the state government including VicRoads and VicTrack for an off-road walking/cycling path between Riddells Creek and Gisborne.	Completed. Attempts to seek funding were unsuccessful; referred to 2017/18 Council budget.

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Develop a revised Public Art Policy.	Draft policy completed and released for public consultation until 21 July 2017.
Strengthen Council's acknowledgement of Traditional Owners.	Completed, with cultural awareness training developed for Councillors and support provided to the Macedon Ranges Reconciliation Group.
Present a report to Council to finalise the Planning Scheme Amendment for implementation of the Rural Living Strategy.	Completed.

Service Performance

The following statement provides the results of the Local Government Performance Reporting Framework prescribed service performance indicators and measures, including an explanation of material variations.

Strategic indicators	2014/15	2015/16	2016/17	Comments
Statutory Planning Timeliness <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	84 days	73 days	There has been a decrease in the time taken to decide planning applications due to the Planning Unit's ongoing commitment to improve monitoring and processing of applications. Note: the 2015/16 result has been amended due to a review of the calculations.
Service standard <i>Planning applications decided within required timeframes</i> The percentage of regular planning application decisions made within 60 days and VicSmart application decisions made within 10 days	45%	56.41%	71.99%	Improvements in our monitoring and processing of applications has increased the number of applications decided within the required timeframe. Includes VicSmart applications from 1 July 2016, which should be assessed within 10 days.
Decision-making <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%	50%	50%	
Service cost <i>Cost of statutory planning service</i> The direct cost of the statutory planning service divided by the number of planning applications received	\$2,711.22	\$2,590.45	\$2,779.39	The cost of planning applications has been calculated using the number of new applications only, which represents approximately 70% of all applications received, with the gross expenditure being for all applications without taking into account income generated from fees or additional applications received. Note: the 2014/15 and 2015/16 results have been amended due to a review of the calculations.

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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.

Achievements

- 307 nest boxes checked and 12 spotlight nights conducted in collaboration with local Landcare and Friends groups to monitor for threatened species.
- Nine new observations of threatened species were recorded on Council managed land including a pair of Powerful Owls and the Tussock Skink at Bald Hill Reserve.
- 444 observations of fauna species reported to the Victorian Government's Victorian Biodiversity Atlas as a result of Council fauna surveys.
- Weed control was conducted across 169 sites in the shire, covering 358 kilometres of Council managed roads. Over 110,000m² of noxious woody weeds were treated, equating to 4.5 Melbourne Cricket Grounds.
- Council commenced replacing residential streetlights to energy efficient LEDs. In 12 months to June 2017, 76 LEDs saved over \$3,000 in energy and maintenance charges and reduced emissions by at least 28 tonnes of CO₂.
- The Climate Change Action Plan was completed, establishing a program to reduce Council's emissions by 25 per cent by 2020–21, and committing Council to investigating ways to become carbon neutral by 2030.
- Council became a founding partner for TAKE2, the Victorian Government's pledge program for climate change action.
- The Black Hill Reserve Environmental Management Plan was completed.
- Council implemented actions in the Hanging Rock Environmental Management Plan, including pest animal and weed management, fauna monitoring and revegetation works. For more detail, see pages 12–13.
- The Cobaws Fauna Monitoring Program was successfully delivered in collaboration with the Department of Environment, Land, Water and Planning (DELWP) and the community, resulting in several previously unreported species being identified in the Cobaw State Forest.
- Maintenance projects from the bushland reserve environmental management plans were carried out including the installation of signs at Stanley Park, Hobbs Road and Waterloo Flat Reserve.
- Submissions were prepared in response to the Australian Government's Review of Climate Change Policies Discussion Paper, as well as the Victorian Government's Climate Change Adaptation Plan, Native Vegetation Regulations Review, Biodiversity Plan, Water Plan and Flora and Fauna Guarantee Act Review.
- Council received \$9,500 from the Victorian Climate Change Grants 2015 program to investigate a revolving energy fund for community-use buildings.
- \$45,000 in matched funding was received from the Melbourne Water Corridors of Green funding program to support various environmental management activities across the shire including weed control and revegetation works.
- 24 workshops and environment events were held about local threatened species, farm planning and sustainable land management, weed and pest animal control, home energy and water efficiency, worm farms and compost bins, sustainable garden design and more.
- As part of its advocacy to reduce reliance on fossil fuels Council attended the Future Energy Planning Forum, continued its membership with the Central Victoria Greenhouse Alliance (CVGA), and endorsed the Solar Panels for Low Income Households initiative.
- In partnership with Hepburn Shire Council, Council received funding through the Collaborative Council—Sustainability Fund Partnership program to develop a business case for the development of energy capture programs that convert organic waste into power for community buildings in the region.
- Council received a \$11,000 grant from Keep Australia Beautiful to fund new recycling bins and improve recycling at shire sporting grounds.
- Thanks to community recycling efforts, 4,250 tonnes of recyclables were diverted away from landfill and 3,275 tonnes of green organics were composted—a significant increase from last year.
- Council undertook 268 inspections and approved 132 wastewater (septic tank) applications.
- Development of a master plan for the Gisborne Botanical Gardens commenced, including consultation with the community.
- Council received a grant from the CVGA to carry out more than 4,000 street tree audits in Romsey and Kyneton.
- Council treated more than 3,000 elm trees for elm leaf beetle.
- Upgrades were made to Council's central control irrigation system for more effective water management at 12 of Council's sporting fields. Staff are now able to remotely control irrigation schedules at these sites.
- Picnic settings and seating received a boost, with \$50,000 spent on new facilities across the shire.

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Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Effectiveness of environmental management.	<p>No single data source available, however:</p> <ul style="list-style-type: none"> since 2014/15, Council has reduced CO₂ emissions by 305 tonnes through a range of upgrades to Council buildings and streetlights over 110,000m² of noxious weeds were treated in 2016/17. 	For other achievements in Council's environmental management, see page 40.
Effectiveness of roadside weed program.	44 (rating for roadside slashing and weed control)	<p>Council's rating has decreased by 7 points, down from 51 in 2016. Council's performance is lower than the state-wide and large rural shire averages.</p> <p>Source: Community Satisfaction Survey 2017</p>

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Commence revision of Roadside Management Plan to balance fire risk, safety and conservation.	Completed.
Commence implementation of the Hanging Rock Environmental Management Plan.	Completed, including pest and weed control, fauna monitoring and revegetation works.
Complete the landfill cap at the Kyneton Landfill.	In progress. Scheduled for completion in October 2017. Delayed due to wet weather and requirements for further technical testing.
Continue progressive implementation of Council's bushland reserve environmental management plans.	In progress, with fauna monitoring and weed/pest animal control activities underway and place identification signs installed at some reserves.
Replace high energy consuming street light lamps with low energy, high efficiency LED lamps as specified in the capital works program.	In progress. Works due for completion in July 2017.
Prepare a Climate Change Action Plan for Council activities.	Completed.
Advocate to state and federal governments, Municipal Association of Victoria, Victorian Local Governance Association and Australian Local Governance Association for increased financial support to business and councils to reduce reliance on fossil fuels and increase uptake of renewable energy initiatives.	In progress—advocacy work ongoing. For more information, see page 40.
Continue delivering environmental education events.	Completed. 24 workshops and events were held.

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Service Performance

The following statement provides the results of the Local Government Performance Reporting Framework prescribed service performance indicators and measures, including an explanation of material variations.

Strategic indicators	2014/15	2015/16	2016/17	Comments
Waste collection Satisfaction <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	109.56	155.55	Council's kerbside bins are ageing, resulting in more customer requests related to damaged bins. Council has commenced a program to replace ageing bins.
Service standard <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	4.13	6.25	Council recognises that this is an emerging issue and is addressing the issue in partnership with the contractor.
Service cost <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	\$106.94	\$112.62	\$119.16	
Service cost <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	\$30.19	\$30.45	\$33.01	
Waste diversion <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%	42.28%	45.05%	

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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.

Achievements

- The Kyneton Community Park was opened to the public in June. Located within the Kyneton Botanic Gardens, the \$945,000 park showcases best practice nature-based play facilities.
- Planning and design continued for the Romsey Community Health and Wellbeing Space project at the former Romsey Primary School site, a community-led project involving the Greater Romsey All Abilities Park Committee and Cobaw Community Health.
- Council was successful in securing a Living Libraries Infrastructure Program grant of \$364,000 from the Victorian Government to upgrade Gisborne Library.
- Council completed renovations to the Kyneton Town Hall foyer, including a new box office and bar area, electrical and plumbing services upgrade, and improved signage and storage.
- Council's capital works program for roads, drainage and footpaths was completed and delivered on time and within budget.
- Council inspected 58 bridges and 74 major culverts, and repaired over 6,000 road defects (potholes, edges and shoulders), compared to 4,525 last year.
- Council resheeted 55 kilometres of unsealed roads and completed road construction projects including: Lyell Street road and carpark upgrades in Gisborne; road widening works in Tylden and Baynton; road renewal works in Smith and Victoria streets, Macedon; new on-street car parking in Collier Street, Woodend; and new car parking facilities in Gisborne to accommodate the Manna Gum Family and Children's Centre.
- Two major Black Spot works were completed, including the laying of skid-resistant pavement on Ashbourne Road and installation of a new guard rail over existing drainage, as well as new guard rail works on Cobb & Co Road.
- New footpaths were constructed in Gisborne, Kyneton, Woodend, Romsey and Riddells Creek; and a new boardwalk was constructed in Nursery Road, Macedon.
- Bluestone kerb and channel rehabilitation works and road shoulder stabilisation were undertaken in Sturt Street, Kyneton and the Gisborne Retail Precinct Rejuvenation Works were completed.
- A new playground was installed at Tylden Recreation Reserve, and in partnership with the community and the Riddells Creek Park Upgrade Committee, an all abilities carousel was installed at the Lions Park in Riddells Creek.
- Play facility upgrades and planting improvements were made to outdoor areas at the Swinburne Avenue Children's Centre in Gisborne and at Romsey Kindergarten. Solar panels were installed at Romsey and Macedon Kindergartens.
- At the Kyneton Saleyards, 7,032 cattle and 3,379 sheep were sold throughout the year, plus 9,547 sheep at the Special January Sale.
- An AVDATA key system replaced the coin-operated system at the Kyneton Standpipe, eliminating maintenance and vandalism issues.
- Concrete upgrades were made at the Kyneton Truckwash area and asphalt works were undertaken around the sheep yards.
- Council's Gisborne offices were upgraded including window replacements to improve heating efficiencies and roof safety access works to improve occupational health and safety for visiting contractors.
- Public toilet renewal works were undertaken at Riddells Creek, Romsey, Kyneton, Gisborne and Hanging Rock with painting, new floors and lighting works completed.
- Accessibility upgrades were completed at Tylden Hall and the Riddells Creek Senior Citizens' Club building, and a community meeting room upgrade was undertaken at Gisborne Community Centre.
- Drainage projects at Gilbert Gordon Oval in Woodend, Tony Clarke Reserve and Romsey Park were completed.
- Construction of the Lancefield Skate Park commenced, a project jointly funded by the Victorian Government, Council, and the Lancefield community.
- Council obtained funding for netball lighting at Tony Clarke Oval, Stage 2 of the Riddells Creek Tennis Club development, the Gisborne and Riddells Creek Cricket Nets project, and for upgrades to the unisex change rooms and umpires rooms at Kyneton Showgrounds.
- Dixon Field Pavilion, Kyneton Showgrounds Lights, Woodend Youth Facility Upgrade and Riddells Creek Netball Changerooms projects were all completed and celebrated with official openings.
- Community consultations were conducted for development of the Woodend Pony Club Indoor Riding Arena, Bicycle Parking Infrastructure, and a shire-wide Leisure Strategy.
- Council introduced pool covers at indoor aquatic facilities, resulting in a significant reduction in gas heating costs.

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- Stage 3 of the outdoor pool audit works were completed, and leak prevention works were undertaken in Lancefield.
- Floor renewal works were undertaken at the Riddells Creek Recreation Centre, preserving the integrity of the stadium structure and court floor.
- In partnership with local indoor sporting associations, Council secured \$100,000 from the Australian Government to develop a business plan for a new regional sports hub in the Macedon Ranges.
- The Hanging Rock Essential Infrastructure project was completed and two new picnic shelters were constructed in the East Paddock. For more information, see pages 12–13.
- Work commenced on the Road Management Review and preparation of an Environmental Management Plan for the Gisborne Marshlands, Racecourse Reserve and Magnet Hill.

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Community satisfaction with local streets and footpaths.	52	Council's rating has decreased by 2 points, down from 54 in 2016. Council's performance is lower than the state-wide and large rural shire averages. Source: Community Satisfaction Survey 2017
Percentage of people who feel their area has easy access to recreational and leisure facilities.	79.2%	Increased from 71.5% in 2011/12. <ul style="list-style-type: none"> • Sources: Department of Health and Human Services 2017, <i>Personal communication</i> • Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Improve energy efficiency by installing pool covers at Gisborne and Kyneton Aquatic Centres.	Completed.
Working in partnership with Cobaw Community Health, coordinate the planning and commence construction of the new community health facility in Romsey.	Detailed design of the facility has been completed. Awaiting planning permit to move to construction phase.
Review state government owned buildings managed by Council.	Completed, with actions arising out of the review to be undertaken in 2017/18.
Commence a major upgrade of facilities at Gilbert Gordon Oval in Woodend.	Deferred to 2017/18 Council budget due to unsuccessful grant application.
Develop the Gisborne Botanical Garden Master Plan	Draft completed.
Undertake a significant construction program for roads, bridges, footpaths and drains.	Completed. For more information, see page 43.

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Purchase new plant equipment to assist with road, park and oval maintenance (one backhoe, one truck, one roller, six mowers, four utility vehicles).	Completed.
Advocate for funding from other levels of government towards sporting infrastructure throughout the shire. This includes new sports ovals in New Gisborne and is guided by the Leisure Strategy.	Completed, with applications submitted to the Victorian Government for infrastructure projects.
Develop a revised 10 year footpath program.	Completed and presented to Council as part of 2017/18 budget process.
Advocate for funding from other levels of government towards the Stage 2 upgrade of the Saunders Road and Station Road intersection in New Gisborne.	Completed. Council advocated to the Minister for Roads, local members and VicRoads seeking support for the upgrade.

Service Performance

The following statement provides the results of the Local Government Performance Reporting Framework prescribed service performance indicators and measures, including an explanation of material variations.

Strategic indicators	2014/15	2015/16	2016/17	Comments
Roads				
Satisfaction of use <i>Sealed local roads requests</i> Number of sealed local road requests divided by the total kilometres of sealed local roads (x100)	38.06	30.28	60.33	Increase in customer requests relates to potholes in sealed roads and can be attributed in part to the weather conditions but mainly to Council's proactive approach to reporting potholes through 2017.
Condition <i>Sealed local roads maintained to condition standards</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%	94.25%	96.44%	
Service cost <i>Sealed local road reconstruction</i> Direct cost of sealed local road reconstruction divided by the square metres of sealed local roads reconstructed	\$52.87	\$42.02	\$41.22	
<i>Sealed local road resealing</i> Direct cost of sealed local road resealing divided by the square metres of sealed local roads resealed	\$6.33	\$4.65	\$7.92	Cost of local road resealing has increased from last year due to the inclusion of asphalt resealing which is a higher dollar cost per square metre.
Satisfaction <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	51	48	

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Challenges

- Council is running behind schedule in the preparation of its In the Farming Zone Strategy and the Gisborne Business Park Master Plan due to time taken to appoint specialist consultants.
- Council continues to face challenges in streamlining planning processes across multiple water catchment authorities, particularly now that minor permit applications within water catchment areas are processed through VicSmart.
- Increased resource requirements associated with a larger number of fast tracked applications through VicSmart and changes to application types.
- Council faced delays in finalising the Hanging Rock Master Plan for consultation.
- Severe storm events occurred in September and December 2016, which resulted in a large amount of damage across the shire and suspension of key infrastructure maintenance activities.
- The Gisborne Library refurbishment works were delayed to the next financial year pending a (successful) grant application to further develop the internal library space.
- The Detention Basin project in Quarry Road Woodend, which is linked with the Kyneton Landfill capping, was delayed due to problems sourcing adequate capping material.
- Council was unsuccessful in its funding applications for the Gilbert Gordon Oval Pavilion Redevelopment project in Woodend and the Kyneton Tennis Club Lighting and Court Resurfacing project.
- Delays were encountered with the following recreation infrastructure projects:
 - Campaspe River Trail project (Kyneton)—with Council required to undertake the development of a Cultural Heritage Management Plan prior to construction
 - Gilbert Gordon Oval Lighting (Woodend)—the project was delayed until the Woodend Heskett Football Netball Club could source further financial contributions
 - Leisure Strategy—community consultation of the draft strategy was delayed until completion of the Council Plan
 - IR Robertson Reserve (Gisborne)—the project was delayed until the scope of the project could be finalised and community funding committed.
- Managing the long-term maintenance and cleaning issues associated with ducks at the Woodend Outdoor Pool.
- Growing demand for public use of open space and sporting fields increases pressure on the renewal and maintenance requirements.
- Increased resource requirements associated with the development of new subdivisions, including monitoring works and ensuring they meet approved plans, specification and Council standards, as well as community expectations.
- Heating and cooling system upgrades for the Kyneton Town Hall were delayed due to the complexity of completing the project in a heritage building.

Future Priorities

- Finalise the Gisborne Neighbourhood Character Study; the Kyneton and Gisborne Heritage Study; the Kyneton South Investigation Area Framework Plan; the In the Farming Zone Strategy; the Macedon Ranges Localised Planning Statement; and Settlement Boundary legislation.
- Prepare a draft Gisborne Structure Plan with financial support received from the Victorian Planning Authority.
- Undertake a review of the Macedon Ranges Planning Scheme and prepare a Draft Landscape Significance Study.
- Finalise the Gisborne Business Park Master Plan and commence the Planning Scheme Amendment process.
- Review procedures and reporting processes in response to major building-related legislative changes, including the release of a Regulatory Impact Statement for the Draft Building Regulations 2017.
- Commence the Gisborne Library Refurbishment project.
- Investigate potentially combustible cladding to buildings within the shire, following international reviews conducted after the 2017 London apartment fire.
- Complete shade structure works across Council's kindergartens, upgrade facilities at Riddells Creek and Romsey kindergartens and Maternal and Child Health (MCH) centres, and undertake carpark and minor works at Macedon Kindergarten.
- Complete Council's Roadside Management Plan and the Gisborne Racecourse Marshlands and Magnet Hill Environmental Management Plan.
- Implement actions in the Climate Change Action Plan, including installation of solar panels across Council facilities.
- Develop Council's Biodiversity Strategy, prepare action plans for Council's smaller conservation reserves and develop a Flora of the Macedon Ranges booklet.

