

Murrindindi Shire Council

Performance Statement

For the year ended 30 June 2023

Murrindindi Shire Council

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For the year ended 30 June 2023

Description of municipality

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

The Wurundjeri and the Taungurung are the traditional owners of the lands 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, tourism and hospitality, light manufacturing and engineering, retail and trades services, education and public services.

The municipality covers an area of 3,873 square kilometres, of which 48% is Crown land, and has a population of 15,345 as of the most recent Australian Bureau of Statistics update.

Overview of 2023

During the financial year Council experienced growth in population and demand for services.

While extensive works were undertaken to improve infrastructure, some operating project expenditure and capital works projects were delayed due to factors such as:

- Grant funding for projects received later than expected, delaying project commencement
- Reallocation of resources to respond to the October 2022 flood emergency and February 2023 Flowerdale and Maintongoon fires
- Staff movements and delays in filling vacancies
- Lack of contractor availability
- Inclement weather impacting commencement of projects.

Highlights of the 2022/23 Capital Works Program include:

- Replacement of McDonalds Bridge Gobur (\$475k this year)
- Replacement of Yea Caravan Park Bridge (\$1.27 million)
- Replacement of Break O'Day Road Bridge Glenburn in six weeks (\$1.65 million)
- Completion of the Great Victorian Rail Trail (\$1.1 million - \$673k transferred as above).
- Completion of the Eildon Shared Trail (\$2.05 million).

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Sustainable Capacity Indicators

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,636	\$2,770	\$2,462	\$2,656	The higher expenses per capita in 2019/20 and 2020/21 were due to increases in labour costs due to the Working with Victoria grant funded program. Higher costs in 2023 were due to expenditure being transferred from capital to operating and a higher landfill provision.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,697	\$24,288	\$26,425	\$27,547	The increase in the cost of infrastructure per capita is due to the addition of new assets during the year and the annual revaluation of Council's assets.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	12	12	12	12	The result for this measure has remained constant over the 4-year period from 2019/20 to 2022/23 and shows the relatively low population density in the Murrindindi Shire.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,765	\$1,709	\$1,762	\$1,829	The 2020/21 result reflected the decision of Council not to increase rates revenue in that year due to COVID impacts. In 2021/22 and 2022/23 the rates and charges increased in accordance with the rate cap and supplementary rates. There was also an increase in waste user fee income attributed to the clean-up associated with the October 2022 floods.

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Sustainable Capacity Indicators (cont.)

<i>Indicator / measure</i> [formula]	Results				Comment
	2020	2021	2022	2023	
<i>Recurrent grants</i>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$570	\$505	\$608	\$543	The significant increase in 2021/22 was mainly due to the Commonwealth Financial Assistance Grants received in advance. In 2022/23 total recurrent funding was maintained at the same level whilst the population increased, resulting in a lower level of recurrent grants per capita.
<i>Disadvantage</i>					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	6	6	6	6	Council is ranked in the top 20% in the SEIFA index suggesting low levels of disadvantage, but at a more localised level, there are several pockets of high levels of disadvantage.
<i>Workforce turnover</i>					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	31.8%	33.8%	14.1%	20.3%	Staff turnover during 2022/2023 includes several retirements as well as an increase in resignations consistent with employment market trends following COVID, which saw increased movement of employees across most sectors.

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Service Performance Indicators

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>	1.0	1.5	1.8	1.6	Council's pools are all open-air pools. Utilisation had increased post Covid-19. The 2022/23 year decreased by 9.4% due in part to a cooler summer period, reduced opening days and lower demand.
[Number of visits to aquatic facilities / Municipal population]					
Animal management					
Health and safety					
<i>Animal management prosecutions</i>	0%	0%	100%	100%	The animal management prosecutions in 2021/22 and 2022/23 were successful. There were no prosecutions in the previous years.
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					
Food safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	100%	100%	100%	100%	
[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					

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Service Performance Indicators (cont.)

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	53	54	51	52	The result is consistent with previous years, slightly higher than the state-wide average and in line with small rural councils.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Libraries					
Participation					
<i>Active library borrowers in municipality</i>	20%	18%	14%	14%	
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					

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Service Performance Indicators (cont.)

<i>Service / indicator / measure</i>	Results				Comment
	2020	2021	2022	2023	
Maternal and child health					
Participation					
<i>Participation in the MCH service</i>	82%	87%	90%	89%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	89%	100%	91%	93%	
[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					
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i>	50	48	44	40	The decrease in satisfaction was a consequence of the damage to the sealed road network caused by the major floods of late 2022 , and further deterioration due to ongoing wet weather delaying remediation works.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

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Service Performance Indicators (cont.)

Service / indicator / measure	Results				Comment
	2020	2021	2022	2023	
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0%	50%	50%	50%	Council had two applications determined by VCAT. One of these matters was upheld and the second item was set aside by consent orders following gazettal of amendment C72 which removed requirement for planning permit.
[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					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	34%	34%	34%	35%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

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Financial Performance Indicators

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,849	\$4,032	\$3,593	\$3,996	\$3,918	\$3,995	\$3,989	\$4,020	Expenditure in 2019/20 and 2020/21 years was high due to Covid-19 pandemic costs and the staffing increase via the Working for Victoria Program. 2022/23 expenditure includes one-off capital transfers to operating, including non-capital work in progress (WIP) and capital works program projects which were operating in nature or did not generate a Council Asset.
Revenue level									
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	\$1,802	\$1,784	\$1,808	\$1,853	\$1,935	\$2,008	\$2,078	\$2,129	The rate cap was set at 2.75% for 2022/23, and 1.5% for 2021/22. Council did not increase rates for the 2022/21 year, resulting in a lower average rate in that year.
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	521%	382%	331%	320%	358%	327%	292%	251%	Council's ability to meet its current liabilities remains strong. Current liabilities increased due to accrued capital works expenditure and unearned income received in advance. Current Assets increased due to accrued income relating to capital works grants.

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Financial Performance Indicators (cont.)

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	186%	35%	33%	(44%)	210%	245%	204%	165%	The negative result should not be read as an unfavourable movement in Council's cash holdings. Council has significant term deposits, classified as 'financial assets' in our Balance Sheet. Although these term deposits are liquid, they are required to be excluded from the calculation.
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest and principal repayments on Interest bearing loans and borrowings / Rate revenue] x100	2%	0%	0%	0%	4%	4%	3%	3%	Council currently no loans or borrowings
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1%	2%	0%	0%	0%	1%	1%	1%	Council currently no loans or borrowings

Financial Performance Indicators (cont.)

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Dimension / indicator / measure	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2024	2025	2026	2027	
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	25%	30%	30%	28%	31%	30%	28%	27%	Non-current liabilities include provisions for landfill, which increase each year due to EPA compliance requirements and increased utilisation of our landfill sites.
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x100	80%	80%	134%	125%	123%	117%	127%	112%	This indicator is at the high end of the expected range. It will vary from year to year as projects are undertaken over financial years and assets are revalued.
Operating position									
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	(8%)	(17%)	0%	(8%)	(8%)	(8%)	(5%)	(5%)	The Underlying Result excludes capital income. The underlying deficit is as a result of an increase in costs due to the October 2022 Flood event and other capital works projects which do not result in a Council asset but are funded by capital income.
Stability									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	60%	62%	61%	60%	64%	65%	66%	66%	Rates revenue is increased in line with the rate cap, which in 2022/23 was 2.75%. The underlying revenue was low mainly due to the delay in Roads-to-Recovery works as a result of October 2022 floods.

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Financial Performance Indicators (cont.)

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2020	2021	2022	2023	2020	2021	2022	2023	
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	Property values have increased at a greater rate than rate income. CIV increases annually. The increase from 2021/22 to 2022/23 was \$721m or 11.8%. Rates are capped at 2.75% rates revenue.

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.

Definitions (cont.)

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"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.

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Other Information

For the year ended 30 June 2023

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. Other results are based on data drawn from Council's 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 financial 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 taken from the revised 2023/24 financial plan. The original financial plan, which forms part of the council plan, was adopted on 27 October 2021 and includes estimates based on key assumptions about the future that were relevant at the time of adoption. These assumptions are reviewed each year as part of the annual budget development. Detailed information on the actual financial results is contained in the General-Purpose Financial Statements. The adopted 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.

Cheryl Nickels-Beattie
Principal Accounting Officer

Dated: 28 September 2023

In our opinion, the accompanying performance statement of the Murrumbidgee 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.

Cr John Walsh
Councillor

Dated: 28 September 2023

Cr Damien Gallagher
Councillor

Dated: 28 September 2023

Livia Bonazzi
Chief Executive Officer

Dated: 28 September 2023
