



MOUNT ALEXANDER SHIRE COUNCIL

# ANNUAL REPORT

2017-2018



MOUNT ALEXANDER  
SHIRE COUNCIL



MOUNT ALEXANDER:  
INNOVATIVE, CREATIVE AND CONNECTED.



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# REPORT OF OPERATIONS

Mount Alexander Shire Council  
For the Year Ended 30 June 2018







# WELCOME

## INTRODUCTION

The 2017/2018 Annual Report informs our community of our progress against the annual plan and budget for the financial year ended 30 June 2018. Like all Victorian Councils we are required to prepare the annual report in accordance with the Local Government Act 1989, and submit it to the Minister for Local Government by 30 September 2018.

This is the first year we report against the objectives we set in the Council Plan 2017-2021 which guides the programs and services we will deliver over the four year term. It measures our progress against the strategic goals we set under the pillars of Our People, Our Place and Our Economy. It also includes our highlights and challenges, service performance indicators, and information about our finances and governance.



## VISION, PRINCIPLES AND PILLARS

### OUR VISION

Mount Alexander: innovative, creative and connected.

### OUR GUIDING PRINCIPLES

- Listen to our communities, respect their views and respond openly and responsibly
- Insist on integrity, equity and fairness in delivering services and facilities
- Be progressive and innovative
- Advocate for our shire and collaborate with others for the benefit of our region

### OUR PILLARS

#### OUR PEOPLE

**Population + Health + Wellbeing  
+ Support + Resilience  
+ Partnerships + Social services  
+ Connections**

Strategic objectives:

- Socially connected, safe and inclusive communities
- Local services that support the needs of our community
- Improved health and wellbeing
- A welcoming place for all

#### OUR PLACE

**Buildings + Sport and recreation facilities + Roads + Footpaths  
+ Drainage + Trails + Playgrounds  
+ Gardens + Natural environment  
+ Waste + Recycling + Heritage**

Strategic objectives:

- Well managed assets for now and into the future
- A clean and green community
- Well planned for growth

#### OUR ECONOMY

**Business + Economy + Jobs  
+ Education + Creativity + Events  
+ Innovation + Tourism + Culture**

Strategic objectives:

- A creative and innovative economy
- Great opportunities for education and technology
- An innovative and sustainable organisation



## OUR SHIRE

Mount Alexander Shire is diverse with urban and rural communities. It has much to offer from beautiful heritage streetscapes and picturesque towns, stunning natural surroundings, a thriving local economy and a vibrant cultural life.

Our community comprises more than 19,000 people with most living in and around the townships of Castlemaine, Harcourt, Maldon, Campbells Creek, Newstead, Elphinstone, Guildford, Chewton and Taradale.

Located within commuting distance of Melbourne and Bendigo, the popularity of the shire continues to grow as new residents move to the area to make the most of the lifestyle and all the shire offers.





**OUR PEOPLE**

Mount Alexander Shire Council respectfully acknowledges the Dja Dja Wurrung as the traditional owners of the lands and waters of Mount Alexander Shire.

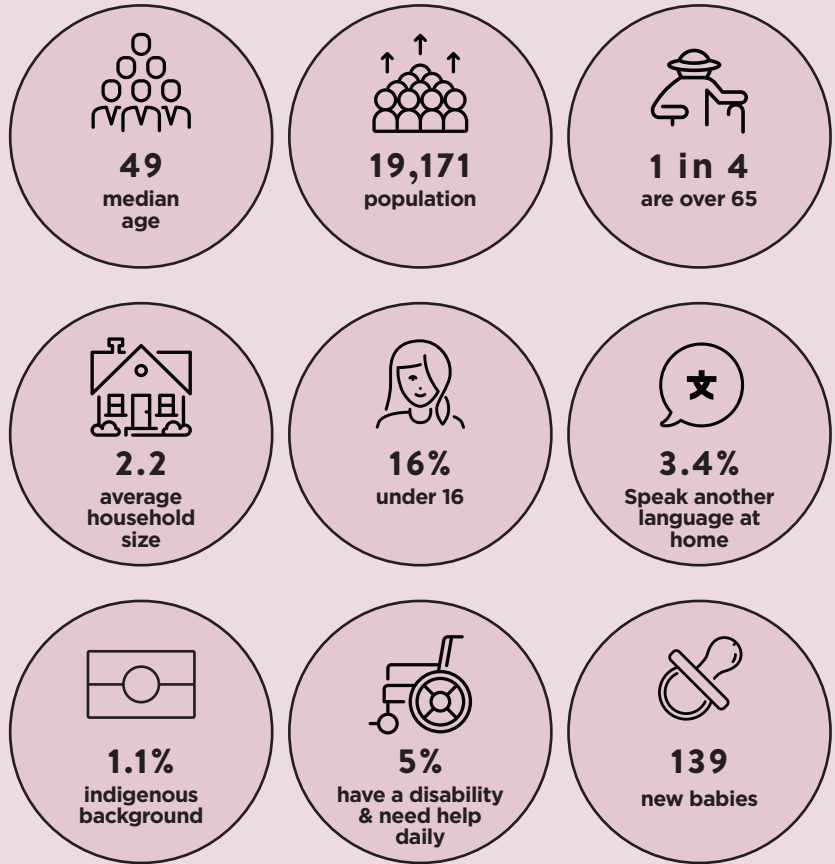
Council also recognises all other Indigenous people of the shire. We acknowledge the vital role that the local Jaara people and their forebears have played as custodians of this region for many centuries, their age old ceremonies of celebration, initiation and renewal. We respect and acknowledge their living culture and unique role in the life of this region.

With a population of 19,171, our shire benefits from a strong sense of community and above average levels of volunteering, community engagement and cultural participation. We have many active community groups and a high level of formal and informal interaction between residents and Council.

Like many regional communities, our population is ageing. Compared with other regional Victorian municipalities, we have a greater proportion of older residents.

We use population and health data to help us understand our strengths and vulnerabilities as a community, identify future needs and plan for infrastructure and service delivery.

**FAST FACTS OUR PEOPLE**

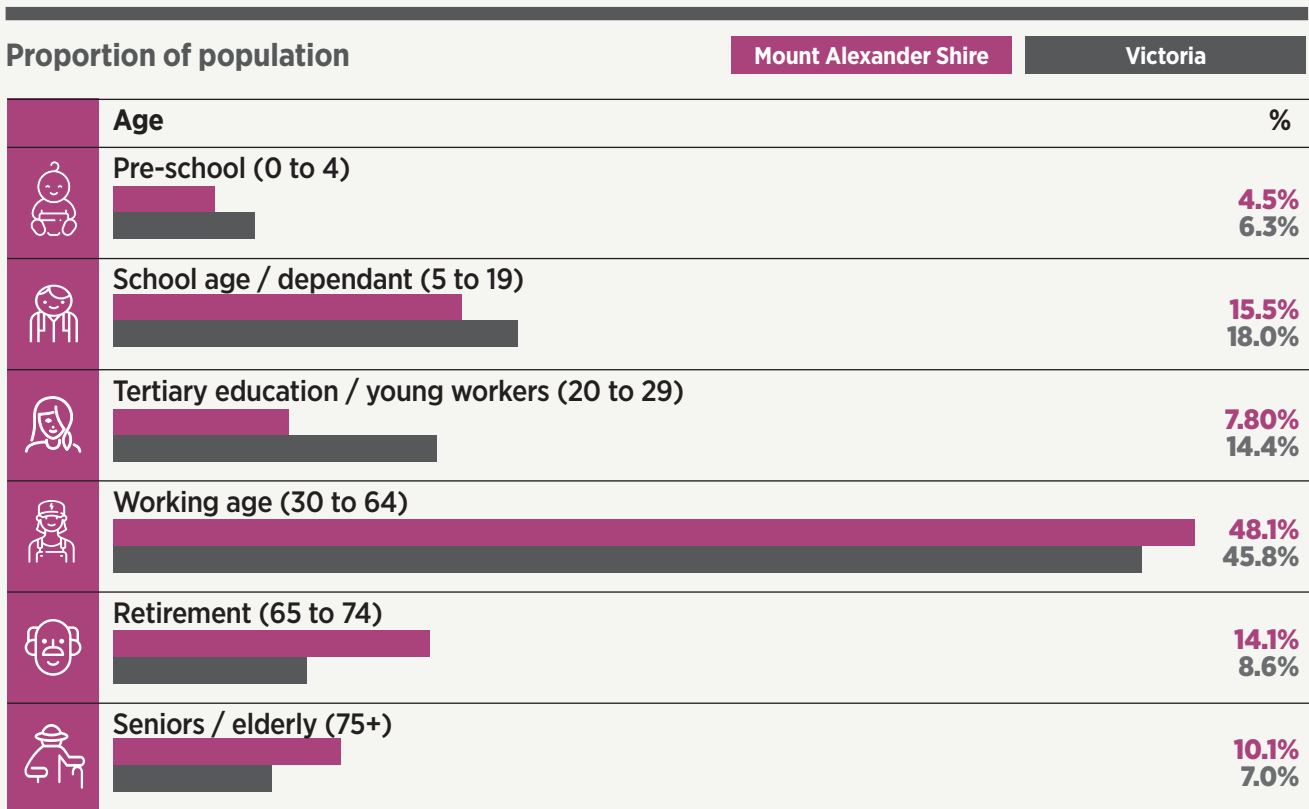






Members of our community help organise the Seniors Festival each year

## POPULATION BY AGE STRUCTURE



Source: Australian Bureau of Statistics 2016 Census of Population and Housing, REPLAN Community.



## OUR PLACE

Mount Alexander Shire is on Jaara Country. The picturesque rural land, rolling hills, granite outcrops and significant bushland add great beauty and attract many people to the area.

We have urban and rural communities, some with national heritage, historic and environmental significance. Our largest town is Castlemaine with a population of 6,755, followed by Campbells Creek at 1,780 and Maldon with 1,512. We have nine main towns across our shire of more than 1,500 square kilometres.

Locals and visitors enjoy a range of stunning parks, gardens and playgrounds in our towns and communities, including the heritage-listed Castlemaine Botanical Gardens.

The community is passionate about the environment. About 28% of households have solar photovoltaic panels, almost two and a half times the state average. We have set a goal to be carbon neutral by 2025, which includes all the emissions from waste collected throughout the shire.

## We manage

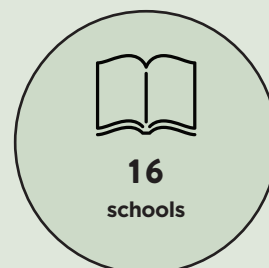
### INFRASTRUCTURE

Community buildings	257
Roads	1,500km
Footpaths	53km
Paths and trails	30km
Bridges and major culverts	233
Pits	3,982
Storm water pipes and open drains	100km+
Old stone drains	10km

### SPORT AND RECREATION

Botanical/public gardens	3
Playgrounds	26
Skate park	1
BMX facilities	3
Reserves	22
Courts	63
Sporting fields	18
Sporting facilities	8
Playgrounds	26
Swimming pools	4

## FAST FACTS OUR PLACE









**OUR ECONOMY**

With a strong history of gold rush and agriculture, today manufacturing is our key industry, along with construction, retail, trade and healthcare.

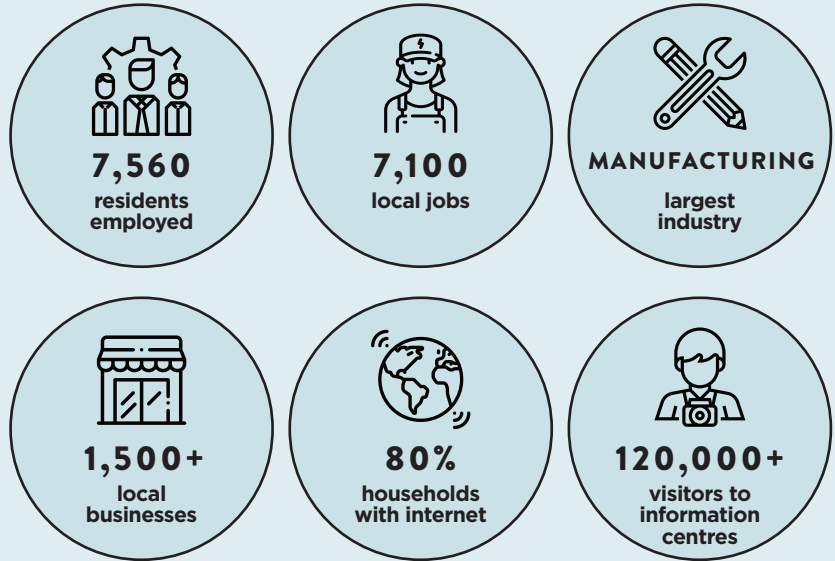
Our largest employer is KR Castlemaine and there are several large heavy engineering companies that are vital to the local economy. Agricultural and horticultural enterprises continue to be an important part of the region's economic diversity and success.

With so much fresh produce on our doorstep, businesses in food, wine and cideries are growing. Our events and festivals, in addition to creative industries such as arts and hot rods play an integral role in tourism and attract visitors from across the state, country and globe.

New growth and investment in the shire is around innovative, highly skilled and service-orientated businesses. There is growth in service industries such as healthcare provision, culture and recreation, accommodation, food services and vehicle modification.

Economic development and local employment is critical to enable our townships to continue to grow and flourish. Supporting our community to build skills through education is also vital to the future of our shire. The introduction of faster and more frequent commuter train services into Melbourne and Bendigo has widened employment, education and training opportunities for local residents.

**FAST FACTS OUR ECONOMY**



## OUR TOWNS & LOCALITIES

**Barfold + Baringhup + Baringhup West + Barkers Creek + Bradford + Campbells Creek + Castlemaine + Chewton + Chewton Bushlands + Elphinstone + Faraday + Fryerstown + Glenluce + Golden Point + Gower + Green Gully + Guildford + Harcourt + Harcourt North + Irishtown + Joyces Creek + Langley + Maldon + McKenzie Hill + Metcalfe + Metcalfe East + Moonlight Flat + Muckleford + Muckleford South + Neereman + Newstead + Nuggetty + Ravenswood South + Sandon + Strathlea + Sutton Grange + Taradale + Tarilta + Tarrengower + Vaughan + Walmer + Welshmans Reef + Yandoit Hills + Yapeen.**

The shire also includes parts of Campbelltown, Carisbrook, Drummond North, Eastville, Eddington, Franklinford, Greenhill, Lockwood South, Malmsbury, Moolort, Myrtle Creek, Porcupine Flat, Ravenswood, Redesdale, Shelbourne, Strangways and Werona.





## OUR TOWNS

Most of the community live in the main townships, each with individual characteristics that help define Mount Alexander as a great place to live, work and invest.



### MALDON

is characterised by a lovingly preserved streetscape attracting visitors to its variety of retail, cafes and gold heritage.

POPULATION  
**1,512**



### HARCOURT

is the apple centre of the state with a long history of apple and pear growing, and more recently cider production. Now home to a world class mountain bike park.

POPULATION  
**940**



### CASTLEMAINE

is the largest town and regional business centre with a rich gold rush history and a growing reputation as a fine food, arts and shopping destination.

POPULATION  
**6,755**



### ELPHINSTONE

is characterised by undulating hills and the river flats of the Coliban River, with diverse flora and fauna and gently winding roads.

POPULATION  
**552**



### TARADALE

is a scenic town with walking trails linking historic landmarks.

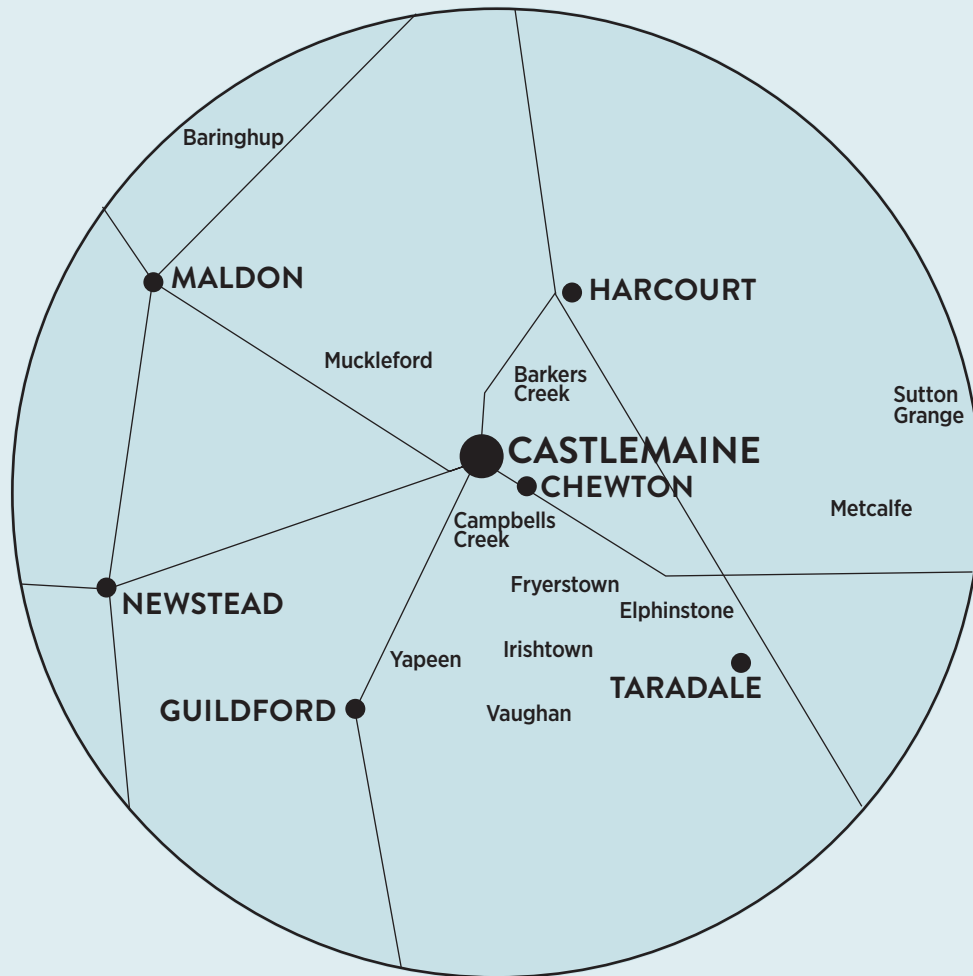
POPULATION  
**448**



### CHEWTON

is a picturesque hamlet surrounded by bushland and the Castlemaine Diggings National Heritage Park.

POPULATION  
**1,313**



**GUILDFORD**

is a welcoming community on the banks of the Loddon River between Daylesford and Castlemaine.

POPULATION  
**330**



**CAMPBELLS CREEK**

shares its name with a line of billabongs flowing south towards the Loddon River and is a diverse and growing community with a proud heritage.

POPULATION  
**1,780**



**NEWSTEAD**

on the Loddon River has a genuine village feel with cafes, antiques and collectables, galleries and nearby wineries.

POPULATION  
**753**



# YEAR IN REVIEW

## MESSAGE FROM THE MAYOR & CHIEF EXECUTIVE OFFICER



**Cr Bronwen Machin**  
Mayor, Mount Alexander Shire

On behalf of staff and Councillors we are pleased to present Mount Alexander Shire Council's 2017/2018 Annual Report. This annual report marks off the first year of actions guided by our Council Plan 2017 - 2021, which was developed after extensive community consultation.

We have delivered these actions in innovative, connected and creative ways. The increasing pressure on our costs, alongside continued cost shifting by other levels of government and increasing demand for better services require that we keep improving in order to deliver what our community and regulations demand.

Some innovative examples include trialling new gravel mixes to extend the life of our roads, introducing a new corporate system to integrate our data and streamline processes for residents and ratepayers, and investing in new equipment that enables road edges to be more easily maintained.

We are connecting with our community in more powerful ways. We are working with Castlemaine Health and Castlemaine and District Community Health to master plan a new health hub, and with the Department of Education, Workspace and other groups to achieve a strong community facility at the old Etty Street campus.

So much of our work relies on building strong partnerships and collaborating with organisations, groups and volunteers in the community – whether it be for managing weeds along

our roadsides or developing a regional approach to emergency management.

This year we joined with partners to provide mental health first aid training for young people and to motivate hundreds of kids to walk to school. We worked with community organisations to deliver healthy aging projects to connect our residents while supporting clients in the transition to the NDIS and My Aged Care.

We have supported our community to be creative through grants, event support and partnering. One of the true highlights was being recognised for advancing reconciliation at the local level thanks to the courage and vision of our local elders. We were nominated for a HART Award for acknowledging Survival Day and our shared history at our 2018 Australia Day event run in partnership with Nalderun and Dja Dja Wurrung. This was one of the many beautiful community events that make our shire so special.

We invested time in identifying our advocacy priorities with a focus on improving local roads and footpaths, and community and health facilities. In addition to meeting with local MPs regularly through the year, we took our funding priorities directly to Canberra for discussion with Federal Ministers, Shadow Ministers and their advisors in June.

External access to funding is more important than ever and we worked to bring in more than \$1.5 million in additional funds to help deliver our priorities.



It's difficult to pick a few highlights each year when our staff are working hard to provide more than 100 valuable services every day.

As part of our \$8 million capital works program we substantially delivered our annual road, bridge and footpath renewal programs despite the massive clean-up effort needed in the south of the shire after the December storms. It was also pleasing to see the completion of a three year program to improve community halls and buildings and we continue to develop streetscape plans in five of our towns with strong input from the community.

Perhaps nothing gave us more pleasure than seeing hundreds of young netballers hit the new courts at Wesley Hill. The transformation

of the reserve into a junior sports hub is well underway with Stage 1 finished and a new multipurpose pavilion on track for completion at the end of the year. This project is funded by all levels of government and community contributions, and is the result of years of discussions with the committee of management and user groups to shape the master plan and designs.

As part of our effort to create a more welcoming, supportive and inclusive place to live we developed a Refugee Welcome Zone Action Plan, facilitated our first LGBTIQ+ Roundtable and saw the rainbow flag fly at a Council building for the first time.

We would like to thank our fellow Councillors, staff and volunteers

for their contribution in working to build an innovative, creative and connected shire. We sadly note the resignation of Cr Telford, Cr Bell and Cr Taylor in 2017, thank them for their significant contribution over many years and wish them well. New councillors, Cr Petrusma, Cr Gardner and Cr Lesser have brought fresh ideas and energy as part of our team. We look forward to continuing to work together as a strong team and building on the successes of the past year.

Thank you.

**Cr Bronwen Machin,  
Mayor of Mount Alexander Shire**

**Darren Fuzzard,  
Chief Executive Officer,  
Mount Alexander Shire Council**



# DESCRIPTION OF OPERATIONS

Mount Alexander Shire Council delivers more than 100 services to the community including family and children’s services, youth programs, aged and disability care, business and economic development, community planning and development, waste management and library services.

Council manages and maintains a variety of community assets such as recreation and leisure facilities, local roads, bridges, footpaths, drains, parks, playgrounds, community buildings and much more.

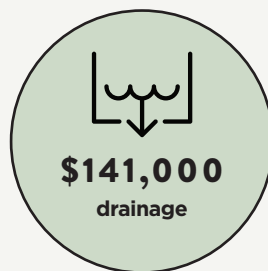
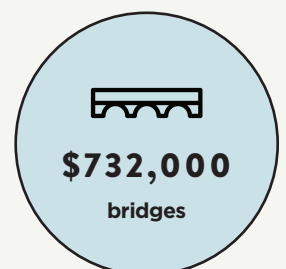
Council strives to balance the provision of services to meet current community needs, maintaining our ageing infrastructure and preparing for future needs and demands.

The delivery of services, facilities, support, community engagement, advocacy and our decision making are measured by the different performance and capacity indicators in this report.

Our services are guided by plans and strategies adopted by Council along with our responsibilities under Victorian and Australian legislation.

The 2017/2018 annual plan and budget deliver on our commitment to achieving the vision, goals and strategic objectives outlined in the Council Plan 2017-2021.

## CAPITAL WORKS PROGRAM

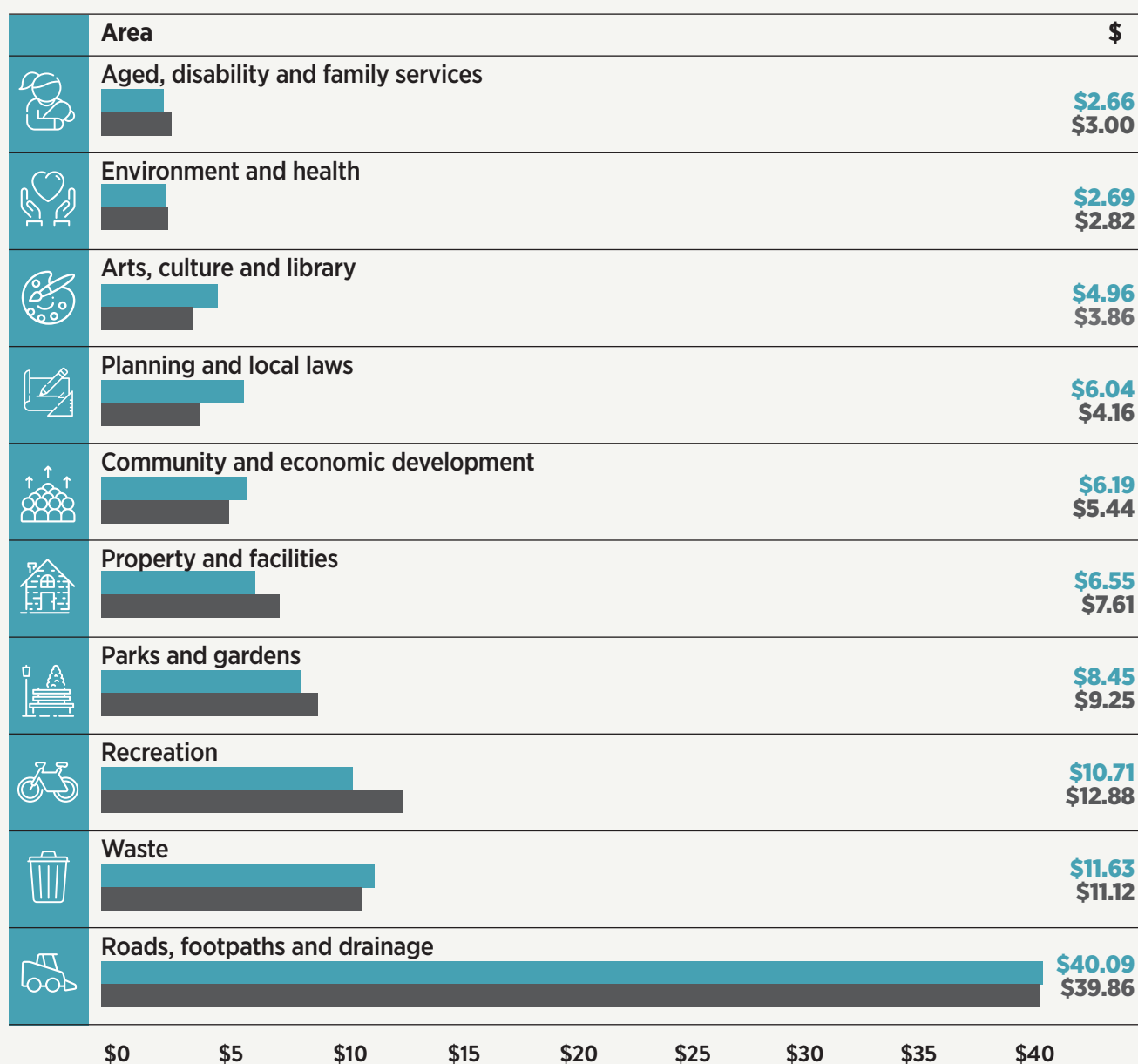


## INVESTMENT IN SERVICES

## Council spending on services per \$100

2017-2018

2016-2017





FREEZA PUSH START BATTLE OF THE BANDS

Each year Council hosts the FReeZA Push Start Battle of the Bands. The competition gives young musicians the chance to take to the stage and gain exposure in a supportive environment.