An Inspiring Place

- Complete construction of the Cobaw Community Health Centre and Stage 1 of park development at the former Romsey Primary School site.
- Adopt and promote the Gisborne Botanical Gardens Master Plan.
- Develop Street Tree and Nature Strip policies to provide guidance to the community on landscaping activities adjacent to private property.
- Implement a three-year Tree Panel Services contract to maintain the health and safety of Council's iconic street and park trees.
- Construct new footpaths to the value of \$710,000 throughout the shire and reconstruct the footbridge in the Malmsbury Botanical Gardens.
- Complete road renewal works on Portingales Lane, Romsey; car parking improvement works in Forest Street, Woodend; road renewal works on Tylden-Springhill Road, Springhill; road reconstruction works in Hamilton Street, New Gisborne and streetscape works in the Romsey business precinct.
- Complete the upgrade of approximately 1,700 streetlights to energy-efficient LEDs.
- Upgrade transfer stations with the introduction of new EFTPOS and receipting systems, improved signage, installation of surveillance cameras, tip resale shop and improved data management.
- Complete various recreation capital works including:
 - Lancefield Skate Park
 - Campaspe River Trail upgrade (Kyneton)
 - new pavilion at IR Robertson Reserve (Gisborne)
 - pavilion upgrade at JD Clifford Reserve (Macedon)
 - Gilbert Gordon Oval lighting and building upgrades (Woodend)
 - Woodend Pony Club Indoor Arena
 - Tony Clarke Reserve (Macedon) lighting upgrade.
- Complete feasibility studies for the Macedon Ranges Sports Hub and New Gisborne Sports Ovals.
- Continue development of bicycle parking infrastructure, and complete the Riddells Creek/Gisborne/Macedon Shared Trail study.
- Complete the 2017–2027 Leisure Strategy.
- Investigate the development of a Hepburn to Macedon Ranges trail, and Woodend to Hanging Rock trail.
- Complete heating and cooling system upgrades at the Kyneton Town Hall.



An Empowered Community

Fast Facts in 2016/17:

12/15

Council Plan
actions
completed

1,047,000

visitors
visitors to the
Macedon Ranges

112,519

visitors
to Hanging Rock

310,000

visits
to aquatic and
leisure facilities

5,471

tickets sold
to Council's annual
performance season

10,913

community meals
provided

1,000 km of roadsides
slashed for fire
prevention

700

Fire Prevention
Notices
issued

10,598

dogs and
3,038

cats
registered

742

food, health and
accommodation
premises inspected

An Empowered Community

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.

Achievements

- Young parents aged 25 and under were supported through the Young Parent Connection project via an online Facebook community and shared activities such as yoga, walks, swimming lessons and library visits. The project was nominated in the 2017 Victorian Early Years Awards.
- Fifty-one vulnerable families accessed Council's Enhanced MCH service, which continues to play an important role in identifying and supporting families at risk of poor outcomes.
- Manna Gum Family and Children's Centre in Gisborne implemented 'Treasure Time': a support group for families with premature babies in collaboration with Life's Little Treasures.
- Breastfeeding support was enhanced in the shire, with an Australian Breastfeeding Association support group for mothers established at the Manna Gum Family and Children's Centre.
- Council held five childhood immunisation programs each month at venues in Gisborne, Kyneton, Woodend, Riddells Creek and Romsey, and three sessions at each secondary school throughout the shire.
- In its seventh year, Council's unique rural youth mental health initiative, Live4Life, was a finalist in the Improving Mental Wellbeing category in the 2016 VicHealth Awards.
- Over 5,700 young people across the shire participated in nearly 200 events and development opportunities including Live4Life activities, a Youth Leadership Camp, a Youth Summit (18–25 years), the 2016 Youth Awards, Battle of the Bands, Gaming in the Sticks, and a skate/BMX/scooter event at Gisborne Skate Park.
- Council continued the implementation of its Youth Charter by undertaking internal education to promote involvement of young people in Council service planning and delivery.
- For the third year, celebrations were held in recognition of International Day Against Homophobia and Transphobia, including a flag raising ceremony and community lunch in Kyneton, and a BBQ in Gisborne.
- For the second year, Council's youth team established a tent at the Kyneton Show with activities for children and young people including a Parkour arena and 'Idol' event.
- Council established the 'House of Awesome' LGBTIQ+ youth space in partnership with Cobaw Community Health.
- A total of 23 test purchases were undertaken as part of the 'Sales to Minors' test purchase program conducted throughout the shire. Three tobacco retailers were found to have sold cigarettes to a minor, resulting in official warnings, and one trader was issued with a \$621.85 fine for repeatedly selling cigarettes to a minor.
- 5,471 patrons attended 19 shows at the Kyneton Town Hall as part of Council's annual performance season.
- The Kyneton Museum received 1,752 visitors.
- The Kyneton Town Hall achieved a 300% rise in professional hire leading to increased employment for casual Front of House and Technical Theatre workers (totalling 1,413 hours) and opportunities for local cultural tourism operators.
- A draft Public Art Policy was developed to support artists and the community.
- A consultation process began for the future management of the Bluestone Theatre.
- Council supported 'Extinct—The Lancefield Megafauna Festival' in November. The festival celebrated its second year with a guest appearance from renowned environmentalist and author, Tim Flannery.
- A collections audit was conducted across the Council's social history, visual and public art, civic and memorials collections. The entire collection was valued at \$2,537,125. Storage for the Kyneton Museum's social history collection also received an upgrade.
- Council received \$20,000 from Creative Victoria to develop a community dance event at Hanging Rock, commemorating the 50th anniversary of Joan Lindsay's iconic literary work Picnic at Hanging Rock.
- Ten community halls across the shire were incorporated as Macedon Ranges Community Halls Inc.—the result of 18 months' work. This move away from section 86 committees has improved compliance with the Local Government Act and streamlined the way committee members manage their halls.

An Empowered Community

- Record visitations (310,000) were achieved across Councils aquatic and leisure facilities.
- Over 5,600 children enrolled in Learn to Swim at Gisborne Aquatic Centre (93% of program capacity) and 3,700 at Kyneton Toyota Sports & Aquatic Centre. Total Learn to Swim enrolments increased by nearly 2.6% to 9,300.
- A Healthy Eating Action Plan was implemented across Council's aquatic and leisure centres, resulting in a 24% increase in healthy options available in facility kiosks and vending machines.
- Council introduced the first ladies' daytime basketball program at The Stadium in Gisborne. After the success of this program, additional programs will be considered for other Council facilities.
- Council provided coaching and referee training opportunities to sporting association volunteers across the shire's indoor leisure centres.
- Council continued its support for various community groups, clubs and organisations including capacity training workshops, strategic planning, grant application development, master planning and marketing plan development.
- Nine not-for-profit groups and committees across the shire shared in \$45,000 (plus in-kind support) through Council's Places for People Program.
- Council supported the six Neighbourhood Houses to complete mental health first aid training, expanding their capacity to offer appropriate frontline services to vulnerable community members.
- Council continued its support for the Macedon Ranges Friends of East Timor, helping them to complete their annual action plan and implement new initiatives. This included organising medical equipment and stationery supply donations, and training support for primary and kindergarten teachers in East Timor.
- As part of the Lancefield/Cobaw Ranges fire recovery effort, Council presented the play 'Carpe Diem' at the Lancefield Mechanics Institute, highlighting men's mental health issues and starring John Wood.
- Council revised its Memorial Policy, providing clear guidelines for community members who wish to gain approval for new memorials.
- Five local Men's Shed leadership groups continued to receive support through Council's facilitation of quarterly cluster meetings. Workshops included training for 'testing and tagging' of Shed appliances, also building Shed capacity to extend these services to the broader community.
- Council planned for and responded to changes in service delivery for older people and people with a disability in response to sector-wide reforms including My Aged Care, the Commonwealth Home Support

Program, the Regional Assessment Service and the Home and Community Care Program for Younger People. Early reports indicate these reforms have been welcomed, with the changes placing the person at the centre of the service system.

- Council delivered 10,913 community meals and coordinated 634 meal shares through Casserole Club, which saw a 76% increase in diners and a 27% increase in the number of diner/cook pair ups.
- 10,882 home visits, 7,237 personal care visits and 123 social support transport trips were conducted, along with 429 new assessments for home support services.
- Council participated in state-wide and regional planning forums to better understand the National Disability Insurance Scheme (NDIS). Consistent with the approach of other Victorian councils, Council is not in a position to provide services under the NDIS.
- Council participated in World Elder Abuse Awareness Day events in June and provided training for relevant volunteers to further raise awareness and set benchmarks for respectful behaviour.
- The International Day of People with Disability was celebrated in December with an all abilities dinner dance. This was a sold-out event with 120 guest attending at the Kyneton Bowling Club.
- Council ran three training sessions across the organisation to raise disability awareness, and two dementia awareness information sessions. Disability training contributed to Year Three actions in Council's Community Access and Inclusion Plan.
- Council developed an Age-friendly Communities project, Over 55s Connect, to support social participation and the health and wellbeing of residents aged over 55. Community workshops and focus groups guided the project's development, with feedback from around 150 people aged 55 years and over.
- The current model of support offered to senior citizens groups was reviewed, with Council supporting a three-year plan to broaden support to other groups catering for the diverse needs and interests of older residents.

An Empowered Community

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Percentage of people who can get help from friends, family or neighbours when they need it.	81.9% from family 75.2% from friends 56.2% from neighbours	Similar proportions to 2011/12 for family; slightly less for friends and neighbours: 80.3% from family 82.5% from friends 58.7% from neighbours Sources: <ul style="list-style-type: none"> Department of Health and Human Services 2017, <i>Inequalities in the social determinants of health and what it means for the health of Victorians: findings from the 2014 Victorian Population Health Survey</i> Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>
Percentage of people participating in organised sport.	23.6%	Slight decrease, down from 25.9% in 2011/12. Sources: <ul style="list-style-type: none"> Department of Health and Human Services 2017, <i>Inequalities in the social determinants of health and what it means for the health of Victorians: findings from the 2014 Victorian Population Health Survey</i> Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>
Percentage of people who eat the recommended daily fruit and vegetable intake.	7%	Unable to compare with 2011/12 results as the 2014 result is based on 2013 guidelines. Source: <ul style="list-style-type: none"> Department of Health and Human Services 2017, <i>Inequalities in the social determinants of health and what it means for the health of Victorians: findings from the 2014 Victorian Population Health Survey</i> Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>
Percentage of people who meet the physical activity guidelines.	40%	Down from 64.3% in 2011/12. Source: <ul style="list-style-type: none"> Department of Health and Human Services 2017, <i>Inequalities in the social determinants of health and what it means for the health of Victorians: findings from the 2014 Victorian Population Health Survey</i> Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>

An Empowered Community

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Complete the MCH Innovation (Young Parent Connection) Project.	Completed.
Implement the KidsMatter mental health and wellbeing initiative in Council's kindergartens.	Completed. Implemented working party and staff survey, worked with a facilitator and commenced rollout of modules.
Promote positive mental health in young people by piloting a Gay/Straight Alliance Youth Space in Kyneton in partnership with Cobaw Community Health.	Completed. Council will continue to run a Gay/Straight Alliance Youth Space.
Continue to provide support to public hall committees of management as they continue their journey to become a single incorporated association.	Completed. Nine community halls now incorporated as Macedon Ranges Community Halls Inc.
Implement the Cultural Places Program, which aims to expand art as part of everyday life by taking small productions on tour using our local community halls.	In progress—completed Stage 1 which involved supporting halls to host productions. A regional touring program will be developed in Stage 2 in 2017/18.
Implement the Leisure Strategy.	Deferred—to be completed following adoption of the new Council Plan 2017–2027.
Fund community-led shire-wide active and health focused activities for Australia Day celebrations.	Completed. See page 14 for more information.
Strengthen guidelines for existing community funding schemes to prioritise promotion of community health and wellbeing.	Completed.
Continue to undertake a significant construction program for community, sport and recreation purposes.	Completed. Projects included Kyneton Community Park, Dixon Field Pavilion, lights for Kyneton Showgrounds, Woodend Youth Facility upgrade and Riddells Creek netball change rooms.
Construct oval lighting with the Woodend-Heskett Football Netball Club.	In progress. Project was tendered and construction will happen in 2017/18.
Refurbish and extend the former Romsey Primary School building with Cobaw Community Health.	Detailed design of the facility has been completed. Awaiting planning permit to move to construction phase.
Renew IR Robertson Pavilion with South Gisborne Pony Club.	In progress. Project delayed until the scope of the project could be finalised and community funding committed.

An Empowered Community

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.

Achievements

- Visitation to the Macedon Ranges continued to perform strongly with 1,047,000 people visiting in 2016/17.
- 112,519 people visited Hanging Rock for sightseeing and picnicking—a 10.35% increase on 2015/16 and double the amount of visitors to the reserve compared to ten years ago.
- Council's two accredited visitor information centres in Woodend and Kyneton responded to 21,568 visitor enquiries, a decrease of 4.7% on 2015/16.
- While visits to Council's tourism website, visitmacedonranges.com decreased by 11% to 370,225, the Macedon Ranges Naturally Cool Facebook page doubled its audience in 2016/17, with over 3,500 likes and 1.3 million post impressions.
- Council secured \$15,237 via the VicRoads Building Our Regions program towards the implementation of measures to manage increased visitation in Macedon and Mount Macedon.
- Strategies to increase visitation included a photo competition on the Macedon Ranges Naturally Cool Facebook page which resulted in nearly 1,800 referrals to visitmacedonranges.com
- 331 events and 68 additional tourism businesses were registered on visitmacedonranges.com, with the website now featuring more than 220 businesses.
- Council promoted the Daylesford and Macedon Ranges region in partnership with Hepburn, Hume and Moorabool councils at the Melbourne Tourism Industry Exchange; a tourism industry expo specifically targeting frontline tourism staff.
- Council provided a visitor information booth at the Lost Trades Fair to encourage regional dispersal, responding to over 1,000 enquiries.
- A Visitor Servicing Discussion Paper was developed to underpin a future Visitor Servicing Review, and a draft Visitor Economy Future Directions Paper 2017–2027 was prepared to set the long-term vision and strategic direction for tourism in the Macedon Ranges.
- A Macedon Ranges Visitor Impact Study was prepared in partnership with Tourism Macedon Ranges Inc. to assess the economic impact of visitors to the region. For 2016, the study valued this impact at \$456,707,805, supporting 2,355 jobs—an increase of 56% since 2009.
- Council provided support to over 90 community events by providing advice to event organisers, developing an Events and Festivals Planning Guide, and hosting event planning and management workshops.
- The first year of Council's Events and Festivals Grants program was successfully delivered, with 30 applicants sharing in \$96,638 of funds and \$9,760 of in-kind support.
- Council's annual Business Seminars, Networking & Training program held 13 workshops and seminars with 536 participants. Council also supported Macedon Ranges Business Connect to host the two-day Macedon Ranges Business Conference at the Kyneton Town Hall, featuring workshops run by Small Business Victoria.
- The Small Business Bus came to Kyneton to coincide with the Macedon Ranges Business Conference and provide assistance to business owners and operators. Mentoring sessions were fully booked, and there were 34 walk-ins over the two days.
- Council worked collaboratively with businesses in the Gisborne Business Park to undertake a name-change (formerly known as the New Gisborne Industrial Estate) to better reflect the type of businesses located there, and to install new directional signage.
- Council worked with the Romsey Region Business and Tourism Association and community representatives to develop a funding submission to the Victorian Government to enhance the township's shopping precinct. Improvements will include pedestrian crossings, lighting and landscaping works.
- Council took over management of the Macedon Ranges Business Excellence Awards with Elliott Midland Newspapers remaining as a major sponsor and media partner. Approximately 400 unique businesses were nominated across multiple categories, and 35 finalists were invited to the Awards Gala Dinner at the Kyneton Town Hall.
- Council partnered with the Sustainable Melbourne Fund to encourage businesses to invest in sustainability upgrades. Businesses can enter into an Environmental Upgrade Agreement with Council and a lender to borrow funds under a fixed rate loan for building improvements that reduce emissions and energy costs.
- In recognition of Council's sister city relationship with Tokai City Council in Japan, Stage 1 of a Japanese garden was completed at the Gisborne Administration Centre. The garden was designed by Tokai City Council, with contractors and materials for the construction sourced locally.

An Empowered Community

- Council prepared a significant funding application for \$1.7 million for the implementation of the Kyneton Livestock Exchange and Truck Park project at the Kyneton Saleyards.
- Following a successful application with Telstra to the Federal Government Mobile Black Spot Program, additional telecommunications infrastructure will now be installed in Benloch and Lancefield.
- Equine supply chain gaps were reviewed as a completed action in the Macedon Ranges Equine Industry Strategy.

Business events feedback

“Thank you! VERY worthwhile much appreciated.”

“Best \$ I’ve spent, thank you!”

“Very helpful and beneficial, well worth it thanks.”

“Excellent presenter and the session has been very valuable.”

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan’s goals and objectives.

Strategic indicators	Result	Comments
Community satisfaction with economic development.	61	Increased by two points from 2016. Source: Community Satisfaction Survey 2017
Tourist and visitor numbers attracted to, and/or expenditure in, Macedon Ranges Shire.	1,047,000	Down from 1,151,000 in 2015/16. Source: Daylesford and Macedon Ranges Regional Tourism Board
Percentage of people who are unemployed.	In the 2017 March quarter, the unemployment rate in the Macedon Ranges Shire was 2.53%.	Source: Australian Bureau of Statistics, <i>Labour force survey</i> , catalogue number 6202.0, and Department of Employment, <i>Small Area Labour Markets</i> , March 2017. Compiled and presented in economy.id
Percentage of people with tertiary education.	N/A	Data not available during this reporting period.



An Empowered Community

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Undertake study of 'Jobs for the Future' to assist in planning and building a strong economic future for the shire.	Not completed. Council did not support seeking external funding for this project as priority was given to other projects.
Develop educational tools to assist event organisers to run safe, compliant and sustainable events.	Events and Festivals Planning Guide and Communications Plan completed.
Work with the Macedon Ranges Agribusiness Forum to develop a promotional plan for Macedon Ranges' products.	In progress.
Deliver the annual Business Seminars, Training and Networking Program.	Completed. Thirteen workshops and seminars were held.
Review identified gaps in the equine industry supply chain and explore opportunities for business development and employment creation.	Completed.
Work with the Romsey community to seek funding to improve the business precinct amenity.	Streetscape and Access Plan completed and funding sought from the Victorian Government.

