



# Annual Report

The 12th Annual Report of the Golden Plains Shire Council

# 2005 - 06

## At a glance

<b>Location:</b>	Access to Melbourne, Ballarat and Geelong. The gateway to the Central Highlands region and Western District
<b>Area:</b>	2705 sq kilometres
<b>Estimated Population:</b>	17,100
<b>Growth Rate:</b>	3.7%
<b>Number of employees:</b>	140
<b>Number of Councillors:</b>	9
<b>Number of Ridings:</b>	9
<b>Rateable properties:</b>	8800 (2005-06)
<b>Total revenue:</b>	\$22 million
<b>Rate revenue:</b>	\$6.2 million
<b>Length of sealed local roads:</b>	891 kms
<b>Length of unsealed local roads:</b>	768 kms
<b>Main Roads:</b>	220 kms
<b>Climate:</b>	Cool winters and moderate summers
<b>Annual Average Rainfall:</b>	500-750 mm
<b>Average winter temp:</b>	10 degrees Celsius
<b>Average summer temp:</b>	25 degrees Celsius

## Communities

Anakie	Durridwarrah	Linton	Pitfield
Bamganie	Durham Lead	Mannibadar	Pittong
Bannockburn	Enfield	Maude	Rokewood
Barunah Park	Garibaldi	Meredith	Rokewood Junction
Batesford	Gheringhap	Morrison	Ross Creek
Berringa	Grenville	Mount Mercer	Russells Bridge
Berrybank	Haddon	Murgheboluc	Scarsdale
Cambrian Hill	Happy Valley	Napoleons	She Oaks
Cape Clear	Hesse	Newtown	Shelford
Corindhap	Illabarook	Nintingbool	Smythes Creek
Cressy	Inverleigh	Piggoreet	Smythesdale
Dereel	Lethbridge		Springdallah
			Staffordshire Reef
			Steiglitz
			Stonehaven
			Sutherlands Creek
			Teesdale
			Wallinduc
			Werneth
			Willowvale
			Wingeel



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## Our Vision

Golden Plains Shire offers a lifestyle and opportunities that foster social and economic wellbeing.

In partnership with the community, we will provide strong leadership, encourage sustainable development and ensure quality services, to continue to improve the quality of life of residents.

## Our Mission

- We encourage, welcome and recognise the need to respond to the significant forecast population growth and the opportunities it creates.
- We maintain and enhance the diversity and uniqueness of our communities, while encouraging population growth and economic development.
- We maintain and develop a quality road system and secure adequate resources for the future.
- All our citizens have fair access to recreation facilities, education, employment and human services, particularly youth and the aged.
- We accept individual diversity and we welcome and encourage participation in civic and community affairs.
- We market our municipality through open and effective communication.
- We respect the environment, our cultural significance and our heritage.
- We support and pursue the orderly and proper planning of land use and development based on strategic considerations as identified in the Municipal Strategic Statement.
- We are a municipal district that recognises a prosperous agricultural industry supporting sustainable practices and the right to farm.
- Our municipal leadership reflects local needs and government priorities within a competitive and changing environment.
- We maintain our successful relationship with other levels of government and agencies.

## Our Values

- **Integrity in Leadership** We will strive to lead the community with integrity, reason and accountability whilst acknowledging Council's statutory obligations.
- **Equity & Access** We will treat our community, residents and ratepayers equitably by being fair in our decision making and ensure that we are approachable by the community.
- **Commitment** We are committed to excellence in management and teamwork, comprising the community, Council and staff.
- **Community** We recognise the uniqueness of our individual communities and will seek to work in partnership with them to enhance our sense of community spirit. We recognise the efforts and value the contributions of our volunteers.
- **Innovation** We are open to new ideas and will grasp opportunities with a vision to succeed.

## Shire Profile

Golden Plains is a vibrant and progressive municipality situated between Geelong, Ballarat and Melbourne, offering residents and businesses access to city services while enjoying the country lifestyle.

Rich in history and character, the small towns and communities throughout the shire provide for a healthy rural lifestyle within easy reach of the state capital and the two largest regional cities.

The Golden Plains region offers fantastic residential, employment and investment opportunities that mean economic prosperity and time to enjoy it.

While the shire has a strong tradition of wool and grain growing, intensive animal farming, particularly poultry and pigs, are becoming increasingly prevalent. Growth in the home-based business sector provides healthy employment opportunities and is the largest employer in the Shire.

The Golden Plains region is fast becoming known for being home to many gourmet producers and the Moorabool Valley in the Shire's east is home to a well-established wine industry.

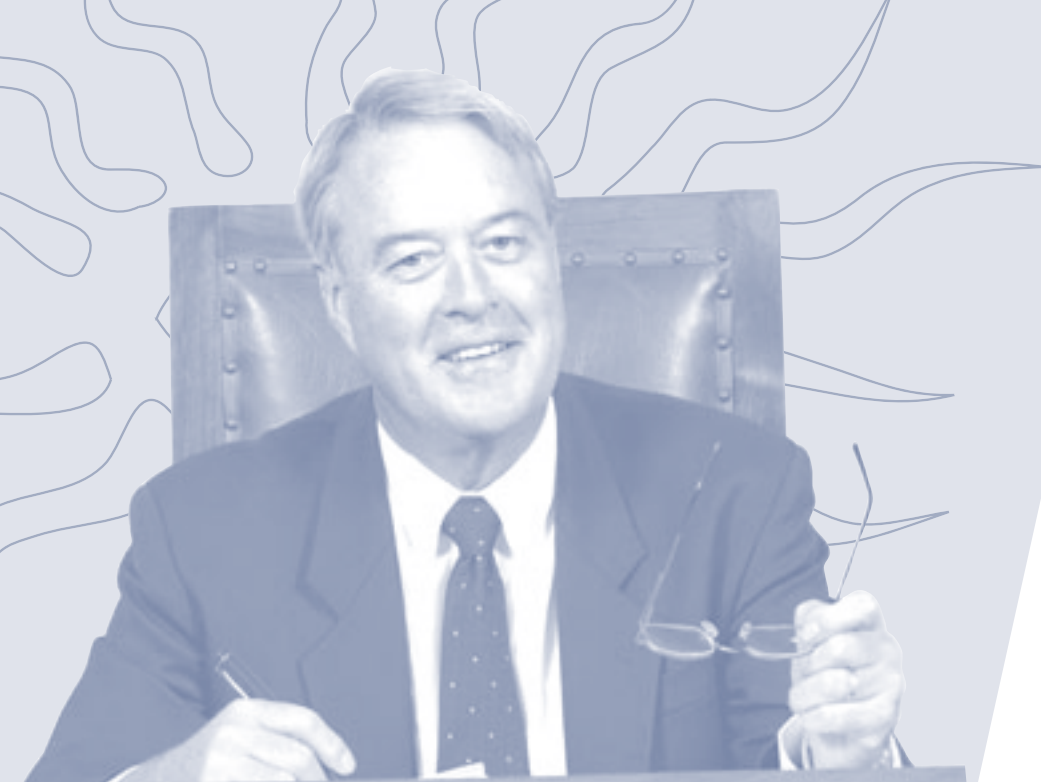
Natural beauty is also a feature with the Brisbane Ranges, Enfield State Forest and Moorabool River are popular for their wildflower displays, koalas, scenic drives, walks and picnic grounds, offering day-trippers an enjoyable tourism experience.

Golden Plains covers an area of approximately 2705 square kilometres with a population exceeding 17,000. The shire's growth rate of 3.7% outstrips Melbourne's 1.1% and makes Golden Plains the second fastest growing municipality in provincial Victoria and the sixth fastest growing statewide.

This rapidly growing residential sector is a reflection of the lifestyle advantages offered in Golden Plains Shire. The level of services and its location, combined with affordable housing and attainment of a semi rural lifestyle makes Golden Plains a unique municipality with much to offer.







## ■ From The Mayor

On behalf of Council and its staff, I am pleased to present Golden Plains Shire's 2005-06 Annual Report, which provides a clear and open account of Council's operations and achievements during the year to 30 June 2006.

Growth continued to have a major bearing on the Shire's activities in 2005-06. Population growth is running at 3.7% compared with the state average of 1.2%. Golden Plains was the second fastest growing municipality in regional Victoria and the sixth fastest growing statewide. Our growing communities continued to raise the bar in terms of the expected level of infrastructure and service delivery. Forecasts for sustained rates of growth have meant that Council must position itself to respond to these increasing demands for the foreseeable future.

I am pleased to report that in 2005-06, Council engaged in a substantial amount of long term strategic planning in order to understand and prepare for the future. The Bannockburn Community Infrastructure Development Plan, Smythesdale Urban Design Framework and the Health Promotion Program are examples of key pieces of strategic planning that will guide future decisions and ensure a co-ordinated approach to growth and the provision of infrastructure and services. Complementing this strategic planning was the implementation of a new revenue strategy designed to decrease Council's heavy reliance on grants and to place the Shire on a more sustainable footing. This will enable Council to deliver future services and infrastructure in line with growing community demands as identified in our strategic planning.

Again in 2005-06, Council continued to enjoy an excellent relationship with its communities and with all levels of government. The willingness of community members to roll up their sleeves and contribute to local projects and programs is essential in a municipality with low rates and comparatively few staff, and I wish to acknowledge the contribution of the many volunteers across the Shire. May I also acknowledge the support of our local members of State and Federal parliament and the value that Council and the community derives from these positive relationships. The Victorian Government's Community Cabinet visit to Golden Plains Shire in December 2005 was particularly worthwhile and allowed Council to highlight its strategic planning for growth and the essential role of the state government in assisting Council to respond to the growth challenge.

In acknowledging a successful 12 months, I note the contribution of the former Mayor, Cr Bill McArthur, who lead the Council until December 2005, and the support of my councillor colleagues since. Thank you also to Council's Chief Executive, Rod Nicholls and his outstanding staff for their commitment and performance throughout the year.

I commend to you the 12th annual report of the Golden Plains Shire Council.

**Cr David Cotsell**

## From the Chief Executive Officer

As the Mayor has reported in his message opposite, the high rate of population growth in Golden Plains has significant implications for Council. These implications exist at the Council level where policies and strategies must be formulated to plan for and respond to the challenges which accompany growth, as well as at an organisational level where more and more is required of resources, staff, systems and processes in order to deliver the outcomes that Council has set in its strategic planning.

I am pleased to report while our organisation has had to change and grow rapidly in response to growth and a growing policy agenda, it has been up to the challenge and performed at a most pleasing level. An excellent result in the 2006 Community Satisfaction Survey as well as the delivery in full of the 2005-06 Council Plan is testament to this, and reflects extremely well on the commitment and teamwork of management and staff, particularly given the Shire's comparatively low staffing levels against the state average for small rural councils. For that I wish to thank my management team and all of council's staff.

I draw your attention to pages 9 and 10 of this Annual Report, which offers an impressive list of achievements for 2005-06, including:

- Bannockburn Family Services Centre
- Bannockburn Business Estate
- Linton Recreation Reserve multi-purpose room
- Ross Creek multi-purpose facility
- Development of Council's Communications Strategy
- Successful lobbying for the Deer Park and Geelong bypasses
- Delivery of the Home Based Business Development program
- Development of the Smythesdale Urban Design Framework
- Funding for the Southeast Land Use Planning Review
- Implementation of the first year of the new Rating Strategy
- Rokewood Recreation Reserve facility upgrade
- State Forest Road upgrade
- \$1 million in local road improvements
- Community grants program – 61 community projects funded

As the Shire continues to grow, added pressure will be placed on Council's finances, as the growing community demands a greater range of more sophisticated services and infrastructure. In 2005-06, Council implemented a new rating structure that will, over time, enhance our financial sustainability and ensure the Shire is able to provide services and infrastructure at the desired level. Council's strong decision on this matter will serve current and future generations of Golden Plains' residents well.

While we must continue to be focused on positioning the Shire's finances for the future, I am pleased to report that Council has achieved a good financial result for the year to 30 June 2006.

It is very pleasing to note that Council has ended the financial year in a sound financial position. Our cash flows are healthy and our ability to match future government grants with Council funds for major projects is strong. Our debt levels remain low and well within the State Government's prudent guidelines. Importantly, our physical infrastructure has been maintained at optimal levels to ensure sustainability of these facilities over the long term.

I trust that you will enjoy reading this annual report and agree that Council has achieved a good deal of success against its most important objective - working for the betterment of the Golden Plains community.



**Rod Nicholls**



## Councillors



Cr Jenny Blake  
Valley Riding  
First elected  
March 1996



Mayor  
Cr David Cotsell  
Bannockburn Riding  
First elected  
November 1998



Cr Gerald Dupe  
Ranges Riding  
First elected  
March 1996



Cr Geraldine Frantz  
Forest Riding  
First elected  
December 2003



Cr Des Guinane  
Rivers Riding  
First elected  
March 1996



Cr Jenny Jones  
Break o'Day Riding  
First elected  
November 2004



Cr Kevin Knight  
Woody Yaloak Riding  
First elected  
March 1996



Cr Bill McArthur  
Haddon Riding  
First elected  
March 1996



Cr Alwyn Parker  
Ross Creek Riding  
First elected  
March 1996

## Senior Management



Rod Nicholls  
Chief Executive  
Officer



John Dixon  
Director  
Corporate Services



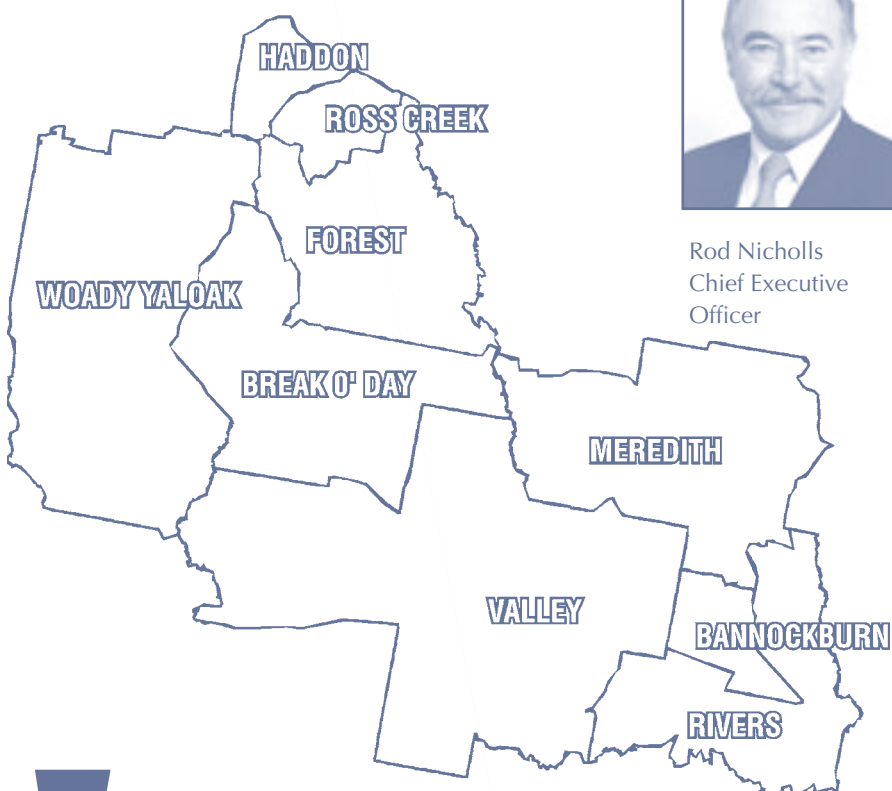
David Madden  
Director  
Technical Operations



