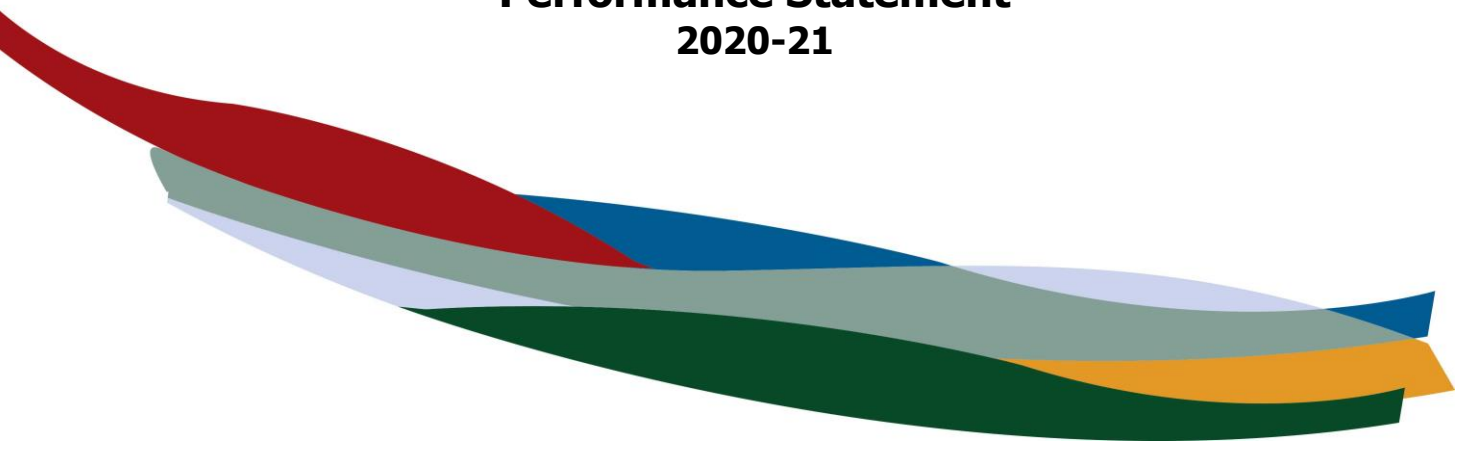




**Performance Statement
2020-21**

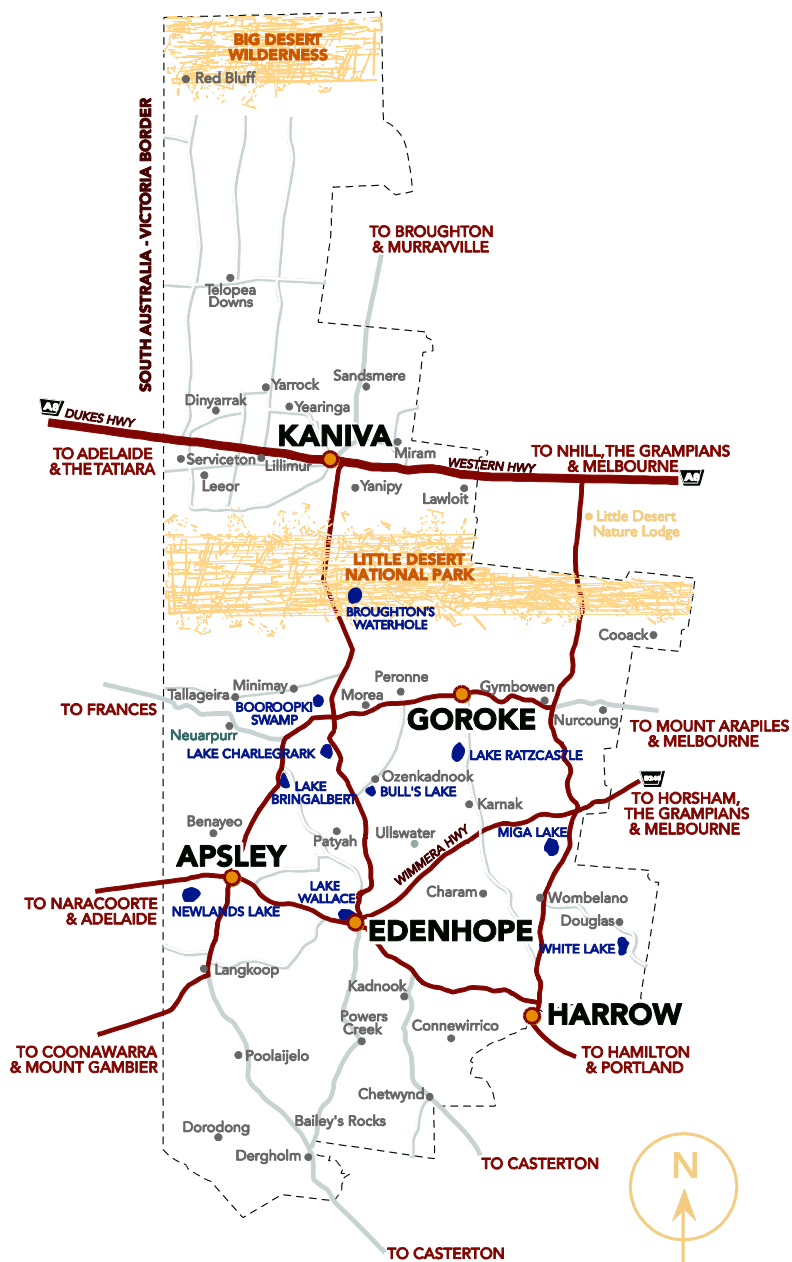


Performance Statement

For the year ended 30 June 2021

Description of municipality

West Wimmera Shire Council is located in Western Victoria and has a strong economy, primarily based on agriculture with growth sectors in health, education and retail. The Shire covers an area of 9,256 square kilometres and includes the townships of Apsley, Edenhope and Harrow to the south of the Shire and Goroke, Kaniva and Serviceton to the north.



Operational Summary

Council has seen the majority of performance indicators remain relatively steady during 2020-21 compared to the prior year.

Council continues to face the challenges of a gradually declining population which is reflected in some of the population-based performance indicators. Council's rates effort continues to decline, due to a combination of significant increases to rural property valuations and the effects of rate-capping.

The 2020-21 financial year again brought challenging times for businesses and residents within the Shire with the COVID-19 global pandemic and associated government directives to slow the spread of the virus in Australia. In line with Government directives, Council's leisure and recreation facilities such as libraries, swimming pools, playgrounds and halls were closed for periods of time during year. As such, some performance indicators in relation to Council recreation and leisure facilities have seen slight declines.



Sustainable Capacity Indicators

For the year ended 30 June 2021

<i>Indicator / measure</i> [formula]	Results	Results	Results	Results	Comments
	2018	2019	2020	2021	
Population					
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$8,344.97	\$5,995.60	\$5,949.23	\$6,314.17	Council's population declined by 31 (0.8%), paired with an increase to expenditure, particularly depreciation, has resulted in an increased expense per head of population by around 6.1%
