

Agenda

Council Meeting

Wednesday 9 October 2024 at 6:00 PM

Held online and livestreamed at mrsc.vic.gov.au

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1 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.

2 RECORDING OF LIVE STREAMING OF THIS COUNCIL MEETING

This meeting is being recorded and streamed live on the internet, in accordance with Council's 'Live Streaming and Publishing Recordings of Meetings' policy, which can be viewed on Council's website.

3 PRESENT**4 APOLOGIES****5 CONFLICTS OF INTEREST**

6 DIRECTOR CORPORATE REPORTS

COR.1	FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
Officer:	Sean Morley, Coordinator Accounting
Council Plan relationship:	4. Delivering strong and reliable government
Attachments:	Annual Financial Statements for period ended 30 June 2024 (under separate cover)

Summary

The annual financial statements (the Statements) for the year ended 30 June 2024 are attached for Council's consideration and 'in principle' approval.

The Statements comply 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 Statements are audited by the Victorian Auditor-General's Office.

Council's Audit and Risk Committee considered the financial statements at its meeting on 25 September 2024.

Prior to submitting the statements to the Victorian Auditor-General's Office for final approval, the *Local Government Act 2020* requires Council to pass a resolution giving its approval in principle.

Recommendation**That Council:**

- 1. Approves 'in principle' the Financial Statements for the year ended 30 June 2024, on the recommendation of the Audit and Risk Committee.**
- 2. Delegates authorisation to certify the Financial Statements to its Councillor members of the Audit and Risk Committee.**
- 3. Endorses the Financial Statements be included in the Annual Report upon certification.**

Background

The Statements were prepared in accordance with the Local Government regulations, and they have been audited by the Victorian Auditor-General's Office. Prior to submitting the Statements to the Victorian Auditor-General's Office for final approval, the *Local Government Act 2020* section 99 (2) requires Council to pass a resolution giving its approval in principle.

Discussion

Overall, Council's financial position continues to remain sound.

Council recorded increases in revenue in several categories during 2023/24, categories include rates, statutory fees and fines, capital grants and contributions – non monetary. Decreases were reported for user fees, grants – operating, contributions – monetary and other income. The movement in operating grants was mainly due to the upfront payment of the Commonwealth Grants Commission grants for 2023/24 in 2022/23.

Additionally, storm debris material continued to be process on Council's Kettlewell's site for eight months of the year, adding unbudgeted revenue and expenditure to the overall financial result.

Capital works expenditure for the year was \$45,912,000 which is greater than the capital works expenditure recorded by Council in 2022/23 of \$30,970,000. A large part of the increase was due to the completion of the Macedon Ranges Sports Precinct Stage 1 during 2023/24.

Council has retained a strong liquidity position. New borrowings totalling \$12,300,000 were drawn down during 2023/24, and borrowings continue to be managed in line with loan terms, Council's Borrowing Policy and Council's annual budget. Borrowing levels remain at an affordable level.

Detailed explanations of variations are contained within the notes that form part of the Statements.

Financial Statements

The Financial Statements include a comparison between the 2023/24 financial year and the 2022/23 financial year, the Balance Sheet also required the inclusion of the 2021/22 financial year. The Financial Statements comprise the:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Notes to the Financial Report

Council was required to recognise a prior-year adjustment that affected the financial reports for the two previously audited financial years, 2022/23 and 2021/22. The adjustment relates to the recognition of non-monetary contributed assets (developer contributions). The assets had previously been recognised at the time they were included in the asset system, rather than at the time of compliance or asset handover. Consequently, rather than recognising the contributions in the 2023/24 financial year, Council was required to adjust the financial statements of previous years to align the timing of the contributions with compliance issuance.

Comprehensive Income Statement

The Comprehensive Income Statement shows Council's revenue and expenses for the year plus other comprehensive income.

The statement does not include the cost of asset purchases, loan repayments (principal) or reserve funds. It does however include the depreciation of asset values as an expense.

Below is a summary of the Comprehensive Income Statement:

	2023/24	2022/23 Restated
Revenue (1)	\$131,068,000	\$134,551,000
Less		
Expenses (2)	\$107,924,000	\$107,533,000
Net Operating Surplus	\$23,144,000	\$27,018,000
Other Comprehensive Income (3)	\$4,407,000	\$67,452,000
Comprehensive Result	\$27,551,000	\$94,470,000

Explanations of some of the key changes between 2023/24 and 2022/23 restated in the components of the Comprehensive Income Statements are as follows:

(1) Total income decreased by \$3,483,000

- Rates and Charges increased by \$3,674,000
 - The higher rates income was due to a 3.5% increase in rates (in line with the rate cap), an increase in the number of rateable properties (growth) throughout the year, and higher waste charges to offset increased costs relating to resource recovery services.
- Operating Grants decreased by \$10,990,000
 - The decrease relates to the timing of receipt of the Federal Assistance Grant funding. The 2023/24 grant was paid early, which resulted in the grant being recognised when it was received, in 2022/23. Therefore, 2022/23 contains two years of Federal Assistance Grant funding, and no such funding is recognised in the 2023/24 year.

Capital Grants increased by \$7,986,000

- The increase relates to the timing of receipt of capital grant funding. The main contributor to this increase was the grant funds received for the Macedon Ranges Sports Precinct (\$8.45M).
- Contributions – non-monetary increased \$2,929,000
 - The increase from 2022/23 to 2023/24 relates to the timing of developer contributed assets being handed to Council for future management. Both years are considerably higher than prior years, this is largely due to the continued growth of the shire.
- Net gain (loss) on disposal of property, infrastructure, plant & equipment decreased by (\$3,272,000)
 - During the year a review of projects in the carried forward Work in Progress determined that several projects either were no longer proceeding or were project managed by Council on behalf of other entities and could not be capitalised.

The following table provides a breakdown of income sources for 2023/24:

Rates and charges	47.3%
Statutory fees & fines	2.6%
User fees	5.2%
Grants - operating	10.3%
Grants - capital	11.8%
Contributions - monetary	1.8%
Contributions – non-monetary	13.2%
Other income	7.8%

(2) Total expenses increased by \$391,000

Some of the key movements between the expense categories were:

- Employee costs increased by \$1,402,000
 - Contributing to the growth was the annual increase for the Enterprise Bargaining Agreement and several new positions in the 2023/24 budget. Superannuation contributions increased from 10.5% to 11.0% under the Superannuation Guarantee.
- Materials and Services expenditure decreased by \$2,083,000
 - Contract payments – Processing of timber costs decreased by \$6,029,000 due to the closure of the processing site at Kettlewells Road in February 2024
 - Contract payments – Resource Recovery increased by \$1,128,000, directly linked to growth in the rates charged by the contractor for collection and cartage of waste and contract costs at the Resource Recovery Centres.
 - Software licencing and support costs increased by \$604,000 due to rising vendor fees.

The following table provides a breakdown of operating expenses for 2023/24:

Employee costs	40.1%
Materials and services	40.4%
Borrowing costs	0.2%
Other expenses	3.0%
Depreciation and amortisation	16.3%

(3) Other comprehensive income is \$4,407,000

Other comprehensive income is made up of movements in the asset revaluation reserve because of asset revaluations. Council does not revalue all its assets each year. The assets are grouped into categories and in accordance with accounting standards, the asset categories are revalued on a cyclical basis over several years. As most infrastructure revaluations are based on current replacement costs, they generally result in an increase in asset values. Land values have also been increasing.

The 2023/24 revaluation income was associated with condition assessment changes for footpath assets, recreational, leisure and community assets and parks open spaces and streetscape asset classes.

(4) Balance Sheet

The Balance Sheet shows what Council owns as assets and what it owes as liabilities. The bottom line of this statement is Total Equity which is an accumulation over time of the net worth of Council.

Current Assets decreased by \$18,604,000

The decrease in current assets is a result of a lower level of cash and cash equivalents and other financial assets held at 30 June 2024. The lower level is a direct result of capital works for several high value projects were carry forward to 2023/24 and the early payment of the Federal Assistance grant for 2023/24 being paid early in the 2022/23 financial year.

Trade and other receivables also contributed to the decrease as trade and other receivables were considerably higher at 30 June 2023 due to amounts relating to the sale of the East Paddock, and storm material processing cost reimbursements were outstanding.

Non-Current Assets increased by \$48,185,000

Non-Current assets are assets which are not expected to be converted into cash during the next 12 months. The increase is due to asset revaluations, assets contributed by developers (non-monetary contributions) and completed capital works. Offsetting these increases is the depreciation expense for the year.

