

Annual Report

2022/23



**Macedon
Ranges**
Shire Council



Acknowledgement of Country

Macedon Ranges Shire Council acknowledges the **Dja Dja Wurrung**, **Taungurung** and **Wurundjeri Woi-wurrung** Peoples as the Traditional Owners and Custodians of this land and waterways. Council recognises their living cultures and ongoing connection to Country and pays respect to their Elders past, present and emerging.

Council also acknowledges local Aboriginal and/or Torres Strait Islander residents of Macedon Ranges for their ongoing contribution to the diverse culture of our community.



Artwork by Taungurung artist Maddie Moser. *Artwork used with permission.*

Contents

Welcome	4	Hanging Rock snapshot	31
Snapshot of Council	5	War on plastic waste	34
Our Purpose	6	Our Council	35
Fast Facts	7	Supporting our community	37
Highlights of the year	8	Our Councillors	38
Our Awards	10	Our People	40
Challenges and future outlook	12	Our Workforce	42
A message from the Mayor	13	October 2022 flood event	47
A message from the CEO	15	Our Performance	48
Financial summary	17	Our Governance	94
Description of operations	21	Glossary	111
Major capital works	22	Financial and performance statements	113
Major changes	26		
Major achievements	29		

Welcome

Welcome to Macedon Ranges Shire Council's Annual Report for 2022/23. Our Annual Report informs our community of our performance for the financial year, 1 July 2022 to 30 June 2023. It also provides details of our operations, achievements and challenges. Performance is measured against how well we achieved our goals and objectives outlined in the Council Plan 2021–31 (Year Two 2022-23).



Image (this page and cover) Romsey Ecotherapy Park.
Photo credit: ACLA Landscape Architects

Officially opened in October 2022, **Romsey Ecotherapy Park** is the culmination of a 14-year community-led initiative by Romsey Ecotherapy Park Inc. which, in collaboration with the Victorian Government and Council, set out to create a regionally significant place to enhance health and wellbeing for all ages and abilities.

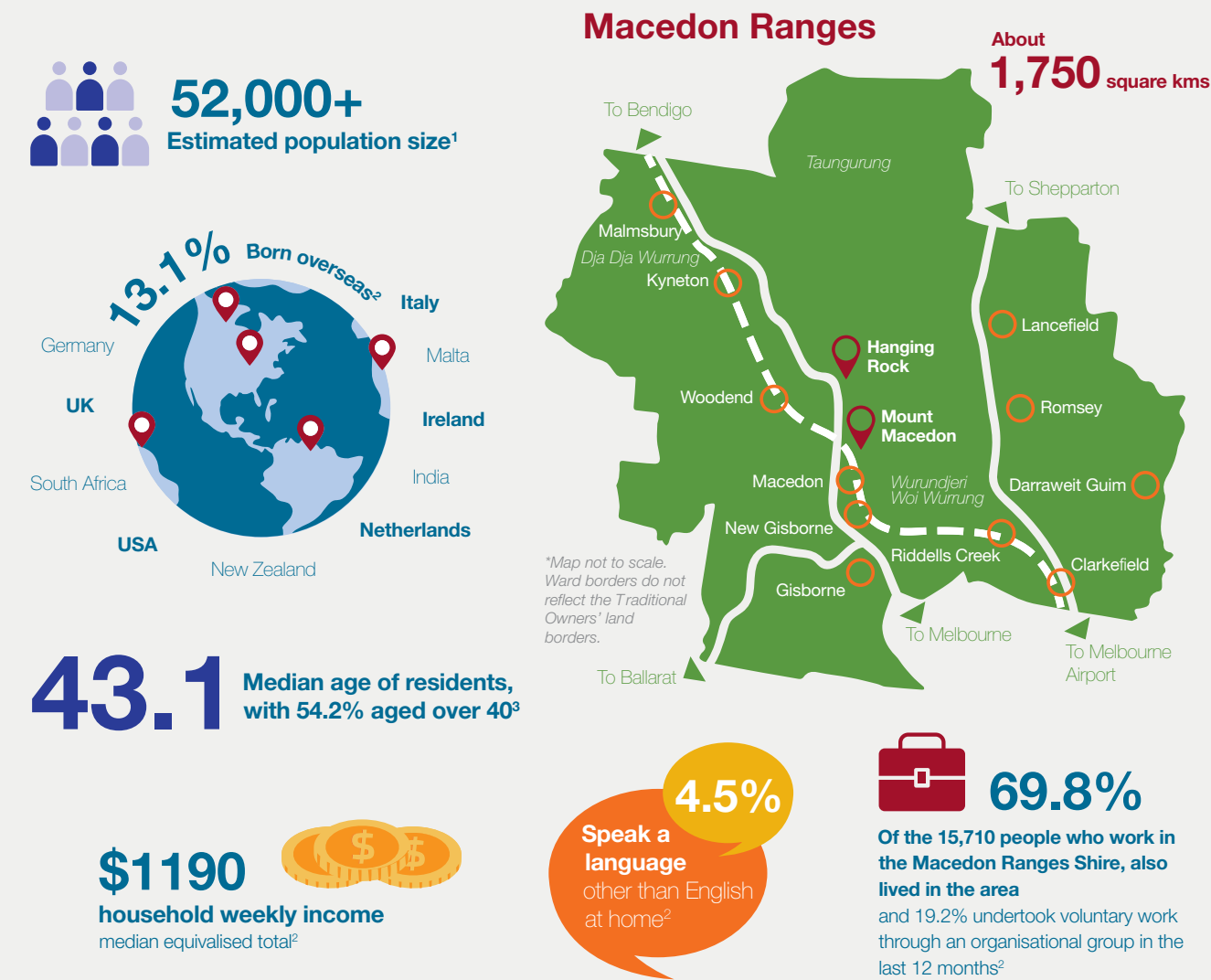
Through extensive community consultation, a plan was created for an innovative, nature-based space for passive recreation, incorporating visual cultural elements, unique sensory and therapeutic opportunities and capacity for open-air performances and events.

Designed and constructed in partnership with landscape architects ACLA, the role

and function of the park is to improve health and wellbeing within the community and provide diverse leisure, recreation and social opportunities that are accessible and inclusive.

Council's Open Space Strategy 2013, identified a lack of variety and quality in the open space available to the Romsey community. Council restored and expanded the historic school building, tenanted by Sunbury and Cobaw Community Health, providing a comprehensive range of free and low-cost health, wellbeing and community services. A community health service within an ecotherapy park is a complimentary fit for the former school building.

Snapshot of Council



1 ABS 2022 LGA data
2 ABS 2021 Census
3 ABS 2021 LGA data

Our Purpose

Vision

With our unique regional identity, Macedon Ranges Shire embodies a caring, resilient approach to community through our robust local economy, protection of the natural environment and a collaborative commitment to inclusivity for all.

Values

Council is committed to the core values of Respect, Honesty, Accountability, Working Together and Innovation. Our employees share and promote these values through their behaviours at work.

Respect

- We listen with an open mind
- We are helpful, show empathy and encourage others
- We acknowledge and show appreciation for constructive contributions
- We embrace diversity in our organisation and community
- We value our people and support their health and wellbeing

Honesty

- We are truthful
- We are courageous and respectful in communicating and receiving feedback
- We build trust with each other and the community through honest and consistent behaviour

Accountability

- We do what we say and take responsibility for our actions



- We act ethically and maintain high standards
- We are open, transparent and consistent in our actions and decisions










Working Together

- We communicate and share information
- We each contribute in a positive way
- We value difference, share ideas, listen to and learn from each other
- We seek out and engage those with the skills, experience and knowledge necessary to achieve the best outcomes

Innovation

- We are open to new ideas and empower our people to use their initiative
- We adapt to the changing needs of our organisation, our community and our environment
- We seek feedback, reflect and review in order to improve
- We invest in the learning and development of our people so they can reach their full potential

Fast Facts

 <p>Roadworks</p> <p>Approximately 200,000m² Sealed road, major maintenance (equivalent to about 10 MCGs' worth)</p> <p>770km Gravel roads resheeted or graded – the equivalent distance of travelling between Malmesbury to Gisborne 17 times</p>	 <p>Early Years</p> <p>363 Children enrolled across 15 programs for three-year-old kinder in 2023</p> <p>544 Children enrolled across 31 programs for four-year-old kinder in 2023</p>	 <p>Maternal and Child Health</p> <p>4,925 Maternal and Child Health key age/stage assessments</p>
	 <p>Customer Service</p> <p>Approximately 27,000 Customer requests</p> <p>More than 57,000 calls answered</p>	 <p>Environment</p> <p>9,500 New native plants planted</p>
 <p>Waste</p> <p>3000+ Tonnes diverted from landfill saving an estimated \$880k</p> <p>1,644,700 Bins collected</p>	 <p>Rates</p> <p>24,461 Rateable assessments</p> <p>9 Master Plans and policies adopted</p> <p>84 In-person submissions to Delegated Committee meetings</p>	 <p>Recreation</p> <p>About 500,000 Visits at Council-managed aquatics and fitness sites</p> <p>8 New or upgraded open spaces and grounds</p>
	 <p>Libraries</p> <p>More than 325,000 library items borrowed</p>	

Highlights of the year

Strategic objective 1: Connecting communities

We will continue to 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.

We will provide support for volunteers, community groups and organisations, in recognition of their work in contributing to social connections.

Achievements:

- Opening of the Romsey Ecotherapy Park, providing a nature-based experience for people of all ages and abilities to seek wellness, connection and play.
- Signing a new 12-month funding agreement with Goldfields Library Corporation to continue library services across the shire, with the option to extend for an additional 12 months.
- Providing response and recovery support to local communities impacted by the October 2022 flood event, in partnership with others including Victorian Government agencies and emergency services.

Strategic objective 2: Healthy environment, healthy people

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

We will protect our natural environment through proactive environmental planning, advocacy, and policy to address climate change, support biodiversity and enhance water catchment quality. The Macedon Ranges Shire declared a Climate Emergency in 2021.

We will take action to reduce waste in order to protect public health and the environment.

Achievements:

- Delivering the Cool Changes program, supporting communities to respond to climate change and develop local climate change action plans.
- Launch and development of Cool-ER Changes – taking a broader lens on the future of our environment in creating a shared, shire-wide Climate Emergency Response Plan for both Council and the community.

- Confirmation of new electric vehicle charging stations at strategic locations across the shire, both for Council fleet and public use. Installation has commenced and is expected to be completed in 2023/24.
- Completing a comprehensive community consultation process on the draft Community Local Law 2023, to be presented to Council for adoption in the second half of 2023.

Strategic objective 3: Business and Tourism

We will foster economic vitality in a way that promotes positive individual and community health outcomes, including business diversity, housing, transport, information and communication technology, and employment options. Investment attracted to the shire will be consistent with the Community Vision.

Achievements:

- COVIDSafe Outdoor Activation Fund provided by the Victorian Government, supported projects which enhanced the ability of businesses and not-for-profit organisations to trade/operate in improved outdoor spaces.
- Inaugural Telstra Macedon Ranges Community Choice Awards held, recognising businesses that have displayed excellence in customer service via a public nomination and voting process.

- Annual Macedon Ranges Autumn Festival successfully held in partnership with local businesses and community groups.

Strategic objective 4: Delivering strong and reliable government

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

Achievements:

- Adoption of new Dial Before You Dig process, streamlining these requests internally, and providing improved service to the community.
- Introduction of Councillor Listening Posts, providing an opportunity for direct two-way communication between Councillors and the public at key public events or markets.
- Decisions at Council meetings communicated to the public through a variety of formats.
- Council met reporting requirements in line with the Integrated Strategic Planning and Reporting Framework.

Our Awards

Council was recognised through industry awards throughout 2022/23, with Council or community facilities, assets, events and staff all benefitting from detailed award submissions.

Storm waste facility

Council's flagship storm waste facility near Romsey was established in partnership with Bushfire Recovery Victoria (now Emergency Recovery Victoria) in response to the severe June 2021 storms. The site has since processed more than 65,000 tonnes of tree and storm debris from the Macedon Ranges and other storm-affected areas throughout Victoria, providing valuable products back to impacted communities in the form of free timber, fence posts, tree stakes, firewood, fish habitat, mulch, sawdust and more.

This facility first took out the Health & Safety Excellence (Small to Medium Enterprise) category at the 2022 Australian Workplace Health & Safety Awards in September 2022

(in partnership with Tree Mason and Action OHS Consulting). It later won its second award, taking out the Special Projects Initiative category at the 2023 LGPro Awards for Excellence in May 2023.

Resource recovery

Within a few years of introducing the four-bin system for kerbside collection across the shire, Council also won at the national Waste Innovation and Recycling Awards in the Outstanding Waste and Resource Recovery (WARR) Project: Regional category for the Four Bin System - 'Lets get sorted' project.

The award acknowledged an initiative that delivered cost-effective and high-impact success in its targeted field, with the 'Lets get sorted' project helping to guide residents to better sort their household waste through a range of informative collateral.

Tourism and businesses

On the tourism front, Council's Autumn Festival – which attracted close to 15,000 visitors and delivered an estimated \$1.6 million to the visitor economy in 2022 – was crowned the state's best of its kind (Festivals & Events category) at the 2022 Victorian Tourism Awards in December 2022.

It went on to edge out five other award-winning contenders from around Australia to claim silver on the national stage – the 2022 Australian Tourism Awards in March 2023.

Separately, the town of Woodend was announced as a finalist and won bronze in the Top Small Tourism Town category – for townships with a population from 1,000 to 5,000 – of the 2023 TAC Victorian Top Tourism Town Awards, alongside Heathcote, Koroit and Sorrento.

Mount Macedon also received great recognition, winning Gold at the state's 2022 Top Tourism Town Awards in the inaugural Tiny Town category, which Council was pleased to be able to enter on the community's behalf.

In supporting local businesses, Council's Economic Development team was recognised as a finalist in the 2022 National Economic Development Awards for Excellence, nominated in the Economic Development Recovery and Resilience category.

Similar to other finalists, Council's submission focused on COVID-19 business recovery initiatives, with the June 2021 storm event – one of the worst storms to hit the region in recent decades – only emphasising the support needed for Macedon Ranges businesses.

Aquatics and recreation

Swim teacher Marie Noonan was presented with the Swim Teacher Award for Persons with a Disability at the 2023 Aquatics and Recreation Victoria (ARV) Industry Gala Awards – Marie's second career award recognition, having been previously presented with the Teacher of Swimming and Water Safety Award in 2014.

Council's aquatic facilities were also recognised more broadly within the industry as among the safest and most professionally run in the state, with the Gisborne Aquatic Centre and Kyneton Toyota Sports and Aquatic Centre both achieving Gold accreditation under Life Saving Victoria's Safer Pools Program – exceptional first-time audit results by Victoria's peak aquatic safety organisation.

Romsey Ecotherapy Park

Romsey Ecotherapy Park was recognised at a state level, as it was awarded the Park of The Year title at Parks and Leisure Australia's 2023 VIC/TAS Regional Awards of Excellence.



Image 2023 LGPro Awards for Excellence



Image Parks and Leisure Australia's 2023 VIC/TAS Regional Awards of Excellence



Image 2022 Victorian Tourism Awards (Ceremony held in December 2022)



Image 2023 Aquatics and Recreation Victoria (ARV) Industry Gala Awards

Challenges and **future outlook**

Challenges

- Limited funding from the Victorian Government for emergency management in local government areas
- Increasing costs of delivering services means Council needs to monitor and review to ensure sustainability of services
- Increasing cost of construction materials and the availability of suitable contractors in a timely manner
- Difficulties with attracting larger project grants from external funding
- The digital transformation of Council for the community in a way that is fast, affordable and meets community needs
- Sustainable development of our growing towns, while maintaining important environmental, community and rural values
- Responding to extreme weather events on a more frequent basis.



Image Macedon Ranges Regional Sports Precinct

The future

- Finalise the Romsey Structure Plan for decision and consider implementation into the Macedon Ranges Planning Scheme
- Finalise the review of the Kyneton Movement Network Study
- Implement the Riddells Creek Structure Plan and prepare the Riddells Creek Movement and Network Strategy.
- Continue work on the Woodend to Riddells Creek Shared Trails Project.
- Finalise the review of Council's Developer Contribution Plans
- Finalise and implement Council's new Community Local Law 2023
- Progress the Gisborne Futures project
- Progress the preparation of a new Open Space Strategy
- Complete the Macedon Ranges Shire-wide Skate Park Master Plan
- Complete construction of stage one and commence stage two of the Macedon Ranges Regional Sports Precinct
- Adopt a Climate Emergency Response Plan, as a guide for both Council and the community to address climate change
- Implement the priority actions outlined in the Roadside Conservation Management Plan 2021
- Embed the new Risk Management Framework for the organisation
- Establish and implement effective systems to improve Council's asset maintenance program and project delivery
- Undertake planning activities for services provided by Council
- Work with the Victorian School Building Authority to build and deliver the new Lancefield Kindergarten and Maternal and Child Health Centre
- Advocating for projects included in Council's Priority Projects.

A message from **the Mayor**



Image Cr Annette Death, Mayor

I'm pleased to present our Annual Report 2022/23 – a significant year for me personally in what has included part of my first term as Mayor. I'd like to take this opportunity to thank all my fellow Councillors for the productive work over the past 12 months but particularly Cr Jennifer Anderson, who was Mayor at the beginning of this year and is now Deputy Mayor, for her ongoing support to me in navigating this role.

This year has seen us celebrate some truly remarkable achievements for both Council and the community – supporting the strategic objectives in our Council Plan – that I am incredibly proud of. We've seen the delivery of some great new open spaces such as the Romsey Ecotherapy Park, and Gisborne's Wyralla Reserve – both also great examples of community collaboration and dedication.

We've also implemented important new strategies and policies, including master plans to guide the future direction of some of our key recreational reserves across the shire, including Gisborne's Dixon Field and Kyneton Showgrounds, and the Counting Down to Zero plan, which targets zero net emissions across Council operations by 2030.

Council has been recognised with industry awards and achievements throughout 2022/23. Some of the notable winners were the Romsey Ecotherapy Park, aquatic centres and staff in Kyneton and Gisborne, our flagship storm waste facility near Romsey and the Autumn Festival, all receiving recognition at a state or national level.

Throughout 2022/23, we also responded to some significant unforeseen and unprecedented challenges as Council. An extreme weather event in October 2022 led to severe flooding, particularly impacting the small township of Darraweit Guim. This event also caused damage to roads, trails and other Council-managed assets across the shire more broadly.

We were surprised by the voluntary administration of the contractor delivering the Macedon Ranges Regional Sports Precinct project. Fortunately, Council staff worked tirelessly to navigate the situation and engage a new contractor, who took over, allowing the project to progress.

Finally, in June we saw the endorsement of the Affordable Housing Policy, a really important piece of work and an area I am extremely

passionate about. The policy guides Council decisions relating to affordable housing in the shire and sets out how Council will facilitate the provision of affordable housing through its role as advocate, decision-maker, facilitator, and investor.

Going forward, Council will continue to prioritise affordable housing, support inclusive communities and keep the dialogue going around planning matters relating to housing.

Many of the public-facing decisions we make as Council are considered alongside invaluable feedback from key stakeholders, particularly the community, so I'd like to thank everybody who took the time to review proposals, meet with officers or Councillors, or have their say throughout the financial year.

Councillors have been trialling some public 'listening posts' at local markets and we will continue to look at varying the ways the community can engage with us.

We continued our advocacy and involvement in important external matters, including advocating for external funding where relevant from both state and federal government departments and other sources.

This was particularly the case for those unfunded projects identified in our Priority Projects Prospectus, which continues to be updated regularly in line with status changes. Examples of some achievements in this space include the \$3 million of Victorian Government funding secured to help construct a new Lancefield Kindergarten and Maternal and Child Health Centre. Also we installed the new electric vehicle charging stations in Macedon, Lancefield and Kyneton, ready for commissioning early in 2023/24.

As you can sense, the 2022/23 year has been busy for Council. I encourage you all to read our Annual Report to find out more about Council's activities over the year that support the Macedon Ranges as a great place to live, work and visit.

Cr Annette Death
Mayor

A message from the CEO



Image Bernie O'Sullivan, Chief Executive Officer

Another financial year means another reflective and comprehensive Annual Report 2022/23 which, alongside the Mayor, I am very pleased to present. This marks my third Annual Report since I commenced as CEO in May 2021, and my second full financial year in what continues to be a very fulfilling, industrious role, supporting a truly unique Macedon Ranges.

With Year Two of our Council Plan aligning closely with our corresponding Budget and goals, the 2022/23 financial year was incredibly productive, despite some challenges. In the shadow of rising economic pressures, the ongoing repercussions of COVID-19 and Mother Nature, namely the extreme weather in October 2022 and the resulting flooding across many parts of the shire, I am incredibly proud of our achievements, and grateful for the hard work of our dedicated staff and Councillors.

I would also like to thank the community for their support and collaboration as we work towards the shared aim of ensuring the delivery of key services and improving our towns for the better.

We managed to tick off the list many key projects, programs and initiatives throughout the course of the year, while also successfully adapting to the changing needs of the organisation, navigating some unanticipated hurdles. For example, while we moved to enact some temporary changes to our Road Management Plan in late December 2022, in recognition of our staff having to focus much of their efforts on flood recovery, we were able to systematically work our way through the most essential repairs and switch back to business as usual for road maintenance by mid-February 2023.

We continue to assess and prioritise repairs and upgrades across our Council-managed network, with some key upgrades delivered this year including sections of Jennings Street in Kyneton and Three Chain Road in Carlsruhe.

Importantly, throughout 2022/23 we successfully negotiated a new Enterprise Agreement with our staff, ensuring they are well supported with some updated conditions and recognition. Our staff are our most important

asset and this process is not only crucial for them, but also for Council more broadly as we manage a sustainable, balanced budget.

The Australian Government's aged care reforms prompted Council to consider its ability to sustainably continue to deliver services to our older community. Council made the difficult decision in August 2022 to cease being a provider of in-home aged-care support, effective 1 July 2023. With two new providers announced for our region in early 2023, our focus was on facilitating a smooth transition for our 450-plus clients, our staff, and the community more broadly. I'm pleased to say this was well received largely thanks to the dedicated efforts of our amazing staff.

We remain committed to supporting older people in our community, whether that be through our popular Village Connect program, Volunteer Visitor Scheme or the many other ways we've committed to as part of Council's Positive Ageing Plan.

Creating our Annual Report is always an incredibly valuable reflection on our achievements, progress and challenges – I hope you enjoy reading it and I thank all our teams involved in the process of putting it together.

Bernie O'Sullivan
Chief Executive Officer

Financial summary

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections of this report.

Operating position

Council achieved a surplus of \$17.37 million in 2022-23. This surplus compares unfavourably by \$4.30 million to the prior year. As per the Comprehensive Income Statement in the Financial Report, the unfavourable variance is due mainly to the requirement to recognise the early payment of operating grants and the reimbursement of costs incurred for storm recovery works, noting that often there is a delay between the time the works are undertaken, and Council being reimbursed.

The adjusted underlying surplus of council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$6.37 million or 7.23% when compared to adjusted underlying revenue. This compares favourably to the expected target of >0%. Sustaining an

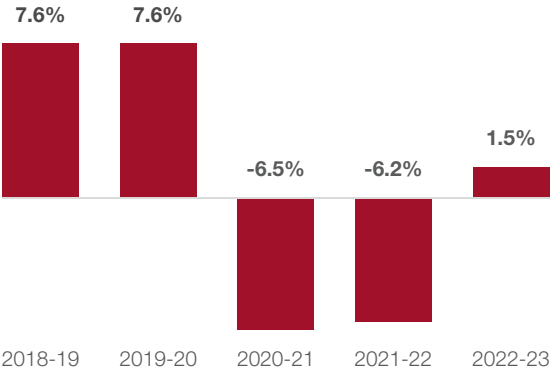
adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$1.38 billion of community assets under council's control.

Liquidity

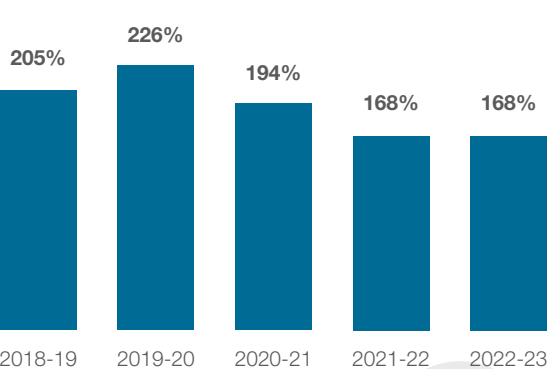
Cash and cash equivalents has decreased by \$4.81 million from the prior year mainly due to the delay between the time the works are undertaken, and Council is reimbursed for storm recovery works. Council did draw down \$2.20 million of new borrowings toward the end of 2022-23 year for capital works projects to be funded as part of the 2022-23 budget. Also impacting the cash and cash equivalent held at 30 June 2023 was the increase in other financial assets, these increased by \$9.0 million.

Other financial assets are term deposits with a maturity date greater than 90 days. The working capital ratio which assesses council's ability to meet current commitments is calculated by measuring council's current assets as a percentage of current liabilities. Council's result of 168% is an indicator of satisfactory financial position and within the expected target band of 120% to 200%.

Adjusted underlying result



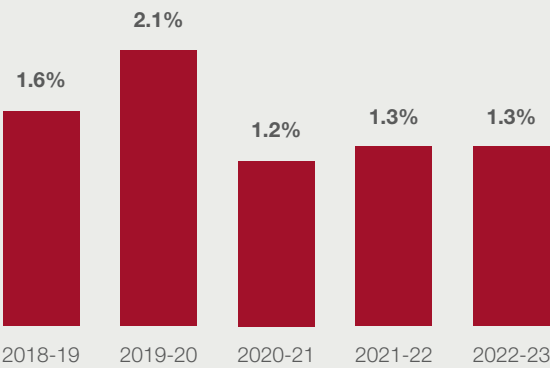
Working capital ratio



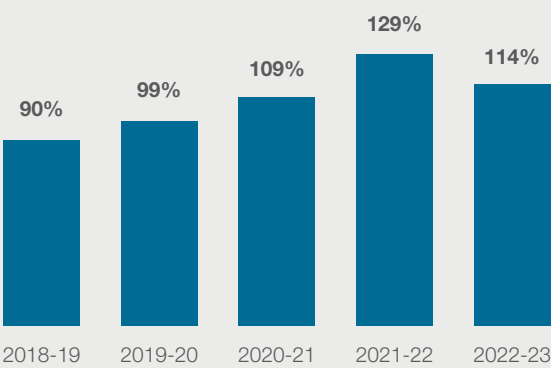
Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. Renewing Council's infrastructure remains a priority, acknowledging that Council faces funding pressures when it comes to closing the infrastructure renewal gap, council invested \$17.8 million in renewal works during the 2022-23 year. This was funded from operations of \$13.2 million, cash reserves of \$2.4 million and borrowings of \$2.2 million. At the end of the 2022-23 year council's debt ratio which is measured by comparing interest bearing loans and borrowings to rate revenue was 1.3% which was within the low risk band of 0%-20%. Council's asset renewal and upgrade ratio which is measured by comparing asset renewal expenditure to depreciation was 114% which was in excess of the expected target band of 90%-110%.

