

# Annual Report 2019/20



# Acknowledgement of Country

Macedon Ranges Shire Council 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.

## About this Annual Report

This Annual Report informs our community of our performance for the financial year (1 July 2019 to 30 June 2020). It provides you with details of our operations, achievements and challenges.

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

*Photography provided by: Chloe Smith Photography and various photographers working with Council as part of the Victorian Government's Working for Victoria initiative 2020.*

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# A message from the Mayor and CEO

**Cr Janet Pearce**  
**Mayor**



This is the final annual report for the current Council, elected in 2016, and marks the end of my second consecutive term as Mayor. I thank my fellow Councillors for their support and congratulate them on four years of dedicated service to their community.

The COVID-19 pandemic has had a great impact on the community as well as business and tourism. In the final budget of our term, Council approved a \$1.1million support package; just one component of the evolving and ongoing response by Council to assist our community into the future as it looks to recover from this extremely challenging event.

Local government is responsible for many areas and services. Being transparent and accountable to the community is always Council's priority, to ensure we are using finances and resources effectively and efficiently. Community consultation is valued and we extend our thanks to everyone who provided feedback over this time, assisting Council with ongoing work and decision making.

The most recent achievements in the four-year term of this Council are highlighted in this document. We continue to deliver strategies and projects looking at all of the Council Plan priorities and in line with our key themes: liveability, efficiency and sustainability.

We invested in a shire-wide kerbside collection service of up to four bins, including FOGO (Food Organics Garden Organics) and glass-only bins. With the new four-bin service model, Council significantly increased diversion of waste to landfill. The Victorian Government plans to roll out the same model across the state, demonstrating how this Council has been innovative and forward thinking.

Another major shire-wide change was the introduction of new dog on leash requirements and a cat curfew, both protecting the natural environment. We continued to work towards our climate change target set in our Climate Change Action Plan.

On behalf of Council, I thank the community for their support and feedback, which has enabled us to further achieve our vision of working to protect and enhance life in the Macedon Ranges.

**Margot Stork**  
**Chief Executive Officer**



My second full year as Chief Executive Officer in the shire has been rewarding but also challenging, due to the outbreak of COVID-19 in early 2020.

Council's focus for much of the second half of the financial year was working with the community and Councillors to respond appropriately and in a timely way to these unprecedented circumstances. This had a major impact on our business as well as everyone in the shire.

While the early part of the year was extremely challenging, there have been some important achievements as the organisation demonstrates its agility and ability to respond quickly in changing times.

Council has moved quickly to facilitate online Council meetings, briefings and submitters committee meetings. It has welcomed up to 92 new staff into the organisation and provided them with meaningful work as part of the Victorian Government's Working for Victoria initiative, and has rapidly improved technology to enable as many staff to work off site as possible. Council has launched a shire-wide Recovery Operations Centre (ROC) to offer pandemic-related support for the community and has created an #InThisTogether community and business support campaign. I thank the staff for living our values during this very challenging time—showing **respect**, being **honest** and **accountable**, **working together** effectively and demonstrating high levels of **innovation**.

High-functioning and successful organisations continually change and adapt their structures to ensure they are best meeting needs both internally and externally. Our new three-directorate organisational structure introduced this year will ensure Council is more agile and well placed to deliver in an environment of ever-changing priorities and circumstances.

I congratulate Councillors on their achievements over their four-year term, thank them for their support and for providing a strong strategic framework and direction to the organisation, which has enabled our team of talented and dedicated staff members to work together with Councillors to deliver great outcomes for our community.



# 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 communities' 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.

## Vision

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

## Themes

### Liveability:

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

### Efficiency:

smart service delivery, asset management and resource allocation.

### Sustainability:

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

## Priorities

Promote  
health and  
wellbeing

Protect  
the natural  
environment

Improve  
the built  
environment

Enhance the social  
and economic  
environment

Deliver strong  
and reliable  
government

We will achieve our vision by:

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

# Our liveable shire

## About us

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

The Macedon Ranges Shire has an estimated resident population of 50,257 people (as at 30 June 2020). There are nine main towns and a number of smaller settlements spread throughout, with the largest towns being Gisborne, Kyneton, Romsey and Woodend. About 35 per cent of people in the Macedon Ranges live outside a town boundary in a rural setting. According to recent 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, it is projected the population of the shire will reach 65,405 residents (Source: .id, November 2017). Population growth is projected in all age groups, however will be particularly strong in the older age groups.

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

Industries providing local employment in the shire include health care and social assistance, education and training, retail trade, agriculture, forestry and fishing. Tourism is also another important and growing industry.

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



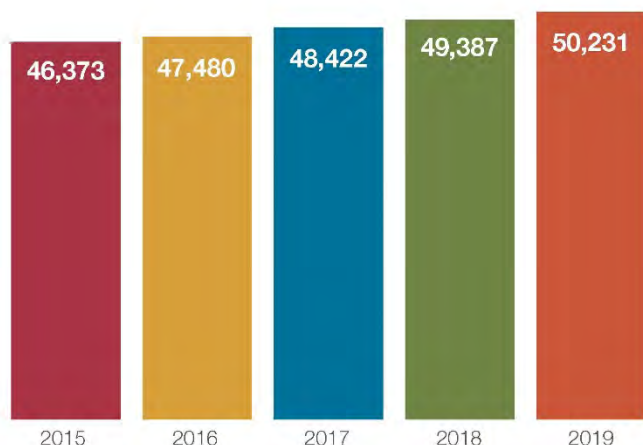


# Our liveable shire

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

## Population growth over past five years

Year ending 30 June



\* As at 30 June 2019



## Top five languages spoken at home

(other than English, which is the highest)



**4.1%**

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

**26%**

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

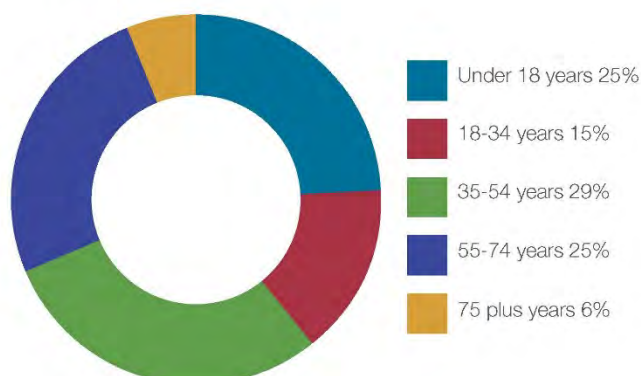


**129** people from **32** countries became **citizens** at **7** ceremonies \*

\* Of the 7 ceremonies, 3 of these (totalling 37 people) were online ceremonies due to the effects of COVID-19

## Population age breakdown

**1.7%**  
Population growth in 2019 to 50,231



# Our liveable shire

## Household type

Total number of households: 16,764

Average number of people: 2.65

Most likely to be: a 3 bedroom house



Couples with children	36.1%
Couples without children	28.0%
Lone person	18.9%
One parent families	8.5%
Other	5.6%
Group household	1.7%
Visitor only households	1.2%



**35.3%**

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

**64.7%**

of people live in a **township**

There were **23,113** rateable properties  
as at 30 June 2020, an **increase of 1%** on the  
**previous** year, and **8.9%** over the last  
**five** years

## Shire infrastructure

Council maintains:

**854 km** of sealed roads

**810 km** of unsealed roads

**331 km** of kerb and channel

**10,455** stormwater pits

**149** bridges and culverts

**209 km** of footpaths

**65** foot bridges

**271 km** of underground  
stormwater pipes

## Sport and recreation

Council maintains:

**38** parks, gardens and  
nature reserves

**24** sports grounds

**61** playgrounds

**73** tennis courts

**6** skate parks

**4** aquatic facilities

**6** indoor stadiums



# Financial snapshot

Overall, Council's financial position remains sound.

- Underlying income is improving and the increases in our operating expenses continue to be at modest levels.
- Capital works expenditure for the year was \$23.99 million, which is the highest level of capital works expenditure recorded by our Council. However, there are a number of projects originally planned for 2019/20, which were in progress at the end of the financial year. They will now be completed in 2020/21.
- Borrowings have decreased and remain at affordable levels. A large debt repayment of \$4.1 million was made in 2019/20.

The following table outlines some of the key financial numbers and indicators. The financial statements provide more detail.

Item and related financial statement	2019/20	2018/19
Total income (Income statement)	\$92.368m	\$91.466m
Total expenditure (Income statement)	\$78.629m	\$73.714m
Surplus (Income statement)	\$13.739m	\$17.752m
Assets (Balance sheet)	\$1,177.252m	\$1,150.119m
Liabilities (Balance sheet)	\$27.885m	\$32.598m
Capital expenditure (Statement of capital works)	\$23.984m	\$22.605m
Loans and borrowing ratio (Performance statement)	8.88%	18.88%
Working capital ratio (Performance statement)	225.99%	205.23%
Asset renewal ratio (Performance statement)	99.04%	89.80%
Adjusted underlying result (Performance statement)	3.89%	7.58%

## Economic factors

In 2019/20, interest rates remained moderately low. 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, not directly correlated with inflation.

Due to low interest rates, return on Council investments were also low. The impact on income was however, largely negated by the level of investments held.

COVID-19 had an impact on 2019/20 with many recreational, leisure and cultural venues requiring temporary closure.

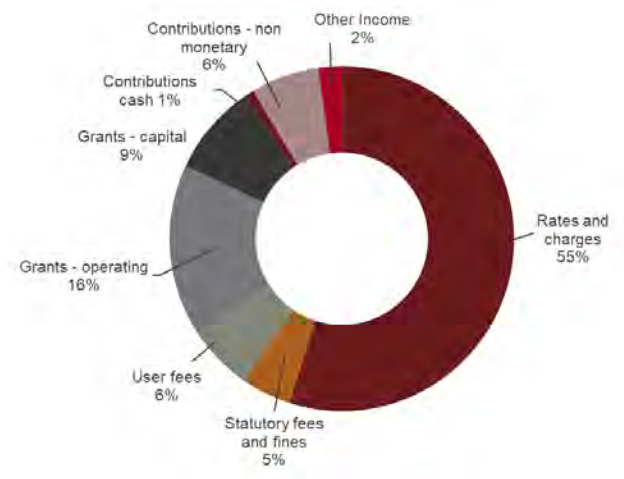


# Financial snapshot

## Income

We receive income from a variety of sources. The following graph provides a breakdown of key income sources.

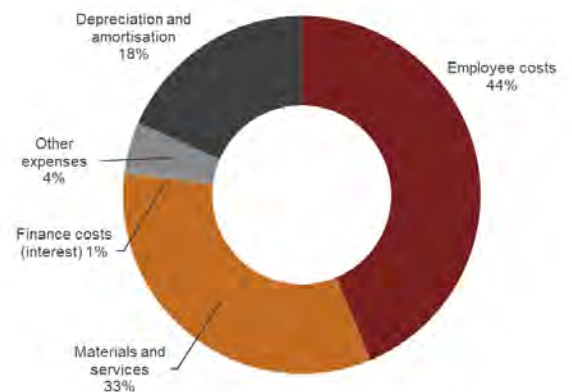
Income increased by \$0.90 million in 2019/20 mainly due to a higher level of rates and charges as a result of budgeted increases to fund the higher cost of services and capital works. In addition, the number of properties in the shire is growing which contributes to the higher income from rates. Government grants also increased this year compared to 2018/19.



## Operating expenses

Our operating expenditure is mainly made up of the cost of employees and contractors who deliver our services. The adjacent graph provides a breakdown of key expenditure categories.

Operating expenses increased by \$4.92 million in 2019/20. As this increase is higher than income growth, our underlying surplus decreased. Employee costs increased in line with pay rises in the enterprise bargaining agreement and staff numbers increased overall due to higher service demand. The level of project expenditure varies from year to year depending on priorities.

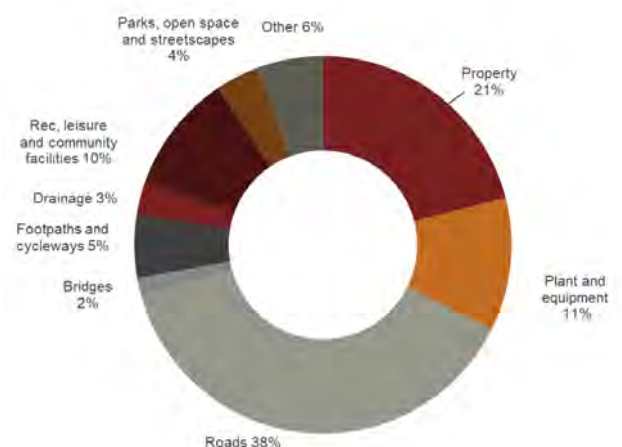


## Capital works expenditure

Capital works expenditure relates to renewing and upgrading our existing assets and constructing new assets. The adjacent graph provides a breakdown of key capital expenditure categories.

Capital works expenditure for the year totalled \$23.98 million an increase of \$1.38 million compared to 2018/19. The capital expenditure for 2019/20 is the highest recorded by the Macedon Ranges Shire Council.

This included significant works completed at several of our facilities across the shire including Woodend Kindergarten (\$0.45 million), Kyneton Library (\$0.20 million), IR Robertson Reserve pavilion (\$0.34 million), Riddells Creek Tennis Club (\$0.48 million), Gardiner Reserve netball change rooms upgrade (\$0.89 million), Gisborne Tennis Club (\$0.32 million).



# Financial snapshot

## Assets and liabilities (balance sheet)

The balance sheet shows what we own as assets and what we owe as liabilities. The net of assets less liabilities is total equity, which is an accumulation over time of the net worth of Council.

Our assets increased by \$27.13 million during 2019/20. This was mainly due to revaluation increases for land, land under roads, buildings, footpaths and condition assessment for kerb and channel totalling \$18.1 million. We also had \$5.91 million of assets transferred to us following the completion of new subdivisions. Cash and investments were also higher due to grants received in advance late in the financial year, and lower than planned capital expenditure. A number of capital projects which were in progress at the end of the year, were delayed due to COVID-19 and weather. These will be completed in 2020/21.

Our debt ratios improved with no new borrowings taken out during the year and \$4.1 million of debt repaid.



# Hanging Rock snapshot

## Fast facts

- 82,640 visitors to Hanging Rock Reserve, a decrease of 32.94% on the previous year due to the impacts of COVID-19. Visitor numbers prior to the closure were on par with 2018/19 figures.
- Events—eight events attended by 57,593 people
- Night walks—almost 60 people attended three walks
- Guided tours—16 walks attended by approximately 900 people
- 63 shelter bookings—a decrease in bookings due to reserve closures.



## Highlights

- TripAdvisor's Certificate of Excellence rating was achieved for the sixth consecutive year and the rating as the number one attraction in the Macedon Ranges was maintained.
- Over 42,000 people visited the reserve over the January long weekend to attend back-to-back concerts by Sir Elton John on Saturday 25 January and Sunday 26 January, and the Australia Day horse race meet on Monday 27 January. All events ran seamlessly due to months of planning and hard work by event organisers and Hanging Rock staff, and gave a positive boost to the local economy.
- Year one implementation of the Hanging Rock Strategic Plan.
- The Victorian Government committed \$250,000 in 2019/20 to enhance and maintain the reserve. The following works were undertaken in line with the Hanging Rock Reserve Environmental Management Plan:
  - Pest animal and weed control activities were continued.
  - The Hanging Rock Racecourse Grassland Management Plan was successfully delivered with implementation of the plan already underway.
  - Approximately 9,000 plants were planted during a revegetation program in May/June 2020. This built on previous plantings within the core conservation and riparian zones.
  - Tree protection zones were developed around 29 large significant trees or strategically significant groups of trees.
  - Several areas around the carparks received supplementary plantings of indigenous species to improve the biodiversity outcomes.
  - In preparation for a future kangaroo management plan, quarterly population census of the reserves resident kangaroo population were undertaken. Six audits have been completed to date, with the information to be used to inform future management decisions across the reserve.
  - Fauna monitoring activities including woodland bird surveys, nest box checking and spotlighting for arboreal mammals.



# Hanging Rock snapshot

## Events

Events at Hanging Rock were well attended in 2019/20.

- Craft markets held in October and March attended by over 4,000 people.
- New Year's Day and Australia Day horse races attracted good crowds.
- Annual car show (Sunday 9 February) continued to attract a large number of car enthusiasts.
- Elton John concerts—20,000 concert goers attended each event.
- Annual outdoor screening of Picnic at Hanging Rock (Saturday 15 February)—150 attendees.

## Improvements

- Works were undertaken through Department of Environment, Land, Water and Planning (DELWP) funding to improve both the environmental significance and the aesthetics of the reserve.
- Tanks upgrades to two toilet blocks.

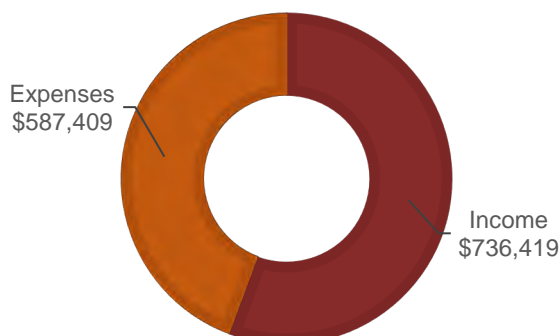
## Challenges

- The reserve was closed on Tuesday 24 March due to the health and safety requirements of the COVID-19 restrictions. The reserve reopened on Tuesday 23 June under modified operational conditions including limited entry to the reserve and closures of the Discovery Centre and at the top of the summit walk.
- Run the Rock, scheduled for Saturday 18 April, was postponed due to COVID-19.
- Two night walks cancelled due to inclement weather
- The annual screening of Picnic at Hanging Rock was not well attended due to torrential rain on the day of the event.
- The annual Camp Out at the Rock was cancelled due to the COVID-19 pandemic.
- Several guided tours, shelter booking and bus tours had to be cancelled due to COVID-10 pandemic.

## Future priorities

- Review of current Hanging Rock Reserve Environmental Management Plan.
- Continued environmental works including implementation of the grassland management plan and the ongoing monitoring of the revegetation program.
- Continue to work with the Victorian Government, local Traditional Owners and local Aboriginal and/or Torres Strait Islander peoples to progress implementation of the Hanging Rock Strategic Plan.
- Ongoing improvements to visitor facilities.

## Income and expenses



# 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 the social and economic development
- deliver strong and reliable government.

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## Community support

Expenditure \$2.65 million

For those living with 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. We are partnering with organisations across the community to establish an elder abuse prevention network to raise awareness of elder abuse across the region.

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## Community and culture

Expenditure \$1.94 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. Our staff assist community groups to achieve their aspirations through skill building in a range of areas including marketing, governance and grant writing.

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

For young people aged 10-24 years.

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

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# Our services

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## Council and customer service

For the whole community.

Expenditure \$1.44 million

Customer service is delivered online, face to face at one of our service centres, or over the telephone. A range of communications and consultation channels inform and invite you, our community, to have your say on Council's strategies and projects. All Ordinary 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 closed to the public during March. Council continued to provide services to the community online and via telephone. A shire-wide Recovery Operations Centre (ROC)—a centralised service where residents can ask for support, request information, offer assistance or put forward recovery ideas and suggestions relating to the COVID-19 pandemic—launched in April, providing further assistance and support to the community.

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## Early years

For children up to school age and their parents/carers.

Expenditure \$4.9 million

**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 that have turned four years old.

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

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

**Maternal and child health:** The maternal and child health service supports families in the areas of parenting, health and development for children from birth to school age.

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 set out by the National Immunisation Program, and 10 health and developmental checks for children from birth to kindergarten age.



# Our services

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## Economic development and tourism

For residents, businesses and visitors.

Expenditure \$1.63 million

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. 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 was vital to provide to local businesses timely, accurate and up-to-date information from all government agencies during the COVID-19 pandemic. To enhance informed business decision making, we initiated a business impact survey, an interpretation process, and delivered targeted online business workshops.

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## Community safety

For the whole community

Expenditure \$3 million

Our community safety team provides emergency preparedness advice, relief and assistance with emergency response and coordinates recovery efforts. Community health and safety is further protected 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.

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 will be delivered before the 2020 fire season, in consultation with Newham Fire Brigade.

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## Environment

For the whole community

Expenditure \$1.46 million

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 climate change, water shortage, biodiversity and conservation.

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# Our services

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## Libraries

Expenditure \$1.39 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.

Goldfields libraries within the shire were temporarily closed due to COVID-19 from March. Online programs, events, eBooks, audiobooks and family history resources remained available to the community.

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## Parks and gardens

Expenditure \$4.58 million

For the whole  
community

Our staff take pride in maintaining and developing the safety and appearance of 62 playgrounds, 1,979 hectares of open space, 27 irrigation systems, 54 barbecues, 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. We recognise the important role public open spaces play in fostering healthy and active communities, and continue to develop these areas through plantings, irrigation and improved infrastructure.

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## Planning and building

Expenditure \$4.24 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.

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## Recreation and leisure

Expenditure \$5.78 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 developed the Kyneton Toyota Sports and Aquatic Centre, and implemented various reserve master plans across the shire. 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.

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# Our services

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## Roads and built environment

For the whole community

Expenditure \$10.27 million

We maintained 1,664 kilometres of roadways, 209 kilometres of footpaths, 65 footbridges, 271 kilometres of storm water pipes with 10,455 storm water pits in a sustainable and efficient manner. Project managed the construction of 14 new road projects and over 3,700 metres of new footpaths across the Macedon Ranges Shire.

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## Waste

For residents and businesses

Expenditure \$8.82 million

We manage waste in the shire by collecting household general waste, recyclables, glass, and Food Organics 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 2019/20 over 5,250 tonnes of organics was diverted from landfill through the kerbside FOGO service.

The remainder of the shire will have the FOGO service introduced in early 2021.

We are one of only two councils in Australia to introduce a separate kerbside, glass bin collection service. Since its implementation, the service has diverted over 800 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 have also installed new e-waste sheds at all three transfer stations to better manage the increased volumes of e-waste, and to comply with the Victorian Government's ban on e-waste going to landfill in 2019.

We encourage residents to reduce, reuse and recycle wherever possible, having improved waste diversion from 45 per cent to over 65 per cent following the introduction of the FOGO and glass services.

The Resource Recovery team continue to look at ways to innovate and assist residents with recycling and waste minimisation.



# Our people



# Our Councillors

## East Ward



### Cr Henry Bleeck



Elected: 2016

[hbleeck@mrsc.vic.gov.au](mailto:hbleeck@mrsc.vic.gov.au)

0400 028 507

Attended 10 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020:

- Annual meeting of Braemar College Ltd (Sub)
- Macedon Ranges Local Safety Committee
- Municipal Emergency Management Planning Committee (MEMPC)
- Municipal Fire Management Planning Committee (MFMP)
- Workspace Australia, Submitters Committee

### Cr Natasha Gayfer



Elected: 2016

[ngayfer@mrsc.vic.gov.au](mailto:ngayfer@mrsc.vic.gov.au)

0436 407 401

Attended 9 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020:

- Audit Committee
- Central Victorian Greenhouse Alliance (CVGA)
- CEO Performance Appraisal Advisory Group
- Peri Urban Councils Group
- Submitters Committee

### Cr Bill West



Elected: 2016

[bwest@mrsc.vic.gov.au](mailto:bwest@mrsc.vic.gov.au)

0400 025 455

Attended 9 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020:

- Goldfields Library Corporation Board
- Calder Highway Improvement Committee
- Central Ranges Local Learning and Employment Network (LLEN) Board (sub)
- Submitters Committee



# Our Councillors

## South Ward



### Cr Mandi Mees



Elected: 2016  
Deputy Mayor

[mmees@mrsc.vic.gov.au](mailto:mmees@mrsc.vic.gov.au)

0448 814 442

Attended 8 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020: <sup>1</sup>

- Airfield Advisory Committee (Chair)
- Macedon Ranges Agribusiness Forum
- Rural Councils Victoria Inc. (RCV) (sub)
- Submitters Committee

### Cr Helen Radnedge



Elected: 2016

[hradnedge@mrsc.vic.gov.au](mailto:hradnedge@mrsc.vic.gov.au)

0437 386 922

Attended 10 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020: <sup>1</sup>

- Health and Wellbeing Advisory Committee
- Macedon Ranges Heritage Council
- Macedon Ranges Local Safety Committee (sub)
- Municipal Emergency Management Planning Committee (MEMPC)
- Municipal Fire Management Planning Committee (MFMP)
- Submitters Committee

### Cr Andrew Twaits



Elected: 2016

[atwaits@mrsc.vic.gov.au](mailto:atwaits@mrsc.vic.gov.au)

0429 066 000

Attended 7 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020: <sup>1</sup>

- Airfield Advisory Committee
- Annual meeting of Braemar College Ltd
- Calder Highway Improvement Committee (sub)
- CEO Performance Appraisal Advisory Group
- Submitters Committee

<sup>1</sup> Also a member of the Gisborne Futures Council Project Group



# Our Councillors

## West Ward



### Cr Janet Pearce



Elected: 2016  
Mayor

[jpearce@mrsc.vic.gov.au](mailto:jpearce@mrsc.vic.gov.au)

0437 282 096

Attended 10 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020:

- Airfield Advisory Committee
- Audit Committee
- Central Victorian Greenhouse Alliance (CVGA) (sub)
- Central Ranges Local Learning and Employment Network (LLEN) Board
- CEO Performance Appraisal Advisory Group
- Health and Wellbeing Advisory Committee
- Municipal Association of Victoria (MAV) (sub)
- Macedon Ranges Agribusiness Forum
- Peri Urban Councils Group (sub)
- Rural Councils Victoria Inc. (RCV)
- Submitters Committee

### Cr Jennifer Anderson



Elected: 2016

[janderson@mrsc.vic.gov.au](mailto:janderson@mrsc.vic.gov.au)

0408 273 670

Attended 9 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020:

- Health and Wellbeing Advisory Committee (Chair)
- Macedon Ranges Heritage Council
- Municipal Association of Victoria (MAV)
- Local Government Waste Forum
- Submitters Committee

### Cr Roger Jukes



Elected: 2016

[rjukes@mrsc.vic.gov.au](mailto:rjukes@mrsc.vic.gov.au)

0400 647 445

Attended 7 Ordinary Council meetings and 2 Special Council meetings

Representation as at 30 June 2020:

- Macedon Ranges Agribusiness Forum
- Submitters Committee

# Our Executive

In 2019/20, the Executive was comprised of:

## Chief Executive Officer

### Margot Stork

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

Areas of responsibility: Governance and stewardship of Council operations.