Current Liabilities decreased by \$10,580,000

The lower balance in 2023/24 compared with the prior year is due to early payment of grants relating to the Macedon Ranges Sports Precinct and Shared Trail projects in 2022/23. These grants were recorded as unearned income of \$16,668,000 during 2022/23, whereas in 2023/24 unearned income totalled \$7,916,000. Trade and other payables are \$2,237,000 also lower in 2023/24 due mostly to the timing of expenditure relating to processing costs at Council's Gravel Pit site processing storm debris material at 30 June 2023. Offsetting these two decreases is an increase in interest bearing liabilities increased, this is a direct result of the budget loan Council drew down during 2023/24.

Non-Current Liabilities increased by \$12,609,000

Non-Current Liabilities relate to borrowings and provisions that are not payable within the next year. The increase is linked directly to the drawdown of the budgeted loan in the 2023/24 financial year of \$12,300,000.

Total Equity is the term used to describe the value of the Council to its ratepayers and is divided between:

- Accumulated Surplus – the value of all net assets over time.
- Reserves – includes the asset revaluation reserve and funds reserved for specific future expenditure.

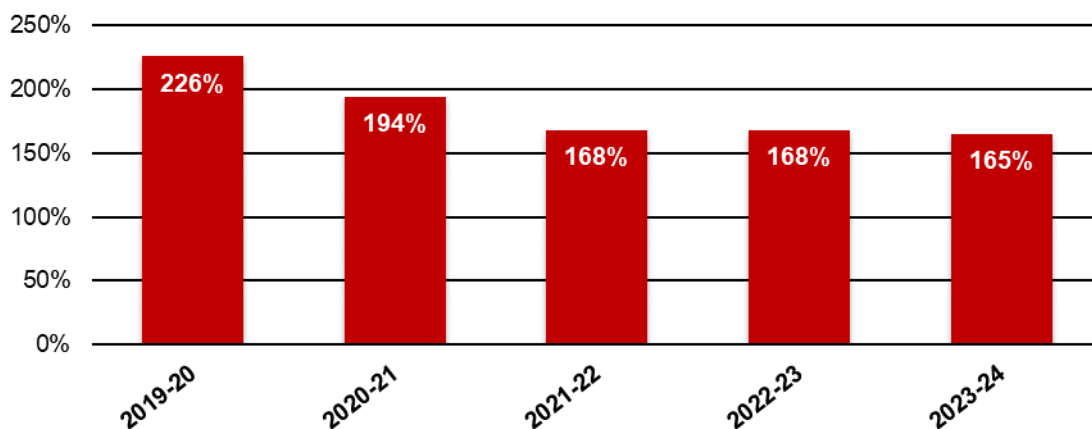
Council's total equity was \$1,445,515,000 at the end of 2023/24, an increase of \$27,552,000 from 2022/23, due to the operating surplus (comprehensive result) recorded during the year and revaluation of assets.

(5) Working Capital Ratio

The working capital ratio is a liquidity measure and provides an assessment of the number of times Council can meet its current commitments. Council's working capital ratio has remained at 200% or above prior to the introduction of recognising unearned income as a current liability. The decrease from 2021/22 is attributable to the recognition of the high

balances of unearned income \$7,916,000 in 2023/24 and \$16,668,000 in 2022/23. Even with a reduction to 165%, the ratio indicates that Council can confidently meet its financial obligations.

Working capital ratio



(6) Statement of Cash Flows

The Statement of Cash Flows is a record of cash received and cash paid by Council during the financial year. It excludes non-cash expenses such as depreciation that are included in the Comprehensive Income Statement and includes items such as capital expenditure and proceeds from loans that are not included in the Comprehensive Income Statement.

The Statement of Cash Flows is concerned with three distinct areas as follows:

- Operating, which are normal Council operations.
- Investing, which are payments for capital equipment and proceeds from assets sales.
- Financing, which includes proceeds from investments maturing, loan proceeds received and repayment of loans. Increases in investments with a maturity of more than three months are treated as cash outflows.

The Statement of Cash Flows shows that cash on hand was \$8,981,000 at 30 June 2024. The level of cash should be considered together with the other financial assets category in the balance sheet, as investments switch between these two asset categories depending on the length of investment term. At 30 June 2024 Council held \$27,998,000 of other financial assets. Overall, cash and other financial assets levels are lower than 2022/23 due to the higher levels of cash held at 30 June 2023 due to the timing of delivering several large carry forward capital works projects and the early payment of the 2023/24 Federal Assistance Fund grant.

(7) Statement of Capital Works

Capital expenditure for the year totalled \$45,912,000, an increase of \$14,942,000 compared with 2022/23. The higher capital expenditure for 2023/24 is largely due to the Macedon Ranges Regional Sports Precinct project stage 1 being completed.

