



PERFORMANCE STATEMENT

For the year ended June 30, 2016

Description of municipality

Wodonga Council (the council) is strategically placed on the Hume Highway between Melbourne and Sydney.

The North East Victorian municipality includes 13 localities and covers an area of 433.7 square kilometres. The main industries include manufacturing, health care and social assistance, public administration and safety, retail and trade, education and training.

The council has a population of 38,559 and is the fastest growing centre in the North East.

Sustainable capacity indicators

For the year ended June 30, 2016

Indicator/measure	Results 2015	Results 2016	Material variations
Population			
Expenses per head of municipal population [Total expenses/municipal population]	\$1,436.52	\$1,491.30	No material variations
Infrastructure per head of municipal population [Value of infrastructure/municipal population]	\$11,892.63	\$8,595.40	The dissection between land and other non-current assets was incorrect in the 2015 year performance reporting data, resulting in this indicator being overstated. The correct 2015 amount was \$8,722.06. Therefore the correct variance is 1% which is not a material variation.
Population density per length of road [Municipal population/kilometres of local roads]	76.31	77.12	No material variations
Own-source revenue			
Own-source revenue per head of municipal population [Own-source revenue/municipal population]	\$1,141.98	\$1,237.95	No material variations
Recurrent grants			
Recurrent grants per head of municipal population [Recurrent grants/municipal population]	\$318.90	\$196.71	Federal Government prepaid \$2.4 million of the 2016 Financial Assistance Grant in June 2015, inflating the 2015 recurrent grant revenue in 2015. In addition, Healthy Together Wodonga recurrent funding of \$0.6 million ceased for the 2016 year.
Disadvantage			
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	4.00	4.00	No material variations

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service performance indicators

For the year ended June 30, 2016

Service/indicator/measure	Results 2015	Results 2016	Material variations
Aquatic facilities			
Utilisation			
Utilisation of aquatic facilities [Number of visits to aquatic facilities/municipal population]	9.34	9.38	No material variations
Animal management			
Health and safety			
Animal management prosecutions [Number of successful animal management prosecutions]	4.00	1.00	The result of this measure has decreased by 75%. The council were able to successfully resolve the majority of animal management matters prior to charges being laid in a court of law in 2015-2016.
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	60.00%	72.12%	The result of this measure has increased by 20%. The council assigned more resources to increase food safety inspections in 2015-2016.
Governance			
Satisfaction			
Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	0	53.00	This satisfaction indicator did not form part of the Wodonga Council Community Satisfaction Survey 2014. This was included in the 2015 survey.
Home and Community Care (HACC)			
Participation			
Participation in HACC service [Number of people that received a HACC service/Municipal target population for HACC services] x100	N/A	N/A	The council ceased to provide HACC services on November 29, 2013. HACC services for the municipality are provided by Westmont Aged Care Services.
Participation			
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	N/A	N/A	The council ceased to provide HACC services on November 29, 2013. HACC services for the municipality are provided by Westmont Aged Care Services.
Libraries			
Participation			
Active library members [Number of active library members/municipal population] x100	15.77	12.13%	The result of this measure was incorrectly reported in 2014-2015 due to a data error identified in the Swift Library Consortium data base. The correct result was 12.29%. Therefore the correct variance is -1% which is not a material variation.

Service/indicator/measure	Results 2015	Results 2016	Material variations
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	74.94%	81.72%	No material variations
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	70.00%	73.85%	No material variations
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]	0	66.00	This satisfaction indicator did not form part of the Wodonga Council Community Satisfaction Survey 2014. This was included in the 2015 survey.
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] x100	0%	0%	There were no appeals regarding council planning decisions heard at VCAT in 2015-2016.
Waste Collection			
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	46.24%	71.49%	The result of this measure has increased by 55%. The council has seen an increase of waste diverted from landfill due to the introduction of the kerbside green organics waste collection program.

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 June 30, 2016

Dimension/indicator/measure	Results		Forecasts			Material variations	
	2015	2016	2017	2018	2019		2020
Efficiency							
Revenue level							
Average residential rate per residential property assessment [Residential rate revenue/number of residential property assessments]	\$1,426.46	\$2,037.17	\$2,038.24	\$2,107.49	\$2,179.35	\$2,254.04	Garbage and recycling charges were not included in the 2015 actual.
Expenditure level							
Expenses per property assessment [Total expenses/number of property assessments]	\$3,093.12	\$3,135.55	\$3,531.76	\$3,579.89	\$3,647.49	\$3,715.11	No material variations
Workforce turnover							
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations/ average number of permanent staff for the financial year] x100	13.06%	10.34%	8.56%	8.56%	8.56%	8.56%	The result of this measure has decreased by 22%. There was an increased number of resignations and terminations recorded in 2014-2015 compared to 2015-2016, due to a combination of business unit restructures and grant funded programs drawing to a close.
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets/current liabilities] x100	149.62%	210.27%	92.20%	89.09%	94.85%	103.46%	Increased cash levels at 30 June 2016 predominantly due to timing plus a one off \$2 million land purchase owing at 30 June 2015 have resulted in the substantial variance.
Unrestricted cash							
Unrestricted cash compared to current liabilities [Unrestricted cash/current liabilities] x100	83.50%	137.78%	15.09%	19.56%	25.92%	35.34%	Increased cash levels at 30 June 2016 predominantly due to timing plus a one off \$2 million land purchase owing at 30 June 2015 have resulted in the substantial variance.
Obligations							
Asset renewal							
Asset renewal compared to depreciation [Asset renewal expense/asset depreciation] x100	34.24%	57.02%	54.65%	28.00%	50.56%	53.30%	Renewal costs were down in 2015 due to substantial new CBD reconstruction that would have included a renewal component, but was all included as new construction.

Dimension/indicator/measure	Results		Forecasts			Material variations
	2015	2016	2017	2018	2019	
Loans and borrowings						
Loans and borrowings compared to rates [Interest bearing loans and borrowings /rate revenue]x100	72.23%	62.22%	61.74%	73.84%	64.64%	55.78%
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings /rate revenue] x100	9.51%	8.64%	7.41%	7.73%	9.95%	9.51%
Indebtness						
Non-current liabilities compared to own source revenue [Non-current liabilities/own source revenue] x100	68.51%	58.91%	51.24%	58.77%	51.88%	45.16%
						Own source income increased predominantly by the rate increase, whilst non-current liabilities reduced by loan repayments transferred to current liabilities.
Operating position						
Adjusted underlying result						
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/adjusted underlying revenue] x100	2.34%	-2.61%	4.27%	4.52%	5.27%	5.57%
						Timing of the 2016 Financial Assistance Grant revenue of \$2.4 million prepaid in June 2015 inflated the 2015 percentage and understated the 2016 percentage.
Stability						
Rates concentration						
Rates compared to adjusted underlying revenue [Rate revenue/adjusted underlying revenue] x100	67.69%	73.91%	63.56%	64.39%	64.91%	65.43%
						No material variations
Rates effort						
Rates compared to property values [Rate revenue/capital improved value of rateable properties in the municipality] x100	0.72%	0.75%	0.76%	0.79%	0.83%	0.87%
						No material variations
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)						“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.
“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						

Other information

For the year ended June 30, 2016

Note one: Basis of preparation

The 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 the 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.

The 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 the council in its strategic resource plan on 27 June 2016 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 the 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.



Narelle Klein CA

Principal Accounting Officer

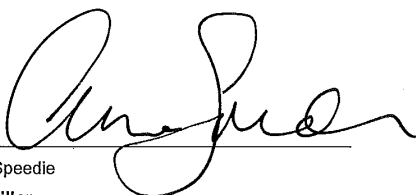
Dated: 19 September 2016

In our opinion, the accompanying performance statement of Wodonga City Council for the year ended 30 June 2016 presents fairly the results of the 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.



Anna Speedie

Councillor

Dated: 19 September 2016



Michael Fraser

Councillor

Dated: 19 September 2016



Patience Harrington

Chief Executive Officer

Dated: 19 September 2016

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Wodonga City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Wodonga City Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Wodonga City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

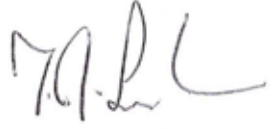
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Wodonga City Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
21 September 2016



Andrew Greaves
Auditor-General

Wodonga Council **Annual Report**

City of Wodonga

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