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.

Achievements

- Achieved greater than 90 per cent compliance rate with Fire Prevention Notices, of which approximately 700 were issued—a decrease from 1,200 last year due to a more strategic approach taken to identify areas for fuel reduction. Council also took a more collaborative approach to achieving compliance.
- Approximately 1,000km of roadsides and Council-owned land in township areas were slashed for fire prevention purposes, and fire risk was addressed through Council's environmental weed management program.
- Pre-summer emergency preparedness information sessions were delivered to 16 community groups, presenting to more than 330 people.
- A new version of Council's emergency management software, Crisisworks, was rolled out, including development and delivery of training to all staff.
- Working with DELWP, Country Fire Authority and community members in Benloch and Heskett, Council participated in the Safer Together project to identify community-led initiatives that support emergency preparedness and build community resilience.
- A new Emergency Management Unit and Fire Management Officer tackled its first fire season together. Processes were reviewed and a more strategic, coordinated approach to fire risk reduction was developed. Improved practices included mobile processing of Fire Prevention Notices using tablet devices.
- A pandemic preparedness exercise was held in collaboration with partners from the Municipal Emergency Management Enhancement Group, bringing together approximately 40 Council officers from seven local government areas, and Department of Health and Human Services staff.
- Council worked with local school camp providers on a desktop evacuation exercise. Bus companies, Victoria Police, CFA, Red Cross and Council officers took part in the preparedness project.
- Council implemented its Prevention of Violence Against Women in Emergencies Action Plan and presented its efforts to the Department of Health and Human Services Summer Emergency Preparedness Forum. For more information, see page 68.
- Emergency considerations were included in Council's new Events and Festivals Planning Guide.

An Empowered Community

- Council completed significant clean up works after storm events in September and December.
- Council's MCH service participated in Family Violence Network meetings with the Macedon Ranges Local Safety Committee and Victoria Police.
- Development of a new Domestic Animal Management Plan 2017–2021 commenced. A draft plan was endorsed by Council and published for community comment.
- 330 dogs and 290 cats were impounded during the year. Of these, 292 dogs and 35 cats were claimed/returned to their owners, and 31 dogs and 137 cats were adopted into new homes.
- The number of dog attacks and impounded dogs continued to fall over the past year, with public education by officers believed to be partly attributable for the trend.
- Council again participated in the Paws in the Park event in October, in partnership with local vets and organisations. Free sessions on animal registration and education were offered on the day.
- Local Laws officers supported management initiatives for increased autumn visitation to the Macedon Ranges through increased patrols along Honour Avenue and Mount Macedon Road to enforce parking regulations.
- Council inspected 742 food, accommodation and health premises, conducted 59 tobacco related inspections, and responded to 17 complaints in relation to alleged food poisoning and other incidences.

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Percentage of people who feel safe after dark.	81.4%	Up from 74.7% in 2011/12. Sources: <ul style="list-style-type: none"> • Department of Health and Human Services 2017, <i>Inequalities in the social determinants of health and what it means for the health of Victorians: findings from the 2014 Victorian Population Health Survey</i> • Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>
Percentage of people who feel the shire has an active community, that people do things and get involved in local activities/issues.	68.6%	No change from 2011/12. Sources: <ul style="list-style-type: none"> • Department of Health and Human Services 2017, <i>Personal communication</i> • Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>

An Empowered Community

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Commence development of the new Domestic Animal Management Plan.	Draft plan developed and endorsed for community consultation.
Develop a plan to enable senior citizens and other community groups to address the emerging needs and interests of older residents.	Completed.
Review Council's Occasional Care program.	Service review complete and will be released for community input in 2017/18.

Service Performance

The following statement provides the results of the Local Government Performance Reporting Framework prescribed service performance indicators and measures, including an explanation of material variations.

Strategic indicators	2014/15	2015/16	2016/17	Comments
Food Safety				
Timeliness <i>Time taken to action food complaints</i> Number of days between receipt and first response action for all food complaints divided by the number of food complaints	Not available	2.91	2.70	From 1 July 2016, 'Time taken to action food complaints' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
Service standard <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> (VIC) 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 Food Act	84%	71.99%	98.63%	Council has implemented improved processes to ensure all Class 1 & 2 food safety inspections are undertaken annually.
Service cost <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 Food Act	\$296.03	\$293.58	\$283.79	

An Empowered Community

Health and safety <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	Not available	95.74%	96.77%	The 2014/15 figure was not available due to data issues.
Animal Management Timeliness <i>Time taken to action animal management requests</i> Number of days between receipt and first response action for all animal management requests divided by number of animal management requests	Not available	2.11	1.66	More requests have been received this year and our response/action time has improved.
Service standard <i>Animals reclaimed</i> Proportion of animals reclaimed out of the number of animals collected	62%	55.39%	48.71%	Council endeavours to rehome cats and dogs that have not been reclaimed. An additional 145 animals were rehoused during the reporting period.
Service cost <i>Cost of animal management service</i> Cost of service divided by the number of registered animals	\$43.33	\$43.75	\$47.65	
Health and safety <i>Animal management prosecutions</i> Number of successful animal management prosecutions	16	12	6	There were less prosecutions this year, however the level of Council's animal management activity remains the same.

Challenges

- Baby Makes Three, a pilot program designed to promote respectful relationships following the transition to parenthood, was cancelled due to a lack of facilitators able to meet the requirements of the program.
- Funding for the Young Parent Connection project concluded in April, and Council was unsuccessful in securing other funding to continue the project.
- There has been a gradual reduction in the number of dog and cat registrations over the past four years. Strategies to increase registrations are a priority.
- The number of impounded cats continues to increase, with little improvement in cats being reclaimed by owners or adopted into new homes. Strategies have been included in the draft Domestic Animal Management Plan 2017–2021.
- Delays in the planning and design phase have pushed back construction for the Romsey Community Health and Wellbeing Space project.
- The opening of the Kyneton Community Park was delayed by three months due to a very wet winter and spring in 2016.

An Empowered Community

- Planning for aged and disability service delivery amidst large-scale and rapid reform.
- Transition to the NDIS has created uncertainty for providers.
- Extreme weather days over summer resulted in three cancellations to transport assistance to clients.
- Due to a wet 2016 winter clubs had to find alternative training venues to our grassed playing surfaces, so Council offered discounted access to its leisure facilities.
- Managing community and stakeholder expectations in response to Council's decision to discontinue development of a business case for an equine centre in the Macedon Ranges.
- Managing the impacts on the local area of increased visitation to Macedon and Mount Macedon during autumn.
- The reallocation of resources to manage increased visitation delayed completion of the draft Visitor Economy Future Directions Paper.
- Retaining and increasing visitor market share in an increasingly competitive tourism market.
- State guidelines for the development of a new Municipal Fire Management Plan are still on hold.

Future Priorities

- Partner with local schools to roll out the Walk to School project.
- Conduct a review of the Healthy Eating Action Plan at Council leisure centres to determine its impact on community knowledge of healthy eating practices.
- Seek funding to expand supported playgroups and increase breastfeeding support across the shire.
- Develop Council's new Youth Strategy 2018–2028.
- Run refresher courses for community members in Youth Mental Health First Aid during Mental Health Week 2018.
- Develop a young adults (18–25) group to promote positive peer and community connections.
- Develop a new Youth Engage Program for 12–21 year olds who identify as LGBTIQ+.
- Run a combined leadership camp for crews from Live4Life programs in Kyneton, Benalla and Portland.
- Expand the Rural Challenge project to work with new clubs and brigades and include youth and train-the-trainer programs.
- Continue to support community members and groups

and monitor policy implications resulting from aged care and disability sector reforms.

- Develop and implement revised support programs for senior citizens, community meals and community transport in response to sector-wide changes.
- Seek to extend the shire's status as a World Health Organisation Age-Friendly Community.
- Implement the Over 55s project, including activities to promote digital literacy and social connection.
- Increase Casserole Club pair ups by 35%.
- Develop a new Arts and Culture Strategy, including a review of Council's arts and cultural venues.
- Finalise and adopt the Macedon Ranges Visitor Economy Future Directions Paper 2017–2027 and conduct a Visitor Services Review.
- Develop and implement measures to manage visitation in Macedon and Mount Macedon during autumn.
- Plan for local job creation to 2036 by conducting a Jobs for the Future study in conjunction with Deakin University's Centre for Rural and Regional Futures.
- Investigate possible expansion of the Gisborne Business Park and promote the park's name change and businesses via print advertising and social media.
- Roll out REMPLAN, an economic modelling and research tool to be used for funding submissions and future service and infrastructure planning.
- Review Council's employment and training network and continue work on the Macedon Ranges Training Academy feasibility study.
- Review the Municipal Emergency Management Plan.
- Run an emergency relief and recovery exercise in Romsey, and work with Hesket and Benloch communities on Safer Together emergency preparedness planning.
- Adopt the Domestic Animal Management Plan 2017–2021 and prepare an implementation program.
- Work with local traders to ensure compliance with state-wide smoke-free outdoor areas reform and Council policy.

A High Performing Organisation

Fast Facts in 2016/17:

15/15

Council Plan
actions
completed

22,070

ratepayers

22,458

customer service
requests

89%

of customer requests
actioned within ten
working day timeframe

16

Ordinary and Special
Council meetings

410,542

library item loans

4,836

Maternal & Child
Health (MCH)
consultations

520

birth notices
received and
acted on

522

home visits
conducted by
MCH nurses

752

kindergarten
registrations

288

media releases
sent

189

media enquiries
received

A High Performing Organisation

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.

Achievements

- Victorian Electoral Commission General Elections were held in October 2016, with seven new Councillors appointed and taken through a comprehensive induction process.
- Council reviewed and adopted its Councillor Code of Conduct in February and commenced a review of its existing delegations.
- Five citizenship ceremonies were held during the year welcoming 94 residents as new citizens of Australia.
- A range of Australia Day events were held across the shire on 26 January.
- A Community Funding Scheme, and Events and Festivals Grants funding announcement and cheque presentation was held in July 2016.
- Council received a positive report from an independent external audit of its Statutory Planning Unit in early 2017.
- In response to increased use of online services, Council reduced opening hours at its service centres in Romsey and Woodend. The changes have been well received, with greater efficiencies and cost savings achieved.
- Council met all of its financial reporting and budgeting timeframes.
- Management of 49 Council-owned seniors' units in Gisborne, Romsey and Lancefield was transferred to Wintringham Housing under a five-year agreement. Council formally thanked the volunteer committees of the Gisborne and District Senior Citizens Homes and the Lions Senior Citizens Villages of Lancefield and Romsey for their decades of service in developing and managing seniors housing.
- The Debt Management Policy, Financial Hardship Policy and Procurement Policy were reviewed and the updated policies were approved by Council.
- Council successfully satisfied compliance requirements related to the introduction of the Fair Go Rates legislation.
- Early payment of half of the 2017/18 Grants Commission allocation (\$3.5 million) resulted in Council having higher than normal cash and investment balances at the end of the financial year.
- Council achieved Regional Assessment Service audit requirements, demonstrating independence of assessment from service delivery.
- Council created streamlined accounting packages for each of the shire's small hall committees.
- Work started on a website upgrade to create a new task-based website that is mobile-friendly and offers features such as an online consultation module and smart forms that allow implementation of question logic and integration with payment gateways.
- The number of users accessing information via Council's website increased by 18 per cent to 1,261,536 pages, up from 1,062,859 compared to the previous 12 months.
- Council received a Bronze Australasian Reporting Award for its 2015/16 Annual Report.
- Council launched its corporate Facebook, Twitter, Instagram and LinkedIn channels. Engagement across all of Council's social media channels grew significantly throughout the year to 16,643 followers; and nearly 3,000 posts were published across eight Facebook pages, Twitter, Instagram and LinkedIn.
- Council continued to place fortnightly advertisements in local newspapers to inform residents about local projects, services, consultations, events, Council meetings, job vacancies, tender opportunities and other public notices.
- Council responded to 189 media enquiries and continued to work closely with local media outlets, distributing 288 media releases and holding 22 media briefings.
- Council produced five editions of its bi-monthly newsletter, Shire Life, which was distributed to 22,500 residents and businesses, and 158 direct email campaigns were sent to subscribers across ten service areas.
- Council reviewed its Advertising Policy in a quick reference guide to Council communications was developed to assist new staff.

A High Performing Organisation

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Community satisfaction with Council engagement with community in decision-making on key local issues.	Consultation and engagement: 52 Community decisions: 52	Council's ratings increased by one point and three points respectively. Council's performance is in line with the group average for large rural councils, but lower than the state-wide average. Source: Community Satisfaction Survey 2017
Percentage of people who feel there are opportunities to have a real say on issues that are important.	34.6%	Down from 39.4% in 2011/12. Sources: <ul style="list-style-type: none"> Department of Health and Human Services 2017, <i>Inequalities in the social determinants of health and what it means for the health of Victorians: findings from the 2014 Victorian Population Health Survey</i> Department of Health, <i>Victorian Population Health Survey 2011–12 Social Capital Report</i>

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Continue to provide opportunities for the community to provide input into the budget decision-making process.	Completed, with 79 submissions received and considered by Council.
Improve Council's website functionality by focusing on consultation, online payment and regulatory transactions.	In progress. Delayed due to technical issues with provider. Scheduled for launch in late July 2017.
Expand Council's social media presence to improve communications and engagement with the community.	Completed. For more information, see page 61.
Deliver Youth Charter training across the organisation.	Completed.
Continue to hold regular Place Making Group meetings within the organisation to align Council projects and consider issues from a place-based perspective.	Completed. Meetings held monthly to provide input into Council grants programs, strategies, plans and policies.
Adopt 2017/18 budget and Strategic Resource Plan.	Completed.
Complete 2015/16 Financial Statements.	Completed.

A High Performing Organisation

Service Performance

The following statement provides the results of the Local Government Performance Reporting Framework prescribed service performance indicators and measures, including an explanation of material variations.

Strategic indicators	2014/15	2015/16	2016/17	Comments
Governance Transparency <i>Council decisions made 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	3%	2.65%	3.11%	As a percentage of overall Council decisions, the increase in decisions made in closed meetings of Council is insignificant.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	52	51	52	
Attendance <i>Council attendance at Council meetings</i> Percentage of the total 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	92%	96.30%	95.56%	
Service cost <i>Cost of governance</i> Direct cost of the governance service divided by the number of Councillors elected at the last Council general election	\$42,900	\$42,855	\$43,006.89	
Satisfaction <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	49	52	

A High Performing Organisation

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.

Achievements

- Council was one of only two local governments in Australia to be recognised with a gold award as a Mental Health First Aid Skilled Workplace by Mental Health First Aid Australia. The award was achieved by training more than 20 per cent of full-time employees in mental health first aid.
- A restructured fitness centre at the Kyneton Sports and Aquatic Centre now allows for greater functionality of space and additional fitness equipment for members.
- Gisborne Aquatic Centre's Learn to Swim program was nominated as a finalist for the 2017 Lifesaving Victoria Swim School of the Year awards.
- Shire libraries hosted several high profile speakers over the past year in well-attended events, including: iconic children's author John Marsden; author, restaurateur and chef, Stephanie Alexander, and acclaimed Indigenous actor, Jack Charles.
- Demand for Council's children's programs at shire libraries continued to grow, with Gisborne Library adding an extra Toddler Time session. Some Romsey Library Storytime sessions were also hosted at Lancefield Primary School and Riddells Creek Early Learning Centre over the period.
- The 1000 Books Before School program enjoyed significant uptake at Woodend Library, with more than 350 children joining the program.
- 'Tech Savvy Seniors' classes at Kyneton Library were well-attended, improving older residents' digital and online literacy skills, and providing opportunities for social interaction.
- Council libraries continue to report increasing interest in online learning options with eLibrary displays at Woodend well utilised by members of all ages.
- A successful local partnership resulted in the installation of a digital screen displaying information on library programs and Macedon Ranges Sustainability Group events at Woodend Library.
- Municipal kindergarten participation rates have increased from 90.3% in 2015 to 106.3% in 2016. This can be attributed to an increase in enrolments for children who reside outside the shire or attend a second year of funded kindergarten.
- A review of the Early Years Services Unit structure was completed this financial year, improving opportunities for strategic planning and more targeted service development. This included the introduction of new regional team leaders to support best practice in educational leadership.
- Macedon, Lady Brooks (Kyneton) and Romsey Kindergartens all reported improved outcomes at Quality Assessment Ratings completed by the Department of Education and Training (DET) during the reporting period.
- Council's MCH nurses conducted 522 home visits and 4,835 Key Age and Stage consultations for children aged 0–3.5 years and their carers.
- Council contributed to health sector workforce development by supporting the placement of 20 medical students and three MCH nursing students within Council's MCH centres.
- A new data platform, the Child Development Information System (CDIS), was implemented within the MCH service. The system will make service delivery more efficient and includes features such as automated SMS appointment reminders for parents.
- Council welcomed an increase in funding for the delivery of MCH service through the Memorandum of Understanding between DET and the Municipal Association of Victoria (MAV), and \$81.1 million in funding for additional MCH services, with a particular focus on delivering support to vulnerable families and MCH staff.
- The overall number of Local Laws customer requests responded to increased by more than 8% from 4,304 requests in 2015/16 to 4,670 in 2016/17.
- A six per cent increase in building fees income was reported over the financial year, partly due to applications for larger building projects.
- Electronic approval of plans and documents for all permit application types increased efficiencies, reduced approval times and reduced reliance on printed materials over the reporting period. Similarly, an increased uptake of email for document transmission and receipt increased responsiveness to applications and enquiries.

A High Performing Organisation

- Council's network continues to report a 99.98% uptime which includes the short scheduled outages for patching and upgrades.
- Council's annual IT system vulnerability scan revealed only one medium risk over the reporting period. A phishing exercise also revealed a higher than normal staff awareness of potential scams.
- Council's email and web filtering and anti-virus program was replaced during the year and is now cloud hosted. When outbreaks of the Wanna-Cry and Petya ransomware attacks were experienced around the world, Council was well protected due to its robust patch management program and hosting arrangements.
- An IT Disaster Recovery Plan audit was completed, with minor improvements to be implemented in 2017/18.
- Video conferencing was introduced to improve communication channels for Council staff. Despite early technical difficulties, it is expected this will make participation in meetings more efficient and reduce travel time for staff.
- Storage Area Networks in Gisborne and Kyneton were replaced to provide Council with more capacity and facilitate speedier recovery in the event of an IT disaster.
- Servers and desktop computers nearing the end of their warranty were replaced to mitigate any risk of downtime or data loss.
- Service standards were reviewed for the maintenance of Council's sporting fields. A new maintenance schedule was developed and a new maintenance contract was implemented.