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$56,295.06	\$50,283.01	\$50,533.72	\$59,367.45	Council's road assets were revalued during the 2020/21 year resulting in an upwards revaluation adjustment.
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.42	1.41	1.36	1.39	No material variation
Own-source revenue					
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$3,191.88	\$2,772.40	\$2,922.16	\$3,059.32	No material variation
Recurrent grants					
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$2,229.12	\$3,076.64	\$2,390.26	\$2,612.34	As Council has seen a slight decline in population and an increase of recurrent grants of around 8%, an increase of around 9% has been observed for this indicator
Disadvantage					
C6 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	5.00	5.00	No change
Workforce turnover					
C7 <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	4.4%	15.4%	11.2%	5.2%	Council's staff turnover rate has fluctuated over the previous 4 years. Council saw a higher staff retention rate in 2020/21.

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 in paragraphs (a) and (b)

"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



Service Performance Indicators

For the year ended 30 June 2021

Service/indicator /measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Aquatic Facilities Utilisation AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.73	3.99	3.37	3.06	No material variation
Animal Management Health and safety AM7 <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 animal management prosecutions
Food Safety Health and safety FS4 <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	0.00%	100.00%	100.00%	100.00%	No material variation
Governance Satisfaction G5 <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]	61	61	58	58	No material variation
Libraries Participation LB4 <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	12.67%	13.65%	12.49%	11.60%	Council has seen a decline in active library borrowers during 2020/21. While still within the expected range, it is noted the Covid-19 pandemic and lockdowns of facilities such as libraries has affected this indicator.