Interest and principal/rates



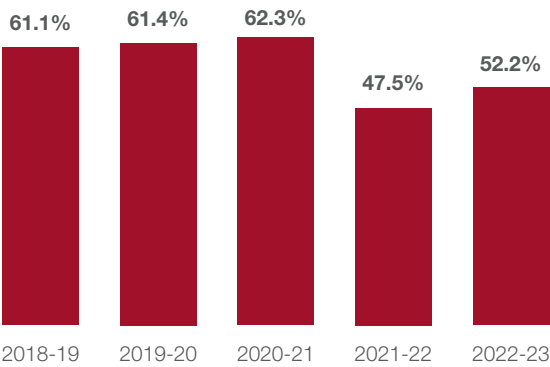
Asset renewal ratio



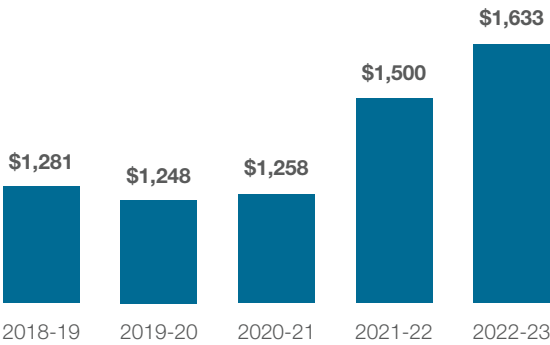
Stability and efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, council's rates concentration which compares rate revenue to adjusted underlying revenue was 52% for the 2022-23 year which is toward the lower end of the expected target band of 40%-80%. Council has experienced an increase in user fees at Council's Aquatic and Leisure Centre's and Arts and Culture venues, as a result of patronage returning to pre-COVID levels. Council was able to keep its rate increase to 1.75%, this resulted in an average residential rate per residential assessment of \$2,360.

Rates concentration



Own source revenue per head of municipal population



Item and related financial statement	2023	2022 Restated
Total income (Income statement)	\$125,278m	\$129,305m
Total expenditure (Income statement)	\$107,912m	\$107,636m
Surplus (Income statement)	\$17,366m	\$21,669m
Assets (Balance sheet)	\$1,453,746b	\$1,362,172b
Liabilities (Balance sheet)	\$50,592m	\$43,836m
Capital expenditure (Statement of capital works)	\$30,970m	\$24.810m
Loans and borrowing ratio (Performance Statement)	9.45%	6.26%
Working capital ratio (Performance Statement)	167.81%	167.81%
Asset renewal & upgrade ratio (Performance Statement)	123.43%	136.30%
Adjusted underlying result (Performance Statement)	2.82%	-0.26%



Description of operations

Macedon Ranges Shire Council delivers close to 100 important services to the community, improving the lives of those who live, work, visit and play in the shire.

This includes:

- Maternal and Child Health services and year-round immunisations, delivered by qualified nurses
- targeted support and initiatives to engage our older and young populations across the shire
- providing three-year-old and four-year-old kindergarten services across eight kindergartens
- support for local businesses and promoting our region to visitors, including operating Hanging Rock and Visitor Information Centres at Woodend and Kyneton, and hosting a range of events
- implementing a range of waste management initiatives to reduce landfill and operating resource recovery facilities (transfer stations) at Romsey, Kyneton and Woodend
- delivering a regular capital works program, including proactive road upgrades and maintenance, in addition to delivering a range of major and minor design and construct projects
- facilitating planning applications and developing a range of strategic planning documents
- promoting sustainable environmental initiatives, including supporting local Landcare Groups and conducting roadside weed management.

Council’s vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2021-2031 (Year Two 2022/23) and the associated Annual Budget 2022/23, and reported upon in this document. Refer to the section on Our Performance for more information about Council’s services.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under relevant state and federal legislations.

Economic factors

Council faced a significant financial challenge in the wake of the unexpected surge in the Consumer Price Index (CPI) throughout the year. The CPI exhibited a substantial increase of 6.0 per cent over the 12-month period to 30 June 2023. This inflationary pressure, compounded by the previous high increase of 6.1 per cent during 2021/22, had a profound impact on Council’s operations. It resulted in a considerable rise in the costs of many of Council’s contracts and a significant portion of expenditures, substantially outpacing the income growth rate. Notably, this financial strain was further compounded with the Rate Cap at 3.5 per cent for 2022/23. This maximum increase in rates income came on the heels of a similarly restrained Rate Cap of 1.75 per cent during 2021/22, further intensifying the financial challenge faced by Council.

Image opposite Riddells Creek Kindergarten

Major capital works



Image Site visit to the Macedon Ranges Regional Sports Precinct

Throughout 2022/23, major capital works included:

Macedon Ranges Regional Sports Precinct

Macedon Ranges Regional Sports Precinct is a 15-hectare regional park spread across two interconnected sites, located at the intersection of Barringo and Hamilton roads in New Gisborne. It will provide facilities for various sport and recreation activities, enabling improved social connections and health outcomes for the growing Macedon Ranges community.

The project is being delivered through several stages, based on funding availability. Stage one – costed at \$26 million – is currently underway, with construction commencing in August 2022. This stage is delivering a sports hub with three multi-use indoor courts, a natural turf oval, pavilion, car parking, passive recreational facilities and landscaping.

Stage one of the project has been supported through a range of grants and funding streams. This includes \$10.9 million of Council funding, including support from Sport and Recreation Victoria, the Victorian Government's Growing Suburbs Fund, Melbourne Water's Liveable Communities Liveable Waterways Program and AFL Victoria.

The head contractor delivering the project entered voluntary administration in March 2023. Council explored several options to resume construction and successfully transferred the contract to a new contractor, ensuring those workers on site, engaged by the outgoing contractor, could continue.

This has been a great outcome for the local community, the construction industry and the project, with the current stage of works on track to be completed in May 2024.

The second stage of the project is planned to commence within the 2023/2024 financial year. The full scope of the second stage includes extending the sports hub with three multi-use indoor courts and four gender-neutral change rooms, another natural turf oval, two outdoor sports courts, additional car parking and landscaping.

Council is continuing advocacy for the additional funding required to deliver the future stages of the scope identified in the master plan.

Woodend to Riddells Creek Shared Trail

The \$11.24 million Woodend to Riddells Creek Shared Trail Project will deliver a 24-kilometre trail for walking, running, low-volume cycling and commuting. The trail will span from Woodend in the north to Riddells Creek in the south.

The project is being delivered in several stages and is supported with funding from the State Government through the Crisis Committee of Cabinet – Infrastructure Stimulus Fund.

Throughout the 2022/23 year, significant work has progressed on the designs and planning approvals, particularly for stages 1B (Woodend Station to Macedon Regional Park boundary at Bawden Road, Woodend), 2A, 2B and 2C (Macedon Regional Park boundary at Bawden Road, Woodend to rail crossing bridge on Kilmore Road, near Markham Road, Riddells

Creek). The completion of stages 1 and 2 are expected by the end of June 2024.

The alignment of Stage 3 (Riddells Creek section) has been finalised and consultants engaged to inform the Stage 3 final design plans.

Romsey Ecotherapy Park

The Romsey Ecotherapy Park (see further background inside cover) was constructed over three stages, with stages two and three delivered concurrently and completed in October 2022.

The park is divided into zones designed to advocate and promote improvement to community health and wellbeing:

Active Nature Playspace

Established within a naturally shaded area, the Active Nature Playspace encourages climbing, balancing, hanging, scrambling and a number of other physical challenges amongst the trees. Elements include balancing logs and beams, a 40-metre-long flying fox, a basket swing, a timber cubby built around the existing oak tree and a five-metre-high climbing course.

Sensory Therapeutic Space

The Sensory Therapeutic Space features raised garden beds and arbours, plants with scent, textures and visual contrast, as well as the therapeutic sound of running water. Adjacent seating provides an opportunity for refuge from everyday life, and meandering paths take you on a journey of self-discovery.

Creative Nature Space and Woodland Buffer

The Creative Nature Space and Woodland Buffer includes water play, hand pumps, natural channels and sluice gates, complimented by wheelchair accessible terraced sandpits. Innovative art installations feature prominently, none more so than the towering kinetic wind sculptures visible across the park.

A sheoak forest, referencing the Pine Plantation of the school, encourages creative play including a cubby building activity.

Picnic Area

The Picnic Area includes a picnic shelter harmoniously nestled within the landscape to provide protection from the elements and complement the material palette within the park, together with wheelchair accessible tables, barbecues and drink fountains for large and small gatherings.

Arts and Culture Space

A grassed open space for events, performances and activities such as yoga features in the Arts and Culture Space. Three-phase power is provided to facilitate performances and entertainment for the local arts community.

Development of the park was supported by Council, the Victorian Government, the Australian Government, Lancefield & Romsey Community Financial Services Limited, Romsey Ecotherapy Park Inc. and the Romsey (and broader) community, including a community fundraiser for ‘Art in the Park’ which raised more than \$110,000 to support the purchase and installation of art works from local artists. The final cost of the project was \$2,696,432.



Image Aerial views of Romsey Ecotherapy Park
Photo credits: Angus Webb Ware

Major changes

Aged care reforms and transition

Amid the Australian Government's significant aged care reforms, Council considered the financial viability of providing in-home services within the new framework.

After an extensive service review, it was determined that other providers were better positioned to provide the services within the new framework, and so Council made the difficult decision to transition out of in-home support services (Commonwealth Home Support Programme) from 1 July 2023, to focus on other ways to support the region's 10,000 older residents.

Impacted programs and services included domestic assistance, personal care, respite care, social support and centre-based meals. Residents receiving in-home support services have been transitioned to two new providers, Benetas and Intereach, which were awarded contracts by the Australian Government to deliver the aged care services previously provided by Council.

Council staff worked closely with residents receiving our services, to ensure they were successfully transferred to a service that suited

their needs, helping to set a new benchmark among the sector in the process.

Council remains committed to supporting our older residents and continues to explore and deliver initiatives to benefit them through Council's Positive Ageing Plan: PARTICIPATE.

Maternal and Child Health service relocation

Council's Maternal and Child Health Service relocated to Central Highlands Rural Health's Kyneton campus (Ambulatory Care Centre building) in February 2023.

Following the relocation of Kyneton Kindergarten to Edgecombe Street in February 2022, it was found that the former Lady Brooks Kindergarten buildings were no longer fit for purpose without significant investment.

The newly located Maternal and Child Health service in Kyneton provides staff and clients with access to a large waiting area, reception, large consulting room, a courtyard and an engaging space for new parent groups.

Woodend Customer Service Centre operating hours

In 2022, Council's Customer Service Centre opening hours were analysed with a review undertaken across the Gisborne, Kyneton, Romsey and Woodend centres, to determine the number and type of in-person interactions.

This review revealed significant differences in attendance and activities performed at all centres, with Woodend and Romsey in particular recording comparably lower levels of foot traffic.

Considering several factors, the review identified that operating the Woodend site as is, was not viable in the long term, and that an opportunity existed to redistribute resources to areas with higher demand to achieve better customer service outcomes across the shire.

Following a period of community consultation, Council decided to keep the Woodend Customer Service Centre open with reduced operating hours from August 2023.

Hanging Rock East Paddock sale

In line with a 2018 election commitment, Council received an offer from the Victorian Government to sell the land known as East Paddock within the Hanging Rock precinct.

The purpose of the sale of East Paddock was to enable the entire precinct to be under single ownership, as most of the Hanging Rock precinct is already owned by the Victorian Government.

This was also in the context of the Victorian Government's 50-year Hanging Rock Strategic Plan being endorsed in 2018, and the proposed actions over the next 20 years laid out through its draft Hanging Rock Precinct Master Plan, released in January 2022.

In June 2022, and following a period of community consultation, Council voted to continue the process to sell East Paddock at Hanging Rock to the Victorian Government contingent on a list of conditions.



Image Hanging Rock East Paddock
Photo Credit: Bruce Hedge Photography

These conditions included advocating to the Victorian Government the importance of alternative facilities for existing sporting users, conditions on events, Council remaining Committee of Management for a transition period, and that the land be permanently reserved.

The formal sale of East Paddock was finalised just before the end of the 2022/23 financial year.

Council continues to carefully assess the best ways to allocate funds received from the proceeds, for the long-term benefit of the community.

Other operational changes

A number of operational adjustments were made in 2022/23 across Council's four-Directorate structure, to adapt to changing needs or circumstances. This included:

Assets and Operations

The Facilities Management and Projects Delivery functions were previously under one Coordinator and are now separated, which each functional group now led by a separate Coordinator.



Image In-home support service program

Corporate

Within the Information Services department, the Business Improvement and Project Management functions were combined, and the IT engineering and service delivery teams were reconfigured.

The payroll function was reallocated to the People and Wellbeing department, from its temporary position within the Finance and Reporting department. Also, within the People and Wellbeing department, the sub-unit

People and Wellbeing was renamed to People and Learning, to provide distinction from the department name.

Community

In response to the October 2022 flood event, the Flood Recovery unit was established. This unit and the Recovery unit (previously established to respond to the 2021 storm events) later merged to become the Community Recovery unit.



Image 2022 Flood damage in Darraweit Guim

Major achievements

Council finalised and endorsed several key strategies, long-term planning and policy documents in 2022/23, including:

- an update to the Shire-wide Footpath Plan, aiming to clarify footpath priorities and provide better transparency of the design and location process
- a new Affordable Housing Policy adopted, guiding Council decisions relating to affordable housing in the shire and setting out how Council will facilitate the provision of affordable housing through its role as advocate, decision-maker, facilitator, and investor
- adoption of the Counting Down to Zero plan, targeting zero net emissions in Council operations by June 2030
- adoption of the Single-use Plastics Policy, aiming to eliminate single-use plastics from Council operations and align with a state-wide ban
- Council negotiated a new Enterprise Bargaining Agreement for the organisation
- finalising several master plans to guide the future direction of key recreational areas across the shire including Kyneton Showgrounds, Romsey Park Sports Precinct, Gilbert Gordon Oval and Dixon Field
- adoption of updated Customer Service Charter, guiding Council officers' interaction with the community outlining Council's commitment to providing a high standard of service to the community
- adoption of new Small Project Grants (SPG) program guidelines, with updates including an increase in the funding cap from \$1,500 to \$3,000 per grant; a change to processing timelines; and a weighted assessment criteria to determine funding eligibility
- a decision not to progress the draft Rural Land Use Strategy following a period of community engagement resulting in 177 submissions, and in light of an unresolved Victorian Government review (Planning for Melbourne's Green Wedge and Strategic Agricultural Land project) and certain bushfire considerations also remaining unresolved, potentially overlapping some parts of Council's strategy.



Image Gilbert Gordon Oval, Woodend



Hanging Rock snapshot

Fast facts

- A total of 106,727 patrons visited Hanging Rock Reserve, representing an increase of almost 20 per cent on the previous year, with just over 37,700 additional patrons attending events hosted at the reserve.
- Picnic shelter booking revenue also increased more than 15 per cent on the previous year.
- We welcomed four new staff to the casual Hanging Rock park ranger team and hosted two local students for their work experience placement.
- We planted 7,243 trees, shrubs, grasses and sedges throughout the core conservation zones.

Our improved and value-added ranger-guided tour and night walk program continued to rise in popularity, with hundreds of patrons participating throughout the year. This achieved a near five-fold increase in revenue on the previous year.

Highlights

- We rolled out improved visitor and wayfinding signage throughout the reserve and enhanced team focus on visitor engagement and interaction.
- We worked in partnership to deliver world-class concerts returning to Hanging Rock for the first time across three consecutive days. Nick Cave and Warren Ellis performed two sell-out shows, followed by the inaugural First and Forever Festival – a “celebration of Blak musical excellence” featuring 24 First Nations artists all performing on the ‘Uncle Archie’ stage. This also led to national exposure through the ABC network’s coverage of the First and Forever concert, which aired in December 2022.
- We partnered with Earthwatch Australia for the Kids Teaching Kids ‘Distinctive Areas and Landscapes’ annual conference. Featuring television presenter Costa Georgiadis, more than 100 local school students participated in the program, which consisted of a series of hands-on workshops, guided tours and talks.
- Our focus on increasing use of the East Paddock for events continued, with the Macedon Ranges Music Festival, Spring Bliss Festival, parking for Run the Rock and numerous weddings and life celebrations all hosted in the East Paddock.
- Art competition at Hanging Rock created a new visitor experience with guidance on how best to reduce single-use plastics use.

Image opposite View from Hanging Rock
Photo Credit: David Hannah

- Other events hosted included:
 - New Year's Day and Australia Day horse races
 - Picnic at Hanging Rock Classic Car Show
 - Craft Markets Australia
 - Hanging Rock Koala Count
 - Cobaw District Cross Country
 - November Triples pétanque tournament.
- In partnership with Council's Resource Recovery team, we introduced the shire's four-bin waste management system to the park.
- Hanging Rock was the location for:
 - an advertisement film shoot featuring First Nations actress Miranda Tapsell, for Palmolive Skin Food – a product that uses native superfoods and partners with first nations growers
 - First Nations rapper Ziggy Ramo for his recently released 'Better' music video
 - an episode of Disney+'s six part docuseries 'Fearless: The Inside Story of the AFLW', featuring local resident and women's football trailblazer Debbie Lee
 - a segment from the Seven Network's Better Homes and Gardens show, featuring Dr Harry Cooper and local business, Hanging Rock Llama Treks.

Improvements

- Considerable operational and productivity improvements were achieved, focusing on park operations and staffing, internal processes and procedures, risk and OHS.
- Engaged a wildlife consultant to write a Kangaroo Ushering Manual for large events. This protocol sets out a method for safe ushering of kangaroos from areas

frequented by visitors during special events at Hanging Rock Reserve, to protect both the visitors and the kangaroos.

- Expanded the riparian zone boundary of Smokers Creek as per the Environmental Management Plan.
- Installed logs and log seats created from debris from the storm waste facility to define core conservation zones and connectivity zones. Coir logs were also installed to help stabilise and prevent further bank erosion in Smokers Creek.

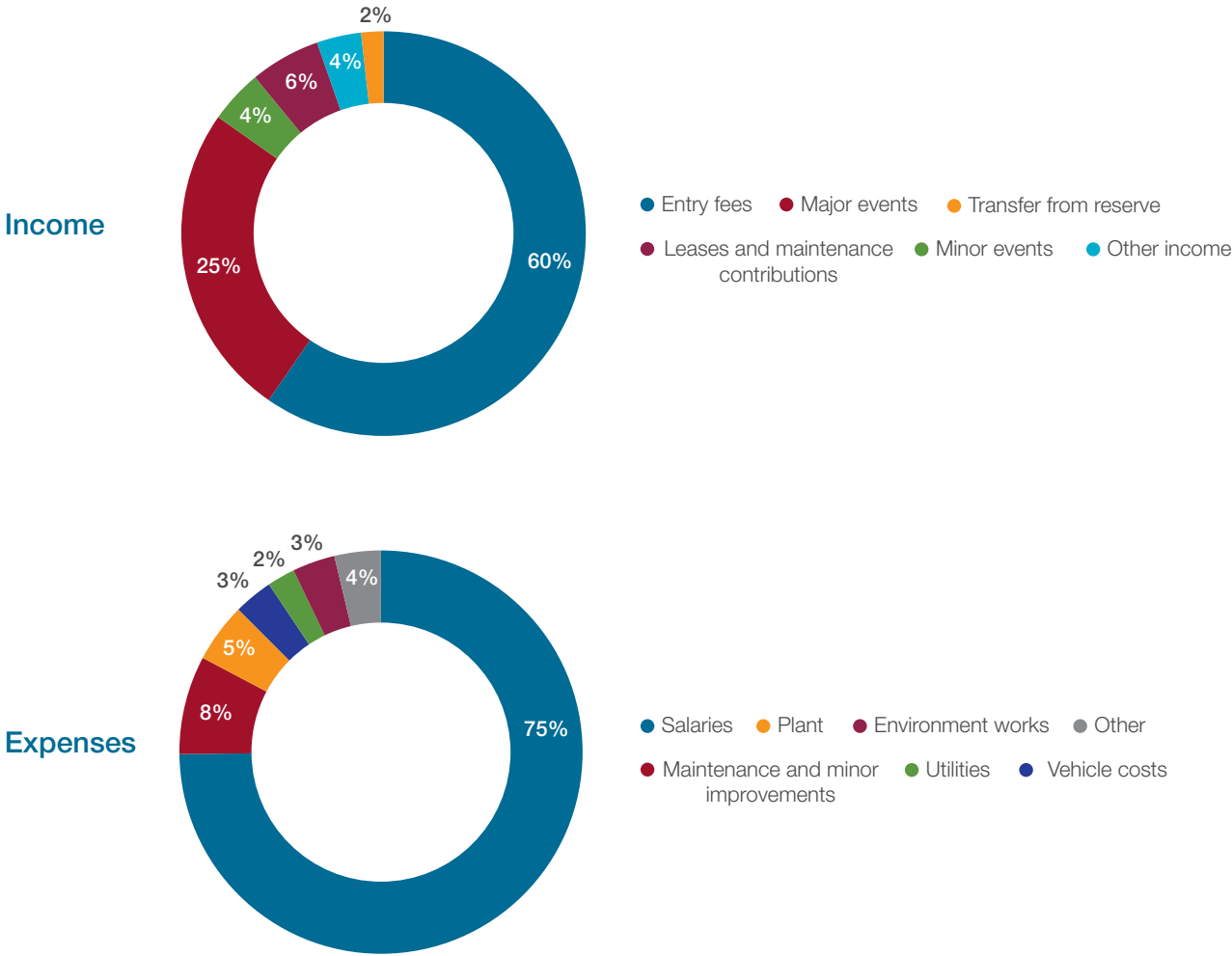
Challenges

- Increased patronage during peak visitation periods presented various operational challenges.
- Above average rainfall associated with the La Nina weather patterns, compounded by the October 2022 flood event, presented a number of challenges, with park closures, events cancelled and resources diverted to reinstatement works.
- Power and mobile outages during peak periods resulted in a considerable loss of income on numerous occasions throughout the year.
- Hanging Rock Reserve's operations were impacted by significant weather, this time flooding, resulting in considerable damage and clean-up work to tracks, trails and infrastructure.
- Revegetation and reinstatement works were ongoing following the June and October 2021 weather events, with this work further compounded by the October 2022 flood event.

Future priorities

- Ongoing improvements to enhance the visitor experience.
- Managing increased levels of visitation during peak periods.
- Continue to work with the Victorian Government, local community and Traditional Owner groups to support implementation of the Hanging Rock Strategic Plan and the Hanging Rock Environmental Management Plan.

Income and expenses



War on plastic waste at Hanging Rock and beyond

During term one in 2023, early learning, kindergarten, primary and secondary school-aged students were invited to enter Council's Single-use Plastics Art Competition.

Entrants were asked to create an artwork that included some pieces of single-use plastic to show the impact plastic has on our environment, with entrants and winners to have their artwork displayed as part of the 'Impacts of single-use plastics' exhibition at the Discovery Centre at Hanging Rock Reserve.

Council received more than 240 entries across the three age categories, with finalists shortlisted by a panel of the Resource Recovery and Hanging Rock Reserve staff, and the winners judged by a panel of Councillors.

The entries and winners contributed to a new, engaging and educational visitor experience at Hanging Rock Reserve, complete with



Image 'Pesky Plastics!' Winning artwork entry, by Owen Bolinda Primary School

interesting statistics and guidance around how best to reduce the use of single-use plastics.

This initiative aligned with efforts in raising awareness and reducing or recycling single-use plastics more broadly in the community, such as the ongoing acceptance of soft plastics at Council's Resource Recovery Facilities, and Council and the Romsey community's participation in a kerbside soft plastics trial.

Launched in November 2022, the Romsey kerbside soft plastics trial – part of a national trial led by the Australian Food and Grocery Council and funded by the Australian Government – saw 2,246 kerbside properties in Romsey selected to recycle their soft plastics, by collecting them separately in a Council-supplied orange collection bag and placing it in the recycling bin (yellow lid) on collection day.

Residents and businesses received an information pack which included a letter and orange collection bags to use during the trial period. Soft plastics collected in the trial were sent to a specialist processor in Victoria to make new plastic products locally, creating a circular economy.

After six months of the trial (end of May 2023), more than two tonnes of soft plastic had been collected. Drawing from survey results, Council will be able to look at options for an ongoing shire-wide service to support soft plastics recycling.

Our Council



Image Entry to Gisborne Administration Centre

Council offices

Gisborne Administration Centre

40 Robertson Street, Gisborne

Romsey Service Centre

96–100 Main Street, Romsey

Woodend Service Centre

Corner Forest and High Streets, Woodend

Kyneton Administration Centre

129 Mollison Street, Kyneton

Contact

Phone: (03) 5422 0333

Email: mrsc@mrsc.vic.gov.au

Website: mrsc.vic.gov.au

Mail: PO Box 151, Kyneton VIC 3444

Council profile

Macedon Ranges Shire Council is located in central Victoria, an hour drive north-west of Melbourne, covering an area of 1,750 square kilometres.

The shire is a semi-rural municipality known for its beautiful natural landscapes which is recognised by Victorian Government legislation as a *distinctive area and landscape*. The shire rests across the lands of three Traditional Owner groups: the Dja Dja Wurrung, Taungurung and Wurundjeri Woi-wurrung peoples.

By 2036, the shire’s population is projected to reach close to 66,000 residents¹, with the

largest population growth occurring in the south of the shire in and around the townships of Gisborne and Riddells Creek. Population growth is projected in all age groups; however, it is expected to be particularly strong in the older age groups.

Latest ABS data (June 2022) showed there were just over 5,300 registered businesses in the shire². Industries providing local employment include health care and social assistance, education and training, retail trade, agriculture, forestry and fishing. Tourism is also an important and growing industry for the shire.

1. <https://forecast.id.com.au/macedon-ranges>
2. ABS 2022 LGA data

Image Station Road, New Gisborne



Supporting our community

Council's services and initiatives are intrinsically intertwined with the Macedon Ranges community – from inviting public feedback on draft strategies and initiatives, to providing funding support to empower individuals and organisations to achieve great outcomes.

- For the 2022/23 round of Council’s Community Funding Scheme, 21 applications were endorsed for funding with a combined value of \$174,868.
- For the 2022/23 round of the Events and Festivals Grant Program, 12 applicants were recommended for funding, which combined with the four ongoing agreements of the 2020/2021 program and the 2021/2022 program, were awarded a total of \$75,000 in grant funding and \$10,489 equivalent value of in-kind support.
- Through four citizenship ceremonies during the year, we welcomed 137 new Australian citizens (including 23 children) from 35 countries
- A total of 39 public consultations were conducted during 2022/23.