Some of the key areas of capital works in 2023/24 were buildings (\$3,594,000), roads (\$13,087,000), plant machinery and equipment (\$1,378,000), footpaths and cycleways (\$2,015,000) and recreational, leisure and community facilities (\$21,089,000).

Included in the figures above were significant works completed at several Council facilities across the Shire including:

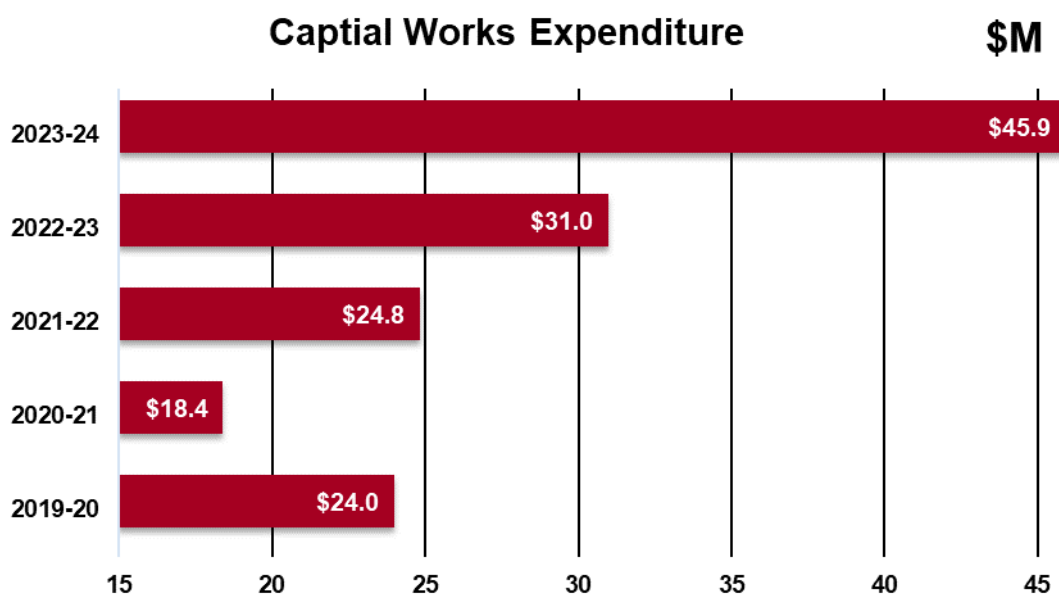
- Buffalo Stadium - Woodend \$244,000
- Land purchase – South Gisborne \$1,060,000
- Woodend Golf Club works \$510,000
- Brooke Street crossing works - Woodend \$553,000
- Transfer Station Resale Shop – Romsey \$141,000

The following table provides a breakdown of Council's capital works expenditure for 2023/24:

Property	10.14%
Plant & equipment	4.00%
Roads	28.50%
Bridges	3.32%
Footpaths & cycleways	4.39%
Drainage	1.09%
Rec, leisure & community facilities	45.94%
Parks, open space & streetscapes	1.33%
Other	1.29%

Capital expenditure fluctuates from year to year due to the scheduling of major one-off projects and the availability of grant funding.

The following graph shows the level of capital expenditure over the past five years:



Approval ‘in principle’ and Certification of the Financial Statements

This report recommends that the financial statements for the year ended 30 June 2024 be approved ‘in principle’.

The *Local Government Act 2020* requires Council to authorise two Councillors to certify the Statements in their final form after they have been reviewed and approved by the Victorian Auditor-General’s Office.

It is recommended that Councillor Mark Ridgeway and Councillor Geoff Neil, as Council’s delegates on the Audit and Risk Committee, be authorised to certify the Statements, and as

resolved by Council, that Councillors Jennifer Anderson or Janet Pearce be provided with authorisation to certify the Statements as 'alternate' delegates of the Audit and Risk Committee, should Councillors Ridgeway or Neil not be able to perform this duty.

The Statements will also be certified by the Chief Executive Officer and the Principal Accounting Officer.

Consultation and engagement

The Financial Statements were audited by Victorian Auditor-General's Office and considered by the Audit and Risk Committee at its meeting on 25 September 2024.

Collaboration

This information is prepared together with the Victorian Auditor-Generals Office.