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



## Director Corporate Services

### John Hausler

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

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

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



## Director Planning and Environment

### Angela Hughes

Qualifications: BAppSc(Plan)

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

Angela joined Council in May 2018. Angela has extensive experience in local government at peri-urban and metropolitan councils.



## Director Assets and Operations

### Shane Walden

Qualifications: MBA, AAMC, GradCert ProMan, Prince2 Project Practitioner

Areas of responsibility: Engineering, Building Management, Open Space Management, Asset Management and Community Safety and Engineering Planning.

Shane joined Council in 2019 and has extensive experience in the areas of operations and asset management gained in local government and the private sector.

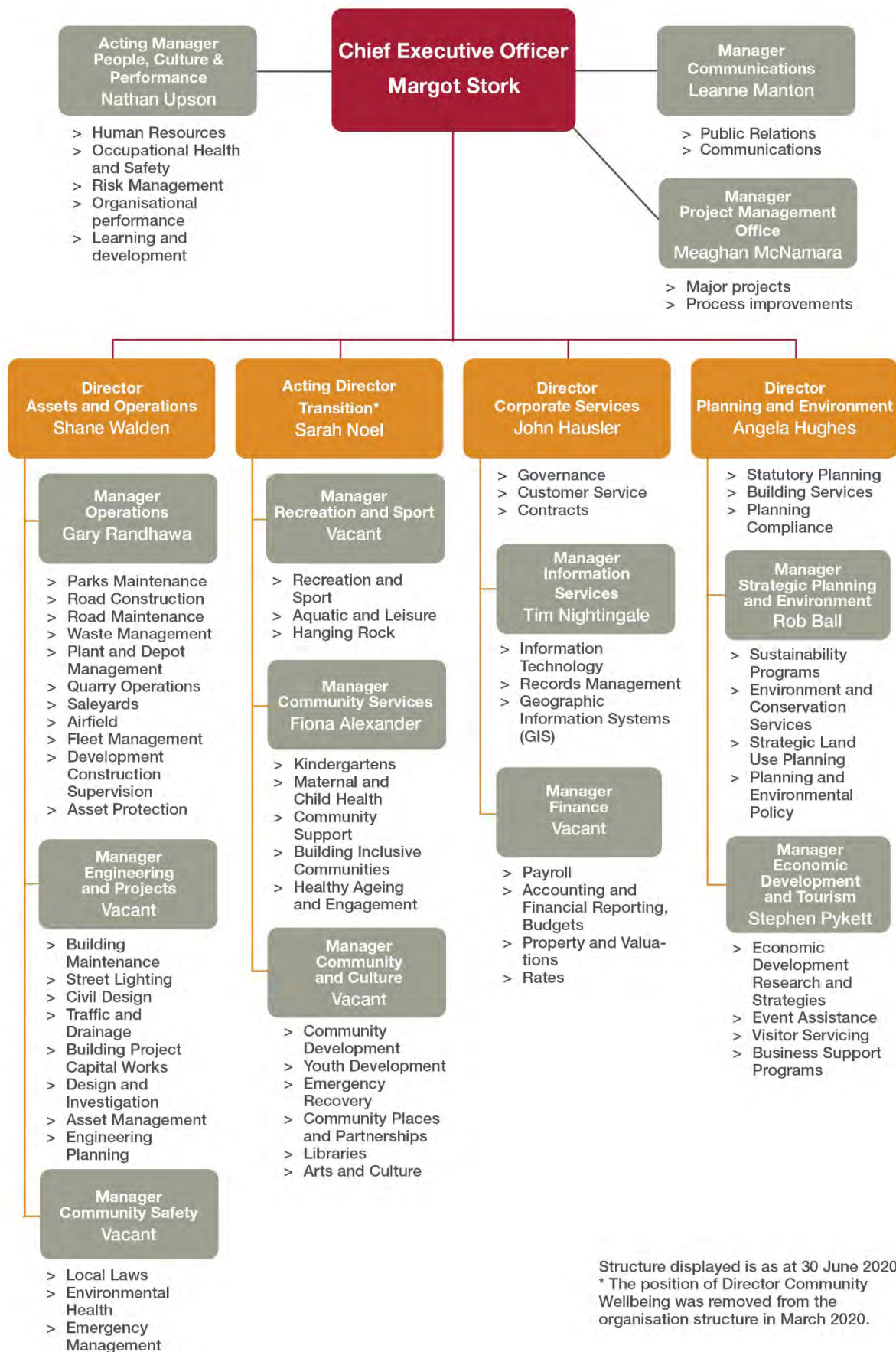


## Director Community Wellbeing

### (Karen Stevens - July 2019 to March 2020)

This position was removed from the organisational structure in March 2020.

# Our organisation



Structure displayed is as at 30 June 2020.

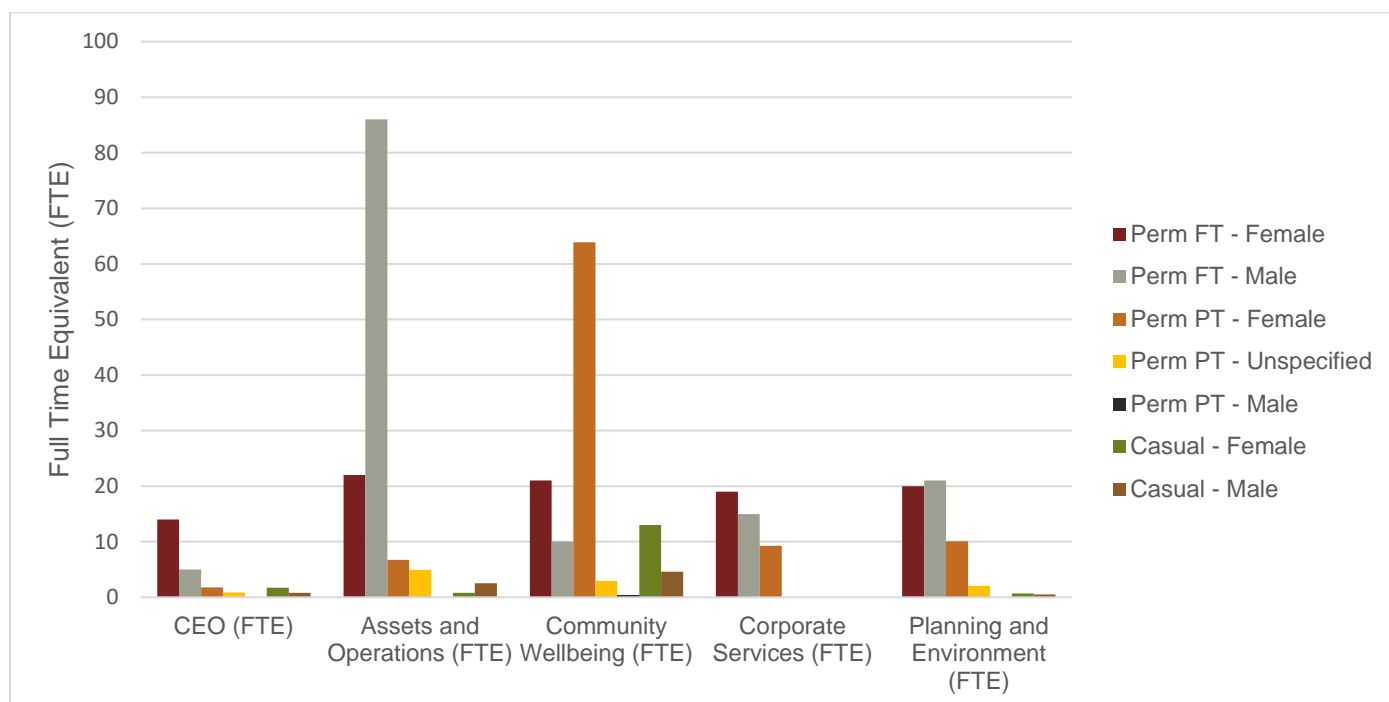
\* The position of Director Community Wellbeing was removed from the organisation structure in March 2020.

# Our workforce

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

The table below shows the full time equivalent of employees by directorate. Community Wellbeing had a higher number of casual staff due to aquatics and leisure, cultural development and community support functions. Part time and casual staff across the organisation are predominately female.

Employee Type / Gender	CEO (FTE)	Assets and Operations (FTE)	Community Wellbeing (FTE)	Corporate Services (FTE)	Planning and Environment (FTE)	Total FTE
Perm FT - Female	14.00	22.00	21.00	19.00	20.00	<b>96.00</b>
Perm FT - Male	5.00	86.00	10.00	15.00	21.00	<b>137.00</b>
Perm PT - Female	1.80	6.73	63.88	9.25	10.07	<b>91.73</b>
Perm PT - Male	0.84	4.98	2.91	0.00	2.08	<b>10.81</b>
Perm PT - Unspecified	0.00	0.00	0.40	0.00	0.00	<b>0.40</b>
Casual - Female	1.72	0.82	13.04	0.00	0.70	<b>16.28</b>
Casual - Male	0.81	2.56	4.60	0.00	0.52	<b>8.49</b>
<b>Total</b>	<b>24.17</b>	<b>123.09</b>	<b>115.83</b>	<b>43.25</b>	<b>54.37</b>	<b>360.71</b>

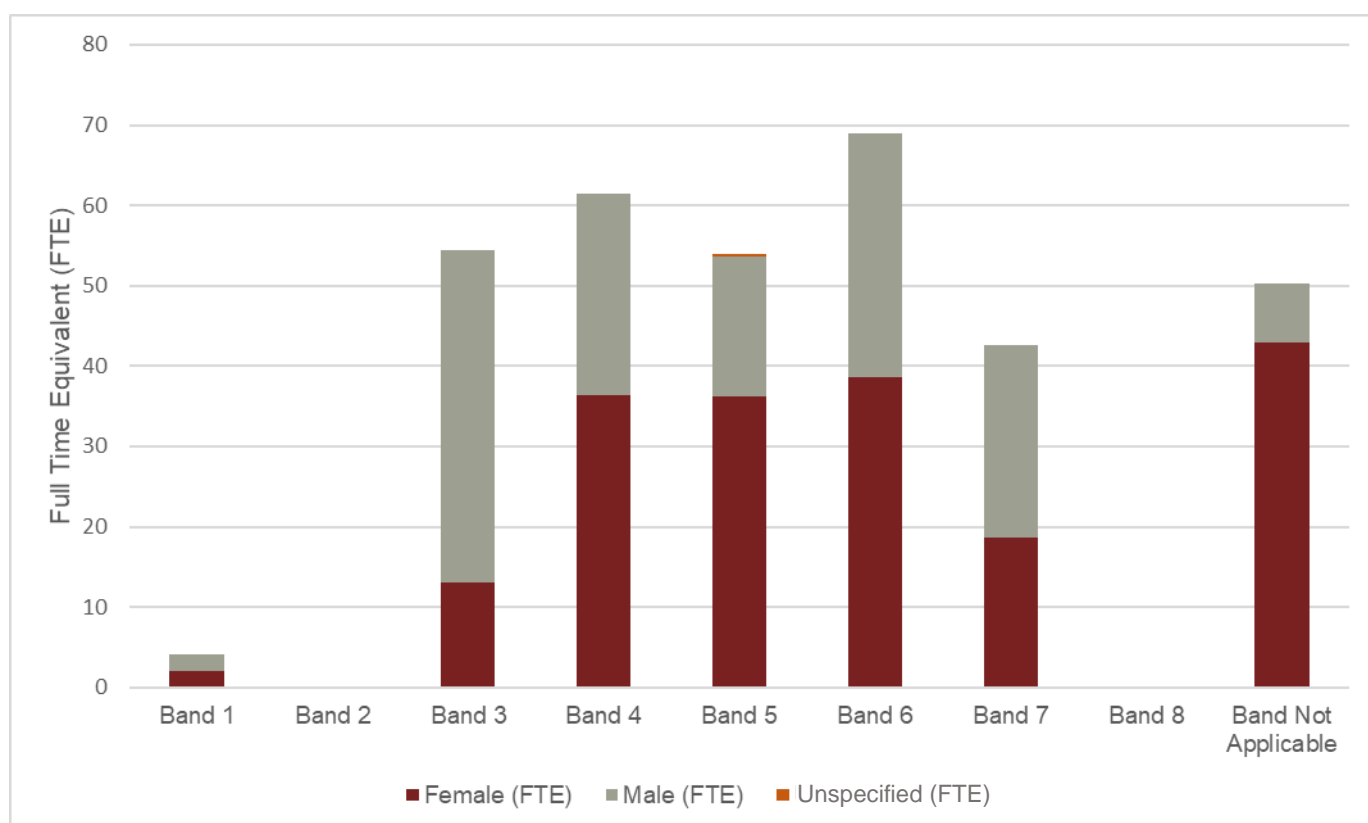




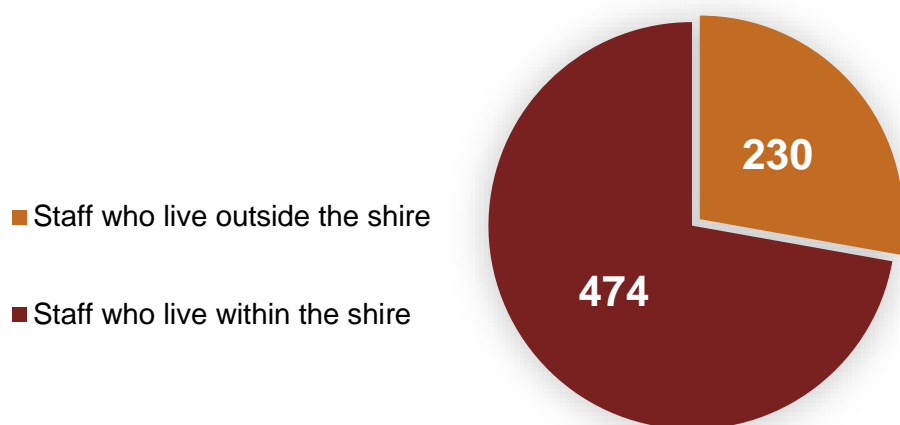
# Our workforce

The table below shows employment classification of staff by gender.

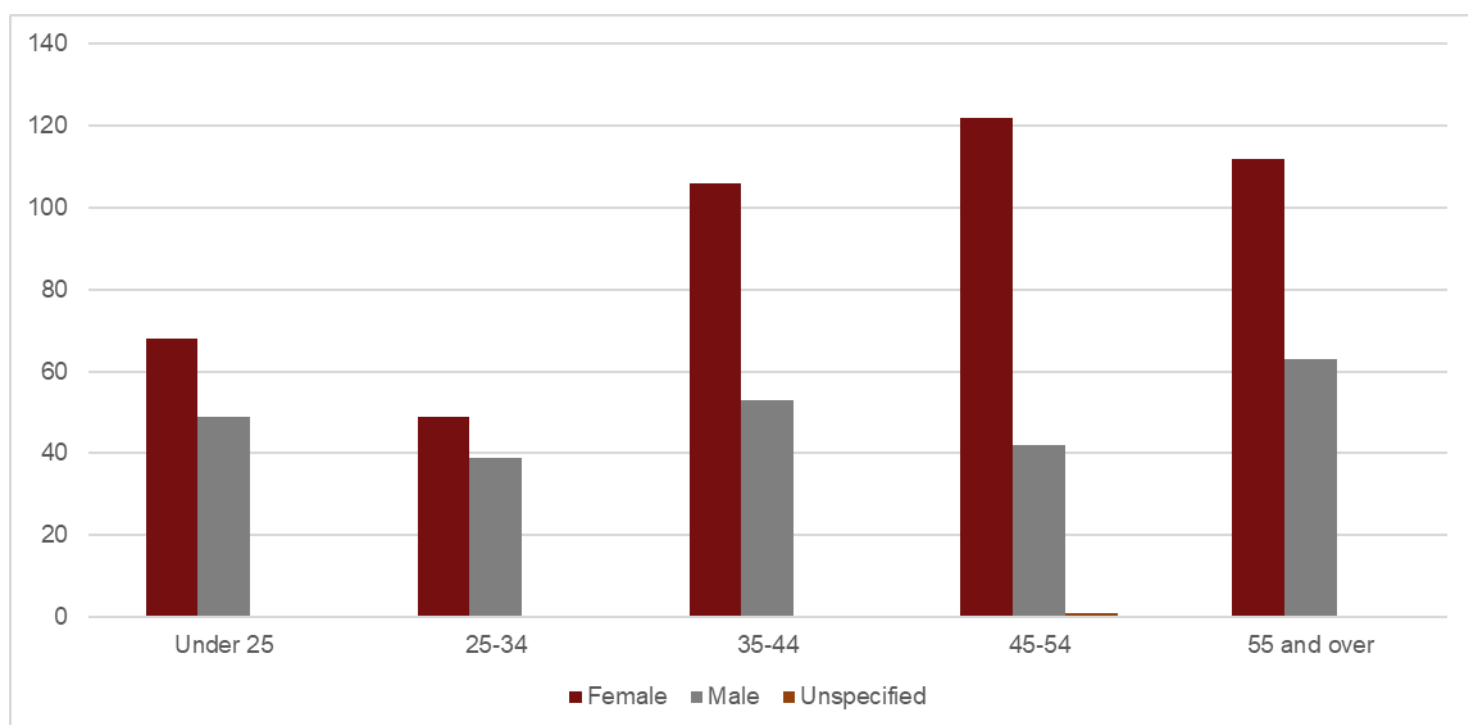
Employment classification	Female (FTE)	Male (FTE)	Unspecified (FTE)	Total FTE
Band 1	2.44	2.57	0.00	5.01
Band 2	0.55	0.58	0.00	1.13
Band 3	21.77	46.32	0.00	68.09
Band 4	41.04	27.48	0.00	68.52
Band 5	36.21	17.40	0.40	54.01
Band 6	38.60	30.44	0.00	69.04
Band 7	18.60	24.00	0.00	42.60
Band 8	0.00	0.00	0.00	0.00
Band Not Applicable	44.81	7.50	0.00	52.31
<b>Total</b>	<b>204.02</b>	<b>156.29</b>	<b>0.40</b>	<b>360.71</b>



# Our workforce

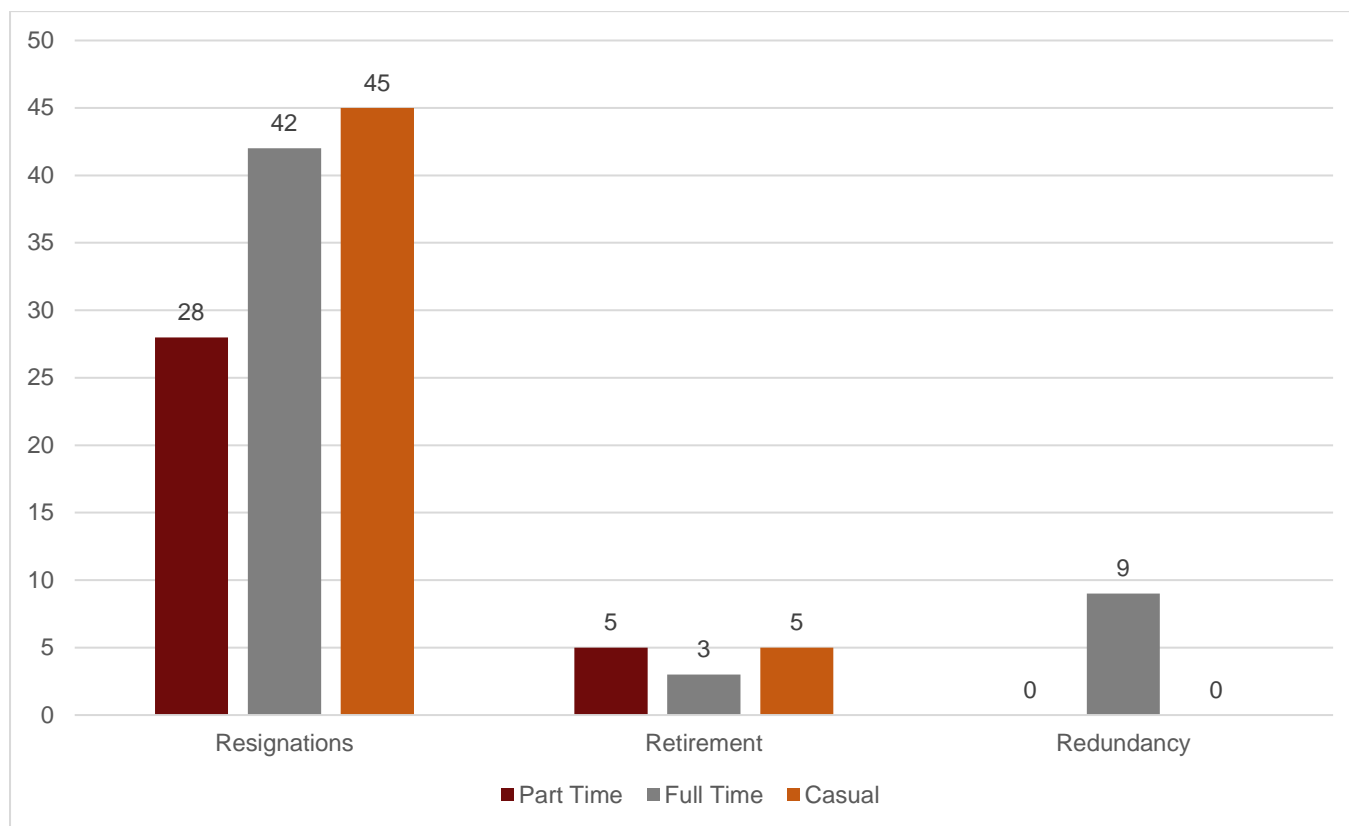


## Employees by age



# Our workforce

## Staff turnover



## Professional development

The introduction of a dedicated internal learning and development resource allowed for an increased focus on developing the skills and knowledge of our employees.

With increased dedication to compliance training, skills expansion and professional development, we have seen our employees benefit from a range of workshops and training sessions delivered by both internal and external partners.

Members of our leadership team participated in acquiring certification for the Prince2 Project Management methodology for both Foundations and Practitioner training. Other training and workshops offered included assessing, analysing and treating risk, workplace behaviour and discrimination plus freedom of information and data protection.

We expanded our library of mandatory eLearning modules adding topical subjects that covered COVID-19, communicating with people who have communication difficulties, and cyber security.

To support the visibility and monitoring of learning and development activity across the organisation, and to track certification requirements, we moved our training calendar and attendance records to Ci Anywhere, an enterprise software that provides full visibility and access of learning and development activity to staff.

# Our workforce

## Embedding the organisational values

In 2018, we implemented our new organisational values; respect, accountability, working together, honesty and innovation.

An internal committee dedicated to embedding the updated values into every aspect of our organisational culture, created and implemented a detailed plan. The committee consisted of members from every directorate and level of employee including leaders and directors.

The committee embedded the values across five themed weeks, each week with a focus on one of the new values. The themed weeks involved dedicated messaging, events and fun activities to ensure that our team fully understood the importance of the value and related behaviours.

Our values are now part of the organisational culture, used within performance conversations, policy and process communication, position descriptions and recruitment.

## Equal opportunity program

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

Our *Equal Opportunity Policy* and EEO training is provided to all staff at the commencement of employment as part of the induction process. The training, which is provided via a digital eLearning program, ensures employees have an understanding of the characteristics that are protected attributes under EEO legislation and their obligations as an employee and/or supervisor. In-house training is provided for supervisors and managers that outlines their responsibilities.

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

## Health and safety

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



# Our priorities



## 1. Promote health and wellbeing

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



## 2. Protect the natural environment

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



## 3. Improve the built environment

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



## 4. Enhance the social and economic environment

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



## 5. Deliver strong and reliable government

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

# Our priorities





# Our priorities

## 1. Promote health and wellbeing

### Fast facts

- 121,823 visits and 311,020 loans at four libraries
- Over 250,000 visits at Council's two indoor aquatic facilities
- 2,300 children enjoyed learn to swim lessons each week of school term
- 53 older adults participated in the Back in the Game program in Romsey and Woodend
- 250 young people attended the Woodend and Lancefield outdoor pools' youth events
- 43,352 people attended an event inside a cultural facility
- 39 touring art and community performances
- 3,385 engagements with young people
- 34 grants awarded through the Community Funding Scheme (CFS) worth \$179,612
- 21,684 hours of direct support to assist clients to access the community and remain independent in their home
- 923 regional assessments performed to support older people to identify their support needs and access Commonwealth Home Support Programme services
- 7,496 meals were delivered to clients of the Commonwealth Home Support Programme
- 478 birth and 49 new enrolments (0–6 years) from families who have moved to the shire
- 4,768 Maternal and Child Health (MCH) 10 Key Age and Stage consultations (0–3.5yrs)
- 202 children were enrolled in 11 Council-run three year old activity groups across the shire
- 577 children were enrolled in 24 Council-run funded four year old kindergarten programs across 24 groups offered in the shire
- 1,320 students from eight primary schools took part in VicHealth's Walk to School program
- 101 children at Lady Brooks Kindergarten learnt Auslan (sign language) as part of their kindergarten program
- Community consultation to inform the draft 2020–2025 Early Years Plan and draft Positive Ageing Plan
- 228 dogs and 40 cats were returned to their owners
- 32 dogs and 87 cats were adopted
- 159 livestock found wandering or trespassing were impounded, helping reduce risks to road users and community members.