Image Citizenship Ceremony and Australia Day Awards, Kyneton Town Hall

Our Councillors

Councillors were elected to provide leadership for the good governance of the municipal district and the local community. In October 2020, the current Councillors were elected for a four year term.

Macedon Ranges Shire Council is divided into three wards, represented by three Councillors in each ward. The nine Councillors are the elected representatives of all residents and ratepayers across the shire.

The role of Councillors includes:

- acting as a representative government by taking into account the diverse needs of the local community in decision-making
- providing leadership by establishing strategic objectives and monitoring their achievement

- maintaining the viability of Council by ensuring that resources are managed in a responsible, sustainable and accountable manner
- advocating the interests of the local community to other communities and governments
- acting as a responsible partner in government by taking into account the needs of other communities
- fostering community cohesion and encouraging active participation in civic life.



East Ward



Cr Annette Death, Mayor
Elected: October 2020

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



Cr Geoff Neil
Elected: October 2020

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



Cr Bill West
Elected: October 2020

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

South Ward



Cr Dominic Bonanno
Elected: October 2020

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



Cr Rob Guthrie
Elected: October 2020

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



Cr Anne Moore
Elected: October 2020

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

West Ward



Cr Jennifer Anderson, Deputy Mayor
Elected: October 2020

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



Cr Janet Pearce
Elected: October 2020

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



Cr Mark Ridgeway
Elected: October 2020

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

Our People

Executive Management Team



Bernie O'Sullivan

Chief Executive Officer

Areas of Responsibility: Leadership of Council staff and operations; Support Councillors in decision making; Communications and Engagement; Advocacy; Local and regional representation.



Adele Drago-Stevens

Director Corporate

Areas of Responsibility: Governance; Finance and Reporting; Information Services; People, Risk and Wellbeing.



Rebecca Stockfeld

Director Planning and Environment

Areas of Responsibility: Strategic Planning and Environment; Statutory Planning; Safer Communities; Economic Development and Visitor Economy.



Shane Walden

Director Assets and Operations

Areas of Responsibility: Engineering; Facilities and Operations; Open Space; Recreation; Asset Management; Resource Recovery; Project Management Office.

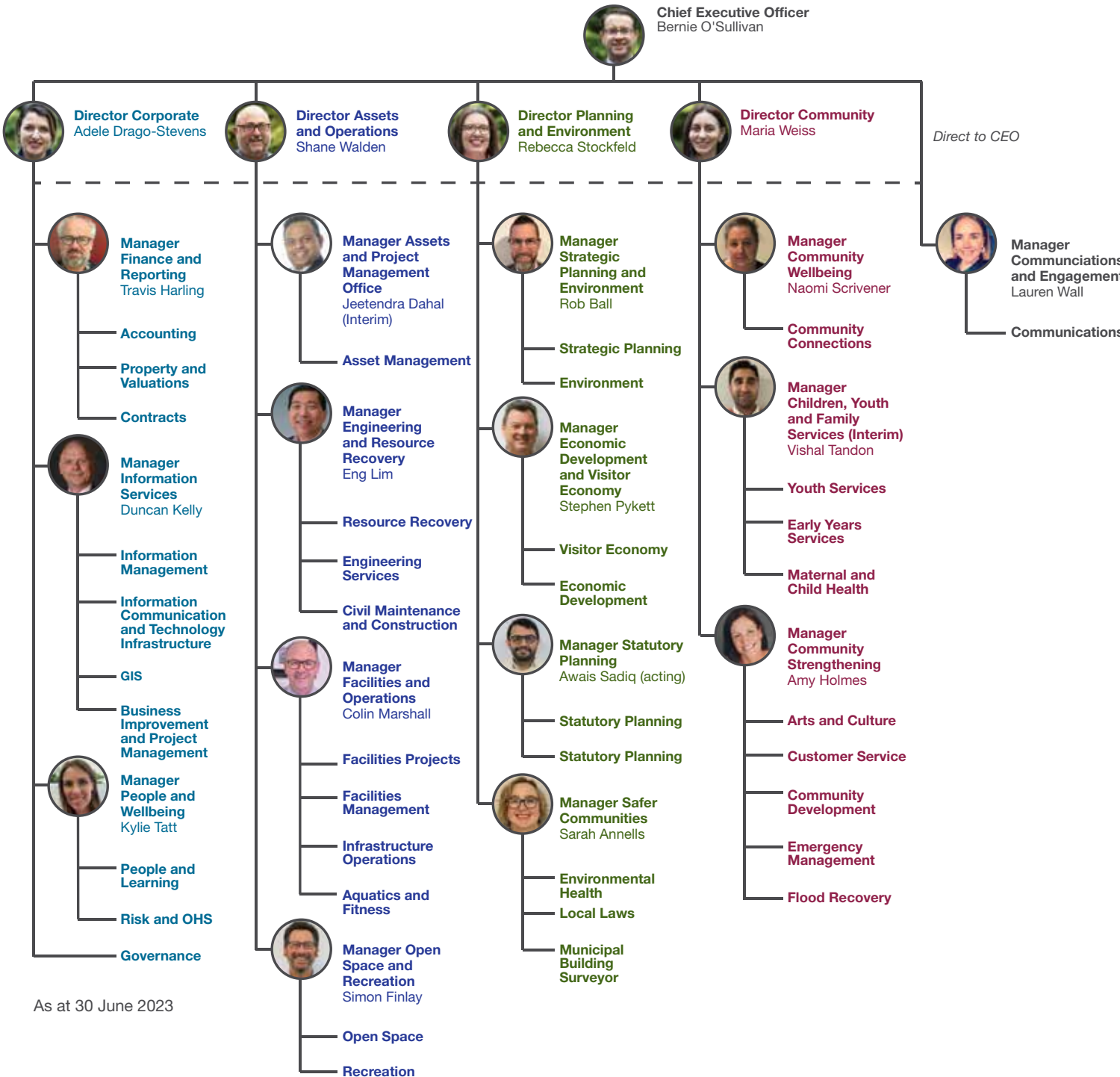


Maria Weiss

Director Community

Areas of Responsibility: Community Wellbeing; Children, Youth and Family Services; Community Strengthening; Board Member, Goldfields Library Corporation.

Organisation Structure



Our Workforce

Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.



Table A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below.

Employee type/ gender	CEO (FTE)	Community (FTE)	Corporate (FTE)	Planning and Environment (FTE)	Assets and Operations (FTE)	Total (FTE)
Permanent FT – W	4.0	18.0	21.0	20.0	16.0	79.0
Permanent FT – M	2.0	5.0	13.0	22.0	91.0	133.0
Permanent FT – X	0	0	0	0	0	0
Temporary FT – W	1.0	5.0	1.0	2.0	2.0	11.0
Temporary FT - M	0	1.0	0	3.0	3.0	7.0
Temporary FT - X	0	0	0	0	0	0
Permanent PT – W	0.8	59.4	9.8	14.2	12.3	96.5
Permanent PT – M	0	1.3	1.4	3.6	4.2	10.5
Permanent PT – X	0	0.4	0	0	0	0.4
Temporary PT - W	0	8.1	0.8	1.9	2.8	13.6
Temporary PT - M	0	0	0	0.8	0	0.8
Temporary PT - X	0	0	0	0	0.6	0.6
Casual – W	0	7.8	2.9	1.7	14.3	26.7
Casual - M	0	0.6	0.1	1.5	12.3	14.5
Casual – X	0	0.2	0	0	0	0.2
Total	7.8	106.8	50.0	70.7	158.5	393.8

Legend: FT-Full time PT-Part time W-Women M-Men X- persons of self-described gender

Number of full time equivalent (FTE) council staff by organisational structure, employment type and gender

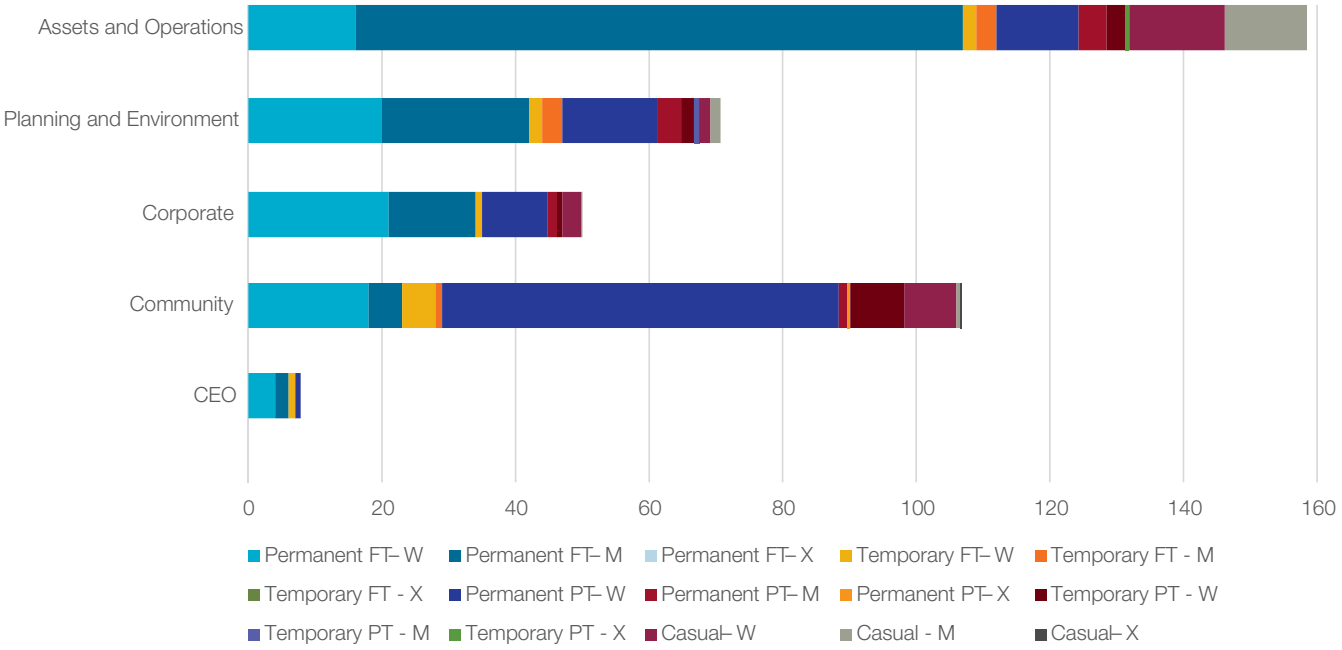
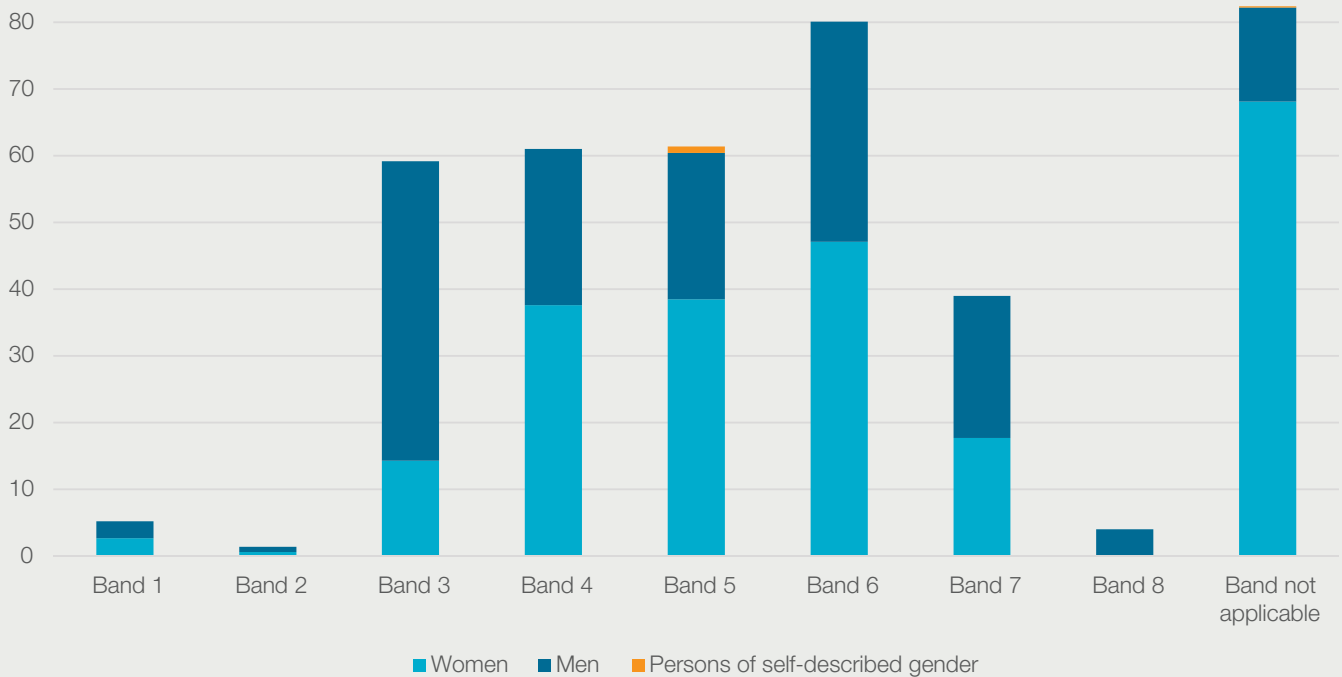


Table A summary of the number of full time equivalent (FTE) council staff by employment classification and gender is set out below.

Employee classification	Women (FTE)	Men (FTE)	Persons of self-described gender (FTE)	Total (FTE)
Band 1	2.7	2.5	0	5.2
Band 2	0.6	0.8	0	1.4
Band 3	14.3	44.9	0	59.2
Band 4	37.6	23.4	0	61
Band 5	38.5	21.9	1.0	61.4
Band 6	47.1	33.0	0	80.1
Band 7	17.7	21.3	0	39.0
Band 8	0	4.0	0	4.0
Band not applicable	68.1	14.1	0.2	82.4
Total	226.6	165.9	1.2	393.8

Number of full time equivalent (FTE) council staff by employment classification and gender



Other staff matters

Enterprise Bargaining Agreement

Negotiations surrounding the new Enterprise Bargaining Agreement commenced and continued in 2021/22, continued throughout the second half of 2022, with an initial offer proposed to staff in November 2022.

A majority of staff voted against this initial offer following an independently facilitated ballot, with negotiations recommencing in early 2023. A revised offer was proposed to staff in March 2023, which was agreed to by the majority of staff.

The new Enterprise Agreement was approved by the Fair Work Commission and came into effect on 21 June 2023, and will expire on 30 June 2025.

Volunteer Program

Council has more than 80 active volunteers. Over the past 12-months, the Learning and Development team has led the implementation of a project plan to improve the volunteer program and offer an enhanced experience for these valued volunteers.

The project plan addresses all aspects of a volunteer's engagement with Council, from recruitment and induction to ongoing training and communications. It also includes a plan to recognise the valuable contributions of our volunteers and the support they provide to our community. The implementation and review of this program will continue through 2023/24. We are excited to roll out a new software database that will allow us to engage more effectively and consistently with our volunteers.

Investing in our People - Learning and Development

Council invests in its employees' learning and development to foster professional growth, enhance job performance and satisfaction and support the overall effectiveness of the workforce. This investment is typically aimed at providing opportunities for employees to acquire new skills, expand their knowledge, and stay up to date with industry advancements and legislative requirements.

Council offers various initiatives and resources to support employee learning and development, including internal and external training programs through a range of delivery methods, mentoring opportunities, performance development and employee recognition.

By investing in employees' learning and development, Council demonstrates a commitment to their professional growth and ensures a skilled and capable workforce. It enhances employee engagement, job satisfaction and retention, while also driving organisational effectiveness and ensuring the delivery of high-quality services to the community.

Health, Safety and Wellbeing

The Risk and Occupational Health and Safety (OHS) team has engaged the services of an Occupational Therapist to develop inherent requirements of the job. This will support leaders and supervisors to recruit and manage staff for high-risk roles and also facilitate ergonomic assessments for our staff, with the purpose of improving the physical wellbeing of staff while at work and conduct functional assessments for high-risk positions to reduce the likelihood of injury.

Council has reviewed and updated the Occupational Health and Safety Policy and continues to improve its safe work procedures in line with the *Occupational Health and Safety Act 2004* and regulations.

Council reviewed its Health, Safety and Wellbeing Committee terms of reference to include greater management representation, include wellbeing within its remit, and to increase its meeting frequency.

Subsequently the committee agenda was refreshed, and a review of the designated work groups was conducted, which saw an increase in Health and Safety Representative membership and subsequent training. The review has seen an increase in staff engagement and activities occurring across Council.



Image Staff at Kyneton Toyota Sports and Aquatic Centre

Council's workers compensation claim volume decreased towards the end of 2022/23 and Council's performance was consistent with the industry average.

Council have seen an improvement in safety culture, with a higher than usual proactive engagement by staff seeking advice and support. To that effect, Council has also seen an increase in incident and hazard reporting, which demonstrates an improvement in safety culture.

Council implemented a new Your Safety Matters monthly bulletin, sharing information, advice and good news stories with staff, to celebrate staff demonstrating safe work practices.

Council continue to work with all areas to audit and educate staff on safe work practices which supports Council's values and our commitment to a safe workplace.



Image Council staff maintaining grounds at a reserve.

October 2022 flood event

On 12 October 2022, a severe weather event resulted in flash flooding across Victoria including the Macedon Ranges, resulting in widespread damage to private properties and public assets throughout the shire.

Victoria's State Emergency Service received nearly 300 requests for assistance from Macedon Ranges residents, with 96 properties impacted by flooding. The small township of Darraweit Guim was hardest hit, with up to 15 houses inundated by floodwaters.

Council supported residents in the immediate aftermath with clean-up efforts, including delivering skips, portable toilets, showers and drinking water. Victorian Government agencies, utility providers, Council, local neighbourhood houses and community leaders worked together to clean up properties, restore infrastructure and support individual needs.

A range of Council-managed infrastructure also sustained significant damage, including roads, trails and footbridges, the repercussions of which reverberated across many Council services as the focus rightly turned towards recovery efforts for local communities.

Following the immediate emergency response, Council focused on short and long-term recovery with communities affected, collaboratively working with others to help residents access support and providing other support where necessary.

Work remains ongoing to coordinate and repair flood-impacted roads, Council venues and infrastructure across the shire, while working to identify key learnings for future weather events. Council is also continuing to provide recovery support to impacted communities in a number of ways, such as organising post-flood recovery sessions with renowned clinical psychologist Dr Rob Gordon.



Images (Left) Flooding at Darraweit Guim in October 2022. (Right) Disaster psychologist expert Dr Rob Gordon and local community leader Viki Spedding at a community meeting in December 2022.

Our Performance

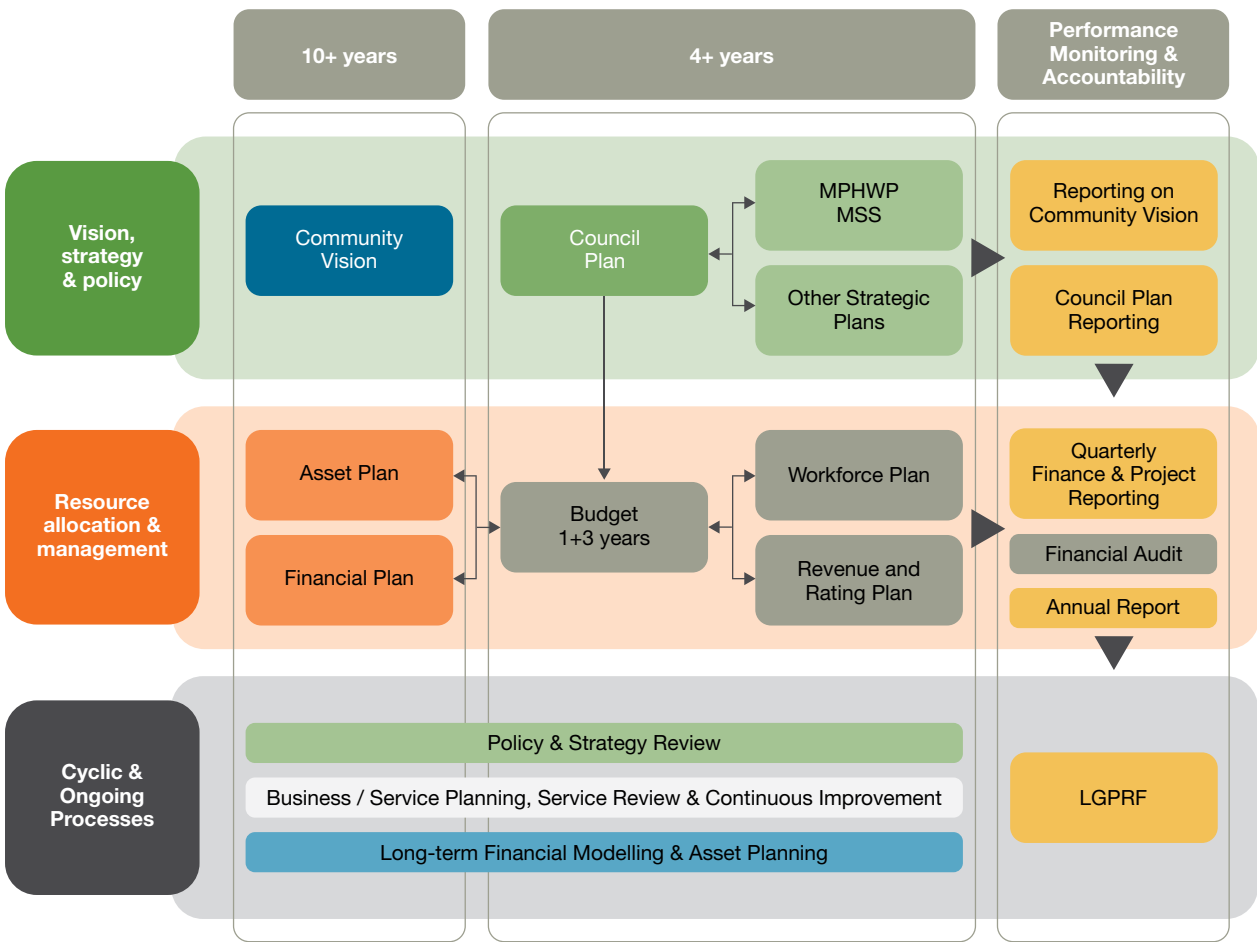
Integrated strategic planning and reporting framework

Part 4 of the *Local Government Act 2020 (LGA)* requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years);
- A Council Plan (for at least the next four financial years);
- A Financial Plan (for at least the next 10 financial years);
- An Asset Plan (for at least the next 10 financial years);
- A Revenue and Rating Plan (for at least the next four financial years);
- An Annual Budget (for the next four financial years);

- A Quarterly Budget Report;
- An Annual Report (for each financial year); and
- Financial Policies.
- A Workforce Plan (including projected staffing requirements for at least 4 years);

The diagram on the following page shows the relationships between the key planning and reporting documents that make up the integrated strategic planning and reporting framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback.



Source: Department of Jobs, Skills, Industry and Regions

Council Plan 2021-2031

The Council Plan 2021-2031 includes strategic objectives, strategies for achieving these for the 10-year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the four strategic objectives as detailed in the Council Plan.

Strategic objective 1: Connecting communities

- 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.
- We will provide support for volunteers, community groups and organisations, in recognition of their work in contributing to social connections.

Strategic objective 2: Healthy environment, healthy people

- We will contribute to positive health and wellbeing in our community, by proactively supporting mental health, the prevention of violence against women, healthy lifestyles for all ages and abilities, social connection and inclusion, community safety and arts and culture.
- We will protect our natural environment through proactive environment planning, advocacy and policy to address climate change, support biodiversity and enhance water catchment quality. The Macedon Ranges Shire declared a Climate Emergency in 2021.
- We will take action to reduce waste in order to protect public health and the environment.

Strategic objective 3: Business and tourism

- We will foster the economic vitality in a way that promotes positive individual and community health outcomes, including business diversity, housing, transport, information and communication technology and employment options.
- Investment attracted to the shire will be consistent with the Community Vision.

Strategic objective 4: 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.

Measuring our performance

Council's performance for the 2022/23 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the Council Plan 2021-2031 (Year Two 2022/23). Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan 2021-31 (Year Two 2022/23)
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures.

Strategic objective 1: Connecting communities



Image IDAHOBIT Flag Raising Ceremony at Kyneton Mechanics Institute

Strategic indicators

The following statement reviews the performance of Council against the Council Plan 2021-2031, including results achieved in relation to the strategic indicators included in the Council Plan (Year Two 2022/23).

Strategic indicator/measure	Result	Result/comments
Delivery of the annual footpath construction program	89% Complete	Eight out of nine footpath projects have been completed, adding almost 2km of new footpaths this financial year. The updated Shire-wide Footpath Plan was adopted by Council at the 28 June 2023 Council Meeting.
Delivery of a minimum 80% of the projects included in the Annual Budget 2022/23		
Delivery of the Woodend corridor study	100% Complete	The Woodend Integrated Transport Plan was endorsed by Council at the 23 November 2022 Council Meeting. Actions have been identified and will be put forward for consideration in future budgets.
Study to be completed and actions identified for future budget consideration		
Delivery of the annual capital works program	70% Complete	Council successfully completed 70% of the capital works program, which encompasses both carried-forward projects from previous years and the current year's projects.
Improve capital works delivery completion rate to 80% by 30 June 2023, with a stretch target of 85%. This will reduce carry-forward of projects and improve capital works delivery completion in the future		
The new Gender Equality Action Plan (GEAP) 2022/25 being used across the organisation	60% complete	A number of Year 1 actions have been completed, with a number of action items within the (GEAP) identified as ongoing actions and initiatives- <ul style="list-style-type: none">Promotion of diversity and inclusion within our recruitment practices and Learning and DevelopmentReview and promotion of our flexible work arrangementsPerformance and Development reviews introducedIntroduction of a Reward and Recognition programNew Code of Conduct that supports appropriate workplace behaviour and culture.
Implementation of the Gender Equality Action Plan 2022/25: Year 1 actions implemented and Year 2 actions progressing. Gender Impact Assessment conducted, as part of the development process for all significant facing policies, strategies and plans		

Strategic indicator/measure	Result	Result/comments
Collaborate with Loddon Mallee partners and across Council to coordinate, support, engage and recognise volunteers.	100% Complete	Training opportunities and recognition activities were offered as components of Council's Volunteer program to support its revitalisation during National Volunteers Week.
Development and provision of induction, training opportunities and recognition activities during International Volunteer Day		
Increased engagement and participation at events which celebrate LGBTIQ+ people, including but not limited to raising Rainbow Flag event for International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT), youth focused initiatives and events held in partnership with key stakeholders.	100% Complete	Council maintains active partnerships with key organisations such as Sunbury and Cobaw Community Health resulting in a range of activities and events for the LGBTIQ+ community Led by the Youth Services team, Council has actively contributed to the following events and activities: <ul style="list-style-type: none">Puppy PrideRainbow FormalIDAHOBIT Flag Raising CeremonySunbury and Cobaw Community Health's Pride CampWear It Purple DayThe development of inclusive art programs with, and for, LGBTIQ+ young people.
Active partnerships with key organisations and community stakeholder resulting in a minimum of six activities and events throughout the year, including but not limited to the LGBTIQ+ dance party, flag raising and ongoing engagement of the IDAHOBIT working group.		

