



**Notes to the Financial Report
For the Year Ended 30 June 2019**

6 Contributions - non monetary		
Subdivisions Handed to Council	Transfer of subdivision infrastructure delayed	(330)
7 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Sale of plant and equipment	Improved sales price for items of plant at auction	101
8 Other income		
Interest on Investments	Higher investment activities due to uncompleted project	128
Unwind present value discount for Sago hill Gravel Pit rehabilitation project provision (book entry)		393
9 Employee Costs		
Wages and Salaries	Vacant positions and reduction of temporary staff in Chidcare	1,045
10 Materials and Services		
General maintenance	Increased infrastructure assets maintenance	(871)
Recycling Disposal Cost	Expected increase in recycle cost did not realised	286
Contractors and consultants	Increased relief staff and recruitment cost	(408)
Delivery of projects and services	Saving in multiple projects, some savings set off against increase in General Material	458
11 Borrowing Costs		
Interest on Borrowings	\$5m loan for GPCCC project was delayed	80

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Property					
Land	-	45	45	100%	1
Total Land	-	45	45		
Buildings	5,996	1,398	(4,598)	-77%	2
Total Buildings	5,996	1,398	(4,598)		
Total Property	5,996	1,443	(4,553)		
Plant and Equipment					
Plant, machinery and equipment	1,674	1,942	268	16%	3
Fixtures, fittings and furniture	-	32	32	100%	4
Computers and telecommunications	282	168	(114)	-40%	5
Total Plant and Equipment	1,956	2,142	186		
Infrastructure					
Roads	4,132	4,108	(24)	-1%	6
Bridges	1,750	360	(1,390)	-79%	7
Footpaths and cycleways	288	347	59	20%	8
Recreational, leisure and community facilities	720	1,955	1,235	172%	9
Parks, open space and streetscapes	205	127	(78)	-38%	10
Off street car parks	50	50	-	0%	
Total Infrastructure	7,145	6,947	(198)		
Total Capital Works Expenditure	15,097	10,532	(4,565)		
Represented by:					
New asset expenditure	1,227	2,756	1,529		
Asset renewal expenditure	5,855	4,331	(1,524)		
Asset expansion expenditure	5,065	-	(5,065)		
Asset upgrade expenditure	2,950	3,445	495		
Total Capital Works Expenditure	15,097	10,532	(4,565)		



**Notes to the Financial Report
For the Year Ended 30 June 2019**

(i) Explanation of material variations			
Variance Ref	Item	Explanation	\$'000
1	Land		
	Sporting Complex Land Purchase - 20 Railway St Inverleigh	Purchase of land was not budgeted in 2018-19	(45)
2	Buildings		
	Golden Plains Community & Civic Centre	Project commenced later than expected. Major construction work for the project will happen in 2019-20	4,019
	Underground Power Upgrade - The Heart	Projected to be completed in 2019-20	227
	Teesdale toilet upgrade	Project scope reduced to minimise costs	202
	Haddon stadium floor replacement	Project on hold until state government funding received	250
	Bannockburn Men's Shed	Additional cost incurred to complete the project	(80)
3	Plant, machinery and equipment		
	Flocon Truck - Hino 1227 (P334)	Purchased in 2018-19, budgeted in 2017-18	(222)
	Street Sweeper	Purchased in 2018-19, budgeted in 2017-18	(172)
	Ute Purchases	Budgeted purchases have been delayed to next year	81
	Vehicle Purchases	Budgeted purchases have been delayed to next year	40
4	Fixtures, fittings and furniture		
	Aged & Disability Minor Equipment	Purchased in 2018-19, budgeted in 2017-18	(32)
5	Computer and telecommunications		
	Computer Hardware & Software	Project to be completed in 2019-20	82
6	Roads		
	Teesdale-Lethbridge Rd Upgrade	Unanticipated funding received during the year as part of Fixing Country Roads grant.	(127)
	Local Roads Improvements (Roads to Recovery)	Additional funded works on road network	(116)
	Somerset Estate Road Infrastructure	Project cost was lower than anticipated	125
	Gravel Resheeting - Local Roads	Project cost was lower than anticipated	48
7	Bridges		
	Bridge Rehabilitation - Coopers Bridge	Project delayed due to scope of the Grant funding changed, to be completed in 2019-20.	1,494
	Wall Bridge renewal	Bridge renewal funding successful post adoption of budget. Further works to be carried out in the 2019-20 financial year.	(66)
8	Footpaths and cycleways		
	Footpaths & Trails	Project completed in 2018-19, budgeted in 2017-18	(90)
	Periodic Footpath Maintenance	Footpath maintenance carried out under operating budget	25
9	Recreational, leisure and community facilities		
	Bannockburn Vic Park Court Upgrade	Additional cost required to complete the project.	(254)
	Linton Oval Lighting Upgrade	A new grant funded the project in 2018-19.	(293)
	Bannockburn Heart (RDV)	Project originally budgeted in 2017-18. Further construction works to be performed in 2019-20.	(574)
10	Parks, open space and streetscapes		
	Bannockburn Streetscape Upgrade	Project commencement delayed, to be completed in 2019-20.	53

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Citizen & Customer Service

The key objective is to foster a culture across the organisation which addressed the needs of the community through communication and the provision of excellent customer service.

Civic Leadership

Civic leadership's objective is to enhance Council's decision making capacity by strengthening the governance and advocacy of Council. Good governance and leadership is supported by planning, delivering and improving high quality, cost effective, accessible and responsible services.

Economic Development

The strategic objective of economic development is to facilitate the growth of the local economy particularly in township development and rural based industries.

Environment & Land use Plan

A key objective is to encourage and facilitate sustainable land use and development and protect and enhance the natural environment. Central to environment and land use is the assessment of development, health and local laws, planning strategy and urban growth.

Financial Management

To ensure the efficient and effective allocation of resources through sound financial planning and management that secures the long-term financial viability of the municipality. This objective is achieved by providing proactive support services across Council which include finance services, digital information and technology, property and procurement, strategy and program delivery.