Fifteen-year-old Uma Dingemans from six-piece band Stop That Mammoth said the Battle of the Bands gave them the kick start they needed.

“It opened up the opportunity to play our unique music in a safe space. We were really excited to win a prize and that performance led to another gig. It also reinforced in our minds that there was a real audience out there for our original music,” said Uma.

Since performing at the Battle of the Bands, Stop That Mammoth has gone from strength to strength with their mix of ska, pop and upbeat funky sounds. Along with a host of gigs, they have already started recording an album.

# CREATING OPPORTUNITIES FOR YOUNG PEOPLE



Stop that Mammoth in action at the FReeZA Push Start Battle of the Bands. Photo by Denali Norris

# ACHIEVEMENTS

Here are some highlights from the year.

## OUR PEOPLE

### Young people and families

Provided fun activities at Mondo Lounge each week during the school term including a Reconciliation Week excursion to Mount Alexander.

Our Youth Advisory Group and FReeZA Committee led some amazing projects including a Makers Market, 2TheXtreme Youth Festival and Battle of the Bands.

Partnered with Castlemaine Secondary College and the Central Victorian Primary Care Partnership to provide mental health training to students, parents and teachers.

Motivated nearly 1,000 kids from 12 primary schools to walk more than 11,500km during Walk to School Month.

Provided more than 1,300 immunisations and more than 1,250 key age and stage visits to the 1,000 children registered with our maternal and child health service.

### Healthy aging

Worked with Castlemaine Community House and Maldon Neighbourhood Centre to deliver several age-friendly projects including a community bus trial, a report on community meal options and the creation of an advocacy group.

Partnered with Castlemaine Community House to deliver the annual Seniors Festival in October, and delivered nearly 9,500 hours of social support activities with the support of volunteers.

Delivered nearly 7,500 meals, and provided home, respite and support care to help more than 800 residents live independently in their homes.

### Disability, access and inclusion

Supported clients in the transition to the National Disability Insurance Scheme while eligibility and support under the scheme is determined.

Recruited nineteen businesses in Maldon to sign up to the Inclusive Towns initiative to improve access and inclusion for people with a disability.

Participated in the Realistic Race organised by Mount Alexander Shire Disability Advocacy Group to provide insight into the barriers people with a disability face each day.

### Reconciliation

Earned a HART award nomination for introducing a Survival Day component to our annual Australia Day event, in partnership with Nalderun and the Dja Dja Wurrung community.

Convened three Indigenous Round Tables to drive action to support and recognise the indigenous heritage in the shire.

Supported Reconciliation Week activities at the Market Building including a Sorry Day commemoration.

### Community

Launched Connect Mount Alexander to link community members with not-for-profit community groups, clubs, organisations, volunteer opportunities and events online.

Provided more than \$140,000 in grants to 61 community groups to support local initiatives that align with council priorities as part of the Community Grants Program.

Congratulated Maryanne Murdoch, Grace Saltmarsh, Ken McDougall and the Castlemaine Billy Cart Challenge

as our 2018 Australia Day Award winners, and welcomed 12 new citizens at citizenship ceremonies throughout the year.

### Diversity

Developed a Refugee Welcome Zone Action Plan and held the shire's first LGBTIQ+ Roundtable to develop a welcoming, supportive and socially inclusive community.

Changed our flag policy enabling the rainbow flag to fly at the historic Market Building on the International Day Against Homophobia, Transphobia and Biphobia.

### Emergency management

Partnered with councils and agencies to develop a region-wide emergency management plan.

Worked with the CFA and emergency services to deliver an interactive safety education program to about 170 grade 3-4 students from across three shires.

Led the clean-up and recovery from a severe storm that significantly impacted Taradale and surrounds in December 2017.

### Safety and amenity

Adopted a new four-year domestic animal management plan in October 2017, guiding our priorities and responsibilities for managing pets.

Congratulated four staff nominated for the 2018 School Crossing Supervisor of the Year Awards with Ray Stevenson taking out the top award in the region.

Joined Mount Alexander Animal Welfare (MAWW) and local vet clinics to provide low income earners with discounted cat de-sexing to help prevent unwanted litters.



## OUR PLACE

### Streetscapes

Worked with the community to develop draft streetscape designs for Campbells Creek, Chewton, Guildford, Newstead and Taradale.

Developed draft streetscape plans and guidelines for the central business districts in Castlemaine and Maldon, following community consultation and collaboration.

### Parks and gardens

Finalised plans for an all-ages and accessible playspace in Victory Park, following extensive consultation with children and families, with construction to start late 2018.

Undertook a pruning program on trees in the Avenues of Honour in Chewton and Newstead and planted around 250 new street trees around the shire, in addition to our annual street tree maintenance program.

### Waste

Coordinated and awarded a five-year contract for the collection of household kerb side waste and recycling to start in October 2018.

## Climate change

Installed solar panels on the historic Market Building in Castlemaine to produce about half of the building's energy needs, saving around \$5,000 a year to invest in other energy efficiency measures.

Delivered a Living Sustainable Workshop series on topics such as making reusable bags, caring for native trees and keeping chickens to help residents live more sustainably.

Diverted waste from landfill through a range of educational activities, subsidised compost bins and worm farms, and the launch of a new waste and recycling app with the Loddon Mallee Waste and Resource Recovery Group.

## Environment

Undertook weed removal and prepared key sites for revegetation along urban waterways in Castlemaine, Campbells Creek and Chewton.

Collaborated with local Landcare and friends groups to implement a state-funded conservation program to control weeds along 100 km of priority roadsides.

## CAPITAL WORKS

### Community buildings

Completed a three year program of upgrades, and a series of safety works to improve community facilities around the shire.

Built an outdoor play area for children at Maldon kinder and upgraded the toilets with accessible facilities, following the installation of LED lights and new flooring in 2017.

Conservation works are underway to address rising damp at the historic Market Building and repair the roof at the Botanical Gardens Tearooms in Castlemaine.

Developed a This Is My Building (TIMB) tool to help us maximise community benefit when making strategic decisions about the facilities we own or manage. This followed a review to guide how we manage our community buildings to ensure they are safe and fit for purpose.







## CAPITAL WORKS: SPOTLIGHT ON WESLEY HILL

### Recreation

Continued works to transform Wesley Hill Recreation Reserve into a multi-purpose sports precinct and junior sports hub. The Federal Minister for Sport opened the new netball courts in April, marking the completion of the Stage 1. The \$1.9 million upgrade included six netball courts (three floodlit), cricket nets, carpark improvements, a retainer wall, landscaping and accessible paths.

Stage 2 construction of a new sports pavilion is on track for completion by the end of 2018. The \$2.43 million project will provide female friendly facilities for football, netball and cycling, along with umpire change rooms, a first aid room, kiosk, storage and more.

We issued a tender for floodlights at Doug Powell Oval thanks to funding from the Victorian Government and a co-contribution from the community. This project

is the culmination of many years of community consultation to develop the reserve master plan and design the facilities.

It demonstrates the power of all levels of government working in partnership with local sports clubs, user groups and the community, represented by the Committee of Management and Mount Alexander Community Enterprise.





## CAPITAL WORKS: SPOTLIGHT ON ROADS

### Roads

Completed our annual road renewal program including our largest reseal program ever, an extensive re-sheeting and grading program, and road rehabilitation and construction works. As part of the program we:

- Upgraded the Forest and Bowden Street intersection in Castlemaine to withstand high traffic, provide more room for heavy vehicles and improve pedestrian safety.
- Reconstructed two intersections along Harmony Way in Harcourt and Faraday.
- Used 200,000m<sup>2</sup> of spray seal and 580 tonnes of asphalt to reseal 45km of road.
- Worked with VicRoads to replace parking bays on Barker Street Castlemaine with new asphalt and line marking.
- Sealed two gravel roads in Wallace Street Wesley Hill and Brigade Avenue Campbells Creek as part of a \$1 million reseal program.
- Applied three times as much road patching material to repair and maintain our sealed road network by using new innovations in equipment and technique.
- Trialled different materials and methods to improve the road grading program and extend the life of unsealed roads.
- Produced more than 16,000m<sup>3</sup> of high performing gravel to re-sheet 25km of unsealed roads, reconstruct 40km of road shoulders and use for drainage projects, and
- Reviewed and updated the Mount Alexander Shire Road Management Plan outlining how we manage our road assets, ready for community input in July 2018.



**Bridges**

Replaced bridges beyond repair on Bubbs Lane in Faraday and Old Drummond Road in Taradale to provide continued access and remove load limits.

Replaced culverts along Sutton Grange – Redesdale Road in Sutton Grange to reduce the impact of flooding, and rehabilitated a 100 metre stretch of the road.

**Drains**

Along with general drainage maintenance, we upgraded drainage during construction projects in nine areas across Castlemaine, Maldon, Harcourt, Campbells Creek, Fryerstown and Sutton Grange.

Completed drainage works on the oval at Harcourt Recreation Reserve.

**Footpaths and trails**

Completed footpath renewal projects with accessible design at the intersection of Forest and Barker Streets in Castlemaine and a section of Fryers Street in Guildford.

Replaced the footpath on Templeton Street (between Barker and Kennedy Streets) as a strategic link from the town centre to the train station in Castlemaine.

Reconstructed walking and cycling trails along Campbells Creek and Forest Creek in Happy Valley.





SMALL BUSINESS WORKSHOPS

Throughout the year more than 145 people participated in Council’s small business workshops series. The low-cost sessions offered locals the chance to improve and build on their business skills. Topics included online marketing, business planning, effective business practices and more.

Mary Macintyre of Super Hero — a Banh Mi pop-up business on Forest Street Castlemaine — said she took away lots of business strategies from the workshops.

“The facilitator was knowledgeable, engaging and concise. It demystified the whole process of business planning and helped us to define our purpose and vision for Super Hero. I would recommend these workshops not only to budding entrepreneurs but also for those who seek to grow or improve their existing business,” said Ms Macintyre.

Council partnered with Small Business Victoria to deliver the workshops. A mentoring service was offered to participants.

# BUILDING BUSINESS SKILLS



Small business workshop

## OUR ECONOMY

### Tourism, arts and culture

Supported the Department of Environment, Land, Water and Planning in the planning and development of Larr La Ba Gauwa Park in Harcourt, and upgraded roads, footpaths and trails linking the park to the town centre before it opened in March.

Produced more than 50,000 copies of the 2018-2019 Official Visitors Guide for Australia wide distribution to promote tourism, attractions and hospitality in the shire.

Participated in the inaugural Regional Centre for Culture (RCC) in Central Victoria, featuring 33 creative events produced by local artists in the first half of the year.

Introduced the At Home Residency Program to support local creatives to develop and perform their work in 2-4 week blocks at the Phee Broadway Theatre.

Worked closely with local theatre companies and user groups to develop an affordable fee structure for hiring the Phee Broadway Theatre.

Provided artists with a platform for exhibiting their work in the Phee Broadway Foyer Exhibition Program, Mechanics Lane Paste Up Series, and Market Art Exhibitions.

### Corporate systems

Introduced a corporate Facebook page to complement council's popular tourism social media presence.

Introduced a new corporate system to integrate data and streamline processes across the organisation, starting with finance, mapping and payroll modules.

### Business and employment

Worked in partnership with PeoplePlus Castlemaine to host the Mount Alexander Jobs Fair, bringing training providers, recruitment agencies and employers to provide students and job seekers with a one-stop-shop on local training and employment opportunities.

Partnered with Small Business Victoria to deliver a second series of workshops to build local skills in areas such as business planning, commercialising ideas and marketing, with access to a free business mentoring session.

Launched Mount Alexander Business Connect, a free online community, for local businesses to promote their services, expertise and projects.

Held an information session to demystify the government funding process for businesses, with managers from government funding programs and universities.

### Planning and growth

Adopted a planning amendment to rezone an old gasworks site and approved the planning permit for the construction of a new supermarket in Castlemaine.

Prepared and adopted two planning scheme amendments to pave the way for more housing in the growth areas of Harcourt and Diamond Gully.

Progressed recommendations in our flood management plan with the endorsement of six levee designs around Castlemaine, Campbells Creek and Newstead to reduce community exposure to flooding.

We consulted the community regarding a planning scheme amendment that proposes new flood mapping boundaries and overlays, and informed the community about new bushfire management overlays.



At Home Residency Program at the Phee Broadway Theatre.  
Photo by Diana Domonkos



# FINANCIAL PERFORMANCE SUMMARY

## IN BRIEF

Council recorded an operating surplus of \$3.02 million for the period which was \$1.26 million greater than budget.

This was mainly due to the early payment of the Financial Assistance Grant (\$2.4 million) in the current financial year, offset by \$0.98 million of unbudgeted expenditure in relation to flood/storm recovery works. Council ended the 2017/2018 financial year with a cash balance of \$18.64 million, with \$16.3 million restricted.

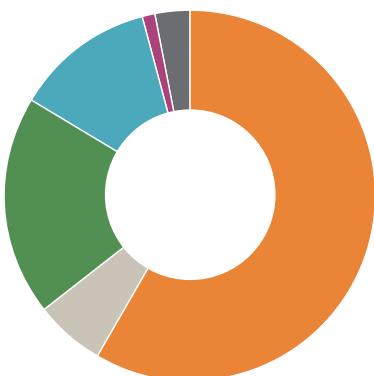
The value of property, infrastructure, plant and equipment increased from \$308.91 million to \$339.28 million as a result of capital expenditure of \$8.14 million and the revaluation of bridge assets (\$34.38 million).



## REVENUE

Council's total revenue for the 2018/2019 year was \$38.39 million compared to \$38.30 million in 2016/2017. The graph below shows the different sources of revenue for Council, with rates and charges the greatest proportion at 58%.

Revenue

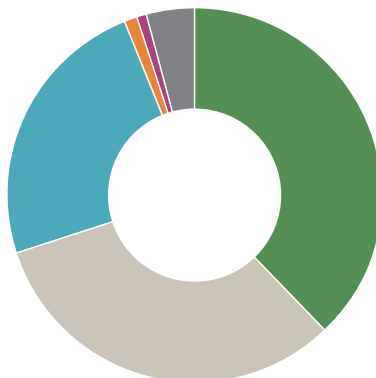


- 58% Rates and charges
- 6% Fees, fines & charges
- 19% Operating grants
- 12% Capital grants
- 1% Contributions
- 3% Other income

## EXPENDITURE

Council's total operating expenses for the 2017/2018 year was \$35.37 million (compared to \$33.77 million in 2016/2017).

Expenditure

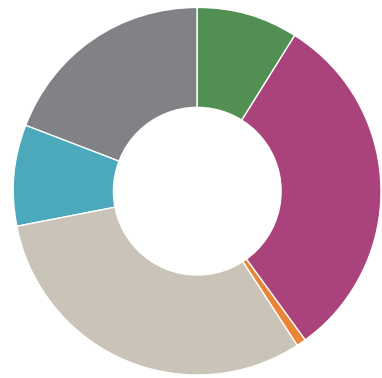


- 38% Employee benefits
- 32% Materials and services
- 24% Depreciation
- 1% Finance costs
- 1% Asset disposal
- 4% Other expenses

## CAPITAL WORKS

During the financial year, Council completed \$8.14 million of capital works projects (\$8.62 million in 2016/2017). Land, buildings and road related projects accounted for 62% of the capital spend.

Capital works



- 9% Bridges
- 31% Property
- 1% Waste
- 31% Roads
- 9% Other infrastructure
- 19% Plant, vehicles, IT

### CAPITAL SPEND OVER TIME

Council continues to invest significantly in buildings and infrastructure assets such as roads, bridges and footpaths to address the issue of ageing infrastructure. The related graph highlights the extent of this investment.

### DEBT SERVICE RATIO

The debt servicing and redemption ratio assesses the degree to which rate revenues are committed to the repayment and servicing of loans. In 2017/2018 the ratio was 3.64% well below the guideline of 10%.

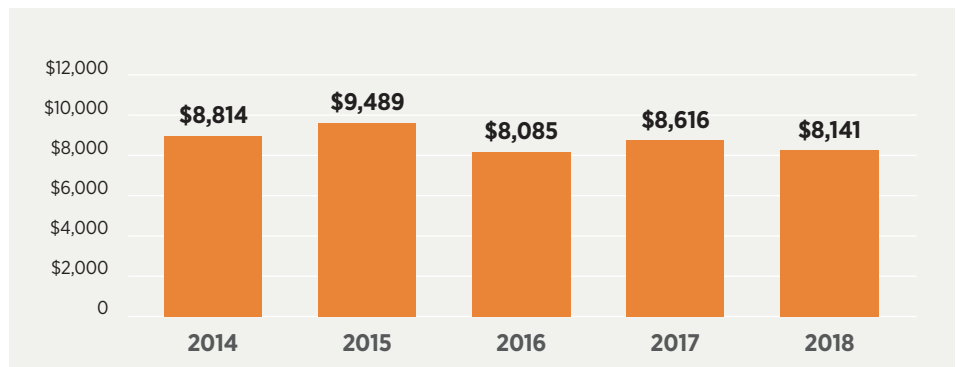
### ADJUSTED WORKING CAPITAL RATIO

The ratio expresses the level of current assets the Council has available to meet its current liabilities. Current liabilities have been reduced to reflect the long service leave that is shown as current but is not likely to fall due within the next 12 months. The ratio at 2.54 is financially prudent.

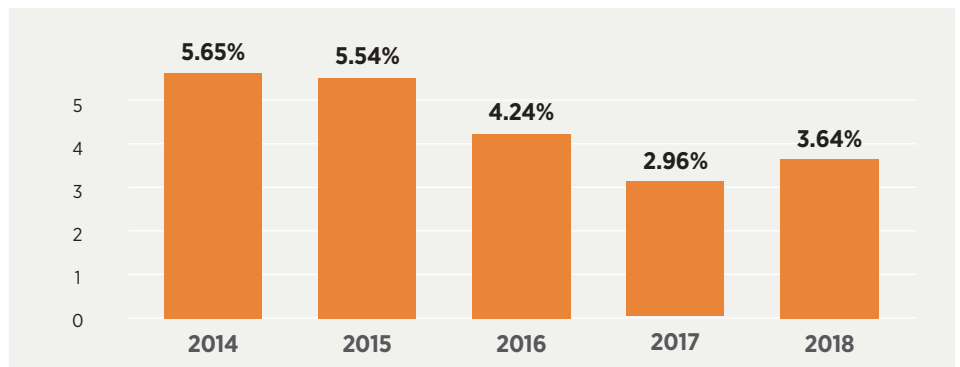
### OPERATING RESULT BEFORE REVALUATIONS

Council's 2017/2018 operating result, before asset revaluations, was a surplus of \$3.02 million. The main contributor to the surplus is the timing of Victorian Grant Commission (VGC) grant income.

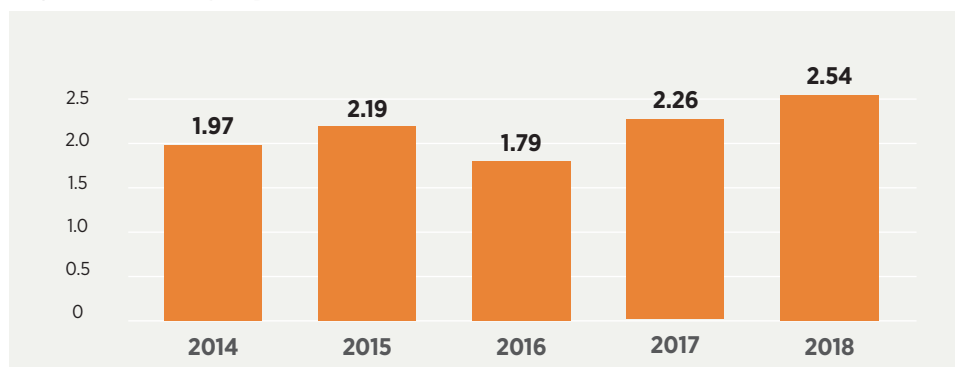
Capital spend on buildings and infrastructure (\$'000)



Debt servicing and redemption costs / rate revenue (%)

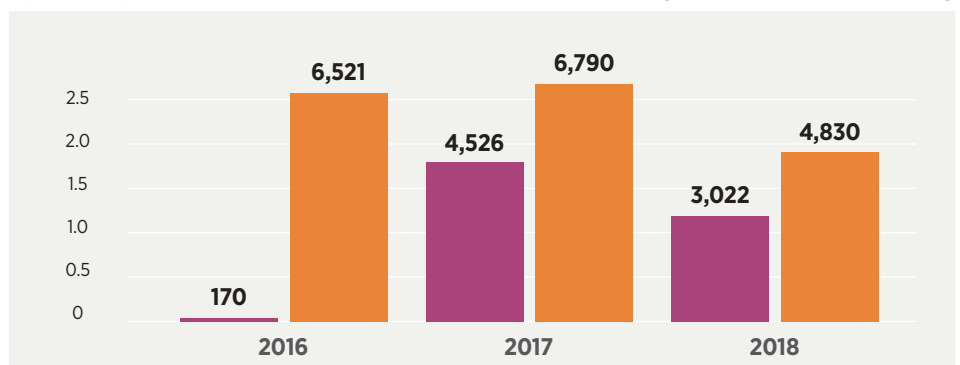


Adjusted working capital ratio



Operating result before revaluations (\$'000)

Surplus / (deficit) VGC funding





# OUR SERVICES

We provide more than 100 services to the community that help us work towards our vision of being an innovative, connected and creative shire.

The teams listed help to deliver our services. These range from helping the youngest members of our community through our maternal and child health programs to supporting our seniors through aged and disability care.

Our teams also provide business and economic development opportunities, community planning and waste management services, as well as managing vital community assets like roads, bridges and footpaths.

## OUR PEOPLE

### Aged and Disability Services

Assesses and plans services for older people and people with disabilities to enable them to remain living independently. This includes home care services, personal care services, respite services, delivered meals, home safety and social support programs for isolated older people.

### Civic Compliance

Improves safety and amenity in the shire by supervising school crossings, control of domestic animals and livestock, regulating parking, issue of local law permits and infringement notices. Also provides information and advice to the community.

### Communication

Provides information to the community about programs and services through media, advertising, newsletters, social media and web. Assists and provides advice to staff on sharing information with the community.

### Community Partnerships

Works with local residents, community organisations and service providers to build community capacity and strengthen relationships and engagement with the community.

### Corporate Support

Provides policy, systems and support in the areas of continuous improvement, corporate planning and performance reporting.

### Customer Service

Assists customers with general enquiries, shares information, registers community requests for service and processes payments.

### Emergency Management

Develops and implements strategies to increase emergency management capability of the shire and community in partnership with external agencies. Undertakes prevention measures to reduce risk from hazards.

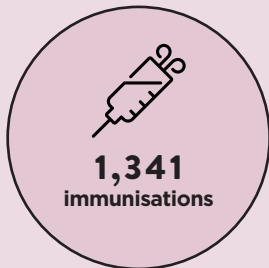
### Environmental Health

Conducts inspections and maintains registrations for food and public health businesses, including registration and approval of temporary food permits, assessment of septic tank applications and investigates complaints.

### Executive

Strategically manages the organisation in keeping with the requirements of good governance, legislation and strategic policy.

## FAST FACTS OUR PEOPLE



**Library Operations**

Provides information and resources for the recreational, cultural, educational and social development of our community. The service is provided by Goldfields Library Corporation via the library located in Castlemaine.

**Maternal and Child Health**

Offers consultations, information, referrals, advice and support for children from birth to school age and their families.

**Organisational Development**

Provides strategic and operational support for the organisation including human resource and industrial relations strategies, policies and procedures.

**Records**

Stores, retrieves and archives records and ensures legislative and privacy requirements are met.

**Youth Development**

Works in partnership with young people and the community, organisations and service providers to support and promote initiatives and programs that strengthen young peoples' connections and place within the community.

**OUR PLACE**

**Active Communities**

Provides advice on local recreational needs and facility use and planning, while running special projects and events to promote physical activity and support for local sports and recreation clubs.

**Community Buildings and Property Management**

Prepares maintenance and management programs for our buildings, pavilions and other community assets to maximise value and use. The service also facilitates management and strategic planning for our building, land, commercial and community leases and licenses.

**Environment and Sustainability**

Develops environmental policy, coordinates and implements environmental projects and works with other services to improve our environmental performance, including climate change initiatives.

**Infrastructure**

Designs, contract manages and supervises our capital works program. Undertakes safety and condition inspections of roads, bridges and footpaths, and maintains the asset management system while overseeing community infrastructure development.

**Parks and Gardens**

Manages key parks and recreation areas including Castlemaine Botanical Gardens, Maldon Gardens and Victory Park, and provides tree pruning, planting and removal in addition to planning and strategies.

**Recreation Facilities**

Oversees the management, use and development of sports grounds and pavilions. Provides advice on recreational needs, facility use and planning to provide access to well-maintained sporting and recreation facilities.

**Roads and Paths**

Undertakes maintenance and renewal of our roads, bridges, paths and drainage. This includes maintenance grading, patrol patching, periodic gravel and bituminous resurfacing, road and intersection renewals, road line markings and signage, drain clearance and street sweeping.

**Street Beautification**

Manages street trees, coordinates new lighting installations and maintains public toilets. The service also provides annual inspections, programming and implementation of power line clearance requirements in Castlemaine and Maldon.

**Waste Management**

Manages the waste management facilities at Castlemaine and Maldon. Provides kerbside waste, recycling collection and develops and implements waste and resource recovery strategies.