# Our priorities

## 1. Promote health and wellbeing

### Our priority

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

### Why are we doing this?

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

### What have we done?

#### We promoted mental health

We have been a partner in the development of a youth mental health promotion project called KIT (Keep in Touch) providing a youth outreach van and app to connect young people to support options and activities in regional and rural areas across the Loddon Campaspe region.

We are a partner in providing governance support and guidance to implement the suicide prevention trial in Macedon Ranges, now extended to June 2022.

Postnatal depression screening and general support for the emotional and psychological wellbeing of parents is a component of every maternal and child health appointment.

We have staff qualified to deliver mental health first aid training for a range of ages. These courses are offered across the shire to inform residents, young and old, on how to support someone who may be developing a mental health problem or be in a mental health crisis.

We had a dedicated older persons mental health first aid trainer facilitate two training sessions for people that work with and support older people in Macedon Ranges.

We also provided 2,100 hours of community respite, supporting the relationship between Commonwealth Home Support Programme clients and carers through respite services that allow carers to take a break.

#### We encouraged gender equality

We facilitated a story telling gender equity program, Living in a Gendered World, Inviting members of our community to learn the art of storytelling culminating in a public spoken word event at the Bluestone Theatre.

### Workplace gender equality project

In 2018/19, we received funding from the Victorian Government to focus on gender equality in our workplace, drawing on the learnings from the Rural Challenge Gender Equality Leadership Program. In 2019/20 work continued on the Gender Equality Workforce Challenge Project that aims to ensure our culture and policies reflect our commitment to gender equality and inclusion.



# Our priorities

## 1. Promote health and wellbeing

### We fostered social connection and inclusion

2019/20 was the first year that we have integrated the Disability Access Plan (DAP) into the Council Plan, ensuring that disability is a priority for the whole organisation. It was also the first time that that we prepared an easy English version of the Council Plan.

We launched the shire's first accessible Changing Places facility and two unisex public toilets at Jacksons Creek Reserve in Gisborne. Changing Places facilities are larger than standard accessible toilets, and have extra features and more space to meet the needs of people with a disability and their carers. We celebrated International Day of People with Disability with a Hollywood-themed dinner dance in Kyneton.

As a requirement of the Commonwealth Home Support Programme, a client survey was undertaken to indicate if the services we provide are meeting needs and expectations. From the results, 91 per cent responded as 'very happy' or 'happy' with the services received, and 98 per cent said Council staff treat them with respect and dignity.

### Supporting older people in our community

We continue to coordinate the Over 55s Connect Facebook page for the purpose of promoting positive images and stories about older people in the community, and improving communication with older people by sharing relevant and local information with them.

We created a community group directory to identify age-friendly clubs and groups that welcome older people in the Macedon Ranges Shire. We also held a forum to assist groups and clubs to become more age friendly.

We continue to provide financial and other support to groups that represent the diverse interests of older people, including assistance through the Commonwealth Home Support Programme's New Ideas for Older People community grant.

### Kindergarten support

We organised activities to promote early start kindergarten to early childhood professionals and the broader community. Early start kindergarten supports children who are vulnerable, known to child protection or who identify as Aboriginal or Torres Strait Islander.

Grant funding of \$22,962 from the Department of Education and Training (DET) went towards the purchase of equipment to support children with additional needs, and to promote inclusive environments in our kindergartens. Funding of \$12,000, also received from the DET, went towards the purchase of iPads and televisions for kindergartens so that educators can include interactive activities and children can learn to connect and understand their world.

Woodend Kindergarten received a \$503,000 boost to upgrade the existing playground to be more inclusive and accessible for children of all abilities. Funding was from Council, the DET, Woodend Kindergarten Incorporated Association and the Victorian Government's Pick My Project Initiative.

Lady Brooks Kindergarten received funding from the DET to engage an Auslan kindergarten teacher. Children learnt Auslan as part of the kindergarten program to help promote the inclusion of children who are deaf or children with limited language skills. Funding also enabled a language session held for families of the service to teach parents Auslan.

# Our priorities

## 1. Promote health and wellbeing

### We fostered social connection and inclusion

#### Neighbourhood house support

We continued engagement with the six neighbourhood houses within the shire by supporting coordinators, attending network meetings and co-facilitating community development. We also organised events for recognition days across the six houses including Neighbour Day and International Women's Day.

#### Romsey Men's Shed

Council has entered into a memorandum of understanding (MOU) with Romsey Men's Shed Incorporated to help facilitate the construction of a men's shed at Romsey Park.

#### Young people

Youth development activity is guided by *Elevate* the Macedon Ranges Shire Council Youth Strategy 2018–28. The strategy aims to ensure that young people in the Macedon Ranges feel:

- healthy and well
- safe
- connected to each other and those around them
- proud
- embraced and heard
- supported
- informed.

The unit continued to deliver Live4Life, the Youth Ambassadors program, Youth Engage Program (YEP!), and Music in the Sticks (MITS) activities in the 2019/20 period.

Over the course of the year, our youth services had a total of 3,385 engagements (individual contact per activity/event/meeting) with young people in the in the Macedon Ranges.

Through Live4Life, we delivered:

- mental health education sessions to 562 year eight students
- teen mental health first aid to 469 year 11 students.

In response to COVID-19 restrictions, year eight education sessions were adapted for online delivery as PowerPoint presentations, which included videos produced with the Live4Life crew and trainers. An e-workbook was produced to support these presentations.

As a part of the Youth Ambassadors program, our ambassadors produced *Time to Talk*, a video resource for the local community and beyond that looks at consent and raises awareness around sexual assault.

# Our priorities

## 1. Promote health and wellbeing

### We fostered social connection and inclusion

Through the reinstitution of the Young Parents' Connection program, our ongoing support of rainbow flag raising activities for International Day Against Homophobia, Biphobia and Transphobia and the Queer Formal, we reaffirmed our commitment to inclusion and connection.

Through youth spaces and school holiday events such as pool parties and skateboarding competitions, we enabled extra social, outside of work, school or family activity and connection for young people in the shire.

We added to our MITS activities this past year with the *Bluestone Recording Sessions*, and subsequent performances, which engaged 180 young people. The recording sessions gave young creatives in the region the opportunity to make recordings of their music with the support of a professional sound engineer.

Due to COVID-19, we have moved much of our program activity online. We continue to deliver modified youth spaces, MITS, Live4life and Youth Ambassador-related activity in this space.

### We celebrated and respected Indigenous culture

Our kindergartens have been working with a Koorie engagement officer to strengthen inclusiveness of Aboriginal and Torres Strait Islander peoples. This included a cultural audit of the inclusiveness of each service to Aboriginal and Torres Strait Islander peoples. The kindergartens then completed actions identified in the audit to improve the inclusiveness of their service.

Teachers and educators contributed to our draft Reconciliation Action Plan (RAP) and attended cultural understanding training along with other early childhood professionals in the shire.

### Online cultural awareness training

We have purchased the rights to an online cultural awareness training from May 2020.

### Reconciliation Action Plan (RAP)

We have continued developing our first RAP, which will build a deeper understanding of, and responsibility towards reconciliation in Council staff. The RAP will reflect the reconciliation priorities of local Traditional Owners, local Aboriginal and/or Torres Strait Islander peoples, and the commitment of Council.

The RAP working group has continued to lead the development of this key strategic document. The draft RAP will be considered for adoption by Council after wider community consultation.

### We encouraged healthy eating

We worked with community groups to support them to provide nutritious meals to older community members through neighbourhood houses, four senior citizens groups and two community lunches. 7,496 meals were also delivered to home support clients.

We promoted healthy food options through maternal child health and kindergartens.

Swinburne Avenue Children's Centre received a Bendigo Bank grant for sustainable practices and healthy lifestyles to build a vegetable garden and enhance the cooking program.



# Our priorities

## 1. Promote health and wellbeing

### We facilitated physical activity

Sport and active recreation facilities are important physical assets that contribute to providing a social focus and influence our communities' ongoing health and wellbeing. Our aquatic and leisure facilities have prioritised the development of programs and services, enabling broad community use and supporting a range of fitness levels.

Our facilities continue to offer a variety of junior programs ranging from Learn to Swim to Tiny Tackers dance classes, ensuring that the sessions are safe and engaging for the participants.

To support long-term health benefits of participating in physical activity, we introduced a new program, Back in the Game. This program is for physically inactive residents over 65 years of age, and for Aboriginal and Torres Strait Islander peoples aged 50 years and over. The program has encouraged over 50 new residents to get active.

We also:

- lead Loddon Mallee Move It, a regional project funded by Sport Australia to increase the participation of older people in regular physical activity, and to raise awareness of the benefits of physical activity
- supported eight schools in the region to participate in the annual Walk to School initiative in October, promoting active travel to school and road safety
- introduced kindergarten registration incentives for 2021 with Learn to Swim prizes.

### We contributed to community safety

We coordinated elder abuse/know your rights information sessions targeting older people with a focus on education and empowering rights, understanding what elder abuse is and how to seek help. Presenters included healthy ageing engagement staff, Seniors Rights Victoria, Elder Rights Advocacy, Aged Care Quality and Safety Commission, and Victoria Police. We are the lead agency in the Macedon Ranges Elder Rights Network, working with the community to raise awareness of elder abuse. 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:

- adopted the *Council Dog and Cat Control Order 2019—Domestic Animals Act 1994 (incorporating Schedules 1 and 2)*, requiring dogs to be on leash except in designated off leash areas and requiring dogs to always be under effective control
- adopted a new *Roadside and Footpath Trading Policy* setting clear requirements for traders placing items such as outdoor dining furniture and signs on Council land and roads
- 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
- participated in the local safety committees to promote community partnerships to contribute to a safer community for all
- 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 approximately 540 fire prevention notices
- achieved greater than 95 per cent compliance rate with fire prevention notices.

# Our priorities

## 1. Promote health and wellbeing

### We contributed to community safety

- 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.

State guidelines for the rewrite of our Municipal Fire Management Plan are still under review from Emergency Management Victoria. In lieu of these new guidelines not being available, and the need for the plan to reflect the current risk within the shire, members of the MFMP are undertaking a full review.

### We continued to improve access and quality of our change rooms

We continued to improve access and quality of our change rooms through the refurbishment of the Riddells Creek Leisure Centre amenities to include gender-neutral design principals in the build. We have also commenced detailed design on new female-friendly facilities at Gardiner Reserve, Gisborne to support all participants to enjoy physical activities such as netball, football and cricket.

### We supported volunteers

The CFS is a direct way that we support local volunteer organisations. Through this scheme, not-for-profit groups can access funds that support effective planning, operations and projects that deliver benefits to the community. It provides capacity-building opportunities for groups to realise their goals and priorities for the community they serve. In the 2019/20 year, we funded \$160,000 of grants to community groups through this process.

We have over 100 sporting clubs/groups and committees including reserve consultative committees across the shire that are operated primarily by local community volunteers.

We continued to support five incorporated parent committees and three parent groups in fundraising for kindergarten equipment and incursions, and promoting social connection with families in the kindergarten community.

The Community Support unit continued to work with 40 volunteers to support older people to access appointments, visit clients and deliver meals. A celebration this year was the retirement of three volunteers who had provided altogether 95 years of volunteering service within the community.

### We fostered art and culture

We engaged local artists to provide online creative activities for children and families during the COVID-19 lockdown holidays. This included an instructional video for participating families, showing them how to use everyday household items to create their own puppets and film, and share their performances.

Kyneton Museum staff commenced working with local artists to develop online content diversifying the ways we access the many untold stories and objects in the collection.

We supported Macedon Ranges Community Halls Inc. by assisting with their grant applications for facility upgrades to ensure that their facilities are fit for purpose. The hall committees also worked with us to provide new opportunities for local artists to develop their work by providing an artists-in-residency program inside our local halls.

# Our priorities

## 1. Promote health and wellbeing

### Other key achievements

- We resolved to conclude the contract with the Victorian Government to deliver the Home and Community Care Program for Younger People (HCCPYP), and provided individualised support to each HCCPYP client to move to another program.
- We continued to monitor the impact of aged care sector reform on our home support service.
- In partnership with Loddon region councils, we advocated for the needs of older people in rural and regional communities through a joint submission to the Royal Commission into Aged Care.
- Kindergarten registrations went online and we had a full year of paperless registration, reducing data entry, human error and assisting families by making it easier for them to register their child for kindergarten.
- We advocated to the Victorian Government for a new early learning centre in Kyneton.
- All 2019/2020 Early Years services' capital works were completed:
  - Romsey Kindergarten/MCH carpark
  - Drainage at Woodend Kindergarten
  - Installation of air conditioning, and painting at Riddells Creek Kindergarten.
- We recruited a family support worker in the Enhanced Maternal Child Health team.
- In partnership with the Emergency Management unit, we delivered a number of summer-preparedness education sessions to local community groups for older people. The purpose of these sessions were to educate community members on fire danger ratings, how to be prepared, and to know what happens in the event of an emergency
- We received \$8.75 million from the Victorian Government to construct the shared trail between Woodend and Riddells Creek for the use of walking, cycling and, jogging enthusiasts.

### Our major initiatives to promote health and wellbeing

The following statements review the progress of Council in relation to major initiatives identified in the 2019/20 budget.

Initiatives	Progress
Demonstrate leadership in advancing gender equality	We finished our draft Gender Equality Action Plan.
Advocate for funding to commence construction of a rail trail from Daylesford to Hanging Rock	We are working in partnership with the Hepburn Shire Council and Regional Development Victoria to develop advocacy collateral to support the group seeking State Victorian and Australian government funding for stage one of the trail project.

# Our priorities

## 1. Promote health and wellbeing

Initiatives	Progress
Work with communities to promote safety, equal respectful relationships and opportunities for empowerment	<p>We held various presentations for internal staff in order to promote key messages from the Positive Ageing Plan consultation—safety, equal respectful relationships and empowerment. Council also communicated with senior citizens groups and community meals organisations regarding COVID-19 and changes to promote safety. We offered mental health first aid for older people training to lifestyle carers, U3A, Macedon Ranges Health and Cobaw Community Health.</p> <p>Elder abuse/know your rights information sessions were held, targeting older people with a focus on education and empowering them to assert their rights, understand what elder abuse is and how to seek help.</p> <p>Community-wide consultations on positive ageing and early years took place from November to December with approximately 1,000 people actively providing their ideas and priorities for making Macedon Ranges more age-friendly.</p> <p>These consultations were about empowering the community, particularly older people and children on what their priorities, aspirations and ideas are in making Macedon Ranges more age-friendly.</p> <p>CFS—additional information was included in the guidelines to encourage projects that promote safety, respectful equitable relationships and provide opportunities for empowerment. This year, applications that addressed Council's wellbeing priorities, scored more highly than those that did not. This was outlined in the guidelines.</p>
Local implementation of Loddon Campaspe Regional Partnership's Healthy Heart of Victoria project to get more people more active more often	<p>The healthy hearts project involves three core components which include the Active Living Census, infrastructure improvements or programs that get more people more active more often, and the Health Broker workforce. The Active Living Census is complete and information sessions are being implemented online, to inform stakeholders on the key findings. The project has successfully delivered outdoor fitness equipment in Kyneton along the Campaspe River Walk and design documentation is currently out to tender for Woodend, Gisborne and Romsey which are expected to be delivered in 2020/21. The health broker role has recently been extended through until June 2021, as a result of impact experienced by the COVID-19 pandemic.</p>
Leadership of Move It AUS – Better Ageing Grant Program across Loddon Mallee Region, seeking to engage more older people in regular physical activity	<p>Activities across the Loddon Mallee Region are underway with the final contract awarded. A steering group met twice during the year. We submitted a report regarding the impact of COVID-19 (which has seen activities suspended) to Sport Australia in late March 2020.</p>



# Our priorities

## 1. Promote health and wellbeing

Initiatives	Progress
Develop a positive ageing plan to prioritise need, attract funding and guide allocation of resources to services and programs	Council resolved at the 24 June Ordinary Council Meeting, to place the draft Positive Ageing Plan on public display for a period of four weeks.
Develop a municipal early years plan to prioritise need, attract funding and guide allocation of resources to services and programs	A draft document was developed but requires further work on proposed actions. This will be progressed with Council in 2020/21.
Advance Indigenous reconciliation through working with Recognised Aboriginal Parties to develop a RAP	The draft RAP has been sent to the three Traditional Owner groups, and will be exhibited publicly for four weeks from Friday 3 July 2020. The draft RAP will then be considered for adoption at the September 2020 Ordinary Council Meeting before being presented to Reconciliation Australia for endorsement.
Develop a primary school Live4Life mental health education and promotion model aimed at grades five and six	Activities completed to date include: student and parent engagement (production of online parent survey), planning of four community-based face-to-face parent consultation events, opening the expression of interest for primary schools to engage students in the process, and meetings with local service providers to set up for the co-design/development of the model. Work will continue in 2020/21.

# Our priorities

## 1. Promote health and wellbeing

Initiatives	Progress
Increase community awareness and resilience in relation to mental health including supporting the activities of the Macedon Ranges Suicide Prevention Action Group	<p>We delivered a Youth Mental Health First Aid course in Jan/Feb 2020.</p> <p>Live4Life crew 2020 is up and running. The launch event was cancelled this year due to COVID-19 restrictions. The crew are however, developing material to promote mental health and wellbeing across the wider community.</p> <p>Council engaged a dedicated older person's mental health first aid trainer, to facilitate two training sessions for people that work with and support older people in the Macedon Ranges Shire.</p> <p>We led the Macedon Ranges Elder Rights Network.</p> <p>The Youth Development unit worked with many young people to build their confidence and develop skills in public speaking, running forums, event planning and management. Young people continue to embrace opportunities to showcase their newfound skills and confidence at a variety of activities and events providing key experience, further developing their confidence and sense of self.</p>
Make a submission on behalf of Macedon Ranges Shire to the Victorian Government's Royal Commission into Mental Health	<p>Our submission to the Royal Commission is complete and has been submitted.</p>
Celebrate the 90th birthday of the Kyneton Town Hall with a week-long retro-theatre event featuring nostalgic classic cult and local films	<p>221 people attended the six free nostalgic film sessions presented in December, to celebrate the Kyneton Town Hall's 90th year. The feedback from patrons was very positive with requests for future screenings of classics films and newsreel footage.</p>

# Our priorities

## 1. Promote health and wellbeing

Initiatives	Progress
Apply universal design principles and consider accessible elements in the provision of outdoor exercise equipment	Accessible equipment and improved disability parking has been included in the recently-installed outdoor exercise equipment along the Campaspe River Walk in Kyneton, and has been included as a specification in the tender documentation for outdoor exercise equipment for Woodend, Gisborne and Romsey.
Increase visibility of diversity in our community across our publications and communications	<p>This year for the first time, we integrated the Disability Action Plan into the Council Plan and implemented the first easy English version of the Council Plan.</p> <p>There was increased visibility of diversity in our publications as key documents were produced throughout the year. Notable documents produced, which reflect the diversity of our community in the images chosen for inclusion, include the resident newsletter ShireLife and the 2018/19 Annual Report. The Annual Report was finalised in September.</p>
Increase the level of information about support options and other opportunities for carers of people with disabilities	<p>We provided 2,100 hours of community respite, supporting the relationship between the Commonwealth Home Support Programme clients and carers through respite services that allow carers to take a break from their usual caring duties.</p> <p>Each HCCPYP client has had a service review in this period to support transition to a new provider. These discussions have addressed support available to carers where appropriate.</p> <p>Information for the National Carer Counselling Program continues to be provided to clients through the assessment process when appropriate. All support workers have been provided with this information to provide to relevant carers.</p>

# Our priorities

## 2. Protect the natural environment

### Fast facts

- 375 kilograms of FOGO composted per household
- Over 800 kilometres of roadsides were slashed for fire prevention purposes
- 34,000 new bins delivered across the shire as part of FOGO and glass bin service rollout
- We undertook 292 inspections and approved 126 wastewater (septic tank) applications
- We responded to 152 planning referrals relating to wastewater and septic tanks
- 1,036 kilometres of woody weeds were treated along roadsides plus 392 kilometres of roadsides were treated for Serrated Tussock (these figures take into account treatment of both sides of the road)
- 24 environment workshops, information sessions, discussion groups and citizen science events were attended by approximately 877 people
- Individual on-farm advice about regenerative agriculture were provided to 27 farmers
- 84 biodiversity monitoring sites were established
- 144 nest boxes were installed across 48 biodiversity monitoring sites.

### Our priority

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

### Why are we doing this?

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

### What have we done?

#### We addressed climate change mitigation, resilience and adaption

- We commenced Cool Changes 3442, which involves facilitation of a community climate change action plan for the Woodend district.
- We were involved in the cross-council power purchase agreement project, which will see Council purchase most of its electricity from renewable sources from 1 July 2021.
- We promoted regenerative agriculture to local farmers, which seeks to increase carbon storage in soils and enhance on-farm resilience to climate change. This involved provision of individual advice to farmers (27 farmers visited) and delivery of a series of workshops and seminars as a part of the Australian Government's National Landcare Program that funded our Healthy Land for Healthy Livestock project.



# Our priorities

## 2. Protect the natural environment

### We protected biodiversity

- We commenced the Newham Roadside Fauna Survey project in collaboration with Newham Landcare, which resulted in 683 observations of wildlife on Newham roadsides. Twenty eight species were recorded including brush-tailed phascogale, feather-tailed glider and koala. The Australian Government's Communities Environment Program funded this.
- We added 3,132 records to the Victorian Biodiversity Atlas including 10 records of threatened species. Notable species include the barking owl, brown toadlet, white-bellied sea eagle, grey goshawk, mountain flat-pea and spotted hyacinth-orchid.
- We progressed with ecological restoration works at Quarry Road retarding basin in Woodend through revegetation and direct seeding with native grassland species.
- We completed weed control across 17 bushland and conservation reserves and 268 rural roadsides.
- We completed a fox-baiting program at Black Hill Reserve.
- We established a shire-wide biodiversity monitoring program, including completion of bird surveys at 84 monitoring sites and installation of 144 nest boxes.
- We supported community-led property planning and biolink projects in Kyneton Woodlands and the Mount William Range (Will-im-ee Moor-ing) Biolink.

### We managed waste as a resource

- We became an industry leader in the space of resource recovery, responding to the recycling crisis with the introduction of a separate glass-only, kerbside collection service across the shire.
- We also introduced and implemented a shire-wide FOGO service.
- With the introduction of the four-bin service model, we made a significant increase in the diversion rate of waste to landfill. The Victorian Government, with plans to roll out the model across the state, has since adopted this four-bin model.
- We now have a dedicated waste education officer to enhance the education program across our shire, to keep our community informed and up to date on best practice waste management and resource recovery.

### We enhanced waterways and water catchment quality

- We completed weed control and revegetation at four waterway reserves.
- We were involved in the North Central Catchment Management Authority's (NCCMA) Upper Coliban and Campaspe waterway health programs and the development of an integrated water management plan for Gisborne, Romsey and Lancefield in collaboration with relevant water authorities.

# Our priorities

## 2. Protect the natural environment

### We were proactive in environmental planning and policy

- We achieved completion of the Vegetation Protection Overlay (VPO) Detailed Review Stage 1, which identifies a range of changes to VPOs in the shire to enhance protection of native vegetation.
- We commenced a strategic works plan for waterways in the Port Philip and Westernport catchment, that identifies a prioritised program of ecological restoration works for Council-managed waterway reserves.
- We progressed with an environmental management plan for Bunjil and Howey creeks in collaboration with Gisborne Landcare Group.
- We provided environmental referral advice for approximately 130 planning permit applications.
- We completed the Romsey Five Mile Creek Master Plan.

### Other key achievements

- We undertook Aboriginal cultural heritage assessments at two Council reserves with Dja Dja Wurrung and Wurrundjeri Woi Wurrung.
- We delivered our first Bird Blitz across 84 monitoring sites resulting in 2,769 individual bird observations and 97 species, including five threatened species.

### Our major initiatives to protect the natural environment

The following statements review the progress of Council in relation to major initiatives identified in the 2019/20 budget.

Initiatives	Progress
Advocate for enhanced health of waterways and water catchment quality and to seek funding for the Gisborne Water Sensitive Urban Design Project	<p>We continued participation in the NCCMA's Partnership Forum and in their review of the regional catchment strategy.</p> <p>The gross pollutant traps project has been completed, providing opportunity to capture waste from stormwater prior to it entering the waterways. Council officers will continue to advocate for enhanced health of waterways and water catchments as opportunities arise.</p>
Complete the development of the Integrated Water Management Plan (Maribyrnong Catchment) for improved waterway and environmental outcomes	<p>The integrated water management plan has been finalised and signed off by all stakeholders.</p>

# Our priorities

## 2. Protect the natural environment

Initiatives	Progress
Commence the implementation of the first year recommendations from the Dog On and Off Leash and Cat Curfew	<p>After community consultation, we adopted the <i>Council Dog and Cat Control Order 2019—Domestic Animals Act 1994 (incorporating Schedules 1 and 2)</i> Dog and Cat Control Order 2019. We launched a public education program to support the community in complying with new dog on leash and effective control requirements from Wednesday 1 January. Installation of new signs and footpath stencilling also commenced to identify off leash areas.</p> <p>We prepared educational materials about cat confinement and worked with a veterinary behavioural specialist to develop information around training cats to adapt to confinement.</p>
Commence a detailed review of Vegetation Protection Overlays with Stage 1 completed by 30 June	<p>Stage 1 of the Vegetation Protection Overlay (VPO) Detailed Review was completed.</p> <p>A report is expected to be reviewed and finalised during the first quarter of 2020/21.</p>
Deliver agreed milestones on the Macedon Ranges Significant Landscapes Assessment Study by October	Macedon Ranges Significant Landscapes Assessment Study was adopted at the 24 April 2019 Ordinary Council Meeting.
Confirm a pathway for Council procurement of large scale renewable energy generation to offset greenhouse emissions from its operations by Tuesday 30 June	We are participating in the inter-council buying group to procure renewable energy through a Power Purchase Agreement. This agreement is scheduled to come into effect on Thursday 1 July 2021.
Commence delivery of a program of community climate change action plans across the shire's townships, building on the success of the pilot program in Malmsbury in 2018/19 , with the next plan to be completed by Tuesday 30 June	<p>We commenced a community climate change action plan for the Woodend district, which will be finalised late 2020.</p> <p>The progress and delivery of the project was impacted by the COVID-19 pandemic. The program moved to an online platform with the first online workshop held and online platform developed to enable progress. The next workshop is scheduled for August 2020, with consultation on the draft action plan expected by the end of 2020.</p>
Confirm a pathway to phase out use of single use plastics across from all facets of Council operations by 30 June	The implementation plan has been finalised and identified actions will be planned for 2020/21.