Innovation and continuous improvement

The Financial Statements have been prepared in accordance with the *Local Government Act 2020* (the Act) and the *Local Government (Finance and Reporting) Regulations 2020* (the regulations).

Relevant law

The *Local Government Act 2020* (the Act) and the *Local Government (Finance and Reporting) Regulations 2020* (the regulations) set out the requirements for preparing Financial Statements.

In accordance with the *Gender Equality Act 2020*, a Gender Impact Assessment was not required in relation to the subject matter of this report.

Relevant regional, state and national plans and policies

The Financial Statements have been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Finance and Reporting) Regulations 2020*.

Relevant Council plans and policies

The Financial Statements are a key component of the *Council Plan 2021-2031* priority – Deliver strong and reliable government.

Climate Impact Assessment

Information included and reviewed as part of this process supports council in assessing and Council's energy usage and lower its greenhouse emissions profile by implementing more sustainable practices and technologies. Additionally, it will mitigate risks posed by climate change to Council operations and services by enhancing resilience and adopting measures that reduce vulnerability to climate-related impacts. The recommendation will help inform and prepare the community for future climate scenarios by promoting awareness, fostering adaptation strategies, and supporting initiatives that build climate resilience.

Financial viability

The financial statements as reported at 30 June 2024 indicates that Council remains financially viable and is able to continue operations at current levels into the future.

Sustainability implications

Nil

Officer declaration of conflicts of interest

All officers involved in the preparation of this report have declared that they do not have a conflict of interest in relation to the subject matter.

Statement regarding the Election Period

The Chief Executive Officer has reviewed this report and is of the view that a decision taken on the matters raised in the report would not constitute a prohibited decision under section 69(2) of the Local Government Act 2020 and would not be inconsistent with section 4 of Council's Election Period (Caretaker) Policy.

COR.2	PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2024
Officer:	Sean Morley, Coordinator Accounting
Council Plan relationship:	4. Delivering strong and reliable government
Attachments:	Annual Performance Statement for period ended 30 June 2024 ↓

Summary

Council's Performance Statement has been prepared in accordance with the *Local Government Act 2020* (the Act) and the Local Government (Finance and Reporting) Regulations 2020 (the regulations).

The Performance Statement was audited by the Victorian Auditor-General's Office (VAGO) and considered by the Audit and Risk Committee at its 25 September 2024 meeting. Prior to finalising the Performance Statement with VAGO for final approval, the Performance Statement must be given in principle support by Council.

Once the Performance Statement has been audited by VAGO has been finalised, it must be certified in its final form by two Councillors, the Chief Executive Officer and Principal Accounting Officer.

Recommendation

That Council:

- 1. Approves 'in principle' the Performance Statement for the year ended 30 June 2024, on the recommendation of the Audit and Risk Committee.**
- 2. Delegates authorisation to certify the Performance Statement to the nominated Councillor members of the Audit and Risk Committee.**
- 3. Endorses the Performance Statement be included in the Annual Report upon certification.**

Background

The Victorian Government introduced a mandatory system of performance reporting, the Integrated Strategic Planning and Reporting Framework (ISPRF) on 24 October 2020.

The legislative requirements to develop strategic planning, budgeting and annual reporting documents is covered by Part 4 of the Act which addresses planning and financial management.

The Act introduced strategic planning principles for Victorian councils which include an integrated approach to planning, monitoring and performance reporting. This important shift from a more prescriptive form of legislation to a new Act that is principles-based.

The Performance Statement was prepared in accordance with the Local Government regulations, and it has been audited by the VAGO in accordance with the *Local Government Act 2020* section 99 (4). Prior to submitting the Statement to VAGO for final approval, the

Local Government Act 2020 section 99 (2) requires Council to pass a resolution giving its approval in principle.

The Performance Statement must be prepared in accordance with the regulations and contain the following:

- the prescribed indicators of service performance for the services provided by the Council and funded in the budget for the financial year, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures,
- the prescribed indicators of financial performance, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures,
- the prescribed indicators of sustainable capacity performance, the prescribed measures relating to those indicators and the results achieved in relation to those performance indicators and measures; and
- any other information prescribed by the regulations.

Discussion

The performance measures in the ISPRF are across a range of Council service areas and also include financial ratios. The Performance Statement is sub-set of key indicators in the ISPRF. The Local Government (Planning and Reporting) Regulations 2020 sets out the indicators that must be included in the Performance Statement.

For the Performance Statement for the year ended 30 June 2024 a number of changes were advised by Local Government Victoria, including new calculations and the retirement, or replacement, of some indicators. These changes have been reflected in the information to be submitted in the attached Performance Statement.

For the year ended 30 June 2024 the following points are for noting:

- Indicators relating to service provision have improved due to increased program attendance at aquatic facilities. Community satisfaction with consultation and engagement has also risen compared to prior years, though the actual result fell slightly short of the budgeted target. A new indicator tracking the percentage of the population registered as library members has been introduced. However, the service standard indicator for statutory planning within the time limit saw a decline, due to staff shortages which have impacted the time taken for planning application decisions.
- Indicators related to financial performance remain effected by the significant unbudgeted income and expenses associated with operating the Kettlewell's site for storm debris processing. Working capital is in a strong position, due to the cash held as of 30 June 2024, which is required to complete carry-forward projects from 2023/24. Loans and borrowings indicators have increased following the budgeted drawdown of a \$12.3 million loan during the year. The asset renewal and upgrade indicator remains favourable compared to annual depreciation charges, indicating that Council is renewing and upgrading its assets in line with their recognised consumption (depreciation). The underlying result for 2023/24 shows a negative measure, primarily because Council received its Federal Assistance Grants for 2023/24 in the 2022/23 financial year, reducing the reported revenue for 2023/24 against the budget.
- Council's sustainable capacity indicators remain consistent with prior years. However, the expenses per head of population measure have been impacted by the costs associated with the Kettlewell's site, while the increase in infrastructure per head of

population reflects the completion of the Macedon Ranges Regional Sports Precinct Stage 1 project during 2023/24. The own source revenue measure decreased compared to the prior year due to the cessation of processing at the Kettlewell's site in February 2024, decreasing Council's income compared with the prior year. The recurrent grants measure also saw a decrease, as mentioned earlier, due to the timing of the Federal Assistance Grant payment. Additionally, staff turnover significantly decreased in 2023/24.

Several other indicators have also experienced movement and where material (greater or less than 10%) an explanatory comment is provided.

Approval 'in principle' and Certification of the Performance Statement

This report recommends that the Performance Statement for the year ended 30 June 2024 be approved 'in principle'.

The *Local Government Act 2020* requires Council to authorise two Councillors to certify the Statement in its final form after it has been audited by VAGO.

Therefore, it is recommended that Councillor Mark Ridgeway and Councillor Geoff Neil, as Council's delegates on the Audit and Risk Committee, be authorised to certify the Statement (or, as resolved by Council, Councillor Jennifer Anderson or Councillor Janet Pearce as 'alternates' should Councillors Neil or Ridgeway be unable to meet this requirement).

The Chief Executive Officer and the Principal Accounting Officer will also certify the statement.

Consultation and engagement

The Performance Statement was reviewed and prepared by the VAGO and considered by the Audit and Risk Committee at its meeting on 25 September 2024.

Collaboration

The Performance Statement was reviewed and prepared by the VAGO.

Innovation and continuous improvement

Nil

Relevant law

The Performance Statements have been prepared in accordance with the *Local Government Act 2020* (the Act) and the *Local Government (Finance and Reporting) Regulations 2020* (the regulations).

In accordance with the *Gender Equality Act 2020*, a Gender Impact Assessment was not required in relation to the subject matter of this report.

Relevant regional, state and national plans and policies

Nil

Relevant Council plans and policies

The Performance Statements are a key component of the Council Plan priority – Deliver strong and reliable government.

Climate Impact Assessment

A Climate Impact Assessment is not required in relation to the content of this report.

Financial viability

Several of the performance indicators represent strategic financial indicators. These indicators indicate Council remains financially viable.

Sustainability implications

Nil

Officer declaration of conflicts of interest

All officers involved in the preparation of this report have declared that they do not have a conflict of interest in relation to the subject matter.

Statement regarding the Election Period

The Chief Executive Officer has reviewed this report and is of the view that a decision taken on the matters raised in the report would not constitute a prohibited decision under section 69(2) of the Local Government Act 2020 and would not be inconsistent with section 4 of Council's Election Period (Caretaker) Policy.

