

Annual Report

2020/21



Macedon
Ranges
Shire Council



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Acknowledgement of Country

Macedon Ranges Shire Council proudly acknowledges the Dja Dja Wurrung, Taungurung and Wurundjeri Woi Wurrung peoples as the traditional Owners of the land and pays respect to their Elders past, present and emerging.



Blackhill Reserve Smoking Ceremony

WELCOME

Welcome to the Macedon Ranges Shire Council's Annual Report for 2020/2021.

Our Annual Report informs our community of our performance for the financial year, 1 July 2020 to 30 June 2021. It also 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 2017–2027* (Year Four), which incorporates the Health and Wellbeing Plan and Disability Action Plan.



Gum Road letterboxes, Darraweit Guim

A MESSAGE FROM THE MAYOR AND CEO

Cr Jennifer Anderson Mayor

Council Elections were held in October 2020 and I would like to acknowledge and thank the retiring Councillors and newly elected Councillors.

We welcomed Bernie O'Sullivan, our new Chief Executive Officer, in May 2021. We thank John Nevins, Acting Chief Executive Officer, from October 2020 to April 2021, for guiding the organisation through the ongoing challenges of COVID-19 and the recent organisation restructure. Thank you also to Margot Stork, former Chief Executive Officer, for ensuring the organisation supported the community and staff during the restrictions associated with the pandemic.

Council's 2020/21 budget contained a \$1.1 million COVID-19 relief package that included support for local businesses. Extra funding was made available to community groups and event organisers to help them navigate the testing times of COVID-19.

The severe storms of June 2021 posed a significant challenge for the organisation and community. Thank you to all volunteers, community members and staff who supported the initial and ongoing recovery; we know these efforts will continue well into 2021/22.

At the Scheduled Council Meeting in March, Council declared a Climate Emergency, in recognition of the immediate and significant risk that climate change presents and the need to act urgently. Our *Climate Change Action Plan 2017* already set a target of zero net emissions by 2030 and a 25 per cent emissions reduction target for Council operations by 30 June 2021. I am very pleased to report that we achieved this interim target. In addition, Council has joined the Victorian Energy Collaboration (VECO), which means we are on track to be procuring all our electricity from renewable sources from 1 July 2021. This move is expected to save Council over 40 per cent annually on electricity bills, as well as to reduce CO₂ emissions from Council's operations by approximately 3,385 tonnes per year.

Other achievements include the completion of the master plan for the Woodend Community Centre and Positive Ageing Plan. Council took the lead role in the Loddon Mallee Move It program, a project funded by Sport Australia to increase participation of older residents in exercise programs. We progressed the Reconciliation Plan and commenced work on the inter-town shared trails project funded by an \$8.75 million Victorian Government grant to promote active transport and exercise between our towns.

With the requirement for deliberative engagement as part of the new Local Government Act 2020, we now involve the community more than ever before. We are fortunate to have a highly engaged and generous community. I thank everyone for their continued involvement and feedback.



Bernie O'Sullivan Chief Executive Officer

Thank you to the community members, staff, Councillors and partner organisations of the Macedon Ranges Shire who have warmly welcomed me since I commenced as CEO in May. It is highly rewarding to return to my home region and make a positive difference to our local community.

Councillors and staff have been working to finalise the commitments of the previous Council term and prepare a new ten-year Council Plan and Budget for 2021/22. The preparation of these documents was supported by a Community Vision Assembly, representative of our Macedon Ranges Shire citizens. I thank those who dedicated their time to highlight what the community values and how Council can make a difference in these priority areas.

The 2021/22 budget, the first of this new Council term, was approved in June, providing the resources needed to fulfill our commitments to the community over the next 12 months. This budget includes significant investment for larger projects, like the shared trails project and the regional sports precinct, along with many smaller projects that are important to our community.

It has been an eventful start to my tenure, with multiple COVID-19 lockdowns and the significant storm event in early June. Though we will feel the effects of the storm and the flow-on recovery for many months to come, this incident highlighted the resilience and neighbourly spirit of our communities.

I am proud of our communities for coming together and helping one another. Learning and sharing the lessons from the storm event is an important focus for Council, our partners and community groups, to ensure we are best prepared for future events.

I have enjoyed many introductory meetings with key stakeholders and partners across the shire. We have a diverse and creative business and arts community, many of whom have been significantly affected by COVID-19 restrictions. Council will continue to support these businesses as they adapt and recover.

We continue to refine the organisational changes from 2020 to ensure we can best deliver the new Council Plan, respond to new priorities and work effectively with the community.

I acknowledge our staff who have remained enthusiastic and focused on making a difference for residents despite multiple lockdowns and COVID-19 restrictions.

My focus is on ensuring the community is at the centre of all our work.



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

We will achieve our vision by:

- working in partnership with the community
- using clear, 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.

Vision

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

Themes

Liveability

Strengthen community resilience, inclusions, 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**



Autumn Lancefield

OUR LIVEABLE SHIRE

About us

Macedon Ranges Shire is located in central Victoria, about one hour's 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 Woi Wurrung peoples.

Macedon Ranges Shire has an estimated resident population of 51,020 people (as at June 2021). 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 the 2016 census data, Macedon Ranges has a higher proportion of residents in the younger age groups (0–17 years) and lower proportion of people in the older age groups, compared to regional Victoria. However, the number of residents of post-retirement age is increasing as the population ages. 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, it 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 travelling to the City of Melbourne (note the 2016 Census data pre-dates COVID-19 and its impacts).

Key industries providing local employment in the shire include healthcare and social assistance, construction, education and training, retail trade, accommodation and food services and manufacturing.

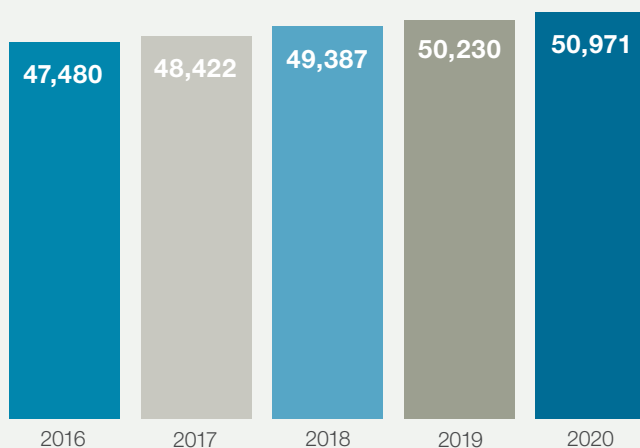


John Aitken Reserve, Gisborne

Community profile

Population growth over the past five years (estimates)

Year ending 30 June



Source: Australian Bureau of Statistics, Regional Population Growth



4.1%

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

26%



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

Italian

German

Mandarin

Greek

Maltese

Top five languages spoken at home

(other than English, which is the highest)

18 people
from **13** countries
became **citizens**
at **5** ceremonies*

* Of the five ceremonies, three of these were online ceremonies due to the effects of COVID-19.

Household type

Total number of households: **16,764**

Average number of people: **2.65**

Most likely to be: **a three-bedroom house**



36.1% couples with children

28.0% couples without children

18.9% lone person

8.5% one parent families:

5.6% other

1.7% group household

1.2% visitor only households:

35.3%

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

64.7%

of people live in
a **township**



23,471

rateable properties
as at 30 June 2021

an **increase** of
1.5% on **previous**
year

and **9.1%** over the last **five** years

Shire infrastructure

Council maintains:

857 km
of sealed roads

811 km
of unsealed roads

320 km
of kerb and channel

209 km
of footpaths

149
bridges
and culverts

64
footbridges

274 km of underground
stormwater pipes

10,190 stormwater
pits

Sport and recreation

Year ending 30 June

24 sports
grounds

4 aquatic
facilities

61 playgrounds

6 indoor
stadiums

73 tennis
courts

38 parks, gardens
and nature reserves

6 skate
parks



FINANCIAL SNAPSHOT

Overall, Council's financial position remains sound, despite underlying income being impacted by the closure of many services due to COVID-19 during the year and modest increases in operating expenses.

Capital works expenditure for the year was \$18.39 million. However, the program of works was disrupted by the impacts of COVID-19 and the budget being adopted in July 2020. Several projects originally planned for

2020/21 were in progress at the end of the financial year and will now be completed in 2021/22.

Borrowings have decreased and remain at affordable levels and no new loans were drawn down during 2020/21. The following table outlines some of the key financial numbers and indicators (refer to the financial statements at the end of this report for more detail).

Item and related financial statement	2020/21	2019/20
Total income (Income statement)	\$92.517m	\$92.368m
Total expenditure (Income statement)	\$84.562m	\$78.629m
Surplus (Income statement)	\$7.955m	\$13.739m
Assets (Balance sheet)	\$1,200,021m	\$1,177,252m
Liabilities (Balance sheet)	\$35.678m	\$27.885m
Capital expenditure (Statement of capital works)	\$18.389m	\$23.984m
Loans and borrowing ratio (Performance statement)	7.56%	8.88%
Working capital ratio (Performance statement)	194.07%	225.99%
Asset renewal ratio (Performance statement)	74.00%	99.04%
Adjusted underlying result (Performance statement)	-2.74%	4.00%

Economic impacts

In 2020/21, interest rates remained comparatively low. In turn, this resulted in lower increases in some expenditure categories due to lower inflation. However, most of Council's expenditure is on salaries and construction costs, which are not directly correlated with inflation.

Low interest rates meant that returns on Council investments were also low. Interest income was impacted dramatically during the year.

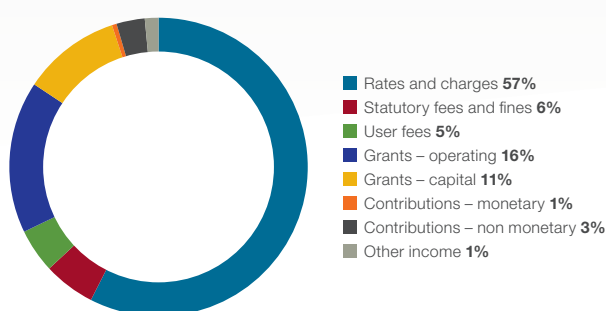
The impact of COVID-19 was significant in 2020/21, with many recreational, leisure and cultural venues requiring several temporary closures.

Revenue (income)

In 2020/21, income increased by \$149,000. Rates and charges increased by \$2.4 million. However, this was offset by a decrease in user fees of \$1.3 million that related to the closure of many facilities due to COVID-19 restrictions.

Capital grants increased by \$1.9 million, due largely to the timing of the payment of grants relating to projects. Non-monetary contributions (gifted infrastructure) decreased by \$3.1 million. This is linked directly to the timing on subdivisions being completed and Council recognising infrastructure assets.

Revenue by key sources

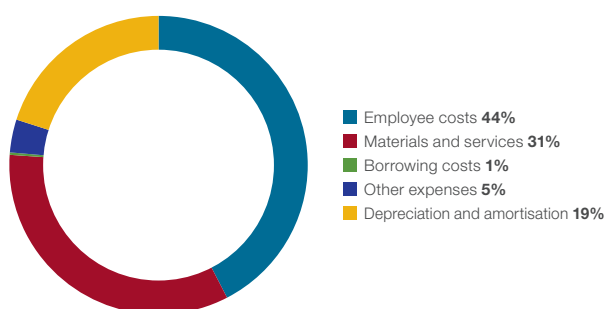


Expenditure (operating expenses)

The following graph provides a breakdown of the key expenditure categories. As can be seen, our operating expenditure is mainly made up of the cost of employees and contractors who deliver our services.

Operating expenses increased by \$5.93 million in 2020/21. As this increase was higher than income growth, our underlying surplus decreased. Employee costs increased in line with pay rises associated with the Enterprise Agreement, and new staff were approved to ensure that the organisation can respond to a growing population. Materials and services costs increased by \$2.43 million. Depreciation increased by \$2.41 million, due to a revaluation of Council's assets undertaken during 2019/20, resulting in an increase of depreciation charged in future years.

Expenditure by key category



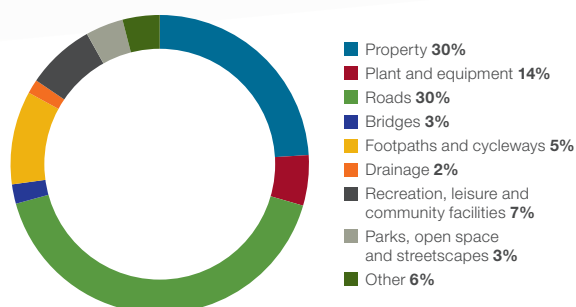
Capital works

Capital works expenditure relates to renewing and upgrading our existing assets and constructing new assets.

During 2020/21, we spent a total of \$18.39 million on capital works across the shire, which was a decrease of \$5.6 million compared with 2019/20.

Significant works were completed at several of our facilities, including Dixon Field Pavilion (\$0.25 million), Gardiner Reserve Gisborne football change rooms (\$0.98 million), Swinburne Avenue Gisborne kindergarten extension (\$0.58 million), and Woodend and Macedon cricket nets (\$0.38 million).

Breakdown of capital expenditure by key categories



Assets and liabilities (balance sheet)

The balance sheet shows what we own (assets) and what we owe (liabilities). Assets minus liabilities gives total equity, which is an accumulation over time of the net worth of Council.

During 2020/21, our assets increased by \$22.77 million. Reasons for this included:

- Council holding higher levels of cash and cash equivalents of \$23.1million at 30 June 2021, partly due to the capital works program being delayed and projects carried forward to 2021/22
- grants totalling \$7.0 million received in advance (unearned income), late in the financial year
- increases in asset values of \$7.0 million resulting from revaluation of recreational, leisure and community assets
- \$2.84 million of assets transferred to us following the completion of new subdivisions.

Our debt ratios improved with no new borrowings taken out during the year. Increasing liabilities for 2020/21 was the recognition of the unearned income of \$7.0 million.

HANGING ROCK SNAPSHOT

Fast facts

- 77,689 visitors – this was a slight decrease on the previous year, due to the ongoing park closures and lockdown periods due to COVID-19.
- Only five small events were held. Larger events were cancelled due to COVID-19.
- 116 people attended five night walks.
- 11 guided school tours, five less than the previous year.
- There were 67 shelter bookings.

Highlights

Hanging Rock Reserve was selected for three scenes of the 10-part TV drama series, *La Brea*. Filmed by Hollywood production giant, Universal Studios, the scenes were filmed during April and May.

Events

Events were significantly impacted due to COVID-19, with the large events of New Year's Day and Australia Day, horse races, car show, and large music concerts, having to be cancelled. Five smaller events that were able to go ahead were:

- craft markets in March and April – both attracted over 2,000 attendees throughout the day
- annual outdoor screening of *Picnic at Hanging Rock* – low numbers due to rescheduling
- *Camp Out* – low numbers due to bad weather
- *Run the Rock* – a big success with 1,689 participants.

Improvements

- Environmental works continued using the remaining Department of Environment, Land, Water and Planning (DELWP) funding.
- The annual weed control program was focused on removing high threat weeds throughout the reserve.
- Revegetation works continued along Smokers Creek with the aim of expanding in the coming years.

Fallen trees from the storm event have been left in situ where possible, increasing log densities in the Core Conservation Zones. Remaining logs, branches and mulch will be utilised in the tree conservation areas throughout the recreational zones.

Challenges

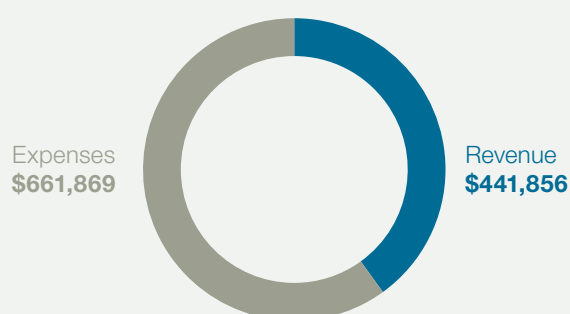
Due to the ongoing impacts of COVID-19, the reserve was required to close for most of August, all of September, most of October in 2020 and again during February and May 2021.

The large storm event of 9 June 2021 caused widespread damage to the reserve, with some 80 large trees falling, and damage to several assets and fencing. The park was forced to close for the remainder of June.

Future priorities

- Continue to work with the Victorian Government and the Traditional Owners to progress implementation of the Hanging Rock Strategic Plan, including to:
 - complete the Environmental Management Plan
 - support DELWP with the master plan
- Continue environmental works with a focus on reducing pest animals and revegetation to areas impacted by the storm
- Enhance visitor information services

Income and expenses



Hanging Rock

HIGHLIGHTS OF THE YEAR

Strategic objective 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 and inclusion, volunteers, community safety, and arts and culture.

Achievements

- Council's positive ageing plan *Participate 2020-2025* was adopted by Council. The plan reflects the needs, aspirations and priorities we need to address to be an age-friendly community.
- We delivered the following projects to facilitate sport and physical activity outcomes:
 - IR Robertson Reserve Pavilion
 - Dixon Field #2 pavilion redevelopment
 - new netball and football change rooms at Gardiner Reserve
 - new netball court at Gardiner Reserve
 - LED lighting upgrades at Gardiner Reserve and Barkly Square
 - exercise equipment in Kyneton, Gisborne, Romsey and Woodend
 - three new tennis courts at Riddells Creek
 - Riddells Creek Recreation Reserve change room upgrade
 - new cricket nets at Woodend and Macedon
 - new cricket pitches and ground levelling at Tony Clarke and Clifford Reserves
 - Gisborne Tennis Courts upgrade
 - Woodend kindergarten playground upgrade
 - Swinburne Avenue Children's Centre extension.



New outdoor exercise equipment Gisborne



Resource recovery team completing a single use plastic audit

Strategic objective 2: Protect our 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.

Achievements

- Confirming Council's participation in the Victorian Energy Collaboration will result in Council sourcing all the organisation's electricity needs from renewable sources from 1 July 2021.
- Roll out of Stage 2 of the Food Organics Garden Organics (FOGO) kerbside collection continues the reduction of waste to landfill.
- We commenced phase 2 of Council's Single Use Plastics Project and implemented a range of actions to phase out single-use plastics, based on the audit findings and action plan completed in Year 3 (2019/20).

Strategic objective 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.

Achievements

- The design for the Macedon Ranges Sports Precinct Project was completed.
- We increased services to public toilets and facilities in response to the COVID-19 pandemic, including increased cleaning frequency, and inclusion or upgrades of soap and paper towel dispensers.
- Council endorsed a number of submissions throughout the year including:
 - Planning for Melbourne's Green Wedges and Agricultural Land
 - Environmentally Sustainable Development of Buildings and Subdivisions – A Roadmap for Victoria's Planning System
 - a number of Exploration License Applications that impact different parts of the shire.



Macedon Ranges Sports Precinct



Go Local First campaign

Strategic objective 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.

Achievements

- Go Local First – this awareness raising campaign included social media posts, local business videos, posters and signage across the shire, plus an image library upgrade aimed at encouraging locals to discover the great produce from Macedon Ranges and to support local businesses.
- Business Continuity and Resilience Program (BCRP) – vouchers were provided to give Macedon Ranges businesses access to local professional service providers.

Strategic objective 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.

Achievements

- We provided a package of support measures for the community and local businesses to assist the shire's recovery from the COVID-19 pandemic.
- We supported the delivery of a robust general election on 24 October 2020, in accordance with Victorian Electoral Commission service plan requirements.

OUR SERVICES

We are responsible for a wide range of 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.

The service costs on the following pages are direct costs and do not include costs for capital works, depreciation and some overheads.

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 to:

- promote health and wellbeing
- protect the natural environment
- improve the built environment
- enhance social and economic development

Community support

Expenditure \$2.67 million

For older people, their families and carers

In providing individualised home support services and healthy ageing initiatives, we assist older residents and their carers to remain active in the community and independent in their homes. This enhances their wellbeing and quality of life.

We continue to work across the community to create opportunities for older people to feel socially connected.

Community and culture

Expenditure \$1.23 million

For residents, local artists, school students and visitors

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.



Arts & Culture Kyneton Town Hall Kids underwater mural

Our staff assist community groups to achieve their aspirations through skill-building in a range of areas, including marketing, governance and grant writing. This year, we also ensured community groups were kept informed of restrictions and provided with opportunities to learn about running COVID-safe events.

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

For young people aged 10-24 years

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



Youth services – skate fest

Council and customer service

Expenditure \$1.46 million

For the whole community

Council provides customer service in several different ways, including online, face to face at our service centres or over the telephone. A range of communications and consultation channels inform and invite our community to have their say on Council's strategies and projects. All Scheduled and Special Council Meetings are recorded and live streamed. Recordings are available to the public via our website.

In response to the COVID-19 pandemic, Council's customer service centres remained closed for much of 2020 and began reopening to residents in January 2021. During the closure, Council continued to provide services to the community online and via telephone.

In October 2020, customer service recruited five new staff through the Working for Victoria program to establish an Outreach Connection Unit (OCU). The primary purpose of the OCU is to contact and engage with customers in the community, especially those most affected by the pandemic. The OCU facilitated visits to libraries, and assisted customers to engage with Council through our website and learn about activities they could participate in.

Early years

Expenditure \$5.46 million

For children up to school age and their parents/carers

Kindergarten: We provide high-quality early childhood education programs across eight kindergartens. They include two and a half hour weekly activity groups for children aged three and above, and funded kindergarten programs for children who have turned four years old.



Mana Gum Family and Children's Centre chickens are part of the program



Maternal and Child Health – new parents' group

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.

Our 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.

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

Economic development and tourism

Expenditure \$3.24 million

For residents, businesses and visitors

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 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. Accurate information has been maintained through our online presence to ensure residents, businesses and visitors have been aware of restrictions and to encourage safe participation.

Strong regional collaboration is maintained through an annual partnership agreement with Daylesford Macedon Tourism (DMT), the Regional Tourism Board covering Macedon Ranges and Hepburn shire areas.

We support the local business community via positive interactions with all business and tourism associations and industry sector peak bodies, including the Macedon Ranges Agribusiness Forum and the Macedon Ranges Vignerons Association. Individual businesses considering expansion and increasing investment received input from the economic development team at key points.

It has been vital to provide local businesses with timely, accurate and up-to-date information from all government agencies during the COVID-19 pandemic. To enhance informed business decision making, we continued business impact surveying and delivered targeted online business workshops. Regular updates on restrictions and recovery opportunities were included in the monthly Business eNews.

Community safety

Expenditure \$3.5 million

For the whole community

Our regulatory compliance team provides emergency preparedness advice, supports emergency response, and coordinates relief and recovery efforts. Community health and safety is further protected through the delivery of animal management and control services, adequate signage, management of waste and wastewater, provision of immunisation services, school crossing supervisors and notifications of infectious diseases. Building and planning compliance activities ensure land use is carefully considered throughout the shire, and building applications are met in accordance with specific legislation, providing facilities, parks and open spaces that are aligned with the Community Vision.

We received a grant from the Victorian Government's Fire Access Track Road Subsidy Scheme to build two water tanks at a site in Newham. This project was delivered in consultation with Newham Fire Brigade.

Environment

Expenditure \$1.53 million

For the whole community

We manage over 50 bushland and conservation reserves, implement shire-wide roadside weed control, run environmental education programs, raise awareness about regenerative agriculture and sustainable land management, and plan how we will respond to emerging environmental challenges, such as the Climate Emergency, water shortage, biodiversity and conservation.

Libraries

Expenditure \$1.46 million

For the whole community

We partner with the City of Greater Bendigo, Loddon Shire Council and Mt Alexander Shire Council to deliver this shared service through the Goldfields Library Corporation.

