

Pyrenees Shire Council

Performance Statement

For the year ended 30 June 2022

Performance Statement

For the year ended 30 June 2022

<p>R17(1)</p> <p>BP</p>	<p>Description of municipality</p> <p>The Pyrenees Shire is in the Central West of Victoria, about 130 kilometers North West of Melbourne. It is heavily dependent on primary industry and is renowned for its wool, viticulture, and forestry activity. Thirty percent of the workforce is involved in agriculture. Key areas of production are wool, cereal, hay crops and meat. Grape and wine production have expanded significantly in recent times. Gold, along with sand, gravel and slate all contribute to the economy.</p> <p>The Pyrenees Shire comprises an area of nearly 3,500 square kilometres and a population of 7622 residents. The Shire takes its name from the ranges in the north that hold similarity to the Pyrenees Ranges in Europe.</p> <p>Council administration is based in the township of Beaufort, and several Council services also operate from the township of Avoca. These services include health and aged care, roads and infrastructure maintenance, library and information centres.</p> <p>Excellent educational facilities are available in the Pyrenees Shire, including integrated children's centres, primary schools, a secondary college and Community Resource and Information Centres incorporating adult education and library services.</p> <p>Recreational activities are available in abundance in the region, giving community members and visitors wonderful opportunities to experience new pastimes. Most townships in the Shire have their own sporting facilities, such as sports ovals and netball courts. Avoca, Beaufort and Snake Valley also have skate parks.</p> <p>Tourism is ever growing throughout the region. Hang-gliding from Mount Cole, croquet in Beaufort, the French game of Petanque in Avoca and the long-running Lake Goldsmith Steam Rally, attract large numbers of visitors year-round. In recent years, the action sport of mountain bike riding has risen in popularity.</p> <p>In addition to the sporting opportunities, the Pyrenees is known for its wineries and culinary delights. Community markets are a popular attraction, as are the region's antique fairs, picnic horse races and music festivals.</p> <p>Overview of 2021/22</p> <p>During the financial year Council experienced moderate growth in residents and demand for services. Contributing to the growth in the shire was Council's completion of the Correa Park residential development in Beaufort, and the proximity of some areas to the growth being seen in surrounding regional centres.</p> <p>Recovery activities and support from the 2019/20 Ben Major – Lexton bushfire continued during the financial year, alongside emergency clean-up activities arising from the October 2021 windstorm impacts on our trees and roadside vegetation.</p> <p>The COVID-19 global pandemic continued throughout the whole of the 2021/22 financial year, with an increase in direct impact to Council staff and communities through the large increase in</p>
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positive cases and the impact of staff shortages on delivery of council services and the wider business community.

The impact of global financial pressures was seen in rising costs relating to both the delivery of services and in the delivery of Council's capital works and project program, increasing the importance of good fiscal management and control.

Sustainable Capacity Indicators

For the year ended 30 June 2022

	<i>Indicator/measure</i>	Results				Material variations
		2019	2020	2021	2022	
R15(3) Sch3 R16(1) R17(2)	Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,337.28	\$2,974.30	\$3,191.30	\$3,085.02	This measure provides an assessment of Council's capacity to provide services to its community.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$31,000.82	\$30,936.03	\$31,352.35	\$31,852.27	This measure provides an assessment of Council's commitment to improving infrastructure and represents Council's high commitment to ongoing infrastructure improvement.
	<i>Population density per length of road</i> [Municipal population / kilometres of local roads]	3.59	3.64	3.72	3.88	In small rural councils with low/moderate population growth, this figure is likely to remain fairly static from year to year.
	Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,551.75	\$1,651.23	\$1,695.04	\$1,817.37	This indicator represents the amount of Council revenue obtained through its rates and charges and remains fairly stable due to rate capping and low population growth.
	Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,040.12	\$1,184.56	\$1,205.16	\$1,242.19	This indicator assesses the level of revenue generated from a range of sources other than through rates and charges – i.e., grants. A higher amount of grant revenue suggests greater capacity to deliver community services but is dependent upon availability of such revenue as small rural councils have little alternate opportunity to increase revenue.
	Disadvantage <i>Relative socio-economic disadvantage of the municipality</i> [Index of Relative Socio-economic Disadvantage by decile]	3.00	3.00	3.00	3.00	This index summarises a range of information about the economic and social conditions of a community, and ranges from 1 to 10. A lower level may suggest a greater need for some services.
	Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff]	16.3%	7.1%	12.4%	31.0%	The turnover rate has increased compared to the two previous years where staff movement was restricted by the impacts of

