

Performance Statement

For the year ended 30 June 2022

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 99,622 (estimated residential as of 30 June 2022) 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.

Overview of 2021/22

Like all Councils across Victoria, Yarra was impacted financially by the COVID-19 pandemic, both through increased spending to support our local community and businesses and loss of revenue. We made a deliberate and considered decision to step up and assist our community, and businesses during the pandemic through the following initiatives:

- Precinct activations and economic recovery achieved through Yarra's temporary outdoor dining program. All fees associated with outdoor dining were waived during the pandemic. (COVID Safe Outdoor Dining (\$1.372m), and
- Extension of the hardship policy, assisting the vulnerable members of our community impacted by COVID-19.

Council's financial operations were impacted by the following:

- Revenue from statutory fees and fines and user fees were under budget by \$11.072m and \$6.772m respectively, and
- Additional costs were incurred to protect the community, including the provision of COVID-19 Marshalls.

Council's Capital Works Program was also impacted due to:

- Supply chain delays and construction material shortages (including the availability of timber and steel), and
 - A reduction in the number of permitted workers allowed at sites reduced the ability to complete planned projects.
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Sustainable Capacity Indicators

For the year ended 30 June 2022

<i>Indicator / measure</i>	Results				Comment
	2019	2020	2021	2022	
Population					
<i>Expenses per head of municipal population</i>	\$1,953.17	\$1,857.25	\$1,927.03	\$2,022.13	The 2021/22 ABS population estimate provided decreased by 4% compared to the 2020/21 estimate, increasing the cost per head of population.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$10,012.59	\$9,928.65	\$9,913.72	\$9,945.76	Indicator is consistent with prior years.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	312.88	323.23	327.48	316.32	Indicator is consistent with prior years.
[Municipal population / Kilometres of local roads]					

<i>Indicator / measure</i>	Results				Comment
	2019	2020	2021	2022	
<i>Own-source revenue</i>					
<i>Own-source revenue per head of municipal population</i>	\$1,770.97	\$1,691.76	\$1,566.01	\$1,726.64	Own source revenue improved in 2021/22 compared to prior years but is below budget due to the continued impact of the COVID-19 pandemic.
[Own-source revenue / Municipal population]					
<i>Recurrent grants</i>					
<i>Recurrent grants per head of municipal population</i>	\$133.50	\$132.26	\$150.04	\$169.17	Recurrent grants have been impacted by the prepayment of 75% of the Financial Assistance Grants for 2022/23.
[Recurrent grants / Municipal population]					
<i>Disadvantage</i>					
<i>Relative socio-economic disadvantage</i>	8.00	8.00	8.00	8.00	On average, Yarra has lower levels of disadvantage across the municipality with high levels of disadvantage concentrated in the main public housing areas within Richmond, Collingwood and Fitzroy.
[Index of Relative Socio-economic Disadvantage by decile]					
<i>Workforce turnover</i>					
<i>Percentage of staff turnover</i>	14.0%	10.4%	7.4%	14.1%	Council's staff turnover rates decreased during 2019/20 and 2020/21 which coincided with the period of COVID-19 pandemic restriction in Victoria and the slowing of the employment market. The end of COVID-19 restrictions has
[Number of permanent staff resignations and terminations / Average number of					

<i>Indicator / measure</i>	Results				Comment
	2019	2020	2021	2022	
permanent staff for the financial year] x100					seen staff turnover rates increase to a level that is comparable with pre COVID-19 levels.

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 2022

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>	9.23	7.08	3.57	6.21	The closure of Leisure centres due to COVID-19 commenced in March 2020 and has continued on and off throughout 2020/21 and 2021/22. Aquatic facilities re-opened to the public in November 2021 and remained open for 8 months both with and without restrictions. This resulted in a significant increase in visitations and utilisation compared to 2020/21.
[Number of visits to aquatic facilities / Municipal population]					
Animal management					
Health and safety					
<i>Animal management prosecutions</i>	New in 2020	100%	100%	100%	Council continues to perform well with all 10 animal management prosecutions ruled in favour of Council.
[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
Food safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	99.54%	100.00%	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.
[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					
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i>	72	71	66	50	Council scored an average of 50 for Satisfaction with council decisions in the Annual Customer Satisfaction Survey 2022 (ACSS). A score of 50 is categorised as Average (40-60).
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
The answer scale for the ACSS was updated in 2022 to align with the Victorian Local Government Community Satisfaction Survey conducted by the Department of Jobs, Precincts and Regions. Scores were collected on a 5-point scale in 2022 and a 11-point scale prior to 2022. Average scores are not directly comparable and should be considered in the context of the scale change.					
A breakdown of the scores by category, showing the % of respondents, between 2021 and 2022 respectively are: Very good/Good 38.8% compared to 36.3%; Average 47.6% compared to 33.7%; and Very Poor/Poor 13.6% compared to 29.9%.					