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

Library services in the Macedon Ranges Shire are provided at four locations (Gisborne, Kyneton, Romsey and Woodend). Libraries promote literacy and lifelong learning and offer vibrant spaces for people to gather.

Libraries within the shire were temporarily closed due to COVID-19, although they still offered a click-and-collect service. Online programs, events, ebooks, audiobooks and family history resources remained available to the community.

Parks and gardens

Expenditure \$4.54 million

For the whole community

We take pride in maintaining and developing the safety and appearance of 61 playgrounds, 1,979 hectares of open space, 27 irrigation systems, 49 barbecues, and 35,000 street and park trees within the township boundaries.

Parks and parklands provide the community with amenity and township presentation, as well as space for passive activities and informal recreation to support mental and physical wellbeing. This was particularly important during this year when, due to COVID-19 restrictions, Council's parks and reserves received unprecedented levels of visitation. In challenging circumstances, Council's parks maintenance team continued to deliver high quality maintenance standards for the enjoyment of our community.

The June storm event resulted in damage to 38 parks and 54 bushland reserves, along with 560 resident requests for assistance with Council-owned and managed trees. A huge volume of tree assessments were completed, resulting in immediate removal of 36 hazardous trees and a further 700 high priority, but lower risk jobs. Up to 23 arboriculture crews have been working across the shire completing clean-up activities.

We recognise the important role that public open spaces play in fostering healthy and active communities, and continue to develop these areas through plantings, irrigation and improved infrastructure.



Clean up following the June 2021 storm event

Planning and building

Expenditure \$4.44 million

For landowners, builders, developers and the broader community

We receive and decide a range of planning and building applications. 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 and leisure

Expenditure \$4.4 million

For the whole community

We have invested significantly in recreation and leisure infrastructure over the past decade and are progressing with the updating of facilities.

During the year, we continued to implement various reserve master plan actions across the shire, including new change rooms for football and netball at Gardiner Reserve, a new netball court at Gardiner Reserve, installation of LED lighting at Barkly Square and Gardiner Reserve, three new tennis courts at Riddells Creek, new cricket nets at Tony Clarke Reserve and Gilbert Gordon Reserve, a new pavilion at IR Robertson Reserve and pavilion redevelopment at Dixon Fields No.2. There was also a change-room upgrade at Riddells Creek Recreation Reserve, a Gisborne tennis courts upgrade, new cricket pitches and ground levelling at Tony Clarke Reserve and Clifford Reserve. In addition, we installed outdoor exercise stations at Gisborne, Romsey, Woodend and Kyneton.

We strive to provide the community with excellent access to affordable aquatic and leisure facilities, and safe and modern recreation infrastructure for the enjoyment of all residents.



New tennis courts Riddells Creek

Roads and built environment

Expenditure \$17.1 million

For the whole community

We maintained 1,668 kilometres of roadways, 209 kilometres of footpaths, 64 footbridges and 274 kilometres of storm water pipes with 10,190 storm water pits in a sustainable and efficient manner. We also delivered eight new road reconstruction projects and 14 new sections of footpaths across our shire.

The June storm event closed 298 roads across the shire. Road infrastructure assessment is ongoing and tree inspections have been undertaken for hazardous roadside vegetation.

Waste

Expenditure \$11.96 million

For residents and businesses

We manage waste in the shire by collecting household general waste, recyclables, glass, and food and garden organics (FOGO). We introduced a FOGO collection to major townships within the shire to reduce the amount of food waste going to landfill. This is both environmentally sound and attempts to keep the cost of waste management down for the community. Throughout 2020/21, over 8,505 tonnes of organics were diverted from landfill through the kerbside FOGO service. The remainder of the shire will have the FOGO service introduced in July 2021.

We are one of only a few councils in Australia to introduce a separate kerbside glass bin collection service. Since its implementation, the service has diverted over 1,903 tonnes of glass from landfill. This has significantly improved the quality of recycling generated within the shire, allowing for our commingled recycling to be recovered in Australia. We encourage residents to reduce, reuse and recycle wherever possible, having improved waste diversion from 45 per cent to 60 per cent following the introduction of the FOGO and glass services. The resource recovery team continues to look at ways to innovate and assist residents with recycling and waste minimisation.



Farmers' market stall promoting FOGO

Building and facilities improvement works

Expenditure \$8.98 million

For the whole community

With the extended closure of facilities due to COVID-19, we took the opportunity to undertake a range of significant maintenance works at aquatic facilities. These works would have otherwise resulted in longterm closures and significant disruption to service and budgeted income streams.

Works included essential plant maintenance, tiling of pool shells/bulkheads, flooring, electrical works and painting of aquatic and fitness centres across the shire.

Pool shell refurbishment at the Woodend Outdoor Pool was undertaken prior to the summer season.

There was a significant upgrade of the Romsey Recreation Centre kiosk/reception area. This included removal of existing cabinetry, flooring and roller doors, and installation of new cabinetry and flooring, a glass serving window, entrance door and the installation of an internal wall.

At the Macedon Community Centre, the lighting was upgraded to include lights that have adjustable lux levels and are positioned differently to support badminton competition. The foyer and hallway had carpet installed, and the large meeting room has had mirrors and a ballet barre installed to support dance classes.

Major changes

We completed a restructure of the organisation during the 2020/21 reporting year. The purpose of the restructure was to re-align our workforce and directorates to increase efficiency and better support the delivery of our services. A number of roles were removed from the structure, including one director role, and a number of new manager roles were created.

In the Planning and Environment Directorate, two new manager roles were created, Manager Regulatory Compliance and Manager Statutory Planning.

Three new manager roles were created in the Assets and Operations Directorate. The new roles were Manager Engineering and Resource Recovery, Manager Facilities and Operations, and Manager Open Space and Recreation. The Major Project Management Office was also moved into this directorate.

The community care and corporate reporting teams moved to Corporate and Community Directorate and a Manager Children, Youth and Family Services role was created.

Our customer service and transformation functions moved to the Chief Executive Officer Directorate and a new Manager Legal & Corporate Governance role was created.

Major achievements

In response to the COVID-19 pandemic, council engaged 57 staff members through the Working for Victoria Grant Program. These roles, funded by the Victorian Government Department of Jobs, Precincts and Regions (DJPR), provided additional support during the pandemic.

Council engaged a deliberative engagement consultant to create a Community Vision Assembly, which brought together a group of residents reflective of the Macedon Ranges community, to develop a Community Vision for our shire. The work of the Assembly will inform the development of our 2021–2031 Council Plan.

Council also prepared a new Revenue and Rating Plan. Under the *Local Government Act 2020*, Council is required to prepare a Revenue and Rating Plan to cover a minimum period of four years following each Council election. The Revenue and Rating Plan establishes the revenue raising framework within which a council proposes to work. The purpose of the Revenue and Rating Plan is to determine the most appropriate and affordable revenue and rating approach for Council, which in conjunction with other income sources, will adequately finance the delivery of the objectives in the Council Plan.



Gardiner Reserve – new football and netball change rooms

OUR COUNCIL



Council offices Kyneton

Contacting Council:

Phone: (03) 5422 0333

Email: mrsc@mrsc.vic.gov.au

Website: www.mrsc.vic.gov.au

Mail: PO Box 151 Kyneton VIC 3444

Council Offices:

Gisborne Administration Centre

40 Robertson Street, Gisborne

Kyneton Administration Centre

129 Mollison Street, Kyneton

Romsey Service Centre

96–100 Main Street Romsey

Woodend Service Centre

Corner Forest and High streets, Woodend

OUR COUNCILLORS

East Ward



Cr Annette Death

First elected: 2020

adeath@mrsc.vic.gov.au
0427 956 117

Attended 9 Scheduled Council Meetings and 2 Special Council Meetings

Representation as at 30 June 2021:

- Chief Executive Officer Performance Appraisal Advisory Group
- Gisborne Futures Council Project Group
- Submitters Delegate Committee.



Cr Geoff Neil

First elected: 2020

gneil@mrsc.vic.gov.au
0419 244 776

Attended 9 Scheduled Council Meetings and 3 Special Council Meetings

Representation as at 30 June 2021:

- Audit and Risk Committee
- Gisborne Futures Council Project Group
- Submitters Delegated Committee
- Annual Meeting of Braemar College Ltd Committee (sub)
- Rural Councils Victoria Inc (RCV).



Cr Bill West

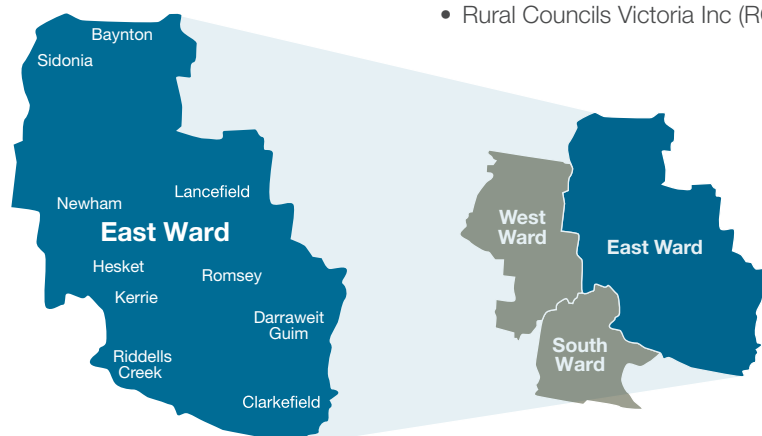
First elected: 2016

bwest@mrsc.vic.gov.au
0400 025 455

Attended 13 Scheduled Council Meetings and 4 Special Council Meetings

Representation as at 30 June 2021:

- Gisborne Futures Council Project Group
- Submitters Delegated Committee
- Calder Highway Improvement Committee
- Goldfields Library Corporation Board.



South Ward



Cr Dominic Bonanno

First elected: 2020

dbonanno@mrsc.vic.gov.au
0419 829 867

Attended 9 Scheduled Council Meetings and 3 Special Council Meetings

Representation as at June 30, 2021:

- Gisborne Futures Council Project Group
- Macedon Ranges Agribusiness Forum
- Submitters Delegated Committee
- Local Government Waste Forum.



Cr Rob Guthrie

First elected: 2020

rguthrie@mrsc.vic.gov.au
0419 309 953

Attended 9 Scheduled Council Meetings and 3 Special Council Meetings

Representation as of June 30, 2021:

- Chief Executive Officer Performance Appraisal Advisory Group
- Gisborne Futures Council Project Group
- Submitters Delegated Committee
- Goldfields Library Corporation Board (proxy)
- Local Government Waste Forum (sub)
- Macedon Ranges Heritage Council
- Workspace Australia.



Cr Anne Moore

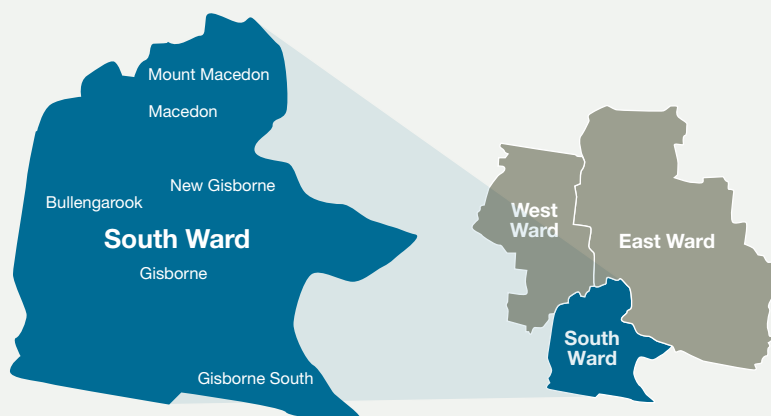
First elected: 2020

annemoore@mrsc.vic.gov.au
0419 917 278

Attended 9 Scheduled Council Meetings and 3 Special Council Meetings

Representation as of June 30, 2021:

- Gisborne Futures Council Project Group
- Submitters Delegated Committee,
- Calder Highway Improvement Committee (sub)
- Central Victorian Greenhouse Alliance (CVGA)
- Macedon Ranges Heritage Council
- Macedon Ranges Local Safety Committee (sub).



West Ward



Cr Jennifer Anderson

First elected: 2012

janderson@mrsc.vic.gov.au
0408 273 670

Attended 13 Scheduled Council Meetings and 4 Special Council Meetings

Representation as at June 30 2021:

- Chief Executive Officer Performance Appraisal Advisory Group
- Gisborne Futures Council Project Group
- Health and Wellbeing Advisory Committee
- Submitters Delegated Committee
- Central Victorian Greenhouse Alliance (CVGA) (sub)
- Municipal Association of Victoria (MAV).



Cr Janet Pearce

First elected: 2016

jpearce@mrsc.vic.gov.au
0437 282 096

Attended 13 Scheduled Council Meetings and 4 Special Council Meetings

Representation as at June 30, 2021:

- Gisborne Futures Council Project Group
- Health and Wellbeing Advisory Committee
- Macedon Ranges Agribusiness Forum
- Submitters Delegated Committee
- Municipal Association of Victoria (MAV) (sub)
- Rural Councils Victoria Inc (RCV) (sub).



Cr Mark Ridgeway

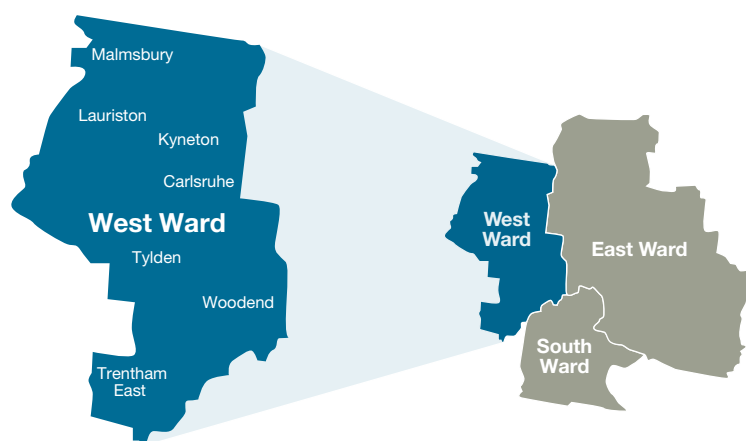
First elected: 2020

mrldgeway@mrsc.vic.gov.au
0437 938 766

Attended 9 Scheduled Council Meetings and 3 Special Council Meetings

Representation as at June 30, 2021:

- Audit and Risk Committee
- Gisborne Futures Council Project Group
- Health and Wellbeing Advisory Committee
- Submitters Delegated Committee,
- Annual Meeting of Braemar College Ltd
- Macedon Ranges Local Safety.



OUR PEOPLE



Curbside grass sowing

Our Executive Management Team



Bernie O'Sullivan
Chief Executive Officer

Qualifications: Master of Public Affairs, Bachelor of Agricultural Science, Graduate of the Australian Institute of Company Directors, Graduate of the Australian Graduate School of Management General Manager Program

Major functions: Leadership of Council staff and operations; Legal; Corporate Governance; Advocacy; and Local and Regional Representation



John Hausler*
Director Corporate and Community

Qualifications: Bachelor of Business (Banking and Finance/Accounting); Master of Management (Information Systems); Certified Public Accountant

Major functions: Information Systems; Finance and Corporate Reporting; Community Care and Children; Youth and Families



Angela Hughes
Director Planning and Environment

Qualifications: Bachelor of Applied Science (Planning)

Major functions: Strategic Planning and Environment; Statutory Planning, Community and Economic Development, Tourism and Events, Arts and Culture and Regulatory Compliance including Emergency Management



Shane Walden
Director Assets and Operations

Qualifications: Master of Business Administration; Applied Management Colloquium; Graduate Certificate of Project Management; Prince2 Project Practitioner

Major functions: Engineering, Facilities; Operations; Open Space; Recreation; Asset Management; Resource Recovery and Project Management Office



Sarah Noel
Executive Manager People, Culture and Performance

Qualifications: Master of Business Administration; Graduate Certificate in Management, Graduate Diploma in Management

Major functions: Customer service; Communications and Engagement; People and Wellbeing; Transformation and Libraries

*Gina Lyons commenced as Interim Director Corporate and Community on 28 June 2021 following the resignation of John Hausler effective 25 June 2021.

ORGANISATION STRUCTURE

As at 30 June 2021



OUR WORKFORCE

The following tables provide a summary of full-time equivalent staff by organisational structure, employment type, gender and classification. We have a total of 708 employees, of which:

- **219** employees (30.9%) live outside of the shire
- **489** employees (69.1%) live within the shire.

Workforce by gender, full time equivalent and directorate

Employee Type/gender	CEO	Assets and operations	Corporate and community	Planning and environment	Total
	Full-time equivalent				
Perm FT – Female	14.0	17.0	35.0	23.0	89.0
Perm FT – Male	7.0	94.0	16.0	23.0	140.0
Perm FT – Gender diverse	0.0	0.0	0.0	0.0	0.0
Perm PT – Female	7.2	10.7	61.3	16.5	95.7
Perm PT – Male	0.0	3.7	3.4	4.7	11.8
Perm PT – Gender diverse	0.0	0.0	0.4	0.0	0.4
Casual – Female	1.8	54.5	10.8	7.8	74.9
Casual – Male	0.0	22.8	2.3	6.2	31.3
Casual – Gender diverse	0.0	0.0	0.0	0.0	0.0
Total	30.0	202.7	129.2	81.2	443.1

Workforce by gender and employment band

Employment Classification	Female	Male	Gender Diverse	Total
	Full Time Equivalent			
Band 1	4.3	3.0	0.0	7.3
Band 2	3.0	5.0	0.0	8.0
Band 3	51.7	56.6	0.0	108.3
Band 4	48.0	27.4	0.0	75.4
Band 5	31.9	25.7	0.4	58.0
Band 6	37.2	27.7	0.0	64.9
Band 7	20.4	23.8	0.0	44.2
Band 8	1.7	0.0	0.0	1.7
Band not applicable	61.4	13.9	0.0	75.3
Total	259.6	183.1	0.4	443.1

Workforce by gender and age

Age	Female	Male	Gender diverse	Total
Under 25	65	47	0	112
25-34	62	34	0	96
35-44	101	49	0	150
45-54	117	46	1	164
55 and over	118	68	0	186
Total	463	244	1	708

Staff turnover

	Resignations	Retirement	Redundancy	Total
Part-time	20	3	2	25
Full-time	31	1	1	33
Casual	16	1	0	17
Total	67	5	3	75



Tree planting – Park and tree maintenance team member

HIGHLIGHTS

Professional development

We invested in a new learning management system and expanded our internal learning and development resources. This increased our professional development capability and capacity to provide developmental opportunities to all staff.

Our senior leadership team participated in a series of half-day workshops covering topics such as communication and courage, resilience and wellbeing, and managing change.

There were several legislative compliance-based workshops conducted including:

- workplace manslaughter legislation briefing – responding to the inclusion of workplace manslaughter as a criminal offence in the *Occupational Health and Safety Act (2004)*
- recruitment techniques masterclass – training to reduce bias in recruitment, which is an element of our Gender Equality Action Plan
- preventing and responding to sexism and sexual harassment – training related to the *Gender Equality Act 2020*.

Other training and workshops offered included assessing, analysing and treating risk, workplace behaviour and discrimination, mental health and wellbeing, and leadership skills and people management.

We increased our investment in e-learning by formalising a three-year agreement with a new learning provider, ELMO. This platform will provide all employees and volunteers with access to fully customised and Victorian-specific compliance training modules. An in-built course builder will allow us to design and tailor training modules based on own policies, procedures, systems and culture.

Equal Employment Opportunity Program

A copy of our Equal Opportunity Policy (EEO) and EEO training is provided to all staff as part of their induction when they commence their employment. The training is provided via a digital eLearning program and ensures employees have an understanding of EEO legislation and their obligations as an employee. Targeted training is provided for supervisors and managers, covering their obligations as someone who supervises someone else. We are also committed to ensuring an inclusive workplace culture that values diversity and ensures that the workplace is free from bullying, harassment and other forms of unacceptable workplace behaviour.

Health and safety

At Macedon Ranges Shire Council, we have an absolute commitment to providing a safe and healthy workplace for Councillors, employees, volunteers, contractors and visitors. We aim to integrate physical and psychological health and safety into all Council activities to reduce the incidence of injury and illness.

During 2020/21, the focus of the safety and wellbeing team was on providing assistance, support and guidance to all work units in the development and maintenance of COVID-safe plans. The team also assisted with risk assessments and re-opening plans.

We had a significant reduction in the number of Workcover claims over the previous reporting period, with 19 claims in 2020/21, compared with 27 in 2019/20. This will translate into a reduction in our future premiums. Our aim is to maintain this downward trend through worker engagement, early intervention, and initiatives to support and inform staff and managers on health, safety and wellbeing in the workplace.



Staff celebrate International Women's Day



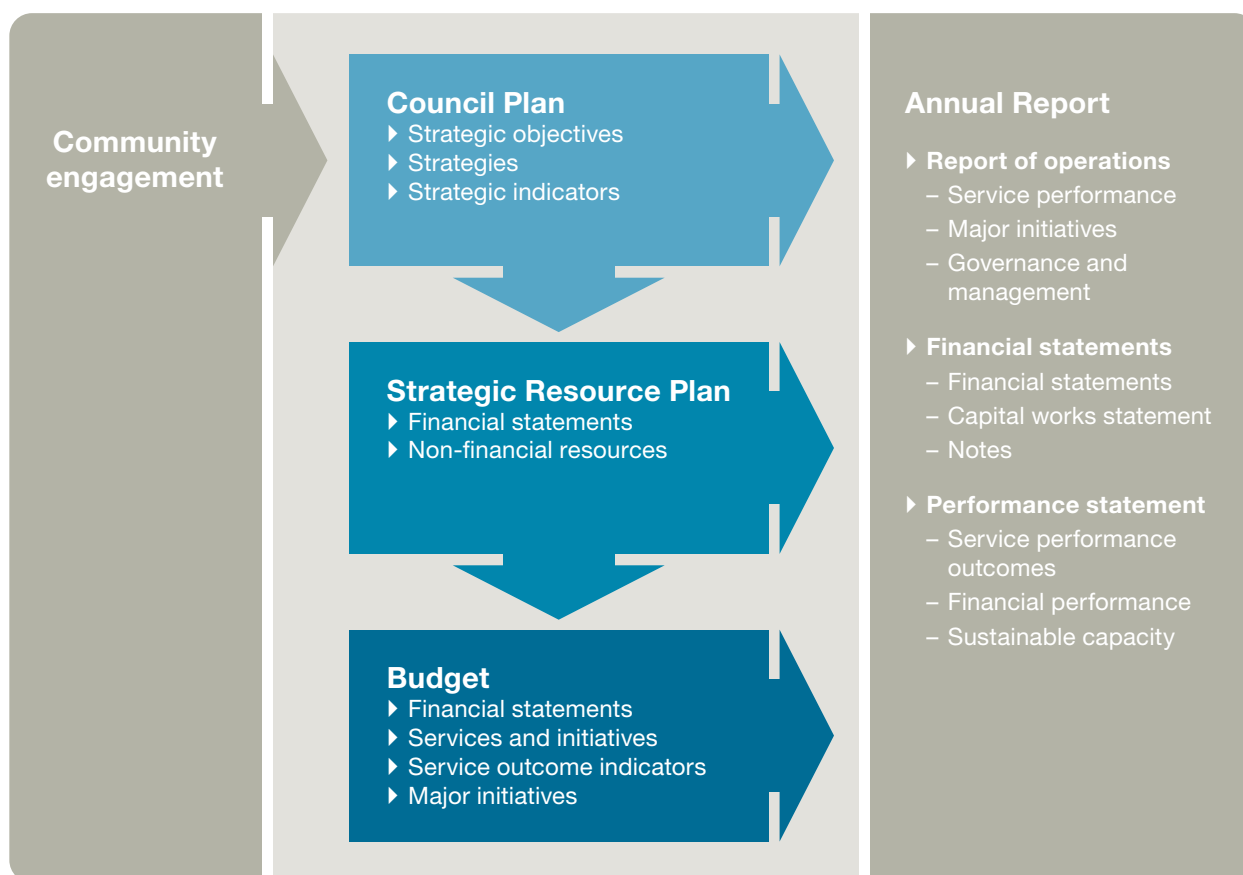
OUR PERFORMANCE

Planning and accountability framework

The *Local Government Act 1989 and 2020* requires Council to prepare the following planning and reporting documents:

- a Council Plan within six months after each general election or by 30 June, whichever is later
- a strategic resource plan for a period of at least four years and include this in the Council Plan
- a budget for each financial year
- an annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents, as well as the opportunity for community engagement during the planning cycle.