# Our priorities

## 2. Protect the natural environment

Initiatives	Progress
Upgrade the entry, pathway and picnic area at the Mount St Marys Lane entrance to Bald Hill Reserve to enable people of all abilities to access this section of the reserve for picnics and recreation	These facilities were installed as a part of our implementation of the master plan for the Mount St Marys Lane entrance to the reserve.
Install walking paths at Malmsbury Common to enable a broad range of community members to enjoy the site and its natural values	Walking paths were installed as a part of Stage 2 implementation of the Malmsbury Common Master Plan.
Roll out Food Organics Garden Organics (FOGO) kerbside collection and consider waste minimisation practice in-line with the Waste Management Strategy	Our FOGO service commenced in February as planned. This has resulted in a diversion of up to 40 per cent of food waste from landfill, therefore minimising the amount of waste to landfill. The rollout of glass-only bins has also minimised recyclable materials going to landfill and increased the quality of the recycling materials for recycling purposes.





# Our priorities

## 3. Improve the built environment

### Fast facts

- 47 kilometres of gravel roads resheeted
- 39 kilometres of sealed roads resurfaced
- 9.7 kilometres of sealed roads reconstructed
- 1.6 kilometres of sealed roads contributed by developers
- 3 new footbridges constructed
- 3.7 kilometres of new footpaths constructed
- 3 major culverts constructed
- 1 bridge replaced
- 1.5 kilometres of existing footpaths renewed
- Renewal works at 25 buildings
- 10,235 trees audited
- 62 playgrounds maintained
- 3 botanic gardens maintained
- 45 public toilets maintained and cleaned
- 1 kilometre of new 2.5 metre sealed paths along the Campaspe River Walk

## Our priority

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.

## Why are we doing this?

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

# Our priorities

## 3. Improve the built environment

### What have we done?

#### We fostered township character

- We installed exercise equipment at St Agnes Place in Kyneton.
- We installed bollards for community safety in various locations across the shire.
- We planted donated leftover daffodil bulbs in various locations across Kyneton.
- We supported community events including providing a plant display for a movie night at Romsey Ecotherapy Park.
- We continued to plant indigenous plants and wildflowers in the Gisborne Botanic Gardens.
- Advanced trees were donated to Woodend Landcare, for planting in the parkland near the Woodend Children's Park.
- A trial of a new herbicide called Bioweed, made from pine oil, was undertaken.
- The following key projects were delivered:
  - Tony Clarke Recreation Reserve lighting including oval, netball court and tennis court lighting upgrades
  - Woodend Kindergarten playground upgrade including new play equipment, feature planting and improved drainage
  - Kyneton Library upgrade including new entry area, improved heating and cooling, roof upgrade and upgraded staff areas
  - Changing Places facility and two unisex public toilets built in the Gisborne Adventure Playground precinct
  - Tylden Hall upgrade including building improvement works and painting works to both internal and external
  - Gardiner Reserve netball and umpires pavilion upgrade including female-friendly change room facilities for netball and umpiring
  - IR Robertson Reserve pavilion.
- The draft Gisborne Futures project encompassing a structure plan, a neighbourhood character study, an urban design framework and Gisborne Business Park, was endorsed for consultation at the 24 June Ordinary Council Meeting. This work will update the existing township character guidelines to reflect the communities' aspirations on how Gisborne looks and feels into the future.
- Council has also been working with Regional Roads Victoria on the proposed upgrade to the intersection of Melbourne and Kilmore roads. As part of this work, a number of important heritage and character elements of Gisborne were identified. In response, we have pursued heritage protection of the Bunjil Creek bluestone bridge and a number of trees originally planted in 1850–1860s.

# Our priorities

## 3. Improve the built environment

### We balanced maintenance and renewal of community assets

Regular and scheduled maintenance programs continued to deliver improvements to roof safe access systems, roof and gutters cleaning, switchboard maintenance and aquatic plant maintenance for our pools. This included tiling upgrade works to the Kyneton Toyota Sports and Aquatic Centre's pool hall.

Renewal of community assets included installing a new roof to the stadium at the Kyneton Toyota Sports and Aquatic Centre, renewal of Macedon's Jubilee Hall roof and Mountview Theatre bathrooms, improvements to the Gisborne Court House, stables and lock-up building, and painting upgrades to Romsey, Kyneton and Woodend libraries.

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

The installation of LED lighting to the Gisborne Aquatic Centre and Barkly Square soccer field provided the community with lights that deliver significant financial savings and environmental benefits over the course of their life cycle in terms of maintenance and energy efficiency.

### We improved local roads

- We responded to over 1,000 customer requests in relation to roads in the shire.
- As part of maintaining our road network, 47 kilometres of gravel roads were resheeted and 48 kilometres of sealed roads were resurfaced or reconstructed this year.
- A major storm event in early April required response from our crew and support from local contractors to clean up and repair the damage caused to many roads in the north of the shire.

### We advocated for improved environmental performance in new developments

- We participated in the cross-council Sustainable Design Assessment in the Planning Process (SDAPP) – Subdivisions project, which involved development of a framework to assess the sustainability of small and large-scale subdivisions, which will be trialled in 2020/21.

### We advocated for better access to public transport

- We consulted with Public Transport Victoria, and now have additional bus stops and shelters installed around the shire.

### We increased walking and cycling connectivity

- Over 3,700 metres of new footpaths were constructed.
- We have also been successful in advocating for funding for the Macedon Ranges Shared Trail Project, designed to encourage cycling, walking and running for people of all abilities. The project covers over 23 kilometres and will link Woodend to Macedon, Macedon to New Gisborne and New Gisborne to Riddells Creek.

# Our priorities

## 3. Improve the built environment

### We encouraged multi-use recreation and community facilities

#### **Macedon Ranges Regional Sports Precinct**

We continue to work with the community, Victorian and Australian governments to realise the Macedon Ranges Regional Sports Precinct. This is our largest-ever building project. It will deliver an integrated and accessible facility that caters for a range of sports and recreational pursuits, also attracting regional level competition. In June, the project reached a significant milestone with the awarding of the tender for design services. We are currently engaged with both the Victorian and Australian governments, exploring all opportunities arising as part of the response to COVID-19, in addition to broader advocacy for the project, which has been ongoing and will continue until we have the funding we need to deliver this project to its full potential.

#### **Cobaw Community Health and ecotherapy park in Romsey**

Work continued to deliver on the next phase of the ecotherapy park in Romsey. We worked with Romsey Ecotherapy Park Inc. (formerly the Greater Romsey All-Abilities Park Committee) to continue to transform the open space next to the former Romsey Primary School building (now occupied by Cobaw Community Health) with planning for the unique sensory and therapeutic experience in nature and delivery of the rope climbing forest and hammock.

### Other key achievements

At the 24 April 2019 Ordinary Council Meeting, the Landscape Assessment Study was adopted by Council, and preparation of a planning scheme amendment to implement the study is underway in accordance with this recommendation. The study recognises the shire's most significant landscapes and views by applying future planning scheme controls.

In accordance with the resolution of Council at the 26 June 2019 Ordinary Council Meeting, community consultation on draft documents related to the proposed Amess Road Precinct Structure Plan was undertaken in September. The results of the community consultation were presented at the 26 February 2020 Ordinary Council Meeting. Two hundred and thirty eight written submissions were received.

Council endorsed the Macedon Ranges Statement of Planning Policy (SPP) at its 24 July 2019 Ordinary Council Meeting. The SPP was approved by the Victorian Government and came into effect on Thursday 12 December. The SPP 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.

Throughout 2018/19, we progressed Amendment C117—Lancefield Planning Controls. Amendment C117 applies the Development Plan Overlay Schedule 24—Lancefield Development Plan Areas (DPO24) to parts of Lancefield. Following an independent planning panel in December 2018, Council resolved at the 24 May 2019 Ordinary Council Meeting to adopt the amendment. Amendment C117 was approved and published in the Victorian Government Gazette on 16 January 2020.

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

- C134, C141 and C142 are currently waiting on a decision from the Minister for Planning.
- C126 was required to be re-exhibited due to the impacts of COVID-19
- C138 was adopted by Council at the 1 May 2020 Special Council Meeting and submitted to the Minister for Planning for approval.



# Our priorities

## 3. Improve the built environment

### Our major initiatives to improve the built environment

The following statements review the progress of Council in relation to major initiatives identified in the 2019/20 budget.

Initiatives	Progress
Meet current renewal demand requirements through the delivery of the \$2.9 million building renewal capital works program	Council undertook 25 building renewal projects. Two projects remain in progress - Kyneton Botanic Gardens Piggery Shed and Lauriston Hall car park works. We anticipate these projects will be completed early in the 2020/21 financial year.
Continue to improve continuous accessible paths of travel to key destinations such as recreation and community facilities	We have delivered over 3,700 metres of new footpath projects this year and renewed 1,500 metres of footpath. We have also been successful in advocating for funding for the Macedon Ranges Shared Trail Project, designed to encourage cycling, walking and running. The Macedon Ranges Shared Trail Project covers over 23 kilometres and will link Woodend to Macedon, Macedon to New Gisborne and New Gisborne to Riddells Creek.
Commence planning for the implementation of the Macedon Ranges Sports Precinct project (subject to Australian Government funding)	Project planning for the Macedon Ranges Regional Sports Precinct was undertaken, leading to the appointment of design services consultants in June. The project will be designed and delivered as a precinct and will comprise of integrated facilities and sports fields across two sites in New Gisborne. We continue to advocate for the project and explore further funding opportunities with both Victorian and Australian governments.
Finalise the Romsey Structure Plan by June	The Romsey Issues and Opportunities Paper was completed in December 2018. Work is continuing to deliver the Romsey Structure Plan and a draft structure plan is expected to be completed by late 2021.

# Our priorities

## 3. Improve the built environment

Initiatives	Progress
Complete Gisborne Futures incorporating a neighbourhood character study and an urban design framework	The draft Gisborne Futures project encompassing a structure plan, a neighbourhood character study, an urban design framework and Gisborne Business Park, was endorsed for consultation at the 24 June Ordinary Council Meeting. The Gisborne Futures project is expected to progress to a future Council Meeting in 2021.
Prepare the Kyneton Town Centre Urban Design Framework by June	The progress and delivery of this project has been impacted by the COVID-19 pandemic. The first phase of community consultation; planned for the first quarter of 2020, was unable to proceed. We anticipate the project will be completed in 2020/2021.
Deliver the heritage study for Woodend, Lancefield, Macedon and Mount Macedon by June 2019	The Woodend, Lancefield, Macedon and Mount Macedon Heritage Study was adopted at the 24 April 2019 Ordinary Council Meeting. A planning scheme amendment to implement the study in the Macedon Ranges Planning Scheme began in early 2020 and is expected to be completed by mid-2021.
Complete Kyneton Airfield Master Plan by October 2019	A Council report has been prepared for the 22 July 2020 Ordinary Council meeting recommending that Council adopt the master plan. Local Law No 12 and the airfield operations manual are complete.
Deliver minor pedestrian crossing works within Woodend, Kyneton and Gisborne for improved walking outcomes within the community	The pedestrian crossing in Gisborne is complete with the Woodend crossing 90 per cent complete. Works on the Kyneton crossing are due to commence in July 2020 with completion expected in September 2020.

# Our priorities

## 3. Improve the built environment

Initiatives	Progress
Continue to work with the community to deliver further stages of the Romsey Ecotherapy Park	A draft project plan was developed. A picnic and movie at the Romsey Ecotherapy Park, was held on Saturday 14 March to showcase the next stage of the project. The project plan has been completed and preparations are underway to commence design work for the next stage of the project.
Upgrade accessible car parking spaces to meet industry best standards	Upgrade works for the nominated parking spaces are complete.
Facilitate improvements to the environmental performance of new development in the shire through our Sustainable Design Advisory Service, advocacy and participation in regional projects	<p>Our sustainable design officer role has delivered the following in the first half of the financial year:</p> <ul style="list-style-type: none"><li>• Individual sustainable design advice provided to approximately 20 households.</li><li>• Delivery of three sustainable design information sessions attended by approximately 50 people.</li><li>• Delivery of a Sustainable House Day bus tour, which sold out. Twenty six people attended the tour.</li><li>• Completion of sustainable design guidelines for Council buildings and works.</li><li>• Completion of a preliminary environmental audit of the Kyneton administration offices.</li></ul> <p>The sustainable design officer role was funded until Tuesday 31 December.</p>
Prepare a master plan/feasibility study for revitalisation of the Woodend library and community centre, and associated land area	<p>Stage 1 of community consultation reopened on Wednesday 24 June for a four-week period to provide data for development of the draft master plan and feasibility study documents.</p> <p>Overall project timelines pushed out overall due to COVID-19 restrictions.</p>

# Our priorities

## 4. Enhance the social and economic environment

### Fast facts

- The shire's official tourism website, [visitmacedonranges.com](http://visitmacedonranges.com) received an average of 33,865 visits/sessions per month
- Our visitor database has increased from 6,309 to 13,803 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 12,125 visitor enquiries, down on 19,540 of the previous year with both centres closing in March due to COVID-19
- The visitor information centres recruited 11 new volunteers
- The Economic Development business eNews was distributed to 1,500 businesses on a monthly basis.

## Our priority

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.

## Why are we doing this?

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

## What have we done?

### We encouraged economic vitality

- We continued building on our Sister City relationship with Tokai Japan with both councils signing a new five-year action plan. The actions are currently on hold awaiting the reinstatement of international travel post COVID-19.
- We delivered our annual business program with 16 face-to-face workshops up to March. We delivered thirteen further online workshops between March and June, in response to COVID-19 restrictions, with content designed to assist businesses adapt to the new conditions.
- We provided advice on 32 business-planning referrals.
- Our monthly business eNews reached on average of over 1,900 businesses each month. We sent business kits to 19 new businesses.
- We continued to support events in the shire by providing financial and in-kind assistance. Additionally we facilitated a grant-writing workshop to assist community event organisers to understand the grant process and improve their success with grant applications.



# Our priorities

## 4. Enhance the social and economic environment

### We promoted housing diversity

Housing diversity is 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 project.

### We considered socio-economic disadvantage

Our Financial Hardship Policy has been updated, to ensure that support is available for those in our community who need it at this challenging time.

For those experiencing financial hardship, flexible rate payment plans are available, including the ability to defer rates payments.

The Financial Hardship Policy details how ratepayers can apply for special consideration regarding rates payments, fees and charges.

For all ratepayers, interest will not be charged on overdue 2019/20 rates through to Wednesday 30 September 2020.

There are also rebates on rates available to pensioners.

### We attracted strategic investment that is consistent with our vision

The master plan and feasibility study for Woodend Community Centre's proposed redevelopment continued. Community and stakeholder workshops were undertaken. A number of potential new developments progressed well, however the COVID-19 scenario led to most being placed on hold.

### We encouraged business diversity and growth

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

### We advocated for improved communications infrastructure

The Economic Development unit have had meetings with telecommunications providers, ensuring that local issues are considered. Key relationships were enhanced, and roles and responsibilities clarified.

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

Through our continued support and involvement with the local business and tourism associations, and various industry specific associations in the shire, we have further built on the strong relationships forged over recent years in order to achieve our strategic goals and vision.

# Our priorities

## 4. Enhance the social and economic environment

### Our major initiatives to enhance the social and economic environment

The following statements review the progress of Council in relation to major initiatives identified in the 2019/20 budget.

Initiatives	Progress
Develop a high-level strategic economic development plan, which focuses on the needs and future direction of business, agriculture and tourism in the Macedon Ranges by Wednesday 30 September	Business and industry engagement was cancelled in March due to pandemic restrictions. In addition to an online business impact survey, ongoing engagement with businesses and business groups is being maintained. New economic development strategy sessions are to be planned when the business community is ready to engage in the production of the draft strategy. The revised completion date is now Wednesday 31 March 2021.
Finalise the Gisborne Business Park Development Plan for Council decision by June	<p>At the 18 December Ordinary 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 endorsed for consultation at the 24 June Ordinary Council Meeting. The Gisborne Futures project is expected to progress to a future Council Meeting in 2021.</p>
Complete the Rural Land Use Strategy (incorporating the 'In Farming Zone Strategy') for Council decision by June and consider implementation into the Macedon Ranges Planning Scheme	<p>At the 26 June 2019 Ordinary Council Meeting, Council resolved to expand the scope of the 'In the Farm Zone Strategy' to incorporate a review of land in the Rural Conservation Zone and to undertake further community consultation on the Rural Conservation Land component of the project.</p> <p>Following additional community consultation held in July, in regards to the Rural Conservation Zone component of the project, a draft Rural Land Use Strategy has been prepared.</p> <p>It is expected the draft Rural Land Use Strategy will be considered at a future Council Meeting for community consultation.</p>

# Our priorities

## 4. Enhance the social and economic environment

Initiatives	Progress
Build connections that support the creative economy through professional development and networking opportunities for artists and craftspeople	<p>As a building block, stronger links were developed across Council teams and attempts to provide relevant workshop experiences for the creative sector were undertaken.</p> <p>This work has however, been delayed by the impact of COVID-19.</p>
Complete a review of known existing places of assembly throughout the shire to ensure compliance with the Macedon Ranges Planning Scheme	We completed a review of known existing places of assembly throughout the shire to ensure compliance with the <i>Macedon Ranges Planning Scheme</i> .
Work with community and other stakeholders to progress the development of a business case to establish a megafauna interpretation centre in Lancefield.	A megafauna feasibility study control group has been established. Consultants have been engaged to do the feasibility study, with a final report submitted from the consultants.
Continue to support opportunities for social connection/events to recognise the International Day of People with Disability	We hosted the annual International Day of People with a Disability Dinner Dance on Friday 6 December, with 90 people attending.

# Our priorities

## 4. Enhance the social and economic environment

Initiatives	Progress
Review criteria and processes for Council awards and funding schemes, to ensure inclusiveness and encourage applications from groups that involve people with disabilities.	A review of our funding schemes is yet to be completed. Information gained through the 2020 round of the Community Funding Scheme (CFS) will be used to inform the review of our grant programs, to further streamline the process for the CFS, Events and Festivals Grant Program and Small Project Grants. This will be progressed in 2020/21.





# Our priorities

## 5. Deliver strong and reliable government

### Fast facts

- 949 views of Council meeting livestreams
- 966 views of archived Council meeting recordings
- 23,113 rateable properties in the shire
- 129 residents from 32 countries became Australian citizens at seven ceremonies.

### Our priority

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

### Why are we doing this?

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

### What have we done?

#### We demonstrated accessible and responsive customer service

We received 24,815 customer requests in 2019/20 and completed 88 per cent of these on time—within 10 business days. Audience levels on our social media channels increased by 20 per cent; with 1,581 followers on LinkedIn; 31,105 followers across eight Facebook pages; and 457 and 2,013 followers on Twitter and Instagram respectively.

#### We made responsible and evidence-based decisions

We have 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 over 200 decisions made at Council meetings during the year; supported by 41 briefing sessions with Councillors and three meetings of the Health and Wellbeing Advisory Committee.

#### We demonstrated sound financial management

We have continued to have predominantly low risk financial sustainability indicators as indicated in the Auditor General's 2018/19 Audits of Local Government. Our 2019/20 results were unfavorable to budget due to lower developer contribution assets, and lower user fees due to COVID-19 restrictions.

# Our priorities

## 5. Deliver strong and reliable government

### We delivered people-focused service

We have continued to provide a broad range of services during the year. We provide the community with access to Ordinary Council, Special Council and Submitters Committee meetings through our meeting livestream. In the days following the webcast, the recorded meetings are placed in an archive for downloading. A Councillor briefing and community forum was held in Lancefield in September 2019; however the following community forum scheduled for Wednesday 18 March in Gisborne had to be cancelled due to the COVID-19 pandemic. We also conducted a process that recognised high achievers through our Australia Day awards and supported many Australia Day events across the shire.

Council held its first online Submitters Committee meeting on Wednesday 13 May. 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* (LGA 1989).
- persons who have made an objection or submission to a planning application
- permit applicants/land owners of a planning application (or their nominated representative).

Submitters Committee meetings are held when required on the second Wednesday of the month.

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 have continued to train and develop our workforce in areas key to developing culture, managing risk and enhancing performance. During 2019/20, staff have been provided with training to enable them to perform their roles effectively, including technical and leadership competencies. We activated stand-alone learning and development as part of the creation of the People, Culture and Performance department.

We delivered the second annual staff survey and responded to feedback we received to improve internal communications and promote a whole of organisation approach to work.

### Other key achievements

On Friday 1 May 2020, we were the first council in Victoria to hold a virtual council meeting. This followed the passage of legislation enabling councillors to attend meetings by electronic means, introduced by the Victorian Government in response to the COVID-19 pandemic.

We established a Project Management Office (PMO) to manage whole of Council projects and embed best practise project methodology and collaborative practises across the organisation. During 2019/20, a focused project management approach successfully delivered the new FOGO and glass-only bin service for the community. A Prince2 project methodology is being used in the Macedon Ranges Regional Sports Precinct project, and in working with DELWP to implement the Hanging Rock Strategic Plan. The Prince2 methodology is being used to develop and implement an organisational project management framework, which targets improved project management processes and project performance.

# Our priorities

## 5. Deliver strong and reliable government

### Other key achievements

Additional key achievements this year included:

- tennis courts in Riddells Creek designed in-house and construction completed
- tennis courts in Gisborne had new competition lights installed for courts 7 and 8. Courts 1, 2, 3 and 4 had new playing surfaces installed.
- 20,000 glass-only bins rolled out to ensure recycling can be processed in Australia.

### Our major initiatives to deliver strong and reliable government

The following statements review the progress of Council in relation to major initiatives identified in the 2019/20 budget.

Initiatives	Progress
Monitor statutory planning services processing/ decision times to ensure we achieve the statutory timeframes set by the <i>Planning and Environment Act 1987</i> (Vic). Target to be achieved is 70 per cent 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 2019/20, we decided 70.05 per cent of planning applications 'in time', against the Council Plan goal of 70 per cent.</p>
Continue to develop the overarching strategy and policy framework.	<p>This work has recommenced after a short hiatus as resources were diverted to urgent waste and recycling project work. Work is continuing with the review process finalised for the consideration of the Executive Leadership Team in February. A final workshop was held with Councillors and documents are being updated.</p>
Continue to develop a whole of organisation process mapping and framework	<p>Work continues on projects across the organisation. Two critical interdepartmental pieces of work that are underway are the business systems analyst systems review and an expression of interest to identify appropriate software for the process mapping. A project plan incorporating the rollout of process mapping is being finalised. An internal IT solution is being considered.</p> <p>This piece of work will not be completed this year, however the foundation has been laid to continue the work in 2020/21.</p>

# Our priorities

## 5. Deliver strong and reliable government

Initiatives	Progress
Deliver any required outcomes from the Local Government Act 2020 reform process.	At its 24 July Ordinary Council Meeting, Council noted a submission on the Local Government Bill Reform Paper. Councillors were briefed on the potential requirements of the new Act, and planning work scoped out the requirements for implementation. Work was completed pursuant to the Victorian Government set timeframe.
Continue to implement outcomes from the employee survey	New priorities will be identified once the data from the latest staff survey is analysed and assessed.
Progress initiatives to embed organisational values into policies and processes of the organisation	An extensive engagement and embedding strategy has been developed and is being implemented. Initiatives to embed values have commenced and now the restructure has been completed. All policies and processes will be reviewed and updated to align with the new structure.
Ensure compliance with legislative external reporting and disclosure obligations and ensure internal reporting frameworks are delivered to demonstrate transparency to the community	The 2018/19 financial statements were approved and the Victorian Auditor-General's Office issued an unqualified audit report. Quarterly reports for July–September 2019, October–December 2019, January–March 2020 and April–June 2020 have been presented to Council and have been displayed on our website.
Review our communications and advocacy practice by June	Due to the COVID-19 pandemic, this action has not been achieved. It is anticipated the funds allocated will need to be carried over to 2020/21.



# Our priorities

## 5. Deliver strong and reliable government

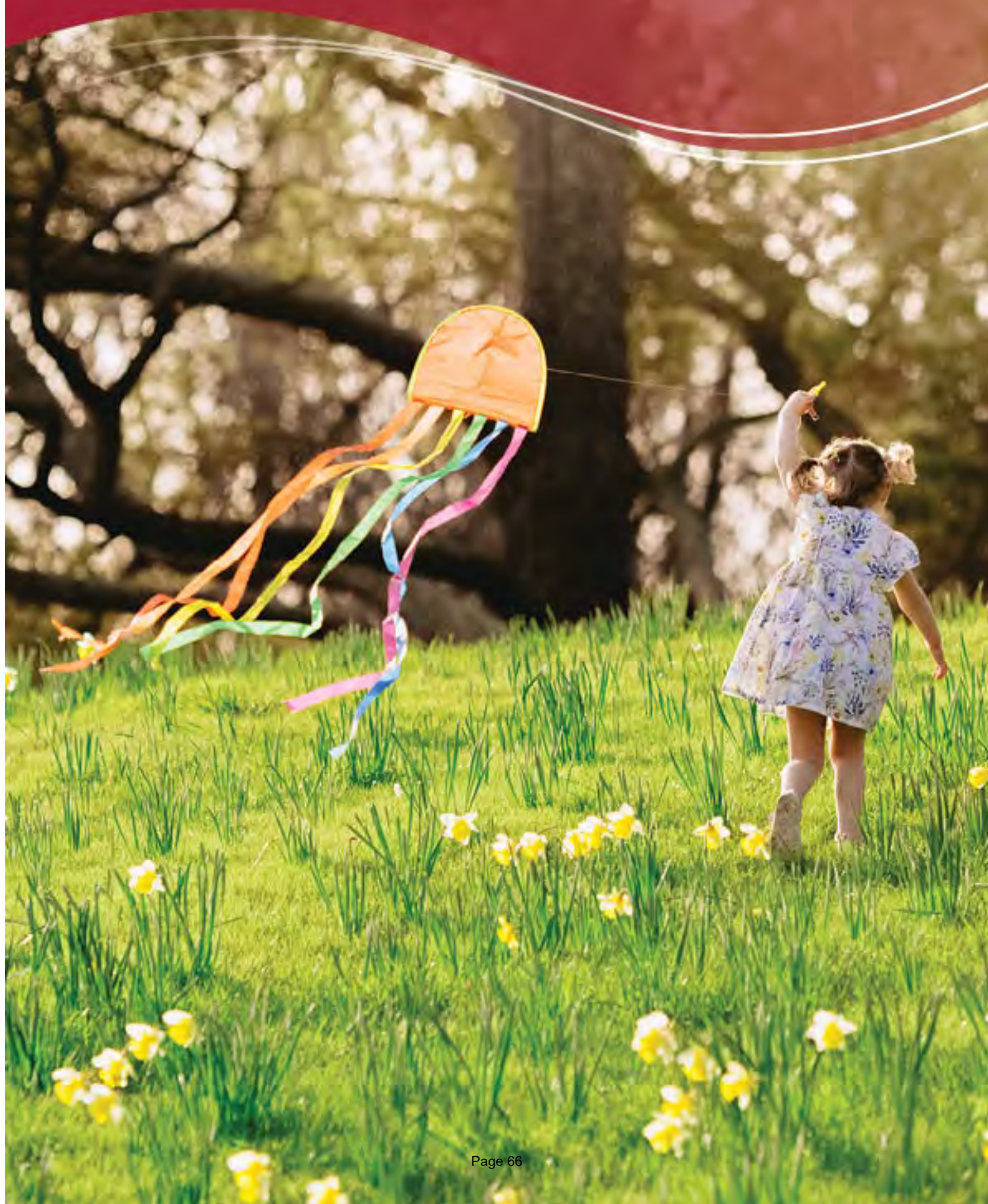
Initiatives	Progress
Implement changes to the delivery of the CFS to enhance the user experience and streamline the grant assessment processes	The 2020 round of the CFS used the reviewed processes. Results from this will be used to inform the review of our grant programs, to further streamline the process for the CFS, Events and Festivals Grant Program, and Small Project Grants.
Support and implement initiatives that will strengthen the Health and Wellbeing Advisory Committee's capacity to ensure a disability perspective in its considerations	Following a facilitated workshop, outcomes of the review have been referred to the budget process for consideration.
Facilitate an all-of-organisation disability training schedule that is customised to the needs of each directorate	This item has not been completed due to the impact of COVID-19 on organisational training. Disability training will be scheduled in 2020.
Review formats of our online public information to identify possible improvements to accessibility for people with disabilities	Council staff participated in a writing for the web session to increase awareness and skills in producing accessible online materials during September. The session gave various council staff the tools needed to ensure materials be provided in multiple alternative formats. The sessions are scheduled regularly, with two more completed in the first quarter of 2020.

# Our priorities

## 5. Deliver strong and reliable government

Initiatives	Progress
Investigate the possibility of making Council's meeting livestream accessible through inclusion of live captioning and/or provision of a transcript once the recording is uploaded	Investigation with the vendor is underway. Options for delivery exist, subject to evaluation and funding.
Make sure that the needs of people with disabilities are included in the scope of the review of our Community Consultation Framework	The needs of people with disabilities has been included in the review of our Community Consultation Framework. One of the core principles of the framework, which has been retained and expanded in the revised document, is that all consultations must be inclusive (e.g. specific needs of people with a disability must be considered).

# Our governance





# Our governance

Macedon Ranges Shire Council is constituted under the *Local Government Act 2020 (Vic)* (LGA 2020) to provide good governance in its municipal district for the benefit and wellbeing of 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.

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

Our formal decision-making processes are conducted through Council meetings and delegated committees of Council. Council delegates the majority of its decision making to the Chief Executive Officer who may delegate some decision making to Council officers. These delegations are exercised in accordance with adopted Council policies.

## Meetings of Council

- 10 Ordinary Council meetings
- 2 Special Council meetings

Councillor	Council meetings	Special Council Meetings	Total
Cr Jennifer Anderson	9	2	11
Cr Roger Jukes	7	2	9
Cr Janet Pearce	10	2	12
Cr Henry Bleeck	10	2	12
Cr Natasha Gayfer	9	2	11
Cr Bill West	9	2	11
Cr Mandi Mees	8	2	10
Cr Helen Radnedge	10	2	12
Cr Andrew Twaits	7	2	9

# Our governance

## Special committees

For the period 1 July 2019 to 1 May 2020, the LGA 1989 allowed councils to establish one or more special committees consisting of:

- Councillors
- Council officers
- other persons
- any combination of the above.

The following table contains a list of special committees established by Council that were in operation during the 2019/20 period and the purpose for which each committee was established.

Special committee	Councillors	Officers	Other	Purpose
Section 223 Committee  <i>Instrument of delegation revoked 27 November 2019 on establishment of Submitters Committee</i>	All Councillors	Nil	Nil	All duties imposed, and functions and powers conferred on Council by Section 223(1) (d) of the 1989 Act.
Submitters Committee  <i>Established 27 November 2019</i>	All Councillors	Nil	Nil	To hear from submitters in accordance with Section 223 (1)(d) of the 1989 Act; and to hear from applicants and objectors to planning applications under the Planning and Environment Act 1987.
Bullengarook Recreation Reserve Committee of Management	Current committee at Bullengarook is managing the community hall and is consulted about significant recreation reserve matters as required. The committee is operating under Macedon Ranges Community Halls Inc.			Had responsibility to manage community hall and reserve.
Clarkefield Recreation Reserve Committee of Management	Current committee at Clarkefield is managing the community hall and is operating under Macedon Ranges Community Halls Inc.			Had responsibility to manage community hall and reserve.
Stanley Park Committee of Management	Nil	Nil	Eight community members	Has delegated functions, duties or powers



# Our governance

On 1 May, section 63 of the LGA 2020 commenced. This provision enables Council to establish one or more delegated committees consisting of:

- at least two Councillors
- other persons appointed to the delegated committee by Council.

Existing instruments of delegation for Council's special committees made under the LGA 1989 lapsed on 1 September 2020 if not revoked earlier.

## Councillor allowances

In accordance with Section 74 of the LGA 1989, and from 6 April 2020 in accordance with Section 39 of the LGA 2020, Councillors were entitled to receive an allowance while performing their duty as a councillor. The Mayor was also entitled to receive a higher allowance. The Victorian Government set the upper and lower limits for all allowances paid to councillors and mayors for the 2019/20 financial year. Councils are divided into three categories based on the income and population of each council. In this instance, Macedon Ranges Shire Council is recognised as a category two council.

For the period 1 July 2019 to 30 November 2019, the councillor annual allowance for a category two council (as defined by the LGA 1989) was fixed at \$25,730 per annum and the mayoral allowance was \$79,612 per annum. The Minister for Local Government approved an annual adjustment of two per cent to take effect as from 1 December 2019. Therefore, the annual allowances were adjusted for the period 1 December 2019 to 30 June 2020 at \$26,245 per annum for the councillor allowance and \$81,204 per annum for the mayoral allowance.<sup>2</sup>

An additional payment equivalent to the superannuation guarantee of 9.5 per cent was also paid to Councillors. The following table contains a summary of the allowances (including the superannuation guarantee equivalent amount) paid to each Councillor during the year.

*In accordance with the Councillor Support and Expenses Policy, Councillor Pearce, as the Mayor for the period 1 July 2019 to 30 June 2020, was provided with a mayoral vehicle with an annual cost to Council of \$8,500.*

Councillor	Allowance
Cr Natasha Gayfer	\$28,503
Cr Roger Jukes	\$28,503
Cr Bill West	\$28,503
Cr Mandi Mees (Deputy Mayor)	\$28,503
Cr Helen Radnedge	\$28,503
Cr Andrew Twaits	\$28,503
Cr Jennifer Anderson	\$28,503
Cr Janet Pearce (Mayor)	\$83,746
Cr Henry Bleeck	\$28,503

<sup>2</sup> On 6 April 2020, section 39 of the *Local Government Act* 2020 commenced, which provides that Councillors and the Mayor are entitled to receive an allowance in accordance with a Determination of the Victorian Independent Remuneration Tribunal. Despite the repeal of sections 73B and 74 to 74B of the *Local Government Act* 1989, section 39(6) of the LGA 2020 provides that those sections continue to apply in respect of allowances payable to Mayors, Deputy Mayors and Councillors until the first Determination made by the Tribunal comes into effect.

# Our governance

## Councillor expenses and reimbursements

In accordance with Section 75 of the LGA 1989, we were required to reimburse a Councillor for expenses incurred while performing their duties. We were 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. We publish in our annual report, the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by Council.

The details of expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by Council for the 2019/20 year are set out in the following table.<sup>3</sup>

2019/20	Travel	Car mileage	Family care	I&CT	Events and conferences (Representative)	Training and development (Individual)	Training and development (Collective)
Cr Henry Bleeck	\$0	\$4,980	\$0	\$624	\$0	\$0	
Cr Natasha Gayfer	\$0	\$961	\$0	\$624	\$0	\$0	
Cr Bill West	\$0	\$0	\$0	\$748	\$0	\$0	
Cr Mandi Mees	\$56	\$796	\$1,650	\$288	\$277	\$0	
Cr Helen Radnedge	\$17	\$1,344	\$0	\$624	\$0	\$0	
Cr Andrew Twaits	\$0	\$0	\$0	\$268	\$0	\$0	
Cr Jennifer Anderson	\$0	\$3,096	\$0	\$624	\$0	\$718	
Cr Roger Jukes	\$0	\$0	\$0	\$288	\$0	\$0	
Cr Janet Pearce	\$250	\$0	\$0	\$625	\$193	\$400	
<b>TOTAL</b>	<b>\$323</b>	<b>\$11,177</b>	<b>\$1,650</b>	<b>\$4,713</b>	<b>\$420</b>	<b>\$1,538</b>	<b>\$3,500</b>

<sup>3</sup> On 1 May 2020, sections 40 and 41 of the *Local Government Act 2020* commenced, which provide for the reimbursement of expenses of Councillors and members of a delegated committee, and the development and adoptions of a Council expenses policy. A Council must adopt the first expenses policy under this section of the new Act on or before 1 September 2020. Until that time, the policy adopted by the Council under section 75B of the *Local Government Act 1989* applies as if it had been adopted under the *Local Government Act 2020*.

# Our governance

## Public information

In accordance with section 222 of the LGA 1989 and the *Local Government (General) Regulations 2015*, the following were prescribed documents for public inspection if 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 the Council of the travel, including accommodation costs
- b) The agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- c) The minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- d) A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- e) A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- f) A register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- g) A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

On 1 May 2020, section 57 of the LGA 2020 commenced. This provision requires councils to adopt and maintain a public transparency policy that gives effect to the public transparency principles and describes the way in which Council's information is to be made publicly available. The policy must also specify which Council information must be publicly available, including all policies, plans and reports required under the LGA 2020 or any other Act. Council will be required to adopt its first Public Transparency Policy by 1 September 2020.

## Code of conduct

The LGA 1989 required councils to develop and approve a councillor code of conduct within four months after each general election. On 25 September, 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.

# Our governance

## Code of conduct (cont)

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.

We have 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, during 2019/20, 9 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 is required to adopt its Governance Rules by 1 September 2020.

## Road Management Act—Ministerial Directions

We did not receive any Ministerial Directions under the *Road Management Act 2004* during the year.

## Public Interest Disclosures

We did not receive any disclosures under the *Protected Disclosures Act 2012* or the *Public Interest Disclosures Act 2012* during the year.

# Our governance

## Management

We have implemented a number of statutory and better practice items to strengthen our management framework. Having strong governance and management frameworks lead to better decision making by Council. The LGA 1989 requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Our governance and management checklist results are set out in the section below. During 2019/20, we continued to report against the quarterly governance checklist developed in 2018/19 for inclusion in our quarterly reports. The following items have been highlighted as important components of the management framework.

## Internal audit

Our internal audit partner for 2019/20 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 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 2019/20 was completed with the following reviews conducted:

- Project management
- Occupation health and safety
- Parks and gardens
- Human resources and performance management.

## External audit

Council is externally audited by the Victorian Auditor-General. For the 2019/20 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 Committee.



# Our governance

## Risk management

In November 2019, Council adopted a new *Risk Management Framework* and *Risk Management Policy* consistent with AS/NZ ISO 31000:2018, to embed and enhance risk culture and process, ensuring appropriate integrated risk management in all decision-making processes. We also developed an internal risk management action plan that focused on responding to opportunities to improve risk maturity that were identified in an internal audit. Staff at coordinator level and above are supported to complete analysing, treating and assessing risk training through the Governance Institute of Australia. Units across the organisation also participated in a series of risk workshops in quarter one and quarter two to create updated and consistent risk registers, and further workshops in quarter three to update risk registers as a result of COVID-19.

## Advisory committees

We have a range of advisory committees, many of which include community members. These committees provide advice to Council and include the Health and Wellbeing Advisory Committee, Airfield Advisory Committee, and the Macedon Ranges Agribusiness Forum.

The Hanging Rock Strategic Advisory Committee was formally wound up during July, following the adoption of the Hanging Rock Strategic Plan 2018.

# Contracts

During the 2019/2020 year, we had no breaches 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.

The following two non-compliances in relation to our Procurement Policy show us entering into arrangements where the cumulative expenditure with a single supplier over two financial years is in excess of the specified thresholds without conducting a public tendering process.

Supplier	Instance
CT Management Pty Ltd	<ol style="list-style-type: none"><li>1. The breach occurred as a direct response to the COVID-19 pandemic for engagement of emergency staff to assist in crisis management.</li><li>2. The breach occurred following an open quote process relating to work supporting a review of delegated committees to assist in the delivery of requirements of the LGA 2020. As the works were part of a critical time path for implementation of the LGA 2020 requirements, CT Management as the first placed tenderer after the evaluation, were awarded the works. The breach was non-compliant as an advertisement was not placed in the paper at the same time as seeking quotes through the open process.</li></ol> <p>These were reported to both Council and the Audit Committee when identified.</p>

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## Best value

We incorporate best value principles through regular business planning and performance monitoring processes, and through a commitment to continuous improvement. Councils are required by the Local Government Act 1989 to take into account best value principles to ensure that services:

- meet their agreed quality and cost standards
- are responsive to the needs of their community
- are accessible to those members of the community for who the service is intended
- achieve continuous improvement in the provision of services for the community
- include consultation with the community in relation to the services it provides
- regularly report on their performance to the community.

We undertook the following best value activities during 2019/20:

- Completed a review of our organisational structure to develop a revised structure that is aimed at creating an organisation that is responsive, agile and which communicates well cross organisationally.
- Responded to the COVID-19 pandemic through taking action to support the community in the short term, and through making plans to provide support in the longer term.

# Governance and management checklist

The LGA 1989 requires us to undertake an assessment against a prescribed governance and management checklist, as outlined below:

Governance and management item	Details	Endorsed
<b>Community engagement policy</b> —policy outlining our commitment to engaging with the community on matters of public interest	<i>Community Consultation Framework</i>	26/06/2019
<b>Community engagement guidelines</b> —guidelines to assist staff to determine when and how to engage with the community	<i>Community Consultation Framework</i>	26/06/2019
<b>Strategic Resource Plan 2020-21</b> —plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next financial years	Strategic Resource Plan adopted in accordance with section 126 of the Act.	22/07/2020
<b>Annual Budget 2018/19</b> —plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required	Budget adopted in accordance with section 130 of the Act.	22/07/2020
<b>Asset</b> management plans—plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for 10 years or more	Roads	26/6/2019
	Footpath	26/6/2019
	Kerb and channel	26/6/2019
	Bridges	26/6/2019
	Building	26/6/2019
	Drainage	25/09/2013 (Under review)
	Open space	25/09/2013 (Under review)

Governance and management item	Details	Endorsed
<b>Rating strategy</b> —strategy setting out the rating structure of Council to levy rates and charges	See Section 4 of the <i>Strategic Resource Plan 2020-21</i>	22/07/2020
<b>Risk Management Policy</b> —policy outlining our commitment and approach to minimising the risks to our operations	Current policy in operation.	27/11/2019
<b>Fraud policy</b> —policy outlining our commitment and approach to minimising the risk of fraud	Current policy in operation.	8/11/2016
<b>Municipal Emergency Management Plan</b> —plan under section 20 of the <i>Emergency Management Act 1986</i> (VIC) for emergency prevention, response and recovery	Prepared and maintained in accordance with section 20 of the Emergency Management Act.	27/09/2017
<b>Procurement policy</b> —policy under section 186A of the LGA 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works	Prepared and approved in accordance with section 186A of the LGA 1989.	24/06/2020
<b>Business Continuity Plan</b> —plan setting out the actions that will be taken to ensure that key services continue in the event of a disaster	Current plan in operation.	18/07/2017
<b>Disaster Recovery Plan</b> —plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster	IT Disaster Recovery Plan	12/02/2018
<b>Risk Management Framework 2019</b> —framework outlining Council's approach to managing risks to the our operations	Current framework in operation.	27/11/2019

Governance and management item	Details	Endorsed
<b>Audit Committee</b> —advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements	Committee established in accordance with section 139 of the Act. Terms of reference updated at least every two years.	1/02/2004
<b>Internal Audit</b> —independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving our governance, risk and management controls	Internal auditor engaged.	18/07/2019
<b>Performance Reporting Framework</b> —a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act	Current framework in operation.	28/08/2019
<b>Council Plan reporting</b> —report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year	Annual Report and quarterly statements presented to Council	23/10/2019 28/08/2019, 27/11/2019, 26/02/2020, 27/05/2020
<b>Financial reporting</b> —quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure	Quarterly statements presented to Council in accordance with section 138(1) of the Act	28/08/2019, 27/11/2019, 26/02/2020, 27/05/2020
<b>Risk reporting</b> —six-monthly reports of strategic risks to our operations, their likelihood and consequences of occurring and risk minimisation strategies	Reports prepared and presented	28/08/2019, 27/11/2019, 26/02/2020, 27/05/2020



Governance and management item	Details	Endorsed
<b>Performance reporting</b> —a set of indicators measuring the results against financial and non-financial performance, including performance indicators referred to section 131 of the Act	Reports prepared and presented to Council	23/10/2019
<b>Annual report</b> —annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements	Annual report considered at a meeting of Council in accordance with section 134 of the Act.	23/10/2019
<b>Councillor Code of Conduct</b> —a code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors	Code of conduct reviewed in accordance with section 76C of the Act.	25/09/2019
<b>Delegations</b> —a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff	Delegations reviewed in accordance with section 98(6) of the Act	27/11/2019
<b>Meeting procedures</b> —a local law governing the conduct of meetings of Council and special committees	Meeting procedures local law made in accordance with section 91(1) of the Act	05/01/2018

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



Mayor, Cr Janet Pearce  
Kyneton 22/10/2020



Acting Chief Executive Officer, John Nevins  
Kyneton, 22/10/2020

## Glossary

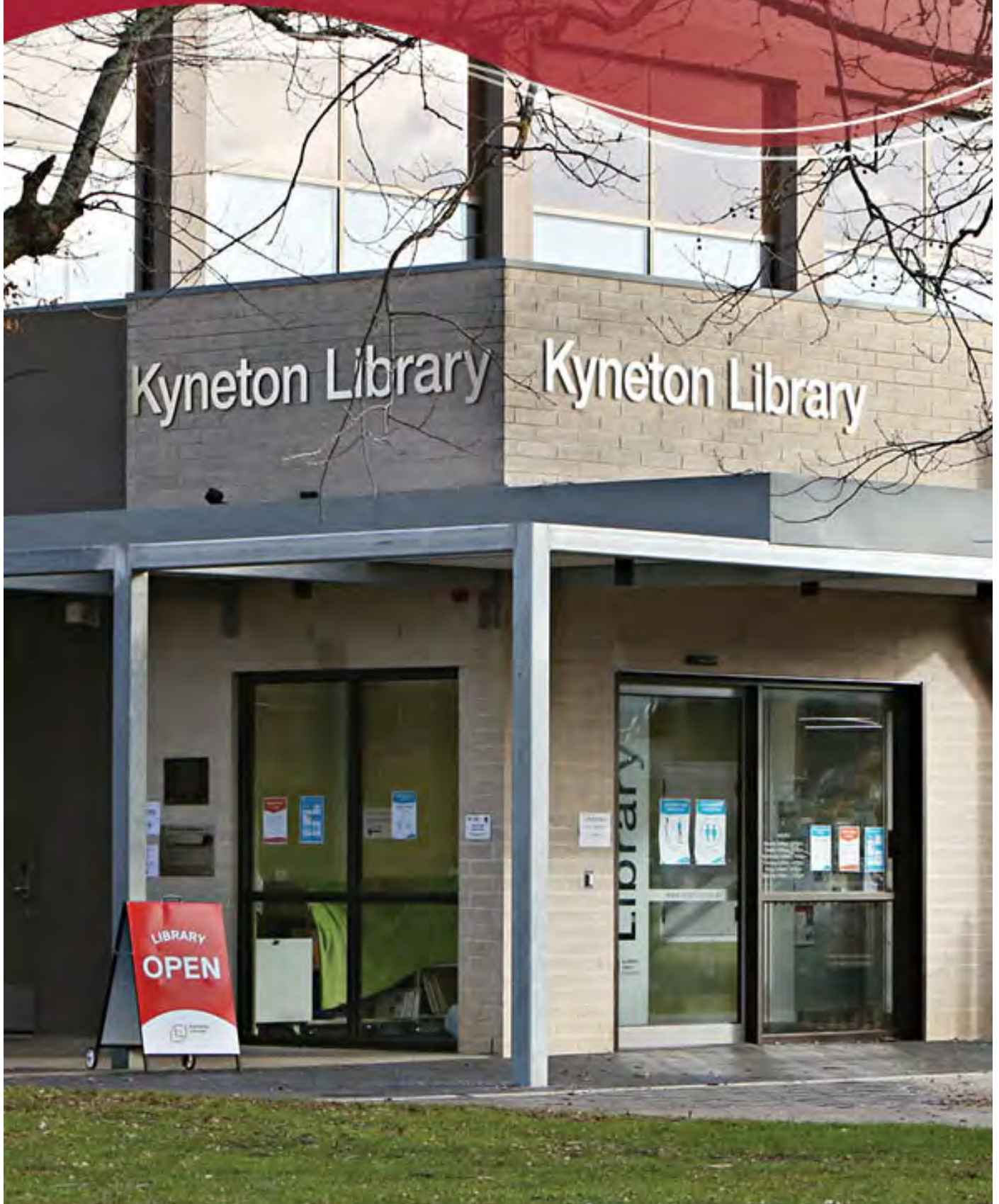
Term	Definition
Act	means the Local Government Act
Annual report	means a report of the activities of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Asset expansion expenditure	means expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries
Asset expenditure type	means the following types of asset expenditure: <ul style="list-style-type: none"> <li>• asset renewal expenditure</li> <li>• new asset expenditure</li> <li>• asset upgrade expenditure</li> <li>• asset expansion expenditure</li> </ul>
Asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
Asset upgrade expenditure	means expenditure that: <ul style="list-style-type: none"> <li>• enhances an existing asset to provide a higher level of service; or</li> <li>• increases the life of the asset beyond its original life</li> </ul>
ATSI	means Aboriginal and Torres Strait Islander
Australian Accounting Standards (AAS)	means the accounting standards published by the Australian Accounting Standards Board
Budget	means a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan
Capital works expenditure	means expenditure on non-current assets and includes new assets, asset renewal, asset expansion and asset upgrade
Council plan	means a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four years
Financial resources	means income, expenditure, assets, liabilities, equity, cash and capital works required to deliver the services and initiatives in the budget
Financial statements	means 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	means the period of 12 months ending on 30 June each year
Human resources	means the staff employed by Council
Indicator	means what will be measured to assess performance

Term	Definition
Initiatives	means actions that are one-off in nature and/or lead to improvements in service
LGA 2020	means <i>Local Government Act 2020 (Vic)</i>
LGA 1989	means <i>Local Government Act 1989 (Vic)</i>
Major initiatives	means significant initiatives that will directly contribute to the achievement of the Council Plan during the current year and have a major focus in the budget
Minister	means the Minister for Local Government
Model budget	means the <i>Victorian City Council Model Budget</i> prepared annually by the Institute of Chartered Accountants in Australia
New asset expenditure	means expenditure that creates a new asset that provides a service that does not currently exist
Non-financial resources	means the resources other than financial resources required to deliver the services and initiatives in the budget
Non-recurrent grant	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan
Planning and accountability framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the LGA 1989 and LGA 2020 Acts
Performance statement	means a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report
Recurrent grant	means a grant other than a non-recurrent grant
Regulations (LGR)	means the <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	means assistance, support, advice and other actions undertaken by Council for the benefit of the local community
Statement of capital works	means a statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type prepared accordance to the model statement of capital works in the <i>Local Government Financial Report</i>
Strategic objectives	means the goals in the Council Plan, that Council is seeking to achieve over the next four years
Strategic Resource Plan	means a plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan
Strategies	means high level actions directed at achieving the strategic objectives in the Council Plan

Term	Definition
Statement of human resources	means a statement that shows all Council staff expenditure and numbers of full time equivalent Council staff
VCAT	means Victorian Civil and Administrative Tribunal



# Our performance statement





# Our municipality

Ref  
Reg  
R17(1)

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) <sup>1</sup>

The council covers an area of 1747 km<sup>2</sup> and has a population of 50,231 (2019) which is expected to grow to 65,405 by 2036<sup>2</sup>.

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

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

# Sustainable Capacity Indicators

For the year ended 30 June 2020

Ref Reg	Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
R15(3)	Population					
Sch3 R16(1)	Expenses per head of municipal population	\$1,468	\$1,455	\$1,493	\$1,565	
R17(2)	[Total expenses / Municipal population]					
	Infrastructure per head of municipal population	\$13,230	\$12,915	\$13,133	\$13,177	
	[Value of infrastructure / Municipal population]					
	<i>Population density per length of road</i>	27.24	28.54	28.14	28.35	
	[Municipal population / Kilometres of local roads]					
	Own-source revenue					
	Own-source revenue per head of municipal population	\$1,240	\$1,213	\$1,281	\$1,248	
	[Own-source revenue / Municipal population]					
	Recurrent grants					
	<i>Recurrent grants per head of municipal population</i>	\$386	\$303	\$288	\$309	
	[Recurrent grants / Municipal population]					
	Workforce turnover					
	Percentage of staff turnover	10.7%	12.0%	21.2%	15.2%	Variation in staff turnover rate impacted by departmental and organisational restructures during the period, creation of additional roles approved by Council during the annual budget process and the commencement of Working for
	[Number of permanent staff resignations and terminations / Average number of permanent					

Ref Reg	Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
	staff for the financial year] / 100					Victoria staff resulting from Council's COVID-19 pandemic response
	Disadvantage  Relative socio-economic disadvantage  [Index of Relative Socio- economic Disadvantage by decile]	9	9	9	9	

## Definitions

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

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

"population" means the resident population estimated by council

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

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

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

# Service Performance Indicators

For the year ended 30 June 2020

Ref Reg	Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
Sch3 R16(1)	Aquatic facilities Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	7.50	7.11	7.23	5.50	Decrease in attendance due to COVID-19 resulting in facilities not operating for 26.5% of the year. There is a recorded attendance reduction of 27.5% for the year, the higher attendance reduction compared to closure period can be attributed to a cooler summer than the previous year that resulted in lower than normal attendances during the summer holiday period.
	Animal management Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	100%	100%	100%	100%	
	Food safety Health and safety Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x 100	96.77%	98.26%	100%	95.52%	



Ref Reg	Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
	Satisfaction					
	Satisfaction with council decisions	52	51	51	52	
	[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
	Libraries					
	Participation					
	Active library members	18.64%	16.92%	16.40%	16.28%	
	[Number of active library members / Municipal population] x100					
	Maternal and child health					
	Participation	77.77%	82.01%	80.92%	82.38%	
	Participation in the MCH service					
	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
	Participation					
	Participation in the MCH service by Aboriginal children	77.55%	85.71%	80.65%	91.23%	Improved participation due to improved data collection and data cleansing since MCH service transferred to new CDIS program. MCH service have also completed ATSI and Multicultural awareness and engagement training in 2019/20.
	[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					
	Roads					
	Satisfaction	48	48	49	54	
	Satisfaction with sealed local roads					Council has increased its capital funding for roads which has been recognised by the community members who undertook the survey.

Ref Reg	Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
	Statutory Planning  Decision making  Council planning decisions upheld at VCAT  [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	50.00%	52.38%	58.33%	100%	Thirteen VCAT appeals were decided this year compared to twenty-four last financial year. The numbers of affirmed, varied and withdrawn/struck out appeals is similar to last financial year. The key difference is in the 'set aside' determinations with zero set aside this year, compared to ten last year. This is reflective of a continued improvement in the quality of decisions being made by Council this financial year compared to previous years.
	Waste Collection  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] x100	45.05%	44.81%	44.78%	53.46%	Council has introduced FOGO to some areas and glass recycling which has returned benefits in the amount of kerbside waste being diverted to landfill.
	Retired measure					
	Animal Management  Animal management prosecutions  [Number of successful animal management prosecutions]	6	1	0	Retired in 2020	

## Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

# Financial Performance Indicators

For the year ended 30 June 2020

	Results					Forecasts				Material variations
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	
R15(2)	Efficiency									
Sch3	Revenue level									
R16(1) R16(2)	Average rate per property assessment	New in 2020	New in 2020	New in 2020	\$1,843	\$1,904	\$1,941	\$1,987	\$2,034	
R17(2) R17(3)	[General rates and municipal charge / Number of property assessments]									
	Expenditure level									
	Expenses per property assessment	\$3,108	\$3,193	\$3,220	\$3,402	\$3,419	\$3,458	\$3,575	\$3,623	There was a minor increase year on year in total number of 219 assessments (0.96%) bringing the total to 23,113 (increase due to combination of subdivisions and lots sold, existing properties selling off part of their land and additional occupiaand additional occupiable buildings built on a property). In addition the expenses increased year on year by 6.67% or \$4.9m including Materials and Services \$3m (13%) primarily due to contract payments for Resource Recovery driven by introduction of the FOGO
	[ Total expenses / Number of property assessments]									

	Results					Forecasts				
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
										recycling, glass bins and additional cost of disposal from transfer stations and disposal of rubbish. In addition the increase was also due to higher spend in relation to buildings maintenance contracts (including cleaning), emergency works and parks maintenance. Employee costs were also a driver of increased underlying expense reporting an increase of \$1.1m relating to both wage indexation and newly approved positions.
	Liquidity									
	Working Capital									
	Current assets compared to current liabilities	230.14%	248.31%	205.23%	225.99%	169.70%	154.69%	146.35%	142.02%	Increase in 2020 was due to a loan becoming due in 2019 impacting the ratio. The forecast decrease in 2021 is due to the forecast of cash reserves being used to fund capital works.
	[Current assets / Current liabilities] x100									
	Unrestricted cash									
	Unrestricted cash compared	110.23%	120.89%	105.94%	16.50%	24.64%	25.50%	22.78%	23.67%	Reduction - key drivers to movement from last year include: (1) a correction in relation to the classification of items previously included in the calculation of unrestricted cash – that is the exclusion of other financial assets which were incorrectly



	Results					Forecasts				
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
	to current liabilities  [Unrestricted cash / Current liabilities] x100									included in prior years; (2) an increase in the assumed amount of carry forward capital works year on year in the forecast which is an amount excluded from (and reduces) unrestricted cash; and (3) the planned repayment of debt borrowed via the Local Government funding vehicle (\$4.1m) which reduced the current liabilities year on year.
	Obligations									
	Loans and borrowings  Loans and borrowings compared to rates  [Interest bearing loans and borrowings / Rate revenue] x100	23.32%	21.26%	18.88%	8.88%	15.97%	26.90%	27.10%	25.80%	No new loans were taken up in 2019/20. The repayment in 2019/20 of \$4.1m borrowed via the Local Government funding vehicle resulted in a lower debt balance and hence a significant decrease in the ratio before increasing in years 2020/21 and 2021/22 to fund a planned higher capital works program.
	Loans and borrowings  Loans and borrowings repayments	1.71%	2.18%	2.06%	9.91%	1.34%	2.65%	2.96%	2.96%	The repayment in 2019/20 of \$4.1m borrowed via the Local Government funding vehicle resulted in a significant increase in the ratio.

	Results					Forecasts				Material variations
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	
	compared to rates									
	[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
	Indebtedness									
	Non-current liabilities compared to own source revenue	25.95%	24.17%	15.04%	15.75%	19.39%	27.61%	26.76%	25.63%	
	Asset renewal									Council is committed to renewing its asset base. A commitment to increase renewal expenditure on Council buildings is forecast for future years.
	Asset renewal compared to depreciation	57.40%	94.42%	89.80%	154.75%	122.22%	126.06%	113.29%	124.30%	
	[Asset renewal and asset upgrade expense / Asset depreciation] x100									

	Results					Forecasts				
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	Material variations
	Operating position									
	Adjusted underlying result									The underlying surplus in 2019/20 has decreased as income growth has been lower than the growth in operating expenditure in line with forecast due to a larger growth in operating expenses to support the growing population in the Shire.
	Adjusted underlying surplus (or deficit)	11.03%	5.76%	7.58%	4.00%	3.78%	4.14%	2.93%	3.64%	
	[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
	Stability									
	Rates concentration	58.33%	61.55%	61.06%	61.96%	64.44%	64.71%	64.88%	65.06%	
	Rates compared to adjusted underlying revenue									
	[Rate revenue / Adjusted underlying revenue] x100									

	Results					Forecasts				Material variations
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	
	Retired measures									
	Rates effort									
	Rates compared to adjusted underlying revenue	0.39%	0.39%	0.35%	0.33%	0.32%	0.32%	0.33%	0.33%	
	[Rates revenue / Capital improved value of rateable properkties in the municipality] X 100									
	Efficiency									
	Revenue level									
	Average redidential rate per residential property assessment	1,987	2,037	2,082	Retired in 2020					
	[Redidential rate revenue / Number of									

	Results					Forecasts				Material variations
Ref Reg	Dimension / indicator/ measure	2017	2018	2019	2020	2021	2022	2023	2024	
	residential prpeperry assessments]									
	Obligations									
	Asset renewal									
	Asset renewal compared to depreciation	57.40%	94.42%	89.80%	Retired in 2020					
	[Asset renewal expense / Asset depreciation] x 100									



## Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

## Other Information

For the year ended 30 June 2020

BP

### 1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 22 July 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

### 2. Impact of COVID 19 pandemic on Council operations and 2019/20 financial report

On 30 January 2020, COVID 19 was declared as a global pandemic by World Health Organisation. Since then, various measures are being taken by all three levels of government in Australia to reduce the spread of COVID 19. This crisis and measures taken to mitigate it has impacted Council operations in the following areas for the financial year ended 30 June 2020.

In response to Victorian Government directive amidst the COVID 19 outbreak, the aquatic, leisure centres and community centres were closed. These closures resulted in a decrease in the user fee revenue by \$1.15m and also decreased associated expenses by \$0.66m.

## Certification of the Performance Statement

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



John Hausler

**Principal Accounting Officer**

**Dated:** 22 October 2020

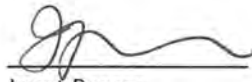
Kyneton

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Janet Pearce

**Councillor (Mayor)**

**Dated:** 22 October 2020

Kyneton

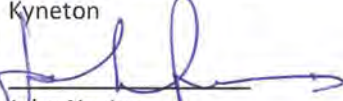


Natasha Gayfer

**Councillor**

**Dated:** 22 October 2020

Kyneton



John Nevins

**Acting Chief Executive Officer**

**Dated:** 22 October 2020

Kyneton

# Independent Auditor's Report

## To the Councillors of Macedon Ranges Shire Council

<b>Opinion</b>	<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"> <li>• description of municipality for the year ended 30 June 2020</li> <li>• sustainable capacity indicators for the year ended 30 June 2020</li> <li>• service performance indicators for the year ended 30 June 2020</li> <li>• financial performance indicators for the year ended 30 June 2020</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<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>
<b>Councillors' responsibilities for the performance statement</b>	<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>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<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.</p> <p>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>

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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.

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MELBOURNE  
28 October 2020



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*



# Additional service performance indicators

The following set of performance indicators<sup>4</sup> are prescribed under Part 4 Section 13 of the Local Government Planning and Reporting Regulations 2014 (Vic). Refer to the Know Your Council website ([knowyourcouncil.vic.gov.au](http://knowyourcouncil.vic.gov.au)) for comparisons with other councils.

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Aquatic facilities</b>					
<b>Service standard</b> <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities/number of Council aquatic facilities]	0.25	1.00	1.00	1.00	
<b>Service cost</b> <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received/ number of visits to indoor aquatic facilities]	\$1.53	\$1.01	\$1.44	Retired in 2020	
<b>Service cost</b> <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received/ number of visits to outdoor aquatic facilities]	\$17.69	\$18.28	\$10.77	Retired in 2019/20	

<sup>4</sup> This section represents the metrics not subject to audit by the Victorian Auditor General's Office.

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Aquatic facilities</b>					
<b>Service Cost</b> <i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received/number of visits to aquatic facilities] <i>(From 2020, this measure replaced two previous measures—cost of indoor aquatic facilities and cost of outdoor aquatic facilities).</i>	New in 2020	New in 2020	New in 2020	\$3.32	*Council closed all aquatic facilities on 17 March 2020 in response to the threat of COVID-19. The significant loss of income associated with the pandemic has resulted in an increased net operating cost to Council. Based on both forecast and actual budget figures Council aquatic facilities have had a reduction of approximately 26 per cent in income. This correlates with the period of closure during the year associated with COVID-19 (26.5 per cent of year). Although savings were made on some operational salaries, they did not offset total income losses as permanent staff, maintenance, plant operational and utility costs at large remain similar to forecasts. There was also a reduction in income for the outdoor aquatic facilities due to a much cooler than normal summer season. This was offset to a greater degree by a significant reduction in staff wages due to the facilities operating on average only 38.5 per cent of the season under the Temperature Operating Policy, which sees the facility remain closed on days below 26 degrees C.

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Aquatic facilities</b>					
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities/ municipal population]	7.50	7.11	7.23	5.50	Decrease in attendance due to COVID-19 resulting in facilities not operating 26.5 per cent of the year. Besides COVID-19, the decreased utilisation can also be attributed to a cooler summer than the previous year that resulted in lower than normal attendances during the summer holiday period.
<b>Animal management</b>					
<b>Timeliness</b> <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests/number of animal management requests]	1.66	1.98	1.20	1.18	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Animal management</b>					
<b>Service standard</b> <i>Animals reclaimed</i> [Number of animals reclaimed/number of animals collected] x 100	48.71%	50.98%	54.04%	50.28%	
<b>Service cost</b> <i>Cost of animal management service per population</i> [Direct cost of the animal management service/population]	New in 2020	New in 2020	New in 2020	\$20.08	
<b>Animals rehomed</b> [Number of animals rehomed/number of animals collected] x 100	New in 2020	New in 2020	New in 2020	22.33%	New measure
<b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions/number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	100%	New measure

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Food management</b>					
<b>Timeliness</b> <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints/number of food complaints]	2.70	3.35	2.25	2.13	
<b>Service standard</b> <i>Food safety assessments</i> [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/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] x 100	98.63%	98.99%	100.00%	95.65%	
<b>Service cost</b> <i>Cost of food safety service</i> [Direct cost of the food safety service/number of food premises registered or notified in accordance with the Food Act]	\$283.79	\$297.84	\$311.54	\$298.43	



# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Food management</b>					
<b>Health and safety</b> <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] x 100	96.77%	98.26%	100.00%	95.52	
<b>Governance</b>					
<b>Transparency</b> <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at Ordinary or Special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/ number of Council resolutions made at Ordinary or Special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	3.11%	4.55%	4.76%	8.68%	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Governance</b>					
<b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	52.00	54.00	52.00	51.00	
<b>Attendance</b> <i>Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each Ordinary and Special Council meeting/(number of Ordinary and Special Council meetings) x (number of Councillors elected at the last Council general election)] x 100	95.56%	93.46%	98.52%	89.81%	
<b>Service cost</b> <i>Cost of governance</i> [Direct cost of the governance service/ number of Councillors elected at the last Council general election]	\$43,006.89	\$43,583.44	\$41,264.22	\$38,913.22	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Governance</b>					
<b>Satisfaction</b> <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	52.00	51.00	51.00	52.00	
<b>Libraries</b>					
<b>Utilisation</b> <i>Library collection usage</i> [Number of library collection item loans/number of library collection items]	5.69	5.63	5.44	4.48	Libraries closed in March due to COVID-19 pandemic.
<b>Resource standard</b> <i>Standard of library collection</i> [Number of library collection items purchased in the last five years/number of library collection items] x 100	70.00%	75.10%	72.10%	72.10%	
<b>Service cost</b> <i>Cost of library service per population</i> [Direct cost of the library service/population]	New in 2020	New in 2020	New in 2020	\$27.03	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Libraries</b>					
<b>Participation</b> <i>Active library members</i> [Number of active library members/municipal population] x 100	18.64%	16.92%	16.40%	16.28%	
<b>Maternal and Child Health (MCH)</b>					
<b>Satisfaction</b> <i>Participation in first MCH home visit</i> [Number of first MCH home visits/number of birth notifications received] x 100	101.95%	99.58%	103.62%	Retired in 2020	
<b>Service standard</b> <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received)/ number of birth notifications received] x 100	101.56%	101.26%	100.60%	100.42%	
<b>Participation</b> <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] x 100	77.77%	82.01%	80.92%	82.38%	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Maternal and Child Health (MCH)</b>					
<b>Satisfaction</b> <i>Participation in four-week Key Age and Stage visit</i> [Number of four-week key age and stage visits/number of birth notifications received] x 100	New in 2020	New in 2020	New in 2020	103.17%	
<b>Participation</b> <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] x 100	77.55%	85.71%	80.65%	91.23%	Improved participation due to improved data collection and data cleansing since MCH service transferred to new Child Development Information System (CDIS). MCH service have also completed Aboriginal and Torres Strait Islander Peoples, and multicultural awareness and engagement training in 2019/20.
<b>Roads</b>					
<b>Satisfaction of use</b> <i>Sealed local road requests</i> [Number of sealed local road requests/ kilometres of sealed local roads] x 100	60.33	40.53	44.16	41.06	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Roads</b>					
<b>Condition</b> <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council/kilometres of sealed local roads] x 100	96.44%	96.75%	97.46%	96.44%	
<b>Service cost</b> <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction/square metres of sealed local roads reconstructed]	\$41.22	\$48.21	\$48.63	\$70.03	More urban roads have been constructed in 2019/20. Urban roads have different construction criteria including construction method and standards, which equate to a higher square metre rate.
<b>Service cost</b> <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing/square metres of sealed local roads resealed]	\$7.92	\$8.40	\$6.78	\$8.03	More asphalt resealing works were undertaken in 2019/20 than the previous year. The dollar rate for asphalt resealing works is substantially higher per square metre than the dollar rate for spray sealing.



# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Roads</b>					
<b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48.00	48.00	49.00	54.00	
<b>Statutory planning</b>					
<b>Timeliness</b> <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	73.00	100.00	106.00	93.00	Officers have been reviewing our internal processes in an effort to reduce the amount of time it takes to decide a planning application. It is pleasing that these efforts have resulted in a tangible decrease in the number of days taken to decide a planning application.

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Statutory planning</b>					
<b>Service standard</b> <i>Planning applications decided within required time frames</i> [(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	71.99%	61.47%	58.10%	70.05%	In addition to the commentary on SP1, officers have been working to achieve Council's goal of deciding 70 per cent of planning applications in time. It is pleasing to see that this has been achieved this year.
<b>Service cost</b> <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service/number of planning applications received]	\$2,779.39	\$2,626.30	\$3,136.22	\$3,221.60	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Statutory Planning</b>					
<b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application/ number of VCAT decisions in relation to planning applications] x 100	50.00%	52.38%	58.33%	100.00%	Thirteen VCAT appeals were decided this year compared to 24 last financial year. The numbers of affirmed, varied and withdrawn/struck out appeals is similar to last financial year. The key difference is in the 'set aside' determinations with zero set aside this year, compared to ten last year. This is reflective of a continued improvement in the quality of decisions being made by Council this financial year compared to previous years.
<b>Waste</b>					
<b>Satisfaction</b> <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests/number of kerbside bin collection households] x 1000	155.55	228.03	223.08	210.47	

# Additional service performance indicators

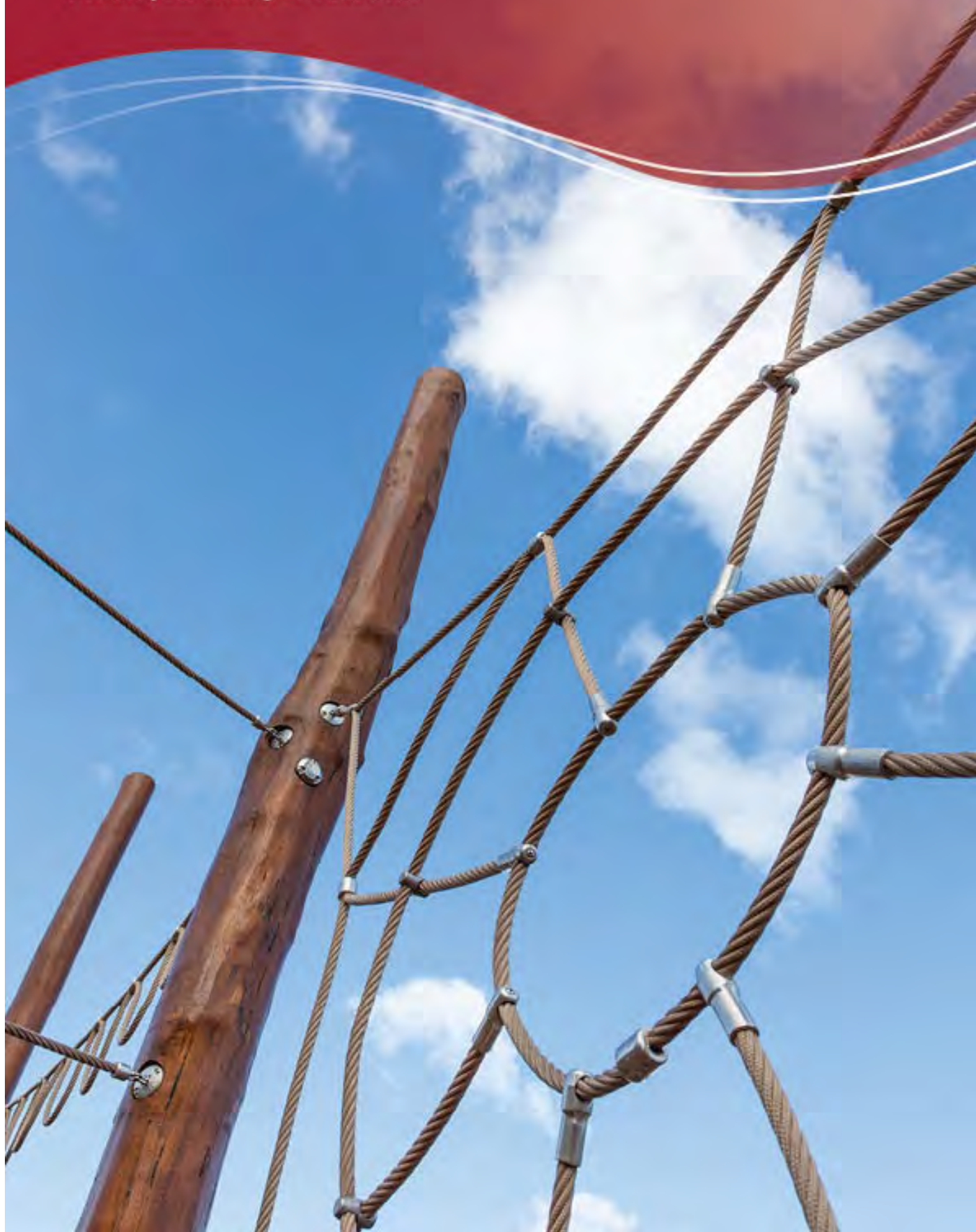
Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Waste</b>					
<b>Service standard</b> <i>Kerbside collection bins missed</i> Number of kerbside garbage and recycling collection bins missed/number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	6.25	10.58	8.05	8.51	Increase in missed bins following significant changes to collection service in February with introduction of glass and food organics garden organics (FOGO) services. Changes to collection areas, routes and days resulted in a temporary increase in missed bins.
<b>Service cost</b> <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service/number of kerbside garbage collection bins]	\$119.16	\$129.92	\$136.95	\$127.19	
<b>Service cost</b> <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service/number of kerbside recyclables collection bins]	\$33.01	\$42.88	\$42.44	\$79.43	

# Additional service performance indicators

Service/indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Material variations
<b>Waste</b>					
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i>	45.05%	44.81%	44.78%	53.46%	
[Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins] x 100					

# Our financial statements

For the year ending 30 June 2020





# **Macedon Ranges Shire Council Financial Statements**

*For the Year Ended 30 June 2020*

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## Certification of the Financial Statements

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



John Hausler

**Principal Accounting Officer**

22 October 2020  
Kyneton

In our opinion the accompanying financial statements present fairly the financial transactions of Macedon Ranges Shire Council for the year ended 30 June 2020 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.



Janet Pearce

**Councillor (Mayor)**

22 October 2020  
Kyneton



Natasha Gayfer

**Councillor**

22 October 2020  
Kyneton



John Nevins

**Acting Chief Executive Officer**

22 October 2020  
Kyneton

# Independent Auditor's Report

## To the Councillors of Macedon Ranges Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Macedon Ranges Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 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>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<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 October 2020



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

# Comprehensive Income Statement for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Rates and charges	3.1	50,750	48,703
Statutory fees and fines	3.2	4,274	4,733
User fees	3.3	5,688	7,043
Grants - operating	3.4	14,968	13,001
Grants - capital	3.4	7,956	6,624
Contributions - monetary	3.5	808	838
Contributions - non monetary	3.5	5,913	7,754
Fair value adjustments for investment property	6.4	(270)	3
Share of net profits of associates	6.3	57	22
Other income	3.7	2,224	2,745
<b>Total income</b>		<b>92,368</b>	<b>91,466</b>
<b>Expenses</b>			
Employee costs	4.1	34,374	32,417
Materials and services	4.2	26,063	23,018
Depreciation	4.3	13,968	13,958
Amortisation - intangible assets	4.4	198	307
Amortisation - right of use assets	4.5	327	-
Borrowing costs	4.6	321	409
Net loss on disposal of property, infrastructure, plant & equipment	3.6	182	623
Decrease in provision for landfill liability	5.5	(220)	(34)
Other expenses	4.7	3,416	3,016
<b>Total expenses</b>		<b>78,629</b>	<b>73,714</b>
<b>Surplus for the year</b>		<b>13,739</b>	<b>17,752</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to surplus or deficit in future periods</i>			
Net asset revaluation increment/(decrement)	6.2	18,107	54,871
<b>Total comprehensive result</b>		<b>31,846</b>	<b>72,623</b>

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



## Balance Sheet as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	17,567	13,423
Trade and other receivables	5.1	6,271	4,503
Other financial assets	5.1	16,000	29,011
Right-of-use assets	5.8	357	-
Other assets	5.2	512	436
<b>Total current assets</b>		<b>40,707</b>	<b>47,373</b>
<b>Non-current assets</b>			
Other financial assets	5.1	21	21
Investments in associates	6.3	1,280	1,223
Property, infrastructure, plant and equipment	6.2	1,131,089	1,098,215
Right-of-use assets	5.8	939	-
Investment property	6.4	2,584	2,854
Intangible assets	5.2	632	433
<b>Total non-current assets</b>		<b>1,136,545</b>	<b>1,102,746</b>
<b>Total assets</b>		<b>1,177,252</b>	<b>1,150,119</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	7,508	8,783
Trust funds and deposits	5.3	3,072	3,401
Provisions	5.5	6,567	6,214
Interest-bearing loans and borrowings	5.4	485	4,685
Lease liabilities	5.8	381	-
<b>Total current liabilities</b>		<b>18,013</b>	<b>23,083</b>
<b>Non-current liabilities</b>			
Provisions	5.5	4,888	5,007
Interest-bearing loans and borrowings	5.4	4,023	4,508
Lease liabilities	5.8	961	-
<b>Total non-current liabilities</b>		<b>9,872</b>	<b>9,515</b>
<b>Total liabilities</b>		<b>27,885</b>	<b>32,598</b>
<b>Net assets</b>		<b>1,149,367</b>	<b>1,117,521</b>
<b>Equity</b>			
Accumulated surplus		653,364	637,170
Reserves	9.1	496,003	480,351
<b>Total equity</b>		<b>1,149,367</b>	<b>1,117,521</b>

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

## Statement of Changes in Equity for the year ended 30 June 2020

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2020</b>					
Balance at beginning of the financial year		1,117,521	637,170	465,551	14,800
Impact of change in accounting policy - AASB 15 Revenue from Contracts with Customers	10	-	-	-	-
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	-	-	-	-
	5.8	-	-	-	-
Adjusted Opening balance		1,117,521	637,170	465,551	14,800
Surplus for the year		13,739	13,739	-	-
Net asset revaluation increment/(decrement)	9.1	18,107	-	18,107	-
Transfers to other reserves	9.1	-	(3,925)	-	3,925
Transfers from other reserves	9.1	-	6,380	-	(6,380)
<b>Balance at end of the financial year</b>		<b>1,149,367</b>	<b>653,364</b>	<b>483,658</b>	<b>12,345</b>

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2019</b>					
Balance at beginning of the financial year		1,044,898	620,867	410,680	13,351
Surplus for the year		17,752	17,752	-	-
Net asset revaluation increment/(decrement)	9.1	54,871	-	54,871	-
Transfers to other reserves	9.1	-	(4,140)	-	4,140
Transfers from other reserves	9.1	-	2,691	-	(2,691)
<b>Balance at end of the financial year</b>		<b>1,117,521</b>	<b>637,170</b>	<b>465,551</b>	<b>14,800</b>

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

## Statement of Cash Flows for the year ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		50,035	48,537
Statutory fees and fines		4,274	4,733
User fees		4,328	7,016
Grants - operating		14,968	13,997
Grants - capital		7,956	6,758
Contributions - monetary		808	1,502
Interest received		563	832
Trust funds and deposits taken		(494)	2,413
Other receipts		1,241	2,622
Net GST refund		-	3,791
Employee costs		(33,097)	(32,730)
Materials and services		(27,431)	(22,922)
Trust funds and deposits repaid		-	(2,087)
Other payments		(3,585)	(7,542)
<b>Net cash provided by operating activities</b>	9.2	<u>19,566</u>	<u>26,920</u>
<b>Cash flows from investing activities</b>			
Net (increase)/decrease in other financial assets		13,011	(5,011)
Payments for property, infrastructure, plant and equipment		(23,807)	(21,434)
Proceeds from sale of property, infrastructure, plant and equipment		404	922
<b>Net cash used in investing activities</b>		<u>(10,392)</u>	<u>(25,523)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(345)	(408)
Repayment of borrowings		(4,685)	(594)
<b>Net cash used in financing activities</b>		<u>(5,030)</u>	<u>(1,002)</u>
Net increase in cash and cash equivalents		4,144	395
Cash and cash equivalents at the beginning of the financial year		13,423	13,028
<b>Cash and cash equivalents at the end of the financial year</b>	5.1(a)	<u>17,567</u>	<u>13,423</u>
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 2020

	Note	2020 \$'000	2019 \$'000
<b>Property</b>			
Buildings and building improvements		5,037	6,743
Land and land improvements		-	46
<b>Total property</b>		<b>5,037</b>	<b>6,789</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,942	2,737
Fixtures, fittings and furniture		94	47
Computers and telecommunications		689	388
<b>Total plant and equipment</b>		<b>2,725</b>	<b>3,172</b>
<b>Infrastructure</b>			
Roads		9,189	6,776
Bridges		361	713
Footpaths and cycleways		1,308	1,078
Drainage		673	529
Recreational, leisure and community facilities		2,441	1,478
Parks, open space and streetscapes		901	600
Other infrastructure		1,349	1,470
<b>Total infrastructure</b>		<b>16,222</b>	<b>12,644</b>
<b>Total capital works expenditure</b>		<b>23,984</b>	<b>22,605</b>
<b>Represented by:</b>			
New asset expenditure		2,368	3,663
Asset renewal expenditure		13,834	12,524
Asset upgrade expenditure		7,782	6,418
<b>Total capital works expenditure</b>		<b>23,984</b>	<b>22,605</b>

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

# Notes to the Financial Report for the year ended 30 June 2020

## Overview

### *Introduction*

Macedon Ranges Shire Council (Council) was constituted in January 1995 following the amalgamation of the former Shires of Gisborne, Romsey, Newham and Woodend, and Kyneton. The Council's main office is located at 129 Mollison Street Kyneton, Victoria.

### *Statement of compliance*

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

### *Significant accounting policies*

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)
- 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 (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

### *Impact of COVID 19 pandemic on Council operations and 2019/20 financial report*

On 30 January 2020, COVID 19 was declared as a global pandemic by World Health Organisation. Since then, various measures are being taken by all three levels of government in Australia to reduce the spread of COVID 19. This crisis and measures taken to mitigate it has impacted Council operations in the following areas for the financial year ended 30 June 2020.

In response to Victorian Government directive amidst the COVID 19 outbreak, the aquatic, leisure centres and community centres were closed. These closures resulted in a decrease in the user fee revenue by \$1.15m and also decreased associated expenses by \$0.66m.

## **Note 1 Performance against budget**

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

The budget figures detailed below are those adopted by Council on 26 June 2019 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

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



# Note 1 Performance against budget (cont.)

## 1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000	%	Ref
<b>Income</b>					
Rates and charges	50,600	50,750	150	0%	
Statutory fees and fines	4,035	4,274	239	6%	
User fees	7,253	5,688	(1,565)	-22%	1
Grants - operating	11,756	14,968	3,212	27%	2
Grants - capital	8,304	7,956	(348)	-4%	3
Contributions - monetary	680	808	128	19%	4
Contributions - non monetary	8,700	5,913	(2,787)	-32%	5
Fair value adjustments for investment property	-	(270)	(270)	100%	6
Share of net profits/(losses) of associates	-	57	57	100%	
Other income	2,113	2,224	111	5%	
<b>Total income</b>	<b>93,441</b>	<b>92,368</b>	<b>(1,073)</b>	<b>-1%</b>	
<b>Expenses</b>					
Employee costs	34,706	34,374	(332)	-1%	
Materials and services	23,275	26,063	2,788	12%	7
Depreciation	13,972	13,968	(4)	0%	
Amortisation - intangible assets	200	198	(2)	-1%	
Amortisation - right of use assets	360	327	(33)	-9%	
Borrowing costs	259	321	62	24%	8
Net (gain)/loss on disposal of property, infrastructure, plant & equipment	-	182	182	100%	9
Increase/(decrease) in provision for landfill liability	-	(220)	(220)	100%	10
Other expenses	3,122	3,416	294	9%	
<b>Total expenses</b>	<b>75,894</b>	<b>78,629</b>	<b>2,735</b>	<b>4%</b>	
<b>Surplus for the year</b>	<b>17,547</b>	<b>13,739</b>	<b>(3,808)</b>	<b>-22%</b>	

### (i) Explanation of material variations

Ref	Item	Explanation
1	User fees	User fees 22% under budget due mainly to the closure of facilities from March to June as a response to Covid-19.
2	Grants - operating	Operating grants 27% above budget due mainly to the receipt of the unbudgeted grant for Working for Victoria.
3	Grants - capital	Capital grants 4% below budget due to the delay in delivery of projects.
4	Contributions - monetary	Monetary contributions were higher than anticipated due to unbudgeted contributions to projects.
5	Contributions - non monetary	Non monetary contribution are dependent on development.
6	Fair value adjustments for investment property	Reduction in value of investment properties taking into account leases and rental outlook.
7	Materials and Services	The major differences were additional costs associated with FOGO, glass, disposal of waste (\$1.1m), emergencies (\$414k) and building maintenance (\$589k).
8	Borrowing costs	The financing costs associated with the new lease standard were greater than anticipated for the year.
9	Net (gain)/loss on disposal of property, infrastructure, plant & equipment	Some Footpaths and Kerbs were written off when they were replaced increasing the amount of loss on disposal for the year.
10	Increase/(decrease) in provision for landfill liability	This provision decrease is the result of a net present value calculation at the end of the year based on the future costs of rehabilitating closed landfill sites.

# Note 1 Performance against budget (cont.)

## 1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000	%	Ref
<b>Property</b>					
Buildings and building improvements	4,516	5,037	521	12%	1
<b>Total property</b>	4,516	5,037	521	12%	
Plant, machinery and equipment	1,863	1,942	79	4%	
Fixtures, fittings and furniture	-	94	94	100%	
Computers and telecommunications	417	689	272	65%	2
<b>Total plant and equipment</b>	2,280	2,725	445	20%	
<b>Infrastructure</b>					
Roads	8,837	9,189	352	4%	
Bridges	960	361	(599)	-62%	3
Footpaths and cycleways	1,318	1,308	(10)	-1%	
Drainage	876	673	(203)	-23%	4
Recreational, leisure and community facilities	1,817	2,441	624	34%	5
Parks, open space and streetscapes	1,612	901	(711)	-44%	6
Other infrastructure	838	1,349	511	61%	7
<b>Total infrastructure</b>	16,258	16,222	(36)	0%	
<b>Total capital works expenditure</b>	23,054	23,984	930	4%	
New asset expenditure	4,488	2,368	(2,120)	-47%	
Asset renewal expenditure	14,215	13,834	(381)	-3%	
Asset upgrade expenditure	4,351	7,782	3,431	79%	
<b>Total capital works expenditure</b>	23,054	23,984	930	4%	

### (i) Explanation of material variations

Ref	Item	Explanation
1	Building and building improvements	Several grant funded projects delivered during 2019/20 were not included in original budget.
2	Computers and telecommunications	Additional computers and related equipment required due to Working for Victoria and Covid-19 working from home.
3	Bridges	A bridge identified to have minor replacement has been deferred following inspection which found total replacement required.
4	Drainage	One drainage project was incomplete and will be completed in July 2020.
5	Recreational, leisure and community facilities	Several 2018/19 projects which were in progress at June 2019 were completed in the 2019/20 year, including Tony Clarke lighting and Barkly Square lighting.
6	Parks, open space and streetscapes	The main budget variance was the Healthy heart of Victoria project (budget \$540k) will be completed in 2020/21, with \$488k to be carried forward.
7	Other infrastructure	Expenditure greater than budget due to an unbudgeted grant received for the purchase of glass bins.

## 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.

### 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, local laws, asset management, environmental health, emergency management and engineering.

### CEO Group

The CEO group includes human resources, risk management, health and safety, insurance, communications, the CEO's administrative support and the major projects office.

### Community Wellbeing

The Community Wellbeing directorate is responsible for recreation and sport, Hanging Rock, aquatic and leisure, kindergartens, maternal and child health, community support, healthy ageing, youth services, community development, arts and culture, and libraries.

### Corporate Services

Corporate Services is responsible for governance, customer services, information technology, finance services, property management, rates, contracts and tendering.

### Planning & Environment

The responsibilities of the Planning and Environment directorate include strategic planning, environment and conservation services, statutory planning, building services and economic development and tourism.

## 2.1 Summary of revenues, expenses, assets and capital expenses by program

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
<b>2020</b>					
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

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
<b>2019</b>					
Assets & Operations	24,199	34,898	(10,699)	4,730	566,785
Chief Executive	91	3,021	(2,930)	-	-
Community Wellbeing	14,102	19,855	(5,753)	7,498	80,254
Corporate Services	49,723	8,920	40,803	7,029	503,080
Planning & Environment	3,351	7,020	(3,669)	368	-
	91,466	73,714	17,752	19,625	1,150,119

## Note 3 Funding for the delivery of our services

### 3.1 Rates and charges

	2020 \$'000	2019 \$'000
Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated market value at the date of valuation. The valuation base used to calculate general rates for 2019/20 was \$15,201 million (2018/19 \$13,635 million). The 2019/20 general rate in the capital improved value dollar was \$0.00224765 (2018/19, \$0.002643).		
General rates	32,816	31,177
Agricultural land rates	2,241	2,289
Commercial/industrial rates	2,182	2,155
Municipal charge	4,824	4,767
Waste management charge	7,955	7,533
Supplementary rates and rate adjustments	489	483
Other rates	71	72
Interest on rates	172	227
<b>Total rates and charges</b>	<b>50,750</b>	<b>48,703</b>

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation was first applied in the rating year commencing 1 July 2019. 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

	2020 \$'000	2019 \$'000
Animal control fees	658	664
Infringements and costs	138	179
Permits	1,214	1,133
Roads and infrastructure fees	1,800	2,292
Town planning fees	226	229
Other statutory fees	238	236
<b>Total statutory fees and fines</b>	<b>4,274</b>	<b>4,733</b>

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

### 3.3 User fees

	2020 \$'000	2019 \$'000
Aged and health services	171	171
Child care/children's programs	615	972
Cultural activities	168	174
Gravel pit sales	102	162
Hanging Rock Reserve fees	611	661
Leisure centre and recreation	2,544	3,564
Saleyards	324	298
Waste management services	752	681
Other fees and charges	401	360
<b>Total user fees</b>	<b>5,688</b>	<b>7,043</b>

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income. Prior year disclosure has been adjusted to align with updated classifications.

## Note 3 Funding for the delivery of our services (cont.)

### 3.4 Funding from other levels of government

	2020 \$'000	2019 \$'000
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Commonwealth funded grants	14,228	10,832
State funded grants	8,696	8,793
<b>Total grants received</b>	<b>22,924</b>	<b>19,625</b>
<b>(a) Operating Grants</b>		
<i><b>Recurrent - Commonwealth Government</b></i>		
Aged and disability services	1,582	1,670
Financial Assistance Grants	5,748	5,693
<i><b>Recurrent - State Government</b></i>		
Aged and disability services	260	155
Family and children	2,939	2,653
Maternal and child health	514	486
School crossing supervisors	117	115
Youth and culture	116	116
Other	102	71
<b>Total recurrent operating grants</b>	<b>11,378</b>	<b>10,959</b>
<i><b>Non-recurrent - Commonwealth Government</b></i>		
Planning & Environment	26	100
Recreational, leisure and community facilities	1,838	-
<i><b>Non-recurrent - State Government</b></i>		
Aged and disability Services	30	128
Emergency management	120	1,413
Maternal and child health	10	60
Planning and Environment	12	224
Recreational, leisure and community facilities	33	103
Youth and culture	14	(114)
Other	1,507	128
<b>Total non-recurrent operating grants</b>	<b>3,590</b>	<b>2,042</b>
<b>Total operating grants</b>	<b>14,968</b>	<b>13,001</b>
<b>(b) Capital Grants</b>		
<i><b>Recurrent - Commonwealth Government</b></i>		
Roads to Recovery	1,691	953
Financial Assistance Grants	2,433	2,316
<b>Total recurrent capital grants</b>	<b>4,124</b>	<b>3,269</b>
<i><b>Non-recurrent - Commonwealth Government</b></i>		
Parks, open space and streetscapes	-	100
Roads and bridges	910	-
<i><b>Non-recurrent - State Government</b></i>		
Buildings	975	1,048
Footpaths and cycleways	45	50
Parks, open space and streetscapes	657	448
Recreational, leisure and community facilities	72	769
Roads and bridges	1,173	831
Other	-	109
<b>Total non-recurrent capital grants</b>	<b>3,832</b>	<b>3,355</b>
<b>Total capital grants</b>	<b>7,956</b>	<b>6,624</b>

## Note 3 Funding for the delivery of our services (cont.)

### 3.4 Funding from other levels of government (cont.)

	2020 \$'000	2019 \$'000
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	2,036	1,597
Received during the financial year and remained unspent at balance date	190	1,713
Received in prior years and spent during the financial year	(1,713)	(1,274)
<b>Balance at year end</b>	<b>513</b>	<b>2,036</b>

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

	2020 \$'000	2019 \$'000
Monetary	808	838
Non-monetary	5,913	7,754
<b>Total contributions</b>	<b>6,721</b>	<b>8,592</b>

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

Land	685	-
Land under roads	1,185	1,753
Infrastructure	4,043	6,001
<b>Total non-monetary</b>	<b>5,913</b>	<b>7,754</b>

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

	2020 \$'000	2019 \$'000
Proceeds of sale	404	922
Written down value of assets disposed	(586)	(1,545)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(182)</b>	<b>(623)</b>

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

	2020 \$'000	2019 \$'000
Commission	107	124
Interest on investments	528	797
Insurance recoveries	296	108
Investment property rental	497	497
Merchandise and material sales	432	468
Reimbursement of valuation costs	-	317
Other	364	434
<b>Total other income</b>	<b>2,224</b>	<b>2,745</b>

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

	2020 \$'000	2019 \$'000
Wages and salaries	28,311	25,945
Casual staff	2,740	3,017
Superannuation	2,737	2,627
WorkCover	312	499
Fringe benefits tax	274	329
<b>Total employee costs</b>	<b>34,374</b>	<b>32,417</b>

#### (a) Superannuation

Council made contributions to the following funds:

##### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	87	98
Employer contributions payable at reporting date	-	-

##### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,378	1,514
Employer contributions - other funds	1,268	1,013
	<b>2,646</b>	<b>2,527</b>
Employer contributions payable at reporting date	100	96

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

### 4.2 Materials and services

	2020 \$'000	2019 \$'000
Administration	1,390	1,668
Building maintenance	1,093	1,055
Consultants	2,274	2,137
Contract payments - Parks Maintenance	1,713	1,343
Contract payments - Resource Recovery	6,989	5,737
Contract payments - Other	5,944	4,851
General maintenance	509	585
Information technology	1,013	744
Insurance	613	547
Materials and supplies	2,239	2,123
Utilities	2,286	2,228
<b>Total materials and services</b>	<b>26,063</b>	<b>23,018</b>

### 4.3 Depreciation

	2020 \$'000	2019 \$'000
Land and buildings	1,990	1,863
Plant and equipment	1,484	1,486
Infrastructure	10,494	10,609
<b>Total depreciation</b>	<b>13,968</b>	<b>13,958</b>

Refer to note 5.2(b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

### 4.4 Amortisation - intangible assets

	2020 \$'000	2019 \$'000
Software	198	307
<b>Total amortisation</b>	<b>198</b>	<b>307</b>

## Note 4 The cost of delivering services (cont.)

### 4.5 Amortisation - right of use assets

	2020	2019
	\$'000	\$'000
Right of use assets	327	-
<b>Total amortisation</b>	<b>327</b>	<b>-</b>

Refer to note 5.2(b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

### 4.6 Borrowing costs

	2020	2019
	\$'000	\$'000
Interest - borrowings	267	409
Interest - right of use assets	54	-
<b>Total borrowing costs</b>	<b>321</b>	<b>409</b>

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

## Note 5 Our financial position

### 5.1 Financial assets

	2020 \$'000	2019 \$'000
<b>(a) Cash and cash equivalents</b>		
Cash on hand	9	12
Cash at bank	8,869	9,730
Money market call accounts	2,689	2,681
Term deposits	6,000	1,000
<b>Total cash and cash equivalents</b>	<b>17,567</b>	<b>13,423</b>
<b>(b) Other financial assets</b>		
Term deposits - current	16,000	29,011
Shares in Lancefield Community Bank - at fair value	12	12
Shares in Gisborne Community Bank - at fair value	9	9
<b>Total other financial assets</b>	<b>16,021</b>	<b>29,032</b>
<b>Total financial assets</b>	<b>33,588</b>	<b>42,455</b>
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)	2,497	2,991
- Lancefield tip assurance bank account	-	497
<b>Total restricted funds</b>	<b>2,497</b>	<b>3,488</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>15,070</b>	<b>9,935</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	9,228	7,132
- Cash held for statutory reserves (Note 9.1)	6,376	5,410
- Cash held for non-statutory reserves (Note 9.1)	5,968	9,390
<b>Total funds subject to intended allocations</b>	<b>21,572</b>	<b>21,932</b>

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

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

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

## Note 5 Our financial position (cont.)

### 5.1 Financial assets (cont.)

	2020 \$'000	2019 \$'000
<b>(c) Trade and other receivables</b>		
<b>Statutory receivables</b>		
Rates debtors	3,625	2,745
Net GST receivable	648	543
<b>Non statutory receivables</b>		
Other debtors	1,394	1,031
Accrued income	564	109
Accrued interest income	73	108
Provision for doubtful debts - other debtors	(33)	(33)
<b>Total trade and other receivables</b>	<b>6,271</b>	<b>4,503</b>

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)	213	736
Past due by up to 30 days	829	167
Past due between 31 and 180 days	191	75
Past due between 181 and 365 days	104	17
Past due by more than 1 year	57	36
<b>Total other debtors</b>	<b>1,394</b>	<b>1,031</b>

### 5.2 Non-financial assets

	2020 \$'000	2019 \$'000
<b>(a) Other assets</b>		
Prepayments	512	436
<b>Total other assets</b>	<b>512</b>	<b>436</b>
<b>(b) Intangible assets - software</b>		
Opening carrying amount	2,460	2,483
Additions	397	178
Disposals	-	(201)
<b>Closing carrying amount</b>	<b>2,857</b>	<b>2,460</b>
Opening accumulated amortisation	(2,027)	(1,913)
Amortisation expense	(198)	(307)
Disposals - accumulated Amortisation	-	193
<b>Closing accumulated amortisation</b>	<b>(2,225)</b>	<b>(2,027)</b>
<b>Net intangible assets</b>	<b>632</b>	<b>433</b>

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

## Note 5 Our financial position (cont.)

### 5.3 Payables

	2020 \$'000	2019 \$'000
<b>(a) Trade and other payables</b>		
Trade payables	4,175	5,182
Accrued general expenses	1,092	993
Accrued payroll expense	1,489	968
Accrued interest expense	3	27
Prepaid income	427	1,413
Other payables	322	200
<b>Total trade and other payables</b>	<b>7,508</b>	<b>8,783</b>
<b>(b) Trust funds and deposits</b>		
Fire services levy	575	410
Trust funds and deposits	2,497	2,991
<b>Total trust funds and deposits</b>	<b>3,072</b>	<b>3,401</b>
<b>(c) Unearned income</b>		
Grants received in advance - operating	3,626	3,137
Grants received in advance - capital	1,786	2,348
<b>Total unearned income</b>	<b>5,412</b>	<b>5,485</b>

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

	2020 \$'000	2019 \$'000
Current borrowings - secured	485	4,685
Non-current borrowings - secured	4,023	4,508
<b>Total interest-bearing loans and borrowings</b>	<b>4,508</b>	<b>9,193</b>

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	485	4,685
Later than one year and not later than five years	4,023	1,415
Later than five years	-	3,093
<b>Total interest-bearing loans and borrowings</b>	<b>4,508</b>	<b>9,193</b>

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.

## Note 5 Our financial position (cont.)

### 5.5 Provisions

	Employee	Landfill	Total
	\$ '000	restoration \$ '000	\$ '000
<b>2020</b>			
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/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	87	56	143
<b>Balance at the end of the financial year</b>	<b>7,189</b>	<b>4,266</b>	<b>11,455</b>
<b>2019</b>			
Balance at beginning of the financial year	6,878	5,243	12,121
Additional provisions	2,660	(466)	2,194
Amounts used	(3,225)	(543)	(3,768)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	242	432	674
<b>Balance at the end of the financial year</b>	<b>6,555</b>	<b>4,666</b>	<b>11,221</b>
	<b>2020</b>	<b>2019</b>	
	<b>\$'000</b>	<b>\$'000</b>	
<b>(a) Employee provisions</b>			
<i>Current provisions expected to be wholly settled within 12 months</i>			
Annual leave	2,023	1,682	
Long service leave	1,995	1,818	
	<u>4,018</u>	<u>3,500</u>	
<i>Current provisions expected to be wholly settled after 12 months</i>			
Annual leave	38	32	
Long service leave	2,115	2,247	
	<u>2,153</u>	<u>2,279</u>	
<b>Total current provisions</b>	<b>6,171</b>	<b>5,779</b>	
<i>Non-current</i>			
Long service leave	1,018	776	
<b>Total non-current provisions</b>	<b>1,018</b>	<b>776</b>	
<i>Aggregate carrying amount of employee provisions:</i>			
Current	6,171	5,779	
Non-current	1,018	776	
<b>Total aggregate carrying amount of employee provisions</b>	<b>7,189</b>	<b>6,555</b>	

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.

#### **Key assumptions:**

- discount rate	0.70%	1.22%
- index rate	4.25%	4.31%



## Note 5 Our financial position (cont.)

### 5.5 Provisions (cont.)

	2020	2019
	\$'000	\$'000
<b>(b) Landfill restoration</b>		
Current	396	435
Non-current	3,870	4,231
<b>Total landfill restoration</b>	<b>4,266</b>	<b>4,666</b>

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

**Key assumptions:**

- discount rate	1.32%	1.32%
- index rate	2.00%	2.00%

### 5.6 Financing arrangements

	2020	2019
	\$'000	\$'000
Credit card facilities	100	100
Used facilities	(6)	(12)
<b>Unused facilities</b>	<b>94</b>	<b>88</b>

## Note 5 Our financial position (cont.)

### 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 \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2020</b>					
<b>Operating</b>					
Animal pound services	190	195	200	-	585
Cleaning contracts	725	600	250	-	1,575
Consultancies	95	-	-	-	95
Housing management	58	38	-	-	96
Landfill services	437	-	-	-	437
Roadside maintenance	103	-	-	-	103
Security Services	38	-	-	-	38
Software support	226	226	89	-	541
Waste Collection	5,423	5,505	11,286	-	22,214
<b>Total</b>	<b>7,295</b>	<b>6,564</b>	<b>11,825</b>	<b>-</b>	<b>25,684</b>
<b>Capital</b>					
Buildings	1,793	-	-	-	1,793
Roads	1,480	-	-	-	1,480
Bridges	58	-	-	-	58
Recreational, leisure and community	1,372	110	126	-	1,608
<b>Total</b>	<b>4,703</b>	<b>110</b>	<b>126</b>	<b>-</b>	<b>4,939</b>
<b>2019</b>					
<b>Operating</b>					
Animal pound services	185	190	395	-	770
Cleaning contracts	561	568	1,207	-	2,336
Consultancies	82	-	-	-	82
Landfill services	109	109	38	-	256
Roadside maintenance	725	399	-	-	1,124
Housing management	96	-	-	-	96
Security Services	38	38	-	-	76
Software support	261	226	314	-	801
Waste Collection	2,669	2,710	8,388	-	13,767
<b>Total</b>	<b>4,726</b>	<b>4,240</b>	<b>10,342</b>	<b>-</b>	<b>19,308</b>
<b>Capital</b>					
Buildings	503	-	-	-	503
Roads	1,463	1,463	-	-	2,926
Recreational, leisure and community	144	-	-	-	144
<b>Total</b>	<b>2,110</b>	<b>1,463</b>	<b>-</b>	<b>-</b>	<b>3,573</b>

## Note 5 Our financial position (cont.)

### 5.7 Commitments (cont.)

	2020 \$'000	2019 \$'000
<b>(a) Operating lease receivables</b>		
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:		
Not later than one year	88	92
Later than one year and not later than five years	289	292
Later than five years	142	141
<b>Total operating lease receivables</b>	<b>519</b>	<b>525</b>

### 5.8 Leases

#### Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

#### Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- 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.

## Note 5 Our financial position (cont.)

### 5.8 Leases (cont.)

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.

	Property \$'000	Equipment \$'000	Total \$'000
<b>Right-of-Use Assets</b>			
Balance at 1 July 2019	1,459		1,459
Additions	-	165	165
Amortisation charge	(325)	(3)	(328)
<b>Balance at 30 June 2020</b>	<b>1,134</b>	<b>162</b>	<b>1,296</b>

<b>Lease Liabilities</b>	<b>2020</b>
<i>Maturity analysis - contractual</i>	
<i>undiscounted cash flows</i>	<b>\$'000</b>
Less than one year	381
One to five years	961
More than five years	-
<b>Total undiscounted lease liabilities as at 30 June:</b>	<b>1,342</b>

*Lease liabilities included in the  
Balance Sheet at 30 June:*

Current	381
Non-current	961
<b>Total lease liabilities</b>	<b>1,342</b>

## Note 5 Our financial position (cont.)

### 5.8 Leases (cont.)

#### i. Leases classified as operating leases under *AASB 117 Leases*

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying *AASB 16 Leases* to leases previously classified as operating leases under *AASB 117 Leases*.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

#### ii. Leases previously classified as finance leases

For leases that were classified as finance leases under *AASB 117 Leases*, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under *AASB 117 Leases* immediately before that date.

Council is not required to make any adjustments on transition to *AASB 16 Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with *AASB 16 Leases* from the date of initial application.

### Impact on financial statements

On transition to *AASB 16 Leases*, Council recognised an additional \$1,459k of right-of-use assets and \$1,459k of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 4%.

	<b>2019</b>
	<b>\$'000</b>
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	1,464
Discounted using the incremental borrowing rate at 1 July 2019	465
Finance lease liability recognised as at 30 June 2019	<b>1,929</b>

## Note 6 Assets we manage

### 6.1 Non current assets classified as held for sale

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of period	-	76
add/(less) sales/transfers	-	(76)
add reversal of previous revaluation increment	-	-
add/(less) fair value adjustment	-	-
<b>Total non current assets classified as held for resale</b>	<b>-</b>	<b>-</b>

Non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification. Council has not identified any assets to be classified as held for sale at 30 June 2020.

## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment

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

	At Fair Value 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2020 \$'000
Land	450,020	-	1,870	17,380	(172)	-	87	469,185
Buildings	86,085	-	-	4,748	(1,817)	-	4,613	93,629
Plant and equipment	10,718	-	-	-	(1,484)	(516)	2,469	11,187
Infrastructure	542,340	-	4,043	(4,021)	(10,495)	(12)	12,404	544,259
Work in progress	9,052	23,350	-	-	-	-	(19,573)	12,829
<b>Total property, infrastructure, plant and equipment</b>	<b>1,098,215</b>	<b>23,350</b>	<b>5,913</b>	<b>18,107</b>	<b>(13,968)</b>	<b>(528)</b>	<b>-</b>	<b>1,131,089</b>

#### Summary of Work In Progress (WIP)

	Opening WIP \$'000	Additions \$'000	Transfers to assets \$'000	Write offs \$'000	Closing WIP \$'000
Buildings	3,936	5,008	(4,700)	-	4,244
Plant and equipment	-	2,469	(2,469)	-	-
Infrastructure	5,116	15,873	(12,404)	-	8,585
<b>Total Work In Progress</b>	<b>9,052</b>	<b>23,350</b>	<b>(19,573)</b>	<b>-</b>	<b>12,829</b>



## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment (cont.)

#### (a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total land and land improvements \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total buildings \$'000	Work In Progress \$'000	Total property \$'000
At fair value 1 July 2019	371,647	80,163	594	452,404	41,106	48,295	89,401	3,936	545,741
Accumulated depreciation at 1 July 2019	(2,384)	-	-	(2,384)	(1,529)	(1,787)	(3,316)	-	(5,700)
	<b>369,263</b>	<b>80,163</b>	<b>594</b>	<b>450,020</b>	<b>39,577</b>	<b>46,508</b>	<b>86,085</b>	<b>3,936</b>	<b>540,041</b>
<b>Movements in fair value</b>									
Additions	-	-	-	-	-	-	-	5,008	5,008
Contributions	1,185	685	-	1,870	-	-	-	-	1,870
Revaluation	14,307	3,073	-	17,380	2,767	(3,152)	(385)	-	16,995
Transfers	-	-	87	87	2,313	2,300	4,613	(4,700)	-
	<b>15,492</b>	<b>3,758</b>	<b>87</b>	<b>19,337</b>	<b>5,080</b>	<b>(852)</b>	<b>4,228</b>	<b>308</b>	<b>23,873</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(172)	-	-	(172)	(848)	(969)	(1,817)	-	(1,989)
Revaluation	-	-	-	-	2,377	2,756	5,133	-	5,133
	<b>(172)</b>	<b>-</b>	<b>-</b>	<b>(172)</b>	<b>1,529</b>	<b>1,787</b>	<b>3,316</b>	<b>-</b>	<b>3,144</b>
At fair value 30 June 2020	387,139	83,921	681	471,741	46,186	47,443	93,629	4,244	569,614
Accumulated depreciation at 30 June 2020	(2,556)	-	-	(2,556)	-	-	-	-	(2,556)
	<b>384,583</b>	<b>83,921</b>	<b>681</b>	<b>469,185</b>	<b>46,186</b>	<b>47,443</b>	<b>93,629</b>	<b>4,244</b>	<b>567,058</b>

## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment (cont.)

#### (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	<b>Total plant and equipment \$'000</b>
At fair value 1 July 2019	11,107	1,341	1,934	2,628	-	<b>17,010</b>
Accumulated depreciation at 1 July 2019	(4,173)	(640)	(1,479)	-	-	<b>(6,292)</b>
	<b>6,934</b>	<b>701</b>	<b>455</b>	<b>2,628</b>	<b>-</b>	<b>10,718</b>
<b>Movements in fair value</b>						
Additions	-	-	-	-	2,469	<b>2,469</b>
Disposal	(1,185)	-	-	-	-	<b>(1,185)</b>
Transfers	2,076	94	289	10	(2,469)	<b>-</b>
	<b>891</b>	<b>94</b>	<b>289</b>	<b>10</b>	<b>-</b>	<b>1,284</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(1,100)	(136)	(248)	-	-	<b>(1,484)</b>
Accumulated depreciation of disposals	669	-	-	-	-	<b>669</b>
	<b>(431)</b>	<b>(136)</b>	<b>(248)</b>	<b>-</b>	<b>-</b>	<b>(815)</b>
At fair value 30 June 2020	11,998	1,435	2,223	2,638	-	<b>18,294</b>
Accumulated depreciation at 30 June 2020	(4,604)	(776)	(1,727)	-	-	<b>(7,107)</b>
	<b>7,394</b>	<b>659</b>	<b>496</b>	<b>2,638</b>	<b>-</b>	<b>11,187</b>

## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment (cont.)

#### (c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks open spaces and streetscapes \$'000	Other infrastructure \$'000	Work In Progress \$'000	Total infrastructure \$'000
At fair value 1 July 2019	544,027	46,798	30,115	71,674	31,558	2,828	4,404	5,116	736,520
Accumulated depreciation at 1 July 2019	(138,183)	(15,993)	(7,452)	(16,624)	(8,982)	(1,062)	(768)	-	(189,064)
	<b>405,844</b>	<b>30,805</b>	<b>22,663</b>	<b>55,050</b>	<b>22,576</b>	<b>1,766</b>	<b>3,636</b>	<b>5,116</b>	<b>547,456</b>
<b>Movements in fair value</b>									
Additions	-	-	-	-	-	-	-	15,873	15,873
Contributions	1,442	959	781	850	11	-	-	-	4,043
Revaluation	(2,298)	-	684	1,663	-	-	-	-	49
Write-off	-	(14)	(2)	(9)	-	-	-	-	(25)
Transfers	7,943	639	1,183	639	1,094	-	906	(12,404)	-
	<b>7,087</b>	<b>1,584</b>	<b>2,646</b>	<b>3,143</b>	<b>1,105</b>	<b>-</b>	<b>906</b>	<b>3,469</b>	<b>19,940</b>
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(7,124)	(477)	(629)	(739)	(1,058)	(211)	(257)	-	(10,495)
Accumulated depreciation of disposals	-	10	1	2	-	-	-	-	13
Revaluation increments/decrements	(1,348)	-	(2,070)	(652)	-	-	-	-	(4,070)
	<b>(8,472)</b>	<b>(467)</b>	<b>(2,698)</b>	<b>(1,389)</b>	<b>(1,058)</b>	<b>(211)</b>	<b>(257)</b>	<b>-</b>	<b>(14,552)</b>
At fair value 30 June 2020	551,114	48,382	32,761	74,817	32,663	2,828	5,310	8,585	756,460
Accumulated depreciation at 30 June 2020	(146,655)	(16,460)	(10,150)	(18,013)	(10,040)	(1,273)	(1,025)	-	(203,616)
	<b>404,459</b>	<b>31,922</b>	<b>22,611</b>	<b>56,804</b>	<b>22,623</b>	<b>1,555</b>	<b>4,285</b>	<b>8,585</b>	<b>552,844</b>

## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment (cont.)

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

##### Acquisition

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

##### Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
<b>Land and land improvements</b>		
land	-	10
land improvements	-	10
landfill	30 years	10
<b>Buildings</b>		
heritage buildings	50 years	10
buildings	50 years	10
building improvements	50 years	10
leasehold improvements	50 years	10
<b>Plant and equipment</b>		
plant, machinery and equipment	3 - 26 years	2.5
fixtures, fittings and furniture	5 - 20 years	2.5
computers and telecommunications	3 - 5 years	2.5
<b>Infrastructure</b>		
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
<b>Intangible assets</b>		
intangible assets	3 - 5 years	10

##### Land under roads

Council recognises land under roads it controls at fair value.

##### Changes to asset lives

As part of the annual review of infrastructure assets some lives of assets have been amended. The assets which were amended were a minority of assets by number and value.

## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment (cont.)

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

##### *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 2020 are as follows.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - non-specialised	-	83,921	-	Jun-20
Land - specialised	-	-	384,583	Jun-20
Land Improvements			681	Jun-19
Buildings - non-specialised	-	47,443	-	Jun-20
Buildings - specialised	-	-	46,186	Jun-20
<b>Total</b>	-	131,364	431,450	

## Note 6 Assets we manage (cont.)

### 6.2 Property, infrastructure, plant and equipment (cont.)

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

##### 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 2020 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	404,459	Jun-19
Bridges	-	-	31,922	Sep-15
Footpaths and cycleways	-	-	22,611	Jun-20
Drainage	-	-	56,804	Jun-20
Recreational, leisure and community facilities	-	-	22,623	Apr-16
Parks, open space and streetscapes	-	-	1,555	Apr-16
Other infrastructure	-	-	4,285	Apr-16
<b>Total</b>	-	-	544,259	

##### 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

	2020 \$'000	2019 \$'000
Land under roads	350,783	336,507
Landfill	2,621	2,794
Other	31,179	29,962
<b>Total specialised land</b>	384,583	369,263

### 6.3 Investments in associates

	2020	2019
--	------	------

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:

Macedon Ranges Shire Council	23.06%	22.86%
Greater Bendigo City Council	61.11%	61.18%
Loddon Shire Council	4.96%	5.04%
Mount Alexander Shire Council	10.87%	10.92%



## Note 6 Assets we manage (cont.)

### 6.3 Investments in associates (cont.)

	2020 \$'000	2019 \$'000
<b>Fair value of Council's investment in North Central Goldfields Library Corporation</b>	1,280	1,223
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	374	364
Reported surplus(deficit) for year	46	11
Transfers (to) from reserves	(3)	(5)
Adjustment arising from change to equity share	4	4
<b>Council's share of accumulated surplus(deficit) at end of year</b>	<b>421</b>	<b>374</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	285	278
Adjustment arising from change to equity share	2	2
Transfers (to) from reserves	3	5
<b>Council's share of reserves at end of year</b>	<b>290</b>	<b>285</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	1,223	1,201
Share of surplus(deficit) for year	46	11
Adjustment arising from change to equity share	11	11
<b>Carrying value of investment at end of year</b>	<b>1,280</b>	<b>1,223</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	1	20
<b>Council's share of expenditure commitments</b>	<b>1</b>	<b>20</b>

(Council's share of equity as per the un-audited 30 June 2020 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.

### 6.4 Investment property

	2020 \$'000	2019 \$'000
Balance at beginning of financial year	2,854	2,851
Fair value adjustments	(270)	3
<b>Balance at end of financial year</b>	<b>2,584</b>	<b>2,854</b>

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 2020.

## 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.

## Note 7 People and relationships (cont.)

### 7.1 Council and key management remuneration (cont.)

#### (b) Key Management Personnel

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

##### **Councillors**

Councillor Andrew Twaits	01/07/2019 - 30/06/2020
Councillor Bill West	01/07/2019 - 30/06/2020
Councillor Helen Radnedge	01/07/2019 - 30/06/2020
Councillor Henry Bleeck	01/07/2019 - 30/06/2020
Councillor Janet Pearce	01/07/2019 - 30/06/2020 (Mayor from 01/07/2019 - 30/06/2020)
Councillor Jennifer Anderson	01/07/2019 - 30/06/2020
Councillor Mandi Mees	01/07/2019 - 30/06/2020
Councillor Natasha Gayfer	01/07/2019 - 30/06/2020
Councillor Roger Jukes	01/07/2019 - 30/06/2020

##### **Chief Executive Officer and other Key Management Personnel**

Chief Executive Officer - Margot Stork
Director Assets & Operations - Shane Walden
Director Community Wellbeing - Karen Stevens
Director Corporate Services - John Hausler
Director Planning & Environment - Angela Hughes
Director Incident Response - Gina Lyons
Manager People, Culture & Performance - Sarah Noel

	2020 No.	2019 No.
Total Number of Councillors	9	9
Total Number of Chief Executive Officer and other Key Management Personnel	7	8
<b>Total Key Management Personnel</b>	<b>16</b>	<b>17</b>

#### (c) Remuneration of Key Management Personnel

	2020 \$'000	2019 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,547	1,465
Long-term benefits	78	142
Termination benefits	132	141
<b>Total</b>	<b>1,757</b>	<b>1,748</b>

	2020 No.	2019 No.
The numbers of key management personnel whose total remuneration from Council fall within the following bands:		
\$20,000 - \$29,999	8	7
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	2
\$90,000 - \$99,999	1	-
\$120,000 - \$129,999	-	1
\$140,000 - \$149,999	1	-
\$170,000 - \$179,999	1	-
\$190,000 - \$199,999	-	2
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	1	1
\$270,000 - \$279,999	-	1
\$300,000 - \$309,999	-	1
\$330,000 - \$339,999	1	-
<b>Total</b>	<b>16</b>	<b>16</b>

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.

## Note 7 People and relationships (cont.)

### 7.1 Council and key management remuneration (cont.)

#### (d) Senior Officer Remuneration

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

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

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

	2020 No.	2019 No.
Less than \$151,000*	8	7
\$151,000 - \$159,999	3	3
\$160,000 - \$169,999	2	4
<b>Total</b>	<b>13</b>	<b>14</b>

	2020 \$'000	2019 \$'000
<b>Total</b> remuneration for the reporting year for Senior Officers included above, amounted to:	1,696	1,783

### 7.2 Related party disclosure

#### (a) Transactions with related parties

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

- goods and services were purchased from a local supplier, Bridgestone Kyneton, owned by Councillor Jukes. The transactions amounted to \$86,899 Inc.GST (\$71,433 during 2018/19). All purchases were at arms length in the normal course of Council's operations.

#### (b) Outstanding balances with related parties

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

- \$0 was owed by Council to Bridgestone Kyneton for goods and services purchased by Council at arms length in the normal course of Council's operations (\$0 as at 30 June 2019).

#### (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 are three claims which Council has submitted claims which have not as yet been approved. May 2018 storm \$61,300, November 2019 storm \$105,276 and April 2020 Storm \$148,000.

#### (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 has guaranteed a loan taken out by the Romsey Junior Football Club Incorporated. The original loan (and extent of possible Council exposure) was \$17,300. At balance date the outstanding balance is \$1,427.

Council has guaranteed a loan taken out by the Romsey Football Netball Club Incorporated. The original loan (and extent of possible Council exposure) was \$17,500. At balance date the outstanding balance is \$1,583.

Council has guaranteed a loan taken out by the Woodend Heskett Football Netball Club Incorporated. The original loan (and extent of possible Council exposure) was \$30,000. At balance date the outstanding balance is \$2,435.

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

The following new AAS's have been issued but are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

## Note 8 Managing uncertainties (cont.)

### 8.2 Change in accounting standards (cont.)

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

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

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

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

### 8.3 Financial instruments

#### **a) Objectives and policies**

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

#### **b) Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has some exposure to cash flow interest rate risk through its cash and term deposits that are at market rates. Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

#### **c) Credit risk**

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

#### **(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.

## Note 8 Managing uncertainties (cont.)

### 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.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

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

#### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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.



## **Note 8 Managing uncertainties (cont.)**

### **8.5 Events occurring after balance date**

Since 30 June 2020, there has been a significant increase in COVID-19 cases in Victoria. This has resulted in the Victorian Government reintroducing increased measures to contain the spread of the virus, including travel restrictions, quarantines, curfews, social distancing, and closure of non-essential services. This has triggered significant disruptions to businesses throughout regional and rural Victoria, resulting in further economic slowdown. The Government has responded with additional financial interventions to stabilise the economy. Several of Council services have now been or continue to be impacted including Council's indoor/outdoor sporting 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 2020 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
<b>2020</b>			
<b>Property</b>			
Land	93,909	4,290	98,199
Land under roads	31,587	13,090	44,677
Buildings	16,750	4,749	21,499
	<b>142,246</b>	<b>22,129</b>	<b>164,375</b>
<b>Infrastructure</b>			
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
	<b>320,665</b>	<b>(4,022)</b>	<b>316,643</b>
<b>Other assets</b>			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	<b>2,640</b>	<b>-</b>	<b>2,640</b>
<b>Total asset revaluation reserves</b>	<b>465,551</b>	<b>18,107</b>	<b>483,658</b>
<b>2019</b>			
<b>Property</b>			
Land	81,150	12,759	93,909
Land under roads	-	31,587	31,587
Buildings	16,750	-	16,750
	<b>97,900</b>	<b>44,346</b>	<b>142,246</b>
<b>Infrastructure</b>			
Roads	241,612	7,363	248,975
Kerb and channel	8,668	3,108	11,776
Bridges	13,238	-	13,238
Drainage	31,980	-	31,980
Footpaths	3,802	54	3,856
Parks, Open Space & Streetscapes	6	-	6
Recreational, leisure and community facilities	10,834	-	10,834
	<b>310,140</b>	<b>10,525</b>	<b>320,665</b>
<b>Other Assets</b>			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	<b>2,640</b>	<b>-</b>	<b>2,640</b>
<b>Total asset revaluation reserves</b>	<b>410,680</b>	<b>54,871</b>	<b>465,551</b>

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

## Note 9 Other matters (cont.)

### 9.1 Reserves (cont.)

#### (b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>2020</b>				
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	(550)	3,696
Road contributions*	261	166	-	427
Romsey development plan*	257	31	(175)	113
Senior citizens accommodation maintenance*	195	85	(27)	253
<b>Total other reserves</b>	<b>14,800</b>	<b>3,925</b>	<b>(6,381)</b>	<b>12,344</b>
<b>2019</b>				
Asset conversion	824	57	-	881
Car parking*	136	-	-	136
Commercial development	3,636	-	-	3,636
Community facilities*	270	11	(27)	254
Debt repayment	2,692	757	-	3,449
Drainage*	394	23	(25)	392
Footpaths*	122	7	(22)	107
Gisborne development plan*	590	155	(46)	699
Gravel pit operations	241	156	-	397
Hanging Rock	386	113	(36)	463
Plant replacement	1,314	1,116	(1,866)	564
Public open space*	2,198	1,491	(580)	3,109
Road contributions*	279	15	(33)	261
Romsey development plan*	81	176	-	257
Senior citizens accommodation maintenance*	188	63	(56)	195
<b>Total other reserves</b>	<b>13,351</b>	<b>4,140</b>	<b>(2,691)</b>	<b>14,800</b>

\* Non-discretionary reserves subject to statutory requirements and/or other agreements - \$6.376m (\$5.41m 2018/19)

## Note 9 Other matters (cont.)

### 9.1 Reserves (cont.)

#### (b) Other reserves (cont)

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

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

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

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

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

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

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

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

**Gravel pit operations** - surplus from gravel pit operations for capital works projects.

**Hanging rock** - surplus from Hanging Rock operations for capital works projects and operational projects.

**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)

	2020 \$'000	2019 \$'000
<b>Surplus/(deficit) for the year</b>	13,739	17,752
Depreciation/amortisation	14,493	14,265
Profit/(loss) on disposal of property, infrastructure, plant and equipment	182	623
Fair value adjustments for investment property	270	(3)
Contributions - non-monetary assets	(5,913)	(7,754)
Share of net profits/losses of associates	(57)	(22)
Borrowing costs	321	409
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(1,344)	270
(Increase)/decrease in prepayments	(76)	65
(Increase)/decrease in accrued income	(420)	52
Increase/(decrease) in trade and other payables	(267)	649
Increase/(decrease) in other liabilities	(1,315)	1,514
Increase/(decrease) in provisions	(47)	(900)
<b>Net cash provided by/(used in) operating activities</b>	19,566	26,920

## Note 9 Other matters (cont.)

### 9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in 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 2020, 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 is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Macedon Ranges is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa  
Salary information 3.5% pa  
Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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.

## Note 9 Other matters (cont.)

### *Employer contributions*

#### *Regular contributions*

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Macedon Ranges makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and 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.



## Note 9 Other matters (cont.)

### *The 2019 interim 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 conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

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

	2019 \$m	2017 \$m
A VBI surplus	151.3	69.8
A total service liability surplus	233.4	193.5
A discounted accrued benefits surplus	256.7	228.8

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 2019.

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 2019.

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 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

### *The 2020 triennial actuarial investigation*

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa for the first two years and 2.75% thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

### *Superannuation contributions*

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Rate	2020 \$'000	2019 \$'000
Vision Super - defined benefits	9.5%	87	98
Vision Super - Accumulation	9.5%	1,378	1,514

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$80,000.

## Note 10 Change in Accounting Policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

### a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

### b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

### c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

### d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	<b>2019</b>
	<b>\$'000</b>
Retained earnings at 30 June 2019	637,170
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	-
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities	(1,249)
Impact of change in accounting policy - AASB 16 Leases	(312)
Retained earnings at 1 July 2019	635,609

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	<b>As reported</b>		<b>Post adoption</b>
	<b>30 June 2019</b>	<b>Adjustments</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
Right of use assets	-	1,459	-
Grants receivable	-	(1,459)	-
	-	-	-
<b>Liabilities</b>			
Unearned income - operating grants	13,001	(336)	12,665
Unearned income - capital grants	6,624	(913)	5,711
	19,625	(1,249)	18,376



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**Gisborne Administration Centre** 40 Robertson Street, Gisborne  
**Romsey Service Centre** 96-100 Main Street Romsey (at the Romsey Community Hub)  
**Woodend Service Centre** Cnr High and Forest streets, Woodend



**Macedon  
Ranges**  
Shire Council