**FAST FACTS**  
**OUR ECONOMY**



**OUR ECONOMY**

**Building Services**

Provides building compliance services including emergency management responsibilities, fire safety inspections, swimming pool barrier audits and investigates complaints and illegal works.

**Cultural Development**

Provides advocacy and support to help develop and promote arts, cultural and creative activities across the shire.

**Economic Development**

Undertakes initiatives to build the local economy, attract business and investment, support local businesses and industry networks while reducing barriers for business development.

**Financial Services**

Manages finances through preparation and monitoring of the budget, payment of accounts, procurement of services, property valuations and the raising and collection of rates and charges.

**Governance**

Coordinates Council meetings, Councillor related activities and provides support and oversight of compliance with the Local Government Act.

**Information Services**

Provides, supports and maintains cost effective communications and IT systems that enable production and efficient service delivery.

**Planning Services**

Manages land use and development in the shire in accordance with the Mount Alexander Planning Scheme and coordinates planning scheme amendments. Provides planning advice, assesses planning permit applications and undertakes compliance activities.

**Tourism Services**

Provides visitor information, marketing and industry development for the shire. Supports economic and social benefits of tourism through operation of Visitor Information Centres in Castlemaine and Maldon. Provides accommodation and tour booking services.



# OUR COUNCIL



## YOUR COUNCIL

Mount Alexander Shire Council is made up of seven Councillors in five wards. Councillor Bronwen Machin is currently the Mayor of Mount Alexander Shire.



### Castlemaine Ward

**Councillor Bronwen Machin, Mayor**

**EMAIL**

castlemainemachin@  
mountalexander.vic.gov.au

**FIRST ELECTED**

October 2014

**COMMITTEE MEMBERSHIP:**

- Campbells Creek Community Centre
- Friends of Lolotoe Friendship Group



### Calder Ward

**Councillor Tony Cordy**

**EMAIL**

calder@mountalexander.vic.gov.au

**FIRST ELECTED**

May 2014

**COMMITTEE MEMBERSHIP**

- Mount Alexander Shire Audit & Risk Advisory Committee
- Buda Historic Home and Garden
- Sutton Grange Hall

- Goldfields Regional Library Corporation
- Indigenous Roundtable
- Loddon Mallee Regional Waste Management Forum
- Mount Alexander Shire Audit & Risk Advisory Committee
- Mount Alexander: A Healthy Shire: Community Advisory Committee
- Victorian Local Governance Association
- Workspace Australia





**Castlemaine Ward**  
Councillor Max Lesser

EMAIL  
castlemainelesser@  
mountalexander.vic.gov.au

FIRST ELECTED  
March 2018

- COMMITTEE MEMBERSHIP
- Camp Reserve Special Committee of Council
  - Campbells Creek Recreation Reserve Special Committee of Council



**Castlemaine Ward**  
Councillor Dave Petrusma

EMAIL  
castlemainepetrusma@  
mountalexander.vic.gov.au

FIRST ELECTED  
November 2017

- COMMITTEE MEMBERSHIP
- Calder Highway Improvement Committee
  - Castlemaine War Memorial Stadium
  - Wattle Flat Reserve
  - Wesley Hill Facility

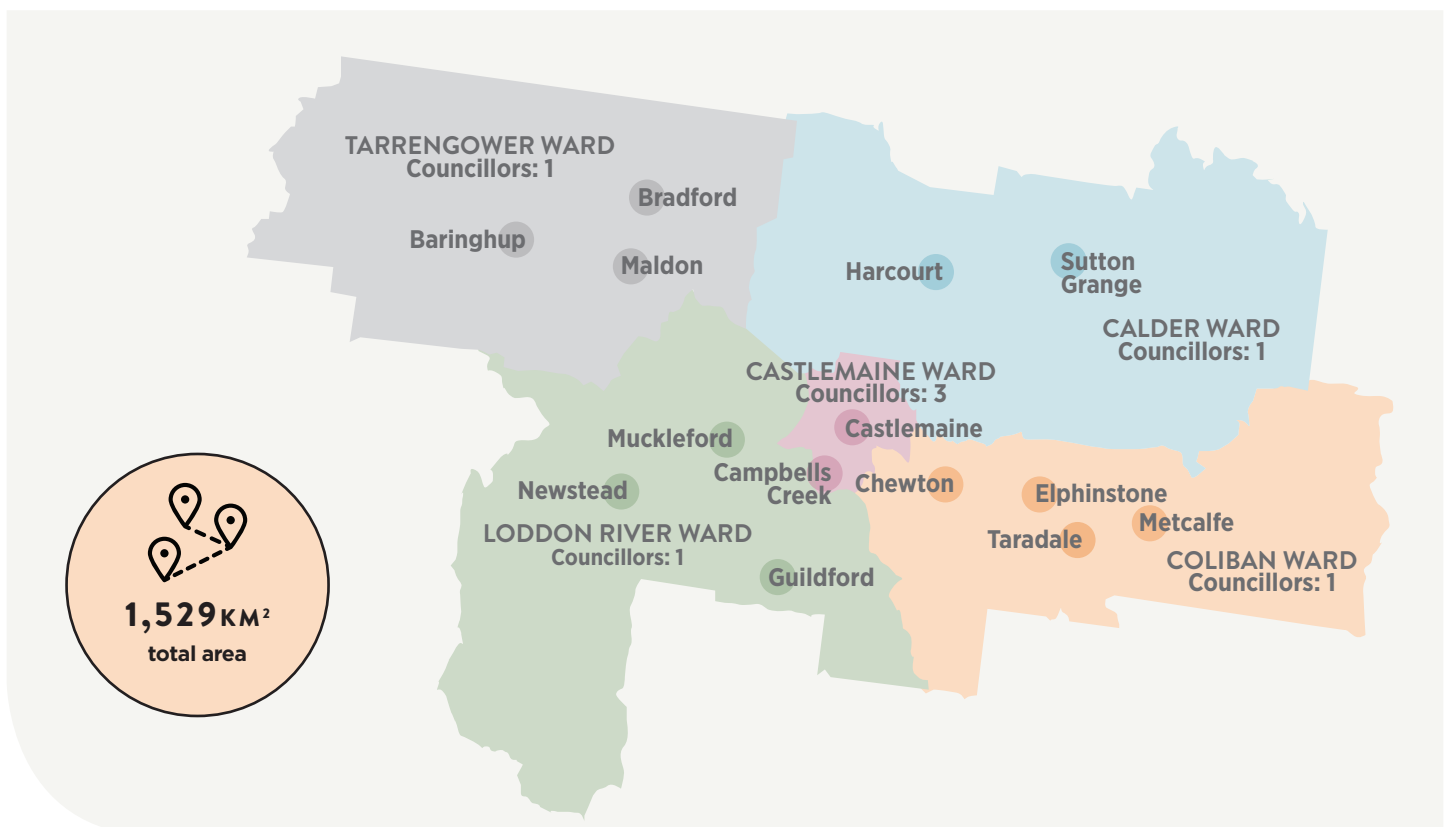


**Coliban Ward**  
Councillor Christine Henderson

EMAIL  
coliban@mountalexander.vic.gov.au

FIRST ELECTED  
December 2008

- COMMITTEE MEMBERSHIP
- Barfold Hall
  - Elphinstone Community Facilities
  - Metcalfe Hall
  - Municipal Association of Victoria
  - Municipal Fire Management Planning Committee
  - Taradale Hall
  - Taradale Recreation Reserve





**Loddon River Ward**  
**Councillor John Nieman**

**EMAIL**  
 loddonriver@  
 mountalexander.vic.gov.au

**FIRST ELECTED**  
 November 2016

- COMMITTEE MEMBERSHIP**
- Guildford Hall
  - Guildford Recreation Reserve
  - John Powell Reserve
  - Muckleford Community Centre
  - Newstead Community Centre
  - Northern Victorian Cluster Municipal Emergency Management Plan Committee



**Tarrengower Ward**  
**Councillor Stephen Gardner**

**EMAIL**  
 tarrengower@  
 mountalexander.vic.gov.au

**FIRST ELECTED**  
 February 2018

- COMMITTEE MEMBERSHIP**
- Baringhup Community Association
  - Bill Woodfull Recreation Reserve
  - Goulburn Murray Water - Cairn Curran Land & On Water Management Plan Implementation Group
  - Maldon Community Centre

**Retired Councillors**

Cr Sharon Telford, Tarrengower  
 Cr Robin Taylor, Castlemaine  
 Cr Tony Bell, Castlemaine

**GOOD GOVERNANCE**

Our Councillors aim to govern in an open and transparent way, showing integrity and leadership and make decisions that in the long-term interests of the community.

They strive to responsibly manage assets and finances, advocate on behalf of the community and work with the Council, residents and organisations to secure a strong future for the shire.

Councillors work together to achieve the following goals:

- Make a positive contribution in meetings
- Engage and listen to others
- Report back to the community about what we are doing
- Take the time to understand and consider the information provided
- Ask clarifying questions and give constructive feedback on information provided by Council officers
- Acknowledge and appreciate information and reports
- Set aside time to openly share information and views
- Deal respectfully with others and with each other
- Focus on the cause, not the symptom
- Focus on the issue or concern, not the person
- Encourage a continuous improvement process.



## COUNCIL ELECTIONS

Mount Alexander Shire Council's seven councillors are elected by residents and ratepayers from the five wards. The Coliban, Calder, Tarrengower and Loddon River wards comprise one Councillor, and there are three Councillors in the Castlemaine Ward, elected under the proportional representation system of voting.

In October 2016 all Victorian Councils held municipal general elections, the Mount Alexander Shire Council general election was conducted as a postal election. The results were declared on 2 November 2016. Councillors were sworn in, taking the Oath of Office and declaring to abide by the Councillor Code of Conduct, at the Statutory Meeting of Council held on 8 November 2016.

In the 2016 general election two wards were uncontested, meaning that the candidates were elected unopposed without the need for the voting process, being Councillor Tony Cordy (Calder) and Councillor John Nieman (Loddon River). The remaining three wards were contested and postal elections were conducted. The elected representatives for these wards: Councillor Christine Henderson (Coliban), Councillors Tony Bell, Bronwen Machin and Robin Taylor (Castlemaine) and Councillor Sharon Telford (Tarrengower).

During the financial year Councillors Bell, Taylor and Telford resigned. As a result the Victorian Electoral Commission (VEC) conducted countbacks for Castlemaine Ward and on 22 November 2017 Dave Petrusma was elected for Castlemaine Ward. On 5 March 2018 Max Lesser was declared elected for Castlemaine Ward. On 23 February 2018 Stephen Gardner was elected for Tarrengower Ward as the result of a by-election. Councillor Machin is currently the Mayor.

## COMMITTEES

Council works with a range of advisory committees and Committees of Management established under the Local Government Act to achieve its goals and meet the needs of the community.

Each committee has representation from a Councillor, a contact officer and community members.

### Advisory Committees

Council's advisory committees help guide and support decision making to plan services across specific areas of Council in line with the terms of reference.

They include the Audit and Risk Advisory Committee, the Youth Advisory Group and the Mount Alexander A Healthy Shire Community Advisory Committee.

### Special Committees

Special Committees of Council are created under Section 86 of the Local Government Act 1989 to undertake some of Council's responsibilities.

They are legally part of Council, with many of the responsibilities and obligations of Council with regard to meeting procedures, conflicts of interest, conduct arrangements and accountability for public funds.

The powers, duties and responsibilities of Council are delegated to each Committee by an Instrument of Delegation (IOD), which outlines the roles and responsibilities of the committee and Council.

Twenty committees currently manage the following facilities on behalf of Council:

- Barfold Hall
- Baringhup Hall
- Bill Woodfull Reserve
- Camp Reserve
- Campbells Creek Community Centre
- Campbells Creek Recreation Reserve
- Castlemaine War Memorial Stadium
- Elphinstone Community Facilities
- Guildford Hall
- Guildford Recreation Reserve
- John Powell Reserve
- Maldon Community Centre
- Metcalfe Hall
- Muckleford Community Centre
- Newstead Community Centre
- Sutton Grange Hall
- Taradale Hall
- Taradale Recreation Reserve
- Wattle Flat Reserve
- Wesley Hill Facility.

## OUR PEOPLE



Our parks and gardens team

## OUR STAFF

### Leadership team

Council is the governing body that appoints a Chief Executive Officer (CEO), who is accountable for the overall management and performance of the organisation in line with the strategic directions in the Council plan.

The organisational structure is based on the functional activity of two directorates – Infrastructure and Development, and Corporate and Community Services. The directorates work collectively to provide services, programs and initiatives to meet Council's strategic goals.

### **Darren Fuzzard,** **Chief Executive Officer**

Darren Fuzzard commenced his role as Chief Executive Officer in July 2016. Darren is accountable for the overall management and performance of the organisation. As Chief Executive Officer, Darren chairs the Executive Team which comprises the CEO and Directors. The Executive Manager Organisational Capability and Manager Economy and Culture report directly to the CEO.

### **Lisa Knight, Director,** **Corporate and Community Services**

The Director Corporate and Community Services is responsible for delivering services which aim to strengthen the community as well as internal corporate services. The directorate delivers services for young people, older people, families, children and people with disabilities as well as leading Council's partnerships and emergency management services. Corporate services critical to the successful operation of the organisation include business performance, IT, finance, procurement, customer services, visitor services and communications.

### **Ben Grounds, Acting Director,** **Infrastructure and Development**

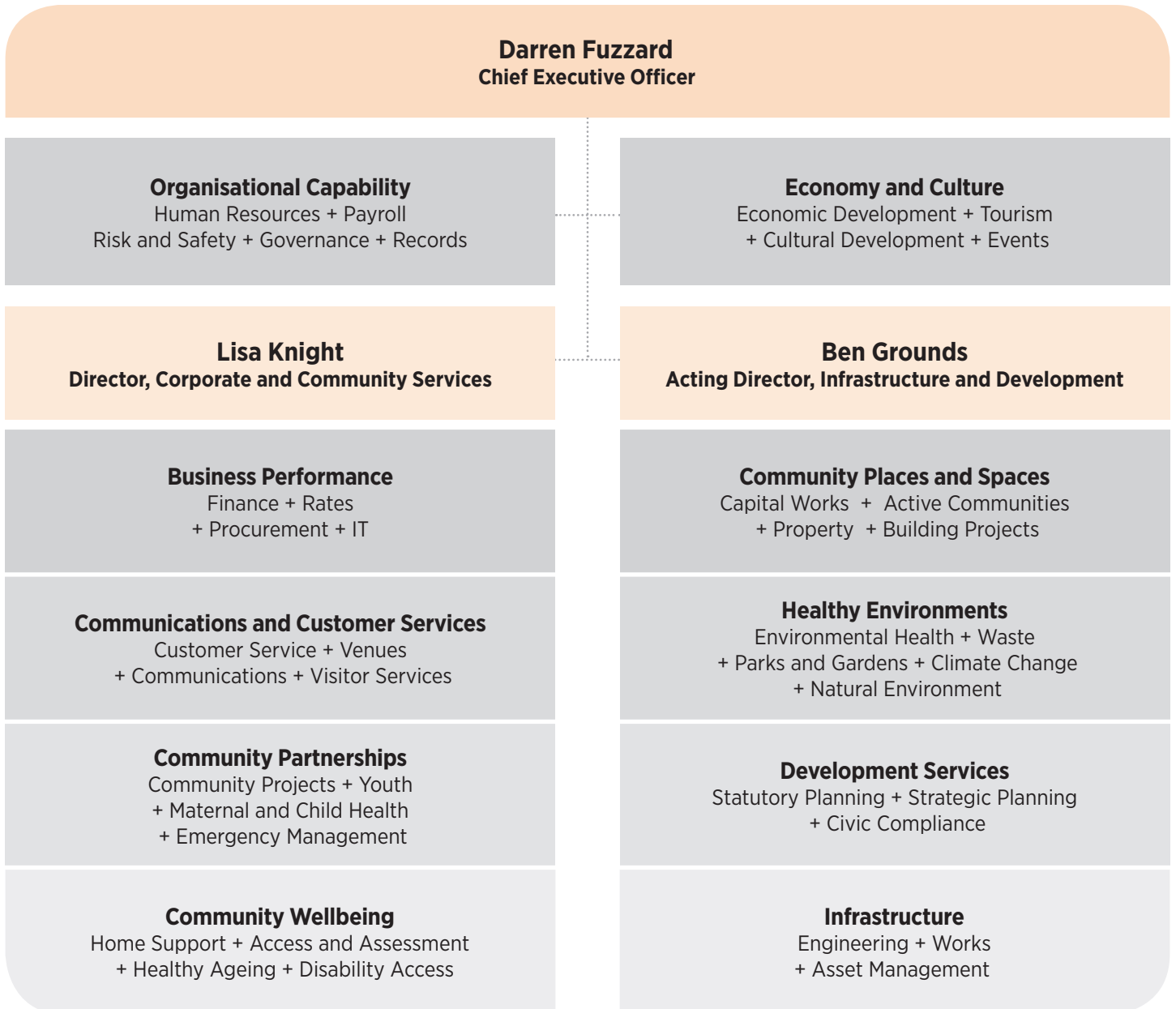
The directorate provides the delivery of statutory functions including land use planning, development and building control, environmental health and waste management. Other key responsibilities include maintaining the shire's physical infrastructure including community buildings, roads, bridges, parks and sporting facilities. The directorate also supports community participation in sport and recreation, and safety and amenity.



## OUR VALUES



## ORGANISATIONAL STRUCTURE



## STAFFING PROFILE

Council employs diverse and skilled staff. All staff are employed under the Local Government Authorities Award 2001 and the Mount Alexander Shire Council Enterprise Bargaining Agreement No 6, with the exception of the Chief Executive Officer and Senior Officers.

The table (top right) shows the profile across the organisation for period to 30 June 2018. The total number of full time, fixed term, part time and casual employees is 218. The actual number of staff at 30 June in any year may vary as a result of positions in the process of being filled. Four positions are vacant.

### Equal Employment Opportunity

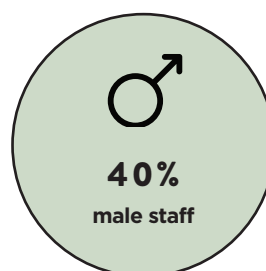
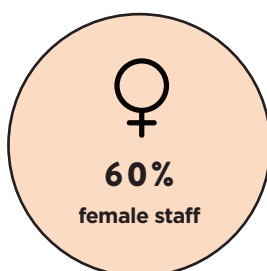
The gender profile of Council staff groups reflects the support for equality in all positions in Council and an organisational culture which supports work-life balance. Council has a Gender Equity Action Plan in place.

### Staffing profile

DIRECTORATE	ONGOING	FIXED TERM	CASUAL	TOTAL
CEO	14	6	4	24
Corporate & Community Services	64	13	15	92
Infrastructure & Development	82	13	7	102
<b>Total</b>	<b>160</b>	<b>32</b>	<b>26</b>	<b>218</b>

### Gender profile

MANAGEMENT LEVEL	FEMALE	MALE	INTERSEX INDETERMINATE	TOTAL
Executive	1	2	0	3
Management	4	3	0	7
Other	125	82	1	208
<b>Total</b>	<b>130</b>	<b>87</b>	<b>1</b>	<b>218</b>



## OUR VOLUNTEERS

Volunteers make a real difference in helping Council to deliver some of its key services. These generous people selflessly give their time to helping others and the community. Around 30 per cent of shire residents volunteer in some capacity across a range of areas including philanthropic, sporting, environmental, indigenous, artistic, educational, cultural, social or faith.

### Social Support

Our Social Support Program would not be possible without these remarkable volunteers who make a real difference in the lives of our vulnerable and frail aged community members. These volunteers support older residents to remain independent in their homes and help them to

participate in social activities in the community through home visits, weekly outings, skills development and transport.

### Visitor Information Centre

Volunteers spend almost 7,000 hours each year at the Castlemaine and Maldon Visitor Information Centres (VIC) promoting the region to visitors. Tourism is vital for our local economy and our volunteers are the friendly faces who welcome visitors to our shire and provide advice on things to do and see.

### Young people

Our Youth Advisory Group (YAG) and Eight Metre Speaker team represent the interests of young people in the shire, develop local

initiatives and organise events for their peers and the community. The work is supported by the Victorian State Government FreeZA and Engage! programs.

### Special Committees of Council

Volunteers play an essential role in planning the future of our towns and managing community venues and spaces. Our Special Committees of Council help to manage 20 Council venues and recreation reserves. Volunteers also have worked to create and implement a positive future for towns through community plans.



# ADVOCACY, PARTNERSHIPS AND ENGAGEMENT

## ADVOCACY

Council has a history of influencing state and federal issues, taking a stand on certain issues and advocating for services on behalf of our community. We have worked with program partners and the community to prepare a summary of our advocacy priorities for 2017-2021.

They include gravel roads, safety improvements for the Calder Freeway/Fogarty's Gap Road intersection, ensuring our community facilities are safe and fit for purpose, improved footpaths, better health facilities to benefit all residents, and sustainable funding to support Nalderun Aboriginal Services.

CEO Darren Fuzzard and Mayor Bronwen Machin regularly meet with local State and Federal Members of Parliament throughout the year. They also travelled to Canberra in June to attend the National General Assembly (NGA) of the Australian Local Government Association. Here they joined forces with many other councils to engage directly with the Federal Government for the benefit of our communities, and as well meet with State and Federal Ministers, Shadow Ministers, and their advisors to discuss our funding priorities.

Staff and councillors are also involved with industry and regional working groups to work together on common challenges for rural shires such as gaps in funding to maintain a broad network of roads and bridges, aging community facilities, the need for improved health facilities, changes in the delivery of aged care, lack of public transport options and planning for growth.

In the current financial environment gaining external funding to support key projects is more important than ever. With the help of a part time grants officer we secured more than \$1.5 million of additional funds to help us deliver projects. Based on this success we will appoint a full

time grants officer in 2018/2019 to secure additional funding for priority projects.

### Health and wellbeing hub Seeking health and wellbeing facilities in Castlemaine

The current hospital on Cornish Street is ageing, is expensive to maintain and is difficult to access. Castlemaine Health faces \$40 million in costs to keep the current site safe and compliant with standards over the next 15 years. With an ageing population the demand for health services continues to increase in our shire while our much loved outdoor swimming pool in Castlemaine is at the end of its viable life. Council is working towards securing a year-round aquatic centre for rehabilitation and improving the health and wellbeing of our community. We are exploring how we can achieve the best possible health outcomes by combining these projects.

*Sources: Federal, state, local Health and wellbeing hub*  
— \$150 million

### Footpaths

#### Seeking funding to improve our footpath network

Our shire has more than 50km of pathways yet there are strategically important parts of the network that need new or upgraded footpaths. We promote and encourage our community to get active and this requires a safe and accessible path network. By 2031 the shire is expected to have a 91.7% increase in people aged 65 or over, alongside a population increase of 25%. A suite of pedestrian safety and access projects will provide new infrastructure to address the missing links, upgrade critical pathways and improve accessibility at key locations.

*Sources: Federal Footpath network upgrade*  
— \$1 million

### Gravel roads

#### Seeking funding to improve our gravel roads

Our shire covers more than 1,500km<sup>2</sup>. Council has responsibility for 880km of gravel roads and this is an important priority for us. Population increases are placing pressure on the unsealed road network as more people take up residence on the fringes of town and in rural areas. The increasing levels of traffic requires a significant investment to keep the roads safe and accessible. Reduced rainfall and severe weather events associated with climate change impact our unsealed roads more than any other asset. We want to change the way we manage and fix our road network. Our current re-sheeting program provides a short-term fix to a long-term problem. Improving the way we manage our roads and improve drainage will make an enormous improvement to the quality of our roads throughout the shire.

*Sources: Federal, local Gravel road investment:*  
— \$5 million over five years

#### Calder Freeway/Fogarty's Gap Road Seeking a new interchange to improve freeway safety

Fogarty's Gap Road crosses the Calder Freeway (M79) at Ravenswood South. The intersection is a notorious blackspot. A number of fatalities and regular accidents have been recorded since this section of freeway was built in 2009. It is the only 80km/hr zone on the 110km/hr freeway between Melbourne and Bendigo. A new interchange would allow the freeway to flow without cross-traffic, making it safer for users at the busy intersection. This is a key priority for the Calder Highway Improvement Committee.

*Sources: Federal New interchange* — \$52 million



### Community buildings

#### Seeking funding to make community buildings fit for purpose

Council owns more than 250 structures and buildings. Many of our community halls, recreational facilities and reserves are managed in partnership with the community. While the facilities are important to the community, the infrastructure is ageing and requires ongoing attention, particularly for buildings with heritage significance. Delivering buildings, infrastructure and assets that are safe, accessible and meet the needs of all community members is a challenge for Council.

Sources: Federal, state, local  
Community building upgrades:  
— \$5 million

### Nalderun Aboriginal Services

#### Seeking funding to support our local Aboriginal-led collective

Nalderun is an Aboriginal-led collective that operates holistic education, health and cultural services in Castlemaine and surrounds. Its work is Aboriginal designed and led, centred on Aboriginal children and young people, the Aboriginal community and the broader community. The group is Closing the Gap in relation to school attendance, educational outcomes and employment. It is also working to build pride and cultural awareness within the community. Nalderun requires reliable and sustainable funding to provide greater support to staff and volunteers and secure services.








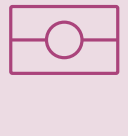




## OUR PARTNERS

As an advocate for our shire, Council works in collaboration with all levels of government and state and federal organisations that provide services to the community. We also work in partnership with community groups to improve services and outcomes for the shire.

We have established many partnerships and memorandums of understanding (MOUs) to formalise our working relationship. We work together to develop action plans, deliver projects and advocate for the community. Some of our key project partners are below:

OUR PEOPLE		
	<b>Health and wellbeing</b>	Department of Health and Human Services, Castlemaine Health, Maldon Hospital, Castlemaine District Community Health, Central Victorian Primary Care Partnerships, Loddon Mallee Womens Health, Windarring and state and federal Governments.
	<b>Aged and disability services</b>	Castlemaine Health, Castlemaine District Community Health, Central Victorian Primary Care Partnerships, and the Loddon Mallee Local Government Consortium.
	<b>Age-friendly</b>	Central Victorian Primary Care Partnership, Castlemaine Community House and Maldon Neighbourhood Centre.
	<b>Young people and families</b>	Local preschools and kinders, early learning and childcare centres, primary and secondary schools, Nalderun Upper Loddon, Castlemaine Library, Castlemaine Community House, YMCA Bendigo, Central Victorian Primary Care Partnerships, Castlemaine District Community Health, Victorian Local Government Association, Loddon Mallee Women's Health, Australian Breastfeeding Association, Youth Advisory Group and the FReeZA Committee.
	<b>Emergency management and preparedness</b>	Central Victorian Municipal Emergency Management Enhancement Group, Northern Victoria Emergency Management Cluster, Australian Red Cross, Salvation Army, Victorian Council of Churches, Councils of Hepburn, Macedon, Mitchell and Moorabool Shires, SES, Victoria Police and the Country Fire Authority.
	<b>Diversity, access and inclusion</b>	Mount Alexander Shire Disability Advocacy Group, Rural Australians for Refugees Castlemaine, Loddon Campaspe Multicultural Services, Australian Red Cross, Timor Leste Friendship Group and the Friends of Lolotoe.
	<b>Indigenous heritage</b>	Local indigenous elders and community members, Nalderun, Dja Dja Wurrung Corporation, Castlemaine and District Community Health, Department of Environment, Land, Water and Planning, Castlemaine Art Gallery, Castlemaine Community House, Regional Centre for Culture, Castlemaine State Festival and Reconciliation Victoria.
	<b>Housing</b>	Department of Health and Human Services, University South Australia, University of Technology Sydney, Latrobe University and 10 local governments from across Australia.

