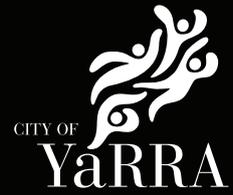


# Yarra City Council Performance Statement 2019/20



# Performance Statement

For the year ended 30 June 2020

## REFERENCES

Reg R  
Better Practice BP

### 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 101,945 (at 30 June 2020) 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.

### BP

The COVID-19 pandemic has had a significant impact on our residents, businesses and organisations. In response to such impacts, Council has undertaken a number of measures to provide a heightened level of assistance and support for our local community. This has included the review and Council endorsement of a revised financial hardship policy, providing for greater levels of support through deferrals, on application, for rate payments and fees and charges that will enhance Council's support of our local community through the pandemic.

In line with State Government restrictions, Council was required to close its recreation and leisure facilities during the course of the year, and also other public facilities including libraries, halls and golf courses. Whilst Council did its best to reduce operating costs associated with these facilities during the closure period, such services are substantially funded from fee paying clients and as such Council's revenue and operating performance was significantly impacted compared to originally budgeted expectations. Council's financial performance was also impacted by reduced parking and infringement income, stemming from a reduction in traffic flow through the municipality, and the relaxation of parking restrictions to ensure our community had appropriate access to essential services. Such impacts are expected to continue through the recovery phase, and accordingly have been factored into our 2020/21 budget and beyond. Despite these challenges, Council has been able to continuing providing the majority of its integral services to the community, including waste and recycling and a range of community services that take on new importance during these challenging times.

## Sustainable Capacity Indicators

For the year ended 30 June 2020

	<i>Indicator / measure</i>	<b>Results</b>				<b>Material Variations</b>
		<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	
R15(3) Sch3 R16(1) R17(2)	<b>Population</b>					
	<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,787.22	\$1,770.11	\$1,953.17	\$1,857.25	Movement immaterial
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$9,376.85	\$9,355.26	\$10,012.59	\$9,928.65	Movement immaterial
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	292.07	308.41	312.88	323.23	Movement immaterial
	<b>Own-source revenue</b>					
	<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,735.51	\$1,780.74	\$1,770.97	\$1,691.76	Movement immaterial
	<b>Recurrent grants</b>					
	<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$146.45	\$123.34	\$133.50	\$132.26	Movement immaterial
	<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	Movement immaterial
	<b>Workforce turnover</b>					
	<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations /	22.7%	16.1%	14.0%	10.4%	Council's workforce turnover ratio has progressively decreased and this trend has continued in the current year. This is the result of increasing stability in Council's structure and less turnover in staff as a result. This is a particularly favourable result for 2020 given the current impacts of the COVID-19 pandemic, and it has

Average number of permanent staff  
for the financial year] x100

enabled Council to continue to support the community in the delivery  
of both essential services and additional services as part of its  
COVID response.

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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.

## Service Performance Indicators

For the year ended 30 June 2020

	Service / indicator / measure	Results				Material Variations
		2017	2018	2019	2020	
R15(1) Sch3 R16(1)	<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	11.96	9.14	9.23	7.08	Utilisation of Council's aquatic facilities was impacted this year by the closure of all pools in early and late January due to poor air-quality from the bush fires. While from mid-March until 30 June further closures were made in response to the Covid-19 restrictions. While the full impact of the bush fire and Covid-19 closures cannot be quantified, Council had experienced an increase in visitation of 15.72% (69,994 visits) by December 2019, compared to the same period in the previous financial year.
	<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	100%	Council continues to perform well with all prosecutions ruled in favour of Council. There were 8 prosecutions this year.
	<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 notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	99.56%	99.54%	100.00%	Council responds to 100% of critical and major non-compliance outcome notifications. Results less than 100% occur where follow-up inspections are delayed due to closures and re-inspections fall in the next period.
	<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]	67.00	67.00	72.00	71.00	Council's satisfaction score of 71.20 is categorised as good from the 2020 Annual Customer Satisfaction Survey. Previous years' results are also categorised as good using the same survey instrument. The result is underpinned by Council's ongoing commitment to consultation and engagement.

<p><b>Libraries</b> <b>Participation</b> <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	17.82%	20.72%	19.72%	16.24%	The temporary closure of all Libraries as of March 2020 had an impact on community access to facilities and the level of loans this year, which underpin this measure. While the full impact of Covid-19 related closures cannot be quantified, the number of active borrowers fell by 10% or 1,826 active borrowers compared to 2018/19. Similarly, while loans were comparable YTD March 2019 and YTD March 2020 (<1% variance), Council saw an 85% decrease in loans for the last quarter, when libraries were closed, when compared to the same period in the previous financial year.
<p><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 year) / Number of children enrolled in the MCH service] x100</p>	79.38%	80.41%	82.75%	84.20%	Council makes contact with every family whose details are provided as part of the birth notification process inviting them to participate, offering a first home visit.
<p><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] x100</p>	63.41%	79.37%	78.43%	95.65%	Yarra has 23 children enrolled, in past years not all have attended the Council service. During the financial year the Aboriginal and Torres Strait Islander local health provider which also supports this community was without the services of their Maternal and Child Health nurse for a period of time which may have attributed to additional patronage of the Council service.
<p><b>Roads</b> <b>Satisfaction</b> <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]</p>	72.30	72.20	76.50	75.00	Council's satisfaction score of 74.70 is categorised as very good from the 2020 Annual Customer Satisfaction Survey. Previous years' results are also categorised as either good (65.00-72.50) or very good (72.50-77.50) using the same survey instrument.

BP	<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	74.07%	77.45%	61.04%	86.00%	The current result indicates a positive trend over the past 4 years. VCAT suspended the hearing of cases that required face to face hearings from the 18 May 2020 in response to Covid-19, in 2019/20 only 50 cases were heard compared to 77 in 2018/19.
	<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	37.36%	37.73%	37.72%	36.33%	Council continues to promote environmental sustainability and the benefits of recycling. This year there was a slight increase in the amount of waste going to landfill during the 4th quarter, in part attributed to the Covid-19 legislation restricting movements of residents outside of their homes and the closure of on-site dining and social facilities.
	<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 "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 "food premises" has the same meaning as in the <i>Food Act 1984</i> "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					

"population" means the resident population estimated by council

"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 2020

Dimension / indicator / measure	Results				Forecasts				Material Variations	
	2017	2018	2019	2020	2021	2022	2023	2024		
R15(2) Sch3	<b>Efficiency</b>									
R16(1)	<b>Expenditure level</b>									
R16(2)	<i>Expenses per property assessment</i>	\$3,088.70	\$3,196.76	\$3,592.09	\$3,427.30	\$3,588.29	\$3,668.73	\$3,618.58	\$3,622.14	Movement immaterial
R17(2)	[ Total expenses / Number of property assessments]									
R17(3)	<b>Revenue level</b>									
	<i>Average rate per property assessment</i>	New in 2020	New in 2020	New in 2020	\$2,030.69	\$2,102.53	\$2,124.14	\$2,146.16	\$2,168.57	New measure in 2019/20, therefore non comparative result.
	[General rates and Municipal charges / Number of property assessments]									
	<b>Liquidity</b>									
	<b>Working capital</b>									
	<i>Current assets compared to current liabilities</i>	150.61%	196.87%	282.25%	246.58%	229.59%	196.96%	192.96%	188.73%	Decline in the indicator for 2019/20 was due to an increase in current liabilities, predominantly driven by change in accounting standards requiring operating leases to be recorded as a liability on Council's balance sheet as well as the recognition of unearned income on contracts where performance obligations have not been satisfied.
	[Current assets / Current liabilities] x100									

<p><b>Unrestricted cash</b>  <i>Unrestricted cash compared to current liabilities</i>            [Unrestricted cash / Current liabilities] x100</p>	63.57%	96.61%	106.06%	84.14%	44.19%	66.85%	63.36%	76.16%	This indicator declined during the year as a result of reduced cashflow from sources including parking and user fees as a result of the COVID-19 pandemic. After adjusting for cashflow received from open space reserve contributions during the year, which is restricted for future use, Council's overall cash reserves declined and as such so did this indicator
<p><b>Obligations</b>  <b>Loans and borrowings</b>  <i>Loans and borrowings compared to rates</i>            [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100</p>	45.41%	42.80%	40.27%	37.86%	35.67%	31.29%	27.08%	22.93%	Movement immaterial
<p><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</p>	1.49%	3.00%	3.09%	2.80%	30.80%	4.78%	4.65%	4.53%	The forecast ratio increase significantly in 2021 due to Council's obligation to repay one of its loan facilities which falls due. Council intends to borrow to repay this loan, with the new loan repayment terms assumed to be on a principal and interest basis.
<p><b>Indebtedness</b>  <i>Non-current liabilities compared to own source revenue</i>            [Non-current liabilities / Own source revenue] x100</p>	29.39%	26.41%	26.97%	27.39%	26.32%	19.04%	16.17%	13.34%	Movement immaterial

BP	<b>Asset renewal and upgrade</b> <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	120.65%	124.34%	147.04%	117.33%	111.51%	New measure in 2019/20, therefore non comparative result.
	<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	6.31%	8.38%	1.51%	-1.02%	-6.44%	1.67%	3.73%	4.36%	Reduction in the ratio for 2019-20 due to the impact of the COVID-19 pandemic on Council's owned sourced income for the year. Both parking and infringement income as well as leisure user fees were well below budget as a result of reduced parking traffic and closure of leisure facilities.
	<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	58.17%	56.30%	55.53%	60.11%	62.41%	57.13%	57.30%	57.45%	Ratio has increased for 2019-20 due to reduction in adjusted underlying revenue impacted per above.
	<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.20%	0.21%	0.18%	0.20%	0.20%	0.20%	0.20%	0.19%	Ratio has increased for 2019-20 due to increase in property values throughout the municipality being less than in prior years.
<b>Definitions</b> "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										

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"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.

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## Other Information

For the year ended 30 June 2020

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### 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 4 August 2020 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.

	Retired measures	Result	Result	Result	Comments
	<i>Service / indicator / measure</i>	2017	2018	2019	2020
AM4	<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	11	13	14	Retired in 2020 This measure was replaced by AM7 from 1 July 2019.
E1	<b>Efficiency</b> <b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,617.29	\$1,674.29	\$1,727.98	Retired in 2020 This measure was replaced by E4 from 1 July 2019
O1	<b>Obligations</b> <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	98.77%	102.44%	96.13%	Retired in 2020 This measure was replaced by O5 in 1 July 2019.

## Certification of the Performance Statement

R18(1) In my opinion, the accompanying performance statement has been prepared in accordance with  
R18(2) the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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Mark Montague CA  
**CFO and Principal Accounting Officer**  
**Dated:** 15 September 2020

In our opinion, the accompanying performance statement of the Yarra City Council for the year ended 30 June 2020 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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Cr Misha Coleman  
**Mayor**  
**Dated:** 15 September 2020

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Cr James Searle  
**Councillor**  
**Dated:** 15 September 2020

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Vijaya Vaidyanath  
**Chief Executive Officer**  
**Dated:** 15 September 2020

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