

Strathbogie Shire
Council

Performance Statement

For the year ended 30 June 2022

Strathbogie
SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2022

Description of municipality

Strathbogie Shire is a rural municipality located approximately two hours from the Melbourne CBD and covers 330,326 hectares. We have diverse and picturesque communities served by townships such as Euroa, Nagambie, Violet Town, Avenel, Longwood, Ruffy and Strathbogie with a population of over 10,000 and growing. The Shire has an ageing population with 38% of residents aged 60 years and over. Approximately eight out of ten residents were born in Australia and about 5% of people came from countries where English was not their first language.

The Strathbogie Shire has a rural economic base of wool, grain, sheep and cattle production, extensive vineyards, world class wineries and a wide range of intensive cool climate horticultural enterprises. The region is also known as the Horse Capital of Victoria due to its ever expanding horse industry. Thoroughbred breeding studs are the cornerstone of this important industry, with many prestigious Melbourne Cup winners bred and trained in the shire. Nagambie is also the birthplace of Black Caviar, the world champion horse, and now has a life-size bronze statue sitting pride of place at Jacobson's Outlook.

Overview of 2022 and Our Covid Response

The 2021-22 financial year saw continued challenges with the response to, and aftermath of, the Covid 19 Pandemic.

Pleasingly, Council services were able to continue to be provided throughout the course of the year, despite periods of lockdown. This was aided by the use of improved information technology systems, along with the resilience and flexibility of our staff and Councillors to ensure continuity of business and decision making.

We also would like to recognise the community's adaptability to using more online services and for interacting with Council online and through virtual meetings when mandatory lockdowns were in place and when action needed to be taken to work remotely to minimise face to face contact.

There were, however, significant implications of the pandemic on the labour market, the construction industry and constraints in materials, with resultant price increases. This has led to delays in project delivery for major capital works and continues to be an ongoing challenge in terms of scoping and budgeting for major works.

Sustainable Capacity Indicators

For the year ended 30 June 2022

Results					
<i>Indicator / measure</i> [formula]	2019	2020	2021	2022	Comment
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,691.78	\$2,647.81	\$2,816.59	\$2,628.01	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$24,376.51	\$23,056.21	\$25,715.25	\$26,428.49	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.49	4.89	4.98	5.29	This increase reflects the 2% growth in our population in recent years.
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,991.64	\$1,991.84	\$2,015.06	\$2,039.13	

Results

<i>Indicator / measure</i> [formula]	2019	2020	2021	2022	Comment
<p>Recurrent grants <i>Recurrent grants per head of municipal population</i></p> <p>[Recurrent grants / Municipal population]</p>	\$671.58	\$766.72	\$780.29	\$826.99	
<p>Disadvantage <i>Relative Socio-Economic Disadvantage</i></p> <p>[Index of Relative Socio-Economic Disadvantage by decile]</p>	4.00	4.00	4.00	4.00	
<p>Workforce turnover <i>Percentage of staff turnover</i></p> <p>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</p>	17.4%	20.6%	10.9%	29.0%	The increase in staff turnover is partially due to the mandatory vaccination requirements from the State Government for local government workers, along with a highly competitive labour market where a small rural shire cannot compete with the terms and condition of larger councils and private enterprise.

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 the 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

For the year ended 30 June 2022

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.90	1.82	1.08	1.64	Aquatic facilities remained open throughout the summer, reduced impact of Covid 19, a number of activations also took place at aquatic facilities and free season pass provided to all rate payers.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0%	0%	0%	There were no prosecutions through the Magistrates Court in 2021-22.

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
<p>Food Safety</p> <p>Health and safety</p> <p><i>Critical and major non-compliance outcome notifications</i></p> <p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</p>	100.00%	86.67%	100.00%	100.00%	
<p>Governance</p> <p>Satisfaction</p> <p><i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	55	49	52	51	It is considered this result is a consolidation of the 2021 result and reflects some challenging decisions being made on key strategic issues that are impacting on our community.
<p>Libraries</p> <p>Participation</p> <p><i>Active library borrowers in municipality</i></p> <p>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	23.32%	24.17%	24.99%	18.87%	The drop in active members is largely due to the Covid 19 pandemic and the periods of lockdown where only click and collect services were available. This type of service did not meet the needs of part of our community given its reliance on access to reliable internet services and transport.

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.96%	73.94%	77.63%	69.47%	Potentially impacted by covid 19, sickness experienced by families and isolation protocols through 21/22.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	87.50%	87.18%	73.68%	66.67%	Within expected range, dependent on number of ATSI children in municipality.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	51	51	51	47	Challenging climatic condition and weather extremes have caused significant damage to our sealed and unsealed roads this year. We have seen a substantial increase in pothole/pavement failure reports as a result. Shortages in materials, contractors and staff due to Covid 19 pandemic impacts has exacerbated road defects. This will be a focus area for 2022.

Results					
Service/indicator/measure [formula]	2019	2020	2021	2022	Comment
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	50.00%	0.00%	66.67%	Two out of the three VCAT decisions were in favour of Council's decision.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	69.41%	70.27%	71.01%	70.72%	Council has one of the highest diversion rates of waste from landfill due to our best practice waste management system.

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

For the year ended 30 June 2022

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations and Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,581.75	\$3,568.25	\$3,991.75	\$3,597.77	\$4,192.60	\$4,136.62	\$4,214.55	\$4,302.99	
Revenue level <i>Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	\$2,141.75	\$2,226.26	\$2,156.43	\$2,345.71	\$2,381.92	\$2,430.76	\$2,480.58	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	215.08%	264.74%	216.46%	232.08%	122.06%	119.44%	124.25%	129.49%	Ratio was affected by reduced liability for unearned income (\$0.55 million), creditors (\$1.140 million) and increased provisions (\$.1.085 million).

	Results				Forecasts				
Dimension/indicator/measure	2019	2020	2021	2022	2023	2024	2025	2026	Material Variations and Comments
<p>Indebtedness</p> <p><i>Non-current liabilities compared to own source revenue</i></p> <p>[Non-current liabilities / Own source revenue] x100</p>	24.74%	26.79%	25.06%	10.15%	25.15%	22.73%	21.44%	20.18%	This variation is due to a reduction in non-current provisions (\$3.2 million) due to the landfill rehabilitation and maintenance provision recalculation.
<p>Asset renewal and upgrade</p> <p><i>Asset renewal and upgrade compared to depreciation</i></p> <p>[Asset renewal and asset upgrade expense / Asset depreciation] x100</p>	New in 2020	107.16%	128.19%	75.62%	335.27%	148.96%	105.15%	117.90%	This result is the product of a reduction in renewals from the previous year (\$3 million) and delays in the completion of capital works due to significant challenges with the availability of construction contractors and materials due to the Covid 19 pandemic.
<p>Operating position</p> <p>Adjusted underlying result</p> <p><i>Adjusted underlying surplus (or deficit)</i></p> <p>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</p>	1.03%	9.07%	3.32%	11.07%	-2.68%	-1.23%	-0.94%	-0.84%	This indicator is affected by increased in recurrent grants (\$1.6 million) due to early payment of 75% of Finance Assistance Grant. Overall, own source fees and other income increased in comparison to previous years.

Results				Forecasts					Material Variations and Comments
Dimension/indicator/measure	2019	2020	2021	2022	2023	2024	2025	2026	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	65.73%	63.15%	62.72%	62.81%	67.38%	68.36%	68.28%	68.18%	
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.58%	0.56%	0.49%	0.39%	0.37%	0.34%	0.31%	0.29%	Overall the property values (Capital Improved Value) has increased by more than 10%, leading to a reduction in this indicator.

Retired indicators

Service / indicator / measure	Results			Comment
	2018	2019	2020	
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	This measure was retired in 2020.
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,198.00	\$2,035.00	\$2,093.80	This measure was retired in 2020.
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	147.87%	147.17%	177.59%	This measure was retired in 2020.

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

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2022

1. 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).

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 on 21 June 2022 and which forms part of the council plan. The financial 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 financial plan can be obtained by contacting council.

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.

Upul Sathurusinghe

Principal Accounting Officer

Dated: : *September 2022*

In our opinion, the accompanying performance statement of the (*council name*) 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.

Cr Laura Binks

Mayor

Dated: : *September 2022*

Cr Paul Murray

Deputy Mayor

Dated: : *September 2022*

Julie Salomon

Chief Executive Officer

Dated: : *September 2022*

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