

Strathbogie Shire Council

Performance Statement  
For the year ended 30 June 2023

*Strathbogie*  
SHIRE COUNCIL

OFFICIAL

# Performance Statement

For the year ended 30 June 2023

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## 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.

The 2022-23 financial year saw challenges with the response to, and aftermath of, the significant October 2022 Flood Event. Pleasingly, Council services were able to continue to be provided throughout the year despite the redirection of our focus in supporting the rebuilding and repair of critical infrastructure, community assets and economic and social recovery. This recovery focus is ongoing. There continues to be significant implications following the covid-19 pandemic and the October 2022 Flood Event on accessing work sites and in the labour market and the construction industry 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.

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## Sustainable Capacity Indicators

For the year ended 30 June 2023

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
<b>Population</b>					
<i>Expenses per head of municipal population</i>	\$2,647.81	\$2,816.59	\$2,628.01	\$3,436.34	Total expenditure has increased by \$8.9 million due to flood damages and general increase in expenditure due to high inflation.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$23,056.21	\$25,715.25	\$26,428.49	\$28,448.16	
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	4.89	4.98	5.29	5.20	
[Municipal population / Kilometres of local roads]					
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i>	\$1,991.84	\$2,015.06	\$2,039.13	\$2,159.59	
[Own-source revenue / Municipal population]					
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i>	\$766.72	\$780.29	\$826.99	\$910.94	Finance Assistance Grant has increased in 2022/23 by more than 10% due to increase and the timing of the payment.
[Recurrent grants / Municipal population]					

<b>Disadvantage</b>					
<i>Relative Socio-Economic Disadvantage</i>	4.00	4.00	4.00	4.00	
[Index of Relative Socio-Economic Disadvantage by decile]					
<b>Workforce turnover</b>					
<i>Percentage of staff turnover</i>	20.6%	10.9%	29.0%	26.2%	Recruitment has increased in recent years due to a large number of employees vacating positions for various reasons – moving from the area, progression opportunities, retirement, or career changes. This is indicative of the ‘Great Resignation’ predicted for 2022 following the COVID-19 pandemic. Across 2022/23, 53 vacancies were filled across the organisation. At times Council has struggled to fill these vacancies with suitability experienced and qualified people and like many local organisations and businesses is experiencing severe staff shortages.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

**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

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"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.

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## Service Performance Indicators

For the year ended 30 June 2023

Service / <i>indicator</i> / measure	Results				Comments
	2020	2021	2022	2023	
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	1.82	1.08	1.64	0.75	Seasonal pools: 14 weather day closures
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i>  [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	0.00%	0.00%	0.00%	No prosecutions this year
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance            outcome notifications</i>  [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	86.67%	100.00%	100.00%	0.00%	Please note there has been zero critical and major non-compliance outcomes for audited premises. This only relates to five class one food auditable premises.

notifications about a food premises] x100					
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i>  [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	49.00	52.00	51.00	47.00	It is considered this result is a consolidation of the 2022 result and reflects some challenging decisions being made on key strategic issues that are impacting on our community.
<b>Libraries</b> <b>Participation</b> <i>Active library borrowers in municipality</i>  [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	24.17%	24.99%	18.87%	22.81%	Promotion of library services and programs offered. New Library opened in Avenel. Borrowers can now actively participate in programs in person now that Covid-19 restrictions have lifted.
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <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 <b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i>	73.94%	77.63%	69.47%	69.46%	MCH team actively following up missed KAS visits and encouraging parents to book appointments. Gap is predominately in the 2 and 3yr KAS visits.
	87.18%	73.68%	66.67%	73.33%	



[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					
<b>Roads</b> <b>Satisfaction</b> <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]	51.00	51.00	47.00	45.00	
<b>Statutory Planning</b> <b>Decision making</b> <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	50.00%	0.00%	66.67%	100.00%	These are merits-based decisions so can vary from year to year depending on the types of applications.
<b>Waste Collection</b> <b>Waste diversion</b> <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	70.27%	71.01%	70.72%	70.80%	

