

**Southern Grampians Shire Council**

# **Performance Statement**

**For the Year Ended 30 June 2022**

## **Description of the Municipality**

Southern Grampians Shire Council was formed in September 1994 by the amalgamation of the former Shires of Dundas, Mt Rouse, Wannon and the City of Hamilton. We are located in the centre of the Western District of Victoria, 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide.

Hamilton is the regional retail and service centre for the entire south west of Victoria. It is supported by a delightful mix of smaller townships offering different regional lifestyle choices. The nine smaller towns in the Shire are Balmoral, Branxholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Penshurst and Tarrington.

The region is home to a dynamic portfolio of businesses thriving in local, national and international markets. A rich agricultural heritage, fertile landscape, comprehensive infrastructure and advanced utilities shape its prosperous and sustainable economic profile, and pave the way for future development, investment and employment growth.

The Southern Grampian Shire's 16,000-strong population enjoys superior leisure and medical facilities, prestigious schools and tertiary institutions. A sophisticated arts culture and a thriving retail and hospitality sector inject vibrancy, while breathtaking landscapes add to the strong sense of place.

## Sustainability Capacity Indicators

Indicator/Measure	Results				Material Variations & Comments
	2019	2020	2021	2022	
<b>Population</b>					
C1 Expenses per head of municipal population <i>(Total expenses/Municipal population)</i>	\$3,554.94	\$2,984.78	\$2,947.13	\$2,923.47	
C2 Infrastructure per head of municipal population <i>(Value of Infrastructure/Municipal population)</i>	\$18,674.62	\$21,178.39	\$22,905.36	\$23,064.37	
C3 Population density per length of road <i>(Municipal population/Kilometres of local roads)</i>	5.77	6.00	5.86	5.82	
<b>Own Source Revenue</b>					
C4 Own source revenue per head of municipal population <i>(Own source revenue/Municipal population)</i>	\$2,594.79	\$1,829.32	\$1,933.68	\$1,858.54	
<b>Recurrent Grants</b>					
C5 Recurrent grants per head of municipal population <i>(Recurrent Grants/Municipal population)</i>	\$745.03	\$767.95	\$784.86	\$989.97	Grants commission for 2022-23 received in June 2022 contributed to a higher level of recurrent grants.
<b>Disadvantage</b>					
C6 Relative Socio-Economic Disadvantage <i>(Index of Relative Socio-Economic Disadvantage by decile)</i>	5.00	5.00	5.00	5.00	
<b>Workforce Turnover</b>					
C7 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</i>	12.62%	16.10%	19.21%	15.66%	The workforce turnover returned to usual levels following covid impacts in the prior year.
<b>Definitions</b>					
"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 in paragraphs (a) and (b)					
"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 <i>Road Management Act 2004</i>					
"population" means the resident population estimated by Council					
"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control or 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

Indicator/Measure	Results				Material Variations & Comments
	2019	2020	2021	2022	
<b>Aquatic Facilities - Utilisation</b>					
AF6 Utilisation of aquatic facilities (Number of visits to aquatic facilities/Municipal population)	9.33	7.56	4.43	5.27	Increased opening of main aquatic facility and services subsequent to COVID restrictions.
<b>Animal Management - Health and Safety</b>					
AM4 Animal management prosecutions (Number of successful animal prosecutions)	New in 2020	0	0	0	Although Council received reports of dog attacks throughout the year, after full investigations, few were deemed serious and none were required to be prosecuted.
<b>Food Safety - Health and Safety</b>					
FS4 Critical and major non-compliance outcome notifications (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	100.00%	93.33%	100.00%	92.86%	
<b>Governance - Satisfaction</b>					
G5 Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	49	52	54	51	
<b>Libraries - Participation</b>					
LB4 Active Library Members (Number of active library members/Municipal population) X 100	14.96%	13.15%	11.92%	10.84%	
<b>Maternal &amp; Child Health (MCH) - Participation</b>					
MC4 Participation in MCH Service (Number of children who attend the MCH service at least once (in the year)/ Number of children enrolled in the MCH service) X 100	77.96%	76.99%	73.09%	81.09%	Increase in birth notifications

## Service Performance Indicators

Indicator/Measure	Results				Material Variations & Comments
	2019	2020	2021	2022	
MC5 Participation in 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) X 100</i>	62.69%	63.89%	74.68%	85.00%	More families are identifying as aboriginal and the effects of Covid and isolation raised more concern in parents to monitor their children
<b>Roads - Satisfaction</b>					
R5 Satisfaction with sealed local roads <i>(Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)</i>	41	43	42		37 Results from Customer Satisfaction Survey
<b>Statutory Planning - Decision making</b>					
SP4 Council planning decisions upheld at VCAT <i>(Number of VCAT decision that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) X 100</i>	0.00%	0.00%	20.00%	100.00%	2 decisions upheld at VCAT
<b>Waste Collection - Waste Diversion</b>					
WC5 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) X 100</i>	44.16%	43.01%	62.72%	79.24%	Expansion of green organics service contributed to a higher level of diversion of waste from landfill.