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the Annual Budget 2022/23 for the year.

Major initiatives	Progress
Continue construction of the Macedon Ranges Regional Sports Precinct project (Stage 1).	<p>Construction commenced in August 2022. Construction works were in full swing - with the sports hub floor slab, roofing works, in-ground services and pavilion floor slab completed, along with the commencement of stormwater retention basin excavation works - before the head contractor entered into voluntary administration, causing delays while Council officers explored options to resume the works. A new contractor commenced in June 2023.</p> <p>All site staff and subcontractors, were retained under the new arrangement. Stage 1 works are expected to be completed in May 2024.</p>
Continue site investigations, and design and progress construction of the Macedon Ranges Shared Trails Project.	<p>The project was declared as a State Project by the Minister for Planning. Council endorsed the preliminary alignment of the trail for the entire length, from Woodend through to Riddells Creek. Environmental and cultural heritage management plans were prepared and submitted to relevant Registered Aboriginal Parties (RAPs) for assessment and approval. The detailed design of the sections from Woodend to New Gisborne progressed well.</p> <p>The completion of stages 1 and 2 are expected by the end of June 2024. The alignment of stage 3 (Riddells Creek section) has been finalised and consultants engaged to inform the stage 3 final design plans.</p>

Major initiatives	Progress
Formalise the joint partnership with Hepburn Shire Council and continue to advocate the Victorian Government for funding to assist with detailed design and pre-project works for the Daylesford to Hanging Rock Shared Trail project.	<p>Memorandum of Understanding developed and signed by the Chief Executive Officers of Macedon Ranges Shire Council and Hepburn Shire Council.</p> <p>Advocacy for planning funding continued in partnership with Hepburn Shire Council. The funding application submitted during the 2022/23 financial year was unsuccessful. This project is now on hold, subject to future funding opportunities, and remains as a priority project for Council.</p>
Undertake works to the Woodend Golf Club clubrooms.	<p>Construction is underway. Internal structural elements have been completed, with services rough ins, plasterboard, decking and fit outs in progress. The project works are progressing in accordance with the original program of works, with practical completion expected by August 2023.</p>

Services

The following statement provides information in relation to the services funded in the Annual Budget 2022/23 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$'000
Director Assets and Operations	Provided guidance to the business across the built environment and other priorities of Council.	401 <u>452</u> 51
Engineering, Roads and Asset Maintenance	We maintained 1,678 kilometres of roadways, 227 kilometres of footpaths, 335 kilometres of kerb and channel, 65 footbridges, 92 major culverts, 59 road bridges, 750 minor culverts and 282 kilometres of stormwater pipes. We completed nine road reconstruction projects.	5,114 <u>4,752</u> (362)
Statutory Planning	<p>We received and decided on a range of planning permit applications. Our enquiry service provided information and advice for residents, business-owner permit applicants, prospective property purchasers and anyone seeking planning advice.</p> <p>We considered appropriate land use and development, amenity impacts, Aboriginal Heritage impacts, biodiversity and environmental sustainability in providing this service.</p> <p>We processed statutory planning applications for land use, development including subdivision, signage and vegetation removal.</p>	1,420 <u>1,227</u> (193)
Open Space	We continued installation of irrigation at Council's three botanic gardens and completed a review of Council's Township Street and Park Tree Management Policy and supporting documents. The Township Street and the Park Tree Management Plan including the Preferred Street Tree Species List.	5,168 <u>5,052</u> (116)

Service	Description	Net Cost Actual Budget Variance \$'000
Open Space (cont.)	<p>We continued to provide all park mowing and open space maintenance requirements to service delivery standards.</p> <p>We maintained 1,980 hectares of open space including 20 sports fields, 38 parks and reserves, 71 playgrounds, including fitness stations and park furniture, and three botanic gardens. In addition, we maintained park infrastructure, along with streetscapes such as street trees and roadside garden beds.</p> <p>We managed 50,000 street and park trees and are responsible for other natural assets such as vegetation along Council-managed roads, in accordance with Council's Road Management Plan.</p>	
Assets and Project Management Office	<p>We provided project management framework, support, training, guidance, processes and systems across the organisation to build capability to deliver all capital works projects on time and within budget.</p> <p>We provided accurate, up-to-date data on our infrastructure assets to ensure informed decision-making and improve the efficiency with which we manage our infrastructure.</p> <p>We revalued the infrastructure assets, in accordance with relevant Australian Accounting Standards and other Victorian Government requirements.</p>	1,036 <u>1,000</u> (36)

Service	Description	Net Cost Actual Budget Variance \$'000
Assets and Project Management Office (cont.)	<p>We developed appropriate processes and procedures in asset management and financial sustainability, in accordance with the defined national and state frameworks.</p> <p>We assessed developments and projects proposed by developers, and ensure they comply with relevant Australian Standards, manuals and our engineering guidelines, and supervise the delivery of those works, ensuring future generations inherit good-quality infrastructure.</p>	
Facilities and Operations	<p>We delivered the following capital and improvement works:</p> <ul style="list-style-type: none"> Heritage-listed Kyneton Red Brick Hall which incorporated disability access improvements including changes to doors internally and a ramp and pathway to the disabled carparking bay externally. The kitchen and toilets were also upgraded. Installation of electric vehicle charging infrastructure at Council offices in Gisborne, Kyneton and Woodend Introduction of off-grid photovoltaic systems at key leisure facilities, to not only reduce Council's carbon footprint, but also support the community facilities with backup power supply in times of emergency Riddells Creek Recreation Centre multi-purpose room extension, to provide a more flexible space for the community to access Kyneton Museum works, which incorporated roof works and subfloor ventilation improvements while working closely with Heritage Victoria. 	<p>4,938</p> <p><u>4,448</u></p> <p>(490)</p>

Service	Description	Net Cost Actual Budget Variance \$'000
Facilities and Operations (cont.)	<p>Council also:</p> <ul style="list-style-type: none"> Introduced Council's first Public Toilet and Barbecue Strategy Completed the retendering of the facilities cleaning contract, which secured cleaning services for the next five years across various Council-managed sites Delivered a range of annual renewal programs, including Heating Ventilation Air Conditioning (HVAC) replacements, programmed painting and floor finishing program. We upgraded the sports ground lighting at Lancefield Park oval, with existing poles and lights being replaced with four new 30-metre light towers and 150 Lux light-emitting diode (LED) lighting. Refurbishment to the Sankey Reserve pavilion was completed and included alterations to both male and female toilets, new partitions and doors, new floor finishes, new ambulant toilet, new kitchen cabinetry and external and internal painting. The public toilet renewal included new partitions and doors, new floor finishes, drainage works and internal and external paintwork. We completed various tasks to keep our facilities safe, clean, comfortable and compliant. We also delivered several renewal programs, including asbestos removal, LED lighting upgrades, painting and floor finishing and closed-circuit television (CCTV) upgrades. 	

Service performance indicators

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

Roads	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	41.06	57.85	69.62	144.87	Sealed road requests increased due to the October 2022 flood event. Further to the flood event, due to the constant wet weather over the past two years there was an increase in road failures and potholes which resulted in an increase in requests.
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	96.44%	96.22%	93.40%	92.56%	
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$70.03	\$87.95	\$103.45	\$78.33	Council delivered mostly rural road reconstruction projects in 2022/23, which cost less to construct than urban type roads. In the previous two years there were a higher percentage of urban type road reconstructions.

Roads	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Service cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$8.03	\$7.81	\$7.34	\$8.23	This year's program had a much higher percentage of double coat seals, which has driven the average price up.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	54.00	49.00	43.00	35.00	This can be seen in the number of sealed road requests and is due to an increase in road failures and potholes. Further to this, we had a number of Victorian Government roads within the Macedon Ranges that were in poor condition, which also increased community dissatisfaction.

Strategic objective 2:
Healthy environment, healthy people



Image Macedon Regional Park

Strategic indicators

The following statement reviews the performance of Council against the Council Plan 2021-2031, including results achieved in relation to the strategic indicators included in the Council Plan (Year Two 2022/23).

Strategic indicator/measure	Result	Result/comments
A reduction in Council's corporate net-zero emissions Council emissions in 2022/23 will reduce from the previous year	Target not met	Council's emissions for 2022/23 were 3,569.5 tonnes CO2-e, up from 3,260.6 tonnes CO2-e in 2021/22.
A decrease in tonnes of waste, with an increase in kerbside collection waste diverted from landfill per capita An increase in the percentage of waste diverted from landfill	100% Complete	Diversion target of 74% has been achieved given the full four-bin rollout. The tonnage reduction of general waste to landfill is 479 tonnes for the year, or a reduction of general waste of 9.26 kg per person. This is an 8% decrease per capita in waste sent to landfill.
Delivery of mental health first aid training throughout the year Deliver one training session per quarter, subject to COVID-19 restrictions	100% Complete	Youth Services delivered a total of four Youth Mental First Aid training sessions as part of the Macedon Ranges Live4Life Program.
A finalised Woodend Five Mile Creek Master Plan Woodend Five Mile Creek Master Plan adopted by Council	100% Complete	Council adopted the Woodend Five Mile Creek Master Plan at its 23 November 2022 Council Meeting.
A finalised Zero Net Emission Plan for Council Operations Zero Net Emission Plan for Council Operations to be adopted by Council	100% Complete	Council adopted Counting Down to Zero: Our plan to reach Zero Net Emissions for Council Operations by 2030 at its 14 December 2022 Council Meeting.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the Annual Budget 2022/23 for the year.

Major initiatives	Progress
Undertake further work to complete a second draft of the Gisborne Futures project, further consultation and consider a future Planning Scheme Amendment.	<p>A report was presented to Council at its August 2022 Council Meeting, providing a summary of feedback from the community and a range of actions to inform an update to the draft Gisborne Futures Structure Plan.</p> <p>An updated draft Gisborne Futures Structure Plan is expected to be considered by Council in the first quarter of 2023-24 and be released for community consultation.</p>
Finalise the preparation of a new Public Open Space Strategy to guide the provision of improvements to the open space network, which are required to service the existing and future needs of the shire's community.	The delivery of the draft Open Space Strategy has been delayed and is expected to be received in June 2023. The draft Open Space Strategy is expected to be presented to Council for endorsement for public consultation in 2024.
Review and implement Local Law Number 10, in line with the new framework, as defined in the <i>Local Government Act 2020</i> . Local Law Number 10 provides the procedures for the administration of all of Council's Local Laws.	Council officers have reviewed the existing General Local Law Number 10 and prepared the draft Community Local Law 2023. A comprehensive community consultation process was completed in April 2023. The final Community Local Law will be presented to Council for adoption in the second half of 2023.

Services

The following statement provides information in relation to the services funded in the Annual Budget 2022/23 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$'000
Director Planning and Environment	We provided guidance to the business across matters including longer-term strategic planning, statutory planning, economic development and visitor economy, environment (including climate change) and local laws.	593 <u>461</u> (132)
Director Community	We provided guidance to the business across matters including children, youth and family services, arts and culture, customer service and emergency management/recovery.	370 <u>338</u> (32)
Environment	<p>We managed over 50 bushland and conservation reserves with a combined area of 615 hectares and implemented weed control along 1,678 kilometres of roadsides.</p> <p>We ran environmental education programs, supported more than 30 community environment groups and raised awareness about biodiversity conservation, regenerative agriculture and sustainable land management.</p> <p>Following our Declaration of a Climate Emergency in 2021, we planned to achieve Zero Net Emissions for Council operations by 2030, and we supported our local communities to take action through our Cool Changes program, and advocated for the implementation of electric vehicle charging stations across the shire.</p>	1,798 <u>1,655</u> (143)
Community Wellbeing	<p>We provided individualised in-home support services, assessment and healthy ageing initiatives, we assisted older residents and their carers in remaining active in the community and independent in their homes. This enhances their wellbeing and quality of life.</p> <p>We continued to work across the community to create opportunities for those with a disability and for older people to feel socially connected. We are delivering the Village Connect project to connect older people across townships in the shire, with the objective to decrease social isolation.</p>	2,070 <u>840</u> 1,230

Service	Description	Net Cost Actual Budget Variance \$'000
Community Strengthening	<p>We work with geographic communities and communities of interest by building capacity to enable them to respond to local needs and emerging issues. Through grant programs like the Community Funding Scheme and the Small Projects Grants Program, the team can facilitate financial support that can fund activities and programs that address these needs and issues. The Community Development team additionally works in partnership with neighbourhood houses, men's sheds and other local service providers to develop local solutions to local issues.</p> <p>We work with the community on issues such as preventing violence against women, gender equity, prevention of gambling harms, cultural diversity and Council's Reconciliation activities with Traditional Owner groups and other First Nations residents.</p> <p>We provided customer service in several ways, including online, face-to-face at our administration service centres or over the telephone. A range of communications and consultation channels informed and invited our community to have their say on Council's strategies and projects.</p> <p>We have a dedicated Emergency Management team working with key stakeholders and the communities across the shire, to be better prepared and more resilient when it comes to emergency events. Council often plays a key supporting role in responding to emergencies – from bushfires and floods, to human diseases (pandemics) and essential service disruptions.</p> <p>We also have a dedicated Community Recovery team, acknowledging the large amount of work that comes with supporting communities after an emergency – emphasised in recent years through the severe June 2021 storm event and October 2022 flood event.</p>	2,331 <u>2,362</u> 31

Service	Description	Net Cost Actual Budget Variance \$'000
Library Services	<p>We partnered with the City of Greater Bendigo, Loddon Shire Council and Mount Alexander Shire Council to deliver library services through the Goldfields Library Corporation.</p> <p>Library services are provided at Gisborne, Kyneton, Romsey and Woodend. Libraries promote literacy and lifelong learning and offer vibrant spaces for people to gather in person and online.</p> <p>Libraries have played an integral role in supporting community to remain connected and engaged, through a variety of training sessions and supports.</p>	1,444 <u>1,438</u> (6)
Children, Youth and Family Services	<p>The Early Years team provided high-quality early childhood education programs across eight kindergartens offering funded three and four year old kindergarten.</p> <p>Our early childhood teachers and educators are highly qualified and experienced, and our kindergartens have outdoor play areas rich in nature-based and creative learning experiences.</p> <p>The Maternal and Child Health Service supported families in parenting, health and development for children from 0-6yrs. Our Maternal and Child Health nurses helped parents identify ways to support a child's health, growth and development.</p> <p>Parents can share experiences with a qualified professional who understands the journey every parent takes and the ups and downs of raising young children.</p> <p>The Maternal and Child Health Service included 10 health and developmental checks for children from 0-3.5yrs, as well as offering breastfeeding, sleep and settling support and the opportunity to join a supported playgroup.</p> <p>The Youth Services team supported the development of young people and help them feel socially connected by providing mental health programs, leadership opportunities, youth spaces and events.</p>	1,488 <u>1,100</u> (388)

Service	Description	Net Cost Actual Budget Variance \$'000
Resource Recovery	We delivered high-quality kerbside waste and recycling collection services, and general waste management, which includes transfer stations, public place bins, disposing of waste, street cleaning, management of former landfill sites and other waste management services and undertook waste education program for the community.	12,143 <u>11,005</u> (1,138)
Recreation	<p>We have invested significantly in recreation and leisure infrastructure and continue to update facilities and sports grounds. During the year, we delivered projects including:</p> <ul style="list-style-type: none"> • Lancefield Park and Kyneton Showgrounds No. 1 oval behind goal safety netting • Romsey Oval drainage improvement • Completed Stages 1 and 2 of Ash Wednesday Park Master Plan, Macedon • Gardiner Reserve, Gisborne car park and landscaping works • Gisborne Fields Stage 2B – BBQ and picnic shelter • Hanging Rock cricket nets upgrade • Completion of Wyralla Reserve as a public open space • Barkly Square, Kyneton sports ground resurfacing • Woodend Golf Club clubhouse redevelopment works commenced • Gisborne District Bowling Club synthetic green project works commenced • We completed master plan reviews for: <ul style="list-style-type: none"> - Kyneton Showgrounds - Romsey Park - Gilbert Gordon Oval in Woodend - Dixon Field in Gisborne • We commenced development of the following Plans and Strategies: <ul style="list-style-type: none"> - Woodend Racecourse Reserve Master Plan - Macedon Ranges Skate and BMX Strategy - Community Equestrian Facilities Plan 	543 <u>666</u> 123

Service	Description	Net Cost Actual Budget Variance \$'000
Strategic Planning	<p>We were responsible for strategic land use planning and the administration of the Macedon Ranges Planning Scheme. The team engaged with the community and other stakeholders to develop strategies, policies and plans to guide the sustainable growth of the shire and management of our heritage places and spaces.</p> <p>We were responsible for the assessment and provision of advice to Council about development plans and zoning requests for specific areas and parcels of land. It provided a Heritage Advisory Service, which assisted the community and staff in assessing heritage value, and converted policies into the formal decision-making framework, such as planning scheme amendments.</p>	1,184 <u>1,185</u> 1
Arts and Events	<p>We provided many services to the community. They included:</p> <ul style="list-style-type: none"> • Presentation of a professional performance season at Kyneton Town Hall • Heritage exhibitions at Kyneton Museum and various locations around the shire • Opportunities to participate in and explore the arts • Targeted programs for young people through Creative Kids • Maintenance of a network of community halls • Venues for public hire • Arts industry advice and development • Support management of an art collection, including sculptural works, hung works, public art and memorials. <p>We continued to stimulate a thriving arts economy, fostered local talent and offered cultural experiences that connected communities, attracted visitors and encouraged self-expression.</p>	605 <u>630</u> 25

Service	Description	Net Cost Actual Budget Variance \$'000
Safer Communities	<p>We protected health and safety is through the delivery of animal management and control services, food safety activities including food sampling and food premises inspections, adequate signage, waste and wastewater management, provision of immunisation services, tobacco control, school crossing supervisors and notifications of infectious diseases.</p> <p>We monitored the public safety of buildings and swimming pools in accordance with regulatory requirements.</p> <p>We commenced the review of our current General Local Law 10, and prepared a draft new Community Local Law 2023.</p>	<p>1,756</p> <p><u>1,845</u></p> <p>89</p>

Service performance indicators

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

Aquatic facilities	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	0.00	1.00	1.00	
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.50	2.53	4.52	7.33	The increase in attendances a direct result of the removal of COVID associated facility closures/ patronage limit impacts in the current reporting period when compared to the previous reporting period.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	\$3.32	\$7.09	\$4.00	\$1.57	The reduction in operating costs was a direct result of the removal of COVID restrictions. Income generation increased to pre-pandemic levels, which offset fixed operational cost of sites.

Animal management	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Timelines Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.18	1.10	1.06	1.14	
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	50.28%	50.49%	54.47%	38.79%	Reclaim numbers dropped due to a significant increase in animal surrenders (from 45 in 2021/22 to 99 in 2022/23). Factors included increased dog attack and other behaviour related surrenders.
Animals rehomed [Number of animals rehomed / Number of animals collected] x100	22.33%	27.32%	27.23%	38.24%	Higher percentage of animals rehomed due to a drop in reclaims.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	\$20.08	\$18.22	\$18.15	\$22.55	Cost increase due to staff cost increases and pound cost increases.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100.00%	0.00%	0.00%	0.00%	The matters issued remain unresolved within the court system and have not reached a conclusion during this reporting period. Consequently, there have been no recorded animal management prosecutions for this year.

Food safety	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.13	2.96	2.33	2.17	
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	95.65%	77.54%	94.20%	99.38%	
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$298.43	\$290.16	\$391.30	\$374.53	

Food safety	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	95.52%	95.12%	100.00%	96.77%	One establishment that had previously received a 'major non-compliance outcome' did not undergo a follow-up inspection in the year 2022, thus impacting the reported percentage. It should be noted that this situation was addressed in 2023, although these actions took place after the conclusion of the current reporting period.

Libraries	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Utilisation Physical library collection usage [Number of library collection items purchased in the last five years / Number of library collection items] x100	4.48	4.48	5.01	5.02	
Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	72.10%	72.10%	73.78%	72.10%	
Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	16.28%	14.17%	12.24%	16.26%	Active users library borrowers was reported incorrectly in Council's 2021-22 Performance statement, and reflected quarter 4 borrowers only instead of total yearly borrowers. Therefore comparison to 2022 is data is difficult, however the increased percentage this year comparative to 2021 is likely a result of the removal of COVID-associated closures and restrictions.
Service cost Cost of library service per population [Direct cost of the library service / Population]	\$27.03	\$28.02	\$27.48	\$26.41	

Maternal and child health	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.42%	100.63%	100.00%	100.20%	
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$83.06	\$87.83	\$89.41	\$91.22	
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	103.17%	96.85%	102.24%	102.43%	

Maternal and child health	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	91.23%	78.67%	87.80%	80.00%	MRSC has relatively low numbers of Indigenous children within its population, thus fluctuations in the percentage of engagement reflect a small number, or even one family no longer engaging with the service. MRSC has seen 100% of Aboriginal children aged 0-2 years engaged in its services in the 2022-23 year. Thus the data reflects the reduction in the percentage of older children engaging in the service, which may be due to the impacts of COVID on service provision over the last few years, and individuals now being out of the habit of engaging with the service.

Statutory planning	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Timelines Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	93.00	98.00	121.00	130.00	Staff movements resulted in a higher officer caseload, which had an impact on time taken to make decisions.
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$3,221.60	\$3,073.47	\$2,888.70	\$3,861.31	There was an increased number of planning contractors/ consultants assisting with permit applications due to lack of resourcing. There was an increased number of legal representatives dealing with VCAT orders.
Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	70.05%	62.82%	49.77%	50.93%	Council sought external consultants to assist with the caseload in order to make timely decisions.

Statutory planning	2020 Result	2021 Result	2022 Result	2023 Result	Comments
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	100.00%	50.0%	53.33%	39.29%	Twenty-eight (28) decisions were considered by VCAT in relation to Council's planning applications during 2022-2023. Eleven (11) of these decisions did not set aside Council's prior decision in relation to a planning application during 2022-2023.

Waste collection	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	210.47	198.56	174.70	135.08	We worked collaboratively with the contractor to improve repair activities. This led to a reduction in requests.
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	8.51	8.69	6.31	3.80	The number of missed bins decreased since last year due to focused collaborative effort with the contractor.
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$127.19	\$93.28	\$106.41	\$106.88	

Waste collection	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$79.43	\$68.56	\$49.91	\$76.35	Costs increased substantially due to CPI and waste levy increases. In addition, as a result of the flood event which occurred in October 2022, our FOGO processor was inaccessible. Therefore Council had to send FOGO to a different processor for a period of two months, which increased costs substantially.
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	53.46%	64.67%	71.08%	70.52%	Diversion of kerbside waste from landfill remains high at 70.5% due to successful four-bin system roll out covering the remaining rural areas.

Strategic objective 3: Business and tourism

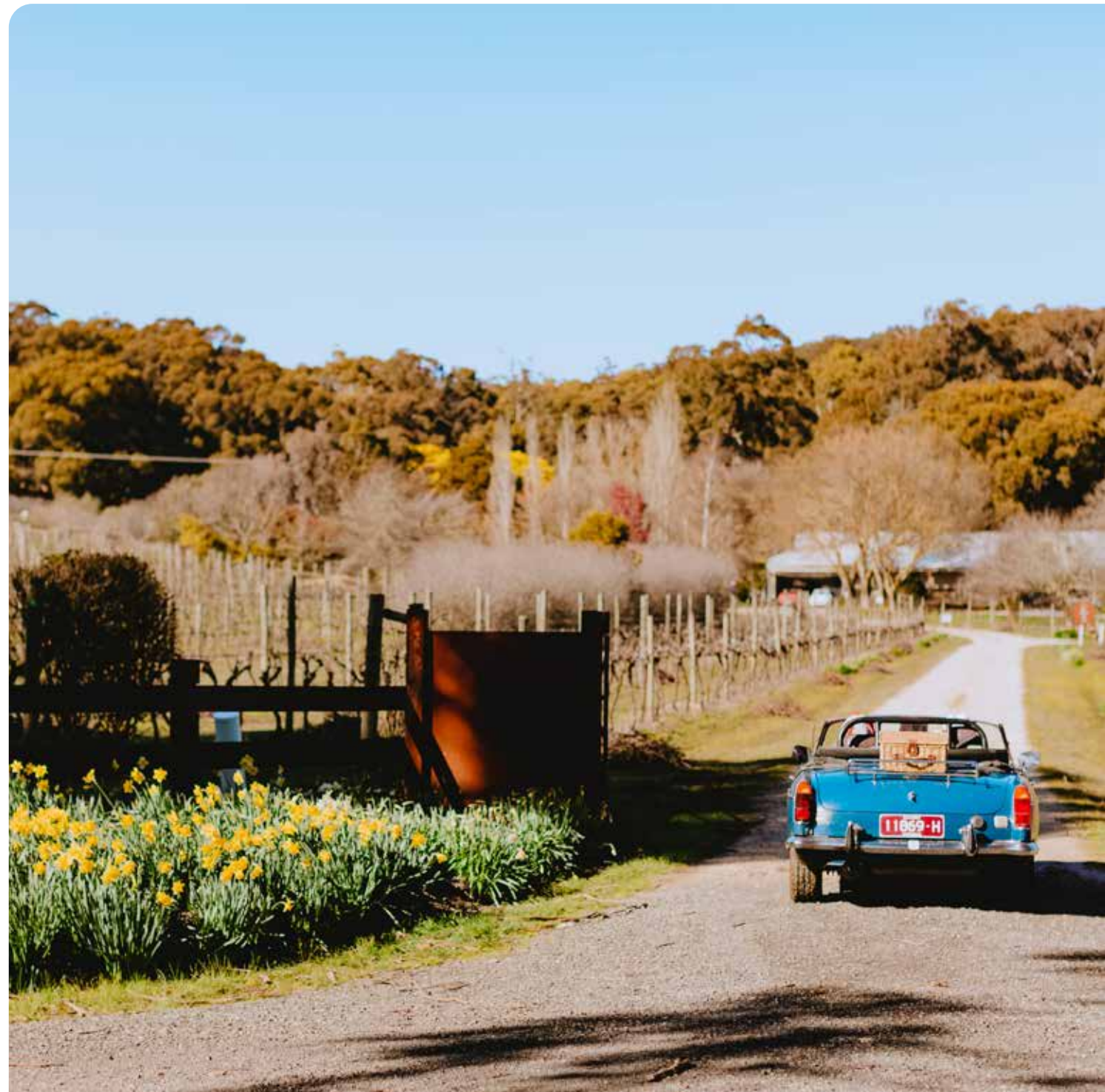


Image Local vineyard in Spring

Strategic indicators

The following statement reviews the performance of Council against the Council Plan 2021-2031, including results achieved in relation to the strategic indicators included in the Council Plan (Year Two 2022/23).

