

Mansfield Shire Council

Performance Statement

For the year ended 30 June 2022

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Description of municipality

Mansfield Shire is home to the dramatic landscapes of Victoria's High Country. Visitors and locals agree you can really sense the personality of the place – it's about lifestyle, farming, all things outdoors and a "can do" attitude.

Less than two hours north east of Melbourne, our municipality covers 3,843 square kilometres. Our Shire is home to Mt Buller and Mt Stirling Alpine Resorts (managed by the Mt Buller and Mt Stirling Resort Management Board), the Alpine National Park, and the second largest in-land waterway in Australia - Lake Eildon.

Tourism, agriculture, and lifestyle underpin the Shire's strong economy, supported by a diverse range of commercial and service sectors.

The alpine resort areas of Mt Buller and Mt Stirling are wholly surrounded but excluded from our municipal district. A significant proportion of the municipality is Crown land.

Five major river systems, the Delatite, Howqua, Jamieson, Big and Goulburn, have their headwaters in the Shire and all flow into Lake Eildon.

Agriculture is one of the Shire's key economic drivers, contributing \$61.0m to the Shire's economy and providing 17.4% of the local employment, closely followed by the construction industry with \$48m and 16.1%. Cattle and sheep grazing, along with seed production, are major industries within the Shire. Grape and tomato production are also significant as are many agriculture related service industries.

It is estimated that Mansfield Shire has an employment base of 3,800 and an industry output of \$420m. Tourism creates 332 jobs and brings in around \$44.6m to Mansfield Shire.

The March 2022 Australian Bureau of Statistics (ABS) data estimates Mansfield Shire's resident population at 9,740 for 2022. This is a growth rate of 2.8% compared with the previous year, which is significantly higher than the Victorian growth rate of -0.7% and reflects the attractiveness of the Shire to many choosing to relocate from metropolitan areas.

Mansfield, as the major service centre for the Shire, is central to many unique towns and villages. The development of our Shire owes much to our small towns such as:

- Ancona
- Goughs Bay
- Kevington
- Merrijig
- Tolmie
- Barjarg
- Howqua
- Macs Cove
- Merton
- Woods Point
- Bonnie Doon
- Jamieson
- Maindample
- Sawmill Settlement/Alpine Ridge

With the lifting of COVID19 restrictions, the Shire has seen visitation to the region returning to pre-pandemic levels.

Mansfield Shire Council will continue to be challenged in providing an appropriate level of infrastructure and services to a growing population in the context of a small rural shire. Roads, bridges, and drainage networks are extensive and ageing and will also challenge the capacity of the municipality into the future.

Sustainable Capacity Indicators

For the year ended 30 June 2022

<i>Indicator / measure</i>	Results				Comment
	2019	2020	2021	2022	
Population					
<i>Expenses per head of municipal population</i>	\$2,119	\$2,331	\$2,568	\$2,600	The result for this measure has increased by \$481 per capita over the 4 year period from 2019 to \$2,600 per capita in 2022. The slowing upward trend from 2021 reflects cost containment measures taken by council since 2021, however the main reason behind the increase is in waste disposal and contract costs – state government charges in waste management have increased drastically.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$17,374	\$17,871	\$17,997	\$23,749	The result for this measure increased by \$6,375 per capita over the 4 year period from 2019 to \$23,749 per capita in 2022. The significant increase in the 2022 financial year was mainly due to significant increases to Property and Infrastructure valuations have led to this increase - value has increased from \$209m to \$231m.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	11	11	11	12	The result for this measure increased by 1 person per kilometre of road over the 4 year period from 2019 to 12 people per kilometre in 2022. This increasing trend reflects the population growth being experienced in the in the Shire.
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,770	\$1,759	\$1,752	\$1,774	The result for this measure has increased by \$4 per capita over the 4 year period from 2019 to \$1,774 in 2022.
[Own-source revenue / Municipal population]					

Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$531	\$590	\$515	\$683	The result for this measure increased by \$152 per capita over the 4 year period to \$683 per capita in 2022. The significant increase in the current year was mainly due to a timing difference associated with the early payment of the 2022-23 Financial Assistance Grants paid in 2021-22.
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	7	7	7	7	No Material Variation
[Index of Relative Socio-Economic Disadvantage by decile]					
Workforce turnover					
<i>Percentage of staff turnover</i>	16%	11%	18%	28%	The result for this measure increased by 10 percentage points to 28% in the 2022 year. It has also increased by 12 percentage points over the 4 year period from 2019. The significant increase in the 2022 year was due to short term funded COVID roles ceasing, and organisational restructure being implemented as part of council's functional alignment measures.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					

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 above

"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*

"population" means the resident population estimated by council

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

"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

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2022

Service/indicator/measure	Results				Comment
	2019	2020	2021	2022	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.9	1.8	1.3	0.9	The result for this measure decreased by 0.4 visit per capita to 0.9 visit in the 2022 year and has decreased by 1 visit over the 4 year period from 2019. Utilisation of aquatic facilities decreased due to a state-wide shortage of swim teachers resulting in restricted opening hours and some programs not being able to operate.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	0%	0%	0%	No animal prosecutions were recorded during the current period or since the measure was introduced.
Food Safety Health and safety					

<p><i>Critical and major non-compliance outcome notifications</i></p> <p>[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</p>	100%	31%	97%	94%	No Material Variation
<p>Governance</p> <p>Satisfaction</p> <p><i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	47	48	56	57	The result for this measure has increased by 10 points to 57 over the 4 year period from 2019. This positive result reflects council's strong focus on consulting with the community over major decisions
<p>Libraries</p> <p>Participation</p> <p><i>Active library borrowers in municipality</i></p> <p>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	17.7%	17.3%	15.1%	13.5%	The result for this measure has decreased by 4.2 percentage points over the 4 year period from 2019. This was caused by the impacts of reduced hours during pandemic and increased resident population.
<p>Maternal and Child Health (MCH)</p> <p>Participation</p> <p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p> <p>Participation</p>	77%	84%	87%	83%	Participation in the service has been impacted by COVID lockdowns and restriction of service to infants 8 weeks and under during these periods.

<p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p>	71%	91%	83%	100%	The result for this measure has increased by 29 percentage points to 100% over the 4 year period from 2019. This is a very small cohort however all enrolled children fell within the range for Key age and stage visits
<p>Roads</p> <p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	50	49	57	57	The result for this measure increased by 7 points to 57 in the 2022 year. Grant funding and increased personal have allowed significant investment in upgrading roads in the shire.
<p>Statutory Planning</p> <p>Decision making</p> <p><i>Council planning decisions upheld at VCAT</i></p> <p>[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</p>	50%	0%	100%	100%	The result for this measure has increased by 50 percentage points to 100% over the 4 year period from 2019. Three matters were referred to VCAT and all cases heard in the financial year had the decision of council affirmed by the tribunal.
<p>Waste Collection</p> <p>Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	36%	36%	35%	34%	There has been an increased amount of waste going to landfill, predominantly due to the increase in resident ratepayers. Council does not currently offer a green organics service.

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 borrower" 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 section 98 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 the resident population estimated by council

Financial Performance Indicators

For the year ended 30 June 2022

<u>Results</u>	<u>Forecasts</u>								Material Variations and Comments
Dimension/ <i>indicator/measure</i>	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency									
<i>Expenditure level</i>									
<i>Expenses per property assessment</i>	\$2,480	\$2,720	\$3,027	\$3,166	\$2,976	\$2,997	\$3,052	\$3,108	<p>The result for this measure has increased by \$686 per assessment over the 4 year period from 2019 to \$3,166 and expected to decrease by a further \$58 per assessment by 2026. The 2022 increase is mainly due to increase in waste disposal and contract costs. Whilst the forward year reducing figure is due to council decision to no longer provide aged home care services, which transferred to Mansfield Hospital on 1 July 2022.</p>
[Total expenses / Number of property assessments]									
<i>Revenue level</i>									
<i>Average rate per property assessment</i>	New in 2020	\$1,537	\$1,563	\$1,594	\$1,663	\$1,687	\$1,721	\$1,756	<p>The result for this measure has increased by \$57 per assessment over the 3 year period from 2020 to \$1,594 and expected to increase by a further \$162 per assessment by 2026. The increasing trend reflects expected rate capping increases of approximately 2%.</p>
[Total rate revenue (general rates and municipal charges) / Number of property assessments]									
Liquidity									
<i>Working capital</i>									

<i>Current assets compared to current liabilities</i>	349%	304%	297%	253%	222%	173%	135%	139%	<p>The result for this measure decreased by 96 percentage points to 253% in the 4 year period to 2022. It is expected to decrease by 114 percentage points over the 4 year period to 2026. As projected in last year's report, unwinding prepayments and reduced unearned income in prior years however it remains' within the expected range.</p> <p>Cash balances have reduced as funds are drawn down to fund the capital program. The ratio is expected to increase in future years as the result of reviewing the capital program.</p>
[Current assets / Current liabilities] x100									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	11%	19%	17%	97%	140%	91%	53%	55%	
[Unrestricted cash / Current liabilities] x100									
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	17%	15%	13%	29%	27%	23%	19%	16%	<p>The result for this measure has increased by 12 percentage points over the 4 year period to 29% from 2019 but is expected to decrease by 13 percentage points over the 4 year period to 2026. The significant increase in the 2022 year was due to council borrowing \$2.6m from Treasury Corporation Victoria to complete the Heavy Vehicle Alternative Route. Repayment term is 10 years, Two other loans are expected to be paid out within the next few years.</p> <p>The result for this measure has decreased by 2 percentage points to 1% over the 4 year period to 2022 but is expected to increase by 3 percentage points over the 4 year period to 2026. The decrease was caused by the reduction in borrowed funds in 2021-22, through repayments, whilst the increase in the forward years to due to new borrowings for the heavy vehicle alternative route.</p>
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	3%	2%	2%	1%	4%	5%	4%	4%	

[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100										
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i>	16%	15%	14%	29%	25%	22%	18%	14%		Council borrowed \$2.6m from TCV in 2021-22, which increased levels of non-current liabilities. The repayment period is over 10 years.
[Non-current liabilities / Own source revenue] x100										
Asset renewal and upgrade										
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	63%	116%	162%	197%	159%	161%	137%		The result for this measure has increased by 99 percentage points over the 3 year period from 2020 to 162% and expected to decrease by 25 percentage points by 2026. The increase was caused by a decision of council to address a backlog of road renewal works. A large amount of re-sheeting work was undertaken during the period however resealing work was deferred to 2022-23 year under a collaborative procurement arrangement.
[Asset renewal and asset upgrade expense / Asset depreciation] x100										
Operating position										
Adjusted underlying result										
<i>Adjusted underlying surplus (or deficit)</i>	11%	2%	-1%	1%	0%	8%	4%	8%		The result for this measure decreased by 10 percentage points to 1% in the 2022 year moving from a deficit to surplus. This is in line with Council's financial strategy to operate over this period with a small operating surplus.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100										
Stability										
Rates concentration										

<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100 Rates effort	65%	65%	62%	59%	70%	67%	71%	69%	No Material Variation
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.39%	0.38%	0.37%	0.34%	0.27%	0.27%	0.27%	0.27%	Council did not take up the ESC rate cap of 1.5% in 2021-22, applying a 0% rate.

Retired Measures

The following indicators were retired in the year ended 30 June 2020

Service / indicator / measure	Results	
	2019	Comment
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	This measure was replaced by <i>Animal management prosecutions (%)</i> for 2020.
Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,366.13	This measure was replaced by <i>Average rate per property assessment</i> for 2020.
Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	62.79%	This measure was replaced by <i>Asset renewal and upgrade compared to depreciation</i> for 2020.

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 above

"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 2022

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. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

In preparation of this statement, Council utilised the March 2022 data published by the 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. 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.

Except where specified, the forecast figures included in the performance statement are those adopted by Council in its budget on 28 June 2022. The budget 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 budget can be obtained from Council's website or 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*.

Tony Cooper
Principal Accounting Officer
Dated: *xx September 2022*

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

xxxxxxx
Dated: *xx September 2022*

xxxxxxx
Dated: *xx September 2022*

Kirsten Alexander
Chief Executive Officer
Dated: *xx September 2022*