Maternal and Child Health (MCH) Participation						
MC4	<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	97.31%	96.23%	96.53%	85.63%	Council saw an increase in the number of enrolments at the end of the year, and slight decline in the participation of the MCH service during the 2020/21 year.
MC5	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	50.00%	100.00%	100.00%	100.00%	No material variation
Roads Satisfaction						
R5	<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]	50	53	55	54	No material variation
Statutory Planning Decision making						
SP4	<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	0.00%	0.00%	0.00%	0.00%	No VCAT decisions during the year
Waste Collection Waste diversion						
WC5	<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	22.45%	22.22%	10.01%	20.95%	Following a large decline in 2019/20 whereby much of Council's recycling was diverted to landfill due to the reduction of international markets, Council has sourced another contractor to process the recyclables.



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

"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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"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*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"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

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"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 2021

		Results	Results	Results	Results	Forecasts				
	Dimension / indicator / measure	2018	2019	2020	2021	2022	2023	2024	2025	Material Variations and Comments
	Efficiency									
	Expenditure level									
E2	<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$6,454.00	\$4,631.00	\$4,861.91	\$4,811.40	\$4,491.99	\$4,556.46	\$4,626.22	\$4,697.48	Council saw an increase in materials and services in 2019/20 and 2020/21 due to additional, unbudgeted funding. This level is budgeted to decline in the 2022 year.
	Revenue level									
E4	<i>Average rate per property assessment</i> [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	New in 2020	\$1,544.68	\$1,477.20	\$1,499.60	\$1,522.09	\$1,544.93	\$1,568.10	
	Liquidity									
	Working capital									
L1	<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	273.72%	515.01%	466.90%	365.54%	486.41%	467.29%	447.10%	426.01%	Council's working capital ratio has fluctuated over the years largely as cash levels move. For the 2020/21 year Council is holding higher cash and higher creditor



West Wimmera Shire Council
2020-21 Performance Statement

										levels at the end of the year.
	Unrestricted cash									
L2	<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	144.94%	265.60%	427.08%	333.74%	440.88%	422.37%	402.78%	382.24%	Council's unrestricted cash has fluctuated over the years and shows a decline in the 2020/21 year due to a higher payables balance at year-end.
	Obligations									
	Loans and borrowings									
O2	<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
O3	<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.91%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Indebtedness									
O4	<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	2.50%	5.41%	5.35%	4.65%	6.04%	6.07%	6.11%	6.14%	Council saw a slight decline in its non-current liabilities, predominantly consisting of non-current employee entitlements.



West Wimmera Shire Council
2020-21 Performance Statement

	Asset renewal and upgrade									
O5	<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	130.26%	88.21%	94.87%	97.76%	98.26%	98.75%	Following a revaluation of road assets during 2020/21, Council has recognised a larger value for depreciation which has resulted in a decline in this indicator however Council has still exceeded its renewal requirements per the independent condition assessment reports.
	Operating position									
	Adjusted underlying result									
OP1	<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-50.96%	3.31%	-10.54%	-6.02%	-7.04%	-13.39%	-13.56%	-13.72%	Council saw a deficit underlying result for 2020/21 largely due to increased depreciation costs following a revaluation of infrastructure assets. This deficit however, was an improvement on the prior year.



West Wimmera Shire Council
2020-21 Performance Statement

Stability										
Rates concentration										
S1	<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	33.87%	31.36%	37.69%	35.10%	38.51%	40.82%	40.87%	40.91%	
Rates effort										
S2	<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.41%	0.36%	0.30%	0.26%	0.22%	0.20%	0.19%	0.17%	Council has seen a significant increase in property values over the last two years, particularly amongst rural land values which account for over 90% of Council's rateable valuations. This property class has seen valuation increases of around 20% per annum over the last several years. Keeping rate increases to the rate cap levels has resulted in a decline in the calculated Rates Effort over this period.



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 in paragraphs (a) and (b)

"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 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.

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.

The forecast figures included in the performance statement are those adopted by council in its four-year budget on 16 June 2021 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.



Melanie Jordan, CPA, B. Com, Dip Mgt
Principal Accounting Officer
Dated: 29/10/2021

In our opinion, the accompanying performance statement of the West Wimmera 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.

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.



Mayor Bruce Meyer
Dated: 29/10/2021



Cr Jodie Pretlove
Dated: 29/10/2021



Mr David Bezuidenhout
Chief Executive Officer
Dated: 29/10/2021



Independent Auditor's Report

To the Councillors of West Wimmera Shire Council

Opinion	<p>I have audited the accompanying performance statement of West Wimmera Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2021• sustainable capacity indicators for the year ended 30 June 2021• service performance indicators for the year ended 30 June 2021• financial performance indicators for the year ended 30 June 2021• other information and• the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
13 November 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria