

**WYNDHAM CITY
PERFORMANCE STATEMENT**

For the Year Ended 30 June 2016

Performance Statement

For the year ended 30 June 2016

Description of municipality

The City of Wyndham is located on the western edge of Melbourne, between the metropolitan area and Geelong. Wyndham covers an area of 542km and features 27.4km of coastline bordering Port Phillip to the east. As a meeting place for people of the Kulin nations, Wyndham City has an extremely rich and diverse Aboriginal cultural heritage.

The City of Wyndham has a forecasted population of over 209,000 for 2016. As the second fastest growing municipality in Victoria, Wyndham is characterised by its strategically placed location with excellent logistic connections to air and sea ports. The city also offers intensive agriculture at Werribee South, major retail precincts and the Werribee Park tourism precinct – one of the largest and most frequently visited tourism destinations in metropolitan Melbourne.

Sustainable Capacity Indicators

For the year ended 30 June 2016

<i>Indicator / measure</i>	Results		Material Variations
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,235	\$1,364	Expenses have increased as a result of increased labour costs, the commencement of Western Leisure Services and the future provision for landfill related costs.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$11,229	\$14,214	Infrastructure assets have increased with the increase of new subdivision activities.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	155.3	155.4	No material variation
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$962	\$1,198	Revenue has increased partly due to the operations of Western Leisure Services commencing in 2015/16, increased fees for landfill tipping and higher fees in relation to the growth in subdivision and building development.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$211	\$142	Recurrent grants have mainly decreased due to half of 2015/16 Victoria Grants Commission grants (\$6.15 million) being received at the end of 2014/15.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	7	7	No material variation

Definitions

"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

"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 30 June 2016

Service / indicator / measure	Results		Material Variations
	2015	2016	
Aquatic facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0	4	Utilisation of the aquatic facilities has increased with the commencement of AquaPulse.
Animal management			
Health and safety			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	21	33	There were 37 prosecutions for the financial year of which 33 were successful prosecutions proven by the court. The remaining four prosecutions were settled out of court in favour of Council.
Food safety			
Health and safety			
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	There were four reports of critical and major non-compliances which were all investigated and resolved.
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]	64.0	69.8	This demonstrates Council's commitment to listening to the community, community engagement and transparency in its decision making process.
Home and community care			
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	14.0%	29.4%	Over the past year Council has been working hard to ensure that appropriate levels of service are provided based on need. An equity-based priority of access tool has been developed and implemented to ensure consistency in service distribution as appropriate to need.
<i>Participation</i>			
<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	14.0%	10.2%	Council is addressing this decrease in participation by CALD residents by implementing a range of initiatives targeted at Allied Health professionals.
Libraries			
Participation			
<i>Active library members</i> [Number of active library members / Municipal population] x100	10.0%	14.8%	With the inclusion of eBooks usage to this measure and the opening of the new Julia Gillard Library Tarneit, active membership has increased.
Maternal and child health			
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	71.0%	n/a	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/16 financial year.

Service / indicator / measure	Results		Material Variations
	2015	2016	
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	73.0%	n/a	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/16 financial year.
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]	66.0	66.4	This satisfaction rating recognises Council's continuing commitment to meet community expectation in providing a local road network that is serviceable and safe.
Statutory Planning			
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	60.0%	64.0%	The number of planning decisions upheld at VCAT has increased from 60% last year to 64% this year. Council makes planning application decisions which are consistent with the local planning scheme and when challenged at VCAT, have been supported 64% of the time.
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	37.0%	36.5%	A new Waste and Litter Strategy has been adopted with long term waste diversion targets of 90% diversion by 2040. A number of programs and initiatives are being implemented with the aim of working towards the long term targets.

