

Murrindindi Shire Council  
Performance Statement  
For the Year Ended  
30-June-2022

### **Description of Municipality**

Murrindindi Shire Council ("the Council") is situated 150 kms or 90 minutes north-east of Melbourne.

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Shire of Murrindindi. European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s following the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

The main industries of the Shire include agriculture, aquaculture, horticulture, forestry and timber processing, tourism and hospitality, light manufacturing and engineering, retail and trades services, education and public services.

The council covers an area of 3,873 square kilometres, of which 48% is Crown land, and has a population of 15,197 as of the most recent Australian Bureau of Statistics update.

**PERFORMANCE STATEMENT**

**Sustainable Capacity Indicators**

<i>Indicator / measure [formula]</i>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Results 2021</b>	<b>Results 2022</b>	<b>Material Variations</b>
<b>Population</b>					
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,494.86	\$2,636.22	\$2,769.96	\$2,462.09	Higher costs in 2019/20 and 2020/21 due to Working with Victoria grant funded program
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$21,700.64	\$20,696.71	\$24,288.18	\$26,425.00	Increase is due to the addition of new assets and revaluation of Council's assets
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.68	12.03	12.08	11.96	
<b>Own-source revenue</b>					
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,805.32	\$1,765.15	\$1,709.24	\$1,761.54	
<b>Recurrent grants</b>					
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$584.98	\$569.74	\$504.67	\$608.18	The increase is due to Grants Commission funding \$1.8m received in advance
<b>Disadvantage</b>					
C6 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	6	6	6	6	
<b>Workforce turnover</b>					
C7 <b>Percentage of staff turnover</b> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.3%	31.8%	33.80%	14.10%	2020/21 high turnover - Working For Victoria program (30 grant funded positions) ceased.

**PERFORMANCE STATEMENT**

**Service Performance Indicators**

<b>Service/indicator /measure</b>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Results 2021</b>	<b>Results 2022</b>	<b>Material Variations</b>
<b>Aquatic Facilities</b> <b>Utilisation</b> AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.53	0.97	1.51	1.81	Second year of free pool entry provided resulting in an increase of patronage despite the impact of covid-19 restrictions.
<b>Animal Management</b> <b>Health and safety</b> AM7 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x100	New in 2020	0.00%	0.00%	100.00%	Council progressed four animal management cases, all prosecutions were successful. There were no prosecutions in previous years.
<b>Food Safety</b> <b>Health and safety</b> FS4 <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 notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	All critical non-compliance outcome notifications and major non-compliance notifications were routinely followed up.
<b>Governance</b> <b>Satisfaction</b> G5 <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]	55	53	54	51	The slight drop in satisfaction may be attributed to Council's inability to conduct in-person engagement for key policy decisions, as well as the requirement to mandate Covid-19 vaccination and mask wearing for community members accessing Council facilities.
<b>Libraries</b> <b>Participation</b> LB4 <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	22.08%	20.04%	18.03%	14.31%	Decrease reflects the continued impact of COVID restrictions had on library operations across the year.

**PERFORMANCE STATEMENT**

**Service Performance Indicators**

<b>Service/indicator /measure</b>	<b>Results 2019</b>	<b>Results 2020</b>	<b>Results 2021</b>	<b>Results 2022</b>	<b>Material Variations</b>
<b>Maternal and Child Health (MCH)</b>					
<b>Participation</b>					
MC4 <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	86.75%	82.11%	87.20%	89.89%	Increased participation associated with increase in births
<b>Participation</b>					
MC5 <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	89.19%	89.47%	100.00%	91.11%	Enrolments have decreased consistent with a decrease in Aboriginal births.
<b>Roads</b>					
<b>Satisfaction</b>					
R5 <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]	48	50	48	44	Low satisfaction rating may be attributable to increasing community expectations and to delays in programmed maintenance due to weather and availability of materials. It is also a reflection of the sustained pressure on service delivery due to rate capping, low levels of recurrent grant funding, and higher costs of material and contractors due to inflation.
<b>Statutory Planning</b>					
<b>Decision making</b>					
SP4 <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	100.00%	0.00%	50.00%	50.00%	Of the four decisions referred to VCAT, two were upheld at and two were set aside.
<b>Waste Collection</b>					
<b>Waste diversion</b>					
WC5 <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	34.09%	33.59%	34.43%	33.82%	

PERFORMANCE STATEMENT

Financial Performance Indicators

Dimension/indicator /measure	Results 2019	Results 2020	Results 2021	Results 2022	Forecasts				Material Variations
					2023	2024	2025	2026	
<b>Efficiency</b>									
<b>Expenditure level</b>									
E2 Expenses per property assessment	\$3,645.23	\$3,848.67	\$4,031.60	\$3,593.45	\$3,644.24	\$3,696.39	\$3,758.62	\$3,831.19	Expenditure in 2019-20 and 2020-21 was higher due to Covid-19 pandemic costs and the Working for Victoria Program. 2021-22 and future years have returned to more normal levels.
[Total expenses / Number of property assessments]									
<b>Revenue level</b>									
E4 Average rate per property assessment	New in 2020	\$1,801.56	\$1,784.05	\$1,808.43	\$1,857.28	\$1,894.11	\$1,936.39	\$1,984.52	In recognition of the Covid-19 pandemic, Council did not increase rates for the 2020/21 financial year resulting in a lower average rate in that year.
[General rates and Municipal charges / Number of property assessments]									
<b>Liquidity</b>									
<b>Working capital</b>									
L1 Current assets compared to current liabilities	590.22%	520.81%	382.18%	330.89%	378.68%	315.41%	281.64%	275.50%	Council's current liabilities have increased due to the need to recognise grant income in the year when the funds are expended and the required outcome has been delivered. These are grants Council has received, however the matching expenditure will be incurred in future periods. The amount of this liability in 2021/22 was \$6.5 million (2020/21 \$4.7 million).
[Current assets / Current liabilities] x100									
<b>Unrestricted cash</b>									
L2 Unrestricted cash compared to current liabilities	12.91%	186.28%	34.58%	32.61%	297.49%	233.92%	199.86%	193.43%	Council has significant cash holding in term deposits, which are classified as 'financial assets' in our Balance Sheet (\$29 million). Although these term deposits are liquid, these cash holdings are excluded from the calculation which understates Council's actual unrestricted cash position. The decrease in the unrestricted cash result for 2021-22 is due to the recognition of unearned grants as a liability. Future years indicators assume these term deposits are classified as cash.
[Unrestricted cash / Current liabilities] x100									

PERFORMANCE STATEMENT

Dimension/indicator /measure	Results 2019	Results 2020	Results 2021	Results 2022	Forecasts				Material Variations
					2022	2023	2024	2025	
<b>Obligations</b>									
<b>Loans and borrowings</b>									
O2 Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	3.25%	2.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	No loans or borrowings
O3 Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.84%	1.07%	2.35%	0.00%	0.00%	0.00%	0.00%	0.00%	No loans or borrowings
<b>Indebtedness</b>									
O4 Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	22.86%	24.55%	29.98%	29.83%	29.25%	27.03%	24.91%	22.91%	
<b>Asset renewal and upgrade</b>									
O5 Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	80.03%	79.74%	133.66%	143.00%	111.49%	106.67%	105.82%	Increase in 2021/22 asset renewal and upgrade works includes completion of previous years' projects.
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
OP1 Adjusted underlying surplus (or deficit)  [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	1.63%	-7.53%	-16.77%	-0.34%	-8.83%	-12.30%	-12.09%	-11.89%	The decrease is predominantly due to unconditional grant funding (including Grants commission) received in advance and a reduction in employee costs from 2020/21 due to the end of the Working for Victoria grant funded program. Future year's results are based on Financial Plan assumptions.
<b>Stability</b>									
<b>Rates concentration</b>									
S1 Rates compared to adjusted underlying revenue  [Rate revenue / Adjusted underlying revenue] x100	55.94%	59.89%	61.91%	60.51%	66.61%	69.10%	69.34%	69.59%	2021-22 result lower due to Grants Commission funding received in advance. Future years assumes receipt of full year Grants Commission funding.
<b>Rates effort</b>									
S2 Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.44%	0.41%	0.40%	0.36%	0.29%	0.29%	0.29%	0.29%	CIV increasing annually; Rates capped at 1.5% rates revenue.

## **Significant accounting policies**

### **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 Finance 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, adopted by council on 27 October 2021 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.

### **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 member" means a member of a library who has borrowed a book from the library

"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

"annual report" means an annual report prepared by a Council under sections 98 of the Act

"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

"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 the 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 the 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

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

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

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

"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*



"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 Council to support the health and development of children within the municipality from birth until school age

"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

"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

"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

"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

## **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.

Cheryl Nickels-Beattie  
**Principal Accounting Officer**

**Date: 28 September 2022**  
*Alexandra*

In our opinion, the accompanying performance statement of Murrindindi 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.

*Sue Carpenter*  
**Mayor**

**Date: 28 September 2022**  
*Alexandra*

*John Walsh*  
**Councillor**

**Date: 28 September 2022**  
*Alexandra*

**Livia Bonazzi**  
**Chief Executive Officer**

**Date: 28 September 2022**  
*Alexandra*



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