Human Support Services

To provide a range of sustainable human support services that maintain and enhance the wellbeing and quality of life of Golden Plains Shire residents.

Recreation & Community Development

To facilitate the provision of a range of recreation facilities across the Shire and assist the community committees to best service their communities and to continue to enhance townships through Town Place Plans. To identify and respond to community needs and provide opportunities to enable needs and provide opportunities to enable people in the community to be supported and involved.

Roads & Streets Infrastructure

To maintain and enhance the road network at a level that adequately satisfies transportation needs.

Waste Management

Continue to provide the current satisfactory garbage bin and recycling bin collection disposal service.



Notes to the Financial Report
For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Citizen & Customer Service	12	(1,251)	(1,239)	-	2,610
Civic Leadership	160	(2,466)	(2,306)	120	335
Economic Development	47	(564)	(516)	-	434
Environment & Land use Plan	2,220	(3,668)	(1,448)	161	1,514
Financial Management	27,899	(2,355)	25,544	5,956	948
Human Support Services	5,720	(7,844)	(2,124)	4,208	12,648
Recreation & Community Development	2,583	(5,912)	(3,329)	2,263	46,985
Roads & Streets Infrastructure	3,055	(11,776)	(8,721)	2,395	371,205
Waste Management	2,937	(2,447)	490	-	1,231
Unattributed	-	-	-	-	1,693
	44,633	(38,283)	6,350	15,103	439,603
2018					
Citizen & Customer Service	22	(1,222)	(1,201)	-	2,264
Civic Leadership	232	(2,432)	(2,200)	120	375
Economic Development	46	(559)	(513)	-	415
Environment & Land use Plan	1,813	(3,521)	(1,707)	203	1,083
Financial Management	26,131	(2,012)	24,119	5,667	714
Human Support Services	5,831	(8,330)	(2,499)	3,900	11,038
Recreation & Community Development	1,894	(6,192)	(4,298)	1,577	41,419
Roads & Streets Infrastructure	5,015	(10,803)	(5,788)	4,435	372,801
Waste Management	2,296	(2,186)	110	-	934
Unattributed	-	-	-	-	1,960
	43,280	(37,257)	6,023	15,903	433,003

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 3 Funding for the delivery of our services	2019	2018
3.1 Rates and charges	\$'000	\$'000

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 total market value including land and improvements.

The valuation base used to calculate general rates for 2018/19 was \$4,704 million (2017/18 \$4,554 million).

General Rates	17,383	16,702
Municipal charge	2,375	2,326
Waste management charge	2,885	2,155
Special rates and charges	32	35
Supplementary rates and rate adjustments	141	89
Interest on rates and charges	135	128
Total rates and charges	22,951	21,435

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

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Planing and building fees	487	457
Infringements and costs	92	135
Property information fees	25	28
Land information certificates	24	30
Drainage information fees	39	18
Total statutory fees and fines	667	668

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

3.3 User fees

Childcare/Children's Programs	872	1,294
Home and Community Care Fees	172	187
Animal Registration Charges	388	349
Early Childhood Education	224	232
Subdivision Supervision Fees	217	156
Gravel Cartage Levy	161	149
Septic Tank Fees	170	112
Food Premises Registration Fees	79	70
Fire Hazard Eradication Fees and Fines	31	36
Bannockburn Family Services Centre Charges	29	33
Bannockburn Cultural Centre Charges	51	46
Smythesdale Business Hub Centre Charges	30	28
Farmers Market Fees	21	20
Lease of Land	46	63
Other	122	97
Total user fees	2,613	2,872

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	9,375	10,439
State funded grants	5,728	5,464
Total grants received	15,103	15,903
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - General	3,887	3,647
Financial Assistance Grants - Local Roads	2,069	1,979
Children's Services	1,872	1,720
General home care	963	950
Recurrent - State Government		
Kindergarten	786	767
Community Health	468	518
Home Care	189	203
Maternal and Child Health	405	259
Emergency Management	120	120
Youth projects	67	67
Other	97	86
<i>Environment Projects</i>	51	41
Total recurrent operating grants	10,974	10,357
Non-recurrent - State Government		
Environment Projects	23	99
Youth projects	3	47
Total non-recurrent operating grants	26	146
Total operating grants	11,000	10,503

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	585	1,548
Total recurrent capital grants	585	1,548
<i>Non-recurrent - Commonwealth Government</i>		
Roads	-	425
Buildings Specialised	-	60
Recreational Leisure & Community	-	110
<i>Non-recurrent - State Government</i>		
Roads	1,809	2,463
Recreational Leisure & Community	1,709	401
Buildings Specialised	-	377
Environment Projects	-	16
Total non-recurrent capital grants	3,518	3,852
Total capital grants	4,103	5,400
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	955	849
Received during the financial year and remained unspent at balance date	877	834
Received in prior years and spent during the financial year	(802)	(728)
Balance at year end	1,030	955

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.

3.5 Contributions

Monetary	1,644	1,734
Non-monetary	795	192
Total contributions	2,439	1,926

Contributions of non monetary assets were received in relation to the following asset classes.

