

## **ATTACHMENTS**

**Under Separate Cover Council Meeting** 

6.00pm Tuesday 28 September 2021

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# Golden Plains Shire Council ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

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## Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	24,706	23,834
Statutory fees and fines	3.2	847	725
User fees	3.3	2,091	2,147
Grants - operating	3.4	12,698	10,860
Grants - capital	3.4	8,774	5,336
Contributions - monetary	3.5	1,780	1,904
Contributions - non monetary	3.5	1,800	1,043
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	114	18
Share of net profits (or loss) of associates	6.2	(154)	67
Other income	3.7	88	306
Total income		52,744	46,240
Expenses			
Employee costs	4.1	18,434	16,454
Materials and services	4.2	14,875	14,632
Depreciation and amortisation	4.3	8,795	8,045
Bad and doubtful debts	4.4	152	109
Borrowing costs	4.5	290	199
Other expenses	4.6	1,134	1,317
Total expenses		43,680	40,756
Surplus/(deficit) for the year		9,064	5,484
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	29,158	9,555
Total comprehensive result		38,222	15,039

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

## Balance Sheet As at 30 June 2021

	Note	2021	2020
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	24,935	21,414
Trade and other receivables	5.1	2,940	2,574
Inventories	5.2	14	17
Other assets	5.2	208	95
Total current assets		28,097	24,100
Non-current assets			
Investments in associates	6.2	637	791
Property, infrastructure, plant and equipment	6.1	497,766	462,315
Total non-current assets		498,403	463,106
Total assets		526,500	487,206
Liabilities			
Current liabilities			
Trade and other payables	5.3	3,260	4,344
Trust funds and deposits	5.3	871	573
Unearned income	5.3	3,252	425
Provisions	5.5	3,115	3,249
Interest-bearing liabilities	5.4	1,643	2,229
Total current liabilities		12,141	10,820
Non-current liabilities			
Provisions	5.5	2,665	2,725
Interest-bearing liabilities	5.4	11,611	11,801
Total non-current liabilities		14,276	14,526
Total liabilities		26,417	25,346
Net assets		500,083	461,860
Equity			
Accumulated surplus		192,903	187,143
Reserves	9.1	307,180	274,717
Total Equity		500,083	461,860

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

## Statement of Changes in Equity For the Year Ended 30 June 2021

2021	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		461,860	187,143	265,708	9,009
Adjusted Opening balance		461,860	187,143	265,708	9,009
Surplus/(deficit) for the year		9,064	9,064		-
Net asset revaluation increment/(decrement)	9.1(a)	29,159	-	29,159	-
Transfers to other reserves	9.1(b)	-	(3,347)		3,347
Transfers from other reserves	9.1(b)	*	43		(43)
Balance at end of the financial year	_	500,083	192,903	294,867	12,313

2020		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		446,821	182,461	256,153	8,207
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

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

## Statement of Cash Flows For the Year Ended 30 June 2021

		2021 Inflows/ (Outflows)	2020 Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		24,632	23,545
Statutory fees and fines		847	725
User fees		2,093	2,262
Grants - operating		12,616	12,585
Grants - capital		8,774	4,692
Contributions - monetary		1,790	2,103
Interest received		76	321
Trust funds and deposits taken		298	226
Net GST refund/payment		1,399	761
Employee costs		(18,687)	(17,166)
Materials and services		(15,209)	(14,724)
Trust funds and deposits repaid	_		(212)
Net cash provided by/(used in) operating activities		18,629	15,118
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(14,279)	(21,363)
Proceeds from sale of property, infrastructure, plant and equipment		238	193
Net cash provided by/(used in) investing activities	_	(14,041)	(21,170)
Cash flows from financing activities			
Finance costs		(291)	(199)
Proceeds from borrowings		600	13,000
Repayment of borrowings		(1,376)	(3,898)
Net cash provided by/(used in) financing activities	_	(1,067)	8,903
Net increase (decrease) in cash and cash equivalents		3,521	2,851
Cash and cash equivalents at the beginning of the financial year		21,414	18,563
Cash and cash equivalents at the end of the financial year	_	24,935	21,414
Financing arrangements	5.6		
Restrictions on cash assets	5.1	1,430	1,005

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

## Statement of Capital Works For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
Property	\$ 000	\$ 000
Land	116	-
Total land	116	-
Duildings Considered	244	301
Buildings - Specialised	1,916	5,782
Buildings - Non Specialised	2,160	6,083
Total buildings		
Total property	2,276	6,083
Plant and equipment		
Plant, machinery and equipment	677	666
Computers, Fixtures, fittings and furniture	896	344
Total plant and equipment	1,573	1,010
Infrastructure		
Roads	4,634	6,862
Bridges	2,632	2,727
Footpaths and cycleways	104	243
Drainage	118	*
Recreational, leisure and community facilities	1,895	4,110
Parks, open space and streetscapes	735	335
Off street car parks	312	27
Total infrastructure	10,430	14,304
Total capital works expenditure	14,279	21,397
Represented by:		
New asset expenditure	2,316	3,529
Asset renewal expenditure	6,079	6,715
Asset expansion expenditure	5,572	5,774
Asset upgrade expenditure	312	5,379
Total capital works expenditure	14,279	21,397

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

### Notes to the Financial Report For the Year Ended 30 June 2021

#### 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-forProfit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not
  implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgements

#### (b) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

- Additional revenue Working for Victoria grant funding of \$752,420 was provided for Council to employ local people
  who were out of work due to impacts from COVID-19. This funding allowed Council to complete additional work utilising
  these additional resources and provided employment for these people employed during the funding period. \$250,000
  funding for Outdoor Eating and Entertainment COVID-19 Activation funding was received for Council to assist local
  businesses establish outdoor dining areas.
- Revenue reductions In response to government directives amidst the COVID-19 outbreak libraries and community
  centres were closed which resulted in a decrease in usage of these facilities however was only a minimal impact on
  revenue.
- Revenue foregone Council waived interest on outstanding rates and charges with the financial impact from the
  interest free period 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 2021 by \$366,000 compared to last year.
- Additional costs Working for Victoria costs which utilised grant funds for Council to employ local people who were
  out of work due to impacts from CVOID-10. Council developed a COVID-19 hardship policy in response to this crisis on
  9 April 2020 which has provided rebates to customers who meet the criteria wand also waived some fees totalling
  \$85,186. Compliance with government directives has resulted in additional expenditure of \$33,620 on protective
  equipment.
- Asset valuations there has been no impact on asset valuations resulting from the COVID-19 pandemic.

## Notes to the Financial Report For the Year Ended 30 June 2021

#### 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 2020. 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	Actual	Variance	Variance	
	2021	2021	2021	2021	
	\$'000	\$'000	\$'000	%	Ref
Income					
Rates and charges	24,357	24,706	349	1%	
Statutory fees and fines	684	847	163	24%	1
User fees	3,419	2,091	(1,328)	-39%	2
Grants - operating	10,517	12,698	2,181	21%	3
Grants - capital	8,153	8,774	621	8%	4
Contributions - monetary	1,669	1,780	111	7%	5
Contributions - non monetary	1,125	1,800	675	60%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipme		114	114	100%	7
Share of net profits/(losses) of associates and joint ventures	-	(154)	(154)	100%	8
Other income	202	88	(114)	-56%	9
Total income	50,126	52,744	2,618		
Expenses					
Employee costs	19,344	18,434	910	5%	10
Materials and services	15,163	14,875	288	2%	
Bad and doubtful debts	112	152	(40)	100%	11
Depreciation and amortisation	8,788	8,795	(7)	0%	
Borrowing costs	356	290	66	19%	12
Other expenses	277	1,134	(857)	-309%	13
Total expenses	44,040	43,680	360		
Surplus/(deficit) for the year	6,086	9,064	2,258		