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

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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 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]	\$1,494	\$1,582	\$1,612	\$1,702	\$1,728	\$1,756	The average rate increase for the 2015/16 year was 5.5%. The outer year forecasts an increase in general rates of 2.5% in 2016/17 and 4.5% thereafter. The 4.5% increase is however subject to approval from the Minister under the rate capping framework.
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,085	\$3,418	\$3,308	\$3,407	\$3,531	\$3,643	Expenses per property assessment have increased as a result of increased labour costs, the commencement of Western Leisure Services and the future provision for landfill related costs.
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	8.0%	9.4%	8.0%	8.0%	8.0%	8.0%	The increase in staff turnover is due in part to the review of the Aged and Disability services and the Wyndham 2040 restructure.
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	296.9%	378.2%	303.0%	302.0%	282.2%	271.0%	Working capital percentage has increased due to an increase in current assets. This relates mainly to the increase in Developer Contributions that are held in cash backed reserves, as well as, Werribee CBD land that has been classified as a current asset held for sale.
Unrestricted cash							
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	36.8%	86.5%	97.5%	89.7%	73.8%	61.2%	The increase in the unrestricted cash ratio is due mostly to \$15 million of new borrowings undertaken in 2015/16. These funds will be expended for the capital works program which has been carried forward to the 2016/17 financial year.

Dimension/indicator/measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Obligations							
Asset renewal							
Asset renewal compared to depreciation	82.5%	22.6%	31.0%	30.5%	28.8%	30.3%	The 2014/15 results included a major project being the redevelopment of Wyndham's Leisure and Events Centre. This has contributed to the higher percentage for that year in comparison to 2015/16 and outer year forecasts.
[Asset renewal expenses / Asset depreciation] x100							
Loans and borrowings							
Loans and borrowings compared to rates	27.0%	34.2%	32.6%	34.2%	36.7%	45.3%	Council increased its borrowings from \$40 million in 2014/15 to \$55 million in 2015/16 to fund capital works.
[Interest bearing loans and borrowings / Rate revenue] x100							
Loans and borrowings							
Loans and borrowings repayments compared to rates	28.6%	1.2%	1.5%	1.6%	1.7%	2.1%	The 2014/15 result was impacted by a short term loan of \$40 million being repaid and the debt replaced by \$40 million in borrowing through the issue of bonds. Current and forecast years interest payments are between 1% and 2% of rates revenue.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100							
Indebtedness							
Non-current liabilities compared to own source revenue	33.9%	34.5%	28.8%	31.6%	31.3%	36.9%	No material variations
[Non-current liabilities / Own source revenue] x100							
Operating position							
Adjusted underlying result							
Adjusted underlying surplus (or deficit)	-4.0%	-1.2%	4.3%	4.8%	4.8%	4.8%	This result has improved from 2014/15 as revenue has increased with the commencement of Western Leisure Services, increased fees for landfill tipping and higher fees in relation to the growth in subdivision and building development.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100							
Stability							
Rates concentration							
Rates compared to adjusted underlying revenue	62.5%	56.9%	55.9%	56.9%	57.2%	57.6%	Whilst the average general rates has increased by 5.5%, revenue has increased due to the commencement of Western Leisure Services, increased fees for landfill tipping and higher fees in relation to the growth in subdivision and building development.
[Rate revenue / Adjusted underlying revenue] x100							

Dimension / indicator / measure	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Rates effort							
Rates compared to property values	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	No material variations
[Rate revenue / Capital improved value of rateable properties in the municipality] x100							

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 above

"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 2016

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 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 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*.



Steven Lambert
Principal Accounting Officer
Dated: 19/09/16

In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2016 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*.

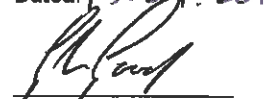
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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.



Adele Hegedich
Mayor
Dated: 15.09.2016



Glenn Goodfellow, GAICD
Councillor
Dated: 15-9-16



Kelly Grigsby
Chief Executive Officer
Dated: 19/9/16

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Wyndham City Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

The Councillors of the Wyndham 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)

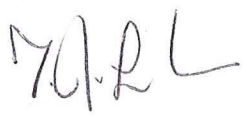
Independence

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 Wyndham 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
20 September 2016


R Andrew Greaves
Auditor-General