OUR PRIORITIES



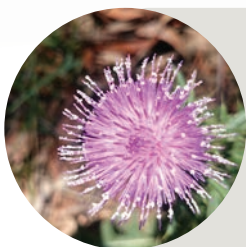
Lions Park Playground, Riddells Creek

The Council Plan sets out Council's key priorities for the next four to 10 years and sets out how Council will invest in its services and facilities. At the heart of the Council Plan is the vision for our shire, our community and our future. The plan incorporates the Municipal Public Health and Wellbeing Plan and Disability Action Plan. The plan aligns with Council's Budget and Strategic Resource Plan. Our Council Plan has been developed to improve five key outcomes for Macedon Ranges Shire Council expressed below as our key 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 and 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.

PRIORITY 1 – 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 and inclusion, volunteering, community safety, and arts and culture.

Our goal

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



Fast facts

- 5,566 active library borrowers made 286,957 loans at four libraries.
- Two learn to swim instructors were recognised in state/national industry awards as being leaders in the field of aquatic education.
- 350 young people attended the Woodend and Lancefield outdoor pools youth events.
- 584 young people engaged in Battle of the Bandwidth.
- 6,869 people attended an event inside a cultural facility.
- There were 16 touring art and community performances.
- There were 4,143 engagements with young people.
- 24 grants were awarded through the Community Funding Scheme (CFS), worth \$143,946.
- 19,000 hours of direct support assisted clients to access the community and remain independent in their home.
- 550 regional assessments were performed to support older people to identify their support needs and access Commonwealth Home Support Program services.
- 1,250 phone calls were made to older community members to check in and have a chat during lockdowns.
- There were 479 births and 531 new enrolments in the Maternal and Child Health Service (0–6 years) from families who have moved to the shire.
- 4,549 maternal and child health (MCH) 10 Key Age and Stage consultations (0–3.5 years).
- 272 children were enrolled in 12 Council-run three-year-old activity groups across the shire.
- 613 children were enrolled in 24 Council-run funded four-year-old kindergarten groups offered across the shire.
- 96 children at Lady Brooks Kindergarten learned Auslan (sign language) as part of their kindergarten program.
- 80% of impounded dogs (179) and 15% of impounded cats (28) were returned to their owners.
- 7% of impounded dogs (15) and 52% of impounded cats (97) were adopted.
- 92 livestock found wandering or trespassing were impounded, helping reduce risks to road users and community members.
- There were 683 inspections of food, health, tobacco and prescribed accommodation registered premises.
- 4,450 vaccines were administered to babies, children and adults at 90 Council immunisation sessions.

Mother breastfeeding twins as part of a breastfeeding clinic during International Breastfeeding Week.

Achievements

We encouraged gender equality

Council formally changed the email signature for all staff, with the inclusion of pronouns following the name. This delivers on an action in the draft Gender Equality Action Plan and is a way for staff who identify as LGBTQI+ and allies to provide direction on their preferred pronouns. This is an optional inclusion for existing staff. However it will be included as part of our core templates for new starters moving forward.

We fostered social connection and inclusion

In September, Council endorsed *Participate 2020-25*, a five-year positive ageing plan. The plan will be an important document to guide our priorities in coming years, including our role as an age-friendly community where older people stay socially connected and active.

With each COVID-19 related lockdown, we contacted home support clients to discuss their needs to ensure we provided the most appropriate response. Our home support and regional assessment services continued to work with older community members who need assistance to remain independent at home or to access the community for essential needs.

We introduced health screening calls prior to each rostered home service. This provided the opportunity to touch base and have a chat with a staff member about any COVID-19 related health concerns. We also introduced wellbeing calls for clients who opted to pause their home service during this time. These measures helped reduce isolation and loneliness, and played a key role informing clients about how to slow the spread of COVID-19 and the importance of looking after their health and wellbeing.

Unfortunately, we had to cancel a number of popular events, but we explored new ways to engage. In December 2020, the online celebration of International Day of People with Disability reached over 3,000 participants.

We continued to lead the Loddon Mallee Move It program, finding new and creative ways to support older people to get more active more often. During COVID-19 lockdowns, providers across the region pivoted to conducting classes online. In addition to physical exercise, the activities facilitated emotional wellbeing, with participants reporting feeling happier and more confident.

We partnered in the Digital Connect project, which aims to increase the digital literacy of community members aged over 65. Learning skills to connect online is continuing to help older people to stay in touch with family and friends, as well as to confidently participate in telehealth appointments, and do their shopping and banking online. Currently, there are 20 clients accessing this service.

Importantly, we supported each other. We introduced new technology so that staff could regularly meet online. We completed training to raise awareness of health and wellbeing. We welcomed new staff and Working for Victoria colleagues.

We celebrated and respected Indigenous culture

Council has introduced a new email signature for all staff that includes a statement acknowledging the Traditional Owners and custodians of the land, and recognises the ongoing contribution of Aboriginal and Torres Strait Islander residents to the diverse culture of the community.

We encouraged healthy eating

Macedon Ranges Shire Council encourages healthy eating for all babies, infants, children and families in the Early Years Services.

The maternal and child health nurses provide evidence-based health and wellbeing and nutritional information at each Key Age and Stage visit for families from 0-4 years. In addition, Council runs a weekly breastfeeding clinic, which provided support to 203 newly breastfeeding parents and their babies in 2020/21. Breastfeeding rates in the shire are consistently higher than the state average, with 60 per cent breastfeeding exclusively when their child is three months of age and 24 per cent breastfeeding exclusively at six months of age in the 2019/20 year.

We facilitated physical activity

Projects to facilitate physical activity include:

- the installation of new club and community cricket training facilities at Woodend and Macedon
- LED sportsground lighting upgrades delivered at Barkly Square, Kyneton and Gardiner Reserve, Gisborne, providing safer conditions that are more reliable for users
- four fitness stations at Gisborne, Romsey, Woodend and Kyneton installed and complemented by the Free Inclusive Training program that encouraged use and educated users from a variety of demographics about safely using the equipment.

We provided high-quality program options, facilities and support to individuals, sporting clubs and associations throughout the shire, at a range of indoor and outdoor aquatic and fitness facilities.



Barkly Square lighting upgrade

We contributed to community safety

Our Emergency Management Unit provides emergency preparedness advice, relief and assistance with emergency response within the community. It involves the collaboration of agencies and organisations to ensure communities are well prepared and understand the risk.

We also:

- added a new protected pedestrian crossing at Victoria Street and Market Street in Kyneton, serviced by a new school crossing supervisor to improve pedestrian safety for nearby schools
- worked with the Municipal Fire Management Planning Committee to undertake planned burns on Council land and roadsides, and to review our roadside slashing contract and fire access tracks
- worked with our emergency services partners to deliver community information sessions on emergency preparedness
- continued to provide emergency preparedness information through the Macedon Ranges Emergency Alerts Facebook page, community newsletters and the resident newsletter ShireLife
- issued 755 fire prevention notices
- achieved greater than 96% compliance rate with fire prevention notices
- issued approximately 250 travel permits for absentee landowners to travel into the shire during COVID-19 lockdowns to prepare their properties for summer
- slashed approximately 800 kilometres of roadsides for fire prevention purposes
- delivered pre-summer emergency preparedness information sessions to the community through the CFA's Fire Ready meetings.

The Municipal Fire Management Plan underwent a full review by the Municipal Fire Management Planning Committee and was successfully adopted by Council in October 2020.



New zebra crossing Kyneton

We continued to improve access and quality of change rooms

We continued to improve access and quality of our change rooms through the refurbishment of the Riddells Creek football and cricket change rooms, and the delivery of a new football and cricket pavilion and a new netball and umpires' pavilion to the Gisborne Gardiner Reserve precinct. The new pavilions included gender-neutral design principals in the build to support all participants to enjoy physical activities, such as netball, football and cricket.

We supported volunteers

Volunteers are integral to the provision of supports to older people in the community, visiting clients in their home.

We fostered art and culture

We continued to support arts and culture through a challenging and changing set of circumstances. Performing arts activities were rescheduled and capacity adjusted as restrictions changed, although significant activities were still possible, from roving performances as part of Christmas Street activations to hosting Archie Roach, who performed at the Kyneton Town Hall. Providing information on COVID-safe practices has been key to supporting the many community activities and events.

Hundreds of people engaged through the Creative Encounters events, and we successfully delivered the Kyneton Town Hall Kids Workshops online. We also assisted small community halls to close and reopen at various times, and developed and implemented COVID-safe plans for community hirers across all our venues.



Christmas street activations – festive elves

Other key achievements

Council's positive ageing plan *Participate 2020-2025* was adopted by Council. The plan reflects the needs, aspirations and priorities to support our aims of being an age-friendly community. Almost 1,000 community members provided feedback and input into the development of the plan that has a strong focus on social connections, being active, living well, advocating for their needs, valuing and respecting older people.

We supported community members to become connected through the Digital Connect program by working alongside individuals to develop skills in utilising technology to stay linked with family, friends and their community.

To ensure we met COVID-safe requirements, we upgraded all public toilet facilities including new soap and paper towel dispensers. Servicing frequency of the toilets was also increased.

We delivered the following projects to facilitate sport and physical activity outcomes:

- IR Robertson Reserve Pavilion
- Dixon Field #2 pavilion redevelopment
- New netball and football change rooms at Gardiner Reserve
- New netball court at Gardiner Reserve
- LED lighting upgrades at Gardiner Reserve and Barkly Square
- Exercise equipment in Kyneton, Gisborne, Romsey and Woodend
- Three new tennis courts at Riddells Creek
- Riddells Creek Recreation Reserve change room upgrade
- New cricket nets at Woodend and Macedon
- New cricket pitches and ground levelling at Tony Clarke and Clifford Reserves
- Completed Gisborne Tennis Courts upgrade
- COVID-19 response including development and installation of reserve and pavilion signage, closure and reopening of venues, ongoing support and advice to community clubs
- New cricket nets at Gilbert Gordon Oval, Woodend
- Early Years completed two capital works projects: Woodend kindergarten playground upgrade and Swinburne Avenue Children's Centre extension.



New cricket nets Gilbert Gordon Oval – Woodend



Woodend kindergarten playground upgrade

Our major initiatives

Progress of Council in relation to major initiatives in the 2020-2021 Budget

Initiative	Progress
Work with the Victorian School Building Authority to create additional capacity to support the roll-out of three-year-old kindergarten.	An Early Years Planner was appointed to provide and support access to quality kindergarten programs across the shire. A partnership has been formed with VSBA and the Department of Education and Training to create capacity and to support the roll out of three-year-old kindergarten.
Commence delivery of the Macedon Ranges Shared Trails Experience that will see the development of three shared trails linking rural landscapes, towns and heritage places from Woodend to Riddells Creek.	Construction has commenced to stage 1a in Woodend. Due diligence started field surveys and analysis for the Cultural Heritage Management Plan is underway. Other due diligence activities, including a detailed ecological assessment, traffic audits and land surveys, are in progress. Landholder negotiations have progressed with V/Line, Vic Track and Parks Victoria, with the next stage of construction to continue through 2022.
Advocate for funding to commence construction of a rail trail and off-road cycling and walking track from Woodend to Hanging Rock.	While continuing to advocate for funding, it has been recognised that funds are required to address issues such as land tenure agreements, environmental studies and cultural heritage as necessary prerequisites, prior to construction funding.
Continue to demonstrate leadership in advancing gender equality through the implementation of the MRSC Gender Equality Action Plan.	<p>Macedon Ranges Shire Council, in partnership with Sunbury and Cobaw Community Health Services, hosted a Flag Raising Ceremony to celebrate IDAHOBIT Day. This event was underpinned by a key aspect of the day – coming together in solidarity to challenge violence and discrimination, and to lift and support LGBTQIA+ people.</p> <p>The youth services team, along with the Centre Against Sexual Assault (CASA), was involved in creating a short video addressing sexual assault called <i>Time to Talk</i>.</p> <p>Council is involved in the Macedon Ranges <i>#humancode</i> project, which aims to understand the factors associated with boys and men doing and experiencing harm in the Macedon Ranges.</p> <p>Inclusion of pronouns following names in our email signatures delivers on an action in the draft Gender Equality Action Plan, and is a way for staff who identify as LGBTQI+ and allies to provide direction on their preferred pronouns. Making a systemic change to include pronouns is a way for us to be inclusive and embrace our diverse community and staff.</p> <p>We participated in the <i>16 Days of Activism</i> initiative, along with other community organisations. It is a campaign centred on the theme – Respect Women: Call It Out 'Respect Is' to coincide with the United Nations (UN) initiative 16 Days of Activism against Gender-Based Violence, 25 November to 10 December 2020.</p> <p>In April this year, the youth services team, along with Mt Alexander Shire Council and Hepburn Shire, coordinated an LGBTIQA+ Youth Ball.</p>
Through the Healthy Heart of Victoria initiative, implement the Free Inclusive Training (FIT) project to get more people more active more often.	Approximately 80 fitness classes were conducted during March 2021, with 246 individual registrations. 83% of attendees strongly agreed that their level of confidence to use the equipment had increased because of the classes, with 8 out of 10 identifying that they would continue to use the equipment. The project also developed a range of training materials for different user groups. These are available through onsite QR codes and Council's website.

Initiative	Progress
Building on the work of the Healthy Heart of Victoria initiative, continue to embed health and wellbeing in Council's policies and decision-making processes.	Learning and understanding developed through the Healthy Heart of Victoria initiative will contribute to Council's new Health and Wellbeing Plan, and other initiatives and policies as they are developed.
Leadership of Loddon Mallee Move It – Better Ageing Program across Loddon Mallee Region, seeking to engage more older people in regular physical activity.	Loddon Mallee Move It was completed in June 2021. 2,000 people participated in come-and-try sessions and one-off events held by partners, with 800 people now registered to continue some form of activity. A Television and radio campaign ran across the Loddon Mallee region, and a video documentary was produced to capture the project. The final evaluation will be completed by LaTrobe University.
Advance Indigenous reconciliation through working with Recognised Aboriginal Parties on the implementation of Council's Reconciliation Action Plan.	Council's first Reconciliation Action Plan (RAP) was reviewed by Reconciliation Australia and their endorsement was received in January 2021. Work continues with each of the three recognised Aboriginal parties to finalise the adoption of the RAP.
Continue to increase community awareness and resilience in relation to mental health, including by supporting the activities of the Macedon Ranges Suicide Prevention Action Group.	Council continues to work across the community and with community service agencies to increase community awareness and resilience in relation to mental health, including by supporting the activities of the Macedon Ranges Suicide Prevention Action Group. This includes representation on the Macedon Ranges Suicide Prevention Action Group.
Continue to increase visibility of diversity in our community across our publications and communications through a refresh of Council's photo and video library.	Staff employed through Working for Victoria completed an image and video library refresh, which showcases the vast diversity of the Macedon Ranges community.
Continue to monitor the implication of aged care reform on Council's role supporting older people.	Continued to report to Council the outcome of the Aged Care Commission findings and outcomes.



Loddon Mallee Move It program – 'Romsey – back in the game'

Local Government Performance Reporting Framework

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Aquatic facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities/number of Council aquatic facilities]	1.00	1.00	1.00	0.0	No inspections took place. This was due to a combination of COVID-19 closures and the Environmental Health Officers supporting local businesses through COVID-19 trading and lockdowns.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities/municipal population]	7.11	7.23	5.50	2.53	The significant reduction in aquatic visits is attributable to COVID-19 restrictions – including multiple full centre closures and operating under density limits/caps. Data comparison of previous year data to the reported data (19/20 v 20/21) shows the underlying utilisation of facilities outside of the COVID-19 restricted periods was in line with previous years.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received/ number of visits to outdoor aquatic facilities]	New in 2020	New in 2020	\$3.32	\$7.09	The increased cost of running aquatic facilities is directly attributable to the significant decline in attendance and associated income reduction resulting from COVID-19 restrictions and the ongoing cost of ownership. Extended periods of operating under density limits furthered the impact of closures due to the lower income generating opportunities, with no reduction in the cost of operating the services, due to operational requirements. Although there were offset cost savings to operations due to closures from reduced salary costs, the fixed operational costs and reduced income profit offsets resulting from lower program attendances throughout the year, significantly impacted the budget bottom line. <i>Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.</i>
Retired aquatic indicators					
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received/ number of visits to indoor aquatic facilities]	\$1.01	\$1.44	Retired in 2020	Retired in 2020	
Service cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received/ number of visits to outdoor aquatic facilities]	\$18.28	\$10.77	Retired in 2020	Retired in 2020	

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Animal management					
Timeliness					
Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests/ number of animal management requests]	1.98	1.20	1.18	1.10	
Service standard					
Animals reclaimed [Number of animals reclaimed/number of animals collected] x 100	50.98%	54.04%	50.28%	50.49%	
Animals rehomed [Number of animals rehomed/number of animals collected] x 100	New in 2020	New in 2020	22.33%	27.32%	The increased rehoming rate is attributable to lower overall impound rates of dogs and cats, with a higher proportion of those found to be suitable for rehoming.
Service cost Cost of animal management service per population [Direct cost of the animal management service/population]	New in 2020	New in 2020	\$20.08	\$18.22	The cost of the service marginally decreased, in part due to lower animal impound rates resulting in decreased pound contractor costs. <i>Note: This measure is replacing the previous 'Cost of animal management service', which was based on cost per number of registered animals (see retired measures).</i>
Health and safety Animal management prosecutions [Number of successful animal management prosecutions/ number of animal management prosecutions] x 100	New in 2020	New in 2020	100%	0.00%	Council did not finalise any prosecutions in the financial year. Lower prosecution rates reflect an enforcement approach focused on prosecuting the most serious breaches and using alternative enforcement approaches to achieve compliance. <i>Note: This measure is replacing previous 'Animal management prosecutions', which was a measure of number, not proportion (see retired measures).</i>
Service cost Cost of animal management service [Direct cost of the animal management service/number of registered animals]	\$53.60	\$68.48	Retired in 2020	Retired in 2020	
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	1	0	Retired in 2020	Retired in 2020	
Food safety					
Timeliness					
Time taken to action food complaints [Number of days between receipt and first response action for all food complaints/ number of food complaints]	3.35	2.25	2.13	2.96	Increase was due to staff working within a COVID-19 environment for the past 12 months.

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984/number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	98.99%	100.00%	95.65%	77.54%	The number of premises requiring assessments increased in 2021. Due to the constraints of COVID-19 the number of actual assessments decreased.
Service cost Cost of food safety service [safety service/number of food premises registered or notified in accordance with the Food Act 1984]	\$297.84	\$311.54	\$298.43	\$290.16	
Health and safety Critical and major noncompliance outcome notifications [Number of critical non-compliance outcome notifications and major noncompliance notifications about a food premises followed up/number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	98.26%	100.00%	95.52	95.12%	
Libraries					
Utilisation Physical library collection usage [Number of physical library collection item loans/number of physical library collection items]	5.63	5.44	4.48	4.48%	Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.
Resource standard Recently purchased library collection [Number of library collection items purchased in the last five years/number of library collection items] x100	75.10%	72.10%	72.10%	72.10%	
Participation Active library borrowers in municipality [Number of active library borrowers in the last three years/the sum of the population for the last three years] x100	16.92%	16.40%	16.28%	14.17%	The decrease was due to COVID-19 and libraries being closed for periods of time throughout 2021.

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Service cost Cost of library service per population [Direct cost of the library service/population]	New in 2020	New in 2020	\$27.03	\$28.02	<i>Note: This measure is replacing the previous 'Cost of library service' indicator, which measured based on number of visits (see retired measures).</i>
Retired Library Indicator					
Service cost Cost of library service [Direct cost of the library service/number of visits]	\$4.77	\$5.16	Retired in 2020	Retired in 2020	
Maternal and child health (MCH)					
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received)/ number of birth notifications received] x 100	101.26%	100.60%	100.42%	100.63%	
Service cost Cost of the MCH service [Cost of the MCH service/ hours worked by MCH nurses]	\$63.79	\$78.74	\$83.06	\$87.83	
Participation 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] x 100	82.01%	80.92%	82.38%	80.85%	
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year)/number of Aboriginal children enrolled in the MCH service] x 100	85.71%	80.65%	91.23%	78.67	Aboriginal children participating in MCH services reported increased numbers in enrolments at year end. However, the number of Aboriginal children who attended the service at least once during the year, did not increase at the same rate as enrolments.
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits/ number of birth notifications received] x100	New in 2020	New in 2020	103.17%	96.85%	
Retired MCH Indicator					
Participation in first MCH home visit [Number of first MCH home visits/number of birth notifications received] x 100	99.58%	103.62%	Retired in 2020	Retired in 2020	

PRIORITY 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.

Our goal

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

Fast facts

- 425 kilograms of FOGO were composted per household.
- 34,000 new bins were delivered across the shire as part of FOGO and glass bin service roll-out.
- We undertook 304 inspections and approved 133 wastewater (septic tank) applications.
- We responded to 217 planning referrals relating to wastewater and septic tanks.
- 997 kilometres of woody weeds were treated along roadsides, plus over 130 known populations of Chilean Needle Grass and 350 known populations of Serrated Tussock infestations.
- 19 environment workshops, information sessions, discussion groups and citizen science events were attended by approximately 349 people.
- Individual on-farm advice about regenerative agriculture was provided to 50 farmers.
- Land owners from 25 properties completed a regenerative grazing short course, and over 450 people participated in eight webinars, three field days and four discussion group meetings about sustainable land management.
- 144 nest boxes were inspected across 86 biodiversity monitoring sites. 36 showed signs of use by possums, sugar gliders or brush-tail phascogale.
- 94 species of birds, including five threatened species, were recorded across 86 monitoring sites as part of the shire's 2020 Bird Blitz.

Achievements

We addressed climate change mitigation, resilience and adaption

- Council declared a Climate Emergency at the March Scheduled Council Meeting, publicly acknowledging that action is urgently required to address the causes and impacts of climate change.
- Council's participation in the Victorian Energy Collaboration was confirmed, which will result in Council sourcing all the organisation's electricity needs from renewable sources from 1 July 2021.
- We facilitated community climate change action plans for Woodend, Romsey and Lancefield, as a part of the Cool Changes program.
- We prepared a draft Sustainable Buildings Policy.
- Environmental audits of Council facilities were completed to inform future environmental building upgrades.
- We supported the Macedon Ranges Sustainability Group to provide home energy advice to residents through Council's Community Funding Scheme.
- The installation of electric vehicle charging stations in Woodend and Kyneton commenced with funding from the Commonwealth Government under their Local Roads and Community Infrastructure program.

