

Certification of the Performance Statement

In my opinion, the accompanying Performance Statement has been prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

Fiona Rae

Principal Accounting Officer

Dated: 25 October 2022

In our opinion, the accompanying Performance Statement of the Golden Plains Shire Council for the year ended 30 June 2022 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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 2020 to certify this Performance Statement in its final form.

Councillor Gavin Gamble

Mayor

Dated: 25 October 2022

Councillor Clayton Whitfield

Dated: 25 October 2022

Eric Braslis

Chief Executive Officer

Dated: 25 October 2022

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 2022
- sustainable capacity indicators for the year ended 30 June 2022
- service performance indicators for the year ended 30 June 2022
- financial performance indicators for the year ended 30 June 2022
- 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 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *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 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement 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.

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
October 2022

Travis Derricott
as delegate for the Auditor-General of Victoria

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

Description of municipality

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

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

With 24,765 ¹residents 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.

¹ March 2022 Australian Bureau of Statistics (ABS) data

Sustainable Capacity Indicators

Service/indicator/measure	Results				Material Variations
	2019	2020	2021	2022	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,655.84	\$1,718.07	\$1,805.19	\$1,878.34	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,516.52	\$18,029.17	\$18,819.25	\$19,490.89	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	13.73	14.08	13.98	14.24	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,171.76	\$1,142.27	\$1,148.34	\$1,171.61	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$499.96	\$499.03	\$552.11	\$550.94	
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	
Workforce Turnover					
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year} x 100	22.43%	23.10%	29.40%	22.90%	<p>Council transitioned out of providing Long Day Care services in December 2020 with associated redundancies included in the 2021 result.</p> <p>In 2022 voluntary permanent staff turnover was 18.72% including two retirements. Allowing for redundancies with the exit of Aged Care Services the 2022 figure is adjusted to 22.90%.</p>

Definitions

“adjusted underlying revenue” means total income other than:

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

“infrastructure” means non-current property, plant and equipment excluding land

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

“population” means the resident population estimated by council

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

“relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

“SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

Service/indicator/measure	Results				Material Variations
	2019	2020	2021	2022	
Animal Management Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions]	New in 2020	100%	100%	100%	
Food safety Health and safety Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100.00%	100.00%	100.00%	100.00%	
Governance Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	47.00	47.00	49.00	50.00	
Libraries Participation Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x 100	10.50%	10.69%	9.04%	8.02%	Active library borrowers in the municipality have been impacted by the COVID19 pandemic.

Service Performance Indicators

Service/indicator/measure	Results				Material Variations
	2019	2020	2021	2022	
Maternal and child health					
Participation					
<i>Participation in the MCH service</i>	82.31%	83.30%	84.58%	82.57%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	86.96%	80.00%	86.05%	92.68%	
[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					Increase in participation by Aboriginal and Torres Strait Islander children. Low participation numbers in 2021 results in large changes in percentages between years.
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i>	44.00	39.00	39.00	37.00	
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					2021 result incorrectly reported as 39 when it should be 42 as reflected in the Community Satisfaction Survey results. Increase in number of complaints in 2022 noting some roads are Vic Roads not Council roads.
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	100.00%	0.00%	100.00%	
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					All council planning decisions were upheld by Victorian Civil and Administrative Tribunal (VCAT) in 2022.
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	38.13%	22.46%	36.97%	35.75%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					No recycling collection during recycling crisis from July until mid-December 2019 impacted on the 2019-20 figure. The recycling industry stabilised in 2020-21 which saw Council's performance return to prior levels which continued into 2021-22.

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library borrower" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under section 98 of the Act

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the Food Act 1984

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

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

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

"population" means the resident population estimated by council

Financial Performance Indicators

Dimension/indicator/measure	Results				Forecast Figures				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency									Annual garbage charge forecast to increase due to mandated increase in State Government landfill levy resulting in corresponding increase in costs.
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses/Number of property assessments]	\$3,480.27	\$3,602.58	\$3,647.83	\$3,876.42	\$3,816.92	\$3,938.00	\$4,053.50	\$4,178.50	
Revenue level									
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,838.68	\$1,793.42	\$1,855.75	\$1,932.25	\$2,096.75	\$2,277.50	\$2,350.08	Forecast includes projected increases in customers.
Liquidity									Increase in grants recognized as unearned income in current liabilities due to accounting standard requirement when performance obligations remain.
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	170.06%	216.72 %	228.43%	181.61%	108.33%	162.27%	183.47%	233.33%	
Unrestricted Cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	119.29%	183.17%	189.24%	101.27%	78.30%	122.18%	140.65%	188.87%	Decrease in unrestricted cash balance and increase in grants included as unearned income in current liabilities 2022.
Obligations									Budgeted \$9.5m new loans taken-up in 2019-20. Reduction in loans by \$1.4m in 2020-21 and \$1.6m in 2021-22. Forecast period includes reduction of loans.
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	33.36%	58.94%	53.65%	44.52%	37.38%	36.02%	28.42%	13.12%	

Financial Performance Indicators

Dimension/indicator/measure	Results				Forecast Figures				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.60%	17.21%	6.75%	7.28%	7.07%	5.37%	14.84%	8.89%	\$3.8m loan repaid in 2019-20. Reduction in loans by \$1.4m in 2020-21 and \$1.6m in 2021-22. Forecast includes projected reduction in loans. Budgeted \$9.5m new loans taken-up in 2019-20. Reduction in loans by \$1.4m in 2020-21 and \$1.6m in 2021-22. \$3m increase in asset upgrade projects in 2021-22. Forecast includes increase in asset upgrade projects.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	12.05%	53.61%	51.35%	43.46%	33.23%	32.45%	20.43%	11.23%	
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expenses / Asset depreciation] x100	New in 2020	150.35%	72.67%	115.07 %	187.11 %	145.02 %	151.11%	143.99%	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	5.05%	1.07%	1.06%	(0.86%)	(2.12%)	0.20%	4.36%	6.01%	Reduction in capital grants recognized as income in 2021-22. Capital grants forecast to increase.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	56.84%	57.78%	55.84%	56.55%	60.28%	61.96%	62.65%	61.63%	
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.49%	0.43%	0.41%	0.38%	0.30%	0.31%	0.33%	0.32%	

Former Measures

Service/indicator/measure	Results				Material Variations
	2019	2020	2021	2022	
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] * These figures have been corrected to exclude prosecutions relating to unpaid fines.	5	Retired in 2020	Retired in 2020	Retired in 2020	This measure was replaced by the animal management prosecutions measure from July 2019.
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue/number of residential property assessments]	\$2,014.78	Retired in 2020	Retired in 2020	Retired in 2020	This measure was replaced by the average rate per property assessment from July 2019.
Obligations Asset Renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses/Asset Depreciation]x100	55.67%	Retired in 2020	Retired in 2020	Retired in 2020	This measure was replaced by the asset renewal and upgrade compared to depreciation measure from July 2019.

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 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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). In preparing this statement Council utilized March 2022 data published by the 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 2020* 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 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.