

Hobsons Bay City Council

ANNUAL PERFORMANCE STATEMENT

For the year ended
30 June 2024





Acknowledgement of Country

Council acknowledges the Bunurong People of the Kulin Nation as the Traditional Owners of these municipal lands and waterways, and pay our respects to Elders past and present.

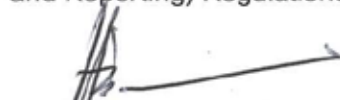
Contents

Certification of the performance statement	05
Victorian Auditor-General's Office audit report	06
Section 1	
Description of municipality	08
Section 2	
Service performance indicators	09
Section 3	
Financial performance indicators	12
Section 4	
Sustainable capacity indicators	18
Section 5	
Notes to the accounts	20
5.1. Basis of preparation	20
5.2. Definitions	21



Certification of the 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.



Hamish Munro, CPA

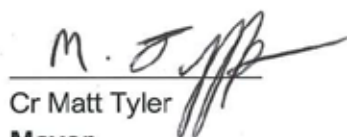
Principal Accounting Officer

Dated: 25 September 2024

In our opinion, the accompanying performance statement of Hobsons Bay City 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 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.

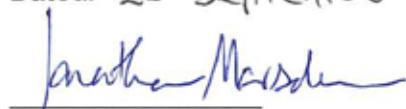
We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.



Cr Matt Tyler

Mayor

Dated: 25 September 2024



Cr Jonathon Marsden

Councillor

Dated: 25 September 2024



Aaron van Egmond

Chief Executive Officer

Dated: 25 September 2024

Independent Auditor’s Report

To the Councillors of Hobsons Bay City Council

Opinion	<p>I have audited the accompanying performance statement of Hobsons Bay City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2024 • service performance indicators for the year ended 30 June 2024 • financial performance indicators for the year ended 30 June 2024 • sustainable capacity indicators for the year ended 30 June 2024 • notes to the accounts • certification of the performance statement. <p>In my opinion, the performance statement of Hobsons Bay City 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors 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>

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.

MELBOURNE
30 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

SECTION 1

Description of municipality

For the year ended 30 June 2024

Hobsons Bay covers an area of approximately 66 square kilometres with over 20 kms of coastline. It is home to significant coastal wetlands, five creek systems, remnant native grasslands, and important flora and fauna habitats.

Hobsons Bay also has a range of major industrial complexes, including state significant industrial land, which contributes significantly to the economy of Victoria. These areas are bounded by the Westgate Freeway/Princes Highway to the north and the west and is traversed east – west by the national freight rail line.

In 2023, Hobsons Bay had an estimated resident population of 93,738 (ABS Estimated Resident Population 2023) people, including 628 First Nations people (ABS Census, 2021). Thirty per cent of our residents were born overseas, 27 per cent speak a language other than English at home and 55 per cent have a religious affiliation (ABS Census, 2021).

These features contribute to the City's culture, which is strongly linked to its maritime heritage, rich natural environment, industry and lifestyle.

SECTION 2

Service performance indicators

For the year ended 30 June 2024

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation AF6 - Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0.00	0.00	0.00	N/A	0.00	Council does not have operational control of the aquatic facilities in its municipality and therefore the indicators are not reported on.
Animal Management Health and safety AM7 - Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	88%	100%	100%	N/A	100%	Council has maintained a 100% success rate due to thoroughness of the investigation process.
Food Safety Health and safety FS4 - 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	79.52%	87.36%	99.12%	N/A	96.61%	The result is consistent with that of previous years.
Governance Consultation and engagement G2 - Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	61	60	56	60	53	The variance between the target and the actual can be affected by the number of projects that are endorsed by Council for community consultation. The capital works budget can also impact the number of projects requiring community consultation. Council continuously monitors feedback to community consultation, including the efficacy of the tools and methods that are used to engage.

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Libraries Participation <i>LB7 - Library membership</i> [Number of registered library members / Population] x100	#N/A	#N/A	#N/A	N/A	31.97%	A membership rate of 32% reflects the success of our membership drive and outreach efforts, and the appeal of our programs and collections, indicating that many in our community value and benefit from library membership. Maintaining and increasing this rate will ensure our library continues to be a vital part of the community, fostering lifelong learning and engagement.
Maternal and Child Health (MCH) Participation <i>MC4 - 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	70.46%	67.41%	68.42%	N/A	71.09%	The participation rate increase in the Maternal and Child Health service at Hobsons Bay can be attributed to improvement in engagement for families with young children in the community.
Maternal and Child Health (MCH) Participation <i>MC5 - 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	68.18%	83.65%	80.73%	N/A	80.53%	Council continues to have a healthy engagement for Aboriginal children reflected through the Maternal and Child Health service's work in promoting and safely engaging Aboriginal Children. This has seen an increase of Aboriginal children enrolled in the service with 46 Aboriginal Children attending the service at least once in the past year.
Roads Condition <i>R2 - Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	95.59%	97.46%	92.64%	97.50%	92.66%	There has been a significant increase in the amount of sealed local roads maintained over the past year leading to a consistent result in the condition standards year on year.

	2021	2022	2023	2024	Comment	
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
Statutory Planning Service standard <i>Sp2 - Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	58.29%	53.57%	51.42%	60.00%	71.56%	The percentage of planning applications decided within required timeframes has significantly improved, likely as a result of improved internal processes and a slight reduction in applications.
Waste Management Waste diversion <i>WC5 - 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	58.45%	57.76%	53.13%	50.00%	51.92%	Volumes of both garbage and recycling reduced last year. However, due to the impact of the Victorian Government's Container Deposit Scheme (CDS), recycling in kerbside bins reduced more significantly. This has resulted in a reduced proportion of total waste in kerbside bins being diverted from landfill.

SECTION 3

Financial performance indicators

For the year ended 30 June 2024

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency Expenditure level <i>E2 - Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,032.14	\$3,009.07	\$3,302.48	\$3,329.00	\$3,514.92	\$3,490.87	\$3,520.38	\$3,592.84	\$3,646.32	The increase in 2023-24 reflects the increase in operational expenditure compared to the previous year. There has only been a slight gradual increase in the number of assessable properties.
Revenue level <i>E4 - Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$2,360.01	\$2,461.45	\$2,534.54	N/A	\$2,613.90	\$2,709.15	\$2,746.12	\$2,783.63	\$2,821.70	The increase in 2023-24 reflects the rate cap increase (3.5%) and supplementary rate increases resulting from strong property growth.

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Liquidity										
Working capital										
<i>L1- Current assets compared to current liabilities</i>	123.02%	135.46%	155.10%	147.50%	153.52%	106.18%	111.84%	136.38%	137.61%	The ratio is consistent with the previous year, with current assets and current liabilities both slightly increasing.
[Current assets / Current liabilities] x100										
Unrestricted cash										
<i>L2 - Unrestricted cash compared to current liabilities</i>	-17.11%	-29.98%	-12.17%	N/A	-36.56%	-15.76%	-23.12%	-24.11%	-23.85%	The negative results since 2020-21 are offset by other financial assets (investments) of \$22 million in 2023-24, which are investments held for periods over 90 days. These investments are not included in the calculation, but are used to fund Council's ongoing operations and liabilities. The decreased result in 2023-24 is generally a result of cash and cash equivalents decreasing by \$4.377 million, while current liabilities have increased.
[Unrestricted cash / Current liabilities] x100										

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Obligations Loans and borrowings <i>Q2 - Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	12.59%	10.03%	15.24%	N/A	18.67%	21.38%	14.74%	11.92%	9.18%	The increased ratio in 2023-24 is generally due to the net increase in outstanding loans of \$5.548 million during the financial year. The ratio is expected to increase again in 2024-25 as a result of additional loan borrowings. The ratio is forecast to decrease from 2025-26, as no further loan borrowings are projected, and existing loans are repaid.
<i>O3 - Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.56%	8.00%	1.09%	N/A	1.66%	2.50%	6.70%	2.96%	2.88%	The increased ratio in 2023-24 is due to the net increase in outstanding loans of \$5.548 million during the financial year. The ratio is predicted to increase again in 2024-25 as a result of additional loan borrowings. The ratio is forecast to decrease from 2025-26, as no further loan borrowings are projected, and existing loans are repaid.

