



**Macedon
Ranges**
Shire Council

Annual Report 2017/18



Contents

Section I: Overview

A message from the Mayor and CEO	3
Our framework	4
Our priorities	5
Our liveable shire	8
Financial snapshot	11
Our services	13
Our year in review	18
Our year in review–Youth Strategy.....	22
Our year in review–Hanging Rock.....	23

Our people

Our Councillors.....	26
Our Executive team.....	29
Our organisation	30
Our workforce	31
Our volunteers	35

Our priorities

Achieving our priorities	37
Promote health and wellbeing	51
Protect the natural environment	60
Improve the built environment	65
Enhance the social & economic environment.....	69
Provide strong and reliable government	72

Our governance

Governance	74
Contracts	87
Governance and management checklist	88
Glossary	91

Our performance statement

Description of municipality	94
Sustainable capacity indicators	95
Service performance indicators	97
Financial performance indicators	101
Certification of the performance statement ...	109
Independent auditor's report	110

Financial report

Financial summary	112
-------------------------	-----

Section II: Financial statements

For the year ending 30 June 2018	123
--	-----

About this Annual Report

This Annual Report informs our community of our performance for the financial year (1 July 2017 to 30 June 2018).

The Annual Report provides you with details of our operations, achievements and challenges.

Performance is measured against how well we achieved our goals and objectives outlined in the Council Plan 2017–27 (Year One), which incorporates the Health and Wellbeing Plan.



A message from the Mayor and CEO

This Annual Report 2017/18 describes the first full year of the current Council's four-year term. It is also the first annual report of our Chief Executive Officer, Margot Stork. I welcome and thank her for all the contributions that have been made since November 2017.



It was exciting both professionally and personally to be appointed to Macedon Ranges, which is renowned for its unique townships, beautiful landscapes, heritage architecture and vibrant communities. It is easy to see why so many people are attracted to the shire as a place to live and work and why so many care deeply about the area and its future.



A personal highlight was representing the Macedon Ranges at the Australian Local Government Association National Assembly in Canberra. Our Council gained support for our requests to the Federal Government to seek improvement in waste, resource recovery and recycling solutions across Australia.

While in Canberra we advocated for projects at Parliament House, including the Daylesford to Hanging Rock Trail and the Macedon Ranges Regional Sports Precinct.

Another highlight was for the first time employing local young people as co-designers of our Youth Strategy.

Partnerships have been important in the last 12 months, particularly with the community and State Government. We took time to examine options for the Old Kyneton Primary School site, before the State Government decided to retain it in community ownership.

We continue to work with the Department of Environment, Land, Water and Planning on a strategic direction for Hanging Rock and have formulated a localised planning statement that responds to *The Planning and Environment Amendment (Distinctive Areas and Landscapes) Bill 2017* (VIC) — which recognises the Macedon Ranges as a special and significant area.

Councillors and Council staff have enjoyed working with our community throughout the year, particularly our dedicated volunteers, as we continue to build on the partnerships we have initiated and developed.

Mayor, Cr Jennifer Anderson

The past year has been one of challenges; it has also been a time of great opportunity. Council has been working closely with the Victorian Government on a number of key policies that will have a far-reaching and lasting legacy.

The Hanging Rock Strategic Plan and the localised planning statement, now referred to as the Statement of Planning Policy, are two key documents charting the future direction of the shire. At the same time we have been advocating for increased state investment to deliver major projects to our community such as the Macedon Ranges Regional Sports Precinct. This project shows what can be achieved when Council works closely with our proactive and committed community.

Council is always looking to improve efficiencies, and the establishment of video conferencing capability between the Gisborne and Kyneton offices is just one example of this.

Our Council meetings are now live streamed on the Internet, improving transparency and convenience for the community.

I look forward to continuing to build on these advancements and working with Council to deliver more projects and initiatives to benefit our wonderful community. I would particularly like to take this opportunity to thank and commend our dedicated staff who are so committed to achieving outcomes for our community. You are the backbone of our organisation and it has been a delight to work with you over the past year.

Margot Stork, Chief Executive Officer

Our framework

Our vision demonstrates the importance we place on listening to our community, the emphasis on life in its various forms and how we choose to live in the Macedon Ranges.

Based on your feedback we have identified three themes that represent the needs of the community. The themes are aligned with each of the five priorities and link annual actions back to our vision.

Vision

In partnership with the community, protect and enhance life across the Macedon Ranges.

Themes

Liveability:

strengthen community resilience, inclusion, safety, accessibility and connectivity; protect our natural environment, heritage and rural character.

Efficiency:

smart service delivery, asset management and resource allocation.

Sustainability:

consider and respect the needs of current and future generations in all we do.

Priorities

Promote
health and
wellbeing

Protect
the natural
environment

Improve
the built
environment

Enhance the social
and economic
environment

Deliver strong
and reliable
government

We will achieve our vision by:

- working in partnership with the community
- using clear and meaningful consultation and engagement practices
- demonstrating sound financial management
- following good governance processes
- making decisions based on evidence
- demonstrating responsible and respectful leadership across all activities
- creating and maintaining a culture of innovation
- advocating to other levels of government and key stakeholders
- allocating resources equitably and sustainably
- using available digital technology to improve our practices.

Our priorities



1. Promote health and wellbeing

We will contribute to positive health and wellbeing in our community by proactively supporting mental health, the prevention of violence against women, healthy lifestyles for all ages and abilities, social connection/inclusion, volunteers, community safety, and arts and culture.



2. Protect the natural environment

We will protect our natural environment through proactive environmental planning, advocacy and policy to address climate change, support biodiversity, enhance water catchment quality, and manage waste as a resource.



3. Improve the built environment

We will maintain our built environment—including roads, paths, buildings, open space and other assets—in a fiscally, environmentally and socially sustainable way. This includes effective land use planning, which has a direct impact on the liveability of our shire.



4. Enhance the social and economic environment

We will foster economic vitality in a way that promotes positive individual and community health outcomes, including business diversity; housing, transport and employment options. Investment attracted to the shire will be consistent with Council's vision.



5. Deliver strong and reliable government

We will demonstrate the qualities of good governance including a clear vision and culture, transparency, respect, consistency, accountability and responsiveness.

Our 2017/18 priorities

Promote health and wellbeing

- reduce the stigma associated with mental ill-health, suicide and suicide prevention, making it easier for people to seek help and support
- raise awareness of the link between gender inequality and violence against women
- improve opportunities for all community members to be heard, participate in their community and influence outcomes
- help volunteers feel more supported, welcomed and valued in their role
- increase participation in Reconciliation and NAIDOC week activities
- promote and provide healthy food and drink options across the shire
- improve infrastructure for walking and cycling across the shire
- maintain the high level of community satisfaction in emergency and disaster management
- increase the number and diversity of opportunities for our communities to participate in arts and culture
- increase the number of change room facilities upgraded to be more accessible to all
- ensure people have opportunities for passive recreation and leisure activities in open spaces.

Protect the natural environment

- reduce Council's greenhouse gas emissions as indicated in Council's Climate Change Action Plan
- implement best practice conservation management techniques to protect biodiversity and manage threats
- increase awareness and action for responsible and sustainable land management
- practices across the shire, aiming to improve the health of land and waterways
- maintain the high level of community satisfaction with Council's waste management
- implement Council's Environmental Management Plans across our bushland reserves
- prioritise local species in new public plantings wherever possible
- preserve the landscape quality of vistas
- enhance and protect agricultural lands



Our 2017/18 priorities



Improve the built environment

- implement the Macedon Ranges Protection Advisory Committee recommendations in partnership with the Victorian Government
- reduce the asset renewal gap* from 2017 levels
- maintain the annual community satisfaction levels with recreational facilities
- maintain the annual community satisfaction levels with appearance of public areas
- maintain the annual community satisfaction levels with the condition of local roads and footpaths
- continue advocacy efforts to other levels of government about current and future transport needs across the shire
- progress construction of primary pedestrian and cycling networks for each town
- implement ecologically sustainable development principles for improved environmental performance in new developments.

Enhance the social and economic environment

- increase the opportunities for people to work locally
- enhance the economic impact of tourism in a way that is consistent with Council's planning and environmental objectives
- support appropriately designed diverse housing types
- advocate on behalf of residents experiencing socio-economic disadvantage
- attract strategic investment that aligns with Council's vision
- identify gaps in business diversity and encourage new businesses
- continue to advocate for improved communications infrastructure across the shire

Deliver strong and reliable government

- maintain our high level of responsiveness to requests for services and information
- increase community satisfaction with Council decisions being made in the best interests of the community
- increase community satisfaction with Council's community consultation and engagement
- achieve Auditor General assessed financial sustainability outcomes in the low risk range for all indicators
- maintain our low level of workforce turnover

*The asset renewal gap is calculated from the actual expenditure on infrastructure assets compared to the expenditure required to maintain the assets in a serviceable condition. If the renewal and maintenance expenditure does not increase sufficiently to match the growth of the asset base created through new construction and acquisition there will be an asset renewal gap

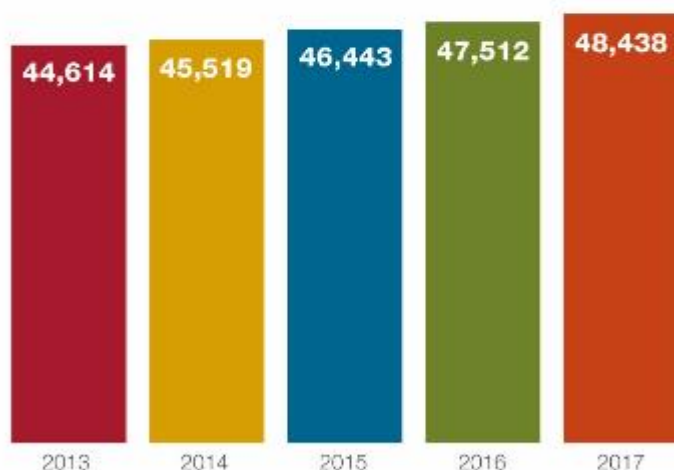
Our liveable shire

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.community

Population growth over past five years

Year ending 30 June



Top five languages spoken at home
(other than English, which is the highest)



26%

of people **volunteer** through and **organisation or group**

1.95%

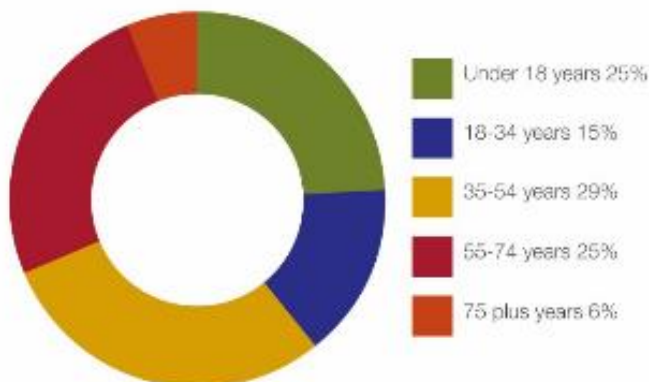
Population growth
in 2017 to 48,438



4.1%

of the population need help in their day-to-day lives due to **disability**

Population age breakdown



Our liveable shire

Household type

Total number of households: 16,766

Average number of people: 2.65

Most likely to be: a 3 bedroom house



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

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

Our infrastructure

Council maintains:

847 km of sealed roads
797 km of unsealed roads
317 km of kerb and channel
197 km of footpaths
200 bridges and culverts
9,704 stormwater pits
262 km of underground stormwater pipes

There were **22,576** rateable properties as at 30 June 2018, an **increase** of **2.3%** on the **previous** year, and **8.6%** over the last **five** years.

Our recreation facilities

Council maintains:

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



Our liveable shire

About us

Macedon Ranges Shire is located in central Victoria, about one hour drive north-west of Melbourne. Covering an area of approximately 1,747 square kilometres, the Macedon Ranges is a semi-rural municipality known for its beautiful natural landscapes. The shire is under the custodianship of the Dja Dja Wurrung, Taungurung and Wurundjeri peoples.

Macedon Ranges Shire has an estimated resident population of 48,438 people (as at June 2017). There are nine main towns and a number of smaller settlements spread throughout the shire, with the largest towns being Gisborne, Kyneton, Romsey and Woodend. About 35% of people in Macedon Ranges live outside a town boundary in a rural setting. According to recent Census data, the number of residence in older age groups (60 years and over) is increasing, however there are still a lower proportion of people in the older age groups compared to regional Victoria.

By 2036 the population of the shire is projected to reach 65,405 residents with the largest population growth occurring in the south of the shire in and around the townships of Gisborne and Riddells Creek. Population growth is projected in all age groups, however will be particularly strong in the older age groups.

The Calder Freeway and northern rail line run the length of the west side of the shire. More than 50 per cent of our working residents travel outside of the area to work; with most of these travelling to the City of Melbourne.

Industries providing local employment in the shire are health care and social assistance, education and training, retail trade, agriculture, forestry and fishing. Tourism is also acknowledged as an important and growing industry for the shire.

The ABS SEIFA Index of Relative Socio-Economic Disadvantage indicates the shire as a whole has a relatively low level of disadvantage; however there are pockets of disadvantage within the shire, for example, in and around the townships of Kyneton, Lancefield and Romsey.



Financial snapshot

In 2017/18, we invested \$60 million on services to our community. The following summary provides a breakdown of how each \$100* was spent. More detailed information is included in the Financial Statements later in this report.

Home support services—assessment, service delivery and healthy ageing

\$6

Economic development and tourism

\$3

Emergencies, local laws and public health

\$5

Garbage, recycling and garden waste collection

\$15

Kindergartens and Maternal and Child Health

\$9

Libraries, arts, culture, community partnerships and youth services

\$8

Parks, environment and open spaces

\$12

Planning and building services

\$9

Recreation and sports facilities

\$13

Roads, drains, buildings and paths

\$20

*this does not include capital works expenditure and depreciation.

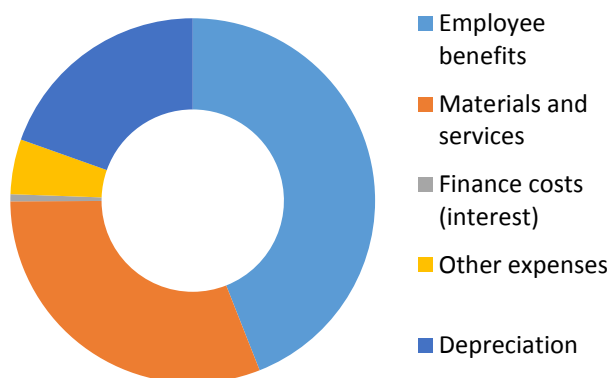
Financial snapshot

Economic factors

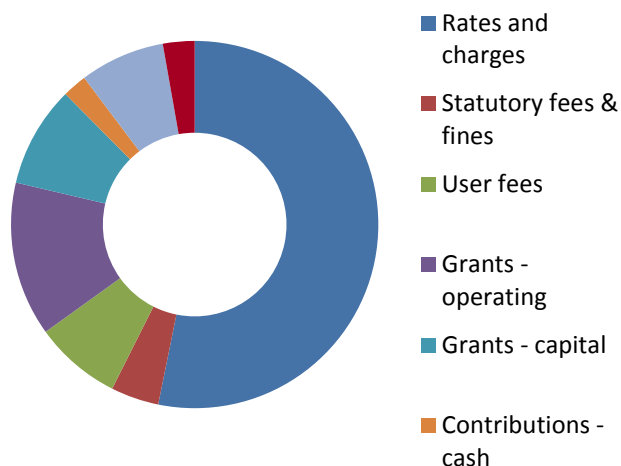
In 2017/18 interest rates and CPI increases remained at historically low levels. This resulted in lower increases in some expenditure categories due to lower inflation, however, it should be noted that most of Council's expenditure is on salaries and construction costs which are not directly tied to CPI.

Late in the year it was evident that increases in available work in the construction market including new schools, railway crossing upgrades, new train stations and freeway upgrades resulted in industry construction rate increases of around 40 per cent across the sector. This has also impacted the level of available quality trades in the outer regions of Melbourne and in regional Victoria. It is expected that the construction cost increases will flow on to the cost of Council capital projects budgeted in 2018/19.

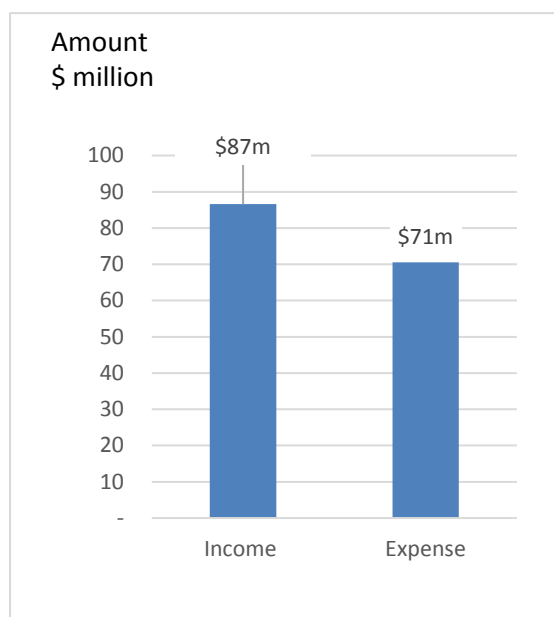
Council's operating expenses



Council's income sources



Income vs operating expenses



Our services

We are responsible for more than \$30 million in services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community.

This section provides information about these services as funded in the 2017/18 budget. Service costs reflect all funding sources, including state and federal government grants, fee income and ratepayer funds, where applicable.

The costs on the following pages do not include costs for capital works, depreciation and some overheads. Refer to the section on Our Performance for more information about Council services.

In planning and delivering our services to the community we are guided by the Vision, Themes and Priorities of the Council Plan 2017–2027. Our priorities are:

- Promote health and wellbeing
- Protect the natural environment
- Improve the built environment
- Enhance the social and economic development
- Deliver strong and reliable government.



Our services

Community support

For those living with a disability, older people, their families and carers

Expenditure \$2.9m

In providing home care services including domestic assistance, meals, home maintenance, personal care and shopping, we assist older residents to stay active, independent and able to remain living at home for as long as possible.

Community and culture

For residents, local artists, school students and visitors

Expenditure \$2.5m

We coordinate an annual performing arts season, public art projects, heritage events and professional development opportunities. We also liaise with community groups to assist delivery of community cultural activities. We offer various grant programs to support community activities, events and projects. Our staff assist community groups to achieve their aspirations through skill-building in a range of areas including marketing, governance and grant writing.

By listening to our community we develop projects that have been identified as beneficial to health and wellbeing. Creating shared community spaces, providing community education and capacity-building programs encourages community connectedness.

For young people aged 10-24 years

By providing mental health programs, leadership opportunities, youth spaces and events we support the development of young people and help them feel socially connected.



Council and customer service

For the whole community

Expenditure \$3.5m

Customer service is delivered online, face-to-face or over the telephone at our four service centres in the shire. A range of communications and consultation channels inform and invite you, our community, to have your say on Council's strategies and projects.

All subsequent Ordinary and Special Council Meetings are being recorded and live streamed and will be available to the public via our website.

To further encourage community participation into the improvement of our shire, we provide grants for small community projects via the Small Community Grants scheme (recipients pictured).

Early years

For children up to school age and their parents/carers

Expenditure \$4.5m

Kindergarten

We provide high quality early childhood education programs across eight kindergartens for

Our services



approximately 750 three and four year old children shire-wide.

Four year old children receive 15 hours of kindergarten per week.

Our Early Childhood educators pride themselves on their partnerships with families as children's first educators and involving them in their child's learning and development.

We also have parent groups that fundraise for additional experiences and equipment for children and have parent social events to build relationships between families.

The Macedon Ranges is a place where childhood is valued and where every child can thrive, reach their potential and actively participate in the community, now and into the future.

Maternal and Child Health

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



Service areas provided include a breastfeeding support service.

Experienced lactation consultants offer extra support for those mothers experiencing initial difficulties in the early weeks and throughout their breastfeeding experience at a breastfeeding support session.

Our Council also provides free immunisation programs which as set out by the National Immunisation Program and 10 health and developmental checks for children from birth to kindergarten age.

Our highly qualified and experienced Maternal and Child Health nurses help parents identify ways to support a child's health, growth and development. Parenting experiences can be shared with a qualified professional who understands the journey every parent takes, and the ups and downs of raising young children.

We also provide high quality early childhood education programs across eight kindergartens for three and four year old children.

Economic development and tourism

For residents, businesses and visitors

Expenditure \$1.5m

By developing and implementing tourism strategies and policies we work to raise the profile of the Macedon Ranges as a vibrant tourist destination.

We provide two accredited visitor information centres located in Woodend and Kyneton. The centres are open seven days, 9am to 5pm (excluding Christmas Day, Good Friday and from 1pm Anzac Day). Our staff and volunteers have a wealth of local knowledge about the shire and visitor opportunities to help visitors enjoy our region.

Our services

We encourage entrepreneurship to create employment opportunities in our efforts to support our local economy.

Community safety

For the whole community

Expenditure \$2.5m

Our community safety team provides emergency preparedness advice, relief and assistance with emergency response and coordinates recovery efforts.

Community health and safety is further protected when we deliver animal management and control services, supply adequate signage, manage waste and wastewater, and provide immunisation services, school crossing supervisors and notifications of infectious diseases.

Environment

For the whole community

Expenditure \$1.2m

We manage a shire-wide weed control program, run environmental education programs and plan how we will respond to emerging environmental challenges such as climate change, water shortage, biodiversity and conservation.

Libraries

For the whole community

Expenditure \$1.5m

We engage Goldfields Library Corporation to provide library services at four locations (Gisborne, Kyneton, Romsey and Woodend) on our behalf.

Libraries promote literacy and lifelong learning and offer vibrant spaces for people to gather.



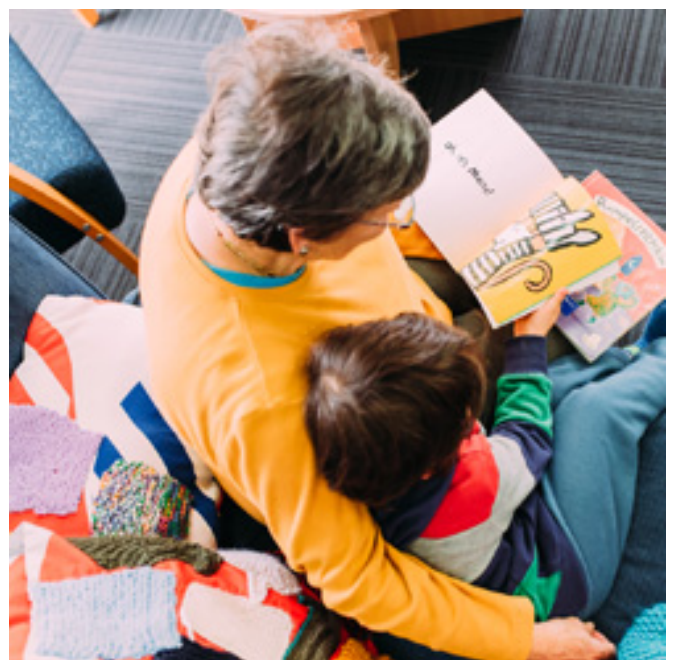
In addition to the library's physical collection and online resources, a program of activities and events is provided throughout the year.

Parks and gardens

For the whole community

Expenditure \$4.5m

Our workers maintain the safety and appearance of the 61 playgrounds, 1,979 Ha of open space, 27 irrigation systems, 46 barbeques, 35,000 street and park trees within the township boundary's and other natural assets such as vegetation along Council roads.



Our services



Planning and building

For landowners, builders, developers and the broader community

Expenditure \$4.2m

Our enquiry service provides information and advice for residents and business owner permit applicants, prospective property purchasers and anyone seeking planning advice.

In providing this service we consider appropriate land use and development, cultural heritage management and biodiversity and environmental sustainability. We process statutory planning and building applications for land use, development, building works, subdivision, signage and vegetation removal.

Recreation

For the whole community

Expenditure \$6.2m

We promote health and wellbeing by offering programs and activities for all ages across our aquatic and fitness centres, outdoor pools and indoor sports stadiums. It's important to us that our outdoor recreation facilities, including sporting grounds, stadiums, tennis courts and skate parks, are well maintained and managed. While managing both the day-to-day operation of Hanging Rock precinct, and visitations and events, we enhance the visitor experience to the region and carefully control plans for Hanging Rock's long-term maintenance and protection.

Roads and built environment

For the whole community

Expenditure \$9.3m

By maintaining a 1,700km road network, 70 car parks, 280 buildings, 200km of paths, 143 road bridges and major culverts, 61 footbridges, 320km of kerbsides and 262km of drainage, Council manages infrastructure in a sustainable and efficient way. We also ensure new infrastructure is upgraded and developed, to support the delivery of services to our residents and visitors.

Waste

For residents and businesses

Expenditure \$7.1m

Our workers manage waste in the shire by collecting household waste, recyclables and green waste. By conducting waste education programs for the community we plan and prepare for how to manage our waste now and into the future. We manage transfer stations at Kyneton, Romsey and Woodend and bins in our streets and parks.

Our year in review

In 2017/18, all actions in year one of the Council Plan 2017–2027 were either completed or on track for completion (over 90%) Council spent \$19.6 million on capital works.

Major capital works



Solar panels project

Expenditure \$380,000

The combined 320-kilowatt of solar panels installed on 11 Council buildings will save approximately \$45,000 in energy costs and reduce carbon emissions by 420 tonnes annually.

The project implements actions from the Climate Change Action Plan adopted in June 2017 and demonstrates our commitment to work towards zero net carbon emissions by 2030–31.

Romsey Community Health and Wellbeing Space

Expenditure \$2.13m

A new community health centre has transformed the former Romsey Primary School site. Open for business in June, the historical building was revamped and extended and now provides the full suite of Cobaw's health and wellbeing services in early childhood, youth, families, adults, and aged and disability areas.

The new community-initiated nature-based health and wellbeing park, Romsey Ecotherapy Park, surrounds the community health centre.

Kyneton Showgrounds—pavilion upgrade

Expenditure \$630,000

Council worked with the Federal Government to improve facilities and to encourage inclusive participation in sport.

The upgrades include new female-friendly home and away change rooms, unisex umpire facilities and improved public toilets.

Gisborne Library upgrade

Expenditure \$580,000

This project was achieved through Council working together with Goldfields Library Corporation and the Victorian Government.

The improvements have increased floor space, enhanced natural light through the installation of new large picture windows and refreshed the interior with window seats, new carpet, lights, painting, extra data points and a new roof. A new fenced courtyard with decking has been developed to the rear of the building.



Our year in review



Roads

Expenditure \$7.1m

We completed road widening and renewal works on Sidonia Road, Sidonia, Dons Road, Newham, Kyneton Springhill Road, Springhill and Hamilton Road, New Gisborne.

This work has provided increased road safety outcomes for travel, heavy vehicle movement and cycling on important strategic routes

Projects within the town centers including Victoria Street, Kyneton Forest Street, Woodend and Urquhart Street, Woodend has improved overall



parking conditions and road safety at these locations.

Footpaths

Expenditure \$1.7m

Construction of new footpaths including a connection to the Riddells Creek Primary School, a connection between the Romsey Primary School and Recreation Reserve and connection between Buffalo Stadium Woodend and the town centres has been completed.

A construction of shared foot cycle path along the Campaspe River in Kyneton has also resulted in improved health and wellbeing opportunities for the community and improved access between the train station, botanic gardens, Piper Street and the Kyneton Racecourse.

Major changes

Executive appointments

After an extensive recruitment process that yielded a highly competitive field of candidates, Council appointed Margot Stork as our new Chief Executive Officer on 27 September 2017. Ms Stork began in the role on 13 November 2017.

Angela Hughes was appointed to the key leadership position of Director Planning and Environment on 6 April 2018, commencing the role on 21 May 2018.

Valuations changes

During the year the State Government made changes to the *Valuation of Land Act 1960* (VIC) (the Act), which come into effect from 1 July 2018.

The changes to the Act included a move to centralised valuation services.

Property valuations will now be completed annually by centralised contract valuers, rather than valuers employed by Council.

Our year in review



Services for people with a disability

The National Disability Insurance Scheme (NDIS) was rolled out in the shire from May 2017 to February 2018. Council has not registered as a NDIS provider.

New recycling contractor

A new waste and recycling contractor, Four Seasons Waste, began servicing the shire in May.

Major achievements

Statement of Planning Policy

The Victorian State Government wrote the Draft Statement of Planning Policy (SPP)—previously known as the Localised Planning Statement (LPS)—with input from Council and the Victorian Planning Authority.

The purpose of the SPP is to create a framework for the future use and development of land within the shire, to ensure protection and conservation of designated, distinctive attributes within the shire.

The SPP complements new legislation—the *Planning and Environment Amendment (distinctive Areas and Landscapes) Bill 2017* (VIC)—which passed into law in May 2018.

One of the effects of the new provisions was that Macedon Ranges was declared a distinctive area

and landscape. This declaration was published in the Government Gazette 16 August 2018.

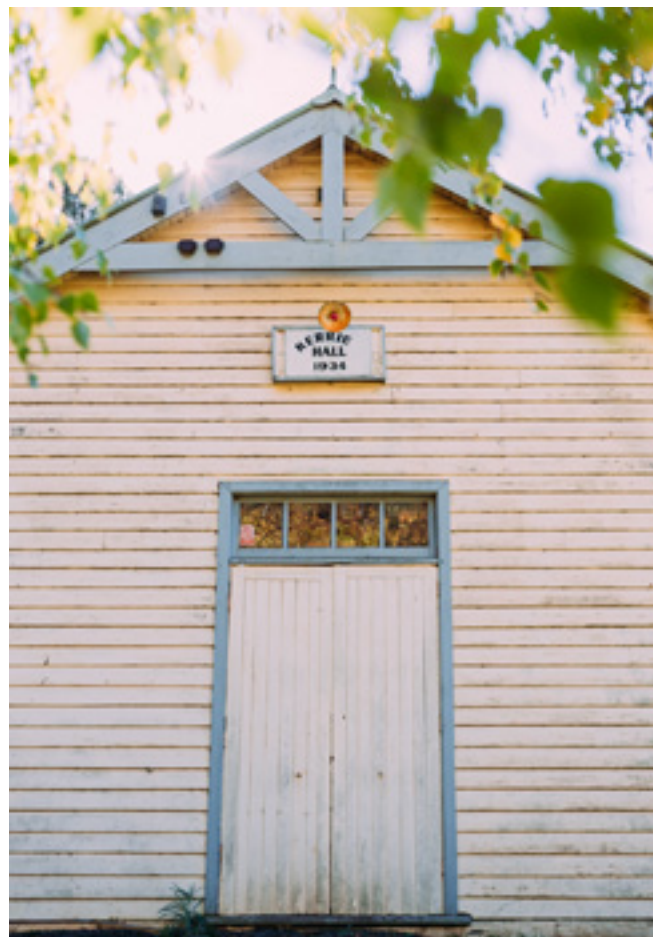
Community halls

Macedon Ranges Community Halls Incorporated has completed its first year as an incorporated body. Four meetings have been held successfully (including an AGM) at four different halls, a new website macedonrangeshalls.com.au is live, and a standalone Facebook page has been launched.

The group was formed recently when Macedon Ranges Community Halls partnered with Department of Environment, Land, Water and Planning (DELWP) (State Government owned), and privately run halls, to join the group as non-voting members.

New footpaths

New footpaths and trails to the value of \$1.7m were constructed.



Our year in review



The now open active play area includes a flying fox, custom oak tree fort, basket swing, climbing and balancing equipment, pathways and seating.

The park is designed to provide people of all ages and abilities a unique sensory and therapeutic experience through engagement with nature.

The park not only offers a unique facility for our shire but will also offer significant tourism visitation to Romsey.

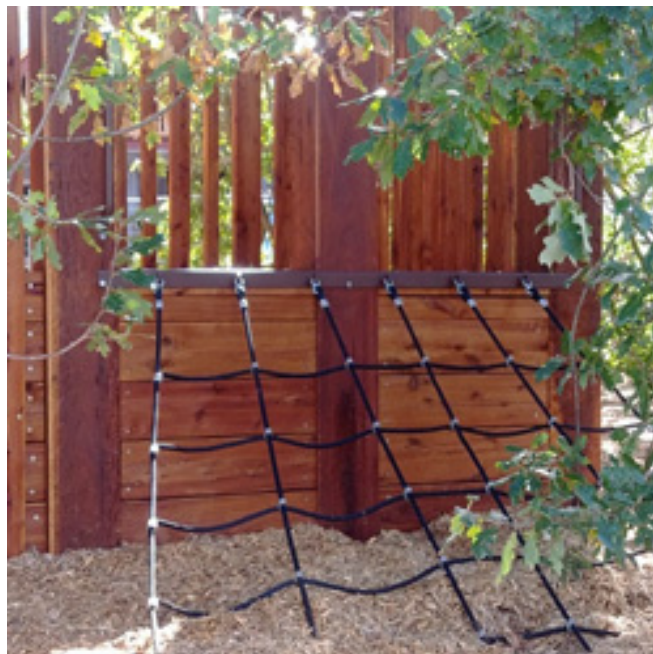
In coming years, it is hoped further stages will be delivered for the community.

Former Kyneton Primary School Master Plan

This project was largely funded by Regional Development Victoria. We consulted with the community at length on this project to determine your needs and aspirations for the repurposing of the site.

Such active consultation attracted strong community participation as it included, three listening posts, an online survey, direct mail out to surrounding property owners, a strong social media presence and direct liaison with local interest groups. This community engagement process achieved more than 800 engagements.

On 23 May 2018, the Victorian Government announced that the site will remain in public hands and that the Loddon Campaspe Regional Partnership will work collaboratively with Council, community groups and other agencies to determine the best future use for the site.



Romsey Ecotherapy Park

After many years of planning and countless volunteer hours by the Romsey Ecotherapy Park Committee, last year saw stage one of the vision for an all ages, nature-based park in Romsey on the former school site completed.

We partnered with Federal Government and Romsey Ecotherapy Park Inc. (formerly the Greater Romsey All-Abilities Park Committee) to deliver the nature based active play area of the park, which surrounds the new Cobaw Community Health Centre.

The works have a total value of over \$500,000 with the Federal Government contributing \$215,000.

Our year in review—Youth Strategy

The Macedon Ranges Youth Strategy 2018–2028 *Elevate* was guided by a simple aim—to include young people in the development of services, policies and programs on issues that are important to them.

In November 2017, 12 young co-designers aged 16-21 years were engaged by Council to help facilitate the development and design of the strategy.

The young people were supported and mentored by Youth Development unit (YDU) staff.

This approach marked an ambitious and innovative co-design commitment by Council that aligned with the Macedon Ranges Shire Council Youth Charter.

“Rather than employing an external consultant, or writing it themselves, the Council engaged us – 12 young people from the Macedon Ranges – to take control of every aspect of this Strategy. As a result, it is grounded in real, lived experiences.”

“This was my first chance to sit down with some of the young people from the shire who want to truly make change happen”

The consultation process which led to *Elevate* was one of the largest ever undertaken in the Macedon Ranges, and the first to be led by young members of the community.

“Facilitated by us for us, for our peers, our community. Close to 1000 individual



experiences were shared with us through one-on-one surveys, youth summits, facilitated meetings and presentations as well as both individual and group discussions

“Perhaps one of the most surprising things about our discussions was that most people were not only aware of the issues youth face and struggle with, but that many individuals, groups, and partners of Council were so willing and ready to jump on board.”

The resulting draft document is testament to the energy and commitment of the co-designers and the YDU.

“Elevate means to raise something higher. Broadly speaking, most young people in the Macedon Ranges already enjoy a relatively good quality of life. However most is not all. Our Strategy recognises this and will – through practical actions – maintain and improve the quality of life for all young people in the Macedon Ranges.

‘Elevate’ will drive improvement in the delivery of services by Council and other agencies in the area. We found that these service providers are already doing great things and are eager to do more. Here, we provide practical ways that these service providers can elevate their offerings, making them more relevant, efficient and accessible for young people”.

‘Elevate’ was presented by co-designers and unit staff and adopted by Council at the September 2018 Ordinary Council Meeting.



Our year in review—Hanging Rock

Fast facts

- 122,756 visitors to Hanging Rock Reserve—a 9.1% increase on 2016/17
- 41,813 people attended 10 events.
- 40,104 direct visits to the Hanging Rock page on visitmacedonranges.com
- Facebook post following Snowy the kangaroo's death reached over 32,000 people—the top post ever on our corporate Facebook page
- Night walks — four walks attended by 70 people

Highlights

This was the final 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:

- The south-east and south-west toilet blocks were refurbished to include new accessible amenities.
- Pest animal and weed control activities continued.
- 10,000 plants were planted during a re-vegetation program.
- The west side path on top of Hanging Rock was rehabilitated.
- The boundary fencing around the East Paddock was replaced.

We implemented the Environmental Management Plan, which included:

- Pest animal control and weed management.
- Fauna monitoring including bat and bird surveys. A significant find in 2018 was the discovery of an active Brush tailed Phascogale nest. This is the first official sighting on the threatened species at the Reserve in recent years.
- Nest box monitoring, with increased occupation rates from 50% in 2017 to 70% in 2018.
- A revegetation program which involved planting around 10,000 indigenous plants of various species throughout the reserve.

Events

A Midnight Oil Concert was staged in November 2017 bringing 20,000 visitors to Hanging Rock and a positive boost to the local economy.

Our region's iconic Hanging Rock continues to feature in film as it played host to feature film "Ride Like a Girl" — the story of Michelle Payne, the first

female jockey to win the Melbourne Cup and the directing debut of Rachael Griffiths. Also, in May 2018 the Foxtel mini-series "Picnic at Hanging Rock" was released.

The *Too Many Mirandas* special dance flash mob event at Hanging Rock was successful with more than 700 people participating.

Improvements

The Hanging Rock Emergency Management Plan was reviewed and endorsed. The Plan looks at the prevention, response and recovery process that would be used in the event of an emergency.

The East Paddock shelters officially opened in October 2017 and the Hanging Rock Café has a new lessee.

We are pleased to have maintained both TripAdvisor's Certificate of Excellence rating for the fourth consecutive year and rating as the No. 1 attraction in the Macedon Ranges.

Challenges

The major challenge we faced during the year was completing the Hanging Rock precinct Strategic Plan.

The delay was necessary to ensure the resulting strategic plan recognised and provided sufficient protection and direction for the next 50 years.

We were all saddened at the passing away of 'Snowy' the Kangaroo, a much admired Hanging Rock resident.

'Run the Rock' saw a slight decrease in number of attendees due to inclement weather.

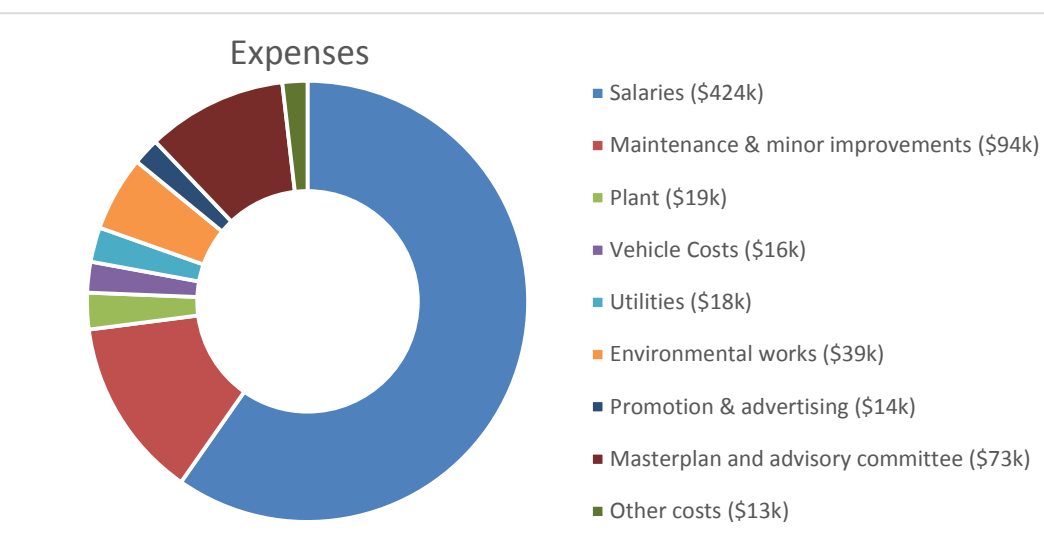
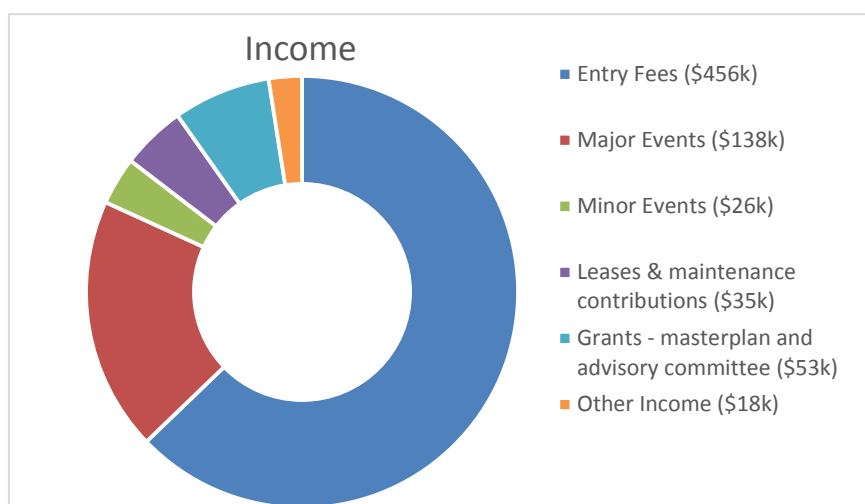
Our year in review—Hanging Rock

Events

- Craft Markets Australia events—28 October 2017 and 17 March 2018
- Midnight Oil concert—4 November 2017
- New Year's Day and Australia Day horse racing meets
- Macedon Ranges & District Motor Club annual car show—11 February 2018
- Film Night—outdoor screening “Picnic at Hanging Rock”—17 February 2018
- Too Many Mirandas—24 February 2018
- Camp Out at the Rock—7 April 2018
- Run the Rock—14 April 2018

Future priorities

- The Hanging Rock Strategic Plan is to be completed and endorsed
- The Hanging Rock Environmental Management Plan will continue to be implemented—this will include the ongoing monitoring of the re-vegetation program
- Visitor facilities will continue to be improved



Our people



Our Councillors

East Ward



Cr Henry Bleeck



Elected: 2016

hbleeck@mrsc.vic.gov.au

0400 028 507

Attended 11 Ordinary Council Meetings and 4 Special Council Meetings

Representation as at 30 June 2018:

- Annual Meeting of Braemar College Ltd
- Municipal Fire Management Committee
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Workspace Australia
- Section 223 Committee

Cr Natasha Gayfer



Elected: 2016

ngayfer@mrsc.vic.gov.au

0436 407 401

Attended 10 Ordinary Council Meetings and 3 Special Council Meetings

Representation as at 30 June 2018:

- Annual Meeting of Braemar College Ltd
- Central Victorian Greenhouse Alliance
- CEO Performance
- Appraisal Advisory Group
- Health and Wellbeing Advisory Committee
- Peri Urban Councils Group
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Victorian Local Governance Association
- Section 223 Committee

Cr Bill West



Elected: 2016

bwest@mrsc.vic.gov.au

0400 025 455

Attended 11 Ordinary Council Meetings and 4 Special Council Meetings

Representation as at 30 June 2018:

- Airfield Advisory Committee
- Goldfields Library Corporation Board
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone)
- Section 223 Committee

Our Councillors

South Ward



Cr Mandi Mees



Elected: 2016

mmees@mrsc.vic.gov.au

0448 814 442

Attended 9 Ordinary Council Meetings and 4 Special Council Meetings

Representation as at 30 June 2018:

- Airfield Advisory Committee (Chair)
- Audit Committee
- Calder Highway Improvement Committee
- CEO Performance Appraisal Advisory Group
- Gisborne Neighbourhood Character Working Group
- Place Naming Committee
- Planning Scheme Review Community Reference Group (Chair)
- Rural Councils Victoria Inc.
- Rural Land Use Review (In the Farming Zone) Working Group
- Section 223 Committee

Cr Helen Radnedge



Elected: 2016

hradnedge@mrsc.vic.gov.au

0437 386 922

Attended 10 Ordinary Council Meetings and 4 Special Council Meetings

Representation as at 30 June 2018:

- Gisborne Neighbourhood Character Working Group
- Health and Wellbeing Advisory Committee
- Macedon Ranges Local Safety Committee
- Macedon Ranges Heritage Council
- Municipal Emergency Management Planning Committee
- Municipal Fire Management Committee
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Section 223 Committee

Cr Andrew Twaits



Elected: 2016

atwaits@mrsc.vic.gov.au

0429 066 000

Attended 11 Ordinary Council Meetings and 4 Special Council Meetings

Representation as at 30 June 2018:

- Gisborne Neighbourhood Character Working Group
- Macedon Ranges Agribusiness Forum
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Section 223 Committee

Our Councillors

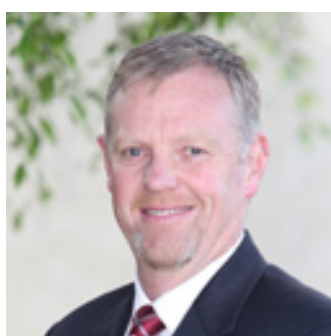
West Ward



Cr Jennifer Anderson

Cr Roger Jukes

Cr Janet Pearce



Elected: 2016, Mayor

Elected: 2016

Elected: 2016

janderson@mrsc.vic.gov.au

rjukes@mrsc.vic.gov.au

jpearce@mrsc.vic.gov.au

0408 279 670

0400 647 445

0437 282 096

Attended 11 Ordinary Council Meetings and 4 Special Council Meetings

Attended 11 Ordinary Council Meetings and 3 Special Council Meetings

Attended 11 Ordinary Council Meetings and 4 four Special Council Meetings

Representation as at 30 June 2018:

Representation as at 30 June 2018:

Representation as at 30 June 2018:

- Audit Committee
- Local Government Waste Forum
- Macedon Ranges Heritage Council
- Municipal Association of Victoria
- Performance Appraisal Advisory Group CEO
- Place Naming Committee
- Public Road Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Section 223 Committee

- Airfield Advisory Committee
- Macedon Ranges Agribusiness Forum
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Section 223 Committee

- Central Ranges Local Learning and Employment Network
- Health and Wellbeing Advisory Committee (Chair)
- Municipal Emergency Management Planning Committee (Chair)
- Place Naming Committee
- Rural Land Use Review (In the Farming Zone) Working Group
- Section 223 Committee

Our Executive team

Chief Executive Officer

Margot Stork

Qualifications: MBA, MComLaw, BEc, LLB, GradDipPR, GradCert MgtAcc, Prince2 Project and Program Practitioner

Margot joined Council in 2017. She started her professional career as a family law practitioner, followed by a public service career in museums, state and local government.

Her responsibilities include the governance and stewardship of Council operations.

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.



Pictured (L-R): Angela Hughes, Dale Thornton, Margot Stork, John Hausler, Karen Stevens

Corporate Services

Director: John Hausler

Qualifications: BBus(Bkg&Fin), MMgtInfoSys, CPA

John joined Council in 2017 and has 20 years' of experience in the finance and water industries including three years of experience within Victorian and South Australian rural councils.

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

Planning and Environment

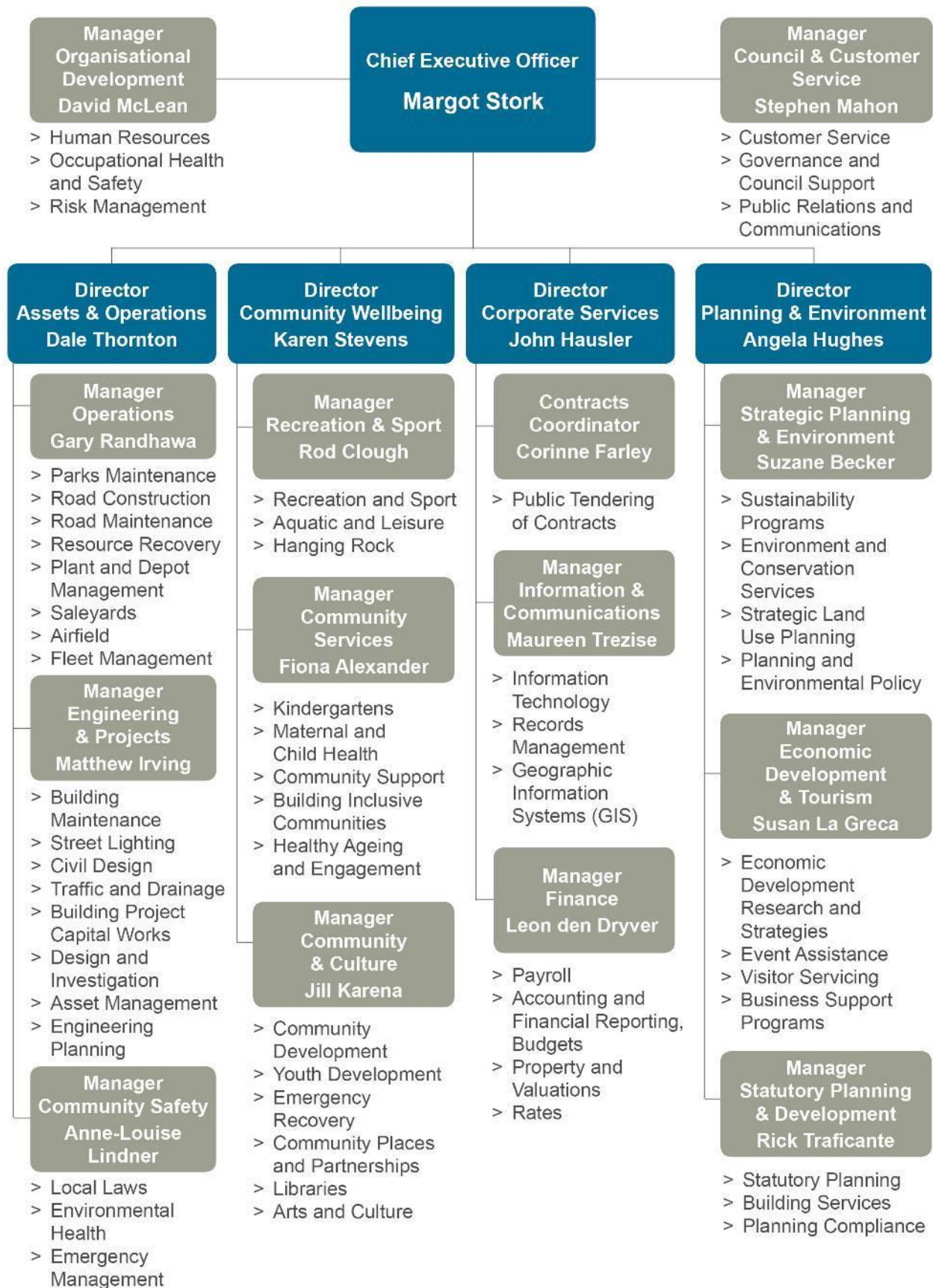
Director: Angela Hughes

Qualifications: BAppSc(Plan)

Angela joined Council in May 2018. Angela has extensive experience in local government. She has led the development and implementation of planning initiatives in urban and peri-urban areas in Victoria, and also internationally.

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

Our organisation

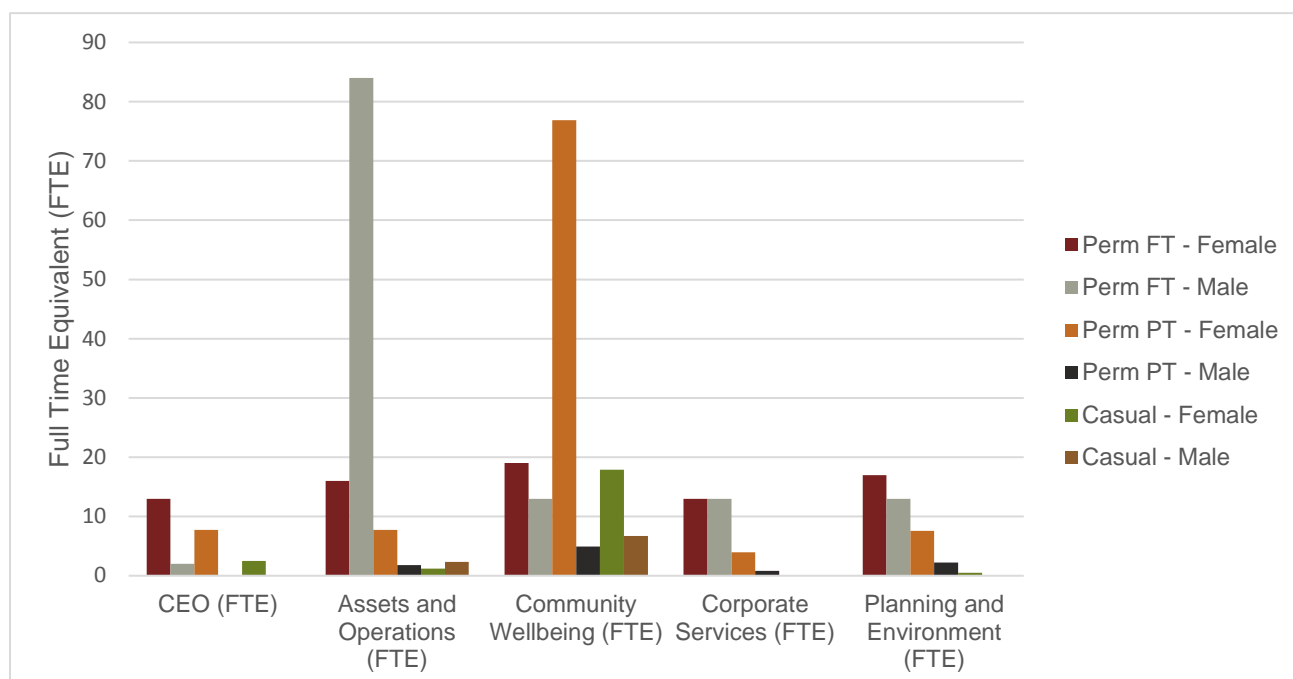


Our workforce

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	13.00	16.00	19.00	13.00	17.00	78.00
Perm FT - Male	2.00	84.00	13.00	13.00	13.00	125.00
Perm PT - Female	7.73	7.71	76.87	3.95	7.57	103.83
Perm PT - Male	0.00	1.82	4.92	0.84	2.20	9.79
Casual - Female	2.49	1.22	17.88	0.00	0.48	22.06
Casual - Male	0.00	2.32	6.71	0.00	0.08	9.11
Total	25.22	113.07	138.38	30.79	40.33	347.79

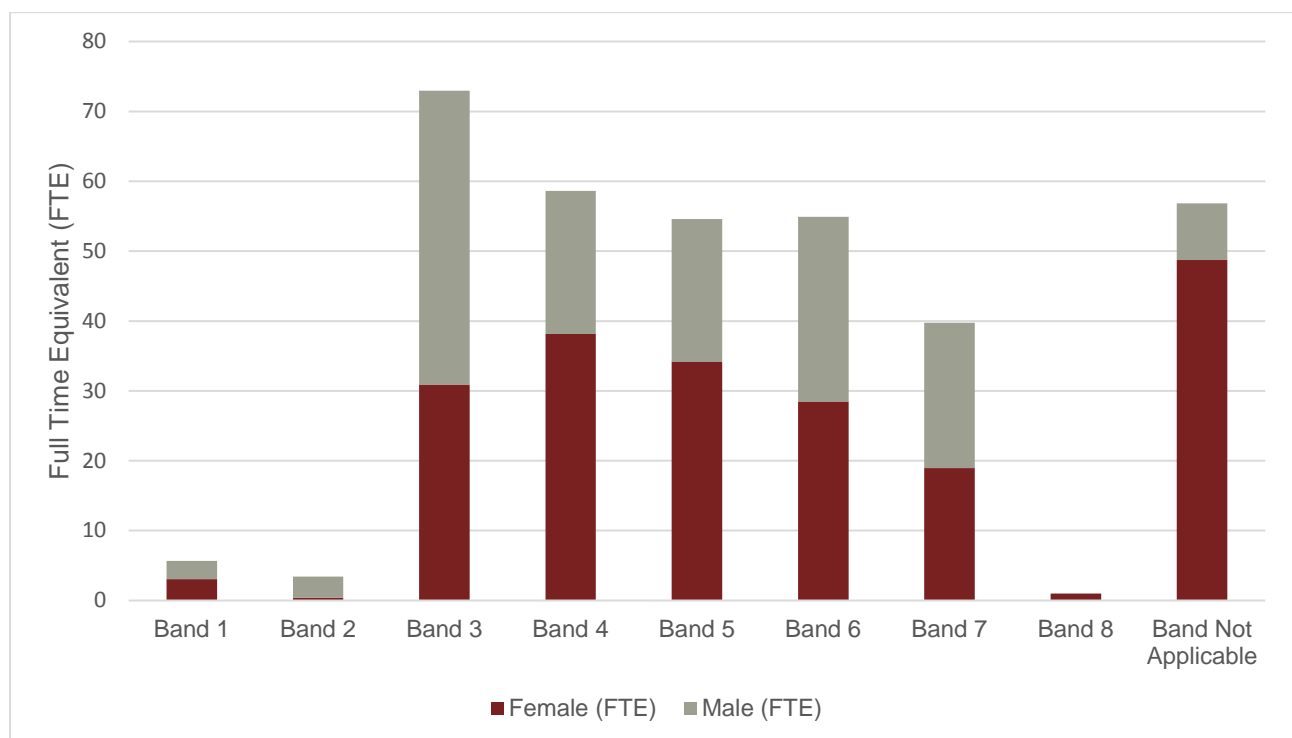
FTE: full time equivalent. FT: full time. PT: part time F: Female M: Male



Our workforce

Employment Classification	Female (FTE)	Male (FTE)	Total FTE
Band 1	3.07	2.60	5.67
Band 2	0.41	3.00	3.41
Band 3	30.89	42.06	72.95
Band 4	38.13	20.50	58.63
Band 5	34.20	20.40	54.61
Band 6	28.49	26.44	54.93
Band 7	18.97	20.80	39.77
Band 8	1.00	0.00	1.00
Band Not Applicable	48.72	8.10	56.82
Total	203.88	143.90	347.79

FTE: full time equivalent



Our workforce

Where our staff live

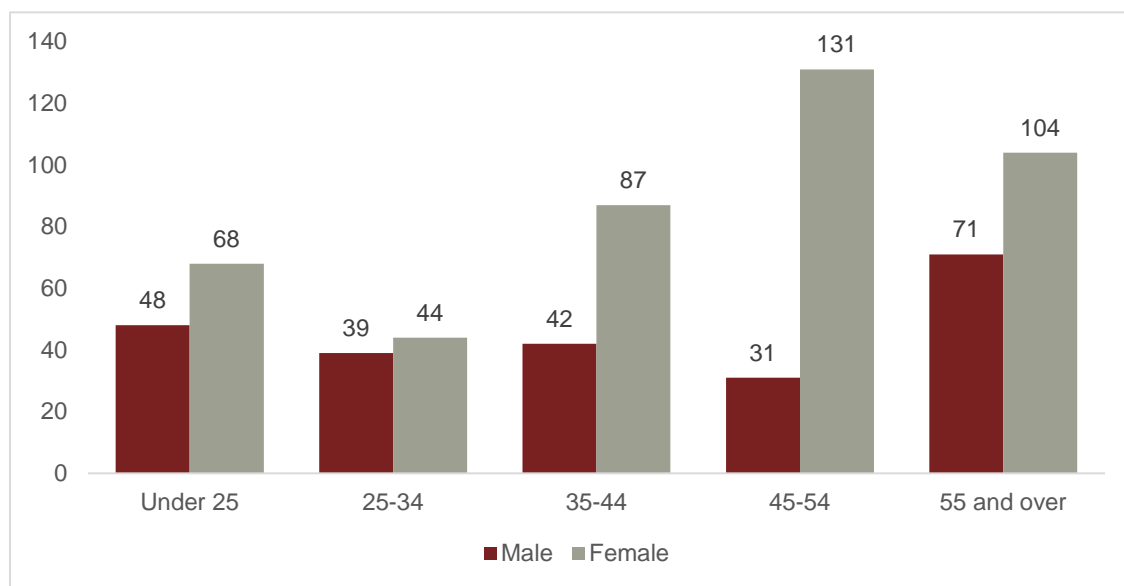


184 live outside the shire

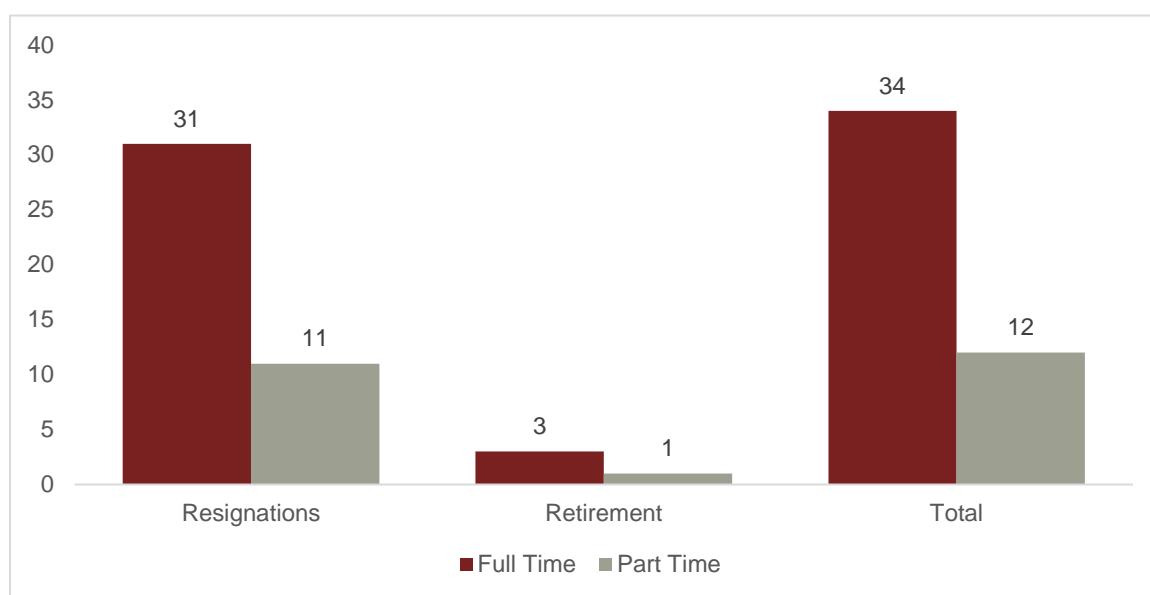


481 live within the shire

Employees by age



Staff turnover



Our workforce

Equal employment opportunity program

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. We provide an Equal Employment Opportunity (EEO) Program to promote equal opportunities for all employees.

Our 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.

The objective of the EEO Program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* (VIC) such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives ensure the workplace is free from bullying and harassment.

Other staff matters

Professional development

During the year, our staff undertake mandatory training modules via our eLearning system. Induction training is provided to new employees on the correct use of Council's corporate systems and employee obligations.

Recruitment training was also provided to staff who engage in the recruitment process.

Preventing violence against women

Identifying gender equality as a priority in the Council Plan reflects our understanding of the root cause of violence against women. It is also a



recommitment of our intention to create safe, inclusive and respectful communities, expressed in Council's Prevention of Violence Against Women Statement of Commitment, endorsed in March 2015.

We began work on an organisational gender equality action plan, which aims to advance gender equality within our organisation. This complements and draws from the successful Rural Challenge Gender Equality Leadership Program, which aims to empower CFA brigades and football-netball clubs to implement organisational and cultural change to prevent violence against women and embed principles of gender equality.

Health and safety

We are committed to providing a safe and healthy workplace for all Councillors, employees, volunteers, contractors and visitors, and strive to integrate both physical and psychological health and safety into all Council activities to reduce the incidence of injury and illness.

To assist in managing Occupational Health and Safety, 2017/18 has seen the development of a Job Dictionary containing task analysis of various roles.

This will assist us to work with employees and medical practitioners to ensure the suitability of candidates for roles, and assist in quickly returning injured workers to modified duties. Our strong focus on incident reporting and proactive management of injuries has achieved a 40% reduction in workers compensation premiums this year.

Our volunteers

We have volunteers in a wide range of services including at our Visitor Information Centres, kindergartens, neighbourhood houses and libraries.

Our volunteers deliver books through our home library service, sort and catalogue library books, welcome people at the Kyneton Museum, deliver meals, help people to get from A to B, serve on committees, assist our kindergarten teachers and inform visitors about our wonderful region.

Our volunteers by the numbers:

- volunteers assisting Council—more than 500
- meals delivered—3,348
- meals subsidised—5,848
- social support transport trips—107

Community support

- Volunteers provided support to older people and those living with a disability through the delivery of meals, transport, the community register, Casserole Club and social activities.

Enhancing the visitor experience

- A team of 67 dedicated volunteers respond to visitor enquires 363 days of the year at our visitor information centres in Kyneton and Woodend.

Helping younger generations

- More than 180 parents and carers were involved in kindergarten programs and excursions.

Supporting our volunteers

More than 500 volunteers from across the shire assist Council in various ways.

The range of roles performed by local volunteers includes youth services, aged and disability services, advisory committees, Landcare groups, visitor information centres and more.



We support our volunteers by providing financial assistance to local neighbourhood houses who help volunteers.

We provide a training program for our visitor information centre volunteers that include four local learning tours, four volunteer meetings, two information sessions, and a dedicated customer service workshop.

We promote the benefits of volunteerism by working with SES, Emergency Management Victoria and Macedon Ranges secondary schools on an emergency exercise at the State Control Centre to encourage young people to get involved in emergency management planning at a local level and to consider emergency management as a career and volunteer pathway.

Celebrating our volunteers

We celebrate the efforts of our hardworking volunteers at a morning tea during National Volunteer Week.

We also recognise their efforts at our annual volunteers function on Wednesday 6 December 2017 at Jubilee Hall, Macedon.

Our priorities



Achieving our priorities

Council's performance for the 2017/18 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017–2027 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures.

Reporting on the performance measures is categorised by the following Council Plan priorities:

- Promote health and wellbeing
- Protect the natural environment
- Improve the built environment
- Enhance the social and economic development
- Deliver strong and reliable government

Following is an evaluation of each Council Plan priority, our aims and achievements.



Achieving our priorities

Promote health and wellbeing

We want Macedon Ranges residents to be mentally and physically healthy and active.

We promoted mental health

746 students in Year 8 and Year 11 participated in mental health education and 76 adults received mental health first aid training.

World Suicide Prevention Day

Our community showed support for World Suicide Prevention Day on Sunday 10 September, when more than 200 people attended the Suicide Prevention Walk in Woodend promoted and supported by Council.

We encouraged gender equality

Women's Chainsaw Club

Ten participants were selected from over 100 expressions of interest to participate in The Women's Chainsaw Club run over three weekends.

The participants received a Certificate III in 'Trim & Crosscut' Safe Use of a Chainsaw and a free Stihl MS 170 chainsaw.



Prevention of Violence Against Women in Emergencies Action Plan

We presented our Prevention of Violence Against Women in Emergencies Action Plan at the inaugural Diversity in Disaster Conference in Melbourne. The aim of the action plan is to prevent violence before it occurs in emergency situations. When the plan was first developed, no other municipal plan existed in Australia. This has been a largely uncharted arena where violence prevention and emergency management intersect.

Rural Challenge Gender Equality Leadership Program

The Rural Challenge Gender Equality Leadership Program was highly commended in the National Local Government Awards. The program focuses on strengthening gender equality, inclusion and fairness in organisations. It also focuses on strengthening the partnership's capacity to support and promote gender equality work.

16 Days of Activism campaign

16 Days of Activism is a social media campaign aimed at encouraging reflection on gender equality in different aspects of life. From Saturday 25 November to Sunday 10 December 2017 local examples of gender equality in families, relationships, workplace and community were presented. Examples of gender equality were gathered from a primary school, a secondary school, workplaces, a sporting club, a community health organisation, and the CFA.

Situations within families were highlighted— such as gender roles during the birth of a baby or dynamics within relationships. Children's book, toys and role-play were reflected on as well as attitudes towards transgender and gender stereotypes and career options. Social media posts included photos, reflective text and videos. The 27 posts on Instagram and Facebook reached a total of 17,382 users with around 9 per cent engagement across both social media channels.

Achieving our priorities

Promote health and wellbeing



We fostered social connection and inclusion

Libraries

Our libraries promote literacy, offer opportunities for lifelong learning, provide vibrant community spaces as well as tackle challenges presented in an increasingly digital world.

Out-reach story time activities, 'Tech Savvy Seniors' sessions, trivia nights, and book readings at our four libraries connect people with their community, ideas, knowledge and creativity.

Family Support Groups

The Maternal and Child Health Service supported parent led playgroups for multiple births and premature babies at The Manna Gum Family and Children's Centre.

These support groups enable parents to meet and connect in a relaxed environment with other families in the shire who have also been through the life changing experience of multiple birth and/or preterm birth.

We also implemented Council's first supported playgroup, facilitated by Maternal and Child Health team.

Kyneton Community Park

The Kyneton Community Park launch brought the community together to mark the opening of the long awaited community park—a project that was designed by the community, for the community.

Held on Saturday 28 October 2017, the event was for young and old. Musical performances featured throughout the day and a number of roving entertainers meandered through the park. Food vans were on site as well as other community groups showcasing their services.

Eco-friendly practices were strongly encouraged, promoting the occasion as a car free and rubbish free event. Over 1,500 people attended and no post event cleanup was required.

Age-friendly communities

Our work to create age-friendly communities was recognised at the Municipal Association of Victoria – Human Services Directors Forum.

The project engaged four Age-Friendly Ambassadors and is building a social media following with over 400 followers on the Macedon Ranges Over 55s Connect Facebook page.

We attracted funding to start an Elder Abuse Prevention Network Social Inclusion Network.

Casserole Club

The Casserole Club program pairs people who find it difficult to prepare regular meals with those who love to cook. It's home-cooked food, made by neighbours for neighbours.

The program helps build connections in communities, and helps provide a support network for people who may be socially isolated.

Achieving our priorities

Promote health and wellbeing

We fostered social connection and inclusion

Early Years

Woodend Kindergarten was rated as 'Exceeding National Quality Standard.' The overall rating reflected exceeding practice in four of the seven quality areas.

Swinburne Avenue Children's Centre in Gisborne was rated as 'Exceeding National Quality Standard'. The overall rating reflected exceeding practice in six of the seven quality areas.

Can Do Project

The Can Do Project involved a photo shoot creating 80 new photos and three videos of local people in the Macedon Ranges, of all abilities and from various life stages, taking part in community life. The positive images will challenge stereotypes.

Community Halls Project

Council worked closely with ten local community hall committees to help them form an incorporated body. Macedon Ranges Community Halls Incorporated increases each community's capacity to manage their facilities by offering mentorship, support, and the sharing of knowledge and resources.



We encouraged healthy eating

Healthy eating educational activities in kindergartens

Council is helping improve children's health and wellbeing through incorporating healthy eating educational activities at our eight kindergartens. Children are involved in planting, tending to, harvesting and cooking herbs, fruit and vegetables. The aim is to teach children important health messages at a young age, and instill healthy eating habits for the future.

Choosing water

We encouraged choosing water over sugary drinks at our aquatic and leisure facilities by removing promotions and vending machines which sold high volumes of sugary drinks and promoting water refill stations at all aquatic and leisure centres.

We encouraged choosing tap water at our kindergarten facilities through a kindergarten incursion visit from Western Water staff member at the following kindergartens:

- Swinburne Avenue Children's Centre, Gisborne
- Manna Gum Family & Children's Centre, Gisborne
- Riddells Creek Kindergarten
- Romsey Kindergarten
- Macedon Kindergarten
- Lancefield Kindergarten

A Coliban Water staff member also visited Lady Brooks Kindergarten in Kyneton to talk about the benefits of water.

Smiles for Miles kindergarten program

Each kindergarten participated in the Smiles for Miles program, an initiative of Dental Health Services Victoria (DHSV).

The Smiles for Miles program encourages and promotes good oral health habits and healthy eating among kindergarten children through three key messages; drink well, eat well and clean well.

Achieving our priorities

Promote health and wellbeing

We facilitated physical activity

We encourage physical activity in our community by improving and maintaining facilities and by developing programs.

Throughout the year we:

- finalised the master plan for the Malmsbury Common
- installed new playgrounds at Riddells Creek Recreation Reserve and Bluestone Rise in Kyneton
- facilitated new programs and events across the leisure and aquatic facilities including; Country Basketball League games, a youth outdoor pool concert, school skill sessions and the Water Smart program promoted in local kindergartens and primary schools
- held the Seniors Festival Greylight Dance in partnership with Victoria Police, attracting 137 participants
- installed new footpaths in seven towns across the shire
- worked with six local primary schools and created greater awareness of the benefits of walking, riding or scooting to school as part of Vic Health's 'Walk to School Month' in October. Schools also worked on local initiatives to promote physical activity within their school community.

We contributed to community safety

Our aim is to protect and enhance the safety of our community. To improve community safety we:

- developed a new Domestic Animal Management Plan 2017–2021
- implemented a new mobile infringement system to enable efficient issuing and processing of infringements
- installed a new pedestrian crossing in Aitken Street, Gisborne to improve pedestrian safety in the Gisborne central business and sporting precinct
- worked with our Municipal Fire Management Planning Committee to produce a plan for collaboration on planned burns on Council land including roadsides
- Place of Assembly guidelines and checklist have been developed for event organisers
- participated in the Local Safety Committee to promote community partnerships to contribute to a safe community for all

- continue to provide emergency preparedness information through the Macedon Ranges Emergency Alerts Facebook page.

We continued to improve access and quality of change rooms

During 2017/18, we completed a \$633,000 upgrade to the change rooms at Kyneton Showgrounds, to provide unisex change rooms for both home and away rooms, new umpires rooms and upgraded public toilets.

This project was funded with a \$250,000 contribution from the Federal Government and \$383,000 from Council.

In 2017/18 we received funding from the Victorian Government to undertake two other pavilion redevelopments.

Gisborne's Gardiner Reserve change rooms received funding (\$100,000) from the Female Friendly Facilities Fund, with upgrades catering for the growing numbers of women and girls signing up to play football, netball and cricket in the region.

The second pavilion at Kyneton Showgrounds received funding from the Country Football Netball Funding Program. These works will be undertaken in the 2018/19 financial year.

An upgrade of the Clifford Reserve change rooms in Macedon was also completed to provide female and junior friendly facilities.



Achieving our priorities

Promote health and wellbeing

We supported volunteers

We recognise the valuable contribution to the community made by volunteers in the Macedon Ranges.

More than 500 residents volunteer their time across a range of Council services, including early years, home and community care, arts, libraries, emergency management, youth, tourism and more.

26 per cent of the Macedon Ranges population are volunteers (ABS Census 2016), compared to 24.3 per cent for regional Victoria. The number of volunteers in Macedon Ranges Shire increased by 1,561 people between 2011 and 2016.

We actively engage with our volunteers to provide the necessary support and resources for them to do their role. We also try to match volunteers to roles that suit their knowledge and skills.

In addition to this, we provide:

- a safe and supportive working environment for volunteers
- induction, training and ongoing support
- Council staff and contacts for support
- insurance cover for volunteers whilst on duty, including Public Liability Cover, Professional Indemnity and Personal Accident Cover.

Celebrating our volunteers

Each year, we recognise our volunteers at an event held in their honour. In December, around 100 volunteers attended a celebration in Macedon.

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

We fostered art and culture

The Arts and Culture Strategy 2018–2028 will inform how we fund and support arts and culture in the shire. Creative industries connect our community, celebrate our region's stories, provide opportunities



for local talent and businesses, and make our towns and streets distinct.

The development of the strategy was informed by broad community engagement, including an online survey with over 330 responses, meetings with various interest groups, and discussions with representatives from the three Registered Aboriginal Parties to understand how our strategy might support their initiatives and aspirations.

The *Too Many Mirandas* special dance flash mob event at Hanging Rock was a successful event with more than 700 people attending. The large participatory event also included an Acknowledgement of Country, which was for the first time, performed by representatives from the three Registered Aboriginal Parties in the Macedon Ranges, the Wurundjeri, Dja Wurrung and Taungurung.



Achieving our priorities

Protect the natural environment

We want to lead by example and improve environmental outcomes in all aspects of life.

We addressed climate change mitigation, resilience and adaptation

Activities we have been working on to address climate change mitigation, resilience and adaptation in our shire are:

- 318kW of solar panels were installed on fourteen of our buildings, including a 99kW array at the Kyneton Sports & Aquatic Centre
- around 1,600 streetlights were converted to energy efficient LED lights
- 11 fleet vehicles were replaced with hybrid vehicles
- 21 low-income households received solar panels through our participation in the state-wide Solar Savers program.

We also participated in a regional sports aquatic centre study, which identified opportunities to enhance the environmental performance of the Gisborne and Kyneton indoor pools.

We prepared a suite of sustainable design fact sheets and held two well attended information sessions to help inform residents about how to minimise the energy needs of their new home or house extension.

We protected biodiversity

A projects officer was appointed to prepare our first Biodiversity Strategy.

A Wildlife Friendly Fencing brochure was published to help inform us on how to fence to prevent wildlife injuries and to help wildlife move across the landscape.

Ecological burns were conducted at Stanley Park and Woodend Grassland reserves to help enhance the quality of these endangered grasslands.

We worked with the Upper Campaspe Landcare Network to deliver the “Spotlight on Species” citizen

science project which has resulted in new sightings of Greater Glider and Phascogale.

We conducted strategic weed control on 465km of roadsides and throughout our bush land and conservation reserves.

We hosted 19 community talks and events attended by approximately 500 people to raise awareness about our shire’s unique natural environment.

We managed waste as a resource

Tip shops are an innovative way to encourage recycling.

The Kyneton tip shop opened in March and has generated more than \$5,800 in revenue through the sale of 878 items that would otherwise have been destined for landfill.

The sold tip shop treasures included 91 bicycles, 80 items of furniture, two lawn mowers, steel and miscellaneous items such as crockery, cutlery, picture frames and ornaments.



Achieving our priorities

Protect the natural environment

We enhanced waterways and water catchment quality

We continued to work in partnership with Melbourne Water to undertake weed control and revegetation along waterways in and around Gisborne, Darraweit Guim and Lancefield.

We partnered with Landcare and other agencies to deliver a suite of land management workshops on topics such as weed control, rabbit control, waterway restoration, soil health and property planning and land management for horses.

We were proactive in environmental planning and policy

We worked with Malmsbury Landcare and the Friends of Bald Hill Reserve to prepare master plans for Malmsbury Common and the entrance to Bald Hill Reserve in Kyneton.

We conducted surveys of the Brown Toadlet population at Bald Hill Reserve to help inform future management actions.

Brown Toadlets are a threatened species and the population at Bald Hill Reserve is the largest recorded colony remaining in Victoria.

We partnered with Woodend Landcare to conduct a flora survey of the Woodend Grasslands, which identified that the site supports the nationally threatened Matted Flax-lily.

Our Environmental Planner provided advice on approximately 110 planning permit applications to ensure they meet relevant state and local environmental regulations, particularly in relation to protection of native vegetation and biodiversity.

We are working with the State Government to develop long-term planning and protection of Hanging Rock.



We embedded environmental sustainability principles across all Council operations.

Our first Annual Environment Report, which identifies opportunities for enhancing Council's environmental performance was published.

Environmental Performance Standards were included in Council's standard tender template.

Consideration was given to any biodiversity impacts that may be associated with our infrastructure projects, and appropriate mitigation measures were identified.

Achieving our priorities

Improve the built environment

We want to manage the built environment to ensure development is appropriate, sustainable and in keeping with the local character of the shire benefiting our residents, visitors and businesses, now and into the future.

We fostered township character

Historic Romsey is known for its charming streetscape.

The Romsey Streetscape and Access Project plans to foster and preserve the character of the street by regenerating landscaping in the main street, renewing existing bluestone kerbing and installing new lighting to highlight heritage buildings.

The Gisborne and Kyneton Heritage Study was adopted and a planning scheme amendment process initiated.

The amendment proposes to protect sites of heritage value and ensure any future development is sensitive to the significance of these sites. The Woodend, Macedon, Mount Macedon and Lancefield Heritage Study began to identify valued sites requiring heritage protection.

Macedon Township Urban Guidelines, Design and Development provisions were introduced into the Macedon Ranges Planning Scheme.

Macedon Ranges Landscape Assessment Study began. The study is an assessment of the shire's distinctive landscape features and will provide direction on mechanisms to protect and manage land use and development within these locations.

Macedon Ranges Planning Scheme Review started.



The review is a comprehensive audit of the performance of the Macedon Ranges Planning Scheme, involving extensive consultation with the community and users of the scheme.

We balanced maintenance and renewal of community assets

Upgrades to Kyneton Town Hall are scheduled for late 2018, along with improvement works to Romsey and Riddells Creek kindergartens and Maternal and Child Health centres.

Increased funding has been approved in asset renewal for buildings program in line with asset renewal gap modelling.

We planned for improved recreation and community facilities using environmentally sustainable designs

Refurbishment projects for both community and recreation facilities that have incorporated environmentally sustainable design elements have been completed at the Gisborne Library, Cobaw Community Health building in Romsey and change rooms at Kyneton Showgrounds and J D Clifford Reserve.

This has included the reuse and resale of building materials and elements no longer required as part of refurbished buildings, the installation of green glass, addition of environmentally sustainable lighting, installation of solar panels for increased sustainable energy consumption and water saving improvements to reduce overall water use.

We improved local roads

In addition to the construction of 8km of new roads; 861km of sealed and 836km of unsealed roads were maintained.

Achieving our priorities

Improve the built environment

We advocated for improved environmental performance in new developments

Advocacy efforts have occurred for improved State Government environmental performance standards in planning and building systems.

A submission has also been made to the Independent Expert Panel: Interim Emissions Reduction Targets for Victoria (2021–2030) advocating for improved energy efficiency standards across the building sector.

We also participated in the Council Alliance for Sustainable Built Environment, which amongst other things represents local government interests and concerns on sustainable design issues.



We advocated for better access to public transport

Our advocacy to improve public transport in the shire has resulted in improved car parking at Gisborne, Kyneton, Woodend, Macedon and Clarkefield Train Stations. To coincide with this a review to improve the public bus service within Kyneton is also underway. We also advocated and received grants to deliver the Campaspe River Walk foot cycle upgrade, improvements for pedestrian connectivity and safety in Woodend, and installation of bike racks throughout the shire.

We increased walking and cycling connectivity

We have installed new footpaths to improve walking and cycling connectivity across the shire. These new footpaths are in:

- Macedon at Nursery Road
- Riddells Creek at Main Road
- Gisborne at Isher Street, Kilmore-Mill Road and Wyralla Crescent
- Kyneton at Donnithorne and Ebdon Street
- New Gisborne at Barry Road and Doriemus Court
- Romsey at Murphy Street, Park Lane and White Avenue
- Woodend at Anslow Street, Forest Street, Pyke Street, Bowen Street and Corinella Road.

We encouraged multi-use recreation and community facilities

Macedon Ranges Regional Sports Precinct

We continue to work with the community, state and federal governments to realise the Macedon Ranges Sports Precinct.

The precinct proposes to have a mix of indoor sports courts and outdoor sports fields, plus other recreational facilities spread across two interconnected sites in New Gisborne.

We are actively seeking all funding opportunities, including grant opportunities, to fund the sports precinct proposal.

Cobaw Community Health and Ecotherapy Park in Romsey

We worked with Cobaw Community Health and Romsey Ecotherapy Park Inc. (formerly the Greater Romsey All-Abilities Park Committee) to transform the former Romsey Primary School site into a community health centre surrounded by an all-inclusive park, designed with an emphasis on providing people of all ages and abilities with a unique sensory and therapeutic experience in nature.

Achieving our priorities

Enhance the social and economic environment

We want to encourage and support the social and economic development of the shire.



We encouraged economic vitality

Mobile Visitor Information Booth

Our new mobile visitor information booth stationed at events and festivals was a success.

Over 1200 enquiries were received at the Lost Trades Fair and 3000 visits to the booth were recorded during the autumn leaves season at Macedon.

Jobs for the Future Blueprint

We partnered with Deakin University on this project exploring how to maximise local job prospects while maintaining the integrity of our towns, landscapes and environment.

With a growing regional population, there is a real opportunity for business owners to capitalise on a diverse local workforce with a wide range of skills and qualifications, and to develop products and services that lever the region's many competitive advantages.

We used this information to identify projected business and industry growth over the next 20 years in our region and to inform our strategic planning. The study analysed what thriving businesses require, such as employees, resources, services and infrastructure.

Rural Land Use Review (In the Farming Zone)

We began to prepare a Rural Land Use Review (In the Farming Zone Strategy). As part of the project we sought feedback on agricultural production and land management from 1800 landowners in the farming zone.

Gisborne Business Park

We worked with businesses in the business park to co-develop a draft concept plan for the Gisborne Business Park Development Plan.

We are looking into a potential expansion of the Gisborne Business Park to improve the availability of local jobs and service in a location well serviced by public transport and road access.



Achieving our priorities

Enhance the social and economic environment

We considered socio-economic disadvantage

Kindergarten access

One of the Early Years Plan 2016–2020 key priorities is to identify and support vulnerable children and families. Early Years Services does this by waiving the funded 4-year-old kindergarten registration fee and session fees for eligible health care and pension cardholders and families who identify as aboriginal or Torres Strait islander.

We work in collaboration with the Maternal and Health Department team and external stakeholders to support vulnerable and disadvantaged families to offer 15-hours of free kindergarten to eligible 3-year-olds.



The Early Years Enrolment and Fee policy also shows our commitment to supporting vulnerable and disadvantaged children to access kinder by reserving two places at each of our eight services for Priority 1 or vulnerable children.

Maternal and Child Health (MCH) initiatives

The MCH service supports families experiencing socio-economic disadvantage across the shire by offering flexibility of service, increased support and referrals to the enhanced MCH service and other relevant agencies where needed.

The enhanced MCH service offers home visits and a more focused and intensive support for vulnerable families experiencing significant early parenting difficulties and children identified as at risk of harm.

Support for families experiencing socio economic disadvantage is also offered through a supported playgroup to enhance the home learning environment and to foster community connectedness.

We attracted strategic investment that is consistent with Council's vision

Our vision is to foster economic vitality in a way that promotes positive individual and community health outcomes, including business diversity, housing, transport and employment options.

We encouraged business diversity and growth

Local business women were given the opportunity to explore new international markets at a networking lunch.

We facilitated the lunch to enable businesswomen in our community to meet a delegation of international businesswomen from Vietnam and Singapore.

Achieving our priorities

Enhance the social and economic environment

We consider socio-economic disadvantage

Aged care initiatives

We offer a number of low cost or free activities for older people. Our Over 55s Connect Project ensures older residents can access information about low cost events and programs in Macedon Ranges including shows, guest speakers and social events.

We subsidise state and federal funding to provide low cost services to older people, including home support services and the My Aged Care Regional Assessment Service. Fees for home support services are set with the aim of ensuring that those that can afford to contribute to the cost of their care do so, whilst those most vulnerable are protected.

We also subsidise community groups that support the broad interests of older people through grants funding, subsidised charges and officer support.

Free events

We provided a range of free events and activities across the arts, culture, environment and business that were inclusive to all residents, of all abilities. The



Women's Intrepid Event in Kyneton utilised a free shuttle bus service and baby-sitting options.

We advocated for improved telecommunications infrastructure

The Economic Development and Tourism and Statutory Planning departments have advocated for improved telecommunications by working with telecommunications service providers to facilitate infrastructure at key locations across the shire.

We supported local industry sectors that align with our vision and principles

Bendigo Bank Macedon Ranges Business Excellence Awards

The Bendigo Bank Macedon Ranges Business Excellence Awards 2017 is a way for us to recognise and support local industry sectors that align with our vision and principles.

This year 635 award nominations were received for the Awards.

Business programs and events

Our annual schedule of business seminars, networking and training programs and events attracted 236 attendees at 23 workshops.



Achieving our priorities

Deliver strong and reliable government

We want our community to have confidence in the way we govern and make decisions.



The Lease Policy, Procurement Policy and the Investment Policy were also reviewed.

We delivered people-focused services

You can now watch Ordinary Council Meetings and Special Council Meetings through our meeting livestream.

In the days following the webcast, the recorded meetings are placed in an archive for downloading.

New user-friendly Eftpos and receipting systems have been implemented at our transfer stations, improving the customer experience, cash-handling processes and auditing.

Council launched a new-look, mobile-friendly website, which features an online consultation module and smart forms that integrate with payment gateways.

Activity on the site has increased by almost 3 per cent to 1,294,711 page views, up from 1,261,536 compared to the previous 12 months.

Meetings on the move

Councillor briefings were held in towns throughout the municipality throughout the year, including Malmsbury.



We demonstrated accessible and responsive customer service

We received 23,203 customer requests and on average responded to 90% of these requests within three days.

Audience levels on our social media channels increased by 52 per cent; with 553 followers on LinkedIn; 21,553 followers across eight Facebook pages; and 263 and 976 followers on Twitter and Instagram respectively.

We made responsible and evidence-based decisions

The Kyneton Primary School Master Plan project explored options for future Council uses of the site and included extensive community consultation in late 2017 and early 2018.

The community engagement process achieved more than 800 engagements.

We demonstrated sound financial management

A review of Council facilities was completed to guide future investment.

Promote health and wellbeing

Fast facts

263,174 visits and **394,433** loans at **4** libraries

200 people attended the Suicide Prevention Walk

300,000+ visits at council's **2** indoor aquatic facilities

400 people attended Romsey Recreation Centre Come and Try Day

The Women's Chainsaw Club trained **10** participants

220 women attended the Intrepid Women event

During NAIDOC week **150** people attended a talk by Bruce Pascoe

200 young people attended the Woodend Outdoor Pool youth event

Breast Feeding Support assisted **214** clients

1539 visits to the Kyneton museum

24 touring art performances

252 dogs and **33** cats returned to their owners

45 dogs and **106** cats adopted

19 school crossings supervised

6181 engagements with young people

Promote health and wellbeing

We will continue to promote health and wellbeing in our community by proactively supporting mental health, the prevention of violence against women, healthy lifestyles for all ages and abilities, social connection/inclusion, volunteers, community safety, and arts and culture.

Why are we doing this?

We want Macedon Ranges residents to be mentally and physically healthy and active.

What are we doing?

- Promote mental health
- Encourage gender equality
- Foster social connection and inclusion
- Celebrate and respect Indigenous culture
- Promote healthy eating
- Facilitate physical activity
- Contribute to community safety
- Support volunteers
- Foster arts and culture
- Continue to improve access and quality of change rooms.

How are we doing this?

These indicators of success are based on the key actions of the Year One action plan in the Council Plan 2017–2027.

Strategic indicators	Result	Comments
Continue to provide leadership in suicide prevention and mental health promotion	100% complete	We have provided support and feedback to North Western Primary Health Network on the Macedon Ranges Suicide Prevention Trial.
Work with the community to investigate opportunities to improve support for volunteers in the Macedon Ranges	100% complete	We have assisted the Central VIC Volunteer Service in developing priorities for action in 2018/19.
Upgrade the Kyneton Showgrounds Pavilion to improve access and quality of change rooms for all participants	100% complete	Upgrade of home and away change rooms—including improved access for female athletes, the addition of new umpires change rooms and refurbished public toilets.

Our major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget.

Initiatives	Progress
Arts & Culture Strategy	The Arts & Culture Strategy 2017–28 will guide us on how we will promote, support and invest in arts and culture in the Macedon Ranges. The public exhibition period of the draft strategy has finished and the final strategy will be going to the July 2018 Council meeting for adoption.
Gisborne Cricket Club practice nets	The redevelopment included converting 6 nets to 7 nets (including 2 public nets), the installation of retractable dividing nets and new synthetic pitch covering, and some new fencing. The project also included a protective net between the cricket nets and the netball courts. Works were completed in October 2017.
Kyneton Tennis Club lighting and court development	The tendering process revealed there to be insufficient funds to complete the project this year. However, additional funding has been approved and the project will be delivered in the 18/19 financial year.
Macedon Football/Netball Club—Tony Clarke Reserve lighting	The tender process is complete and final negotiations are underway with the clubs. Works will commence in 2018/19.
Malmsbury Heritage Trail	The scope of the project was modified and became the Malmsbury Common Master Plan, which was adopted by Council in June 2018.
New Pedestrian Crossing—Aitken Street, Gisborne	Works are complete, and included road resurfacing and footpath works.
Riddells Creek Cricket Club practice nets	Construction works are underway. The project has been delayed, as Club contribution works have not occurred. It is expected that this project will be completed by August 2018.
Riddells Creek Tennis Club court development	The Club has indicated that they are unable to meet their funding commitment at this time. Project deferred.
Walking and cycling—Signage and supporting infrastructure	Works to improve and add to the shared path network are complete. Works undertaken include additional signage in New Gisborne, and path widening and new-shared path signage at Margery Crescent, Woodend and Hamilton Street, Gisborne.
Youth Strategy	The Youth Strategy 2013–17 is a four-year strategic plan that will provide overall direction for Council's Youth Development unit and guide the programs, initiatives, advocacy and support work for young people and their families. The period of public comment is now complete and the strategy will be presented at the September 2018 Ordinary Council Meeting.

Our 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.

Service/indicator/ measure	2015	2016	2017	2018	Comments
Aquatic Facilities					
Service standard <i>Health inspections of aquatic facilities</i> Number of authorised officer inspections of Council aquatic facilities divided by the number of Council aquatic facilities	0.00	0.25	1.00	1.00	
Health and Safety <i>Reportable safety incidents at aquatic facilities</i> Number of WorkSafe reportable aquatic facility safety incidents	0.00	0.00	0.00	1.00	
Service Cost <i>Cost of indoor aquatic facilities</i>	\$1.65	\$1.50	\$1.53	\$1.01	The cost has reduced due to energy efficient improvements to both centres, which has resulted in significant reductions in utility costs.
Cost of outdoor aquatic facilities Direct cost of these facilities less income	\$18.13	\$18.67	\$17.69	\$18.28	

Service/indicator/ measure	2015	2016	2017	2018	Comments
received divided by the number of visits					
Utilisation	6.90	7.27	7.50	7.11	
Utilisation of aquatic facilities					
Number of visits to aquatic facilities divided by municipal population					
Animal Management					
Timeliness	0.00	2.11	1.66	1.98	
Time taken to action animal management requests					
Number of days between receipt and first response action for all animal management requests divided by the number of animal management requests					
Service standard	62.00%	55.39%	48.71%	50.98%	
Animals reclaimed					
Percentage of [animals reclaimed					
Service cost	\$43.33	\$43.75	\$47.65	\$53.60	Increase in costs due to increased costs for pound services.
Cost of animal management service					
Direct cost of the Animal management service divided by the number of registered animals					

Service/indicator/ measure	2015	2016	2017	2018	Comments
Health and safety Animal management prosecutions Number of successful animal management prosecutions	16.00	12.00	6.00	1.00	Prosecutions have decreased which is a reflection of a changed approach from Council where focus is now on reducing the risk to the community via declarations and the impounding of dogs who have prior history to gain compliance. This approach is leading to better community safety outcomes.
Food Safety					
Timeliness Time taken to action food complaints Number of days between receipt and first response action for all food complaints divided by the number of food complaints	0.00	2.91	2.70	3.35	Two food safety complaints took longer than anticipated. These two items have increased the overall average.
<i>Service standard</i> <i>Food safety assessments</i> Percentage of registered class 1 and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984	84.00%	71.99%	98.63%	98.99%	
<i>Service cost</i> <i>Cost of food safety service</i>	\$296.03	\$293.58	\$283.79	\$297.84	

Service/indicator/ measure	2015	2016	2017	2018	Comments
Direct cost of the food safety service divided by the number of food premises registered or notified in accordance with the Food Act 1984					
<i>Health and safety</i> <i>Critical and major non-compliance outcome notifications</i> Percentage of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up	0.00%	95.74%	96.77%	98.26%	<p>Over the past 12 months our Environmental Health team has participated in the Department of Health and Human Services Food Safety Risk Assessment Project.</p> <p>As a result there has been improvement in the way Food Safety Assessments are taken. A risk management approach is taken to our assessments based on the Hazard Analysis and Critical Control Point principles. The application of these principles requires the identification of critical control points and associated critical limits to ensure food is safe. Our team and food businesses alike can use these to evaluate the effectiveness of food processing and management controls.</p> <p>Since using these critical control points and the associated critical limits there has been more major non-compliances identified during food safety assessments, which proprietors can work on moving forward.</p>
Libraries					
<i>Utilisation</i> <i>Library collection usage</i> Number of library Collection item loans divided by the number	5.10	5.20	5.69	5.63	

Service/indicator/ measure	2015	2016	2017	2018	Comments
of library collection items					
<i>Resource standard</i> <i>Standard of library collection</i> Percentage of library collection items purchased in the last 5 years	63.00%	58.87%	70.00%	75.10%	
<i>Service cost</i> <i>Cost of library service</i> Direct cost of the library service divided by the number of visits	\$3.75	\$4.03	\$4.21	\$4.77	Gisborne Library was closed for renovations for two and a half weeks during 2017/18 reducing the number of visits.
<i>Participation</i> <i>Active library members</i> Percentage of active library members in the Municipal population	20.00%	18.93%	18.64%	16.92%	
Maternal and Child Health (MCH)					
<i>Satisfaction</i> <i>Participation in first MCH home visit</i> Number of first MCH home visits divided by number of birth notifications received	104.00%	101.81%	101.95%	99.58%	
<i>Service standard</i>	100.00%	99.00%	101.56%	101.26%	

Service/indicator/ measure	2015	2016	2017	2018	Comments
<i>Infant enrolments in the MCH service</i> Percentage of infants enrolled in the MCH service (from birth notifications received)					
<i>Service cost</i> <i>Cost of the MCH service</i> Cost of the MCH service divided by hours worked by MCH nurses	\$0.00	\$69.69	\$77.93	\$63.79	Variance relates to costs associated with additional staffing requirements in 2016/17.
<i>Participation</i> <i>Participation in the MCH service</i> Percentage of children who attend the MCH service at least once (in the year)	84.00%	80.00%	77.77%	82.01%	
<i>Participation in the MCH service by Aboriginal children</i> Percentage of Aboriginal children who attend the MCH service at least once (in the year)	75.00%	57.14%	77.55%	85.71%	An increased policy and practice focus on Aboriginal and Torres Strait Islander identification and celebration has seen an increase in the number of families identifying. Improved practices, such as consistent identification at hospitals and Child Development Information System requirements, has embedded the staff process of asking all families if they identify as Aboriginal and Torres Strait Islander.



Protect the natural environment

Fast facts

279kg of green waste composted per household

Slashed **1000km** of roadsides for fire prevention purposes

Truck wash used **3102** times

Protect the natural environment

We will protect our natural environment through proactive environmental planning, advocacy and policy to address climate change, support biodiversity, enhance water catchment quality and manage waste as a resource.

Why are we doing this?

We want to lead by example and improve environmental outcomes in all aspects of life.

What are we doing?

- Address climate change mitigation, resilience and adaptation
- Protect biodiversity
- Enhance waterways and catchment quality
- Manage waste as a resource
- Proactive environmental planning and policy
- Embed environmental sustainability principles across all Council operations.

How are we doing this?

These indicators of success are based on the key actions of the Year One action plan in the Council Plan 2017–2027.

Strategic indicators	Result	Comments
Continue to reduce Council's greenhouse gas emissions as indicated in Council's Climate Change Action Plan	100% complete	Our solar panels project has installed a combined 320 kilowatt of solar panels on eleven Council buildings and will save approximately \$45,000 in energy costs and reduce carbon emissions by 420 tonnes annually.
In partnership with the Victorian Government, continue to implement the recommendations of the Macedon Ranges Protection Advisory Committee.	70% complete	<p>We are working with the Victorian Government and Traditional Owners to implement the recommendations of the Macedon Ranges Protection Advisory Committee report, which seeks to introduce a range of reforms that will protect our shire's unique values for current and future generations.</p> <p>Consultations on the draft Statement of Planning policy (previously called Localised Planning Statement or LPS) were completed in March 2018. The Department of Environment, Land, Water and Planning (DELWP) have reviewed submissions and are working to finalise the Statement. Council will need to consider the finalised version of this policy at a future Council meeting.</p>

Strategic indicators	Result	Comments
Investigate regionally innovative efficient and/or financially advantageous waste opportunities	100% complete	<p>We completed a feasibility study into converting waste to energy through waste micro power stations. The feasibility study has been favourable for some sites within the shire.</p> <p>We will investigate this initiative further and will continue to explore funding opportunities for detailed scoping and design.</p> <p>A feasibility study was also undertaken to investigate how we can work with private industry to convert bulk food and organic waste into energy. The results of this study will be reported shortly.</p> <p>Other options will continue to be investigated and explored as opportunities arise.</p>

Our major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget.

Initiatives	Progress
Biodiversity Strategy	The strategy will establish a vision for the protection and enhancement of biodiversity across the shire and identify a suite of strategies and actions to achieve this vision. In 2017/18 Council conducted background research and preliminary consultation with the community and stakeholders that will inform the development of the strategy.
Climate Change Adaption—Solar Panels on Council Buildings	Council is a step closer to reducing its carbon emissions by 25 per cent by 2020–21, with the completion of works to install solar panels at 11 Council buildings. The buildings include aquatic centres in Kyneton and Gisborne, stadiums in Riddells Creek, Romsey, Woodend and Macedon, libraries and community centres in Romsey, Woodend and Gisborne, Woodend Kindergarten and Gisborne Mechanics Institute.
Continued investment into Bushland Reserve Management Plans.	In 2017/18 Council worked with Malmsbury Landcare and the Friends of Bald Hill Reserve to prepare master plans for Malmsbury Common and the entrance to Bald Hill Reserve. Council also conducted weed control, fauna and flora surveys and general maintenance across the suite of Council managed bushland and conservation reserves, including ecological burns at Stanley Park and Woodend Grassland.
Kyneton Refuse (Tip)	The Kyneton tip shop opened in March and has been well received. The shop has generated more than \$5,800 in revenue through the sale of 878 items that would otherwise have been destined for landfill. The revenue helps cover some of the shop's operating costs.

Our 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.

Service/indicator/ measure	2014/15	2015/16	2016/17	2017/18	Comments
Waste collection					
<p>Satisfaction</p> <p>Kerbside bin collection requests</p> <p>Number of kerbside garbage and recycling bin collection requests divided by the number of kerbside bin collection households x 1,000</p>	118.51	109.56	155.55	228.03	The shire's kerbside bins are aging and many are reaching the end of their useful life. The number of requests reflects the increase in replacement and damaged bin requests received this financial year. The increase in requests also includes additional missed bins following the kerbside collection contractor ceasing work without notice on 4 May 2018.
<p>Service standard</p> <p>Kerbside collection bins missed</p> <p>Number of kerbside garbage and recycling collection bins missed divided by the number of scheduled kerbside garbage and recycling collection bin lifts x 10,000</p>	4.15	4.13	6.25	10.58	Council's kerbside collection contractor ceased work without notice on 4 May 2018. For several months prior to ceasing work there was a noticeable drop in service standards and a significant increase in missed bins. The disruption also led to a spike in missed bins until the new kerbside collection contractor recommenced the service on 7 May 2018.
<p>Service cost</p> <p>Cost of kerbside garbage bin collection service</p> <p>Direct cost of the kerbside garbage bin collection</p>	\$106.94	\$112.62	\$119.16	\$129.92	Council's kerbside collection contractor ceased work without notice on 4 May 2018. The new collection contractor was not due to commence until 1 October 2018. To maintain a continuous service Council was required to enter into an interim kerbside collection arrangement

Service/indicator/ measure	2014/15	2015/16	2016/17	2017/18	Comments
service divided by the Number of kerbside garbage collection bins					with the new contractor from 7 May to 1 October 2018. The nature of this interim contract has meant that the cost of the kerbside collection service increased for the period 7 May to 30 June 2018. The increase in cost during this interim period is affected by a range of variables associated with the cost of disposal site, bulk haulage and processing facility arrangements, which have impacted on the overall annual cost.
Cost of kerbside recyclables collection service	\$30.19	\$30.45	\$33.01	\$42.88	On 1 January 2018 China introduced trade measures that limit import of a range of low quality recyclable materials. This has caused an increase in the cost of the kerbside recyclables collection and disposal service for Councils. This increase is reflected in the 2017/18 annual cost of the kerbside recyclables bin collection service.
Direct cost of the kerbside recyclables bin collection service divided by the number of kerbside recyclables collection bins]					
Waste diversion	45.00%	42.28%	45.05%	44.81%	
Kerbside collection waste diverted from landfill					
Weight of recyclables and green organics collected from kerbside bins divided by the weight of garbage, recyclables and green organics collected from kerbside bins x100					

Improve the built environment

Fast facts

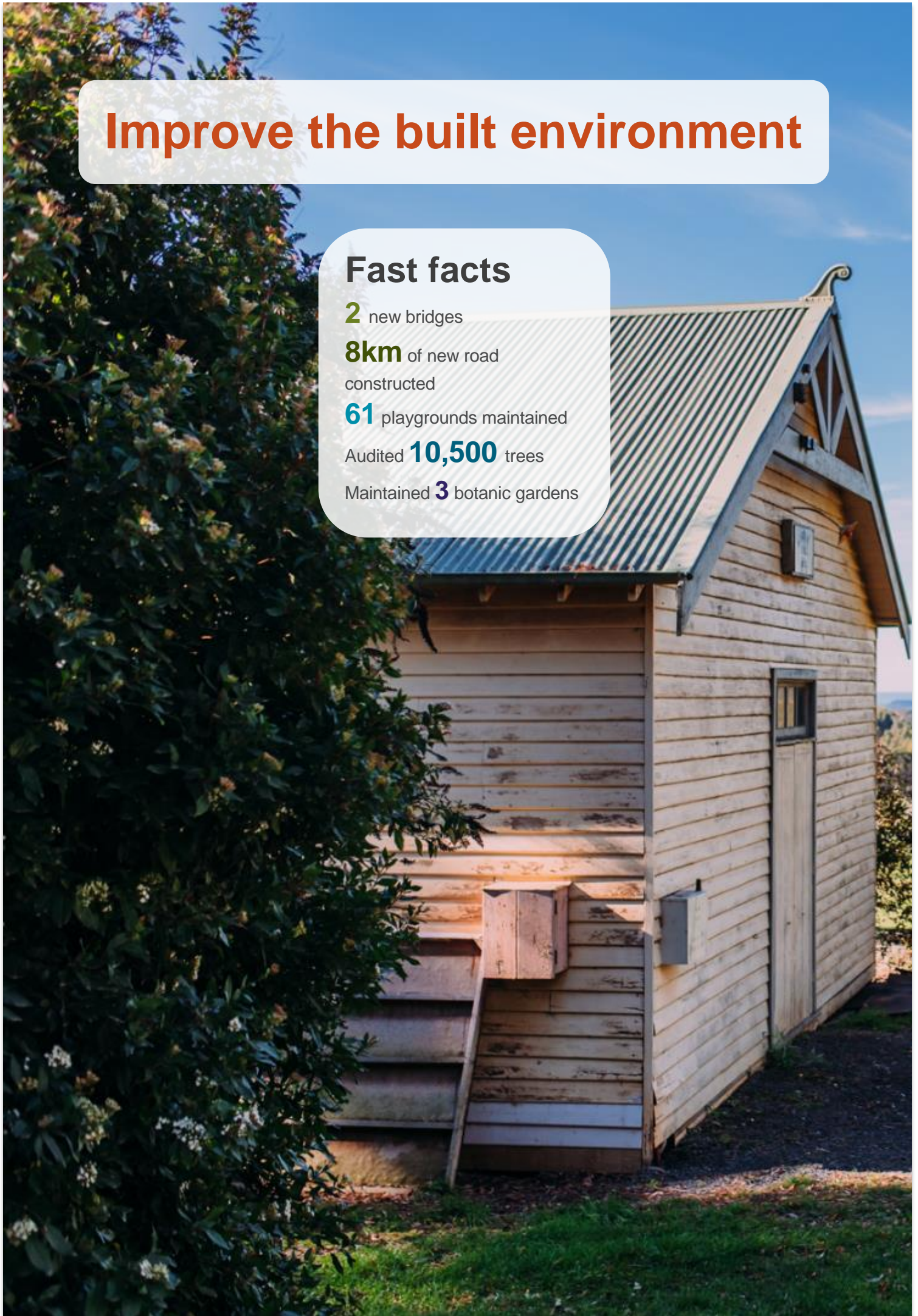
2 new bridges

8km of new road
constructed

61 playgrounds maintained

Audited **10,500** trees

Maintained **3** botanic gardens



Improve the built environment

We will maintain our built environment—including roads, paths, buildings, open space and other assets—in a fiscally, environmentally and socially sustainable way. This includes effective land use planning, which has a direct impact on the liveability of our shire.

Why are we doing this?

We want to manage infrastructure in a sustainable and efficient way that supports the delivery of services to our residents and visitors, now and into the future.

What are we doing?

- Foster township character
- Improve local roads
- Balance maintenance and renewal of community assets
- Plan for improved recreation and community facilities using environmentally sustainable designs
- Advocate for improved environmental performance in new developments
- Advocate for better access to public transport
- Increase walking and cycling connectivity
- Encourage multi-use recreation and community facilities.

How are we doing this?

These indicators of success are based on the key actions of the Year One action plan in the Council Plan 2017–2027.

Strategic indicators	Result	Comments
Invest \$1.1 million in planning, renewing and building new footpaths and cycling paths to improve access and community connections	100% complete	We have installed new footpaths to improve walking and cycling connectivity across the shire at: Macedon at Nursery Road, Riddells Creek at Main Road, Gisborne at Fisher Street, Kilmore-Mill Road and Wyralla Crescent, Kyneton at Donnithorne and Ebdon Street, New Gisborne at Barry Road and Doriemus Court Romsey at Murphy Street, Park Lane and White Avenue and Woodend at Anslow Street, Forest Street, Pyke Street, Bowen Street and Corinella Road.
Reduce the overall asset renewal gap	100% complete	Increased funding has been approved in the 2018/19 budget for asset renewal for buildings program in line with asset renewal gap modelling.

Our major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget.

Initiatives	Progress
JD Clifford Reserve facility upgrade	Upgrades to the pavilion are complete including female friendly and umpire facilities to enable use for football games.
Romsey and Riddells Creek Kindergartens and Maternal and Child Health centres	Improvement works including entry/foyer upgrades and kindergarten refurbishments are scheduled to commence in August 2018. The project will be a carry forward to the 2018/19 financial year. Success in both minor and major capital grants required projects to be deferred to 2018–19
Kyneton Town Hall—OH&S compliance—lighting systems, curtains, winches and intercom systems	Tenders negotiations are in progress.
Public convenience upgrades	Upgrades to the Kyneton Showground's Pavilion included new female-friendly home and away change rooms, unisex umpire facilities and improved public toilets.

Our 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.

Service/indicator/ measure	2015	2016	2017	2018	Comments
Roads					
Satisfaction of use	38.06	30.28	60.33	40.53	Proactively managing the routine maintenance program through inspections has assisted in the reduction of customer requests.
Sealed local road requests					
Number of sealed local road requests divided by the kilometres of sealed local roads] x100					

Service/indicator/ measure	2015	2016	2017	2018	Comments
Condition	97.31%	94.25%	96.44%	96.75%	
Sealed local roads maintained to condition standards					
Percentage of kilometres of sealed local roads below the renewal intervention level set by Council					
Service cost	\$52.87	\$42.02	\$41.22	\$48.21	Cost increase over last year due to the complexity of the road construction projects for 2017/18 year and increased costs to deliver the program.
Cost of sealed local road reconstruction					
Direct cost of sealed local road reconstruction divided by the square metres of sealed local roads reconstructed					
Cost of sealed local road resealing	\$6.33	\$4.65	\$7.92	\$8.40	
Direct cost of sealed local road resealing divided by the square metres of sealed local roads resealed					
Satisfaction	51.00	51.00	48.00	48.00	
Satisfaction with sealed local roads					
Community satisfaction rating out of 100 on how Council has performed on the condition of sealed local roads					



Enhance the social and economic environment

Fast facts:

635 award nominations were received for the Bendigo Bank Macedon Ranges Business

24,980 visits per month

Volunteers at Visitor Information Centres answered

20,594 enquiries

Sold 7135 cattle and 10474 sheep

Our new Mobile Visitor Information booth received **3000**

visits during the autumn leaves season and **1200**

enquires at the Lost Trades Fair

Enhance the social and economic environment

We will foster economic vitality in a way that promotes positive individual and community health outcomes, including business diversity, housing, transport and employment options. Investment attracted to the shire will be consistent with Council's vision.

Why are we doing this?

We want to encourage and support the social and economic development of the shire.

What are we doing?

- Encourage economic vitality (tourism, agribusiness, buy local, local employment options)
- Promote housing diversity
- Consider socio-economic disadvantage
- Attract strategic investment that is consistent with Council's vision
- Encourage business diversity and growth
- Advocate for improved communications infrastructure
- Support local industry sectors that align with our vision and principles

How are we doing this?

These indicators of success are based on the key actions of the Year One action plan in the Council Plan 2017–2027.

Strategic indicators	Result	Comments
Support local businesses to thrive and provide additional employment		<p>Our annual schedule of business seminars, networking and training programs and events attracted 236 attendees at 23 workshops. Due to the high demand a second round of social media workshops was held.</p> <p>We supported the International Women's Federation for Commerce and Industry Australia-Asia Trade Mission by holding a networking lunch on 1 May at the Grange Cleveland Winery in Lancefield, to link local businesswomen with the delegation. A group of local businesses have since formed to look at export opportunities.</p> <p>We continue to develop a plan for the Gisborne Business Park. The initiatives for the Park include developing a master plan to use funding received from the Victorian Planning Authority for future expansion, improved connectivity, signage and entrances. We are also assisting by implementing a buy local campaign to raise awareness of the many products and services available in the business park.</p> <p>Established a community reference group to provide input into the preparation of the Macedon Ranges Visitor Economy Strategy.</p> <p>The Jobs for the Future Study, to identify projected business and industry growth over the next 20 years, has now been completed and will be used to inform the new Economic Development Strategy which will commence in November 2018.</p>

Our major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget.

Initiatives	Progress
Visitor servicing review	Council is project partner in a state-wide visitor servicing project being delivered by Visit Victoria. A Visitor Servicing Action Plan specific to Macedon Ranges is scheduled to be completed by December 2018.
2017 Bendigo Bank Business Excellence Awards	The Business Excellence Awards program received over 600 individual nominations from the public. Award recipients will be announced at the Gala Dinner on 19 September.
Former Kyneton Primary School Master Plan	The Kyneton Primary School Master Plan explored options for potential uses for the site. After extensive community consultation in late 2017 and early 2018 the plan was completed and presented to Council on 23 May 2018.
Gisborne South open space development (Gisborne Fields)	The concept plan to develop Gisborne Fields into a park is complete. Community consultation was undertaken in February. The landscape plan for Gisborne Fields has been completed. The start of implementation of Stage 1 of the plan will occur in 2018/19.

Our 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.

Service/indicator/measure	2015	2016	2017	2018	Comments
2017 Bendigo Bank Business Excellence Awards	N/A	Completed	Completed	Completed	We began running this event in 2016, the preeminent event on the local business calendar.

Deliver strong and reliable government



**Macedon
Ranges**
Shire Council

Council Offices

Fast facts

727 live streams of Council meetings

889 views of archived Council meeting recordings

22,576 rateable properties in the shire

40 Robertson Street

Deliver strong and reliable government

We will demonstrate the qualities of good governance including a clear vision and culture, transparency, respect, consistency, accountability and responsiveness.

Why are we doing this?

We want our community to have confidence in the way we govern and make decisions.

What are we doing?

- Demonstrate accessible and responsive customer service
- Make responsible and evidence-based decisions
- Demonstrate sound financial management
- Deliver people-focused services
- Attract, retain and support a skilled workforce.

How are we doing this?

These indicators of success are based on the key actions of the Year One action plan in the Council Plan 2017–2027.

Strategic indicators	Result	Comments
Continue to review Council owned/managed community facilities to guide future investment	100% complete	An assessment of the condition and usage of all Council facilities has been undertaken. A report on the findings was presented at the Councillor Briefing held 29 June 2018. The findings of the review will be used to guide future decision-making.

Our major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2017/18 budget.

Initiatives	Progress
Staff satisfaction survey	The Employee Opinion Survey was conducted in February/March 2018 by an independent consultant. The Chief Executive Officer conducted a presentation of the survey findings to all staff. The Senior Management Team are developing actions to address matters raised in the survey which will improve the organisation.
Improving communication and engagement in the community	Councillors held a Community Briefing Day on 21 March at the Malmsbury Town Hall incorporating local site inspections, community presentations and a 'Meet Your Councillors' forum. Council launched a new-look, mobile-friendly website, which features an online consultation module and smart forms that integrate with

	<p>payment gateways. Activity on the site has increased by almost 3 per cent to 1,294,711 page views, up from 1,261,536 compared to the previous 12 months.</p> <p>The online consultation module, introduced in August 2017, has featured 38 consultations since its inception.</p>
Advocate to government bodies and community stakeholders about current and future transport needs	Advocacy efforts to improve public transport has resulted in improved car parking at Gisborne, Kyneton, Woodend, Macedon and Clarkefield Train Stations. To coincide with this a review to improve the public bus service within Kyneton is also underway. Advocacy has also resulted in Council receiving grants to deliver the Campaspe River Walk foot cycle upgrade, improvements for pedestrian connectivity and safety in Woodend and installation of bike racks throughout the shire.
Recording of Council meetings	The installation of cameras and audio / amplification equipment was completed in September 2017. The 'live streaming' and recording of Council Meetings commenced at the 25 October Council Meeting with all subsequent Ordinary and Special Council Meetings being recorded and live streamed. Average views per meeting have been 70–90.
Investment in records management	All records previously stored at the Woodend Archives Centre have been appraised and recorded in the document management system. The first 20 volumes of minutes for the Macedon Ranges Shire Council have been digitised.

Our 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.

Service/indicator/ measure	2015	2016	2017	2018	Comments
Governance					
Transparency	3.00%	2.65%	3.11%	4.55%	Minor increase reflects confidential contractual matters considered in 2017/18.
Council decisions made at meetings closed to the public					
Percentage of Council resolutions made at ordinary or special meetings of Council, or					

Service/indicator/ measure	2015	2016	2017	2018	Comments
at meetings of a special committee consisting only of Councillors closed to the public.					
Consultation and engagement	52.00	51.00	52.00	54.00	
Satisfaction with community consultation and engagement					
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement					
Attendance	92.00%	96.30%	95.56%	93.46%	
Councillor attendance at council meetings					
Percentage of Councillor attendance at ordinary and special meetings of Council					
Service cost	\$42,900	\$42,855	\$43,006	\$43,583	
Cost of governance					
Direct cost of governance service divided by the number of Councillors elected at the last Council general election					
Satisfaction	52.00	49.00	52.00	51.00	

Service/indicator/ measure	2015	2016	2017	2018	Comments
Satisfaction with Council decisions					
Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community					

Statutory Planning

Timeliness	91.00	84.00	73.00	100.00	The 2018 figure shows an increase in the median number of days for determining a planning application. This is a departure from previous years. The 2017/18 period has seen new controls and other changes introduced to the Macedon Ranges Planning Scheme. While the analysis of the data shows a decrease in the overall number of reportable planning applications, the analysis also indicates that of the applications both received and decided in 2017/18, there is a significant increase in complexity and consideration required compared to the previous year. In addition this period has shown a large growth in non-reportable applications such as secondary consents and miscellaneous consent applications, which in overall time can take up as much time as reportable planning applications.
Time taken to decide planning applications					
The median number of days between receipt of a planning application and a decision on the application					
Service standard	45.00%	56.41%	71.99%	61.47%	Although the 2018 figure is lower than 2017 indicating fewer applications were decided within time, the

Service/indicator/ measure	2015	2016	2017	2018	Comments
<p>Planning applications decided within required time frames</p> <p>The percentage of regular planning decisions made within 60 days and VicSmart application decisions made within 10 days</p>					<p>2018 figure remains higher than both the 2015 and 2016 years and is considerably higher than previous years. The reasons for a decrease in applications decided within time will be similar to those noted above.</p>
<p>Service cost</p> <p>Cost of statutory planning service</p> <p>The direct cost of the statutory planning service divided by the number of planning applications received</p>	\$2,711.22	\$2,590.45	\$2,779.39	\$2,626.30	
<p>Decision making</p> <p>Council planning decisions upheld at Victorian Civil and Administrative Tribunal (VCAT)</p> <p>The percentage of VCAT decisions that did not set aside Council decisions</p>	53.00%	50.00%	50.00%	52.38%	

Our governance



Our governance

Macedon Ranges Shire Council is constituted under the *Local Government Act 1989* (VIC) (the Act) to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums such as ward meetings and the ability to make submissions to special committees of Council.

Council's formal decision-making processes are conducted through Council meetings and special committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.



Our governance

Meetings of Council

Council generally conducts open public meetings on the fourth Wednesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery or watch them via a livestream. Council meetings also provide the opportunity for community members to submit a question to Council, make a submission or speak to an item.

Special Council Meetings are held when matters need to be dealt with outside the normal Council meeting cycle.

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 2017/18 year Council held the following meetings:

- 11 Ordinary Council Meetings
- 4 Special Council Meetings
- 2 Section 223 Council Meetings.

The following table provides a summary of Councillor attendance at Council meetings and Special Council Meetings for the 2017/18 financial year.

Councillor	Council meetings	Special Council Meetings	Total
Cr Jennifer Anderson	11	4	15
Cr Roger Jukes	11	3	14
Cr Janet Pearce	11	4	15
Cr Henry Bleeck	11	4	15
Cr Natasha Gayfer	10	3	13
Cr Bill West	11	4	15
Cr Mandi Mees	9	4	13
Cr Helen Radnedge	10	4	14
Cr Andrew Twaits	11	4	15

Our governance

Special committees

The Act allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following table contains a list of special committees established by Council that are in operation and the purpose for which each committee was established.

Special committee	Councillors	Officers	Other	Purpose
Section 223 Committee	All Councillors	Nil	Nil	All duties imposed and functions and powers conferred on Council by Section 223(1) (d) of the Act.
Bullengarook Recreation Reserve Committee of Management	Under review during 2017/18—not operating as a Special Committee			Has delegated functions, duties or powers
Clarkefield Recreation Reserve Committee of Management	Under review during 2017/18—not operating as a Special Committee			
Stanley Park Committee of Management	nil	nil	8 community members	

Our governance

Councillor allowances

In accordance with Section 74 of the Act, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also 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 the income and population of each council. In this instance Macedon Ranges Shire Council is recognised as a category two council.

For the period 1 July 2014 to 23 December 2014, the Councillor annual allowance for a category 2 council (as defined by the Act) was fixed at \$22,405 per annum and the allowance for the Mayor was \$69,325 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 24 December 2015. The annual allowances were adjusted for the period 24 December 2015 to 30 June 2016 at \$22,965 per annum for the Councillor allowance and \$71,058 per annum for the Mayoral allowance.

The following table contains details of current allowances fixed for the Mayor and Councillors during the year:

Councillor	Allowance
Cr Jennifer Anderson (Mayor)	\$84,768
Cr Henry Bleeck	\$27,396
Cr Natasha Gayfer	\$27,396
Cr Roger Jukes	\$27,396
Cr Mandi Mees	\$27,396
Cr Janet Pearce	\$27,396
Cr Helen Radnedge	\$27,396
Cr Andrew Twaits	\$27,396
Cr Bill West	\$27,396

Our governance

Councillor expenses and reimbursements

In accordance with Section 75 of the Act, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by Council.

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by Council for the 2017/18 year are set out in the following table

2017/18	Travel	Car mileage	Childcare	I&CT	Conferences & training
Cr Jennifer Anderson	\$691	\$0	\$0	\$1,496	\$2,271
Cr Roger Jukes	\$0	\$0	\$0	\$303	\$112
Cr Janet Pearce	\$151	\$5,211	\$0	\$935	\$919
Cr Henry Bleeck	\$0	\$4,093	\$0	\$625	\$112
Cr Natasha Gayfer	\$50	\$4,100	\$0	\$688	\$1,772
Cr Bill West	\$0	\$2,574	\$0	\$889	\$112
Cr Mandi Mees	\$0	\$857	\$1,020	\$268	\$112
Cr Helen Radnedge	\$131	\$3,016	\$0	\$735	\$1,133
Cr Andrew Twaits	\$0	\$0	\$0	\$306	\$112
TOTAL	\$1,024	\$19,850	\$1,020	\$6,245	\$6,657

Our governance

Public information

For the purposes of section 222 of the *Local Government Act 1989* (VIC) (the Act), the following are prescribed documents for public inspection if they are not already published on Council's website:

- a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months, including:
 - i. the name of the Councillor or member of Council staff; and
 - ii. the dates on which the travel began and ended; and
 - iii. the destination of the travel; and
 - iv. the purpose of the travel; and
 - v. the total cost to the Council of the travel, including accommodation costs;
- b) the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- c) the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- d) a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- e) a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- g) a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Code of conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within 4 months after each general election. On 22 February 2017 Council adopted a revised Councillor Code of Conduct, which is designed to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Our governance

Conflict of interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2017/18, 16 conflicts of interest were declared at Council and Special Committee meetings.

Management

We have implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework

Audit committee

Our Audit Committee is formally appointed under section 139 of the Local Government Act as an Advisory Committee to Council. The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

The Audit Committee consists of three independent members, Mr Brian Collins, Ms Corrine Siddles and Mr Peter Matthews (Chairperson), and two Councillors. Independent members are appointed for a two-year term (with option for extension), and Councillors for a one-year term. The chairperson is elected from amongst the independent members.

The Audit Committee meets a minimum of four times a year. The Internal Auditor, Chief Executive Officer and Director Corporate Services attend all Audit Committee meetings. The external auditors have representation at meetings relevant to their role.

A report from each Audit Committee meeting is subsequently provided to Council.

Our governance

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.

A risk based three-year Internal Audit Plan (IAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input. The IAP is reviewed and approved by the Audit Committee annually.

The IAP for 2017/18 was completed with the following reviews conducted:

- Tendering Processes;
- Library Facilities;
- Kerbside Waste Handling – General and Recycling; and
- Capital Works Management (review drafted but not considered by Audit Committee as at 30 June 2018).

External audit

Council is externally audited by the Victorian Auditor-General. For the 2017/18 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors present the audit plan and independent audit report. The external audit management letter and responses are also provided to the Audit Committee.

Risk management

In November 2017 Council adopted a new Risk Management Framework consistent with AS/NZ ISO 31000:2009, to guide the development of a culture of integrated risk management in all decision making processes. This framework includes the identification and analysis of strategic and operational risk, Occupational Health and Safety and Business Continuity risks.

We are currently reviewing our Risk Register to ensure risks are appropriately identified, evaluated and controlled, and implementing an electronic system for monitoring and reporting on risk reviews and treatments.

Our governance

Contracts

During the 2017/18 year Council had three instances where contractors were engaged with the cumulative value in excess of specified thresholds for goods and services (\$150,000) and works (\$200,000) including GST without first conducting a competitive open tendering process. Consistent with the Local Government (Planning and Reporting) Regulations 2014, a list of instances are outlined below.

Supplier	Instance
Playrope	Quotes were received under five selective tendering processes. The successful tenderer in all instances was Playrope, resulting in total cumulative expenditure exceeding the specified threshold.
CVGT Employment & Training Specialists	Supplier of trainees for the organisation. Use of multiple trainees through this one company has resulted in cumulative expenditure exceeding the specified thresholds.
Four Seasons Waste Pty Ltd	Interim arrangements to continue the kerbside collection services under section 186(5) (a) and (c) of the Local Government Act, resulted in cumulative expenditure exceeding the specified thresholds.

The following list shows non-compliances in relation to Council's Procurement Policy. Council has entered into arrangements where the cumulative expenditure with a single supplier over two financial years is in excess of the specified thresholds without conducting a competitive open tendering process.

- Raysett Constructions Pty Ltd
- CVGT Employment & Training Specialists
- CSA Specialised Services Pty Ltd
- Planned Resources Pty Ltd
- Macedon Ranges Landscaping
- Provincial Matters
- GR Design & Construct Pty Ltd
- Moloney Asset Management Systems
- Burns Service Bendigo Pty Ltd
- CAM Management Solutions
- ASPECT Studios Pty Ltd
- Macedon Ranges Signs

When identified Council has publically disclosed these instances in Council reports in a timely manner, and discussed breaches at the Audit Committee. Council has introduced monthly management reporting to assist in identifying future instances of exceeding cumulative expenditure limits and has provided additional training for staff involved in the process.

Governance & management checklist

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

Governance and Management Item	Details	Endorsed
Community engagement policy —policy outlining Council's commitment to engaging with the community on matters of public interest	Community Consultation Framework	17/12/2014
Community engagement guidelines —guidelines to assist staff to determine when and how to engage with the community	Community Consultation Framework	17/12/2014
Strategic Resource Plan 2018/19 —plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years	Strategic Resource Plan adopted in accordance with section 126 of the Act	13/06/2018
Annual Budget 2018/19 —plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required	Budget adopted in accordance with section 130 of the Act	13/06/2018
Asset management plans—plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for 10 years or more	Part A – General information	27/06/2012
	Part B – Roads	28/9/2011
	Part C – Building	27/6/2012
	Part D – Drainage	25/9/2013
	Part E – Open Space	25/9/2013
	(all currently under review)	
Rating strategy—strategy setting out the rating structure of Council to levy rates and charges	See Section 5 of the Strategic Resource Plan	13/06/2018
Risk Management Policy —policy outlining Council's commitment and approach to minimising the risks to Council's operations	Current policy in operation	13/09/2016

Governance and Management Item	Details	Endorsed
Fraud policy —policy outlining Council's commitment and approach to minimising the risk of fraud	Current policy in operation	3/07/2014
Municipal emergency management plan —plan under section 20 of the <i>Emergency Management Act 1986</i> (VIC) for emergency prevention, response and recovery	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986	27/09/2017
Procurement policy —policy under section 186A of the Local Government Act 1989 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 Local Government Act	23/05/2018
Business Continuity Plan —plan setting out the actions that will be taken to ensure that key services continue in the event of a disaster	Current plan in operation	18/07/2017
Risk Management Framework —framework outlining Council's approach to managing risks to the Council's operations	Current framework in operation	2/11/2017
Audit Committee —advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements	Committee established in accordance with section 139 of the Act. Terms of reference updated at least every two years.	Charter adopted by Council on 28/3/2018
Internal Audit —independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls	Internal auditor engaged	1/09/2014
Performance Reporting Framework —a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act	Current framework in operation	23/08/2017

Governance and Management Item	Details	Endorsed
Council Plan reporting —report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year	Quarterly statements presented to Council	23/08/2017 25/10/2017 28/02/2018 23/05/2018
Financial reporting —quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure	Quarterly statements presented to Council in accordance with section 138(1) of the Act	23/08/2017 25/10/2017 28/02/2018 23/05/2018
Risk reporting —six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Reports prepared and presented	30/06/2017 30/09/2017 31/12/2017 31/03/2018
Performance reporting —six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to section 131 of the Act	Reports prepared and presented	23/08/2017
Annual Report —annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements	Annual report considered at a meeting of Council in accordance with section 134 of the Act	25/10/2017
Councillor Code of Conduct —Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act	22/02/2017
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	Delegations reviewed in accordance with section 98(6) of the Act	27/07/2017

Governance and Management Item	Details	Endorsed
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	05/01/2018

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



Mayor, Cr Jennifer Anderson
Kyneton, 27/9/2018



Chief Executive Officer, Margot Stork
Kyneton 27/9/2018

Glossary

Term	Definition
Act	means the <i>Local Government Act 1989</i> (VIC)
Annual report	means a report of the activities of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Asset expansion expenditure	means expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries
Asset expenditure type	means the following types of asset expenditure: asset renewal expenditure; new asset expenditure; asset upgrade expenditure; asset expansion 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
Asset upgrade expenditure	means expenditure that: enhances an existing asset to provide a higher level of service; or increases the life of the asset beyond its original life
Australian Accounting Standards (AASB)	means the accounting standards published by the Australian Accounting Standards Board
Budget	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan
Capital works expenditure	means expenditure on non-current assets and includes new assets, asset renewal, asset expansion and asset upgrade
Council Plan	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four years
Financial resources	means income, expenditure, assets, liabilities, equity, cash and capital works required to deliver the services and initiatives in the budget

Term	Definition
Financial statements	means the financial statements and notes prepared in accordance with the Australian Accounting Standards as they apply to the general purpose financial reports of local governments and a statement of capital works and included in the Annual Report
Financial year	means the period of 12 months ending on 30 June each year
Human resources	means the staff employed by Council
Indicator	means what will be measured to assess performance
Initiatives	means actions that are one-off in nature and/or lead to improvements in service
Major initiatives	means significant initiatives that will directly contribute to the achievement of the Council Plan during the current year and have a major focus in the budget
Minister	means the Minister for Local Government
Model budget	means the Victorian City Council Model Budget prepared annually by the Institute of Chartered Accountants in Australia
New asset expenditure	means expenditure that creates a new asset that provides a service that does not currently exist
Non-financial resources	means the resources other than financial resources required to deliver the services and initiatives in the budget
Non-recurrent grant	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan
Planning and accountability framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
Performance statement	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report
Recurrent grant	means a grant other than a non-recurrent grant
Regulations (LGR)	means the Local Government (Planning and Reporting) Regulations 2014
Report of operations	means a report containing a description of the operations of Council during the financial year and included in the annual report
Services	means assistance, support, advice and other actions undertaken by Council for the benefit of the local community
Statement of capital works	means a statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type prepared accordance to the model statement of capital works in the Local Government Financial Report
Strategic objectives	means the Goals in the Council Plan, which Council is seeking to achieve over the next four years and
Strategic Resource Plan	means a plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan
Strategies	means high level actions directed at achieving the strategic objectives in the Council Plan
Statement of human resources	means a statement which shows all Council staff expenditure and numbers of full time equivalent Council staff

Our Performance Statement



Description of Municipality

Ref	Description of municipality
Reg R17(1)	<p>The Macedon Ranges Shire Council (the council) is situated north-west of Melbourne. The 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 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 1800's.</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 Macedon Ranges live outside a town boundary in a rural setting</p> <p>The economy of the Macedon Ranges region is diverse with the major industries (based on number of jobs in the shire) as follows;</p> <ul style="list-style-type: none">• Public Services comprising Health Care & Social Assistance and Training & Education (23.7% of jobs)• Industry comprising Manufacturing and Construction (19.4% of jobs)• Retail Trade and Tourism (16.7%)¹ <p>The council covers an area of 1747 km² and has a population of 48,438 (2017)² which is expected to grow to 65,405² over the next 16 years.</p>

¹ <https://www.economyprofile.com.au/macedonranges>

² <https://profile.id.com.au/macedon-ranges>

Sustainable Capacity Indicators for the year ended 30 June 2018

Ref Reg	Service/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations
R15(3)	Population					
Sch3 R16(1) R17(2)	Expenses per head of municipal population [Total expenses / Municipal population]	\$1,520	\$1,489	\$1,458	\$1,455	
	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,275	\$12,982	\$13,230	\$12,915	The indicator has decreased slightly as the percentage increase in infrastructure is less than the percentage population increase.
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	26.61	27.63	27.24	28.54	
	Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,085	\$1,180	\$1,230	\$1,213	
	Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$356	\$240	\$386	\$303	This indicator has increased and decreased over the last few years due to the timing of the payment of the Financial Assistance grants. Grants are sometimes paid in advance 87 resulting in the ratio being higher in some years and lower in the following years. Also the roads to

Ref Reg	Service/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations
						recovery grant allocations have varied from year to year.
	Disadvantage					
	Relative socio-economic disadvantage	9	9	9	9	
	[Index of Relative Socio-economic Disadvantage by decile]					

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators for the year ended 30 June 2018

Ref Reg	Service/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations
Sch3 R16(1)	Aquatic facilities					
	Utilisation					
	Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	6.90	7.27	7.50	7.11	
	Animal management Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	16	12	6	1	Prosecutions have decreased which reflects a changed approach from Council where focus is now on reducing the risk to the community via declarations and the impounding of dogs that have prior history to gain compliance. This approach is leading to better community safety outcomes
	Food safety Health and safety Critical and major non-compliance notifications [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] x 100	N/A	95.74%	96.77%	98.26%	Over the past 12 months our Environmental Health team have participated in the DHHS Food Safety Risk Assessment Project. As a result there have been some slight improvements to the way we are undertaking Food Safety Assessments. We are now taking more of a risk management approach to our assessments based on the Hazard Analysis and Critical Control Point (HACCP) principles. By using these critical control points and their associated critical limits there have been more major non-compliances identified during food safety assessments which proprietors can work on moving forward.

Ref Reg	Service/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations
	Satisfaction					
	Satisfaction with council decisions	52	49	52	51	
	[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
	Libraries					
	Participation					
	Active library members	20.00%	18.93%	18.64%	16.92%	
	[Number of active library members / Municipal population] x100					
	Maternal and child health					
	Participation	84.00%	80.00%	77.77%	82.01%	
	Participation in the MCH service					
	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
	Participation					
	Participation in the MCH service by Aboriginal children	75.00%	57.14%	77.55%	85.71%	An increased policy and practice focus on ATSI identification and celebration has seen an increase in the number of families identifying. Improved practices, such as consistent identification at hospital and CDIS requirements, have embedded the staff process of asking all families if they identify as ATSI.
	[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					

Ref Reg	Service/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Material variations
	Roads					
	Satisfaction	51	51	48	48	
	Satisfaction with sealed local roads					
	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
	Statutory Planning					
	Decision making					
	Council planning decisions upheld at VCAT	53.00%	50.00%	50.00%	52.38%	
	[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					
	Kerbside collection waste diverted from landfill	45.00%	42.28%	45.05%	44.81%	
	[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*

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

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

"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 1984*, that have been declared as class 2 food premises under section 19C of that Act

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

	Results				Forecasts					Material variations
Ref Reg	Dimension / indicator/ measure	2015	2016	2017	2018	2019	2020	2021	2022	
	Unrestricted cash									Unrestricted cash has been higher than normal in 2016/17 and 2017/18 mainly due to the earlier payment of the financial assistance grants. It is expected that the ratio will be lower in the forecast years as it is assumed that grants will not be paid in advance. Also there is a planned repayment of a principal only loan in 2019/20 out of financial reserves which will reduce financial assets.
	Unrestricted cash compared to current liabilities	65.31%	57.77%	110.23%	120.89%	59.39%	34.60%	61.41%	80.14%	
	[Unrestricted cash / Current liabilities] x100									
	Obligations									
	Asset renewal									The asset renewal ratio varies from year to year depending on capital projects approved in the budget. Council plans to increase its average expenditure on asset renewal in the forecast years.
	Asset renewal compared to depreciation	75.19%	94.35%	57.40%	94.42%	104.91%	104.73%	93.45%	89.62%	
	[Asset renewal expenses / Asset depreciation] x100									
	Loans and borrowings	16.60%	20.44%	23.32%	21.26%	23.48%	17.42%	19.74%	20.91%	
	Loans and borrowings									There was a minor reduction in borrowings in 2017/18 and an increase in rate income which has decreased the ratio.

		Results			Forecasts					
Ref Reg	Dimension / indicator/ measure	2015	2016	2017	2018	2019	2020	2021	2022	Material variations
	compared to rates [Interest bearing loans and borrowings / Rate revenue] x100									
	Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.45%	1.57%	1.71%	2.18%	2.15%	10.18%	1.87%	1.99%	The loans and borrowings ratio increases significantly in 2020 as some funds borrowed under the Local Government Funding Vehicle in 2014/15 will be repaid in full.
	Indebtedness Non-current liabilities	20.81%	25.42%	26.17%	24.17%	19.04%	21.10%	22.85%	24.17%	The ratio is projected to decrease in 2018/19 in line with a planned lower level of non-current liabilities This decrease is related to the repayment

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other information

Basis of preparation

1. Basis of preparation

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

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

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

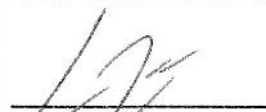
The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 13 June 2018 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

Certification of the Performance Statement

R18(1)

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

R18(2)



Leon den Dryver
Principal Accounting Officer

Date: 26 September 2018

Gisborne

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council for the year ended 30 June 2018 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.



Jennifer Anderson
Councillor (Mayor)

Date: 26 September 2018

Gisborne



Mandi Mees
Councillor

Date: 26 September 2018

Gisborne



Margot Stork
Chief Executive Officer

Date: 26 September 2018

Gisborne

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 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • 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 2018 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. I further describe my responsibilities under that Act and those standards 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 Victoria 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 are 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>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, 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.</p>

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 decisions of users taken on the basis of this performance statement.

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 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 overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement 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
27 September 2018


Tim Loughnan
as delegate for the Auditor-General of Victoria

Financial report



Financial summary

This summary provides an overview of our financials for 2017/18 and comparisons to the 2016/17 financial year.

Overall our 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 \$19.95m. The expenditure was \$3.66m higher than last financial year and the level of asset renewal expenditure increased significantly.
- We have a strong liquidity position.
- Our borrowings have decreased and they remain at an affordable level.

Operating Position

As shown in the Comprehensive Income Statement, Council has achieved an operating surplus of \$16.07m which is \$7.02m lower than 2016/17. Below is a summary of the Comprehensive Income Statement.

	2017/18	2016/17
Revenue (1)	\$86.57m	\$90.48m
Less		
Expenses (2)	\$70.50m	\$67.39m
Net Operating Surplus	\$16.07m	\$23.09m
Other Comprehensive Income (3)	\$ 14.88m	\$34.25m
Comprehensive Result	\$ 30.95m	\$57.34m

Total income (1) decreased by \$3.91m

Some of the key movements between the income categories were:

- Contributions of non-monetary assets decreased by \$5.29m.

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.

- Operating grants decreased by \$1.64m.

The year on year variance is due to the timing of financial assistance grant payments. In 2016/17 the Federal Government paid 50% of the 2017/18 financial assistance grants in advance on top of the annual 2016/17 allocation. In 2017/18 half of the 2017/18 allocation was received and half of the 2018/19 allocation was paid in advance.

- Rates and charges increased by \$1.65m.

The higher income was due to a 2.0% increase in rates & charges per property (in line with the rate cap) and an increase of 2.3% in the number of rateable properties over the year.

- Contributions—monetary increased by \$1.60m

These contributions generally relate to funds contributed by community groups and other parties towards Council capital projects. As a result they vary from year to year depending on the capital program. In 2017/18 Cobaw Community Health contributed funds to the refurbishment of the former Romsey Primary School (\$0.7m), a neighbouring council contributed \$0.3m to a road project and there were several contributions from clubs towards facility upgrades.

Total expenses

- (2) Total expenses increased by \$3.11m

Some of the key movements between the expense categories were:

- Materials and Services expenditure increased by \$1.83m

The increase is predominantly due to a higher level of contractor expenditure in relation to storm recovery works and also further recovery works conducted in 2017/18 relating to bushfires that occurred in prior years (\$1.0m). This expenditure will be reimbursed by the Victorian Government. Kerbside collection costs were higher than 2016/17 due to the increased cost of recycling and the changeover to a new collection contract during the year (\$0.4m). Project related consultants costs were also higher (\$0.2m).

- Depreciation expense increased by \$0.66m.

The increase is mainly due to higher asset values as a result of capital expenditure and asset revaluations undertaken during the year.

- Employee costs increased by \$0.39m.

The increase is mainly due to the annual increase factored into the Enterprise Bargaining Agreement. Partly offsetting this increase was a higher number of vacant positions during the year.

Other comprehensive income

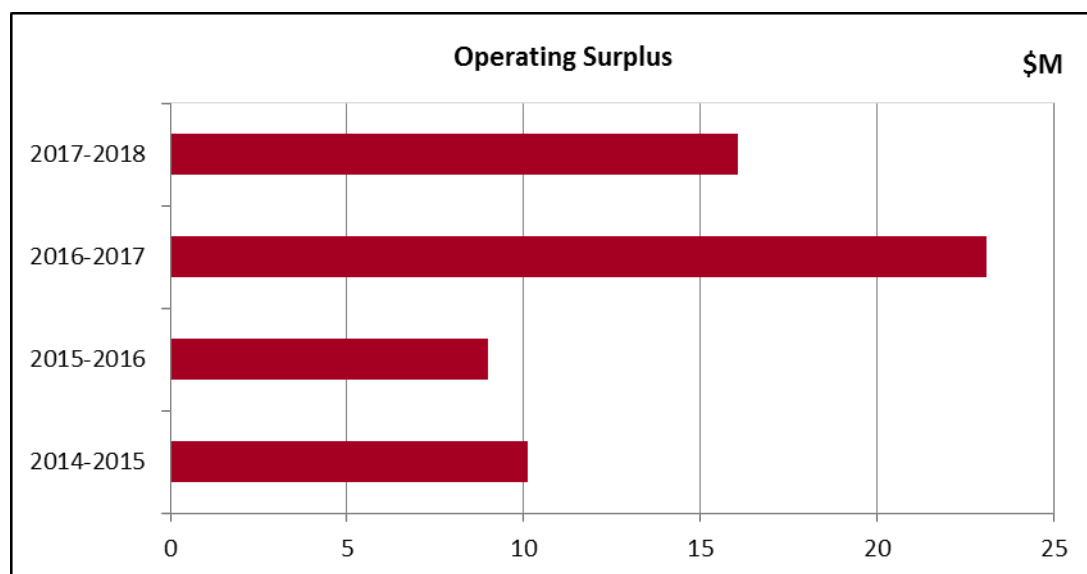
- (3) Other comprehensive income is \$19.37m lower

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

The 2016/17 revaluation income was associated with asset revaluations undertaken for land, buildings, artworks and drainage. In 2017/18, due to the rising market, revaluations were conducted again for land (not buildings) and there were minor adjustments to the valuation of some roads that were upgraded during the year.

The 2017/18 revaluations resulted in a lower increase in asset values compared to 2016/17.

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



Balance sheet

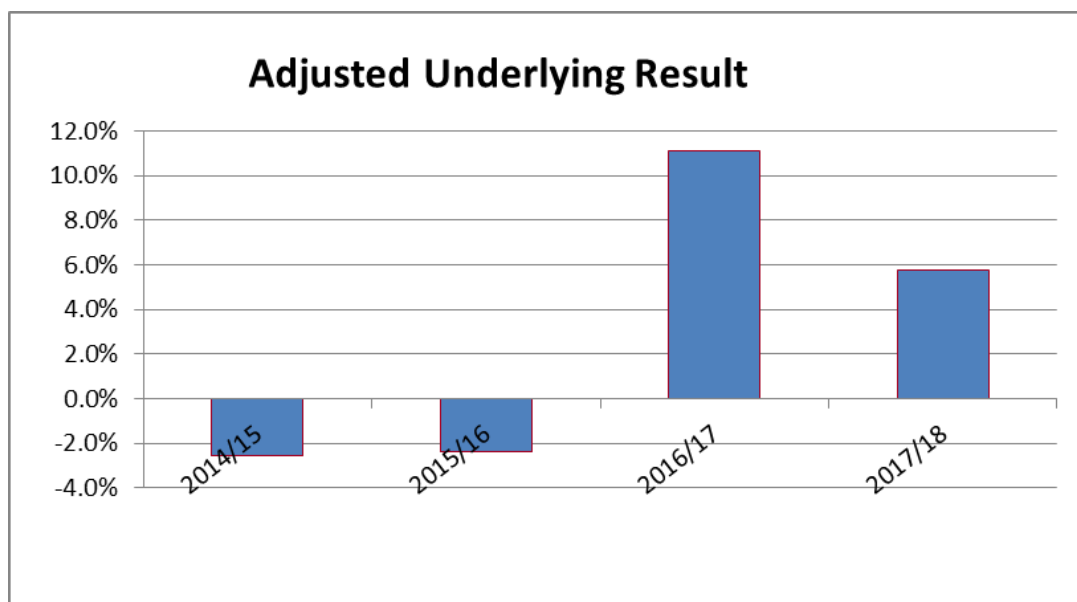
The key change to the Balance Sheet between 2017/18 and 2016/17 was in relation to the first time recognition of value of the land under roads acquired before 1 July 2008.

Under the accounting standards, it was optional to record the value of land under roads acquired from 1 July 2008 or recognise all land under roads. Council had been recognising land under roads acquired post 1 July 2008 but guidance from Local Government Victoria has recommended that the value of all land under roads be included in Council financial statements.

The value of the land recognised for the first time was \$293m, which has resulted in a large increase in the value of Council's non-current assets and equity.

Adjusted underlying result

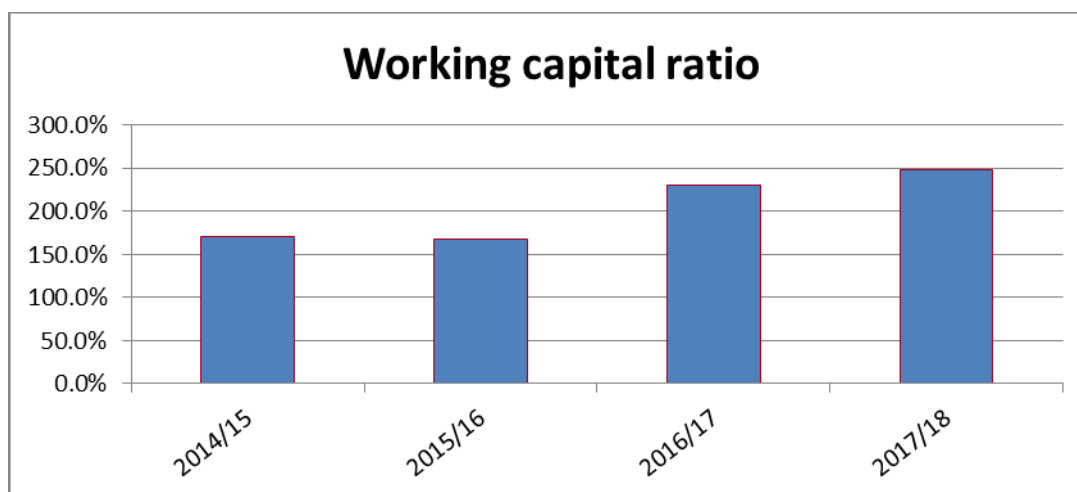
The adjusted underlying result (adjusted underlying surplus (deficit)/underlying income) is a measure of Council's sustainability. It excludes what might be considered "one off" income items such as capital grants that are related to specific capital works projects and income from contributions (both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



Council's underlying performance is improving, however, the annual results are impacted by the timing of grant payments and other one offs. For example, half of the Federal 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.

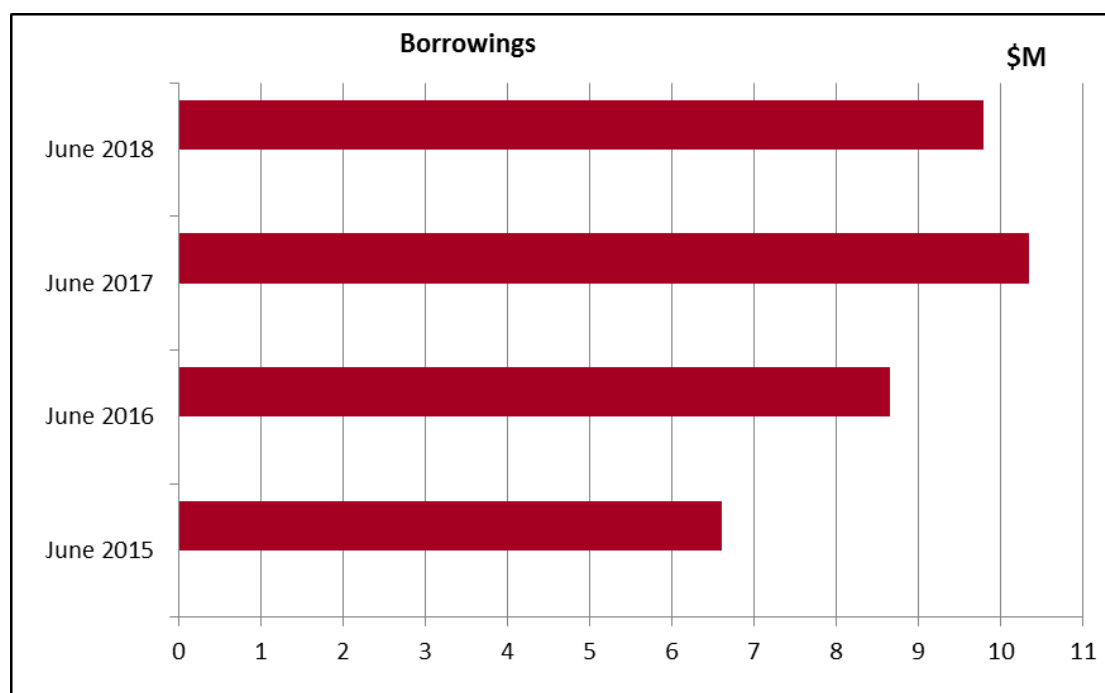


The level of cash and investments were higher in 2017/18 as a result of the early grant payments and some large capital works projects that are being completed over two years whereby not all of the committed project funding was spent by the end of the 2017/18 financial year.

Obligations

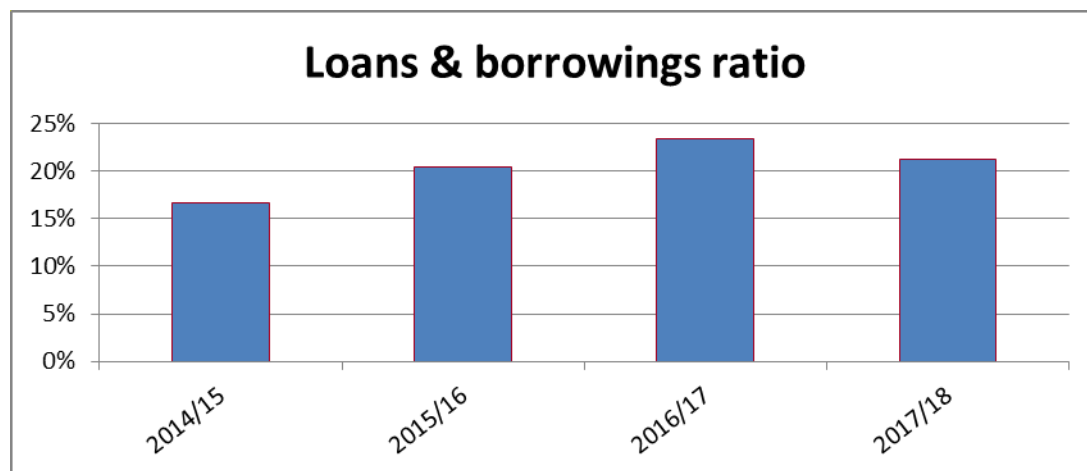
Debt levels

Council's net borrowings decreased this year by \$0.6m as a result of scheduled loan principal repayments, no new borrowings were taken up during the year. Council debt is forecast to increase over the coming years to fund several planned capital projects. Council's debt remains at an affordable level despite planned borrowing increases. The following graph shows Council's total debt levels over the past 4 years.



Loans and borrowings ratio

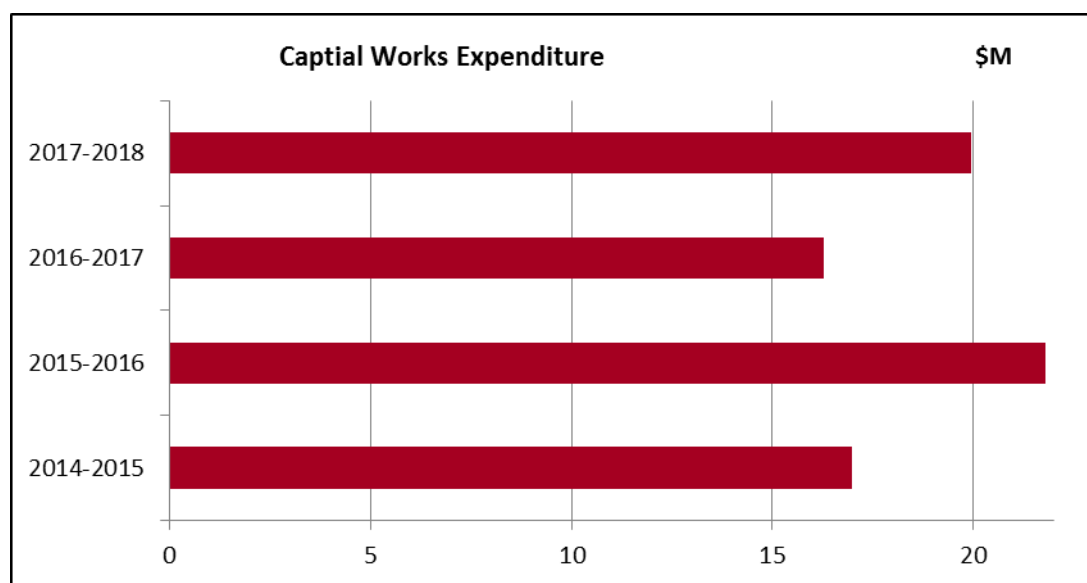
The loans and borrowings ratio compares total borrowings to annual rate revenue. The increasing trend correlates to the level of borrowings outlined above.



Capital expenditure

Capital expenditure for the year totalled \$19.95m, an increase of \$3.66m compared to 2016/17. Some of the key areas of capital works were roads (\$7.5m), plant and equipment (\$1.8m), footpaths and cycle ways (\$1.7m) and drainage (\$0.4m). There was also significant works completed at several Council facilities across the shire including the former Romsey Primary School development with Cobaw Community Health (\$1.7m), the upgrade of the Gisborne Library (\$0.6m) and the upgrade of the Kyneton Showgrounds Pavilion (\$0.6m). A project also continued into 2017/18 to replace Council's streetlight globes with LED lighting (\$0.4m) 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:



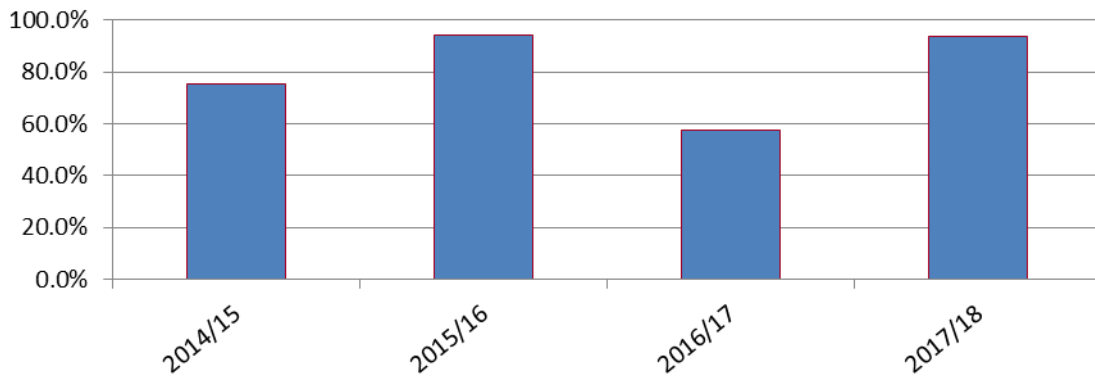
Asset renewal

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.

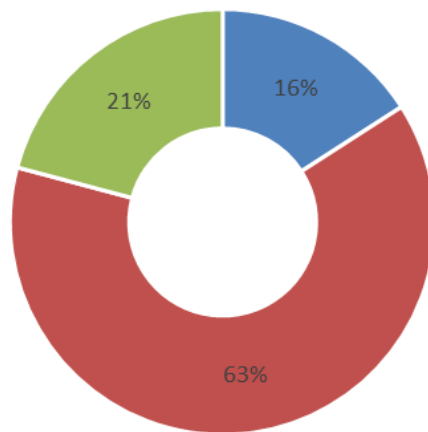
The asset renewal ratio (capital expenditure on asset renewal/depreciation expense) provides an indicator as to whether capital spending is sufficient to replace aging assets.

The level of renewal spending has some dependency on grant funding received. The 2017/18 renewal expenditure was higher than 2016/17 as some larger renewal projects were undertaken. While on average capital works renewal expenditure has not matched depreciation, Council's budgeted spending on asset renewal is increasing.

Asset renewal ratio



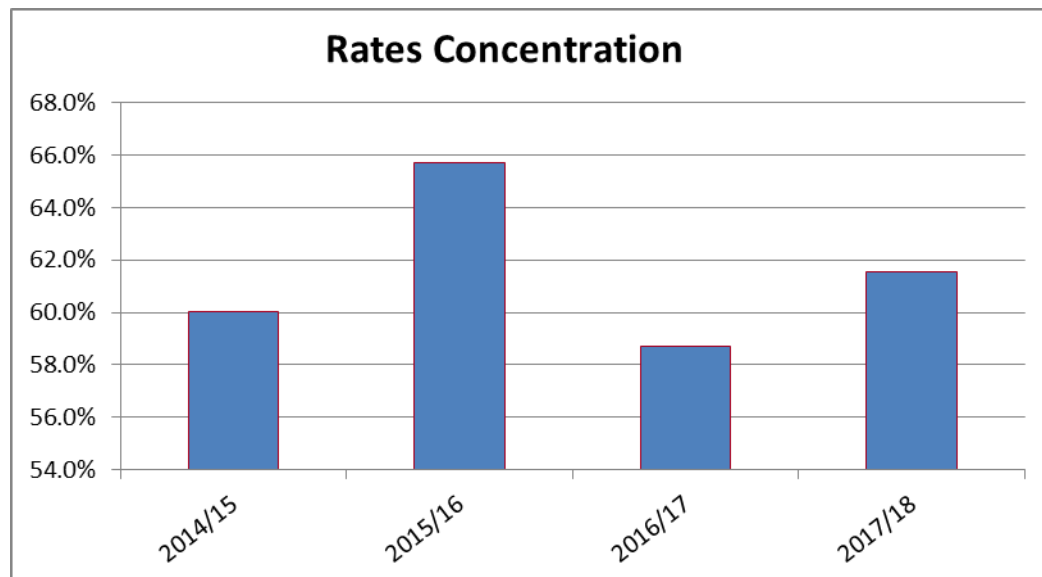
Break down of capital works expenditure categories



■ New asset expenditure ■ Asset renewal expenditure ■ Asset upgrade expenditure

Stability

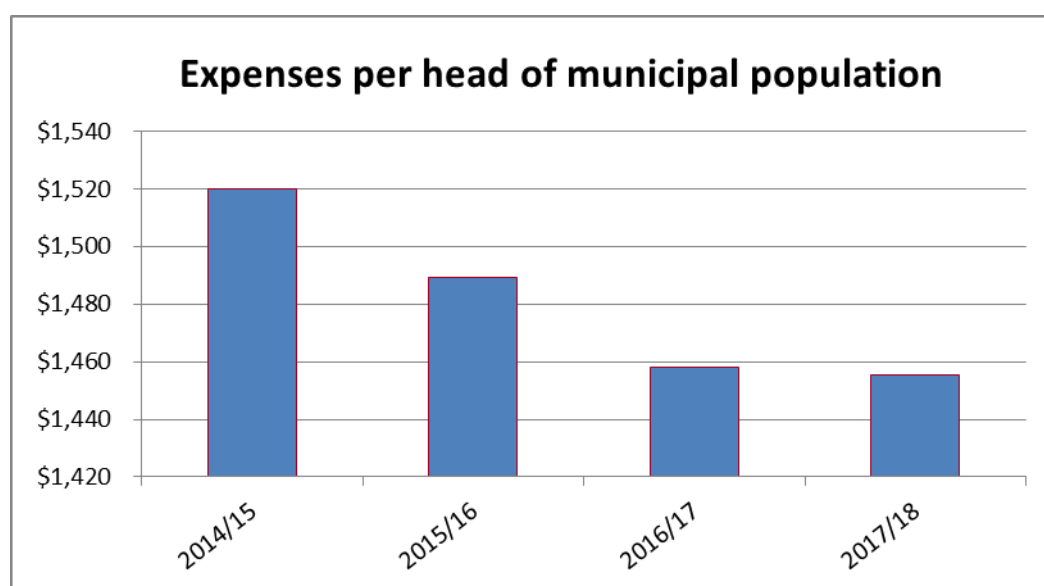
Council's income is raised from a variety of sources including user fees, statutory fees and grants; however, most of Council's income is derived from rates. The graph below shows the ratio of Council's income from rates compared to total income.



Note — the lower ratios in 2016/17 and 2014/15 are due to the timing of the financial assistance grant payments. The higher grants reduced the rates to total income ratio.

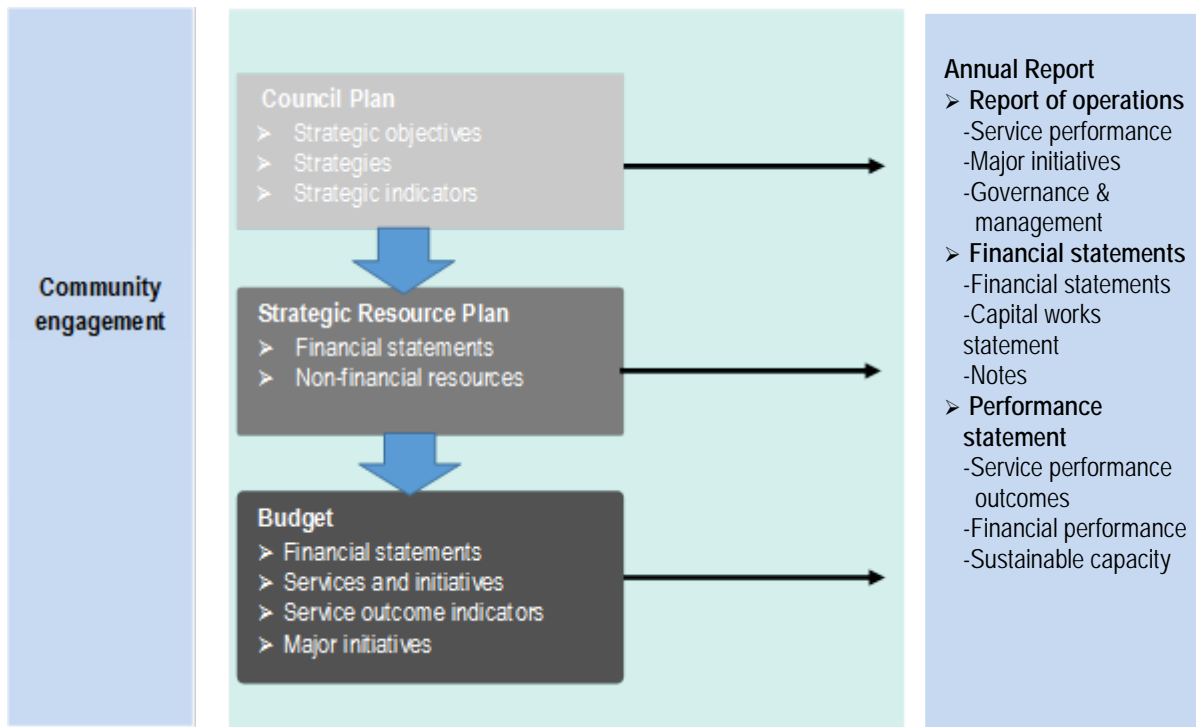
Efficiency

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.



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 2017/18 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.

2017/18 Budget

Each year Council prepares and adopts an annual budget. The 2017/18 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, Council approved the final budget on 28 June 2017. 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 financial statements along with more detailed reporting on 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.

Financial statements

For the year ending 30 June 2018

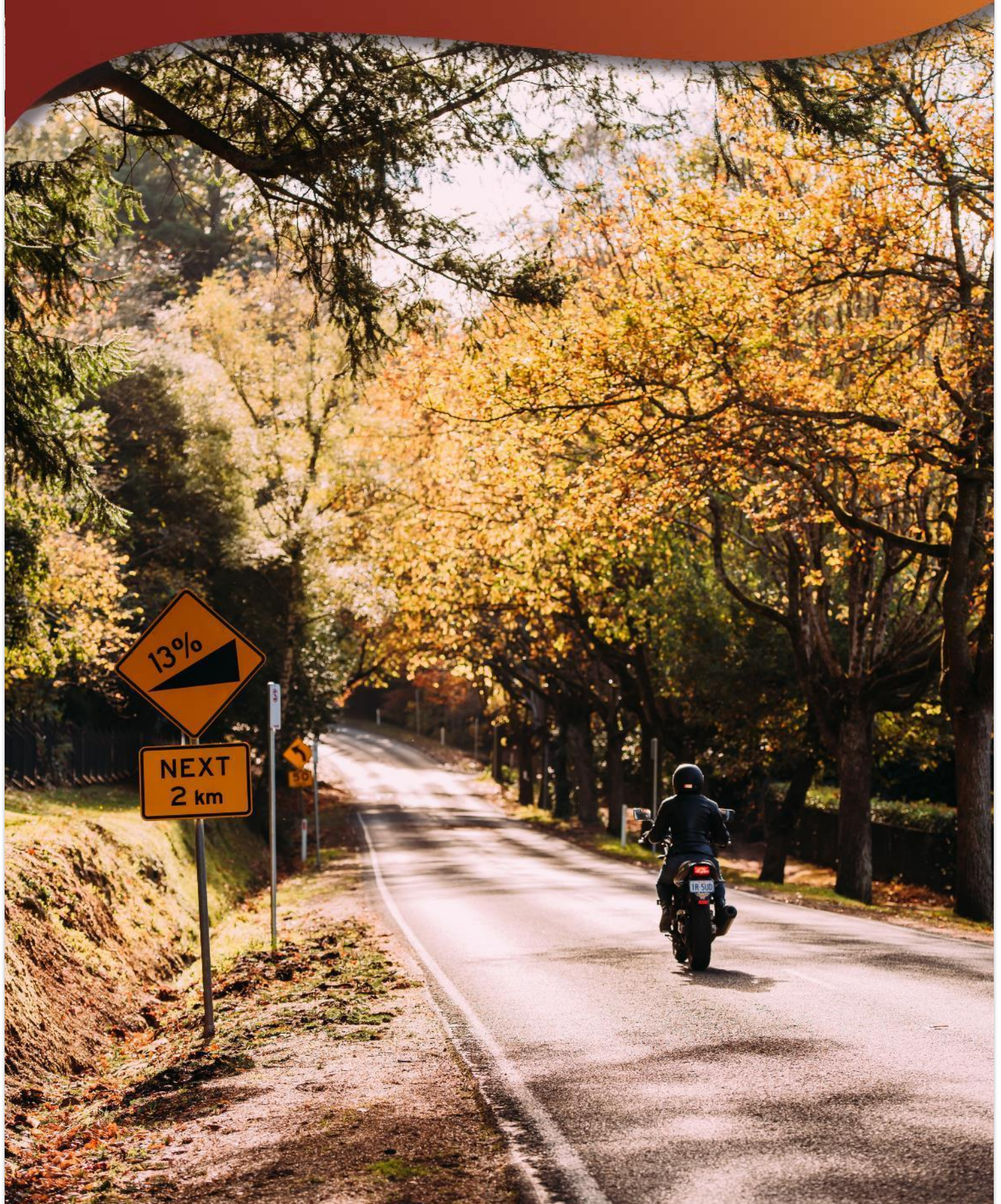


Table of Contents

Certification of the Financial Report	3
Victorian Auditor-General's Office Report	4
Financial Statements	
Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Capital Works	10
Notes to Financial Statements	
Overview	11
Note 1 Performance against budget	
1.1. Income and expenditure	12
1.2. Capital works	13
Note 2 Funding for the delivery of our services	
2.1. Rates and charges	14
2.2. Statutory fees and fines	14
2.3. User fees	14
2.4. Funding from other levels of government	15
2.5. Contributions	16
2.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	16
2.7. Other income	16
Note 3 The cost of delivering services	
3.1. Employee costs	17
3.2. Materials and services	17
3.3. Depreciation and amortisation	17
3.4. Borrowing costs	17
3.5. Other expenses	18
Note 4 Our financial position	
4.1. Financial assets	18
4.2. Non-financial assets	19
4.3. Payables	20
4.4. Interest bearing liabilities	20
4.5. Provisions	21
4.6. Financing arrangements	22
4.7. Commitments	23
Note 5 Assets we manage	
5.1. Non current assets classified as held for sale	24
5.2. Property infrastructure plant and equipment	25
5.3. Investments in associates	31
5.4. Investment property	32
Note 6 People and relationships	
6.1. Council and key management remuneration	32
6.2. Related party disclosure	34
Note 7 Managing uncertainties	
7.1. Contingent assets and liabilities	35
7.2. Change in accounting standards	35
7.3. Financial instruments	36
7.4. Fair value measurement	37
7.5. Events occurring after balance date	38
Note 8 Other matters	
8.1. Reserves	39
8.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	41
8.3. Superannuation	42

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Leon den Dryver

Principal Accounting Officer

Date: 26 September 2018

Gisborne

In our opinion the accompanying financial statements present fairly the financial transactions of Macedon Ranges Shire Council for the year ended 30 June 2018 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.

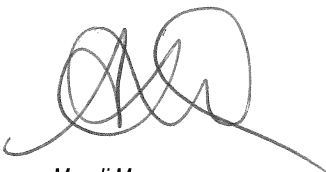


Jennifer Anderson

Councillor (Mayor)

Date: 26 September 2018

Gisborne



Mandi Mees

Councillor

Date: 26 September 2018

Gisborne



Margot Stork

Chief Executive Officer

Date: 26 September 2018

Gisborne

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 2018• 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• notes to the financial statements, including 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 2018 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. I further describe my responsibilities under that Act and those standards 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 Victoria. 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Independent Auditors Report

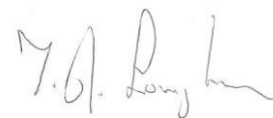
**Auditor's
responsibilities
for the audit
of the financial
report**

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
27 September 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	46,042	44,388
Statutory fees and fines	2.2	3,660	3,882
User fees	2.3	6,632	6,460
Grants - operating	2.4	11,773	13,415
Grants - capital	2.4	7,708	8,174
Contributions - monetary	2.5	1,861	265
Contributions - non monetary	2.5	6,483	11,769
Fair value adjustments for investment property	5.4	(21)	308
Share of net profits/(losses) of associates	5.3	21	(309)
Other income	2.7	2,410	2,131
Total income		86,569	90,483
Expenses			
Employee costs	3.1	31,035	30,644
Materials and services	3.2	21,797	19,972
Depreciation and amortisation	3.3	13,791	13,130
Borrowing costs	3.4	440	395
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	2.6	89	98
Fair value adjustments for assets held for sale	5.1	-	58
Increase/(decrease) in provision for landfill liability	4.5	213	11
Other expenses	3.5	3,135	3,083
Total expenses		70,500	67,391
Surplus for the year		16,069	23,092
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit in future periods</i>			
Net asset revaluation increment/(decrement)	5.2	14,884	34,250
Total comprehensive result		30,953	57,342

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

Balance Sheet as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	13,028	10,721
Trade and other receivables	4.1	4,826	4,296
Other financial assets	4.1	24,000	22,000
Non-current assets classified as held for sale	5.1	76	1,112
Other assets	4.2	501	387
Total current assets		42,431	38,516
Non-current assets			
Other financial assets	4.1	21	21
Investments in associates	5.3	1,201	1,180
Property, infrastructure, plant and equipment	5.2	1,029,113	707,525
Investment property	5.4	2,851	4,400
Intangible assets	4.2	570	902
Total non-current assets		1,033,756	714,028
Total assets		1,076,187	752,544
Liabilities			
Current liabilities			
Trade and other payables	4.3	6,328	6,282
Trust funds and deposits	4.3	3,053	2,750
Provisions	4.5	7,113	7,142
Interest-bearing loans and borrowings	4.4	594	562
Total current liabilities		17,088	16,736
Non-current liabilities			
Provisions	4.5	5,008	5,049
Interest-bearing loans and borrowings	4.4	9,193	9,788
Total non-current liabilities		14,201	14,837
Total liabilities		31,289	31,573
Net assets		1,044,898	720,971
Equity			
Accumulated surplus		620,867	312,929
Reserves	8.1	424,031	408,042
Total equity		1,044,898	720,971

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

Statement of Changes in Equity for the year ended 30 June 2018

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at beginning of the financial year		720,971	312,929	395,796	12,246
Changes in accounting policy- land under roads pre July 2008 recognition	5.2(d)	292,974	292,974	-	-
Surplus/(deficit) for the year		16,069	16,069	-	-
Net asset revaluation increment/(decrement)	8.1	14,884	-	14,884	-
Transfers to other reserves	8.1	-	(3,857)	-	3,857
Transfers from other reserves	8.1	-	2,752	-	(2,752)
Balance at end of the financial year		1,044,898	620,867	410,680	13,351

	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)	8.1	34,250	-	34,250	-
Transfers to other reserves	8.1	-	(4,742)	-	4,742
Transfers from other reserves	8.1	-	1,723	-	(1,723)
Balance at end of the financial year		720,971	312,929	395,796	12,246

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

Statement of Cash Flows for the year ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		45,923	44,529
Statutory fees and fines		3,660	3,882
User fees		6,680	6,624
Grants - operating		11,696	14,011
Grants - capital		8,242	7,683
Contributions - monetary		1,097	265
Interest received		661	478
Trust funds and deposits taken		1,362	1,182
Other receipts		2,434	2,274
Net GST refund		3,434	3,156
Employee costs		(31,205)	(30,727)
Materials and services		(21,936)	(20,428)
Trust funds and deposits repaid		(1,138)	(1,067)
Other payments		(7,437)	(6,802)
Net cash provided by/(used in) operating activities	8.2	<u>23,473</u>	<u>25,060</u>
Cash flows from investing activities			
Net (increase)/decrease in other financial assets		(2,000)	(12,962)
Payments for property, infrastructure, plant and equipment		(19,363)	(16,319)
Proceeds from sale of property, infrastructure, plant and equipment		1,202	1,513
Net cash provided by/(used in) investing activities		<u>(20,161)</u>	<u>(27,768)</u>
Cash flows from financing activities			
Finance costs		(442)	(393)
Proceeds from borrowings		-	2,050
Repayment of borrowings		(563)	(366)
Net cash provided by/(used in) financing activities		<u>(1,005)</u>	<u>1,291</u>
Net increase (decrease) in cash and cash equivalents		2,307	(1,417)
Cash and cash equivalents at the beginning of the financial year		10,721	12,138
Cash and cash equivalents at the end of the financial year	4.1(a)	<u>13,028</u>	<u>10,721</u>
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

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

Statement of Capital Works for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Property			
Land		-	310
Total land		-	310
Buildings		4,749	1,412
Building improvements		-	143
Total buildings		4,749	1,555
Total property		4,749	1,865
Plant and equipment			
Plant, machinery and equipment		1,464	1,920
Fixtures, fittings and furniture		-	2
Computers and telecommunications		364	606
Total plant and equipment		1,828	2,528
Infrastructure			
Roads		7,467	6,202
Bridges		189	228
Footpaths and cycleways		1,663	860
Drainage		337	669
Recreational, leisure and community facilities		1,840	1,325
Parks, open space and streetscapes		1,003	2,467
Other infrastructure		877	150
Total infrastructure		13,376	11,901
Total capital works expenditure		19,953	16,294
Represented by:			
New asset expenditure		3,173	3,565
Asset renewal expenditure		12,616	7,536
Asset expansion expenditure		-	-
Asset upgrade expenditure		4,164	5,193
Total capital works expenditure		19,953	16,294

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

Notes to the Financial Report for the year ended 30 June 2018

Overview

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. The Council's main office is located at 129 Mollison Street Kyneton, Victoria.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (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*.

Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)

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.

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a budget variation materiality threshold of 10% and \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its size or nature.

The budget figures detailed below are those adopted by Council on 28 June 2017 and were based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

Note 1 Performance against budget (cont.)

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
Rates and charges	45,943	46,042	99	
Statutory fees and fines	3,675	3,660	(15)	
User fees	6,402	6,632	230	
Grants - operating	10,792	11,773	981	1
Grants - capital	7,550	7,708	158	
Contributions - monetary	1,874	1,861	(13)	
Contributions - non monetary	10,500	6,483	(4,017)	2
Fair value adjustments for investment property	-	(21)	(21)	
Share of net profits/(losses) of associates	-	21	21	
Other income	1,838	2,410	572	3
Total income	88,574	86,569	(2,005)	
Expenses				
Employee costs	31,766	31,035	(731)	4
Materials and services	20,223	21,797	1,574	5
Depreciation and amortisation	13,500	13,791	291	
Borrowing costs	517	440	(77)	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	89	89	
Fair value adjustments for assets held for sale	-	-	-	
Increase/(decrease) in provision for landfill liability	-	213	213	6
Other expenses	3,230	3,135	(95)	
Total expenses	69,236	70,500	1,264	
Surplus/(deficit) for the year	19,338	16,069	(3,269)	

(i) Explanation of material variations

Ref	Item	Explanation
1	Grants - operating	Operating grants are higher than expected mainly due to the receipt of several one off grants that were not included in the budget. These grants include Youth Mental Health funding (\$0.3m), payment of a fire recovery reimbursement claim relating to a prior year (\$0.2m) and additional Strategic planning grants (\$0.1m). Financial Assistance grants were also \$0.3m higher than the adopted budget.
2	Contributions - non monetary.	This income relates to new roads, land under roads, footpaths and drains contributed to Council by developers when new subdivisions are completed. The income varies considerably from year to year depending on the number of subdivisions and the timing of the assets being handed over to Council. The actual income for the year is lower than the budget which was based on prior year averages.
3	Other income	Other income is above budget due to higher interest on investments as a result of higher than anticipated funds available to invest during the year. Income for the sale of scrap metal and other recyclable materials was also above budget.
4	Employee costs	Employee costs are below budget due to a lower level of part time hours worked than expected and a number of staff positions being vacant for parts of the year. Workcover payments were also below budget.
5	Materials and services	Materials and services expenditure was higher than budget mainly due to costs associated with storm damage and continuation of recovery work from bushfires that occurred in previous years. These costs will be reimbursed by the State Government in the next financial year. Kerbside collection contract costs were also above budget following increases in the cost of recycling during the year and the changeover to a new contractor.
6	Increase/(decrease) in provision for landfill liability	Council owns and manages three closed landfill sites. The provision for the costs to rehabilitate these sites has increased as a result of a revision of the cost of leachate extraction and disposal following the awarding of a tender during the year.

Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land	46	-	(46)	
Total land	46	-	(46)	
Buildings	6,754	4,749	(2,005)	1
Building improvements	-	-	-	
Total buildings	6,754	4,749	(2,005)	
Total property	6,800	4,749	(2,051)	
Plant and equipment				
Plant, machinery and equipment	1,894	1,464	(430)	2
Fixtures, fittings and furniture	-	-	-	
Computers and telecommunications	427	364	(63)	
Total plant and equipment	2,321	1,828	(493)	
Infrastructure				
Roads	7,675	7,467	(208)	
Bridges	400	189	(211)	3
Footpaths and cycleways	1,593	1,663	70	
Drainage	300	337	37	
Recreational, leisure and community facilities	3,130	1,840	(1,290)	4
Parks, open space and streetscapes	1,433	1,003	(430)	5
Other infrastructure	982	877	(105)	6
Total infrastructure	15,513	13,376	(2,137)	
Total capital works expenditure	24,634	19,953	(4,681)	
 New asset expenditure	4,958	3,173	(1,785)	
Asset renewal expenditure	15,291	12,616	(2,675)	
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	4,385	4,164	(221)	
Total capital works expenditure	24,634	19,953	(4,681)	

(i) Explanation of material variations

Ref	Item	Explanation
1	Buildings	Several projects budgeted in 2017/18 will now be completed in 2018/19. The key projects are the Gilbert Gordon Oval pavilion (\$1.2m) and the Kyneton Town Hall and Office heating/cooling upgrade (\$0.8m).
2	Plant, machinery and equipment	Some budgeted plant replacement will now take place in the next financial year.
3	Bridges	Three Chain Road, Newham - Road Bridge project has been deferred to 2018/19.
4	Recreational, leisure and community facilities	Riddells Creek (\$0.6m) and Kyneton (\$0.5m) tennis court lighting and upgrade projects were delayed and will now be completed in 2018/19. Several other minor projects were also still in progress at the end of the year.
5	Parks, open space and streetscapes	The Romsey CBD improvement project budgeted in 2017/18 was in progress at the end of the year hence the expenditure was less than budget (\$0.2m), as was the open space upgrade project in Gisborne South (\$0.1m) and several other minor projects.
6	Other infrastructure	Other infrastructure expenditure was under budget due the deferral of the Kyneton Livestock exchange and truck park upgrade to 2018/19. This was partly offset by the unbudgeted cost of the replacement of kerbside bins as part of the new kerbside collection contract.

Note 2 Funding for the delivery of our services

2.1 Rates and charges

	2018 \$'000	2017 \$'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 2017/18 was \$11,691 million (2016/17 \$11,479 million). The 2017/18 general rate in the capital improved value dollar was \$0.002965 (2016/17, \$0.002907).		
General rates	29,843	28,765
Agricultural land rates	2,259	2,191
Commercial/industrial rates	2,117	2,085
Municipal charge	4,689	4,483
Waste management charge	6,402	6,107
Supplementary rates and rate adjustments	444	488
Other rates	73	72
Interest on rates	215	197
Total rates and charges	46,042	44,388

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. 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.

2.2 Statutory fees and fines

	2018 \$'000	2017 \$'000
Animal control fees	636	577
Infringements and costs	281	284
Permits	1,127	878
Roads and infrastructure fees	1,210	1,753
Town planning fees	159	150
Other statutory fees	247	240
Total statutory fees and fines	3,660	3,882

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the payment is received.

2.3 User fees

	2018 \$'000	2017 \$'000
Aged and health services	172	209
Child care/children's programs	789	782
Cultural activities	164	127
Debt recovery	158	168
Gravel pit sales	195	172
Hanging Rock Reserve fees	637	610
Leisure centre and recreation	3,193	3,133
Facility hire	227	232
Saleyards	248	236
Waste management services	660	596
Other fees and charges	189	195
Total user fees	6,632	6,460

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

Note 2 Funding for the delivery of our services (cont.)

2.4 Funding from other levels of government

	2018 \$'000	2017 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	13,112	15,275
State funded grants	6,369	6,314
Total grants received	19,481	21,589
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Aged and disability services	1,648	1,604
Financial Assistance Grants*	5,114	7,121
<i>Recurrent - State Government</i>		
Aged and disability services	377	436
Emergency management	25	-
Family and children	2,655	2,689
Maternal and child health	424	356
School crossing supervisors	108	69
Youth and culture	56	116
Other	109	126
Total recurrent operating grants	10,516	12,517
<i>Non-recurrent - State Government</i>		
Aged and disability Services	18	20
Economic development	-	29
Emergency management	299	450
Maternal and child health	-	-
Planning and Environment	395	109
Recreational, leisure and community facilities	53	-
Youth and culture	314	217
Other	178	73
Total non-recurrent operating grants	1,257	898
Total operating grants	11,773	13,415
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	1,963	2,266
Financial Assistance Grants*	2,104	3,019
Total recurrent capital grants	4,067	5,285
<i>Non-recurrent - Commonwealth Government</i>		
Parks, open space and streetscapes	1,148	250
Recreational, leisure and community facilities	250	731
Roads and bridges	885	284
<i>Non-recurrent - State Government</i>		
Buildings	130	410
Footpaths and cycleways	125	138
Parks, open space and streetscapes	440	419
Recreational, leisure and community facilities	604	565
Roads and bridges	59	84
Other	-	8
Total non-recurrent capital grants	3,641	2,889
Total capital grants	7,708	8,174
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,586	1,085
Received during the financial year and remained unspent at balance date	1,597	1,352
Received in prior years and spent during the financial year	(1,586)	(851)
Balance at year end	1,597	1,586

Note 2 Funding for the delivery of our services (cont.)

2.4 Funding from other levels of government (cont.)

* In 2016/17 the Federal Government paid 50% of the 2017/18 Financial assistance grants in advance on top of the annual 2016/17 allocation. In 2017/18 half of the 2017/18 allocation was received and half of the 2018/19 allocation was paid to Council in advance.

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt or when milestones have been achieved.

2.5 Contributions

	2018 \$'000	2017 \$'000
Monetary	1,861	265
Non-monetary	6,483	11,769
Total contributions	8,344	12,034

Contributions of non monetary assets were received in relation to the following asset classes:

Land	48	1,473
Land under roads	882	982
Infrastructure	5,553	9,314
Total non-monetary	6,483	11,769

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

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

	2018 \$'000	2017 \$'000
Proceeds of sale	1,202	1,513
Written down value of assets disposed	(1,291)	(1,611)
Asset revaluation decrement	-	-
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(89)	(98)

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

2.7 Other income

	2018 \$'000	2017 \$'000
Commission	87	96
Interest on investments	723	506
Insurance recoveries	220	186
Investment property rental	431	296
Merchandise and material sales	497	450
Other	452	597
Total other income	2,410	2,131

Interest is recognised as it is earned. 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.

Note 3 The cost of delivering services

3.1 Employee costs

	2018 \$'000	2017 \$'000
Wages and salaries	24,758	24,423
Casual staff	2,697	2,768
Superannuation	2,502	2,513
WorkCover	778	631
Fringe benefits tax	300	309
Total employee costs	31,035	30,644

(a) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	152	176
	152	176
Employer contributions payable at reporting date	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,504	1,477
Employer contributions - other funds	841	771
	2,345	2,248
Employer contributions payable at reporting date	94	89

Refer to note 8.3 for further information relating to Council's superannuation obligations.

3.2 Materials and services

	2018 \$'000	2017 \$'000
Administration	1,325	1,604
Building maintenance	956	843
Consultants	1,426	1,402
Contract payments	11,744	10,104
General maintenance	585	706
Information technology	771	578
Insurance	499	667
Materials and supplies	2,425	1,975
Utilities	2,066	2,093
Total materials and services	21,797	19,972

3.3 Depreciation and amortisation

	2018 \$'000	2017 \$'000
Land and buildings	1,799	1,774
Plant and equipment	1,471	1,348
Infrastructure	10,092	9,569
Intangible assets	429	439
Total depreciation and amortisation	13,791	13,130

Refer to note 4.2(b) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

3.4 Borrowing costs

	2018 \$'000	2017 \$'000
Interest - borrowings	440	395
Total borrowing costs	440	395

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

Note 3 The cost of delivering services (cont.)

3.5 Other expenses

	2018 \$'000	2017 \$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	39	46
Auditors' remuneration - Internal	53	47
Bad and doubtful debts	6	23
Contributions and donations	1,705	1,660
Councillors' allowances	304	285
Operating lease rentals	808	891
Other expenses	220	131
Total other expenses	3,135	3,083

Note 4 Our financial position

4.1 Financial assets

	2018 \$'000	2017 \$'000
(a) Cash and cash equivalents		
Cash on hand	84	30
Cash at bank	10,308	7,099
Money market call accounts	2,636	2,592
Term deposits	-	1,000
Total cash and cash equivalents	13,028	10,721
(b) Other financial assets		
Term deposits - current	24,000	22,000
Shares in Lancefield Community Bank - at cost	12	12
Shares in Gisborne Community Bank - at cost	9	9
Total other financial assets	24,021	22,021
Total financial assets	37,049	32,742

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 4.3)	2,665	2,441
- Lancefield tip assurance bank account	492	486
Total restricted funds	3,157	2,927
Total unrestricted cash and cash equivalents	9,871	7,794

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	7,463	5,658
- Cash held for statutory reserves (Note 8.1)	4,258	4,492
- Cash held for non-statutory reserves (Note 8.1)	9,093	7,754
Total funds subject to intended allocations	20,814	17,904

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.

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

Cash held in statutory reserves have some restrictions on how the funds can be spent but there is limited restrictions on the timing of expenditure so these funds are classified under intended allocations.

Note 4 Our financial position (cont.)

4.1 Financial assets (cont.)

	2018 \$'000	2017 \$'000
(c) Trade and other receivables		
Statutory receivables		
Rates debtors	2,557	2,359
Net GST receivable	494	483
Non statutory receivables		
Other debtors	1,563	1,385
Accrued income	126	43
Accrued interest income	143	81
Provision for doubtful debts - other debtors	(57)	(55)
Total trade and other receivables	4,826	4,296

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) Ageing of other debtors

The ageing of the Council's other receivables was:

Current (not yet due)	778	855
Past due by up to 30 days	685	129
Past due between 31 and 180 days	44	326
Past due between 181 and 365 days	24	54
Past due by more than 1 year	32	21
Total other debtors	1,563	1,385

4.2 Non-financial assets

	2018 \$'000	2017 \$'000
(a) Other assets		
Prepayments	501	387
Total other assets	501	387
(b) Intangible assets - software		
Opening carrying amount	2,386	2,256
Additions	97	136
Disposals	-	(6)
Closing carrying amount	2,483	2,386
Opening accumulated amortisation	(1,484)	(1,051)
Amortisation expense	(429)	(439)
Disposals - Accum Amortisation	-	6
Closing accumulated amortisation	(1,913)	(1,484)
Net intangible assets	570	902

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Note 4 Our financial position (cont.)

4.3 Payables

	2018 \$'000	2017 \$'000
(a) Trade and other payables		
Trade payables	4,268	4,476
Accrued general expenses	629	280
Accrued payroll expense	953	1,088
Accrued interest expense	26	28
Prepaid income	247	244
Other payables	205	166
Total trade and other payables	6,328	6,282
(b) Trust funds and deposits		
Fire services levy	388	309
Trust funds and deposits	2,665	2,441
Total trust funds and deposits	3,053	2,750

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 or forfeited if required. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

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.

4.4 Interest-bearing liabilities

	2018 \$'000	2017 \$'000
Current borrowings - secured	594	562
Non-current borrowings - secured	9,193	9,788
Total interest-bearing loans and borrowings	9,787	10,350

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

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

Not later than one year	594	562
Later than one year and not later than five years	5,885	6,273
Later than five years	3,308	3,515
Total interest-bearing loans and borrowings	9,787	10,350

Borrowings are measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. Council determines the classification of its interest bearing liabilities at initial recognition.

Note 4 Our financial position (cont.)

4.5 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2018			
Balance at beginning of the financial year	6,952	5,239	12,191
Additional provisions	2,583	225	2,808
Amounts used	(2,659)	(209)	(2,868)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	2	(12)	(10)
Balance at the end of the financial year	6,878	5,243	12,121
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 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
		2018	2017
		\$'000	\$'000
(a) Employee provisions			
<i>Current provisions expected to be wholly settled within 12 months</i>			
Annual leave		1,874	1,850
Long service leave		2,000	2,004
		<u>3,874</u>	<u>3,854</u>
<i>Current provisions expected to be wholly settled after 12 months</i>			
Annual leave		35	35
Long service leave		2,211	2,093
		<u>2,246</u>	<u>2,128</u>
Total current provisions		<u>6,120</u>	<u>5,982</u>
<i>Non-current</i>			
Long service leave		758	970
Annual leave		-	-
Total non-current provisions		<u>758</u>	<u>970</u>
<i>Aggregate carrying amount of employee provisions:</i>			
Current		6,120	5,982
Non-current		758	970
Total aggregate carrying amount of employee provisions		<u>6,878</u>	<u>6,952</u>

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

Annual leave - Liabilities for annual leave 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 present value.

Long service leave - Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a 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.

Key assumptions:

- discount rate	2.48%	2.44%
- index rate	3.88%	3.81%

Note 4 Our financial position (cont.)

4.5 Provisions (cont.)

	2018	2017
	\$'000	\$'000
(b) Landfill restoration		
Current	993	1,160
Non-current	4,250	4,079
Total landfill restoration	5,243	5,239

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 the 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.

Key assumptions:

- discount rate	2.65%	2.61%
- index rate	2.00%	2.00%

4.6 Financing arrangements

	2018	2017
	\$'000	\$'000
Credit card facilities	100	100
Used facilities	(14)	(15)
Unused facilities	86	85

Note 4 Our financial position (cont.)

4.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	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
2018					
Operating					
Cleaning contracts	425	352	1,100	-	1,877
Consultancies	53	-	-	-	53
Housing management	109	109	147	-	365
Security Services	38	38	38	-	114
Software support	49	49	-	-	98
Waste Collection	2,630	2,669	6,157	-	11,456
Total	3,304	3,217	7,442	-	13,963
Capital					
Buildings	1,209	-	-	-	1,209
Roads	75	-	-	-	75
Bridges	108	-	-	-	108
Landfill	500	-	-	-	500
Drainage	219	-	-	-	219
Recreational, leisure and community	89	-	-	-	89
Total	2,200	-	-	-	2,200
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

Note 4 Our financial position (cont.)

4.7 Commitments (cont.)

	2018 \$'000	2017 \$'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	626	643
Later than one year and not later than five years	1,390	1,457
Later than five years	158	483
Total operating lease commitments	2,174	2,583

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.

(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	98	100
Later than one year and not later than five years	174	247
Later than five years	126	163
Total operating lease receivables	398	510

Note 5 Assets we manage

5.1 Non current assets classified as held for sale

	2018 \$'000	2017 \$'000
Balance at beginning of period	1,112	2,208
add acquisitions	-	-
add/(less) sales/transfers	(1,036)	(1,009)
add reversal of previous revaluation increment	-	(29)
add/(less) fair value adjustment	-	(58)
Total non current assets classified as held for resale	76	1,112

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

Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017 \$'000	First time recognition of assets \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2018 \$'000
Land	98,289	292,974	-	930	10,890	(172)	-	1,182	404,093
Buildings	79,920	-	-	-	-	(1,627)	-	3,628	81,921
Plant and equipment	9,629	-	-	-	-	(1,471)	(96)	1,823	9,885
Infrastructure	511,755	-	-	5,553	3,994	(10,092)	(115)	16,189	527,284
Work in progress	7,932	-	19,292	-	-	-	-	(21,294)	5,930
Total property, infrastructure, plant and equipment	707,525	292,974	19,292	6,483	14,884	(13,362)	(211)	1,528	1,029,113

Summary of Work In Progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers to assets \$'000	Write offs \$'000	Closing WIP \$'000
Buildings	397	6,030	(3,282)	-	3,145
Plant and equipment	-	1,823	(1,823)	-	-
Infrastructure	7,535	11,439	(16,189)	-	2,785
Total Work In Progress	7,932	19,292	(21,294)	-	5,930

Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant and equipment (cont.)

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total buildings \$'000	Work In Progress \$'000	Total property \$'000
At fair value 1 July 2017	38,241	61,928	160	100,329	37,367	42,553	79,920	397	180,646
Accumulated depreciation at 1 July 2017	(2,040)	-	-	(2,040)	-	-	-	-	(2,040)
	36,201	61,928	160	98,289	37,367	42,553	79,920	397	178,606
First time recognition of assets	292,974	-	-	292,974	-	-	-	-	292,974
	329,175	61,928	160	391,263	37,367	42,553	79,920	397	471,580

Movements in fair value

Acquisition of assets at fair value	-	-	-	-	-	-	-	6,030	6,030
Contributed assets	882	48	-	930	-	-	-	-	930
Revaluation increments/decrements	2,549	8,341	-	10,890	-	-	-	-	10,890
Fair value of assets disposed	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	748	-	434	1,182	1,978	1,650	3,628	(3,282)	1,528
	4,179	8,389	434	13,002	1,978	1,650	3,628	2,748	19,378

Movements in accumulated depreciation

Depreciation and amortisation	(172)	-	-	(172)	(743)	(884)	(1,627)	-	(1,799)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(172)	-	-	(172)	(743)	(884)	(1,627)	-	(1,799)
At fair value 30 June 2018	335,394	70,317	594	406,305	39,345	44,203	83,548	3,145	492,998
Accumulated depreciation at 30 June 2018	(2,212)	-	-	(2,212)	(743)	(884)	(1,627)	-	(3,839)
	333,182	70,317	594	404,093	38,602	43,319	81,921	3,145	489,159

Change of Accounting Policy

Land - Specialised: Includes the fair value of the pre July 2008 Land under Declared Roads (\$292,974,000) which has been recognised for the first time this year in line with guidance from Local Government Victoria. This has been adjusted against accumulated surplus as per AASB 1051.

Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures and 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 2017	8,801	1,292	1,660	2,537	-	14,290
Accumulated depreciation at 1 July 2017	(3,412)	(369)	(880)	-	-	(4,661)
	5,389	923	780	2,537	-	9,629

Movements in fair value

Acquisition of assets at fair value	-	-	-	-	1,823	1,823
Contributed assets	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-	-
Fair value of assets disposed	(222)	-	(189)	-	-	(411)
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	1,463	2	267	91	(1,823)	-
	1,241	2	78	91	-	1,412

Movements in accumulated depreciation

Depreciation and amortisation	(903)	(137)	(431)	-	-	(1,471)
Accumulated depreciation of disposals	126	-	189	-	-	315
Revaluation increments/decrements	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(777)	(137)	(242)	-	-	(1,156)
At fair value 30 June 2018	10,042	1,294	1,738	2,628	-	15,702
Accumulated depreciation at 30 June 2018	(4,189)	(506)	(1,122)	-	-	(5,817)
	5,853	788	616	2,628	-	9,885

Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant and equipment (cont.)

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks open spaces and streetscapes \$'000	Other infrastructure \$'000	Work In Progress \$'000	Total infrastructure \$'000
At fair value 1 July 2017	510,382	45,404	24,314	64,913	28,562	1,886	2,875	7,535	685,871
Accumulated depreciation at 1 July 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
Movements in fair value									
Acquisition of assets at fair value	-	-	-	-	-	-	-	11,439	11,439
Contributed assets	2,576	-	1,028	1,943	49	-	-	-	5,596
Revaluation increments/decrements	504	-	45	-	-	-	-	-	549
Fair value of assets disposed	(31)	(18)	(10)	(61)	(58)	-	-	-	(178)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	8,691	424	1,787	1,616	2,216	794	661	(16,189)	-
	11,740	406	2,850	3,498	2,207	794	661	(4,750)	17,406
Movements in accumulated depreciation									
Depreciation and amortisation	(7,117)	(436)	(529)	(667)	(1,009)	(178)	(156)	-	(10,092)
Contributed assets	(8)	-	(28)	(7)	-	-	-	-	(43)
Accumulated depreciation of disposals	7	15	3	22	16	-	-	-	63
Revaluation increments/decrements	3,102	43	109	12	173	6	-	-	3,445
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(4,016)	(378)	(445)	(640)	(820)	(172)	(156)	-	(6,627)
At fair value 30 June 2018	522,122	45,810	27,164	68,411	30,769	2,680	3,536	2,785	703,277
Accumulated depreciation at 30 June 2018	(126,370)	(15,535)	(6,025)	(15,853)	(7,981)	(864)	(580)	-	(173,208)
	395,752	30,275	21,139	52,558	22,788	1,816	2,956	2,785	530,069

Note 5 Assets we manage (cont.)

5.2 Property, infrastructure, plant and equipment (cont.)

(d) Property, infrastructure, plant and equipment accounting policies

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Where assets are constructed by Council, cost includes all materials used in construction, direct labour, and an appropriate share of directly attributable variable and fixed overheads. In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

Change of Accounting Policy: Under AASB 1051, Land Under Roads, it is optional to record the value of land under roads acquired from 1 July 2008 or recognise all land under roads. Council had been recognising land under roads acquired post 1 July 2008 but guidance from Local Government Victoria has recommended that the all land under roads be included in Council financial statements. Therefore, the pre 1 July 2008 land under roads balance has been recognised for the first time (\$292,974,000) as an adjustment to the accumulated surplus in the Statement of Changes in Equity. This amount has been discounted by 85% due to Community Service Obligation. Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually. Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component. Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life. Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
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

Note 5 Assets we manage (cont.)

(d) Property, infrastructure, plant and equipment accounting policies (cont.)

Asset recognition thresholds and depreciation periods (cont.)

	Depreciation Period	Threshold Limit \$'000
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 culverts	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

Repairs and maintenance

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.

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. See section 7.4 for description of fair value measurement.

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 the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - non-specialised	-	70,317	-	Jun-18
Land - specialised	-	-	333,182	Jun-18
Land Improvements	-	-	594	
Buildings - non-specialised	-	43,319	-	Jun-17
Buildings - specialised	-	-	38,602	Jun-17
Total	-	113,636	372,378	

Note 5 Assets we manage (cont.)

(d) Property, infrastructure, plant and equipment accounting policies (cont.)

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 (see section 7.4 for fair value measurement) 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 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	395,752	Sep-15
Bridges	-	-	30,275	Sep-15
Footpaths and cycleways	-	-	21,139	Sep-15
Drainage	-	-	52,558	Sep-16
Recreational, leisure and community facilities	-	-	22,788	Apr-16
Parks, open space and streetscapes	-	-	1,816	Apr-16
Other infrastructure	-	-	2,956	Apr-16
Total			527,284	

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 of up to 85%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$5 and \$195 per square metre.

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

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

Reconciliation of specialised land

	2018 \$'000	2017 \$'000
Land under roads	303,166	9,310
Landfill	2,966	3,138
Other	27,050	23,753
Total specialised land	333,182	36,201

5.3 Investments in associates

	2018	2017
--	------	------

Investments in associates accounted for by the equity method is the North Central Goldfields Library Corporation. The equity holders in the North Central Goldfields Library Corporation and their relevant holdings are:

Macedon Ranges Shire Council	22.67%	22.44%
Greater Bendigo City Council	61.23%	61.29%
Loddon Shire Council	5.12%	5.21%
Mount Alexander Shire Council	10.99%	11.06%

Note 5 Assets we manage (cont.)

5.3 Investments in associates (cont.)

	2018 \$'000	2017 \$'000
Fair value of Council's investment in North Central Goldfields Library Corporation	1,201	1,180
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	349	701
Reported surplus(deficit) for year	10	(324)
Transfers (to) from reserves	2	(32)
Adjustment arising from change to equity share	3	4
Council's share of accumulated surplus(deficit) at end of year	364	349
Council's share of reserves		
Council's share of reserves at start of year	277	242
Adjustment arising from change to equity share	3	3
Transfers (to) from reserves	(2)	32
Council's share of reserves at end of year	278	277
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,180	1,489
Share of surplus(deficit) for year	10	(324)
Adjustment arising from change to equity share	11	15
Carrying value of investment at end of year	1,201	1,180
Council's share of expenditure commitments		
Operating commitments	94	85
Council's share of expenditure commitments	94	85

(Council's share of equity as per the un-audited 30 June 2018 financial statements of the Library Service)

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.

5.4 Investment property

	2018 \$'000	2017 \$'000
Balance at beginning of financial year	4,400	4,402
Additions / Transfers	(1,528)	(310)
Fair value adjustments	(21)	308
Balance at end of financial year	2,851	4,400

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 the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

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 6 People and relationships

6.1 Council and key management remuneration

(a) 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 5.3.

Note 6 People and relationships (cont.)

6.1 Council and key management remuneration (cont.)

(b) 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	01/07/2017 - 30/06/2018 (Mayor)
Councillor Roger Jukes	01/07/2017 - 30/06/2018
Councillor Mandi Mees	01/07/2017 - 30/06/2018
Councillor Helen Radnedge	01/07/2017 - 30/06/2018
Councillor Andrew Twaits	01/07/2017 - 30/06/2018
Councillor Henry Bleeck	01/07/2017 - 30/06/2018
Councillor Natasha Gayfer	01/07/2017 - 30/06/2018
Councillor Bill West	01/07/2017 - 30/06/2018
Councillor Janet Pearce	01/07/2017 - 30/06/2018

	2018 No.	2017 No.
Total Number of Councillors	9	16
Chief Executive Officer and other Key Management Personnel*	8	7
Total Key Management Personnel	17	23

* For 2017/18 this includes, Margot Stork (CEO), John Hausler (Director Corporate Services), Karen Stevens (Director Community Wellbeing), Dale Thornton (Director Assets & Operations), Angela Hughes (Director Planning & Environment), David McLean (Manager Organisational Development), Peter Johnston (former CEO) and Sophie Segafredo (former Director Planning & Environment).

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2018 \$'000	2017 \$'000
Short-term benefits	1,468	1,623
Long-term benefits	111	96
Termination benefits	332	-
Total	1,911	1,719

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2018 No.	2017 No.
\$1 - \$9,999	-	6
\$10,000 - \$19,999	1	7
\$20,000 - \$29,999	8	1
\$30,000 - \$39,999	-	1
\$70,000 - \$79,999	-	2
\$100,000 - \$110,000	1	-
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	2
\$260,000 - \$269,999	1	-
\$310,000 - \$319,999	-	1
\$340,000 - \$349,999	1	-
Total	17	23

Note - there were more Councillors listed in 2016/17 as a result of the Council elections which occurred in 2016.

Note 6 People and relationships (cont.)

6.1 Council and key management remuneration (cont.)

(d) Senior Officer Remuneration

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 \$145,000

The number of Senior Officers are shown below in their relevant income bands:

	2018 No.	2017 No.
Less than \$145,000*	5	1
\$145,000 - \$149,999	1	6
\$150,000 - \$159,999	6	2
\$160,000 - \$169,999	1	1
\$240,000 - \$249,999	-	1
Total	13	11

	2018 \$'000	2017 \$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to:	1,675	1,718

* Three senior officers with annual remuneration over \$145,000 resigned during the year and three officers commenced and hence their full annual salary was not paid. As their full annual income was not paid, their disclosed income range was less than \$145,000.

6.2 Related party disclosure

(a) 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 \$84,150 Inc.GST (\$54,036 during 2016/17). All purchases were at arms length in the normal course of Council's operations.

(b) Outstanding balances with related parties

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

- \$2,805 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 (\$5,402 as at 30 June 2017).

(c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party (2016/17, \$0)

(d) Commitments to/from related parties

There were no commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party (2016/17, \$0)

Note 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) 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 2018 Council had incurred \$1.4m of expenditure in relation to emergency recovery that had not been submitted to the State Government or had been submitted but was 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.

(b) Contingent liabilities

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 below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

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

(c) 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 \$7,265.

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 \$6,551.

Council has guaranteed a loan taken out by the Woodend Heskett Football Netball Club Incorporated. The original loan (and extent of possible Council exposure) was \$30,000. At balance date the outstanding balance is \$24,942.

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

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.

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

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.

Note 7 Managing uncertainties (cont.)

7.2 Change in accounting standards (cont.)

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

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.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable the not-for-profit entity to further its objectives.

7.3 Financial instruments

a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), 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 the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

b) 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 1989. Council manages interest rate risk by adopting an investment policy that ensures:

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk council have a policy for establishing credit limits for the entities we deal with. Council only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy. Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

Note 7 Managing uncertainties (cont.)

7.3 Financial instruments (cont.)

(d) Liquidity risk

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

- have an investment policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitor budget to actual performance on a regular basis.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), 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 4.4.

7.4 Fair value measurement

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.

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.

Revaluation

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

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 of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Note 7 Managing uncertainties (cont.)

7.4 Fair value measurement (cont.)

Revaluation (cont.)

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.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal 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.

7.5 Events occurring after balance date

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

Note 8 Other matters

8.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2018			
Property			
Land	70,261	10,889	81,150
Buildings	16,750	-	16,750
	87,011	10,889	97,900
Infrastructure			
Roads	238,076	3,536	241,612
Kerb and channel	8,597	71	8,668
Bridges	13,195	43	13,238
Drainage	31,968	12	31,980
Footpaths	3,648	154	3,802
Parks, Open Space & Streetscapes	-	6	6
Recreational, leisure and community facilities	10,661	173	10,834
	306,145	3,995	310,140
Other assets			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	2,640	-	2,640
Total asset revaluation reserves	395,796	14,884	410,680
2017			
Property			
Land	44,751	25,510	70,261
Buildings	19,461	(2,711)	16,750
	64,212	22,799	87,011
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
	296,906	9,239	306,145
Other Assets			
Cultural assets	250	2,241	2,491
Equity in North Central Goldfields Library	149	-	149
Assets held for sale	29	(29)	-
	428	2,212	2,640
Total asset revaluation reserves	361,546	34,250	395,796

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

Note 8 Other matters (cont.)

8.1 Reserves (cont.)

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2018				
Asset conversion	335	601	(112)	824
Car parking*	136	-	-	136
Commercial development	3,152	484	-	3,636
Community facilities*	309	-	(39)	270
Debt repayment	1,936	756	-	2,692
Drainage*	365	29	-	394
Footpaths*	112	20	(10)	122
Gisborne development plan*	463	127	-	590
Gravel pit operations	126	115	-	241
Hanging Rock	578	87	(279)	386
Landfill recovery	-	-	-	-
Plant replacement	1,627	1,018	(1,331)	1,314
Public open space*	2,494	553	(849)	2,198
Road contributions*	265	31	(17)	279
Romsey development plan*	55	26	-	81
maintenance*	293	10	(115)	188
Total other reserves	12,246	3,857	(2,752)	13,351
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
maintenance*	282	11	-	293
Total other reserves	9,227	4,742	(1,723)	12,246

* Non-discretionary reserves subject to statutory requirements and/or other agreements. \$4.258m (\$4.492m 2016/17)

Note 8 Other matters (cont.)

8.1 Reserves (cont.)

(b) Other reserves (cont)

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 and operational 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.

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

	2018 \$'000	2017 \$'000
Surplus/(deficit) for the year	16,069	23,092
Depreciation/amortisation	13,791	13,130
Profit/(loss) on disposal of property, infrastructure, plant and equipment	89	98
Fair value adjustments for assets held for sale	-	58
Fair value adjustments for investment property	21	(308)
Contributions - non-monetary assets	(6,483)	(11,769)
Share of net profits/losses of associates	(22)	309
Borrowing costs	440	395
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(383)	(140)
(Increase)/decrease in prepayments	(114)	43
(Increase)/decrease in accrued income	(145)	587
(Increase)/decrease in inventories	-	5
Increase/(decrease) in trade and other payables	(26)	11
Increase/(decrease) in other liabilities	306	93
Increase/(decrease) in provisions	(70)	(544)
Net cash provided by/(used in) operating activities	23,473	25,060

Note 8 Other matters (cont.)

8.3 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 2018, 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 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 6.5% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 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 2017 triennial 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Note 8 Other matters (cont.)

8.3 Superannuation (cont.)

Employer contributions(cont.)

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.

2017 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million

- A total service liability surplus of \$193.5 million.

- A discounted accrued benefits surplus of \$228.8 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 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

Index

A

Advisory Committees 7, 61, 85, 89
 Aquatic and leisure centres 17, 40-41, 43, 54-55
 Arts and culture 11, 14, 42, 49, 52-53
 Asset management 88
 Audit Committee 85, 89
 Awards 38, 49, 71

B

Biodiversity 16-17, 43-44, 61-62
 Budget ... 13, 37, 53, 62, 66-67, 71, 73, 88, 120-121
 Building services 11, 17-18, 43, 45-46, 62, 66

C

Capital works 18
 Children's services 14-15, 39-40, 48
 Code of Conduct 84, 90
 Community consultation .. 4, 7, 21, 42, 50, 73, 75, 88
 Community wellbeing 6, 17-19, 38-42
 Conflict of Interest 85
 Councillors 26-28
 allowances 82-83
 attendance at meetings 75, 80
 Committees 81

D

Disability services 14, 20
 Donations 84
 financial statements II 18

E

Economic development 7, 11, 15, 47, 49, 70
 Emergency management 16, 23, 35, 38, 41, 89
 Environment
 6-7, 11, 16-17, 20, 23-24, 43-49, 61, 66
 Equal opportunity 34
 Events 14-17, 23-24, 41, 43, 49, 70

F

Financial Report 112
 Comprehensive Income Statement 113
 Balance Sheet 114
 Statement of Changes in Equity II 8
 Statement of Cash Flows II 9
 Statement of Capital Works II 10
 Notes to the statements II 11

G

Goals 4-7
 Grants 12-14, 24, 46; II - 6, 9, 12, 15

H

Hanging Rock 17, 23-24, 44
 Home and Community Care 11, 14, 35, 39, 42, 49

I

Infrastructure 6-7, 17, 49, 53, 66, 70, 88

L

Local laws 11

M

Major projects 18, 20, 53, 62, 67, 71, 73
 Maternal and Child Health . 11, 15, 39, 45, 48, 58, 67
 Mayor's and CEO's messages 3
 Mental health 6, 14, 38, 52

O

Occupational health and safety 34, 86
 Open space 6, 11, 13, 16, 66, 71, 88
 Organisation structure 30

P

Performance Statement for the year 94
 Population growth 8, 10
 Prevention of violence against women .. 6, 34, 38, 52

R

Rates 12, 88, 113, 119
 Roads 11, 17, 19, 45, 66-68, 88, 98

S

Shire profile 8
 Staff 31-34
 Sustainability 17, 44, 61

T

Tourism 7, 11, 15

V

Vision, themes and priorities 4
 Volunteers 35, 42, 52

W

Wards of the municipality 26-28
 Waste management 16-17, 20, 43, 61-64
 Wastewater 16

Y

Youth 11, 14, 22, 53

Note: Section II Financial Statements is denoted in the index as II followed by the page number



**Macedon
Ranges**
Shire Council

(03) 5422 0333

mrsc@mrsc.vic.gov.au

mrsc.vic.gov.au

PO Box 151, Kyneton VIC 3444

Kyneton Administration Centre: 129 Mollison Street, Kyneton

Gisborne Administration Centre: 40 Robertson Street, Gisborne

Romsey Service Centre: 96-100 Main Street, Romsey (at the Romsey Community Hub)

Woodend Service Centre: Cnr High & Forest streets, Woodend

