

Hindmarsh Shire Council

Performance Statement 2023-2024

DRAFT

HINDMARSH SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2024



Our Municipality

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527km². Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily for broad acre cropping and grazing.

Hindmarsh Shire's four main towns are Nhill, Dimboola, Jeparit and Rainbow. Each community has its own spirit and identity, but all towns offer spacious rural living, inclusive small communities, and wonderful natural amenities.

The first Australians in the Hindmarsh area were the Wotjobaluk people. Communities were located near the Nhill Swamp, the Wimmera River at Dimboola, Lake Hindmarsh near Jeparit and Lake Albacutya near Rainbow, while the majority made their home along the Red Gum lined banks of the Wimmera River and Nine Creeks area in Dimboola.

Today it is estimated, 5,599 people live in Hindmarsh Shire, with a median age of 50 years. According to the 2021 Census 82.6% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 86% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 220 calling Nhill home.

The median weekly household income is \$1,159, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 15.4% higher than the national average.

Sustainable Capacity Indicators

For the year ended 30 June 2024

<i>Indicator/measure</i>	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations
<i>Own-source revenue</i> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,242	\$2,069	\$2,204	\$2,395	No material variation.
<i>Recurrent grants</i> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,204	\$1,505	\$1,539	\$702	In previous years Council received early payment of the Financial Assistance Grants. In 2023/2024 Council did not receive an early payment. Council also discontinued providing Aged Services on 30 June 2023. Both the early payment of the Financial Assistance Grants and ceasing delivery of Aged Care Services has resulted in the decrease in recurrent grants received in 2023/2024.
<i>Population</i> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,684	\$3,239	\$3,494	\$3,746	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$28,387	\$35,763	\$35,917	\$35,951	No material variation.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.85	1.84	1.85	1.84	No material variation.
<i>Disadvantage</i> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2	2	1	1	No material variation.
<i>Workforce turnover</i> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	19.6%	23.1%	28.6%	26.2%	Due to an ageing workforce, Council is seeing - and will continue to see - a significant number of retirements, resulting in high staff turnover.

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 2024

Service/indicator/measure	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations
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]	59	55	52	52	No material variation.
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	n/a	n/a	n/a	50%	Council had two planning applications before VCAT, one was upheld with additional conditions applied and a Council decision to not issue a permit was not upheld, however considerable conditions were applied.
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]	53	55	48	48	No material variation.
Libraries Participation <i>Library visits per head of population</i> [Number of library visits / Municipal population] x100	n/a	n/a	n/a	2.37	Council libraries are also used as customer service centres. This measure indicates the number of people visiting the facilities in 2023/2024.
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	30.1%	32.4%	34.5%	22.16%	This measure has not included the weight of glass recycling collected which started in 2023/2024.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.1	2.08	0.53	0.83	No material variation

Service/indicator/measure	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	100%	100%	n/a	n/a	There have been no animal management prosecutions in 2023/2024.
Food safety Health and safety <i>Critical and major non-compliance 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] x100	n/a	n/a	n/a	n/a	There were no critical or non-compliance notifications to the Environmental Health Officers in 2023/2024.
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	n/a	n/a	n/a	n/a	Council does not provide this service.
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	n/a	n/a	n/a	n/a	Council does not provide this 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 sections 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

"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 2024

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations
	2021	2022	2023	2024	2025	2026	2027	2028	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-1.98%	11.6%	7.99%	-18.28%	-3.29%	-3.69%	-3.94%	-4.17%	Council has received a substantial early payment of the Financial Assistance grants in previous years. In 2023/2024 there was no early payment of the grant which has resulted in an underlying deficit.
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	248.8%	347.9%	356.6%	368.48%	116%	107%	97.7%	88.9%	No material variance.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	164.9%	138.4%	179.4%	260.99%	54.5%	47.1%	39.8%	32.3%	Unrestricted cash has increased due to the receipt of grants for capital projects which have now been completed.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Council continues to remain debt free with no loans or borrowings.
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	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Council continues to remain debt free with no loans or borrowings.

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations
	2021	2022	2023	2024	2025	2026	2027	2028	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	1.28%	1.72%	1.68%	3.82%	1.8%	1.98%	1.98%	1.98%	This measure reflects provisions for quarry and landfill rehabilitation as well as staff entitlements.
Asset renewal & upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expenses / Asset depreciation] x100	93.1%	235.6%	140.78%	93.27%	117.9%	93%	92.1%	91.3%	Council relies on grant funding to undertake both new and renewal work on roads. Road renewal is lower than previous years due to a decrease in grant funding.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	44.9%	45.2%	44.4%	55.96%	50.21%	50.4%	50.52%	50.64%	Council has received a substantial early payment of the Financial Assistance grants in previous year. In 2023/2024 there was no early payment of the grant which has resulted in Council's rates compared to adjusted underlying revenue increasing.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.54%	0.45%	0.35%	0.25%	0.25%	0.26%	0.26%	0.27%	The decrease in result is due to the valuations significantly increasing in the Farm category as a result of higher prices being paid for land, with rate revenue increases capped by the rate cap.
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,015	\$3,504	\$3,784	\$4,083	\$4,050	\$4,162	\$4,276	\$4,394	No material variation.

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations
	2021	2022	2023	2024	2025	2026	2027	2028	
Revenue level									
Average rate per property assessment	\$1,540	\$1,560	\$1,574	\$1,650	\$1,693	\$1,740	\$1,788	\$1,837	Council rates increased as per the rate cap set by the State Government.
[General rates and Municipal charge / Number of property assessments]									

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 2024

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 basis 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 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.

The forecast figures included in the performance statement are those adopted by Council in its annual budget on 26 June 2024. The estimates are 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 annual budget can be obtained by contacting Council at its municipal offices at 92 Nelson Street Nhill, online at www.hindmarsh.vic.gov.au by email to info@hindmarsh.vic.gov.au or phone 03 5391 4444.

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.

Heather Boyd

Manager of Finance

Dated: 25 September 2024

In our opinion, the accompanying performance statement of the Hindmarsh Shire Council for the year ended 30 June 2024 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.

Cr Brett Ireland

Mayor

Dated: 25 September 2024

Cr Wendy Bywaters

Councillor

Dated: 25 September 2024

Mrs Monica Revell

Chief Executive Officer

Dated: 25 September 2024