Strategic indicator/measure	Result	Result/Comments
Council continuing to meet with business networks: Hold at least four meetings during the year	100% Complete	Four formal meetings were organised and hosted by the Economic Development team and chaired by the president of the Romsey Region Business and Tourism Association. A number of other informal meetings were held as input and information sharing was required.
A commitment to being a small business-friendly Council Implement goals of the Small Business Friendly Charter within 12 months	100% Complete	All aspects of the charter were implemented. These included: <ul style="list-style-type: none">timely payment of invoices for local businessesstrong progress on plans to enable online permit applicationsongoing support to local business and tourism organisationsthe provision of pre-warning support to businesses to mitigate the impact of significant capital works projects.
Delivery of the Autumn Festival Increase in business and community events registered as part of the festival	100% Complete	This shire-wide festival was a great success, with more than 60 community groups, businesses, and artists coming together to host 50 fantastic events across all of our towns and villages. The Autumn Pie and Tart Trail was a standout, with 41 local businesses serving up some truly delicious and creative pies and tarts – we believe it is the biggest trail of its kind in Australia. The Autumn Festival had 125 business and community groups involved in 2023, which is an increase from the 100 in 2022.

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the Annual Budget 2022/23 for the year.

Major initiatives	Progress
Funding for the Autumn Festival as a key action of Council's adopted Events Strategy 2021–2025. The funding will enable the festival to continue into its third year. It will allow the tourism team to develop promotional materials, hire resources, and deliver the elements of support necessary to engage more businesses and community groups, to encourage participation and put the Autumn Festival on the map.	The festival garnered national recognition in 2022/23, winning silver at the Australian Tourism Awards in the festivals and events category and gold at the Victorian Tourism Awards. The festival resulted in positive outcomes for local businesses, with a significant increase in participation and support, especially in the autumn food and drink trails. The festival's successful marketing efforts have raised awareness of the region as an attractive visitor destination.
Support business development through profiling and celebrating local businesses via the Josh's Rainbow Eggs Macedon Ranges Business Excellence Awards 2022.	The monthly business eNews created an opportunity for local businesses to add their profile to the editorial. In addition, many businesses were promoted, profiled and celebrated via the Josh's Rainbow Eggs Macedon Ranges Business Excellence Awards 2022. This process and acknowledgement of excellence was both a business development tool as well as a significant opportunity to build on the buy local message. In 2023, the Community Choice Awards was introduced, with close to 80 businesses being nominated by the community and ultimately five category winners being announced. The promotion of the nominees and eventual winners was widely publicised via social and print media and the winners were presented their trophies and framed awards by the Mayor, Council officers and the sponsors at their place of business.

Services

The following statement provides information in relation to the services funded in the Annual Budget 2022/23 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$'000
Economic Development and Visitor Economy	<p>By developing and implementing tourism strategies and actions, we worked to raise the profile of the Macedon Ranges as a vibrant tourist destination. This included the following:</p> <ul style="list-style-type: none">• We operated two accredited visitor information centres (VICs) in Woodend and Kyneton. Council's annual partnership agreement with Daylesford Macedon Tourism (DMT) Regional Tourism Board, covering Macedon Ranges and Hepburn shire areas, maintained strong regional collaboration and has experienced some great success with visitation increasing across the region.• We delivered the annual shire-wide Autumn Festival that takes place over five weekends in autumn. The festival promotes tempting food and drink trails, nature-based adventures and engaging events that provide delightful experiences for locals and visitors alike.• We provided traffic management and visitor servicing support in Macedon and Mount Macedon to manage high levels of visitation to these villages in autumn. The Autumn Festival encourages visitor dispersal to other villages and towns within the Macedon Ranges during this time.• Tourism and community events were supported through the annual Events and Festivals Grant Program, which recognises the significant social and economic benefits events provide.• We oversaw the approval process for event and filming activities, providing valuable assistance to operators in executing them safely while adhering to the relevant guidelines and protocols.	<p>1,886 <u>1,752</u> (134)</p>

Service	Description	Net Cost Actual Budget Variance \$'000
Economic Development and Visitor Economy (cont.)	<ul style="list-style-type: none">• We supported the local business community via positive interactions with all business and tourism associations and industry-sector peak bodies, including the Macedon Ranges Accommodation Association, Macedon Ranges Vignerons Association and Tourism Macedon Ranges. Businesses considering relocation, expansion or increasing investment received input and guidance from the Economic Development team at critical points.• We provided local businesses with timely, accurate and up-to-date information from all government agencies during the COVID-19 pandemic. To enhance informed business decision-making, we assessed business impact, provided regular information updates and delivered targeted online business workshops and support. Helping local businesses to keep their customers and staff safe was a key focus, as was the delivery of financial support to local businesses via the Outdoor Activation Fund and the very popular Business Continuity and Resilience Program.• We delivered the Josh's Rainbow Eggs Macedon Ranges Business Excellence Awards celebrated the wide array of local businesses providing high quality products and services at a gala event in November 2022. In a change to the usual formal awards format, the Telstra Macedon Ranges Community Choice Awards was introduced in 2023, giving residents and visitors the opportunity to nominate businesses that provide a high level of customer service across five categories. The community choice and formal business awards will now be presented in alternating years.• We made considerable progress in terms of telecommunications connectivity in a number of locations across the shire through collaboration with regional service providers. Improvements to infrastructure at Mount Macedon, Woodend and Kyneton are either complete or underway. Further design and planning has been undertaken that will see additional improvements to services in Tylden, Gisborne South and other locations across the shire over time.• We advocated and promoted a buy local attitude with the delivery of a procurement and tendering information session for local businesses in May 2023. This well attended event was so well received that planning for a second similar session for July 2023 got underway.	

Strategic objective 4:
Strong and reliable government



Image Citizenship Ceremony Kyneton Town Hall

Strategic indicators

The following statement reviews the performance of Council against the Council Plan 2021-2031, including results achieved in relation to the strategic indicators included in the Council Plan (Year Two 2022/23).

Strategic indicator/measure	Result	Result/comments
Council continuing to meet the requirements of the <i>Local Government Act 2020</i>	100% Complete	Council Plan actions were monitored throughout the year and reported each quarter to Council
Monitor and report on the Council Plan actions each quarter		
A review of Council policies and frameworks	95% Complete	The Risk Management Framework was reviewed and drafts prepared to include a policy, guideline, procedure, a risk appetite statement and supporting tools. The Framework is to be endorsed in 2023/24 financial year. Council profiled its strategic and operational risks and are managing these in respective risk registers. The risk strategy is embedded within elements of the revised Risk Management Framework.
Implement a new Risk Strategy and Risk Register		
Our staff completing relevant training to ensure continuous improvement	75% Complete	Our Learning and Development team are continuing to support all areas of the organisation to ensure the 100% target rate is achieved, including improved reporting to leaders.
100% of Council staff complete required online training		
The implementation of the Community Engagement Framework, which will strengthen community engagement practice and consultation with the community	20% Complete	Research, including comparisons of best practice engagement guidelines within the industry, was undertaken in 2022/23 to support the creation of the Community Engagement Guidelines. Due to factors, including a change in scope and to better align with a proposed new online community engagement platform, the guidelines are now targeted for completion by the end of 2023.
Increase in community satisfaction with community consultation and engagement. Develop and implement the Community Engagement Guidelines		

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the Annual Budget 2022/23 for the year.

Major initiatives	Progress
Adopt the Council Plan (Year Three) for adoption by 30 June 2023.	Council Plan 2021-2031 (Year Three 2023-2024) was adopted by Council on 28 June 2023.
Negotiate a new Enterprise Bargaining Agreement for the organisation.	New Enterprise Agreement was approved by the Fair Work Commission and became effective 21 June 2023.

Services

The following statement provides information in relation to the services funded in the Annual Budget 2022/23 and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$'000
CEO Office	Led the organisation to deliver all the outcomes in the Council Plan.	724 674 (50)
Communications and Engagement	We supported teams across Council to produce a range of communications collateral, to promote Council initiatives and achievements. This included media releases, web news items, producing and distributing several printed Shire Life newsletters each year, providing content to community newsletters, producing tailored graphic design elements, managing the website and social media channels.	889 818 (71)
Director Corporate	Provided guidance to the business across strong and reliable government, and other priorities of Council.	469 359 (110)

Service	Description	Net Cost Actual Budget Variance \$'000
Governance	We supported our elected Councillors in performing their role and the decision-making process, including Council Meetings and Committees, Assemblies of Councillors, Conflict of Interest, and Delegations, and managed Freedom of Information and Privacy.	937 888 (49)
Finance and Reporting	<p>We paid more than 15,000 supplier invoices. The purchasing of goods and services is governed by our Procurement Policy, which aims for our purchasing processes to be open and transparent and deliver value for money.</p> <p>We produced the financial information for the Budget Report, Financial Plan, Quarterly Reports and Annual Report. The preparation was in accordance with applicable Australian Accounting Standards and the <i>Local Government Act 2020</i> and best-practice reporting. We also provided commentary to help our community understand our financial performance and position.</p> <p>We issued more than 84,000 rate instalments notices and 10,000 debtor invoices to users of Council services annually. We have provided our ratepayers with the option to receive email notices, and around 11 per cent of our ratepayers now receive their notices electronically.</p> <p>We worked with the Valuer-General Victoria to obtain valuations for over 23,000 properties annually and approximately 1,500 supplementary valuations each year.</p> <p>We leased over 100 properties to tenants for a variety of purposes, predominantly for community and recreational activities, and a small amount of commercial arrangements.</p> <p>We managed funds in accordance with our Investment Policy and through internal policies and procedures, in regard to cash handling and credit card usage.</p>	(10,366) (1,234) 9,132

Service	Description	Net Cost Actual Budget Variance \$'000
Information Services	<p>We provided and supported an Information and Communication Technology (ICT) environment, which consists of over 90 servers, plus 650 desktop and portable computers, with a wide area network spanning across more than 30 facilities within the shire. Develop and progressed an ICT Strategy to enhance our digital transformation and cloud journey.</p> <p>We provided project and contract management, business analysis and support services for both internally hosted and cloud-based applications, which support the operations of Council to ensure they are continually reviewed for adherence to industry best practice, system reliability and value for money.</p> <p>We led our Information Management practices, as well as classified and register over 70,000 items of incoming correspondence (both physical and digital), in accordance with the <i>Public Records Act 1973</i>.</p> <p>We maintained a Geographic Information System that provides thousands of layers of spatial data, covering more than 100 different themes. The system is accessible by all staff and a simplified version is available through our website.</p>	<p>3,481</p> <p><u>3,916</u></p> <p>435</p>
People and Wellbeing	<p>We provided advice and leadership to all employees in relation to recruitment, retention, induction and performance management.</p> <p>We managed the learning and development function, providing staff with formal training opportunities that are facilitated, and a range of learning that is maintained on an eLearning platform and made available to the majority of employees.</p> <p>We processed and managed payroll for over 750 staff across all departments and functions.</p> <p>We provided expert occupational health and safety advice across the organisation, to keep employees and the community safe.</p> <p>We supported the community and Council employees with the management of all insurance claims, strategic risk management and operational risk management.</p>	<p>2,500</p> <p><u>2,650</u></p> <p>150</p>

Service performance indicators

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

Governance	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors] x100	8.68%	2.24%	2.82%	4.51%	<p>The number of closed meetings increased in the period to enable Council to address matters related to commercial negotiations, Council business and personal information. The increase from the previous period is due to Council considering matters related to service delivery ahead of discussions with affected individuals or businesses.</p> <p>The increase appears large, however is the result of an increase on a low number – an increase from seven to 11 decisions made at closed meetings results in a 60 per cent increase in this measure. In addition, as a result of the impact of the current economic climate Council has considered implications for commercial arrangements.</p>

Governance	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	51.00	49.00	48.00	45.00	The decline is attributable to the youngest cohort surveyed who have demonstrated a decline in their positive perception. Council is looking at the means of communicating to this cohort on decisions, the basis on which they are made and how our community can participate in decision making. The other cohorts surveyed are relatively steady in their perception of Council's decision making, with the over 65 age group being the most positive.
Attendance Councillor attendance at Council meetings [The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100	89.81%	98.69%	95.24%	88.10%	

Governance	2020 Result	2021 Result	2022 Result	2023 Result	Comments
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$38,913.22	\$56,568.56	\$51,061.44	\$53,933.29	
Satisfaction Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	52.00	47.00	48.00	45.00	The decline is attributable to the youngest cohort surveyed who have demonstrated a decline in their positive perception. Council is looking at the means of communicating to this cohort on decisions, the basis on which they are made and how our community can participate in decision making. The other cohorts surveyed are relatively steady in their perception of Council's decision making, with the over 65 age group being the most positive.

Our Governance



Image Councillors at Gisborne Administration Centre

Governance

Macedon Ranges Shire Council operates under the *Local Government Act 2020* (the Act) to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

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

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

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

Meetings of Council

Council conducts open public meetings on the fourth Wednesday of each month, though if required, Council may hold a meeting at a different time. Members of the community are welcome to attend the meetings and observe from the gallery. All Council meetings are livestreamed, and the recordings are available online after the meeting. Community members may submit a question or a petition for consideration at a Council meeting. For the 2022/23 year, there were 14 Council meetings held.

Table Summary of Councillor attendance at Council meetings for the 2022/23 financial year.

Councillors	Council meeting
Cr Annette Death (Mayor)	13
Cr Jennifer Anderson (Deputy Mayor)	14
Cr Mark Ridgeway	13
Cr Dominic Bonanno*	8
Cr Rob Guthrie	14
Cr Geoff Neil	11
Cr Anne Moore	11
Cr Janet Pearce	14
Cr Bill West	14

*Cr Bonanno was granted leave of absence from 28 September 2022 to 6 December 2022.

Delegated committees

Council's Delegated Committees hear from submitters on planning matters, budgets or other matters, as required, following community consultation.

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

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

Council has established two delegated committees – Planning Delegated Committee and Submitters Delegated Committee – both consisting of all Councillors and chaired by the Mayor.

Planning Delegated Committee meetings are held online on the second Tuesday of each month and members of the community can view the livestreamed meeting or access the recordings online post meeting. Submitters Delegated Committee meetings are held when required following a resolution of Council.

Table Delegated committees established by Council that are in operation and the purpose for which each committee was established.

Delegated committee ¹	Councillors	Officers	Other	Council meeting
Planning Delegated Committee	All Councillors (9)	Nil	Nil	To hear from applicants / landowners and objectors / submitters on statutory and strategic planning matters.
Submitters Delegated Committee	All Councillors (9)	Nil	Nil	To hear from persons who have made submissions to Council in accordance with section 223 of the <i>Local Government Act 1989</i> or pursuant of Council's Community Engagement Policy.

¹ Has delegated functions, duties or powers

Code of conduct

The Act requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 27 January 2021, Council adopted a revised Councillor Code of Conduct which is designed to:

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

In addition to setting out the Councillor conduct principles, the Code also outlines:

- requirements related to misuse of position, improper direction, breach of confidentiality and conflict of interest as required under the Act
- roles and relationships
- dispute resolution procedures.

Governance Rules

Council adopted its revised Governance Rules at the December 2022 Council Meeting, which outlines the 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.

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 a Council delegates its powers to a Council officer or a Delegated Committee member they also need to act in the public interest.

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

Council's Governance Rules outline the process for disclosing a conflict of interest and actions to address the disclosed conflict of interest, such as removing oneself from the decision-making process, including discussions. All Council and Delegated Committee meetings include a standard agenda item where conflicts of interest are declared.

A register is maintained to record all disclosed conflict of interests. During 2022/23, conflicts of interest were declared on 14 occasions at Council and Delegated Committee meetings.

Councillor allowances

In accordance with Section 39 of the Act, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor and the Deputy Mayor are also entitled to receive a higher allowance.

The Victorian Independent Remuneration Tribunal determined the value of allowances paid to Councillors and Mayors. Allowances were adjusted in December in accordance with the Tribunal's determination. Councils are divided into four categories. Macedon Ranges Shire Council is a category two council.

Table Details of current allowances fixed for the Mayor, Deputy Mayor and Councillors during the year.

Councillors	Allowance \$
Cr Annette Death (Mayor) ¹	71,215
Cr Jennifer Anderson (Deputy Mayor) ²	69,549
Cr Mark Ridgeway	30,799
Cr Dominic Bonanno*	23,221
Cr Rob Guthrie ³	38,387
Cr Geoff Neil	30,799
Cr Anne Moore	30,799
Cr Janet Pearce	30,799
Cr Bill West	30,799

¹ Cr Annette Death was Mayor from 22/11/2022 to 30/06/2023
² Cr Jennifer Anderson was the Mayor from 01/07/2022 to 22/11/2022 and Deputy Mayor from 22/11/2022 to 30/06/2023
³ Cr Rob Guthrie was Deputy Mayor from 01/07/2022 to 22/11/2022.
*Cr Bonanno did not receive allowances from 28 September 2022 until 6 December 2022 as part of his leave of absence.

Councillor expenses

In accordance with Section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred whilst performing their duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

Council's Delegated Committees consist of all Councillors, therefore there were no reimbursements paid to Delegated Committee members who are not Councillors. Councillors do not receive separate reimbursements for their roles as Delegated Committee members.

Table Details of the expenses, including reimbursement of expenses for each Councillor paid by the Council, for the 2022/23 year are set out in the following table:

Councillors	TR \$	CM \$	CC \$	IC \$	CT \$	Total \$
Cr Annette Death (Mayor)	0	0	302	534	1,249	2,085
Cr Jennifer Anderson (Deputy Mayor)	156	3,529	0	522	1,258	5,465
Cr Mark Ridgeway	0	5,116	0	363	0	5,479
Cr Dominic Bonanno	0	1,439	0	234	4,021	5,694
Cr Rob Guthrie	0	4,552	0	358	0	4,910
Cr Geoff Neil	0	6,224	0	258	0	6,482
Cr Anne Moore	0	0	0	301	0	301
Cr Janet Pearce	0	5,379	0	524	2,094	7,997
Cr Bill West	0	0	0	522	0	522

Legend TR-Travel CM-Car mileage CC-Child care IC-Information and communication expenses CT-Conferences and training expenses.

Management

Council has implemented several statutory and better practice items to strengthen our management framework. Strong governance and management frameworks support better decision-making by Council. Under the *Local Government Act 2020*, Council is required to undertake an assessment against the prescribed governance and management checklist and include this in our annual report.

Our governance and management checklist results are provided at the end of this section.

During 2022/23, we continued to provide quarterly reports against the governance checklist developed in 2018/19. The following

items have been highlighted as important components of the management framework.

Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment. The Audit and Risk Committee consists of four independent members, Mr Peter Matthews (Chairperson), Mr Jonathon Kyvelidis, Ms Vinitha Pinto and Ms Magdalena Williams, and two Councillors appointed by Council, being Councillor Ridgeway and Councillor Neil. Independent members are appointed

for a four-year term, with a maximum of three terms. The chair is elected from amongst the independent members.

The Audit and Risk Committee meets five times a year. The Internal Auditor, Chief Executive Officer, Director Corporate, Manager Finance and Reporting and Coordinator Risk attend all Audit and Risk Committee meetings. Other management representatives attend as required to present reports. External auditors attend these meetings throughout the year to present the audit plan and independent audit report.

The Audit and Risk Committee Chairperson reports to Council twice a year on matters the Committee have considered at their meetings during the previous six months.

Internal audit

Council’s internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. The service is provided by HLB Mann Judd, who has extensive local government experience. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council’s risk framework, the Council Plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit and Risk Committee annually.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the SIAP to provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible director and manager for each area reviewed are required to attend the Audit and Risk Committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated.

Recommendations are assigned to the responsible manager and tracked in Council’s

performance management system. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Management Team and the Audit and Risk Committee. Quality assurance is measured through client satisfaction surveys for each review, the annual Audit and Risk Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The SIAP for 2022/23 was completed with the following reviews conducted:

- information technology governance
- communications
- aquatic and fitness facilities
- procurement – open space and recreation, depot and facility management
- professional advice practices and controls.

External audit

Council is externally audited by the Victorian Auditor-General’s Office. For the 2022/23 year the annual external audit of Council’s Financial Statements and Performance Statement was conducted by the Victorian Auditor-General’s Office. The external auditors attend the Audit and Risk Committee meetings to present the annual audit plan, independent audit report and external audit management letter, and responses are also provided to the Audit and Risk Committee.

Risk management

Managing risk continues to be a priority for Council with the profiling of the operational and strategic risks conducted in early 2022/23. High level support and work was conducted to manage all the risks in the respective risk registers in accordance with the Risk Management Framework.

Council continues to engage with our insurer to provide specific risk management training for staff in areas of high-risk work areas and learn from case studies. A review of the Risk Management Framework has also been conducted with a view to adopt in early 2023/24.

Governance and management checklist

The following are the results in the prescribed form of Council’s assessment against the prescribed governance and management checklist.

Governance and management items	Assessment	
1. Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Policy reviewed and adopted in accordance with section 55 of the Act Community Engagement Policy Date of adoption: 22 June 2022	<input checked="" type="checkbox"/>
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines are being developed Guidelines are expected to be adopted by the end of December 2023.	<input type="checkbox"/>
3. Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Financial Plan 2021-2031 Date of adoption: 27 October 2021	<input checked="" type="checkbox"/>
4. Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Asset Plan 2021-2031 Date of adoption: 22 June 2022	<input checked="" type="checkbox"/>
5. Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Revenue and Rating Plan 2021-2025 Date of adoption: 29 June 2021	<input checked="" type="checkbox"/>
6. Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Adopted in accordance with section 94 of the Act Annual Budget 2023-24 Date of adoption: 28 June 2023	<input checked="" type="checkbox"/>
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy has been adopted Risk Management Policy Date of commencement of current policy: 27 April 2022	<input checked="" type="checkbox"/>

Governance and management items	Assessment	
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy has been adopted Fraud and Corruption Control Policy Date of commencement of current policy: 22 June 2022	☑
9. Municipal emergency management plan (plan under section 60ADB of the <i>Emergency Management Act 2013</i> for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 60ADB of the <i>Emergency Management Act 2013</i> Municipal Emergency Management Plan Date of adopted: 21 October 2020	☑
10. Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council)	Adopted in accordance with section 108 of the Act Procurement Policy Date of adoption: 24 November 2021	☑
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan in operation Date of adoption: 28 July 2017	☑
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	The Disaster recovery plan was developed but not adopted prior to 30 June	☒
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Risk management framework in place. Date of commencement: 27 November 2019	☑
14. Audit and Risk Committee (see sections 53 and 54 of the Act)	Audit and Risk Committee established and the Audit and Risk Committee Charter updated and adopted Date of establishment: 26 August 2020 Date of charter update: 14 December 2022	☑
15. Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement of current provider: 27 July 2019	☑

Governance and management items	Assessment	
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Performance reporting framework in place Date of adoption of current framework: 25 November 2020	☑
17. Council Plan report (report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Plan report presented to Council Date of report: 31 October 2022	☑
18. Financial reporting (quarterly statements to Council under section 97(1) of the Act, comparing actual and budgeted results and an explanation of any material variations)	Financial reporting presented to the Council in accordance with section 97(1) of the Act Date reports presented: 24 August 2022, 23 November 2022, 22 February 2023 and 24 May 2023	☑
19. Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reporting presented to Council Date reports presented: 24 August 2022 and 22 February 2023	☑
20. Performance reporting (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Performance reporting presented to Council Date reports presented: 24 August 2022 and 22 February 2023	☑
21. Annual report (annual report under sections 98, 99 and 100 of the Act, containing a report of operations and audited financial and performance statements)	Presented at a meeting of Council in accordance with section 100 of the Act Date statements presented: 31 October 2022	☑
22. Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 27 January 2021	☑

Governance and management items	Assessment
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act))	<p>Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act</p> <p>Date of review:</p> <p>S11(1)(a) Council to members of delegated committee – Planning Delegated Committee endorsed 22/02/2023</p> <p>Submitters Delegated Committee endorsed 22/02/2023</p> <p>s11(1)(b) Council to Chief Executive Officer endorsed 28/09/ 2022</p> <p>s47(1) CEO Sub-delegation to Council Staff 12/04/2022</p> <p>CEO to Community Asset Committee Stanley Park 22/06/2022</p> <p>s47(2) CEO to Council Staff 04/05/2020</p> <p>CEO to Council Staff (the Act) 1/06/2020</p>
24. Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	<p>Governance Rules adopted in accordance with section 60 of the Act</p> <p>Date Governance Rules adopted: 14 December 2022</p>



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



Bernie O'Sullivan
Chief Executive Officer
Dated: 20 October 2023



Cr Annette Death
Mayor
Dated: 20 October 2023

Statutory information

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

Public information

Council's Public Transparency Policy provides guidance to the community regarding access to Council information. This policy outlines what Council information is available for the community to access in accordance with the principles of transparency and good governance in the Act. It also details where and how the community can access this information.

Contracts

Council contracts greater than a value of \$220,000, conduct strategic reviews out to determine:

- whether the service is still required
- the strategic approach for delivering and providing the service
- how the service aligns to Council's strategic objectives
- analysis of the supplier market
- the best procurement methodology and delivery.

Council issued 21 tenders in 2022/23, covering the following service categories:

- cleaning Council facilities
- bulk waste and recycling services
- consultancy and other work
- capital and infrastructure works
- signage – design, manufacture and installation
- supply quarry products
- bushland services.

Contracts entered into by Council within Council's Procurement Policy threshold for Public Tender.

Contract #	Contract title	Contractor	Contract value
C22-1148	Essential Safety Measures, Audit and Reporting	Statcom Systems Pty Ltd	\$125,400
C22-1168	Kyneton Museum - Minor Works	Stokes Rousseau Pty Ltd	\$461,862
C23-1170	Barkly Square Sportsfield Reconstruction	Global Turf Projects Pty Ltd	\$1,067,630
C2023-06	Riddells Creek Leisure Centre Extension	SCMS Schoolbuilders	\$327,907

Contract #	Contract title	Contractor	Contract value
C2023-08	Bulk Waste and Recycling Services	Veolia	\$2,424,980
C2023-09	Guardrail Reinstatement Works	Waratah Constructions	\$271,955
C2023-12	Hamilton Street and Fitzgerald Street, Riddells Creek - Road Reconstruction	Newearth Constructions	\$590,653
C2023-13	Cleaning Council Facilities	Blue Sky Services	\$4,372,490
C2023-14	Public Place and Reserve Litter Bin Collection	Excalibur Services Pty Ltd	\$1,301,502
C2023-15	Project Management Shared Trails	Regional Management Group Pyt Ltd	\$342,860
C2023-16	Five Mile Creek Footbridge, Wood St, Woodend	Naturform Pty Ltd	\$204,240
C2023-17	Provision of Cold Premix/Hot Asphalt	Boral Resources (Vic) Pty Ltd	Schedule of Rates
C2023-18	Woodend Golf Club Renewal	SCMS Schoolbuilders	\$471,770
C2023-25	Manna Gum Landscape Upgrade Stage 1	Landstruct Landscape Construction Pty Ltd	\$411,940
C2023-27	Road Reconstruction and Footpath Construction Gisborne	Newearth Constructions	\$2,057,333
C2023-29	Design and Construct Synthetic Green Gisborne Bowling Club	Tiger Turf Australia	\$366,123
C2023-32	Gisborne Fields Redevelopment Stage 4	Landstruct Landscape Construction Pty Ltd	\$195,098
C2023-33	Footbridge Replacement Main Road Riddells Creek	GR Design & Construct Pty Ltd	\$142,139
C2023-20/01	Bushland Services	Guppy Enterprises Pty trading as Aus Eco Soutions	Schedule of Rates
C2023-20/02	Bushland Services	Platypus Environmental Services	Schedule of Rates
C2023-20/03	Bushland Services	BLIK Heritage Services Pty Ltd	Schedule of Rates
C2023-20/04	Bushland Services	Envirovic2000 Pty Ltd	Schedule of Rates
C2023-20/05	Bushland Services	Southern Ecosystems Management	Schedule of Rates
C2023-20/06	Bushland Services	HLM Aust Pty Ltd T/A Habitat Land Management	Schedule of Rates

Contract #	Contract title	Contractor	Contract value
C2023-20/07	Bushland Services	Djandak	Schedule of Rates
C2023-20/08	Bushland Services	Bushco	Schedule of Rates
C2023-20/09	Bushland Services	Acacia Environmental Management Pty Ltd	Schedule of Rates
C2023-20/10	Bushland Services	Tailored Ecology T/A TREC Land Services	Schedule of Rates
C2023-22/1	Signage - Design, Manufacture and Installation	Macedon Ranges Signs	Schedule of Rates
C2023-22/2	Signage - Design, Manufacture and Installation	Allied Print Aus Pty Ltd	Schedule of Rates
C2023-22/3	Signage - Design, Manufacture and Installation	Sardine Design	Schedule of Rates
C2023-31/1	Supply Panel Quarry Products	Mustey's Earthmoving Pty Ltd	Schedule of Rates
C2023-31/2	Supply Panel Quarry Products	Allstone Quarries Pty Ltd	Schedule of Rates
C2023-31/3	Supply Panel Quarry Products	Fulton Hogan Industries Pty Ltd	Schedule of Rates
C2023-31/4	Supply Panel Quarry Products	E.B Mawson & Sons Pty Ltd	Schedule of Rates

Council entered into two contracts valued above Council's Procurement Policy threshold for Public Tender, but for which Council did not invite a tender or seek an expression of interest and which did not meet the conditions for the Council to purchase goods or services without inviting a public tender. These are:

Description	Business	Expenditure
Wide spread flooding posed a challenge for FOGO waste to be taken to the usual contractor. An alternative site was required.	Repurpose It	\$257,710
Storm-damage emergency, necessitating the procurement of pumps and equipment to address storm water issues.	Tree Masons	\$231,091

Disability Action Plan

In accordance with Section 38(1) of the *Disability Act 2006*, as Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its annual report. Council has prepared a Disability Action Plan and implemented the following actions:

- celebrated International Day of People with a Disability
- promoted events such as Carers Week and International Day of People with a Disability
- developed accessible publication guidelines.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994* Section 68a(1), Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report. Council's current Domestic Animal Management Plan 2021–25 is being implemented. A key action currently under development is a communications and education program promoting responsible pet ownership, ready for launching in the next financial year.

Food Act Ministerial Directions

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

Freedom of information

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

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

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

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer using the form available on Council's website. Requests can also be lodged by post, online or email.

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

Further information regarding Freedom of Information can be found at ovic.vic.gov.au/freedom-of-information and on the Macedon Ranges Shire Council website.

Public Interest Disclosure procedures

In accordance with section 70 of the *Public Interest Disclosure Act 2012* Council must include in its annual report information about how to access the procedures established by Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

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

During the 2022/23 year three disclosures were notified to Council officers appointed to receive disclosures. No matters were referred to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial Direction in its annual report. No such Ministerial Directions were received by Council during the 2022/23 financial year.

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development

agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council's annual report.



Image Geese crossing the road in Riddells Creek
Photo credit: Rodney Dekker

For the 2022/23 year the following information about development contributions is disclosed:

Infrastructure Contribution Plans (ICP)
No ICP levies were received in 2022/23.
No ICP land, works, services or facilities accepted in-kind in 2022/23.
No ICP contributions have been received and expended to date.
No land, works, services or facilities were delivered in 2022/23 from ICP contributions collected.

Development Contribution Plans (DCP)	Levies received in 2022/23 financial year (\$)
Gisborne Development Plan (2013)	704,762
Romsey Development Plan (2012)	13,023
Total	717,785

DCP land, works, services or facilities accepted in-kind in 2022/23

Council did not accept any in-kind DCP land, works, services or facilities in 2022/23.

**Total DCP contributions received and expended to date
(for DCPs approved after 1 June 2016)**

Council does not have any DCPs approved after 1 June 2016.

Land, works, services or facilities delivered in 2022/23 from DCP levies collected

No land, works, services or facilities were delivered in 2022/23 from DCP levies collected.

Note: Council does not have any Infrastructure Contribution Plans.

Glossary

Term	Definition
Act	means the <i>Local Government Act 2020</i>
Annual Report	means a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Appropriateness	means indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal or outcome
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
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 year
Financial performance indicators	means a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency
Financial plan	means a plan of the financial and non-financial resources for at least the next ten years required to achieve the strategic objectives in the council plan. It is also referred to as a long term financial plan
Financial statements	means the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports 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
Governance and management checklist	means a prescribed checklist of policies, plans and documents that councils must report the status of in the report of operations, covering engagement, planning, monitoring, reporting and decision making
Indicator	means what will be measured to assess performance
Initiatives	means actions that are one-off in nature and/or lead to improvements in service
Major initiative	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

Term	Definition
Measure	means how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator
Minister	means the Minister for Local Government
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
Integrated strategic planning and reporting framework	means the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
Regulations	means the Local Government (Planning and Reporting) Regulations 2020
Relevance	means indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved
Report of operations	means a report containing a description of the operations of the council during the financial year and included in the annual report
Services	means assistance, support, advice and other actions undertaken by a council for the benefit of the local community
Service outcome indicators	means the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved
Service performance indicators	means a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes
Strategic objectives	means the outcomes a council is seeking to achieve over the next four years and included in the council plan
Strategies	means high level actions directed at achieving the strategic objectives in the council plan
Sustainable capacity indicators	means a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management

Financial and performance statements



Image Kyneton streetscape
Photo credit: Rodney Dekker

Appendix A

Macedon Ranges Shire Council Financial Statements


For the Year Ended 30 June 2023

Table of Contents

Certification of the Financial Statements	116	4.7. Borrowing costs	134
Victorian Auditor-General's Office Report	117	4.8. Finance cost - leases	134
Financial Statements		4.9. Other expenses	134
Comprehensive Income Statement	119	Note 5 Our financial position	135
Balance Sheet	120	5.1. Financial assets	135
Statement of Changes in Equity	121	5.2. Non-financial assets	136
Statement of Cash Flows	122	5.3. Payables, trust funds and deposits and unearned income/revenue	137
Statement of Capital Works	123	5.4. Interest bearing liabilities	138
Overview		5.5. Provisions	139
Notes to Financial Statements	124	5.6. Financing arrangements	140
Note 1 Overview	124	5.7. Commitments	141
Note 2 Performance against budget	125	5.8. Leases	142
2.1. Income and expenditure	126	Note 6 Assets we manage	144
2.2. Capital works	127	6.1. Property infrastructure plant and equipment	144
2.3. Analysis of Council results against budget	128	6.2. Investments in associates	151
Note 3 Funding for the delivery of our services	129	6.3. Investment property	151
3.1. Rates and charges	129	Note 7 People and relationships	152
3.2. Statutory fees and fines	129	7.1. Council and key management remuneration	153
3.3. User fees	129	7.2. Related party disclosure	154
3.4. Funding from other levels of government	130	Note 8 Managing uncertainties	155
3.5. Contributions	132	8.1. Contingent assets and liabilities	155
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	132	8.2. Change in accounting standards	155
3.7. Other income	132	8.3. Financial instrument	156
Note 4 The cost of delivering services	133	8.4. Fair value measurement	157
4.1. Employee costs	133	8.5. Events occurring after balance date	158
4.2. Materials and services	133	Note 9 Other matters	159
4.3. Depreciation	133	9.1. Reserves	160
4.4. Amortisation - intangible assets	134	9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	161
4.5. Amortisation - right-of-use assets	134	9.3. Superannuation	162
4.6. Bad and doubtful debts	134	9.4. Correction of prior period error	165
		Note 10 Change in accounting policy	167

Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.


Travis Harling
Principal Accounting Officer

27 September 2023
Gisborne

In our opinion the accompanying financial statements present fairly the financial transactions of Macedon Ranges Shire Council for the year ended 30 June 2023 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 2020* to certify the financial statements in their final form.


Mark Ridgeway
Councillor

27 September 2023
Gisborne


Geoff Neil
Councillor

27 September 2023
Gisborne


Bernie O'Sullivan
Chief Executive Officer

27 September 2023
Gisborne

Independent Auditor's Report

To the Councillors of Macedon Ranges Shire Council

Opinion	<p>I have audited the financial report of Macedon Ranges Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</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
6 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement for the year ended 30 June 2023

	Note	2023 \$'000	2022 Restated \$'000
Income			
Rates and charges	3.1	58,267	56,178
Statutory fees and fines	3.2	3,233	3,474
User fees	3.3	7,142	5,258
Grants - operating	3.4	24,477	27,665
Grants - capital	3.4	7,521	8,839
Contributions - monetary	3.5	3,460	2,475
Contributions - non monetary	3.5	4,693	15,145
Net gain (loss) on disposal of property, infrastructure, plant & equipment	3.6	832	(2,416)
Fair value adjustments for investment property	6.3	303	64
Share of net profits of associates	6.2	15	79
Other income	3.7	15,335	12,544
Total income		125,278	129,305
Expenses			
Employee costs	4.1	41,861	35,574
Materials and services	4.2	45,674	53,880
Depreciation	4.3	15,592	14,968
Amortisation - intangible assets	4.4	167	186
Amortisation - right of use assets	4.5	368	357
Bad and doubtful debts - allowance for impairment losses	4.6	2	24
Borrowing costs	4.7	132	150
Finance cost - leases	4.8	24	72
Decrease (increase) in provision for landfill liability	5.5	379	(550)
Loss on revaluation of other Infrastructure	6.1	625	-
Other expenses	4.9	3,088	2,975
Total expenses		107,912	107,636
Surplus for the year		17,366	21,669
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit in future periods</i>			
Net asset revaluation increment	6.1	67,452	117,063
Total comprehensive result		84,818	138,732

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

Balance Sheet

	Note	30 June 2023	30 June 2022	01 July 2021
		\$'000	Restated \$'000	Restated \$'000
Assets				
Current assets				
Cash and cash equivalents	5.1(a)	39,577	44,384	40,663
Trade and other receivables	5.1(d)	16,091	12,730	6,122
Other financial assets	5.1(b)	10,000	1,000	5,000
Prepayments	5.2	594	698	479
Other assets	5.2	1,551	1,847	18
Total current assets		67,813	60,659	52,282
Non-current assets				
Other financial assets	5.1(b)	21	21	21
Investments in associates	6.2	1,447	1,432	1,353
Property, infrastructure, plant and equipment	6.1	1,380,771	1,296,301	1,157,568
Right-of-use assets	5.8	345	583	940
Investment property	6.3	2,933	2,630	2,566
Intangible assets	5.2	416	546	552
Total non-current assets		1,385,933	1,301,513	1,163,000
Total assets		1,453,746	1,362,172	1,215,282
Liabilities				
Current liabilities				
Trade and other payables	5.3	9,413	8,108	6,844
Trust funds and deposits	5.3	6,952	5,955	5,491
Unearned Income	5.3	16,668	14,908	7,008
Provisions	5.5	6,730	6,554	6,873
Interest-bearing liabilities	5.4	391	208	508
Lease liabilities	5.8	256	414	400
Total current liabilities		40,410	36,147	27,124
Non-current liabilities				
Provisions	5.5	4,934	4,113	4,431
Interest-bearing liabilities	5.4	5,117	3,308	3,515
Lease liabilities	5.8	131	268	608
Total non-current liabilities		10,182	7,689	8,554
Total liabilities		50,592	43,836	35,678
Net assets		1,403,154	1,318,336	1,179,604
Equity				
Accumulated surplus		707,240	694,775	674,842
Reserves	9.1	695,914	623,561	504,762
Total equity		1,403,154	1,318,336	1,179,604

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

Statement of Changes in Equity for the year ended 30 June 2023

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023					
Balance at beginning of the financial year		1,318,336	694,775	607,742	15,819
Surplus for the year		17,366	17,366	-	-
Net asset revaluation increment	6.1	67,452	-	67,452	-
Transfers to other reserves	9.1	-	(7,334)	-	7,334
Transfers from other reserves	9.1	-	2,433	-	(2,433)
Balance at end of the financial year		1,403,154	707,240	675,194	20,720

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022					
Balance at beginning of the financial year		1,164,343	659,581	490,679	14,083
Prior year adjustment	9.4	15,261	15,261	-	-
Balance at beginning of the financial year - restated		1,179,604	674,842	490,679	14,083
Surplus for the year		21,669	21,669	-	-
Net asset revaluation increment	6.1	117,063	-	117,063	-
Transfers to other reserves	9.1	-	(4,035)	-	4,035
Transfers from other reserves	9.1	-	2,299	-	(2,299)
Balance at end of the financial year		1,318,336	694,775	607,742	15,819

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

Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 Inflows/ (Outflows) \$'000	2022 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		57,365	55,328
Statutory fees and fines		3,233	3,474
User fees		7,372	19,934
Grants - operating		26,237	20,867
Grants - capital		6,816	8,398
Contributions - monetary		4,165	2,916
Interest received		1,439	101
Trust funds and deposits taken		2,549	356
Other receipts		13,048	5,189
Net GST refund		6,612	4,400
Employee costs		(40,922)	(35,580)
Materials and services		(52,266)	(52,915)
Trust funds and deposits repaid		(1,629)	-
Other payments		(3,786)	(7,603)
Net cash provided by operating activities	9.2	<u>30,233</u>	<u>24,865</u>
Cash flows from investing activities			
Payments for investments		(61,000)	-
Proceeds from sale of investments		52,000	4,000
Payments for property, infrastructure, plant and equipment		(30,805)	(24,667)
Proceeds from sale of property, infrastructure, plant and equipment		3,223	578
Net cash used in investing activities		<u>(36,582)</u>	<u>(20,089)</u>
Cash flows from financing activities			
Finance costs		(132)	(150)
Proceeds from borrowings		2,200	-
Repayment of borrowings		(208)	(507)
Interest paid - lease liability		(24)	(72)
Repayment of lease liabilities		(294)	(326)
Net cash provided by/(used in) financing activities		<u>1,542</u>	<u>(1,055)</u>
Net increase in cash and cash equivalents		(4,807)	3,721
Cash and cash equivalents at the beginning of the financial year		44,384	40,663
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>39,577</u>	<u>44,384</u>
Financing arrangements	5.6		

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

Statement of Capital Works for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Property		
Buildings and building improvements	3,179	4,786
Total property	<u>3,179</u>	<u>4,786</u>
Plant and equipment		
Plant, machinery and equipment	1,307	1,908
Computers and telecommunications	290	344
Total plant and equipment	<u>1,597</u>	<u>2,252</u>
Infrastructure		
Roads	9,274	7,377
Bridges	615	1,015
Footpaths and cycleways	2,286	2,617
Drainage	752	389
Recreational, leisure and community facilities	11,167	1,567
Parks, open space and streetscapes	1,348	1,959
Other infrastructure	752	2,848
Total infrastructure	<u>26,194</u>	<u>17,772</u>
Total capital works expenditure	<u>30,970</u>	<u>24,810</u>
Represented by:		
New asset expenditure	11,727	4,409
Asset renewal expenditure	17,832	19,262
Asset upgrade expenditure	1,411	1,139
Total capital works expenditure	<u>30,970</u>	<u>24,810</u>

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

Notes to the Financial Statements for the year ended 30 June 2023

Note 1 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 the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- 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 3)
- other areas requiring judgements

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

Note 1 Overview (cont.)

1.1 Basis of accounting (cont.)

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

1.2 Impact of natural disaster events

During 2022/23, Council undertook recovery works for State Government and the significant nature of the works impacted Council's operations. Council has noted the following significant impacts on its financial operations:

- Revenue increase – other income, amounts paid to Council for the reimbursement of site and processing costs of recycled storm timber \$11,544,000
- Expense increase - material and services expenses incurred by Council for storm recovery costs \$10,855,000
- Expense increase - material and services expenses incurred by Council for flood recovery \$2,034,000

Note 2 Analysis of our results

2.1 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 2020* requires explanation of any material variances. Council has adopted a budget variation materiality threshold of 10% and \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its size or nature.

The budget figures detailed below are those adopted by Council on 22 June 2022 and were based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Note 2 Performance against budget (cont.)

2.1 Income and expenditure

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	%	Ref
Income					
Rates and charges	57,885	58,267	382	1%	
Statutory fees and fines	3,339	3,233	(106)	-3%	
User fees	8,605	7,142	(1,463)	-17%	1
Grants - operating	13,016	24,477	11,461	88%	2
Grants - capital	16,401	7,521	(8,880)	-54%	3
Contributions - monetary	2,306	3,460	1,154	50%	4
Contributions - non monetary	7,920	4,693	(3,227)	-41%	5
Fair value adjustments for investment property	-	303	303	-100%	
Share of net profits/(losses) of associates	-	15	15	100%	
Net (gain)/loss on disposal of property, infrastructure, plant & equipment	-	832	(832)	-100%	
Other income	2,023	15,335	13,312	658%	6
Total income	111,495	125,278	13,783	12%	
Expenses					
Employee costs	40,292	41,861	(1,569)	-4%	
Materials and services	27,767	45,674	(17,907)	-64%	7
Depreciation	15,793	15,592	201	1%	
Amortisation - intangible assets	102	167	(65)	-64%	
Amortisation - right of use assets	357	368	(11)	-3%	
Bad and doubtful debts	6	2	4	67%	
Borrowing costs	581	132	449	77%	8
Finance cost - leases	19	24	(5)	-26%	
Increase/(decrease) in provision for landfill liability	-	379	(379)	100%	9
Loss on revaluation of other Infrastructure	-	625	(625)	100%	
Other expenses	3,248	3,088	160	5%	
Total expenses	88,165	107,912	(19,747)	-22%	
Surplus for the year	23,330	17,366	(5,964)	-26%	

(i) Explanation of material variations

Ref	Item	Explanation
1	User fees	Kindergarten fees were free from January 2023 resulting in being under budget by \$818,000 (offset by additional grants), Resource Recovery Centres fees were \$660,000 lower than budget.
2	Grants - operating	Due mainly to reimbursement of storm expenses \$4,128,000 and prepayment of \$9,370,000 (100%) of the 2023/24 Financial Assistance grant from the Victorian Grants Commission of which were both unbudgeted.
3	Grants - capital	The Macedon Ranges Regional Sports Precinct grant of \$8,000,000 was received as budgeted. However, due to the timing of the project, the grant was accounted for as income in advance, not immediate income in 2022/23.
4	Contributions - monetary	Housing development was greater than anticipated thus open space contributions were above budget.
5	Contributions - non monetary	Council received a lower amount of non-monetary contributions (gifted infrastructure assets) from developers than originally budgeted. The amounts were lower than budget due to a large number of assets needing to be recorded in prior periods.
6	Other income	Council received \$11,544,000 unbudgeted revenue as reimbursement of site operating and processing costs of storm timber at a Council's owned site, the income is offset by higher expenditure of materials and services at reference 7 below.
7	Materials and services	Council incurred rising material and service costs, largely attributed to the economic impacts of COVID-19 and inflationary pressures. Additionally, unforeseen expenses arose from processing storm timber resulting from the June 2021 storm, which were not originally budgeted.
8	Borrowing costs	Borrowing costs lower than budget due to the timing of budgeted borrowings, works were delayed and funds were not needed.
9	Provision for landfill	Increase in future cost of maintenance and monitoring of the landfills.

Note 2 Performance against budget (cont.)

2.2 Capital works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	%	Ref
Property					
Buildings and building improvements	4,345	3,179	1,166	27%	1
Land and land improvements	500	-	(500)	0%	
Total property	4,845	3,179	1,666	34%	
Plant, machinery and equipment					
Computers and telecommunications	2,533	1,307	1,226	48%	2
Total plant and equipment	329	290	39	12%	
Infrastructure					
Roads	10,093	9,274	819	8%	
Bridges	592	615	(23)	-4%	
Footpaths and cycleways	2,878	2,286	592	21%	3
Drainage	565	752	(187)	-33%	4
Recreational, leisure and community facilities	18,873	11,167	7,706	41%	5
Parks, open space and streetscapes	212	1,348	(1,136)	-536%	6
Other infrastructure	300	752	(452)	-151%	7
Total infrastructure	33,513	26,194	7,319	22%	
Total capital works expenditure	41,220	30,970	10,250	25%	
Represented by:					
New asset expenditure	22,644	11,727	10,917	48%	
Asset renewal expenditure	15,630	17,832	(2,202)	-14%	
Asset upgrade expenditure	2,946	1,411	1,535	52%	
Total capital works expenditure	41,220	30,970	10,250	25%	

(i) Explanation of material variations

Ref	Item	Explanation
1	Buildings and building improvements	Less than budget due to contractor delays, several projects will be completed in 2023/24.
2	Plant, machinery and equipment	Less than budget due to delivery delays of new vehicles.
3	Footpaths and cycleways	Woodend to Hepburn shared trail did not receive funding and has not proceeded, funding will be sought in future years.
4	Drainage	Expenditure was over budget due to the completion of carry forward projects from 2021/22 financial year.
5	Recreational, leisure and community facilities	The progress of the Macedon Ranges Regional Sports Precinct was hindered by a delay caused by the contractor entering administration.
6	Parks, open space and streetscapes	Higher than budget due to completion of previous year carry forward projects.
7	Other infrastructure	Expenditure over budget due to several projects from 2021/22, not included in the budget being completed in the 2022/23 year.

Note 2 Performance against budget (cont.)

2.3 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 Chief Executive group which reports directly through to the CEO.

Council directorates

Assets & Operations

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

Chief Executive

The Chief Executive Office manages communications and engagement and the CEO's administrative

Community

The Community Directorate is responsible for arts and culture, customer service, community development, emergency management, child, youth and family services, and healthy aging programs.

Corporate

Corporate is responsible for financial services, information technology, property management, rates, governance and human resources.

Planning & Environment

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

Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Assets & Operations	47,471	65,329	(17,858)	11,829	754,621
Chief Executive	-	1,613	(1,613)	-	-
Community	9,206	17,320	(8,114)	7,977	2,638
Corporate	62,100	11,197	50,903	11,798	696,486
Planning & Environment	6,501	12,453	(5,952)	394	-
	125,278	107,912	17,366	31,998	1,453,745
2022					
Assets & Operations	55,474	69,202	(13,728)	15,478	727,596
Chief Executive	40	1,646	(1,606)	40	-
Community	10,281	14,268	(3,987)	9,326	-
Corporate	57,371	11,218	46,153	10,580	631,938
Planning & Environment	6,139	11,302	(5,163)	1,080	2,638
	129,305	107,636	21,669	36,504	1,362,172

Note 3 Funding for the delivery of our services

3.1 Rates and charges

	2023 \$'000	2022 \$'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 2022/23 was \$19,302 million (2021/22 \$15,152 million). The 2022/23 general rate in the capital improved value dollar was \$0.0019018 (2021/22, \$0.0023343).		
General rates	36,481	35,333
Agricultural land rates	2,482	2,255
Commercial/industrial rates	2,127	2,239
Municipal charge	5,099	5,007
Waste management charge	10,576	10,282
Supplementary rates and rate adjustments	946	570
Other rates	58	67
Interest on rates	498	425
Total rates and charges	58,267	56,178

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2022, and the valuation was first applied in the rating year commencing 1 July 2022. 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

	2023 \$'000	2022 \$'000
Animal control fees	777	772
Infringements and costs	200	177
Permits	1,230	1,443
Roads and infrastructure fees	494	466
Town planning fees	266	337
Other statutory fees	266	279
Total statutory fees and fines	3,233	3,474

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

	2023 \$'000	2022 \$'000
Aged and health services	230	267
Child care/children's programs	487	435
Cultural activities	318	64
Hanging Rock Reserve fees	625	425
Leisure centre and recreation	3,676	2,417
Saleyards	288	232
Waste management services	1,254	1,150
Other fees and charges	264	268
Total user fees	7,142	5,258
User fees recognised at a point in time	7,142	5,258

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

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

3.4 Funding from other levels of government

	2023 \$'000	2022 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	16,061	18,776
State funded grants	15,937	17,728
Total grants received	31,998	36,504
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Aged and disability services	1,694	2,288
Financial Assistance Grants	11,732	10,454
<i>Recurrent - State Government</i>		
Aged and disability services	-	7
Family and children	4,560	3,199
Maternal and child health	639	634
School crossing supervisors	140	117
Youth and culture	105	191
Other	157	258
Total recurrent operating grants	19,027	17,148
<i>Non-recurrent - Commonwealth Government</i>		
Aged and disability services	-	(169)
Emergency management	-	59
Other	-	151
<i>Non-recurrent - State Government</i>		
Emergency management	5,002	8,541
Family and children	46	1,097
Maternal and child health	-	1
Plant and equipment	-	50
Recreational, leisure and community facilities	100	111
Planning and Environment	196	-
Other	106	676
Total non-recurrent operating grants	5,450	10,517
Total operating grants	24,477	27,665
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	1,441	2,030
Total recurrent capital grants	1,441	2,030
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	84	566
Footpaths and cycleways	-	452
Plant and equipment	-	90
Recreational, leisure and community facilities	8	143
Roads and bridges	1,102	1,720
Other	-	992
<i>Non-recurrent - State Government</i>		
Buildings	17	260
Family and children	179	-
Parks, open space and streetscapes	-	1,801
Recreational, leisure and community facilities	4,658	743
Roads and bridges	-	(57)
Other	32	99
Total non-recurrent capital grants	6,080	6,809
Total capital grants	7,521	8,839

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

3.4 Funding from other levels of government (cont.)

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where preformation obligations are not sufficiently specific, grants are recognised on the earlier of the receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

<i>Income recognised under AASB 1058 Income of Not-for-Profit Entities</i>		
- General purpose	11,732	10,454
- Specific purpose grants to acquire non-financial assets	7,521	8,838
- Other specific purpose grants	4,272	15,023
<i>Revenue recognised under AASB 15 Revenue from Contracts with Customers</i>		
- Specific purpose grants	8,473	2,189
	31,998	36,504

	2023 \$'000	2022 \$'000
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(d) Unspent grants received on condition that they be spent in a specific manner

Operational

Balance at start of year	36	1,374
Received during the financial year and remained unspent at balance date	2,091	36
Received in prior years and spent during the financial year	(36)	(1,374)
Balance at year end	2,091	36

Capital

Balance at start of year	14,701	5,217
Received during the financial year and remained unspent at balance date	1,431	10,850
Received in prior years and spent during the financial year	(1,647)	(1,366)
Balance at year end	14,485	14,701

The high balance at 30 June 2023 relates to two projects for which Council has received grants and where the grant remains unspent at 30 June 2023. These projects are Macedon Ranges Regional Sports Precinct and Macedon Ranges Shared Trail.