## OUR PLACE

	<b>Streetscape and town improvements</b>	Community planning and steering committees in Campbells Creek, Chewton, Elphinstone, Guildford, Harcourt, Newstead, Taradale and Tarrangower.
	<b>Sports and recreation</b>	State and federal governments, Sports and Recreation Victoria, Committees of Management and clubs/user groups.
	<b>Roads and transport</b>	Central Victoria Network, Department of Economic Development, Jobs, Transport and Resources, Loddon Mallee Regional Cluster, VicRoads, Regional Development Australia and Regional Development Victoria.
	<b>Environment</b>	Connecting Country Incorporated, local Landcare and friends groups, Department of Environment, Land, Water and Planning, North Central Catchment Management Authority, Goulburn Murray Water and Parks Victoria.
	<b>Sustainability and climate change</b>	Mount Alexander Sustainability Group, Hub Foundation, Central Victorian Greenhouse Alliance including local councils.
	<b>Flood management</b>	City of Greater Bendigo, North Central Catchment Management Authority, Castlemaine, Campbells Creek and Chewton Flood Management Plan Steering Committee.
	<b>Waste management</b>	Loddon Mallee Waste & Resource Recovery Group including City of Greater Bendigo, Swan Hill Rural City, Mildura Rural City and Buloke, Gannawarra, Loddon and Macedon Ranges Shire Councils.
	<b>Heritage</b>	Heritage Victoria, Castlemaine Art Gallery, Buda Historic Home and Garden, Victorian Goldfields Railway and the National Trust.

## OUR ECONOMY

	<b>Business growth and employment</b>	Regional Development Victoria, Small Business Victoria, Business Mount Alexander, Maldon Inc, People Plus and Elliott Midland Newspapers.
	<b>Tourism development</b>	Bendigo Regional Tourism including the shires of Mount Alexander, Loddon, Central Goldfields and the City of Greater Bendigo.
	<b>Arts and culture</b>	Regional Centre for Culture, Creative Victoria, Dja Dja Wurrung Corporation, City of Greater Bendigo, Central Goldfields Shire, Mount Alexander and Hepburn Shires, Castlemaine Art Museum and Buda Historic Home & Garden.
	<b>Education and training</b>	Castlemaine and District Community Health, Castlemaine Community House, Central Vic Health Alliance, School Focussed Youth Services, Goldfields Local Learning & Employment Network, Castlemaine Police, St Lukes Anglicare, Bendigo TAFE, Castlemaine Secondary College, Nalderun, Maldon Neighbourhood Centre and the Central Victorian Primary Care Partnership.



## ENGAGEMENT

Community engagement is defined as the range of opportunities for public involvement in Council decision-making, relationship building and community strengthening. Council is committed to effective engagement with the community to ensure the needs of the community are acknowledged in Council key projects, plans and strategies.

Our Community Engagement Policy, Community Engagement Framework and Youth Engagement Charter guide our community engagement activities and continuous improvement. During the year there were a number of opportunities for the community to provide input into plans, strategies and service design including Council's annual budget.

The 2018 community satisfaction rating of 52 for community consultation was similar to the 2017 result of 53, which was the highest rating since the survey began seven years ago.

Examples of community consultations undertaken during the 2017/2018 are below:

### Community Directory – Connect Mount Alexander

#### COMMUNITY INVOLVEMENT

Council consulted key stakeholders such as the Youth Advisory Group, Community Planning Groups, Nalderun and local service providers, as well as an internal working group to develop and test a new online directory.

Worked with Castlemaine Community House, Maldon Neighbourhood Centre and Goldfields Library to promote and support use of the directory.

#### OUTCOME

Connect Mount Alexander was launched in December 2017 to improve social interaction and community connections. It features a searchable database for clubs and groups, additional resources, volunteer opportunities, emergency information and an event calendar.

### Domestic Animal Management Plan

#### COMMUNITY INVOLVEMENT

Council consulted with pet and non-pet owners to develop the draft domestic animal management plan.

More than 150 people responded to an animal management survey in May 2017.

Council received 15 submissions during a one month submission period in August and September 2017.

#### OUTCOME

Council adopted a new four-year domestic animal management plan in October 2017, guiding priorities and responsibilities for managing pets.

### Mental health first aid

#### COMMUNITY INVOLVEMENT

Council partnered with Castlemaine Secondary College to provide mental health first aid training to students, teachers, parents and carers in the shire.

#### OUTCOME

More than 600 students, 40 teachers and parents have attended the training over the past few years to help increase resilience and promote positive mental health amongst young people.

More than 50 Council staff have also been trained, earning Council silver accreditation in the Mental Health First Aid Skilled Workplaces Initiative established by Mental Health First Aid Australia.

### Age friendly communities

#### COMMUNITY INVOLVEMENT

Council continued to work with Castlemaine Community House

and Maldon Neighbourhood Centre to deliver four projects identified by the community to encourage active ageing and increased social connections.

The project is overseen by a steering committee and several project reference groups.

#### OUTCOME

The project delivered a collaborative community bus trial to improve community transport services to better meet the needs of older people, following the training and recruitment of volunteers.

A Positive Ageing Advocacy Group was developed to help fulfil Council's Age Friendly Victoria Declaration and provide information to the community.

A new online directory was launched with a competition in December 2017 to connect people with local information, groups and activities in the community.

A research project investigating a sustainable model to provide community meals in Newstead is underway.

### Early Years

#### COMMUNITY INVOLVEMENT

Council consulted with service providers and children and families in the community to shape an early years plan for the shire.

Staff conducted extensive consultation via discussions with key stakeholders, a family and children’s survey, a service provider survey and two forums held in October 2017 and March 2018.

More than 163 local families and children participated in the survey.

**OUTCOME**

The Mount Alexander Early Year Plan is in development to provide a collective approach to developing and coordinating services, programs and partnership activities for children aged 0-8. It is expected to be available for community consultation in Spring 2018.

**Tree planting**

**COMMUNITY INVOLVEMENT**

Council liaised with residents in selected streets in newly developed areas to help select the trees planted as part of the annual street tree planting program.

Households were able to select from three tree species by responding to a mail survey.

**OUTCOME**

Around 250 trees were planted as part of Council’s street tree program in Castlemaine and Taradale.

Future plantings will occur once streetscape plans for individual towns are completed.

**Refugee Welcome Zone Action Plan**

**COMMUNITY INVOLVEMENT**

Council worked in partnership with the Rural Australians for Refugees Castlemaine and Loddon Campaspe Multicultural Services to develop a refugee action plan that aims to provide a welcoming, supporting and socially inclusive community.

The plan was informed by two forums attended by community members and service providers in 2016 and 2017, and consultation with local refugees, asylum seekers and stakeholders.

**OUTCOME**

The Mount Alexander Refugee



Welcome Zone Action Plan 2018-2021 was adopted by Council on the 26 June 2018.

**Mount Alexander Shire Youth Advisory Group and FreeZA Committee**

**COMMUNITY INVOLVEMENT**

Young people aged 12-25 years

**OUTCOME**

The Youth Advisory Group implemented actions from the Youth Engagement Plan 2015-2016 and youth forum held in 2016.

Youth led activities include input into a Facebook page and new website for young people, inclusion of young people on council interview panels, and mental health week activities at Mondo Lounge.

Council’s FreeZA Committee Eight Metre Speaker coordinated events and activities such as Battle of the Bands and the Young Maker’s Market at the 2The Extreme Festival.

**Aquatic facilities**

**COMMUNITY INVOLVEMENT**

Council and pool operators undertook community engagement activities throughout the pool season to enable pool patrons to provide feedback on operations.

Activities included community satisfaction surveys, pool listening posts and meetings with community representatives.

**OUTCOME**

The 2017/2018 outdoor aquatic season was delivered in partnership with pool managers at four Council owned swimming pools.

No major incidents were reported.

Feedback received through community consultation was positive.

More than 90% of 126 survey respondents rated lifeguard supervision and customer service from good to outstanding. About one in four rated the water and water temperature as good or outstanding.

Areas identified for improvements included better change rooms, accessibility and shade, longer opening hours and more activities.

**Streetscape plans for commercial centres**

**COMMUNITY INVOLVEMENT**

Council invited the community to have a say on a draft streetscape plan and design standards for Castlemaine and Maldon central business districts in October 2017.



The drafts were developed based on extensive consultation undertaken with the community including a survey, a workshop in Castlemaine and a public forum in Maldon.

A community reference group and project steering committee provided input into the plans.

#### OUTCOME

Council is working with a planning and design consultancy to finalise the streetscape plans and design standards for public exhibition, following a Councillor briefing in July.

### Streetscape plans for smaller towns

#### COMMUNITY INVOLVEMENT

Community members were invited to get involved in planning the future of their towns in Campbells Creek, Chewton, Guildford, Newstead and Taradale.

Draft designs were on public exhibition and consultation workshops were held in each town in June 2018. Designs will be finalised in 2018.

#### OUTCOME

The revised designs will go on public exhibition in July 2018, and are expected to be finalised in October.

### Victory Park Playspace

#### COMMUNITY INVOLVEMENT

Council consulted with families to develop the design for an all ages and all abilities, district level playspace at Victory Park in Castlemaine.

Staff undertook a community survey in September 2017 and gained input on design ideas at listening posts and a pop up play space in December. The team consulted with families at two local kindergartens, as well as local organisations like Nalderun and Windarring to finalise plans which changed significantly following community input.

#### OUTCOME

Council adopted the final concept plans for the playspace in May 2018. The designs were released for tender in July 2018. Construction is scheduled for late 2018.

### Wesley Hill Sports Hub

#### COMMUNITY INVOLVEMENT

Council continued to engage with the Committee of Management and key user groups such as Castlemaine Junior Football Club, Castlemaine and District Netball Association and Castlemaine Cycling Club on final designs and works as part of the Wesley Hill Recreation Reserve Master Plan.

It hosted an information session for nearby residents in September regarding plans to install floodlights at Doug Powell Oval.

#### OUTCOME

The completion of Stage 1 including six netball courts, carpark, access paths and seating was celebrated at an official opening in April 2018. Stage 2 works to construct a multi-purpose pavilion started in April, and are expected to be completed by the end of 2018.

### Urban Waterways Plan

#### COMMUNITY INVOLVEMENT

Council established an advisory group and consulted local residents to collaboratively develop a draft management plan for the urban sections of Forest, Barkers and Campbells creeks.

The advisory group included representatives of DELWP, NCCMA, Castlemaine Landcare, Friends of Campbells Creek, Connecting Country and staff from Emergency Services, Community Places and Spaces, Parks and Gardens, and Infrastructure.

Council received 44 submissions on the draft plan during a broad six week community consultation period in April and May 2018.

#### OUTCOME

The Urban Waterways Management Plan will identify actions to improve health of the creeks, and increase access to the waterways and surrounding bushlands for everyone to enjoy. It is expected to be adopted early in 2018/2019.

### Castlemaine Botanical Gardens Conservation Management Plan (CMP)

#### COMMUNITY INVOLVEMENT

Council sought community input to help shape a conservation management plan for the Castlemaine Botanical Gardens.

A survey was conducted in November 2018 asking park users what they value about the 28 hectare heritage-listed gardens and what they consider important for the future management.

#### OUTCOME

The CMP will include recommendations and an action plan to protect significant natural and cultural features at the much loved Castlemaine Botanical Gardens.

The draft plan is expected to be available for community consultation in Spring 2018.

### Castlemaine, Campbells Creek and Chewton Flood Management Plan

#### COMMUNITY INVOLVEMENT

Council consulted with local residents regarding flood levee designs for Campbells Creek in 2016/2017.

This year council prepared a planning amendment to incorporate new flood mapping boundaries and planning overlays in flood prone areas.

In addition to notifying residents and property owners, we ran three information sessions in directly affected towns to help people understand the proposed changes.

Council received 13 submissions during a two month statutory public exhibition period from November 2017 to January 2018. The community was previously informed about the amendment during the development of the flood management plan.

#### **OUTCOME**

Council is progressing the ten recommendations in the Castlemaine, Campbells Creek and Chewton Flood Management Plan, adopted in 2015 to reduce community exposure to flooding.

It endorsed six levee designs in and around Castlemaine, Campbells Creek and Newstead in April 2018. Further consultation will be undertaken regarding a levee in Gingell Street Castlemaine.

Council will consider the recommendations from a planning panel report regarding the proposed Planning Scheme Amendment C082 in Q1 2018/2019.

### **Phee Broadway Theatre**

#### **COMMUNITY INVOLVEMENT**

Council worked closely with local theatre companies and user groups to develop a new fee structure for hiring the Phee Broadway Theatre.

#### **OUTCOME**

Council adopted the revised Phee Broadway Theatre Hire Model in March 2018.

The pricing structure ensures hire fees are affordable while still meeting Council's obligations regarding safety.

Council has lined up a year of local programming at the theatre to activate the space, including the venue's first residency program supported by the Regional Centre for Culture.

### **Strategic communications**

#### **COMMUNITY INVOLVEMENT**

Council conducted a community survey and competition for one month in February and March 2018 to determine how community members would like to stay up to date with news and information from Council, and get more involved in Council decisions.

The findings were used to shape a draft strategic communications strategy.

#### **OUTCOME**

The draft Mount Alexander Shire Council Communications Plan will be considered by Council in September 2018.

An update to Council's Community Engagement Framework and Customer Service Charter are actions in the strategy.

Council introduced a corporate Facebook page in September 2017 to provide another way to engage with the community.



### **Annual Budget**

#### **COMMUNITY INVOLVEMENT**

Council publicly exhibited the 2018/2019 Proposed Budget for five weeks in April and May, exceeding the 28 day requirement, and received 28 public submissions. A Special Meeting of Council was held on 5 June to hear submissions.

#### **OUTCOME**

Council adopted the \$37.07 million 2018/2019 Budget on 28 June 2018, including an investment of more than \$11.3 million in capital works.



# PROGRESS REPORT

## PLANNING AND REPORTING

We have a legislative planning framework that helps link to the strategies in our four year council plan to the actions in our annual plan and budget each year.

The Council Plan 2017-2021 includes strategic objectives under the pillars of Our People, Our Place and Our Economy, measures of success and a strategic resource plan.

Council delivers programs and services across 33 major services areas, which contribute to the achievement of our strategic objectives.

This report demonstrates progress against our objectives by reporting on major initiatives, service performance indicators, financial indicators and sustainable capacity.

There are opportunities for community and stakeholder input at each stage of the planning, budget and reporting cycle.

The 2017/2018 Annual Plan was adopted by Council on 15 August 2017, with actions presented under our three pillars listed below.

We completed 42 of 66 projects in the plan by 30 June 2018, and another 15 projects are at least 75% complete.



## OUR PILLARS

### OUR PEOPLE

**Population + Health + Wellbeing  
+ Support + Social services  
+ Resilience + Partnerships  
+ Connections**

Strategic objectives:

- Socially connected, safe and inclusive communities
- Local services that support the needs of our community
- Improved health and wellbeing
- A welcoming place for all

### OUR PLACE

**Buildings + Sport and recreation facilities + Roads + Footpaths  
+ Drainage + Trails + Playgrounds  
+ Gardens + Natural environment  
+ Waste + Recycling + Heritage**

Strategic objectives:

- Well managed assets for now and into the future
- A clean and green community
- Well planned for growth

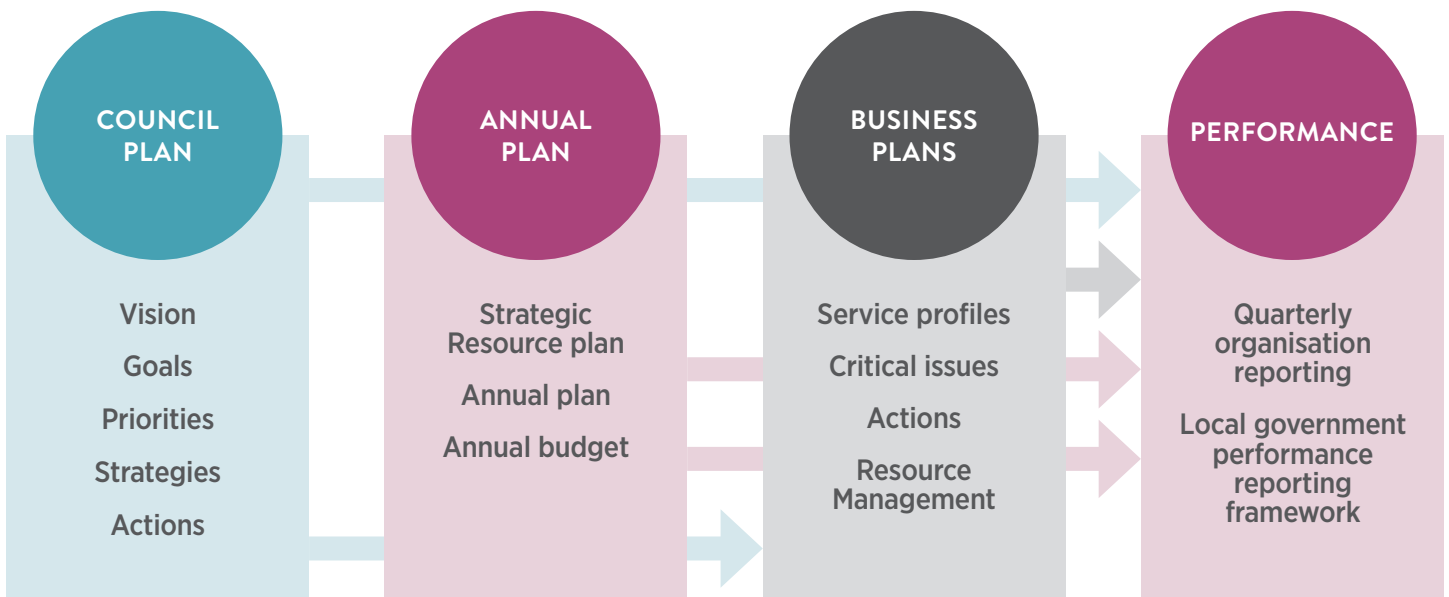
### OUR ECONOMY

**Business + Economy + Jobs  
+ Education + Creativity + Events  
+ Innovation + Tourism + Culture**

Strategic objectives:

- A creative and innovative economy
- Great opportunities for education and technology
- An innovative and sustainable organisation

## CORPORATE REPORTING FRAMEWORK



## STRATEGIC OBJECTIVES

### OUR PEOPLE

Population + Health + Wellbeing + Support + Social services + Resilience + Partnerships + Connections

#### Socially connected, safe and inclusive communities

- Support the building of social connections in each of our towns.
- Recognise, support and celebrate our local indigenous culture past and present.
- Implement initiatives to change the behaviours and attitudes that contribute to family violence in our community.

#### Local services that support the needs of our community

- Improve access to mental health services for our community.
- Encourage and support health providers to meet the needs of our community.
- Facilitate an accessible range of services for all including children, young people and families.

#### Improved health and wellbeing

- Improve health through use of our public spaces and trails.
- Implement strategies to support changes to the Aged and Disability reforms (including National Disability Insurance Scheme).
- Build the capacity of our community to manage the impact of climate change and changing weather patterns.
- Provide and promote a safe, healthy and engaging environment for volunteers.

#### A welcoming place for all

- Encourage and support innovative housing solutions that meet the needs of our community.
- Partner with service providers to support improved social and health outcomes for indigenous and Culturally and Linguistically Diverse (CALD) communities.
- Build community resilience by working together with the community and key stakeholders to prevent, prepare, respond and recover from emergencies and manage risk.
- Implement initiatives to create acceptance of diversity.



**Socially connected, safe and inclusive communities**

PROJECT	DESCRIPTION	%	COMMENTS
<b>Offlead dog park</b>	Investigate and locate a site for the construction of an off-lead dog park.	100%	Funding has been included in the 2018/2019 budget for works to proceed based on a site in Campbells Creek.
<b>Community directory</b>	Provide an online resource for the community to access and share information and resources.	100%	Connect Mount Alexander site is live, and a second phase of promotion has begun.
<b>Domestic animal management</b>	Review and adopt a revised Domestic Animal Management Plan.	100%	The Domestic Animal Management Plan 2017 - 2021 was adopted by Council on 17 October 2017.
<b>Support the priorities of local communities</b>	Update the Community Planning webpage on Council’s website.	100%	Webpage has been updated with current information and links to relevant community planning websites.
<b>Reconciliation Action Plan</b>	Complete initiatives of the Action Plan for Reconciliation. Use learnings to inform the development of a Reconciliation Action Plan.	100%	Review completed identifying that 20 of 27 activities are complete. The findings were presented to Councillors in May 2018. The development of a Reconciliation Action Plan is a priority in the 2018/2019 Annual Plan.
<b>Prevention of family violence</b>	Complete remaining initiatives of the Prevention of Violence Against Women and Children Action Plan. Use learnings to inform the development of a Gender Equity Action Plan.	100%	A review was completed and presented to the Executive Team in May 2018.

Mondo Lounge earth skills excursion with Mirawara. Photo by Rowy McLeod





### Local services that support the needs of our community

PROJECT	DESCRIPTION	%	COMMENTS
<b>Mental health and wellbeing for our youth</b>	Deliver the Youth Wellbeing Project to local secondary students and extend the program to parents and teachers in local primary schools.	100%	Youth Mental Health First Aid training sessions were undertaken during the year, and extending the program to primary school teachers for the first time.
<b>Castlemaine Health Service</b>	Advocate for construction of a new hospital in Castlemaine.	100%	The Mayor and CEO are continuing to work Castlemaine Health CEO and Board. Castlemaine Health has received a Ministerial commitment to progress Master Planning.
<b>Age friendly communities</b>	Deliver key projects identified by the community to encourage active ageing and increased social connection, in partnership with the Castlemaine Community House and Maldon Neighbourhood Centre.	100%	The project is in its final stages with the four components (Positive Aging Advocacy Group, Community Bus, Community Meal Report and Community Directory) complete.
<b>Reducing tobacco smoking</b>	Undertake smoking education and compliance relating to outdoor dining and sales to young people, in accordance with funding agreement.	100%	Council officers have completed the smoking education program in accordance with the Municipal Association of Victoria (MAV) funding agreement.
<b>Early years</b>	Develop a Municipal Early Years Plan.	75%	Presented the draft plan to the Executive Team in May 2018. Due to further development and consultation required, the timeline for the project has been extended. The updated plan is due to be presented to the Executive Team in August 2018, and Councillors in September before becoming available to the community for comment.



## Improved health and wellbeing

PROJECT	DESCRIPTION	%	COMMENTS
<b>Trail Rehabilitation and Flood Resilience</b>	Complete reconstruction of Campbells Creek and Happy Valley walking and cycling trails.	<b>80%</b>	Works started on 18 June and are scheduled for completion at the end of July 2018.
<b>Healthy Shire</b>	Facilitate the Healthy Shire – Community Advisory Group	<b>100%</b>	Program to be superseded by Healthy Heads initiative through Regional Partnerships priorities.
<b>National Disability Insurance Scheme (NDIS) service providers</b>	Liaise with neighbouring Local Governments as well as the Local Area Coordinator (Intereach) and the National Disability Insurance Agency to map local NDIS service providers and emergence of new NDIS service providers.	<b>100%</b>	The responsibility for mapping local NDIS service providers is shared by Intereach and the National Disability Insurance Agency. Council officers continue to liaise with local government neighbours regarding the progress of the NDIS roll out, which continues for eligible people living with a disability.
<b>Health and wellbeing</b>	Prepare a report on the activities undertaken in the past 12 months to support the health and wellbeing of the community and the results achieved.	<b>95%</b>	Report completed, and incorporates progress and outcomes from Council Plan, Health and Wellbeing Plan and Disability Action Plan. The report was presented to Council in May 2018.
<b>Age care reforms</b>	Review systems and processes in line with the implementation of the Commonwealth Home Support Program (CHSP) and the State HACC PYP program.	<b>100%</b>	Completed. Council has included in the 2018/2019 Annual Plan a project to establish a position on council provided aged and disability services in response to the Federal Government's Aged Care reform changes.
<b>Tree planting program</b>	Create an annual street tree planting program.	<b>100%</b>	The 2017/2018 planting program is complete with 278 street trees planted across the shire.
<b>Volunteer coordination</b>	Facilitate all volunteer coordinators in Council to review policies and procedures to ensure compliance with new Australian Volunteer standards	<b>10%</b>	An audit of volunteer policies and procedures in Community Wellbeing will be completed on 2 August, and will check compliance with standards.

## A welcoming place for all

PROJECT	DESCRIPTION	%	COMMENTS
<b>Tiny houses</b>	Create a position paper for Tiny Houses.	<b>100%</b>	Position paper on Tiny Houses was presented to Councillors at a briefing on 6 March 2018. The position is that officers continue work with the MAV on a pilot project to create a way to resolve the state-wide issues associated with regulation for Tiny Houses on wheels.
<b>Retirement accommodation</b>	Develop a profile of demand and opportunities for retirement accommodation that could be met by private and/or community-owned and operated facilities for Council approval as a precursor to a marketing campaign.	<b>30%</b>	Held a workshop with Councillors and staff on 25 May to identify issues and options regarding retirement living. SGS Economics is conducting further research to inform another workshop to refine what specific housing needs Council wants to address.
<b>Affordable housing</b>	Partner with universities and other local government agencies in research to explore opportunities for Council to support improved access to affordable and accessible housing. Includes advocacy for DELWP Affordable Housing Project in the Shire.	<b>100%</b>	Council 's collaboration with the university sector through an ARC linkage project is complete. Officers are now exploring retirement living opportunities, and were successful in securing a funding grant for a social housing feasibility project.
<b>Refugee Welcome Zone Action Plan</b>	Develop a Refugee Welcome Zone Action Plan	<b>100%</b>	Council endorsed the action plan at an Ordinary Meeting on 26 June 2018.
<b>Create resilient communities</b>	Develop and implement Municipal Fire Education/Engagement Plan in partnership with Mount Alexander Municipal Fire Management Planning Committee.	<b>80%</b>	A draft Mount Alexander Municipal Fire Management Risk Analysis Engagement Strategy (formally known as the Municipal Fire Education/Engagement Plan) has been developed and endorsed by the Mount Alexander Municipal Fire Management Planning Committee. The strategy will be finalised following further input from relevant agencies, and is expected to be adopted by November 2018.
<b>Emergency management planning</b>	Develop and implement the Mount Alexander Municipal Emergency Management Plan.	<b>100%</b>	Council adopted the plan (Northern Victorian Integrated Municipal Emergency Management Plan: Mount Alexander Shire Edition) in August 2017. It has been distributed and is in effect in the shire.
<b>Disability access and inclusion</b>	Conduct community consultation with people with a disability to listen to, and inform the community about activities undertaken by Council to deliver objectives of the Disability Action Plan.	<b>75%</b>	A delay occurred in finalising and implementing the survey. The draft materials were sent to SCOPE to ensure an Easy English version of the survey is available. The survey will be open for one month and is expected to be available to the community from the end of July 2018.



## SERVICE PERFORMANCE INDICATORS

The following statement provides the results of prescribed service indicators and measures.

### Animal Management

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>TIMELINESS</b> <b>Time taken to action animal management requests</b> (Number of days between receipt and first response action for all animal management requests / Number of animal management requests)	0.00	0.00	3.50	2.48	Internal training is currently underway with officers to better record the response times at first point of contact.
<b>SERVICE STANDARD</b> <b>Animal reclaimed</b> (Number of animals reclaimed / Number of animals collected) x 100	53.0%	51.6%	54.33%	85.85%	Council has had an increased focus on encouraging de-sexing of pets, particularly cats and also has had an improved adoption rate in relation to a new social media page.
<b>SERVICE COST</b> <b>Cost of animal management service</b> (Direct cost of the animal management service / Number of registered animals)	\$48.67	\$74.15	\$59.19	\$76.24	Council has had a reduction in number of registered animals (12%) after a recent review was undertaken to exclude where no renewal payment was received and an increase in the costs of services provided following a new tender for services.
<b>HEALTH &amp; SAFETY</b> <b>Animal management prosecutions</b> (Number of successful animal management prosecutions)	3.00	3.00	2.00	0.00	No prosecutions were performed during the period.



## Food safety

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>TIMELINESS</b> <b>Time taken to action food complaints</b> (Number of days between receipt and first response action for all food complaints / Number of food complaints)	0.00	1.00	1.00	0.00	No complaints were recorded in the period.
<b>SERVICE STANDARD</b> <b>Food safety assessments</b> (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984) x 100	89.0%	97.32%	92.37%	100%	Due to additional resourcing provided, all premises were assessed during the period.
<b>SERVICE COST</b> <b>Cost of food safety service</b> (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984)	\$306.02	\$221.80	\$308.50	\$316.10	Minimal increase (2.5%) to the cost of service occurred.
<b>HEALTH &amp; SAFETY</b> <b>Critical and major non-compliance outcome notifications</b> (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x 100	67.00%	94.74%	73.33%	100%	Due to additional resourcing provided, all critical and major non-compliance notifications were followed-up during the period.







**Maternal and Child Health (MCH)**

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>SATISFACTION</b> <b>Participation in first MCH home visit</b> (Number of first MCH home visits / Number of birth notifications received) x 100	99.00%	100.66%	100.84%	93.43%	Percentage variance can be distorted due to the small number of births.
<b>SERVICE STANDARD</b> <b>Infant enrolments in the MCH service</b> (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x 100	91.0%	100.66%	103.36	101.46%	
<b>SERVICE COST</b> <b>Cost of the MCH service</b> (Cost of the MCH service / Hours worked by MCH nurses)	\$0.00	\$63.11	\$65.66	\$83.80	Payment of a number of costs associated with services provided in prior years occurred during 2017/2018. Excluding these costs the annual increase in cost would have been 7%.
<b>PARTICIPATION</b> <b>Participation in the MCH service</b> (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x 100	86.00%	80.30%	81.15%	79.11%	
<b>PARTICIPATION</b> <b>Participation in the MCH service by Aboriginal children</b> (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x 100	86.00%	44.0%	63.64%	61.90%	





## STRATEGIC OBJECTIVES

### OUR PLACE

**Buildings + Sport and recreation facilities + Roads + Footpaths + Drainage + Trails  
+ Playgrounds + Gardens + Natural environment + Waste + Recycling + Heritage**

#### Well managed assets for now and into the future

- Improve streetscapes and town entrances.
- Review, maintain, renew and expand the assets of our community.
- Encourage and invest in multi-use facilities.
- Improve access to a range of convenient, safe, accessible and sustainable travel choices.

#### A clean and green community

- Protect and enhance the natural environment.
- Reduce carbon emissions and manage impact of climate change.
- Ensure effective waste management and resource recovery.

#### Well planned for growth

- Ensure there is sufficient residential land and protect commercial, farming and industrial land.
- Manage and protect our heritage.
- Manage and protect our indigenous heritage.



### Well managed assets for now and into the future

PROJECT	DESCRIPTION	%	COMMENTS
<b>Maldon Streetscape Project</b>	Work with project partners to scope the Maldon streetscape conservation project and seek Government funding.	<b>100%</b>	Detailed design for underground power works are complete and have been costed. Consultation has been undertaken on proposed treatments for public areas, which are pending Council adoption. Preliminary concepts and broad estimates have been developed for proposed building restorations. Staff are working with Regional Development Victoria to develop a business case for the whole project to be used for funding applications to the State Government.
<b>Streetscape planning</b>	Work with the community planning groups of Newstead, Campbells Creek, Chewton, Guildford and Taradale to implement their shared community plan priority to develop a streetscape design for each township.	<b>75%</b>	Draft designs were on public exhibition from 30 May to 22 June 2018. Community workshops were held in each town in June. Consultants are developing revised designs which will be available for public comment in late July, with final designs expected in October 2018.
<b>Bridge renewal program</b>	Complete the prioritised program of bridge renewal projects including design and construction of a number of bridges across the shire.	<b>95%</b>	Of the bridge works scheduled for construction in 17/18 one bridge is complete and one is scheduled for completion in July 2018. Bridge designs for 18/19 are also complete.
<b>Drainage renewal program</b>	Complete the prioritised program of drainage renewal projects including design and construction of a number of drainage assets across the shire.	<b>85%</b>	The contract for the Saint Street drainage project has been awarded. Works are scheduled to start in July 2018 with completion scheduled for end of August 2018. The Harcourt Oval drainage project is complete. The final design documentation for drainage design projects in 18/19 will be submitted in July 2018.
<b>Road renewal program</b>	Complete the prioritised program of road renewal projects including sealed road design, rehabilitation and resealing, and unsealed road re-sheeting across the shire.	<b>95%</b>	<p>Reseal and resheeting works are complete including upgrades to intersections in Golden Point Road Faraday, Mclvor Road Harcourt North, and Forest Street Castlemaine.</p> <p>Road designs are completed, pending the finalisation of documentation in July 2018.</p>
<b>Asset condition assessments</b>	Conduct asset condition assessments and revaluation of bridges and drainage assets.	<b>100%</b>	The bridge survey has been completed and report received.
<b>Community facilities</b>	Finalise the review of Community Facilities.	<b>100%</b>	Stage one of the project is complete.



PROJECT	DESCRIPTION	%	COMMENTS
<b>Road Asset Management Plan</b>	Review and adopt an updated Road Asset Management Plan (RAMP).	<b>70%</b>	The Road Asset Management Plan is in draft stage. Following completion of the Road Management Plan, officers will complete the RAMP.
<b>Victory Park play space</b>	Undertake the design of a new, fully accessible play space for Victory Park, Castlemaine	<b>100%</b>	Community consultation has been undertaken and design development is complete. The designs were released for tender in July 2018. Construction is scheduled to be completed by early March 2019.
<b>Wesley Hill Recreation Reserve – Stage 1</b>	Complete Stage 1 of the redevelopment of Wesley Hill Recreation Reserve.	<b>100%</b>	Project practical completion issued. Defects to be addressed in defects liability period. All six netball courts open for public use.
<b>Wesley Hill Recreation Reserve – Stage 2</b>	Complete Stage 2 of the redevelopment of Wesley Hill Recreation Reserve.	<b>50%</b>	Construction is progressing well and to program. Works to construct a multipurpose pavilion started in April 2018 are scheduled to be completed by the end of 2018.
<b>Mount Alexander Aquatic Recreation Centre – Business Model</b>	Develop business plan options for the provision of aquatic facilities on the existing Castlemaine Pool site.	<b>100%</b>	Officers have explored funding models for this project, and in February briefed Councillors about partnership opportunities with government bodies for funding and delivery of aquatic facilities in the shire. Funding and delivery options continue to be explored, and advocacy with local organisations, and state and federal governments, is ongoing.
<b>Mount Alexander Aquatic Recreation Centre – Design</b>	Following business model approval begin design works to support external funding applications for a new Aquatic Recreation Centre.	<b>0%</b>	This action remains on hold waiting for progression of exploration of the business model (Mount Alexander Aquatic Recreation Centre – Business Model).
<b>Footpath renewal program</b>	Complete the prioritised program of footpath renewal projects including accessible design and rehabilitation of a number of sections of footpath across the shire.	<b>75%</b>	A number of footpath works have been completed including the Forest and Barker Street project in Castlemaine and Fryers Street in Guildford. Templeton Street in Castlemaine is scheduled for completion in July 2018. Camp Reserve to Winter's Flat has not yet started and will be re-tendered as part of the 2018/19 footpath package of works.



### A clean and green community

PROJECT	DESCRIPTION	%	COMMENTS
<b>Roadside weed control</b>	Implement the roadside weeds control program through collaboration with local Landcare and Friends groups.	<b>100%</b>	We engaged with 11 Landcare Groups to implement a state-funded conservation program across 100 km of the high priority roadsides in the shire.
<b>Urban waterways</b>	Implement the Urban Waterways Management Plan for maintenance and improvement activities along urban waterways within Castlemaine, Campbells Creek and Chewton.	<b>100%</b>	Significant weed removal was undertaken at key sites within the Castlemaine, Campbells Creek and Chewton Urban Waterways. The sites have undergone preparation for re-vegetation. Council received funding of \$45,000 from DELWP to undertake these essential works.
<b>Solar systems priority sites</b>	Continue program to install solar energy systems on priority Council buildings.	<b>100%</b>	Solar panels were successfully installed on the Market Building. A solar energy system for Newstead Recreation Pavilion be installed in July 2018.
<b>Castlemaine Transfer Station</b>	Develop service models for waste management and resource recovery for Council consideration.	<b>30%</b>	Council awarded a new kerbside collection contract. An options analysis on the future of the landfill and transfer station at Castlemaine Waste Facility is in the final stages of completion. Council will consider the recommendations in August/September before stakeholder engagement is undertaken and concept designs are developed. Council has included a similar action in the 2018/2019 Annual Plan.
<b>Landfill cell capping</b>	Undertake capping of cells at the Castlemaine Landfill in accordance with EPA requirements.	<b>20%</b>	Capping and final rehabilitation of landfill at Castlemaine Waste Facility is anticipated to start by December 2018.





### Well planned for growth

PROJECT	DESCRIPTION	%	COMMENTS
<b>Harcourt growth</b>	Progress the implementation of the Harcourt Growth Plan based on community participation and engagement, and submit periodical progress reports to the Council.	<b>100%</b>	The background work for this project started in the 2017-18 period, including the Calder Corridor Study, Harcourt Framework Plan and Residential Yield Analysis Review. The next phase is expected to take about 18 months and will be followed by implementation into the planning scheme. Council will be briefed on the project scope at a briefing in July 2018.
<b>Municipal Strategic Statement</b>	Review Council's Municipal Strategic Statement	<b>10%</b>	Council will be briefed on the project objectives and process for the planning scheme review in July 2018. The review is expected to take six months, and will result in a final report with recommendations for changes to the planning scheme.
<b>Castlemaine Botanical Gardens</b>	Develop a Conservation Management Plan for the Castlemaine Botanical Gardens.	<b>75%</b>	The final plan is expected to be completed by the end of July 2018 encompassing two stages. Councillors are expected to be briefed in September, prior to final community consultation on the plan.
<b>Heritage and urban design</b>	Establish the Heritage and Urban Design Officer role.	<b>100%</b>	The position has been established and the successful candidate started in February 2018.
<b>Indigenous Round Table</b>	Facilitate and hold two meetings of the Indigenous Round Table	<b>100%</b>	Council facilitated three meetings of the Indigenous Roundtable this year.

## SERVICE PERFORMANCE INDICATORS

The following statement provides the results of prescribed service indicators and measures.

### Roads

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>SATISFACTION OF USE</b> <b>Sealed local road requests</b> (Number of sealed local road requests / Kilometres of sealed local roads)	26.08	20.33	37.91	26.69	Number of requests returned to a more standard level, due to rain/flood events in September, October and April of the previous financial year which contributed to a decline in road surface conditions.
<b>CONDITION</b> <b>Sealed local roads maintained to condition standards</b> (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x 100	99.0%	97.51%	91.58%	95.80%	
<b>SERVICE COST</b> <b>Cost of sealed local road reconstruction</b> (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)	\$23.10	\$44.94	\$45.60	\$45.15	
<b>SERVICE COST</b> <b>Cost of sealed local road resealing</b> (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)	\$5.03	\$4.73	\$4.41	\$4.52	
<b>SATISFACTION</b> <b>Sealed with sealed local roads</b> (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	48.00	52.00	53.00	49.00	





## Aquatic facilities

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>SATISFACTION</b> <b>User satisfaction with aquatic facilities</b> (User satisfaction with how council has performed on provision of aquatic facilities)	0.00	0.00	0.00	0.00	Service measure is optional, and not collected by Council.
<b>SERVICE STANDARD</b> <b>Health inspections of aquatic facilities</b> (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)	1.00	1.00	1.00	1.00	All pools were assessed in the financial year.
<b>HEALTH AND SAFETY</b> <b>Reportable safety incidents at aquatic facilities</b> (Number of WorkSafe reportable aquatic facility safety incidents)	0.00	0.00	0.00	0.00	No reportable safety incidents occurred at aquatic facilities.
<b>SERVICE COST</b> <b>Cost of indoor aquatic facilities</b> (Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities)	0.00	0.00	0.00	0.00	Council does not operate any indoor aquatic facilities.
<b>SERVICE COST</b> <b>Cost of outdoor aquatic facilities</b> (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)	\$19.77	\$16.55	\$14.15	\$11.67	Significant increased attendances (20%) across the season at all pools, and an improved attendance reporting system saw a reduction in the cost per swim on previous years.
<b>STATUTORY PLANNING</b> <b>Utilisation of aquatic facilities</b> (Number of visits to aquatic facilities / Municipal population)	0.88	1.40	1.27	1.53	Significant increased attendances (20%) from 2016-2017 could be attributed to the warmer summer, and returns to similar levels of 2015/2016.



## Statutory planning

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>TIMELINESS</b> <b>Time taken to decide planning applications</b> (The median number of days between receipt of a planning application and a decision on the application)	61.75	128.00	85.00	0.00	PPARS reporting ceased during the year.
<b>SERVICE STANDARD</b> <b>Planning applications decided within required time frames</b> [(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]	73.00%	44.88%	55.40%	67.37%	Concerted effort made to improve processing times.
<b>SERVICE STANDARD</b> <b>Cost of statutory planning service</b> (Direct cost of the statutory planning service / Number of planning applications received)	\$2,169.16	\$2,182.57	\$2,778.50	\$1,953.00	Long term vacancies within the unit resulted in a reduction in service costs
<b>DECISION MAKING</b> <b>Council planning decisions upheld at VCAT</b> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x 100	50%	25%	80%	100%	All council decisions were upheld at VCAT. Low number of appeals were made to VCAT with only 1 in 2017/2018.





## Waste collection

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>SATISFACTION</b> <b>Kerbside bin collection requests</b> (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x 1000	72.54	94.48	120.45	146.41	Council's improved online services have made it easier to report missed bins and other councillor's requests. As well as bins getting older and damaged more easily, and Council encouraging the downsizing of bins.
<b>SATISFACTION</b> <b>Kerbside bin collection missed</b> (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x 10,000	2.77	3.45	5.71	12.10	Council's improved online services have made it easier to report missed bins and other councillor's requests. As well as bins getting older and damaged more easily, and Council encouraging the downsizing of bins.
<b>SERVICE COST</b> <b>Cost of kerbside garbage bin collection service</b> (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)	\$105.54	\$97.04	\$115.48	\$100.40	Renegotiation of contract terms resulted in a significant refund (\$80,000) which related to a number of financial years but was received in 2017/2018, thus reducing the cost per service.
<b>SERVICE COST</b> <b>Cost of kerbside recyclables collection service</b> (Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)	\$55.85	\$53.22	\$52.48	\$57.25	Increase due to increased supplier costs, as a response to the current national recycling crisis.

## Waste diversion

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>SERVICE</b> <b>Kerbside collection waste diverted from landfill</b> (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x 100	36.00%	30.77%	34.77%	36.04%	No material variation. Increases in recycling diverted from landfill through better education and awareness.

## STRATEGIC OBJECTIVES

### OUR ECONOMY

Business + Economy + Jobs + Education + Creativity + Innovation + Tourism + Culture + Events

#### A creative and innovative economy

- Support business growth and local employment.
- Help to grow tourism to the shire.
- Support and promote the cultural and artistic communities.

#### Great opportunities for education and technology

- Support and advocate for high quality education for people of all ages.
- Our community has access to high quality technology.

#### An innovative and sustainable organisation

- Facilitate and support a transparent and innovative culture.
- Maintain financial sustainability to deliver the Council Plan.
- Advocate and identify government funding opportunities.
- Community engagement strategies and methods are accessible to all community members.





### A creative and innovative economy

PROJECT	DESCRIPTION	%	COMMENTS
<b>Small Business Support</b>	Build capacity within small business community by offering skills based workshops, mentoring and business festivals.	100%	More than 200 participants attended eleven small business workshops hosted by Council in partnership with Small Business Victoria in 2017/2018.
<b>Harcourt Mountain Bike Park</b>	Work with project partners to support the Harcourt Mountain Bike Park development.	100%	La Larr Ba Gauwa Park officially opened in March 2018, with high visitation recorded in the first month. A new committee of management has been appointed to manage the park.
<b>Regional tourism website</b>	Work with Bendigo Regional Tourism to develop a new website to promote the region.	75%	Content and image development for the new website is progressing well. Operator training is scheduled, with site testing and a soft launch planned for October.
<b>Regional Centre for Culture</b>	Assist in the delivery of the 2018 Regional Centre for Culture (RCC) Program.	100%	The RCC Program has produced or supported 33 events within Mount Alexander to date. Fifteen local artists have received grant funding totalling more than \$250,000. The region has received extensive media exposure in Melbourne and across Victoria.
<b>Cultural Facilities</b>	Develop options for the future use and management of the Phee Broadway theatre that minimises risk and maximises use.	100%	Council adopted the revised Phee Broadway Theatre Hire Model at its Ordinary Meeting on 20 March 2018.

### Great opportunities for education and technology

PROJECT	DESCRIPTION	%	COMMENTS
<b>Goldfields Library</b>	Actively participate in the Goldfields Library Corporation	100%	Engagement and participation with the Boards of the Goldfields Library Corporation, including the Finance Sub-committee is ongoing.
<b>Castlemaine Secondary College</b>	Advocate to State Government for the completion of the staged redevelopment of Castlemaine Secondary College.	100%	The State Government committed \$11.75 million in the Victorian Budget 2018/2019 to continue the redevelopment and enable Stage 3 to be finished.
<b>Integrated Corporate System</b>	Implement a modern, integrated software platform.	100%	The implementation of the project is on track. Finance and Payroll modules went live in Q2. Other modules will be rolled out throughout the year. The entire project will be completed in 2019.
<b>IT Strategy</b>	Review and update Council's IT Strategy	80%	The IT Strategic Plan has been drafted and is currently under review. It will be finalised in Q1 2018/2019.

## An innovative and sustainable organisation

PROJECT	DESCRIPTION	%	COMMENTS
<b>Innovation program</b>	Deliver a program to promote an innovative culture within Council's workforce.	<b>30%</b>	Research paper and recommendations to be presented to Leadership. A discussion on concrete actions to further innovation is planned.
<b>Employer of choice</b>	Position Council as an Employer of Choice by reviewing Council's performance and development program.	<b>100%</b>	New system implemented and used for the review of directors and managers in 2017/1018. This will be applied to the whole organisation in 2018/2019 following adoption of the CEO's new performance plan.
<b>Financial Sustainability</b>	Review and adopt Council's Long Term Financial Plan (LTFP).	<b>100%</b>	Updating of the LTFP model has commenced. Four year Strategic Resource Plan adopted as part of the Annual Budget. Review and updating of the LTFP will occur in 2018/2019. The LTFP will be adopted in 2018/2019 following adoption of the 2017/2018 Annual Report.
<b>Project completion review</b>	Undertake post-project completion reports on: redevelopment of Wesley Hill Recreation Reserve, cell capping of the Castlemaine Landfill, reconstruction of Campbells Creek and Happy Valley Walking and Cycling trails; and integrated corporate system.	<b>100%</b>	The post completion report for Wesley Hill Recreation Reserve Stage 1 is underway and is expected to be presented to the Executive in August 2018. Other listed projects are not yet completed in 2017/18 and were not the subject of reviews.
<b>Government Grant Funding</b>	Pursue recurrent grant funding and strategic capital funding aligned with Council Plan objectives; monitor the availability of grants and involve Council in the process.	<b>100%</b>	Officers have been effective in securing additional grant funding for Council in 2017/18. The successful grants have progressed Council Plan objectives, with regular reports to the Executive Team.
<b>Strategic Communications Plan</b>	Develop a Strategic Communications Plan which engages and connects Councillors and the organisation with the community to maximise participation and community satisfaction.	<b>95%</b>	The draft Communications Strategy is complete, pending Council approval in early 2018/2019.
<b>Online engagement and communication</b>	Implement a corporate Facebook page.	<b>100%</b>	The Mount Alexander Shire Council Facebook page went live in September 2017 and reached more than 1,000 followers in June 2018.
<b>Customer Service Charter</b>	Review our Customer Service Charter	<b>90%</b>	The Customer Service Charter is drafted and under review. The charter will be completed, once the Communications Strategy is approved by Council.



## SERVICE PERFORMANCE INDICATORS

The following statement provides the results of prescribed service indicators and measures.

### Libraries

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>UTILISATION</b> <b>Library collection usage</b> (Number of library collection item loans / Number of library collection items)	6.34	6.26	6.76	6.88	
<b>RESOURCE STANDARD</b> <b>Standard of library collection</b> (Number of library collection items purchased in the last 5 years / Number of library collection items) x 100	53.0%	48.87%	70.00%	75.20%	Concerted effort to reduce older stock items held by the library.
<b>SERVICE COST</b> <b>Cost of library service</b> (Direct cost of the library service / Number of visits)	\$3.17	\$3.18	\$3.24	\$3.33	
<b>PARTICIPATION</b> <b>Active library members</b> (Number of active library members / Municipal population) x 100	29.00%	28.98%	26.42%	25.81%	





Australia Day ceremony

# AUSTRALIA DAY

## AUSTRALIA DAY

The community gathered in Victory Park on Australia Day to welcome our new Australian citizens, meet our Australia Day award winners, enjoy local entertainment and a free BBQ lunch.

We worked with Nalderun to plan the event, including an acknowledgement of Survival Day led by local Dja Dja Wurrung elders.

The day started with a cleansing ceremony led by indigenous women and girls using the sacred leaves of the Dja Dja Wurrung followed by a Welcome to Country.

In a special citizenship ceremony, our new citizens received a blessing from Uncle Rick and Aunty Paulette to keep them safe on country.

We heard a Survival Day address by guest speaker Aunty Kerri Douglas. Everyone was invited to gather on an Indigenous map for a yarn over lunch.

In keeping with tradition we celebrated our Australia Day award winners to acknowledge the tremendous effort of volunteers.

Thank you to everyone who helped commemorate Australia Day and recognise the shared history of our Indigenous community.



# GOVERNANCE & OTHER INFORMATION

## GOVERNANCE

### MEETINGS OF COUNCIL

Council conducts its business in open and publicly advertised meetings. Members of the public may attend any Ordinary or Special Meeting of Council, except where confidential matters are being discussed.

In 2017/2018 there were 11 Ordinary and 4 Special Meetings of Council. The attendance of Councillors at Council meetings throughout 2017/2018 is presented below.

### Councillor attendance

COUNCILLOR	ORDINARY MEETINGS		SPECIAL MEETINGS	
	Eligible	Attended	Eligible	Attended
Councillor Bell	3	3		
Councillor Cordy	11	10	4	3
Councillor Gardner	4	4	1	1
Councillor Henderson	11	11	4	4
Councillor Lesser	4	4	1	1
Councillor Machin	11	11	4	4
Councillor Nieman	11	11	4	4
Councillor Petrusma	6	6	4	4
Councillor Taylor	5	5	3	3
Councillor Telford	3	3		

### COUNCILLOR BRIEFINGS

In addition to regular Council Meetings, briefing sessions were held to inform Councillors on policy and other matters. Briefings provide Councillors and officers with an opportunity to discuss items in detail and enabled issues, queries and concerns to be raised and addressed.

Council decisions are not made at briefing sessions. All matters that require a decision are referred to a Council meeting for consideration. Minutes of Council meetings are provided on the Council's website shortly after meetings have taken place.

### DISCLOSURE OF INTERESTS AND CONFLICTS OF INTEREST

The Local Government Act requires Councillors to disclose interests prior to discussion at Council Meetings. The Act clearly defines 'Interests' and 'Conflicts of Interest' so that Councillors are aware of their responsibilities. Officers exercising delegated authority or advising Council are also required to declare any conflicts of interest.

### CODE OF CONDUCT

The Council Code of Conduct commits them to working effectively together and provides for effective participation and accountability of Council to its community. The Councillor's Code of Conduct was adopted by Council on 21 February 2017 and is available on Council's website.

## COUNCILLOR ALLOWANCES

The Minister for Local Government gave notice on 15 November 2016 of adjustments to mayoral and councillor allowances, which took effect on 1 December 2016. The allowances annually by CPI on the direction of the Minister for Local Government.

The allowances are in two parts. Part A is the base allowance and Part B is the equivalent of the superannuation guarantee contribution (currently 9.5%).

Council is required to set the allowances by 30 June of the year following a general election. These allowances are then adjusted annually in accordance with the Ministerial direction.

At the Ordinary Meeting of Council on 20 June 2017 Council set the allowances at \$19,834 for Councillors and at \$59,257 for the Mayor, for the period 1 July 2017 to 30 June 2021. The Part B component of the allowance of 9.5% is in addition to this amount.

## ALLOWANCES AND EXPENSES

### Allowances and expenses

COUNCILLOR	Allowance \$	Travel & motor vehicle expenses \$	Phone \$	Internet access & consumables \$	Conference & training \$	Total \$
Councillor Bell	4,145	143	79	218	-	4,586
Councillor Cordy	22,008	37	229	1,381	920	24,574
Councillor Gardner	9,428	-	229	109	451	10,218
Councillor Henderson	22,008	68	732	453	1,195	24,455
Councillor Lesser	8,873	-	70	109	451	9,504
Councillor Machin	56,584	10,841	253	637	2,030	70,346
Councillor Nieman	22,008	-	187	327	501	23,024
Councillor Petrusma	15,191	-	131	191	451	15,964
Councillor Taylor	11,789	-	129	287	-	12,205
Councillor Telford	11,861	3,567	193	191	-	15,812
<b>Total \$</b>	<b>183,895</b>	<b>14,656</b>	<b>2,232</b>	<b>3,904</b>	<b>6,000</b>	<b>210,687</b>



## CITIZENSHIP CEREMONIES

Becoming an Australian Citizen is a lengthy procedure in which a person must demonstrate a strong commitment to Australian values and culture, as well as knowledge of Australian history, democracy and enactment of laws.

In 2017/2018, twelve residents completed this process by publicly taking the Australian Citizenship Pledge. We welcome our newest citizens who bring their rich cultures, traditions and languages to our community from eleven different nations.

## RISK MANAGEMENT

Risk management is a structured approach to understanding the organisation's risk environment and proactively managing risks to achieve its objectives. The Organisational Capability team are responsible for managing Council's insurance portfolio, overseeing insurance claims and developing an operational and strategic risk management framework.

The Risk Management Framework currently includes:

- An Audit and Risk Advisory Committee and Health and Safety Committee
- A comprehensive risk register
- Relevant policies, procedures and systems.
- Standard job safety analyses for common manual tasks
- Health and safety guidelines for contractors
- Online health and safety inductions for contractors and staff
- A detailed Business Continuity Plan and unit sub-plans; and
- A comprehensive insurance portfolio.

## AUDIT AND RISK ADVISORY COMMITTEE

The Audit and Risk Advisory Committee is an independent advisory committee of Council, established in accordance with Section 139 of the Local Government Act 1989. The main roles of the committee is to provide oversight and advice on financial and performance reporting processes, the effectiveness of internal control and risk management systems, and the performance of internal and external auditors.

During the year the committee reviewed and considered the following matters:

- Annual Financial Statements and Performance Statement
- Internal Audit Reviews
- Councils Financial Management
- Strategic risk register; and a
- Review of Council policies.

## BEST VALUE

The Local Government Act 1989 outlines a number of principles that Councils are required to review its services against as follows:

- Meet quality and cost standards
- Are responsive to the needs of the community
- Are accessible to those members of the community whom the service is intended
- Achieve continuous improvement
- Include a program of regular consultation; and
- Report regularly to the community on its achievements.

Council meets this requirement by supporting a culture of continuous improvement. Business plans across the organisation include initiatives for improving customer service, improving efficiency of service delivery and improvements to organisational culture.

Council continues to invest in a modern, integrated software platform that will allow Council to deliver core functions more efficiently and take advantage of new technologies to improve services.



## STATUTORY INFORMATION

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

### DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with the Local Government Act 1989 and the Local Government (General) Regulations 2004, the following information is available for inspection by request at the Civic Centre, corner Lyttleton and Lloyd Streets, in Castlemaine during office hours:

- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, interstate travel, including accommodation costs.
- A register of the interests of Councillors, members of Special Committees and nominated officers (Section 81).
- Minutes of Ordinary and Special Council Meetings held in the previous 12 months, except for meetings closed to the public. Minutes are available on Council's website.
- Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months, except for Meetings closed to the public.
- Register of Delegations kept under Sections 87 and 98 of the Act, including the dates on which last reviews under Section 86(6) and 98(6) took place.
- Details of all leases involving land entered into by the Council as lessor, including the lessee and the terms and value of the lease.
- A register of Authorised Officers appointed under Section 224 of the Act.
- A list of donations and grants

made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.

- A copy of local laws in force in the municipal district (Section 120).

### FREEDOM OF INFORMATION

Information held by Council may be accessed in accordance with the Freedom of Information Act 1982. Requests for access to documents under the Act must be made in writing and the required fee of \$28.40 must accompany the application.

Freedom of Information requests should be addressed to Council's Freedom of Information Officer. Information on the Act and how to lodge an application can be found on Council's website. No requests were received and processed under the Act for the period 1 July 2017 to 30 June 2018.

### PROTECTED DISCLOSURES ACT 2012

The Protected Disclosures Act 2012 came into effect on 10 February 2013. The purpose of the Act is to encourage and facilitate disclosures of improper conduct and to prohibit detrimental action against those who make such disclosures by providing them with protections and by ensuring confidentiality of their identity and the nature and content of their disclosures.

Council adopted revised Protected Disclosure Procedures in January 2018 in accordance with the Protected Disclosures Act 2012. The procedures are available from Council's website or upon request from Council's Customer Service Centre in the Civic Centre.

Disclosures relating to Councillors may be made to the Council's

Protected Disclosure Co-ordinator or the Independent Broad based Anti-Corruption Commission. Disclosures about Council's employees or contractors may be made to either Council's Protected Disclosure Co-ordinator, the Chief Executive Officer or a line manager in Council, including Directors, Managers and Supervisors.

During 2017/2018 Council received no disclosures of improper conduct or detrimental action under the Protected Disclosures Act 2012.

### DOMESTIC ANIMAL MANAGEMENT PLAN

The current Domestic Animal Management Plan (DAMP) was adopted on 17 October 2017, and expires in November 2021. Implementation of the plan is underway with a focus on:

- Training of authorised officers
- Numbers and trend of registered domestic animals
- Promotion of responsible pet ownership
- Management of nuisance dogs
- Management of dangerous dogs
- Microchipping programs
- Identification of domestic animals.

Achievements to date:

- Officers attended training with Animal Welfare Vic
- Develop communications plan on responsible pet ownership
- All domestic animal businesses were inspected
- Appointed a new pound service provider
- Ongoing park patrols were conducted.

### CONTRACTS

During the year Council did not enter into any contracts for services valued at more than \$150,000 or works with a greater value of \$200,000 or more without engaging in a competitive process.



# GOVERNANCE AND MANAGEMENT CHECKLIST

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

## Checklist

Governance and management items	Assessment	
<b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	<b>Policy</b> Date of operation of current policy: 25 September 2012 Policy under review and will be finalised by end of October 2018.	✓
<b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	<b>Guidelines</b> Date of operation of current guidelines: 14 November 2014. To be reviewed once the new Local Government Act is passed.	✓
<b>Strategic Resource Plan</b> (plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	<b>Plan</b> Adopted in accordance with Section 126 of the Act Date of adoption: 26 June 2018	✓
<b>Annual budget</b> (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	<b>Budget</b> Adopted in accordance with Section 130 of the Act Date of adoption: 26 June 2017	✓
<b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	<b>Plans</b> Date of operation of current plans: Buildings and Roads 8 December 2009 ; Landfill Master Plan 26 November 2013; Investing in Sport 14 December 2010; Investing in Play 22 July 2014	✓
<b>Rating strategy</b> (strategy setting out the rating structure of council to levy rates and charges)	<b>Strategy</b> Date of operation of current strategy: 26 April 2016	✓
<b>Risk policy</b> (policy outlining council's commitment and approach to minimising the risks to council's operations)	<b>Policy</b> Date of operation of current policy: 19 July 2013	✓
<b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	<b>Policy</b> Date of operation of current policy: 14 June 2018	✓
<b>Municipal emergency management plan</b> (plan under Section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	<b>Plan</b> Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986 Date of preparation: 15 August 2017	✓
<b>Procurement policy</b> (policy under Section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<b>Plan</b> Prepared and approved in accordance with Section 186A of the Local Government Act 1986 Date of preparation: 26 June 2018	✓

<p><b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p>	<p><b>Plan</b> Date of operation of current plan: 23 March 2016</p>	✓
<p><b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p><b>Plan</b> Date of operation of current plan: 23 March 2016</p>	✓
<p><b>Risk management framework</b> (framework outlining council's approach to managing risks to the council's operations)</p>	<p><b>Framework</b> Date of operation of current framework: 9 July 2013</p>	✓
<p><b>Audit Committee</b> (advisory committee of council under Section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p><b>Committee</b> Established in accordance with Section 139 of the Act. Date of establishment: 14 December 2010 Committee meets four times a year and has a Council adopted charter.</p>	✓
<p><b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)</p>	<p><b>Supplier engaged</b> Date of engagement of current provider: 14 July 2015</p>	✓
<p><b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act)</p>	<p><b>Framework</b> Date of operation of current framework: 1 July 2014</p>	✓
<p><b>Council Plan reporting</b> (report reviewing the performance of the council against the council plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p><b>Report</b> Dates of report: Q1 September; Q2 December; Q3 March and Q4 June</p>	✓
<p><b>Financial reporting</b> (quarterly statements to council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p><b>Report</b> Statements presented to council in accordance with Section 138(1) of the Act Date statements presented: Q1 September; Q2 December; Q3 March and Q4 June</p>	✓
<p><b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p><b>Reports</b> Date of reports: 14 June 2018; 30 November 2017</p>	✓



<p><b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act)</p>	<p><b>Reports</b> Date of report: December 2017; June 2018</p>
<p><b>Annual report</b> (annual report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p><b>Report</b> Considered at a meeting of council in accordance with Section 134 of the Act Date statements presented: 17 October 2017</p>
<p><b>Councillor Code of Conduct</b> (Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors)</p>	<p><b>Code</b> Reviewed in accordance with Section 76C of the Act Date reviewed: 21 February 2017</p>
<p><b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p><b>Delegations</b> Reviewed in accordance with Section 98(6) of the Act Date of review: 13 December 2016</p>
<p><b>Meeting procedures</b> (a local law governing the conduct of meetings of council and special committees)</p>	<p><b>Procedures</b> Meeting procedures local law made in accordance with Section 91(1) of the Act Date local law made: 30 November 2008. Due to expire 30 November 2018</p>

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

  
**Darren Fuzzard**  
 Chief Executive Officer  
 Dated: 19 September 2018

  
**Cr Bronwen Machin**  
 Mayor  
 Dated: 19 September 2018

## SERVICE PERFORMANCE INDICATORS

The following statement provides the results of prescribed service indicators and measures.

### Governance

Service / indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>TRANSPARENCY</b> <b>Council decisions made at meetings closed to the public</b> (Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x 100	0.00	2.69	0.00	1.96	One resolution was made at a closed meeting of Council
<b>CONSULTATION AND ENGAGEMENT</b> <b>Satisfaction with community consultation and engagement</b> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement.	52.00	49.00	53.00	52.00	
<b>ATTENDANCE</b> <b>Councillor attendance at council meetings</b> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)]	89.00%	89.56%	99.25%	98.10%	
<b>SERVICE COST</b> <b>Cost of governance</b> (Direct cost of the governance service / Number of Councillors elected at the last Council general election)	\$33,545	\$33,569	\$36,572	\$30,009	Three separate vacancies of Councillors occurred during the year, which resulted in reduced costs such as Councillor allowances.
<b>SATISFACTION</b> <b>Satisfaction with council decisions</b> (Satisfaction with council decisions)	48.00	44.00	52.00	45.00	Period of dissatisfaction due to three Councillor resignations during 2017/2018 period.



## COMMUNITY SATISFACTION SURVEY RESULTS

### Each year Council participates in the Community Satisfaction Survey.

The majority of Victorian Councils participate in the survey which is undertaken by JWS Research. Council's results are compared to similar sized Councils and the state-wide average. The 2018 results for core measures are summarised below.

#### Performance measures

MEASURE	2016	2017 Mount Alexander	2018	2018 Large rural	2018 State-wide
Overall performance	52	58	49	56	59
Community consultation & engagement	49	53	52	54	55
Advocacy (lobbying on behalf of community)	48	50	52	52	54
Making community decisions	44	52	45	52	54
Sealed local roads (condition of sealed local roads)	52	53	49	45	53
Customer service	65	70	68	67	70
Overall council direction	44	54	37	52	52



# A UNITED APPROACH TO EMERGENCY MANAGEMENT

## EMERGENCY MANAGEMENT

In August 2017 we changed our approach to the way we plan for, respond to, and recover from emergencies. The region-wide plan is the first of its kind in Victoria and will help us to work more closely and share resources with neighbouring councils and agencies.

The Northern Victorian Integrated Municipal Emergency Management Plan was developed in partnership with Loddon, Campaspe, City of Greater Bendigo and Central Goldfields councils, and other community and emergency management organisations such as the Country Fire Authority, Australian Red Cross, State Emergency Services, Victoria Police, and the Department of Environment, Land, Water and Planning.

The plan provides a unified approach to managing emergencies which often cross shire boundaries, and incorporates legislative changes implemented since Black Saturday.



Photo by Blair Dellemijn, CFA



# PERFORMANCE STATEMENT

Mount Alexander Shire Council  
For the Year Ended 30 June 2018









## SUSTAINABLE CAPACITY INDICATORS

The following statement provides the results of prescribed service indicators and measures.

### Population

Indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>POPULATION</b> <b>Expenses per head of municipal population</b> (Total expenses / Municipal population)	\$1,835	\$1,866	\$1,742	\$1,845	Increase is due in part to incurring \$924k of expenditure in relation to flood/storm recovery works in 2017/2018. This funding is reimbursed by the State Government.
<b>POPULATION</b> <b>Infrastructure per head of municipal population</b> (Value of infrastructure / Municipal population)	\$11,434	\$15,418	\$15,016	\$16,317	Annual capital works program completed, and the revaluation of bridge assets occurred.
<b>POPULATION</b> <b>Population density per length of road</b> (Municipal population / Kilometres of local roads)	12.27	12.69	13.14	13.43	Minimal change.
<b>OWN-SOURCE REVENUE</b> <b>Own-source revenue per head of municipal population</b> (Own-source revenue / Municipal population)	\$1,217.27	\$1,296.41	\$1,369.28	\$1,352.25	Minimal change.
<b>RECURRENT GRANTS</b> <b>Recurrent grants per head of municipal population</b> (Recurrent grants / Municipal population)	\$481.22	\$293.38	\$527.42	\$460.03	Due to timing of Financial Assistance Grants in 2016/2017 an additional \$1.95 million of recurrent funding was received in 2016/2017 thus increasing the ratio. Has returned to normal levels in 2017/2018.
<b>DISADVANTAGE</b> <b>Relative Socio-Economic Disadvantage</b> (Index of Relative Socio-Economic Disadvantage by decile)	4.00	4.00	4.00	6.00	Decreasing level of disadvantage suggests an improvement in capacity of the community.

### DEFINITIONS

#### adjusted underlying revenue

means total income other than:

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

#### infrastructure

means non-current property, plant and equipment excluding land.

#### population

means the resident population estimated by council.

#### local road

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

#### own-source revenue

means adjusted underlying revenue other than revenue that is not under the control of council (including government grants).

#### relative socio-economic disadvantage

in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant

financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (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

Indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>UTILISATION – AQUATIC FACILITIES</b> <b>Utilisation of aquatic facilities</b> (Number of visits to aquatic facilities / Municipal population)	0.88	1.40	1.27	1.53	Significant increased attendances (20%) from 2016/2017 could be attributed to the warmer summer, and returns to similar levels of 2015/2016.
<b>HEALTH &amp; SAFETY – ANIMAL MANAGEMENT</b> <b>Animal management prosecutions</b> (Number of successful animal management prosecutions)	3.00	3.00	2.00	0.00	No prosecutions were performed during the period.
<b>HEALTH &amp; SAFETY – FOOD SAFETY</b> <b>Critical and major non-compliance outcome notifications</b> (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x 100	67.00%	94.74%	73.33%	100%	Due to additional resourcing provided, all critical and major non-compliance notifications were followed-up during the period.
<b>SATISFACTION – GOVERNANCE</b> <b>Satisfaction with council decisions</b> (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	48.00	44.00	52.00	45.00	Period of dissatisfaction due to 3 Councillor resignations during 2017/2018 period.
<b>PARTICIPATION – HOME AND COMMUNITY CARE (HACC)</b> <b>Participation in HACC service</b> (Number of people that received a HACC service / Municipal target population for HACC services) x 100	59.00%	56.10%	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>PARTICIPATION – HOME AND COMMUNITY CARE (HACC)</b> <b>Participation in HACC service by CALD people</b> (Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x 100	26.00%	27.83%	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>PARTICIPATION – LIBRARIES</b> <b>Active library members</b> (Number of active library members / Municipal population) x 100	29.00%	28.98%	26.42%	25.81%	No material variation.



Indicator / measure	2015	2016	2017	2018	Material variations & comments
<b>PARTICIPATION — MATERNAL AND CHILD HEALTH (MCH)</b> <b>Participation in the MCH service</b> (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service)	86.00%	N/A	81.85%	79.11%	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database was not expected to provide reliable information until the end of September 2016. Therefore, Council was unable to report this data for the 2015-2016 financial year. Excluding this, no material variation.
<b>PARTICIPATION — MATERNAL AND CHILD HEALTH (MCH)</b> <b>Participation in the MCH service by Aboriginal children</b> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	86.00%	N/A	63.64%	61.90%	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database was not expected to provide reliable information until the end of September 2016. Therefore, Council was unable to report this data for the 2015-2016 financial year. Low figures of Aboriginal children (11 in 2017) can skew the percentage change between years. Excluding this, no material variation.
<b>SATISFACTION — ROADS</b> <b>Satisfaction with sealed local roads</b> (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	48.00	52.00	53.00	49.00	No material variation.
<b>DECISION MAKING — STATUTORY PLANNING</b> <b>Council planning decisions upheld at VCAT</b> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100	50.00%	25.00%	80.00%	100%	All Council decisions were upheld at VCAT. Low number of appeals were made to VCAT with only 1 in 2017/2018.
<b>WASTE COLLECTION — WASTE DIVERSION</b> <b>Kerbside collection waste diverted from landfill</b> (Weight of recyclables and green organics collected from kerbside bins / weight of garbage, recyclables and green organics collected from kerbside bins) x 100	36.00%	30.77%	34.77%	36.04%	No material variation. Increases in recycling diverted from landfill through better community education and awareness.



## DEFINITIONS

### **Aboriginal child**

means a child who is an Aboriginal person.

### **Aboriginal person**

has the same meaning as in the Aboriginal Heritage Act 2006.

### **active library member**

means a member of a library who has borrowed a book from the library.

### **annual report**

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

### **CALD**

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

### **class 1 food premises**

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

### **class 2 food premises**

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

### **Community Care Common Standards**

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

### **critical non-compliance outcome notification**

means a notification received by council under Section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.

### **food premises**

has the same meaning as in the Food Act 1984.

### **HACC program**

means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth.

### **HACC service**

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

### **local road**

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

### **major non-compliance outcome notification**

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

### **MCH**

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

### **population**

means the resident population estimated by council.

### **target population**

has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth.

### **WorkSafe reportable aquatic facility safety incident**

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



## Financial performance indicators

Dimension / indicator / measure	2015	2016	2017	2018	2019	FORECAST		2022	Material variations
						2020	2021		
<b>EFFICIENCY REVENUE LEVEL</b> <b>Average residential rate per residential property assessment</b> (Residential rate revenue / Number of residential property assessments)	\$1,724	\$1,773	\$1,833	\$1,942	\$2,003	\$2,063	\$2,124	\$2,188	Includes an increase to rates per the State Government Rate Cap as well as increases to the valuations of properties.
<b>EFFICIENCY EXPENDITURE LEVEL</b> <b>Expenses per property assessment</b> (Total expenses / Number of property assessments)	\$2,938	\$2,808	\$2,830	\$3,061	\$2,982	\$2,887	\$2,925	\$2,927	Increase is due in part to incurring \$924k of expenditure in relation to flood/storm recovery works in 2017/2018. This funding is reimbursed by the State Government.
<b>EFFICIENCY WORKFORCE TURNOVER</b> <b>Resignations and terminations compared to average staff</b> (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x 100	15.47%	17.26%	11.15%	21.89%	11.78%	12.22%	12.22%	12.22%	A number of contract positions were finalised during the 2017/2018 year.
<b>LIQUIDITY WORKING CAPITAL</b> <b>Current assets compared to current liabilities</b> (Current assets / Current liabilities) x 100	183.98%	159.17%	193.87%	223.43%	195.49%	145.57%	106.01%	125.22%	The Federal Government announced, and paid 50% of the 2018/2019 Financial Assistance Grants early (in June 2018) – \$2.441M. This increased current assets at year end. The ratio decreases in forecast years to reflect the reduction in cash to fund capital works and impact of reduced revenue due to rate capping.
<b>LIQUIDITY UNRESTRICTED CASH</b> <b>Unrestricted cash compared to current liabilities</b> (Unrestricted cash / Current liabilities) x 100	47.94%	64.17%	114.84%	77.32%	131.85%	82.44%	50.98%	70.99%	Unrestricted cash compared to current liabilities returned to a 'normal' level in 2017/2018. The ratio decreases in forecast years to reflect the reduction in cash to fund capital works and impact of reduced revenue due to rate capping.
<b>OBLIGATIONS ASSET RENEWAL</b> <b>Asset renewal compared to depreciation</b> (Asset renewal expense / Asset depreciation) x 100	52.31%	66.50%	70.65%	90.13%	99.03%	116.88%	88.18%	64.91%	Capital work projects of Council are focused predominately on renewal works. The ratio reduces in forecast years due to the forecast construction of a new aquatic centre (new asset).

Dimension / indicator / measure	2015	2016	2017	2018	2019	FORECAST		2022	Material variations
						2020	2021		
<b>OBLIGATIONS LOANS AND BORROWINGS</b> <b>Loans and borrowings compared to rates</b> (Interest bearing loans and borrowings / Rate revenue) x 100	16.93%	19.06%	22.53%	19.68%	16.58%	31.97%	29.66%	24.29%	No new loans occurred during the year, while principal and interest repayments are made. Loans are forecast to assist funding a new aquatic centre in future years.
<b>OBLIGATIONS LOANS AND BORROWINGS</b> <b>Loans and borrowings repayments compared to rates</b> (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100	4.62%	3.53%	2.44%	2.99%	3.12%	3.64%	8.79%	5.47%	No new loans occurred during the year, while principal and interest repayments are made. Loans are forecast to assist funding a new aquatic centre in future years.
<b>OBLIGATIONS INDEBTEDNESS</b> <b>Non-current liabilities compared to own source revenue</b> (Non-current liabilities / Own source revenue) x 100	29.41%	25.39%	24.82%	23.06%	17.36%	25.94%	23.12%	14.34%	No new loans occurred during the year, while principal and interest repayments are made. Loans are forecast to assist funding a new aquatic centre in future years.
<b>OPERATING POSITION</b> <b>ADJUSTED UNDERLYING RESULT</b> <b>Adjusted underlying surplus (or deficit)</b> (Adjusted underlying surplus (deficit)/ Adjusted underlying revenue) x 100	-5.62%	-16.63%	9.27%	-0.52%	-13.26%	0.02%	0.57%	1.60%	Increase is due in part to incurring \$924k of expenditure in relation to flood/storm recovery works in 2017/2018. This funding is reimbursed by the State Government. Surplus in forecast years is significantly effected by the timing of grants forecast to be received. 2016/2017 benefited from additional grant commission receipts.
<b>STABILITY RATES CONCENTRATION</b> <b>Rates compared to adjusted underlying revenue</b> (Rate revenue / Adjusted underlying revenue) x 100	62.29%	75.57%	59.72%	63.56%	75.16%	70.12%	70.54%	70.63%	The Federal Government announced, and paid 50% of the 2018/2019 Financial Assistance Grants early (in June 2018) – \$2.441M. This increased the revenue while rates remained consistent.
<b>STABILITY RATES EFFORT</b> <b>Rates effort – Rates compared to property values</b> (Rate revenue / CIV of rateable properties in the municipality) x 100	0.50%	0.53%	0.50%	0.51%	0.54%	0.55%	0.53%	0.54%	Minimal change.



## DEFINITIONS

### **adjusted underlying revenue**

means total income other than:

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- 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 grants**

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 1989 and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting basis consistent with those reported in the Financial Statements. The other

results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 26 June 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption adjusted to match definition required for performance statement reporting and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan is available on Council's website.



## CERTIFICATION OF THE PERFORMANCE STATEMENT

In my opinion, the accompanying Performance Statement has been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2014.

**Bradley Thomas, CA**  
Principal Accounting Officer  
19 September 2018

In our opinion the accompanying Performance Statement of the Mount Alexander Shire Council for the year ended 30 June 2018 presents fairly in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

As at the time of signing, we are not aware of any circumstance which 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) Regulation 2014 to certify this performance statement in its final form.

**Councillor Bronwen Machin**  
Mayor  
19 September 2018

**Councillor Tony Cordy**  
Councillor  
19 September 2018

**Darren Fuzzard**  
Chief Executive Officer  
19 September 2018



## Independent Auditor's Report

### To the Councillors of Mount Alexander Shire Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Mount Alexander Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2018</li> <li>• sustainable capacity indicators for the year ended 30 June 2018</li> <li>• service performance indicators for the year ended 30 June 2018</li> <li>• financial performance indicators for the year ended 30 June 2018</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Mount Alexander Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

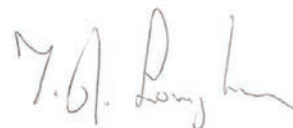
As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

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MELBOURNE  
20 September 2018



Tim Loughnan  
as delegate for the Auditor-General of Victoria



# FINANCIAL REPORT

Mount Alexander Shire Council  
For the Year Ended 30 June 2018







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## CERTIFICATION OF THE FINANCIAL STATEMENTS

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

**Bradley Thomas, CA**  
Chartered Accountant, Principal Accounting Officer  
19 September 2018

In our opinion the accompanying financial statements present fairly the financial transactions of Mount Alexander Shire Council for the year ended 30 June 2018 and the financial position of the 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 the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.