## Notes to the Financial Report For the Year Ended 30 June 2021

## (i) Explanation of material variations

R	ef Item		Explanation	\$'000
1	Statutory fee	es and fines		
		anning Permit Fees and ent Fees	Increase in the number of property planning and rezoning activities	134
	Drainage	e Information Fees	Additional revenue due to increased developer activity	25
2	User Fees			
	Childcan	e/Children's Programs	Lower enrolment and discontinuation of Bannockburn childcare services	(1,038)
	Subdivis	ion Supervision Fees	Increased number of applications for sub-divisions	151
3	Grants - Ope	erating		
	COVID-	19 Activation Funding	Funding for new initiative announced due to COVID19	250
	Bushfire	Recovery	Grant received in 2020-21 year, originally expected in 2019-20	200
		Streetscapes Project	Grant received in 2020-21 year, originally expected in 2019-20	100
	Kinderga	arten Income	Increased funding for higher enrolments and some grants received in advance	435
	Transition funding	on payments and preschool	Grant funding for childcare fees exemptions due to COVID19	269
4	Grants - cap	pital		
		Bannockburn Heart (NSRF)	Grant received in 2020-21 year, originally expected in 2019-20	1,140
		Wall BridgeRenewal	Grant received in 2020-21 year, originally expected in 2019-20	304
	Grant - F	Roads to Recovery	Grant funding received higher than anticipated	467
	Grant - F	Haddon Stadium Floor	Grant received in 2020-21 year, originally expected in 2019-20	220
	Grant - F	Fixing Country Road	Grant funding for 2020-21 did not materialise	(814)
	Grant -	Inverleigh Sporting Complex	Projects carried forward to 2021-22	(500)
5	Contribution	ns - monetary		
	Public O	pen Space Contributions	Higher subdivision activities than expected	279
	Develop	er Community Contributions	Increase in developer contribution payments due to increased development and building activity	60
	Debt Co	llection Recoupment	Decrease in debt collection activities due to COVID19 related relief measures	(60)
	Contribu Upgrade	itions - Bannockburn Bowls	Contribution received in 2020-21, originally expected in 2019-20	140
	Wind Fa	rm Income	Reduced income due to delays in new windfarm operational commencement	(151)

## Notes to the Financial Report For the Year Ended 30 June 2021

6	Contributions - non monetary		
	Subdivisions	Increase in subdivisions handed to council	675
7	Net gain/(loss) on disposal of property, in	ofractructure plant and equipment	
,	Plant and Equipment Sale	Net profit from plant sale	123
8	Share of net profits/(losses) of associate	s and joint ventures	
-	Geelong Regional Library	Share of net deficit from Geelong Regional Library	154
9	Other Income		
	Investment Income	Reduced income due to low interest rates on term deposits	66
10	Employee Costs		
	Wages and Salaries	Vacant positions during the year which took longer to fill	1,771
11	Bad and doubtful debts		
	Animal Parking Local Laws	Increase in long outstanding fines and infringement notices	22
	Kindergartens	Provision for doubtful debtors	7
	Other projects	Provision for doubtful debtors	14
12	Borrowing Costs		
	Interest on Borrowings	Reduction in borrowing costs due to lower interest rates	65
13	Other expenses		
	De-recognition of non-current assets	Impaired Furniture and Fittings and derecognition of buildings	868

## Notes to the Financial Report For the Year Ended 30 June 2021

## Note 1 Performance against budget (cont'd)

## 1.2 Capital works

z Sapital Works	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Property					
Land	*	116	116	100%	1
Total Land		116	116	,	
Buildings - specialised	103	244	141	137%	2
Buildings - unspecialised	620	1,916	1,296	209%	3
Total Buildings	723	2,160	1,437	,	
Total Property	723	2,276	1,553	,	
Plant and Equipment					
Plant, machinery and equipment	825	677	(148)	-18%	4
Computers and telecommunications	306	896	590	193%	5
Total Plant and Equipment	1,131	1,573	442		
Infrastructure					
Roads	7,305	4,634	(2,671)	-37%	6
Bridges	3,000	2,632	(368)	-12%	7
Footpaths and cycleways	300	104	(196)	-65%	8
Drainage	100	118	18	100%	
Recreational, leisure and community facilities	1,973	1,895	(78)	-4%	9
Parks, open space and streetscapes	450	735	285	63%	10
Off street car parks	•	312	312	100%	11
Total Infrastructure	13,128	10,430	(2,698)		
Total Capital Works Expenditure	14,982	14,279	(703)		
Represented by:					
New asset expenditure	2,323	2,316	(7)		
Asset renewal expenditure	8,992	6,079	(2,913)		
Asset expansion expenditure	*	5,572	5,572		
Asset upgrade expenditure	3,667	312	(3,355)		
Total Capital Works Expenditure	14,982	14,279	(703)		

## Notes to the Financial Report For the Year Ended 30 June 2021

## (i) Explanation of material variations

Variance Ref	Item	Explanation	\$'000
1	Land		
	Land for Re-sale - Bakers Lane Stage 4	Project expen for planning stage, project to started in 2021-22	116
2	Buildings - specialised		
	Linton Depot Refurbishment & Major Rec Facilities Renewal	Budgeted under Building Specialisedt, capitalised under Building unspecialised	104
3	Buildings - Unspecialised		
	Golden Plains Community & Civic Centre	project stage 1 & 2 works were, carried out in 2020-21. Original budget in 2019-20	1,869
4	Plant, machinery and equipment		
	Cars and Utes Purchases	Budgeted purchases have been delayed to next year	(293)
	Crane Truck Replacing Isuzu FRR500	Originally budgeted in 2019-20, purchase completed in 2020-21	163
	3 x VMS Trailers Purchase	Purchased from COVID19 Activation Funding grant	68
5	Computers, fixtures, fittings and furniture		
	GPCCC Furniture and Equipment	Furniture & Equipments new building. Original budget in 2019-20	510
	GPCCC IT Equipment	IT equipments for new building. Original budget in 2019-20	111
	Asset Management Software System	Currently in progress and expected to be finalised in 2021-22	(35)
6	Roads		
	Fixing Country Roads	Dealy in grand funding	(1,000)
	Shelford-Mt Mercer and Russells Bridge road	Final stages is in progress, to be completed in 2021-22	(292)
7	Bridges		
	Bridge Replacement - Geggies Road	Currently under construction, to be completed in 2021-22	(225)
	Bridge Renewal - Reserve Road Rokewood	New project which was not originally budgeted	431
	Bridge Rehabilitation - Slate Quarry Bridge	Currently under construction, to be completed in 2021-22	(576)
8	Footpaths and cycleways		
	Footpaths (TAC)	Project is in progress, expected to be completed in 2021-22	(146)

## Notes to the Financial Report For the Year Ended 30 June 2021

9	Recreational, leisure and community facilities		
	Three Trails	Design works started, to be completed in 2021-22	(451)
	Bannockburn Heart Stage 2 Design	Design works started, to be completed in 2021-22	(71)
	World Game - Soccer Change Lighting and Fencing	Project currently in progress, to be finalised in 2021-22	(234)
	Bannockburn Soccer Club - female friendly changerooms	Project currently in progress, to be finalised in 2021-22	(772)
	Linton Cricket Nets Upgrade	Project currently in progress, to be finalised in 2021-22	(94)
	Inverleigh Sporting Complex Clubroom Upgrade	Originally budgeted in 2019-20, completed in 2020-21	1,289
	Turtle Bend Upgrade	Originally budgeted in 2019-20, completed in 2020-21	240
10	Parks, open space and streetscapes		
	Refurbishment of Playgrounds	Project currently in progress, to be finalised in 2021-22	(73)
	Playground Renewal	Originally budgeted in 2019-20, completed in 2020-21	258
	Tennis Lighting Power Upgrade	Originally budgeted in 2019-20, completed in 2020-21	15
11	Off Street Car Parks		
	GPCCC Car Park	Originally budgeted in 2020-21. Works in progress as part of	312
		GPCCC Stage 3 and expected to be completed in 2021-22	

## Notes to the Financial Report For the Year Ended 30 June 2021

#### 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.

#### Development and regulatory service

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.

#### **Assets Services**

To maintain and enhance the road and bridge network at a level that adequately satisfied transportation needs and provide community infrastructure including drainage, street lighting, bus shelters and paths and trails, including the management of Council's assets.

#### Community Places and Environment

Continue to provide the current satisfactory garbage bin and recycling bin collection disposal service. Construction and maintenance of recreation infrastructure and provision of township and tree maintenance while ensuring environment sustainability is achieved.

Council Meeting Attachments

Golden Plains Shire Council 2020/2021 Financial Report

#### Notes to the Financial Report For the Year Ended 30 June 2021

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
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Citizen & Customer Service	59	(1,190)	(1,131)	54	2,560
Civic Leadership	218	(2,753)	(2,534)	161	296
Economic Development	344	(496)	(152)	284	326
Development and regulatory service	2,852	(3,980)	(1,129)	204	1,544
Financial Management	29,995	(1,820)	28,175	6,078	931
Human Support Services	4,710	(6,165)	(1,455)	3,879	13,076
Recreation & Community Development	1,655	(6,449)	(4,794)	1,785	28,466
Assets Services	5,162	(12,162)	(7,000)	4,874	407,321
Community Places and Environment	7,874	(8,790)	(916)	4,151	31,871
Unattributed					12,012
	52,868	(43,804)	9,064	21,472	498,403

-	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2020	\$'000	\$'000	\$'000	\$'000	\$'000
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
Development and regulatory service	2,145	(3,137)	(992)	61	1,328
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	3,527	(2,882)	644	2,462	61,212
Assets Services	3,691	(13,104)	(9,413)	3,344	371,054
Community Places and Environment	2,394	(8,382)	(5,989)	421	10,230
Unattributed	-	-	-	-	3,007
_	46,240	(40,756)	5,484	16,196	463,106

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### Notes to the Financial Report For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services	2021	2020
3.1 Rates and charges	\$'000	\$'000

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

The valuation base used to calculate general rates for 2020/21 was \$6,027 million (2019/20 \$5,610 million).

