

Mansfield Shire Council

Performance Statement

For the year ended 30 June 2021

Performance Statement

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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 \$49.2m to the Shire's economy and providing 16% of the local employment, closely followed by the construction industry with \$48.7m and 12%. 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 3,829 and an industry output of \$822m. 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) estimates Mansfield Shire's resident population at 9,474 for 2020. This is a growth rate of 3.26% compared with the previous year, which is significantly higher than the regional Victorian growth rate of 1.3% 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

The COVID19 pandemic continues to 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 2021

<i>Indicator/measure</i>	Results				Material Variations
	2018	2019	2020	2021	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,210	\$2,119	\$2,331	\$2,568	Population has increased 3.2% from the prior year compared to expenses increasing 13.7% or \$2.9m. There was a significant amount of funded projects delivered in 2020-21, particularly in response to the bushfires of Jan 2020 and the COVID-19 pandemic. \$1.4m relates to the hire of additional staff under the Victorian government's Working For Victoria program. This expenditure was fully funded through grants from the State. \$0.5m relates to Community Recovery and Resilience programs fully funded through Bushfire Recovery Victoria and Regional Development Victoria. \$0.2m is expenditure under the Activating Outdoor Dining program, which again was fully funded by the State.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$12,503	\$17,374	\$17,871	\$17,997	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]	\$1,777	\$1,770	\$1,759	\$1,752	No material variation

<i>Indicator/measure</i>	Results				Material Variations
	2018	2019	2020	2021	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$570	\$531	\$590	\$515	Population has increased 3.2% from the prior year while recurrent grants decreased 9.9% or \$0.5m, which relates to timing of payments received. Council are allocated Financial Assistance Grants from the Victorian Local Government Grants Commission each year totally approx \$3.2m per annum. The Commission pays a portion of each year's allocation early each financial year in June. These grants are recognised as income when received and therefore the amount recognised each year is not the same as the allocation from the Commission for each year. In 2019-20 the Commission brought forward 50% of the 2020-21 payment and paid it early in June 2020. In comparison, only 44% of the 2021-22 allocation has been paid early in June 2021.
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	7	7	7	7	No material variation
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16%	16%	11%	18%	Organisational restructure in July 2020 resulted in 2 redundancies and 6 staff retired during the reporting period. Staff turnover excluding these would be 11.1%.

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 2021

Service/indicator/measure	Results				Material Variations
	2018	2019	2020	2021	
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.1	1.9	1.8	1.3	Slightly cooler weather, together with a total of 7 days of closures due to a variety of reasons (lightning, poor water quality, staffing) and restrictions due to COVID on the number of schools allowed at the pool, resulted in a decline of utilisation numbers in 2021.
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	0%	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	97%	100%	31%	97%	The 2021 indicator is a result of improved processes and procedures for staff during hand over of roles, and no reliance on external service providers. In the previous reporting period a maternity leave position was filled with a number of external staff, which led to only 16 notifications being issued and 5 followed up, compared with 38 notifications being issued in 2020-21 and 37 followed up.
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]	54	47	48	56	This positive result reflects Council's focus on taking a "no surprises" approach to decisions, and ensuring that the community is kept informed and has the opportunity to input into decisions over key issues and projects through thorough community engagement.

Results					
Service/indicator/measure	2018	2019	2020	2021	Material Variations
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	18.8%	17.65%	17.28%	15.1%	COVID lockdowns and change in services such as click and collect has impacted on the number of active borrowers.
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	77%	77%	84%	87%	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%	71%	91%	83%	One child had their 2 year visit in June 2020 and is not due for their 3.5 year visit until Dec 2021 so has appropriately not had a visit in this financial year.
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]	45	50	49	57	Grant funding and increased personnel have allowed a broader and more targeted road sealing program to be developed and executed.

Service/indicator/measure	Results				Material Variations
	2018	2019	2020	2021	
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%	50%	0%	100%	There were 213 permit applications determined during the financial year, of which 4 (1.9%) were appealed. Of the 4 appeals, only 1 has had a decision handed down, and the other three were wither handed down post financial year end or remain pending. All VCAT cases heard in the financial year had the decision of Council affirmed by the Tribunal.
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%	36%	36%	35%	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 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 2021

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,513	\$2,480	\$2,720	\$3,028	\$2,776	\$2,780	\$2,808	\$2,847	The number of property assessments has increased 2.2% from the prior year compared to expenses increasing 13.7% or \$2.9m. There was a significant amount of once-off funded projects delivered in 2020-21, particularly in response to the bushfires of Jan 2020 and the COVID-19 pandemic. \$1.4m relates to the hire of additional staff under the Victorian government's Working For Victoria program. This expenditure was fully funded through grants from the State. \$0.5m relates to Community Recovery and Resilience programs fully funded through Bushfire Recovery Victoria and Regional Development Victoria. \$0.2m is expenditure under the Activating Outdoor Dining program, which again was fully funded by the State. Expenditure levels will decline again in 2021-22 as the organisation settles back to ordinary service delivery without these funded programs.