**Councillor Bronwen Machin**  
Mayor  
19 September 2018  
Castlemaine

**Councillor Tony Cordy**  
Councillor  
19 September 2018  
Castlemaine

**Darren Fuzzard**  
Chief Executive Officer  
19 September 2018  
Castlemaine





Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Councillors of Mount Alexander Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Mount Alexander Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

MELBOURNE  
20 September 2018



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

# FINANCIAL STATEMENTS

## COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
<b>INCOME</b>			
Rates and charges	2.1	22,365	21,512
Statutory fees and fines	2.2	1,149	858
User fees	2.3	1,166	1,109
Grants — operating	2.4	7,329	9,409
Grants — capital	2.4	4,594	1,160
Contributions - monetary	2.5	253	155
Contributions - non monetary	2.5	292	297
Other income	2.7	987	951
Share of net profit (or loss) of associates and joint ventures	5.2	65	(166)
Found assets	2.5	192	2,510
<b>Total income</b>		<b>38,392</b>	<b>38,295</b>
<b>EXPENSES</b>			
Employee costs	3.1	13,542	13,033
Materials and services	3.2	11,294	9,629
Depreciation and amortisation	3.3	8,343	8,169
Net gain (or loss) on disposal of property, infrastructure, plant & equipment	2.6	415	1,085
Bad and doubtful debts		32	7
Borrowing costs		224	205
Other expenses	3.4	1,520	1,641
<b>Total expenses</b>		<b>33,370</b>	<b>33,769</b>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>3,022</b>	<b>4,526</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	5.1	31,360	1,426
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>34,382</b>	<b>5,952</b>

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



## BALANCE SHEET

As at 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	2,394	2,772
Trade and other receivables	4.1	2,547	2,409
Other financial assets	4.1	16,250	13,000
Inventories	4.2	69	85
Non-current assets classified as held for sale		186	186
Other assets	4.2	423	322
<b>Total current assets</b>		<b>21,869</b>	<b>18,774</b>
<b>Non-current assets</b>			
Trade and other receivables	4.1	5	8
Investments in associates	5.2	646	581
Property, infrastructure, plant and equipment	5.1	339,279	308,905
Intangible assets	4.2	1,180	623
<b>Total non-current assets</b>		<b>341,110</b>	<b>310,117</b>
<b>TOTAL ASSETS</b>		<b>362,979</b>	<b>328,891</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	1,839	2,011
Trust funds and deposits	4.3	1,151	890
Provisions	4.5	6,322	6,258
Interest bearing liabilities	4.4	476	525
<b>Total current liabilities</b>		<b>9,788</b>	<b>9,684</b>
<b>Non-current liabilities</b>			
Provisions	4.5	2,051	2,053
Interest-bearing liabilities	4.4	3,926	4,322
<b>Total non-current liabilities</b>		<b>5,977</b>	<b>6,375</b>
<b>TOTAL LIABILITIES</b>		<b>15,765</b>	<b>16,059</b>
<b>NET ASSETS</b>		<b>347,214</b>	<b>312,832</b>
<b>EQUITY</b>			
Accumulated surplus		103,284	107,121
Reserves	8.1	243,930	205,711
<b>TOTAL EQUITY</b>		<b>347,214</b>	<b>312,832</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
<b>2018</b>				
Balance at beginning of the financial year	312,832	107,121	194,450	11,261
Surplus/(deficit) for the year	3,022	3,022	-	-
Net asset revaluation increment/(decrement)	31,360	-	31,360	-
Transfers to other reserves	-	(10,888)	-	10,888
Transfers from other reserves	-	4,029	-	(4,029)
<b>Balance at end of the financial year</b>	<b>347,214</b>	<b>103,284</b>	<b>225,810</b>	<b>18,120</b>
<b>2017</b>				
Balance at beginning of the financial year	306,879	103,903	193,023	9,953
Surplus/(deficit) for the year	4,526	4,526	-	-
Net asset revaluation increment/(decrement)	1,427	-	1,427	-
Transfers to other reserves	-	4,940	-	(4,940)
Transfers from other reserves	-	(6,248)	-	6,248
<b>Balance at end of the financial year</b>	<b>312,832</b>	<b>107,121</b>	<b>194,450</b>	<b>11,261</b>

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

## STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows / (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		22,149	21,571
Statutory fees and fines		1,149	858
User fees		1,166	1,109
Grants - operating		7,192	9,305
Grants - capital		4,554	1,830
Contributions - monetary		253	155
Interest received		559	490
Trust funds and deposits (net)		262	77
Other receipts		407	448
Net GST refund/payment		(1,711)	(1,652)
Employee costs		(13,468)	(13,113)
Materials and services		(9,557)	(7,695)
Other payments		(1,538)	(1,524)
<b>Net cash provided by operating activities</b>	8.2	<b>11,417</b>	<b>11,859</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.1	(8,141)	( 8,615)
Proceeds from sale of property, infrastructure, plant and equipment		264	291
Payments for investments		(16,250)	(13,000)
Proceeds from sale of investments		13,000	5,600
<b>Net cash used in investing activities</b>		<b>(11,127)</b>	<b>(15,724)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(223)	(204)
Proceeds from borrowings		-	1,200
Repayment of borrowings		(446)	(320)
<b>Net cash provided by / (used in) financing activities</b>		<b>(669)</b>	<b>676</b>
Net increase (decrease) in cash and cash equivalents		(378)	(3,189)
Cash and cash equivalents at the beginning of the financial year		2,772	5,961
<b>Cash and cash equivalents at the end of the financial year</b>		<b>2,394</b>	<b>2,772</b>
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

The above statement of cash flow should be read in conjunction with the accompanying notes.



## STATEMENT OF CAPITAL WORKS

For the Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>Property</b>		
Land improvements	619	904
<b>Total land</b>	<b>619</b>	<b>904</b>
Buildings and site improvements	1,904	1,204
<b>Total buildings</b>	<b>1,904</b>	<b>1,204</b>
<b>Total property</b>	<b>2,523</b>	<b>2,108</b>
<b>Plant and equipment</b>		
Plant, machinery and equipment	980	905
Computers and telecommunications	165	141
Intangibles	364	540
<b>Total plant and equipment</b>	<b>1,509</b>	<b>1,586</b>
<b>Infrastructure</b>		
Roads	2,534	2,660
Bridges	732	702
Footpaths and cycleways	617	829
Drainage	141	597
Waste management	85	120
Kerb & channel	-	14
<b>Total infrastructure</b>	<b>4,109</b>	<b>4,922</b>
<b>Total capital works expenditure</b>	<b>8,140</b>	<b>8,616</b>
Represented by:		
New asset expenditure	708	1,909
Asset renewal expenditure	7,404	5,725
Asset expansion expenditure	-	-
Asset upgrade expenditure	29	982
<b>Total capital works expenditure</b>	<b>8,141</b>	<b>8,616</b>

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

## OVERVIEW

### Introduction

The Mount Alexander Shire Council was established by an Order of the Governor in Council on 17 January 1995 and is a body corporate.

The Council's main office is located at the corner of Lyttleton and Lloyd Streets, Castlemaine.

### 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, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)
- the fair value of intangibles (refer to Note 4.2)

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.

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1

### PERFORMANCE AGAINST BUDGET

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. *The Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold with explanations provided if the variance is greater than 10 percent and is greater than \$100,000. Explanations have not been provided for

variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 20 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order

to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

#### 1.1 – INCOME AND EXPENDITURE

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Variance 2018 %	Ref
<b>Income</b>					
Rates and charges	22,255	22,365	110	0%	
Statutory fees and fines	838	1,149	311	37%	1
User fees	1,806	1,166	(640)	(35%)	2
Grants – operating	4,502	7,329	2,827	63%	3
Grants – capital	3,754	4,594	840	22%	4
Contributions - monetary	201	253	52	26%	
Contributions - non monetary	-	292	292	100%	5
Found assets	-	192	192	100%	6
Share of net profits/(losses) of associates	20	65	45	224%	
Other income	616	987	371	60%	7
<b>Total income</b>	<b>33,391</b>	<b>38,392</b>	<b>4,400</b>	<b>13%</b>	
<b>Expenditure</b>					
Employee costs	13,873	13,542	331	2%	
Materials and services	9,110	11,294	(2,184)	(24%)	8
Bad and doubtful debts	7	32	(25)	(357%)	
Depreciation and amortisation	7,071	8,343	(1,272)	(18%)	9
Borrowing costs	223	224	(1)	(0%)	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	475	415	60	13%	
Other expenses	1,470	1,520	(50)	(3%)	
<b>Total expenses</b>	<b>32,230</b>	<b>35,370</b>	<b>(3,140)</b>	<b>(10%)</b>	
<b>Surplus/(deficit) for the year</b>	<b>1,762</b>	<b>3,022</b>	<b>1,260</b>	<b>72%</b>	



**NOTE 1 PERFORMANCE AGAINST BUDGET (CONT)****(i) Explanation of material variations****1 Statutory fees and fines**

The Victorian State Government significantly increased statutory fees for planning following a statewide review of the cost of planning activities (\$197,000) and a general increase in other statutory works undertaken.

**2 User fees**

Internal income derived by business units of Council is excluded from the actual results to reflect accounting standards requiring internal income to be excluded, whereas the corresponding budget of \$625,000 is included.

**3 Grants — operating**

The Federal Government announced, and paid 50% of the 2018/2019 Financial Assistance Grants early (in June 2018) — \$2.441M.

**4 Grants — capital**

Council was successful in obtaining a number of grants in relation to capital work projects such as funding of Harcourt Mountain Bike Park (\$263k), bridge works (\$250k); Wesley Hill Recreation Reserve and Doug Powell Reserve lights (\$180k); Victory Park Playspace (\$81k) and Harcourt Mountain Bike trails (\$37k). The scope of those projects was reviewed following notification that grants were successful.

**5 Contributions — non monetary**

Unbudgeted contributions were received from developers for land, road and drainage works.

**6 Found assets**

Additional road assets were discovered during the year. Council does not budget for found assets.

**7 Other income**

Interest on investments and outstanding rates was \$124k greater than budget and unbudgeted insurance claims were received for \$92k.

**8 Materials and services**

The variance in spending for materials is primarily due to unbudgeted flood/storm recovery works expenditure (\$924k) and offsetting revenue will be received in 2018/2019; increased waste contract costs due to increased costs caused by the recycling crisis (\$133k; some of which will be offset by State Government funding to be received in 2018/2019); priority tree works at Botanic Gardens (\$64k); powerline tree maintenance works (\$59k); and expenditure that relates to capital works projects but is of an operational nature (\$233k).

**9 Depreciation and amortisation**

Depreciation is greater than budget due to changes in the valuation methodology of building assets as required by Australian Accounting Standards. These assets are now recognised at the component value (e.g. floor, walls, roof etc.) rather than one overall value. The components generally have shorter useful lives and therefore a higher depreciation rate, which wasn't fully budgeted for as the revaluation was completed 30 June 2017.

**NOTE 1 PERFORMANCE AGAINST BUDGET (CONT)****1.2 – CAPITAL WORKS**

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Variance 2018 %	Ref
<b>Property</b>					
Land improvements	1,661	619	(1,042)	(63%)	1
<b>Total Land</b>	<b>1,661</b>	<b>619</b>	<b>(1,042)</b>	<b>(63%)</b>	
Buildings and site improvements	3,803	1,904	(1,899)	(50%)	2
<b>Total Buildings</b>	<b>3,803</b>	<b>1,904</b>	<b>(1,899)</b>	<b>(50%)</b>	
<b>Total Property</b>	<b>5,464</b>	<b>2,523</b>	<b>(2,941)</b>	<b>(54%)</b>	
<b>Plant and Equipment</b>					
Plant, machinery and equipment	931	980	49	5%	
Computers and telecommunications	116	165	48	42%	
Intangibles	728	364	(364)	(50%)	3
<b>Total Plant and Equipment</b>	<b>1,775</b>	<b>1,509</b>	<b>(266)</b>	<b>(15%)</b>	
<b>Infrastructure</b>					
Roads	2,798	2,534	(264)	(9%)	
Bridges	1,174	732	(442)	(38%)	4
Footpaths and cycleways	881	617	(265)	(30%)	5
Drainage	535	141	(394)	(74%)	6
Waste management	50	85	35	71%	
<b>Total Infrastructure</b>	<b>5,439</b>	<b>4,109</b>	<b>(1,331)</b>	<b>(24%)</b>	
<b>Total Capital Works Expenditure</b>	<b>12,678</b>	<b>8,140</b>	<b>(4,537)</b>	<b>(36%)</b>	
Represented by:					
New asset expenditure	1,193	708	(485)	(41%)	
Asset renewal expenditure	8,632	7,404	(1,228)	(14%)	
Asset expansion expenditure	-	-	-	0%	
Asset upgrade expenditure	2,853	29	(2,824)	(99%)	
<b>Total Capital Works Expenditure</b>	<b>12,678</b>	<b>8,141</b>	<b>(4,537)</b>	<b>(36%)</b>	

**NOTE 1 PERFORMANCE AGAINST BUDGET (CONT)****(i) Explanation of material variations****1 Land improvements**

\$1.18 million of expenditure in relation to Wesley Hill Recreation Reserve (Stage 1) was incurred and classified as site improvements, whereas the budget was included in land improvements.

**2 Buildings and site improvements**

\$1.18 million of expenditure in relation to Wesley Hill Recreation Reserve (Stage 1) was incurred and classified as site improvements, whereas this had been budgeted as land improvements. A number of building projects were delayed, but will occur in early 2018/2019 such as the Market Building Conservation Works and Town Hall Kitchen works.

**3 Intangibles**

Council began the rollout of a multi-year installation of a new Integrated Corporate System and replaced the Finance, Payroll and GIS systems. Implementation of other modules will now occur in 2018/2019.

**4 Bridges**

Construction of a new bridge at Old Drummond Road was delayed, with construction in progress at 30 June 2018 and expected to be finalised early in 2018/2019 (\$422k).

**5 Footpaths and cycleways**

Construction of Templeton Street footpath (\$266k) and trail rehabilitation (\$218k) was delayed, with construction in progress at 30 June and expected to be finalised early in 2018/2019.

**6 Drainage**

The Saint Street drainage project incurred construction delays, commencing July with expected completion by September 2018.



## NOTE 2

### FUNDING FOR THE DELIVERY OF OUR SERVICES

#### 2.1 – RATES AND CHARGES

Council uses capital improved valuation (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its value of land and all its improvements. The valuation base used to calculate general rates for 2017/2018 was \$4,205,921,000 (2016/2017 \$4,180,887,000).

	2018 \$'000	2017 \$'000
General rates	17,298	15,592
Municipal charge	1,060	2,097
Waste management charge	4,007	3,823
<b>Total rates and charges</b>	<b>22,365</b>	<b>21,512</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation will be first applied in the rating year commencing 1 July 2018. Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

#### 2.2 – STATUTORY FEES AND FINES

	2018 \$'000	2017 \$'000
Animal control	192	169
Planning permit and fees	480	325
Health registrations	115	78
Local laws	120	88
Parking fines	104	81
Other fines	138	117
<b>Total statutory fees and fines</b>	<b>1,149</b>	<b>858</b>

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.

#### 2.3 – USER FEES

	2018 \$'000	2017 \$'000
Home and community care	392	422
Employee vehicle contribution	109	117
Facility hire	53	-
Tourism services	114	80
Waste management services	345	276
Other fees and charges	153	214
<b>Total user fees</b>	<b>1,166</b>	<b>1,109</b>

**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (CONT)****2.4 – FUNDING FROM OTHER LEVELS OF GOVERNMENT**

	2018 \$'000	2017 \$'000
Grants were received in respect of the following:		
<i>Summary of grants</i>		
Commonwealth funded grants	7,809	10,021
State funded grants	4,122	1,048
<b>Total grants received</b>	<b>11,931</b>	<b>11,069</b>
<b>(a) Operating Grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Victoria Grants Commission	4,839	6,790
Client directed care packages	-	308
Home support packages	1,029	1,209
Veterans' Affairs	79	73
Other	10	8
<b>Recurrent – State Government</b>		
Home and community care	537	350
School crossing supervisors	53	34
Maternal and child health	184	158
Community health	19	33
Environment	40	31
Emergency management	120	60
Youth	63	61
<b>Total recurrent operating grants</b>	<b>6,975</b>	<b>9,115</b>
<b>Non-recurrent – Commonwealth Government</b>		
Other	-	20
Environmental planning	45	-
<b>Non-recurrent – State Government</b>		
Home and community care	-	24
Family and children	10	10
Youth	25	-
Infrastructure	252	135
Arts	13	-
Building and facilities	-	45
Other	9	60
<b>Total non-recurrent operating grants</b>	<b>354</b>	<b>294</b>
<b>Total operating grants</b>	<b>7,329</b>	<b>9,409</b>

**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (CONT)****2.4 – FUNDING FROM OTHER LEVELS OF GOVERNMENT (CONT)**

	2018 \$'000	2017 \$'000
<b>(b) Capital Grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Roads to Recovery	780	780
Community facilities	9	-
<b>Total recurrent capital grants</b>	<b>789</b>	<b>780</b>
<b>Non-recurrent – Commonwealth Government</b>		
Buildings	-	38
Environment	-	10
Roads to Recovery	1,018	689
Footpaths and cycleways	-	10
Recreation facilities & reserves	-	87
<b>Non-recurrent – State Government</b>		
Buildings	63	-
Infrastructure	734	46
Recreation facilities & reserves	1,990	-
<b>Total non-recurrent capital grants</b>	<b>3,805</b>	<b>880</b>
<b>Total capital grants</b>	<b>4,594</b>	<b>1,660</b>
	2018	2017
<b>c) Unspent grants received on condition that they be spent in a specific manner</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at start of year	2,315	852
Received during the financial year and remained unspent at balance date	2,441	2,315
Received in prior years and spent during the financial year	2,315	852
<b>Balance at year end</b>	<b>2,441</b>	<b>2,315</b>

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal), or upon earlier notification that a grant has been secured.



**NOTE 2 FUNDING FOR THE DELIVERY OF OUR SERVICES (CONT)****2.5 – CONTRIBUTIONS**

	2018 \$'000	2017 \$'000
Monetary	253	155
Non-monetary	292	297
<b>Total contributions</b>	<b>545</b>	<b>452</b>
Contributions of non-monetary assets were received in relation to the following asset classes:		
Land	14	24
Roads	85	67
Drainage	193	206
<b>Total non-monetary contributions</b>	<b>292</b>	<b>297</b>

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

**2.6 – NET GAIN / (LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT**

	2018 \$'000	2017 \$'000
Proceeds of sale	264	291
Written down value of assets disposed	(679)	(1,376)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(415)</b>	<b>(1,085)</b>

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

**2.7 – OTHER INCOME**

	2018 \$'000	2017 \$'000
Interest	580	453
Net gain/loss on landfill provision	19	31
Fuel tax credits	52	64
Rates and valuation reimbursements	44	43
Debt collection	57	89
Insurance claims	62	35
Rental	87	80
Other	86	156
<b>Total other income</b>	<b>987</b>	<b>951</b>

Interest is recognised as it is earned. Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

## NOTE 3

### THE COST OF DELIVERING SERVICES

#### 3.1 – EMPLOYEE COSTS

	2018 \$'000	2017 \$'000
Wages and salaries	11,918	11,464
WorkCover insurance	117	199
Superannuation	1,110	1,058
Other	397	312
<b>Total employee costs</b>	<b>13,542</b>	<b>13,033</b>

#### (a) Superannuation

Council made contributions to the following funds:

##### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	62	66
	<b>62</b>	<b>66</b>
Employer contributions payable at reporting date	-	-

##### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,048	992
	<b>1,048</b>	<b>992</b>
Employer contributions payable at reporting date	-	51

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

#### 3.2 – MATERIALS AND SERVICES

	2018 \$'000	2017 \$'000
Service providers	7,472	5,326
Materials	1,452	2,101
Utilities	582	546
Office administration	308	312
Information technology	553	372
Insurance	265	322
Plant and fleet	662	650
<b>Total materials and services</b>	<b>11,294</b>	<b>9,629</b>

**NOTE 3 THE COST OF DELIVERING SERVICES (CONT)****3.3 – DEPRECIATION AND AMORTISATION**

	2018 \$'000	2017 \$'000
Property	2,324	1,210
Plant and equipment	745	753
Infrastructure	5,146	6,140
<b>Total depreciation</b>	<b>8,215</b>	<b>8,103</b>
Intangible assets	128	66
<b>Total depreciation and amortisation</b>	<b>8,343</b>	<b>8,169</b>

Refer to note 4.2 and 5.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

**3.4 OTHER EXPENSES**

	2018 \$'000	2017 \$'000
Auditors' remuneration – VAGO	35	40
Auditors' remuneration – internal	61	38
Councillors' allowances	184	190
Community grants	276	367
Library contribution	501	476
Landfill levy	332	233
Landfill rehabilitation	-	123
Others	131	174
<b>Total other expenses</b>	<b>1,520</b>	<b>1,641</b>



## NOTE 4

### OUR FINANCIAL POSITION

#### 3.3 – DEPRECIATION AND AMORTISATION

	2018 \$'000	2017 \$'000
<b>(a) Cash and cash equivalents</b>		
Cash on hand	2	3
Cash at bank	2,387	1,807
Term deposits	5	962
<b>Total cash and cash equivalents</b>	<b>2,394</b>	<b>2,772</b>
<b>(b) Other financial assets</b>		
Term deposits – current	16,250	13,000
<b>Total other financial assets</b>	<b>16,250</b>	<b>13,000</b>
<b>Total financial assets</b>	<b>18,644</b>	<b>15,772</b>
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
– Trust funds and deposits (Note 4.3)	1,151	890
– Statutory reserve funds allocated for specific future purposes (note 8.1)	942	853
<b>Total restricted funds</b>	<b>2,093</b>	<b>1,743</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>301</b>	<b>1,029</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated specific future purposes by Council:		
– Cash held to fund carried forward works	3,568	593
– Cash held for unspent grants (Note 2.4(c))	2,441	2,315
– Cash held for other discretionary reserves (Note 8)	8,197	7,501
<b>Total funds subject to intended allocations</b>	<b>14,206</b>	<b>10,409</b>
<b>Available cash funds</b>	<b>2,345</b>	<b>3,620</b>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts. Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.1 – FINANCIAL ASSETS (CONT)**

	2018 \$'000	2017 \$'000
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<b>Statutory receivables</b>		
Rates debtors	1,776	1,560
Provision for doubtful debts - rates	(140)	( 130)
Traffic infringement debtors	71	56
Provision for doubtful debts - traffic infringements	(32)	(28)
Fire Service Property Levy	241	189
Pet infringement debtors	23	16
Provision for doubtful debts - pet infringements	(13)	-
Net GST receivable	15	276
<b>Non-statutory receivables</b>		
Home and community care	39	47
State Government	1	168
Other debtors	584	274
Provision for doubtful debts - other debtors	(18)	(19)
<b>Total current trade and other receivables</b>	<b>2,547</b>	<b>2,409</b>
<b>Non-current</b>		
<b>Statutory receivables</b>		
Special rate scheme	5	8
<b>Total non-current trade and other receivables</b>	<b>5</b>	<b>8</b>
<b>Total trade and other receivables</b>	<b>2,552</b>	<b>2,417</b>

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

**Ageing of receivables**

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	489	441
Overdue	117	29
<b>Total trade and other receivables</b>	<b>606</b>	<b>470</b>

**Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$210,541 (2017: \$184,989) were impaired. The amount of the provision raised against these debtors was \$203,285 (2017: \$176,623). 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.

Current (not yet due)	-	-
Overdue	211	185
<b>Total trade and other receivables</b>	<b>211</b>	<b>185</b>

**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.2 – NON-FINANCIAL ASSETS**

	2018 \$'000	2017 \$'000
<b>(a) Inventories</b>		
Inventories held for distribution	29	60
Inventories held for sale	40	25
<b>Total inventories</b>	<b>69</b>	<b>85</b>
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.		
<b>(b) Other assets</b>		
Prepayments	200	180
Accrued income	223	142
<b>Total other assets</b>	<b>423</b>	<b>322</b>
<b>(c) Intangible assets</b>		
Software	1,180	623
<b>Total intangible assets</b>	<b>1,180</b>	<b>623</b>
	Software \$'000	Total \$'000
<b>Gross carrying amount</b>		
Balance at 1 July 2017	824	686
Additions	685	138
<b>Balance at 30 June 2018</b>	<b>1,509</b>	<b>824</b>
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2017	201	135
Amortisation expense	128	66
<b>Balance at 30 June 2018</b>	<b>329</b>	<b>201</b>
Net book value at 30 June 2017	623	551
<b>Net book value at 30 June 2018</b>	<b>1,180</b>	<b>623</b>

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



**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.3 – PAYABLES**

	2018 \$'000	2017 \$'000
<b>(a) Trade and other payables</b>		
Trade payables	355	1,715
Loan interest	9	8
Accrued expenses	1,475	288
<b>Total trade and other payables</b>	<b>1,839</b>	<b>2,011</b>
<b>(b) Trust funds and deposits</b>		
Fire Services Property Levy	250	213
Retention amounts	227	230
Central Victorian PCP	598	368
Heritage Fund	34	34
Refundable deposits	42	45
<b>Total trust funds and deposits</b>	<b>1,151</b>	<b>890</b>

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

**Purpose and nature of items****Refundable deposits**

Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

**Fire Services Property Levy**

Council is the collection agent for the 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.

**Retention amounts**

Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

**Heritage Fund**

A revolving fund for the use of property owners to undertake building works on heritage properties in Castlemaine and Maldon.

**Central Victorian PCP**

Funds that are held by Council on behalf of the partnership to administer certain Health and Community Services programs.

**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.4 – INTEREST-BEARING LIABILITIES**

	2018 \$'000	2017 \$'000
<b>Current</b>		
Borrowings – secured	476	525
	<b>476</b>	<b>525</b>
<b>Non-current</b>		
Borrowings – secured	3,926	4,322
	<b>3,926</b>	<b>4,322</b>
<b>Total</b>	<b>4,402</b>	<b>4,847</b>
Borrowings are secured by a mortgage over the general rates and charges of Council		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	476	525
Later than one year and not later than five years	2,194	2,385
Later than five years	1,733	1,937
	<b>4,402</b>	<b>4,847</b>

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.

**4.5 – PROVISIONS**

	Employee \$'000	Landfill restoration \$'000	Total \$'000
<b>2018</b>			
Balance at beginning of the financial year	2,549	5,762	8,311
Additional provisions	1,197	-	1,197
Amounts used	(1,023)	-	(1,023)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(101)	(12)	(113)
<b>Balance at the end of the financial year</b>	<b>2,623</b>	<b>5,750</b>	<b>8,372</b>
<b>2017</b>			
Balance at beginning of the financial year	2,629	5,471	8,100
Additional provisions	766	322	1,088
Amounts used	(912)	-	(912)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	66	(31)	35
<b>Balance at the end of the financial year</b>	<b>2,549</b>	<b>5,762</b>	<b>8,311</b>

**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.5 – PROVISIONS (CONT)**

	2018 \$'000	2017 \$'000
<b>(a) Employee provisions</b>		
Current provisions expected to be wholly settled within 12 months		
Annual leave	757	733
Long service leave	156	105
Rostered days off	86	35
	<b>999</b>	<b>873</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	112	105
Long service leave	1,195	1,265
	<b>1,307</b>	<b>1,370</b>
<b>Total current employee provisions</b>	<b>2,306</b>	<b>2,243</b>
<b>Non-current</b>		
Long service leave	317	306
Annual leave	-	-
<b>Total non-current employee provisions</b>	<b>317</b>	<b>306</b>
Aggregate carrying amount of employee provisions:		
Current	2,306	2,243
Non-current	317	306
<b>Total aggregate carrying amount of employee provisions</b>	<b>2,623</b>	<b>2,549</b>

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

**Wages and salaries and annual leave**

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

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

**Long service leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:	2018	2017
Discount rate	2.65%	2.61%
Inflation rate	3.88%	3.81%



**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.5 – PROVISIONS (CONT)**

	2018 \$'000	2017 \$'000
<b>(b) Landfill restoration</b>		
Current	4,016	4,015
Non-current	1,734	1,747
	<b>5,750</b>	<b>5,762</b>

Council is obligated to restore the Castlemaine Landfill site following closure of cells. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of 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 current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:	2018	2017
Inflation rate	1.90%	2.30%
Estimated cost to rehabilitate	\$5,758,063	\$5,758,063

**4.6 – FINANCING ARRANGEMENTS**

	2018 \$'000	2017 \$'000
The Council has the following funding arrangements in place as at 30 June		
Bank overdraft	500	500
Credit card facilities	300	300
<b>Total facilities</b>	<b>800</b>	<b>800</b>
Used facilities	40	50
<b>Unused facilities</b>	<b>760</b>	<b>750</b>

**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.7 – COMMITMENTS**

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

<b>2018</b>	<b>Not later than 1 year \$'000</b>	<b>Later than 1 year and not later than 2 years \$'000</b>	<b>Later than 2 years and not later than 5 years \$'000</b>	<b>Total \$'000</b>
<b>Operating</b>				
Aged and disability services	217	-	-	217
Consultancy	22	-	-	22
Election services	-	136	-	136
IT and software licences	269	222	321	813
Professional services	182	67	51	300
Recreation services	471	491	508	1,471
Utility supply	200	190	-	390
Waste management	2,353	1,961	4,794	9,108
<b>Total</b>	<b>3,715</b>	<b>3,067</b>	<b>5,675</b>	<b>12,457</b>
<b>Capital</b>				
Bridges	577	-	-	577
Buildings	2,397	-	-	2,397
Drainage	521	-	-	521
IT software and services	351	-	-	351
Other	261	-	-	261
Pathways	428	-	-	428
Recreation	34	-	-	34
Roads	160	-	-	160
<b>Total</b>	<b>4,729</b>	<b>-</b>	<b>-</b>	<b>4,729</b>

**NOTE 4 OUR FINANCIAL POSITION (CONT)****4.7 – COMMITMENTS (CONT)**

<b>2017</b>	<b>Not later than 1 year \$'000</b>	<b>Later than 1 year and not later than 2 years \$'000</b>	<b>Later than 2 years and not later than 5 years \$'000</b>	<b>Total \$'000</b>
<b>Operating</b>				
Aged and disability services	205	86	258	549
Consultancy	71	22	-	93
Election services	-	-	136	136
IT and software licences	915	327	836	2,078
Professional services	597	324	526	1,447
Recreation services	330	-	-	330
Regulatory compliance	117	-	-	117
Utility supply	152	-	-	152
Waste management	2,003	1,240	495	3,738
<b>Total</b>	<b>4,390</b>	<b>1,999</b>	<b>2,251</b>	<b>8,640</b>
<b>Capital</b>				
Bridges	166	-	-	166
Buildings	1	-	-	1
Other	180	-	-	180
Pathways	208	-	-	208
Recreation	1,346	-	-	1,346
Roads	107	-	-	107
<b>Total</b>	<b>2,008</b>	<b>-</b>	<b>-</b>	<b>2,008</b>

**Operating lease commitments**

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	19	18
Later than one year and not later than five years	3	21
	<b>22</b>	<b>39</b>

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.



## NOTE 5 ASSETS WE MANAGE

### 5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT

	At fair value 30 June 2017 \$'000	Additions \$'000	Contributions \$'000	Found \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At fair value 30 June 2018 \$'000
<b>Summary of property, infrastructure, plant and equipment</b>										
Land and land improvements	27,817	-	-	14	-	(229)	(23)	-	69	27,648
Buildings & site improvements	32,247	-	85	-	-	(2,094)	(14)	-	1,974	32,198
Plant and equipment	3,059	-	-	-	-	(745)	(209)	-	1,071	3,177
Infrastructure	242,670	-	192	192	31,359	(5,146)	(434)	-	1,950	270,782
Work in progress	3,119	8,140	-	-	-	-	-	(35)	(5,750)	5,474
	<b>308,912</b>	<b>8,140</b>	<b>277</b>	<b>206</b>	<b>31,359</b>	<b>(8,215)</b>	<b>(680)</b>	<b>(35)</b>	<b>(685)</b>	<b>339,279</b>

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
<b>Summary of Work in Progress</b>					
Land & land improvements	43	619	-	(69)	593
Buildings & site improvements	1,419	1,904	(1)	(1,974)	1,348
Plant & equipment	4	1,144	-	(1,071)	77
Infrastructure	1,200	4,109	(34)	(1,950)	3,325
Intangibles	452	364	-	(685)	131
<b>Total</b>	<b>3,119</b>	<b>8,140</b>	<b>(35)</b>	<b>(5,750)</b>	<b>5,474</b>

**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)**

	Depreciation Period	Threshold Limit \$'000
<b>Asset recognition thresholds and depreciation periods</b>		
Property		
– land improvements	10-100	15
Buildings		
– buildings	20-100	15
– building improvements	20-100	15
Plant and equipment		
– plant, machinery and equipment	3-10	7
– fixtures, fittings and furniture	3-5	7
– computers and telecommunications	2-10	7
Infrastructure		
– road pavements and seals	65	15
– road sealed surfaces	12-25	15
– road unsealed pavements	16-20	15
– road formation and earthworks	200	15
– road kerb, channel and minor culverts	25-100	15
– bridges deck	80	15
– bridges substructure	80-150	15
– footpaths and cycleways	30-80	15
– drainage pits	80	15
– drainage pipes	80-200	15
– waste management	2-5	15
Intangible assets		
– software	5-10	25

**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)**

	Land specialised \$'000	Land non- specialised \$'000	Land improvements \$'000	Total Land and Land improvements \$'000	Buildings specialised \$'000	Buildings non- specialised \$'000	Site improvements \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
<b>(a) Property</b>										
At fair value 1 July 2017	607	22,841	6,578	30,026	42,025	21,875	5,603	69,503	1,462	100,991
Accumulated depreciation at 1 July 2017	-	-	(2,209)	(2,209)	(22,867)	(12,509)	(1,881)	(37,257)	-	(39,466)
	<b>607</b>	<b>22,841</b>	<b>4,369</b>	<b>27,817</b>	<b>19,158</b>	<b>9,366</b>	<b>3,722</b>	<b>32,246</b>	<b>1,462</b>	<b>61,525</b>
<b>Movements in fair value</b>										
Additions	-	-	-	-	-	-	-	-	2,523	2,523
Contributions	-	-	-	-	-	85	-	85	-	85
Found	14	-	-	14	-	-	-	-	-	14
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	(60)	(60)	(14)	-	(21)	(35)	-	(95)
Write-off	-	-	-	-	-	-	-	-	(1)	(1)
Transfers	-	-	69	69	108	-	1,866	1,974	(2,044)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	<b>14</b>	<b>-</b>	<b>10</b>	<b>23</b>	<b>94</b>	<b>85</b>	<b>1,845</b>	<b>2,024</b>	<b>479</b>	<b>2,526</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	(229)	(229)	(601)	(1,262)	(231)	(2,094)	-	(2,324)
Accumulated depreciation of disposals	-	-	37	37	11	-	10	21	-	58
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>(192)</b>	<b>(192)</b>	<b>(590)</b>	<b>(1,262)</b>	<b>(221)</b>	<b>(2,073)</b>	<b>-</b>	<b>(2,265)</b>
At fair value 30 June 2018	621	22,841	6,588	30,049	42,119	21,960	7,448	71,527	1,941	103,517
Accumulated depreciation at 30 June 2018	-	-	(2,401)	(2,401)	(23,457)	(13,771)	(2,102)	(39,330)	-	(41,731)
	<b>621</b>	<b>22,841</b>	<b>4,186</b>	<b>27,648</b>	<b>18,662</b>	<b>8,189</b>	<b>5,346</b>	<b>32,197</b>	<b>1,941</b>	<b>61,786</b>



**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)**

	Plant, machinery & equipment \$'000	Furniture & fittings \$'000	Work in progress \$'000	Total plant & equipment \$'000
<b>(b) Plant and Equipment</b>				
At fair value 1 July 2017	5,422	1,911	4	7,337
Accumulated depreciation at 1 July 2017	(2,777)	(1,497)	-	(4,274)
	<b>2,645</b>	<b>414</b>	<b>4</b>	<b>3,063</b>
<b>Movements in fair value</b>				
Additions	-	-	1,144	1,144
Disposal	(648)	(320)	-	(968)
Transfers	907	164	(1,071)	-
	<b>259</b>	<b>(156)</b>	<b>73</b>	<b>177</b>
<b>Movements in accumulated depreciation</b>				
Depreciation and amortisation	(545)	(200)	-	(745)
Accumulated depreciation of disposals	439	320	-	759
	<b>(106)</b>	<b>120</b>	<b>-</b>	<b>14</b>
At fair value 30 June 2018	5,681	1,755	77	7,514
Accumulated depreciation at 30 June 2018	(2,883)	(1,377)	-	(4,260)
	<b>2,799</b>	<b>378</b>	<b>77</b>	<b>3,254</b>

**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)**

	Roads \$'000	Bridges \$'000	Footpaths & cycleways \$'000	Drainage \$'000	Kerb \$'000	Waste Management \$'000	Work in progress \$'000	Total Infrastructure \$'000
<b>(c) Infrastructure</b>								
At fair value 1 July 2017	202,207	43,390	7,241	41,977	9,651	5,747	1,200	311,414
Accumulated depreciation at 1 July 2017	(24,340)	(19,436)	(1,956)	(12,421)	(5,250)	(4,140)	-	(67,544)
	<b>177,867</b>	<b>23,954</b>	<b>5,285</b>	<b>29,556</b>	<b>4,401</b>	<b>1,607</b>	<b>1,200</b>	<b>243,870</b>
<b>Movements in fair value</b>								
Additions	-	-	-	-	-	-	4,109	4,109
Contributions	46	-	23	98	26	-	-	193
Found	206	-	-	-	-	-	-	206
Revaluation	-	25,039	-	-	-	-	-	25,039
Disposal	(717)	(61)	-	-	-	-	-	(778)
Write-off	-	-	-	-	-	-	(34)	(34)
Transfers	1,392	-	365	177	16	-	(1,950)	-
	<b>927</b>	<b>24,978</b>	<b>387</b>	<b>275</b>	<b>42</b>	<b>-</b>	<b>2,125</b>	<b>28,734</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	(3,528)	(405)	(233)	(331)	(187)	(464)	-	(5,146)
Contributions	-	-	-	(1)	-	-	-	(1)
Found	(14)	-	-	-	-	-	-	(14)
Revaluation	-	6,321	-	-	-	-	-	6,321
Accumulated depreciation of disposals	286	57	-	-	-	-	-	343
	<b>(3,256)</b>	<b>5,973</b>	<b>(232)</b>	<b>(332)</b>	<b>(187)</b>	<b>(464)</b>	<b>-</b>	<b>1,503</b>
At fair value 30 June 2018	203,134	68,368	7,628	42,252	9,693	5,747	3,325	340,148
Accumulated depreciation at 30 June 2018	(27,596)	(13,463)	(2,188)	(12,753)	(5,437)	(4,604)	-	(66,041)
	<b>175,539</b>	<b>54,905</b>	<b>5,440</b>	<b>29,499</b>	<b>4,256</b>	<b>1,143</b>	<b>3,325</b>	<b>274,107</b>

**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)**

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**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, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

**Land under roads**

Council recognises land under roads it controls that has been acquired since 2008 at fair value.

**Depreciation and amortisation**

Buildings, land improvements, 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 formation and earthworks are depreciated over a life of 200 years. Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

**Repairs and maintenance**

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.



**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)****Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer Chris Barrett (API Member No. 63083) of VRC Property Pty Ltd. 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.

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

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

The date of the current valuation is detailed in the following table. A full revaluation of these assets will be conducted in 2018/2019.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation	\$'000
Land non-specialised	-	22,841	-	30/06/2017	22,841
Land under roads	-	-	621	30/06/2018	621
Land improvements	-	-	6,588	30/06/2017	6,588
Buildings specialised	-	-	42,119	30/06/2017	42,119
Buildings non-specialised	-	21,960	-	30/06/2017	21,960
Site improvements	-	7,448	-	30/06/2017	7,448
<b>Total</b>	<b>-</b>	<b>52,249</b>	<b>49,327</b>		<b>101,577</b>

**NOTE 5 ASSETS WE MANAGE (CONT)****5.1 – PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (CONT)****Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with both an internal valuation by a Council officer and an independent valuation.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation	\$'000
Roads	-	-	203,134	30/06/2016	203,134
Bridges	-	-	68,368	30/06/2018	68,368
Footpaths and cycleways	-	-	7,628	30/06/2017	7,628
Drainage	-	-	42,252	30/06/2012	42,252
Kerb	-	-	9,693	30/06/2011	9,693
Waste management	-	-	5,747	30/06/2018	5,747
<b>Total</b>	<b>-</b>	<b>-</b>	<b>336,823</b>		<b>336,823</b>

**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 between 5% and 95%. 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 and \$775 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 \$300 to \$7,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 9 years to 47 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 12 years 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.

	2018 \$'000	2017 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	621	607
<b>Total specialised land</b>	<b>621</b>	<b>607</b>

**NOTE 5 ASSETS WE MANAGE (CONT)****5.2 – INVESTMENT IN ASSOCIATES, JOINT ARRANGEMENT AND SUBSIDIARIES**

	2018 \$'000	2017 \$'000
<b>(a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
– North Central Goldfields Regional Library Corporation	646	581
<b>North Central Goldfields Regional Library Corporation</b>		
Council is a member of the North Central Goldfields Regional Library Corporation which provides library services to the municipalities of City of Greater Bendigo, Macedon Ranges, Loddon and Mount Alexander Shires. Council's share of the net assets of the Corporation as at 30 June 2018 was 12.19% (2017, 11.06%).		
<b>Fair value of Council's investment in North Central Goldfields Regional Library Corporation</b>	<b>646</b>	<b>581</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	172	351
% share of equity adjustment	-	(29)
Reported surplus(deficit) for year	7	(166)
Transfers (to) from reserves	1	16
<b>Council's share of accumulated surplus(deficit) at end of year</b>	<b>180</b>	<b>172</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	137	121
Transfers (to) from reserves	-	16
<b>Council's share of reserves at end of year</b>	<b>137</b>	<b>137</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	581	747
Share of surplus(deficit) for year	65	(166)
Share of asset revaluation	-	-
<b>Carrying value of investment at end of year</b>	<b>646</b>	<b>581</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	10	10
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	<b>10</b>	<b>10</b>

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.

**Committees of management**

Council does not have any entities that have material revenue, expenses, assets or liabilities.



## NOTE 6

### PEOPLE AND RELATIONSHIPS

#### 6.1 – COUNCIL AND KEY MANAGEMENT REMUNERATION

	2018 No.	2017 No.
<b>(a) Related Parties</b> Mount Alexander Shire Council is the parent entity.		
<b>(b) Key Management Personnel</b>		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
<b>Councillors</b>		
Councillors Councillor Sharon Telford (elected 01/11/2012 until 06/10/2017, Mayor 01/07/2017 until 06/10/2017 )		
Councillor Bronwen Machin (elected 13/10/2014, Mayor 17/10/2017 until current)		
Councillor Christine Henderson (elected 01/12/2008)		
Councillor Tony Bell (elected 01/11/2012 until 09/10/2017)		
Councillor Anthony Cordy (elected 20/05/2014)		
Councillor John Nieman (elected 08/11/2016)		
Councillor Robin Taylor (elected 08/11/2016 until 14/02/2018 )		
Councillor Dave Petrusma (elected 22/11/2017)		
Councillor Max Lesser (elected 08/03/2018)		
Councillor Stephen Gardner (elected 26/02/2018)		
<b>Total number of Councillors</b>	<b>10</b>	<b>9</b>
<b>Key Management Personnel</b>		
Darren Fuzzard (Chief Executive Officer)		
Lisa Knight (Director)		
Jason Taylor (Director until 12/04/2018)		
Rebecca Stockfeld (Director until 04/05/2018)		
Sarah Noel (Executive Manager until 04/05/2018)		
<b>Chief Executive Officer and other Key Management Personnel</b>	<b>5</b>	<b>8</b>
<b>Total Key Management Personnel</b>	<b>15</b>	<b>17</b>
<b>(c) Remuneration of Key Management Personnel</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,096	1,268
Termination benefits	182	-
<b>Total</b>	<b>1,278</b>	<b>1,268</b>

**NOTE 6 PEOPLE AND RELATIONSHIPS (CONT)****6.1 – COUNCIL AND KEY MANAGEMENT REMUNERATION (CONT)**

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

	2018 No.	2017 No.
\$1 - \$9,999	3	2
\$10,000 - \$19,999	3	5
\$20,000 - \$29,999	3	2
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	-	1
\$130,000 - \$139,999	-	2
\$150,000 - \$159,999	-	1
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	1	-
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	1	-
\$240,000 - \$249,999	-	1
\$270,000 - \$279,999	1	-
	<b>15</b>	<b>17</b>

**d) Senior Officer Remuneration**

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$145,000.

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

\$100,000 - \$109,999	1	-
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	-
\$150,000 - \$159,999	1	-
	<b>3</b>	<b>2</b>
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration for the reporting year for Senior Officers included above, amounted to	300	264

**6.2 – RELATED PARTY DISCLOSURE****(a) Transactions with related parties**

During the period Council did not enter into transactions with related parties.

**(b) Loans to/from related parties**

There are no loans to or from related parties

**(b) Commitments to/from related parties**

There are no commitments to or from related parties

## NOTE 7

### MANAGING UNCERTAINTIES

#### 7.1 – CONTINGENT ASSETS AND LIABILITIES

##### (a) Contingent assets

Construction of infrastructure assets by developers in the course of creating new subdivisions results in the infrastructure assets being vested in the Council when the Council issues a Statement of Compliance. These assets are bought to account as revenue and capitalised.

At reporting date, developers had commenced construction of assets that will eventually be transferred to Council, contingent upon the Council issuing a Statement of Compliance.

##### (b) Operating lease receivables

The Council has entered into commercial property leases on surplus property. These properties held under operating leases have lease terms of between 1 and 21 years.

Future minimum rentals receivable under operating leases are as follows:

	2018 \$'000	2017 \$'000
Not later than one year	97	44
Later than one year and not later than five years	551	534
Later than five years	1,754	1,868
	<b>2,402</b>	<b>2,446</b>

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

###### *Future superannuation contributions*

In addition to the disclosed contributions, Mount Alexander Shire Council has paid unfunded liability payments to Vision Super totalling \$0 (2016/2017 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$0.

###### Castlemaine Rifle Range

A potential liability exists for costs associated with de-contaminating waste sand dumped at the Castlemaine Rifle Range, if the polluter defaults on the requirements that may be imposed by the EPA. The extent of the financial liability to decontaminate the site and any associated legal costs is unable to be determined at balance date.

###### Tarilta gravel pit

A rehabilitation bond has been issued for the restoration of the Tarilta gravel pit. The bank guarantee is for \$23,500 to the Minister of Agriculture and Resources.

###### Aged and disability services

Council has a number of funding arrangements with State and Federal Government to deliver aged and disability services. Repayment of funding may be required if service targets are not met. Council is currently unable to estimate the likelihood and level of repayment required.

###### Depot

A potential liability exists for costs associated with remediating the Castlemaine Depot site. The extent of the financial liability to remediate the site and any associated legal costs is unable to be determined at balance date.

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.



**NOTE 7 MANAGING UNCERTAINTIES (CONT)****7.2 – CHANGE IN ACCOUNTING STANDARDS**

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

**Financial Instruments – Disclosures (AASB 7) (applies 2018/19)**

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

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

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

**Revenue from contracts with customers (AASB 15) (applies 2019/2020)**

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

**Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/2020)**

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

**Leases (AASB 16) (applies 2019/2020)**

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

**Income of Not-for-Profit Entities (AASB 1058 ) (applies 2019/2020)**

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

**NOTE 7 MANAGING UNCERTAINTIES (CONT)****7.3 – FINANCIAL INSTRUMENTS**

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**(a) Objectives and policies**

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

**(b) 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.

*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. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure 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 minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

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

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

**(c) Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. 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 7.1(b).

**NOTE 7 MANAGING UNCERTAINTIES (CONT)****7.3 – FINANCIAL INSTRUMENTS (CONT)**

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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 at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

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% and -1% in market interest rates (AUD) from year-end rates.

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.



**NOTE 7 MANAGING UNCERTAINTIES (CONT)****7.4 – FAIR VALUE MEASUREMENT**

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**Fair value hierarchy**

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

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

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

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

- Level 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.
- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

**Revaluation**

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 6 years. The valuation is performed either by experienced Council officers or independent experts.

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

**NOTE 7 MANAGING UNCERTAINTIES (CONT)****7.4 – FAIR VALUE MEASUREMENT (CONT)**

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**Impairment of assets**

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

**7.5 – EVENTS OCCURRING AFTER BALANCE DATE**

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

**NOTE 8 OTHER MATTERS****8.1 – RESERVES**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>			
<b>2018</b>			
<b>Property</b>			
Land & land improvements	14,916	-	14,916
Buildings	16,053	-	16,053
	30,969	-	30,969
<b>Infrastructure</b>			
Infrastructure	163,480	31,360	194,840
	163,480	31,360	194,840
<b>Total asset revaluation reserves</b>	<b>194,449</b>	<b>31,360</b>	<b>225,809</b>
<b>2017</b>			
<b>Property</b>			
Land & land improvements	15,333	(417)	14,916
Buildings	15,682	371	16,053
	31,015	(46)	30,969
<b>Infrastructure</b>			
Infrastructure	162,008	1,472	163,480
	162,008	1,472	163,480
<b>Total asset revaluation reserves</b>	<b>193,023</b>	<b>1,426</b>	<b>194,449</b>

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



**NOTE 8 OTHER MATTERS (CONT)****8.1 – RESERVES (CONT)**

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2018</b>				
Development contribution reserve*	72	-	6	78
Energy/water saving reserve	93	(54)	23	61
Gravel pit rehabilitation service	39	-	-	39
Motor vehicles reserve	280	(350)	70	-
Parkland/open space reserve*	781	-	83	864
Plant replacement reserve	85	(564)	479	0
Swimming pool reserve	3,091	(1)	-	3,090
Uncompleted works reserve	593	(593)	6,542	6,542
Unspent grants reserve	2,315	(2,315)	2,441	2,441
Waste reserve	3,913	(151)	1,244	5,006
<b>Total other reserves</b>	<b>11,262</b>	<b>(4,029)</b>	<b>10,888</b>	<b>18,122</b>
<b>2017</b>				
Development contribution reserve*	-	-	72	72
Energy/water saving reserve	79	(3)	17	93
Gravel pit rehabilitation service	39	-	-	39
Motor vehicles reserve	263	(389)	406	280
Parkland/open space reserve*	710	-	71	781
Plant replacement reserve	169	(471)	387	85
Swimming pool reserve	3,097	(6)	-	3,091
Uncompleted works reserve	3,894	(3,895)	594	593
Unspent grants reserve	54	(55)	2,316	2,315
Waste reserve	1,648	(120)	2,385	3,913
<b>Total other reserves</b>	<b>9,953</b>	<b>(4,939)</b>	<b>6,248</b>	<b>11,262</b>

\* Notes a statutory reserve held for a restricted use.

## NOTE 8 OTHER MATTERS (CONT)

### 8.1 – RESERVES (CONT)

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The purposes of these reserves are as follows:

**Energy/water saving reserve**

Funds set aside for the undertaking of works on Council property which reduces future energy or water usage.

**General reserve**

Funds set aside for the future provision of Council purchases or construction of assets.

**Gravel pit rehabilitation reserve**

Funds set aside for the future rehabilitation works at Council's gravel pit.

**Motor vehicle reserve**

Funds set aside for future changeover of motor vehicles.

**Waste reserve**

Funds set aside to provide for the capital improvements and rehabilitation at the Castlemaine landfill.

**Unspent grants reserve**

Grant fund provided to Council with conditions on how they are spent that remain unspent at end of year.

**Development contribution reserve**

Funds community infrastructure through contributions from owners who subdivide or develop their land.

**Parkland/open spaces reserve**

Funds to provide for future recreational infrastructure within the Shire.

**Plant replacement reserve**

To provide funds for the future purchase of plant and equipment.

**Swimming pool reserve**

Funds set aside for future capital works on swimming pools.

**Uncompleted works reserve**

Funds set aside at year-end to allow projects to be carried forward.

**NOTE 8 OTHER MATTERS (CONT)****8.2 – RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS / (DEFICIT)**

	2018 \$'000	2017 \$'000
Surplus/(deficit) for the year	3,022	4,526
Depreciation/amortisation	8,343	8,169
Profit/(loss) on disposal of property, infrastructure, plant and equipment	415	1,085
Fair value adjustments for assets held for sale	-	(19)
Contributions - non-monetary assets	(292)	(297)
Found assets	(192)	(2,510)
Borrowing costs	224	205
Share of net (profit) / losses of associates	(65)	166
Reinstate landfill cell provision	-	(199)
Prior year WIP expensed	31	13
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(135)	150
Increase/(decrease) in trade and other payables	(172)	(132)
(Increase)/decrease in inventories	16	8
Increase/(decrease) in provisions	61	211
Increase/(decrease) in trust funds	261	77
(Increase)/decrease in other assets	(101)	406
<b>Net cash provided by/(used in) operating activities</b>	<b>11,417</b>	<b>11,859</b>



**NOTE 8 OTHER MATTERS (CONT)****8.3 – SUPERANNUATION**

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

**Accumulation**

The Funds accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

**Defined benefit**

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

*Funding arrangements*

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at June 2018 was 106%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

**NOTE 8 OTHER MATTERS (CONT)****8.3 – SUPERANNUATION (CONT)****Employer contributions***Regular contributions*

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

*Funding calls*

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**2017 triennial actuarial investigation surplus amounts**

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

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million.
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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

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

**2018 interim actuarial investigation**

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

## MOUNT ALEXANDER SHIRE COUNCIL

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by Richard Baxter