LOCAL GOVERNMENT   
BETTER PRACTICE GUIDE

Model Performance Statement

2023–2024 Edition

Performance statement (full model)

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This document provides a model performance statement for inclusion in the annual report that complies with the *Local Government Act 2020*, the *Local Government Planning and Reporting Regulations 2022* and the transitional provisions in the Act and regulations (i.e., the financial year commencing on 1 July 2023).

This section outlines an example of a performance statement. In addition to the content, the guide will provide suggestions and mandatory inclusions.

Guiding symbols have been included to assist in understanding which content is required and which content is optional. For example:

|  |  |
| --- | --- |
|  | This symbol denotes content or a feature that is required to be included within the performance statement to meet statutory, legislative, or VAGO operational audit requirements. Council may customise the look or layout, but the content must be included in some form. |
|  |  |
|  | This symbol denotes content or a feature that represents good practice. Councils may choose to customise according to their own needs. Content may be removed or changed. |

This model should be read in conjunction with the **Local Government Better Practice Guide – Preparing Council’s Annual Report 2023-24**.

**Summary of changes - 2023-24**

This section summarises the changes between the previous edition (2022-23) of the Local Government Better Practice Guide – Model Performance Statement and the current edition. The document also includes minor changes resulting from re-formatting the guide and updating of relevant dates. The order has been re-arranged to facilitate audience reading of the statement.

Councils are encouraged to read this document in its entirety.

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| --- | --- |
| Page Number | Amendment |
| Page 3 | Cover sheet date updated to 2023-24 on cover sheet. |
| Page 4 | Table of contents applied. |
| Page 6 | Inclusion of Victorian Auditor General’s Office – Audit Report. |
| Page 9 | Service Performance Indicators - Target setting column included and updates to dates and indicators as per regulations. |
| Page 12 | Financial Performance Indicators - Target setting column included and updates to dates and indicators as per regulations. |
| Page 16 | Sustainable Capacity Indicators – Dates updated |
| Page 19 | Section 5 Notes to the accounts added with content now disclosed under Note 5.1, 5.2 and 5.3 |
| Page 20 | Definitions consolidated and centralised to single page |

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Victorian City Council

Performance Statement

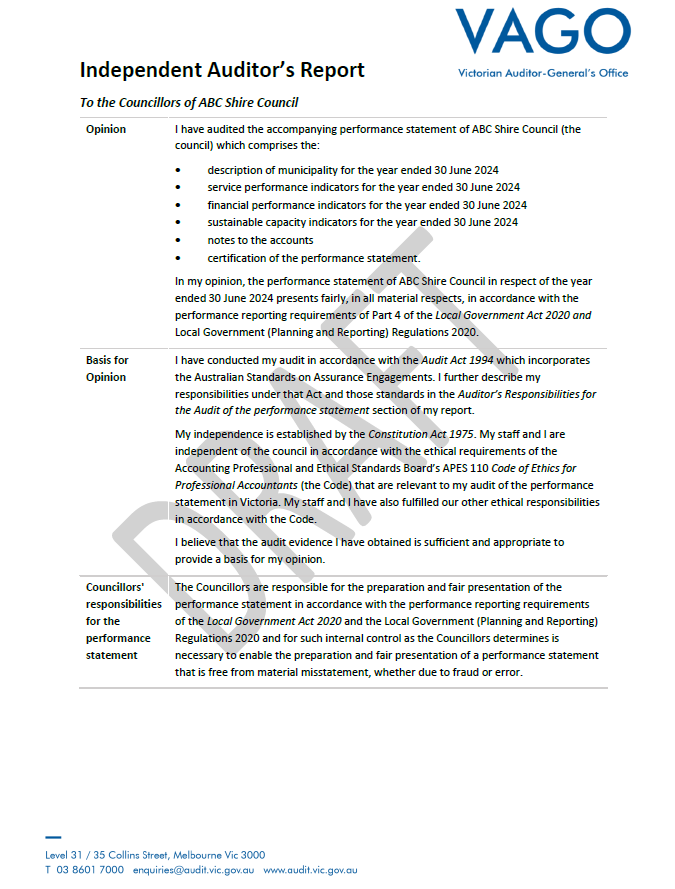
For the year ended 30 June 202X

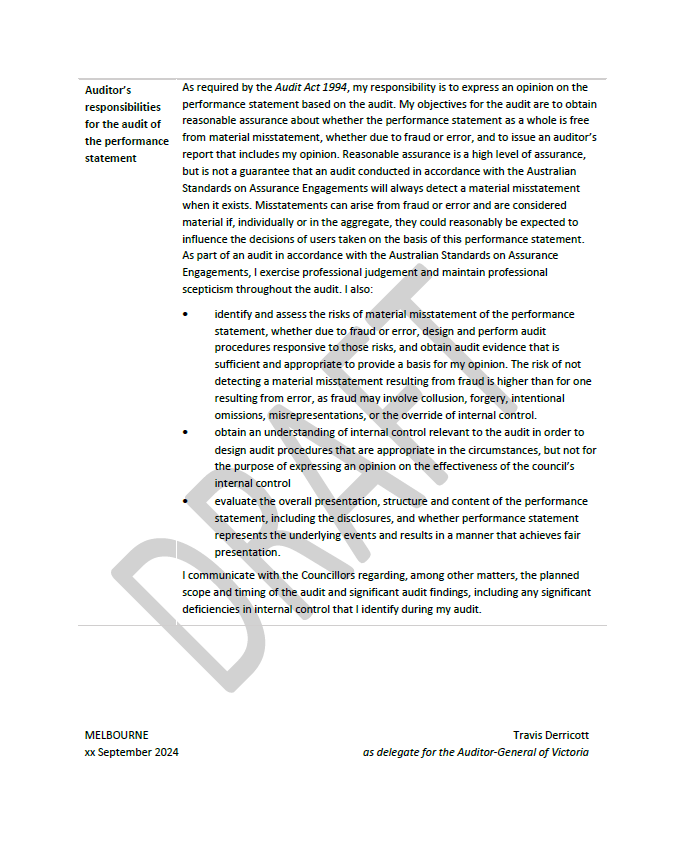
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##### Certification of the Performance Statement

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| --- |
| 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. |
|  |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| (*Principal Accounting Officer Name and Qualifications (if any))* |
| **Principal Accounting Officer** |
| **Dated**: *(Date)* |
|  |
|  |
| In our opinion, the accompanying performance statement of the *(council name)* for the year ended 30 June 202X 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. |
|  |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| (*Councillor 1 Name)* |
| **Councillor** |
| **Dated**: *(Date)* |
|  |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| (*Councillor 2 Name)* |
| **Councillor** |
| **Dated**: *(Date)* |
|  |
| **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
| (*Chief Executive Officer Name)* |
| **Chief Executive Officer** |
| **Dated**: *(Date)* |

**Victorian Auditor – General’s Office Audit Report**





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| --- |
| Section 1. Description of municipality  delwp.vic.gov.au  The Victorian City Council (the council) is situated on the south-eastern fringe of the Melbourne metropolitan area and has a significant rural and horticultural hinterland. It includes more than 30 communities stretching from the foothills of the Dandenong ranges in the north to the shores of Western Port Bay in the south. The council is at the ‘front’ of Melbourne’s growth corridor which stretches in a narrow band along the Princes Highway. The main industries include food manufacturing, agriculture, meat and meat product manufacturing, motor vehicle and part manufacturing. The council covers an area of 1281 square kilometres and has a population of 82,000 which is expected to grow to 142,000 over the next 20 years. |
|  |

