

Mansfield Shire Council

Performance Statement

For the year ended 30 June 2020

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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 \$60.7m to the Shire's economy. 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 3,743 and an industry output of \$823m. The impact of tourism as an economic driver is estimated as 20% of total industry output and 25% of total employment (*RDA Australia - Hume Economic Profile report*).

The Australian Bureau of Statistics (ABS) data from the 2016 census shows our Shire's population at 8,605, an increase of 663 (8.35%) persons since 2011 census figure of 7,942 persons. This figure is expected to grow to 10,000 persons by 2031.

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

The COVID19 pandemic and the bushfires of 2020 have both negatively impacted the tourism and hospitality industries within the Shire during which State restrictions have limited visitation to the region.

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 2020

<i>Indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,079	\$2,210	\$2,119	\$2,331	Expenses have increased 13% compared to an estimated population increase of only 2%. Depreciation (non-cash expense) is not linked to population and increased 14%, partly due to asset revaluations and componentisation of road assets for the first time. Employee costs increased 10% as budgeted, including an increase in FTE and the termination of the CEO contract at the start of the year. Materials and services expenses have increased by 12% - largely due to the buy-back and in-house operation of the Resource Recovery Centre (which generated income to offset the expenditure incurred).
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$11,763	\$12,503	\$17,374	\$17,871	No material variation
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11	11	11	11	No material variation
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,641	\$1,777	\$1,770	\$1,759	No material variation
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$743	\$570	\$531	\$590	Financial Assistance Grants are \$666,000 higher than prior year, due to a change in the model the Victoria Grants Commission utilise for allocating the funds across all Victorian Councils.

<i>Indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
<i>Disadvantage</i>					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	7	7	7	7	No material variation
<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	11%	16%	16%	11%	Staff resignations and terminations in 2019-20 (13) were 35% lower than the prior year (20).

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 2020

<i>Service/indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.1	2.1	1.9	1.8	No material variation
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	New in 2020	New in 2020	0%	No material variation
Food safety					
Health and safety					
<i>Critical and major non-compliance outcome 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] x 100	96%	97%	100%	31%	A total of five occasions were identified where a major non-compliance was not adequately followed up. Two occasions involved Mt Buller premises which close down prior to the end of the official ski season. The inspections were conducted towards the end of season and were not followed up until the following 2020 winter. The other three occasions were caused due to an Environmental Health Officer unable to provide a hand over to the replacing officer upon sudden departure due to health reasons.
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]	60	54	47	48	No material variation.

<i>Service/indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
Libraries					
Participation					
<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / the sum of the population for the last three years] x100	18.1%	18.8%	17.65%	17.28%	No material variation
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	82%	77%	77%	84%	No material variation.
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	100%	100%	71%	91%	Council have made considerable inroads to engaging with Aboriginal families in the municipality.
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]	59	45	50	49	No material variation

Results					
Service/indicator/measure	2017	2018	2019	2020	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	100%	100%	50%	0%	No applications were referred to VCAT during 2019-20.
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	35%	35%	36%	36%	No material variation

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

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

"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

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/ <i>indicator/</i> <i>measure</i>	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency Expenditure level <i>Expenses per property</i> <i>assessment</i> [Total expenses / Number of property assessments]	\$2,369	\$2,513	\$2,480	\$2,720	\$2,991	\$2,702	\$2,719	\$2,731	Expenditure in 2019-20 has increased by 12%. Depreciation (non-cash expense) has increased 14%, partly due to asset revaluations and componentisation of road assets for the first time. Employee costs increased 10% including a budgeted increase in FTE and the termination of the CEO contract at the start of the year. Materials and services expenses have increased by 12% - largely due to the buy-back and in-house operation of the Resource Recovery Centre (which generated income to offset the expenditure incurred). 2020-21 includes a \$1.6m increase in forecast employee costs for temporary positions created under the Working for Victoria program, fully funded by the State Government. These positions will not continue into 2021-22.

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Revenue level¹ Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,537	\$1,592	\$1,623	\$1,658	\$1,693	No material variation.
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	215%	275%	348%	304%	243%	253%	270%	282%	Current assets have increased by 26% (\$3.7m) compared to current liabilities increasing by only 45% (\$1.8m). Current assets increased are cash and financial assets (\$1.9m primarily due to early receipt of \$1.5m grant funding to be expended in 2020-21), and lease prepayment for the new dual court stadium (\$1.7m). The increase in current liabilities primarily rates due to \$1.5m in prepaid grant income received during the year. Liquidity levels in the four year forecast are anticipated to reduce due to the unwinding of the prepayments and unearned income during 2020-21, and remain within the expected range.