## 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 2023

Dimension/ <i>indicator</i> /measure	Results				Forecasts				Material Variations and Comments
	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Efficiency</b>									
<b><i>Expenditure level</i></b>									
<i>Expenses per property assessment</i>	\$3,568.25	\$3,991.75	\$3,597.77	\$4,919.81	\$4,303.00	\$4,400.25	\$4,429.02	\$4,581.83	Expenditure increase due to flood recovery related expenditure and general level of increase due to higher inflation.
[Total expenses / Number of property assessments]									
<b><i>Revenue level</i></b>									
<i>Average rate per property assessment</i>	\$2,141.75	\$2,226.26	\$2,156.43	\$2,249.41	\$2,367.38	\$2,408.27	\$2,438.29	\$2,488.17	
[General rates and Municipal charges / Number of property assessments]									
<b>Liquidity</b>									
<b><i>Working capital</i></b>									
<i>Current assets compared to current liabilities</i>	264.74%	216.46%	232.08%	230.80%	177.72%	175.69%	150.61%	127.93%	
[Current assets / Current liabilities] x100									
<b><i>Unrestricted cash</i></b>									
<i>Unrestricted cash compared to current liabilities</i>	-14.86%	14.68%	-85.07%	-7.93%	0.00%	0.00%	0.00%	0.00%	Variation is affected by the classification of investments at 30 June whether as Cash

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[Unrestricted cash / Current liabilities] x100									and Cash equivalents or Other financial assets, based on maturity. Cash and cash equivalents used in this ratio.
<b>Obligations</b>									
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i>	1.86%	1.41%	0.92%	16.82%	15.17%	14.07%	30.11%	36.34%	Council borrowed \$3 million to fund rehabilitation cost of Violet Town landfill and \$0.5 million for truck wash expansion.
[Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	0.82%	0.53%	0.51%	0.50%	1.51%	1.48%	1.44%	3.04%	
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i>	26.79%	25.06%	10.15%	21.88%	18.36%	17.19%	30.75%	35.89%	This variation is due to an increase in non-current provisions (\$3.2 million) due to new borrowings.
[Non-current liabilities / Own source revenue] x100									
<b>Asset renewal and upgrade</b>									
<i>Asset renewal and upgrade compared to depreciation</i>	107.16%	128.19%	75.62%	135.43%	140.64%	87.89%	97.45%	84.49%	This result is the increase in renewals and upgrade from the previous year carry over projects completion and significant increase in the work due to flood damages,

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[Asset renewal and asset upgrade expense / Asset depreciation] x100										construction contractors and materials cost increases.
<b>Operating position</b>										
<b>Adjusted underlying result</b>										
<i>Adjusted underlying surplus (or deficit)</i>	9.07%	3.32%	11.07%	0.77%	-1.72%	-3.66%	-2.47%	-3.68%		This indicator is affected by increased in recurrent grants due to early payment of 100% of Finance Assistance Grant. And other grants income received for flood recovery works in comparison to previous years.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100										
<b>Stability</b>										
<b>Rates concentration</b>										
<i>Rates compared to adjusted underlying revenue</i>	63.15%	62.72%	62.81%	53.68%	65.76%	66.25%	65.84%	65.72%		Ratio is affected by early payment of Finance Assistance Grant, fund recovery assistance and insurance recovery for flood damages.
[Rate revenue / Adjusted underlying revenue] x100										
<b>Rates effort</b>										
<i>Rates compared to property values</i>	0.56%	0.49%	0.39%	0.40%	0.34%	0.34%	0.34%	0.35%		
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

## 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 2023

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### 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 30 June 2023 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.

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## Certification of the Performance Statement

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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.

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Upul Sathurusinghe - CPA

**Principal Accounting Officer**

**Dated:** *(Date)*

In our opinion, the accompanying performance statement of the *Strathbogie Shire Council* for the year ended 30 June 2023 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.

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Cr. Laura Binks

**Mayor**

**Dated:** *(Date)*

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Cr. Paul Murray

**Councillor**

**Dated:** *(Date)*



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Julie Salomon

**Chief Executive Officer**

**Dated:** *(Date)*

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