**Section 2. Service performance indicators**

For the year ended 30 June 202X

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Results** | | | | |  |
|  | **2021** | **2021** | **2023** | **2024** | | **Comments** |
| Actual | Actual | Actual | Target as per budget | Actual |
| ***Aquatic Facilities Utilisation*** |  |  |  |  |  | The result for this measure increased by 5 visits per capita to 12 visits in the 20X4 year and has increased by 6 visits over the 4 year period from 20X1. |
| *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population] | 6.23 | 7.45 | 7.56 | N/A | 12.81 |
| ***Animal Management*** |  |  |  |  |  |  |
| ***Health and safety*** |  |  |  |  |  |  |
| *Animal management prosecutions* [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100 | 24.56 | 18.02 | 17 | N/A | 10 | The result for this measure has decreased by 8 prosecutions to 16 over the 4 year period. This was mainly due to a change in council policy in 20X2 in relation to dog attacks from legal action to mediation |
| ***Food Safety*** |  |  |  |  |  |  |
| ***Health and safety*** |  |  |  |  |  |  |
| *Critical and major non-compliance outcome notifications  [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* | 98.98% | 100.12% | 98.65% | N/A | 100.00% |  |
| ***Governance*** |  |  |  |  |  |  |
| ***Satisfaction*** |  |  |  |  |  |  |
| *Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)* | 55 | 55 | 57 | 58 | 60 | The result for this measure has increased by 5 points to 60 over the 4 year period from 20X1. This was mainly due to the introduction of a new Community Engagement Policy and Guidelines in 20X2.Council's result for this measure has exceeded the target. |
| ***Libraries*** |  |  |  |  |  |  |
| ***Participation*** |  |  |  |  |  |  |
| *Library membership  [percentage of the population that are registered library members] x100* | N/A | N/A | N/A | N/A | 15.52% |  |
| ***Maternal and Child Health (MCH)*** |  |  |  |  |  |  |
| ***Participation*** |  |  |  |  |  |  |
| *Participation in the MCH service  [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100* | 80.23% | 79.56% | 78.98% | N/A | 81.42% |  |
| ***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 Aboriginal children enrolled in the MCH service] x100* | 48.89% | 50.23% | 57.73% | N/A | 64.19% | The result for this measure has increased by 16 percentage points to 64% over the 4 year period from 20X1. This was mainly due to a 4 year campaign funded by the Commonwealth Government. |
| ***Roads*** |  |  |  |  |  |  |
| ***Condition*** |  |  |  |  |  |  |
| *Sealed local roads below the intervention level   (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)* | 52 | 50 | 49 | 49 | 48 | The result for this measure decreased by 1 points to 48 in the 20X4 year. This was mainly due to the significant rainfall and subsequent flooding of major local roads. |
| **Statutory Planning** |  |  |  |  |  |  |
| ***Service standard*** |  |  |  |  |  |  |
| *Planning applications decided within the relevant required time   (percentage of planning application decisions made within the relevant required time)* | 72.56% | 85.37% | 90.43% | 90.00% | 90.43% | In 20x4 council allocated additional resources in the budget to address a backlog in planning applications in 2023-24. Council's result is in line with the target set for this financial year. |
| **Waste Management** |  |  |  |  |  |  |
| ***Waste diversion*** |  |  |  |  |  |  |
| *Kerbside collection waste diverted from landfill  [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100* | 76.64% | 78.12% | 79.54% | 82.00% | 82.27% | Council has seen an improvement in the kerbside waste diverted from landfill, demonstrating council’s commitment to a clean and green municipality. |

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**Section 3. Financial performance indicators**

For the year ended 30 June 202X

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Dimension/indicator/ measure | **2021** | | **2022** | | **2023** | **2024** | | **2025** | **2026** | | **2027** | | **2028** | | **Material Variations and Comments** |
| Actual | Actual | | Actual | | Target As per budget | Actual | Forecast | | Forecast | | Forecast | | Forecast |
| ***Efficiency*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Expenditure level*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Expenses per property assessment  [Total expenses / Number of property assessments]* | $2,650.65 | $2,710.52 | | $2,780.54 | | $2,800.00 | $2,830.71 | $2,870.65 | | $2,950.12 | | $3,005.89 | | $3,012.14 | The result for this measure has increased by $180 per assessment over the 4 year period from 20X1 to $2,830 and expected to increase by a further $182 per assessment by 20X8. |
| ***Revenue level*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Average rate per property assessment  [Sum of all general rates and municipal charges / Number of property assessments]* | $1,408.21 | $1,434.14 | | $1,478.23 | | N/A | $1,630.54 | $1,712.19 | | $1,755.87 | | $1,799.65 | | $1,844.87 | The result for this measure has increased by $222 per assessment over the 4 year period from 20X1 to $1,630 and expected to increase by a further $214 per assessment by 20X8. |
| ***Liquidity*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Working capital*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Current assets compared to current liabilities  [Current assets / Current liabilities] x100* | 185.54% | 187.85% | | 184.87% | | 220.00% | 225.16% | 185.78% | | 187.64% | | 184.87% | | 190.98% | The result for this measure increased by 41 percentage points to 225% in the 20X4 year. It has also increased by 40 percentage points over the 4 year period from 20X1 and expected to decrease by 40 percentage points in 2015-16. |
| ***Unrestricted cash*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Unrestricted cash compared to current liabilities* | 55.35% | 57.01% | | 54.45% | | N/A | 55.87% | 45.98% | | 47.45% | | 44.78% | | 60.31% |  |
| *[Unrestricted cash / Current liabilities] x100* |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Obligations*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Loans and borrowings*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Loans and borrowings compared to rates  [Interest bearing loans and borrowings / Rate revenue] x100* | 35.52% | 34.18% | | 62.78% | | N/A | 61.21% | 55.32% | | 49.34% | | 43.74% | | 37.19% | The result for this measure has increased by 26 percentage points over the 4 year period to 61% from 20X1 but is expected to decrease by 24 percentage points over the four year period to 20X8. |
| *Loans and borrowings repayments compared to rates  [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100* | 4.32% | 4.51% | | 8.37% | | N/A | 8.87% | 7.81% | | 6.28% | | 5.31% | | 4.09% | The result for this measure has increased by 4 percentage points to 8% over the 4 year period to 20X4 but is expected to decrease by 4 percentage points over the 4 year period to 20X8. |
| ***Indebtedness*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Non-current liabilities compared to own source revenue* | 55.35% | 55.78% | | 56.07% | | N/A | 56.81% | 57.89% | | 57.45% | | 58.19% | | 58.01% |  |
| *[Non-current liabilities / Own source revenue] x100* |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Asset renewal and upgrade*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Asset renewal and upgrade compared to depreciation  [Asset renewal and asset upgrade expense / Asset depreciation] x100* | 55.35% | 55.78% | | 56.07% | | 56.50% | 56.81% | 57.89% | | 57.45% | | 58.19% | | 58.01% | The result for this measure has increased by 7 percentage points over the 4 year period from 20X1 to 82% and expected to increase by a further 18 percentage points by 20X6. |
| ***Operating position*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Adjusted underlying result*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Adjusted underlying surplus (or deficit)  [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100* | -10.38% | -8.29% | | -6.23% | | N/A | 2.19% | 5.78% | | 8.59% | | 12.71% | | 15.92% | The result for this measure increased by 8 percentage points to 2% in the 20X4 year moving from a deficit to surplus. It has also increased by 12 percentage points over the 4 year period from 20X4 and expected to increase by a further 13 percentage points by20X8. |
| ***Stability*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Rates concentration*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Rates compared to adjusted underlying revenue* | 59.16% | 59.28% | | 59.45% | | 60.00% | 60.98% | 61.56% | | 61.45% | | 62.91% | | 62.05% |  |
| *[Rate revenue / Adjusted underlying revenue] x100* |  |  | |  | |  |  |  | |  | |  | |  |  |
| ***Rates effort*** |  |  | |  | |  |  |  | |  | |  | |  |  |
| *Rates compared to property values* | 0.43% | 0.45% | | 0.46% | | N/A | 0.49% | 0.40% | | 0.43% | | 0.42% | | 0.46% |  |
| *[Rate revenue / Capital improved value of rateable properties in the municipality] x100* |  |  | |  | |  |  |  | |  | |  | |  |  |

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**Section 4. Sustainable capacity indicators**