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Community satisfaction with Council's overall performance in key service areas and responsibilities.	56	<p>Council's rating increased by one point, up from 55 in 2016.</p> <p>Council's performance is higher than the group average for large rural councils, but lower than the state-wide average.</p> <p>Source: Community Satisfaction Survey 2017</p>
Community satisfaction with Council's interaction and responsiveness in dealing with the public.	67	<p>Council's rating increased by two points, up from 65 in 2016.</p> <p>Customer service is Council's highest rated core performance measure.</p> <p>Source: Community Satisfaction Survey 2017</p>

A High Performing Organisation

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Develop and implement a transition plan to support clients through federal and state government aged care and disability sector reforms.	Completed. Briefing paper presented summarising organisational change and support to clients over 2016/17.
Complete the implementation of the MCH Development Information System and online kindergarten enrolment project.	MCH system completed; kindergarten enrolment project is in progress and reliant on the completion of Council's website upgrade.
Provide immunisation sessions at the Gisborne Early Learning Centre.	Completed.
Improve audio and visual communications between Kyneton and Gisborne Office.	Completed. For more information, see page 65.
Commence the movement of temporary records to a suitable off-site storage facility.	Completed.
Apply for Gold Mental Health First Aid Training skilled workplace recognition.	Application submitted and Council was accepted as a Gold mental health first aid workplace.
Upgrade Council's intranet.	Deferred to 2017/18 due to website upgrade being completed in 2016/17.
Continue to deliver Council's corporate systems training program to staff.	Training delivered monthly for new staff and any who wish to undertake a refresher.

Service Performance

The following statement provides the results of the Local Government Performance Reporting Framework prescribed service performance indicators and measures, including an explanation of material variations.

Strategic indicators	2014/15	2015/16	2016/17	Comments
Aquatic facilities				
Service standard <i>Health inspections</i> Number of authorised officer inspections of Council aquatic facilities divided by the number of Council aquatic facilities	0	0.25	1	Council commenced a trial last year which included completing one inspection. This has now expanded to all Council aquatic facilities being inspected.
Service cost <i>Indoor aquatic facilities</i> <i>Outdoor aquatic facilities</i> Direct cost of these facilities less income received divided by the number of visits.	\$1.65 \$18.12	\$1.50 \$18.67	\$1.53 \$17.69	
Utilisation Number of visits to aquatic facilities divided by Municipal population	6.90	7.27	7.50	

A High Performing Organisation

Health and Safety <i>Reportable safety incidents at aquatic facilities</i> Number of WorkSafe reportable aquatic facility safety incidents	0	0	0	No serious incidents occurred.
Libraries Utilisation <i>Library collection usage</i> Number of library collection item loans divided by the number of library collection item	5.10	5.20	5.69	
Resource standard <i>Standard of library collection</i> Percentage of library items purchased in the last five years out of the total number of library collection items	63%	58.87%	70%	Variation is due to the introduction of floating collections between libraries and municipalities.
Service cost <i>Cost of library service</i> Direct cost of the library service divided by the number of visits	\$3.75	\$4.03	\$4.21	
Participation <i>Active library members</i> Percentage of active library members divided by the municipal population	20%*	18.93%*	18.64%	
Maternal & Child Health Satisfaction <i>Participation in first home visit</i> Percentage of first MCH home visits out of the number of birth notifications received	104%*	101.81%*	101.95%	Rates over 100% are explained by parents who birthed prior to 1 July 2016 but whose home visits were conducted in July 2016, or parents who registered an address outside of the shire with their birthing hospital.
Service standard <i>Infant enrolments</i> Percentage of infants enrolled in the MCH service (from birth notifications received) out of the number of birth notifications received	100%	99%*	101.56%	See above.
Service cost Cost of the MCH service divided by hours worked by MCH nurses	Not available	\$69.69	\$77.93	Variance relates to the inclusion of management overheads in 2016/17 indicator calculations (on advice from Local Government Victoria).
Participation Percentage of children who attend the MCH service at least once (in the year) out of the number of children enrolled Percentage of Aboriginal children who attend the MCH service at least once (in the year) out of the number of children enrolled	84% 75%	80%* 57.14%*	77.77% 77.55%	Percentage increase in 2017 could be due to data discrepancies in the CDIS transition (as per advice received from the MAV).

*These results have been amended due to an altered calculation methodology after previous years' annual reports.

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.

Achievements

- Development of a new Council Plan, that incorporates a Health & Wellbeing Plan, commenced in mid-December 2016. A broad consultation program sought input via online channels, community listening posts conducted by Councillors and traditional methods. This included a Town Hall forum using software to capture, sort and analyse the input of more than 100 participants. The process engaged more than 2,000 people and culminated in the adoption of the Council Plan 2017–2027 in June 2017.
- Council advocated to the Australian Government to ensure children and families in the Macedon Ranges continue to have access to 15 hours of funded kindergarten for all eligible four year olds.
- Council was one of 38 rural councils that collaborated with Rural Councils Victoria to prepare a joint submission to the 2017/18 State Budget for a dedicated \$150 million for an annual fund for community infrastructure, roads and bridges and service delivery projects in rural Victoria. As part of the submission, Council has requested that a portion of a dedicated fund go towards developing female change rooms at sporting facilities across the shire.
- The Chief Executive Officer, Mayor, Councillors and senior staff met regularly with state and federal representatives to advocate for various projects. Examples include:
 - A meeting with representatives of DELWP, Emergency Management Victoria, VicRoads, and the State Member for Macedon to progress Roadside Vegetation/Safer Together discussions
 - Regular attendance at Loddon Campaspe Regional Partnership and Southern Loddon Mallee Region meetings
 - Quarterly meetings with Regional Development Victoria
 - A meeting with the Minister for Planning regarding Macedon Ranges protection
 - A meeting with the Federal Member for Bendigo regarding the proposed Macedon Ranges Regional Sports Hub
 - Discussions with the Federal Member for Macedon regarding the Kyneton Education Precinct and traffic in Edgecombe Street, Kyneton
 - A meeting with Parks Victoria regarding the Memorial Cross Precinct
 - A meeting with the Federal Member for Bendigo regarding improvements to the Kyneton Showgrounds.
- Council's advocacy efforts in the area of future transport needs contributed to the following outcomes in 2016/17:
 - A new V/Line train timetable (supporting the regional rail link upgrade)
 - Car park upgrades underway or planned at Gisborne, Kyneton, Woodend, Macedon and Clarkefield railway stations
 - Roundabout construction works at the Calder Freeway New Gisborne exit/entrance ramps
 - Local Member announcements of improved safety works at Station Road/Saunders Road intersection
 - Funding for pedestrian crossing works at Aitken Street, Gisborne (VicRoads and Council funded)
 - The announcement of major upgrade works to the Melbourne–Lancefield Road.
- Council continued its support for the Macedon Ranges Suicide Prevention Action Group (MRSPAG) in 2016/17. Initiatives included:
 - Lifeline Out of the Shadows Walk
 - Suicide Prevention Australia Lived Experience Speakers' Bureau training for Peer Support After Suicide Group members
 - A Suicide Prevention Forum.
- An International Women's Day Breakfast was held in March, with \$425 raised supporting Annie North Women's Refuge Centre in Epsom, which services the Macedon Ranges.
- Council implemented its Prevention of Violence Against Women in Emergencies Action Plan including:
 - Development of 'Family Violence After Natural Disaster' emergency response protocols and training sessions for frontline emergency workers
 - Establishment of an expert panel of advisors from sector agencies who work in family violence response and prevention
 - Capacity building of agency staff and awareness raising activities
 - Rural Challenge funding achieved and program implemented. For more detail see page 69.

A High Performing Organisation

- Council's pilot Rural Challenge project worked with ten local sporting clubs and community organisations in 2017 to promote gender equality and the prevention of violence against women. A part time project officer was appointed to the project during the period. The program was awarded \$140,000 through the Victorian

Government's Community Partnerships for Primary Prevention funding program to expand the program in the coming year. The project also received \$76,900 from the MAV's Local Government Preventing Violence Against Women grants program.

Indicators of success

These indicators of success are based on the strategic indicators in the Council Plan 2013–2017 and are used to measure the implementation of the Plan's goals and objectives.

Strategic indicators	Result	Comments
Community satisfaction with Council advocacy and community representation on key local issues.	52	Council's rating increased by three points, up from 49 in 2016. Council's performance is in line with the group average for large rural councils, but lower than the state-wide average. Source: Community Satisfaction Survey 2017

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget.

Initiatives	Comments
Meet with state and federal government representatives to advocate for and advance projects and partnerships for community benefit.	Completed. See page 68 for more information.
Continue to work collaboratively with all stakeholders on improving telecommunications infrastructure.	Completed, resulting in faster rollout of the NBN and Black Spot funding for new infrastructure in Benloch/Lancefield.
Develop a new Council Plan for the period 2017–2021.	Completed. Council adopted a 10 year plan that covers the statutory requirement of four years and outlines the shared vision of Council to 2027.
Demonstrate leadership in preventing family violence by assessing Council policies due for review to ensure they support the principles of an inclusive and respectful community.	Assessment completed. Recommendations include the development of a Gender Equality Action Plan.
Advocate to government bodies and community stakeholders about current and future transport needs across the whole of our shire.	Completed. See page 68 for more information.

A High Performing Organisation

Challenges

- Balancing the rising cost of operating the shire's two outdoor pools with community demand for these facilities.
- Video conferencing implementation issues delayed the project by more than six months. Further work will be undertaken to improve video quality.
- Access to affordable, high-speed telecommunications continues to pose a challenge.
- Inappropriate and threatening behaviour directed at Council staff is an increasing challenge. Council is determined to protect its workers and provide staff with the skills and strategies to respond to and prevent these circumstances wherever possible.
- In 2016/17 interest rates and CPI increases remained at historically low levels. This resulted in lower increases in some expenditure due to lower inflation.
- Although Council has built considerable momentum in its work to prevent violence against women, it falls short in demonstrating leadership on this issue with regard to Council's own policies. Organisations participating in the Rural Challenge project have similarly been asked to examine their processes to support gender equity.
- It was disappointing that the Australian Government extended the National Partnership Agreement on Early Childhood Education for a further 12 months only (December 2018), meaning the sector continues to push for funding certainty.
- The transition of management for Council's seniors' units to Wintringham Housing was delayed from the proposed transfer date of 1 July 2016, and made more complex, due to the Gisborne tenants' lease agreements being covered under the *Retirement Villages Act 1986* (VIC) rather than the *Residential Tenancies Act 1997* (VIC).
- An increase in referrals to Council's Enhanced MCH service suggests a higher number of families in the shire with high or complex support needs.
- Implement the Prevention of Violence Against Women in Emergencies Action Plan 2017/18 in partnership with emergency services agencies.
- Finalise Council's video conferencing project.
- Develop a Digital Strategy for Council and review Council's cloud hosting technology.
- Consult with community regarding Council's Occasional Care program.
- Embed the role of educational leaders in Council kindergartens to support high quality and contemporary practice.
- Participate in a DET Quality Assessment Rating at Manna Gum Family & Children's Centre and Lancefield Kindergarten.
- Introduce terms of reference to support new Kindergarten Parent Advisory Groups and finalise the de-incorporation of parent committees.
- Implement an online kindergarten enrolment system as part of Council's website redevelopment project.
- Plan for local implementation of state MCH reform, including additional state government investment in the MCH service.
- Review MCH service locations to determine best future service delivery across the shire.
- Review Council's Community Consultation Framework.
- Explore opportunities to upgrade Council's intranet content management system.
- Increase community engagement through the integration and use of video on Council's digital channels.
- Improve processes and data capture for internal review of Local Laws infringements in line with Victorian Government guidelines.
- Implement recommendations from the Local Laws, Infringement and Enforcement internal audit.
- Explore digital capturing of inspection data for roads, bridges and footpaths to reduce time processing paper-based information.

Future Priorities

- Review point of sale software across aquatic and leisure facilities to improve service for members.
- Develop an advocacy plan for business and update of the 2013 Black Spot Report.
- Review Council delegations and develop a new Meetings Procedure Local Law.
- Develop an organisational Gender Equality Action Plan.
- Support the development, implementation and evaluation of the MRSPAG 2017 Action Plan.

Performance Statement

Overview

People

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Performance Statement

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Performance Statement for the year ended 30 June 2017

Ref reg	Description of municipality
R17(1)	<p>The Macedon Ranges Shire is situated north-west of Melbourne. Traditional Owners are the DjaDja Wurrung, Taungurung and Wurundjeri peoples.</p> <p>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.</p> <p>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 1800s.</p> <p>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 the Macedon Ranges live outside a town boundary in a rural setting.</p> <p>Council's Economic Development Strategy identifies three key industry sectors (based on jobs in the shire), as follows:</p> <ul style="list-style-type: none"> • Retail and Tourism comprising Retail Trade and Accommodation & Food Services (21% of jobs) • Public Services comprising Health Care & Social Assistance and Training & Education (21% of jobs) • Industry comprising Manufacturing and Construction (19% of jobs). <p>The shire covers an area of 1747.4 km² and has a population of 46,119 which is expected to grow to 55,908 over the next 16 years.</p>

Sustainable Capacity Indicators for the year ended 30 June 2017

Ref Reg	Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
R15(3)	Population				
Sch3	<i>Expenses per head of municipal population</i>	\$1,520	\$1,489	\$1,458	
R16(1)	[Total expenses / Municipal population]				
R17(2)	<i>Infrastructure per head of municipal population</i>	\$12,275	\$12,982	\$13,230	
	[Value of infrastructure / Municipal population]				
	<i>Population density per length of road</i>	26.61	27.63	27.24	
	[Municipal population / Kilometres of local roads]				
	Own-source revenue				
	<i>Own-source revenue per head of municipal population</i>	\$1,085	\$1,180	\$1,230	
	[Own-source revenue / Municipal population]				
	Recurrent grants				
	<i>Recurrent grants per head of municipal population</i>	\$356	\$240	\$386	
	[Recurrent grants / Municipal population]				Half of the 2017/18 Grants Commission allocation was paid in advance in June 2017, resulting in a higher level of grants in 2017.
	Disadvantage				
	<i>Relative socio-economic disadvantage</i>	9	9	9	
	[Index of Relative Socio-economic Disadvantage by decile]				

Sustainable Capacity Indicators for the year ended 30 June 2017

Definitions

“adjusted underlying revenue” means total income other than:

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

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

“local road” means a sealed or unsealed road for which Council is the responsible road authority under the *Road Management Act 2004* (VIC)

“population” means the resident population estimated by .id who provide Council with population and demographic information

“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 website

“unrestricted cash” means all cash and cash equivalents other than restricted cash

Service Performance Indicators for the year ended 30 June 2017

Ref Reg	Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
R15(1) Sch3 R16(1)	Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	6.90	7.27	7.50	
	Animal management Health and safety <i>Animal management prosecutions</i> [Number of visits to aquatic facilities / Municipal population]	16	12	6	There were less prosecutions during the year, however the level of Council's animal management activity remains the same.
	Food safety Health and safety <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 a food premises] x100	Not available	95.74%	96.77%	The 2014/15 figure was not available due to data issues.
	Governance Satisfaction <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	49	52	

Service Performance Indicators for the year ended 30 June 2017

Ref Reg	Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
	Home and community care (HACC)				
	Participation				
	<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	19%	18.05%	Reporting Ceased 1 July 2016	
	Participation				
	<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	17%	16.28%	Reporting Ceased 1 July 2016	
	Libraries				
	Participation				
	<i>Active library members</i> [Number of active library members / Municipal population] x100	20%	18.93%	18.64%	
	Maternal and child health (MCH)				
	Participation				
	<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	84%	80%	77.77%	
	Participation				
	<i>Participation in the MCH service by Aboriginal children</i> [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	75%	57.14%	77.55%	Advice from the MAV received in relation to irregularities with the 2016 CDIS data on this indicator. Percentage increase in 2017 could be due to data discrepancies in the CDIS transition.
	Roads				
	Satisfaction				
	<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	51	48	

Service Performance Indicators for the year ended 30 June 2017

Ref Reg	Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
	Statutory Planning				
	Decision making				
	<i>Council planning decisions upheld at VCAT</i>	53%	50%	50%	
	[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				
	Waste Collection				
	Waste diversion				
	<i>Kerbside collection waste diverted from landfill</i>	45%	42.28%	45.05%	
	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				

Definitions

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

"Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006* (VIC)

"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 Council under sections 131, 132 and 133 of the Local Government Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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, 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, or advice given to Council by an authorised 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

"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* (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 Council is the responsible road authority under the Road Management Act

"major non-compliance outcome notification" means a notification received by Council under section 19N(3) or (4) of the Food Act, or advice given to Council by an authorised 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 Council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated Council

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

"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* (VIC).

Financial Performance Indicators for the year ended 30 June 2017

Ref Reg	Service/indicator/ measure	Results				Forecasts			Material Variat- ions
		2015	2016	2017	2018	2019	2020	2021	
R15(2)	Efficiency								
Sch3	Revenue level								
R16(1)	Average residential	\$1,824	\$1,912	\$1,987	\$2,034	\$2,084	\$2,136	\$2,188	
R16(2)	rate per residential								
R17(2)	property assessment								
R17(3)	[Residential rate revenue / Number of residential property assessments]								
	Expenditure level								
	Expenses per	\$3,160	\$3,030	\$3,086	\$3,136	\$3,190	\$3,247	\$3,308	
	property assessment								
	[Total expenses / Number of property assessments]								
	Workforce turnover								
	Resignations	5.52%	7.95%	10.69%	9.09%	9.03%	8.96%	9.08%	Refer note 1
	and terminations								
	compared to								
	average staff								
	[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100								
	Liquidity								
	Current assets	171.24%	166.93%	230.14%	167.38%	141.84%	169.37%	182.79%	Refer note 2
	compared to current								
	liabilities								
	[Current assets / Current liabilities] x100								
	Unrestricted cash								
	Unrestricted cash	65.31%	57.77%	110.23%	97.34%	85.54%	100.97%	114.13%	Refer note 3
	compared to current								
	liabilities								
	[Unrestricted cash / Current liabilities] x100								
	Obligations								
	Asset renewal								
	Asset renewal	75.19%	94.35%	57.40%	113.27%	94.34%	93.17%	93.55%	Refer note 4
	compared to								
	depreciation								
	[Asset renewal expenses / Asset depreciation] x100								

Financial Performance Indicators for the year ended 30 June 2017

Ref Reg	Service/indicator/ measure	Results				Forecasts			Material Variat- ions
		2015	2016	2017	2018	2019	2020	2021	
	Loans and borrowings								
	<i>Loans and borrowings compared to rates</i>	16.60%	20.44%	23.32%	25.94%	23.13%	19.68%	20.59%	Refer note 5
	[Interest bearing loans and borrowings / Rate revenue] x100								
	Loans and borrowings repayments compared to rates								
	<i>Loans and borrowings repayments compared to rates</i>	1.45%	1.57%	1.71%	2.47%	2.59%	10.79%	2.85%	Refer note 6
	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100								
	Indebtedness								
	<i>Non-current liabilities compared to own source revenue</i>	20.81%	25.42%	26.17%	28.08%	18.60%	22.34%	22.78%	Refer note 7
	Operating position								
	Adjusted underlying result								
	<i>Adjusted underlying surplus (or deficit)</i>	-2.53%	-2.40%	11.10%	4.96%	5.72%	6.01%	6.59%	Refer note 8
	[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100								
	Stability								
	Rates concentration								
	<i>Rates compared to adjusted underlying revenue</i>	60.05%	65.70%	58.69%	63.07%	63.65%	64.48%	65.06%	
	[Rate revenue / Adjusted underlying revenue] x100								
	Rates effort								
	<i>Rates compared to property values</i>	0.36%	0.39%	0.39%	0.39%	0.40%	0.40%	0.40%	
	[Rate revenue / Capital improved value of rateable properties in the municipality] x100								

Financial Performance Indicators for the year ended 30 June 2017

Notes

Note 1 There was a higher than usual number of retirements in 2016/17. The forecast for future years is based on long-term averages that may vary from actual results.

Note 2 This ratio can vary year on year with the timing of grant payments, capital works expenditure and due dates on loan repayments. The 2016/17 ratio is abnormally high due to the payment in advance of half of the 2017/18 Grants Commission allocation. The ratio is lower in 2018/19 as a principal only loan moves from non-current to current liabilities as it is payable in the next financial year.

Note 3 This ratio can vary year on year with the timing of grant payments, capital works expenditure and due dates on loan repayments. The 2016/17 ratio is higher as a result of unrestricted grants paid in advance. The ratio is lower in 2018/19 as a principal only loan moves from non-current to current liabilities as it is payable in the next financial year. Overall the ratio is improving in the forecast period.

Note 4 Renewal expenditure was lower in 2016/17 as some large renewal projects are being completed over two years and most of the expenditure will occur in 2017/18.

Note 5 This ratio can vary year on year depending on when new loans are taken up and when debt is repaid. A new loan was taken up in 2016/17.

Note 6 The ratio increases significantly in 2019/20 as a principal only loan will be repaid in full.

Note 7 See comment for loan and borrowings repayment ratio.

Note 8 The ratio can vary from year to year with the timing of grant payments and one off operating expenditure items. For example, the 2016/17 ratio is higher than normal due to grants paid in advance. On balance the ratio is improving over the forecast period as a result of increasing income and reduced growth in operating expenditure.

Definitions

“adjusted underlying revenue” means total income other than:

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

“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 Australian Accounting Standards (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 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.


Ref reg	
	<p>1. Basis of preparation</p> <p>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 <i>Local Government Act 1989</i> and <i>Local Government (Planning and Reporting) Regulations 2014</i> (VIC).</p> <p>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. the Australian Bureau of Statistics).</p> <p>The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan (SRP). The Local Government (Planning and Reporting) Regulations require 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.</p> <p>The forecast figures included in the Performance Statement are those adopted by Council in its SRP on 28 June 2017, which forms part of the Council Plan. The SRP 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 SRP can be obtained by contacting Council.</p>



Certification of the Performance Statement

Certification of the Performance Statement

R18(1) In my opinion, the accompanying performance statement has been prepared in accordance with the
R18(2) *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.


Leon den Dryver
Principal Accounting Officer
Dated: 27 September 2017

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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 Jennifer Anderson
Councillor
Dated: 27 September 2017


Cr Andrew Twaits
Councillor
Dated: 27 September 2017


Sophie Segafredo
Acting Chief Executive Officer
Dated: 27 September 2017

Independent Auditor's Report— Performance Statement



Independent Auditor's Report

To the Councillors of Macedon Ranges Shire Council

Opinion	<p>I have audited the accompanying performance statement of Macedon Ranges Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2017• sustainable capacity indicators for the year ended 30 June 2017• service performance indicators for the year ended 30 June 2017• financial performance indicators for the year ended 30 June 2017• other information and• the certification of the performance statement. <p>In my opinion, the performance statement of Macedon Ranges Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

Independent Auditor's Report— Performance Statement

**Auditor's
responsibilities for the
audit of the
performance
statement**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.

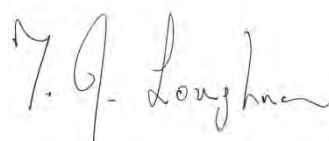
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
28 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria

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Financial Summary

This summary provides an overview of Council's financials for 2016/17 and trends from prior years.

Overall Council's financial position continues to remain sound.

- Underlying income is increasing and the movement in our operating expenses continues to be at modest levels.
- Capital works expenditure for the year was \$16.3m. This was lower than last financial year, however several large projects originally planned for 2016/17 were in progress at the end of the financial year and will be completed in 2017/18.
- Council has a strong liquidity position.
- Council borrowings have increased but they remain at an affordable level.

Operating Position

As shown in the Comprehensive Income Statement, Council has achieved an operating surplus of \$23.09m which is \$14.10m higher than 2015/16. Below is a summary of the Comprehensive Income Statement.

Operating Position	2016/17	2015/16
Revenue	\$90.48m	\$76.46m
Less Expenses	\$67.39m	\$67.47m
Net Operating Surplus	\$23.09m	\$8.99m

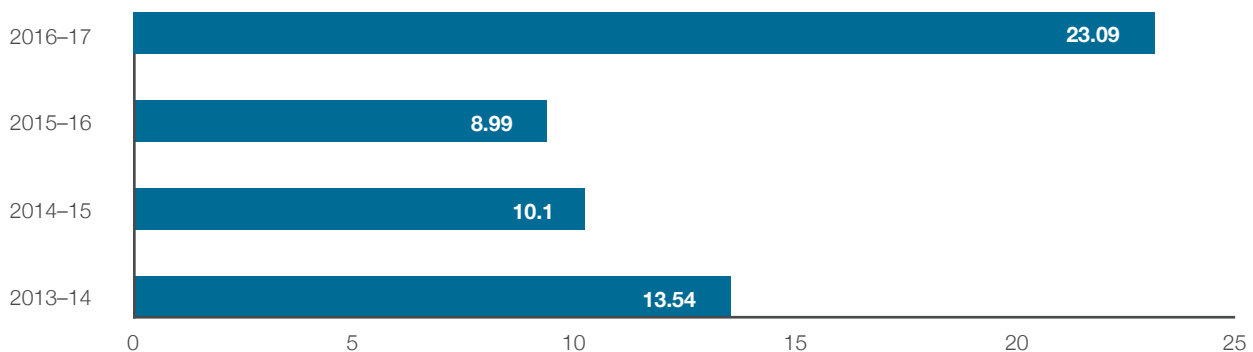
The major factors influencing this result were:

- An increase in operating grants of \$5m. The year on year variance is due to the timing of financial assistance grant payments. In 2016/17 half of the 2017/18 allocation was paid in advance in June 2017 (\$3.4m). In 2015/16 only half the allocation was paid (the other half was paid in advance in 2014/15). The fluctuations in payment timing have resulted in a year on year increase in the grants commission funding (operating component) of \$4.73m.
- Contributions of non-monetary assets increased by \$5.5m. 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 assets transferred varies considerably from year to year depending on the level of development in the shire and subsequent transfer of infrastructure to Council.
- Rates and charges increased by \$1.78m. The increase was due to a 2.5% rise in rates and charges per property and an increase of 1.2% in the number of rateable properties.
- Statutory fees and fines increased by \$0.92m. The increase is due to a higher level of development activity resulting in higher developer contributions and plan checking fees. Planning permit income increased due to higher activity and also the Victorian Government's approved increase in fees which took effect in October 2016.
- Overall, operating expenditure remained at a similar level to 2015/16.

The graph below shows Council's operating result for past four years.

Operating Surplus

\$M

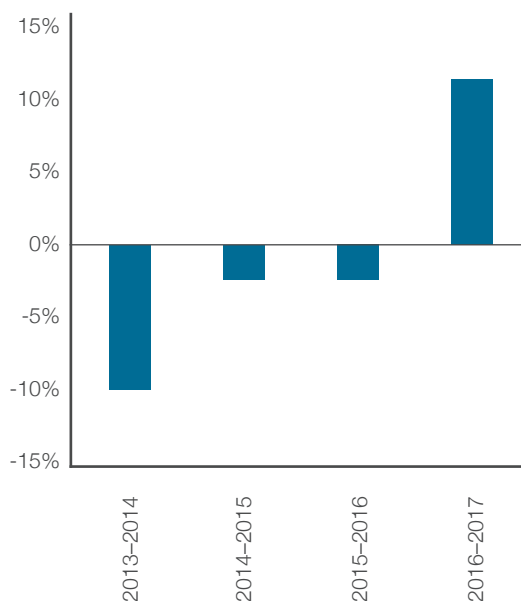


Financial Summary

Adjusted Underlying Result

The adjusted underlying result (adjusted underlying surplus(deficit)/underlying income) is a measure of Council's sustainability. It excludes what might be considered "one off" income items such as capital grants that are related to specific capital works projects and income from contributions (both monetary and non monetary). The graph below shows Council's adjusted underlying result for past four years.

Adjusted Underlying Result

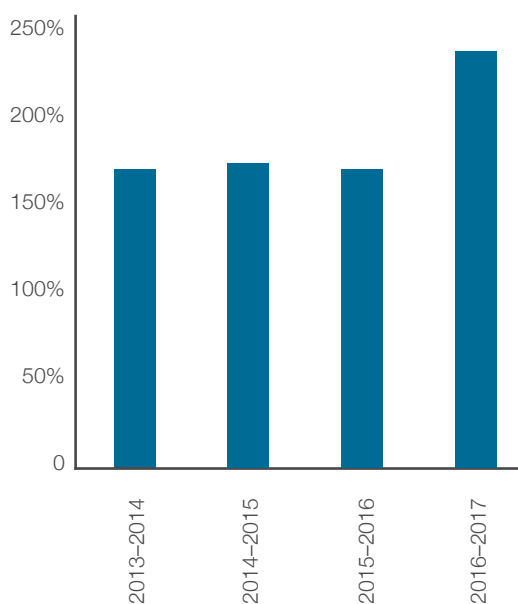


Council's underlying performance is steadily improving each year, however, the results in the above graph are impacted by the timing of grant payments and other one offs. For example, half of the Australian Government's financial assistance grant for 2017/18 was paid in advance in 2016/17.

Liquidity

The working capital ratio (current assets/current liabilities) 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 can confidently meet its financial obligations.

Working Capital Ratio



The level of cash and investments were higher in 2016/17 as a result of the early grant payments mentioned above and some large capital works projects that are being completed over two years. As a result, not all of the committed project funding was spent by the end of the 2016/17 financial year.



Financial Summary

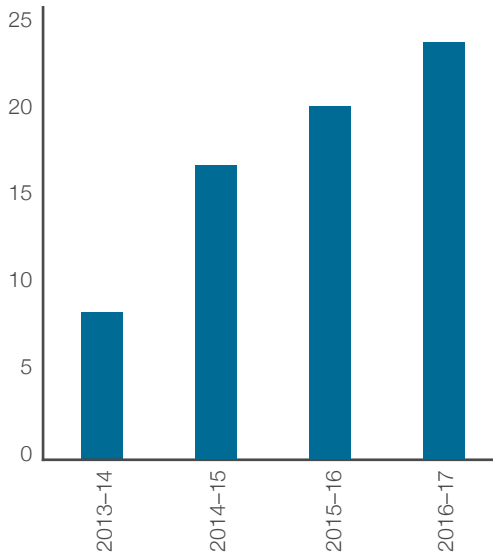
Obligations

Debt Levels

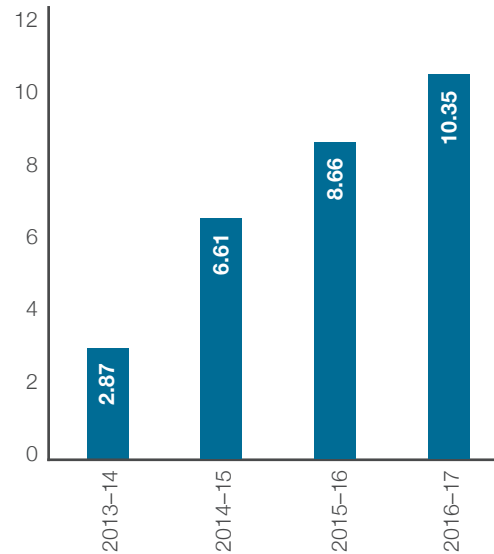
Council's net borrowings increased this year by \$1.7m due to a loan taken up in relation to the construction of the Manna Gum Family and Children's Centre. Our borrowings will increase again next year as some planned loans have been deferred to 2017/18. Despite the increase in borrowings, Council's debt remains at an affordable level. Only one small loan has been included in the 2017/18 budget and our debt is forecast to reduce between 2018/19 and 2020/21. The following graph shows Council's total debt levels over the past four years.

The loans and borrowings ratio compares total borrowings to annual rate revenue. The increasing trend correlates to the higher level of borrowings outlined above.

Loans and Borrowings Ratio



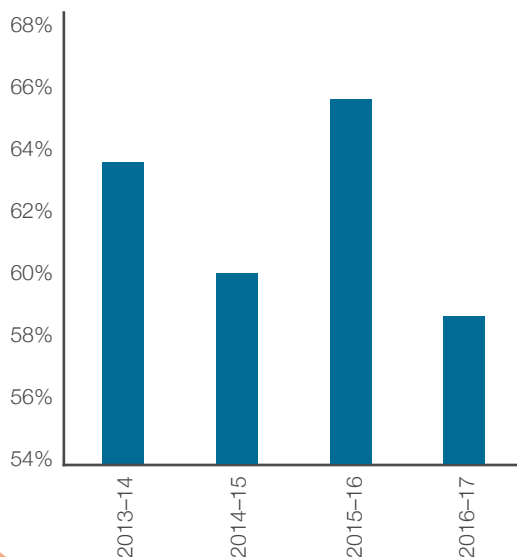
Borrowings



Stability

Council's income is raised from a variety of sources including user fees, statutory fees and grants, however most of Council's income is derived from rates. The graph below shows the ratio of Council's income from rates compared to total income.

Rates Concentration

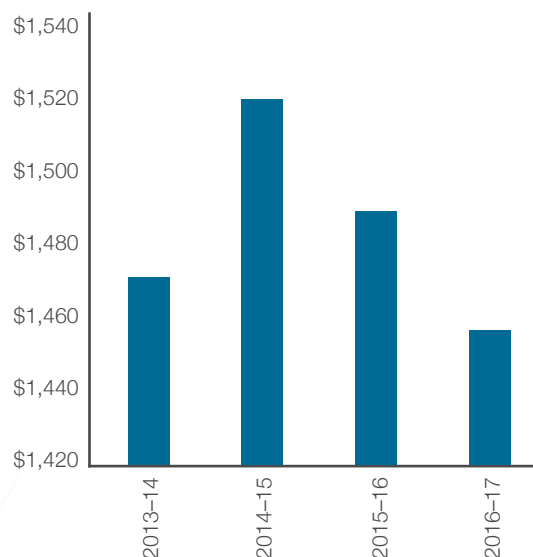


Note: the lower ratios in 2016/17 and 2014/15 are due to the timing of the financial assistance grant payments.

Efficiency

Over a number of years Council has focused on restricting growth in operating costs (despite the growth in services) to enable more funding for capital works projects. The table below shows Council operating expenditure per head of population, which reflects a trend in line with the objective.

Expenses per Head of Municipal Population



Financial Summary

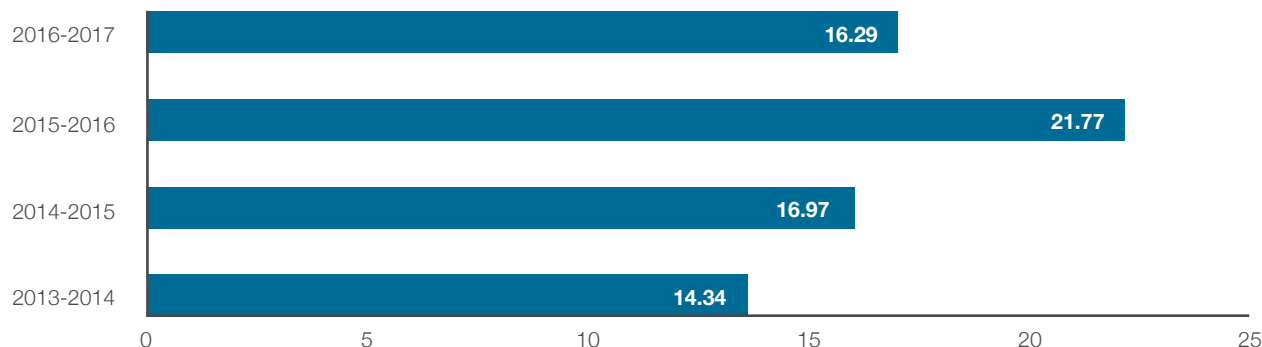
Capital Expenditure

Capital expenditure for the year totalled \$16.29m. Some of the key areas of capital works were roads and bridges (\$6.4m), footpaths (\$0.9m) and drainage (\$0.7m). There was also significant works completed at several Council facilities across the shire including the infrastructure development at the Hanging Rock East Paddock (\$1.3m) and the Kyneton Community Park (\$0.8m). A project was also undertaken during the year to replace Council's streetlight globes with LED lighting (\$0.8m) for environmental and financial benefits.

