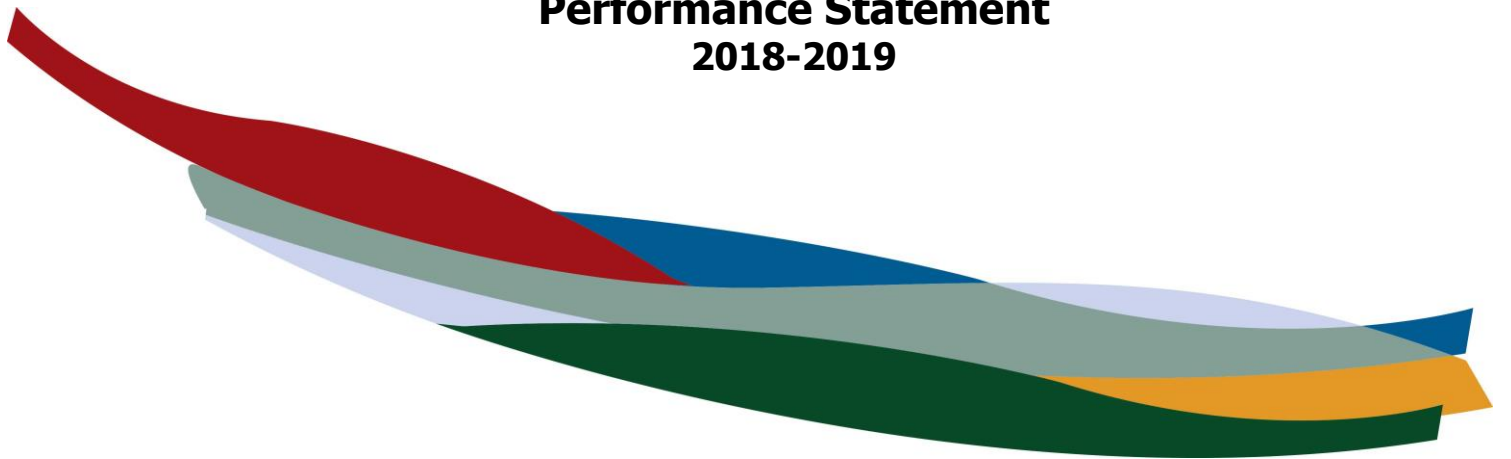




**Performance Statement
2018-2019**

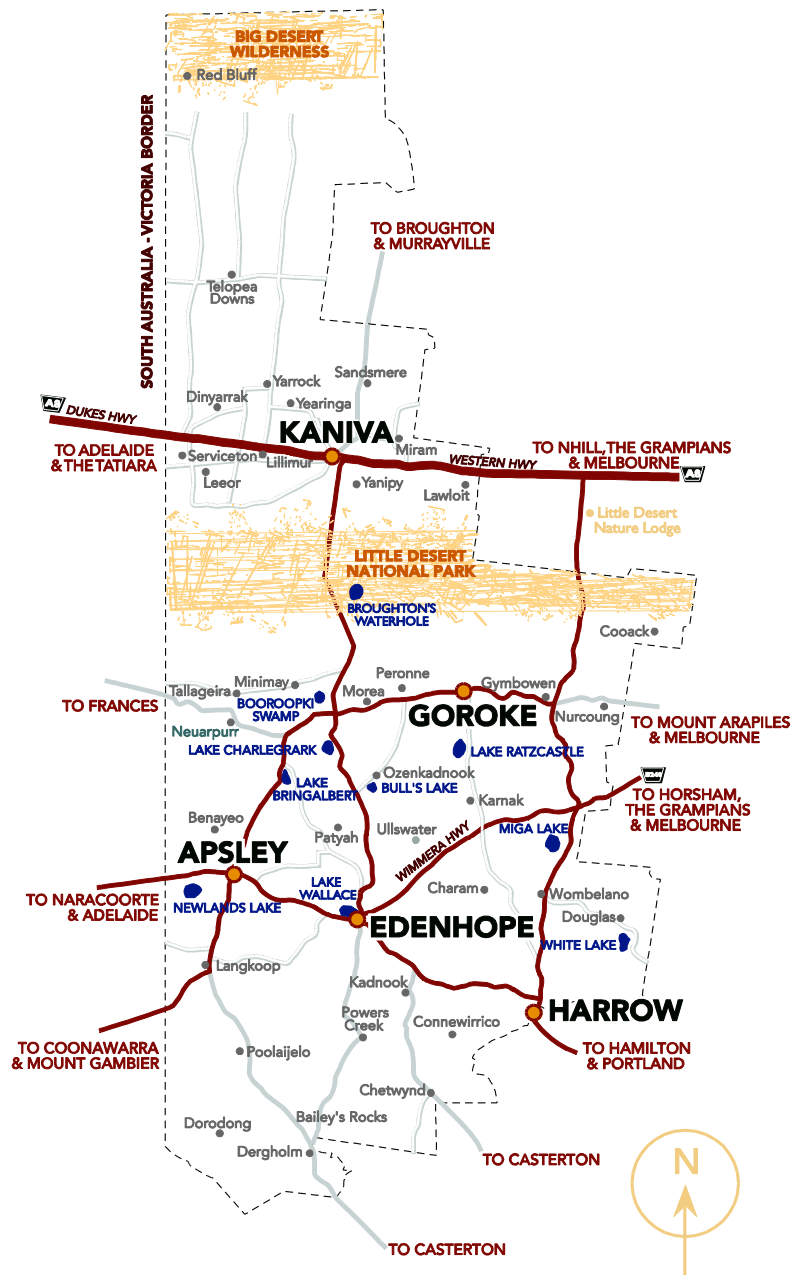


Performance Statement

For the year ended 30 June 2019

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.



Sustainable Capacity Indicators

For the year ended 30 June 2019

Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Population					
<i>Expenses per head of municipal population</i>	\$4,678.01	\$7,182.88	\$8,344.97	\$5,995.60	Expenses per head of population shows a significant decrease as a result of the non-recurrent expenditure incurred during 2017/18 arising from flood restoration works.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$42,532.15	\$41,897.28	\$57,403.93	\$50,283.01	The decrease in infrastructure in 2018/19 is largely due to a review of unit rates of valuation undertaken during 2018/19
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	1.43	1.42	1.42	1.41	No material variations
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$2,611.24	\$2,902.20	\$3,191.88	\$2,772.40	The 2019 year saw a significant decline in reimbursements to Council relating to works undertaken by Council on State roads.
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$1,709.20	\$2,752.01	\$2,229.12	\$3,076.64	Council received increases in Victoria Grants Commission payments throughout 2018-19.
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	5.00	5.00	5.00	5.00	No material variations
[Index of Relative Socio-Economic Disadvantage by decile]					



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 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.51	2.79	3.73	3.99	No material variations
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	No prosecutions during 2018/19
Food Safety					
Health and safety					
<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%	0.00%	0.00%	100.00%	One notification recorded and followed up during 2019
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	59.00	61.00	61.00	No material variation



Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations	
Home and Community Care (HACC)						
Participation						
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	52.53%	Reporting Ceased 1 July 2016				