For the year ended 30 June 202X

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Results** | | | |  |
| Indicator / measure [formula] | **2021** | **2022** | **2023** | **2024** | **Comments** |
| Actual | Actual | Actual | Actual |
| ***Population*** |  |  |  |  |  |
| *Expenses per head of municipal population* | $950.54 | $1,090.37 | $1,120.56 | $1,190.54 | The result for this measure has increased by $240 per capita over the 4 year period from 20X1 to $1,190 per capita in 20X4. The slowing upward trend from 20X2 reflects cost containment measures taken by council since 20X3 |
| *Infrastructure per head of municipal population  [Value of infrastructure / Municipal population]* | $5,390.14 | $5,410.02 | $6,102.25 | $6,390.14 | The result for this measure increased by $1,000 per capita over the 4 year period from 20X1 to $1,190 per capita in 20X4. The significant increase in the 20X3 year was mainly due to the construction of a new indoor aquatic facility in 20X2 to service the population growth being experienced in the west of the municipality |
| *Population density per length of road  [Municipal population / Kilometres of local roads]* | 160.78 | 168.32 | 178.89 | 180.12 | The result for this measure increased by 20 people per kilometre of road over the 4 year period from 20X1 to 180 people per kilometre in 20X4. This increasing trend reflects the significant population growth being experienced in the west of the municipality |
| ***Own-source revenue*** |  |  |  |  |  |
| *Own-source revenue per head of municipal population  [Own-source revenue / Municipal population]* | $850.71 | $845.23 | $975.45 | $990.14 | The result for this measure has increased by $140 per capita over the 4 year period from 20X1 to $990 in 20X4. The increasing trend reflects measures taken by council since 20X3 to address the asset renewal gap through rate increases above CPI |
| ***Recurrent grants*** |  |  |  |  |  |
| *Recurrent grants per head of municipal population  [Recurrent grants / Municipal population]* | $168.45 | $170.08 | $175.78 | $198.32 | The result for this measure increased by $30 per capita over the 4 year period to $198 per capita in 20X4. The significant increase in the current year was mainly due to an increase in Commonwealth Financial Assistance Grants following a period of strong population growth. The increasing trend is consistent with the increase in the current year |
| ***Disadvantage*** |  |  |  |  |  |
| *Relative Socio-Economic Disadvantage   [Index of Relative Socio-Economic Disadvantage by decile]* | 8 | 8 | 8 | 8 | Council is ranked in the top 20% in the SEIFA index suggesting low levels of disadvantage, but at a more localised level, there are several pockets of high levels of disadvantage. |
| ***Workforce turnover*** *Percentage of staff turnover* |  |  |  |  |  |
| [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 10.19% | 11.98% | 11.65% | 15.18% | The result for this measure increased by 4 percentage points to 15% in the 20X4 year. It has also increased by 5 percentage points over the 4 year period from 20X1 but is expected to decrease by 4 percentage points back to pre 20X4 levels in 20X5. |

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| **Section 5. Notes to the accounts**  **5.1. 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, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. 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 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 or the Council’s satisfaction survey provider). |
| The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial 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. |
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**5.2. Definitions**

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| Key term | Definition |
| Aboriginal children | means a child who is an Aboriginal person |
| Aboriginal person | has the same meaning as in the Aboriginal Heritage Act 2006 |
| adjusted underlying revenue | means total income other than:   * non-recurrent grants used to fund capital expenditure; and * non-monetary asset contributions; and * 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 |
| annual report | means an annual report prepared by a council under section 98 of the Act |
| 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 |
| asset upgrade expenditure | means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life |
| 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 |
| current assets | has the same meaning as in the Australian Accounting Standards |
| current liabilities | has the same meaning as in the Australian Accounting Standards |
| food premises | has the same meaning as in the *Food Act 1984* |
| intervention level | means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene |
| 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 |
| non-current liabilities | means all liabilities other than current liabilities |
| 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 |
| relative socio-economic disadvantage | in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA |
| restricted cash | means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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 |
| SEIFA | means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site |
| unrestricted cash | means all cash and cash equivalents other than restricted cash |

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**5.3. Other Matters**

**Overview of 202X**

During the financial year council experienced growth in residents and demand for services. Extensive capital works were undertaken to improve infrastructure.

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| **Notes for draft preparation (delete in final version)** |
| 1. Section 5.3. Other Matters is for council to provide details of additional matters that impacted the performance outcomes as considered necessary. 2. This may include where the performance was impacted by severe weather conditions, bushfires or increases in demand for services. |
|  |