Unspent grants are determined and disclosed on a cash basis.

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

3.5 Contributions

	2023 \$'000	2022 Restated \$'000
Monetary	3,460	2,475
Non-monetary	4,693	15,145
Total contributions	8,153	17,620
Contributions of non monetary assets were received in relation to the following asset classes:		
Buildings	-	145
Land under roads	1,204	5,543
Infrastructure	3,489	9,457
Total non-monetary	4,693	15,145

The Non-monetary assets received during 2022/23 relate to developments across Council including the larger development of Willow Estate Gisborne.

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

Contributions non cash has been understated in prior years due to subdivisions given Compliance not being included in income. This has resulted in a restating of Contributions - non monetary income, assets and retained earnings for the 2022 and 2021 financial years. This resulted in the Non- Monetary Contributions and assets in the years prior to 2020/21 being increased by \$15.261 million, the 2021/22 year being increased by \$4.844 million. Please refer to Note 9.4 Correction of a prior period error for more details.

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

	2023 \$'000	2022 \$'000
Proceeds of sale	3,223	578
Written down value of assets disposed	(2,391)	(2,994)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	832	(2,416)

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

	2023 \$'000	2022 \$'000
Commission	92	100
Interest on investments	1,509	125
Insurance recoveries	437	330
Investment property rental	502	472
Merchandise and material sales	745	567
Emergency cost recovery	11,544	10,465
Other	506	485
Total other income	15,335	12,544

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.

Emergency cost recovery income relates to amounts paid to Council for the sale of recycled storm timber.

Note 4 The cost of delivering services

4.1 (a) Employee costs

	2023 \$'000	2022 \$'000
Wages and salaries	33,239	28,186
Casual staff	4,158	3,478
Superannuation	3,749	3,177
WorkCover	346	300
Fringe benefits tax	369	433
Total employee costs	41,861	35,574

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	85	81
	85	81
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,497	1,544
Employer contributions - other funds	1,948	1,830
	3,445	3,374
Employer contributions payable at reporting date	383	164

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

	2023 \$'000	2022 \$'000
Administration	2,277	1,656
Building maintenance	1,237	898
Consultants	2,129	2,220
Contract payments - Emergencies	13,746	23,172
Contract payments - Parks Maintenance	1,999	2,321
Contract payments - Resource Recovery	9,787	9,021
Contract payments - Other	6,802	7,876
General maintenance	682	558
Information technology	1,242	1,077
Insurance	888	752
Materials and supplies	2,717	2,315
Utilities	2,168	2,014
Total materials and services	45,674	53,880

Expenses are recognised as they are incurred and reported in the financial year to which they relate. Emergencies relates to storm recovery works in 2022 and costs involved in processing storm timber in 2023.

4.3 Depreciation

	2023 \$'000	2022 \$'000
Property	1,988	1,986
Plant and equipment	1,395	1,440
Infrastructure	12,209	11,542
Total depreciation	15,592	14,968

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

Note 4 The cost of delivering services (cont.)

4.4 Amortisation - intangible assets

	2023 \$'000	2022 \$'000
Software	167	186
Total amortisation - intangible assets	167	186

4.5 Amortisation - right of use assets

	2023 \$'000	2022 \$'000
Right of use assets	368	357
Total amortisation - right of use assets	368	357

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

4.6 Bad and doubtful debts - allowance for impairment losses

	2023 \$'000	2022 \$'000
Other debtors	2	24
Total bad and doubtful debts - allowance for impairment losses	2	24

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	29	14
New provisions recognised during the year	3	24
Amounts already provided for and written off as uncollectible	(2)	(9)
Amounts provided for but recovered during the year	-	-
Balance at end of year	30	29

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 Borrowing costs

	2023 \$'000	2022 \$'000
Interest - borrowings	132	150
Total borrowing costs	132	150

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

4.8 Finance Costs - Leases

	2023 \$'000	2022 \$'000
Interest - right of use assets	24	72
Total finance costs	24	72

4.9 Other expenses

	2023 \$'000	2022 \$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	59	32
Auditors' remuneration - Internal audit	67	49
Contributions and donations	2,036	2,129
Councillors' allowances	359	340
Operating lease rentals	284	176
Other expenses	283	249
Total other expenses	3,088	2,975

Note 5 Our financial position

5.1 Financial assets

	2023 \$'000	2022 \$'000
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(a) Cash and cash equivalents

Current

Cash on hand	24	23
Cash at bank	3,361	6,580
Money market call accounts	8,192	22,781
Term deposits	28,000	15,000
Total cash and cash equivalents	39,577	44,384

(b) Other financial assets

Current

Term deposits - current	10,000	1,000
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Total current other financial assets

Non current

Shares in Lancefield Community Bank - at fair value	12	12
Shares in Gisborne Community Bank - at fair value	9	9

Total non-current other financial assets

Total other financial assets	10,021	1,021
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Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months 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.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	6,033	5,056
Net GST receivable	1,365	868

Non statutory receivables

Other debtors	8,723	6,835
Provision for doubtful debts - other debtors	(30)	(29)

Total current trade and other receivables

	16,091	12,730
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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.

Note 5 Our financial position (cont.)

5.1 Financial assets (cont.)

	2023 \$'000	2022 \$'000
(d) Ageing of receivables		
The ageing of the Council's trade and other receivables that are not impaired was:		
Current (not yet due)	8,486	6,693
Past due by up to 30 days	117	76
Past due between 31 and 180 days	37	41
Past due between 181 and 365 days	24	8
Past due by more than 1 year	59	17
Total trade and other receivables	8,723	6,835

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$30,000 (2022: \$29,000) were impaired. The amount of the provision raised against these debtors was \$30,000 (2022: \$29,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	10	7
Past due by more than 1 year	20	22
Total trade & other receivables	30	29

5.2 Non-financial assets

	2023 \$'000	2022 \$'000
(a) Other assets		
Current		
Prepayments	594	698
Total other assets	594	698
Other current assets		
Accrued income	1,451	1,817
Accrued interest income	100	30
Total other assets	1,551	1,847
(b) Intangible assets - software		
Non current		
Opening carrying amount	3,193	3,013
Additions	37	180
Closing carrying amount	3,230	3,193
Opening accumulated amortisation	(2,647)	(2,461)
Amortisation expense	(167)	(186)
Closing accumulated amortisation	(2,814)	(2,647)
Net intangible assets	416	546

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, trust funds and deposits and unearned income

	2023 \$'000	2022 \$'000
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	5,806	5,612
Accrued general expenses	2,363	1,573
Accrued payroll expense	586	468
Accrued interest expense	3	3
Other payables	655	452
Statutory payables		
Net GST payable	-	-
Total current trade and other payables	9,413	8,108
(b) Trust funds and deposits		
Current		
Fire services levy	901	824
Trust funds and deposits	6,051	5,131
Total current trust funds and deposits	6,952	5,955
(c) Unearned income		
Current		
Grants received in advance - operating	2,091	36
Grants received in advance - capital	14,485	14,701
Other	92	171
Total current unearned income	16,668	14,908

Unearned income represents contract liabilities and reflects consideration received in advance from customers in respect of aquatic, arts and culture fees in advance and grants. Unearned income is derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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.

Trust funds and deposits - Council retains deposits which are repaid on satisfactory completion of the contractual obligations, or the elapsing of time.

Note 5 Our financial position (cont.)

5.4 Interest-bearing liabilities

	2023 \$'000	2022 \$'000
Current		
Treasury Corporation of Victoria borrowings - secured	175	-
Other borrowings - secured	216	208
Total current interest-bearing liabilities	391	208
Non-current		
Treasury Corporation of Victoria borrowings - secured	2,025	-
Other borrowings - secured	3,092	3,308
Total non-current interest-bearing loans	5,117	3,308
Total interest-bearing liabilities	5,508	3,516

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	391	208
Later than one year and not later than five years	3,887	3,308
Later than five years	1,230	-
	5,508	3,516

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

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

Note 5 Our financial position (cont.)

5.5 Provisions

	2023 \$'000	2022 \$'000
Current		
Employee	6,217	6,242
Landfill	513	312
Total Current	6,730	6,554
Non current		
Employee	1,839	1,196
Landfill	3,095	2,917
Total Non-current	4,934	4,113
Total Provisions	11,664	10,667

	Employee \$ '000	Landfill restoration \$ '000	Total \$ '000
2023			
Balance at beginning of the financial year	7,438	3,229	10,667
Additional provisions	3,763	303	4,066
Amounts used	(3,187)	-	(3,187)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	42	76	118
Balance at the end of the financial year	8,056	3,608	11,664
2022			
Balance at beginning of the financial year	7,383	3,921	11,304
Additional provisions	2,731	(175)	2,556
Amounts used	(2,828)	(142)	(2,970)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	152	(375)	(223)
Balance at the end of the financial year	7,438	3,229	10,667

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	2,769	2,396
Long service leave	2,112	2,195
	4,881	4,591

Current provisions expected to be wholly settled after 12 months

Annual leave	93	385
Long service leave	1,243	1,266
	1,336	1,651
Total current employee provisions	6,217	6,242

Non-current

Long service leave	1,839	1,196
Total non-current employee provisions	1,839	1,196

Aggregate carrying amount of employee provisions:

Current	6,217	6,242
Non-current	1,839	1,196
Total aggregate carrying amount of employee provisions	8,056	7,438

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

Note 5 Our financial position (cont.)

5.5 Provisions (cont.)

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

	2023	2022
Key assumptions:		
- discount rate	4.06%	3.69%
- index rate	4.35%	3.85%
	2023	2022
	\$'000	\$'000

(b) Landfill restoration

Current	513	312
Non-current	3,095	2,917
Total landfill restoration	3,608	3,229

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.

Council reviews the landfill restoration provision on an annual basis including the key assumptions listed below.

	2023	2022
Key assumptions:		
- discount rate	4.06%	3.69%
- index rate	2.5%-3.5%	2.00%

5.6 Financing arrangements

	2023	2022
	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2023:		
Credit card facilities	100	100
Treasury Corporation of Victoria facilities	2,200	-
Other facilities	4,450	4,450
Total facilities	6,750	4,550
Used facilities	(5,541)	(3,543)
Unused facilities	1,209	1,007

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.

(a) Commitments for expenditure

	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
2023					
Operating					
Animal pound services	200	-	-	-	200
Cleaning contracts	903	795	547	-	2,245
Consultancies	7	-	-	-	7
Housing management	36	2	8	39	85
Landfill services	391	175	-	-	566
Security Services	85	-	-	-	85
Waste Collection	8,423	8,508	2,732	220	19,883
Total	10,045	9,480	3,287	259	23,071
Capital					
Bridges	142	-	-	-	142
Buildings	929	-	-	-	929
Footpaths	8,299	-	-	-	8,299
Open space & streetscapes	20	-	-	-	20
Recreational, leisure and community	20,449	-	-	-	20,449
Roads	2,899	140	333	-	3,372
Total	32,738	140	333	-	33,211
2022					
Operating					
Animal pound services	200	200	-	-	400
Cleaning contracts	400	-	-	-	400
Consultancies	63	-	-	-	63
Housing management	52	52	-	-	104
Landfill services	1,680	380	380	-	2,440
Security Services	150	-	-	-	150
Software support	272	-	-	-	272
Waste Collection	7,040	1,760	-	-	8,800
Total	9,857	2,392	380	-	12,629
Capital					
Buildings	358	-	-	-	358
Roads	1,450	100	-	-	1,550
Footpaths	100	-	-	-	100
Recreational, leisure and community	18,607	4,000	-	-	22,607
Open space & streetscapes	4,935	2,223	-	-	7,158
Total	25,450	6,323	-	-	31,773

Note 5 Our financial position (cont.)

5.7 Commitments (cont.)

	2023 \$'000	2022 \$'000
(b) Operating lease receivables		
Council has entered into commercial property leases on its investment property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.		
Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	93	96
Later than one year and not later than five years	309	319
Later than five years	50	53
Total operating lease receivables	452	468

5.8 Leases

At inception of a contract, Council assesses 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.

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.

Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Note 5 Our financial position (cont.)

5.8 Leases (cont.)

Right-of-use Assets	Property \$'000	Equipment \$'000	Total \$'000
Balance at 1 July 2022	486	97	583
Additions	130	-	130
Amortisation charge	(335)	(33)	(368)
Balance at 30 June 2023	281	64	345

Lease Liabilities	2023 \$'000	2022 \$'000
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Less than one year	224	659
One to five years	260	300
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	484	959
<i>Lease liabilities included in the Balance Sheet at 30 June:</i>		
Current	256	414
Non-current	131	268
Total lease liabilities	387	682

Short-term and low value leases

Council does not have any short-term or low value leases to disclose.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Note	Carrying amount 30 June 2022 Restated	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying amount 30 June 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	6.1(a)	671,721	-	1,204	49,971	(1,988)	(1,290)	1,851	721,469
Plant and equipment	6.1(b)	10,522	-	-	-	(1,395)	(374)	1,428	10,181
Infrastructure	6.1(c)	594,047	-	3,488	16,856	(12,209)	(152)	12,259	614,289
Work in progress		20,008	30,362	-	-	-	-	(15,538)	34,832
Total property, infrastructure, plant and equipment		1,296,298	30,362	4,692	66,827	(15,592)	(1,816)	-	1,380,771
Amount expensed from revaluation of other infrastructure		-	-	-	625	-	-	-	-
Revaluation Reserve Increment		-	-	-	67,452	-	-	-	-

Summary of Work In Progress (WIP)

		Opening WIP	Additions	Transfers to assets	Write offs	Closing WIP
		\$'000	\$'000	\$'000	\$'000	\$'000
Property	6.1(a)	3,824	3,399	(1,851)	-	5,372
Plant and equipment	6.1(b)	-	1,428	(1,428)	-	-
Infrastructure	6.1(c)	16,184	25,535	(12,259)	-	29,460
Total Work In Progress		20,008	30,362	(15,538)	-	34,832

Note 6 Assets we manage (cont.)

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

(a) Property

	Land - specialised	Land - non specialised	Land improvements	Total land and land improvements	Buildings - specialised	Buildings - non specialised	Total buildings	Work In Progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	448,775	115,818	754	565,347	48,911	49,744	98,655	3,832	667,834
Prior year error correction	7,719	-	-	7,719	-	-	-	(8)	7,711
At fair value 1 July 2022 - Restated	456,494	115,818	754	573,066	48,911	49,744	98,655	3,824	675,545
Accumulated depreciation at 1 July 2022	-	-	-	-	-	-	-	-	-
Movements in fair value	456,494	115,818	754	573,066	48,911	49,744	98,655	3,824	675,545
Additions	-	-	-	-	-	-	-	3,399	3,399
Contributions	1,204	-	-	1,204	-	-	-	-	1,204
Revaluation	29,493	20,478	-	49,971	-	-	-	-	49,971
Disposal	-	(1,290)	-	(1,290)	-	-	-	-	(1,290)
Transfers	-	-	-	-	1,486	365	1,851	(1,851)	-
	30,697	19,188	-	49,885	1,486	365	1,851	1,548	53,284

Movements in accumulated depreciation

Depreciation and amortisation	-	-	-	-	(995)	(993)	(1,988)	-	(1,988)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Revaluation increments/ decrements	-	-	-	-	-	-	-	-	-
	-	-	-	-	(995)	(993)	(1,988)	-	(1,988)
At fair value 30 June 2023	487,191	135,006	754	622,951	50,397	50,109	100,506	5,372	728,829
Accumulated depreciation at 30 June 2023	-	-	-	-	-	(993)	(1,988)	-	(1,988)
Carrying amount	487,191	135,006	754	622,951	49,402	49,116	98,518	5,372	726,841

Note 6 Assets we manage (cont.)

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

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Cultural assets	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	13,033	1,446	2,691	2,638	-	19,808
Accumulated depreciation at 1 July 2022	(5,870)	(1,017)	(2,399)	-	-	(9,286)
	7,163	429	292	2,638	-	10,522
Movements in fair value						
Additions	-	-	-	-	1,428	1,428
Disposal	(694)	-	-	-	-	(694)
Transfers	1,186	-	242	-	(1,428)	-
	492	-	242	-	-	734
Movements in accumulated depreciation						
Depreciation and amortisation	(993)	(100)	(302)	-	-	(1,395)
Accumulated depreciation of disposals	320	-	-	-	-	320
	(673)	(100)	(302)	-	-	(1,075)
At fair value 30 June 2023	13,525	1,446	2,933	2,638	-	20,542
Accumulated depreciation at 30 June 2023	(6,543)	(1,117)	(2,701)	-	-	(10,361)
Carrying amount	6,982	329	232	2,638	-	10,181

Note 6 Assets we manage (cont.)

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Other infrastructure	Work In Progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	596,246	51,417	37,465	78,347	41,616	3,948	5,511	16,177	830,727
Prior year error correction	5,051	447	2,113	4,764	11	-	-	7	12,393
At fair value 1 July 2022 - Restated	601,297	51,864	39,578	83,111	41,627	3,948	5,511	16,184	843,120
Accumulated depreciation at 1 July 2022	(165,588)	(18,955)	(11,583)	(19,578)	(14,330)	(1,303)	(1,552)	-	(232,889)
	435,709	32,909	27,995	63,533	27,297	2,645	3,959	16,184	610,231
Movements in fair value									
Additions	-	-	-	-	-	-	-	25,535	25,535
Contributions	2,081	59	642	706	-	-	-	-	3,488
Revaluation increments/ decrements	-	6,167	5,964	7,415	5,634	467	(205)	-	25,442
Disposal	(21)	(260)	(37)	(11)	(45)	(13)	-	-	(387)
Transfers	5,702	1,010	1,816	492	529	24	2,686	(12,259)	-
	7,762	6,976	8,385	8,602	6,118	478	2,481	13,276	54,078
Movements in accumulated depreciation									
Depreciation and amortisation	(8,036)	(429)	(784)	(821)	(1,564)	(296)	(279)	-	(12,209)
Accumulated depreciation of disposals	6	178	17	2	23	9	-	-	235
Revaluation increments/ decrements	-	(2,522)	(1,760)	(1,773)	(1,920)	(189)	(422)	-	(8,586)
Transfers	-	-	-	-	-	-	-	-	-
	(8,030)	(2,773)	(2,527)	(2,592)	(3,461)	(476)	(701)	-	(20,560)
At fair value 30 June 2023	609,059	58,840	47,963	91,713	47,745	4,426	7,992	29,460	897,198
Accumulated depreciation at 30 June 2023	(173,618)	(21,728)	(14,110)	(22,170)	(17,791)	(1,779)	(2,253)	-	(253,449)
Carrying amount	435,441	37,112	33,853	69,543	29,954	2,647	5,739	29,460	643,749

Note 6 Assets we manage (cont.)

6.1 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
Land and land improvements		
land	-	10
land improvements	-	10
Buildings		
heritage buildings	50 years	10
buildings	50 years	10
building improvements	50 years	10
leasehold improvements	50 years	10
Plant and equipment		
plant, machinery and equipment	3 - 26 years	2.5
fixtures, fittings and furniture	5 - 20 years	2.5
computers and telecommunications	3 - 5 years	2.5
Infrastructure		
road pavement - spray seal	18 years	10
road pavement - asphalt	35 years	10
road pavement - sealed pavement	60 - 90 years	10
road pavement - sealed sub-pavement	-	10
road pavements - unsealed roads	20 - 25 years	10
road formation and earthworks	-	10
	50 - 150 years	10
road kerb, channel	70 - 200 years	10
bridges and major culverts	30 - 100 years	10
footbridges	15 - 60 years	10
footpaths and cycleways	80 years	10
drainage	10 - 50 years	10
recreational, leisure and community facilities	10 - 15 years	10
parks, open space and streetscapes	10 - 50 years	10
other infrastructure		
Intangible assets		
intangible assets	3 - 5 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Note 6 Assets we manage (cont.)

6.1 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

Valuation of land and buildings

Valuation of land and buildings were undertaken by qualified valuer, Hayley Drummond AAPI (Member # 62596), 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 note 8.4 for description of fair value measurement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date and type 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 2023 are as follows.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Land - non-specialised	-	135,006	-	Jun-23	Full
Land - specialised	-	-	487,191	Jun-23	Full
Land Improvements	-	-	754	Jun-23	Full
Buildings - non-specialised	-	49,116	-	Jun-22	Full
Buildings - specialised	-	-	49,402	Jun-22	Full
Total	-	184,122	537,347		

Note 6 Assets we manage (cont.)

6.1 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 our internal resources and expertise, overseen by Cameron McFarlane, Coordinator Asset Management, Bachelor of Surveying. The date and type of the current valuation is detailed in the following table. The valuation is at fair value (see Note 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 2023 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Roads	-	-	435,441	Jun-22	Full
Bridges	-	-	37,112	Jun-23	Index
Footpaths and cycleways	-	-	33,853	Jun-23	Full
Drainage	-	-	69,543	Jun-23	Index
Recreational, leisure and commun	-	-	29,954	Jun-23	Index
Parks, open space and streetscap	-	-	2,647	Jun-23	Index
Other infrastructure	-	-	5,739	Jun-23	Full
Total	-	-	614,289		

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 \$1.33 (Land under Roads Rural-Low) and \$1,000 (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 \$550 to \$3,500 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 asses 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

	2023 \$'000	2022 \$'000
Land under roads	435,082	402,435
Other	52,863	46,340
Total specialised land	487,945	448,775

Note 6 Assets we manage (cont.)

6.2 Investments in associates

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

	2023	2022
Macedon Ranges Shire Council	23.54%	23.40%
Greater Bendigo City Council	60.97%	61.01%
Loddon Shire Council	4.76%	4.82%
Mount Alexander Shire Council	10.73%	10.77%

	2023 \$'000	2022 \$'000
Fair value of Council's investment in North Central Regional Goldfields Library Corporation	1,447	1,432

Council's share of accumulated surplus(deficit) at start of year	592	522
Reported surplus(deficit) for year	6	70
Transfers (to) from reserves	-	(4)
Adjustment arising from change to equity share	4	4
Council's share of accumulated surplus(deficit) at end of year	602	592
Council's share of reserves		
Council's share of reserves at start of year	264	258
Adjustment arising from change to equity share	1	2
Transfers (to) from reserves	-	4
Council's share of reserves at end of year	265	264
Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,432	1,353
Share of surplus(deficit) for year	6	70
Adjustment arising from change to equity share	9	9
Carrying value of investment at end of year	1,447	1,432
Council's share of expenditure commitments		
Operating commitments	57	19
Council's share of expenditure commitments	57	19

(Council's share of equity as per the un-audited 30 June 2023 financial statements of the Library Service)

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

6.3 Investment property

	2023 \$'000	2022 \$'000
Balance at 1 July	2,630	2,566
Fair value adjustments	303	64
Balance at 30 June	2,933	2,630

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 2023.

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 6.2.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Council. The Councillors, Chief Executive Officer, Directors and Manager Communications and Engagement are deemed KMP.

Councillors

Councillor Annette Death (Mayor 23/11/2022 - 30/06/2023)
Councillor Jennifer Anderson (Mayor 1/7/2022 - 22/11/2022, Deputy Mayor 23/11/2022 - 30/6/2023)
Councillor Rob Guthrie (Deputy Mayor 1/7/2022 - 22/11/2022)
Councillor Dominic Bonanno
Councillor Anne Moore
Councillor Geoff Neil
Councillor Janet Pearce
Councillor Mark Ridgeway
Councillor Bill West

Chief Executive Officer and other Key Management Personnel

Chief Executive Officer - Bernie O'Sullivan
Director Assets & Operations - Shane Walden
Director Community - Maria Weiss
Director Corporate - Adele Drago-Stevens
Director Planning & Environment - Rebecca Stockfeld
Manager Communications & Engagement - Lauren Wall

	2023	2022
	No.	No.
Total Number of Councillors	9	9
Total Number of Chief Executive Officer and other Key Management Personnel	6	16
Total Number of Key Management Personnel	15	25

Note 7 People and relationships (cont.)

7.1 Council and key management remuneration (cont.)

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or or behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis where employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Total remuneration of key management personnel was as follows:

	2023	2022
	\$'000	\$'000
Short-term benefits	1,678	1,916
Long-term benefits	26	76
Termination benefits	-	38
Post-Termination benefits	123	88
Total	1,827	2,118

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

	2023	2022
	No.	No.
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	1	10
\$30,000 - \$39,999	6	1
\$40,000 - \$49,999	-	3
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	2	1
\$90,000 - \$99,999	-	2
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	-	1
\$160,000 - \$169,999	1	-
\$230,000 - \$239,999	2	1
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	1	1
\$320,000 - \$329,999	1	-
\$380,000 - \$389,999	-	1
Total	15	25

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP.*

	2023	2022
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,720	1,442
Other long-term employee benefits	36	26
Termination benefits	-	14
Post-Termination benefits	161	128
Total	1,917	1,610

Note 7 People and relationships (cont.)

7.1 Council and key management remuneration (cont.)

The number of other senior staff are shown below in their relevant income bands:

	2023 No.	2022 No.
Less than \$160,000	-	3
\$160,000 - \$169,999	5	2
\$170,000 - \$179,999	3	4
\$180,000 - \$189,000	2	1
\$190,000 - \$199,999	1	-
	11	10

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

7.2 Related party disclosure

(a) Transactions with related parties

During the year Council provided buildings rent free to North Central Goldfields Regional Library Corporation for Gisborne Library, Kyneton Library, Romsey Hub and Woodend Community Centre and Library. This also occurred in 2021/22.

(b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties (2021/22, \$0).

(c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party (2021/22, \$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 (2021/22, \$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

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the council.