Participation						
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	6.90%	Reporting Ceased 1 July 2016				
Libraries						
Participation						
<i>Active library members</i> [Number of active library members / Municipal population] x100	13.38%	12.92%	12.67%	13.65%	Library membership saw a slight increase over the year mainly through additional junior members.	
Maternal and Child Health (MCH)						
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	88.66%	88.68%	97.31%	96.23%	Council's Maternal and Child Health Services continues to have almost full participation.	
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	100.00%	50.00%	50.00%	100.00%	This ratio is highly sensitive to movements due to very low numbers of identified indigenous participants.	
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]	48	45	50	53	Council has made a significant capital investment to repair and renew our local roads as part of Council's Asset Management Strategy	



Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	0.00%	No material variations
[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					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	17.99%	22.03%	22.45%	22.22%	Council has seen little movement in kerbside collection diverted from landfill over the last 3 years.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					



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 2019

Dimension/indicator/ measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$619.00	\$637.00	\$654.00	\$664.50	\$681.11	\$694.73	\$708.63	\$722.80	No material variation
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,629.20	\$5,538.00	\$6,454.00	\$4,631.00	\$4,227.40	\$4,285.00	\$4,386.20	\$4,490.40	2019 has seen a significant reduction in expenses per property assessment as flood recovery works relating to events in 2016 and 2017 were completed during the year.
Workforce turnover									
<i>Resignations and terminations compared to average staff</i>	6.54%	16.50%	4.85%	15.38%	5.13%	0.00%	0.00%	0.00%	Workforce turnover has been highly variable over the last 4 years as the average tenure of Council's workforce changes. Council is developing a workforce plan to identify resource requirements for the future.



Dimension/indicator/ measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	321.40%	337.98%	273.72%	515.01%	314.37%	333.99%	315.13%	318.83%	Council is holding significant cash reserves at the end of 2019 as a result of the 50% prepayment of the Victoria Grants Commission grants. Also having an effect is the reduction in current liabilities as Council extinguishes all interest bearing debt holdings.
[Current assets / Current liabilities] x100									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	252.42%	279.68%	144.94%	265.60%	209.82%	226.91%	206.76%	209.88%	Council sees a return to the longer term average trend as debt obligations reduce and cash is held in at call accounts at the end of the year.
[Unrestricted cash / Current liabilities] x100									
Obligations									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	85.12%	94.34%	80.87%	73.63%	108.83%	91.71%	105.31%	99.25%	Council has committed significant funds to asset improvement. When asset upgrade is included with renewal the ratio rises to 117.76% for 2019
(Asset renewal expense / Asset depreciation) x100									



Dimension/indicator/ measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	4.23%	2.34%	0.47%	0.00%	2.10%	1.57%	1.05%	0.54%	All existing interest bearing borrowings extinguished during 2019. Potentially new borrowings are included in 2020 budget.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments / Rate revenue] x100	1.93%	1.93%	1.91%	0.45%	0.57%	0.55%	0.53%	0.53%	All existing interest bearing borrowings extinguished during 2019. Potentially new borrowings included in 2020 budget.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	3.86%	2.29%	2.50%	5.41%	6.71%	6.34%	6.02%	5.67%	Non-Current Provisions have increased due to growth in Long Service Leave, and Annual Leave accruals
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-5.22%	-24.91%	-50.96%	3.31%	-5.00%	-4.15%	-4.07%	-3.99%	The underlying result for the 2017 and 2018 years were inflated due to disaster recovery works. The 2019 year includes a significant increase in recurrent grant funding, notably from the Victoria Grants Commission.



Dimension/indicator/ measure	Results	Results	Results	Results	Forecast				Material Variations and Comments	
	2016	2017	2018	2019	2020	2021	2022	2023		
Stability										
<i>Rates concentration</i>										
<i>Rates compared to adjusted underlying revenue</i>										The adjusted underlying revenue for 2019 has seen a significant increase in recurrent grants (notably Victoria Grants Commission), diluting the proportion of rates raised.
[Rate revenue / Adjusted underlying revenue] x100	39.45%	31.58%	33.87%	31.36%	38.58%	38.69%	38.72%	38.74%		
<i>Rates effort</i>										
<i>Rates compared to property values</i>										Property values have seen a substantial increase for 2019, particularly in the rural sector which makes up 91% of Council's rate base.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.41%	0.40%	0.41%	0.36%	0.30%	0.30%	0.31%	0.31%		



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 2019

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 budget update to the Strategic Resource Plan on 20 June 2019 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.



Mr Ashley Roberts, B.Com, AssocDip Acc, CPA, AICD

Principal Accounting Officer

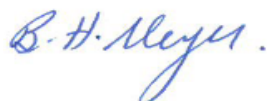
Dated: 29 November 2019

In our opinion, the accompanying performance statement of the West Wimmera Shire Council for the year ended 30 June 2019 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.



Cr Bruce Meyer

Councillor

Dated: 29 November 2019



Mr David Leahy

Chief Executive Officer

Dated: 29 November 2019



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 2019• sustainable capacity indicators for the year ended 30 June 2019• service performance indicators for the year ended 30 June 2019• financial performance indicators for the year ended 30 June 2019• other information for the year ended 30 June 2019 (basis of preparation)• 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 2019, 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>. My staff and I 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. My staff and I 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 of the council 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 determine 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</p>



Engagements will always detect a material misstatement when it exists. 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 the 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
29 November 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

