

PERFORMANCE STATEMENT

For the year ended 30 June 2019

The performance statement certified by Council will be to their final form after any changes, recommended or agreed to by the auditor, have been made.

Council is required under Section 127 of the *Local Government Act 1989* (the Act) to separately identify in the budget the Key Strategic Activities to be undertaken during the financial year, and performance targets and measure to each of those Key Strategic Activities.

Under Section 132 of the Act, it is required that the Key Strategic Activities and performance target and measures specified under Section 127 of the Act must be included in the Performance Statement in the Annual Report, and be subject to Audit.

The following table details the Key Strategic Activities and performance target and measures contained in the Council's 2018-19 budget compared to the actual results for the year.

Description of municipality

Greater Shepparton is a vibrant, diverse community located approximately two hours north of Melbourne in the heart of the Goulburn Valley, the food bowl of Australia.

As a growing regional centre with a vibrant cultural mix of people, the community comprises approximately 66,000 residents living within 60 localities. However Shepparton services a much larger population of approximately 250,000 people as the main service centre for northern Victoria.

Greater Shepparton enjoys a young demographic with growing families, with 2016 census data showing the proportion of couples with children nearly three per cent above the regional Victorian average, at 27.8 per cent.

Our community is culturally rich with a large proportion of the population born overseas (13 per cent), with many residents immigrating from India, Afghanistan, Sudan, Italy, Iraq, Turkey, New Zealand and the Philippines. Italian, Arabic, Persian/Dari, Turkish, Albanian, Punjabi, Greek, Macedonian, Mandarin and Filipino/Tagalog are the most commonly spoken languages other than English.

Greater Shepparton is also the home to regional Victoria's largest Aboriginal community, making up approximately 3.5 per cent of the population.

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 easy access to Adelaide, Sydney, Brisbane and Melbourne.

The City of Greater Shepparton acts as a major industrial, employment and service centre for a wide catchment, including many rural settlements within and beyond its municipal boundaries, with its gross regional product totalling \$3.48 billion per annum.

Greater Shepparton forms part of the 'Food Bowl of Australia', which accounts for 25 per cent of the total value of Victoria's agricultural production. We are a national centre for dairy and horticulture, exporting reliable premium quality fresh and value-added produce via innovative practices and a world class irrigation system. Shepparton is also often referred to as the transport hub of regional Victoria due to its extensive road transport industry.

Major industries for the region include manufacturing, retail trade, health care and social assistance, agriculture and construction. Greater Shepparton is home to several multinational and iconic companies such as Campbell's Soups, SPC, Tatura Milk Industries (Bega), Unilever, Visy, Pental Soaps and Pactum Dairy (Australian Consolidated Milk). Several multinational companies also reside just outside of the Greater Shepparton municipal boundary, such as Nestle, Murray Goulburn and Bega.

These companies utilise Shepparton as their major hub and home to their transport and logistics operations.

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

For the year ended 30 June 2019

INDICATOR/MEASURE	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,431	\$1,450	\$1,492	\$1,548	
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$314	\$488	\$388	\$366	The 2016-17 result includes the full 2016-17 allocation of Federal Financial Assistance Grant funds and 50% of the 2017-18 allocation of Federal Financial Assistance Grant funds.
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,964	\$1,715	\$1,815	\$1,901	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$12,268	\$12,800	\$14,616	\$14,807	
Population density per length of road [Municipal population / Kilometres of local roads]	28	28	29	29	
Disadvantage					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	2	2	2	2	

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 2019

SERVICE/INDICATOR/MEASURE	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS
Governance					
Satisfaction					
Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	46	49	55	53	
Statutory Planning					
Decision making					
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	100%	25%	100%	100%	
Roads					
Satisfaction					
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	48	40	55	57	
Libraries					
Participation					
Active library members [Number of active library members / Municipal population] x100	13%	10%	9%	10%	.
Waste Collection					
Waste diversion					
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	37%	52%	50%	51%	

SERVICE/INDICATOR/MEASURE	RESULTS 2016	RESULTS 2017	RESULTS 2018	RESULTS 2019	MATERIAL VARIATIONS
Aquatic facilities					
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	10	10	10	9	
Animal management					
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions]	1	3	4	6	The increase in prosecutions include two unregistered domestic animal businesses which occurred as a result of new puppy farm legislation.
Food safety					
Health and safety					
Critical and major non-compliance notifications [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	100%	0%	100%	0%	In 2018 there were 6 notifications while in 2019 there were no critical or major non-compliance notifications.
Home and community care					
Participation					
Maternal and child health					
Participation					
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	77%	78%	79%	77%	
Participation					
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	64%	70%	77%	75%	

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

“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 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 2019

DIMENSION/INDICATOR /MEASURE	RESULTS				FORECASTS				MATERIAL VARIATIONS
	2016	2017	2018	2019	2020	2021	2022	2023	
OPERATING POSITION									Future year forecast (2019/2020) impacted by early receipt of 50% of the 2019/2020 Federal Financial Assistance Grant funds in 2018/2019.
Adjusted underlying result									
Adjusted underlying surplus (or deficit)	-9%	14%	5%	4%	-3%	2%	3%	4%	
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
LIQUIDITY									Reduction in 2020 and 2021 reflects increased capital expenditure on significant capital items including the New Shepparton Art Museum. Forecasts show Council remains above low risk with this indicator.
Working capital									
Current assets compared to current liabilities	186%	249%	270%	271%	144%	103%	134%	174%	
[Current assets / Current liabilities] x100									
Unrestricted cash									2015-16 to 2017-18 results include cash held in investments classified as other financial assets in the balance sheet.
Unrestricted cash compared to current liabilities	136%	133%	164%	48%	52%	22%	22%	22%	
[Unrestricted cash / Current liabilities] x100									
OBLIGATIONS									Movement between 2017/2018 and 2018/2019 results due to no new borrowings and payment of principal on existing debt.
Loans and borrowings									
Loans and borrowings compared to rates	27%	27%	25%	22%	19%	21%	18%	16%	
[Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings repayments compared to rates									
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2%	5%	3%	3%	3%	3%	3%	3%	

	RESULTS				FORECASTS				
DIMENSION/INDICATOR /MEASURE	2016	2017	2018	2019	2020	2021	2022	2023	MATERIAL VARIATIONS
Revenue level									
Average residential rate per residential property assessment	\$1,803	\$1,870	\$1,919	\$1,920	\$1,958	\$1,977	\$1,977	\$2,017	
[Residential rate revenue / Number of residential property assessments]									
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	13%	10%	11%	9%	7%	7%	7%	7%	

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

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 for the prescribed financial performance indicators and measures as well as 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 the materiality thresholds as per Appendix B – Materiality Guidelines of the Local Government Better Practice Guide 2014-15 Performance Statement.

Explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material of its nature.

The forecast figures included in the performance statement are those adopted by council in its adopted budget and strategic resource plan on 18 June 2019. 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 visiting www.greatershepparton.com.au.

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: Tuesday 17 September 2019

In our opinion, the accompanying performance statement of the Greater Shepparton City Council for the year ended 30 June 2019 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 the 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 Kim O'Keeffe
Mayor

Dated: Tuesday 17 September 2019

Cr Shelley Sutton
Deputy Mayor

Dated: Tuesday 17 September 2019

Peter Harriott
Chief Executive Officer

Dated: Tuesday 17 September 2019