

# Yarra City Council

## Performance Statement

For the year ended 30 June 2018

## Performance Statement

For the year ended 30 June 2018

R17(1)

### Description of municipality

The City of Yarra is an inner metropolitan municipality which is home to a diverse community of people. Yarra is one of Australia's smallest inner city municipalities at 19.5 square kilometres, and features lively arts and entertainment precincts, vibrant shopping and café strips, and numerous sports and recreational facilities.

Created in June 1994, the City of Yarra merged the former municipalities of: Collingwood; Richmond; Fitzroy; (including the annexed part of Carlton North); Northcote (Alphington & Fairfield: South of Heidelberg Road only).

Yarra has a population of 96,368 (at 30 June 2018) and a diverse community profile. Over the previous decade, the City's population had been growing at an average rate of 3.6%, almost double the rate of growth for Victoria. It is estimated that Yarra will continue to grow, with the population predicted to reach 110,512 by 2031.

## Sustainable Capacity Indicators

For the year ended 30 June 2018

	<i>Indicator/measure</i>	Results				<b>Material Variations</b>
		2015	2016	2017	2018	
R15(3) Sch3 R16(1) R17(2)	<b>Population</b>					
	<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,786.32	\$1,804.81	\$1,787.22	\$1,770.11	Council's expenses increased by 4.5% in 2017/18 while the municipal population increased by 5.55%, resulting in expenses per head of population decreasing compared to the previous year. Council expense increases are remaining fairly static, whereas population is increasing each year.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$9,765.52	\$9,461.04	\$9,376.85	\$9,355.26	The indicator is trending down due to consistent population increases over the 4 years greater than the increase in infrastructure spend.
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	275.94	283.92	292.07	308.41	Council's population continues to increase whereas the length of roads remain the same within the City.
	<b>Own-source revenue</b>					
	<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,656.50	\$1,683.11	\$1,735.51	\$1,780.74	Council continues to trend positively on this indicator.
	<b>Recurrent grants</b>					
	<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$128.25	\$110.72	\$146.45	\$123.35	Council received \$1m of its 2018/19 Grants Commission Allocation in 2017/18, but also received less funding for its Aged Care services due to the National Reforms on Aged Care.
	<b>Disadvantage</b>					
	<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	No change to this result. The trend remains steady.

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**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

"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.

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## Service Performance Indicators

For the year ended 30 June 2018

	Service/indicator/measure	Results				Material Variations
		2015	2016	2017	2018	
R15(1) Sch3	<b>Aquatic facilities Utilisation</b>					
R16(1) R17(2)	<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	11.80	11.63	11.96	9.14	A number of pools were closed for maintenance and refurbishment works during 2017/18 reducing the availability to the public and impacting on the total number of visitations in 2017/18. Considering the slight drop in 2017/18 this still continues to be a strong result and reflects significantly higher than average utilisation compared to the all Council's average result in 2016/17.
	<b>Animal management Health and safety</b>					
	<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	4.00	5.00	11.00	13.00	Council has increased its patrol activity since 2016/17 compared to previous years including follow-up of alleged dog attacks where the owner could not originally be identified resulting in an increase in prosecutions.
	<b>Food safety Health and safety</b>					
	<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	99.00%	100.00%	100.00%	99.56%	The trend in follow-up of notifications remains steady against our target of 100%.

<b>Service/indicator/measure</b>	<b>Results</b>				<b>Material Variations</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	
<b>Governance</b>					
<b>Satisfaction</b>					
<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]	65.80	68.60	67.00	66.80	This continues to be a solid result within acceptable tolerances and is underpinned by Councils ongoing commitment to consultation and engagement. Result from the Annual Customer Satisfaction Survey.
<b>Home and community care</b>					
<b>Participation</b>					
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	16%	13.44%	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Participation</b>					
<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	13%	10.24%	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Libraries</b>					
<b>Participation</b>					
<i>Active library members</i> [Number of active library members / Municipal population] x100	18.94%	17.39%	17.82%	20.72%	In April 2017 Council opened its new Library and multipurpose community hub in Fitzroy (Bargoonga Nganjin) since opening overall library visitations have increased compared to previous years. The 2017/18 result reflects the community's steady utilisation of library services and is higher than the 2016/17 average for similar Councils.
<b>Maternal and child health</b>					
<b>Participation</b>					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the	83%	79.82%	79.38%	80.41%	This continues to be a solid result within acceptable tolerances.

**Results**

**Service/indicator/measure**

**2015**

**2016**

**2017**

**2018**

**Material Variations**

year) / Number of children enrolled in the MCH service] x100

**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

74%

59.72%

63.41%

79.37%

The trend shows increasing demand and participation by the Yarra Aboriginal and Torres Strait Islander population and participation rates in the Victorian Aboriginal Health Service.

**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]

72.4%

73.30%

72.30%

72.20%

Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances. Council continues to achieve strong community satisfaction results for its local roads.