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

Capital Works Expenditure

\$M



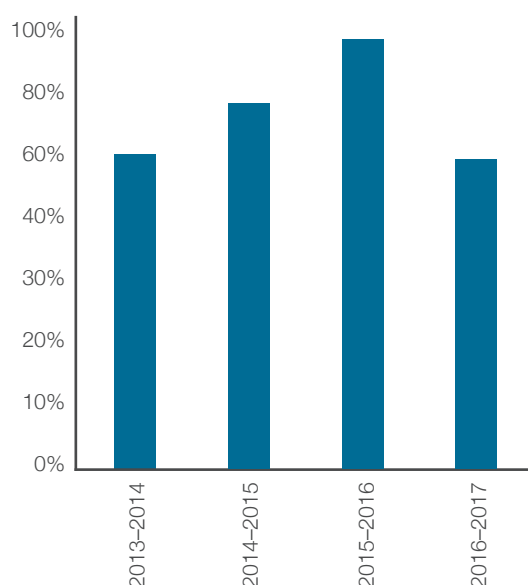
Asset Renewal

Maintaining and renewing our existing assets is a key focus of Council. It is a challenge for rural councils with large road networks to increase renewal spending, deliver new facilities for a growing community while keeping rates within state government imposed rate caps.

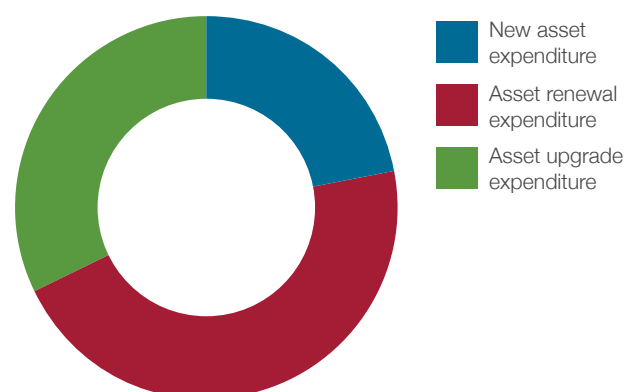
The asset renewal ratio (capital expenditure on asset renewal/depreciation expense) provides an indicator as to whether capital spending is sufficient to replace aging assets.

The level of renewal spending has some dependency on grant funding received. The 2016/17 renewal expenditure was lower than 2015/16 as some larger renewal projects are being completed over two years and most of this expenditure will be now incurred in the 2017/18 financial year. As a result it is expected that this ratio will be significantly higher in 2017/18. While on average capital works renewal expenditure has not matched depreciation, Council's budgeted spending on asset renewal is increasing.

Asset Renewal Ratio



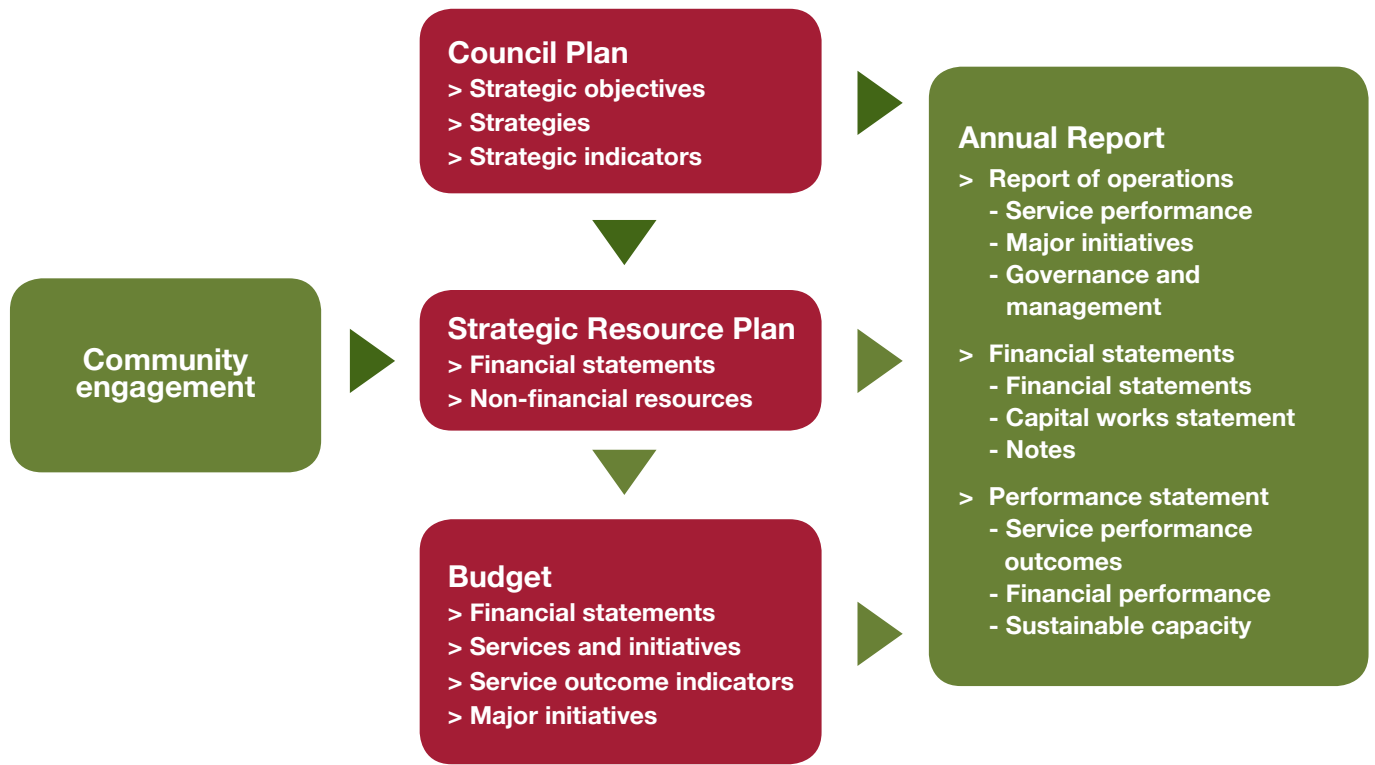
Breakdown of capital works expenditure categories



Financial Summary

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 2016/17 results are slightly lower than 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.

2016/17 budget

Each year Council prepares and adopts an annual budget. The 2016/17 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 22 June 2016.

One of Council's key objectives in the budget process is 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 Quarterly Report includes summary financial statements along with more detailed financial reporting on performance at the department level in respect to operating financials and capital works in comparison to budget. It 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 the year and provide a comparison with the previous financial year.

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Comprehensive Income Statement for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	44,388	42,611
Statutory fees and fines	4	3,882	2,960
User fees	5	6,460	5,971
Grants - operating	6	13,415	8,418
Grants - capital	6	8,174	8,128
Contributions - monetary	7	265	242
Contributions - non-monetary	7	11,769	6,199
Fair value adjustments for investment property	23	308	187
Share of net profits/(losses) of associates	16	(309)	53
Other income	9	2,131	1,693
Total income		<u>90,483</u>	<u>76,462</u>
Expenses			
Employee costs	10	30,644	30,314
Materials and services	11	19,972	19,636
Bad and doubtful debts	12	23	6
Depreciation and amortisation	13	13,130	12,419
Borrowing costs	14	395	323
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	8	98	1,341
Fair value adjustments for assets held for sale	20	58	53
(Increase)/decrease in provision for landfill liability	27	11	390
Other expenses	15	3,060	2,990
Total expenses		<u>67,391</u>	<u>67,472</u>
Surplus/(deficit) for the year		<u>23,092</u>	<u>8,990</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	29(a)	34,250	26,770
Total comprehensive result		<u>57,342</u>	<u>35,760</u>

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

Balance Sheet as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	10,721	12,138
Trade and other receivables	19	4,296	4,744
Other financial assets	18	22,000	9,038
Non-current assets classified as held for sale	20	1,112	2,208
Other assets	21	387	435
Total current assets		38,516	28,563
Non-current assets			
Other financial assets	18	21	21
Investments in associates	16	1,180	1,489
Property, infrastructure, plant and equipment	22	707,525	658,301
Investment property	23	4,400	4,402
Intangible assets	24	902	1,205
Total non-current assets		714,028	665,418
Total assets		752,544	693,981
Liabilities			
Current liabilities			
Trade and other payables	25	6,282	6,320
Trust funds and deposits	26	2,750	2,631
Provisions	27	7,142	7,794
Interest-bearing loans and borrowings	28	562	366
Total current liabilities		16,736	17,111
Non-current liabilities			
Provisions	27	5,049	4,941
Interest-bearing loans and borrowings	28	9,788	8,300
Total non-current liabilities		14,837	13,241
Total liabilities		31,573	30,352
Net assets		720,971	663,629
Equity			
Accumulated surplus		312,929	292,856
Reserves	29	408,042	370,773
Total equity		720,971	663,629

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

Statement of Changes in Equity for the year ended 30 June 2017

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017					
Balance at beginning of the financial year		663,629	292,856	361,546	9,227
Surplus/(deficit) for the year		23,092	23,092	-	-
Net asset revaluation increment/(decrement)	29(a)	34,250	-	34,250	-
Transfers to other reserves	29(b)	-	(4,742)	-	4,742
Transfers from other reserves	29(b)	-	1,723	-	(1,723)
Balance at end of the financial year		720,971	312,929	395,796	12,246

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		627,869	284,173	334,776	8,920
Surplus/(deficit) for the year		8,990	8,990	-	-
Net asset revaluation increment/(decrement)	29(a)	26,770	-	26,770	-
Transfers to other reserves	29(b)	-	(3,694)	-	3,694
Transfers from other reserves	29(b)	-	3,387	-	(3,387)
Balance at end of the financial year		663,629	292,856	361,546	9,227

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 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		44,529	42,736
Statutory fees and fines		3,882	2,960
User fees		6,624	5,886
Grants - operating		14,011	7,850
Grants - capital		7,683	7,886
Contributions - monetary		265	242
Interest received		478	843
Trust funds and deposits taken		1,182	799
Other receipts		2,274	2,000
Net GST refund		3,156	3,722
Employee costs		(30,727)	(29,580)
Materials and services		(20,428)	(18,294)
Trust funds and deposits repaid		(1,067)	(889)
Other payments		(6,802)	(8,299)
Net cash provided by/(used in) operating activities	30	25,060	17,862
Cash flows from investing activities			
Net (increase)/decrease in other financial assets		(12,962)	3,292
Payments for property, infrastructure, plant and equipment		(16,319)	(21,237)
Proceeds from sale of property, infrastructure, plant and equipment		1,513	735
Net cash provided by/(used in) investing activities		(27,768)	(17,210)
Cash flows from financing activities			
Finance costs		(393)	(323)
Proceeds from borrowings		2,050	2,400
Repayment of borrowings		(366)	(343)
Net cash provided by/(used in) financing activities		1,291	1,734
Net increase (decrease) in cash and cash equivalents		(1,417)	2,386
Cash and cash equivalents at the beginning of the financial year		12,138	9,752
Cash and cash equivalents at the end of the financial year	17	10,721	12,138
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The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
Property		
Land	310	813
Total land	310	813
Buildings	1,412	6,452
Building improvements	143	1,343
Total buildings	1,555	7,795
Total property	1,865	8,608
Plant and equipment		
Plant, machinery and equipment	1,920	1,626
Fixtures, fittings and furniture	2	476
Computers and telecommunications	606	354
Total plant and equipment	2,528	2,456
Infrastructure		
Roads	6,202	6,396
Bridges	228	531
Footpaths and cycleways	860	554
Drainage	669	421
Recreational, leisure and community facilities	1,325	671
Parks, open space and streetscapes	2,467	2,094
Other infrastructure	150	36
Total infrastructure	11,901	10,703
Total capital works expenditure	16,294	21,767
Represented by:		
New asset expenditure	3,565	5,401
Asset renewal expenditure	7,536	11,717
Asset expansion expenditure	-	1,545
Asset upgrade expenditure	5,193	3,104
Total capital works expenditure	16,294	21,767

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

Introduction

Macedon Ranges Shire Council (Council) was constituted in January 1995 following the amalgamation of the former shires of Gisborne, Romsey, Newham and Woodend, and Kyneton. 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 (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), 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 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.

(e) Revenue recognition

Income is recognised when 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 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 revenue 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,

Note 1 Significant accounting policies (cont.)

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.

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

Short-term receivables are carried at invoice amount. 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.

(j) Inventories

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

(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 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.

Note 1 Significant accounting policies (cont.)

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, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset class materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22.

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.

Note 1 Significant accounting policies (cont.)

(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 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.

Asset recognition thresholds and depreciation periods

Property	Depreciation Period	Threshold Limit \$'000
land	-	10
land improvements	-	10
landfill	30 years	10
Buildings		
heritage buildings	50 years	10
buildings	50 years	10
building improvements	50 years	10
leasehold improvements	50 years	10
Plant and equipment		
plant, machinery and equipment	3–26 years	2.5
fixtures, fittings and furniture	5–20 years	2.5
computers and telecommunications	3–5 years	2.5
Infrastructure		
road pavement - spray seal	18 years	10
road pavement - asphalt	35 years	10
road pavement - sealed pavement	55–90 years	10
road pavements - unsealed roads	20 years	10
road substructure - upper component	55–90 years	10
road substructure - sub component	55–90 years	10
road formation and earthworks	-	10
road kerb, channel and minor culverts	80–150 years	10
bridges and major culvers	70–200 years	10
footbridges	30–100 years	10
footpaths and cycleways	20–60 years	10
drainage	100 years	10
recreational, leisure and community facilities	10–50 years	10
parks, open space and streetscapes	10–50 years	10
other infrastructure	10–50 years	10
Intangible assets		
intangible assets	3–5 years	10

Note 1 Significant accounting policies (cont.)

(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 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 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, 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 26).

(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 as financial liabilities at cost. 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. 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 and annual 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 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 in Bullengarook, Kyneton and Lancefield 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.

Note 1 Significant accounting policies (cont.)

(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 the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 35.

(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.

(y) Pending accounting standards

The following new AAS have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified that following potential impacts will flow from the application of these standards in future reporting periods:

Revenue from contracts with customers (AASB 15) (applies 2018/19)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

(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.

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 require 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 22 June 2016 and were 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 and the Local Government (Planning and Reporting) Regulations.

a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	44,076	44,388	312	
Statutory fees and fines	3,170	3,882	712	1
User fees	6,025	6,460	435	
Grants - operating	10,147	13,415	3,268	2
Grants - capital	7,803	8,174	371	
Contributions - monetary	996	265	(731)	3
Contributions - non-monetary	10,100	11,769	1,669	4
Fair value adjustments for investment property	-	308	308	5
Share of net profits/(losses) of associates	-	(309)	(309)	6
Other income	2,092	2,131	39	
Total income	84,409	90,483	6,074	
Expenses				
Employee costs	31,063	30,644	(419)	
Materials and services	19,907	19,972	65	
Bad and doubtful debts	12	23	11	
Depreciation and amortisation	14,216	13,130	(1,086)	7
Borrowing costs	523	395	(128)	8
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	98	98	
Fair value adjustments for assets held for sale	-	58	58	
(Increase)/decrease in provision for landfill liability	-	11	11	
Other expenses	3,161	3,060	(101)	
Total expenses	68,882	67,391	(1,491)	
Surplus/(deficit) for the year	15,527	23,092	7,565	

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The higher level of income was mainly due to the Victorian Government increase to statutory planning fees which took effect from October 2016.
2	Grants - operating	Operating grants were above budget mainly due to the Victoria Grants Commission paying half of the 2017/18 allocation (\$2.4m) in advance in June 2017. In addition some cost reimbursements from the Victorian Government in relation to disaster recovery works undertaken by Council (\$0.4m) were received during the year which were not included in the budget. There were also unbudgeted grants received for the Rural Challenge project (\$0.2m) and preschool grants were higher than budget (\$0.2m).
3	Contributions - monetary	The budget included a large contribution to a capital works project in relation to the refurbishment of the old Romsey Primary School building, a joint project with Cobaw Community Health. This project is continuing into 2017/18 and hence most of the funds will now be received in the next financial year.
4	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 higher than the budget which was based on prior year averages.
5	Fair value adjustments for investment property	Council has several properties that are leased on a commercial basis. These properties are revalued annually and there has been an increase in values since 2015/16.
6	Share of net profits/(losses) of associates	This expense relates to Council's share in the Goldfields Library Corporation (GLC). The GLC had a number of asset write-offs during the year due to the cessation of the mobile library service which has resulted in a reduction in the value of Council's investment in the GLC.
7	Depreciation and amortisation	Depreciation is lower than budget as a review of asset service lives was conducted late in the last financial year and this resulted in an increase in service lives of some infrastructure assets. This increase in service lives reduced the depreciation expense.
8	Borrowing costs	Borrowing costs are lower than budget as one loan (\$2m) was taken out later into the financial year than assumed in the budget. Another two smaller loans totalling \$1.7m have been deferred to 2017/18.