	resignations and terminations / Average number of permanent staff for the financial year] x100					COVID-19. The majority of staff resignations were due to either career progression or retirement, which are difficult to avoid as Council does not have the breadth of employment to provide career progression opportunities and with an ageing workforce, retirements are likely to be higher than the state-wide average.
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BP	<p>Definitions</p> <p>"adjusted underlying revenue" means total income other than:</p> <ul style="list-style-type: none"> (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 <p>"infrastructure" means non-current property, plant and equipment excluding land</p> <p>"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004</p> <p>"population" means the resident population estimated by council</p> <p>"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)</p> <p>"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</p> <p>"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website</p> <p>"unrestricted cash" means all cash and cash equivalents other than restricted cash.</p>
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Service Performance Indicators

For the year ended 30 June 2022

	<i>Service/Indicator/measure</i>	Results				Material variations
		2019	2020	2021	2022	
R15(1) Sch3 R16(1) R17(2)	Aquatic facilities utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.48	1.61	0.99	1.02	Notwithstanding relaxing of COVID-19 restrictions in 2021/22, the impacts of a short season for outdoor rural pools and the global shortage of skilled senior lifesavers contributed to a low utilization rate for the season.
	Animal management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	100.00%	100.00%	100.00%	One animal management matter was successfully prosecuted, and no matters were unsuccessful.
	Food safety Health and Safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical and major non-compliance outcome notifications about a food premises followed up / Number of critical and major non-compliance outcome notifications about a food premises] x 100	100.00%	100.00%	100.00%	100.00%	Public health and safety remained of paramount importance with 100% of critical non-compliance outcome notifications being 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]	56.00	54.00	54.00	53.00	Community satisfaction with how Council has performed in making decisions in the interest of the community remained similar to the previous year (reduction of 1 point) but has reduced from earlier years.

<i>Service/Indicator/measure</i>	Results				Material variations
	2019	2020	2021	2022	
<p>Libraries participation Active library borrowers in municipality [Number of active library borrowers in the last three years / the sum of the population for the last three years] x 100</p>	11.02%	9.94%	8.43%	8.42%	The number of active borrowers remained similar to the previous year, still impacted by community reluctance to frequent public areas due to the risk of COVID-19 infection. This risk increased locally in early 2022 due to increases in local positive case numbers.
<p>Maternal and child health Participation Participation in the MCH Service [Number of children who attend MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100</p>	88.62%	92.97%	78.46%	94.31%	After the impact of COVID-19 restrictions imposed during 2020/21, participation rates increased substantially in 2021/22.
<p>MCH Participation Participation in the MCH Service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100</p>	100.00%	93.33%	100.00%	100.00%	Low numbers of participants can result in high variations year on year.
<p>Roads Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54.00	51.00	57.00	50.00	Community satisfaction with sealed roads fell in 2022, from a high result recorded in the previous year. Some of this can be attributed to the poor condition of major roads that are not maintained by Council which detracts from community perception of Council's performance.
<p>Statutory Planning Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application /Number of VCAT decisions in relation to planning applications] x</p>	0.00%	0.00%	0.00%	0.00%	No planning matters went to VCAT.

	Service/Indicator/measure	Results				Material variations
		2019	2020	2021	2022	
	100					
	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] x 100	31.22%	19.64%	29.56%	24.30%	Percentages of waste diverted from landfill remains lower than comparative small rural councils, however green waste is not included in this percentage which impacts this efficiency measure.

BP	<p>Definitions</p> <p>"Aboriginal child" means a child who is an Aboriginal person</p> <p>"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006</p> <p>"active library member" means a member of a library who has borrowed a book from the library</p> <p>"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act</p> <p>"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English</p> <p>"class 1 food premises" means food premises, within the meaning of the <i>Food Act 1984</i>, that have been declared as class 1 food premises under section 19C of that Act</p> <p>"class 2 food premises" means food premises, within the meaning of the <i>Food Act 1984</i>, that have been declared as class 2 food premises under section 19C of that Act</p> <p>"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i>, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health</p> <p>"food premises" has the same meaning as in the <i>Food Act 1984</i></p> <p>"local road" means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i></p> <p>"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i>, 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</p> <p>"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</p> <p>"population" means the resident population estimated by council</p>
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Financial Performance Indicators