Lenny Jenner  
Director  
Community Services

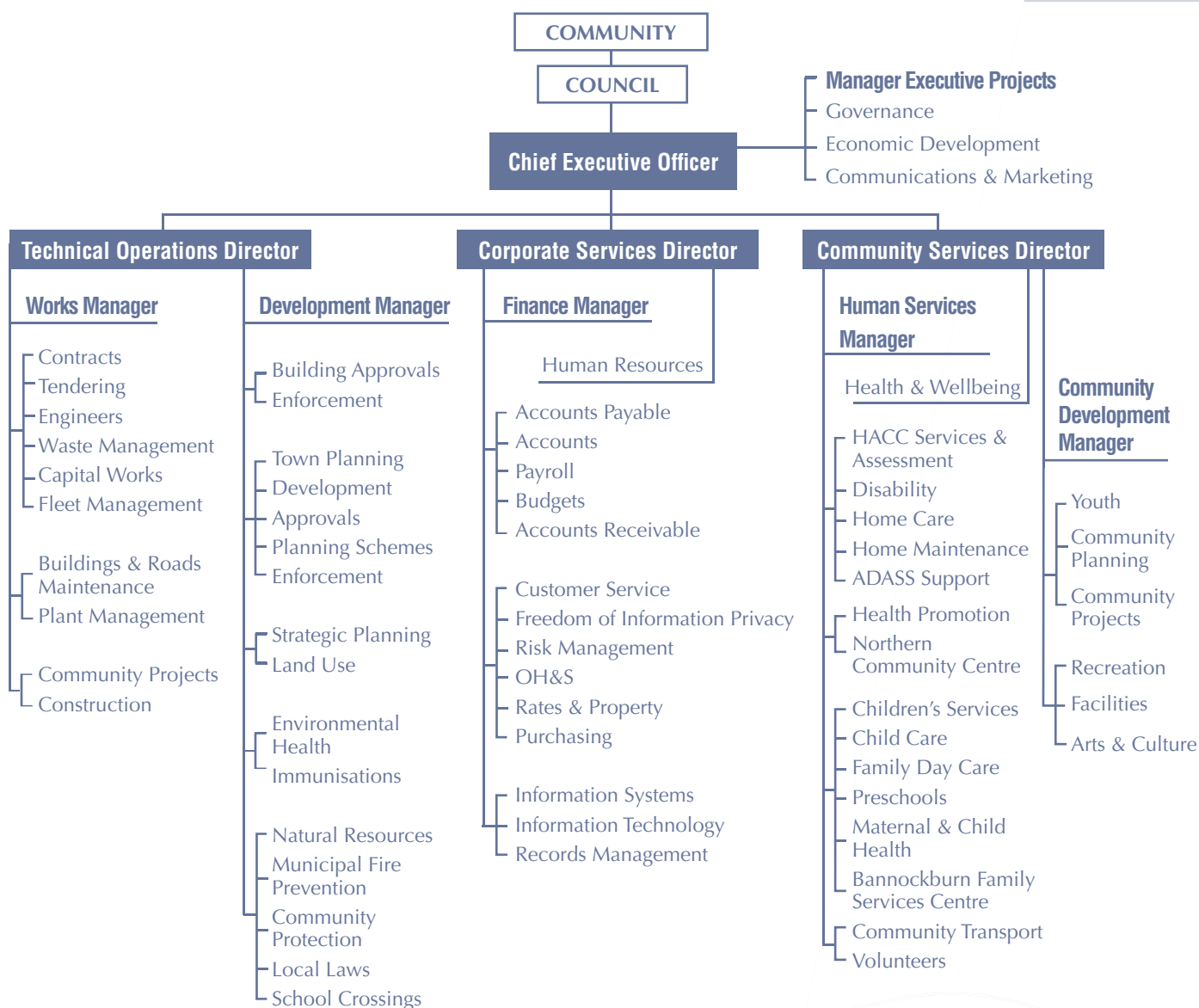


Steven Sagona  
Manager  
Executive Projects





# Organisational Structure



## Staff Analysis

	Female	Male	Total
Full Time	35	55	90
Part Time	44	6	50
Total	79	61	140

### Equivalent Full Time

	Female	Male	Total
Full Time	35	55	90
Part Time	15.55	2.79	18.34
Total	50.55	57.79	108.34



# Year in Review

The 2005-06 Council Plan identified 61 objectives to be achieved throughout the year. Council has successfully progressed all of these priorities. The major highlights are presented against Council's nine key result areas.

## Citizen & Customer Service

- High Community Satisfaction rating measured by the Department of Victorian Communities Annual Survey.
- Continued commitment to the Best Value process and providing Best Value Services to many communities.
- Community involvement and consultation via Council's Community Development Program involving 19 towns.
- Delivery of six editions of the 'Golden Plains Gazette' to all households across the Shire.
- Prepared new Communications Strategy, including survey of 2000 households.
- Implementation of the Customer Service Strategy.
- Development of a comprehensive Risk Management Strategy

## Civic Leadership

- Contributed to the development of the G21 Geelong Region Plan.
- Contributed to the development of the CH21 concept (Central Highland Region project).
- Successful regional lobbying of Federal and State politicians on regional projects – Deer Park Bypass, Geelong Bypass, Midland Highway upgrade, humans services, environment issues, roads, recreation.
- Representation on the board of Municipal Association of Victoria by Cr Bill McArthur.
- Facilitated and supported community celebrations of important national events – Australia Day, Golden Connections transport volunteers, Community Coordinators, Commonwealth Games celebrations, citizen recognition.

## Economic Development

- Commenced a study into the infrastructure requirements of intensive agriculture industries.
- Development and sale of all 23 lots at stage 2 of the Bannockburn Business Estate.
- Produced the Location and Lifestyle business and residential prospectus.
- Produced the Golden Plains Tourist Map.
- Delivered a Home Based Business Development program inclusive of networking and training opportunities.
- Developed the HomeBiz Kit.
- Commenced a study to review the impacts and benefits of the proposed Geelong Bypass.

## Environment and Land Use Planning

- Review of Council's strategic firebreak break well underway, with onsite inspections/meetings held with each Brigade Captain or representative.
- Continued to support Regional Landcare Groups with the provision of advice, information and financial assistance.
- Implementation of Smythesdale UDF and Inverleigh UDF.
- Implementation of the recommendations of the Small Town Sewerage Study.
- Assessed and planned for impact of Ballarat's growth on GPS.
- Actively pursued clarification regarding who is responsible for regionally controlled weeds on roadsides.

## Financial Management

- Implemented the first year of a new Rating Strategy including a differential growth rate to fund strategic and social planning activities.
- Adoption of Council's rate policy has ensured that a developer contribution for rezoning has provided a negotiation point on currently zoned land.
- Secured a record of \$8.3 million in grants.

## Human Support Services

- Construction of the Bannockburn Family Services Centre
- Development of community health service hubs in the southern, central and northern sectors of the Shire.
- Maintained a high standard and extended service delivery of Maternal & Child Health Service.
- Preparation of the 'Healthy Ageing Plan' and funding has been allocated to prepare a plan to improve access and participation for people with disabilities.
- Establishment of family support services provided by Centacare Ballarat and Glastonbury Child & Family Services.
- Successful operation of Council's Family Day Care services across the Shire with 97 families utilising the service.
- Continuation and expansion of the Golden Connections Community Transport Service.
- Continued improvements of provision and co-ordination of youth services through the development of Youth Action Teams, the establishment of Youth Spaces in a number of towns, continued planning and support of FReeZA and National Youth Week events.
- Completion of the 'Adventure Builds Connections' report to document the experience of young people living in Golden Plains who were early school leavers.

## Recreation and Community Development

- Negotiated to secure land for expansion of future community facilities in Bannockburn.
- Continued advocacy for the co-location of schools with other community facilities.
- Continued to provide support and assistance to voluntary Committees of Management in line with recommendations from the AMARNA report.
- Worked with local police to enhance relationships between young people and police throughout the Shire.
- Continued working with young people to plan and conduct FReeZA event and National Youth Week.
- Implemented Phase 2 of the Community Development Program.
- Upgrade of the Rokewood Recreation facilities with the construction of a new sporting pavilion, netball change room and upgrade of the toilets.
- Completion of tennis facilities upgrade across the Shire.

## Roads & Streets Infrastructure

- Advocated for safe turning lanes at Hamilton Highway intersections with Harvey Road, Burnside Road, Friend in Hand Road and Common Road.
- Continued to advocate for upgrades to all highways within the Shire.
- Grants secured for Garibaldi Bridge and State Forest Road upgrade.

## Waste Management

- Provided waste management services to 96% of properties in Golden Plains Shire.



# Grants Obtained

In 2005-06 Council received external funding for the following community based projects

PROJECT	FUNDING SOURCE	AMOUNT RECEIVED 2005-06 \$	TOTAL GRANT FUNDING FOR PROJECT \$	TOTAL PROJECT COST \$
Bannockburn Family Services Centre	Department of Transport & Regional Services	60,000	820,000	1,770,000
Sustainable Water Use Plan	Department of Sustainability & Environment	10,000	10,000	10,000
Roadside Gorse	Department of Primary Industries	37,340	37,340	37,340
CCMA Satellite Gorse Management	Corangamite Catchment Authority	2,650	2,650	2,650
CCMA Biodiversity Catchment Incentive Scheme	Corangamite Catchment Authority	9,000	9,000	9,000
Domestic Waste Water Management Plan	Municipal Association of Victoria	27,273	27,273	54,546
Community Development Phase 2	Department for Victorian Communities	45,000	210,000	210,000
Fire Access Road	Country Fire Authority	13,212	13,212	13,212
Youth Services	Department for Victorian Communities	34,306	34,306	34,306
Community Building Initiative	Department for Victorian Communities	44,122	185,580	185,580
Recreation Strategy	Department for Victorian Communities	21,600	27,000	54,000
Youth Music Events	Department for Victorian Communities	9,725	19,450	19,450
Go For Your Life	Department for Sport & Recreation Victoria	30,000	60,000	120,000
Go For Your Life (Street Party)	Department for Victorian Communities	6,000	6,000	6,000
Inverleigh Viewing Platform	Corangamite Catchment Authority	7,000	7,000	7,000
Commonwealth Games Getting Involved Program	Department for Victorian Communities	3,500	20,000	60,000
Township Weed Facilitator	Department of Primary Industries 50%	16,000	115,300	115,300
Bannockburn Bowls Club Water Project	Department of the Environment & Heritage	45,455	45,455	106,500
Bannockburn Recreation Masterplan	Department for Sport & Recreation Victoria	10,800	22,000	44,000
Tanks for Toilets	Department of the Environment & Heritage	38,530	38,530	77,060
Inverleigh Country Football Ground Assistance	Department for Sport & Recreation Victoria	1,600	8,000	16,000
Storm Water Drainage Project, Smythesdale	Department of Sustainability & Environment	125,000	250,000	540,000
State Emergency Service	Department of Justice	4,975	4,975	9,950
National Youth Week	Department for Victorian Communities	2,000	2,000	2,000
International Day Of Disability	Department of Human Services	1,000	1,000	1,000
Cities For Climate Protection	Australian Greenhouse Office	4,000	4,000	4,000
<b>Total Grants Obtained</b>		<b>610,066</b>	<b>1,960,071</b>	<b>3,506,694</b>

# Grants & Donations Allocated to Community Groups

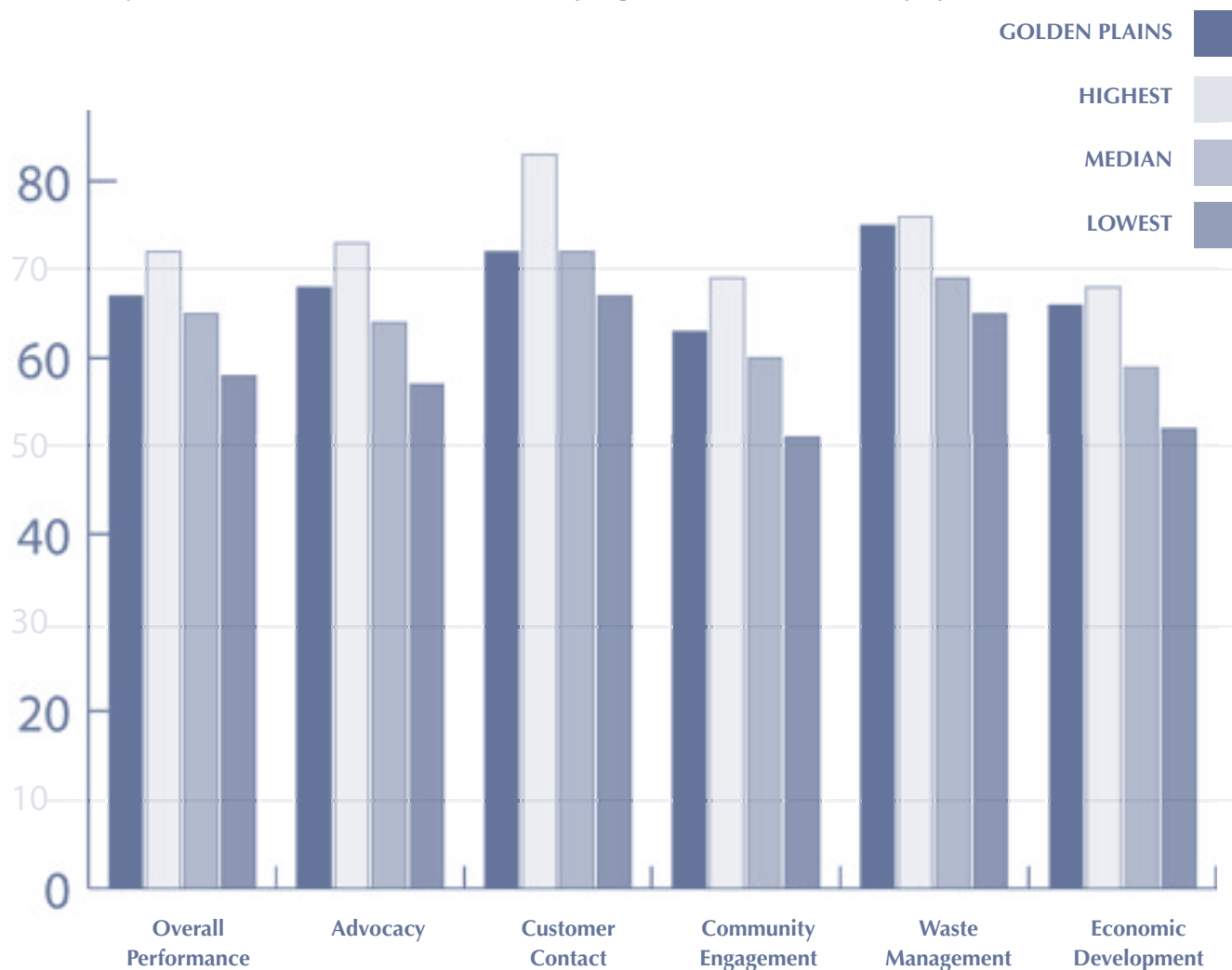
In 2005-06, Council made the following grants and donations

