

# Performance Statement

Year ending 30 June 2024



## TABLE OF CONTENTS

Certification of performance statements	3
Victorian Auditor-General's Office audit report	4
<b>Section 1</b> Description of municipality	6
<b>Section 2</b> Service performance indicators	7
<b>Section 3</b> Financial performance indicators	9
<b>Section 4</b> Sustainable capacity indicators	11
<b>Section 5</b> Notes to the accounts	12
5.1 Basis of preparation	12
5.2 Definitions	13
5.3 Other matters	14

## CERTIFICATION OF PERFORMANCE STATEMENT

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*.



Signed: ..... Dated: **3 / October / 2024**  
**MICHELLE KAYE STEDMAN, BBus, PRINCIPAL ACCOUNTING OFFICER**  
**Wedderburn, Victoria 3518**

In our opinion, the accompanying Performance Statement of the Loddon Shire Council for the year ended 30 June 2024 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 sustainability capacity.

As 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 the *Local Government (Planning and Reporting) Regulations 2020* to certify this Performance Statement in its final form.



Signed: ..... Dated: **3 / October / 2024**  
**GAVAN LINDSAY HOLT, MAYOR**  
**Wedderburn, Victoria, 3518**



Signed: ..... Dated: **3 / October / 2024**  
**NEIL EDWARD BEATTIE, COUNCILLOR**  
**Wedderburn, Victoria, 3518**



Signed: ..... Dated: **3 / October / 2024**  
**LINCOLN WILLIAM FITZGERALD, BA (Nature Tourism), GAICD, CertTAA, CHIEF EXECUTIVE OFFICER**  
**Wedderburn, Victoria 3518**



## Independent Auditor's Report

### To the Councillors of Loddon Shire Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Loddon Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• description of municipality for the year ended 30 June 2024</li><li>• service performance indicators for the year ended 30 June 2024</li><li>• financial performance indicators for the year ended 30 June 2024</li><li>• sustainable capacity indicators for the year ended 30 June 2024</li><li>• notes to the accounts</li><li>• certification of the performance statement.</li></ul> <p>In my opinion, the performance statement of Loddon Shire Council in respect of the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.</p>
<b>Basis for Opinion</b>	<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>
<b>Councillors' responsibilities for the performance statement</b>	<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 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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**Auditor's responsibilities for the audit of the performance statement**

As required by the *Audit Act 1994*, 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. 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.

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MELBOURNE  
4 October 2024



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

## SECTION 1: DESCRIPTION OF MUNICIPALITY

Loddon Shire Council is located in central Victoria, about 175 kilometres north-west of Melbourne. It is bounded by the Gannawarra Shire in the north, Shire of Campaspe and City of Greater Bendigo in the east, Mount Alexander Shire and Central Goldfields Shire in the south, and Northern Grampians Shire and Buloke Shire in the west.

Loddon Shire Council is a predominantly rural area, with many small towns and communities. The largest towns are Boort, Bridgewater on Loddon, Inglewood, Pyramid Hill, and Wedderburn.

The Shire encompasses a total land area of about 6,700 square kilometres. Land is used mainly for agriculture and horticulture, particularly grain, sheep, wool, beef cattle, dairy, pigs and poultry. In recent years, there has also been an increase in viticulture, olives, and fodder crops.

The primary source of employment in the Shire is agriculture, forestry and fishing with 37 per cent of employed residents working in those fields, while 10 per cent work in health care and social assistance, seven per cent in retail trade, and five per cent in public administration and safety.

## SECTION 2: SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2024

	Results				
	2021	2022	2023	2024 Target as per budget	2024 Actual
<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2	2	2	NA	2
<b>Comments:</b> No material variances to report.					
<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal prosecutions] x 100	0%	0%	0%	NA	0%
<b>Comments:</b> No material variances to report.					
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x 100	100%	67%	100%	NA	100%
<b>Comments:</b> No material variances to report.					
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with community consultation and engagement</i> Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	58	56	52	56	50
<b>Comments:</b> This indicator has been updated for previous years to reflect the result of 'Consultation and Engagement'. Previous data provided was within the 'Community Decisions' indicator. While Loddon Shire had aimed to maintain its previous year score in 2024, the score from the 2024 Community Satisfaction Survey was reflective of small rural and state wide averages for this metric which have seen downward trending.					
<b>Libraries</b> <b>Participation</b> <i>Library membership</i> [Percentage of the population that are registered library members] x 100	NA	NA	NA	NA	13%
<b>Comments:</b> This is a new indicator to report. Calculations for this indicator have changed from previous years.					
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <i>Participation in 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] x 100	85%	87%	90%	NA	87%
<b>Comments:</b> No material variances to report.					
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <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] x 100	89%	78%	94%	NA	92%
<b>Comments:</b> No material variances to report.					



## SECTION 2: SERVICE PERFORMANCE INDICATORS (Continued)

Service / indicator / measure	Results				
	2021	2022	2023	2024 Target as per budget	2024 Actual
<b>Roads</b> <b>Indicator: Condition</b> <i>Sealed local roads below the intervention levels</i> Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal	100%	100%	99%	100%	99%
<b>Comments:</b> As this is a new / adjusted indicator, the same historical information has been used as was within the Local Government Performance Reporting Framework submitted data.					
<b>Statutory planning</b> <b>Service standard</b> <i>Planning applications decided within the relevant required time</i> Percentage of planning application decisions made within the relevant required time	83%	85%	97%	85%	96%
<b>Comments:</b> As this is a new / adjusted indicator, the same historical information has been used as was within the Local Government Performance Reporting Framework submitted data.					
<b>Waste management</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	30%	28%	28%	28%	23%
<b>Comments:</b> There has been a reduction in the amount of recycling collected in 2023/24 compared to the previous year. Council attributes this to the introduction of new glass drop off services and the introduction of the Container Deposit Scheme (CDS). Council has a strong focus on reducing waste and continues to support the community in waste education.					