### Definitions

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

"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

"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*

"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

Indicator/Measure	Results				Forecast				Material Variations & Comments	
	2019	2020	2021	2022	2023	2024	2025	2026		
<b>Efficiency</b>										
<i>Expenditure Level</i>										
E2	Expenses per property assessment (Total expenses / Number of property assessments)	\$6,440.18	\$4,368.64	\$4,322.64	\$4,188.66	\$4,327.95	\$4,343.04	\$4,369.02	\$4,409.20	The 2018/19 financial year included significant expenditure relating to natural disasters. Forecasts are based on a reduced level of expenses and only modest increases in property numbers.
<i>Revenue Level</i>										
E4	Average rate per property assessment (General rates and Municipal charges / Number of property assessments)	New in 2020	\$1,707.00	\$1,744.82	\$1,746.70	\$1,773.66	\$1,817.14	\$1,834.20	\$1,866.61	
<b>Liquidity</b>										
<i>Working Capital</i>										
L1	Current assets compared to current liabilities (Current Assets / Current Liabilities) X 100	305.73%	228.50%	250.58%	252.96%	123.32%	90.89%	75.93%	86.62%	Council continues to hold cash investments and grants received for specific capital projects not yet completed. Future budgets aim to consume cash and increase borrowings which significantly impacts on this indicator.
<i>Unrestricted Cash</i>										
L2	Unrestricted cash compared to current liabilities (Unrestricted cash / Current Liabilities) X 100	8.91%	4.38%	23.75%	74.39%	39.83%	19.28%	14.09%	30.64%	Council held considerable amounts of unrestricted cash at 30 June 2022 for capital projects which will be consumed over the coming years.
<b>Obligations</b>										
<i>Loans and Borrowings</i>										
O2	Loans and borrowings compared to rates (Interest bearing loans and borrowings / Rate revenue) X 100	9.20%	16.61%	13.28%	10.80%	17.23%	23.20%	19.77%	25.52%	Councils financial plan includes increased structured borrowings to support capital works.
O3	Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) X 100	2.68%	2.31%	3.19%	2.84%	2.83%	3.15%	4.02%	3.14%	Councils financial plan includes increased structured borrowings to support capital works.
<i>Indebtedness</i>										
O4	Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) X 100	15.39%	19.81%	14.22%	10.69%	17.58%	22.97%	20.76%	24.38%	This indicator continues to grow as Council increases its borrowing program, however the ability to increase own source revenue is difficult.

## Financial Performance Indicators

Indicator/Measure	Results				Forecast				Material Variations & Comments	
	2019	2020	2021	2022	2023	2024	2025	2026		
<b>Asset Renewal and Upgrade</b>										
O1	Asset Renewal and Upgrade compared to depreciation  <i>(Asset renewal and asset upgrade expense / Asset Depreciation) X 100</i>	New in 2020	92.24%	68.65%	94.35%	221.29%	120.27%	74.96%	73.52%	Council is committed to a number of large projects which are essentially new and upgraded assets, once completed the financial plan resumes a higher level of spending on renewal rather than upgrade and new.
<b>Operating Position</b>										
<b>Adjusted underlying result</b>										
OP1	Adjusted underlying surplus (or deficit)  <i>(Adjusted underlying surplus (deficit) / Adjusted underlying revenue) X 100</i>	-28.48%	-7.09%	2.31%	-0.07%	-16.48%	-10.33%	-12.27%	-11.42%	This indicator is monitored carefully each year to ensure that Council can continue to operate with only moderate surpluses/deficits over the long term.
<b>Stability</b>										
<b>Rates concentration</b>										
S1	Rates compared to adjusted underlying revenue  <i>(Rate Revenue / Adjusted underlying revenue) X 100</i>	36.64%	46.78%	45.08%	47.10%	53.41%	51.65%	52.73%	52.77%	Council is heavily reliant on rate revenue with limited ability to identify new sources of revenue.
<b>Rates effort</b>										
S2	Rates compared to property values  <i>(Rate Revenue / Capital improved value of all rateable properties in the municipality) X 100</i>	0.56%	0.50%	0.46%	0.40%	0.30%	0.30%	0.30%	0.30%	This indicator continues to erode as property values increase at a much higher percentage than rates are increasing in the capped environment.

### Definitions

"adjusted underlying revenue" means total income other than—  
non-recurrent grants used to fund capital expenditure; and  
non-monetary asset contributions; and  
contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"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

### 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 4 year budget. 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 Budget on 23 June 2021. The Budget 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 Budget can be obtained by contacting council.

### 2. Exceptional Circumstances - COVID-19

On 30 January 2020, COVID 19 was declared as a global pandemic by the World Health Organisation. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in the following areas (but not limited to) for the financial years ended 30 June 2020 and 2021. It should be noted that some impacts are quite minor. Where the impact has been significant, specific notes have been added.

## 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.

Belinda J Johnson, B, Comm., CPA  
Principal Accounting Officer  
Dated:

In our opinion, the accompanying performance statement of Southern Grampians Shire Council for the year ended 30 June 2021 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 David Robertson  
Councillor  
Dated:

Cr Helen Henry  
Councillor  
Dated:

Mr Tony Doyle  
Chief Executive Officer  
Dated: