



GOVERNANCE, MANAGEMENT & OTHER INFORMATION

CONTRACTS

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

DISABILITY ACTION PLAN

The Golden Plains Shire Access and Inclusion Plan 2016-2019 expresses Council's strategic direction to improving access and inclusion needs of people with a disability and is planning for the provision of services, programs and infrastructure to meet the needs of a diverse and changing population over the coming decades and create an age-friendly, inclusive municipality.

In line with this, Council has adopted an integrated approach to developing its Active Ageing and Inclusion Plan 2020-2024 - In Draft by combining the principles of active ageing, as well as disability access and inclusion, into planning for services, programs and infrastructure. The Plan builds on the work undertaken previously in the Access and Inclusion Plan 2016-2019.

The Golden Plains Active Ageing and Inclusion Plan 2020-2024 seeks to improve the overall quality of life for people living, working and visiting the Shire, by removing barriers which directly or indirectly discriminate against people with a disability and ageing.

It is envisaged the plan will:

- Build a stronger, more vibrant community through increased participation of people with a disability and ageing, in community life.
- Demonstrate Council's leadership in the areas of access, inclusion and equality.
- Ensure facilities and services provided by Council are accessible, equitable and inclusive.
- Embrace diversity and culture.
- Value the rich social and economic contributions people with a disability and older people make to families and communities.
- Support independence, well-being and quality of life for all people as they age.

Council has continued to successfully implement the plan with some key activities including:

- The ongoing support and resourcing of Golden Plains Shire Active Ageing and Inclusion Advisory Group.
- Adopted an integrated approach to developing the 'Active Ageing and Inclusion Plan 2020-2024-Draft' by combining the principles of 'active ageing' and 'disability access and inclusion' into planning for services, programs and infrastructure.
- Developed in partnership with the Active Ageing and Advisory Group a Disability, Access, Ageing and Inclusion Network to advocate and explore prospects for community members, to increase opportunities for inclusion for people with disabilities and ageing in their local communities.
- Installed accessible street furniture in Bannockburn to support wheelchair accessibility and inclusion.

- Council staff have undertaken Dementia Friendly training and development to support Dementia Friendly Communities.
- Increased economic participation through volunteer ship at Council.
- Development of an Easy English version of the Council Plan 2017-2021.
- 'Read Speaker' function on website (screen reader (text to voice) for people who have low vision).
- Advocacy to increase accessibility and inclusiveness of Bannockburn Heart Play Space.
- Commence Installment of an accessible bathroom in the new Civic Centre for community access.

DOMESTIC ANIMAL MANAGEMENT PLAN (2017-2021)

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at every four years and evaluate its implementation in the Annual Report. The current plan was updated in November 2017 in line with State Government requirements. A new plan is set to be developed in Mid 2021 for the upcoming four years.

Council adopted the current Domestic Animal Management Plan in 2017. The plan was developed through consultation with Council's Animal Management Team and surveys with the community.

Since inception, Council has reviewed and monitored its operations on a yearly basis in line with the key objectives of the plan:

- To increase the enjoyment people receive from their pets
- To reduce the incidence of problems within the community related to pets being a nuisance or causing problems or injury to people or other animals
- To contribute to improving the health and wellbeing of pets.

A number of actions, as outlined in the plan, have been undertaken based around educational and promotional activities, in addition to general enforcement and compliance. These have included, but are not limited to targeted township registration checks, domestic animal business audits, investigation of prevention to cruelty of animal matters, prosecution of serious dog attacks matters, maintenance and audit of the declared dog register, and targeted feral cat removal in peri-urban/rural areas.

Since the commencement of the plan, animal registration has grown from 6,102 animals to 7789 animals, a 29.3% increase. There are a large number (1100) that were not renewed for the 2020 period which COVID-19 has had a factor.

During 2019-20, the total number of animals impounded by Council Officers or delivered to animal shelters by residents has reduced by 19% to 162 animals. Reclaiming of impounded animals grew from 22% last year to 35% this year.

Council forwarded 65 unpaid animal management infringements to Fines Victoria.

Council also ran a cat desexing program where unregistered cats were offered desexing, microchipping at a heavily discounted rate that included free registration for one year at our local veterinary clinics. Unfortunately this was introduced at the beginning of COVID-19 and was not taken up by many residents.

FOOD ACT MINISTERIAL DIRECTIONS

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its Annual Report.

No such Ministerial Directions were received by Council during the financial year.





FREEDOM OF INFORMATION

Under the *Freedom of Information Act 1982*, the community has the right to access documents held by Council. During the 2019-20 financial year, a total of eight (8) requests were received by Council and one (1) request was carried over from the 2018-19 financial year.

- 1 was processed outside of the FOI Act
- 3 were withdrawn
- 0 were granted in full
- 3 were granted in part (exemptions applied)
- 1 denied in full
- 1 was not finalised by the end of the financial year (carried over to next year) A total of \$88.80 in application fees was collected.

A total of \$148.00 in application fees was waived on the grounds of hardship, or not required to be paid.

A total of \$316.45 in access fees was collected.

PROTECTED DISCLOSURE PROCEDURES

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

In accordance with Section 69 of the *Protected Disclosure Act 2012*, a council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. Procedures on how to make a disclosure are publicly available on Council's website.

It is also required to provide certain information about the number and types of protected disclosure complaints investigated during the financial year. During the 2019-20 year, no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

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

NATIONAL COMPETITION POLICY

For the year ended 30 June 2020, Golden Plains Shire Council has adhered to, and is obligated to adhere to, competitive neutrality principles.

INFRASTRUCTURE AND DEVELOPMENT CONTRIBUTIONS

Council has a policy for guiding the collection of development contributions. Council does not have any formal Infrastructure Contributions Plans (ICP's) or Development Contributions Plans (DCP's).