For the year ended 30 June 2022

	<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
		2019	2020	2021	2022	2023	2024	2025	2026	
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,089.83	\$3,683.74	\$3,961.60	\$ 3,866.16	\$3,932.06	\$3,904.84	\$3,884.99	\$3,861.60	Council's expenses per property assessment are subject to fluctuation from year to year due to timing of external non-recurrent grants received, and expenditure incurred in delivery of funded projects.
	Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,407.26	\$1,462.54	\$1,506.58	\$1,515.63	\$1,517.44	\$1,519.12	\$1,520.80	This indicator reflects Council's revenue through rates and charges for the reporting year, on average.
	Liquidity Working Capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	402.70%	223.13%	179.56%	240.50%	107.35%	105.68%	107.73%	110.71%	Liquidity in actual results includes carryovers which distorts the true results. The forecast results assumes that there will be no carryovers and all works will be completed each year.
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	69.07%	66.69%	-70.94%	-66.83%	87.68%	86%	88.02%	90.99%	Forecasts assume that all investments have matured and will be held as cash whilst the actuals have some of Council's cash as investments thus not included in the calculation of unrestricted cash.
	Obligations Loans and borrowings <i>Loans and borrowings</i>	0.00%	0.00%	0.00%	0.00%	5.0%	4.3%	3.7%	3.1%	Council had no loans or borrowings and was debt free at the end of the financial year.

<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
	2019	2020	2021	2022	2023	2024	2025	2026	
<i>compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rates revenue] x 100									
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principle repayments on interest bearing loans and borrowings / Rate revenue] x 100	0.00%	0.00%	0.00%	0.00%	0.4%	0.7%	0.7%	0.7%	Council had no loans or borrowings and was debt free at the end of the financial year.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	1.13%	1.78%	1.16%	0.87%	5.04%	4.46%	3.89%	3.32%	Council was debt free at the end of the financial year and non-current liabilities held reflect employee provisions.
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x 100	New in 2020	128.67%	109.94%	110.58%	101.10%	74.78%	74.00%	73.23%	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	10.54%	1.63%	1.45%	4.22%	-7.71%	-7.53%	-7.55%	-7.45%	The forecast results do not assume that Council receives grants in advance, in particular the VGC allocation, this allocation distorts the actual results.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted	36.47%	46.55%	46.57%	50.63%	56.30%	56.60%	56.89%	57.19%	

	<i>Dimension/indicator/measure</i>	Results				Forecasts				Material variations
		2019	2020	2021	2022	2023	2024	2025	2026	
	underlying revenue] x 100									
	Rates effort <i>Rates compared to Property values</i> [Rate revenue / Capital Improved Value of rateable properties in the municipality] x 100	0.47%	0.45%	0.41%	0.40%	0.28%	0.28%	0.27%	0.27%	This indicator shows rate revenue as a percentage of property values in the municipality. Its capacity to increase at the same rate as property values is limited due to rate increase caps set, resulting in a steady reduction in this measure over recent years.

BP

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 Service Performance Indicators

For the year ended 30 June 2022

	Retired measures <i>Service/Indicator/measure</i>	Results				Material variations
		2018	2019	2020	2021	
R15(1) Sch3 R16(1) R17(2)	Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	3.00	Retired in 2020	Retired in 2020	This measure was replaced from 1 July 2019
	Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$987.67	\$941.00	Retired in 2020	Retired in 2020	This measure was replaced from 1 July 2019
	Obligations Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	72.33%	115.75%	Retired in 2020	Retired in 2020	This measure was replaced from 1 July 2019

Other Information

For the year ended 30 June 2021

BP	<p>1. Basis of preparation</p> <p>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 <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p> <p>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).</p> <p>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 <i>Local Government (Planning and Reporting) Regulations 2020</i> 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.</p> <p>The forecast figures included in the performance statement are those adopted by Council on 14 June 2022 in its Budget and Financial Plan; and which forms part of the Council Plan. The financial 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 budget and financial plan can be obtained by contacting Council.</p>
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Certification of the Performance Statement

<p>R18(1) R18(2)</p>	<p>In my opinion, the accompanying performance statement has been prepared in accordance with the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020.</p> <p>_____</p> <p>Glenn Kallio Principal Accounting Officer Dated:</p> <p>In our opinion, the accompanying performance statement of the Pyrenees Shire Council for the year ended 30 June 2022 presents fairly the results of council’s performance in accordance with the <i>Local Government Act2020</i> and the Local Government (Planning and Reporting) Regulations 2020.</p> <p>The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.</p> <p>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.</p> <p>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.</p> <p>_____</p> <p>Cr Damian Ferrari Councillor Dated:</p> <p>_____</p> <p>Cr Robert Vance Councillor Dated:</p> <p>_____</p> <p>Jim Nolan Chief Executive Officer Dated:</p>
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