We protected biodiversity

- Environmental restoration works were completed throughout Council's bushland and conservation reserves, including substantial woody weed removal and revegetation along the Romsey Five Mile Creek.
- We completed infrastructure works at Hobbs Road and Black Hill bushland reserves to improve security, accessibility and safety.
- A cultural burn was conducted at Daly Nature Reserve, which was aimed at enhancing the ecological values of the site's grasslands.
- We supported 13 community members to complete the Nature Stewards environmental capacity-building program.
- We closed informal tracks within the Shone and Shultz Estate (sometimes referred to as Barrm Birrm) to protect the area's significant flora and fauna.
- We made a submission to the Victorian Parliamentary Inquiry into Ecosystem Decline.

We managed waste as a resource

We managed waste as a resource by collecting household general waste, recyclables, glass, and Food & Garden Organics (FOGO), and diverting waste resources from landfill. We introduced a FOGO collection to major townships within the shire to reduce the amount of food waste going to landfill. This is both environmentally sound and attempts to keep the cost of waste management down for the community. Throughout 2020/21, over 8,505 tonnes of organics were diverted from landfill through the kerbside FOGO service. The remainder of the shire will have the FOGO service introduced in July 2021.

We are one of only a few councils in Australia to introduce a separate kerbside, glass bin collection service. Since its implementation, the service has diverted over 1,903 tonnes of glass from landfill. This has significantly improved the quality of recycling generated within the shire, allowing for our commingled recycling to be recovered in Australia. We encourage residents to reduce, reuse and recycle wherever possible, having improved waste diversion from 45 per cent to 60 per cent, following the introduction of the FOGO and glass services. The resource recovery team continues to look at ways to innovate and assist residents with recycling and waste minimisation.

We enhanced waterways and water catchment quality

With contributions from the Department of Environment, Land, Water and Planning (DELWP), Melbourne Water and Western Water, Council delivered on the Southern Macedon Ranges Integrated Water Management Plan. Integrated Water Management (IWM) recognises the interconnected nature of the water cycle, seeking to manage water across the whole water cycle in a coordinated manner and improve its interactions with the built and natural environment. Traditionally, three 'areas' of the water cycle have been managed separately: water supply, wastewater and storm water. Roles and responsibilities have similarly focused on the different areas of water management. Integrated water management recognises the interrelationships between different sources of water, and views water cycle management within a specific environmental, social, cultural and economic context – recognising the needs of local catchments and waterways, communities and industries. We also:

- completed environmental restoration plans for waterways in the southern part of the shire within Melbourne Water's catchment area
- completed an investigation into water-sensitive urban design options along Romsey Five Mile Creek, and conducted substantial woody weed removal and revegetation along the waterway with co-funding from Melbourne Water

- delivered the Healthy Landscapes for Healthy Livestock project, which included delivery of individual advice about regenerative agriculture to 50 farmers, along with 16 workshops, field days and discussion groups. Evaluation of the project identified that everyone engaged in the program had made a positive change to how they manage their land.

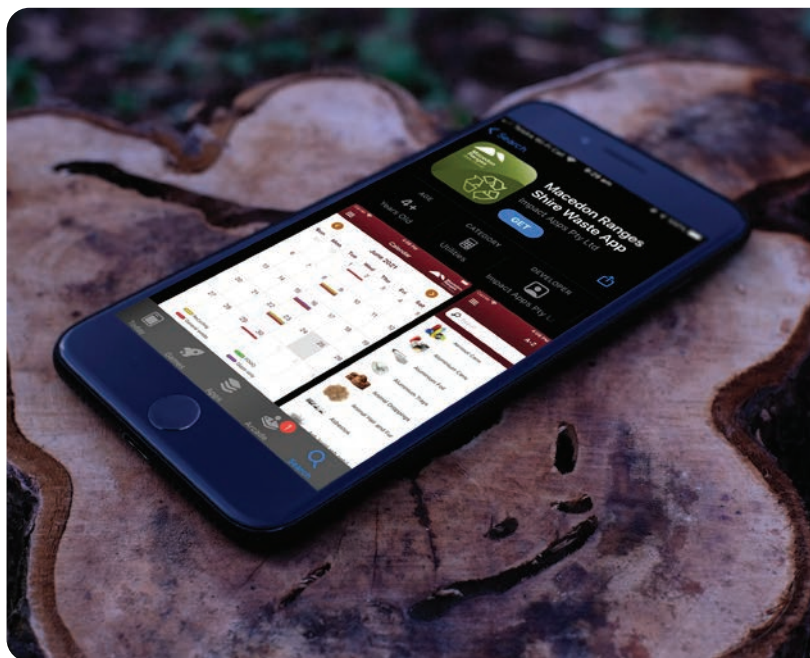
We were proactive in environmental planning and policy

We did this by:

- providing environmental advice about 173 planning permit referrals
- completing a draft Roadside Conservation Management Plan that aims to protect the conservation value of roadsides, while maintaining road safety and mitigating fire risk
- supporting the community to progress biolinks plans for the Ashbourne and Kyneton Woodlands areas
- engaging Taungurung and Wurundjeri Woi Wurrung Traditional Owner groups to undertake cultural heritage assessments of Black Hill, Bald Hill and Barringo Reserves.

Other key achievements

Introduction of the new Macedon Ranges Shire Council (MRSC) waste app has been received with strong positive feedback from the community.



MRSC waste app

Our major initiatives

Progress of Council in relation to major initiatives in the 2020-2021 Budget

Initiative	Progress
Undertake Emissions Reduction Energy Audits of Council buildings to inform the preparation of a Zero Net Emissions Strategy and Action Plan, along with future building upgrades and retrofitting works.	Environmental audits were completed for Council facilities with a focus on kindergartens. The outcomes of these audits informed the package of environmental building upgrades funded in Council's 2021/22 budget.
Roll out Stage 2 of Food Organics Garden Organics (FOGO) kerbside collection and continue to reduce waste to landfill.	<p>Stage 2 and 3 of FOGO will be implemented in July 2021. Since the launch of the four-bin system in February 2020, together we have saved 11,715 tonnes of organic waste from landfill, which has been turned into nutrient-rich compost used on farms, parks and gardens across the state. This has resulted in a reduction of 34,441 tonnes of CO₂ equivalent in greenhouse gas emissions, compared to last year. This would provide enough electricity to power 4,148 houses for one year.</p> <p>Our new glass-only bins have saved 1,903 tonnes of glass from landfill, which has been used in Victorian roads and construction.</p> <p>Our FOGO service has resulted in a diversion of up to 50 per cent of food waste from landfill, therefore minimising the amount of waste to landfill. The roll out of glass-only bins has also minimised recyclable materials going to landfill, and increased the quality of the recycling materials for recycling purposes.</p> <p>In the 2020/21 financial year, Council recorded the following tonnages for each waste stream, resulting in a 59 per cent landfill diversion rate:</p> <ul style="list-style-type: none"> • General waste: 7,170 tonnes • Commingled recycling to landfill: 1,247 tonnes • Commingled recycling (APR): 1,468 tonnes • Glass: 1,903 tonnes • FOGO: 8,505 tonnes • 425 kilograms of FOGO composted per household. <p>34,000 new bins were delivered across the shire as part of FOGO and the glass bin service roll out.</p>
Implement the first stage of works from the Romsey Five Mile Creek Master Plan, including upgrading the Pohlman Street footpath and associated landscaping to improve the visitor experience of the creek corridor.	All Stage One works identified in the Romsey Five Mile Creek Master Plan have been delivered. This includes upgrades to the Pohlman Street footpath, removal of woody weeds and associated revegetation works. Council also commissioned a Water Sensitive Urban Design Investigation report that is expected to be completed in first quarter of 2021/22. A Cultural Heritage management Plan is also progressing for the creek corridor and expected to be finalised during 2021/22.
Commence an asset management condition assessment of existing Council Water Sensitive Urban Design (WSUD) assets.	<p>This initiative commenced. The project includes the inspection of Council's 65 existing WSUD assets within the shire to identify whether they are functioning as intended, and if not, identifying the cause.</p> <p>All inspections on Council's 65 WSUD assets have been completed, and the final report with rectification recommendations and maintenance schedules will be complete early in the new financial year.</p>

Initiative	Progress
Continue the review of Vegetation Protection Overlays with Stage 2 completed by 30 June 2021.	The draft review is substantially complete, subject to confirming the Victorian Government's requirements for implementation.
Continue delivery of a program of community climate change action plans across the shire's townships, building on the success of the previous program in Malmsbury and the current project in Woodend.	A community climate change action plan was completed for Woodend and a draft plan was progressed for Romsey and Lancefield.
Work toward amending the Planning Scheme to introduce new policy and planning controls to implement the Significant Landscapes Study.	The Macedon Ranges Significant Landscapes Assessment Study was adopted at the 24 April 2019 Scheduled Council Meeting. Following the adoption of the study, amendment documentation was prepared and submitted to the Minister for Planning on 2 April 2020, to seek authorisation to prepare Amendment C133macr. Authorisation was received on 25 May 2021 with five conditions. It is expected that public exhibition of Planning Scheme Amendment C133macr will be undertaken in 2021/22.
Commence phase 2 of Council's Single Use Plastics Project and implement a range of actions to phase out single-use plastics, based on the audit findings and action plan completed in Year 3 (2019/20).	<p>Council has engaged the services of Plastic Oceans Australasia (POA), a not-for-profit education organisation, to assist in delivering a program that addresses some of the recommended actions in the Towards Zero Single-use plastics report and action plan. EPIC (Engagement in Plastic-free Innovation for Change) is a twelve-month program available for business and local government that will support Council to reduce, reuse, recycle and eventually eliminate all single-use plastics in the workplace and beyond. The program fosters innovation and change to find solutions to reduce the organisation's environmental impact.</p> <p>The EPIC program commenced in January 2021, with POA conducting a staff survey and waste audit of Council offices and facilities, followed by a tailored program delivered throughout the year. A report will be provided to Council at the end of the program, with results and a road map for next steps.</p> <p>To further engage staff and encourage the wider community to reduce single-use plastics, Council has joined Plastic Free July in a two-year membership from 2021. Plastic Free July is a global movement that helps millions of people to be part of the solution to the plastic pollution problem.</p> <p>In 2020, more than 300 million people took part in Plastic Free July worldwide, and on average, participants reduced their household waste by 5.9 per cent, and their recycling by 3.8 per cent per year.</p> <p>The focus in 2021 is to raise awareness of the campaign. In 2022, this will expand to support and working closely with schools and businesses.</p>
Deliver the second round of regenerative agriculture workshops and speaker nights, and continue to provide individual sustainable farming advice to land owners, as a part of Council's Healthy Landscapes for Healthy Livestock project, funded by through the Commonwealth Government's National Landcare Program.	This project was completed with delivery of two regenerative grazing courses, 15 workshops, webinars, field days and discussion groups, and provision of individual advice to 50 farmers.

Local Government Performance Reporting Framework

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Waste					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests/number of kerbside bin collection households] x 1000	228.03	223.08	210.47	198.56	Data provided is for general waste, recycling and glass – excludes food organics and garden organics (FOGO) as per guidelines.
Service standard Kerbside collection bins missed Number of kerbside garbage and recycling collection bins missed/number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	10.58	8.05	8.51	8.69	Includes all bin types – general waste, FOGO, recycling and glass.
Service cost Cost of kerbside garbage bin collection service Direct cost of the kerbside garbage bin collection service/ number of kerbside garbage collection bins]	\$129.92	\$136.95	\$127.19	\$93.28	Cost of the kerbside garbage collection service has reduced as Council has implemented a FOGO and glass collection service to parts of the shire and reduced the garbage collection service from weekly to fortnightly in these areas. A full FOGO and glass collection service will be effective in all parts of the shire from 1 July 2021.
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service/number of kerbside recyclables collection bins]	\$42.88	\$42.44	\$79.43	\$68.56	Cost of the kerbside recycling collection service has reduced as Council has implemented a FOGO and glass collection service to parts of the shire. The costs for the FOGO and glass collection service are not included in the kerbside recycling collection service costs.
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins] x 100	44.81%	44.78%	53.46%	64.67%	Council has extended the Food Organics Garden Organics (FOGO) and glass recycling to more areas of the shire, which has returned benefits with less kerbside waste being diverted to landfill.

PRIORITY 3 – IMPROVE THE BUILT ENVIRONMENT

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

Our goal

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.

Fast facts

- 79 kilometres of gravel roads were resurfaced.
- 42 kilometres of sealed roads were resurfaced.
- 12 intersections were upgraded to asphalt.
- 5 unsealed court bowls were improved to cater for the turning circles of heavy vehicles.
- 4.5 kilometres of sealed roads were reconstructed.
- 1.6 kilometres of sealed roads were contributed by developers.
- 2 kilometres of footpath was gifted by developers.
- 1 new footbridge was constructed.
- 3.1 kilometres of new footpaths were constructed.
- 1.1 kilometres of existing footpaths were renewed.
- Renewal works were conducted at 35 buildings.
- 20,088 trees were audited.
- 65 playgrounds were maintained.
- 3 botanic gardens were maintained.
- 57 public toilets were maintained and cleaned.

Achievements

We fostered township character

The following key projects were delivered:

- Kyneton Bowls Club and Library external upgrade
- Construction of the Gisborne Gardiner Reserve football and cricket pavilion upgrade, including female-friendly change room facilities for football and cricket
- Kyneton Town Hall façade upgrade works commenced
- Riddells Creek football and cricket home and away change room amenities upgrade
- Gisborne Aquatics Centre upgrade to change rooms and main pool hall lighting and painting
- Kyneton Aquatic Centre floor upgrade, pool tiling, painting, male change room upgrade and stadium upgrade
- Gisborne Swinburne Kindergarten upgrade, including new amenities, meeting room acoustic treatment, storeroom and office
- Woodend and Lancefield outdoor pool design planning for change-room upgrades
- Romsey Ecotherapy Park design stages 2 and 3
- Kyneton Piggery Shed renewal in the Kyneton Botanic gardens
- Kyneton Showgrounds CH Watts Pavilion renewal and DDA upgrades.

The draft Gisborne Futures project encompassing a structure plan, a neighbourhood character study, an urban design framework and Gisborne Business Park, was released for community consultation between 27 July 2020 and 14 September 2020. To date, 240 submissions (212 individual submitters) have been received, 647 survey responses completed, and one petition lodged, with numerous phone call enquiries and one-on-one meetings. At the Scheduled Council Meeting on 24 March 2021, submissions were noted and the community was thanked for their input.

We balanced maintenance and renewal of community assets

Scheduled maintenance programs continue to deliver improvements to building services, including plumbing, electrical and heating, venting and air-conditioning (HVAC) services, aquatic plant maintenance and painting programs. This included painting, tiling and lighting works to the Gisborne Aquatic Centre's main pool hall.

Renewal of community assets included works to the roof of the Kyneton Bowls Club, renewal works to the Lancefield Golf Club rooms, further improvements to Lauriston Hall and upgrades to the Gisborne Gymnasium, along with the football, cricket social room box gutters, and painting upgrades to Romsey and Woodend Stadiums and the Kyneton Sports and Aquatic Centre foyer area.

Council began work on the Kyneton Town Centre Urban Design Framework, which will provide urban design direction for Kyneton's streetscapes, public open spaces and buildings. The focus was on the three main commercial streets: Mollison Street, High Street and Piper Street. The first round of community consultation, an issues and opportunities discussion with the community, was open from 18 January 2021 to 26 February 2021. 18 submissions were received, 106 survey responses were completed, three issues were identified on Pozi maps and 15 face-to-face discussions were held.

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

The installation of new LED lamps to the light towers at Gardiner Reserve provides improved lighting conditions and are more efficient to run.

New change room and pavilion ESD design principles were considered for the upgrade to the Dixon Field Soccer Pavilion and the building of the Gardiner Reserve netball and umpires' change rooms. The football and cricket change rooms required consultants to consider ESD design principles in the design of the buildings, which included:

- water-based low VOC paints
- LED lighting with sensors and timers
- efficient hot water supply, water saving taps, showers and toilets
- timer switches on heating units
- requirement of waste sorting during construction to maximise recycling and minimise landfill.

We improved local roads

- We responded to over 1,660 customer requests in relation to roads in the shire.
- As part of maintaining our road network, 79 kilometres of gravel roads were re-sheeted and 46.5 kilometres of sealed roads were resurfaced or reconstructed.
- 12 intersections were upgraded to asphalt and five unsealed court bowls were upgraded to improve the turning circle of the court bowl.

We advocated for improved environmental performance in new developments

Council made a submission to the Victorian Government's Environmentally Sustainable Development of Buildings and Subdivisions – A Roadmap for Victoria's Planning System. Council has been promoting the use of the Sustainable Subdivisions Framework for new subdivision applications, as part of a statewide trial of the framework.

We advocated for better access to public transport

We continued to advocate for better access to public transport and this is a core priority in Council's Health and Wellbeing Plan.

We increased walking and cycling connectivity

Council increased walking and cycling connectivity through construction of 3.1 kilometres of new footpaths.

We encouraged multi-use recreation and community facilities

Council continues to encourage multi-use of our recreation and community facilities. Multi-use of facilities promotes use when a facility would otherwise be vacant, and contributes to getting more people more active, more often. During this year, we supported the Hanging Rock Petanque club to access the Woodend Racecourse Reserve and the Macedon Rangers Soccer Club.

Other key achievements

Increased services to public toilets and facilities in response to the COVID-19 pandemic included increased cleaning frequency, and inclusion or upgrades of soap and paper towel dispensers.

A new pedestrian crossing facility was installed on Victoria Street, Kyneton.

The Macedon Ranges Significant Landscapes Assessment Study was adopted at the 24 April 2019 Scheduled Council Meeting. Following the adoption of the study, amendment documentation was prepared and submitted to the Minister for Planning on 2 April 2020 to seek authorisation. This was received on 25 May 2021, with five conditions.

Following Council endorsement of the Macedon Ranges Statement of Planning Policy in 2019, Planning Scheme Amendment VC185 was approved and gazetted by the Minister for Planning on 30 April 2021. Amendment VC185 introduced the new Macedon Ranges Statement of Planning Policy and Hanging Rock Strategic Plan. The Statement of Planning Policy provides a framework to ensure the outstanding landscapes, layers of settlement history, impressive landforms, and diverse natural environment of the Macedon Ranges are protected, conserved and enhanced to continue to be of special significance to the people of Victoria.

Council endorsed several submissions throughout the year including:

- Planning for Melbourne's Green Wedges and Agricultural Land
- Environmentally Sustainable Development of Buildings and Subdivisions – A Roadmap for Victoria's Planning System
- a number of Exploration Licence Applications that impact different parts of the shire.

Council also prepared a number of smaller planning scheme amendments of which:

- C138macr was gazetted on 14 July 2020
- C134macr was gazetted on 1 October 2020
- following re-exhibition, C126macr was adopted by Council at the 24 March 2021 Scheduled Council Meeting and awaits approval from the Minister for Planning
- C143macr was authorised by the Minister for Planning on 7 June 2021, subject to three conditions.



Kyneton Piggy Shed renewal – Kyneton Botanic Gardens



Kyneton Town Hall Façade upgrade works – repairs to render, before and after

Our major initiatives

Progress of Council in relation to major initiatives in the 2020-2021 Budget

Initiative	Progress
Pursue opportunities to purchase open space land along Bunjil Creek in Gisborne.	The current owner put the property on the market, making it difficult for officers to negotiate a part purchase. A potential owner has been identified for the property and officers have been working with all parties to explore the opportunity for Council to purchase a rear section. All parties agreed to allow Council to engage professional services to survey the site. The surveyor's report has been received and officers negotiating the possible purchase are consulting with Council's planning department to consider the best way forward for Council to purchase the required parcel of land.
Complete design for the Macedon Ranges Sports Precinct Project.	The precinct master plan has been designed. The design was informed by feedback received through engagement with the key user reference group, sporting associations and via two rounds of community consultation. The design and construction tendering for the first stage of delivery will be completed in 2021/22.
Continue to maintain and renew community building assets through delivery of the building renewal capital works program.	Facilities and operations delivered or is delivering 35 renewal projects and 18 building and construction projects. This included construction works to convert the old maternal and child health centre in Victoria Street Macedon to a new Macedon and Mt. Macedon Community House, and <i>Disability Discrimination Act</i> compliance upgrades to the Kyneton Showgrounds CH Watts Pavilion.
Continue to improve continuous accessible paths of travel to key destinations, such as recreation, community facilities, schools and business areas.	We delivered 3.1 kilometres of new footpath, renewed 1.1 kilometres of existing footpath, and upgraded unsealed paths within reserves and open space, costing \$50,000.
Progress the Gisborne Structure Plan incorporating the Neighbourhood Character Study and Town Centre Urban Design Framework Plan to Council for decision, and consider implementation into the Macedon Ranges Planning Scheme.	The draft Gisborne Futures project encompassing a structure plan, a neighbourhood character study, an urban design framework and Gisborne Business Park, was released for community consultation between 27 July 2020 and 14 September 2020. To date, 240 submissions (212 individual submitters) have been received, 647 survey responses were completed, one petition was lodged, as well as numerous phone call enquiries and one-on-one meetings. At the 24 March 2021 Scheduled Council Meeting, submissions were noted and the community was thanked for their input to date.
Progress the Romsey Structure Plan to Council for decision and consider implementation into the Macedon Ranges Planning Scheme.	After some delay, at the 26 May 2021 Scheduled Council Meeting agreed to progress the Romsey Structure Plan. A tender process to engage a suitably qualified consultant to prepare the Romsey Structure Plan was undertaken during 2020/21. This process is expected to be finalised in the first quarter of 2021/22, with the process to prepare a draft Structure Plan to commence soon afterwards.
Continue to implement the funded Romsey Ecotherapy Park Stage 2 project with Regional Development Victoria and the community.	In conjunction with Romsey Ecotherapy Park Inc. Committee representatives and Regional Development Victoria, we have completed a detailed design for Stages 2 and 3, and have awarded a construction tender that will complete the development of the park. This included an additional \$615,000 of funds through Regional Development Victoria. Completion of the park is scheduled for June 2022.
Following completion of the feasibility study in 2019/20, work with the community and seek funding for resourcing to revitalise the Woodend Library and community centre, and associated land area.	The Woodend Community Centre Master Plan and Business Case was adopted at the May 2021 Scheduled Council Meeting, noting that ongoing discussions with relevant stakeholders and community groups will inform future detailed designs.

Local Government Performance Reporting Framework

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests/kilometres of sealed local roads] x 100	40.53	44.16	41.06	57.85	There have been several developments both within and external to the municipality where large trucks with carts have been carting substantial amounts of material on our local roads. This has led to a deterioration in some of our local sealed road surfaces, resulting in an increase in customer complaints. 14 complaints are related to a development in Wallan, 27 related to a Gisborne development, 11 are related to road construction works being undertaken by Council in Lauriston, and 5 complaints are related to road constructions works in Kyneton.
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council/kilometres of sealed local roads] x 100	96.75%	97.46%	96.44%	96.22%	
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction/square metres of sealed local roads reconstructed]	\$48.21	\$48.63	\$70.03	\$87.95	Three major urban type road reconstructions were undertaken during this period. Urban road construction costs are higher than rural road construction.
Service cost Cost of sealed local road resealing [Direct cost of sealed local road resealing/square metres of sealed local roads resealed]	\$8.40	\$6.78	\$8.03	\$7.81	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48.00	49.00	54.00	49.00	Decrease in satisfaction with sealed local roads could be attributed to a deterioration in some of our local roads, resulting from damage caused by large trucks and carts, road construction works and higher rainfall than previous years accelerating some defects.

PRIORITY 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 our vision.

Our goal

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

Fast facts

- There were 44,744 average visits/sessions per month to the shire's official tourism website, *visitmacedonranges.com*, a 32.12 per cent increase on the previous year.
- There was an 88.63 per cent increase in traffic to *visitmacedonranges.com* from social media channels over the previous year, largely influenced by the @*visitmacedonranges* Instagram page that was launched in May 2020, which has 3,400 followers.
- 90,805 people engaged with the Macedon Ranges Naturally Cool Facebook page.
- Our visitor database remained at just over 13,000 active subscribers, with an average open rate of 35 per cent, well above the industry average of 22.5 per cent.
- The visitor information centres responded to 3,460 visitor enquiries, well down on 12,125 from the previous year, as a result of being closed for 192 days due to COVID-19, which also resulted in a significant reduction of volunteers.
- The Economic Development Business eNews was distributed to an average of 1,888 businesses each month.
- We supported local businesses impacted by COVID-19 restrictions by waiving fees for roadside and footpath trading for 189 businesses, providing a 50 per cent fee reduction for 513 Food Act registrations, 40 Public Health and wellbeing registrations, and 28 Prescribed Accommodation registrations.

Achievements

We encouraged economic vitality

We undertook a number of activities specifically targeted to support economic activity through the restrictions and changes of the pandemic response.

- Go Local First Campaign – this awareness raising campaign to encourage buying locally included social media posts, local business videos, posters and signage across the shire, plus an image library upgrade.
- The Business Continuity and Resilience Program (BCRP) provided vouchers to enable access to local professional service providers to support small business operators to deal with COVID-19 impacts, and investigate opportunities for alternate business streams.
- We conducted workshops, webinars and business mentoring to support the upskilling of local business operators and staff. This included a visual merchandising webinar, and a COVID-19 preparedness workshop and webinar.

We promoted housing diversity

Housing diversity was promoted through the support and continued management of social housing, providing statutory planning approvals for a range of housing options and considering the housing needs of our community now and into the future, through long-term structure planning such as the Gisborne Futures and Romsey Structure Plans.

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

Council received support in many areas through the Victorian Government Working for Victoria initiative. This program provided additional officers to assist in areas that had increased workload due to the impacts of COVID-19.

Additional financial support was provided through the Outdoor Events and Entertainment grants. This enabled businesses to increase their outdoor trading space, while COVID-19 restrictions reduced indoor dining. We supported individual businesses, trader groups and communities to continue to connect and trade during the year.

We considered socio-economic disadvantage

- The economic development and finance teams worked together to introduce a business support measure that ensured local businesses were paid for services delivered to Council in a seven-day cycle, as opposed to the usual 30-day cycle. This initiative helped with cash flow at a time when income for many businesses was considerably lower than projected.
- Together with the Commonwealth and Victorian Governments, Council invests in services and activities that enable the community to access high quality and free or low-cost supports services, including maternal and child health, kindergarten, youth services, the Regional Assessment Service and the Commonwealth Home Support Program.
- We invest in infrastructure that provides low-cost physical activity that can be used by all members of the community.
- We create affordable sporting and physical activity options with clubs and sporting organisations.
- We access funding so that the ability to pay is not a barrier to participation in kindergarten.
- We own and maintain seniors housing to provide local, low-cost accommodation in several townships.
- We provide a referral service for people in serious hardship to agencies providing financial counselling and other supports.
- We advocate for greater access to support services in our local settings, understanding that socioeconomic hardship may have many layers.
- We offered COVID-19 recovery packages for local businesses.
- We are creating/supporting opportunities for pathways to employment.
- We encourage social interaction, support and connection via supported playgroups for new parents.
- We encourage clubs, community groups and services to provide safe, welcoming and inclusive environments for all.
- We support local groups and clubs to provide welcoming and inclusive activities that are low cost.
- Christmas packages were delivered to isolated vulnerable people, in lieu of our annual Christmas lunch.

We encouraged business diversity and growth

Working with the business community and in collaboration with other areas of Council, we assisted new and existing businesses with their permit applications and amendments.

We provided small grants to businesses pivoting their operations due to COVID-19 restrictions to access professional services and advice.

We advocated for improved communications infrastructure

The Economic Development Unit met with telecommunications providers to ensure that local issues are considered. Key relationships were enhanced, and roles and responsibilities clarified. We are actively involved in regional projects aimed at increasing service provision.

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

We continue to support bi-monthly shire-wide meetings that bring together local business, tourism and industry associations for information sharing, support and networking.

Other key achievements

The Go Local First awareness raising campaign included social media posts, local business videos, posters, and signage across the shire, plus an image library upgrade. The campaign encourages locals to discover the great fresh produce from the Macedon Ranges and to support local businesses.

The Business Continuity and Resilience Program (BCRP) was introduced to support small business operators to deal with COVID-19 impacts and investigate opportunities. Vouchers were provided to Macedon Ranges businesses to enable them to access local professional service providers. Professional services included business planning, financial advice, grant applications, marketing and investigating ways to pivot business to respond to a changing market.

Main Street activations and shopfront displays was an initiative aimed at supporting Main Street Christmas celebrations, including street art, roving street artists and Christmas tree displays.

Council purchased a license giving free access for all Macedon Ranges businesses to two national events, the *Regional Growth Supports*. The license also included access to the Regional Growth Facebook Community and regular webinars.



Street activation: Woodend twilight shopping night

Our major initiatives

Progress of Council in relation to major initiatives in the 2020-2021 Budget

Initiative	Progress
Subject to Council adoption and within existing resources, commence implementation of actions contained in year one of Council's Economic Development Strategy.	<p>The Draft Economic Development Strategy 2021-2031 was endorsed for public consultation at the 23 June 2021 Scheduled Council Meeting.</p> <p>Feedback will be received over a six-week period. The draft will be reviewed following the feedback and brought to a future Council meeting for consideration.</p>
Progress the Gisborne Business Park Development Plan through the Gisborne Structure Plan.	<p>At the 18 December 2019 Scheduled Council Meeting, Council resolved to merge the Gisborne Business Park Development Plan into the Gisborne Futures project. This proposal allows the recommendations for further work to be considered more broadly through the Gisborne Futures project.</p> <p>The draft Gisborne Futures project encompassing a structure plan, a neighbourhood character study, an urban design framework and Gisborne Business Park, was released for community consultation between 27 July 2020 and 14 September 2020. We received 240 submissions (212 individual submitters), 647 completed survey responses, one petition was lodged, there were numerous phone call enquiries and one-on-one meetings. At the 24 March 2021 Scheduled Council Meeting, submissions were noted and the community was thanked for their input to date.</p>
Progress the Rural Land Use Strategy (incorporating the 'In the Farming Zone Strategy') to Council for decision and consider implementation into the Macedon Ranges Planning Scheme.	<p>At the 24 March 2021 Scheduled Council Meeting Council resolved to endorse the draft Rural Land Use Strategy for community consultation. Community consultation is expected to commence early in the first quarter of 2021/22.</p>
Continue to support local business and tourism associations (BATAs) and the Agribusiness Forum, and look to re-establish a BATA in Gisborne.	<p>Officers continued to hold bi-monthly meetings involving representation from local business and tourism associations, the Agribusiness Forum and other industry sector peak bodies. The key focus of these interactions was to discuss COVID-19 impacts and business recovery needs, share ideas and knowledge, and to provide progress updates on actions taken. The meetings have been instrumental in focusing resources on the right initiatives, prioritising effort and use of the COVID recovery budget.</p>
Work with community and other stakeholders in considering the recommendations outlined in the Lancefield Megafauna Interpretation Centre feasibility study.	<p>The Lancefield Megafauna Interpretation Centre feasibility study was discussed at a Councillor briefing in February 2021. Officers are rescoping the project to incorporate the feedback received.</p>
To continue to increase the engagement of the business community, refresh the annual Macedon Ranges Shire Council Business Awards, including by making changes to the award categories.	<p>Planning for the 2021 Business Awards was completed. The number of award categories has been reduced, with some being combined and some new categories being introduced to better reflect Council's values and the effect of COVID-19. The awards ceremony will take place later in 2021.</p>

Local Government Performance Reporting Framework

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Statutory planning					
Timeliness					
Time taken to decide planning applications					
[The median number of days between receipt of a planning application and a decision on the application]	100.00	106.00	93.00	98.00	
Service standard					
Planning applications decided within required time frames					
[(Number of regular planning application decisions made within 60 days) + (number of VicSmart planning application decisions made within 10 days)/number of planning application decisions made] x 100	61.47%	58.10%	70.05%	62.82%	Council experienced a drop from 347 applications in 2020 to 291 in 2021 being decided within the required time frames. The number of overall applications received were similar.
Service cost					
Cost of statutory planning service					
[Direct cost of the statutory planning service/number of planning applications received]	\$2,626.30	\$3,136.22	\$3,221.60	\$3,073.47	
Decision making					
Council planning decisions upheld at VCAT					
[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] x 100	52.38%	58.33%	100.00%	50.00%	Sixteen VCAT appeals were decided this year, compared to ten last financial year. The key difference is in the 'set aside' determinations with eight set aside this year, compared to zero last year.

PRIORITY 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 goal

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

Fast facts

- There were 1,850 views of Council meeting livestreams.
- 1,991 archived Council meeting recordings were viewed.
- There were 23,113 rateable properties in the shire.
- 18 residents from 13 countries became Australian citizens at five ceremonies.

Achievements

We demonstrated accessible and responsive customer service

We received 26,480 customer requests in 2020/21 and completed 84 per cent of these within our 10 business day target response time. Audience levels on our social media channels increased across our four channels, with 2,693 followers on LinkedIn (an increase of 70%), 37,255 followers across eight Facebook pages (an increase of 20%), and 549 on Twitter (an increase of 20%) and 2,575 followers on Instagram (an increase of 28%).

We made responsible and evidence-based decisions

We used relevant combinations of our internal technical expertise, independent expert advice and feedback from the community to enable informed decisions to be made at all levels of decision making. This includes 239 decisions made at Council meetings, 29 decisions made via 11 Submitters Committee meetings, 40 Councillor briefing sessions and four meetings of the Health and Wellbeing Advisory Committee.

We demonstrated sound financial management

We continue to have predominantly low-risk financial sustainability indicators as indicated in the *Auditor General's Results of 2019/20 Audits: Local Government Report*. Our 2020/21 results were unfavourable to budget, due to lower developer contribution assets, lower capital grants linked directly to the timing of projects and lower user fees. These were partly offset in savings to materials and employee costs due to COVID-19 restrictions.

Depreciation was also unfavourable to budget, the valuation undertaken at June 20 was finalised after the budget for 2020/21 had been adopted.

We delivered people-focused service

We continued to provide a broad range of services during the year:

- The community continued to have access to Scheduled Council, Special Council and Submitters Committee Meetings through our meeting livestream (webcast). In the days following the webcast, recorded meetings are placed in an archive for downloading.
- Council continued to hold Submitters Committee meetings online during the last 12 months. The purpose of this committee is to hear from:
 - persons who have made a submission to Council in accordance with Section 223 of the Local Government Act 1989
 - persons in support of written submissions lodged in accordance with those matters specified in Council's Community Engagement Policy as matters that will be subject to a Submitters Delegated Committee hearing
 - persons who have made an objection or submission to a planning application
 - permit applicants/landowners of a planning application (or their nominated representative).

Submitters Committee meetings are held when required on the second Wednesday of the month. Council also endorsed the creation of a Planning Committee Meeting to run alongside our Submitters and Scheduled Meeting schedule.

We also work closely with community stakeholder groups to gather their input and ensure we understand their needs.

We attracted, retained and supported a skilled workforce

We continued to develop our workforce with a focus on enhancing internal and external customer service, identifying and managing risk, and increasing awareness and promotion of gender diversity. During 2020/21, staff were provided with training opportunities targeting leadership capabilities.

We delivered the third annual staff survey and responded to feedback by introducing three-weekly all-staff meetings, establishing an operational leadership team, supported by leadership training and coaching.

We provided employment opportunities to 57 people through the Victorian Government's Working for Victoria initiative. The fund was designed to connect workers with new opportunities in roles that supported our community.

Our major initiatives

Progress of Council in relation to major initiatives in the 2020-2021 Budget

Initiative	Progress
<p>Following commencement of the new Local Government Act 2020:</p> <ol style="list-style-type: none"> 1. Develop Governance Rules for adoption by Council by 1 September 2020. 2. Draft and begin consultation on a new Community Vision (for adoption by or before 31 October 2021). 3. Draft, and begin consultation on a new Council Plan (for adoption by or before 31 October 2021). 4. Develop and adopt a suite of new governance-related policies and procedures as required by the LGA 2020, including a Community Engagement Policy, Public Transparency Policy, and Chief Executive Officer Employment and Remuneration Policy. 5. Review and adopt revised Instruments of Delegation to delegate Council powers, duties and functions to Council staff. 6. Review and adopt revised Instruments of Delegation, and implement any required transition processes for delegated committees of Council. 	<ol style="list-style-type: none"> 1. Council adopted its Governance Rules at the Council meeting on 26 August 2020. 2. A draft of the new Community Vision has progressed and is on schedule for adoption before 30 October 2021. 3. A draft of the new Council Plan has progressed and is on schedule for adoption before 30 October 2021. 4. Council adopted its Community Engagement Policy at the Council meeting on 27 January 2021. The Public Transparency Policy was adopted at the Council meeting on 26 August 2020. Work on the Chief Executive Officer Employment and Remuneration Policy is underway, and the policy will be adopted by Council by 31 December 2021. 5. Council's delegations are continually updated to align with legislative amendments. 6. Council has three delegated committees: the Submitters Delegated Committee, The Health and Wellbeing Committee and a newly formed Planning Delegated Committee. These were established based on delegations from Council.
Support the delivery of a robust general election on 24 October 2020 in accordance with VEC service plan requirements, including the implementation of appropriate election (caretaker) period arrangements.	Council adopted a detailed Election Period (Caretaker) Period Policy on 26 August 2020. Council's officers implemented the policy along with creating and maintaining an Information Request Register.
Implement initiatives to support local government election candidates, and deliver a comprehensive induction program for new Councillors, to support the continuation of strong governance in the shire.	Candidates undertook Local Government Candidate Training. Council provided Councillors with induction training on 19 and 20 November 2020, with presentations from a range of internal and external presenters. Councillors continue to engage in professional development and internal training.
Monitor statutory planning services processing/decision times to ensure we achieve the statutory timeframes set by the Planning and Environment Act 1987. The target to be achieved is 70% of applications determined within 60 statutory days.	<p>Monitoring of statutory planning services processing/decision times commenced in 2018/19. This is ongoing and will continue to be monitored and tracked in-house.</p> <p>In 2020/21, we decided 62.82 per cent of planning applications 'in time', against the Council Plan goal of 70 per cent.</p>
Continue to develop a whole of organisation process mapping and framework.	The process was delayed due to the pandemic and an increase in remote working arrangements. Several departments commenced the process with initial workshops conducted. The process will continue throughout 2021/22.
Continue to identify and implement agreed actions from employee surveys.	A survey action plan has been developed from the Employee Engagement Survey conducted in October 2020. Pulse and full engagement surveys are scheduled to ensure there is continued staff feedback on the progress made.

Initiative	Progress
Continue to progress initiatives to embed organisational values into policies and processes of the organisation.	The organisational values have become a key focus with all updated and new policies or processes.
Investigate improvement to Council's online information, including options to increase the use of HTML-based content and increasing the accessibility of online forms.	Council allocated additional resourcing to support digital content, design and accessibility. It is currently 50 per cent complete.
Review Council's Complaints Handling Policy to ensure a flexible approach that assists people with varying abilities to outline their concerns in a variety of ways.	Council began work on updating the Complaints Handling Policy in line with requirements in the <i>Local Government Act 2020</i> . This work will be completed during the second quarter of 2021.
Provide a package of support measures for the community and local businesses to assist the shire's recovery from the COVID-19 pandemic.	Support measures included the Business Continuity and Resilience Program (BCRP) – provision of vouchers to enable access to local professional service providers to support small business operators to deal with COVID-19 impacts and investigate opportunities, engage local creative businesses to undertake a range of community activities, and support hospitality businesses to adapt to new trading conditions and restrictions, including waiving street trading permit fees.

Local Government Performance Reporting Framework

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material variations and comments
Governance					
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at Scheduled or Special Meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/number of Council resolutions made at Scheduled or Special Meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	4.55%	4.76%	8.68%	2.24%	The percentage of Council decisions made at meetings closed to the public decreased in 2021 resulting from a reduction in the number of resolutions made at meetings closed to the public from 19 in 2020 to 6 in 2021. The number of resolutions made at meetings open to the public increased from 219 in 2020 to 268 in 2021.
Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	54.00	52.00	51.00	49.00	
Attendance Councillor attendance at Council meetings [The sum of the number of Councillors who attended each Scheduled and Special Council Meeting/(number of Scheduled and Special Council Meetings) x (number of Councillors elected at the last Council general election)] x 100	93.46%	98.52%	89.81%	98.69%	
Service cost Cost of governance [Direct cost of the governance service/number of Councillors elected at the last Council general election]	\$43,583.44	\$41,264.22	\$38,913.22	\$56,568.56	
Satisfaction Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	51.00	51.00	52.00	47.00	

OUR GOVERNANCE



Mt Macedon, Mt Macedon Road – morning

Governance, management and other information

Macedon Ranges Shire Council is constituted under 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 expectations and priorities. The community has many opportunities to provide input into Council's decision-making processes, including through the methods set out in Council's Community Engagement Policy, and by speaking at meetings of its delegated committees.

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.

Governance

Meetings of Council

Council 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. Council meetings also provide the opportunity for community members to submit a question to the Council, make a submission or speak to an item.

In 2020/21, there were:

- 13 Scheduled Council Meetings
- 4 Special Council Meetings.

Councillor attendance at Scheduled Council Meetings and Special Council Meetings for 2020/21.

Councillor	Scheduled Council Meetings	Special Council Meetings	Total
Cr Jennifer Anderson	13	4	17
Cr Dominic Bonanno	9	3	12
Cr Annette Death	9	2	11
Cr Rob Guthrie	9	3	12
Cr Geoff Neil	9	3	12
Cr Anne Moore	9	3	12
Cr Janet Pearce	13	4	17
Cr Mark Ridgeway	9	3	12
Cr Bill West	13	4	17
Previous Councillors to 24 October 2020			
Cr Henry Bleack	4	1	5
Cr Natasha Gayfer	4	1	5
Cr Mandi Mees	4	1	5
Cr Helen Radnedge	4	1	5
Cr Andrew Twaits	3	1	4
Cr Roger Jukes	4	1	5

Committees

Section 86 of the Local Government Act 1989 (LGA 1989) provided for the establishment of special committees, sometimes referred to as 'Section 86 Committees'. Council had four special committees: the Submitters Committee, Stanley Park Reserve Committee of Management, Clarkefield Reserve Committee of Management and Bullengarook Reserve Committee of Management.

From 1 September 2020, under the new Local Government Act 2020 (LG Act 2020), section 86 was repealed and the instruments of delegation for Council's four special committees were revoked by Council on 26 August 2020. Council entered into a Memorandum of Understanding (MOU) with the Stanley Park Committee until options for the future management of the Reserve could be established.

On 26 August 2020, Council established the Submitters Delegated Committee under sections 11 and 63 of the Local Government Act 2020 for the purposes of hearing from planning permit applicants, landowners and objectors, and from submitters in accordance with section 223 of the Local Government Act 1989 and from submitters on matters specified in Council's Community Engagement Policy.

Special committee	Councillors	Officers	Other	Purpose
Submitters delegated committee	9	0	0	To consider submissions made under section 223 of the Act

Councillor support and allowances

Allowances

Mayors and Councillors are entitled to receive an allowance while performing their duty as elected officials. The Victorian Government sets the upper and lower levels for allowances paid to Councillors, except for Melbourne and Greater Geelong City Councils, where allowances are fixed separately.

Councils are required to review allowance levels by 30 June in the year following a general election, and the allowance level determined remains in effect for the full term of the Council. The Mayor and Councillor allowances are subject to annual automatic adjustments that are announced by the Minister for Local Government.

Councils are divided into three categories based on the income and population of each Council area. Macedon Ranges Shire Council is a category 2 council.

An important reform of the *Local Government Act 2020* (LG Act 2020) is the transfer of responsibilities in determining mayoral, deputy mayoral and councillor allowances to the Victorian Independent Remuneration Tribunal (the Remuneration Tribunal).

However, until the Remuneration Tribunal makes its first determination on allowances, the allowance framework under the *Local Government Act 1989* (LG Act 1989) continued to apply, despite the repeal of those relevant provisions last year. Section 39(6) of the *LG Act 2020* provides for this transitional arrangement.

The Minister for Local Government will request that the Remuneration Tribunal make a determination, although a determination is not expected until late 2021.

All councils were required to undertake and complete their own review of allowances under the *LG Act 1989* by 30 June 2021. Community consultation was undertaken on proposed Mayor and Councillor allowances for Macedon Ranges Shire Council and no submissions were received.

On 23 June 2021, Council set a Mayoral allowance of \$81,204 per annum (excluding superannuation) and a Councillor allowance of \$26,245 (excluding superannuation), with both amounts being the maximum allowed for category two councils.

Support

In accordance with section 40 of the 2020, Council was required to reimburse Councillors for expenses incurred while performing their duties. Council was 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.

The details of expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by Council for the 2020/21 year, are set out in the following table.

Councillor allowances and expenses

Councillor	Allowances	Travel and accommodation	Car mileage	Information and Communication Technology	Training and development (individual)
Cr Jennifer Anderson*	\$71,360	\$7	\$275	\$538	\$957
Cr Janet Pearce**	\$45,368	\$0	\$3,417	\$538	\$722
Cr Mark Ridgeway	\$17,961	\$0	\$1,848	\$281	\$0
Cr Annette Death	\$17,961	\$0	\$0	\$371	\$805
Cr Geoff Neil	\$17,961	\$0	\$3,722	\$224	\$0
Cr Bill West	\$26,923	\$0	\$692	\$538	\$0
Cr Dominic Bonanno	\$17,961	\$0	\$723	\$173	\$0
Cr Rob Guthrie	\$17,961	\$0	\$1,118	\$284	\$0
Cr Anne Moore	\$17,961	\$0	\$0	\$249	\$0
Cr Roger Jukes	\$8,961	\$0	\$0	\$202	\$0
Cr Henry Bleeck	\$8,961	\$0	\$0	\$190	\$0
Cr Natasha Gayfer	\$8,961	\$0	\$0	\$181	\$0
Cr Mandi Mees	\$8,961	\$0	\$0	\$156	\$0
Cr Helen Radnedge	\$8,961	\$0	\$0	\$190	\$0
Cr Andrew Twaits	\$8,961	\$0	\$0	\$138	\$0
Total	\$305,183	\$7	\$11,795	\$4,253	\$2,484

* Cr Anderson – Mayor from 23/11/2020–30/06/2021

** Cr Pearce – Mayor from 01/07/2020–24/10/2020

Code of conduct

Under section 139 of the LGA 2020, councils are required to develop and approve a councillor code of conduct within 12 months after each general election. At the 27 January 2021 Council meeting, Council adopted a revised councillor code of conduct 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.