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Revenue level									No material variation.
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	\$1,537	\$1,563	\$1,601	\$1,643	\$1,690	\$1,754	
Liquidity									There is no material variation from the prior year to 2021. Liquidity levels in the four year forecast are anticipated to reduce due to the unwinding of the prepayments and unearned income during 2021-22, and remain within the expected range.
Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	275%	348%	304%	297%	187%	141%	118%	95%	
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	20%	11%	19%	17%	49%	48%	47%	47%	This ratio is expected to increase in the forecast years and current liabilities will decrease as the prepaid income is earned during 2021-22 and therefore comes off the balance sheet.

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Obligations									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	New in 2020	63%	116%	249%	166%	143%	135%	<p>Asset renewal and upgrade expenditure has increased 86% or \$2.1m from the prior year. 2019-20 delivered a very low volume of capital projects, and no road resealing was performed. 2020-21 has delivered a catch up program of road renewal including \$1.3m on reseals.</p> <p>In addition Council have upgraded the playground at the Botanic Park in Mansfield (\$0.5m) supported by funding from the State Government, and invested in the renewal of three large plant items (backhoe, roller and twinsteer water truck - \$0.6m)</p> <p>The expected range for this indicator is between 40% and 130%. The 2021-22 budget includes \$10.6m in asset renewal & upgrades, compared to \$6-7m per annum from 2022 to 2025. The 2021-22 program includes some significant key projects including the Heavy Vehicle Alternate Route (\$4.1m).</p>
[Asset renewal and asset upgrade expense / Asset depreciation] x100									

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	20%	17%	15%	13%	29%	25%	21%	18%	Council has budgeted to borrow \$2.6m toward the end of 2021-22, to complete the Heavy Vehicle Alternate Route.
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	4%	3%	2%	2%	2%	4%	4%	3%	Council has budgeted to borrow \$2.6m toward the end of 2021-22, to complete the Heavy Vehicle Alternate Route.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	17%	16%	15%	14%	25%	22%	18%	15%	Council has budgeted to borrow \$2.6m toward the end of 2021-22, to complete the Heavy Vehicle Alternate Route, which will increase the level of non-current liabilities, driving this indicator up.

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	8%	11%	2%	-1%	0%	1%	2%	2%	2020-21 adjusted underlying surplus is \$0.8m lower than the prior year. Adjusted underlying revenue is \$2.2m (10%) higher than prior year, and operating expenditure is \$2.9m (13.7%) higher than the prior year. Both these increases relate predominantly to a significant amount of grant funding made available to Council in 2020-21 to deliver a range of Community Recovery and Resilience programs in relation to the bushfires from Summer 2019-20, and the COVID-19 pandemic. Forecast underlying surpluses are consistent with Council's Financial Strategy to maintain a small operating surplus over a four year period.
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	63%	65%	65%	62%	68%	69%	69%	70%	No material variation.

Dimension/indicator/ measure	Results				Forecasts				Material Variations
	2018	2019	2020	2021	2022	2023	2024	2025	
Rates effort									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.38%	0.39%	0.38%	0.37%	0.34%	0.32%	0.32%	0.32%	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
	2018	2019	2020	
Animal Management				
Health and Safety				
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	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]	\$1,530	\$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	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 2021

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* (as per the transitional provisions of the *Local Government Act 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).

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 budget on 22 June 2021. 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 1989* and the *Local Government (Planning and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).

Mandy Kynnersley CA, BBus (Acc)
Principal Accounting Officer
Dated: 21 September 2021

In our opinion, the accompanying performance statement of the Mansfield Shire Council for the year ended 30 June 2021 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* (as per the transitional provisions of the *Local Government Act 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 2014* to certify this performance statement in its final form.

Councillor Mark Holcombe
Dated: 21 September 2021

Councillor James Tehan
Dated: 21 September 2021

Kaylene Conrick
Chief Executive Officer
Dated: 21 September 2021
