

GREATER SHEPPARTON CITY COUNCIL

Performance Statement

For the year ended 30 June 2015

Description of municipality

Two hours north of Melbourne, Greater Shepparton's central location is a major advantage and has seen our urban centre emerge as the retail, industry and services hub for Central Victoria.

Located at the intersection of the Midland and Goulburn Valley Highways, Greater Shepparton provides straightforward access to Adelaide, Sydney, Brisbane and Melbourne.

Greater Shepparton is the fifth largest regional centre in Victoria extending over 2,421 kilometres.

The population for Greater Shepparton is over 63,000 (Source: Australian Bureau of Statistics, Estimated Resident Population for 30 June 2014).

The municipality's population is almost evenly split between the main urban centres of Shepparton, Mooroopna and Tatura (53 per cent) and the surrounding rural areas, including the smaller townships of Murchison, Dookie, Merrigum, Congupna, Toolamba, Undera, Katandra and Tallygaroopna (47 per cent).

Greater Shepparton enjoys a young demographic with growing families, with 2011 census data showing the proportion of couples with children at 29.7 per cent, nearly 3 per cent above the regional Victorian average.

The overall population is forecast to grow to nearly 80,000 by 2031. Our community understands that an expanding population will increase demand for services and infrastructure, particularly those that provide for our health and wellbeing.

The challenge for all levels of government is to provide essential services and infrastructure in a timely manner.

Sustainable Capacity Indicators

For the year ended 30 June 2015

<i>Indicator/ measure</i>	Results 2015	Material Variations
<i>Own-source revenue</i>		
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,385	No material variations
<i>Recurrent grants</i>		
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$429	No material variations
<i>Population</i>		
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,007	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$9,172	No material variations
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	53	No material variations
<i>Disadvantage</i>		
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2	No material variations

Definitions

"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*

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"population" means Estimated Resident Population (ERP) sourced from the Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0)

"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

Service Performance Indicators

For the year ended 30 June 2015

Service / indicator / measure	Results 2015	Material Variations
Governance		
Satisfaction		
<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]	56	No material variations
Statutory Planning		
Decision making		
<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	80%	No material variations
Economic Development		
Economic activity		
<i>Change in number of businesses</i> [Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100	n/a	This is an optional measure – not reported on in 2014/15
Roads		
Satisfaction		
<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]	49	No material variations
Libraries		
Participation		
<i>Active library members</i> [Number of active library members / Municipal population] x100	14%	No material variations
Waste Collection		
Waste diversion		
<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	28%	No material variations
Aquatic facilities		
Utilisation		
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	10	No material variations
Animal management		
Health and safety		
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	No material variations

Service/indicator/measure	Results 2015	Material Variations
Food safety		
Health and safety		
<i>Critical and major non-compliance notifications</i> [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	0%	No material variations
Home and community care		
Participation		
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	15%	No material variations
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	11%	No material variations
Maternal and child health		
Participation		
<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	78%	No material variations
Participation <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	66%	No material variations

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

"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*

"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 Estimated Resident Population (ERP) sourced from the Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0)

"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

Financial Performance Indicators

For the year ended 30 June 2015

Dimension / indicator / measure	Results		Forecasts			Material Variations
	2015	2016	2017	2018	2019	
Operating position						
Adjusted underlying result						
<i>Adjusted underlying surplus (or deficit)</i>	-6%	1%	1%	2%	3%	The 2015 actual is impacted by the non-cash items of write down in asset values and the recording of a provision for closure and aftercare of the Cosgrove 2 landfill.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100						
Liquidity						
Working capital						
<i>Current assets compared to current liabilities</i>	241%	147%	145%	150%	151%	The 2015 actual has been impacted by the Commonwealth Government's decision to bring forward approximately half of the 2015/16 financial assistance grants payments into 2014/15. For Greater Shepparton this was approximately \$5.74 million.
[Current assets / Current liabilities] x100						
Unrestricted cash						
<i>Unrestricted cash compared to current liabilities</i>	24%	42%	43%	50%	48%	No material variations
[Unrestricted cash / Current liabilities] x100						
Obligations						
Loans and borrowings						
<i>Loans and borrowings compared to rates</i>	23%	27%	26%	24%	34%	No material variations
[Interest bearing loans and borrowings / Rate revenue] x100						
Loans and borrowings repayments compared to rates	3%	3%	3%	3%	3%	No material variations
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100						
Indebtedness						
<i>Non-current liabilities compared to own source revenue</i>	22%	21%	20%	18%	25%	No material variations
[Non-current liabilities / Own source revenue] x100						

Dimension / indicator / measure	Results			Forecasts			Material Variations
	2015	2016	2017	2018	2019		
Asset renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	74%	72%	71%	80%	85%	No material variations	
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	53%	58%	60%	61%	62%	No material variations	
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.7%	0.8%	0.8%	0.9%	0.9%	No material variations	
Efficiency Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$4,449	\$4,025	\$4,051	\$4,161	\$4,275	2015 Actual expenses includes \$8.03 million in write downs of asset values and a \$4.02 million provision for the future closure and aftercare of the Cosgrove 2 landfill. Both are non-cash items.	
Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,439	\$1,603	\$1,682	\$1,765	\$1,852	No material variations	
Workforce turnover Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	7%	8%	8%	8%	8%	No material variations	

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 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

For the year ended 30 June 2015

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.

Note a small number of the forecast performance indicators previously reported in the council's annual budget and strategic resource plan are different to the forecasts contained within the performance statement. This is due to minor changes in the methods used to calculate the indicators, however, the differences are not considered material.

The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. For the first year of the new reporting framework, Council has adopted materiality thresholds relevant to the 'permissible values' contained within the Local Government Better Practice Guide 2014-2015 Performance Reporting Framework Indicator Workbook. The permissible values are guides to indicate what can be considered the normal range for results.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 23 June 2015 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.

Certification of the performance statement

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.

Matthew Jarvis CPA
Principal Accounting Officer
Dated:

In our opinion, the accompanying performance statement of the Greater Shepparton City Council for the year ended 30 June 2015 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.

Cr Dennis Patterson
Mayor
Dated:

Cr Fern Summer
Deputy Mayor
Dated:

Johann Rajaratnam
Acting Chief Executive Officer
Dated: