

## Description of the Municipality

One of Victoria's most geographically diverse and scenic regions, Wangaratta Rural City Council offers a blend of city life and welcoming villages, native bushland, pastoral landscapes and snow-capped peaks. Located in the heart of North East Victoria, Wangaratta is a leading regional city in an area of breathtaking beauty.

There are over 29,000 residents living in the Rural City of Wangaratta. The largest urban centre in the municipality is Wangaratta. Prominent townships and villages include Boorhaman, Cheshunt, Eldorado, Everton, Glenrowan, Oxley, Milawa, Moyhu, Peechelba, Springhurst, Tarrawingee, Whitfield and Whorouly. Council covers an area of 3,639 square kilometres.

The regional economy is exceptionally diverse. Wangaratta is home to major agricultural, manufacturing, transport and distribution activities and is the regional headquarters for several state government agencies.

## Basis of Preparation

Council is required to prepare and include a Performance Statement within its Annual Report<sup>1</sup>. 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* (the Act) 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 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 materiality thresholds of + / - 10% for each indicator 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 Strategic Resource Plan on 18 June 2019 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.

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<sup>1</sup> "Annual Report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

WANGARATTA RURAL CITY COUNCIL  
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

## Sustainable Capacity Indicators

Indicator / [measure]	Results				Material Variations
	2016	2017	2018	2019	
<b>Own-source revenue</b> <i>Own-source revenue<sup>2</sup> per head of municipal population<sup>3</sup></i> [Own-source revenue / Municipal population]	\$1,366	\$1,416	\$1,449	\$1,499	
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$524	\$737	\$582	\$521	A decrease in recurrent grant funding for Roads to Recovery in 2018/19.
<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,011	\$2,135	\$1,893	\$2,117	During the financial year, there is an expense of almost \$1.187 million due to the landfill provision increasing and depreciation increase of \$4.1 million.
<i>Infrastructure<sup>4</sup> per head of municipal population</i> [Value of infrastructure / Municipal population]	\$12,271	\$15,466	\$16,480	\$17,253	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads <sup>5</sup> ]	14	14	15	15	
<b>Disadvantage</b> <i>Relative socio-economic disadvantage<sup>6</sup></i> [Index of Relative Socio-economic Disadvantage by decile]	4	4	4	4	

<sup>2</sup> "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants). "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)

<sup>3</sup> "population" means the resident population estimated by council

<sup>4</sup> "infrastructure" means non-current property, plant and equipment excluding land

<sup>5</sup> "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004* and includes right-of-ways and laneways

<sup>6</sup> "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

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators

Service / indicator / [measure]	Results				Material Variations
	2016	2017	2018	2019	
<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	5.1	5.0	4.7	4.6	
<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i>  [Number of successful animal management prosecutions]	0	0	0	0	
<b>Food safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i>  [Number of critical non-compliance notifications <sup>7</sup> and major non-compliance notifications <sup>8</sup> about a food premises <sup>9</sup> followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	55%	68%	A number of businesses not followed up were either closed during the reporting period or mobile premises that were followed up within other municipalities and found compliant.
<b>Governance</b> <b>Satisfaction</b> <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]	48	50	51	51	
<b>Home and community care</b> <b>Participation</b> <i>Participation in HACC service<sup>10</sup></i>  [Number of people that received a HACC service / Municipal target population <sup>11</sup> for HACC services] x100	26%	NA	NA	NA	Reporting ceased effective 1 July 2016
<b>Participation</b> <i>Participation in HACC service by CALD<sup>12</sup> people</i>  [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	19%	NA	NA	NA	Reporting ceased effective 1 July 2016

<sup>7</sup> "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.

<sup>8</sup> "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 authorised officer under that Act, if it relates to a deficiency that does not pose an immediate serious threat to public health but which may do so if no remedial action is taken Typically auditor notifications that fall into this category will be received under section 19N(4) at the conclusion of the audit process.

<sup>9</sup> "food premises" has the same meaning as in the *Food Act 1984*

<sup>10</sup> "HACC service" means home help, personal care or community respite provided under the HACC program

<sup>11</sup> "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

<sup>12</sup> "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators (continued)

Service / indicator / [measure]	Results				Material Variations
	2016	2017	2018	2019	
<b>Libraries</b> <b>Participation</b> Active library members  [Number of active library members <sup>13</sup> / Municipal population <sup>14</sup> ] x100	17%	16%	15%	14%	
<b>Maternal and child health</b> <b>Participation</b> Participation in the MCH service <sup>15</sup>  [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100  <b>Participation</b> Participation in the MCH service by Aboriginal children <sup>16</sup>  [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	77%	78%	80%	74%	
<b>Roads</b> <b>Satisfaction</b> Satisfaction with sealed local roads <sup>17</sup>  [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58	56	56	57	
<b>Statutory Planning</b> <b>Decision making</b> 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%	0%	NA	67%	Council had three planning matters referred to VCAT during 2018/19. Out of the three matters, VCAT upheld two of the Council's planning decisions.
<b>Waste Collection</b> <b>Waste diversion</b> 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	56%	61%	61%	60%	

<sup>13</sup> "active library member" means a member of a library who has borrowed a book from the library

<sup>14</sup> "population" means the resident population estimated by council

<sup>15</sup> "MCH service" 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

<sup>16</sup> "Aboriginal child" means a child who is an Aboriginal person. "Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006*

<sup>17</sup> "sealed local roads" means sealed roads under the control of the municipality and includes the road pavement and road seal (and kerb and channel where applicable)

WANGARATTA RURAL CITY COUNCIL  
PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators

Dimension / indicator / [measure]	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Operating position</b> <b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) <sup>18</sup> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue <sup>19</sup> ] x100	-6%	2%	8%	<b>-3%</b>	-5%	-8%	-8%	-7%	Due to the recognition of non-monetary contributions of \$1.175 million.
<b>Liquidity</b> <b>Working capital</b> Current assets <sup>20</sup> compared to current liabilities <sup>21</sup> [Current assets / Current liabilities] x100	148%	250%	358%	<b>201%</b>	142%	108%	144%	237%	The key driver is the increase in trade payables of \$2.5 million for materials and contracts.
<b>Unrestricted cash</b> Unrestricted cash <sup>22</sup> compared to current liabilities [Unrestricted cash / Current liabilities] x100	93%	27%	75%	<b>19%</b>	109%	74%	108%	200%	Council's cash balances are lower due to the funding of brought forward capital works in 2018/19.
<b>Obligations</b> <b>Loans and borrowings</b> Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	37%	32%	28%	<b>25%</b>	69%	76%	74%	65%	New loan borrowings not drawn down in 2018/19 and existing loan repayments completed.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	6%	5%	4%	<b>3%</b>	6%	8%	10%	10%	New loan borrowings not drawn down in 2018/19 and existing loan repayments completed.

<sup>18</sup> "adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

<sup>19</sup> "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)

<sup>20</sup> "current assets" has the same meaning as in the Australian Accounting Standards (AAS)

<sup>21</sup> "current liabilities" has the same meaning as in the AAS

<sup>22</sup> "unrestricted cash" means all cash and cash equivalents other than restricted cash. "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

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators (continued)

Dimension / indicator / [measure]	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Indebtedness</b> <b>Working capital</b> Non-current liabilities <sup>23</sup> compared to own source revenue <sup>24</sup> [Non-current liabilities / Own source revenue] x100	58%	59%	56%	<b>56%</b>	80%	81%	77%	69%	
<b>Asset renewal</b> Asset renewal <sup>25</sup> compared to depreciation [Asset renewal expenses / Asset depreciation] x100	62%	44%	54%	<b>63%</b>	64%	39%	39%	38%	There has been an increase in renewal expenditure during the financial year.

<sup>23</sup> "non-current liabilities" means all liabilities other than current liabilities

<sup>24</sup> "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

<sup>25</sup> "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

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

Financial Performance Indicators (continued)

Dimension / indicator / [measure]	Results				Forecasts				Material Variations
	2016	2017	2018	2018	2020	2021	2022	2023	
<b>Stability</b>									
<b>Rates concentration</b>									
<i>Rates compared to adjusted underlying revenue<sup>26</sup></i>	56%	49%	52%	<b>53%</b>	55%	56%	57%	57%	
<small>[Rate revenue<sup>27</sup> / Adjusted underlying revenue] x100</small>									
<b>Rates effort</b>									
<i>Rates compared to property values</i>	0.6%	0.6%	0.6%	<b>0.6%</b>	0.6%	0.6%	0.6%	0.6%	
<small>[Rate revenue / Capital improved value<sup>28</sup> of rateable properties in the municipality ] x100</small>									
<b>Efficiency</b>									
<b>Expenditure level</b>									
<i>Expenses per property assessment</i>	\$3,579	\$3,819	\$3,547	<b>\$3,991</b>	\$4,076	\$4,213	\$4,310	\$4,385	This measure includes non-cash costs of depreciation and increases in the landfill provision. During the financial year, there is an expense of almost \$1.187 million due to the landfill provision increasing and depreciation increase of \$4.1 million.
<small>[Total expenses / Number of property assessments]</small>									
<b>Revenue level</b>									
<i>Average residential rate per residential property assessment<sup>29</sup></i>	\$1,667	\$1,713	\$1,750	<b>\$1,949</b>	\$1,849	\$1,854	\$1,915	\$1,979	The increase is due to the 2.25% rate cap plus a 6% increase in the service rates and charges.
<small>[Residential rate revenue<sup>30</sup> / Number of residential property assessments]</small>									
<b>Workforce turnover</b>									
<i>Resignations and terminations<sup>31</sup> compared to average staff</i>	21%	14%	13%	<b>10%</b>	10%	10%	10%	10%	Council cannot contribute the reduction in the number of resignations to a specific reason.
<small>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</small>									

<sup>26</sup> "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)

<sup>27</sup> "rate revenue" means revenue from general rates, municipal charges, service rates and service charges

<sup>28</sup> "capital improved value" means the market value of a property and is measured at the end of the year and includes all valuation adjustments (e.g. supplementary valuations)

<sup>29</sup> "residential property assessments" means the number of residential property assessments at the end of the year and includes all property adjustments (e.g. new or deleted assessments)

<sup>30</sup> "residential rate revenue" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

<sup>31</sup> "resignations and terminations" means all permanent employees (including senior officers on contract) that leave the council and includes resignations, terminations, retirements and redundancies

WANGARATTA RURAL CITY COUNCIL

PERFORMANCE STATEMENT – FOR THE YEAR ENDED 30 JUNE 2019

**Certification**

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*.

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Anthony Smith, Bachelor of Business (Administration) and Graduate Diploma in Accounting

**Principal Accounting Officer**

Dated: September 2019

In our opinion, the accompanying Performance Statement of the Wangaratta Rural 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 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.

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Cr Dean Rees

**Mayor**

Dated: September 2019

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Cr Mark Currie

**Deputy Mayor**

Dated: September 2019

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Jaime Chubb

**Acting Chief Executive Officer**

Dated: September 2019