Land	3	1
Infrastructure	792	191
Total non-monetary contributions	795	192

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

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

Proceeds of sale	385	504
Written down value of assets disposed	(282)	(350)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	103	154

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



**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
3.7 Other income		
Interest on Investment	378	322
Present value discount for gravel pit provision	393	-
Other	2	-
Total other income	773	322

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 Employee costs

Wages and salaries	15,335	15,559
WorkCover	297	331
Superannuation	1,327	1,492
Fringe benefits tax	161	182
Other	13	3
Total employee costs	17,133	17,567

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	126	105
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	755	814
Employer contributions - other funds	558	569
Employer contributions payable at reporting date.	46	53

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
4.2 Materials and services		
Delivery of projects and Services	1,853	1,963
General maintenance	3,372	2,652
Garbage Operations	2,117	1,829
Contractors and Consultants	1,552	1,207
Vehicle and Machinery Operations	552	583
Building maintenance	452	416
Information technology	534	454
Utilities	383	331
Printing, Stationery and Postage	252	246
Telecommunication	291	298
Debt Collection and Legal Fee	136	217
Cleaning	319	280
Insurance	198	221
Training	129	170
Advertising	134	102
Election Expenses	29	-
Gravel Pit Operation	69	65
Other Expenses	388	389
Total materials and services	12,760	11,423
4.3 Depreciation and amortisation		
Infrastructure	5,929	5,706
Plant and Machinery	762	770
Buildings	900	885
Furniture and Equipment	189	230
Total depreciation	7,780	7,591

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



**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
4.4 Bad and doubtful debts		
Community Protection	49	24
Long day Care	3	2
Waste Management	(36)	53
Home Care	-	1
Total bad and doubtful debts	<u>16</u>	<u>80</u>
Movement in provisions for doubtful debts		
Balance at the beginning of the year	132	54
New Provisions recognised during the year	50	85
Amounts already provided for and written off as uncollectible	(56)	(7)
Balance at end of year	<u>126</u>	<u>132</u>

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

4.5 Borrowing costs

Interest - Borrowings	334	334
Total borrowing costs	<u>334</u>	<u>334</u>

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	45	43
Internal Auditors' remuneration	14	23
Councillors' allowances	201	196
Total other expenses	<u>260</u>	<u>262</u>

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	3	4
Cash at bank	1,465	2,178
Short Term Deposit	13,484	10,079
At call deposits	3,611	5,010
Total cash and cash equivalents	<u>18,563</u>	<u>17,271</u>

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
(b) Other financial assets		
Term deposits - current	2,718	-
Term deposits - non-current	-	1,933
Total other financial assets	<u>2,718</u>	<u>1,933</u>
Total financial assets	<u>21,281</u>	<u>19,204</u>

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Statutory Reserves (Note 9.1(b))	240	163
- Trust funds and deposits (Note 5.3)	559	289
Total restricted funds	<u>799</u>	<u>452</u>
Total unrestricted cash and cash equivalents	<u>17,764</u>	<u>16,819</u>

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works	6,947	2,803
- Unspent grant funding - operational	264	350
- Long Service Leave Investment Account	1,500	1,500
Total funds subject to intended allocations	<u>8,711</u>	<u>4,653</u>

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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,847	1,404
Infringement debtors	207	163
Provision for doubtful debts - infringements	(123)	(74)
Net GST receivable	357	303
Other debtors	1,532	680
Provision for doubtful debts - other debtors	(22)	(58)
Total current trade and other receivables	<u>3,798</u>	<u>2,418</u>

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.

(i) Ageing of Receivables

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

Current (not yet due)	1,222	534
Past due by up to 30 days	29	12
Past due between 31 and 180 days	115	26
Past due between 181 and 365 days	2	58
Past due by more than 1 year	21	15
Total trade & other receivables	<u>1,389</u>	<u>645</u>

(ii) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$17,427 (2018: \$53,527) were impaired. The amount of the provision raised against these debtors was \$17,427 (2018: \$53,527). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	17	54
Past due between 181 and 365 days	-	-
Past due by more than 1 year	-	-
Total trade & other receivables	<u>17</u>	<u>54</u>

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.2 Non-financial assets	2019	2018
(a) Inventories	\$'000	\$'000
Inventories held for distribution	4	11
Total inventories	4	11

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) Other assets

Prepayments	73	175
Accrued income	94	51
Total other assets	167	226

5.3 Payables

(a) Trade and other payables

Trade payables	2,902	2,619
Accrued expenses	801	950
Total trade and other payables	3,703	3,569

(b) Trust funds and deposits

Refundable deposits	559	289
Total trust funds and deposits	559	289

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 Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.4 Interest-bearing liabilities

	2019 \$'000	2018 \$'000
Current		
Borrowings - secured	7,349	1,151
	7,349	1,151
Non-current		
Borrowings - secured	297	6,756
	297	6,756
Total	7,646	7,907
Borrowings are secured by Council rates and charges	7,646	7,907
(a) The maturity profile for Council's borrowings is:		
Not later than one year	7,349	1,151
Later than one year and not later than five years	147	6,606
Later than five years	150	150
	7,646	7,907

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.

5.5 Provisions

	Employee \$ '000	Landfill restoration \$ '000	Gravel Pit restoration \$ '000	Total \$ '000
2019				
Balance at beginning of the financial year	3,188	1,657	980	5,825
Additional provisions	2,351	-	230	2,581
Amounts used	(1,825)	(2)	(1)	(1,828)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	(374)	(374)
Balance at the end of the financial year	3,714	1,655	835	6,204
2018				
Balance at beginning of the financial year	3,313	1,763	884	5,960
Additional provisions	1,229	-	79	1,308
Amounts used	(1,354)	(106)	-	(1,460)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	17	17
Balance at the end of the financial year	3,188	1,657	980	5,825

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Rostered days off	70	76
Annual leave	846	940
Long service leave	248	51
	1,164	1,067
Current provisions expected to be wholly settled after 12 months		
Annual leave	120	165
Long service leave	1,843	1,636
	1,963	1,801
Total current employee provisions	3,127	2,868
Non-current		
Long service leave	587	320
Total non-current employee provisions	587	320
Aggregate carrying amount of employee provisions:		
Current	3,127	2,868
Non-current	587	320
Total aggregate carrying amount of employee provisions	3,714	3,188

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:	2019	2018
- discount rate	1.3%	2.6%
- inflation rate	4.3%	3.9%

(b) Landfill restoration	2019	2018
	\$'000	\$'000
Current	50	50
Non-current	1,605	1,607
	1,655	1,657

Council is obligated to restore closed Rokewood and Teesdale sites to a particular standard. 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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
(c) Gravel Pit restoration		
Current	60	60
Non-current	775	920
	835	980
Total current provisions	3,237	2,978
Total non-current provisions	2,967	2,847
Total provisions	6,204	5,825

Council operate Sagohill gravel pit to supply gravel for it's roads and maintenance projects. The gravel pit has a further 28 years of expected life. Provision has been made to rehabilitate the excavated area at the end of the expected life of the quarry. The expected cost of works has been estimated to reinstate the site to a suitable standard, with the estimated rehabilitation costs to be reviewed annually. The provision has been calculated based on the present value of the expected cost of works to be undertaken.