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
					While the % of respondents who scored Council Very good/Good has remained relatively stable between 2021 and 2022, the % of respondents who scored Council Very Poor/Poor has also increased. Council is working to understand this result and what actions might be required to improve satisfaction.
Libraries					
Participation					
Active library borrowers in municipality	19.72%	16.24%	15.10%	13.23%	The closure of Libraries due to COVID-19 commenced in March 2020 and has continued on and off throughout 2020/21 and 2021/22. During 2021/22 the library was closed for 100 days, opened with restricted hours and access for 178 days and business as usual for 92 days. Closures have impacted on the community's ability to actively engage with Libraries. The active members calculations are based on the last 3 years during which the community's ability to access facilities and loans has been significantly impacted.
[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100					
Maternal and child health					
Participation					
Participation in the MCH service	82.75%	84.20%	84.63%	80.55%	Council contacts every family whose details are provided as part of the birth notification process inviting them to participate, offering a first home visit. Council is not in control of how many families accept the offer.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
Participation					
<p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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>	78.43%	95.65%	97.34%	55.70%	<p>During the pandemic, council had a reduced capacity to undertake outreach with aboriginal families. Yarra has a partnership with Victorian Aboriginal Health Services, and correct data recording and transfers are still being finalised. Both of these factors resulted in a variance compared to previous years. Council is working to understand the data and will focus on outreach and strengthening participation appropriate to our aboriginal community.</p>
Roads					
Satisfaction					
<p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	77	75	73	63	<p>Council scored an average of 63 for Satisfaction with sealed local roads in the Annual Customer Satisfaction Survey 2022 (ACSS). A score of 63 is categorised as Good (60-80).</p> <p>The answer scale for the ACSS was updated in 2022 to align with the Victorian Local Government Community Satisfaction Survey conducted by the Department of Jobs, Precincts and Regions. Scores were collected on a 5-point scale in 2022 and a 11-point scale prior to 2022. Average scores are not directly comparable and should be considered in the context of the scale change.</p> <p>A breakdown of the scores by category, showing the % of respondents, between 2021 and 2022 respectively are: Very good/Good 55.2% compared to 57.2%; Average 37.3% compared to 28.3%; and Very Poor/Poor 7.5% compared to 14.4%.</p> <p>While the % of respondents who scored Council Very good/Good has</p>

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
					increased between 2021 and 2022, the % of respondents who scored Council Very Poor/Poor has also increased. Council is working to understand this result and what actions might be required to improve satisfaction.
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	61.04%	86.00%	58.67%	70.53%	Yarra continues to have a significant number of appeals related to complex and controversial applications. In 2021/22 the number of appeals to VCAT increased 26%, 95 compared to 75 in 2020/21. Council planning decisions upheld at VCAT increased by 20.22%, VCAT upheld 67 Council decisions upheld in 2021/22 compared to 44 in 2020/21.
[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					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	37.72%	36.33%	33.03%	30.36%	The ratio of waste diverted from landfill decreased from 33% in 2020/21 to 30% in 2021/22. The figures have remained consistent over the past two years.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and					

Service / indicator / measure	Results				Comment
	2019	2020	2021	2022	
green organics collected from kerbside bins] x100					

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 borrower" 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 section 98 of the Act