Table of Contents

FINANCIAL REPORT

Certification of the Financial Statements 113
 Victorian Auditor-General's Office Report 114

Financial Statements

Comprehensive Income Statement 116
 Balance Sheet 117
 Statement of Changes in Equity 118
 Statement of Cash Flows 119
 Statement of Capital Works 120

Notes to Financial Statements

Overview	121	Note 6	Assets we manage	142
Note 1 Performance against budget	122	6.1.	Property, infrastructure plant and equipment	142
1.1. Income and expenditure	122	6.2.	Investments in associates	149
1.2. Capital works	125	Note 7	People and relationships	150
Note 2 2.1 Analysis of Council results by program	127	7.1.	Council and key management remuneration	150
Note 3 Funding for the delivery of our services	129	7.2.	Related party disclosure	151
3.1. Rates and charges	129	Note 8	Managing uncertainties	152
3.2. Statutory fees and fines	129	8.1.	Contingent assets and liabilities	152
3.3. User fees	129	8.2.	Change in accounting standards	153
3.4. Funding from other levels of government	130	8.3.	Financial instruments	154
3.5. Contributions	131	8.4.	Fair value measurement	155
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	131	8.5.	Events occurring after balance date	156
3.7. Other income	132	Note 9	Other matters	157
Note 4 The cost of delivering services	132	9.1.	Reserves	157
4.1. Employee costs	132	9.2.	Reconciliation of cash flows from operating activities to surplus/(deficit)	159
4.2. Materials and services	133	9.3.	Superannuation	160
4.3. Depreciation and amortisation	133	Note 10	Change in Accounting Policy	163
4.4. Bad and doubtful debts	134			
4.5. Borrowing costs	134			
4.6. Other expenses	134			
Note 5 Our financial position	134			
5.1. Financial assets	134			
5.2. Non-financial assets	137			
5.3. Payables	137			
5.4. Interest-bearing liabilities	138			
5.5. Provisions	138			
5.6. Financing arrangements	140			
5.7. Commitments	141			

Certification of the Financial Statements

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



Philippa O'Sullivan CPA
 Principal Accounting Officer

Date : 9 October 2020
 Bannockburn

In our opinion the accompanying financial statements present fairly the financial transactions of Golden Plains Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Councillor Owen Sharkey
 Mayor



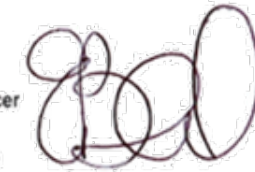
Date : 9 October 2020
 Bannockburn

Councillor Les Rowe



Date : 9 October 2020
 Bannockburn

Eric Braslis
 Chief Executive Officer



Date : 9 October 2020
 Bannockburn



Independent Auditor's Report

To the Councillors of Golden Plains Shire Council

Opinion	<p>I have audited the financial report of Golden Plains Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
19 October 2020

Sanchu Chummar

as delegate for the Auditor-General of Victoria

Golden Plains Shire Council
2019/2020 Financial ReportComprehensive Income Statement
For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	23,834	22,951
Statutory fees and fines	3.2	725	667
User fees	3.3	2,147	2,613
Grants - operating	3.4	10,860	11,000
Grants - capital	3.4	5,336	4,103
Contributions - monetary	3.5	1,904	1,644
Contributions - non monetary	3.5	1,043	795
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	18	103
Share of net profits (or loss) of associates	6.2	67	(16)
Other income	3.7	306	773
Total income		46,240	44,633
Expenses			
Employee costs	4.1	16,454	17,133
Materials and services	4.2	14,632	12,760
Depreciation and amortisation	4.3	8,045	7,780
Bad and doubtful debts	4.4	109	16
Borrowing costs	4.5	199	334
Other expenses	4.6	1,317	260
Total expenses		40,756	38,283
Surplus/(deficit) for the year		5,484	6,350
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	9,555	3,103
Total comprehensive result		15,039	9,453

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

Golden Plains Shire Council
2019/2020 Financial ReportBalance Sheet
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	21,414	18,563
Trade and other receivables	5.1	2,574	3,798
Other financial assets	5.1	-	2,718
Inventories	5.2	17	4
Other assets	5.2	95	167
Total current assets		24,100	25,250
Non-current assets			
Investments in associates	6.2	791	724
Property, infrastructure, plant and equipment	6.1	462,315	439,603
Total non-current assets		463,106	440,327
Total assets		487,206	465,577
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,344	3,703
Trust funds and deposits	5.3	573	559
Unearned income	5.3	425	-
Provisions	5.5	3,249	3,237
Interest-bearing liabilities	5.4	2,229	7,349
Total current liabilities		10,820	14,848
Non-current liabilities			
Provisions	5.5	2,725	2,967
Interest-bearing liabilities	5.4	11,801	297
Total non-current liabilities		14,526	3,264
Total liabilities		25,346	18,112
Net assets		461,860	447,465
Equity			
Accumulated surplus		187,143	183,105
Reserves	9.1	274,717	264,360
Total Equity		461,860	447,465

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

Golden Plains Shire Council
2019/2020 Financial ReportStatement of Changes in Equity
For the Year Ended 30 June 2020

	Note	2020			
		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		447,465	183,105	256,153	8,207
Impact of change in accounting policy - AASB 15					
Revenue from Contracts with Customers		(644)	(644)	-	-
Adjusted Opening balance		446,821	182,461	256,153	8,207
Surplus/(deficit) for the year		5,484	5,484	-	-
Net asset revaluation increment/(decrement)	9.1(a)	9,555	-	9,555	-
Transfers to other reserves	9.1(b)	-	(899)	-	899
Transfers from other reserves	9.1(b)	-	97	-	(97)
Balance at end of the financial year		461,860	187,143	265,708	9,009

	Note	2019			
		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		438,012	181,249	253,050	3,713
Surplus/(deficit) for the year		6,350	6,350	-	-
Net asset revaluation increment/(decrement)	9.1(a)	3,103	-	3,103	-
Transfers to other reserves	9.1(b)	-	(8,335)	-	8,335
Transfers from other reserves	9.1(b)	-	3,841	-	(3,841)
Balance at end of the financial year		447,465	183,105	256,153	8,207

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

Golden Plains Shire Council
2019/2020 Financial ReportStatement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020		2019	
		Inflows/ (Outflows) \$'000		Inflows/ (Outflows) \$'000	
Cash flows from operating activities					
Rates and charges		23,545		22,509	
Statutory fees and fines		725		667	
User fees		2,262		2,568	
Grants - operating		12,585		10,735	
Grants - capital		4,692		4,103	
Contributions - monetary		2,103		1,692	
Interest received		321		327	
Trust funds and deposits taken		226		408	
Net GST refund/payment		761		736	
Employee costs		(17,166)		(16,794)	
Materials and services		(14,724)		(13,991)	
Trust funds and deposits repaid		(212)		(139)	
Net cash provided by/(used in) operating activities		15,118		12,821	
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	6.1	(21,363)		(10,534)	
Proceeds from sale of property, infrastructure, plant and equipment		193		385	
Payments of loans and advances		-		(785)	
Net cash provided by/(used in) investing activities		(21,170)		(10,934)	
Cash flows from financing activities					
Finance costs		(199)		(334)	
Proceeds from borrowings		13,000		-	
Repayment of borrowings		(3,898)		(261)	
Net cash provided by/(used in) financing activities		8,903		(595)	
Net increase (decrease) in cash and cash equivalents		2,851		1,292	
Cash and cash equivalents at the beginning of the financial year		18,563		17,271	
Cash and cash equivalents at the end of the financial year		21,414		18,563	
Financing arrangements	5.4				
Restrictions on cash assets	5.1	1,005		799	

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

Golden Plains Shire Council
2019/2020 Financial Report

**Statement of Capital Works
For the Year Ended 30 June 2020**

	2020 \$'000	2019 \$'000
Property		
Land	-	45
Total land	-	45
Buildings - Specialised	301	1,211
Buildings - Non Specialised	5,782	187
Total buildings	6,083	1,398
Total property	6,083	1,443
Plant and equipment		
Plant, machinery and equipment	666	1,942
Computers, Fixtures, fittings and furniture	344	200
Total plant and equipment	1,010	2,142
Infrastructure		
Roads	6,862	4,108
Bridges	2,727	360
Footpaths and cycleways	243	347
Drainage	-	-
Recreational, leisure and community facilities	4,110	1,955
Parks, open space and streetscapes	335	127
Off street car parks	27	50
Total infrastructure	14,304	6,947
Total capital works expenditure	21,397	10,532
Represented by:		
New asset expenditure	3,529	2,756
Asset renewal expenditure	6,715	4,331
Asset expansion expenditure	5,774	-
Asset upgrade expenditure	5,379	3,445
Total capital works expenditure	21,397	10,532

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

Golden Plains Shire Council
2019/2020 Financial Report

**Notes to the Financial Report
For the Year Ended 30 June 2020**

OVERVIEW

Introduction

The Golden Plains Shire Council was established by an Order of the Governor in Council on 6 May 1994 and is a body corporate. The Council's main office is located at 2 Pope Street, Bannockburn.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- other areas requiring judgments

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent and \$20,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 25 June 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	23,649	23,834	185	1%	
Statutory fees and fines	606	725	119	20%	1
User fees	2,526	2,147	(379)	-15%	2
Grants - operating	10,718	10,860	142	1%	
Grants - capital	4,000	5,336	1,336	33%	3
Contributions - monetary	1,569	1,904	335	21%	4
Contributions - non monetary	1,125	1,043	(82)	-7%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	18	18	100%	
Share of net profits/(losses) of associates and joint ventures	-	67	67	100%	
Other income	251	306	55	22%	
Total income	44,444	46,240	1,796		
Expenses					
Employee costs	18,208	16,454	1,754	10%	5
Materials and services	14,680	14,632	48	0%	
Bad and doubtful debts	12	109	(97)	100%	6
Depreciation and amortisation	8,295	8,045	250	3%	
Borrowing costs	536	199	337	63%	7
Other expenses	275	1,317	(1,042)	-379%	8
Total expenses	42,006	40,756	1,250		
Surplus/(deficit) for the year	2,438	5,484	3,046		

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

(i) Explanation of material variations

Ref	Item	Explanation	\$'000
1	Statutory fees and fines		
	Town Planning Permit Fees and Lodgement Fees	Increase in the number of property planning and rezoning activities.	109
	Pool Permit Information Search and Pool Registration Fees	Additional revenue due to new pool safety regulations introduced during the year	29
	Animal Infringement Fines	Reduced fines due to increased compliance	(26)
2	User Fees		
	Childcare/Children's Programs	Reduced childcare centre revenue due to increased competition and lower enrolment.	(330)
	Animal Registration Charges	Registration payments have been extended until September	(77)
	Subdivision Supervision Fees	Increased number of applications for sub-divisions	27
3	Grants - Capital		
	Grant - Roads to Recovery	Grant funding received was higher than anticipated	467
	Grant - Bannockburn Heart (NSRF)	Grant received in 2019-20 year, originally expected in 2018-19	1,140
	Grant - Heart (State)	Grant received in 2019-20 year, originally expected in 2018-19	150
	Grant - Fixing Country Road	Grant received in 2018-19 year, originally expected in 2019-20	(814)
	Grant - Wall Bridge Renewal	Grant received in 2019-20 year, originally expected in 2018-19	304
	Grant - Bannockburn Vic park Oval	Grant funding received in 2018-19	(500)
4	Contributions - monetary		
	Public Open Space Contributions	Higher subdivision activities than expected	205
	Developer Community Contributions	Increase in developer contribution payments due to increased development and building activity	152
	Debt Collection Recoupment	Decrease in debt collection activities due to COVID-19 related relief measures	(168)
	Contributions - Berrybank - Teesdale	Contribution received in 2018-19, budgeted in 2019-20	(68)
	Central Highlands Councils Victoria (CHCV) - Contributions	Contribution received for new project	115
	Contributions - Barwon Park Bridge Deck Replacement	Contribution received was higher than originally budgeted	110
5	Employee Costs		
	Wages and Salaries	Vacant positions during the year which took longer to fill and reduction of temporary staff in Childcare	1,499
6	Bad and Doubtful Debts		
	Animal, Parking & Local Laws	Increase in long outstanding fines and infringement notices	(41)
	Quarry Works	Provision for doubtful debtors	(40)
	Aged and Disability	Provision for doubtful debtors	(10)

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

7 Borrowing Costs			
Interest on Borrowings	Low interest rates and budgeted loan drawdowns later in the year.	337	
8 Other expenses			
De-recognition non-current assets	De-recognition of footpath and trails due to not being owned by Golden Plains Shire Council	(1,030)	

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Property					
Land	-	-	-		
Land improvements	1,500	-	(1,500)	100%	1
Total Land	1,500	-	(1,500)		
Buildings - specialised	80	301	221	276%	2
Buildings - unspecialised	4,610	5,782	1,172	25%	3
Total Buildings	4,690	6,083	1,393		
Total Property	6,190	6,083	(107)		
Plant and Equipment					
Plant, machinery and equipment	1,055	666	(389)	-37%	4
Fixtures, fittings and furniture	10	-	(10)	-100%	
Computers and telecommunications	500	344	(156)	-31%	5
Total Plant and Equipment	1,565	1,010	(555)		
Infrastructure					
Roads	6,175	6,862	687	11%	6
Bridges	1,500	2,727	1,227	82%	7
Footpaths and cycleways	368	243	(125)	-34%	8
Recreational, leisure and community facilities	2,515	4,110	1,595	63%	9
Parks, open space and streetscapes	362	335	(27)	-7%	
Off street car parks	25	27	2	8%	
Total Infrastructure	10,945	14,304	3,359		
Total Capital Works Expenditure	18,700	21,397	2,697		
Represented by:					
New asset expenditure	3,844	3,529	(315)		
Asset renewal expenditure	4,267	6,715	2,448		
Asset expansion expenditure	-	5,774	5,774		
Asset upgrade expenditure	10,589	5,379	(5,210)		
Total Capital Works Expenditure	18,700	21,397	2,697		

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

(i) Explanation of material variations			
Variance Ref	Item	Explanation	\$'000
1	Land		
	Land for Re-sale - Bakers Lane Stage 4 Development cost	Project is in planning stage, development to be started in 2020-21	(1,500)
2	Buildings - Specialised		
	Haddon stadium floor replacement	Works carried out in 2019-20, originally budgeted in 2018-19	221
3	Buildings - Unspecialised		
	Golden Plains Community & Civic Centre	GPCCC Project Stage 1 were carried out in 2019-20. Original budget in 2018-19	1,194
	Linton Depot Refurbishment	Project currently in progress, to be completed in 2020-21	(15)
4	Plant, machinery and equipment		
	Crane Truck (P338) Replacing Isuzu FRR500	Purchases to be completed in 2020-21	(160)
	Tow behind site hut (Linton depot)	Purchases to be completed in 2020-21	(91)
	Ute Purchases	Budgeted purchases have been delayed to next year	(60)
	Gang Mower (P434) Replacing Jacobson	Not being replaced, purchase has been cancelled.	(60)
5	Computer and telecommunications		
	Computer Hardware & Software	Purchases to be completed in 2020-21	(215)
	Asset Management Software System	New project which was not originally budgeted	36
6	Roads		
	Teesdale-Lethbridge Rd Upgrade	Works carried out in 2019-20, originally budgeted in 2018-19	287
	Local Roads Improvements (Roads to Recovery)	Additional Grant funded works on road network	506
	Linton Mannibadar Road	Project cost was higher than initially anticipated	146
	Cressy-Pitfield Road Widening	Project cost was lower than initially anticipated	(286)
7	Bridges		
	Wall Bridge renewal	Works carried out in 2019-20, originally budgeted in 2018-19	597
	Barwon Park Road Bridge Deck Replacement	Project cost was higher than initially anticipated	253
	Franklin Bridge Replacement Project	New project which was not originally budgeted	138
	Bridge Rehabilitation - Coopers Bridge	Project cost was higher than initially anticipated	239
8	Footpaths and cycleways		
	Footpaths & Trails	Project cost was lower than initially anticipated	(98)
9	Recreational, leisure and community facilities		
	World Game - Bannockburn Soccer Pitch	Works carried out in 2019-20, originally budgeted in 2018-19	445
	Bannockburn Bowls Upgrade	Design works started, to be completed in 2020-21	(586)
	Lethbridge Lighting Install	Delay in funding approval, to be completed in 2020-21	(85)
	Bannockburn Heart (RDV)	Originally budgeted in 2017-18. Construction completed in 2019-20.	1,998

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Citizen & Customer Service

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

Civic Leadership

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

Economic Development

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

Environment & Land use Plan

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

Financial Management

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

Human Support Services

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

Recreation & Community Development

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

Roads & Streets Infrastructure

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

Waste Management

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

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Citizen & Customer Service	8	(1,270)	(1,263)	-	2,630
Civic Leadership	285	(2,434)	(2,149)	120	329
Economic Development	68	(406)	(338)	-	349
Environment & Land use Plan	2,086	(3,742)	(1,655)	69	1,443
Financial Management	29,078	(1,957)	27,121	5,923	916
Human Support Services	5,045	(7,184)	(2,139)	3,863	12,051
Recreation & Community Development	2,899	(6,441)	(3,542)	2,875	61,244
Roads & Streets Infrastructure	3,678	(14,513)	(10,835)	3,344	379,883
Waste Management	3,093	(2,809)	284	-	1,255
Unattributed	-	-	-	-	27,107
	46,240	(40,756)	5,484	16,195	487,206
	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Citizen & Customer Service	12	(1,251)	(1,239)	-	2,610
Civic Leadership	160	(2,466)	(2,306)	120	335
Economic Development	47	(564)	(516)	-	434
Environment & Land use Plan	2,220	(3,668)	(1,448)	161	1,514
Financial Management	27,899	(2,355)	25,544	5,956	948
Human Support Services	5,720	(7,844)	(2,124)	4,208	12,648
Recreation & Community Development	2,583	(5,912)	(3,329)	2,263	46,985
Roads & Streets Infrastructure	3,055	(11,776)	(8,721)	2,395	371,205
Waste Management	2,937	(2,447)	490	-	1,231
Unattributed	-	-	-	-	27,667
	44,633	(38,283)	6,350	15,103	465,577

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 3 Funding for the delivery of our services

3.1 Rates and charges

2020 2019
\$'000 \$'000

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

The valuation base used to calculate general rates for 2019/20 was \$5.610 million (2018/19 \$4,704 million).

General Rates	17,435	17,383
Municipal charge	3,232	2,375
Waste management charge	2,956	2,885
Special rates and charges	31	32
Supplementary rates and rate adjustments	134	141
Interest on rates and charges	46	135
Total rates and charges	23,834	22,951

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

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

3.2 Statutory fees and fines

Planing and building fees	551	487
Infringements and costs	56	92
Property information fees	23	25
Land information certificates	25	24
Drainage information fees	41	39
Pool Registration and Permit Information	29	-
Total statutory fees and fines	725	667

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

3.3 User fees

Childcare/Children's Programs	597	872
Home and Community Care Fees	115	172
Animal Registration Charges	328	388
Early Childhood Education	253	224
Subdivision Supervision Fees	127	217
Gravel Cartage Levy	172	161
Septic Tank Fees	186	170
Food Premises Registration Fees	77	79
Fire Hazard Eradication Fees and Fines	18	31
Bannockburn Family Services Centre Charges	30	29
Bannockburn Cultural Centre Charges	39	51
Smythesdale Business Hub Centre Charges	28	30
Farmers Market Fees	13	21
Lease of Land	43	46
Other	121	122
Total user fees	2,147	2,613

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

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	11,034	9,375
State funded grants	5,162	5,728
Total grants received	16,196	15,103
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - General	3,811	3,887
Financial Assistance Grants - Local Roads	2,113	2,069
Children's Services	1,540	1,872
General home care	987	963
Other	25	-
Recurrent - State Government		
Kindergarten	683	786
Community Health	482	468
Home Care	192	189
Maternal and Child Health	361	405
Emergency Management	120	120
Youth projects	65	67
Other	77	97
Environment Projects	48	51
Total recurrent operating grants	10,504	10,974
Non-recurrent - State Government		
Environment Projects	8	23
Youth projects	2	3
Other	215	-
Children's Services	71	-
Community Health	33	-
Homecare	27	-
Total non-recurrent operating grants	356	26
Total operating grants	10,860	11,000

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,334	585
Total recurrent capital grants	1,334	585
Non-recurrent - Commonwealth Government		
Recreational Leisure & Community	1,225	-
Non-recurrent - State Government		
Roads	1,669	1,809
Recreational Leisure & Community	766	1,709
Buildings Specialised	38	-
Bridges	304	-
Total non-recurrent capital grants	4,002	3,518
Total capital grants	5,336	4,103
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	1,030	955
Received during the financial year and remained unspent at balance date	707	877
Received in prior years and spent during the financial year	(1,030)	(802)
Balance at year end	707	1,030
Capital		
Balance at start of year	-	-
Received during the financial year and remained unspent at balance date	85	-
Balance at year end	85	-
Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.		
3.5 Contributions		
Monetary	1,904	1,644
Non-monetary	1,043	795
Total contributions	2,947	2,439
Contributions of non monetary assets were received in relation to the following asset classes.		
Land	7	3
Infrastructure	1,036	792
Total non-monetary contributions	1,043	795
Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.		
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	193	385
Written down value of assets disposed	(175)	(282)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	18	103
The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
3.7 Other income		
Interest on Investment	188	378
Present value discount for gravel pit provision	44	393
Present value discount for landfill provision	72	-
Other	2	2
Total other income	306	773

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services**4.1 Employee costs**

Wages and salaries	14,671	15,335
WorkCover	257	297
Superannuation	1,364	1,327
Fringe benefits tax	160	161
Other	2	13
Total employee costs	16,454	17,133

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	173	126
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	830	755
Employer contributions - other funds	431	558
Employer contributions payable at reporting date.	111	46

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

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
4.2 Materials and services		
Delivery of projects and Services	2,030	1,853
General maintenance	4,354	3,372
Garbage Operations	2,380	2,117
Contractors and Consultants	1,773	1,552
Vehicle and Machinery Operations	519	552
Building maintenance	718	452
Information technology	532	534
Utilities	378	383
Printing, Stationery and Postage	265	252
Telecommunication	268	291
Debt Collection and Legal Fee	199	136
Cleaning	354	319
Insurance	255	198
Training	115	129
Advertising	106	134
Election Expenses	-	29
Gravel Pit Operation	29	69
Other Expenses	357	388
Total materials and services	14,632	12,760
4.3 Depreciation and amortisation		
Infrastructure	6,126	5,929
Plant and Machinery	831	762
Buildings	907	900
Furniture and Equipment	181	189
Total depreciation	8,045	7,780

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

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
4.4 Bad and doubtful debts		
Community Protection	51	49
Long day Care	-	3
Waste Management	6	(36)
Home Care	10	-
Other	42	-
Total bad and doubtful debts	109	16
Movement in provisions for doubtful debts		
Balance at the beginning of the year	142	132
New Provisions recognised during the year	109	16
Amounts already provided for and written off as uncollectible	-	(6)
Balance at end of year	251	142
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairments.		
4.5 Borrowing costs		
Interest - Borrowings	199	334
Total borrowing costs	199	334
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	50	45
Internal Auditors' remuneration	32	14
Councillors' allowances	205	201
De-recognition of Non-current Assets	1,030	-
Total other expenses	1,317	260
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	3	3
Cash at bank	3,342	1,465
Short Term Deposit	13,069	13,484
At call deposits	5,000	3,611
Total cash and cash equivalents	21,414	18,563

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
(b) Other financial assets		
Term deposits - current	-	2,718
Term deposits - non-current	-	-
Total other financial assets	-	2,718
Total financial assets	21,414	21,281
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Statutory Reserves (Note 9.1(b))	432	240
- Trust funds and deposits (Note 5.3)	573	559
Total restricted funds	1,005	799
Total unrestricted cash and cash equivalents	20,409	17,764
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	6,475	6,947
- Unspent grant funding - operational	707	264
- Long Service Leave Investment Account	1,500	1,500
Total funds subject to intended allocations	8,682	8,711
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
(c) Trade and other receivables		
Current		
Statutory receivables		
Rates debtors	2,144	1,847
Infringement debtors	226	207
Provision for doubtful debts - infringements	(174)	(123)
Net GST receivable	1	357
Other debtors	454	1,532
Provision for doubtful debts - other debtors	(77)	(22)
Total current trade and other receivables	2,574	3,798

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

(i) Ageing of Receivables

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

Current (not yet due)	144	1,222
Past due by up to 30 days	10	29
Past due between 31 and 180 days	50	115
Past due between 181 and 365 days	9	2
Past due by more than 1 year	25	21
Total trade & other receivables	238	1,389

(ii) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$ 23,453 (2019: \$17,427) were impaired. The amount of the provision raised against these debtors was \$ 23,453 (2019: \$17,427). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	17
Past due between 181 and 365 days	23	-
Past due by more than 1 year	-	-
Total trade & other receivables	23	17

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
5.2 Non-financial assets		
(a) Inventories		
Inventories held for distribution	17	4
Total inventories	17	4

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	88	73
Accrued income	7	94
Total other assets	95	167

5.3 Payables

(a) Trade and other payables

Trade payables	3,476	2,902
Accrued expenses	868	801
Total trade and other payables	4,344	3,703

(b) Trust funds and deposits

Refundable deposits	573	559
Total trust funds and deposits	573	559

(c) Unearned income

Grants received in advance - operating	313	-
Grants received in advance - capital	112	-
Total unearned income	425	-

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

Purpose and nature of items

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

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

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

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

5.4 Interest-bearing liabilities

	2020	2019
	\$'000	\$'000
Current		
Borrowings - secured	2,229	7,349
	<u>2,229</u>	<u>7,349</u>
Non-current		
Borrowings - secured	11,801	297
	<u>11,801</u>	<u>297</u>
Total	<u>14,030</u>	<u>7,646</u>
Borrowings are secured by Council rates and charges	14,030	7,646
(a) The maturity profile for Council's borrowings is:		
Not later than one year	2,229	7,349
Later than one year and not later than five years	6,562	147
Later than five years	5,239	150
	<u>14,030</u>	<u>7,646</u>

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

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

5.5 Provisions

	Employee	Landfill restoration	Gravel Pit restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2020				
Balance at beginning of the financial year	3,714	1,655	835	6,204
Additional provisions	844	-	-	844
Amounts used	(957)	-	-	(957)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(72)	(45)	(117)
Balance at the end of the financial year	<u>3,601</u>	<u>1,583</u>	<u>790</u>	<u>5,974</u>
2019				
Balance at beginning of the financial year	3,188	1,657	980	5,825
Additional provisions	2,351	-	230	2,581
Amounts used	(1,825)	(2)	(1)	(1,828)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	(374)	(374)
Balance at the end of the financial year	<u>3,714</u>	<u>1,655</u>	<u>835</u>	<u>6,204</u>

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Rostered days off	72	70
Annual leave	904	846
Long service leave	31	248
	<u>1,007</u>	<u>1,164</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	144	120
Long service leave	2,038	1,843
	<u>2,182</u>	<u>1,963</u>
Total current employee provisions	<u>3,189</u>	<u>3,127</u>
Non-current		
Long service leave	412	587
Total non-current employee provisions	<u>412</u>	<u>587</u>
Aggregate carrying amount of employee provisions:		
Current	3,189	3,127
Non-current	412	587
Total aggregate carrying amount of employee provisions	<u>3,601</u>	<u>3,714</u>

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:	2020	2019
- discount rate	1.5%	1.3%
- inflation rate	2.2%	4.3%

	2020	2019
	\$'000	\$'000
(b) Landfill restoration		
Current	-	50
Non-current	1,583	1,605
	<u>1,583</u>	<u>1,655</u>

Council is obligated to restore closed Rokewood and Teesdale sites to a particular standard. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
(c) Gravel Pit restoration		
Current	60	60
Non-current	730	775
	<u>790</u>	<u>835</u>
Total current provisions	3,249	3,237
Total non-current provisions	2,725	2,967
Total provisions	5,974	6,204

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

5.6 Financing arrangements

	2020	2019
	\$'000	\$'000
The Council has the following funding arrangements in place as at 30 June 2020.		
Bank overdraft	-	-
Credit card facilities	150,000	150,000
Other facilities	-	-
Total facilities	<u>150,000</u>	<u>150,000</u>
Used facilities	(23,471)	(44,300)
Unused facilities	<u>126,529</u>	<u>105,700</u>

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

5.7 Commitments

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

2020	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	
Operating					
Waste Management	1,580	1,620	-	-	3,200
Suppliers	1,448	1,196	912	-	3,556
Total	<u>3,028</u>	<u>2,816</u>	<u>912</u>	<u>-</u>	<u>6,756</u>
Capital					
Buildings	1,445	-	-	-	1,445
Roads	45	-	-	-	45
Computer Software	163	145	-	-	308
Recreational, leisure and Community Plant & Machinery	89	-	-	-	89
Total	<u>1,762</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>1,907</u>
2019					
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste Management	1,319	1,352	-	-	2,671
Suppliers	752	274	-	-	1,026
Total	<u>2,071</u>	<u>1,626</u>	<u>-</u>	<u>-</u>	<u>3,697</u>
Capital					
Buildings	5,940	-	-	-	5,940
Roads	558	-	-	-	558
Computer Software	2	-	-	-	2
Recreational, leisure and Community Plant & Machinery	2,187	-	-	-	2,187
Total	<u>8,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,862</u>

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 6 Assets we manage:

6.1 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	34,621	-	7	-	-	-	-	-	34,628
Buildings	29,575	343	-	3,554	(908)	-	-	53	32,617
Plant and Equipment	5,334	993	-	-	(1,012)	(210)	-	59	5,164
Infrastructure	366,852	13,853	1,036	6,001	(6,124)	-	(1,030)	1,633	382,221
Work in progress	3,221	6,209	-	-	-	-	-	(1,745)	7,685
Total	439,603	21,398	1,043	9,555	(8,044)	(210)	(1,030)	-	462,315

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000
Buildings	1,541	5,739	(65)	7,215
Plant and Equipment	59	17	(59)	17
Infrastructure	1,621	453	(1,621)	453
Total	3,221	6,209	(1,745)	7,685

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Asset recognition thresholds and depreciation periods

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

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2019	4,335	30,286	34,621	2,918	39,274	4,077	46,269	1,541	82,431
Accumulated depreciation at 30 June 2019	-	-	-	(1,948)	(13,130)	(1,616)	(16,694)	-	(16,694)
Movements in fair value	4,335	30,286	34,621	970	26,144	2,461	29,575	1,541	65,737
Additions	-	-	-	-	301	42	343	5,739	6,082
Contributions	7	-	7	-	-	-	-	-	7
Revaluation	-	-	-	114	3,174	266	3,554	-	3,554
Disposal	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	53	-	53	(65)	(12)
	7	-	7	114	3,528	308	3,950	5,674	9,631
Movements in accumulated depreciation	-	-	-	(56)	(768)	(84)	(908)	-	(908)
Depreciation and amortisation	-	-	-	(56)	(768)	(84)	(908)	-	(908)
At fair value 30 June 2020	4,342	30,286	34,628	3,032	42,802	4,385	50,219	7,215	92,062
Accumulated depreciation at 30 June 2020	-	-	-	(2,004)	(13,898)	(1,700)	(17,602)	-	(17,602)
	4,342	30,286	34,628	1,028	28,904	2,685	32,617	7,215	74,460

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures and fittings and furniture	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2019	7,864	2,554	59	10,497
Accumulated depreciation at 30 June 2019	(3,042)	(2,062)	-	(5,104)
	4,842	492	59	5,393
Movements in fair value	649	344	17	1,010
Additions	-	-	-	-
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	(422)	(79)	-	(501)
Write-off	-	-	-	-
Transfers	59	-	(59)	-
	286	265	42	509
Movements in accumulated depreciation	(831)	(181)	-	(1,012)
Depreciation and amortisation	(831)	(181)	-	(1,012)
Accumulated depreciation of disposals	212	79	-	291
	(619)	(102)	-	(721)
At fair value 30 June 2020	8,170	2,819	17	11,006
Accumulated depreciation at 30 June 2020	(3,661)	(2,164)	-	(5,825)
	4,509	655	17	5,181

Notes to the Financial Report
For the Year Ended 30 June 2020

(c) Infrastructure	Roads		Bridges		Footpaths and cycleways		Drainage		Recreational, leisure and community		Parks open spaces and streetscapes		Gravel Pit		Off street car parks		Work In Progress		Total Infrastructure	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2019	414,360	30,568	13,265	7,954	9,204	1,549	1,220	1,156	1,621	1,220	1,220	1,156	1,621	1,220	1,156	1,621	1,220	1,156	1,621	480,797
Accumulated depreciation at 30 June 2019	(86,119)	(17,774)	(1,750)	(2,448)	(2,863)	(472)	(806)	(92)	(806)	(806)	(472)	(92)	(806)	(806)	(92)	(806)	(806)	(92)	(806)	(112,324)
At fair value 30 June 2020	328,241	12,794	11,515	5,406	6,341	1,077	414	1,064	1,621	414	1,077	1,064	1,621	414	1,064	1,621	414	1,064	1,621	368,473
Movements in fair value																				
Additions	6,390	2,727	715	-	3,803	191	-	27	453	-	191	27	453	-	27	453	-	453	-	14,306
Contributions	786	-	180	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,036
Revaluation	5,375	-	721	(95)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,001
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	(1,251)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,251)
Transfers	(279)	361	187	227	1,034	92	11	-	(1,621)	11	92	-	(1,621)	11	-	(1,621)	11	(1,621)	-	12
At fair value 30 June 2020	12,272	3,088	552	202	4,837	283	11	27	(1,168)	11	283	27	(1,168)	11	27	(1,168)	11	(1,168)	-	20,104
Movements in accumulated depreciation																				
Depreciation and amortisation	(4,852)	(359)	(171)	(161)	(432)	(64)	(61)	(24)	(5,903)	(432)	(64)	(61)	(24)	(61)	(24)	(61)	(61)	(24)	(61)	(6,124)
Accumulated depreciation of disposals	-	-	221	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At fair value 30 June 2020	(4,852)	(359)	(171)	(161)	(432)	(64)	(61)	(24)	(5,903)	(432)	(64)	(61)	(24)	(61)	(24)	(61)	(61)	(24)	(61)	(6,124)
At fair value 30 June 2020	426,632	33,656	13,817	8,056	14,041	1,832	1,231	1,183	453	1,231	1,832	1,183	453	1,231	1,183	453	1,231	1,183	453	500,901
Accumulated depreciation at 30 June 2020	(90,971)	(18,133)	(1,700)	(2,609)	(3,295)	(536)	(867)	(116)	(867)	(867)	(536)	(116)	(867)	(867)	(116)	(867)	(867)	(116)	(867)	(118,227)
	335,661	15,523	12,117	5,447	10,746	1,296	364	1,067	453	364	1,296	1,067	453	364	1,067	453	364	1,067	453	382,674

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

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

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

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Stephen Davey AAPI registration no 63379 in June 2016 and subsequently indexed in June 2020. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Land	-	30,286	-	Jun-19
Specialised land	-	-	4,342	Jun-20
Heritage Buildings	-	-	1,028	Jun-20
Non - Specialised Buildings	-	-	2,685	Jun-20
Specialised Buildings	-	-	28,904	Jun-20
Total	-	30,286	36,959	

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Valuation of infrastructure

Valuation of Roads, Footpaths and Drainage infrastructure assets have been determined in accordance with an independent valuation undertaken by Australian Road Research Board (ARB) as at 30 June 2020.

Valuation of Recreational leisure and community, Park open space and streetscapes and Offstreet carpark infrastructure assets have been undertaken by Mr Stephen Davey AAPI registered Certified Practising Valuer as a part of land and buildings valuation as at 30 June 2020.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	335,661	Jun-20
Bridges	-	-	15,523	Jun-19
Footpaths and cycleways	-	-	12,117	Jun-20
Drainage	-	-	5,447	Jun-20
Recreational, leisure and community facilities	-	-	10,746	Jun-20
Parks, open space and streetscapes	-	-	1,296	Jun-20
Off street car parks	-	-	1,067	Jun-20
Gravel Pit	-	-	364	Jun-20
Total	-	-	382,221	

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.01 and \$1,849.06 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 19 years to 90 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
6.2 Investments in associates		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Equity in Geelong Regional Library (GRL)	791	724
Geelong Regional Library (GRL)		
<i>Background</i>		
Council share of the net equity in GRL is 6.30% (6.23% 2018). The GRL Board is comprised of seven representatives from four member Councils. Golden Plains Shire Council has one representative on the GRL Board.		
Fair value of Council's investment in Geelong Regional Library	791	724
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	724	740
Reported surplus/(deficit) for year	67	(16)
Council's share of accumulated surplus/(deficit) at end of year	791	724
Council's share of expenditure commitments		
Operating commitments	395	406
Council's share of expenditure commitments	395	406