COMMUNITY GROUP/ORGANISATION	AMOUNT
Bannockburn and District Bowls Club	\$ 4,157
Bannockburn and District Lions Club	\$ 2,320
Bannockburn Cemetery Trust	\$ 3,045
Bannockburn Playgroup Inc	\$ 1,000
Bannockburn Public Hall Committee of Management	\$ 8,200
Bannockburn Recreation Reserve Committee of Management - Victoria Park	\$ 7,500
Bannockburn Tennis Club Inc	\$ 800
Berringa Community Committee Inc	\$ 1,600
Berringa/Staffordshire Reef Community Coordinators & BODAFEG	\$ 2,845
Dereel Community Coordinators & Dereel Action Committee	\$ 5,457
Elder Park Committee of Management	\$ 2,000
Friends of Inverleigh Flora and Fauna Reserve	\$ 3,750
Grenville Land Care Inc	\$ 2,415
Haddon Recreation Centre	\$ 642
Haddon Town Plan Group	\$ 2,640
Harrison Reserve Committee of Management	\$ 4,000
Inverleigh Cricket Club	\$ 1,785
Inverleigh Progress Association	\$ 3,440
Inverleigh Public Hall & Mechanics Institute	\$ 1,677
Leigh and District Land Care Group	\$ 1,800
Leighdale Equestrian Centre Committee of Management	\$ 5,332
Lethbridge Newsletter	\$ 800
Linton & District Bowling Club	\$ 2,411
Linton & District Historical Society Inc	\$ 825
Linton Recreation Reserve Committee of Management	\$ 1,475
Meredith Community House Inc	\$ 709
Meredith Community Playgroup	\$ 5,461
Meredith Memorial Hall	\$ 6,750
Meredith Town Team	\$ 2,440
Rokewood Adult Riding Club	\$ 2,696
Rokewood Memorial Hall	\$ 650
Ross Creek Recreation Reserve Committee of Management	\$ 2,856
Shelford Cricket Club	\$ 850
Smythesdale & District Pony Club Inc	\$ 3,038
Smythesdale Adult Riders Club Inc	\$ 4,840
Smythesdale Community Coordinators	\$ 1,920
Teesdale Community Coordinators	\$ 2,935
Teesdale Pre-school	\$ 837
Teesdale Recreation Reserve Committee of Management	\$ 2,998
Woody Yaloak Equestrian Centre	\$ 2,704
Woody Yaloak Recreation Reserve	\$ 1,400
<b>Total Grants and Donations Allocated</b>	<b>\$115,000</b>



# Community Satisfaction Survey

Community Satisfaction - Smaller Shires Grouping 2006 (under 26,000 pop.)



## Best Value Program

Golden Plains is committed to:

- ✓ Delivering the best possible services within the limits of its resources.
- ✓ Supporting a culture of continuous improvement within the organisation.
- ✓ Developing strategies for engaging with its community and service users to ensure their needs are included in service planning and development.
- ✓ Providing transparent and accountable processes.
- ✓ Developing and supporting a relationship of trust between Council and residents.

Since the introduction of Best Value legislation in 1999, Golden Plains has reviewed the following services against the Best Value principles:

- Garbage collection and Municipal Tips.
- Property and Rating and Statutory Reporting and Budgeting
- Community Grants and Special Projects.
- Children's Services
- Governance, Strategic and Service Planning
- Fleet and Plant Replacement
- Road Maintenance and Improvements
- Recreation Development and Recreation Reserves
- Private Works
- Street Beautification
- Aged Services

All services were reviewed before December 2005.

## Whistleblower Protection

The Whistleblower Protection Act was introduced on 1 January 2004, as a legislative vehicle to encourage and facilitate disclosures of improper conduct by public officers and public bodies.

Council and other public bodies have responsibility to assist in administering the Act and a responsibility in procedural matters in relation to handling complaints/disclosures.

The legislation aims to encourage and facilitate disclosures of improper and corrupt conduct, but also to provide protection for those who make disclosures against reprisals through procedural processes.

The legislation is backed by Ombudsman's guidelines, which Council utilises in regard to the Act and associated regulations.

Council has written procedures that are observed in relation to handling complaints/disclosures under the Act.

## Freedom of Information

Two requests for information were received during the year under the Freedom of Information Act 1982. These requests were granted in full. No internal reviews were undertaken and no appeals to VCAT were lodged.

## NCP Certification

Golden Plains Shire Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:-

- National Competition Policy (in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002);

for the financial year 2005-06 as set out below:

- |                                      |           |
|--------------------------------------|-----------|
| A. Trade Practices Compliance        | COMPLIANT |
| B. Local Laws Compliance             | COMPLIANT |
| C. Competitive Neutrality Compliance | COMPLIANT |

I, Rod Nicholls, certify that:

- a) this statement has been prepared in accordance with the 2005-06 Local Government Improvement Incentive guidelines issued in August 2006 for reporting on the following criterion :- National Competition Policy in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002); and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



Rod Nicholls  
Chief Executive Officer  
Date:

## Equal Opportunity

Council has adopted an Equal Opportunity Policy as follows:

Golden Plains Shire Council is wholly committed to the principles of Equal Employment Opportunity.

In all policies and practices of the Council there shall be no discrimination relating to age, pregnancy, appearance, sexual preference, physical features, sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation.

Selection of individuals for employment, promotion or advancement, training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved.

Council's Policy on Equal Employment Opportunity reflects its desire to enjoy a workplace free from discrimination where each person has the opportunity to progress to the extent of his or her ability.

The Staff Consultative Committee has responsibility for monitoring Council's Equal Employment Opportunity policy and practices. The committee reports to the Chief Executive Officer.

## Statutory Information

The following information is available for public inspection at the Bannockburn Customer Service Centre in accordance with Part 5 of the Local Government (General) Regulations 2004.

- (a) Details of current allowances fixed for the Mayor and Councillors.
- (b) Details of senior officers' total salary packages for the current financial year and the previous year.
- (c) Details of overseas or interstate travel in excess of 3 days undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- (d) Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- (e) Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- (f) Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act.
- (g) A list of all special committees established by Council and the purpose for which each committee was established.
- (h) A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- (i) Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act.
- (j) A register of delegations kept under sections 87, 88 and 98 of the Act, including the date on which the last review under section 98 (6) of the Act took place.
- (k) Submissions received in accordance with section 223 of the Act during the previous 12 months.
- (l) Agreements to establish regional libraries under section 196 of the Act.
- (m) Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles.
- (n) A register of authorised officers appointed under section 224 of the Act.
- (o) A list of donations and grants made by the Council.
- (p) Details of Council memberships.
- (q) A list of contracts valued at \$100,000 or more which the Council entered into during the financial year.

## Council Plan Implementation

Council's 4 Year Council Plan is reviewed and updated annually with new actions and objectives included. At its meeting in July 2006, Council's Chief Executive Officer reported to Council on the full implementation of Council's 2005-06 Plan, representing substantial progress in the implementation of the 4 Year Plan.

## Victorian Local Government Indicators

Average Rates & Charges per Assessment	\$803.00
Average Rates & Charges per Residential Assessment	\$754.00
Average Liabilities per Assessment	\$548.00
Operating Result per Assessment	\$337.00
Average Operating Expenditure per Assessment	\$1,866.00
Average Capital Expenditure per Assessment	\$727.00
Infrastructure Renewal Gap	44.77%
Infrastructure Renewal & Maintenance Gap	66.13%
Constituent Satisfaction Rating of Overall Performance	67%
Community Satisfaction Rating for Council's Advocacy	68%
Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	63%

## Local Laws

The following Local Laws were in place as at 30 June 2006:

<b>Local Law No. 1</b>	Process of Municipal Government (Meetings and Common Seal)
<b>Local Law No. 2</b>	Environment
<b>Local Law No. 3</b>	Roads and Streets

## Memberships 2005-06

Organisation	Membership Contribution
Committee for Ballarat	\$ 3,000
Committee for Geelong	\$ 3,000
Corangamite Rural Counselling Service	\$ 2,000
G21 Geelong Region Alliance	\$ 26,000
Geelong Chamber of Commerce	\$ 495
Geelong Heritage Centre	\$ 14,322
Geelong Regional Library Corporation	\$ 173,887
Municipal Association of Victoria	\$ 15,000
Timber Towns Victoria	\$ 2,000

# Standard Income Statement For the year ended 30 June 2006

	ACTUAL 2006 \$	BUDGET 2006 \$	VARIANCE 2006 \$	VARIANCE 2006 %
<b>REVENUE</b>				
Rates	6,246,550	6,251,000	(4,450)	0.07%
Grants & Subsidies	8,336,026	8,578,070	(242,044)	2.82%
Contributions & Recoupments	1,822,567	1,035,850	786,717	75.95%
Fees & Charges	1,695,152	1,897,930	(202,778)	10.68%
Interest on Investments	265,311	177,500	87,811	49.47%
<b>Total Revenue</b>	<b>18,365,606</b>	<b>17,940,350</b>	<b>425,256</b>	<b>2.37%</b>
<b>EXPENDITURE</b>				
Contracts & Materials	6,691,544	7,441,360	749,816	10.08%
Employee Costs	6,072,455	5,800,890	(271,565)	4.68%
Depreciation	3,195,304	2,871,340	(323,964)	11.28%
Debt Servicing	100,135	95,180	(4,955)	5.21%
<b>Total Expenditure</b>	<b>16,059,438</b>	<b>16,208,770</b>	<b>149,332</b>	<b>0.92%</b>
Net Gain/(Loss) on Disposals	595,957	609,500	(13,543)	2.22%
<b>Surplus/(Deficit) from Ordinary Activities</b>	<b>Ref 1 2,902,125</b>	<b>2,341,080</b>	<b>561,045</b>	<b>23.97%</b>



Standard  
Statements

# Standard Balance Sheet As at 30 June 2006

		ACTUAL	BUDGET	VARIANCE	VARIANCE
		2006	2006	2006	2006
		\$	\$	\$	%
<b>CURRENT ASSETS</b>					
Cash & Cash Equivalents		6,115,751	2,643,451	3,472,300	131.35%
Receivables		1,195,975	1,164,722	31,253	2.68%
Inventories - Consumables		89,100	84,560	4,540	5.37%
Inventory - Property		780,931	-	780,931	-
Prepayments		22,801	72,240	(49,439)	68.44%
<b>Total Current Assets</b>	<b>Ref 2</b>	<b>8,204,558</b>	<b>3,964,973</b>	<b>4,239,585</b>	<b>106.93%</b>
<b>NON-CURRENT ASSETS</b>					
Land		9,401,964	9,152,210	249,754	2.73%
Buildings		13,617,093	13,840,259	(223,166)	1.61%
Furniture & Equipment		687,033	747,310	(60,277)	8.07%
Plant & Machinery	<b>Ref 3</b>	3,492,893	4,316,350	(823,457)	19.08%
Work in Progress		207,806	-	207,806	-
Other Structures		212,790	-	212,790	-
Infrastructure		105,240,546	106,343,260	(1,102,714)	1.04%
Investment in Associate		203,638	194,933	8,705	4.47%
<b>Total Non-Current Assets</b>		<b>133,063,763</b>	<b>134,594,322</b>	<b>(1,530,559)</b>	<b>1.14%</b>
<b>TOTAL ASSETS</b>		<b>141,268,321</b>	<b>138,559,295</b>	<b>2,709,026</b>	<b>1.96%</b>
<b>CURRENT LIABILITIES</b>					
Payables		1,322,276	1,165,045	(157,231)	13.50%
Interest-Bearing Liabilities		349,397	216,027	(133,370)	61.74%
Employee Benefits		962,554	562,264	(400,290)	71.19%
Trust Funds		161,008	150,000	(11,008)	7.34%
<b>Total Current Liabilities</b>	<b>Ref 4</b>	<b>2,795,235</b>	<b>2,093,336</b>	<b>(701,899)</b>	<b>33.53%</b>
<b>NON-CURRENT LIABILITIES</b>					
Interest-Bearing Liabilities		1,778,971	1,521,573	(257,398)	16.92%
Employee Benefits		135,855	576,163	440,308	76.42%
Provision for Rehabilitation of Gravel Pits		170,000	-	(170,000)	-
<b>Total Non-Current Liabilities</b>	<b>Ref 4</b>	<b>2,084,826</b>	<b>2,097,736</b>	<b>12,910</b>	<b>0.62%</b>
<b>TOTAL LIABILITIES</b>		<b>4,880,061</b>	<b>4,191,072</b>	<b>(688,989)</b>	<b>16.44%</b>
<b>NET ASSETS</b>		<b>136,388,260</b>	<b>134,368,223</b>	<b>2,020,037</b>	<b>1.50%</b>
<b>EQUITY</b>					
Reserves		24,278,299	21,271,035	3,007,264	14.14%
Accumulated Surplus		112,109,961	113,097,188	(987,227)	0.87%
<b>TOTAL EQUITY</b>		<b>136,388,260</b>	<b>134,368,223</b>	<b>2,020,037</b>	<b>1.50%</b>