Note 2 Budget comparison (cont.)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land	367	310	(57)	
Total land	367	310	(57)	
Buildings	1,058	1,412	354	1
Building improvements	-	143	143	1
Total buildings	1,058	1,555	497	
Total property	1,425	1,865	440	
Plant and equipment				
Plant, machinery and equipment	2,238	1,920	(318)	2
Fixtures, fittings and furniture	-	2	2	
Computers and telecommunications	520	606	86	
Total plant and equipment	2,758	2,528	(230)	
Infrastructure				
Roads	6,664	6,202	(462)	
Bridges	400	228	(172)	3
Footpaths and cycleways	695	860	165	4
Drainage	500	669	169	5
Recreational, leisure and community facilities	6,459	1,325	(5,134)	6
Parks, open space and streetscapes	2,825	2,467	(358)	7
Other infrastructure	834	150	(684)	8
Total infrastructure	18,377	11,901	(6,476)	
Total capital works expenditure	22,560	16,294	(6,266)	
Represented by:				
New asset expenditure	4,474	3,565	(909)	
Asset renewal expenditure	11,660	7,536	(4,124)	9
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	6,426	5,193	(1,233)	
Total capital works expenditure	22,560	16,294	(6,266)	

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings and building improvements	<p>Expenditure was higher than budget mainly due to some projects budgeted in 2015/16 which were approved as carried overs to the 2016/17 financial year. The key project carried over was for works at the Riddells Creek Senior Citizens Centre (\$0.4m).</p> <p>Some works that were budgeted against the buildings line have now been classified as building improvements hence there is no budget on the buildings improvements line.</p>
2	Plant, machinery and equipment	<p>This category included the budget for replacement of streetlight globes with LED lighting. Some of the final works for this \$1m project will be now be completed in 2017/18.</p>
3	Bridges	<p>Culvert works at Three Chain Road Carlsruhe have been postponed pending a grant funding application. The works will now be completed in 2017/18.</p>
4	Footpaths and cycleways	<p>Two footpath projects have come in higher than budget as the cost of the works were higher than the initial estimate.</p>
5	Drainage	<p>The Quarry Road Woodend detention basin was budgeted in 2015/16 but works have carried over to 2016/17 resulting in expenditure being higher than the adopted budget.</p>
6	Recreational, leisure and community facilities	<p>There are several large projects being completed over several years and this often results in timing differences to budget. Some of the key variances are as follows:</p> <ul style="list-style-type: none">• The refurbishment of the former Romsey Primary School, a joint project with Cobaw Community Health, was budgeted at \$1.6m. The project is underway but most of the cost will now be incurred in 2017/18.• The Gilbert Gordon Oval pavilion upgrade was budgeted at \$1.6m but this project has been deferred to 2017/18 as the related grant application was unsuccessful.• When the 2016/17 budget was developed it was assumed that final works at the Manna Gum Family & Children's Centre (\$0.9m) would be completed in 2016/17, however most of these works were completed in late 2015/16 which has resulted in expenditure being lower than budget.
7	Parks, open space and streetscapes	<p>The Romsey CBD improvement project was budgeted in 2016/17 will now be completed in 2017/18 (\$0.4m) as the related grant funding was approved later than expected.</p>
8	Other infrastructure	<p>The budget included rehabilitation works at the former Kyneton landfill site, however, for external reporting purposes these works are costed to the provision for landfills and do not appear in the capital works statement.</p>
9	Asset renewal	<p>Asset renewal expenditure is under budget due to some large renewal projects being carried over to 2017/18 (see note 6 above).</p>

Note 3 Rates and charges

	2017 \$'000	2016 \$'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 2016/17 was \$11,479 million (2015/16: \$11,011 million). The 2016/17 general rate in the capital improved value dollar was \$0.002965 (2015/16: \$0.002921).		
General rates	28,765	27,754
Agricultural land rates	2,191	2,136
Commercial/industrial rates	2,085	1,956
Municipal charge	4,483	4,335
Waste management charge	6,107	5,815
Supplementary rates and rate adjustments	488	323
Other rates	72	75
Interest on rates	197	217
Total rates and charges	44,388	42,611

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

Note 4 Statutory fees and fines

	2017 \$'000	2016 \$'000
Animal control fees	577	560
Infringements and costs	284	163
Permits	878	626
Roads and infrastructure fees	1,753	1,264
Town planning fees	150	145
Other statutory fees	240	202
Total statutory fees and fines	3,882	2,960

Note 5 User fees

	2017 \$'000	2016 \$'000
Aged and health services	209	201
Child care/children's programs	782	737
Cultural activities	127	84
Debt recovery	168	175
Gravel pit sales	172	149
Hanging Rock Reserve fees	610	545
Leisure centre and recreation	3,133	2,922
Facility hire	232	196
Saleyards	236	262
Waste management services	596	527
Other fees and charges	195	173
Total user fees	6,460	5,971

Note 6 Grants

	2017 \$'000	2016 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	15,275	8,459
State funded grants	6,314	8,087
Total grants received	21,589	16,546
Operating grants		
Recurrent - Commonwealth Government		
Aged and disability services	1,604	-
Victoria Grants Commission*	7,121	2,387
Recurrent - State Government		
Aged and disability services	436	2,002
Emergency management	-	47
Family and children	2,689	2,025
Maternal and child health	356	310
School crossing supervisors	69	67
Youth and culture	116	110
Other	126	105
Total recurrent operating grants	12,517	7,053

Note 6 Grants (cont.)

	2017 \$'000	2016 \$'000
Non-recurrent - State Government		
Aged and disability services	20	103
Economic development	29	12
Emergency management	450	939
Maternal and child health	-	45
Planning and environment	109	-
Recreational, leisure and community facilities	-	186
Youth and culture	217	-
Other	73	80
Total non-recurrent operating grants	898	1,365
Total operating grants	13,415	8,418
Capital grants		
Recurrent - Commonwealth Government		
Roads to Recovery	2,266	2,805
Victorian Grants Commission*	3,019	1,036
Total recurrent capital grants	5,285	3,841
Non-recurrent - Commonwealth Government		
Parks, open space and streetscapes	250	-
Recreational, leisure and community facilities	731	1,666
Roads and bridges	284	565
Non-recurrent - State Government		
Buildings	410	-
Footpaths and cycleways	138	310
Parks, open space and streetscapes	419	300
Recreational, leisure and community facilities	565	1,424
Roads and bridges	84	-
Other	8	22
Total non-recurrent capital grants	2,889	4,287
Total capital grants	8,174	8,128
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,085	4,809
Received during the financial year and remained unspent at balance date	1,352	924
Received in prior years and spent during the financial year	(851)	(4,648)
Balance at year end	1,586	1,085

*The Federal Government has prepaid 50% of 2017/18 allocation in 2016/17.
50% of 2015/16 allocation prepaid in 2014/15.

Note 7 Contributions

	2017 \$'000	2016 \$'000
Monetary	265	242
Non-monetary	11,769	6,199
Total contributions	<u>12,034</u>	<u>6,441</u>
<i>Contributions of non-monetary assets were received in relation to the following asset classes.</i>		
Land	1,473	-
Land under roads	982	580
Infrastructure	9,314	5,619
Total non-monetary	<u>11,769</u>	<u>6,199</u>

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

	2017 \$'000	2016 \$'000
Proceeds of sale	1,513	735
Written down value of assets disposed	(1,611)	(1,969)
Asset revaluation decrement	-	(107)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(98)</u>	<u>(1,341)</u>

Note 9 Other income

	2017 \$'000	2016 \$'000
Commission	96	162
Interest on investments	506	521
Insurance recoveries	186	236
Investment property rental	296	163
Merchandise and material sales	450	334
Other	597	277
Total other income	<u>2,131</u>	<u>1,693</u>

Note 10 Employee costs

	2017 \$'000	2016 \$'000
Wages and salaries	24,423	24,114
Casual staff	2,768	3,033
Superannuation	2,513	2,404
WorkCover	631	482
Fringe benefits tax	309	281
Total employee costs	30,644	30,314

(a) Superannuation

Council made contributions to the following funds:

Defined Benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	176	190
	<u>176</u>	<u>190</u>
Employer contributions payable at reporting date	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,477	1,489
Employer contributions - other funds	771	725
	<u>2,248</u>	<u>2,214</u>
Employer contributions payable at reporting date	89	-

Refer to Note 34 for further information relating to Council's superannuation obligations.

Note 11 Materials and services

	2017 \$'000	2016 \$'000
Administration	1,604	1,796
Building maintenance	843	838
Consultants	1,402	1,496
Contract payments	10,104	9,331
General maintenance	706	700
Information technology	578	524
Insurance	667	705
Materials and supplies	1,975	2,100
Utilities	2,093	2,146
Total materials and services	19,972	19,636

Note 12 Bad and doubtful debts

	2017 \$'000	2016 \$'000
Other debtors	23	6
Total bad and doubtful debts	23	6

Note 13 Depreciation and amortisation

	2017 \$'000	2016 \$'000
Land and buildings	1,774	1,622
Plant and equipment	1,348	1,047
Infrastructure	9,569	9,303
Intangible assets	439	447
Total depreciation and amortisation	13,130	12,419

Refer to notes 22 and 24 for a more detailed breakdown of depreciation and amortisation charges

Note 14 Borrowing costs

	2017 \$'000	2016 \$'000
Interest - borrowings	395	323
Total borrowing costs	395	323

Note 15 Other expenses

	2017 \$'000	2016 \$'000
Auditors' remuneration - VAGO - audit of the Financial Statements, Performance Statement and grant acquittals	46	36
Auditors' remuneration - Internal	47	43
Contributions and donations	1,660	1,669
Councillors' allowances	285	293
Operating lease rentals	891	949
Other expenses	131	-
Total other expenses	3,060	2,990

Note 16 Investment in associates

	2017 \$'000	2016 \$'000
Investments in associates accounted for by the equity method are:		
North Central Goldfields Library Corporation	1,180	1,489
The equity holders in the North Central Goldfields Library Corporation and their relevant holdings are:		
Macedon Ranges Shire Council	22.44%	22.17%
Greater Bendigo City Council	61.29%	61.32%
Loddon Shire Council	5.21%	5.39%
Mount Alexander Shire Council	11.06%	11.12%
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	701	670
Reported surplus(deficit) for year	(324)	36
Transfers (to) from reserves	(32)	(14)
Adjustment arising from change to equity share	4	9
Council's share of accumulated surplus (deficit) at end of year	349	701
Council's share of reserves		
Council's share of reserves at start of year	242	226
Adjustment arising from change to equity share	3	2
Transfers (to) from reserves	32	14
Council's share of reserves at end of year	277	242

Note 16 Investment in associates (cont.)

	2017 \$'000	2016 \$'000
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,489	1,436
Share of surplus(deficit) for year	(324)	36
Adjustment arising from change to equity share	15	17
Carrying value of investment at end of year	<u>1,180</u>	<u>1,489</u>
Council's share of expenditure commitments		
Operating commitments	85	74
Capital commitments	-	-
Council's share of expenditure commitments	<u>85</u>	<u>74</u>
Council's share of contingent liabilities and contingent assets		
Council's share of contingent liabilities and contingent assets	-	-

(Council's share of equity as per the un-audited 30 June 2017 Financial Statements of the library service)

Note 17 Cash and cash equivalents

	2017 \$'000	2016 \$'000
Cash on hand	30	17
Cash at bank	7,099	2,580
Money market call accounts	2,592	2,341
Term deposits	1,000	7,200
Total cash and cash equivalents	<u>10,721</u>	<u>12,138</u>
Council's cash and cash equivalents and other financial assets (see Note 18) are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 26)	2,441	2,326
- Cash held for non-discretionary reserves (Note 29b)	4,492	3,473
- Lancefield tip assurance bank account	486	479
Total restricted funds	<u>7,419</u>	<u>6,278</u>
Total unrestricted cash and cash equivalents	<u>3,302</u>	<u>5,860</u>
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	5,658	3,917
- Cash held for discretionary reserves (Note 29b)	7,754	5,754
Total funds subject to intended allocations	<u>13,412</u>	<u>9,671</u>

Refer also to Note 18 for details of other financial assets held by Council.

Note 18 Other financial assets

	2017 \$'000	2016 \$'000
Current		
Term deposits	22,000	9,038
Total current	22,000	9,038
Non-current		
Shares in Lancefield Community Bank - at cost	12	12
Shares in Gisborne Community Bank - at cost	9	9
Total non-current	21	21
Total other financial assets	22,021	9,059

Note 19 Trade and other receivables

	2017 \$'000	2016 \$'000
Statutory receivables		
Rates debtors	2,359	2,496
Net GST receivable	483	511
Non statutory receivables		
Other debtors	1,385	1,075
Accrued income	43	658
Accrued interest income	81	53
Provision for doubtful debts - other debtors	(55)	(49)
Total trade and other receivables	4,296	4,744

a) Ageing of receivables

At balance date other debtors representing financial assets were past due but not impaired.

The ageing of Council's other receivables was:

Current (not yet due)	855	914
Past due by up to 30 days	129	24
Past due between 31 and 180 days	326	70
Past due between 181 and 365 days	54	36
Past due by more than 1 year	21	31
Total other receivables	1,385	1,075

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	49	47
New provisions recognised during the year	28	23
Amounts already provided for and written off as uncollectible	(14)	(1)
Amounts provided for but recovered during the year	(8)	(20)
Balance at end of year	55	49

Note 19 Trade and other receivables (cont.)

	2017 \$'000	2016 \$'000
c) Ageing of individually impaired receivables		
At balance date, other debtors representing financial assets with a nominal value of \$55k (2016: \$49k) were impaired. The amount of the provision raised against these debtors was \$55k (2016: \$49k). 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)	2	-
Past due between 31 and 150 days	17	9
Past due between 151 and 365 days	18	13
Past due by more than 1 year	18	27
Balance at end of year	55	49

Note 20 Non-current assets classified as held for sale

	2017 \$'000	2016 \$'000
Balance at beginning of period	2,208	1,043
add acquisitions	-	-
add/(less) sales/transfers	(1,009)	1,218
add reversal of previous revaluation increment	(29)	-
add/(less) fair value adjustment	(58)	(53)
Total non-current assets classified as held for resale	1,112	2,208

Note 21 Other assets

	2017 \$'000	2016 \$'000
Inventories held for distribution	-	5
Prepayments	387	430
Total other assets	387	435

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

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2016 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Impairment \$'000	Transfers \$'000	At fair value 30 June 2017 \$'000
Land	70,096	-	2,455	25,510	(171)	(181)	-	580	98,289
Buildings	77,128	-	-	(2,710)	(1,603)	-	-	7,105	79,920
Plant and equipment	7,422	-	-	2,241	(1,348)	(342)	-	1,656	9,629
Infrastructure	493,957	-	9,314	9,239	(9,569)	(79)	-	8,893	511,755
Work in progress	9,698	16,158	-	-	-	-	-	(17,924)	7,932
Total property, infrastructure, plant and equipment	658,301	16,158	11,769	34,280	(12,691)	(602)	-	310	707,525

Summary of Work In Progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers to assets \$'000	Write offs \$'000	Closing WIP \$'000
Buildings	1,810	5,962	(7,375)	-	397
Plant and equipment	-	1,656	(1,656)	-	-
Infrastructure	7,888	8,540	(8,893)	-	7,535
Total Work In Progress	9,698	16,158	(17,924)	-	7,932

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

Land and buildings

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total land \$'000	Heritage buildings \$'000	Buildings specialised \$'000	Buildings - non specialised \$'000	Buildings improvements \$'000	Leasehold improvements \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2016	25,570	46,395	-	71,965	306	35,125	44,638	-	-	80,069	1,810	153,844
Accumulated depreciation at 1 July 2016	(1,869)	-	-	(1,869)	(12)	(1,450)	(1,479)	-	-	(2,941)	-	(4,810)
	23,701	46,395	-	70,096	294	33,675	43,159	-	-	77,128	1,810	149,034
Movements in fair value												
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	-	-	5,962	5,962
Contributed Assets	982	1,473	-	2,455	-	-	-	-	-	-	-	2,455
Revaluation increments/decrements	11,469	14,041	-	25,510	-	(2,355)	(4,899)	-	-	(7,254)	-	18,256
Fair value of assets disposed	-	(181)	-	(181)	-	-	-	-	-	-	-	(181)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	220	200	160	580	(306)	4,597	2,814	-	-	7,105	(7,375)	310
	12,671	15,533	160	28,364	(306)	2,242	(2,085)	-	-	(149)	(1,413)	26,802
Movements in accumulated depreciation												
Depreciation and amortisation	(171)	-	-	(171)	-	(725)	(878)	-	-	(1,603)	-	(1,774)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-	2,187	2,357	-	-	4,544	-	4,544
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	12	(12)	-	-	-	-	-	-
	(171)	-	-	(171)	12	1,450	1,479	-	-	2,941	-	2,770
At fair value 30 June 2017	38,241	61,928	160	100,329	-	37,367	42,553	-	-	79,920	397	180,646
Accumulated depreciation at 30 June 2017	(2,040)	-	-	(2,040)	-	-	-	-	-	-	-	(2,040)
	36,201	61,928	160	98,289	-	37,367	42,553	-	-	79,920	397	178,606

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

Plant and equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Cultural assets \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2016	8,665	1,202	1,247	300	-	11,414
Accumulated depreciation at 1 July 2016	(3,202)	(243)	(540)	(7)	-	(3,992)
	5,463	959	707	293	-	7,422
Movements in fair value						
Acquisition of assets at fair value	-	-	-	-	1,656	1,656
Contributed assets	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	2,234	-	2,234
Fair value of assets disposed	(958)	-	(56)	-	-	(1,014)
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	1,094	90	469	3	(1,656)	-
	136	90	413	2,237	-	2,876
Movements in accumulated depreciation						
Depreciation and amortisation	(828)	(126)	(394)	-	-	(1,348)
Accumulated depreciation of disposals	618	-	54	-	-	672
Revaluation increments/decrements	-	-	-	7	-	7
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(210)	(126)	(340)	7	-	(669)
At fair value 30 June 2017	8,801	1,292	1,660	2,537	-	14,290
Accumulated depreciation at 30 June 2017	(3,412)	(369)	(880)	-	-	(4,661)
	5,389	923	780	2,537	-	9,629

Note 22 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 infrastructure \$'000
At fair value 1 July 2016	499,324	45,209	22,674	53,762	28,488	1,411	1,533	7,888	660,289
Accumulated depreciation at 1 July 2016	(118,559)	(14,821)	(5,103)	(13,010)	(6,162)	(451)	(338)	-	(158,444)
	380,765	30,388	17,571	40,752	22,326	960	1,195	7,888	501,845
Movements in fair value									
Acquisition of assets at fair value	-	-	-	-	-	-	-	8,540	8,540
Contributed Assets	4,752	10	1,261	3,021	74	405	-	-	9,523
Revaluation increments/ decrements	(14)	-	-	7,890	-	-	-	-	7,876
Fair value of assets disposed	(281)	(3)	11	(16)	-	(68)	-	-	(357)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	6,601	188	368	256	-	138	1,342	(8,893)	-
	11,058	195	1,640	11,151	74	475	1,342	(353)	25,582
Movements in accumulated depreciation									
Depreciation and amortisation	(6,842)	(428)	(482)	(636)	(956)	(139)	(86)	-	(9,569)
Contributed assets	-	(6)	(8)	(22)	(43)	(130)	-	-	(209)
Accumulated depreciation of disposals	134	98	13	5	-	28	-	-	278
Revaluation increments/ decrements	2,913	-	-	(1,550)	-	-	-	-	1,363
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(3,795)	(336)	(477)	(2,203)	(999)	(241)	(86)	-	(8,137)
At fair value 30 June 2017	510,382	45,404	24,314	64,913	28,562	1,886	2,875	7,535	685,871
Accumulated depreciation at 30 June 2017	(122,354)	(15,157)	(5,580)	(15,213)	(7,161)	(692)	(424)	-	(166,581)
	388,028	30,247	18,734	49,700	21,401	1,194	2,451	7,535	519,290

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by qualified valuers Hayley Drummond AAPI, Municipal Valuer, and Leon Roach AAPI. 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.