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. In accordance with section 79 of the LGA 1989 and section 130 of the LGA 2020, during 2020/21, nine conflicts of interest were declared at Council and special committee meetings.

On 1 May 2020, section 60 of the LGA 2020 commenced. This provision requires councils to develop, adopt and keep in force governance rules with respect to:

- the conduct of Council and delegated committee meetings
- the form and availability of meeting records
- the election of the Mayor and the Deputy Mayor
- the appointment of an acting Mayor

- an election period policy
- the procedures for the disclosure of a conflict of interest by Councillors, members of a delegated committee and staff.

Council adopted its Governance Rules at the Council meeting on 26 August 2020.

Management

Council has implemented a number of statutory and better practice items to strengthen our management framework. Strong governance and management frameworks support better decision making by Council. Under the LGA 1989, Council is required to undertake an assessment against the prescribed governance and management checklist, and include this in our annual report. Our governance and management checklist results are provided at the end of this section. During 2020/21, we continued to provide quarterly reports report against the governance checklist developed in 2018/19. The following items have been highlighted as important components of the management framework.

Internal audit

Our internal audit partner for 2020/21 was HLB Mann Judd.

The purpose of an internal audit (also known as a review) is to provide an independent and objective assurance to the Audit and Risk 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 our 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. It is reviewed and approved by the Audit Committee annually.

The IAP for 2020/21 was completed with the following reviews conducted:

- Asset management, including asset maintenance
- Fraud and corruption control.

External audit

Council is externally audited by the Victorian Auditor-General. For the 2020/21 year, the annual external audit of our 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 and Risk Committee.

Risk management

Council planned to significantly progress the executive of the 2019 Risk Framework Strategy over the course of 2020/21. However, the challenges created by the COVID-19 pandemic resulted in adjustments to the framework since it had to account for changed work practices and altered priorities, as Council adjusted its operations. Recruitment of a risk coordinator to fill a vacancy was challenging and also delayed work.

The appointment of a new risk coordinator in early 2021 has meant that work on the 2019/20 internal risk management action plan (which was based on internal audit assurance recommendations) has progressed. This work is a key part of enhancing the robustness and effectiveness of Council's Risk Management Framework and building a sound risk culture. As a result of the restructure of Council's operations, the Risk Unit is now part of the Legal and Corporate Governance Department, which reports to the Chief Executive Officer. Council's risk coordinator has commenced a review of operational risks in each directorate and service area, to adjust risk ownership based on the re-structure of the organisation in early 2020. Our approach to operational risk is to develop, implement and maintain fit-for-purpose risk management that supports core business processes and decision-making. An important part of this work is providing Council staff with the supporting tools required to help them meet their objectives. Risk management has been introduced as a standing item on directorate meeting agendas.

The Audit and Risk Committee adjusted their risk oversight role in line with changes required by the Local Government Act 2020. The Audit and Risk Committee's role is to strengthen Council's governance, risk management and financial management, and to drive continuous improvement.

Advisory committees

In addition to the Risk and Audit Committee, Council also has a number of advisory committees:

- the Kyneton Airfield Advisory Committee
- Macedon Ranges Agribusiness Forum
- the Chief Executive Officer Performance Appraisal Advisory Group
- the Health and Wellbeing Advisory Committee.

Statutory information

Public information

In accordance with the Act and the Local Government (General) Regulations 2015, the following documents are available 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 three 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
 - ii. the dates on which the travel began and ended
 - iii. the destination of the travel
 - iv. the purpose of the travel
 - v. the total cost to Council of the travel, including accommodation costs
- b) The agendas for, and minutes of, Scheduled 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 that 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 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.

Contracts

During the 2020/21 year, we had one breach to the Local Government Act 1989, where a contractor was engaged with a cumulative value in excess of specified thresholds for goods and services (\$150,000), and works (\$200,000) including GST, without first conducting a public tendering process.

Supplier	Instance
WEX Australia Pty Ltd	The breach occurred following the expiration of the existing Retail Fuel Contract, although a new contract was awarded prior to the expiration of Contract C16.763, the Contract Agreement was unable to be signed due to the election period embargo. This instance was reported to both Council and the Audit Committee at the time of identification.

There were no non-compliances in relation to our Procurement Policy.

Disability Action Plan

In accordance with section 38 of the Disability Act 2006, as Council has prepared a Disability Action Plan, it must report on the implementation of the Disability Action Plan in its annual report. Council has prepared a Disability Action Plan and implemented the following actions:

- celebrated *International Day of People with Disabilities* with a series of online events
- kept carers informed of supports and events in the local community to support them in their caring role
- explored accessible and inclusive sports programs in the region.

Domestic Animal Management Plan

Council adopted the Domestic Animal Management Plan 2017-2021 in September 2017. Key responsible pet ownership initiatives have been implemented, including pet registration incentives, online pet registrations, the Dog and Cat Control Order 2019, improved regulation of domestic animal businesses and pet care education materials. Council will prepare a new Domestic Animal Management Plan 2021-2025, commencing community consultation later in 2021.

Food Act Ministerial directions

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No such Ministerial Directions were received by Council during the 2020/21 financial year.

Freedom of information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their annual report or separately, such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately. However, it provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

Council received 14 requests for information under the Freedom of Information Act in 2020/21.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

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

Requests for documents in the possession of Council should be addressed to the freedom of information officer. Requests can also be lodged online or by email.

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

Further information regarding FOI can be found at www.foi.vic.gov.au and www.mrsc.vic.gov.au.

Protected disclosure procedures

In accordance with section 69 of the *Protected Disclosure Act 2012*, a council must include in their annual report information about how to access the procedures established by the council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosure complaints investigated during the financial year.

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website: www.mrsc.vic.gov.au/About-Council/Our-Council/Feedback-Consultation/Public-Interest-Disclosures.

During the 2020/21 year, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, a council must publish a copy or summary of any Ministerial Direction in its annual report. No such Ministerial Directions were received by Council during the financial year.

Infrastructure and development contributions

Council introduced a Development Contributions Plan in 2015. In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, a council that is a collecting agency must prepare and give a report to the Minister for Planning on development contributions, including levies and works in kind.

For the 2020/21 year, the following information about development contributions is disclosed.

Table 1 Total DCP levies received in 2020/21

Council	DCP name	Year approved	Levies received in 2020/21 financial year (\$)
Macedon Ranges Shire Council	Gisborne Development Plan (Amendment C87)	2013	\$366,000
	Romsey Development Plan (Amendment C80)	2012	\$46,000

Table 2 DCP land, works, services or facilities accepted as works in kind in 2020/21

Council	DCP name	Year approved	Project ID	Project description	Item purpose	Project value (\$)
Macedon Ranges Shire Council	Gisborne Development Plan (Amendment C87)	2013				\$0
	Romsey Development Plan (Amendment C80)	2012				\$0

Governance and management checklist

Governance and management checklist	Assessment
1. Community engagement policy (under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Policy adopted in accordance with section 55 of the Act Date of adoption: 27 January 2021 <input checked="" type="checkbox"/>
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines are currently being developed. <input type="checkbox"/>
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next ten financial years)	Will be adopted in accordance with section 91 of the Act The Financial Plan 2021-2031 is currently out for public consultation in preparation for adoption by 31 October 2021. <input type="checkbox"/>
4. Asset Plan (plans under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	The Asset Plan is due for adoption in accordance with section 92 of the Act in June 2022. Asset management plans exist for all asset classes that are within ten years of when they were adopted. <input checked="" type="checkbox"/> The Open Space Asset Management Plan and the Drainage Asset Management Plan are currently under review.
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act on: 29 June 2021 <input checked="" type="checkbox"/>
6. Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year, and the funding and other resources required)	Adopted in accordance with section 94 of the Act on: 29 June 2021 <input checked="" type="checkbox"/>
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of policy commencement: 27 November 2019 <input checked="" type="checkbox"/>
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of policy commencement: 8 November 2016 <input checked="" type="checkbox"/>
9. Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 <input checked="" type="checkbox"/> Date approved by Council: 21 October 2020
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council)	Adopted in accordance with section 108 of the Act A new policy is currently being developed and is anticipated to be adopted before 31 December 2021. <input checked="" type="checkbox"/>
11. Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan in operation Date plan endorsed: 28 July 2017 <input checked="" type="checkbox"/>
12. Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Information Technology Disaster (ITD) Plan in place Organisational Crisis Management and Recovery Plan developed but implementation delayed due to COVID-19 <input type="checkbox"/> Date ITD plan endorsed: 12 February 2018
13. Risk Management Framework (framework outlining Council's approach to managing risks to Council's operations)	Framework in place Date of commencement of current framework: 27 November 2019 <input checked="" type="checkbox"/>
14. Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act on: 1 February 2004 <input checked="" type="checkbox"/> Audit and Risk Committee Charter adopted on: 26 August 2020
15. Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement of current provider: 27 July 2019 <input checked="" type="checkbox"/>

Governance and management checklist	Assessment
16. Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Framework in place Endorsed: 25 November 2020 <input checked="" type="checkbox"/>
17. Council Plan (report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Reports presented to Council on the following dates: 26 August 2020, 25 November 2020, 26 February 2021, 26 May 2021 <input checked="" type="checkbox"/>
18. Financial reporting (quarterly statements to Council under section 138(1) of the Local Government Act 1989, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to Council on the following dates: 26 August 2020, 25 November 2020, 26 February 2021, 26 May 2021 <input checked="" type="checkbox"/>
19. Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring, and risk minimisation strategies)	Reports presented to Council on the following dates: 26 August 2020, 25 November 2020, 26 February 2021, 26 May 2021 <input checked="" type="checkbox"/>
20. Performance reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Reports presented to Council on the following dates: 26 February 2020 and 26 November 2020 <input checked="" type="checkbox"/>
21. Annual Report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 containing a report of operations and audited financial and performance statements)	Presented to Council in accordance with section 134 of the Act on: 25 November 2020 <input checked="" type="checkbox"/>
22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors, and other matters)	Developed and adopted in accordance with section 139 of the Act on: 27 January 2021 <input checked="" type="checkbox"/>
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act on: 27 November 2019 <input checked="" type="checkbox"/>
24. Meeting procedures (governance rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance rules adopted on: 26 August 2020 <input checked="" type="checkbox"/>

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



Bernie O'Sullivan
Chief Executive Officer
Dated: 29 September 2021



Cr Jennifer Anderson
Mayor
Dated: 29 September 2021

Glossary

Term	Definition
Annual Report	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	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	the following types of asset expenditure are: <ul style="list-style-type: none"> • asset renewal expenditure • new asset expenditure • asset upgrade expenditure • asset expansion expenditure
Asset renewal expenditure	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	expenditure that: <ul style="list-style-type: none"> • enhances an existing asset to provide a higher level of service; or • increases the life of the asset beyond its original life
ATSI	Aboriginal and Torres Strait Islander
Australian Accounting Standards (AAS)	the accounting standards published by the Australian Accounting Standards Board
Budget	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	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	income, expenditure, assets, liabilities, equity, cash and capital works required to deliver the services and initiatives in the budget
Financial statements	the financial statements and notes prepared in accordance with the <i>Australian Accounting Standards</i> 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	the period of 12 months ending on 30 June each year
Human resources	the staff employed by Council
Indicator	what will be measured to assess performance
Initiatives	actions that are one-off in nature and/or lead to improvements in service
LGA 2020	<i>Local Government Act 2020 (Vic)</i>
LGA 1989	<i>Local Government Act 1989 (Vic)</i>
LGPRF	<i>Local Government Performance Reporting Framework</i>

Term	Definition
Major initiatives	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	the Minister for Local Government
Model budget	the <i>Victorian City Council Model Budget</i> prepared annually by the Institute of Chartered Accountants in Australia
New asset expenditure	expenditure that creates a new asset that provides a service that does not currently exist
Non-financial resources	the resources other than financial resources required to deliver the services and initiatives in the budget
Non-recurrent grant	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	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 LGA 1989 and LGA 2020 Acts
Performance statement	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	a grant other than a non-recurrent grant
Regulations (LGR)	the <i>Local Government (Planning and Reporting) Regulations 2014</i>
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	assistance, support, advice and other actions undertaken by Council for the benefit of the local community
Statement of capital works	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	the goals in the Council Plan, that Council is seeking to achieve over the next four years
Strategic Resource Plan	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	high level actions directed at achieving the strategic objectives in the Council Plan
Statement of human resources	a statement that shows all Council staff expenditure and numbers of full-time equivalent Council staff
VCAT	the Victorian Civil and Administrative Tribunal

OUR FINANCIAL AND **PERFORMANCE STATEMENTS**



Malmsbury – Macedon Ranges Naturally Cool Autumn photo shoot

Macedon Ranges Shire Council Financial Statements

For the Year Ended 30 June 2021

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Certification of the Financial Statements

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



Travis Harling
Principal Accounting Officer

22 September 2021
Gisborne

In our opinion the accompanying financial statements present fairly the financial transactions of Macedon Ranges Shire Council for the year ended 30 June 2021 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.



Mark Ridgeway
Councillor

22 September 2021
Gisborne



Geoff Neil
Councillor

22 September 2021
Gisborne



Bernie O'Sullivan
Chief Executive Officer

22 September 2021
Gisborne

Independent Auditor's Report



Independent Auditor's Report

To the Councillors of Macedon Ranges Shire Council

Opinion	<p>I have audited the financial report of Macedon Ranges Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2021• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cashflows for the year then ended• statement of capital works 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 2021 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 <i>APES 110 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>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
28 September 2021



Sanchu Chummar
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	53,185	50,750
Statutory fees and fines	3.2	5,177	4,274
User fees	3.3	4,415	5,688
Grants – operating	3.4	15,244	14,968
Grants – capital	3.4	9,824	7,956
Contributions – monetary	3.5	469	808
Contributions – non monetary	3.5	2,837	5,913
Fair value adjustments for investment property	6.3	(18)	(270)
Share of net profits of associates	6.2	73	57
Other income	3.7	1,311	2,224
Total income		92,517	92,368
Expenses			
Employee costs	4.1	35,858	34,374
Materials and services	4.2	28,494	26,063
Depreciation	4.3	16,376	13,968
Amortisation – intangible assets	4.4	236	198
Amortisation – right of use assets	4.5	357	327
Bad and doubtful debts	4.6	(16)	11
Borrowing costs	4.7	172	267
Finance cost – leases	4.8	48	54
Net loss on disposal of property, infrastructure, plant & equipment	3.6	268	182
Decrease in provision for landfill liability	5.5	(269)	(220)
Other expenses	4.9	3,038	3,405
Total expenses		84,562	78,629
Surplus for the year		7,955	13,739
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit in future periods</i>			
Net asset revaluation increment	6.1	7,021	18,107
Total comprehensive result		14,976	31,846

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

Balance Sheet as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
<i>Current assets</i>			
Cash and cash equivalents	5.1	40,663	17,567
Trade and other receivables	5.1	6,140	6,271
Other financial assets	5.1	5,000	16,000
Right-of-use assets	5.8	358	357
Other assets	5.2	479	512
Total current assets		52,640	40,707
<i>Non-current assets</i>			
Other financial assets	5.1	21	21
Investments in associates	6.2	1,353	1,280
Property, infrastructure, plant and equipment	6.1	1,142,307	1,131,089
Right-of-use assets	5.8	582	939
Investment property	6.3	2,566	2,584
Intangible assets	5.2	552	632
Total non-current assets		1,147,381	1,136,545
Total assets		1,200,021	1,177,252
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	5.3	6,844	7,081
Trust funds and deposits	5.3	5,491	3,072
Provisions	5.5	6,873	6,567
Interest-bearing liabilities	5.4	508	485
Unearned Income	5.3	7,008	427
Lease liabilities	5.8	400	381
Total current liabilities		27,124	18,013
<i>Non-current liabilities</i>			
Provisions	5.5	4,431	4,888
Interest-bearing liabilities	5.4	3,515	4,023
Lease liabilities	5.8	608	961
Total non-current liabilities		8,554	9,872
Total liabilities		35,678	27,885
Net assets		1,164,343	1,149,367
Equity			
Accumulated surplus		659,581	653,364
Reserves	9.1	504,762	496,003
Total equity		1,164,343	1,149,367

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

Statement of Changes in Equity for the year ended 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		1,149,367	653,364	483,658	12,345
Surplus for the year		7,955	7,955	-	-
Net asset revaluation increment	6.1	7,021	-	7,021	-
Transfers to other reserves	9.1	-	(4,039)	-	4,039
Transfers from other reserves	9.1	-	2,301	-	(2,301)
Balance at end of the financial year		1,164,343	659,581	90,679	14,083

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		1,117,521	637,170	465,551	14,800
Surplus for the year		13,739	13,739	-	-
Net asset revaluation increment	6.1	18,107	-	18,107	-
Transfers to other reserves	9.1	-	(3,925)	-	3,925
Transfers from other reserves	9.1	-	6,380	-	(6,380)
Balance at end of the financial year		1,149,367	653,364	483,658	12,345

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

Statement of Cash Flows for the year ended 30 June 2021

	Note	2021 Inflows (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		52,851	50,035
Statutory fees and fines		5,177	4,274
User fees		11,655	4,328
Grants – operating		15,244	14,968
Grants – capital		9,824	7,956
Contributions – monetary		469	808
Interest received		200	563
Trust funds and deposits taken		2,278	(494)
Other receipts		2,332	1,241
Net GST refund		3,308	4,356
Employee costs		(36,495)	(33,097)
Materials and services		(28,251)	(27,431)
Other payments		(7,631)	(7,941)
Net cash provided by operating activities	9.2	30,961	19,566
Cash flows from investing activities			
Net (increase)/decrease in other financial assets		11,000	13,011
Payments for property, infrastructure, plant and equipment		(18,386)	(23,807)
Proceeds from sale of property, infrastructure, plant and equipment		226	404
Net cash used in investing activities		(7,160)	(10,392)
Cash flows from financing activities			
Finance costs		(220)	(345)
Repayment of borrowings		(485)	(4,685)
Net cash used in financing activities		(705)	(5,030)
Net increase in cash and cash equivalents		23,096	4,144
Cash and cash equivalents at the beginning of the financial year		17,567	13,423
Cash and cash equivalents at the end of the financial year	5.1(a)	40,663	17,567
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Property		
Buildings and building improvements	4,418	5,037
Total property	4,418	5,037
Plant and equipment		
Plant, machinery and equipment	430	1,942
Fixtures, fittings and furniture	-	94
Computers and telecommunications	574	689
Total plant and equipment	1,004	2,725
Infrastructure		
Roads	7,584	9,189
Bridges	387	361
Footpaths and cycleways	1,861	1,308
Drainage	281	673
Recreational, leisure and community facilities	1,362	2,441
Parks, open space and streetscapes	753	901
Other infrastructure	739	1,349
Total infrastructure	12,967	16,222
Total capital works expenditure	18,389	23,984
Represented by:		
New asset expenditure	4,132	2,368
Asset renewal expenditure	12,255	13,834
Asset upgrade expenditure	2,002	7,782
Total capital works expenditure	18,389	23,984

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

OVERVIEW

Notes to the Financial Statements for the year ended 30 June 2021

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 the 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*.

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)

- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- the determination, in accordance with AASB 1059 *Service Concession Arrangements* (refer to Note 10)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(b) Impact of COVID-19 pandemic on Council operations and 2020/21 financial report

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020/21 year, Council has noted the following significant impacts on its financial operations:

- Additional revenue – grant for Working for Victoria \$2.43m.
- Revenue reductions – user fees and charges for Aquatic, Leisure, Economic Development, Arts and Cultural venues approx. \$551k
- Additional costs – additional employee costs associated with the Working for Victoria \$2.20m

Note 1 Performance against budget

The performance against budget notes compares 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 22 July 2020 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*.

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance		
			\$'000	%	Ref
Income					
Rates and charges	52,915	53,185	270	1%	
Statutory fees and fines	4,133	5,177	1,044	25%	1
User fees	7,295	4,415	(2,880)	-39%	2
Grants – operating	15,035	15,244	209	1%	
Grants – capital	12,458	9,824	(2,634)	-21%	3
Contributions – monetary	186	469	283	152%	4
Contributions – non monetary	7,920	2,837	(5,083)	-64%	5
Fair value adjustments for investment property	-	(18)	(18)	-100%	
Share of net profits/(losses) of associates	-	73	73	100%	
Other income	2,063	1,311	(752)	-36%	6
Total income	102,005	92,517	(9,488)	-9%	
Expenses					
Employee costs	39,727	35,858	3,869	10%	7
Materials and services	24,764	28,494	(3,730)	-15%	8
Depreciation	14,242	16,376	(2,134)	-15%	9
Amortisation – intangible assets	318	236	82	26%	
Amortisation – right of use assets	357	357	-	0%	
Bad and doubtful debts	10	(16)	26	260%	
Borrowing costs	187	172	15	8%	
Finance cost – leases	50	48	2	4%	
Net (gain)/loss on disposal of property, infrastructure, plant & equipment	-	268	(268)	-100%	10
Increase/(decrease) in provision for landfill liability	-	(269)	269	100%	11
Other expenses	3,116	3,038	78	3%	
Total expenses	82,771	84,562	(1,791)	-2%	
Surplus for the year	19,234	7,955	(11,279)	-59%	

(i) Explanation of material variations

Ref	Item	Explanation
1	Statutory fees and fines	Developer cash contributions favourable to budget (\$708k) and Engineering fees for plan reviews favourable to budget (\$214k).
2	User fees	Aquatic & Leisure unfavourable to budget (\$1.625m), Kinder fees unfavourable to budget (\$767k) due to additional offsetting grants, Arts Facilities unfavourable venue fees (\$55k) and unfavourable Hanging Rock entrance fees (\$276k). These were all due to closure of facilities during COVID-19.
3	Grants – capital	Unfavourable variance for the Local Roads and Community Infrastructure grants (\$1.44m) announced in 2020/21 will mostly be received in 2021/22. Unfavourable variance due to Roads to Recovery grant (\$1.001m) to be received in 2021/22.
4	Contributions – monetary	Favourable variance due to unbudgeted contribution received for Five Mile Creek pedestrian bridge (\$100k).
5	Contributions – non monetary	Development slower than anticipated during 2020/21. Some larger developments delayed to 2021/22.
6	Other income	Investment interest unfavourable (\$369k) due to reduction in interest rates.
7	Employee costs	Working for Victoria favourable (\$1.041m) due to positions not able to be filled and staff moving on prior to the end of their contract. Aquatic & Leisure favourable (\$735k) due to closures during COVID-19. Vacant positions across the organisation taking longer to recruit during COVID-19.
8	Materials and services	Emergencies due to natural disasters unfavourable (\$2.218m), which may be claimable from the Victorian State Government. Transfer stations unfavourable (\$615k) due to increased green waste from storms and increased attendance as people working from home. Kerbside collection unfavourable (\$483k) due to additional transport and disposal costs.
9	Depreciation	Unfavourable depreciation (\$2.134m) due to higher revaluation in 2019/20 than expected increases the depreciation expense in future years.
10	Net (gain)/loss on disposal of property, infrastructure, plant & equipment	Unfavourable loss on disposal (\$268k) due to the early replacement of some infrastructure assets which were written off.
11	Increase/(decrease) in provision for landfill liability	Favourable variance in the Landfill liability provision (\$269k) due to works undertaken and assessment of future likely works.