5.6 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.

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste Management	1,319	1,352	-	-	2,671
Suppliers	752	274	-	-	1,026
Total	2,071	1,626	-	-	3,697
Capital					
Buildings	5,940	1,633	-	-	7,573
Roads	558	-	-	-	558
Computer Software	2	-	-	-	2
Recreational, leisure and Community	2,187	-	-	-	2,187
Plant & Machinery	175	-	-	-	175
Total	8,862	1,633	-	-	10,495
2018					
Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste Management	1,050	1,076	1,103	-	3,229
Cleaning contracts for council buildings	155	154	-	-	309
Suppliers	1,165	165	-	-	1,330
Total	2,370	1,395	1,103	-	4,868
Capital					
Buildings	711	-	-	-	711
Roads	56	-	-	-	56
Computer Software	83	-	-	-	83
Recreational, leisure and Community	267	-	-	-	267
Plant & Machinery	436	-	-	-	436
Total	1,553	-	-	-	1,553

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 6 Assets we manage
6.1 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2019 \$'000
Land	28,087	45	3	6,486	-	-	-	34,621
Buildings	30,165	249	-	-	(900)	-	61	29,575
Plant and Equipment	4,482	2,084	-	-	(950)	(282)	-	5,334
Infrastructure	369,320	5,736	792	(3,154)	(5,929)	-	87	366,852
Work in progress	949	2,420	-	-	-	-	(148)	3,221
Total	433,003	10,534	795	3,332	(7,779)	(282)	-	439,603

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Buildings	576	1,086	(121)	1,541
Plant and Equipment	-	59	-	59
Infrastructure	373	1,275	(27)	1,621
Total	949	2,420	(148)	3,221



**Notes to the Financial Report
For the Year Ended 30 June 2019**

<i>Asset recognition thresholds and depreciation periods</i>	Depreciation Period	Threshold Limit \$'000
Property		
Buildings		
heritage buildings	30 to 150 years	5
buildings	30 to 150 years	5
building improvements	30 to 150 years	5
Plant and Equipment		
heritage plant and equipment	3 to 20 years	1
plant, machinery and equipment	3 to 20 years	1
fixtures, fittings and furniture	3 to 20 years	1
computers and telecommunications	3 to 10 years	1
Infrastructure		
sealed pavements	90 years	5
unsealed pavements	25 years	5
sealed surfaces	19 years	5
road kerb, channel and minor culverts	90 years	5
bridges deck	90 years	5
bridges substructure	90 years	5
footpaths and cycleways	85 years	5
drainage	50 years	5
recreational, leisure and community facilities	30 to 60 years	5
parks, open space and streetscapes	40 years	5
off street car parks	50 years	5

Notes to the Financial Report
For the Year Ended 30 June 2019

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2018	4,332	23,755	28,087	2,918	39,382	3,659	45,959	576	74,622
Accumulated depreciation at 30 June 2018	-	-	-	(1,892)	(12,366)	(1,536)	(15,794)	-	(15,794)
	4,332	23,755	28,087	1,026	27,016	2,123	30,165	576	58,828
Movements in fair value									
Additions	-	45	45	-	148	101	249	1,086	1,380
Contributions	3	-	3	-	-	-	-	-	3
Revaluation	-	6,486	6,486	-	-	-	-	-	6,486
Disposal	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(256)	317	61	(121)	(60)
	3	6,531	6,534	-	108	418	310	965	7,809
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	(56)	(764)	(80)	(900)	-	(900)
	-	-	-	(56)	(764)	(80)	(900)	-	(900)
At fair value 30 June 2019	4,335	30,286	34,621	2,918	39,274	4,077	46,269	1,541	82,431
Accumulated depreciation at 30 June 2019	-	-	-	(1,948)	(13,130)	(1,616)	(16,694)	-	(16,694)
	4,335	30,286	34,621	970	26,144	2,461	29,575	1,541	65,737

**Notes to the Financial Report
For the Year Ended 30 June 2019**

(b) Plant and Equipment	Plant machinery and equipment	Fixtures and fittings and furniture	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2018	7,282	2,384		9,666
Accumulated depreciation at 30 June 2018	(3,280)	(1,904)		(5,184)
	4,002	480	-	4,482
Movements in fair value				
Additions	1,883	201	59	2,143
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	(1,281)	(31)	-	(1,312)
Write-off	-	-	-	-
Transfers	-	-	-	-
	602	170	59	831
Movements in accumulated depreciation				
Depreciation and amortisation	(761)	(189)	-	(950)
Accumulated depreciation of disposals	999	31	-	1,030
	238	(158)	-	80
At fair value 30 June 2019	7,884	2,554	59	10,497
Accumulated depreciation at 30 June 2019	(3,042)	(2,062)	-	(5,104)
	4,842	492	59	5,393