¹ The forecast numbers for this measure differ from those published in the adopted 2020-21 Budget. The budget data only includes residential rate revenue and residential property assessments, compared to this performance statement which includes all property types in the calculation. The difference in methods is due to a change in the Local Government Performance Reporting indicators for 2019-20 (previously used residential data consistent with the budget).

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	117%	20%	11%	19%	75%	72%	71%	71%	<p>In 2019-20 current liabilities increased \$1.8m (45%) primarily due to \$1.5m in prepaid grant income received during the year. The funds are non-recurrent and have been invested into term deposits and therefore are not classified as cash for accounting purposes.</p> <p>Unrestricted cash has increased \$1.1m (261%) compared to last year, partly due to under delivery of the 2019-20 capital works program (not carried forward).</p> <p>This ratio is expected to increase in the forecast years and current liabilities will decrease as the prepaid income is earned during 2020-21 and therefore comes off the balance sheet.</p>

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations									
Asset renewal and upgrade ²									
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	63%	200%	94%	102%	112%	The expected range for this indicator is between 40% and 130%. The 2020-21 budget includes \$6m in asset renewal, compared to \$3-4m per annum from 2022-21 to 2023-24. The 2020-21 program includes some significant key projects including the playground at the Mansfield Botanic Park (\$670k), and the reconstruction of View Street as part of the dual court stadium project (\$1.1m).
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	23%	20%	17%	15%	13%	12%	10%	8%	Council continues to repay its long term loans in accordance with the terms and conditions of the loans.
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	5%	4%	3%	2%	2%	2%	2%	2%	Loan repayments are declining as borrowings continue to be repaid, while rates are increasing generally in accordance with the rate cap.

² The 2021 forecast number for this measure differs to that published in the adopted 2020-21 Budget (183%). The budget calculation includes only asset renewal, however this performance statement includes asset upgrade as well. The difference in methods is due to a change in the Local Government Performance Reporting indicators for 2019-20 (previously used only asset renewal consistent with the budget).

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Indebtedness <i>on-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	20%	17%	16%	15%	13%	11%	9%	7%	No material variation
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	15%	8%	11%	2%	4%	3%	3%	4%	2019-20 adjusted underlying surplus is \$1.7m lower than 2018-19. While income has increased by 4%, expenditure has increased by 12%. Depreciation (non-cash expense) has increased 14%, partly due to asset revaluations and componentisation of road assets for the first time. Employee costs increased 10% including a budgeted increase in FTE and the termination of the CEO contract at the start of the year. Materials and services expenses have increased by 12%, largely due to the buy-back and in-house operation of the Resource Recovery Centre (which generated income to offset the expenditure incurred).
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	60%	63%	65%	65%	60%	69%	69%	69%	No material variation.

Dimension/ <i>indicator/</i> <i>measure</i>	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.41%	0.38%	0.39%	0.38%	0.39%	0.39%	0.40%	0.40%	No material variation

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.

Retired Measures

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

<i>Service/indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
Animal Management					
Health and Safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	3	0	0	Retired	Retired in 2020 and replaced by a similar indicator which is a measure of proportion (percentage) rather than a number.
Efficiency					
Revenue level					
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,507	\$1,530	\$1,366	Retired	Retired in 2020 and replaced by a similar indicator that includes all assessment types across all differential categories, instead of just residential.
Obligations					
Asset renewal					
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x 100	61%	43%	63%	Retired	Retired in 2020 and replaced by a similar indicator that includes asset renewal and upgrade, instead of just renewal.

Other Information

For the year ended 30 June 2020

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. 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 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 strategic resource plan on 4 August 2020 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*.

Mandy Kynnersley CA, BBus (Acc)

Principal Accounting Officer

Dated: 15 September 2020

In our opinion, the accompanying performance statement of the Mansfield Shire Council for the year ended 30 June 2020 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.

Councillor Marg Attley

Dated: 15 September 2020

Councillor Peter Olver

Dated: 15 September 2020

Chief Executive Officer

Dated: 15 September 2020