1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance		
			\$'000	%	Ref
Property					
Buildings and building improvements	6,726	4,418	2,308	34%	1
Total property	6,726	4,418	2,308	34%	
Plant, machinery and equipment	1,646	430	1,216	74%	2
Computers and telecommunications	633	574	59	9%	
Total plant and equipment	2,279	1,004	1,275	56%	
Infrastructure					
Roads	7,473	7,584	(111)	-1%	
Bridges	460	387	73	16%	
Footpaths and cycleways	6,824	1,861	4,963	73%	3
Drainage	570	281	289	51%	4
Recreational, leisure and community facilities	2,877	1,362	1,515	53%	5
Parks, open space and streetscapes	998	753	245	25%	6
Other infrastructure	1,814	739	1,075	59%	7
Total infrastructure	21,016	12,967	8,049	38%	
Total capital works expenditure					
	30,021	18,389	11,632	39%	
New asset expenditure					
	11,455	4,132	7,323	64%	
Asset renewal expenditure	16,452	12,255	4,197	26%	
Asset upgrade expenditure	2,114	2,002	112	5%	
Total capital works expenditure	30,021	18,389	11,632	39%	

(i) Explanation of material variations

Ref	Item	Explanation
1	Buildings and building improvements	Favourable variance due to Kyneton Early Years (\$1.6m) budgeted in 2020/21 will be constructed in 2021/22 and several building projects in progress will be completed in 2021/22.
2	Plant, machinery and equipment	Favourable variance (\$1.216m) due to difficulties in the purchase of plant and vehicles during COVID-19.
3	Footpaths and cycleways	Favourable variance due to Macedon Shared Trail (\$4.487m) being completed over several years.
4	Drainage	Favourable variance due to delays in several drainage projects (\$289k), Farrell St New Gisborne, Dunsford Street Lancefield and Skyline Drive Gisborne.
5	Recreational, leisure and community facilities	Favourable variance due to Macedon Ranges Sports Hub (\$1.778m) being completed over several years and three projects not receiving grant funding and therefore did not proceed, Barkly Square field, Gilbert Gordon netball and Lancefield Park lighting.
6	Parks, open space and streetscapes	Favourable variance due to several projects being in progress at June 2021, Gisborne Fields playground (\$250k), Romsey Ecotherapy Park (\$261k) and Healthy Heart of Victoria (\$287k).
7	Other infrastructure	Favourable variance due to the Kyneton Saleyards upgrade (\$1.117m).

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following directorate areas. Each directorate is led by a director who reports through to the Chief Executive Officer (CEO), with the exception of the CEO group which reports directly through to the CEO.

2(a) Council directorates

Assets & Operations

The responsibilities of the Assets and Operations directorate include the maintenance of Council roads, footpaths, bridges, drains, parks, buildings, kerbside bin collection, transfer stations, aquatics, recreation and engineering.

CEO Group

The CEO group includes legal, governance, risk management, insurance, contracts and the CEO's administrative support.

Community Wellbeing

Final expenditure for the Director Community Wellbeing area which was finalised July 2020.

Corporate & Community Services

Corporate Services is responsible for early years, youth, maternal child health, healthy ageing, information technology, finance services, property management and rates.

People Culture & Performance

The responsibilities of the human resources, Occupational Health and Safety, employee training, communications and customer service.

Planning & Environment

The responsibilities of the Planning and Environment directorate include strategic planning, environment and conservation services, statutory planning, building services, local laws, environmental health, emergency management economic development, tourism, Hanging Rock, libraries, arts and culture.

Restructure – June 2020

The comparative figures of 2020 are representative of the previous structure of the organisation applicable to 30 June 2020.

2(b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Assets & Operations	26,345	45,684	(19,339)	8,975	668,916
Chief Executive	34	2,843	(2,809)	15	-
Community Wellbeing	83	115	(32)	-	-
Corporate & Community Services	57,840	15,901	41,939	12,735	528,467
People Culture & Performance	2,148	7,451	(5,303)	1,975	-
Planning & Environment	6,067	12,568	(6,501)	1,368	2,638
	92,517	84,562	7,955	25,068	1,200,021
2020					
Assets & Operations	24,576	37,235	(12,659)	7,040	578,684
Chief Executive	700	4,152	(3,452)	426	-
Community Wellbeing	14,343	20,883	(6,540)	9,280	82,065
Corporate Services	49,639	8,887	40,752	5,942	516,503
Planning & Environment	3,110	7,472	(4,362)	236	-
	92,368	78,629	13,739	22,924	1,177,252

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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 2020/21 was \$16,393 million (2019/20 \$15,201 million). The 2020/21 general rate in the capital improved value dollar was \$0.0023814 (2019/20, \$0.00224765).

	2021 \$'000	2020 \$'000
General rates	34,073	32,816
Agricultural land rates	2,235	2,241
Commercial/industrial rates	2,204	2,182
Municipal charge	4,888	4,824
Waste management charge	8,736	7,955
Supplementary rates and rate adjustments	678	489
Other rates	70	71
Interest on rates	301	172
Total rates and charges	53,185	50,750

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation was first applied in the rating year commencing 1 July 2021. 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.

3.2 Statutory fees and fines

	2021 \$'000	2020 \$'000
Animal control fees	696	658
Infringements and costs	205	138
Permits	1,324	1,214
Roads and infrastructure fees	2,515	1,800
Town planning fees	267	226
Other statutory fees	170	238
Total statutory fees and fines	5,177	4,274

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

3.3 User fees

	2021 \$'000	2020 \$'000
Aged and health services	162	171
Child care/children's programs	220	615
Cultural activities	136	168
Gravel pit sales	112	102
Hanging Rock Reserve fees	412	611
Leisure centre and recreation	1,946	2,544
Saleyards	299	324
Waste management services	960	752
Other fees and charges	168	401
Total user fees	4,415	5,688

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

	2021 \$'000	2020 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	11,832	14,228
State funded grants	13,236	8,696
Total grants received	25,068	22,924
(a) Operating Grants		
<i>Recurrent – Commonwealth Government</i>		
Aged and disability services	1,025	1,582
Financial Assistance Grants	5,695	5,748
<i>Recurrent – State Government</i>		
Aged and disability services	60	260
Family and children	3,064	2,939
Maternal and child health	587	514
School crossing supervisors	119	117
Youth and culture	118	116
Other	261	102
Total recurrent operating grants	10,929	11,378
<i>Non-recurrent – Commonwealth Government</i>		
Planning & Environment	-	26
Recreational, leisure and community facilities	-	1,838
Other	20	-
<i>Non-recurrent – State Government</i>		
Aged and disability services	-	30
Emergency management	398	120
Family and children	1,415	-
Maternal and child health	15	10
Planning and environment	-	12
Recreational, leisure and community facilities	-	33
Working for Victoria	1,927	-
Youth and culture	1	14
Other	539	1,507
Total non-recurrent operating grants	4,315	3,590
Total operating grants	15,244	14,968
(b) Capital Grants		
<i>Recurrent – Commonwealth Government</i>		
Roads to Recovery	603	1,691
Financial Assistance Grants	2,319	2,433
Total recurrent capital grants	2,922	4,124
<i>Non-recurrent – Commonwealth Government</i>		
Buildings	468	-
Footpaths and cycleways	252	-
Roads and bridges	1,450	910
<i>Non-recurrent – State Government</i>		
Buildings	259	975
Footpaths and cycleways	-	45
Parks, open space and streetscapes	746	657
Recreational, leisure and community facilities	2,684	72
Roads and bridges	943	1,173
Other	100	-
Total non-recurrent capital grants	6,902	3,832
Total capital grants	9,824	7,956

	2021 \$'000	2020 \$'000
(c) Unspent grants received on condition that they be spent in a specific manner		
<i>Operational</i>		
Balance at start of year	190	-
Received during the financial year and remained unspent at balance date	1,374	190
Received in prior years and spent during the financial year	(190)	-
Balance at year end	1,374	190
<i>Capital</i>		
Balance at start of year	323	2,036
Received during the financial year and remained unspent at balance date	5,217	-
Received in prior years and spent during the financial year	(323)	(1,713)
Balance at year end	5,217	323

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions

	2021 \$'000	2020 \$'000
Monetary	469	808
Non-monetary	2,837	5,913
Total contributions	3,306	6,721
<i>Contributions of non monetary assets were received in relation to the following asset classes:</i>		
Land	53	685
Land under roads	574	1,185
Infrastructure	2,210	4,043
Total non-monetary	2,837	5,913

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

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

	2021 \$'000	2020 \$'000
Proceeds of sale	164	404
Written down value of assets disposed	(432)	(586)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(268)	(182)

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

3.7 Other income

	2021 \$'000	2020 \$'000
Commission	78	107
Interest on investments	133	528
Insurance recoveries	211	296
Investment property rental	442	497
Merchandise and material sales	362	432
Other	85	364
Total other income	1,311	2,224

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 4 The cost of delivering services

4.1 Employee costs

	2021 \$'000	2020 \$'000
Wages and salaries	29,669	28,311
Casual staff	2,448	2,740
Superannuation	2,982	2,737
WorkCover	412	312
Fringe benefits tax	347	274
Total employee costs	35,858	34,374

(a) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	87	87
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,261	1,378
Employer contributions – other funds	1,322	1,268
	2,583	2,646
Employer contributions payable at reporting date	412	100

Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

	2021 \$'000	2020 \$'000
Administration	2,138	1,390
Building maintenance	679	1,093
Consultants	1,782	2,274
Contract payments – Parks Maintenance	1,456	1,713
Contract payments – Resource Recovery	10,095	6,989
Contract payments – Other	6,418	5,944
General maintenance	663	509
Information technology	1,005	1,013
Insurance	616	613
Materials and supplies	1,722	2,239
Utilities	1,920	2,286
Total materials and services	28,494	26,063

4.3 Depreciation

	2021 \$'000	2020 \$'000
Land and buildings	2,971	1,990
Plant and equipment	1,595	1,484
Infrastructure	11,810	10,494
Total depreciation	16,376	13,968

Refer to note 5.2(b) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation – intangible assets

	2021 \$'000	2020 \$'000
Software	236	198
Total amortisation	236	198

4.5 Amortisation – right of use assets

	2021 \$'000	2020 \$'000
Right of use assets	357	327
Total amortisation	357	327

Refer to note 5.2(b) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.6 Bad and doubtful debts

	2021 \$'000	2020 \$'000
Other debtors	(16)	11
Total bad and doubtful debts	(16)	11

Movement in provisions for doubtful debts

Balance at the beginning of the year	33	33
New provisions recognised during the year	-	11
Amounts already provided for and written off as uncollectible	(1)	(11)
Amounts provided for but recovered during the year	(16)	-
Balance at end of year	16	33

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

	2021 \$'000	2020 \$'000
Interest – borrowings	172	267
Total borrowing costs	172	267

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

4.8 Finance costs – leases

	2021 \$'000	2020 \$'000
Interest – right of use assets	48	54
Total finance costs	48	54

4.9 Other expenses

	2021 \$'000	2020 \$'000
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	31	50
Auditors' remuneration – Internal	41	50
Contributions and donations	2,284	2,686
Councillors' allowances	294	312
Operating lease rentals	155	115
Other expenses	233	192
Total other expenses	3,038	3,405

Note 5 Our financial position

5.1 Financial assets

	2021 \$'000	2020 \$'000
(a) Cash and cash equivalents		
Cash on hand	59	9
Cash at bank	6,861	8,869
Money market call accounts	27,712	2,689
Term deposits	6,031	6,000
Total cash and cash equivalents	40,663	17,567
(b) Other financial assets		
<i>Current</i>		
Term deposits – current	5,000	16,000
<i>Non current</i>		
Shares in Lancefield Community Bank – at fair value	12	12
Shares in Gisborne Community Bank – at fair value	9	9
Total other financial assets	5,021	16,021
Total financial assets	45,684	33,588
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 5.3)	5,491	3,072
Total restricted funds	5,491	3,072
Total unrestricted cash and cash equivalents	35,172	14,495
<i>Intended allocations</i>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	15,977	9,228
- Cash held for statutory reserves (Note 9.1)	7,032	6,376
- Cash held for non-statutory reserves (Note 9.1)	7,051	5,968
Total funds subject to intended allocations	30,060	21,572

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.

	2021 \$'000	2020 \$'000
(c) Trade and other receivables		
<i>Statutory receivables</i>		
Rates debtors	4,100	3,625
Net GST receivable	1,304	648
<i>Non statutory receivables</i>		
Other debtors	732	1,394
Accrued income	12	564
Accrued interest income	6	73
Provision for doubtful debts – other debtors	(14)	(33)
Total trade and other receivables	6,140	6,271

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.

(d) Ageing of other debtors		
The ageing of the Council's other receivables was:		
Current (not yet due)	512	213
Past due by up to 30 days	34	829
Past due between 31 and 180 days	66	191
Past due between 181 and 365 days	52	104
Past due by more than 1 year	68	57
Total other debtors	732	1,394

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$14k (2020: \$33k) were impaired. The amount of the provision raised against these debtors was \$14k (2020: \$33k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Past due between 181 and 365 days	2	3
Past due by more than 1 year	12	30
Total trade & other receivables	14	33

5.2 Non-financial assets

	2021 \$'000	2020 \$'000
(a) Other assets		
Prepayments	479	512
Total other assets	479	512
(b) Intangible assets – software		
Opening carrying amount	2,857	2,460
Additions	156	397
Closing carrying amount	3,013	2,857
Opening accumulated amortisation	(2,225)	(2,027)
Amortisation expense	(236)	(198)
Closing accumulated amortisation	(2,461)	(2,225)
Net intangible assets	552	632

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.

5.3 Payables

	2021 \$'000	2020 \$'000
(a) Trade and other payables		
Trade payables	4,254	4,175
Accrued general expenses	1,607	1,092
Accrued payroll expense	323	1,489
Accrued interest expense	3	3
Other payables	657	322
Total trade and other payables	6,844	7,081
(b) Trust funds and deposits		
Fire services levy	716	575
Trust funds and deposits	4,775	2,497
Total trust funds and deposits	5,491	3,072
(c) Unearned income		
Grants received in advance – operating	1,374	396
Grants received in advance – capital	5,217	-
Other	417	31
Total unearned income	7,008	427

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

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.

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.

5.4 Interest-bearing liabilities

	2021 \$'000	2020 \$'000
Current borrowings – secured	508	485
Non-current borrowings – secured	3,515	4,023
Total interest-bearing loans and borrowings	4,023	4,508

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	508	485
Later than one year and not later than five years	3,515	4,023
Later than five years	-	-
Total interest-bearing loans and borrowings	4,023	4,508

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

5.5 Provisions

	2021 \$'000	2020 \$'000
<i>Current</i>		
Employee	6,556	6,171
Landfill	317	396
Total	6,873	6,567
<i>Non current</i>		
Employee	827	1,018
Landfill	3,604	3,870
Total	4,431	4,888

	Employee \$'000	Landfill restoration \$'000	Total \$'000
2021			
Balance at beginning of the financial year	7,189	4,266	11,455
Additional provisions	3,087	(320)	2,767
Amounts used	(2,614)	(76)	(2,690)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(279)	51	(228)
Balance at the end of the financial year	7,383	3,921	11,304

2020			
Balance at beginning of the financial year	6,555	4,666	11,221
Additional provisions	2,682	(276)	2,406
Amounts used	(2,135)	(180)	(2,315)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	87	56	143
Balance at the end of the financial year	7,189	4,266	11,455

	2021 \$'000	2020 \$'000
(a) Employee provisions		
<i>Current provisions expected to be wholly settled within 12 months</i>		
Annual leave	2,423	2,023
Long service leave	2,112	1,995
	4,535	4,018
<i>Current provisions expected to be wholly settled after 12 months</i>		
Annual leave	46	38
Long service leave	1,975	2,115
	2,021	2,153
Total current employee provisions	6,556	6,171
<i>Non-current</i>		
Long service leave	827	1,018
Total non-current employee provisions	827	1,018
<i>Aggregate carrying amount of employee provisions:</i>		
Current	6,556	6,171
Non-current	827	1,018
Total aggregate carrying amount of employee provisions	7,383	7,189

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

Wages and salaries and annual leave

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

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

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

	2021	2020
Key assumptions:		
- discount rate	1.13%	0.70%
- index rate	2.95%	4.25%

	2021 \$'000	2020 \$'000
(b) Landfill restoration		
Current	317	396
Non-current	3,604	3,870
Total landfill restoration	3,921	4,266

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.

	2021	2020
Key assumptions:		
- discount rate	1.32%	1.32%
- index rate	2.00%	2.00%

5.6 Financing arrangements

	2021 \$'000	2020 \$'000
Credit card facilities	100	100
Used facilities	(8)	(6)
Unused facilities	92	94

5.7 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	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
<i>Operating</i>					
Animal pound services	195	200	-	-	395
Cleaning contracts	600	250	-	-	850
Consultancies	196	-	-	-	196
Housing management	19	-	-	-	19
Software support	157	137	-	-	294
Waste Collection	6,028	6,119	6,241	-	18,388
Total	7,195	6,706	6,241	-	20,142
<i>Capital</i>					
Buildings	403	-	-	-	403
Roads	739	-	-	-	739
Bridges	102	-	-	-	102
Landfill	84	-	-	-	84
Recreational, leisure and community	333	309	-	-	642
Open space & streetscapes	1,500	428	-	-	1,928
Other infrastructure	1,567	-	-	-	1,567
Total	4,728	737	-	-	5,465
2020					
<i>Operating</i>					
Animal pound services	190	195	200	-	585
Cleaning contracts	725	600	250	-	1,575
Consultancies	95	-	-	-	95
Landfill services	58	38	-	-	96
Roadside maintenance	437	-	-	-	437
Housing management	103	-	-	-	103
Security Services	38	-	-	-	38
Software support	226	226	89	-	541
Waste Collection	5,423	5,505	11,286	-	22,214
Total	7,295	6,564	11,825	-	25,684
<i>Capital</i>					
Buildings	1,793	-	-	-	1,793
Roads	1,480	-	-	-	1,480
Bridges	58	-	-	-	58
Recreational, leisure and community	1,372	110	126	-	1,608
Total	4,703	110	126	-	4,939

Operating lease receivables

Council has entered into commercial property leases on its investment property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 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:

	2021 \$'000	2020 \$'000
Not later than one year	86	88
Later than one year and not later than five years	279	289
Later than five years	48	142
Total operating lease receivables	413	519

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

	2021 \$'000	2020 \$'000
Right-of-use Assets		
Current	358	328
Non-Current	582	968
Total	940	1,296

	Property \$'000	Equipment \$'000	Total \$'000
Balance at 1 July 2019	1,459		1,459
Additions	-	165	165
Amortisation charge	(325)	(3)	(328)
Balance at 30 June 2020	1,134	162	1,296
Balance at 1 July 2020	1,134	162	1,296
Additions	-	-	-
Amortisation charge	(324)	(32)	(356)
Balance at 30 June 2021	810	130	940

	2021 \$'000	2020 \$'000
Lease Liabilities		
<i>Maturity analysis – contractual undiscounted cash flows</i>		
Less than one year	433	425
One to five years	703	1,067
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	1,136	
<i>Lease liabilities included in the Balance Sheet at 30 June:</i>		
Current	400	381
Non-current	608	961
Total lease liabilities	1,008	1,342

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Note	At Fair Value 30 June 2020 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2021 \$'000
Property	6.2(a)	562,814	-	744	-	(2,971)	-	5,658	566,245
Plant and equipment	6.2(b)	11,187	-	-	-	(1,595)	(146)	865	10,311
Infrastructure	6.2(c)	544,259	-	2,093	7,021	(11,810)	(217)	7,510	548,856
Work in progress		12,829	18,099	-	-	-	-	(14,033)	16,895
Total property, infrastructure, plant and equipment		1,131,089	18,099	2,837	7,021	(16,376)	(363)	-	1,142,307

Summary of Work in Progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers to assets \$'000	Write offs \$'000	Closing WIP \$'000
Property (a)	4,244	4,784	(5,658)	-	3,370
Plant and equipment (b)	-	865	(865)	-	-
Infrastructure (c)	8,585	12,450	(7,510)	-	13,525
Total Work in Progress	12,829	18,099	(14,033)	-	16,895

(a) Property

	Land – specialised \$'000	Land – non specialised \$'000	Land improve- ments \$'000	Total land and land improve- ments \$'000	Buildings – specialised \$'000	Buildings – non specialised \$'000	Total buildings \$'000	Work In Progress \$'000	Total property \$'000
At fair value 1 July 2020	387,139	83,921	681	471,741	46,186	47,443	93,629	4,244	569,614
Accumulated depreciation at 1 July 2020	(2,556)	-	-	(2,556)	-	-	-	-	(2,556)
	384,583	83,921	681	469,185	46,186	47,443	93,629	4,244	567,058
<i>Movements in fair value</i>									
Additions	-	-	-	-	-	-	-	4,784	4,784
Contributions	744	-	-	744	-	-	-	-	744
Transfers	-	-	-	-	2,755	2,903	5,658	(5,658)	-
	744	-	-	744	2,755	2,903	5,658	(874)	5,528
<i>Movements in accumulated depreciation</i>									
Depreciation and amortisation	(173)	-	-	(173)	(1,571)	(1,227)	(2,798)	-	(2,971)
	(173)	-	-	(173)	(1,571)	(1,227)	(2,798)	-	(2,971)
At fair value 30 June 2021	387,883	83,921	681	472,485	48,941	50,346	99,287	3,370	575,142
Accumulated depreciation at 30 June 2021	(2,729)	-	-	(2,729)	(1,571)	(1,227)	(2,798)	-	(5,527)
	385,154	83,921	681	469,756	47,370	49,119	96,489	3,370	569,615

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Cultural assets \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2020	11,998	1,435	2,223	2,638	-	18,294
Accumulated depreciation at 1 July 2020	(4,604)	(776)	(1,727)	-	-	(7,107)
	7,394	659	496	2,638	-	11,187
<i>Movements in fair value</i>						
Additions	-	-	-	-	865	865
Disposal	(310)	-	-	-	-	(310)
Transfers	547	10	308	-	(865)	-
	237	10	308	-	-	555
<i>Movements in accumulated depreciation</i>						
Depreciation and amortisation	(1,119)	(137)	(339)	-	-	(1,595)
Accumulated depreciation of disposals	164	-	-	-	-	164
	(955)	(137)	(339)	-	-	(1,431)
At fair value 30 June 2021	12,235	1,445	2,531	2,638	-	18,849
Accumulated depreciation at 30 June 2021	(5,559)	(913)	(2,066)	-	-	(8,538)
	6,676	532	465	2,638	-	10,311

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks open spaces and streetscapes \$'000	Other infras- tructure \$'000	Work In Progress \$'000	Total infra- structure \$'000
At fair value 1 July 2020	551,114	48,382	32,761	74,817	32,663	2,828	5,310	8,585	756,460
Accumulated depreciation at 1 July 2020	(146,655)	(16,460)	(10,150)	(18,013)	(10,040)	(1,273)	(1,025)	-	(203,616)
	404,459	31,922	22,611	56,804	22,623	1,555	4,285	8,585	552,844
<i>Movements in fair value</i>									
Additions	-	-	-	-	-	-	-	12,450	12,450
Contributions	1,100	119	344	477	53	-	-	-	2,093
Revaluation	-	2,383	-	-	7,738	36	-	-	10,157
Write-off	(40)	(86)	(10)	-	(388)	-	-	-	(524)
Transfers	4,002	76	622	329	1,365	1,077	39	(7,510)	-
	5,062	2,492	956	806	8,768	1,113	39	4,940	24,176
<i>Movements in accumulated depreciation</i>									
Depreciation and amortisation	(7,918)	(520)	(731)	(814)	(1,347)	(211)	(269)	-	(11,810)
Accumulated depreciation of disposals	9	65	2	-	231	-	-	-	307
Revaluation increments/ decrements	-	(1,631)	-	-	(1,661)	156	-	-	(3,136)
Transfers	-	-	-	-	(300)	300	-	-	-
	(7,909)	(2,086)	(729)	(814)	(3,077)	245	(269)	-	(14,639)
At fair value 30 June 2021	556,176	50,874	33,717	75,623	41,431	3,941	5,349	13,525	780,636
Accumulated depreciation at 30 June 2021	(154,564)	(18,546)	(10,879)	(18,827)	(13,117)	(1,028)	(1,294)	-	(218,255)
	401,612	32,328	22,838	56,796	28,314	2,913	4,055	13,525	562,381

(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.