Service/indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
<b>Statutory Planning</b> <b>Decision making</b> <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	87%	78.69%	74.07%	77.45%	The number of Council decisions upheld by VCAT was higher when compared with the previous year, this variance up or down will continue until Council has embedded clear policy within the planning scheme to direct growth. This work continues to be undertaken but won't be fully incorporated into the planning scheme for another 12 to 18 months. A number of interim built form controls have already been implemented and should provide greater certainty in built form outcomes for some parts of the municipality.
<b>Waste Collection</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] x100	37.00%	38.52%	37.36%	37.73%	The trend shows a consistent level of waste diversion from landfill, Council continues to promote environmental sustainability and the benefits of recycling. The increase in Multi Unit Developments within Yarra impacts on this number as recycling behaviour in these developments appears to be different to that of single dwellings.
BP	<b>Definitions</b> "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 <i>Food Act 1984</i> , 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 <i>Food Act 1984</i> , 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 <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				



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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*.

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## Financial Performance Indicators

For the year ended 30 June 2018

	Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations
		2015	2016	2017	2018	2019	2020	2021	2022	
R15(2) Sch3	<b>Efficiency</b> <b>Revenue level</b>									
R16(1) R16(2)	<i>Average residential rate per residential property assessment</i>	\$1,479.90	\$1,543.41	\$1,617.29	\$1,674.29	\$1,753.07	\$1,764.22	\$1,776.17	\$1,787.89	The 2017/18 average residential rates per residential property have increased from 2016/17 due to rates increasing in line with the rate cap, as well as supplementary rate revenue received. The trend reflects that this will continue.
R17(2) R17(3)	[Residential rate revenue / Number of residential property assessments]									
	<b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,153.61	\$3,128.06	\$3,088.70	\$3,196.76	\$3,310.82	\$3,299.24	\$3,301.68	\$3,305.05	

Dimension/ <i>indicator/measu</i> <i>re</i>	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.16%	15.64%	22.71%	16.05%	16.04%	16.04%	16.04%	16.04%	There were less terminations and resignations in 2017/18 compared to 2016/17. Council expects the trend to remain stable.
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	105.31%	102.99%	150.61%	196.87%	122.10%	131.39%	140.42%	136.74%	Council's cash holdings have increased due to better than expected revenue receipts, including the Grants Commission 2018/19 allocation received during 2017/18. Some of this cash is restricted, or committed for future use in 2018/19.
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	0.00%	27.46%	63.57%	96.61%	47.60%	55.30%	62.51%	61.89%	Council's unrestricted cash has improved from 2016/17 to 2017/18 due to better than expected revenue receipts. Some of this cash is technically unrestricted, but it is also committed for future use in 2018/19. The future trend is for Council's unrestricted cash to slowly increase.

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Obligations</b>									
<b>Asset renewal</b>									
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	83.69%	95.90%	98.77%	102.44%	103.55%	107.18%	106.53%	101.02%	Council's year on year result has improved due to the continued commitment to fund renewal works. The future trend is uneven, as Council continues to find the optimal balance of renewal priorities each year
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	35.60%	33.19%	45.41%	42.80%	40.25%	37.83%	35.49%	31.07%	Council's year on year result has decreased and Council expects this trend to continue, as its debt profile decreases over time.
<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] x100	1.57%	1.54%	1.49%	3.00%	2.86%	2.87%	30.69%	4.82%	Council's year on year result has increased as it borrowed an additional 13.5M during 2016/17. Council is required to repay a \$32.5m interest only loan in 2020/21

**Loans and borrowings**

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	23.99%	22.99%	29.39%	26.41%	26.27%	24.82%	23.41%	19.13%	Council's year on year result has decreased and Council expects this trend to continue, as its debt profile decreases over time.
<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	2.11%	1.70%	6.31%	8.38%	2.92%	4.40%	5.22%	6.00%	Council's year on year result improved due to greater than budgeted revenue, and less than budgeted expenditure. Most of the additional revenue is restricted or committed for future use.
<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	57.84%	59.82%	58.17%	56.30%	59.52%	59.76%	60.14%	60.50%	Council's year on year result decreased slightly due to the 2018/19 Grants Commission funding being received early during 2017/18. The projected trend is a stable, slowly increasing result.
<b>Rates effort</b> <i>Rates compared to property values</i> Rate revenue / Capital improved value of rateable properties in the municipality ] x100	4.53%	4.73%	0.20%	0.21%	0.18%	0.18%	0.19%	0.19%	The City of Yarra continues to experience significant property value growth.

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**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

LGV means Local Government Victoria

CIV means Capital Improved Value

NAV means Net Annual Value

"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.

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## Other Information

For the year ended 30 June 2018

BP

### 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 the *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 28 June 2018 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

R18(1)  
R18(2)

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*.

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Ange Marshall  
**Principal Accounting Officer**  
**Dated:** 4 September 2018

In our opinion, the accompanying performance statement of the Yarra City Council for the year ended 30 June 2018 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.

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Daniel Nguyen  
**Mayor**  
**Dated:** 4 September 2018

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Misha Coleman  
**Councillor**  
**Dated:** 4 September 2018

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Vijaya Vaidyanath  
**Chief Executive Officer**  
**Dated:** 4 September 2018