"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

"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*

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

Financial Performance Indicators

For the year ended 30 June 2022

Dimension / <i>indicator</i> / <i>measure</i>	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency									
<i>Expenditure level</i>									
<i>Expenses per property assessment</i>	\$3,592.09	\$3,427.30	\$3,486.41	\$3,461.32	\$3,757.94	\$3,783.74	\$3,702.81	\$3,664.92	Indicator is consistent with prior years and forecasts for future years indicate no major variances.
[Total expenses / Number of property assessments]									
<i>Revenue level</i>									
<i>Average rate per property assessment</i>	New in 2020	\$2,030.69	\$2,037.22	\$2,075.05	\$2,141.51	\$2,163.88	\$2,182.88	\$2,200.91	Indicator is consistent with prior years and forecasts for future years indicate no major variances.
[General rates and Municipal charges / Number of property assessments]									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	282.25%	246.58%	126.61%	170.49%	170.23%	142.99%	127.55%	116.35%	Improvement in indicator as interest only loan of \$32.5 million was a current liability for 2020/21 and was repaid in November 2021. Forecast indicator is impacted by budgeted borrowings to be drawn down in 2022/23 and by cash utilised to fund capital works delivery.
[Current assets / Current liabilities] x100									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	106.06%	84.14%	13.27%	-7.38%	73.59%	49.81%	32.25%	19.49%	This indicator is affected by term deposits of \$25 million that are treated as other financial assets. This indicator would be 33.28% if the \$25 million was held as cash and cash equivalents. The indicator in future years is impacted by debt reduction and increases in statutory reserves.
[Unrestricted cash / Current liabilities] x100									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	40.27%	37.86%	35.45%	32.42%	43.91%	37.94%	32.14%	26.56%	Improvement in indicator mainly due to loans and borrowings reducing from \$41.2 million in 2020/21 to \$39.2 million in 2021/22. Forecast indicator is impacted by budgeted borrowings in 2022/23 and then reduces as loan repayments are made.
[Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i>	3.09%	2.80%	2.70%	29.54%	4.26%	6.03%	5.86%	5.70%	This indicator impacted by the repayment of interest only loan of \$32.5 million in November 2021. Indicator will return to trend in future years.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	26.97%	27.39%	7.93%	22.56%	26.65%	22.48%	18.47%	14.73%	Indicator affected in 2020/21 by \$33.8 million of borrowings that moved to current liabilities. Indicator has now returned to trend.
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	120.65%	107.26%	119.88%	118.71%	111.11%	106.56%	104.78%	Increase in indicator due to greater renewal capital works being undertaken in 2021/22.
[Asset renewal and upgrade expense / Asset depreciation] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	1.51%	-1.02%	-9.01%	-4.63%	-2.96%	-2.38%	0.89%	2.33%	This indicator continued to reflect the COVID-19 pandemic's impact on parking and user fee income. Forecast is that this indicator will improve in future years.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2019	2020	2021	2022	2023	2024	2025	2026	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	55.53%	60.11%	63.77%	62.75%	58.85%	58.72%	58.60%	58.82%	Indicator is consistent with prior years and forecasts for future years indicate no major variances.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.18%	0.20%	0.20%	0.20%	0.18%	0.19%	0.19%	0.18%	Indicator is consistent with prior years and forecasts for future years indicate no major variances.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Former measures

<i>Service / indicator / measure</i>	Results 2018	Results 2019	Results 2020
Animal Management			
<i>Health and safety</i>			
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	13	14	Retired in 2020
Efficiency			
<i>Revenue level</i>			
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,674.29	\$1,727.98	Retired in 2020
Obligations			
<i>Asset renewal</i>			
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	102.44%	96.13%	Retired in 2020

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

Definitions cont.

"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 2022

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 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).

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 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.

The forecast figures included in the performance statement are those adopted by council in its Long Term Financial Plan on 23 June 2022 and which forms part of the council plan. The 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 Long Term Financial 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 2020 and the Local Government (Planning and Reporting) Regulations 2020.

Dennis Bastas CPA

Acting Chief Financial Officer and Principal Accounting Officer

Dated: 13 September 2022

In our opinion, the accompanying performance statement of the Yarra City Council for the year ended 30 June 2022 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 Sophie Wade

Mayor

Dated: 13 September 2022

Cr Herschel Landes

Councillor

Dated: 13 September 2022

Sue Wilkinson

Chief Executive Officer

Dated: 13 September 2022