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Land and land improvements	-	10
land		
land improvements	-	10
landfill	30 years	10
Buildings		
heritage buildings	50 years	10
buildings	50 years	10
building improvements	50 years	10
leasehold improvements	50 years	10
Plant and equipment		
plant, machinery and equipment	3 - 26 years	2.5
fixtures, fittings and furniture	5 - 20 years	2.5
computers and telecommunications	3 - 5 years	2.5
Infrastructure		
road pavement – spray seal	18 years	10
road pavement – asphalt	35 years	10
road pavement – sealed pavement	60 - 90 years	10
road pavement – sealed sub-pavement	-	10
road pavements – unsealed roads	20 - 25 years	10
road formation and earthworks	-	10
road kerb, channel	50 - 150 years	10
bridges and major culvers	70 - 200 years	10
footbridges	30 - 100 years	10
footpaths and cycleways	15 - 60 years	10
drainage	100 years	10
recreational, leisure and community facilities	10 - 50 years	10
parks, open space and streetscapes	10 - 15 years	10
other infrastructure	10 - 50 years	10
Intangible assets		
intangible assets	3 - 5 years	10

Land under roads

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 above and are consistent with the prior year unless otherwise stated.

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 valuer, Hayley Drummond AAPI, Municipal Valuer. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. See section 8.4 for description of fair value measurement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) 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 2021 are as follows.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land – non-specialised	-	83,921	-	Jun-20
Land – specialised	-	-	385,154	Jun-20
Land Improvements	-	-	681	Jun-20
Buildings – non-specialised	-	49,119	-	Jun-20
Buildings – specialised	-	-	47,370	Jun-20
Total	-	133,040	433,205	

Valuation of infrastructure

Valuation of infrastructure assets has been determined utilising internal resources and expertise. The date of the current valuation is detailed in the following table. The valuation is at fair value (see section 8.4 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 2021 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	401,612	Jun-19
Bridges	-	-	32,328	Jun-21
Footpaths and cycleways	-	-	22,838	Jun-20
Drainage	-	-	56,796	Jun-20
Recreational, leisure and community facilities	-	-	28,314	Jun-21
Parks, open space and streetscapes	-	-	2,913	Jun-21
Other infrastructure	-	-	4,055	Apr-16
Total	-	-	548,856	

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 \$1.29 (Land under Roads Rural-Low) and \$890 (central Kyneton prime business land) 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 at 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation.

Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 200 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

	2021 \$'000	2020 \$'000
Land under roads	350,783	350,783
Landfill	2,621	2,621
Other	31,750	31,179
Total specialised land	385,154	384,583

6.2 Investments in associates

Council has one investment in an associate which is the North Central Goldfields Library Corporation. The equity holders in the North Central Goldfields Library Corporation and their relevant holdings are:

	2021	2020
Macedon Ranges Shire Council	23.24%	23.06%
Greater Bendigo City Council	61.05%	61.11%
Loddon Shire Council	4.89%	4.96%
Mount Alexander Shire Council	10.82%	10.87%

	2021 \$'000	2020 \$'000
Fair value of Council's investment in North Central Goldfields Library Corporation	1,353	1,280
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	421	374
Reported surplus(deficit) for year	62	46
Transfers (to) from reserves	34	(3)
Adjustment arising from change to equity share	5	4
Council's share of accumulated surplus(deficit) at end of year	522	421
Council's share of reserves		
Council's share of reserves at start of year	290	285
Adjustment arising from change to equity share	2	2
Transfers (to) from reserves	(34)	3
Council's share of reserves at end of year	258	290
Movement in carrying value of specific investment	1,280	1,223
Carrying value of investment at start of year		
Share of surplus(deficit) for year	62	46
Adjustment arising from change to equity share	11	11
Carrying value of investment at end of year	1,353	1,280
Council's share of expenditure commitments		
Operating commitments	37	1
Council's share of expenditure commitments	37	1

(Council's share of equity as per the un-audited 30 June 2021 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.

6.3 Investment property

	2021 \$'000	2020 \$'000
Balance 1 July	2,584	2,854
Fair value adjustments	(18)	(270)
Balance 30 June	2,566	2,584

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 by a qualified 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 at 30 June 2021.

Note 7 People and relationships

7.1 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 6.3.

(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	01/07/2020 - 30/06/2021	(Mayor from 23/11/2020 - 30/06/2021)
Councillor Janet Pearce	01/07/2020 - 30/06/2021	(Mayor from 01/07/2020 - 24/10/2020)
Councillor Bill West	01/07/2020 - 30/06/2021	
Councillor Andrew Twaits	01/07/2020 - 24/10/2020	
Councillor Helen Radnedge	01/07/2020 - 24/10/2020	
Councillor Henry Bleeck	01/07/2020 - 24/10/2020	
Councillor Mandi Mees	01/07/2020 - 24/10/2020	
Councillor Natasha Gayfer	01/07/2020 - 24/10/2020	
Councillor Roger Jukes	01/07/2020 - 24/10/2020	
Councillor Annette Death	16/11/2020 - 30/06/2021	
Councillor Geoff Neil	16/11/2020 - 30/06/2021	
Councillor Dominic Bonanno	16/11/2020 - 30/06/2021	
Councillor Rob Guthrie	16/11/2020 - 30/06/2021	
Councillor Ann Moore	16/11/2020 - 30/06/2021	
Councillor Mark Ridgeway	16/11/2020 - 30/06/2021	

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer – Margot Stork	01/07/2020 - 09/09/2020
Chief Executive Officer – John Hausler	10/09/2020 - 21/10/2020
Chief Executive Officer – John Nevins	22/10/2020 - 21/04/2021
Chief Executive Officer – Angela Hughes	22/04/2021 - 09/05/2021
Chief Executive Officer – Bernie O'Sullivan	10/05/2021 - 30/06/2021
Director Assets & Operations	
Director Corporate & Community Services	
Director Planning & Environment	
Director Incident Response	01/07/2020 - 10/09/2020 & 21/10/2020 - 03/05/2021
Executive Manager People, Culture & Performance	12/08/2020 - 30/06/2021

	2021 No.	2020 No.
Total Number of Councillors	15	9
Total Number of Chief Executive Officer and other Key Management Personnel	8	7
Total Key Management Personnel	23	16

(c) Remuneration of Key Management Personnel

	2021 \$'000	2020 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,385	1,533
Long-term benefits	106	78
Termination benefits	67	132
Total	1,558	1,743

The numbers of key management personnel whose total remuneration from Council fall within the following bands:

	2021 No.	2020 No.
\$1,000 - \$9,999	6	-
\$10,000 - \$19,999	6	-
\$20,000 - \$29,999	1	8
\$40,000 - \$49,999	3	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$90,000 - \$99,999	1	1
\$120,000 - \$129,999	1	-
\$140,000 - \$149,999	-	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
\$210,000 - \$219,999	-	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	3	-
\$330,000 - \$339,999	-	1
Total	23	16

The amounts above are calculated as the total remuneration, which includes salaries paid, superannuation, value of vehicles provided and any movement in provision for annual leave.

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$151,000

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

	2021 No.	2020 No.
Less than \$151,000*	4	8
\$151,000 - \$159,999	1	3
\$160,000 - \$169,999	3	2
\$180,000 - \$189,999	1	-
Total	9	13

	2021 \$'000	2020 \$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to:	1,147	1,696

7.2 Related part disclosures

(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 \$54,452 Inc. GST from 1 July to 15 November 2020 (\$86,899 during 2019/20). All purchases were at arms length in the normal course of Council's operations.

(b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties (2019/20, \$0).

(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 (2019/20, \$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 (2019/20, \$0).

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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.

(a) Contingent assets

Council can claim a reimbursement of some costs associated with natural disasters. There was a storm event in June 2021 which Council is in the process of cleaning up. As this is ongoing at 30 June the total amount of the claim is not known at this time but is expected to be several million dollars.

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2021 \$'000	2020 \$'000
Not later than one year	86	88
Later than one year and not later than five years	279	289
Later than five years	48	142
	413	519

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in section 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

Council guaranteed a loan taken out by the Romsey Junior Football Club Incorporated. The original loan (and extent of possible Council exposure) was \$17,300. This loan was paid in full during the financial year so the balance is now zero.

Council guaranteed a loan taken out by the Romsey Football Netball Club Incorporated. The original loan (of possible Council exposure) was \$17,500. This loan was paid in full during the financial year therefore the balance is now zero.

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. This loan was paid in full during the financial year therefore the balance is not zero.

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.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

8.3 Financial instruments

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.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

(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 floating 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 Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of 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 below value or may be unable to settle or recover a financial asset. To help reduce these risks Council:

- has an investment policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitors 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 8.1(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 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5% and -0.25% in market interest rates (AUD) from year-end rates of 0.25%.

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

8.4 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.

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 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.

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.

8.5 Events occurring after balance date

During the reporting period, there were restrictions on some Council services due to outbreaks of COVID-19 in Victoria. This has impacted Council through closure of Aquatic and Fitness, Libraries, Economic Development, Tourism and Arts and Culture facilities. Essential services continue to be provided.

While these events have impacted Council's financial performance, the overall effect is not considered material. The Council has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of the consequences, as well as their impact on the financial position and results of Macedon Ranges Shire Council for future periods.

Council is not aware of any other after reporting date events.

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2021			
<i>Property</i>			
Land	98,199	-	98,199
Land under roads	44,677	-	44,677
Buildings	21,499	-	21,499
	164,375	-	164,375
<i>Infrastructure</i>			
Roads	248,975	-	248,975
Kerb and channel	8,129	-	8,129
Bridges	13,238	752	13,990
Drainage	32,991	-	32,991
Footpaths	2,470	-	2,470
Parks, Open Space & Streetscapes	6	191	197
Recreational, leisure and community facilities	10,834	6,078	16,912
	316,643	7,021	323,664
<i>Other assets</i>			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	2,640	-	2,640
Total asset revaluation reserves	483,658	7,021	490,679
2020			
<i>Property</i>			
Land	93,909	4,290	98,199
Land under roads	31,587	13,090	44,677
Buildings	16,750	4,749	21,499
	142,246	22,129	164,375
<i>Infrastructure</i>			
Roads	248,975	-	248,975
Kerb and channel	11,776	(3,647)	8,129
Bridges	13,238	-	13,238
Drainage	31,980	1,011	32,991
Footpaths	3,856	(1,386)	2,470
Parks, Open Space & Streetscapes	6	-	6
Recreational, leisure and community facilities	10,834	-	10,834
	320,665	(4,022)	316,643
<i>Other Assets</i>			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	2,640	-	2,640
Total asset revaluation reserves	465,551	18,107	483,658

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

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2021				
Asset conversion	864	-	(120)	744
Car parking*	136	-	-	136
Commercial development	3,599	-	(362)	3,237
Community facilities*	418	-	(20)	398
Debt repayment	91	400	-	491
Drainage*	446	253	-	699
Footpaths*	128	24	(10)	142
Gisborne development plan*	759	366	(86)	1,039
Gravel pit operations	545	129	-	674
Hanging Rock	612	-	(185)	427
Plant replacement	257	1,439	(218)	1,478
Public open space*	3,697	1,190	(1,135)	3,752
Road contributions*	427	104	-	531
Romsey development plan*	113	46	(100)	59
Senior citizens accommodation maintenance*	253	88	(65)	276
Total other reserves	12,345	4,039	(2,301)	14,083
2020				
Asset conversion	881	-	(17)	864
Car parking*	136	-	-	136
Commercial development	3,636	-	(37)	3,599
Community facilities*	254	164	-	418
Debt repayment	3,449	700	(4,058)	91
Drainage*	392	54	-	446
Footpaths*	107	21	-	128
Gisborne development plan*	699	60	-	759
Gravel pit operations	397	148	-	545
Hanging Rock	463	149	-	612
Plant replacement	564	1,210	(1,517)	257
Public open space*	3,109	1,137	(549)	3,697
Road contributions*	261	166	-	427
Romsey development plan*	257	31	(175)	113
Senior citizens accommodation maintenance*	195	85	(27)	253
Total other reserves	14,800	3,925	(6,380)	12,345

* Non-discretionary reserves subject to statutory requirements and/or other agreements – \$7.032m (\$6.376m 2019/20)

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.

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.

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

	2021 \$'000	2020 \$'000
Surplus/(deficit) for the year	7,955	13,739
Depreciation/amortisation	16,969	14,493
Profit/(loss) on disposal of property, infrastructure, plant and equipment	268	182
Fair value adjustments for investment property	18	270
Contributions – non-monetary assets	(2,837)	(5,913)
Share of net profits/losses of associates	(73)	(57)
Borrowing costs	220	321
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	131	(1,344)
(Increase)/decrease in other assets	33	(496)
Increase/(decrease) in trade payables	(237)	(674)
Increase/(decrease) in unearned income	6,581	407
Increase/(decrease) in trust funds and deposits	2,419	(1,315)
Increase/(decrease) in provisions	(151)	(1,389)
Increase/(Decrease) in right of use assets	(335)	1,342
Net cash provided by/ (used in) operating activities	30,961	19,566

9.3 Superannuation

Macedon Ranges Shire 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 Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) 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.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020.

The vested benefit index (VBI) of the Defined Benefit category of which [Employer name] is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.6% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter
Price inflation (CPI)	2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

- Net investment returns 4.8% pa
- Salary information 2.75% pa
- Price inflation (CPI) 2.25% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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 2020 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

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

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2020 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2020 (Triennial) \$m	2019 (Interim) \$m
- A VBI Surplus	100.0	151.3
- A total service liability surplus	200.0	233.4
- A discounted accrued benefits surplus	217.8	256.7

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 2020.

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 as at 30 June 2020.

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 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

The 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Rate	2021 \$'000	2020 \$'000
Vision Super – Defined Benefits	9.5%	77	87
Vision Super – Accumulation	9.5%	2,905	1,378

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$75,000.

Note 10 Change in accounting policy

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. This has resulted in no changes in accounting policies and adjustments to the amounts recognised in the financial statements. Council does not consider it has any assets which are subject to Service Concession arrangements.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (applies 2020/21 for LG Sector)

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material, from 1 July 2020. All information has been disclosed where material in nature, amount and impact to ensure primary users of the general purpose financial statements are informed and can make decisions on the basis of the information disclosed regarding the entity.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework (applies 2020/21 for LG Sector)

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework from 1 July 2020. These financial statements present fairly the financial position, financial performance and cash flows of Council. There is a fair presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria of assets, liabilities, income and expenses set out in the Conceptual Framework for finance reporting.

It is not expected that these standards will have any significant impact on council.

Macedon Ranges Shire Council Performance Statement

For the Year Ended 30 June 2021

OUR MUNICIPALITY

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

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.

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

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

The economy of the Macedon Ranges region is diverse with the major industries (based on number of jobs in the shire) as follows;

- Public Services comprising Health Care & Social Assistance and Training & Education (24% of jobs)
- Industry comprising Manufacturing and Construction (19.7% of jobs)
- Retail Trade and Accommodation & Food Services (19.3% of jobs)

The council covers an area of 1747 km² and has a population of 50,971 (2020) which is expected to grow to 60,362 by 2031.

Additional demographic information is contained earlier in the annual report.

Impacts of COVID-19

The COVID-19 pandemic has once again had a significant impact on the operations of the Council. In line with government restrictions, the Council closed a number of facilities and reduced physical service delivery throughout the year, transferring a range of services and consultations online. The financial impact of these closures has been reflected in the results for 2020/21 and appropriate commentary appears throughout the annual financial and performance statements.

Council will continue to monitor the non-financial and financial impacts of COVID-19 on its operations.

Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator / measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,455	\$1,493	\$1,565	\$1,659	
Infrastructure per head of municipal population					
<i>Value of infrastructure / Municipal population</i>	\$12,915	\$13,133	\$13,177	\$13,195	
Population density per length of road					
<i>[Municipal population / Kilometres of local roads]</i>	28.54	28.14	28.35	28.75	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,213	\$1,281	\$1,248	\$1,258	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$303	\$288	\$309	\$272	The decrease in 2021 is linked directly to the decrease in Roads to Recovery grants from the Commonwealth Government.
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage]	9	9	9	9	
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year x100]	12.0%	21.2%	15.2%	11.8%	Variation in staff turnover rate impacted by departmental and organisational restructures during 2020, resulting in a staff turnover rate of 15%. Turnover decreased in 2021, to a rate more aligned with expectations.

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

“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

Service Performance Indicators

For the year ended 30 June 2021

Service / indicator / measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	7.11	7.23	5.50	2.53	The significant reduction in aquatic visits is attributable to restrictions in place due to COVID19 – this includes multiple full centre closures and operating under density limits/caps. Data comparison of previous year data to the reported data (19/20 v 20/21) shows the underlying utilisation of facilities outside of the COVID19 restricted periods was in line with previous years.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management]	New in 2020	New in 2020	100%	0%	Council did not finalise any prosecutions in the financial year. Lower prosecution rates reflect an enforcement approach focussed on prosecuting the most serious breaches and using alternative enforcement approaches to achieve compliance.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	98.26%	100.00%	95.52%	95.12%	
Governance Satisfaction [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51	51	52	47	Satisfaction with Council decisions has decreased from 52% in 2020 to 47% in 2021, a decrease of 5%.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / the sum of the population for the last three years] x100	16.92%	16.40%	16.28%	14.17%	The decrease was due to COVID-19 and libraries being closed for periods of time throughout 2021.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	82.01%	80.92%	82.38%	80.85%	

Service / indicator / measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	85.71%	80.65%	91.23%	78.67%	Aboriginal children participating in MCH services reported increased numbers in enrolments at year end. However, the number of aboriginal children who attended the service at least once during the year did not increase at the same rate as enrolments.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48	49	54	49	Decrease in satisfaction with sealed local roads could be attributed to a deterioration in some of our local roads as a result of damage caused by large trucks and carts, road construction works and higher rainfall which than previous years accelerating some defects.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	52.38%	58.33%	100.00%	50.00%	Sixteen VCAT appeals were decided this year compared to ten last financial year. The key difference is in the 'set aside' determinations with eight set aside this year, compared to zero last year.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins]x100	44.81%	44.78%	53.46%	64.67%	Council has extended the Food Organics Garden Organics (FOGO) and glass recycling to more areas of the Shire which has returned benefits with less amount of kerbside waste being diverted to landfill.

Definitions

“active library member” means a member of a library who has borrowed from the library

“annual report” means an annual report prepared by a council under section 98 of the Act

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

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

“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

“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

Financial Performance Indicators

For the year ended 30 June 2021

Dimension / Indicator /measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations
					2022	2023	2024	2025	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,193	\$3,220	\$3,402	\$3,603	\$3,475	\$3,577	\$3,578	\$3,598	
Revenue level <i>Average rate per property assessment</i> [General rates and municipal charges / Number of property assessments]	New in 2020	New in 2020	\$1,843	\$1,881	\$1,903	\$2,362	\$2,383	\$2,404	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	248.31%	205.23%	225.99%	194.07%	202.41%	207.34%	160.63%	129.64%	At the end of 2020/2021 cash and investments were \$12M greater than the previous year due to additional government grants combined with delays in programs due to lockdown restrictions. However, while cash holdings were higher, the increased grants and lockdowns delaying the Council's ability to deliver programs resulted in significant funds being classified as current liabilities (Unearned Income, \$7m). The forward Financial Plan maintains adequate cash holdings for commitments
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	120.89%	105.94%	16.50%	19.01%	36.59%	33.43%	10.89%	5.53%	
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	21.26%	18.88%	8.88%	7.56%	13.55%	29.62%	27.74%	25.19%	The decrease in this ratio in 2021 is due to a large loan being repaid in full during the 2019/20 financial year. The increase in future years is due to Council budgeting to draw down loans to fund the Macedon Ranges sports precinct project.
Loans and borrowings <i>Repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.18%	2.06%	9.91%	1.24%	1.60%	1.34%	3.13%	3.53%	The result in 2019/20 was abnormally high due to the large loan repaid during the year.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	24.17%	15.04%	15.75%	13.34%	17.44%	29.20%	23.40%	19.55%	Decrease due to the impact of COVID-19 and Council services that generate user fees etc. were closed for periods of time throughout the 2021

Dimension / indicator / measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations
					2022	2023	2024	2025	
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	New in 2020	New in 2020	154.75%	87.06%	156.44%	144.91%	141.08%	151.98%	Capital expenditure in 2021 was lower overall than previous years – in part due to some renewal and upgrade projects being delayed and needing to be a carry forward to be delivered in 2021/2022
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>	5.76%	7.58%	4.00%	-2.74%	3.17%	14.03%	25.91%	18.09%	Lower user fees due to COVID-19 closures (over \$1.3m) have impacted on the underlying surplus. The 10 year Financial Plan forecasts a gradual improvement in the underlying result, however funding the full value of depreciation on the Council's \$1.1 billion asset base remains a challenge.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x 100</i>	61.55%	61.06%	61.96%	64.62%	65.23%	56.77%	54.55%	49.50%	
Rates effort <i>Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.39%	0.35%	0.33%	0.32%	0.32%	0.32%	0.32%	0.32%	
Retired indicators Service / indicator / measure									
Animal Management Health and safety <i>Animal management prosecutions [Number of successful animal management prosecutions]</i>	1	0	Retired in 2020	Retired in 2020					This measure was replaced by AM7 from 1 July 2019.
Efficiency Revenue level <i>Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]</i>	\$2,036.59	\$2,081.76	Retired in 2020	Retired in 2020					This measure was replaced by E4 from 1 July 2019.
Obligations Asset renewal <i>Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100</i>	94.42%	89.80%	Retired in 2020	Retired in 2020					This measure was replaced by O5 on 1 July 2019.

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)

“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

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 (as per the transitional provisions of the Local Government Act 2020).

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. For the prescribed financial performance indicators and measures, the results are as 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 four-year budget on 24 June 2021. The four-year budget 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 four-year budget can be obtained by contacting council or located on the Macedon Ranges Shire Council website.

Certification of the Performance Statements

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



Travis Harling, CPA
Principal Accounting Officer

22 September 2021
Gisborne

In our opinion the accompanying performance statement of Macedon Ranges Shire Council for the year ended 30 June 2021 presents fairly 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.

As 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.



Mark Ridgeway
Councillor

22 September 2021
Gisborne



Geoff Neil
Councillor

22 September 2021
Gisborne



Bernie O'Sullivan
Chief Executive Officer

22 September 2021
Gisborne

Independent Auditor's Report



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 2021• sustainable capacity indicators for the year ended 30 June 2021• service performance indicators for the year ended 30 June 2021• financial performance indicators for the year ended 30 June 2021• other information and• certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 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>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

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
28 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria



Malsbury Botanical Gardens