During June 2021 there was a significant storm which impacted the Macedon Ranges Shire Council with costs in excess of \$22.5m incurred by Council in clean up costs. The Council has lodged claims with the Victorian state government for assessment in line with the Disaster Recovery Funding Arrangements 2018. The Council has incurred claimable costs associated with the clean up and recovery works in excess of \$17.0m. The Council has been notified progressively as to whether the expenditure under each claim is eligible for reimbursement with amounts received recognised as income. At 30 June 2023 a small number of claims totalling \$161,045.44 are awaiting or undergoing a formal assessment. Until each claim is independently assessed the Council is unable to reliably quantify the amount of expenditure that will be confirmed as eligible expenditure and reimbursed in a future reporting period. The total amount repaid to Council will not be known for several months.

During October 2022 there was significant storm which also resulted in severe flooding which impacted parts of the Macedon Ranges Shire Council with costs in excess of \$2.1m incurred by Council in clean up costs and community support activities. The Council is in the process of lodging claims with the Victorian state government for assessment in line with the Disaster Recovery Funding Arrangements 2018. Council also expects further spending as part of the restoration of assets, it is forecast that total expenditure may be in excess of \$4.0m. The Council will be notified progressively as to whether the expenditure in claims is eligible for reimbursement with amounts received recognised as income. At 30 June 2023 no claims had been submitted for formal assessment. Until each claim is independently assessed Council is unable to reliably quantify the amount of expenditure that will be confirmed as eligible expenditure and reimbursed in a future reporting period. The total amount repaid to Council will not be known until the later part of the 2023/24 financial year.

(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.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

Note 8 Managing uncertainties (cont.)

8.3 Financial instruments

Objectives and policies

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

a) Market risk

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

b) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has some exposure to cash flow interest rate risk through its cash and term deposits that are at floating rates. Investment of surplus funds is made with approved financial institutions under the Local Government Act 2020. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

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

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

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

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

Note 8 Managing uncertainties (cont.)

8.3 Financial instruments (cont.)

c) Credit risk (cont.)

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

(d) Liquidity risk

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

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk. There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period. With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.0% and -0.25% in market interest rates (AUD) from year-end rates of 4.1%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Note 8 Managing uncertainties (cont.)

8.4 Fair value measurement (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, 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. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	3 years
Buildings	3 years
Roads	3 years
Bridges	5 years
Footpaths and cycleways	3 years
Drainage	3 years
Recreational, leisure and community facilities	3 years
Parks, open space and streetscapes	3 years
Other infrastructure	5 years

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

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

8.5 Events occurring after balance date

Council is not aware of any events occurring after balance date.

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
2023			
Property			
Land	145,258	26,247	171,505
Land under roads	94,061	23,724	117,785
Buildings	21,384	-	21,384
	260,703	49,971	310,674
Infrastructure			
Roads	273,103	-	273,103
Kerb and channel	4,736	-	4,736
Bridges	13,990	3,645	17,635
Drainage	32,991	5,641	38,632
Footpaths	2,470	4,204	6,674
Parks, Open Space & Streetscapes	197	278	475
Recreational, leisure and community facilities	16,912	3,713	20,625
	344,399	17,481	361,880
Other assets			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	2,640	-	2,640
Total asset revaluation reserves	607,742	67,452	675,194
2022			
Property			
Land	98,199	47,059	145,258
Land under roads	44,677	49,384	94,061
Buildings	21,499	(115)	21,384
	164,375	96,328	260,703
Infrastructure			
Roads	248,975	24,128	273,103
Kerb and channel	8,129	(3,393)	4,736
Bridges	13,990	-	13,990
Drainage	32,991	-	32,991
Footpaths	2,470	-	2,470
Parks, Open Space & Streetscapes	197	-	197
Recreational, leisure and community facilities	16,912	-	16,912
	323,664	20,735	344,399
Other Assets			
Cultural assets	2,491	-	2,491
Equity in North Central Goldfields Library	149	-	149
	2,640	-	2,640
Total asset revaluation reserves	490,679	117,063	607,742

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
2023				
Asset conversion	744	-	-	744
Car parking*	136	-	-	136
Commercial development	3,182	-	-	3,182
Community facilities*	591	-	-	591
Debt repayment	891	400	-	1,291
Drainage*	734	236	-	970
Footpaths*	142	6	-	148
Gisborne development plan*	1,545	705	-	2,250
Gravel pit operations	1,528	897	-	2,425
Hanging Rock	212	-	(58)	154
Open space proceeds	-	2,925	-	2,925
Plant replacement	1,142	346	(743)	745
Public open space*	4,189	1,791	(1,547)	4,433
Road contributions*	531	-	-	531
Romsey development plan*	53	13	-	66
Senior citizens accommodation maintenance*	199	15	(85)	129
Total other reserves	15,819	7,334	(2,433)	20,720
2022				
Asset conversion	744	-	-	744
Car parking*	136	-	-	136
Commercial development	3,237	-	(55)	3,182
Community facilities*	398	193	-	591
Debt repayment	491	400	-	891
Drainage*	699	35	-	734
Footpaths*	142	-	-	142
Gisborne development plan*	1,039	506	-	1,545
Gravel pit operations	674	854	-	1,528
Hanging Rock	427	-	(215)	212
Plant replacement	1,478	986	(1,322)	1,142
Public open space*	3,752	1,019	(582)	4,189
Road contributions*	531	-	-	531
Romsey development plan*	59	26	(32)	53
Senior citizens accommodation maintenance*	276	16	(93)	199
Total other reserves	14,083	4,035	(2,299)	15,819

* Non-discretionary reserves subject to statutory requirements and/or other agreements - \$9.254m (\$7.032m 2020/21)

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.

Open space proceeds - proceeds of sale of land. Allocation of funds to be decided by Council in 2023/24.

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)

	2023 \$'000	2022 Restated \$'000
Surplus/(deficit) for the year	17,366	21,669
Depreciation/amortisation	16,127	15,511
(Gain)/Loss on disposal of property, infrastructure, plant and equipment	(832)	2,416
Revaluation decrement on other infrastructure	625	-
Fair value adjustments for investment property	(303)	(64)
Contributions - non-monetary assets	(4,693)	(15,145)
Share of net profits/losses of associates	(15)	(79)
Borrowing costs	156	222
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(3,361)	(8,438)
(Increase)/decrease in prepayments	104	(219)
Increase/(decrease) in trade payables	1,305	1,264
Increase/(decrease) in unearned income	1,760	7,901
Increase/(decrease) in trust funds and deposits	997	464
Increase/(decrease) in provisions	997	(637)
Net cash provided by/(used in) operating activities	30,233	24,865

Note 9 Other matters (cont.)

9.3 Superannuation

Macedon Ranges Shire makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10%)).

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 investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.8% pa.

As at 30 June 2022, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefits index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.5% pa
Salary information	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Vision Super has advised that the VBI at 30 June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 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.)

9.3 Superannuation (cont.)

Employer contributions

(a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10% in 2021/22). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2022 interim 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.

(b) 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.)

9.3 Superannuation (cont.)

The 2022 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 is conducted every three years and interim investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2022 and the last full investigation was conducted as at 30 June 2020.

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

	2022 (Interim)	2021 (Interim)
	\$m	\$m
- A VBI Surplus	44.6	214.7
- A total service liability surplus	105.8	270.3
- A discounted accrued benefits surplus	111.9	285.2

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 2022.

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

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 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2022 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.5% pa	2.5% pa
		for the first two years and 2.75% pa thereafter
Price inflation	2.8% pa	2.0% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	Rate	2023 \$'000	2022 \$'000
Vision Super - Defined benefits	10.5% (2022: 10.0%)	85	81
Vision Super - Accumulation	10.5% (2022: 10.0%)	1,497	1,544

There were \$382,614 contributions outstanding to the above schemes as at 30 June 2023 (2022 \$163,720).

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$85,000.

Note 9 Other matters (cont.)

9.4 Correction of a prior period error

Council has identified a prior period error. The error is explained below and adjustments have been made for the error and each of the affected financial statements for the 2022 financial year have been restated, as shown in the tables below.

9.4.1 Recognition of Contributions - Non Monetary Assets

During the 2021-22 financial year, Council did not recognise non-monetary assets in line with when the assets gained compliance and handed to Council. The delay in doing this resulted in non-monetary assets being recognised in the incorrect financial year. This error had the effect of understating, contributions non-monetary income for the years ended 30 June 2022 by \$4,844,000 and 30 June 2021 by \$15,261,000. The error also had the effect of understating property, infrastructure, plant and equipment and accumulated surplus as at 30 June 2022 by \$4,844,000 and 30 June 2021 by \$15,261,000.

Impact of correction of an error on the comprehensive income statement

	For the period ended 30 June 2022 (restated) \$'000	Correction of non-monetary asset recognition \$'000	For the period ended 30 June 2022 as previously presented \$'000
Income			
Contributions - non monetary	15,145	4,844	10,301
Total income	129,305	4,844	124,461
Surplus for the year	21,669	4,844	16,825
Total comprehensive result	138,732	4,844	133,888

Impact of correction of an error on the balance sheet

	As at 30 June 2022 (restated) \$'000	Correction of non-monetary asset recognition \$'000	As at 30 June 2022 (as previously reported) \$'000
Non-current assets			
Property, infrastructure, plant and equipment	1,281,040	4,844	1,276,196
Total non-current assets	1,286,252	4,844	1,281,408
Total assets	1,346,911	4,844	1,342,067
Net assets	1,303,075	4,844	1,298,231
Equity			
Accumulated surplus	679,514	4,844	674,670
Total equity	1,303,075	4,844	1,298,231

Note 9 Other matters (cont.)

9.4.1 Recognition of Contributions - Non Monetary Assets (cont.)

	For the period ended 30 June 2021 (restated) \$'000	Correction of non-monetary asset recognition \$'000	For the period ended 30 June 2021 as previously presented \$'000
Income			
Contributions - non monetary	18,098	15,261	2,837
Total income	107,778	15,261	92,517
Surplus for the year	23,216	15,261	7,955
Total comprehensive result	30,237	15,261	14,976
Impact of correction of an error on the balance sheet			
	As at 30 June 2021 (restated) \$'000	Correction of non-monetary asset recognition \$'000	As at 30 June 2021 (as previously reported) \$'000
Non-current assets			
Property, infrastructure, plant and equipment	1,157,568	15,261	1,142,307
Total non-current assets	1,163,000	15,261	1,147,739
Total assets	1,215,282	15,261	1,200,021
Net assets	1,179,604	15,261	1,164,343
Equity			
Accumulated surplus	674,842	15,261	659,581
Total equity	1,179,604	15,261	1,164,343

The above correction does not impact the Statement of cash flow or the Statement of capital works.

Note 10 Change in Accounting Policy

There have been no changes to accounting policies in the 2022/23 year.

Appendix B

Macedon Ranges Shire Council Performance Statement

For the Year Ended 30 June 2023

Our municipality

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

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 39% 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;

- Industry comprising Manufacturing and Construction (18.8% of jobs)
- Public Services comprising Health Care & Social Assistance (11.6% of jobs)
- Public Services comprising Training & Education (10.1% of jobs)*

The council covers an area of 1,747 km2 and has a population of 52,132 which is expected to grow to 65,771 by 2036.*

Key Events of 2022-23:

During June 2021, a severe storm caused widespread destruction across the shire. Thousands of residents and hundreds of houses, fences, outbuildings and sheds were impacted. Extensive tree falls occurred, resulting in closures of roads and public spaces. Council assisted with the clean-up from the storm. The clean-up came at a considerable cost to Council and was an unbudgeted item in the 2021/22 budget. Many millions of dollars have been contributed to the clean-up and Council is working with Bushfire Recovery Victoria to have the funds reimbursed. These additional costs are included in the operating expenditure and reimbursements approved are included in the operating revenue of council for the year 2021/22 and 2022/23.

During October 2022 there was significant storm which also resulted in severe flooding which impacted parts of the Macedon Ranges Shire Council with costs in excess of \$2.1m incurred by Council in clean up costs and community support activities. The Council is in the process of lodging claims with the Victorian state government for assessment in line with the Disaster Recovery Funding Arrangements 2018. Council also expects further spending as part of the clean up and recovery process, it is forecast that total expenditure maybe in excess of \$4.0m. The Council will be notified progressively as to whether the expenditure included for future claims is eligible for reimbursement with amounts received recognised as income. At 30 June 2023 no claims had been submitted for formal assessment. Until each claim is independently assessed the Council is unable to reliably quantify the amount of expenditure that will be confirmed as eligible expenditure and reimbursed in a future reporting period. The total amount repaid to Council will not be known until the later part of the 2023/24 financial year.

The State Government continues to engage Council's services at its Gravel Pit site to process storm debris (timber). There is significant expenditure and reimbursement (revenue) attributable to this process which are all unbudgeted. This has also contributed to fluctuating indicators across the 2021/22 and 2022/23 financial years. The indicators impacted from this activity include population and own-source revenue.

* Data provided by <https://forecast.id.com.au/>

Sustainable Capacity Indicators For the year ended 30 June 2023

Indicator / measure [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
<i>Expenses per head of municipal population</i>	\$1,565.35	\$1,659.02	\$2,126.90	\$2,069.98	The rise in expenditure per head of municipal population over the past two years can be attributed directly to the costs associated with conducting storm recovery operations and processing storm debris.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$13,177.20	\$13,194.78	\$13,738.07	\$14,551.02	The escalation in infrastructure value per resident within the municipal population is directly connected to the surge in infrastructure value following the revaluation conducted in 2023. Furthermore, the inclusion of numerous significant infrastructure projects in the 2023 works program has contributed to this increase.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	28.35	28.75	29.05	30.67	The rise in this indicator signifies that the Council has seen greater population growth compared to the expansion of the road network through development.
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,247.56	\$1,258.42	\$1,499.66	\$1,632.91	The rise in this percentage primarily results from the Council's operations reverting to a state of normalcy after the Covid period. Additionally, the income generated from the processing of storm debris has contributed to this increase.
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$308.61	\$271.74	\$370.64	\$392.62	This indicator is influenced by the timing of the annual Federal Assistance Grant received by the Council. In the past two financial years, the grant for the upcoming year has been paid in full in advance.
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	9.00	9.00	9.00	10.00	The decrease in socio-disadvantage within our community closely aligns with the Council's continuous improvement and the corresponding increase in its overall performance score.
[Index of Relative Socio-Economic Disadvantage by decile]					

Workforce turnover					
<i>Percentage of staff turnover</i>	15.2%	11.8%	17.7%	19.7%	In August 2022, Council made the decision to withdraw services previously funded by the Commonwealth Home Support Program from 30 June 2023. As a result of withdrawing from this service, a portion of our Community Wellbeing staff were offered (and accepted) redundancies. These redundancies have contributed to a significant increase in Council's staff turnover.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

Definitions

- "adjusted underlying revenue" means total income other than:
- (a) non-recurrent grants used to fund capital expenditure; and
 - (b) non-monetary asset contributions; and
 - (c) contributions to fund capital expenditure from sources other than those referred to above
- "infrastructure" means non-current property, plant and equipment excluding land
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
- "population" means the resident population estimated by council
- "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
- "relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
- "SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website
- "unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators For the year ended 30 June 2023

Service/indicator /measure [formula]	Results				Comment
	2020	2021	2022	2023	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.50	2.53	4.52	7.33	The increase in attendance is a direct result of the removal of COVID associated facility closures/patronage limit impacts in the current reporting period when compared to the previous reporting period.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	0%	0%	0%	The matters issued remain unresolved within the court system and have not reached a conclusion during this reporting period. Consequently, there have been no recorded animal management prosecutions for this year.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	95.52%	95.12%	100.00%	96.77%	One establishment that had previously received a 'major non-compliance outcome' did not undergo a follow-up inspection in the year 2022, thus impacting the reported percentage. It should be noted that this situation was addressed in 2023, although these actions took place after the conclusion of the current reporting period.
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	52	47	48	45	The decline is attributable to the youngest cohort surveyed who have demonstrated a decline in their positive perception. Council is looking at the means of communicating to this cohort on decisions, the basis on which they are made and how our community can participate in decision making. The other cohorts surveyed are relatively steady in their perception of Council's decision making, with the over 65 age group being the most positive.

Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	16.28%	14.17%	12.24%	16.26%	Active users library borrowers was reported incorrectly in Councils 2021-22 Performance statement, and reflected quarter 4 borrowers only instead of total yearly borrowers. Therefore comparison to 2022 is data is difficult, however the increased percentage this year comparative to 2021 is a result of the removal of COVID associated closures and restrictions.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	82.38%	80.85%	78.36%	80.72%	The annual participation rate has consistently averaged around 80% for this service in previous years. MRSC has relatively low numbers of Indigenous children within its population, thus fluctuations in the percentage of engagement reflect a small number, or even one family no longer engaging with the service. MRSC has seen 100% of Aboriginal children aged 0-2 years engaged in its services in the 2022-23 year. Thus the data reflects the reduction in the percentage of older children engaging in the service, which may be due to the impacts of COVID-19 on service provision over the last few years, and individuals now being out of the habit of engaging with the service.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54	49	43	35	This can be seen in the number of sealed road requests and is due to an increase in road failures and potholes. Further to this, we had a number of Victorian Government roads within the Macedon Ranges that were in poor condition, which also increased community dissatisfaction.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	50.00%	53.33%	39.29%	Twenty Eight (28) decisions were considered by VCAT in relation to Council's planning applications during 2022-2023. Eleven (11) of these decisions did not set aside Council's prior decision in relation to a planning application during 2022-2023.

Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>					Diversion of kerbside waste from landfill remains high at 70.52% due to successful 4-bin system roll out covering the remaining rural areas.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	53.46%	64.67%	71.08%	70.52%	

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 borrower" 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 section 98 of the Act
"class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act
"class 2 food premises" means food premises, within the meaning of the Food Act 1984 , that have been declared as class 2 food premises under section 19C of that Act
"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984 , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
"food premises" has the same meaning as in the Food Act 1984
"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
"population" means the resident population estimated by council

Financial Performance Indicators For the year ended 30 June 2023

Dimension/indicator /measure	Results					Forecasts			Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i>	\$3,401.94	\$3,602.98	\$4,575.59	\$4,412.67	\$3,877.97	\$3,959.40	\$4,010.53	\$4,052.99	The increase of expenses per property assessment in 2021/22 and 2022/23 relates to the unbudgeted expenditure incurred by council for storm recovery work. In the forecasts, this work won't continue which see the average return to levels reported pre 2022.
[Total expenses / Number of property assessments]									
Revenue level									
<i>Average rate per property assessment</i>	\$1,843.16	\$1,881.04	\$1,890.51	\$1,929.79	\$2,060.21	\$2,113.04	\$2,157.53	\$2,201.79	The increase in the forecast years relates to a higher rate increase in the financial model used. The rate cap for 2024 is 3.5%.
[Total rate revenue (general rates and municipal charges) / Number of property assessments]									
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	225.99%	194.07%	167.81%	167.81%	133.19%	121.82%	148.58%	154.25%	The decrease in working capital indicator is due to the recognition of high levels of unearned income at 30 June 2022 and June 2023 period. This increases the current liability balance at 30 June 2023 and therefore decreases the indicator.
[Current assets / Current liabilities] x100									The forecasts indicates a decrease in this ratio, there are a number of contributing factors to this. 2023 includes a high level of one off debtors. Cash and cash equivalents will decrease as carry forward projects are completed.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	16.50%	19.01%	6.15%	4.21%	18.17%	11.94%	23.82%	31.93%	The result reported in 2022 was considerably lower than other years due to unbudgeted expenditure incurred for Storm Recovery works. Reimbursement of these costs has reinstated unrestricted cash levels. reinstating Council's unrestricted cash moving forward in the forecast.
[Unrestricted cash / Current liabilities] x100									

Obligations									
Loans and borrowings									
Loans and borrowings compared to rates		8.88%	7.56%	6.26%	9.45%	32.45%	31.80%	28.23%	26.11%
[Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings repayments compared to rates		9.91%	1.24%	1.17%	0.58%	2.23%	2.76%	6.51%	2.94%
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
Non-current liabilities compared to own source revenue		15.75%	13.34%	9.91%	11.96%	33.09%	28.68%	27.91%	25.77%
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation		154.75%	87.06%	136.30%	123.43%	124.53%	154.52%	129.38%	133.72%
[Asset renewal and asset upgrade expense / Asset depreciation] x100									
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit)		4.00%	-2.74%	-0.26%	2.82%	1.94%	1.44%	1.41%	1.58%
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									
		In 2021/22 Council incurred significant costs for storm recovery which resulted in a deficit for the year. In 2022/23 these costs were reimbursed under Victoria's Natural Disaster Financial Assistance program.							

The increase in loans in 2023 exceeds the annual growth in rate income, leading to an increase in this ratio. This ratio is forecast to increase due to Council's planned borrowing needs to undertake several major capital projects.

Council maintains a low level of borrowing, resulting in manageable repayment amounts that remain significantly lower than the annual growth in rate income.

Council forecasts to drawdown several loans to fund capital works projects in the future resulting in an increase to this indicator.

Loans increased in 2023, new loans were less than included in the 2023 budget as the larger project that was to be part funded from loans was delayed and carry forward into the 2024 financial year. The forecast represents the loan being drawn down in 2024 as the ratio increases significantly.

The annual expenditure on the renewal and upgrade of assets has been closely aligned with depreciation, with an additional commitment to address the backlog in renewal projects.

In 2021/22 Council incurred significant costs for storm recovery which resulted in a deficit for the year. In 2022/23 these costs were reimbursed under Victoria's Natural Disaster Financial Assistance program.

Stability									
Rates concentration									
Rates compared to adjusted underlying revenue		61.96%	64.62%	51.18%	52.47%	64.97%	65.41%	65.77%	66.13%
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values		0.33%	0.32%	0.32%	0.26%	0.25%	0.25%	0.25%	0.24%
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									
		The rise in this indicator signifies an increase in the proportion of rate revenue compared to underlying revenue. This suggests that Council's dependence on annual rate revenue has grown, reflecting a greater reliance on this source of income to support its operations.							
		Property values have increased throughout the Shire, resulting in a decrease in this indicator.							

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

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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

The performance statement presents the actual results for the current year 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 2020* 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 2023/24 budget, adopted by Council on 28 June 2023, which forms part of the council plan. The financial 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 financial plan can be obtained by contacting council.

Certification of Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.


Travis Harling
Principal Accounting Officer

27 September 2023
Gisborne

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council for the year ended 30 June 2023 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020* to certify this performance statement in its final form.


Mark Ridgeway
Councillor

27 September 2023
Gisborne



Geoff Neil
Councillor

27 September 2023
Gisborne


Bernie O'Sullivan
Chief Executive Officer

27 September 2023
Gisborne



Independent Auditor's Report

To the Councillors of Macedon Ranges Shire Council

Opinion	<p>I have audited the accompanying performance statement of Macedon Ranges Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">description of municipality for the year ended 30 June 2023sustainable capacity indicators for the year ended 30 June 2023service performance indicators for the year ended 30 June 2023financial performance indicators for the year ended 30 June 2023other information andcertification of the performance statement. <p>In my opinion, the performance statement of Macedon Ranges Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the 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 the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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



MELBOURNE
6 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

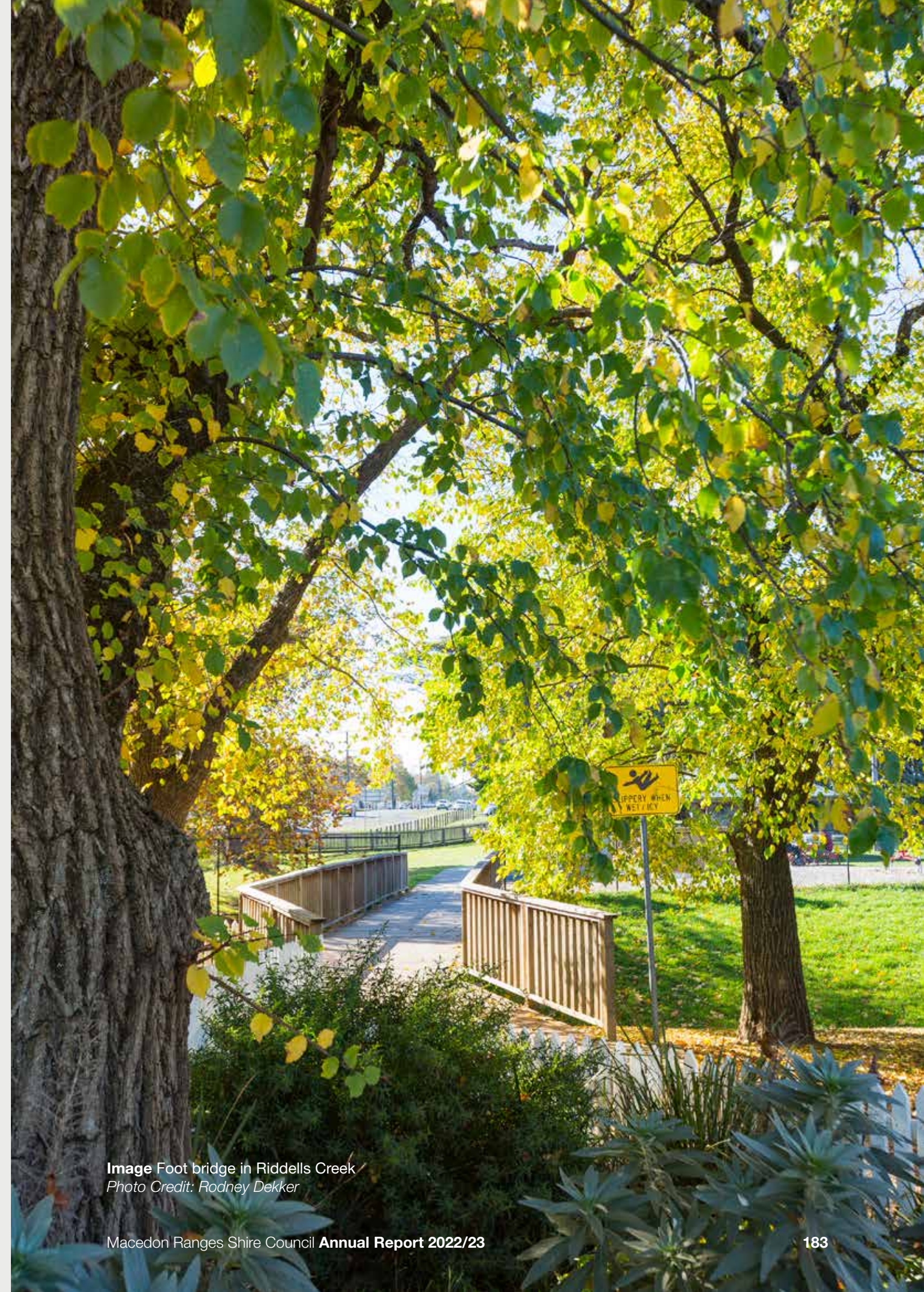


Image Foot bridge in Riddells Creek
Photo Credit: Rodney Dekker