**Macedon Ranges Shire Council
Performance Statement**

For the Year Ended 30 June 2024

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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

XX October 2024
Gisborne

In our opinion, the accompanying performance statement of the Macedon Ranges Shire Council for the year ended 30 June 2024 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

XX October 2024
Gisborne

Geoff Neil
Councillor

XX October 2024
Gisborne

Bernie O'Sullivan
Chief Executive Officer

XX October 2024
Gisborne

VAGO REPORT

Section 1. Description of 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 (19.4% 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 52,920 which is expected to grow to 65,771 by 2036.*

Key Events of 2023-24:

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, 2022/23 and 2023/24. All reimbursements have now been finalised and paid to Council, and the claims and activity relating to this storm are now considered finalised.

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 may be 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 2024 total expenditure was \$2.03M, \$0.17M of claims has been received with outstanding claims of \$1.86M expected to be received in 2024/25.

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, 2022/23 and 2023/24 financial years. The indicators impacted from this activity include expenses per property assessment and own-source revenue per head of municipal population. The engagement with the State Government concluded in February 2024.

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

Section 2 - Service Performance Indicators For the year ended 30 June 2024

Service/indicator/measure [formula]	Results					Comment
	2021	2022	2023	2024		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.53	4.52	7.33	N/A	9.22	Attendance increase is a combination of increased visits as a result of program attendance improvements and adoption of a new electronic people counting system to replace assumption based multipliers previously used. Data integrity testing has been undertaken which confirms captured data aligns with actual attendances.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	N/A	N/A	N/A	N/A	100%	Prosecution numbers have increased compared to previous years, with three cases successfully finalised. From 2021 to 2023, Council did not have any animal prosecutions brought before the magistrate's court.
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	95.12%	100.00%	96.77%	N/A	100.00%	
Governance Satisfaction <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with the consultation and engagement efforts of Council]	49.00	48.00	45.00	52.00%	49%	
Libraries Participation <i>Library membership</i> [percentage of the population that are registered library members] x100	N/A	N/A	N/A	N/A	24.23%	A new measure in 2024, 24.23% of Council's population have a library membership.

Service/indicator/measure [formula]	Results					Comment
	2021	2022	2023	2024		
	Actual	Actual	Actual	Target as per budget	Actual	
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	80.85%	78.36%	80.72%	N/A	81.42%	
<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	78.67%	87.80%	80.00%	N/A	85.11%	
Roads Condition <i>Sealed local roads below the intervention level</i> [Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal]	96.22%	93.40%	92.56%	94.00%	90.42%	Council is aware that more money is required to renew sealed local roads as defined in the state of the assets report. As costs have increased in construction and resealing this has impacted on the number of km's that are renewed each year.
Statutory Planning Service standard <i>[Planning applications decided within the relevant required time]</i> [Percentage of planning application decisions made within the relevant required time]	62.82%	49.77%	50.93%	60.00%	43.53%	The decrease in applications decided within statutory timeframes is due to consistent staff shortages, a high turnover of staff and a large backlog of planning applications which will continue to impact statutory timeframes into the future. The staff shortages persisted longer than anticipated resulting in Council not obtaining the target set for this measure.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	64.67%	71.08%	70.52%	74.00%	71.65%	There has been a slight improvement of 1.1% in the diversion of waste from landfill which is a great outcome and should be celebrated. With the introduction of Container Deposit Scheme (CDS) in November 2023 we have seen a reduction in glass collected from bins per month of 20 tonne which impacts the diversion calculation which is weight of recyclables and green organics collected from kerbside bins.

Section 3 - Financial Performance Indicators

Dimension/indicator/measure	Results			Forecasts					Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	
	Actual	Actual	Actual	Target as per Budget	Actual	Forecasts	Forecasts	Forecasts	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,602.98	\$4,575.59	\$4,412.67	\$3,880.00	\$4,441.32	\$4,021.62	\$4,179.33	\$4,299.13	The higher measure was primarily due to ongoing unbudgeted operating costs at Council's Gravel Pit site for processing storm debris. As this additional expenditure was not expected to continue into 2023/24, it was excluded from the budget, resulting in a target measure lower than previous years' actuals and more in line with the levels reported in 2020/21, prior to the June 2021 storm that impacted the shire. With the processing now concluded, future forecasts indicate a decrease in the measure from the elevated levels observed over the past 2-3 years.
Revenue level									
<i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,881.04	\$1,890.51	\$1,929.79	N/A	\$2,041.52	\$2,043.89	\$2,119.45	\$2,200.29	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	194.07%	167.81%	167.81%	85.00%	164.96%	120.23%	112.29%	110.44%	The higher actual average each year is affected by the cash Council holds to fund carry-forward Capital Works projects and by accounting for grants received in advance for projects not yet started. The budget percentage does not take into account these carry-forward projects and advance grant payments.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	19.01%	6.15%	4.21%	N/A	7.08%	26.28%	7.35%	9.20%	The increase in this measure during 2024/25 is due to the redemption of non-financial assets (investments), which are recognised as cash and cash equivalents in 2024/25. The measure decreases in the forecast years, reflecting that the Council will hold lower levels of unrestricted cash in the future.

Dimension/indicator/measure	Results			Forecasts					Material Variations and Comments
	2021	2022	2023	2024	2025	2026	2027		
	Actual	Actual	Actual	Target as per Budget	Actual	Forecasts	Forecasts	Forecasts	
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	7.56%	6.26%	9.45%	N/A	28.12%	29.09%	21.95%	22.52%	The increase in this percentage is attributed to the budgeted loan drawdown of \$12.3 million in 2024, followed by an additional \$2.5 million in 2025. In the subsequent years, the percentage declines due to principal repayments reducing the loan balance, with no new loans budgeted for drawdown.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.24%	1.17%	0.58%	N/A	1.00%	3.65%	7.46%	3.85%	This percentage has traditionally been very low due to Council's minimal borrowing levels. However, it is expected to increase in the forecast years as Council begins repaying the two budgeted loans drawn down in 2024 and 2025.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	13.34%	9.91%	11.96%	N/A	27.64%	25.54%	22.10%	21.89%	The rise in this percentage is directly tied to the budgeted loans drawn down in 2024 and 2025. While own-source revenue remains steady during the forecast years, the increase is specifically connected to the loan commitments in those future years.
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	87.06%	136.30%	123.43%	125.00%	131.23%	112.35%	115.21%	117.17%	This percentage indicates that Council is constantly renewing and upgrading its assets at a rate higher than the annual depreciation charge.
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-2.74%	-0.26%	2.82%	N/A	-8.22%	-0.89%	-1.84%	-1.51%	The decrease in the 2024 outcome is due to the Federal Assistance Grant being received in advance and paid to the Council in 2023, leading to lower revenue levels and a reduced underlying result.
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	64.62%	51.18%	52.47%	64.00%	62.11%	63.72%	64.02%	64.24%	
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.32%	0.32%	0.26%	N/A	0.25%	0.26%	0.25%	0.25%	

Section 4 - Sustainable Capacity Indicators For the year ended 30 June 2024

	Results				Comment
	2021	2022	2023	2024	
<i>Indicator / measure</i> [formula]	Actual	Actual	Actual	Actual	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,659.02	\$2,126.90	\$2,069.98	\$2,039.38	The decrease in 2024 is primarily due to the Council's Gravel Pit site operating as a storm debris processing facility. This site was closed for processing in February 2024, which led to expenditure being recognised for only 8 months of the 2024 year.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,194.78	\$13,738.07	\$14,551.02	\$15,192.04	The increase in this measure is primarily due to the substantial capital works program delivered in 2024. This growth is largely driven by the asset class of recreational, leisure, and community facilities, including the construction costs of the Macedon Ranges Regional Sports Precinct in New Gisborne.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	28.75	29.05	30.67	30.95	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,258.42	\$1,499.66	\$1,632.91	\$1,558.13	The decrease in 2024 is primarily due to the Council's Gravel Pit site operating as a storm debris processing facility. This site was closed for processing in February 2024, which led to revenue being recognised for only 8 months of the 2024 year.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$271.74	\$370.64	\$392.62	\$197.79	The decrease in 2024 was due to the early payment of the Financial Assistance Grants in 2023. 100% of the 2024 Federal Assistance Grant was received in 2023.
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	9.00	9.00	10.00	10.00	
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.8%	17.7%	19.7%	13.1%	The percentage for 2024 is now lower than the industry average of 18% The higher percentages in prior years was due to high staff turnover in the earlier years followed by the decision by Council to withdraw from providing Aged Care Respite Services.

Section 5. Notes to the accounts

5.1 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, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district and an explanation of material variations in the results and notes to the accounts. 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 or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and results forecast for the period 2024/25 to 2027/28 by the council's financial 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.

Section 5. Notes to the accounts (cont.)

5.2 Definitions

Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
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
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that - (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
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
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , 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
non-current liabilities	means all liabilities other than current liabilities
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
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Section 5. Notes to the accounts (cont.)

5.3 Other Matters

Overview of 2023-24

During the financial year council experienced no other matters that would impact the calculation and reporting of the measures in this Performance Statement.