

# **Strathbogie Shire Council**

## **Performance Statement**

For the year ended 30 June 2018

## Performance Statement

For the year ended 30 June 2018

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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.

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## Sustainable Capacity Indicators

For the year ended 30 June 2018

<i>Indicator/measure</i>	<i>Results</i>				<i>Material Variations</i>
	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,758.30	\$2,903.83	\$2,614.58	\$3,031.18	2018 expense includes increased landfill rehabilitation provision of \$3.7m
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$23,842.80	\$24,896.09	\$24,806.95	\$24,569.20	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.37	4.15	4.36	4.41	No material variations
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,845.97	\$1,955.13	\$1,943.07	\$1,972.55	No material variations
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,157.20	\$578.77	\$999.52	\$747.68	Grants in 2016/17 included \$7.50m Financial Assistance Grants which reduced to \$5.19m in 2017/18 due to timing and recognition of payments.
<b>Disadvantage</b>					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3.00	3.00	3.00	4.00	As per new advice

**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 authority under 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 2018

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>Aquatic facilities</b>				
<b>Utilisation of aquatic facilities</b>				
[Number of visits to aquatic facilities / Municipal population]	3.30	4.41	3.75	Attendances down 7% on previous year
<b>Animal management</b>				
<b>Health and safety</b>				
<b>Animal management prosecutions</b>	0.00	0.00	0.00	No prosecutions in 2017/18
[Number of successful animal management prosecutions]				
<b>Food safety</b>				
<b>Health and safety</b>				
<b>Critical and major non-compliance notifications</b>	100.0%	0.00%	0.00%	There were zero critical and major non-compliance notifications identified or actioned in 2015/16, 2016/17 and 2017/18
[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				
<b>Governance</b>				
<b>Satisfaction</b>				
<b>Satisfaction with council decisions</b>	48.00	48.00	38.00	48.00
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				Improved survey result. Council has given increased attention to community engagement over the past 12 months.

Service/indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
<b>Libraries</b>					
<b>Participation</b>					
Active library members [Number of active library members / Municipal population] x100	26.00%	27.16%	23.11%	22.30%	No material variations
<b>Maternal and child health</b>					
<b>Participation</b>					
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	85.00%	84.35%	83.87%	77.87%	Number of children attending at least once per year reduced from 301 to 285 while the number enrolled increased from 359 to 366. Service is voluntary but investigations are underway to determine if a particular age group is affected.
<b>Participation</b>					
Participation in the MCH service by Aboriginal 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	100%	100%	100%	92.31%	In 2016/17 100% attendance was achieved and in 2017/18 one child enrolled did not attend.
<b>Roads</b>					
<b>Satisfaction</b>					
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	43.00	44.00	43.00	47.00	Improved survey result. Council has continued to have an emphasis in its capital works program on renewal of assets including the sealed road network.

Service/indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
<b>Statutory Planning</b> <b>Decision making</b> Council planning decisions upheld at VCAT [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%	33.33%	0.00%	0.00%	No appeals lodged in 2016/17 and 2017/18
<b>Waste Collection</b> <b>Waste diversion</b> Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	32.00%	68.24%	70.30%	69.75%	Low rate in 2014/15 was prior to introduction of 3 bin system which has substantially increased diversion from landfill
<b>Definitions</b> "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 member" 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 sections 131, 132 and 133 of the Act "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English "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 "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth "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 "HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the					

Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"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

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.



## Financial Performance Indicators

For the year ended 30 June 2018

Dimension/indicator/ measure	Results					Forecasts					Material Variations	
	2015	2016	2017	2018	2019	2020	2021	2022	2023			
<b>Efficiency</b>												
<b>Revenue level</b>												
Average residential rate per residential property assessment	\$1,865.97	\$1,939.62	\$1,967.20	\$1,998.20	\$2,031.53	\$2,056.25	\$2,075.21	\$2,110.12				No material variations
[Residential rate revenue / Number of residential property assessments]												
<b>Expenditure level</b>												
Expenses per property assessment	\$3,747.77	\$3,477.38	\$3,375.75	\$3,961.38	\$3,416.75	\$3,386.03	\$3,429.23	\$3,426.96				2018 expense includes increased landfill rehabilitation provision of \$3.7m. Expenditure level is expected to remain constrained but number of assessments increasing by 1.5% per year. Depreciation beyond 2018 of approximately \$5.6m is in accordance with Long Term Financial Plan which may vary.
[Total expenses / Number of property assessments]												
<b>Workforce turnover</b>												
Resignations and terminations compared to average staff	11.72%	11.35%	12.75%	8.47%	8.4%	8.4%	8.4%	8.4%				Years prior to 2017 saw some restructuring of the organisation reflecting in higher turnover. Going forward 10 resignations per year have been assumed.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100												

Dimension/indicator/ measure	Results					Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	2023		
<b>Liquidity</b> <i>Working capital</i> Current assets compared to current liabilities [Current assets / Current liabilities] x100	197.91%	203.69%	244.00%	281.00%	132.00%	140.40%	147.95%	155.08%			Landfill provision of \$0.797m transferred from current to non-current. Capital works carried over in 2018 of \$4.5m included bridges of \$0.87m, buildings of \$0.452m, plant and machinery of \$0.433m, roadworks/drainage of \$2.182m and computers and telecommunications equipment of \$0.336m to be spent in 2019. Prepayment of Financial Assistance Grants of \$2.645m in 2017/18 increased cash levels.
<b>Unrestricted cash</b> <i>Unrestricted cash</i> compared to current liabilities [Unrestricted cash / Current liabilities] x100	153.11%	129.44%	197.06%	138.10%	79.23%	83.73%	91.04%	97.60%			Capital works carried over of \$4.5m included a number of road and bridge projects.
<b>Obligations</b> <i>Asset renewal</i> Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	131.52%	121.97%	98.28%	147.87%	163.52%	91.88%	87.38%	76.78%			Varies according to capital spend and projects completed in any one year. Some bridge works carried over into 2018/19. Renewal effort based on condition assessment is at appropriate level.

Dimension/ <i>indicator/measure</i>	Results			Forecasts				
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	13.08%	9.81%	6.65%	3.73%	1.93%	1.44%	0.95%	0.46%
					Council's current policy is no new borrowings. Debt is being reduced and rate revenue is increasing.			
<b>Dimension/<i>indicator/measure</i></b>	<b>Results 2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Forecasts 2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Loans and borrowings</b> <i>Loans and borrowings repayments compared to rates</i>	4.86%	3.17%	3.13%	3.05%	0.90%	0.54%	0.52%	0.50%
					Council's current policy is no new borrowings. With debt reducing repayments are also reducing.			
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue]x100	15.06%	14.90%	9.53%	30.38%	7.12%	5.96%	4.78%	3.62%
					Landfill provision of \$0.797m was transferred from current to non-current and the provision was increased by a further \$3.7m. Council's current policy is no new borrowings. With debt reducing repayments are also reducing.			
<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	10.24%	-16.00%	11.41%	-6.33%	-1.95%	2.47%	2.14%	3.14%
					2018 includes additional landfill rehabilitation provision of \$3.7m. 2017/18 revenue included \$1.286m contributed assets with none budgeted in 2018/19. Also 2017/18 included \$1.082m non-recurrent capital grants with no budget for non-recurrent capital grants in 2018/19. Financial Assistance Grants of \$2.645m brought forward to 2017/18 are not to be received in 2018/19.			

Dimension/indicator/ measure	Results					Forecasts					
	2015	2016	2017	2018	2019	2020	2021	2022			
<b>Stability</b> <b>Rates concentration</b> Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	53.65%	78.10%	59.27%	62.16%	70.16%	68.55%	68.55%	69.03%	2017/18 revenue included \$1.286m contributed assets with none budgeted in 2018/19. Also 2017/18 included \$1.082m non recurrent capital grants with no budget in 2018/19.		
<b>Rates effort</b> Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.63%	0.66%	0.64%	0.64%	0.59%	0.59%	0.60%	0.61%	Property revaluation is effective 2018/19 with forecast increased property values of 15.6 % and rate increase of 1.9% ,which is less than rate cap		
<p><b>Definitions</b></p> <p>"adjusted underlying revenue" means total income other than:</p> <p>(a) non-recurrent grants used to fund capital expenditure; and</p> <p>(b) non-monetary asset contributions; and</p> <p>(c) contributions to fund capital expenditure from sources other than those referred to above</p> <p>"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure</p> <p>"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</p> <p>"current assets" has the same meaning as in the AAS</p> <p>"current liabilities" has the same meaning as in the AAS</p> <p>"non-current assets" means all assets other than current assets</p> <p>"non-current liabilities" means all liabilities other than current liabilities</p> <p>"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</p> <p>"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)</p>											

"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 2018

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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 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 strategic resource plan on 26 June 2018 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.

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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 1989* and the Local Government (Planning and Reporting) Regulations 2014.

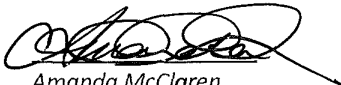
  
\_\_\_\_\_  
David Roff  
Principal Accounting Officer  
Date  
Euroa, Victoria

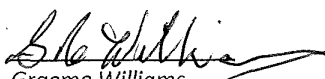
In our opinion, the accompanying performance statement of the Shire of Strathbogie for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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.

  
Amanda McClaren  
Councillor  
Date: 25/9/18  
Euroa, Victoria

  
Graeme Williams  
Councillor  
Date: 25/9/18  
Euroa, Victoria

  
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Steve Crawcour  
Chief Executive Officer  
Date: September 2018  
Euroa, Victoria