Total rates and charges	24,706	23,834
Interest on rates and charges	104	46
Supplementary rates and rate adjustments	101	134
Special rates and charges	-	31
Waste management charge	3,081	2,956
Municipal charge	3,354	3,232
General Rates	18,066	17,435

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be first applied in the rating year commencing 1 July 2020

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

Total statutory fees and fines	847	725
Pool Registration and Permit Information	17	29
Drainage information fees	56	41
Land information certificates	29	25
Property information fees	34	23
Infringements and costs	53	56
Planing and building fees	658	551

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	371	597
Home and Community Care Fees	110	115
Animal Registration Charges	388	328
Early Childhood Education	57	253
Subdivision Supervision Fees	231	127
Gravel Cartage Levy	174	172
Septic Tank Fees	248	186
Food Premises Registration Fees	78	77
Fire Hazard Eradication Fees and Fines	12	18
Bannockburn Family Services Centre Charges	6	30
Bannockburn Cultural Centre Charges	14	39
Smythesdale Business Hub Centre Charges	32	28
Farmers Market Fees	16	13
Lease of Land	55	43
Lease of Building	131	-
Town Planning	89	42
Other	79	79
Total user fees	2,091	2,147

## Notes to the Financial Report For the Year Ended 30 June 2021

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

	2021	2020
	\$'000	\$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants	12.000	44.004
Commonwealth funded grants	13,606	11,034
State funded grants	7,866	5,162
Total grants received	21,472	16,196
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - General	3,966	3,811
Financial Assistance Grants - Local Roads	2,112	2,113
Children's Services	646	1,540
General home care	985	987
Other		25
Recurrent - State Government		
Kindergarten	1,379	683
Community Health	488	482
Home Care	195	192
Maternal and Child Health	444	361
Emergency Management	191	120
Youth projects	74	65
Other	257	77
Environment Projects	83	48
Total recurrent operating grants	10,820	10,504
Non-recurrent - Commonwealth Government		
Kindergarten	199	
Other	9	5
N		
Non-recurrent - State Government	1,313	
Economic Development	1,313	8
Environment Projects		2
Youth projects	-	215
Other	200	213
Emergency Management	200	71
Children's Services	7	33
Community Health		27
Homecare	150	21
Recreational Leisure & Community	1,878	356
Total non-recurrent operating grants	12,698	10,860
Total operating grants	12,000	10,000

## Notes to the Financial Report For the Year Ended 30 June 2021

	2021 \$'000	202 \$'00
(b) Capital Grants	\$ 000	\$ 00
Recurrent - Commonwealth Government		
Roads to recovery	1,921	1,334
Total recurrent capital grants	1,921	1,334
Non-recurrent - Commonwealth Government		
Roads	2,336	
Bridges	600	
Recreational Leisure & Community	832	1,22
Non-recurrent - State Government		
Roads	-	1,669
Recreational Leisure & Community	2,697	766
Youth projects	271	
Buildings Specialised		30
Bridges	17	304
Other	100	
Total non-recurrent capital grants	6,853	4,002
Total capital grants	8,774	5,33
Operating  Balance at start of year  Received during the financial year and remained unspent at balance date  Received in prior years and spent during the financial year  Balance at year end	707 580 (707) <b>580</b>	1,030 707 (1,030
Capital  Polance at start of year	05	
Balance at start of year	85	85
Received during the financial year and remained unspent at balance date	2,711	03
Received in prior years and spent during the financial year Balance at year end		8
Grant income is recognised when Council obtains control of the contribution. Control (or acquittal) or upon earlier notification that a grant has been secured.  Contributions	is normally obtained u	pon receipt
Monetary	1,780	1,904
Non-monetary	1,800	1,043
Total contributions	3,580	2,947
Contributions of non monetary assets were received in relation to the following asset	classes	
Land	12	
Infrastructure	1,788	1,03
Total non-monetary contributions	1,800	1,04

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

#### Notes to the Financial Report For the Year Ended 30 June 2021

	2021	202
	\$'000	\$'00
6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	238	193
Written down value of assets disposed	(124)	(175
Total net gain/(loss) on disposal of property, infrastructure, plant and		
equipment	114	18
The profit or loss on sale of an asset is determined when control of the asset has pas	sed to the buyer.	
	2021 \$'000	
The profit or loss on sale of an asset is determined when control of the asset has pas  7 Other income	2021	
	2021	202 \$'00
7 Other income	2021 \$'000	\$'00 18
7 Other income Interest on Investment	2021 \$'000	\$'00
7 Other income  Interest on Investment Present value discount for gravel pit provision	2021 \$'000	\$'00 180 44

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.

16,604

14,671

#### Note 4 The cost of delivering services

Wages and salaries

#### 4.1 Employee costs

WorkCover	252	257
Superannuation	1,436	1,364
Fringe benefits tax	134	160
Other	8	2
Total employee costs	18,434	16,454
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	189	173
	189	173
Employer contributions payable at reporting date.	Nil	Nil
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	770	830
Employer contributions - other funds	570	431
• •	1,340	1,261
Employer contributions payable at reporting date.	177	111

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

## Notes to the Financial Report For the Year Ended 30 June 2021

For the Year Ended 30 June 2021		
	2021	2020
	\$'000	\$'000
services	2,198	2,030
	3,895	4,354
	2,572	2,380
nts	1,170	1,773
perations	730	519
	698	718
	716	532
	318	378
ostage	261	265
	366	268
I Fee	249	199
	364	354
	414	255
	162	115
	155	106
	169	=
	17	29
	421	357
rices	14,875	14,632
isation		
	6,022	6,126
	805	831
	1,732	907
	236	181
	8,795	8,045

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

## Notes to the Financial Report For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000
4.4 Bad and doubtful debts		
Community Protection	32	51
Rroperty & Rating	85	-
Waste Management	*	6
Home Care	4	10
Other	31	42
Total bad and doubtful debts	152	109
Movement in provisions for doubtful debts		
Balance at the beginning of the year	251	142
New Provisions recognised during the year	44	109
Amounts already provided for and written off as uncollectible		-
Balance at end of year	295	251

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	290	199
Total borrowing costs	290	199

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

Total other expenses	1,134	1,317
De-recognition of Non-current Assets	868	1,030
Councillors' allowances	198	205
Internal Auditors' remuneration	23	32
performance statement and grant acquitals	45	50
Auditors' remuneration - VAGO - audit of the financial statements,	45	50

## Notes to the Financial Report For the Year Ended 30 June 2021

	2021	2020
	\$'000	\$'000
Note 5 Our financial position 5.1 Financial assets	<b>\$ 5 5 5</b>	<b>\$</b> 000
(a) Cash and cash equivalents		
Cash on hand	2	3
Cash at bank	2,343	3,342
Short Term Deposit	18,090	13,069
At call deposits	4,500	5,000
Total cash and cash equivalents	24,935	21,414
These include: - Other Reserves (Note 9.1(b)) - Trust funds and deposits (Note 5.3 (b))	559 871	432 573
Total restricted funds	1,430	1,005
Total unrestricted cash and cash equivalents	23,505	20,409
Intended allocations	6 - 6 do burne b	Carrail
Although not externally restricted the following amounts have been allocated for speci		
<ul> <li>Cash held to fund carried forward capital works</li> <li>Unspent grant funding - operational</li> </ul>	8,804 685	6,475 707
- Long Service Leave Investment Account	1.390	1,500
Total funds subject to intended allocations	10.879	8,682
rotal fundo subject to interneti allocations	10,019	0,002

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

## Notes to the Financial Report For the Year Ended 30 June 2021

(c) Trade and other receivables	2021 \$'000	2020 \$'000
Current		
Statutory receivables		
Rates debtors	2,218	2,144
Infringement debtors	252	226
Provision for doubtful debts - infringements	(206)	(174)
Net GST receivable	3	1
Other debtors	762	454
Provision for doubtful debts - other debtors	(89)	(77)
Total current trade and other receivables	2,940	2,574

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

Total trade & other receivables

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

Current (not yet due) 64 144

Past due by up to 30 days 14 10

Past due between 31 and 180 days 144 50

Past due between 181 and 365 days 2 9

Past due by more than 1 year 47 25

271

238

#### (ii) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$23,453 (2020: \$23,453) were impaired. The amount of the provision raised against these debtors was \$23,453 (2020: \$23,453). 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	-	-
Past due between 181 and 365 days	_	23
Past due by more than 1 year	23	
Total trade & other receivables	23	23

## Notes to the Financial Report For the Year Ended 30 June 2021

5.2 Non-financial assets (a) Inventories	2021 \$'000	2020 \$'000
Inventories held for distribution	14	17
Total inventories	14	17

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	196	88
Accrued income	12	7
Total other assets	208	95
5.3 Payables		
(a) Trade and other payables		
Trade payables	2,194	3,476
Accrued expenses	1,066	868
Total trade and other payables	3,260	4,344
(b) Trust funds and deposits		
Refundable deposits	871	573
Total trust funds and deposits	871	573
(c) Unearned income		
Grants received in advance - operating	151	313
Grants received in advance - capital	3,101	112
Total unearned income	3,252	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.

## Notes to the Financial Report For the Year Ended 30 June 2021

5.4 Interest-bearing liabilities		
	2021	2020
Current	\$'000	\$'000
Borrowings - secured	1,643	2,229
	1,643	2,229
Non-current		
Borrowings - secured	11,611	11,801
	11,611	11,801
Total	13,254	14,030
Borrowings are secured by Council rates and charges	13,254	14,030
(a) The maturity profile for Council's borrowings is:		
Not later than one year	1,643	2,229
Later than one year and not later than five years	6,372	6,562
Later than five years	5,239	5,239
	13,254	14,030

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
2021	\$ '000	\$ '000	\$ '000	\$'000
Balance at beginning of the financial year	3,601	1,583	790	5,974
Additional provisions	861		22	883
Amounts used	(1,061)	-	*	(1,061)
Change in the discounted amount arising because of				
time and the effect of any change in the discount rate	-	-	(16)	(16)
Balance at the end of the financial year	3,401	1,583	796	5,780
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	3,601	1,583	790	5,974

### Notes to the Financial Report For the Year Ended 30 June 2021

Tot the real Effect 50 of		
	2021	2020
(a) Employee provisions	\$'000	\$'000
Current provisions expected to be wholly settled within 12 months		
Rostered days off	76	72
Annual leave	936	904
Long service leave	228	31
-	1,240	1,007
Current provisions expected to be wholly settled after 12 months		
Annual leave	181	144
Long service leave	1,634	2,038
_	1,815	2,182
Total current employee provisions	3,055	3,189
Non-current		
Long service leave	346	412
Total non-current employee provisions	346	412
Aggregate carrying amount of employee provisions:		
Current	3,055	3,189
Non-current	346	412
Total aggregate carrying amount of employee provisions	3,401	3,601

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:	2021	2020
- discount rate	1.5%	1.5%
- inflation rate	3.0%	2.2%
	2021	2020
(b) Landfill restoration	\$'000	\$'000
Current		-
Non-current	1,583	1,583
	1,583	1,583

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

## Notes to the Financial Report For the Year Ended 30 June 2021

	202	1 2020
c) Gravel Pit restoration	\$'00	0 \$'000
urrent	60	60
on-current	736	730
	796	790
otal current provisions	3,115	3,249
otal non-current provisions	2,665	2,725
otal provisions	5,780	5,974
p		_

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	2021 \$'000	2020 \$'000
The Council has the following funding arrangements in place as at 30 Ju	ine 2021.	
Bank overdraft		
Credit card facilities	150	150
Other facilities		-
Total facilities	150	150
Used facilities	(24)	(23)
Unused facilities	126	127

## Notes to the Financial Report For the Year Ended 30 June 2021

#### 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.

2021	Not later than 1 year	Later than 1 year and not later than 2 years		Later than 5 years	Total
	\$.000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste Management	1,360	453	-	-	1,813
Suppliers	431	34	-	-	465
Total	1,791	487	-	- 1	2,278
Capital					
Buildings	62	*		*	62
Roads	1,336				1,336
Computer Software	799				799
Recreational, leisure and Community	2,831				2,831
Plant & Machinery	169				169
Total	5,198	*	•	*	5,198
		Later than 1	Later than 2 years and not		
	Not later	later than 2	later than 5	Later than 5	
2020	than 1 year	years	years	years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste Management	1,580	1,620			3,200
Suppliers	1,448	1,196	912		3,556
Total	3,028	2,816	912	•	6,756
Capital					
Buildings	1,445				1,445
Roads	45			-	45
Computer Software	163	145	~	~	308
Recreational, leisure and Community	89			-	89
Plant & Machinery	20		-		20
Total	1,762	145		-	1,907

## Notes to the Financial Report For the Year Ended 30 June 2021

#### Note 6 Assets we manage

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

	At Fair Value 30 June 2020	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	34,628	*	13	6,778	*		*	*	41,419
Buildings	32,617	2,160		(168)	(1,045)	(128)		7,036	40,472
Plant and Equipment	5,164	1,573			(1,041)	(92)	*	17	5,621
Infrastructure	382,221	6,647	1,788	22,548	(6,708)	(773)	*	14	405,737
Work in progress	7,685	3,899	∞			*	*	(7,067)	4,517
Total	462,315	14,279	1,801	29,158	(8,794)	(993)			497,766

Summary of Work in Progress	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Buildings	7,215	116	(7,036)	295
Plant and Equipment	17		(17)	
Infrastructure	453	3,783	(14)	4,222
Total	7,685	3,899	(7,067)	4,517

## Notes to the Financial Report For the Year Ended 30 June 2021

(a) Property									
	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work in Progress	Tota Propert
_	\$'000	\$'000	\$1000	\$'000	\$'000	\$'000	\$'000	\$'000	\$1000
At fair value 30 June 2020	4,342	30,286	34,628	3,032	42,802	4,385	50,219	7,215	92,062
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
Movements in fair value									
Additions				•	244	1,916	2,160	116	2,276
Contributions	13		13	•	~	œ	-		13
Revaluation	858	5,920	6,778	261	4,039	(2.852)	1,448	a	8,226
Disposal						(192)	(192)	a	(192)
Transfers						7,036	7,036	(7,036)	
_	871	5,920	6,791	261	4,283	5,908	10,452	(6,920)	10,323
Movements in accumulated depreciation									
Depreciation and amortisation	₩	in		(62)	(892)	(91)	(1,045)	œ	(1,045)
Accumulated depreciation of disposals				•	9	64	64		64
Revaluation adjustments		₽	8	(98)	(2.370)	852	(1,616)		(1,616
_	8	e	٠	(160)	(3,262)	825	(2,597)	Q	(2,597
At fair value 30 June 2021	5,213	36,206	41,419	3,293	47,085	10,293	60,671	295	102,385
2021				(2,164)	(17,160)	(875)	(20,199)		(20,199
_	5,213	36,206	41,419	1,129	29,925	9,418	40,472	295	82,186

### Notes to the Financial Report For the Year Ended 30 June 2021

(b) Plant and Equipment				
	Plant machinery and equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2020	8,170	2,819	17	11,006
2020	(3,661)	(2,164)	•	(5,825)
	4,509	655	17	5,181
Movements in fair value				
Additions	677	896		1,573
Disposal	(468)	(621)		(1,089)
Transfers	17		(17)	
	226	275 -	17	484
Movements in accumulated depreciati	on			
Depreciation and amortisation	(805)	(236)		(1,041)
Accumulated depreciation of disposals	392	605		997
	(413)	369	•	(44)
At fair value 30 June 2021	8,396	3,094		11,490
2021	(4,074)	(1,795)		(5,869)
	4,322	1,299		5,621

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### Notes to the Financial Report For the Year Ended 30 June 2021

(c) Infrastructure										
_	Roads	Bridges Foo	otpaths and cycleways	Drainage	Recreational, leisure and community	Parks open spaces and streetscapes	Gravel Pit	Off street car parks	Work In Progress	Tota Infrastructure
_	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2020	426,632	33,656	13,817	8,056	14,041	1,832	1,231	1,183	453	500,901
2020	(90,971)	(18,133)	(1,700)	(2,609)	(3,295)	(536)	(867)	(116)	-	(118,227)
_	335,661	15,523	12,117	5,447	10,746	1,296	364	1,067	453	382,674
Movements in fair value								-9		
Additions	4,520	906	118	217	525	361			3,783	10,430
Contributions	1,257		476	55						1,788
Revaluation	(1,331)	16,923	3,997	(100)	1,230	179	-	187		21,085
Disposal		*			(535)	(427)				(962)
Transfers	*				14		*		(14)	
_	4,446	17,829	4,591	172	1,234	113	-	187	3,769	32,341
Movements in accumulated depreciation										
Depreciation and amortisation	(5,313)	(379)	(166)	(164)	(528)	(72)	(61)	(25)		(6,708)
Accumulated depreciation of disposals					109	80				189
Revaluation adjustments	7,983	(1,828)	(3,913)		(572)	(158)		(49)	-	1,463
_	2,670	(2,207)	(4,079)	(164)	(991)	(150)	(61)	(74)	-	(5,056)
At fair value 30 June 2021	431,078	51.485	18.408	8.228	15.275	1,945	1.231	1,370	4.222	533,242
2021	(88,301)	(20,340)	(5,779)	(2,773)	(4,286)	(686)	(928)	(190)		(123,283)
_	342,777	31,145	12,629	5,455	10,989	1,259	303	1,180	4,222	409,959

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### Notes to the Financial Report For the Year Ended 30 June 2021

### 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.

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

### 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.

Jun-21 Jun-21 Jun-21 Jun-21 Jun-21 Jun-21

### Golden Plains Shire Council 2020/2021 Financial Report

### Notes to the Financial Report For the Year Ended 30 June 2021

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 Liam McNamara AAPI CPV registration no 63119 in June 2021. 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 englobe (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 2021 are as follows:

	Level 1	Level2	Level 3
Land		36,206	-
Specialised land		-	5,213
Heritage Buildings		1,129	
Non - Specialised Buildings		9,419	*
Specialised Buildings		29,924	
Total		76,678	5,213

### Notes to the Financial Report For the Year Ended 30 June 2021

### Valuation of infrastructure

Valuation of Roads, Bridges, Footpaths and Drainage assets have been determined in accordance with valuations undertaken by Council staff and expert contractors. At balance date 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.

Valuation of Recreational leisure and community, Park open space and streetscapes and Offstreet carpark infrastructure assets have been undertaken by Mr Liam McNamara AAPI CPV registered Certified Practising Valuer as a part of land and buildings valuation as at 30 June 2021.

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 2021 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	•	342,776		Jun-21
Bridges	*	31,145		Jun-21
Footpaths and cycleways		12,629		Jun-21
Drainage		5,455	-	Jun-21
Recereational, leisure and community facilities	•	10,990		Jun-21
Parks, open space and streetscapes		1,259		Jun-21
Off street car parks		1,180	-	Jun-21
Gravel Pit			303	Jun-21
Total	•	405,434	303	

### 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 \$1,781.25 per square metre.

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

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

### Notes to the Financial Report For the Year Ended 30 June 2021

Tot the Tour Ended to Julie Edel		
6.2 Investments in associates	2021 \$'000	2020 \$'000
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Equity in Geelong Regional Library (GRL)	637	791
Geelong Regional Library (GRL)		
Background		
Council share of the net equity in GRL is 6.11% (6.3% 2020). 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	637	791
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	791	724
Reported surplus(deficit) for year	(154)	67
Council's share of accumulated surplus(deficit) at end of year	637	791
Council's share of expenditure commitments		
Operating commitments	406	395
Council's share of expenditure commitments	406	395

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

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

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

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

### Committees of management

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

### Notes to the Financial Report For the Year Ended 30 June 2021

2021 2020 No. No.

### Note 7 People and relationships

### 7.1 Council and key management remuneration

### (a) Related Parties

Parent entity

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 (1/7/20 - 30/6/21)

Les Rowe (1/7/20 - 30/6/21)

Owen Sharkey (1/7/20 - 30/6/21)

Ian Getsom (14/11/20 - 30/6/21)

Brett Cunningham (14/11/20 - 30/6/21)

Gavin Gamble (14/11/20 - 30/6/21)

Clayton Whitfield (14/11/20 - 30/6/21)

Des Phelan (1/7/20 - 24/10/20)

David Evans (1/7/20 - 24/10/20)

Joanne Gilbert (1/7/20 - 24/10/20)

Nathan Hansford (1/7/20 - 24/10/20)

### Chief Executive Officer and other Key Management Personnel

Eric Braslis, Chief Executive Officer - (1/7/20 - 30/6/21)

Philippa O'Sullivan, Director Corporate Services - (1/7/20 - 30/6/21)

Phil Josipovic, Director Infrastructure and Development - (1/7/20 - 30/6/21)

Lisa Letic, Director Community Services - (1/7/20 - 30/6/21)

# Total Number of Councillors Total Chief Executive Officer and other Key Management Personnel Total Key Management Personnel

11	7
4	5
15	12

### Notes to the Financial Report For the Year Ended 30 June 2021

For the Year Ended 30 June 2021		
	2021	2020
(c) Remuneration of Key Management Personnel	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,009	1,025
Long-term benefits	18	1,023
Post employement benefits	66	68
Termination benefits	00	
	4.002	56
Total _	1,093	1,166
The numbers of key management personnel whose total remuneration from		
Council and any related entities, fall within the following bands:	No.	No.
\$1,000 - \$9,999	4	-
\$10,000 - \$19,999	4	
\$20,000 - \$29,999	1	6
\$30,000 - \$39,999	1	
\$50,000 - \$59,999	,	
	'	
\$80,000 - \$89,999		1
\$170,000 - \$179,999	-	1
\$200,000 - \$209,999	1	2
\$210,000 - \$219,999	2	-
\$280,000 - \$289,999	1	1
	15	12
(d) Senior Officer Remuneration		
A Senior Officer is an officer of Council other than Key Management Personnel, who		
a) has management responsibilities and reports directly to the Chief Executive; or		
b) whose total annual remuneration exceeds \$151,000		
The number of Senior Officers are shown below in their relevant income bands:		
	2021	2020
Income Range:	No.	No.
\$151,000 = \$159,999	4	3
\$160,000 - \$169,999	1	2
	5	5
-	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above,		7
amounted to	746	794
7.0 Palatad marty disaleasura	2024	2020
7.2 Related party disclosure (a) Transactions with related parties	2021 \$	2020
(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) I come to fine an aclated mostling		
(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:		
41	-	-

### Notes to the Financial Report For the Year Ended 30 June 2021

### 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

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a threeyear self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV.

In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority.

Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would 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 would continue whether or not the participant remained a participant in future insurance years.

The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the trail claims liabilities of the MAV WorkCare Scheme.

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six-year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

### Notes to the Financial Report For the Year Ended 30 June 2021

### 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council

### 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. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. 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.

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### Notes to the Financial Report For the Year Ended 30 June 2021

### (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.

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### Notes to the Financial Report For the Year Ended 30 June 2021

### 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.

### Notes to the Financial Report For the Year Ended 30 June 2021

Note 9 Other matters

		Balance at beginning of	Increment	Balance at end of
9.1	Reserves	reporting period	(decrement)	reporting period
	(a) Asset revaluation reserves	\$:000	\$'000	\$'000
	2021			
	Property			
	Land	15,970	5,920	21,890
	Land Under Roads	165	858	1,023
	Buildings	12,412	511	12,923
		28,547	7,289	35,836
	Infrastructure			
	Roads	225,964	6,652	232,616
	Bridges	5,507	15,095	20,602
	Footpaths and cycleways	2,881	84	2,965
	Drainage	2,772	(100)	2,672
	Offstreet car parks	37	138	175
		237,161	21,869	259,030
	Total asset revaluation reserves	265,708	29,158	294,866
	2020			
	Property			
	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

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

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Notes to the Financial Report For the Year Ended 30 June 2021

	Balance at beginning of reporting period	Transfer from accumulated surplus	surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000	\$'000
2021				
Recreation Lands	172	434		606
Unexpended project reserve	7,103	2,386	-	9,489
LSL Investment Reserve	490		(43)	447
Developer Contribution reserve	432	127	-	559
Quarry Levy	36	135	-	171
Waste Management	776	265	-	1,041
Total Other reserves	9,009	3,347	(43)	12,313
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
Purposes of Other Reserve				
Recreation Lands	These funds relate to developers. The fund facilities) areas though	s are utilised to deve		
Unexpended project reserve	These funds have bee enable Council to deli			and are held to
LSL Investment Reserve	These funds relate to liability.	the current portion o	f Council's Long Se	ervice Leave
Developer Contribution reserve	These funds relate to developers. The fund			7 7 9
Quarry Levy	These funds are colle maintain the local roa			ds are utilised to
Waste Management	These funds relate to less associated waste			

### Notes to the Financial Report For the Year Ended 30 June 2021

Reconciliation of cash flows from operating activities to surplus/(deficit)	2021 \$'000	2020 \$'000
Surplus/(deficit) for the year	9,064	5,484
Depreciation/amortisation	8,795	8,045
Cost of Infrastructure assets written-off to Income Statement	868	1,030
(Profit)/loss on acquisition/disposal of property, infrastructure, plant and equipment	(114)	(18)
Contributions - Non-monetary assets	(1,800)	(1,043)
Grant received in previous year recognised in current year		(644)
Finance cost	290	199
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(366)	1,224
(Increase)/decrease in accrued income	(5)	87
(Increase)/decrease in prepayments	(108)	(15)
Increase/(decrease) in trade payables	(1,282)	574
Increase/(decrease) in Unearned income	2,827	425
Increase/(decrease) in accrued expenses	199	67
(Increase)/decrease in other assets	154	(67)
(Increase)/decrease in inventories	3	(13)
Increase/(decrease) in trust funds	298	14
Increase/(decrease) in provisions	(194)	(231)
Net cash provided by/(used in) operating activities	18,629	15,118

### Notes to the Financial Report For the Year Ended 30 June 2021

### 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 2021, 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 [Employer name] 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 Employee Benefits.

### 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 for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns 5.6% pa Salary information 2.5% pa for two years and 2.75% pa thereafter Price inflation (CPI) 2.0% pa.

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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 2020 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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.

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### Notes to the Financial Report For the Year Ended 30 June 2021

### 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 2020 triennial 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. A full investigation was conducted as at 30 June 2020.

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

	2020	2019	
	(Triennial) \$m	(Interim) \$m	
- A VBI Surplus	100.0	151.3	
- A total service liability surplus	200.0	233.4	
- A discounted accrued benefits surplus	217.8	256.7	

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 2020.

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 2020

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 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

### Notes to the Financial Report For the Year Ended 30 June 2021

### 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

### Superannuation Contribution

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

			2021	2020
Scheme	Type of Scheme	Rate	\$,000	\$,000
Vision super	Defined benefit	9.50%	189	173
Vision super	Accumulation fund	9.50%	770	830
Other Funds	Accumulation fund	9.50%	570	431

### Notes to the Financial Report For the Year Ended 30 June 2021

### 10 Change in accounting policy

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

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. This has resulted in no changes in accounting policies and adjustments to any amounts recognised in the financial statements. Council does not consider it has any assets which are subject to Service Concession arrangements.

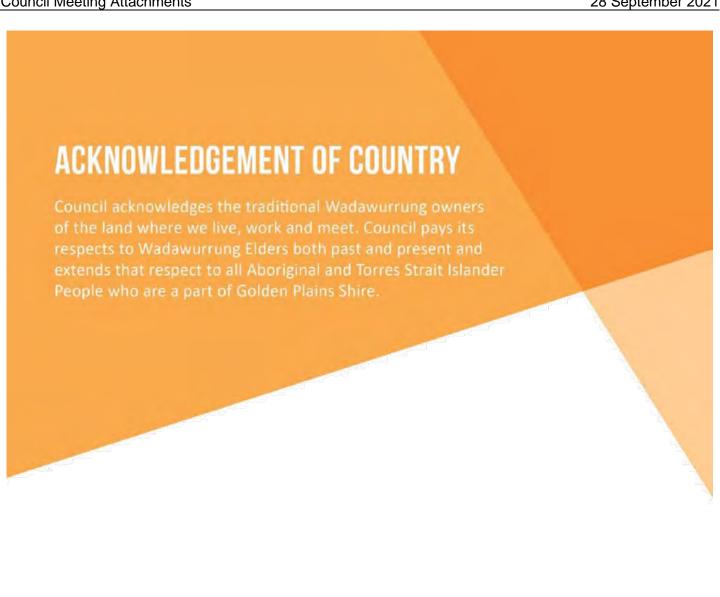
# AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020. All information has been disclosed where material in nature, amount and impact to ensure primary users of the general financial statements are informed and can make decisions on the basis of the information disclosed regarding the entity

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

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020. These financial statements present fairly the financial position, financial performance and cash flow of the Council. These is a fair presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Conceptual Framework for financial reporting.







### Certification of the Performance Statement

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

Philippa O'Sullivan Principal Accounting Officer Dated: xx September 2021

In our opinion, the accompanying Performance Statement of the Golden Plains Shire Council for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

Councillor Helena Kirby Mayor Dated: xx September 2021

Councillor Brett Cunningham Dated: xx September 2021

Eric Braslis Chief Executive Officer Dated: xx September 2021

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# Independent Auditor's Report

### To the Councillors of Golden Plains Shire Council

### Opinion

I have audited the accompanying performance statement of Golden Plains Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2021.
- sustainable capacity indicators for the year ended 30 June 2021.
- service performance indicators for the year ended 30 June 2021.
- financial performance indicators for the year ended 30 June 2021
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Golden Plains Shire Council in respect of the year ended 30 June 2021 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the Local Government Act 1989.

### **Basis for Opinion**

I have conducted my audit in accordance with the Audit Act 1994 which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the performance statement section of my report.

My independence is established by the Constitution Act 1975. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Councillors' responsibilities for the performance statement

The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the Local Government Act 1989 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the audit of the performance statement

As required by the Audit Act 1994, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.

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GOLOT NIPTAIN VIHING COUNCE ANNUAL REPORT 2020-21 139

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

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

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

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

MELBOURNE September 2021 Tim Loughnan as delegate for the Auditor-General of Victoria

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



### Description of municipality

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

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

With 23,644 residents across 56 communities and 16 townships, Golden Plains Shire has been one of the fastest growing municipalities in Victoria, with population growth now around 2.5% per annum.

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

Golden Plains Shire comprises 2,705 square kilometres between Victoria's two largest regional cities, Geelong and Ballarat. The Shire's close proximity to services available in neighbouring cities and convenient commuting distance to Melbourne and the Surfcoast adds to its appeal as a place to call home.

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

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

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

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

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

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

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

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# **Sustainable Capacity Indicators**

Service/indicator/ <i>measure</i>					Material Variations
	2018	2019	2020	2021	
Population					
Expenses per head of municipal population	\$1,657.34	\$1,655.84	\$1,718.07	\$1,805.19	
[Total expenses / Municipal population]					
Infrastructure per head of municipal population	\$18,012.28	\$17,516.52	\$18,029.17	\$18,819.25	
[Value of infrastructure / Municipal population]					
Population density per length of road	13.12	13.73	14.08	13.98	
[Municipal population / Kilometres of local roads]					
Own-source revenue	des supplies	44 151 EX	******	\$1,148.34	
Own-source revenue per head of municipal population	\$1,132.16	\$1,171.76	\$1,142.27	31,140.34	
[Own-source revenue / Municipal population]					
Recurrent grants					
Recurrent grants per head of municipal population	\$529.58	\$499.96	\$499.03	\$552.11	
[Recurrent grants / Municipal population]					
Disadvantage					
Relative socio-economic disadvantage	8.00	8.00	8.00	8.00	
[Index of Relative Socio-economic Disadvantage by decile]					
Animal management					
0					New measure from July 12019. Replaced previous
Health and safety					
_	New in	New in	100%	100%	animal management

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### Service Performance Indicators

Service/Indicator/	Resuits				Material Variations		
	2018	2019	2020	2021			
ood safety							
Health and safety							
Critical and major non-compliance notifications	100.00%	100.00%	100.00%	100.00%			
Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] (100							
Sovernance							
Satisfaction Satisfaction with council decisions	51.00	47.00	47.00	49.00			
Community satisfaction rating out of 100 with now Council has performed in making decisions in the interest of the community]				49.00			
Home and community care							
Participation							
Participation in HACC service	n/a	n/a	n/a	n/a			
Number of people that received a HACC service / Municipal target population for HACC services] x100							
Participation							
Participation in HACC service by CALD people	n/a	n/a	n/a	n/a			
Number of CALD people who receive a HACC service / Municipal target population n relation to CALD people for HACC services]							
Libraries							
Participation					Active library bases was in		
Active library members Number of active library members /	12.10%	10.50%	10.69%	9.04%	Active library borrowers in the municipality has been impacted by the COVID19		
Municipal					pandemic		
population] x100							

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### Service Performance Indicators

Service/indicator/m-num-	Results				Material Variations
	2018	2019		2021	
Maternal and child health					
Participation					
Participation in the MCH service	86.34%	82.31%	83.30%	84.58%	
Number of children who attend the MCH					
service at least once (in the year) / Number					
of children enrolled in the MCH service] x100					
Participation					
Participation in the MCH service by Aboriginal	91.67%	86.96%	80.00%	86.05%	
children					
Number of Aboriginal children who attend					
the MCH service at least once (in the year) /					
Number of Aboriginal children enrolled in the MCH service] x100					
ner per need also					
Roads					
Satisfaction					
Satisfaction with sealed local roads	47.00	44.00	39.00	39.00	
Community satisfaction rating out of 100	0.01		70190		
with how Council has performed on the					
condition of sealed local roads]					
Statutory Planning					
Decision making				0.000/	Council had one appeal
Council planning decisions upheld at VCAT	100.00%	0.00%	100.00%	0.00%	determined by VACT during the year. This appeal relate
Number of VCAT decisions that did not					to the levying of a develop
set aside council's decision in relation to					contribution levy on a
a planning application / Number of VCAT decisions in relation to planning applications]					subdivision application. VC
x100					determined that the
					developer contribution lev on this application be set
					aside.
Waste Collection					
Waste diversion				40.000	No social section
Kerbside collection waste diverted from	40.81%	38.13%	22.46%	36.97%	No recycling collection during recycling crisis from
landfill					July until mid-December
Weight of recyclables and green organics					2019 impacted on the 201
collected from kerbside bins / Weight of garbage, recyclables and green organics					20 figure. The recycling
collected from kerbside bins] x100					industry stabilised in 2020
					21 which saw Council's
					performance return to pri levels.
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Service/indicator////c.u/-		Res			Material Variations
	2018	2019	2020	2021	
Animal management  Health and safety  Animal management prosecutions  [Number of successful animal management prosecutions]  * These figures have been corrected to exclude prosecutions relating to unpaid fines.	5	s	Retired in 2020	Retired in 2020	This measure was replaced by the animal management prosecutions measure from July 2019
Efficiency Revenue level Average residential rate per residential property assessment [Residential rate revenue/number of residential property assessments]	\$1,896.58	\$2,014.78	Retired in 2020	Retired in 2020	This measure was replaced by the average rate per property assessment from July 2019
Obligations  Asset Renewal  Asset renewal compared to depreciation  [Asset renewal expenses/Asset  Depreciation]x100	75,35%	55.67%	Retired in 2020	Retired in 2020	This measure was replaced by the asset renewal and upgrade compared to depreciation measure from July 2019

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### PerformanceStatement-For the year ended 30 June 2021

### **Financial Performance Indicators**

Dimension/indicator/re-12/1/		Res	aults		Forecast Figures				Material Variations		
	2018	2019	2020	2021	2022	2023	2024	2025			
Efficiency											
Expenditure level											
Expenses per property assessment [Total expenses/Number of property assessments]	\$3,438.54	\$3,480.27	\$3,602.58	\$3,647.83	\$3,940.25	\$3,960.67	\$3,803.25	\$3,908.42			
Revenue level											
Average residential rate per residential property assessment	New in 2020	New in 2020	\$1,838.68	\$1,793.42	\$1,840.17	\$1,908.33	\$2,003.33	\$2,075.92			
[Residential rate revenue / Number of residential property assessments]											
Workforce turnover									Council transitioned out of		
Resignations and terminations compared to average staff	16.27%	22.43%	23.10%	29.40%	13.89%	13.89%	13.89%	13.89%	providing Long Day Care services in December 2020. These		
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]x100									redundancies have been included i the workforce turnover calculation		
Liquidity											
Working capital											
Current assets compared to current liabilities [Current assets / Current liabilities] x100	249.48%	170.06%	216.72%	228.43%	122.34%	171.46%	178.51%		Budgeted \$9.5m new loans taken- up in 19-20		
Unrestricted cash											
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	163.53%	119.29%	183.17%	189.24%	99.12%	134.99%	138.23%		Budgeted \$9.5m new loans taken- up in 19-20		
Obligations											
Loans and borrowings	20.000	22.2504	2000000	40 700	12 12 22 23				Budgeted \$9.5m new loans taken-		
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	36.95%	33.36%	58.94%	53.65%	46.10%	49.60%	41.80%	51.59%	up in 19-20		

Item 7.4 - Attachment 2

### **Financial Performance Indicators**

Dimension/Indicator//// 1 un	Results				Forecast Figures				Material Variations		
	2018	2015	20.20	2021	2022	2023	2024	2025			
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.69%	2.60%	17.21%	6.75%	6.60%	6.17%	6.82%	7.03%	\$3.8m loan repaid in 19-20		
Indebte dness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	37.73%	12.05%	53.61%	51.35%	41.62%	44.90%	37.67%	43.73%	Budgeted \$9.5m new loans taken-up in 19-20		
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation	New in 2020	New in 2020	150.35%	72.67%	169.6%	162.1%	152.9%	154,9%	New indicator for 2020. Replaced asset renewal indicator		
[Asset renewal and asset upgrade expenses / Asset depreciation] x100											
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	5.04%	5.05%	1.07%	1.06%	6.92%	13.72%	14.75%	12.45%	Higher capital grants in 19-20 and 20- 21 than prior years		
Stability Rates concentration Rates compared to adjusted underlying revenue	54.54%	56.84%	57.78%	55.84%	50.53%	51.70%	51.80%	53.49%			
[Rate revenue / Adjusted underlying revenue] x100				200				24,1210			
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.50%	0.49%	0.43%	0.41%	0.38%	0,39%	0.40%	0.40%	This figure should continue to be approximately 0.50% as the Shire grows.		

# PerformanceStatement- For the year



### Other Information



### Basis of preparation

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

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

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

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

The forecast figures included in the Performance Statement are those adopted by Council in its financial plan on 29 June 2021 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.



GOLDEN PLAINS SHIRE COUNCIL ANNUAL REPORT 2020-21 147



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### **OPERATING HOURS**

Bannockburn Customer Service Centre

8.30am to 5pm. Monday to Friday

### The Well, Smythesdale

8.30am to 5pm, Monday to Friday





GoldenPlainsShire



GoldenPlainsMayor



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# Final Management Letter

2020-2021 Financial report and Performance Statement of Golden Plains Shire Council

| Victorian Auditor-General's Report

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### Background

I attach for your information the final management letter for the year ending 30 June 2021. The final management letter provides a summary of audit findings from the interim phase of our audit. This report will be discussed at the Audit and Risk Committee meeting on 14 September 2021.

### Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during the final phase of our audit.

Yours sincerely

C.J. Kol

Partner

McLaren Hunt Audit and Assurance

VAGO Audit Service Provider

Warrnambool, 29 August 2021.

2020-2021 Financial report and Perform

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2020-2021 Financial report and Performance Statement of Golden Plains Shire Council | Victorian Auditor-General's Report

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# Introduction

We have completed the final phase of the 30 June 2021 audit and there are no new issues to bring to your attention. This report includes the status of prior period findings. As part of our reporting, we include our assessment on the significance of the findings. The criteria we consider in this assessment is included in **Appendix A**. Findings can fall into the following categories:

- Internal control findings
- financial reporting and performance statement reporting findings.
- business improvement opportunities and other findings.

### Internal control findings

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Any weaknesses in internal control identified during our audit is communicated to you through our management letters.

### Financial reporting and performance statement reporting findings

As part of our audit, we may identify weaknesses in management's approach to financial reporting and performance statement reporting resulting in potential material misstatement. This includes, but is not limited to, non-compliance with the Australian Accounting Standards and other reporting frameworks.

Reporting and tracking internal control and financial reporting findings

As part of this communication we include:

- our assessment as to the significance of the finding
- recommended actions
- management comments and expected implementation dates.

We have discussed all findings with management. The nature and rating of the finding determines our expectations in relation to management acceptance and our monitoring of the implementation of remedial actions.

1 | Golden Plains Shire Council - Final Management Letter 2021

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### Scope of our audit

We did not carry out a comprehensive audit of all processes and systems of internal control you maintain or seek to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any process and system of internal control may mean that errors or irregularities might not be detected.

As explained in the audit strategy presented to the Audit and Risk Committee on 9 February 2021, the objective of the audit is for the Auditor-General to express an opinion on the financial report and performance statement. Although the audit considers internal controls relevant to preparing the financial report and performance statement, this is done in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of those controls. Our planned approach, including level of reliance on internal controls, was communicated in our audit strategy.

### Reports to Parliament

The Auditor-General may include items listed in this letter in a report to Parliament. We will send you a draft of the relevant material included in this report and ask for your comments before the report is tabled in Parliament. High rated findings may be specifically identified and reported in the Parliamentary reports.

2 | Golden Plains Shire Council - Final Management Letter 2021

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Council Meeting Attachments 28 September 2021

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# Summary of audit findings

The table below summarises all 'open' (current year and prior year) management letter issues, and prior period issues that have been resolved during the period. Open items include all findings that are 'unresolved', 'partially resolved' or 'substantially resolved' as at the date of this letter.

			Classification of deficiency						
Finding first raised (nominy year) Reference Profines		Findings	Ruting	Internal cuntro)	Financial/ performance reporting	Atea	Resolved (R)/ unresolved (I/)	Management anceptance	Agreed Implementation date
Open issues (cu	rrent and pri	or period)							
September 2020	2020.6	Recording of infrastructure and Property, plant and equipment assets	Moderate		х	Infrastructure, property, plant & equipment	Partially resolved	Yes	30 June 2021
Prior period iss	ues resolved	during the period							
August 2018	2018.2	Long outstanding rates debtors	Low	×		Receivables	R	Yes	30 June 2019
August 2019	2019.5	Landfill Provision	Low	9	х	Provisions	R	Yes	30 June 2020
September 2020	2020.7	Long service leave calculation	Moderate		Х	Employee provisions	R	Yes	30 June 2021

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# Detailed audit findings-open issues

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open stems	Response from management
2020.6	Recording of Infrastructure and Property, plant and equipment assets  During the year GPSC commenced moving towards recording their infrastructure and property, plant and equipment assets into Assetics. Audit noted several issues were encountered as a consequence of this including:  - We could not assess depreciation against Individual assets held  - Current year asset additions were not recorded in the asset register  - Bridge and computer additions did not agree to the Asset Register  - Assets had been incorrectly included in the register which were not owned by GPSC (footpaths).	Recommendation Audit suggests that the Asset Management team work with the Finance Team in resolving some of the recording issues in the Asset Register, to ensure that all assets are accurately recorded and agrees to the general ledger.  2020–21 final audit comment:  Partially resolved	Responsible officer: Wendy McAlpine Implementation date: 30 June 2021 2019–20 management comment: Council now has a dedicated asset management team who are working on improving and validating the infrastructure asset data with the footpath data now sourced from a GIS dataset as opposed to a spreadsheet. Council has also recently purchased Assetic, a new asset management system, which will have greater control on the data and how valuations are calculated with linkages to the financial system. This integration will require collaboration of the asset management and finance teams and will facilitate more accurate recording of assets in both the asset management and financial systems.  2020–21 final management comment: The asset management and finance teams are working closely together particularly in the implementation of the Asset system. Asset classes will be migrated into Assetic one class at a time. The building asset class has
			been migrated into Assetic and from 1 July 2021 all general ledger asset related tasks (such as capitalisations and valuations) will be managed exclusively in Assetic. All other asset classes will be migrated after a data cleansing and reconciliation process is completed for the asset class.
2020.7	Long Service Leave calculation Whilst reviewing the LSL calculations we noted that the prior year LSL data had not been updated in the LSL model which affects the year end calculation. We also noted two employees that were accruing LSL hours (345 hours) well in excess of the standard (49 hours) hours that accrue per annum.	Recommendation When calculating the LSL accrual at year end, the LSL model must be updated for the prior year data as a starting point. LSL accruals should also be reviewed to ensure that employees are only accruing standard hours per annum.  2020–21 final audit comment: Resolved	Recommendation Acknowledged Responsible officer: Asanka Jayakody Implementation date: 30 June 2021 2019–20 management comment: Management acknowledges the importance of confirming employee data and will review the LSL calculation procedure to ensure prior year data is updated.

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Ref	Description of finding and implication	VAGO recommandation on new facilities and update on open items	Response from management
2019.5	Landfill Provisions Audit noted that landfill sites have been closed and a provision for restoration has been provided for in the financial statements. The restoration of the landfills has not been forecast in the budget or the five-year strategic plan.	Recommendation We recommend the costs for restoration are assessed and incorporated into the budget or strategic plan.  2020–21 final audit comment:	Recommendation Acknowledged Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 June 2020 Land fill restoration costs will be assessed and incorporated into the 2020- 21 budget and Strategic Resource Plan.
		Included in the 2021-22 adopted budget.  Resolved	2019–20 interim management comment: The 2020-21 Draft Budget and Strategic Resource Plan have included increases in the annual garbage charge to recover the cost of landfill rehabilitation over a ten year period. The 2020-21 Draft Budget included a \$10 increase however due to the financial impacts on customers from COVID-19 Council decided to defer the commencement of this increase to the 2021-22 year.
			2020–21 Interim management comment: Council have approved \$450k for Rokewood landfill rehabilitation works planned to commence in 2021-22 and \$50k to complete a review of the works required on the Teesdale landfill site to be included in the 2021-22 Draft Budget. Due to the amount and timing of landfill rehabilitation works being uncertain this is captured as a note and not within the budgeted financial statements, as disclosed in the retained earnings note 4.3.2 of the 2021-22 Draft Budget.
2018.2	Long outstanding rates debtors  We noted during our review of Rates Debtors, particularly those over \$15k that certain rate payers were noted on the system as being pensioners and no further debt collection actions were undertaken. There were also other Rates debtors where no further actions were noted on the system since 2017.  This could lead to balances accumulating to an extent where the CIV value ratio is insufficient to cover any debts if a SEC181 sale was required.  No rates debts are included in Doubtful debts.	Recommendation Audit is aware of recent staff changes in Rates Management and recommends that review of long outstanding Rates debts and a debt collection policy review is undertaken. Audit update Interim 2019 Partially resolved Audit is aware that Council are still attempting to fill the Rates Team Leader Role. We noted that Rates Officer's working with the Finance Team have managed to add a number	Recommendation Accepted Responsible officer: Asanka Jayakody Team Leader Finance and Rates Implementation date: 30 June 2019 Current rates debt collection process is in accordance with Collection of Overdue Rates and Charges Policy. Rates team regularly assure that the CIV value ratio is sufficient to cover the outstanding debt. If any likely event of insufficient CIV value ratio, Council immediately proceed with SEC181 sale or make a provision for doubtful debt. Review of long outstanding rates debts and the policy will be undertaken to ensure the most efficient way managing this process.

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Ref Description of finding and implication	VAGO recommandation on new families and update on open items	Respanse from monagement
	of Rate Payers onto Payment Arrangements (which are being monitored monthly by a Rates Officer). We noted that there have been instances where Sec 181 sales have occurred to recover debt on properties where owners could not be traced.  2019–20 year end audit comment:	Management update Interim 2019: The new Rates Team Leader commenced with GPS on April 29. Council has continued to pursue outstanding rates debts with a number of customers added to payment arrangements.  A review of the long outstanding rates debts and 'Collection of Overdue Rates and Charges Policy' will be conducted by the Rates Team Leader by 30 June 2019.  Management update Year end 2019: Since the commencement of the new Rates Team Leader a significant
		amount of work has been completed with a number
	Unresolved, to review at year end 2021.	Management update Year end 2020: The 'Collection of Overdue Rates and Charges Policy' has been reviewed and approved by SMT on 24 February 2020. In response to COVID-19
	2020-21 year end audit comment:	impacts Council reviewed the COVID-19 hardship policy with rebates available to customers impacted by COVID-19 who meet the criteria in the
	Audit note staff vacancy has been filled and progress is being made on recoveries of long outstanding debts, despite debt collections not been undertaken during COVID 19	policy. Council has also introduced a monthly payment option to the range of payment options available. A number of customers have taken up the rebate, commenced a payment plan or registered for the monthly payment option.
	pandemic.	2020-21 Interim management comment:
	Resolved.	Council Officers have redesigned the rates notice, promoting instalment payments and the monthly payment option, with more friendly supportive wording. To assist with impacts on customers from the ongoing COVID-19 pandemic the COVID-19 hardship policy has continued to be promoted with a number of customers applying for the rebate (125 applications approved at the time of writing). A government funded Working for Victoria program provided the opportunity to recruit a Rates Hardship Officer to proactively contact customers in arrears to offer assistance by promoting various payment options available, including the monthly payment option, and the COVID-19 hardship policy resulting in a large number of customers clearing their arrears significantly or clearing in full.

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# APPENDIX A Rating definitions and actions

Rating	Det	scription of rating	Mar	nagement action required
ilgh	<b>→</b>	A material misstatement in the financial report has occurred or is likely to occur. It could result in a modified audit opinion if the entity does not take urgent action.	<b>→</b>	Executive management must correct the misstatement in the financial report or take urgent action to avoid a modified audit opinion.
	->	A control weakness could cause, or is causing, a major disruption to the entity's ability to achieve process objectives and comply with relevant legislation.	<b>→</b>	Management must immediately create a detailed action plan that the entity will implement within one month.
Moderate	→ →	A non-material mis statement, which has the potential to become material, has occurred, or is likely to occur, in the financial report.  A control weakness could have, or is having, a moderately adverse effect on the entity's ability to achieve process objectives and comply with relevant legislation.	<b>→</b>	Management must immediately create a detailed action plan that the entity will implement within three to six months.
ow	<b>3</b>	A misstatement (not expected to be material) is likely to occur in the financial report.  A minor control weakness, with minimal but reportable impact, is affecting the entity's ability to achieve process objectives and comply with relevant legislation.	*	Management must immediately create a detailed action plan that the entity will implement within 12 months.

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