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Indebtedness <i>O4 - Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	4.94%	9.53%	13.60%	N/A	15.93%	14.55%	12.20%	9.34%	6.78%	The indicator has increased each year since 2020-21 reflecting additional loan borrowings in each financial year up until 2023-24. The ratio is projected to reduce from 2024-25, reflecting no further loan borrowings.
Asset renewal and upgrade <i>O5 - Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	253.43%	182.46%	136.17%	152.20%	101.25%	187.88%	146.08%	99.84%	134.39%	The result in 2020-21 reflects Council's significant investment to capital works. The reduced results since 2021-22, including 2023-24 are generally due to increases in depreciation and decreases in capital works expenditure resulting from works being carried over until the next financial years. Future year projections do not include carried over works.

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Operating position Adjusted underlying result <i>OP1 - Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	7.19%	10.22%	8.33%	N/A	2.13%	6.34%	8.29%	7.97%	7.87%	The decrease in 2023-24 is largely attributed to the increase in operational expenditure compared to the previous year. Forecasts are for the indicator to improve from 2024-25, consistent with Council generating further income and containing operational expenditure.
Stability Rates concentration <i>S1 - Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	79.80%	81.47%	78.93%	83.50%	81.90%	81.83%	81.75%	82.07%	82.46%	The increase in 2023-24 is largely attributed to the increase in rates, resulting from the 3.5% rate cap and supplementary growth, exceeding other own-source revenue. The indicator is forecast to increase (very) slightly with rate income being expected to increase at a level very similar to other own-source revenue.

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Rates effort <i>S2 - Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.30%	0.32%	0.30%	N/A	0.30%	0.31%	0.32%	0.32%	0.33%	Rates compared to property values in 2023-24 are relatively consistent with the previous three years as there have only been small increase in property values over this period. The minimal increases to future forecasts reflect increases to rates consistent with predicted rate caps and minimal increases to property values.

SECTION 4

Sustainable capacity indicators

For the year ended 30 June 2024

Results

	2021	2022	2023	2024	Comment
<i>Indicator / Measure</i> [Formula]	Actual	Actual	Actual	Actual	
Population <i>C1 - Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,335.93	\$1,429.03	\$1,592.63	\$1,687.49	The increase in 2023-24 is generally due to the increase in operational expenditure compared to the previous year.
<i>C2 - Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$7,695.70	\$9,161.18	\$9,867.31	\$10,683.36	The increase in 2023-24 is generally due to the increase in the value of Council's infrastructure, due to asset revaluations that occurred during the financial year.
<i>C3 - Population density per length of road</i> [Municipal population / Kilometres of local roads]	227.82	213.11	210.89	215.00	The indicator increased slightly in 2023-24 due to the increase in the population figure. The increase in road length is minor.
Own-source revenue <i>C4 - Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,247.70	\$1,416.48	\$1,550.40	\$1,583.09	The increased indicator in 2023-24 reflects the increase in own-source revenue, particularly rate income.

Results

	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Recurrent grants <i>C5 - Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$91.17	\$113.07	\$119.26	\$75.20	The decrease during 2023-24 is generally due to the decreased recurrent grants received during the year, which has been impacted by the timing of the VGC funding. There has also been an increase in the population level.
Disadvantage <i>C6 - Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	As the source of the socio-economic disadvantage is based on 2021 Census data, the indicator has not changed.
Workforce turnover <i>C7 - Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.1%	25.8%	18.1%	12.9%	The turnover rate has decreased over the past 12 months, it is consistent with the current statewide trends.

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.

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 <i>Aboriginal Heritage Act 2006</i>
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • 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 <i>Food Act 1984</i> , 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 <i>Food Act 1984</i>
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 <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , 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

HOBSONS BAY CITY COUNCIL

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HOBSONS BAY LANGUAGE LINE

9932 1212

INTERPRETER SERVICE FOR ALL LANGUAGES

Your Council in your language

Recorded Council information in:

English	العربية	Ελληνικά
Italiano	ကဠိစိုဏ်း	Tiếng Việt
粵語	Македонски	普通话