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

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

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

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

Committees of management

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

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020	2019
	No.	No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Golden Plains Shire Council		
(b) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Helena Kirby (1/7/19 - 30/6/20)		
Des Phelan (1/7/19 - 30/6/20)		
David Evans (1/7/19 - 30/6/20)		
Joanne Gilbert (1/7/19 - 30/6/20)		
Nathan Hansford (1/7/19 - 30/6/20)		
Les Rowe (1/7/19 - 30/6/20)		
Owen Sharkey (1/7/19 - 30/6/20)		
Chief Executive Officer and other Key Management Personnel		
Eric Braslis, Chief Executive Officer - (1/7/19 - 30/6/20)		
Philippa O'Sullivan, Director Corporate Services - (1/7/19 - 30/6/20)		
Greg Anders, Director Infrastructure and Development - (1/7/19 - 13/9/19)		
Phil Josipovic, Director Infrastructure and Development - (24/2/20 - 30/6/20)		
Lisa Letic, Director Community Services - (1/7/19 - 30/6/20)		
Total Number of Councillors	7	7
Total Chief Executive Officer and other Key Management Personnel	5	8
Total Key Management Personnel	12	15

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020	2019
	\$'000	\$'000
(c) Remuneration of Key Management Personnel		
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,025	983
Long-term benefits	17	18
Post employment benefits	68	70
Termination benefits	56	65
Total	1,166	1,136
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	No.	No.
\$20,000 - \$29,999	6	6
\$40,000 - \$49,999	-	2
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	1	2
\$80,000 - \$89,999	1	-
\$100,000 - \$109,999	-	1
\$130,000 - \$139,999	-	1
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	2	1
\$250,000 - \$259,999	-	1
\$280,000 - \$289,999	1	-
	12	15
7.2 Related party disclosure	2020	2019
(a) Transactions with related parties	\$	\$
During the period Council entered into the following transactions with related parties.	-	-
(b) Outstanding balances with related parties		
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.	-	-
(c) Loans to/from related parties		
The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:	-	-
(d) Commitments to/from related parties		
The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:	-	-

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent liabilities

Bank Guarantee – Minister for Energy & Resources

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

Bank Guarantee – Department of Sustainability & Environment

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

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

Superannuation

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

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare Scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

Golden Plains Shire Council
2019/2020 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2020

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

Notes to the Financial Report
For the Year Ended 30 June 2020

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

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

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

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2020

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

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

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Notes to the Financial Report
For the Year Ended 30 June 2020*Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 4 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

On 8 September 2020 Council approved the lease of part of the Bannockburn Family Service Centre to Kardinia Childcare Incorporated who will provide the child care long day care service. The lease agreement includes an initial term of 5 years and 4 months with a further 5 year option, with commencement of operations on 4 January 2021.

8.6 COVID-19

On 11 March 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Council's operations in the following areas for the financial year ended 30 June 2020:

- In response to government directive amidst the COVID-19 outbreak, the libraries and community centres were closed. These closures resulted in a decrease in usage of these facilities however a minimal impact on revenue.
- Council developed a COVID-19 hardship policy in response to this crisis on 9 April 2020. This resulted in an increase in customers on payment plans.
- Council waived interest on outstanding rates and charges from April 2020. The financial impact from the interest free period is a reduction in interest on rates and charges of \$24,000. This has also resulted in an increase in the rates debtor balance as at 30 June 2020 by \$297,000 compared to last year.
- Compliance with government directives has resulted in additional expenditure of \$28,000 on protective equipment

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 9 Other matters

9.1 Reserves**(a) Asset revaluation reserves****2020****Property**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Land	15,970	-	15,970
Land Under Roads	165	-	165
Buildings	8,858	3,554	12,412
	24,993	3,554	28,547

Infrastructure

Roads	220,589	5,375	225,964
Bridges	5,507	-	5,507
Footpaths and cycleways	2,160	721	2,881
Drainage	2,867	(95)	2,772
Offstreet car parks	37	-	37
	231,160	6,001	237,161

Total asset revaluation reserves

	256,153	9,555	265,708
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2019**Property**

Land	9,484	6,486	15,970
Land Under Roads	165	-	165
Buildings	8,858	-	8,858
	18,507	6,486	24,993

Infrastructure

Roads	220,477	112	220,589
Bridges	10,027	(4,520)	5,507
Footpaths and cycleways	2,847	(687)	2,160
Drainage	1,155	1,712	2,867
Offstreet car parks	37	-	37
	234,543	(3,383)	231,160

Total asset revaluation reserves

	253,050	3,103	256,153
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The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2020				
Recreation Lands	52	120	-	172
Unexpended project reserve	6,838	265	-	7,103
LSL Investment Reserve	587	-	(97)	490
Developer Contribution reserve	240	192	-	432
Quarry Levy	-	36	-	36
Waste Management	490	286	-	776
Total Other reserves	8,207	899	(97)	9,009
2019				
Recreation Lands	-	246	(194)	52
Unexpended project reserve	3,230	6,837	(3,229)	6,838
LSL Investment Reserve	320	267	-	587
Developer Contribution reserve	163	336	(259)	240
Quarry Levy	-	159	(159)	-
Waste Management	-	490	-	490
Total Other reserves	3,713	8,335	(3,841)	8,207

Purposes of Other Reserve

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

Golden Plains Shire Council
2019/2020 Financial ReportNotes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	5,484	6,350
Depreciation/amortisation	8,045	7,780
Cost of Infrastructure assets written-off to Income Statement	1,030	-
(Profit)/loss on acquisition/disposal of property, infrastructure, plant and equipment	(18)	(103)
Contributions - Non-monetary assets	(1,043)	(795)
Gravel Pit / Landfill re-measurement adjustment	-	(229)
Grant received in previous year recognised in current year	(644)	-
Finance cost	199	334
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,224	(1,380)
(Increase)/decrease in accrued income	87	(43)
(Increase)/decrease in prepayments	(15)	102
Increase/(decrease) in trade payables	574	283
Increase/(decrease) in Unearned income	425	-
Increase/(decrease) in accrued expenses	67	(149)
(Increase)/decrease in other assets	(67)	16
(Increase)/decrease in inventories	(13)	7
Increase/(decrease) in trust funds	14	270
Increase/(decrease) in provisions	(231)	378
Net cash provided by/(used in) operating activities	15,118	12,821

Notes to the Financial Report
For the Year Ended 30 June 2020

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa
Salary inflation 3.5% pa
Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

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

Employer contributions**Regular contributions**

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Notes to the Financial Report
For the Year Ended 30 June 2020**Funding calls**

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service as at 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2017: August 2018).