## Standard Statement of Cash Flows

For the year ended 30 June 2006

	ACTUAL 2006 \$	BUDGET 2006 \$	VARIANCE 2006 \$	VARIANCE 2006 %
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Ratepayers	6,114,134	6,181,914	(67,780)	1.10%
Grants	8,162,372	8,661,877	(499,505)	5.77%
Interest Received	265,203	177,500	87,703	49.41%
Fees & Charges	1,707,696	1,934,185	(226,489)	11.71%
Contributions & Recoupments	1,373,623	779,797	593,826	76.15%
Land Sales	-	3,001,000	(3,001,000)	100.00%
Payments to Employees	(6,297,243)	(5,703,766)	(593,477)	10.41%
Payments to Suppliers	(7,064,244)	(7,486,858)	422,614	5.64%
Payments for Land Development	-	(1,081,000)	1,081,000	100.00%
Interest Paid	(96,554)	(90,521)	(6,033)	6.66%
Net GST Paid	587,324	-	587,324	-
<b>Net Cash Inflow from Operating Activities</b>	<b>4,752,311</b>	<b>6,374,128</b>	<b>(1,621,817)</b>	<b>25.44%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payment for Land & Buildings	(2,174,897)	(2,367,875)	192,978	8.15%
Payment for Infrastructure Assets	(2,355,884)	(3,057,026)	701,142	22.94%
Payment for Plant & Machinery	(1,397,196)	(1,688,393)	291,197	17.25%
Payment for Furniture & Equipment	(416,962)	(407,619)	(9,343)	2.29%
Payment for Other Non-Current Assets	(38,841)	-	(38,841)	0.00%
Proceeds from Sale of Assets	1,273,826	853,500	420,326	49.25%
<b>Net Cash Outflow from Investing Activities</b>	<b>(5,109,954)</b>	<b>(6,667,413)</b>	<b>1,557,459</b>	<b>23.36%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of Borrowings	(275,567)	(279,251)	3,684	1.32%
Proceeds from Loans	1,787,000	1,377,000	410,000	29.77%
<b>Net Cash Inflow from Financing Activities</b>	<b>1,511,433</b>	<b>1,097,749</b>	<b>413,684</b>	<b>37.68%</b>
<b>Net Increase in Cash Held</b>	<b>1,153,790</b>	<b>804,464</b>	<b>349,326</b>	<b>43.42%</b>
Cash at the Beginning of the Year	4,961,961	1,838,987	3,122,974	169.82%
<b>Cash at the End of the Year</b>	<b>6,115,751</b>	<b>2,643,451</b>	<b>3,472,300</b>	<b>131.35%</b>

## Standard Statement of Capital Works

For the year ended 30 June 2006

	ACTUAL 2006 \$	BUDGET 2006 \$	VARIANCE 2006 \$	VARIANCE 2006 %
<b>CAPITAL WORKS</b>				
Land & Buildings	1,981,762	2,432,270	450,508	18.52%
Furniture & Equipment	478,218	423,700	(54,518)	12.87%
Plant & Machinery	1,394,696	1,723,000	328,304	19.05%
Work in Progress	207,806	-	(207,806)	-
Other Structures	3,734	-	(3,734)	-
Infrastructure	2,004,584	3,145,000	1,140,416	36.26%
<b>Total Capital Works</b>	<b>6,070,800</b>	<b>7,723,970</b>	<b>1,653,170</b>	<b>21.40%</b>
<b>Represented by:</b>				
Renewal	636,599	2,363,800	1,727,201	73.07%
Upgrade	1,403,006	2,577,000	1,173,994	45.56%
Expansion	50,980	897,270	846,290	94.32%
New Assets	3,980,215	1,885,900	(2,094,315)	111.05%
<b>Total Capital Works</b>	<b>6,070,800</b>	<b>7,723,970</b>	<b>1,653,170</b>	<b>21.40%</b>

# Explanation of Variances

## STANDARD STATEMENT OF INCOME

**Ref 1:** Council recorded an Operating Surplus for the year of \$2.9m compared to a budgeted surplus of \$2.34m. The difference of \$561k is predominantly due to the following:

### Favourable Variances

Roads to Recovery funds not budgeted	\$850k
Subdivisions handed to Council that were not budgeted	\$444k
Private Works income higher than budget	\$286k
Grant - Bridge Widening	\$182k
VicRoads Grants not budgeted	\$137k
Urban Design Framework Deferred to 2006-07	\$134k
Grant – Storm Water Drainage, Smythesdale	\$125k
Net Profit On Sale of Land	\$88k
Other favourable variances	\$126k

### Unfavourable Variances

Grants – Bannockburn Family Services Centre received 2004-05	(\$700k)
Depreciation higher than budget	(\$324k)
Private Works expenditure higher than budget	(\$227k)
Grant – Smythesdale Main Street	(\$200k)
Grant – Ross Creek Town Centre	(\$200k)
Garibaldi Bridge funding	(\$160k)
<b>Total Operating Surplus Variance</b>	<b>\$561k</b>

## STANDARD BALANCE SHEET

**Ref 2:** Current Assets are \$4.24m higher than budget mainly due to having \$3.0m of unexpended projects and holding six blocks of Bakers Lane as a current asset.

**Ref 3:** Plant & Machinery is \$823k below budget due to the following:

The opening actual balance was less than budget	\$395k
Capital expenditure was below budget	\$328k
Depreciation was higher than budget	\$171k
Disposals were below budget	(\$72k)

**Ref 4:** Current and Non-Current Liabilities are higher than budget due to the following:

- Payables are higher than budget due to timing differences relating to the payment of creditors.
- Council's interest-bearing liabilities are higher than budget due to additional borrowings required to fund the construction of the Bannockburn Family Services Centre.
- Due to the adoption of AIFRS, Council was required to recognise a provision for the rehabilitation of gravel pits.

## STANDARD STATEMENT OF CASH FLOWS

**Ref 5:** Council budgeted for a net increase in cash of \$804k but recorded an increase of \$1.154m, a variance of \$350k. This variance is due to the following:

### Favourable Variances

Payments for Non-Current Assets lower than budget	\$1,137k
Payments for Land Development	\$1,081k
Roads to Recovery funding not budgeted	\$875k
Contributions & Recoupments	\$594k
Net GST paid less than budget	\$587k
Payments to suppliers less than budget	\$423k
Proceeds from Sale of Assets were higher than budget	\$420k
Proceeds from Loans higher than budget	\$410k
Other Favourable Variances	\$18k

### Unfavourable Variances

Bannockburn Business Estate	(\$3,001k)
Grants & Subsidies lower than budget	(\$1,375k)
Payments to Employees higher than budget	(\$593k)
Receipts from Fees & Charges lower than budget	(\$226k)
<b>Total Cash Flow Variance</b>	<b>\$350k</b>

## STANDARD STATEMENT OF CAPITAL WORKS

**Ref 6:** Council spent \$6.07m on capital expenditure in 2005-06, \$1.65m less than budget. This variance is due to the following:

### Favourable Variances

Ross Creek Multi-Purpose Facility deferred to 2006-07	\$516k
Flocon Truck, Backhoe & Tractor deferred to 2006-07	\$480k
Ross Creek Town Centre Development	\$400k
Smythesdale Main Street to be completed in 2006-07	\$259k
Bannockburn Office Extension	\$297k
Local Roads Improvements	\$184k
Garibaldi Bridge Upgrade	\$138k
Other Favourable Variances	\$64k

### Unfavourable Variances

Bannockburn Family Services Centre	(\$225k)
Furniture & Equipment Bannockburn Family Services Centre	(\$166k)
Infrastructure Expenditure below budget	(\$134k)
Vehicle & Ute Purchases	(\$83k)
Purchase of 2 buses not in original budget	(\$80k)
<b>Total Capital Works Variance</b>	<b>\$1,650k</b>

# Notes to the Standard Statements

## 1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required – a Standard Statement of Income, Standard Balance Sheet, Standard Statement of Cash Flows, and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 23-24 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 23 June 2005. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 23-24. The detailed budget can be obtained by contacting Council or through Council's website. The Standard Statements must be read with reference to these documents.



## Certification of Standard Statements

In my opinion the accompanying Standard Statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulation 2004.



DEAN P MILLER, MBA; FCPA  
PRINCIPAL ACCOUNTING OFFICER

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and the Local Government (Finance and reporting) Regulations 2004.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by Council on 24th August 2006 to certify the financial statements in their form.

Signed at Bannockburn this 14th day of September 2006.



COUNCILLOR DAVID COTSELL  
Mayor



COUNCILLOR KEVIN KNIGHT  
Chairman, Audit and Finance Committee



ROD NICHOLLS  
Chief Executive Officer

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# Income Statement

FOR YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
<b>REVENUE</b>			
Rates	7(b)	6,246,550	5,078,146
Grants & Subsidies	8	8,336,026	7,162,595
Contributions & Recoupments	9	1,822,567	3,336,491
Fees & Charges	10	1,695,152	1,586,108
Interest on Investments		265,311	211,492
<b>Total Revenue</b>		<b>18,365,606</b>	<b>17,374,832</b>
<b>EXPENSES</b>			
Materials & Services		6,691,544	6,957,967
Employee Costs	11	6,072,455	5,447,581
Depreciation	12	3,195,304	3,006,367
Finance Costs		100,135	40,605
<b>Total Expenses</b>		<b>16,059,438</b>	<b>15,452,520</b>
Net Gain/(Loss) on Disposals	13	595,957	134,611
<b>Surplus/(Deficit) for the Period</b>		<b>2,902,125</b>	<b>2,056,923</b>

# Balance Sheet

AS AT 30 JUNE 2006

	NOTE	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	14	6,115,751	4,961,961
Receivables	15	1,195,975	854,191
Inventories - Consumables	16	89,100	113,436
Inventory - Property		780,931	548,097
Prepayments	17	22,801	84,933
<b>Total Current Assets</b>		<b>8,204,558</b>	<b>6,562,618</b>
<b>NON-CURRENT ASSETS</b>			
Property, Infrastructure, Plant & Equipment	21	132,860,125	130,450,983
Investment in Associate	22	203,638	196,786
<b>Total Non-Current Assets</b>		<b>133,063,763</b>	<b>130,647,769</b>
<b>TOTAL ASSETS</b>		<b>141,268,321</b>	<b>137,210,387</b>
<b>CURRENT LIABILITIES</b>			
Payables	18	1,322,276	1,757,638
Interest-Bearing Borrowings	19	349,397	197,934
Employee Benefits	20	962,554	919,184
Trust Funds		161,008	170,231
<b>Total Current Liabilities</b>		<b>2,795,235</b>	<b>3,044,987</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-Bearing Borrowings	19	1,778,971	419,001
Employee Benefits	20	135,855	90,264
Provision for Rehabilitation of Gravel Pits		170,000	170,000
<b>Total Non-Current Liabilities</b>		<b>2,084,826</b>	<b>679,265</b>
<b>TOTAL LIABILITIES</b>		<b>4,880,061</b>	<b>3,724,252</b>
<b>NET ASSETS</b>		<b>136,388,260</b>	<b>133,486,135</b>
<b>EQUITY</b>			
Reserves	5	24,278,299	22,726,983
Accumulated Surplus	5	112,109,961	110,759,152
<b>TOTAL EQUITY</b>	<b>5</b>	<b>136,388,260</b>	<b>133,486,135</b>

The accompanying notes form part of this financial report.

# Statement of Changes in Equity

FOR YEAR ENDED 30 JUNE 2006

		2006 ACCUMULATED SURPLUS	2006 RESERVES	TOTAL EQUITY
	NOTE	\$	\$	\$
Balance at the Beginning of the Year		110,759,152	22,726,983	133,486,135
Surplus/(Deficit) for the Year	4	2,902,125	-	2,902,125
Transfers to & from Reserves	5	(1,551,316)	1,551,316	-
<b>Balance at the End of the Year</b>		<b>112,109,961</b>	<b>24,278,299</b>	<b>136,388,260</b>

		2005 ACCUMULATED SURPLUS	2005 RESERVES	TOTAL EQUITY
	NOTE	\$	\$	\$
Balance at the Beginning of the Year		107,842,901	22,959,607	130,802,508
Surplus/(Deficit) for the Year	4	2,056,923	-	2,056,923
Adjustment to Asset Revaluation Reserve		-	911,200	911,200
Transfers to & from Reserves		749,613	(749,613)	-
AIFRS Adjustment		109,715	(394,211)	(284,496)
<b>Balance at the End of the Year</b>		<b>110,759,152</b>	<b>22,726,983</b>	<b>133,486,135</b>

# Cash Flow Statement

FOR YEAR ENDED 30 JUNE 2006

		ACTUAL 2006 \$	ACTUAL 2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>NOTE</b>		
Receipts from Ratepayers		6,114,134	5,023,832
Grants		8,162,372	7,262,373
Interest Received		265,203	207,450
Fees & Charges		1,707,696	1,806,652
Contributions & Recoupments		1,373,623	3,262,398
Payments to Employees		(6,297,243)	(5,466,452)
Payments to Suppliers		(7,064,244)	(7,347,981)
Finance Costs		(96,554)	(48,464)
Net GST Paid		587,324	432,096
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>6</b>	<b>4,752,311</b>	<b>5,131,904</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for Land & Buildings		(2,174,897)	(671,083)
Payment for Infrastructure Assets		(2,355,884)	(2,163,830)
Payment for Plant & Machinery		(1,397,196)	(1,674,901)
Payment for Furniture & Equipment		(416,962)	(196,875)
Payment for Other Non-Current Assets		(38,841)	-
Proceeds from Sale of Assets		1,273,826	922,300
<b>Net Cash Provided by/(Used in) Investing Activities</b>		<b>(5,109,954)</b>	<b>(3,784,389)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Interest-Bearing Borrowings		(275,567)	(184,056)
Proceeds from Borrowings		1,787,000	-
<b>Net Cash Provided by/(Used in) Investing Activities</b>		<b>1,511,433</b>	<b>(184,056)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>1,153,790</b>	<b>1,163,459</b>
Cash & Cash Equivalents at the Beginning of the Year		4,961,961	3,798,502
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>14</b>	<b>6,115,751</b>	<b>4,961,961</b>

The accompanying notes form part of this financial report.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

This financial report is a general purpose financial report that consists of an Income Statement, a Balance Sheet, a Statement of Changes in Equity, a Statement of Cash Flows and accompanying notes. The general purpose financial report complies with Australian Accounting Standards, other authoritative announcements of the Australian Accounting Standards Board, Urgent Issues Group Consensus views, the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

This financial report has been prepared on an accrual and going concern basis. The financial report has also been prepared under the historical cost convention, except where specifically stated otherwise.

All funds through which the Golden Plains Shire Council controls resources to carry on its functions have been included in this financial report. In the process of reporting on the Council as a single unit, all transactions and balances between these funds (for example, transfers between funds) have been eliminated.

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

### (b) Change in Accounting Policy

The accounting policies for the 2005-06 financial year are consistent with those of the previous financial year.

### (c) Trust Funds

Amounts received as tender deposits and retention amounts controlled by Council are recognised as trust funds until they are returned or forfeited.

### (d) Recognition and Measurement of Assets

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Where assets are constructed by Council, cost includes an appropriate share of fixed and variable overheads.

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land Under Roads.

### (e) Repairs and Maintenance

Routine maintenance repair costs and minor renewal costs are expensed as incurred. 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.

### (f) Depreciation of Non-Current Assets

Buildings, infrastructure, plant and equipment 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 re-assessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that have distinct useful lives and/or residual values a separate depreciation rate is determined for each component.

The following estimates of useful lives relate to the total lives of the assets irrespective of their economic or commercial lives to the Council. Annual depreciation is calculated on a straight-line basis by dividing the assets' depreciable amount by the period of time over which the assets are expected to provide economic benefits to the Council. The depreciable amount takes into account residual values. Council recognises residual values for plant and machinery, sealed pavements and unsealed pavements.

Sealed pavements carry a residual value of 42%. These assets have an estimated commercial life to Council of 70 years, after which intervention is required for their renewal. Similarly, unsealed pavements have a residual value of 40% and intervention is required after 18 years.

**In accordance with Council's policy, the following threshold limits and useful lives have been applied:**

Asset Component	Recognition Threshold \$	Useful Lives 2006	Useful Lives 2005
Land	-	-	-
Building	5,000	30 to 150 years	30 to 150 years
Furniture & Equipment	1,000	3 to 20 years	3 to 20 years
Plant & Machinery	1,000	3 to 20 years	3 to 20 years
Unsealed Formations	-	-	-
Sealed Formations	-	-	-
Footpaths	5,000	40 years	40 years
Sealed Pavements	5,000	70 years	70 years
Unsealed Pavements	5,000	18 years	18 years
Sealed Surfaces	5,000	17 years	17 years
Bridges & Major Culverts	5,000	90 years	90 years
Underground Drainage	5,000	50 years	50 years
Road Name Plates	5,000	22 years	22 years
Kerb & Channel	5,000	60 years	60 years
Other Structures	5,000	30 to 60 years	30 to 60 years

No changes have been made to the recognition thresholds during the 2005-2006 financial year.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - continued

### (g) Revaluation of Non-Current Assets

Subsequent to the initial recognition of assets, non-current physical assets other than plant and equipment are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction.

In accordance with AASB 116 Revaluation of Non-Current Assets land and buildings were revalued at 30 June 2004 because their carrying values differed materially from their fair values.

Where the assets are revalued, net revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a net revaluation decrement previously recognised as an expense, in which case the increment is recognised as income. Net revaluation decrements are recognised as an expense except to the extent that a decrement reverses a net revaluation increment previously credited to the asset revaluation reserve, in which case the decrement is debited to the asset revaluation reserve.

#### Method of Valuation:

**Land** – valuation based on indexed fair value as at 30 June 2004 carried out by Mr Paul Newman AAPI registered Certified Practising Valuer. The market evidence approach has been applied where there is no quoted market price but where there is available market evidence of fair value with respect to similar assets.

**Buildings** – valuation based on indexed fair value as at 30 June 2004, carried out by Mr Paul Newman AAPI registered Certified Practising Valuer. For the majority of buildings, the market buying price approach using depreciated replacement value has been used where no market exists. Three buildings have been valued using the market evidence approach.

**Furniture and Equipment** – valuation based at cost.

**Plant and Machinery** – valuation based at cost.

**Road Pavements, Surfaces and Formations** – valuation based on written down replacement cost as at 30 June 2005, independently carried out by Mr Peter Moloney M.I.E.Aust. Civil Engineer.

**Bridges, Major Culverts, Underground Drainage and Footpaths** – valuation based on written down replacement cost as at 30 June 2005, carried out by Mr Rick Hattam Dip CE, MIE(Aust), CPEng, Works Manager.

Written down replacement cost is defined as the current replacement cost of the asset less an allowance for depreciation to reflect the expired service potential of that asset.

Written down current cost is defined as the market value of the gross service potential in an asset less an allowance for depreciation to reflect the expired service potential of that asset.

**Inventory (Property)** – valuation is at the lower of cost and net realisable value.

### (h) Employee Benefits

#### Wages and Salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date. Entitlements include oncosts that are calculated using employee remuneration rates as at balance date.

#### Annual Leave and Long Service Leave

All annual leave and unconditional vested Long Service Leave representing 10 or more years of continuous service is:

- (a) disclosed in accordance with AASB 101, as a current liability even where the agency does not expect to settle the liability within 12 months as it will

not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;

- (b) measured at:
  - nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and
  - present value under AASB 119 where the entity does not expect to settle a component of this current liability within 12 months.

Long Service Leave representing less than 10 years of continuous service is:

- (a) disclosed in accordance with AASB 101 as a non-current liability; and
- (b) measured at present value under AASB 119, as the entity does not expect to settle this non-current liability within 12 months

Annual leave entitlements are accrued on a pro-rata basis in respect of service provided by employees up to balance date and measured at the amount expected to be paid, including appropriate oncosts.

Long service leave entitlements payable are assessed at balance date having regard to current employee remuneration rates, employment related oncosts and other factors including accumulated years of employment, future remuneration levels, and experience of employee departure per year of service. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash flows to be made for these entitlements. Commonwealth Bond Rates are used for discounting future cash flows.

### Superannuation

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan, which provides benefits to its employees. Details of these arrangements are set out in Note 24. The liability includes contributions tax.

### (i) Inventories

Inventories of stock and materials held for use by the Council are valued at the lower of cost and net realisable value. Costs have been determined on a weighted-average basis.

### (j) Revenue Recognition

#### Rates

Rates revenue is recognised at the commencement of the rating period or, where earlier, upon receipt of the rates. It includes rate revenue as well as interest levied on outstanding rates and late payment of rates. Uncollected rates are recognised as receivables in the Balance Sheet. No provision for doubtful debts on rates has been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

### Grants, Donations and other Contributions

Grants, donations and other contributions are recognised as revenues when the Council obtains control over the assets comprising these receipts. Unreceived grants, donations and contributions over which the Council has control are recognised as receivables. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. Grants and contributions received in 2005-2006 and prior years but unexpended as at balance date amount to \$1,605k. Grants and contributions received in 2004-2005 and prior years and expended during the financial year amount to \$1,206k.

### Proceeds from Sale of Assets

Proceeds from the sale of assets are recognised as revenues when the Council has passed control of the assets to the purchasers.

## NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - continued

### Fees and Charges

Fees and charges are recognised as revenue when the service has been provided or payment has been received, whichever occurs first. A provision for doubtful debts is recognised when collection in full is no longer probable.

### Interest and Rents

Interest and rentals are recognised as revenue when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

### (k) Cash Assets

For the purposes of the Cash Flow Statement, cash assets include cash on hand and highly liquid investments with short periods to maturity that are readily converted to cash on hand at the Council's option and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

### (l) Investments

Cash investments are measured at cost.

### (m) Goods and Services Tax (GST)

All revenue, expenditure and cash flows recognised by Council during the reporting period has been disclosed net of GST.

### (n) Interest in Regional Library Services

Council has disclosed its interests in the Geelong Regional Library (GRL) in the Balance Sheet. The amount disclosed is based on the value of Council's underlying interest in the net assets of the GRL as shown in its audited financial statements for the year ended 30 June 2006. Periodic revaluation adjustments are recognised as income in the Income Statement.

Annual contributions to the GRL are classified as operating contributions.

Council's share of the net equity of GRL is 3.42%. The GRL is comprised of seven representatives from four member Councils. Golden Plains Shire Council has one representative on the GRL Board.

### (o) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as a qualifying asset constructed by Council. The weighted average interest rate applicable to borrowings at balance date is used to determine the borrowing costs to be capitalised. Borrowing costs include interest on borrowings.

### (p) Allocation Between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Council's operational cycle, except for Long Service Leave which is recognised as current if the Council does not have an unconditional right to defer settlement, regardless of the expected timing of the payments.

### (q) Budget Information

Where necessary, budget information has been recast to comply with current presentation requirements. The budgeted figures have been drawn from Council's budget approved at the time the rates and charges were adopted by Council for the 2005-06 financial year.

### (r) Impairment of assets

At each reporting date, 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 to sell 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 income statement.

## NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Following the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), the Golden Plains Shire Council has prepared and presented its first financial report and other accountability statements in compliance with AIFRS framework for the financial year ended 30 June 2006.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Golden Plains Shire Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Golden Plains Shire Council has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

With certain exceptions, the Golden Plains Shire Council has recorded transactions and events as though AIFRS had always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first time adoption of AIFRS apply retrospectively and have been adjusted against the balance of accumulated funds at 1 July 2004, being the opening balance sheet date for the comparative period.

Reconciliations of AIFRS profit or loss, balance sheet and equity for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in the following tables.

Table 1: Reconciliation of profit or loss as presented under previous Australian GAAP to that under AIFRS.

	30 JUNE 2005	
	\$	\$
Profit as reported under previous Australian GAAP		2,218,517
<b>AIFRS Impact on Income</b>		
Proceeds from Sale of Assets	(922,300)	
<b>Total AIFRS Impact on Income</b>		<b>(922,300)</b>
<b>AIFRS Impact on Expenses</b>		
Written Down Value of Assets Sold	(787,689)	
Increase in Long Service Leave Expense	18,916	
Decrease in Annual Leave Expense	(2,060)	
<b>Total AIFRS Impact on Expenses</b>		<b>(770,833)</b>
Total Gain/(Loss) on Disposal of Property, Plant & Equipment		134,611
DeMotts Rd Gravel Pit Rehabilitation		(20,000)
Sago Hill Gravel Pit Rehabilitation		(50,000)
Depreciation not Previously Recognised		(74,738)
<b>Total AIFRS Impact on Profit</b>		<b>(161,594)</b>
<b>Net Profit under AIFRS</b>		<b>2,056,923</b>



## NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

Table 2: Reconciliation of balance sheet as presented under previous Australian GAAP to that under AIFRS.

	30 JUNE 2005 \$
Net Assets as reported under previous Australian GAAP	133,932,225
<b>AIFRS Impact on Non-Current Assets</b>	
Rehabilitation of Sago Hill Gravel Pit	100,000
Correction of Error in Prior Year's Buildings	(284,496)
Depreciation not Previously Recognised	(74,738)
<b>AIFRS Impact on Current Liabilities</b>	
Employee Benefits – Annual Leave (decreased)	(2,060)
Employee Benefits – Long Service Leave (increased)	468,050
<b>AIFRS Impact on Non-Current Liabilities</b>	
Employee Benefits – Long Service Leave (decreased)	(449,134)
Provision for Gravel Pit Rehabilitation	170,000
<b>Total AIFRS Impact on Net Assets</b>	<b>446,090</b>
<b>Net Assets under AIFRS</b>	<b>133,486,135</b>

Table 3: Reconciliation of equity as presented under previous Australian GAAP to that under AIFRS.

	30 JUNE 2005 \$
Total Equity under Previous Australian GAAP	133,932,225
<b>AIFRS Impact on Equity</b>	
Net Assets Previously Recognised in Error	(284,496)
Accumulated Surplus	(161,594)
<b>Total AIFRS Impact on Equity</b>	<b>(446,090)</b>
<b>Total Equity under AIFRS</b>	<b>133,486,135</b>

## NOTE 3: FUNCTIONS/ACTIVITIES OF THE COUNCIL

The activities relating to Council's functions as reported in the Income Statement are as follows:

### (i) Citizen and Customer Service

Communications & Marketing and Customer Service Centres.

### (ii) Civic Leadership

Governance, Elections, Meetings, Strategic and Service Planning, Emergency Management Plan & SES and Risk Management & O.H. & S.

### (iii) Economic Development

Economic Development and Tourism.

### (iv) Environment and Land Use Planning

Land Use Planning, Statutory Building Control, Private Building Control, Fire Protection, Environmental Management, Community Protection and Public Health.

### (v) Financial Management

General Revenue, Property and Rating, Statutory Reporting and Budgeting, Contract Management, Records Management, Borrowings, Land Assets and Plant Replacement.

### (vi) Human Support Services

Maternal and Child Health, Children's Services, Aged & Disability Services, Community Transport, Community Health and Health Promotion.

### (vii) Recreation and Community Development

Community Development, Libraries, Arts & Culture, Youth Development, Recreation Planning, Recreation Construction and Recreation Maintenance.

### (viii) Roads and Streets Infrastructure

Sealed Roads Routine Maintenance, Local Roads Resealing, Local Roads Rehabilitation, Local Roads Improvements, Gravel Roads Routine Maintenance, Gravel Resheeting, Bridge Maintenance, Tree Clearing – Urban & Rural Bus Routes, Gravel Pits Restoration, Asset Management, Drainage Maintenance Township & Rural, Private Works, Linemarking, Guide Posts and Signs, Street Lighting, Grass Cutting – Townships, Street Beautification, Bus Shelters and Footpaths.

### (ix) Waste Management

Garbage Collection, Municipal Tips and Litter Control.

## NOTE 4. REVENUE AND EXPENDITURE BY KEY RESULT AREA

	2006 \$	2005 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>		
Citizen & Customer Service	3,093	1,830
Civic Leadership	16,729	29,329
Economic Development	197,356	9,053
Environment & Land Use Planning	652,604	753,060
Financial Management	10,267,552	8,813,311
Human Support Services	1,785,885	2,267,634
Recreation & Community Infrastructure	923,163	371,007
Roads & Streets Infrastructure	3,619,978	4,275,122
Waste Management	899,246	854,486
<b>Total Revenue from Ordinary Activities</b>	<b>18,365,606</b>	<b>17,374,832</b>
<b>EXPENDITURE FROM ORDINARY ACTIVITIES</b>		
Citizen & Customer Service	451,884	396,336
Civic Leadership	1,208,697	1,100,889
Economic Development	386,582	132,051
Environment & Land Use Planning	1,936,380	1,512,278
Financial Management	854,068	826,586
Human Support Services	2,340,260	1,888,581
Recreation & Community Infrastructure	2,404,867	1,858,257
Roads & Streets Infrastructure	5,441,250	6,725,505
Waste Management	935,315	826,694
Borrowing Costs	100,135	40,605
<b>Total Expenditure from Ordinary Activities</b>	<b>16,059,438</b>	<b>15,307,782</b>
Net Gain/(Loss) on Disposal of Property, Plant and Equipment	595,957	134,611
Gravel Pit Rehabilitation Not Previously Recognised	-	(70,000)
Depreciation Not Previously Recognised	-	(74,738)
<b>Surplus from Ordinary Activities</b>	<b>2,902,125</b>	<b>2,056,923</b>

Included in the above expenditure items are the following expenses:

	2006 \$	2005 \$
-Insurance	156,263	147,713
-Workcover Premium	90,823	79,756
-Legal Expenses	53,244	40,844
-Bank Fees & Charges	37,475	36,781
-Audit Fees - External	36,900	20,500
-Audit Fees - Internal	12,100	-

## NOTE 5. EQUITY OF THE COUNCIL

	OPENING BALANCE 1-Jul-05	INCREASE IN NET ASSETS	TRANSFERS TO AND FROM RESERVES	CLOSING BALANCE 30-Jun-06
	\$	\$	\$	\$
<b>Discretionary</b>				
General Appropriations	1,645,034	1,891,692	(1,551,316)	1,985,410
<b>Committed</b>				
Unexpended Projects	1,358,447	-	1,658,042	3,016,489
Long Service Leave Non-Current Liability	90,264	-	45,591	135,855
Profit Equalisation	100,000	-	-	100,000
Drainage Levy	54,063	-	-	54,063
Gravel Pit Rehabilitation	269,823	-	(269,823)	-
Recreation Lands Reserve	-	-	117,506	117,506
Non-Current Assets & Liabilities	129,968,504	1,010,433	-	130,978,937
<b>Total Equity</b>	<b>133,486,135</b>	<b>2,902,125</b>	<b>-</b>	<b>136,388,260</b>

### Total Equity Comprised of:

Accumulated Surplus	110,759,152	2,902,125	(1,551,316)	112,109,961
Reserves	22,726,983	-	1,551,316	24,278,299
	<b>133,486,135</b>	<b>2,902,125</b>	<b>-</b>	<b>136,388,260</b>

### Reserves are represented by the following:

Asset Revaluation	20,854,386	-	-	20,854,386
Unexpended Projects	1,358,447	-	1,658,042	3,016,489
Long Service Leave Non-Current Liability	90,264	-	45,591	135,855
Profit Equalisation	100,000	-	-	100,000
Drainage Levy	54,063	-	-	54,063
Gravel Pit Rehabilitation	269,823	-	(269,823)	-
Recreation Lands Reserve	-	-	117,506	117,506
<b>Total Reserves</b>	<b>22,726,983</b>	<b>-</b>	<b>1,551,316</b>	<b>24,278,299</b>

## NOTE 6. RECONCILIATION OF INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH INFLOW FROM OPERATIONS

	NOTE	2006 \$	2005 \$
<b>Increase in Net Assets Resulting from Operations</b>		<b>2,902,125</b>	<b>2,073,779</b>
Depreciation	12	3,195,304	3,006,367
Carrying Amount of Assets Sold	13	1,245,761	787,689
Proceeds from Sale of Assets	13	(1,841,718)	(922,300)
Infrastructure Contributions from Subdividers		(444,346)	-
Decrease/(Increase) in Other Non-Current Assets	22	(6,852)	(1,853)
Decrease/(Increase) in Receivables		(266,586)	197,385
Decrease/(Increase) in Inventories		24,336	(38,785)
Decrease/(Increase) in Land Held for Sale		-	(374,291)
Increase/(Decrease) in Creditors & Provisions		(55,713)	403,913
<b>Net Cash Inflow from Operations</b>		<b>4,752,311</b>	<b>5,131,904</b>

## NOTE 7(a) CAPITAL IMPROVED VALUATIONS

Council uses Capital Improved Valuation (CIV) as the basis of valuation and rating of all rateable properties within the municipal district. The CIV is the total market value including land and improvements.

The following valuations were used in the calculation of the adopted rates at the commencement of the rating year:

Residential	1,129,344,000	1,090,509,000
Farm	489,541,000	486,894,000
Non-Farm Vacant Land	129,360,880	128,501,000
Business	22,227,000	20,481,105
<b>Total Capital Improved Valuations</b>	<b>1,770,472,880</b>	<b>1,726,385,105</b>

## NOTE 7(b) RATES REVENUE

The following rates (excluding garbage collection charges) were recognised during the financial year. Garbage collection charges are included in Fees and Charges in Note 9.

Residential	3,814,417	2,810,291
Farm	1,431,690	1,555,697
Non-Farm Vacant Land	854,428	552,022
Business	74,426	100,368
Interest on Rates	71,589	59,768
<b>Total Rates Revenue</b>	<b>6,246,550</b>	<b>5,078,146</b>

## NOTE 8. GRANTS AND SUBSIDIES

	2006 \$	2005 \$
Victoria Grants Commission - General Purpose Grant	2,109,077	1,876,954
Victoria Grants Commission - Local Roads Grant	1,426,719	1,374,001
Local Road Improvements (Federal Government)	1,854,608	983,749
VicRoads Grants for Local Roads	380,261	433,148
Home & Community Care	617,930	522,258
Community Facilities (halls, etc)	346,855	88,648
Golden Plains Health Promotion	270,695	290,816
Economic Development	190,864	3,636
Bannockburn Family Services Centre	161,810	775,000
Local Government Improvement Incentive Program	160,984	170,190
Community Development	150,222	20,000
Environment Projects	123,263	119,352
Storm Water Project	125,000	-
Regional Library	111,494	92,949
Maternal & Child Health	98,149	103,202
Transport Connections	56,378	55,003
Family Day Care	55,410	67,170
Youth Projects	46,031	56,784
Civic Leadership	16,339	4,850
Fire Access Track	13,212	21,000
School Crossing Supervision	13,025	19,325
Bus Shelters	5,600	-
Land Use Planning	2,100	84,560
<b>Total Grants and Subsidies</b>	<b>8,336,026</b>	<b>7,162,595</b>
Recurrent Grants	4,626,210	4,281,760
Non-Recurrent Grants	3,709,816	2,880,835
<b>Total Grants and Subsidies</b>	<b>8,336,026</b>	<b>7,162,595</b>

## NOTE 8. GRANTS AND SUBSIDIES continued

### Conditions on Grants

Grants recognised as revenue during the year they were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

	2006	2005
	\$	\$
Roads to Recovery	875,726	-
Infrastructure	239,630	14,421
Environment	163,623	-
Health Promotion	110,726	295,000
Community Health	101,811	-
Sport & Recreation Projects	81,021	46,417
Bannockburn Bowls Club Water Project	45,455	-
Community Building Initiative	44,090	-
Emergency Management Improvement	1,692	-
Bannockburn Family Services Centre	-	775,000
Heritage Study	-	73,000
Commonwealth Games	-	16,500
Aged & Disability Minor Equipment	-	14,446
Smythesdale Sewerage Innovation	-	9,408
MAV Country Towns Sewerage Project	-	9,091
Health Planning Forum	-	5,000
CAGS Committee Training	-	3,500
Youth Services	-	3,229
	<b>1,663,774</b>	<b>1,265,012</b>

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Bannockburn Family Services Centre	775,000	-
Health Promotion	295,000	-
Sport & Recreation Projects	46,417	-
Commonwealth Games	16,500	-
Aged & Disability Minor Equipment	14,446	-
Infrastructure	14,421	-
Recreation Activity Development Project	10,075	273
Smythesdale Sewerage Innovation	9,408	-
Rokewood, Corindhap, Dereel UDF	9,325	-
Health Planning Forum	5,000	-
Youth Services	3,229	3,353
Provincial Victoria Campaign	2,945	665
CAGS Committee Training	2,841	-
E-Gaps Project	1,429	9,711
Linton Recreation Reserve	-	32,730
Smythesdale UDF	-	25,000
Enviro Fund Woody Yaloak River (Haddon)	-	5,546
	<b>1,206,036</b>	<b>77,278</b>
<b>Net Increase/(Decrease) in restricted assets resulting from grant revenues for the year:</b>	<b>457,738</b>	<b>1,187,734</b>

## NOTE 9. CONTRIBUTIONS AND RECOUPMENTS

	2006	2005
	\$	\$
Private Works	708,590	479,801
Subdivisions - Roads handed to Council	444,346	-
VicRoads' Contributions	-	2,234,220
Family Day Care - Social Security	309,125	253,586
Ballarat/Skipton Rail Trail	118,000	-
Developers' Rec Lands Contributions	113,006	86,509
Community Contributions	52,270	58,544
Legal Costs Recouped	21,155	21,400
Other	15,112	57,542
Sale of Big Bins	10,152	9,775
Environment Projects	9,160	57,931
Revaluation Contribution - State Revenue Office	7,040	6,468
Drainage Levy	6,050	-
Developers' Community Contributions	4,500	-
Standpipe Water Sales	2,194	689
Recoupment from Insurers	1,867	5,977
Waste Containment Facility Contributions	-	929
Joint Roadworks - Other Council	-	63,120
<b>Total Contributions and Recoupments</b>	<b>1,822,567</b>	<b>3,336,491</b>

## NOTE 10. FEES AND CHARGES

Garbage Collection Charge	863,060	814,121
Planning & Building Fees	296,376	320,055
Home & Community Care Fees	157,730	126,580
Animal Registration Charges	97,296	77,470
Gravel Cartage Levy	67,821	62,009
Septic Tank Fees	39,821	37,056
Tip Fees	26,005	30,545
Child Care Fees	23,991	20,707
Community Bus Hire Charges	23,592	15,215
Rents & Leases	20,207	19,826
Food Premises Registration Fees	16,209	12,311
Infringements & Fines	14,652	18,875
Land Information Certificates	12,831	14,977
Northern Community Centre Charges	11,261	10,355
Other	10,465	6,006
Subdivision Supervision Fees	9,800	-
Fire Hazard Eradication Fees	4,035	-
<b>Total Fees and Charges</b>	<b>1,695,152</b>	<b>1,586,108</b>



## NOTE 11. EMPLOYEE COSTS

Total employee costs includes wages and related oncosts incurred in operating activities as well as the construction of non-current assets that have been capitalised in the Balance Sheet.

	2006 \$	2005 \$
Wages & Salaries	4,888,879	4,338,943
Superannuation (Annual Contributions)	532,934	450,765
Annual Leave & Long Service Leave	554,243	436,492
Fringe Benefits & FBT	144,054	126,833
Workcover Premium & Claims Costs	95,305	81,999
Training	64,459	78,567
Other	14,879	10,271
<b>Total Employee Costs</b>	<b>6,294,753</b>	<b>5,523,870</b>
Less Employee Costs charged to Capital	(222,298)	(93,145)
Annual & Long Service Leave Adjustment due to AIFRS	-	16,856
<b>Total Employee Costs as per Income Statement</b>	<b>6,072,455</b>	<b>5,447,581</b>

## NOTE 12. DEPRECIATION

Depreciation was charged in respect of:

Infrastructure Assets	1,998,753	1,937,613
Plant & Machinery	639,365	461,882
Buildings	391,657	453,341
Furniture & Equipment	161,927	150,045
Other Structures	3,602	3,486
<b>Total Depreciation Expense</b>	<b>3,195,304</b>	<b>3,006,367</b>

## NOTE 13. NET GAIN/(LOSS) ON DISPOSALS

### Plant & Machinery and Furniture & Equipment

Proceeds from Sale of Assets	679,083	842,300
Carrying Amount of Assets Sold	(780,906)	(753,145)
<b>Net Gain/(Loss) on Disposal of Plant &amp; Machinery and Furniture &amp; Equipment</b>	<b>(101,823)</b>	<b>89,155</b>

### Inventory - Property

Proceeds from Sale of Assets	1,162,635	80,000
Carrying Amount of Assets Sold	(464,855)	(34,544)
<b>Net Gain/(Loss) on Disposal of Land</b>	<b>697,780</b>	<b>45,456</b>

### Total Net Gain/(Loss) on Disposals

<b>Total Net Gain/(Loss) on Disposals</b>	<b>595,957</b>	<b>134,611</b>
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## NOTE 14. CASH AND CASH EQUIVALENTS

	2006 \$	2005 \$
Short Term Deposits	2,340,000	3,060,664
At Call Deposits	3,738,500	1,738,215
Cash at Bank	37,251	163,082
<b>Total Cash Assets</b>	<b>6,115,751</b>	<b>4,961,961</b>

Of this amount, \$515,346 is subject to external restrictions as detailed below:

Long Service Leave Investment Account	515,346	533,684
<b>Total Restricted Cash Assets</b>	<b>515,346</b>	<b>533,684</b>

## NOTE 15. RECEIVABLES

Rate Debtors	373,960	294,578
Other Debtors	699,022	538,357
Accrued Income	122,993	21,256
<b>Total Receivables</b>	<b>1,195,975</b>	<b>854,191</b>

## NOTE 16. INVENTORIES - CONSUMABLES

Stock on Hand	89,100	113,436
<b>Total Inventories</b>	<b>89,100</b>	<b>113,436</b>

## NOTE 17. PREPAYMENTS

Prepaid Expenditure	22,801	84,933
<b>Total Other Current Assets</b>	<b>22,801</b>	<b>84,933</b>

## NOTE 18. PAYABLES CURRENT

Trade Creditors	877,945	1,342,649
Accrued Expenditure	444,331	414,989
<b>Total Payables Current</b>	<b>1,322,276</b>	<b>1,757,638</b>

## NOTE 19. INTEREST-BEARING LIABILITIES

### Current

Bank Loan Secured over Council's Rates & Charges	349,397	197,934
<b>Total Interest-Bearing Liabilities - Current</b>	<b>349,397</b>	<b>197,934</b>

### Non-Current

Bank Loan Secured over Council's Rates & Charges	1,778,971	419,001
<b>Total Interest-Bearing Liabilities - Non-Current</b>	<b>1,778,971</b>	<b>419,001</b>

## NOTE 20. EMPLOYEE BENEFITS

### Current

Annual Leave Provision	460,552	371,798
Long Service Leave Provision	502,002	547,386
<b>Total Employee Benefits - Current</b>	<b>962,554</b>	<b>919,184</b>

### Non-Current

Long Service Leave Provision	135,855	90,264
<b>Total Employee Benefits - Non-Current</b>	<b>135,855</b>	<b>90,264</b>

## 21. PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT

		2006	2005
<b>Summary</b>		\$	\$
At Cost		16,893,132	11,986,723
Less Accumulated Depreciation		2,103,394	1,534,143
		<b>14,789,738</b>	<b>10,452,580</b>
At Fair Value as at 30 June 2004		27,424,195	27,553,990
Less Accumulated Depreciation		8,212,797	7,839,032
		<b>19,211,398</b>	<b>19,714,958</b>
At Council valuation as at 30 June 2005		17,369,205	17,369,205
Less Accumulated Depreciation		8,186,834	7,982,610
		<b>9,182,371</b>	<b>9,386,595</b>
At Independent Valuation		118,369,130	117,924,783
Less Accumulated Depreciation		28,692,512	27,027,933
		<b>89,676,618</b>	<b>90,896,850</b>
<b>Total</b>		<b>132,860,125</b>	<b>130,450,983</b>
<b>Land</b>	At Cost	589,359	413,642
	At Fair Value as at 30 June 2004	8,812,605	8,942,400
		<b>9,401,964</b>	<b>9,356,042</b>
<b>Buildings</b>	At Cost	3,236,192	736,884
	Less Accumulated Depreciation	17,892	-
		<b>3,218,300</b>	<b>736,884</b>
	At Fair Value as at 30 June 2004	18,611,590	18,611,590
	Less Accumulated Depreciation	8,212,797	7,839,032
		<b>10,398,793</b>	<b>10,772,558</b>
<b>Other Structures</b>	At Cost	272,496	268,762
	Less Accumulated Depreciation	59,706	56,104
		<b>212,790</b>	<b>212,658</b>
<b>Work in Progress</b>	Buildings & Building Improvements at Cost	15,860	693,264
	Bridges at Cost	119,733	-
	Sealed and Unsealed Roads at Cost	48,182	-
	Other Structures at Cost	24,031	-
		<b>207,806</b>	<b>693,264</b>
<b>Furniture &amp; Equipment</b>	At Cost	1,286,872	846,410
	Less Accumulated Depreciation	599,839	472,720
		<b>687,033</b>	<b>373,690</b>
<b>Plant &amp; Machinery</b>	At Cost	4,701,630	4,433,567
	Less Accumulated Depreciation	1,208,737	918,048
		<b>3,492,893</b>	<b>3,515,519</b>
<b>Infrastructure</b>			
<b>Footpaths</b>	At Cost	33,926	33,926
	Less Accumulated Depreciation	1,348	500
		<b>32,578</b>	<b>33,426</b>
	Independent Valuation	937,895	937,894
	Less Accumulated Depreciation	306,614	283,167
		<b>631,281</b>	<b>654,727</b>
<b>Sealed Pavements</b>	At Cost	3,367,265	2,186,578
	Less Accumulated Depreciation	24,781	6,664
		<b>3,342,484</b>	<b>2,179,914</b>
	Independent Valuation	75,246,916	74,896,339
	Less Accumulated Depreciation	19,357,626	18,737,056
		<b>55,889,290</b>	<b>56,159,283</b>

## 21. PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT (cont'd)

		NOTE	2006 \$	2005 \$
<b>Unsealed Pavements</b>	At Cost		710,413	465,032
	Less Accumulated Depreciation		21,417	6,694
			<b>688,996</b>	<b>458,338</b>
	Independent Valuation		12,604,197	12,604,197
	Less Accumulated Depreciation		3,822,763	3,423,722
			<b>8,781,434</b>	<b>9,180,475</b>
<b>Sealed Surfaces</b>	At Cost		2,059,173	1,480,658
	Less Accumulated Depreciation		132,965	45,867
			<b>1,926,208</b>	<b>1,434,791</b>
	Independent Valuation		10,456,294	10,400,641
	Less Accumulated Depreciation		5,124,911	4,513,109
			<b>5,331,383</b>	<b>5,887,532</b>
<b>Sealed Formations</b>	Independent Valuation		13,156,348	13,118,232
	Less Accumulated Depreciation		-	-
			<b>13,156,348</b>	<b>13,118,232</b>
<b>Unsealed Formations</b>	Independent Valuation		5,384,365	5,384,365
	Less Accumulated Depreciation		-	-
			<b>5,384,365</b>	<b>5,384,365</b>
<b>Kerb &amp; Channel</b>	At Cost		11,000	11,000
	Less Accumulated Depreciation		366	183
			<b>10,634</b>	<b>10,817</b>
	Independent Valuation		583,115	583,115
	Less Accumulated Depreciation		80,598	70,879
			<b>502,517</b>	<b>512,236</b>
<b>Bridges &amp; Major Culverts</b>	At Cost		56,719	56,719
	Less Accumulated Depreciation		1,182	552
			<b>55,537</b>	<b>56,167</b>
	Council Valuation		16,226,640	16,226,640
	Less Accumulated Depreciation		7,682,270	7,501,974
			<b>8,544,370</b>	<b>8,724,666</b>
<b>Underground Drainage</b>	At Cost		315,336	315,336
	Less Accumulated Depreciation		22,627	16,320
			<b>292,709</b>	<b>299,016</b>
	Council Valuation		1,100,252	1,100,252
	Less Accumulated Depreciation		489,662	467,657
			<b>610,590</b>	<b>632,595</b>
<b>Road Name Plates</b>	At Cost		44,945	44,945
	Less Accumulated Depreciation		12,534	10,491
			<b>32,411</b>	<b>34,454</b>
	Council Valuation		42,313	42,313
	Less Accumulated Depreciation		14,902	12,979
			<b>27,411</b>	<b>29,334</b>
<b>Total Infrastructure</b>	At Cost		6,598,777	4,594,194
	Independent Valuation		118,369,130	117,924,783
	Council Valuation		17,369,205	17,369,205
	Less Accumulated Depreciation		37,096,566	35,097,814
		23	<b>105,240,546</b>	<b>104,790,368</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>			<b>132,860,125</b>	<b>130,450,983</b>

## NOTE 22. INVESTMENT IN ASSOCIATE

	2006	2005
	\$	\$
Equity in Geelong Regional Library	203,638	196,786
<b>Total Other Non-Current Assets</b>	<b>203,638</b>	<b>196,786</b>

Refer to note 1(n) for details regarding Council's interest in the Geelong Regional Library.

## NOTE 23. MOVEMENTS IN PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT

Reconciliations of the carrying amounts of each class of non-current assets at the beginning and end of the current financial year are set out below.

	2006							
	LAND	BUILDINGS	OTHER STRUCTURES	WORK IN PROGRESS	FURNITURE & EQUIPMENT	PLANT & MACHINERY	INFRASTRUCTURE	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2005	9,356,042	11,509,442	212,657	693,265	373,690	3,515,519	104,790,369	130,450,984
Additions	175,717	1,806,044	3,735	207,805	478,219	1,394,696	2,004,584	6,070,800
Subdivisions Handed to Council	-	-	-	-	-	-	444,346	444,346
Depreciation	-	(391,657)	(3,602)	-	(161,927)	(639,365)	(1,998,753)	(3,195,304)
Disposals	-	-	-	-	(2,949)	(777,957)	-	(780,906)
Reclassification Between Classes	-	693,264	-	(693,264)	-	-	-	-
Reclassification to Current Asset	(129,795)	-	-	-	-	-	-	(129,795)
<b>Carrying amount at 30 June 2006</b>	<b>9,401,964</b>	<b>13,617,093</b>	<b>212,790</b>	<b>207,806</b>	<b>687,033</b>	<b>3,492,893</b>	<b>105,240,546</b>	<b>132,860,125</b>

## NOTE 24. SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

During 2005-06 Council's superannuation contributions relating to that year's accumulation and defined benefit members services were \$532,934 (\$450,765 in 2004-05).

### Superannuation: Accumulation Benefits

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

### Superannuation: Defined Benefits

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefits, liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted

by the Fund's actuary as at 31 December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees (same as previous year);

The Fund's liability for accrued benefits was determined in the 31 December 2005 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31-Dec-05
	\$'000
Net Market Value of Assets	3,255,842
Accrued Benefits (per accounting standards)	3,118,911
Difference between Assets and Accrued Benefits	132,931
Vested Benefits	2,865,633

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

## NOTE 25. CONTINGENT LIABILITIES

### Waste Management Contract

Council is party to a Tripartite Deed involving a waste management contractor and a bank. The contractor has a separate financing arrangement with the bank using mobile garbage bins as security. If the contractor defaults on that financing agreement, Council will become liable to the bank for the ongoing instalments during such period of time that Council is in possession of the bins. Council is not responsible for any instalment arrears unless it becomes the owner of the bins.

## NOTE 26. CONTRACTUAL COMMITMENTS FOR EXPENDITURE

At the reporting date, Council was contractually committed to the following expenditure:

	2006			2005		
	LESS THAN ONE YEAR	ONE YEAR TO FIVE YEARS	TOTAL	LESS THAN ONE YEAR	ONE YEAR TO FIVE YEARS	TOTAL
	\$	\$	\$	\$	\$	\$
Rokewood Recreational Reserve	234,000	-	234,000	-	-	-
Shelford Community Meeting Place	26,500	-	26,500	-	-	-
Garibaldi Bridge Upgrade	853,000	-	853,000	-	-	-
Bannockburn Family Services Centre	42,670	-	42,670	-	-	-
Rokewood/Corindhap/Dereel UDF	580,000	-	580,000	-	-	-
Intensive Agriculture Infrastructure Study	15,000	-	15,000	-	-	-
Buninyong/Mt Mercer Road Widening	635,500	80,000	715,500	-	-	-
Buninyong/Mt Mercer Rd - Bridge Widening	164,545	-	164,545	-	-	-
Bannockburn Bowls Club Resurfacing	116,200	-	116,200	-	-	-
South East Land Use Planning Review	50,000	-	50,000	-	-	-
Four Seasons Waste Management	540,400	1,621,200	2,161,600	463,327	1,853,308	2,316,635
Bannockburn Office Extension	-	-	-	192,646	-	192,646
	<b>3,257,815</b>	<b>1,701,200</b>	<b>4,959,015</b>	<b>655,973</b>	<b>1,853,308</b>	<b>2,509,281</b>

## NOTE 27. FINANCIAL RATIOS

### (a) Revenue Ratio

Purpose: To assess the dependence on non-rate income sources.

	2006		2005		2004
Rate Revenue	<u>6,246,550</u>	34.01%	<u>5,078,146</u>	29.23%	<u>4,613,171</u>
Total Revenue	18,365,606		17,374,832		15,853,547

### (b) Debt Exposure Ratio

Purpose: To identify the exposure of Council to debt and to indicate the solvency of the Council.

	2006		2005		2004
Total Indebtedness	<u>4,880,061</u>	13.55%	<u>3,724,252</u>	11.49%	<u>2,967,763</u>
Total Realisable Assets	36,027,775		32,420,019		29,400,122

### (c) Debt Servicing Ratio

Purpose: To assess Council's capacity to service debt outstanding.

	2006		2005		2004
Debt Servicing	<u>100,135</u>	0.55%	<u>40,605</u>	0.23%	<u>56,149</u>
Total Revenue	18,365,606		17,374,832		15,853,547

### (d) Debt Commitment Ratio

Purpose: To identify Council's debt redemption strategy.

	2006		2005		2004
Debt Servicing & Redemption	<u>375,701</u>	6.01%	<u>224,661</u>	4.42%	<u>152,837</u>
Rate Revenue	6,246,550		5,078,146		4,613,717

### (e) Working Capital Ratio

Purpose: To assess Council's ability to meet current commitments.

	2006		2005		2004
Current Assets	<u>8,204,558</u>	294%	<u>6,562,618</u>	216%	<u>5,009,662</u>
Current Liabilities	2,795,235		3,044,987		1,806,747

## Definitions

"Current assets" means the total current assets as shown in the Balance Sheet.

"Current liabilities" means the total current liabilities as shown in the Balance Sheet.

"Debt servicing costs" includes interest and charges on loans and overdrafts.

"Total indebtedness" means total liabilities, both current and non-current, as shown in the Balance Sheet.

"Total realisable assets" means total current assets and total realisable non-current assets.

"Total revenue" means total revenue as shown in the Income Statement, however, total revenue included sale of non-current assets in 2004.



## NOTE 28. FINANCIAL INSTRUMENTS

### (a) Accounting Policies, Terms and Conditions

Council's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

FINANCIAL INSTRUMENT	NOTE	ACCOUNTING POLICIES	TERMS AND CONDITIONS
<b>(1) Financial Assets</b>			
Cash at Bank	14	Cash amounts are stated at face value. Interest is recognised as it accrues.	On call deposits returned floating interest rates daily of 2.6%
At Call Deposits	14	At call deposits are stated at cost. Interest is recognised as it accrues.	Cash amounts are available at call. The effective interest rate is 5.70% to 6.00% (2005: 5.20% to 5.45%)
Short Term Deposits	14	Short-term deposits are stated at cost. Interest is recognised as it accrues.	Short-term deposits held as at balance date have an average maturity of 62 days and effective interest rates of 5.97% to 6.17% (2005: 5.68% to 5.92%)
Rate Debtors	15	Rate debtors are carried at nominal amounts. No provision is made for doubtful debts, as outstanding rates remain a charge on the property.	Interest on unpaid rates is levied at 11.50% per annum (2005: 12.00% p.a.).
Other Debtors	15	Trade debtors are carried at nominal amounts less provision for doubtful debts. A provision for doubtful debt is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 14 day terms.
Accrued Income	15	Amounts (other than trade debts) receivable from entities are carried at nominal amounts.	Accrued income is normally settled within 30 days.
<b>(2) Financial Liabilities</b>			
Trade Creditors & Accrued Expenditure	18	Creditors are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council. Interest is not payable on these liabilities.	Trade liabilities are normally settled on 30 day terms.
Trust Funds		Trust funds are recognised for amounts to be paid in the future for amounts held on behalf of other parties. Interest is not payable on these liabilities.	Trust funds are normally repaid within one year.
Interest-Bearing Liabilities	19	Bank borrowings are carried at the amount outstanding at the 30th of June, 2006. Interest is recognised as it accrues.	Council has three bank loans. The first loan matures on 25 March, 2007. The effective interest rate is 5.74%. The second loan matures on 24 December 2008. The effective interest rate is 6.33%. The third loan matures on 3 November 2015. The effective interest rate is 6.09%.

## NOTE 28. FINANCIAL INSTRUMENTS (Cont'd)

### (b) Interest Rate Risk

Council's exposure to interest rate risks and the weighted average effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

FINANCIAL INSTRUMENT	NOTE	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN 1 YEAR OR LESS	FIXED INTEREST RATE MATURING IN 1-8 YEARS	NON-INTEREST BEARING	TOTAL CARRYING AMOUNT DISCLOSED IN STATEMENT OF BALANCE SHEET	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
		2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000	2006 %
<b>(1) Financial Assets</b>							
Cash at Bank	14	37	-	-	-	37	2.60
At Call Deposits	14	3,738	-	-	-	3,738	5.93
Short Term Deposits	14	-	2,340	-	-	2,340	6.08
Rate Debtors	15	-	374	-	-	374	11.50
Other Debtors	15	-	-	-	699	699	11.50
Accrued Income	15	-	-	-	123	123	-
<b>(2) Financial Liabilities</b>							
Trade Creditors	18	-	-	-	878	878	-
Accrued Expenditure	18	-	-	-	444	444	-
Trust Funds		-	-	-	161	161	-
Interest-Bearing Liabilities	19	-	-	2,128	-	2,128	6.11

FINANCIAL INSTRUMENT	NOTE	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURING IN 1 YEAR OR LESS	FIXED INTEREST RATE MATURING IN 1-8 YEARS	NON-INTEREST BEARING	TOTAL CARRYING AMOUNT DISCLOSED IN STATEMENT OF BALANCE SHEET	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
		2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000	2005 %
<b>(1) Financial Assets</b>							
Cash at Bank	14	163	-	-	-	163	-
At Call Deposits	14	1,738	-	-	-	1,738	-
Short Term Deposits	14	-	3,061	-	-	3,061	-
Rate Debtors	15	-	295	-	-	295	12.00
Other Debtors	15	-	-	-	538	538	-
Accrued Income	15	-	-	-	21	21	-
<b>(2) Financial Liabilities</b>							
Trade Creditors	18	-	-	-	1,343	1,343	-
Accrued Expenditure	18	-	-	-	415	415	-
Trust Funds		-	-	-	170	170	-
Interest-Bearing Liabilities	19	-	-	617	-	617	6.12

## NOTE 28. FINANCIAL INSTRUMENTS (Cont'd)

### (c) Net Fair Value

The aggregate fair value of financial assets and financial liabilities at balance date are as follows:

FINANCIAL INSTRUMENT	NOTE	TOTAL CARRYING AMOUNT AS PER BALANCE SHEET		AGGREGATE NET FAIR VALUE	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>(1) Financial Assets</b>					
Cash at Bank	14	37	163	37	163
At Call Deposits	14	3,738	1,738	3,738	1,738
Short Term Deposits	14	2,340	3,061	2,340	3,061
Rate Debtors	15	374	295	374	295
Other Debtors	15	699	538	699	538
Accrued Income	15	123	21	123	21
<b>(2) Financial Liabilities</b>					
Trade Creditors	18	878	1,343	878	1,343
Accrued Expenditure	18	444	415	444	415
Trust Funds		161	170	161	170
Interest-Bearing Liabilities	19	2,128	617	2,128	617

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

FINANCIAL INSTRUMENT	NOTE	METHODS AND ASSUMPTIONS
<b>(1) Financial Assets</b>		
Cash at Bank	14	The carrying amount of all financial assets approximates fair value because of the short term to maturity.
At Call Deposits	14	
Short Term Deposits	14	
Rate Debtors	15	
Other Debtors	15	
Accrued Income	15	
<b>(2) Financial Liabilities</b>		
Trade Creditors	18	The carrying amount approximates fair value because of the short term to maturity.
Accrued Expenditure	18	The carrying amount approximates fair value because of the short term to maturity.
Trust Funds		The carrying amount approximates fair value because of the short term to maturity.
Interest-Bearing Liabilities	19	The fair value is estimated by discounting future cash outflows using current borrowing rates.

## NOTE 29: RELATED PARTY DISCLOSURES

### (a) Identity of Responsible Persons

Responsible Persons of the Council during the year were:

Cr D Cotsell	(Mayor from December 2005)
Cr B McArthur	(Mayor until December 2005)
Cr J Blake	
Cr G Dupe	
Cr G Frantz	
Cr D Guinane	
Cr J Jones	
Cr K Knight	
Cr A Parker	

**Chief Executive Officer: Rod Nicholls**

### (b) Remuneration and Benefits of Responsible Persons

The number of Responsible Officers of the Council whose total remuneration including any superannuation benefits from the Council and any related entity falls within the following bands:

	2006 No.	2005 No.
\$0 - \$9,999	-	2
\$10,000 - \$19,999	7	7
\$20,000 - \$29,999	2	-
\$30,000 - \$39,999	-	1
\$140,000 - \$149,999	-	-
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	1	1
	<u>10</u>	<u>11</u>
Total Remuneration of Responsible Persons	\$301,725	\$276,062

### (c) Identity of Senior Officers

The Senior Officers of the Council during the reporting period were:

D Madden	Director Technical Operations
L Jenner	Director Community Services
J Dixon	Director Corporate Services
S Sagona	Manger Executive Projects

### (d) Remuneration and Benefits – Senior Officers

The number of Senior Officers of Council whose total remuneration including any superannuation benefits from the Council and any related entity falls within the following bands:

	2006 No.	2005 No.
\$ 80,000 - \$ 89,999	1	1
\$100,000 - \$109,999	-	-
\$110,000 - \$119,999	-	3
\$120,000 - \$129,999	3	-
	<u>4</u>	<u>4</u>
Total Remuneration of Senior Officers	\$445,538	\$427,275

### (e) Other Transactions of Responsible Persons/Senior Officers

During the financial year, the following transactions were conducted between Responsible Persons/Senior Officers or their families and the Council:

	2006 \$	2005 \$
Haddon Bottle Shop – Cr B McArthur	1,302	1,439

These transactions were on normal commercial terms.

## Certification of Accounts

In my opinion, the accompanying financial report has been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.

Signed at Bannockburn this 14th day of September 2006.



DEAN P MILLER, MBA; FCPA  
PRINCIPAL ACCOUNTING OFFICER

In our opinion the accompanying financial report presents fairly the financial transactions of the Golden Plains Shire Council for the year ended 30 June 2006 and the financial position of the Council as of that date.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the financial report to be misleading or inaccurate. We have been authorised by Council on 24th August 2006 to certify the financial report in its final form.

Signed at Bannockburn this 14th day of September 2006.



COUNCILLOR DAVID COTSELL  
Mayor



COUNCILLOR KEVIN KNIGHT  
Chairman, Audit and Finance Committee



ROD NICHOLLS  
Chief Executive Officer



AUDITOR GENERAL  
VICTORIA

## INDEPENDENT AUDIT REPORT

### Golden Plains Shire Council

#### To the Councillors

##### Scope

###### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2006 of Golden Plains Shire Council consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the certification of the financial report.

The accompanying standard statements for the year ended 30 June 2006 of the Council consists of the standard income statement, standard balance sheet, standard statement of cash flows, standard statement of capital works, the related notes and the certification of standard statements.

###### *Councillors' Responsibility*

The Councillors of Golden Plains Shire Council are responsible for:

- the preparation and presentation of the financial report and the standard statements, and the information they contain, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

###### *Audit Approach*

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report and standard statements. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report and standard statements
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Councillors
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report and standard statements.

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Auditing in the Public Interest



AUDITOR GENERAL  
VICTORIA

## Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether:

- the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act* 1989, so as to present a view which is consistent with my understanding of the Council's financial position, and its financial performance and cash flows
- the standard statements are presented fairly in accordance with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act* 1989, and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

### Independence

The Auditor-General's independence is established by the *Constitution Act* 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

### Audit Opinion

In my opinion:

- (a) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act* 1989, the financial position of Golden Plains Shire Council as at 30 June 2006 and its financial performance and cash flows for the year then ended

- (b) the standard statements are presented fairly in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act* 1989.

  
Edward M. Hay  
Acting Auditor-General

MELBOURNE  
20 September 2006

# Performance Statement

FOR YEAR ENDED 30 JUNE 2006

Key Strategic Activities		Actual performance compared to Annual Budget		
		Actual Result 2005-06	BUDGET Target 2005-06	Difference
VLGI 1	Rates & charges per assessment.	\$ 803	\$ 803	0%
VLGI 2	Rates & charges per residential assessment.	\$ 754	\$ 754	0%
VLGI 3	Liabilities per assessment.	\$ 548	\$ 469	17%
VLGI 4	Operating result per assessment.	\$ 337	\$ 272	24%
VLGI 5	Operating expenditure per assessment.	\$ 1,866	\$ 1,883	1%
VLGI 7	Capital expenditure per assessment.	\$ 727	\$ 938	22%
Community Satisfaction		CSMP April 2006 indexed mean	ABP Target 2005-06	Difference
CS.2.1	Community satisfaction rating for local roads & footpaths.	49	52	-3
CS.2.2	Community satisfaction rating for health & human services.	72	70	2
CS.2.3	Community satisfaction rating for recreational facilities.	68	69	-1
CS.2.6	Community satisfaction rating for waste management services.	75	78	-3
CS.2.8	Community satisfaction rating for economic development.	66	65	1
CS.2.9	Community satisfaction rating for town planning policy & approvals.	65	66	-1
CS.3	Community satisfaction rating for council's interaction & responsiveness in dealing with the public.	72	71	1
CS.4	Community satisfaction rating for council's advocacy & community representation on key local issues.	68	68	0

## PERFORMANCE STATEMENT EXPLANATIONS

### Introduction

The Victorian Government requires all councils to publish performance information that allows for a consistent approach to the reporting of financial performance, operating costs and community satisfaction.

### Common Terms

The majority of the terms used in the income statement are the same as those used in the financial statements, however some of the terms are different. A full and detailed explanation of each indicator, how it is calculated, its purpose and interpretation etc, can be found in the 'Explanatory Guide' which is available from the Council. Short explanations of the 'different' terms used are listed below:

**Assessments** – the number of rateable properties as at the date of the adoption of the rates.

**Average Annual Asset Consumption (AAAC)** – The amount of a local government's asset base consumed during a year based on current

replacement cost divided by useful life.

**Capital expenditure** – is the amount capitalised to the Balance Sheet (ie the aggregate additions to non- current assets for the year) and net contributions by Council to major assets not owned by Council.

**Customer Satisfaction Ratings** – Indexed mean of 350 respondents' answers in a survey, conducted by independent strategic research consultants Newton Wayman Chong and Associates, asking them to rate council's performance. The indexed mean is a weighted score across five performance ratings being 100 – excellent / outstanding performance, 80 – good / high standard, 60 – adequate / acceptable, 40 – needs some improvement and 20 – needs a lot of improvement.

**Renewal Gap** – Ratio of spending on renewal to the long-term AAAC.

**Renewal and Maintenance Gap** – Ratio of current spending on renewal plus maintenance to the AAAC plus maintenance.

## SUMMARY OF EXPLANATION OF VARIATIONS

VLGI 3 – For an explanation of the reasons why liabilities per assessment were higher than budget, please refer to 'Ref 4' in the Explanation of Variances section of the Standard Statements.

VLGI 4 – For an explanation of the reasons why the operating result per assessment was higher than budget, please refer to 'Ref 1' in the Explanation

of Variances section of the Standard Statements.

VLGI 7 – For an explanation of the reasons why the operating result per assessment was higher than budget, please refer to 'Ref 6' in the Explanation of Variances section of the Standard Statements.

# Council Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Golden Plains Shire Council in respect of 2005-06 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's corporate plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

As at the time of signing, we are not aware of any circumstance, which would render any particular in the statement to be misleading or inaccurate.

Signed at Bannockburn this 14th day of September 2006.



COUNCILLOR DAVID COTSELL  
Mayor



COUNCILLOR KEVIN KNIGHT  
Chairman, Audit and Finance Committee





AUDITOR GENERAL  
VICTORIA  
INDEPENDENT AUDIT REPORT

Golden Plains Shire Council

To the Councillors

Scope

*The Performance Statement*

The accompanying performance statement for the year ended 30 June 2006 of Golden Plains Shire Council consists of the statement, the related notes and the council approval of the performance statement.

*Councillors' Responsibility*

The Councillors of Golden Plains Shire Council are responsible for the preparation and presentation of the performance statement and the information it contains.

*Audit Approach*

As required by the *Local Government Act 1989*, an independent audit has been carried out in order to express an opinion on the performance statement. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the statement
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the statement.

These procedures, which did not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act 1989*.

The audit opinion expressed in this report has been formed on the above basis.

Independence

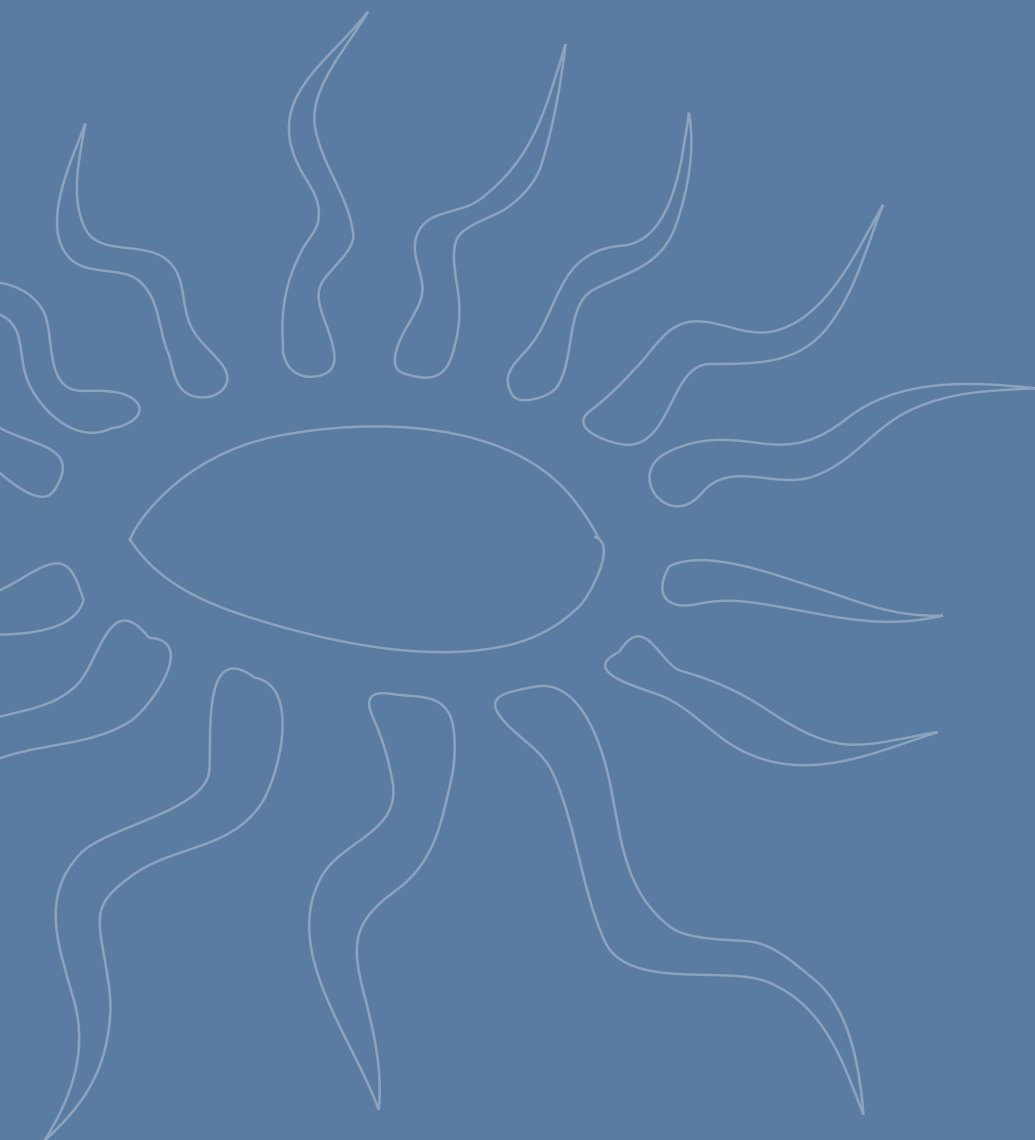
The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the performance statement of Golden Plains Shire Council in respect of the 30 June 2006 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE  
20 September 2006

  
Edward M. Hay  
Acting Auditor-General



#### CUSTOMER SERVICE CENTRES

2 Pope Street, Bannockburn  
Mon-Fri 8.30am – 5.00pm

Sussex Street, Linton  
Mon-Fri 8.30am – 12.30pm  
& 1.00pm – 5.00pm

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