### SECTION 3: FINANCIAL PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2024

Dimension / indicator / measure	Results					Forecasts			
	2021	2022	2023	2024 Target as per budget	2024 Actual	2025	2026	2027	2028
<b>Efficiency</b> <b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,190.23	\$3,938.48	\$4,687.72	\$7,169.00	\$4,962.72	\$7,324.05	\$4,765.31	\$4,949.98	\$5,081.47
<b>Comments:</b> Expenses in 2023, 2024 and forecast for 2025 include flood restoration works which has increased the indicator result.									
<b>Efficiency</b> <b>Revenue level</b> <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,244.14	\$1,256.83	\$1,276.55	\$1,328.00	\$1,315.10	\$1,364.18	\$1,411.93	\$1,461.35	\$1,512.49
<b>Comments:</b> This indicator will slightly increase yearly as the rates have increased by the relevant legislated cap however the number of assessments has remained fairly constant.									
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	506.54%	604.47%	596.58%	447.89%	609.30%	420.29%	412.19%	278.37%	161.10%
<b>Comments:</b> Council has a large amount of cash on hand due to major capital projects that are yet to be completed. In future years it is expected that this cash balance will fall considerably as projects are completed.									
<b>Liquidity</b> <b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	125.63%	-111.49%	-42.16%	25.65%	-136.85%	330.07%	313.60%	175.58%	53.23%
<b>Comments:</b> Council has a significant amount of cash on hand but has a large unspent grants reserve and LSL provision that restricts cash. This cash has been placed into term deposits to gain a better financial outcome for Council. As the years progress it is expected that there will be significant decreases to cash each year which will result in reassessing the program of works for each of these years.									
<b>Obligations</b> <b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Comments:</b> Council has no loan liabilities.									
<b>Obligations</b> <b>Loans and borrowings</b> <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Comments:</b> Council has no loan liabilities.									

Dimension / indicator / measure	Results					Forecasts			
	2021	2022	2023	2024 Target as per budget	2024 Actual	2025	2026	2027	2028
<b>Obligations</b> <b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	10.17%	8.32%	10.79%	12.53%	9.94%	16.87%	18.60%	19.95%	21.33%
<b>Comments:</b> This indicator has been steady over the years as revenue increases at only a slightly higher rate than the non current liabilities are.									
<b>Obligations</b> <b>Asset renewal and upgrade</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expenses / Asset depreciation] x 100	79.27%	60.11%	47.58%	57.90%	92.23%	52.13%	53.71%	55.37%	54.66%
<b>Comments:</b> This is significantly higher than previous years with some significant spending on expansion of assets during 2024 on projects such as Donaldson Park and various caravan parks.									
<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	-5.44%	3.94%	-37.44%	-40.01%	-53.86%	-17.08%	-24.35%	-25.04%	-24.25%
<b>Comments:</b> This indicator is impacted by significant impairment of assets and associated works that occurred as a result of the 2022/23 floods.									
<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> Computation: [Rate revenue / Adjusted underlying revenue] x 100	36.59%	36.34%	30.41%	27.32%	49.09%	26.08%	44.20%	44.73%	45.04%
<b>Comments:</b> Rate revenue remains constant, adjusted underlying revenue includes upfront Financial Assistance Grants funding.									
<b>Stability</b> <b>Rates effort</b> <i>Rates compared to property</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x 100	0.43%	0.44%	0.35%	0.27%	0.27%	0.24%	0.25%	0.25%	0.26%
<b>Comments:</b> This indicator has been slightly decreasing with the increase to rate revenue increasing at a lower rate than CIV within the municipality.									

**FOR THE YEAR ENDED 30 JUNE 2024**

Indicator / measure	2021	2022	2023	2024
	<b>Population</b> <i>Expenses per head of municipal population</i> Total expenses / Municipal population	\$4,443	\$4,193	\$4,859
<b>Comments:</b> Increase to expenses for 2024 due to the continuation of flood restoration works. This is expected to continue for a further year.				
<b>Population</b> <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$46,350	\$43,983	\$47,672	\$51,159
<b>Comments:</b> The increase in infrastructure per head of population has increased in step with the increase in infrastructure valuations for the 2023/24 financial year.				
<b>Population</b> <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.58	1.59	1.64	1.64
<b>Comments:</b> No material variances to report.				
<b>Own-source revenue</b> <i>Own source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,991	\$1,999	\$2,127	\$2,252
<b>Comments:</b> This indicator has been steadily increasing due to an increase of income and a fairly static population.				
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,850	\$2,245	\$2,318	\$647
<b>Comments:</b> Financial Assistance Grants funding had 100% funding paid in advance during 2023, during 2022 this was 75% and in 2024 this was nil.				
<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of relative socio-economic disadvantage by decile]	2	2	2	2
<b>Comments:</b> No material variances to report.				
<b>Efficiency</b> <b>Workforce turnover</b> <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	12.82%	21.33%	17.81%	23.48%
<b>Comments:</b> Exit of home care services resulted in 17 redundancies for the year.				

### 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.



## 5.2 Definitions

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: <ul style="list-style-type: none"> <li>· non-recurrent grants used to fund capital expenditure; and</li> <li>· non-monetary asset contributions; and</li> <li>· contributions to fund capital expenditure from sources other than those referred to above</li> </ul>
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

**5.3 Other matters**

Nothing further to report.





Bridgewater Foreshore, Bridgewater





Loddon Shire Council

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