Notes to the Financial Report
For the Year Ended 30 June 2019

	(c) Infrastructure									
	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Gravel Pit	Off street car parks	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2018	410,064	35,088	13,050	6,090	7,849	1,477	991	1,106	373	476,088
Accumulated depreciation at 30 June 2018	(81,400)	(17,385)	(1,589)	(2,326)	(2,459)	(410)	(757)	(69)	-	(106,395)
	328,664	17,703	11,461	3,764	5,390	1,067	234	1,037	373	369,693
Movements in fair value										
Additions	3,387	-	902	30	1,295	72	-	50	1,275	7,011
Contributions	770	-	-	22	-	-	-	-	-	792
Revaluation	112	(4,520)	(687)	1,712	-	-	229	-	-	(3,154)
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Transfers	27	-	-	-	60	-	-	-	(27)	60
	4,296	4,520	215	1,764	1,355	72	229	50	1,248	4,709
Movements in accumulated depreciation										
Depreciation and amortisation	(4,719)	(389)	(161)	(122)	(404)	(62)	(49)	(23)	-	(5,929)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	(4,719)	(389)	(161)	(122)	(404)	(62)	(49)	(23)	-	(5,929)
At fair value 30 June 2019	414,360	30,568	13,265	7,854	9,204	1,549	1,220	1,156	1,621	480,797
Accumulated depreciation at 30 June 2019	(86,119)	(17,774)	(1,750)	(2,448)	(2,863)	(472)	(806)	(92)	-	(112,324)
	328,241	12,794	11,515	5,406	6,341	1,077	414	1,064	1,621	368,473

Notes to the Financial Report For the Year Ended 30 June 2019

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 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 earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed 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.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Stephen Davey AAPI registration no 63379 in June 2016 and subsequently indexed in June 2019. 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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	45	30,241	-	Jun-19
Specialised land	-	-	4,335	Jun-16
Heritage Buildings	-	-	970	Jun-16
Non - Specialised Buildings	-	-	2,461	Jun-16
Specialised Buildings	-	-	26,144	Jun-16
Total	45	30,241	33,910	

Notes to the Financial Report For the Year Ended 30 June 2019

Valuation of infrastructure

Valuation of Roads, Bridges, Footpaths and Drainage infrastructure assets have been determined in accordance with an independent valuation undertaken by Mr Peter Moloney MIE (Aust) as at 30 June 2019.

Valuation of Recreational leisure and community, Park open space and streetscapes and Offstreet carpark infrastructure assets have been undertaken by Mr Stephen Davey AAPI registered Certified Practising Valuer as a part of land and buildings valuation as at 30 June 2016.

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 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	328,241	Jun-19
Bridges	-	-	12,794	Jun-19
Footpaths and cycleways	-	-	11,515	Jun-19
Drainage	-	-	5,406	Jun-19
Recreational, leisure and community facilities	-	-	6,341	Jun-16
Parks, open space and streetscapes	-	-	1,077	Jun-16
Off street car parks	-	-	1,064	Jun-16
Gravel Pit	-	-	414	Jun-19
Total	-	-	366,852	

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 \$0.03 and \$1,031 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. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 150 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 19 years to 90 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.



**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
6.2 Investments in associates		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Equity in Geelong Regional Library (GRL)	724	740
Geelong Regional Library (GRL)		
<i>Background</i>		
Council share of the net equity in GRL is 6.30% (6.23% 2018). The GRL Board is comprised of seven representatives from four member Councils. Golden Plains Shire Council has one representative on the GRL Board.		
Fair value of Council's investment in Geelong Regional Library	<u>724</u>	<u>740</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	740	740
Reported surplus/(deficit) for year	(16)	-
Council's share of accumulated surplus/(deficit) at end of year	<u>724</u>	<u>740</u>
Council's share of expenditure commitments		
Operating commitments	406	417
Council's share of expenditure commitments	<u>406</u>	<u>417</u>

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.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	No.	No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Golden Plains Shire Council		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Helena Kirby		
Des Phelan		
David Evans		
Joanne Gilbert		
Nathan Hansford		
Les Rowe		
Owen Sharkey		
Chief Executive Officer and other Key Management Personnel		
Eric Braslis		
Richard Trigg (1/7/2018 - 21/12/2018)		
Claire Tehan (22/12/2018 - 24/02/2019)		
Philippa O'Sullivan (25/2/2019 - 30/06/2019)		
Jillian Evans (1/7/2018 - 14/11/2018)		
Patti Wenn (10/9/2018 - 1/2/2019)		
Lisa Letic (1/4/2019 - 30/6/19)		
Greg Anders		
Total Number of Councillors	7	7
Total Chief Executive Officer and other Key Management Personnel	8	6
Total Key Management Personnel	15	13



**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
(c) Remuneration of Key Management Personnel		
Total remuneration of key management personnel was as follows:		
Short-term benefits	983	1,185
Long-term benefits	18	20
Post employment benefits	70	79
Termination benefits	65	-
Total	1,136	1,284

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

	No.	No.
\$20,000 - \$29,999	6	5
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	2	1
\$50,000 - \$59,999	1	
\$70,000 - \$79,999	2	-
\$100,000 - \$109,999	1	-
\$110,000 - \$119,999	-	2
\$130,000 - \$139,999	1	-
\$140,000 - \$149,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	1
\$200,000 - \$209,999	1	-
\$250,000 - \$259,999	1	-
\$260,000 - \$269,999	-	1
	15	13

7.2 Related party disclosure

(a) Transactions with related parties

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

	2019	2018
	\$	\$
	-	-

(b) Outstanding balances with related parties

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

	-	-
--	---	---

(c) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

	-	-
--	---	---

(d) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:

	-	-
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Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

(a) Contingent assets

Bank Guarantee – Minister for Energy & Resources

Council has issued a Bank Guarantee for the amount of \$9,000 in favour of the Minister for Energy & Resources for rehabilitation of the De Motts/Jollys Gravel Pit. Council does not believe that the bank guarantee will be exercised.

Bank Guarantee – Department of Sustainability & Environment

Council has issued a Bank Guarantee for the amount of \$37,500 in favour of the Department of Natural Resources & Environment for rehabilitation of the Sago Hill Gravel Pit. Council does not believe that the bank guarantee will be exercised.

Council has issued a Bank Guarantee for the amount of \$17,000 in favour of the Department of Natural Resources & Environment for rehabilitation of the Black Hill Gravel Pit. Council does not believe that the bank guarantee will be exercised.

(b) Contingent liabilities

Superannuation

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

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 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.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

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. Total impact on the Statements are expected to be immaterial.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

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

Notes to the Financial Report For the Year Ended 30 June 2019

Leases (AASB 16) (applies 2019/20)

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.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$0 in lease related assets and an equivalent liability.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under 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 a not-for-profit entity to further its objectives.

8.3 Financial instruments

(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.

Notes to the Financial Report For the Year Ended 30 June 2019

(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 8.1(b).

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

Notes to the Financial Report For the Year Ended 30 June 2019

(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 a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- 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 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of +0.5% and -0.5% in market interest rates (AUD) from year-end rates of 2.5%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2019

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 4 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2019			
Property			
Land	9,484	6,486	15,970
Land Under Roads	165	-	165
Buildings	8,858	-	8,858
	18,507	6,486	24,993
Infrastructure			
Roads	220,477	112	220,589
Bridges	10,027	(4,520)	5,507
Footpaths and cycleways	2,847	(687)	2,160
Drainage	1,155	1,712	2,867
Offstreet car parks	37	-	37
	234,543	(3,383)	231,160
Total asset revaluation reserves	253,050	3,103	256,153
2018			
Property			
Land	9,484	-	9,484
Land Under Roads	165	-	165
Buildings	8,858	-	8,858
	18,507	-	18,507
Infrastructure			
Roads	220,503	(26)	220,477
Bridges	10,184	(157)	10,027
Footpaths and cycleways	2,997	(150)	2,847
Drainage	1,190	(35)	1,155
Offstreet car parks	37	-	37
	234,911	(368)	234,543
Total asset revaluation reserves	253,418	(368)	253,050

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	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) Other reserves				
2019				
Recreation Lands	-	246	(194)	52
Unexpended project reserve	3,230	6,837	(3,229)	6,838
LSL Investment Reserve	320	267	-	587
Developer Contribution reserve	163	336	(259)	240
Quarry Levy	-	159	(159)	-
Waste Management	-	490	-	490
Total Other reserves	3,713	8,335	(3,841)	8,207
2018				
Recreation Lands	-	71	(71)	-
Unexpended project reserve	3,361	3,228	(3,359)	3,230
LSL Investment Reserve	330	-	(10)	320
Developer Contribution reserve	123	197	(157)	163
Quarry Levy	64	128	(192)	-
Total Other reserves	3,878	3,624	(3,789)	3,713

Purposes of Other Reserve

Recreation Lands	These funds relate to Public Open Space Contributions collected from property developers. The funds are utilised to develop open space (including recreation facilities) areas throughout the Shire.
Unexpended project reserve	These funds have been received or committed in prior year/s and are held to enable Council to deliver the corresponding projects.
LSL Investment Reserve	These funds relate to the current portion of Council's Long Service Leave liability.
Developer Contribution reserve	These funds relate to Developer Contributions collected from property developers. The funds are utilised to develop new community infrastructure.
Quarry Levy	These funds are collected from Quarry operators and the funds are utilised to maintain the local road network utilised by these quarries.
Waste Management	These funds relate to the waste management charges collected from customers less associated waste management expenses therefore represent the surplus generated from providing waste management services. The funds are committed to future waste management expenses and are held to offset the expected increase in recycling disposal costs.



**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	6,350	6,023
Depreciation/amortisation	7,780	7,591
(Profit)/loss on acquisition/disposal of property, infrastructure, plant and equipment	(103)	(154)
Contributions - Non-monetary assets	(795)	(192)
Gravel Pit / Landfill re-measurement adjustment	(229)	(109)
Finance cost	334	334
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,380)	370
(Increase)/decrease in accrued income	(43)	(23)
(Increase)/decrease in prepayments	102	(109)
Increase/(decrease) in trade payables	283	276
Increase/(decrease) in accrued expenses	(149)	(2)
(Increase)/decrease in other assets	16	-
(Increase)/decrease in inventories	7	7
Increase/(decrease) in trust funds	270	85
Increase/(decrease) in provisions	378	(135)
Net cash provided by/(used in) operating activities	12,821	13,962

Notes to the Financial Report For the Year Ended 30 June 2019

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund Vision Super. 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 Fund's 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 2019, 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 2018, 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 106.0%. 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 30 June 2019 was 107.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2018 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 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). 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.

Notes to the Financial Report For the Year Ended 30 June 2019

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.

2018 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Golden Plains Shire Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2,018	2,017
	\$'000	\$'000
A VBI surplus	131,900	69,800
A total service liability surplus	218,300	193,500
A discounted accrued benefits surplus	249,100	228,800

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 2018.

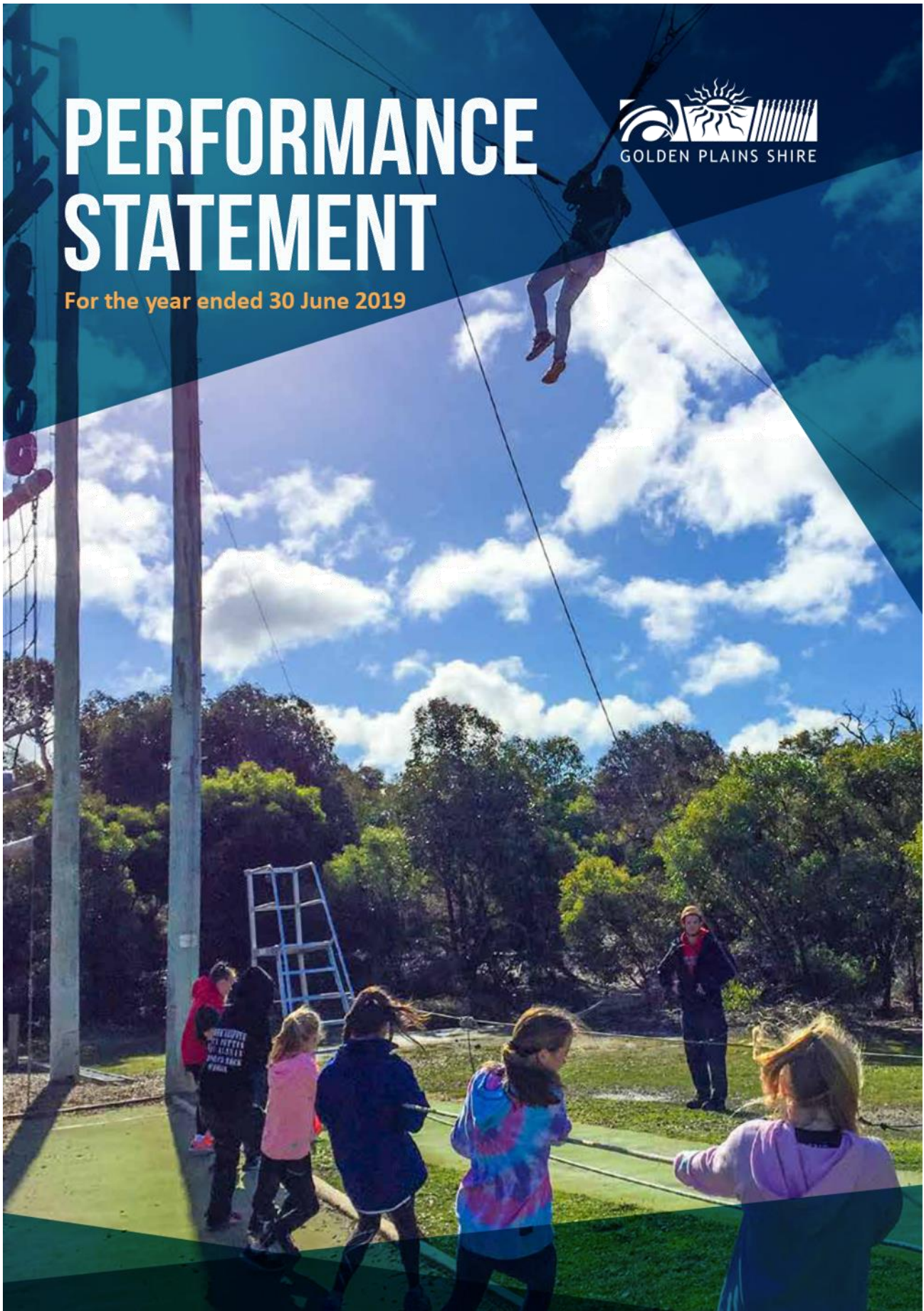
The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

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.

Council was notified of the 30 June 2018 VBI during August 2018.

2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.



 **PERFORMANCE STATEMENT** - FOR THE YEAR ENDED 30 JUNE 2019**Certification of the Performance Statement**

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



Philippa O'Sullivan
Principal Accounting Officer
Dated: 18 September 2019

In our opinion, the accompanying Performance Statement of the Golden Plains Shire Council for the year ended 30 June 2019 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

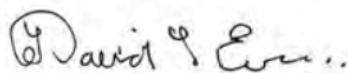
The Performance Statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this Performance Statement in its final form.



Councillor Owen Sharkey
Mayor
Dated: 18 September 2019



Councillor David Evans
Dated: 18 September 2019



Eric Braslis
Chief Executive Officer
Dated: 18 September 2019



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Golden Plains Shire Council

Opinion	<p>I have audited the accompanying performance statement of Golden Plains Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council 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 determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</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</p>

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

Independent Auditor's Report

To the Councillors of Golden Plains Shire Council


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
23 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria



We encourage you to visit Golden Plains and taste, see and explore all it has to offer. Who knows? Perhaps you'll decide to stay.



Description of municipality

Golden Plains is the place to enjoy life as it should be.

In recent years, the region has experienced significant population growth as people discover the benefits of living in a semi-rural setting with plenty of space to breathe.

With 23,120 residents across 56 communities and 16 townships, Golden Plains Shire has been one of the fastest growing municipalities in Victoria, with population growth now around 2.4% per annum.

New residents, including many young families, continue to enjoy a diverse range of lifestyle choices available in the Shire's welcoming communities.

Golden Plains Shire comprises 2,704 square kilometres between Victoria's two largest regional cities, Geelong and Ballarat. The Shire's close proximity to services available in neighbouring cities and convenient commuting distance to Melbourne and the SurfCoast adds to its appeal as a place to call home.

Business growth continues to create attractive investment opportunities and new jobs. While the Shire has a strong tradition of wool and grain production, intensive animal farming, particularly poultry and pigs, is increasing.

Golden Plains Shire is conveniently located close to export markets and welcomes investment and sustainable development. Strong population and economic growth render the region an attractive place to invest.

As a popular destination for family fun, food and wine connoisseurs and for those seeking adventure in the great outdoors, Golden Plains Shire also has it all for the perfect day trip experience.

This thriving municipality has become renowned across Australia, and internationally, for the produce on offer at local eateries, cellar doors and the monthly Golden Plains Farmers' Market in Bannockburn.

The Golden Plains region has become known for its many gourmet food producers and the Moorabool Valley in the Shire's east is home to a well established award winning wine industry. The newly created Moorabool Valley Taste Trail includes wineries, cellar doors and provedores.

Despite strong growth in the north west and south east, the Shire continues to be offer beautiful natural environments and landscapes. The natural beauty of the region remains visible and accessible as does remnant townships and structures from the area's rich gold mining history.

The region has a vibrant arts and culture scene including iconic music festivals which are all helping to make Golden Plains an emerging tourism destination.

PERFORMANCE STATEMENT - FOR THE YEAR ENDED 30 JUNE 2019

Sustainable Capacity Indicators

Service/indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,773.80	\$1,758.40	\$1,657.34	\$1,655.84	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,094.48	\$19,636.96	\$18,012.28	\$17,516.52	This indicator will always be quite high for Golden Plains, due to its extensive road network and relatively low population.
Population density per length of road [Municipal population / Kilometres of local roads]	12.09	12.74	13.12	13.73	This indicator will always be quite low for Golden Plains, due to its extensive road network and low population.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,109.90	\$1,107.07	\$1,132.16	\$1,171.76	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$423.86	\$709.93	\$529.58	\$499.96	The 2016-17 result was abnormally large due to the early receipt of Federal Assistance Grants resulting in the deliver of 18 months of funding.
Disadvantage					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	
Animal management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1*	2*	5	5	A large number of dog attacks were recorded during the year which were followed by prosecutions.

* These figures have been corrected to exclude prosecutions relating to unpaid fines.

Service Performance Indicators

Service/indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
<p>Food safety</p> <p>Health and safety</p> <p><i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100</p>	95.45%	94.12%	100.00%	100.00%	All 45 critical and major non-compliance notifications were followed up.
<p>Governance</p> <p>Satisfaction</p> <p><i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]</p>	44.00	48.00	51.00	47.00	Council is committed to improving its community consultation and engagement practices. It is believed this indicator was positively impacted in 2017 by the adoption of an updated Community Engagement Strategy and new Community Engagement Action Plan in 2017.
<p>Home and community care</p> <p>Participation</p> <p><i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100</p> <p>Participation</p> <p><i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</p>	17.74%	n/a	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.
<p>Libraries</p> <p>Participation</p> <p><i>Active library members</i> [Number of active library members / Municipal population] x100</p>	13.32%	12.68%	12.10%	10.50%	Indicator does not capture other library activity for example children and youth programs, digital literacy programs and literary events, the use of public internet PCs, using facilities such as meeting rooms or study areas, or using services such as Wifi, or in library use of collections.

PERFORMANCE STATEMENT - FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators

Service/indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
<p>Maternal and child health</p> <p>Participation</p> <p><i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p> <p>Participation</p> <p><i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	81.58%	80.29%	86.34%	82.31%	Council's MCH staff are extremely active in following up families and ensuring each visit delivers significant benefit.
<p>Roads</p> <p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</p>	44.00	38.00	47.00	44.00	Council continues to implement its maintenance and reseal program.
<p>Statutory Planning</p> <p>Decision making</p> <p><i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</p>	100.00%	100.00%	100.00%	0%	No Council planning decisions determined by VCAT during 2018-19.
<p>Waste Collection</p> <p>Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	39.83%	40.65%	40.81%	38.13%	The slight reduction in the percentage of kerbside collection diverted to landfill in 2018-19 can be attributed to the closure of Council's recycling company for a period of three weeks. During this time Council's recycling collection went to landfill.

PERFORMANCE STATEMENT - FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators

Dimension/Indicator/measure	Results					Forecast Figures			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,513.48	\$3,612.18	\$3,438.54	\$3,480.27	\$3,818.73	\$3,693.91	\$3,791.55	\$3,924.45	
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,741.54	\$1,824.45	\$1,896.58	\$2,014.78	\$2,091.00	\$2,185.10	\$2,283.42	\$2,386.18	This average is consistent with Council's long term financial planning and comparable to Councils of a similar size.
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.84%	12.96%	16.27%	22.43%	15.08%	15.15%	15.00%	14.85%	The relocation of a number of government head offices to Geelong has resulted in higher turnover.
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	218.93%	234.41%	249.48%	170.06%	276.88%	293.72%	339.52%	277.41%	\$5M loan for Bannockburn Community Facility was not taken up during 2018-19 as a result of a delay in the project commencement date.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	113.94%	136.75%	163.53%	119.29%	206.76%	224.78%	271.17%	217.76%	Higher cash balance resulting from capital works program running behind schedule. Increase in current liabilities due to reclassification of loans maturing in 2019-20 from non-current to current.
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	38.78%	36.42%	36.95%	33.36%	61.45%	58.34%	55.97%	53.91%	Council is currently utilising interest only loans with the Municipal Association of Victoria Local Government Funding Vehicle. Planned new loan of \$5M for Bannockburn Community Facility was not taken up during 2018-19.

PERFORMANCE STATEMENT - FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators

Dimension/Indicator/measure	Results					Forecast Figures			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.45%	3.26%	2.69%	2.60%	13.43%	2.91%	2.41%	2.20%	Council is currently utilising interest only loans within the MAV Local Government Funding Vehicle. An investment fund has been established to meet the future principle repayments. The first major principle repayment is scheduled for 2019-20.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	37.65%	40.72%	37.73%	12.05%	63.37%	54.23%	51.55%	46.53%	Loan of 5M to fund the development of the Golden Plains Community and Civic Centre was not taken up due to a delay in the project commencement date.
Asset renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	84.54%	71.40%	75.35%	55.67%	51.44%	71.52%	78.12%	90.11%	Council capital works program running behind schedule which has impacted the level of renewal expenditure in 2018-19.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	(3.48%)	6.85%	5.04%	5.05%	(4.53%)	6.82%	6.97%	6.36%	The 2016-17 and 2018-19 results are higher than forecast due to the early receipt of Federal Assistance Grants.
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	54.85%	49.74%	54.54%	56.84%	58.77%	56.59%	57.24%	57.80%	The 2016-17 result was lower due to the early receipt of Federal Assistance Grants.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.50%	0.50%	0.50%	0.49%	0.43%	0.44%	0.45%	0.46%	This figure should continue to be approximately 0.42% as the Shire grows.

Other Information



Basis of preparation

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

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the Performance Statement. Council has adopted materiality thresholds relevant

to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the Performance Statement are those adopted by Council in its strategic resource plan on 25 June 2019 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.





GOLDEN PLAINS SHIRE COUNCIL

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Victoria, 3331.

Linton Customer Service Centre

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Victoria, 3360.

The Well, Smythesdale Customer Service Centre

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