The date of the current valuation is detailed in the following table. Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - non-specialised	-	61,928	-	June 2017
Land - specialised	-	-	36,201	June 2017
Land - improvements	-	160	-	June 2017
Buildings - non-specialised	-	42,553	-	June 2017
Buildings - specialised	-	-	37,367	June 2017
Total	-	104,641	73,568	

Valuation of infrastructure

Valuation of infrastructure assets has been determined under the supervision of Ron Witteveen, Dip (Civil Engineering) Grad Dip (Industrial Management), Co-ordinator Engineering Planning.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	388,028	Sept 2015
Bridges	-	-	30,247	Sept 2015
Footpaths and cycleways	-	-	18,734	Sept 2015
Drainage	-	-	49,700	Sept 2015
Recreational, leisure and community facilities	-	-	21,401	April 2016
Parks, open space and streetscapes	-	-	1,194	April 2016
Other infrastructure	-	-	2,451	April 2016
Total	-	-	511,755	

Note 22 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 year 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.

Reconciliation of specialised land

	2017 \$'000	2016 \$'000
Land under roads	9,310	5,391
Landfill	3,138	3,311
Other	23,753	14,999
Total specialised land	36,201	23,701

Note 23 Investment property

	2017 \$'000	2016 \$'000
Balance at beginning of financial year	4,402	4,215
Additions / Transfers	(310)	-
Fair value adjustments	308	187
Balance at end of financial year	4,400	4,402

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 24 Intangible assets

	Software \$'000
Carrying amount at 1 July 2016	2,256
Accumulated amortisation at 1 July 2016	(1,051)
	<u>1,205</u>
Movements in carrying amount	
Additions	136
Disposals	(6)
Amortisation expense	(439)
Disposals - Accumulated Depreciation	6
	<u>(309)</u>
Carrying amount at 30 June 2017	2,386
Accumulated amortisation at 30 June 2017	(1,484)
	<u>902</u>

Note 25 Trade and other payables

	2017 \$'000	2016 \$'000
Trade payables	4,476	4,325
Accrued general expenses	280	480
Accrued payroll expense	1,088	1,013
Accrued interest expense	28	26
Prepaid income	244	270
Other payables	166	206
Total trade and other payables	<u>6,282</u>	<u>6,320</u>

Note 26 Trust funds and deposits

	2017 \$'000	2016 \$'000
Fire services levy	309	305
Trust funds and deposits	2,441	2,326
Total other current liabilities	2,750	2,631

Purpose and nature of items

Trust funds and 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 27 Provisions

	Employee \$'000	Landfill restoration \$'000	Other \$'000	Total \$'000
2017				
Balance at beginning of the financial year	7,071	5,664	-	12,735
Additional provisions	2,583	432	-	3,015
Amounts used	(2,560)	(436)	-	(2,996)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(142)	(421)	-	(563)
Balance at the end of the financial year	6,952	5,239	-	12,191
2016				
Balance at beginning of the financial year	6,651	5,688	87	12,426
Additional provisions	2,518	1	-	2,519
Amounts used	(2,180)	(414)	(87)	(2,681)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	82	389	-	471
Balance at the end of the financial year	7,071	5,664	-	12,735

Note 27 Provisions (cont.)

	2017 \$'000	2016 \$'000
(a) Employee provisions		
<i>Current provisions expected to be wholly settled within 12 months</i>		
Annual leave	1,850	1,678
Long service leave	2,004	2,100
	<u>3,854</u>	<u>3,778</u>
<i>Current provisions expected to be wholly settled after 12 months</i>		
Annual leave	35	173
Long service leave	2,093	2,332
	<u>2,128</u>	<u>2,505</u>
Total current provisions	<u>5,982</u>	<u>6,283</u>
<i>Non-current</i>		
Long service leave	970	788
Annual leave	-	-
Total non-current provisions	<u>970</u>	<u>788</u>
Aggregate carrying amount of employee provisions:		
Current	5,982	6,283
Non-current	970	788
Total aggregate carrying amount of employee provisions	<u>6,952</u>	<u>7,071</u>
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	3.81%	4.13%
Weighted average discount rates	2.44%	1.90%
Weighted average settlement period	41 mths	38 mths
(b) Landfill restoration		
Current	1,160	1,511
Non-current	4,079	4,153
Total landfill restoration	<u>5,239</u>	<u>5,664</u>
The following assumptions were adopted in measuring the present value of landfill rehabilitation:		
Weighted average increase in costs	2.00%	2.50%
Weighted average discount rates	2.61%	1.99%
Weighted average settlement period	8 yrs	8 yrs

Note 28 Interest-bearing loans and borrowings

	2017 \$'000	2016 \$'000
Current borrowings - secured	562	366
Non-current borrowings - secured	9,788	8,300
Total interest-bearing loans and borrowings	10,350	8,666

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

Not later than one year	562	366
Later than one year and not later than five years	6,273	5,593
Later than five years	3,515	2,707
Total interest-bearing loans and borrowings	10,350	8,666

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

Note 29 Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2017			
Property			
Land	44,751	25,510	70,261
Buildings	19,461	(2,711)	16,750
	<u>64,212</u>	<u>22,799</u>	<u>87,011</u>
Infrastructure			
Roads	235,590	2,486	238,076
Kerb and channel	8,184	413	8,597
Bridges	13,195	-	13,195
Drainage	25,628	6,340	31,968
Footpaths	3,648	-	3,648
Recreational, leisure and community facilities	10,661	-	10,661
	<u>296,906</u>	<u>9,239</u>	<u>306,145</u>
Other assets			
Cultural assets	250	2,241	2,491
Equity in North Central Goldfields Library	149	-	149
Assets held for sale	29	(29)	-
	<u>428</u>	<u>2,212</u>	<u>2,640</u>
Total asset revaluation reserves	361,546	34,250	395,796

Note 29 Reserves (cont.)

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2016			
Property			
Land	44,751	-	44,751
Buildings	19,461	-	19,461
	<u>64,212</u>	<u>-</u>	<u>64,212</u>
Infrastructure			
Roads	225,860	9,730	235,590
Kerb and channel	9,139	(955)	8,184
Bridges	3,543	9,652	13,195
Drainage	25,628	-	25,628
Footpaths	5,966	(2,318)	3,648
Recreational, leisure and community facilities	-	10,661	10,661
	<u>270,136</u>	<u>26,770</u>	<u>296,906</u>
Other assets			
Cultural assets	250	-	250
Equity in North Central Goldfields Library	149	-	149
Assets held for sale	29	-	29
	<u>428</u>	<u>-</u>	<u>428</u>
Total asset revaluation reserves	<u>334,776</u>	<u>26,770</u>	<u>361,546</u>

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2017				
Asset conversion	170	590	(425)	335
Car parking*	45	91	-	136
Commercial development	2,906	246	-	3,152
Community facilities*	309	-	-	309
Debt repayment	1,123	813	-	1,936
Drainage*	319	46	-	365
Footpaths*	161	6	(55)	112
Gisborne development plan*	625	113	(275)	463
Gravel pit operations	(42)	168	-	126
Hanging Rock	490	110	(22)	578
Landfill recovery	40	-	(40)	-
Plant replacement	1,067	1,307	(747)	1,627
Public open space*	1,381	1,173	(60)	2,494
Road contributions*	299	65	(99)	265
Romsey development plan*	52	3	-	55
Senior citizens accommodation maintenance*	282	11	-	293
Total other reserves	<u>9,227</u>	<u>4,742</u>	<u>(1,723)</u>	<u>12,246</u>

Note 29 Reserves (cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2016				
Asset conversion	199	394	(423)	170
Car parking*	20	25	-	45
Commercial development	2,820	86	-	2,906
Community facilities*	366	-	(57)	309
Debt repayment	305	818	-	1,123
Drainage*	297	22	-	319
Footpaths*	244	-	(83)	161
Gisborne development plan*	605	20	-	625
Gravel pit operations	540	47	(629)	(42)
Hanging Rock	447	43	-	490
Landfill recovery	339	188	(487)	40
Plant replacement	1,248	1,086	(1,267)	1,067
Public open space*	868	798	(285)	1,381
Road contributions*	342	113	(156)	299
Romsey development plan*	29	23	-	52
Senior citizens accommodation maintenance*	251	31	-	282
Total other reserves	8,920	3,694	(3,387)	9,227

*Non-discretionary reserves subject to statutory requirements and/or other agreements. \$4.492m (\$3.473m 2015/16)

Asset conversion—net proceeds from the sale of land for capitals works projects.

Car parking—developer contributions for car parking projects.

Commercial development—net proceeds from the sale of industrial/commercial land for the purchase and development of land to be used for industrial/commercial purposes.

Community facilities—developer contributions for community infrastructure facilities.

Debt repayment—budget allocation to accumulate the required amount of funds to repay the borrowed money when it is due to be repaid.

Drainage—developer contributions for drainage works.

Footpaths—developer contributions for footpath works.

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

Gravel pit operations—surplus from gravel pit operations for capital works projects.

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

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

Plant replacement—surplus from plant operations for capital replacements.

Public open space—developer contributions for open space projects.

Roads contributions—developer contributions for roads works.

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

Senior citizens accommodation maintenance—resident contributions for maintenance of units.

Note 30 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2017 \$'000	2016 \$'000
Surplus/(deficit) for the year	23,092	8,990
Depreciation/amortisation	13,130	12,419
Profit/(loss) on disposal of property, infrastructure, plant and equipment	98	1,341
Fair value adjustments for assets held for sale	58	53
Fair value adjustments for investment property	(308)	(187)
Contributions - non-monetary assets	(11,769)	(6,199)
Share of net profits/losses of associates	309	(53)
Borrowing costs	395	323
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(140)	512
(Increase)/decrease in prepayments	43	(134)
(Increase)/decrease in accrued income	587	(285)
(Increase)/decrease in inventories	5	1
Increase/(decrease) in trade and other payables	11	844
Increase/(decrease) in other liabilities	93	(72)
Increase/(decrease) in provisions	(544)	309
Net cash provided by/(used in) operating activities	<u>25,060</u>	<u>17,862</u>

Note 31 Financing arrangements

	2017 \$'000	2016 \$'000
Credit card facilities	100	50
Total facilities	<u>100</u>	<u>50</u>
Used facilities	(15)	(13)
Unused facilities	<u>85</u>	<u>37</u>

Note 32 Commitments

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
2017					
Operating					
Cleaning contracts for Council buildings	357	347	1,083	-	1,787
Consultancies	144	53	-	-	197
Housing management	109	109	256	-	474
Software support	81	49	49	-	179
Waste collection	1,770	568	159	-	2,497
Total	2,461	1,126	1,547	-	5,134
Capital					
Buildings	238	-	-	-	238
Roads	987	-	-	-	987
Landfill	393	-	-	-	393
Footpaths and cycleways	221	-	-	-	221
Drainage	454	-	-	-	454
Recreational, leisure and community	115	-	-	-	115
Parks, open space and streetscapes	39	-	-	-	39
Total	2,447	-	-	-	2,447
2016					
Operating					
Building security	15	-	-	-	15
Cleaning contracts for Council buildings	265	199	201	-	665
Consultancies	60	60	60	-	180
Housing management	118	109	245	-	472
Software support	114	114	114	-	342
Waste collection	1,587	1,611	409	-	3,607
Total	2,159	2,093	1,029	-	5,281
Capital					
Buildings	152	-	-	-	152
Roads	207	-	-	-	207
Drainage	432	-	-	-	432
Recreational, leisure and community	1,115	-	-	-	1,115
Parks, open space and streetscapes	15	20	-	-	35
Total	1,921	20	-	-	1,941

Note 33 Operating leases

	2017 \$'000	2016 \$'000
(a) Operating lease commitments		
At the reporting date, 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	643	674
Later than one year and not later than five years	1,457	2,311
Later than five years	483	712
Total operating lease commitments	2,583	3,697
b) Operating lease receivables		
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	100	79
Later than one year and not later than five years	247	208
Later than five years	163	161
Total operating lease receivables	510	448

Note 34 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, Accumulation and Defined Benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receive 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 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The Vested Benefit Index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102%. To determine the VBI, the fund Actuary used the following long-term assumptions:

- Net investment returns 7.0% pa
- Salary information 4.25% pa
- Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim 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 2016 interim actuarial investigation conducted by the Fund Actuary, 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 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the 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 an actuarial 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 Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

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.

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the Defined Benefit category of which Council is a contributing employer:

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 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 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined

Note 34 Superannuation

Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2017 VBI during August 2017.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$132,000.

Note 35 Contingent liabilities and contingent assets

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 34. 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.

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 \$9,885.

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 \$7,537.

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

Contingent assets

Council expenditure in relation to natural disasters can be reimbursed by the State Government if certain criteria have been met. As at 30 June 2017 Council had incurred \$477k of expenditure in relation to emergency recovery that had not been submitted to the State Government or have been submitted but not yet approved. As these claims are subject to approval by the State Government they have not been included in income and have been listed as a contingent asset.

Note 36 Financial Instruments

(a) Objectives and policies

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 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. Council's exposure 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 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. 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 Council's

Note 36 Financial Instruments (cont.)

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with 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 35.

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 has:

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

- a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitored budget to actual performance on a regular basis
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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 35, 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 28.

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 2.07%.

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 37 Related party transactions

(i) Related Parties

Parent entity

Macedon Ranges Shire Council is the parent entity.

Subsidiaries and Associates

Macedon Ranges Shire Council does not have any subsidiaries. Interests in associates are detailed in Note 16.

(ii) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Jennifer Anderson	01/07/2016 - 30/06/2017	(Mayor 17/11/2016 to 30/06/2017)
Councillor Roger Jukes	01/07/2016 - 30/06/2017	
Councillor John Connor	01/07/2016 - 22/10/2016	
Councillor Graham Hackett	01/07/2016 - 22/10/2016	(Mayor to 22/10/2016)
Councillor John Letchford	01/07/2016 - 22/10/2016	
Councillor Henry McLaughlin	01/07/2016 - 22/10/2016	
Councillor Russell Mowatt	01/07/2016 - 22/10/2016	
Councillor Sally Piper	01/07/2016 - 22/10/2016	
Councillor Ian Ellis	01/07/2016 - 22/10/2016	
Councillor Mandi Mees	07/11/2016 - 30/06/2017	
Councillor Helen Radhedge	07/11/2016 - 30/06/2017	
Councillor Andrew Twaits	07/11/2016 - 30/06/2017	
Councillor Henry Bleeck	07/11/2016 - 30/06/2017	
Councillor Natasha Gayfer	07/11/2016 - 30/06/2017	
Councillor Bill West	07/11/2016 - 30/06/2017	
Councillor Janet Pearce	07/11/2016 - 30/06/2017	

	2017	2016
Total Number of Councillors	16	9
Chief Executive Officer and other Key Management Personnel*	7	6
Total Key Management Personnel	23	15

*Includes Peter Johnston (CEO), John Hausler (Director Corporate Services), Sophie Segafredo (Director Planning and Environment), Karen Stevens (Director Community Wellbeing), Dale Thornton (Director Assets and Operations), David McLean (Manager Organisational Development), and Glenn Owens (former Director Corporate Services).

Note 37 Related party transactions (cont.)

(iii) Remuneration of Key Management Personnel

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

	2017 No.	2016 No.
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,623	1,616
Long-term benefits	96	20
Termination benefits	-	-
Total	<u>1,719</u>	<u>1,636</u>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	6	-
\$10,000 - \$19,999	7	-
\$20,000 - \$29,999	1	7
\$30,000 - \$39,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	2	-
\$100,000 - \$109,999	-	1
\$140,000 - \$149,999	-	1
\$160,000 - \$169,999	1	-
\$190,000 - \$199,999	1	1
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	2	2
\$310,000 - \$319,999	1	1
Total	<u>23</u>	<u>15</u>

Note 37 Related party transactions (cont.)

(iv) Transactions with related parties

During the period Council entered into the following transactions with related parties:

- goods and services were purchased from a local supplier, Bridgestone Kyneton, owned by Councillor Jukes. The transactions amounted to \$54,036 inc. GST (\$74,422 during 2015/16). All purchases were at arms length in the normal course of Council's operations.
- salaries and wages amounting to \$10,841 were paid to a staff member who is a close family member of a former Councillor. Payments were at arms length in accordance with the Enterprise Bargaining Agreement and were in the normal course of Council's operations.

(v) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

- \$5,402 which was owed by Council to Bridgestone Kyneton for goods and services purchased by Council at arms length in the normal course of Council's operations (\$2,942 as at 30 June 2016).

(vi) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by Council to a related party (2015/16, \$0).

(vii) Commitments to/from related parties

There were no commitments in existence at balance date that have been made, guaranteed or secured by Council to a related party (2015/16, \$0).

Note 38 Senior Officer Remuneration

	2017 No.	2016 No.
A senior officer is an officer of Council, other than Key Management Personnel, who:		
a) has management responsibilities and reports directly to the Chief Executive; or		
b) whose total annual remuneration exceeds \$142,000		
The number of senior officers are shown below in their relevant income bands:		
Income Range:		
Less than \$142,000*	1	-
\$142,000 - \$149,999	6	6
\$150,000 - \$159,999	2	4
\$160,000 - \$169,999	1	-
\$240,000 - \$249,999	1	-
	<u>11</u>	<u>10</u>
	2017 \$'000	2016 \$'000
Total accumulated remuneration for senior officers	1,718	1,484

*A senior officer with annual remuneration over \$142,000 resigned during the year. Their full annual salary was not paid, so their disclosed income range was less than \$142,000.

Note 39 Events occurring after balance date

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

Certification of the Financial Statements

Macedon Ranges Shire Council
2016/2017 Financial Report

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.



Principal Accounting Officer

Date: 27 September 2017
Gisborne

In our opinion the accompanying financial statements present fairly the financial transactions of Macedon Ranges Shire Council for the year ended 30 June 2017 and the financial position of 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 Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Councillor (Mayor)

Date: 27 September 2017
Gisborne



Councillor

Date: 27 September 2017
Gisborne



Acting Chief Executive Officer

Date: 27 September 2017
Gisborne

Independent Auditor's Report

To the Councillors of Macedon Ranges Shire Council

Opinion	<p>I have audited the financial report of Macedon Ranges Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2017• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including a summary of significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Independent Auditor's Report—

Financial Report


Auditor's responsibilities for the audit of the financial report As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
28 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria

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Macedon Ranges Shire Council

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Website: mrsc.vic.gov.au

Find us on social media    
or search #macedonrangesshirecouncil

Administration Centres

Kyneton, 129 Mollison Street
Gisborne, 40 Robertson Street

Service Centres

Romsey Community Hub, 96–100 Main Street
Woodend Library, Corner High and Forest Streets

Kyneton Town Hall–Box Office

Tel: 1300 888 802

Visitor Information Centres

Woodend Tel: (03) 5427 2033
Kyneton Tel: (03) 5422 6110

