

Yarra Council

Performance Statement

For the year ended 30 June 2023

Performance Statement

For the year ended 30 June 2023

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).

In 2021 the Australian Bureau of Statistics forecast the Yarra population to be 103,125. In 2023 they revised their population estimates, the revision took into consideration the impact of the COVID-19 pandemic which for Yarra resulted in multi-year absences of international students and foreign workers coupled with people relocating to Victoria's regions or interstate which meant Yarra's residential population experienced a dramatic but temporary decline. The revision resulted in the 2023 forecast resident population dropping to 92,118. Our population forecasters, id® consulting estimates that despite this temporary decline Yarra will continue to grow, with the population predicted to reach 123,995 by 2031.

Overview of 2023

During the financial year council experienced growth in residents and demand for services. Extensive works were undertaken to improve infrastructure.

Sustainable Capacity Indicators

For the year ended 30 June 2023

| <i>Indicator / measure</i> [formula] | Results | | | | Comment |
|--|------------|------------|------------|-------------|--|
| | 2020 | 2021 | 2022 | 2023 | |
| Population | | | | | |
| <i>Expenses per head of municipal population</i> [Total expenses / Municipal population] | \$1,857.25 | \$1,927.03 | \$2,022.13 | \$2,249.18 | The 2022/23 ABS population estimate decreased by 7.5% compared to the 2021/22 estimate, increasing the cost per head of population |
| <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population] | \$9,928.65 | \$9,913.72 | \$9,945.76 | \$10,870.01 | The increases in 2022 and 2023 is due to the decrease in the ABS population forecasts for these years compared to 2021. In 2021 the population forecast was 103,124, revised in 2023 to 92,118 after considering the impact of COVID-19. |
| <i>Population density per length of road</i> [Municipal population / Kilometres of local roads] | 323.23 | 327.48 | 316.32 | 290.59 | The population density per length of road decreased by 8% compared to the 2021/22 due to a decrease in the 2022/23 ABS population estimate. |

| <i>Indicator / measure</i> [formula] | Results | | | | Comment |
|--|----------------|-------------|-------------|-------------|---|
| | 2020 | 2021 | 2022 | 2023 | |
| <i>Own-source revenue</i> | | | | | |
| <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population] | \$1,691.76 | \$1,566.01 | \$1,726.64 | \$2,156.95 | Own source revenue improved in 2022/23 compared to prior years as we continue to recover from the impacts of the COVID-19 pandemic. |
| <i>Recurrent grants</i> | | | | | |
| <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population] | \$132.26 | \$150.04 | \$169.17 | \$178.55 | Recurrent grants have been impacted by the advance of 100% of the Financial Assistance Grants for 2023/24. |
| <i>Disadvantage</i> | | | | | |
| <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile] | 8.00 | 8.00 | 8.00 | 9.00 | 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. |
| <i>Workforce turnover</i> | | | | | |
| <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff] | 10.4% | 7.4% | 14.1% | 16.6% | Council's staff turnover rates decreased during 2019/20 and 2021/22 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 seen staff turnover rates continue to |

| Indicator / measure [formula] | Results | | | | Comment |
|---|----------------|-------------|-------------|-------------|--|
| | 2020 | 2021 | 2022 | 2023 | |
| for the financial year] x100 | | | | | 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 2023

| Service / indicator / measure | Results | | | | Comment |
|---|---------|------|------|------|---|
| | 2020 | 2021 | 2022 | 2023 | |
| Aquatic facilities | | | | | |
| Utilisation | | | | | |
| <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population] | 7.08 | 3.57 | 6.21 | 7.02 | Attendance at the Aquatic facilities has been increasing since their re-opening in November 2021 when they returned to normal operating hours and programs after the forced closures in March 2020, which continued on and off until November 2021 due to COVID- 19 restrictions. |
| Animal management | | | | | |
| Health and safety | | | | | |
| <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100 | 100% | 100% | 100% | 100% | Council continues to perform well with all 13 animal management prosecutions ruled in favour of Council. |

| Service / indicator / measure | Results | | | | Comment |
|--|---------|--------|---------|--------|---|
| | 2020 | 2021 | 2022 | 2023 | |
| Food safety | | | | | |
| Health and safety | | | | | |
| <i>Critical and major non-compliance outcome notifications</i> | 100.00% | 99.54% | 100.00% | 99.20% | 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> | 71 | 66 | 49 | 46 | Council scored an average of 46% for Satisfaction with council decisions in the Annual Customer Satisfaction Survey 2023 (ACSS), a decrease of 6% compared to 2021/22. A breakdown of the scores by category, showing the % of respondents, between 2023 and 2022 respectively are: Very good/Good 33% compared to 36%; Average 32% compared to 34%; and Very Poor/Poor 35% compared to 30%. The answer scale for the ACSS was updated in 2022 to align with the scale used in the Victorian Local Government Community Satisfaction Survey conducted by the Department of Government Services. |
| [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | | | | | |

| Service / indicator / measure | Results | | | | Comment |
|---|---------|--------|--------|--------|---|
| | 2020 | 2021 | 2022 | 2023 | |
| | | | | | This means that results prior to 2022 are not directly comparable with current results. |
| Libraries | | | | | |
| Participation | | | | | |
| Active library borrowers in municipality | 16.24% | 15.10% | 13.23% | 13.08% | While the percentage of active library borrowers has decreased, this calculation is based on an average of active borrowers over the past three years and includes borrowing activity during 2 years of COVID-19 restrictions. In actual terms there has been a 19.5% increase in the number of borrowers during 2022/23 compared to the number during 2021/22. |
| [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 | 84.20% | 84.63% | 80.55% | 83.02% | Participation levels are aligned with previous trends. 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 |
|--|---------|--------|--------|--------|---|
| | 2020 | 2021 | 2022 | 2023 | |
| 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> | 95.65% | 97.34% | 55.70% | 51.85% | <p>This data includes Aboriginal children who participate with City of Yarra Maternal and Child Health services and the Victorian Aboriginal Health Services (VAHS) after a partnership was developed in 2020-21. While the total 26 Aboriginal children are registered with Council, 14 are active clients with Council and regularly attend their Key Age and Stage appointments. The remaining 12 attend VAHS who use a different recording program, these attendances are not included in the Council participation figures. Council continues to work with VAHS and promote the Maternal and Child Health services with Aboriginal families.</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> | 75 | 73 | 63 | 59 | <p>Council scored an average of 59% for Satisfaction with sealed local roads in the Annual Customer Satisfaction Survey 2023 (ACSS), a decrease of 6% compared to 2021/22.</p> <p>A breakdown of the scores by category, showing the % of respondents, between 2023 and 2022 respectively are: Very good/Good 48% compared to 57%; Average 31% compared to 29%; and Very Poor/Poor 21% compared to 14%.</p> <p>The answer scale for the ACSS was updated in 2022 to align with the scale used in the Victorian Local Government Community Satisfaction Survey conducted by the Department of Government Services.</p> |

| Service / indicator / measure | Results | | | | Comment |
|---|---------|--------|--------|--------|--|
| | 2020 | 2021 | 2022 | 2023 | |
| | | | | | This means that results prior to 2022 are not directly comparable with current results. |
| Statutory Planning | | | | | |
| Decision making | | | | | |
| <i>Council planning decisions upheld at VCAT</i> | 86.00% | 58.67% | 70.53% | 82.50% | Council made decisions on 1192 applications in 2022/23, a decrease of 11% compared to 2021/22 (1340). Yarra continues to have a significant number of appeals related to complex and controversial applications. In 2022/23 the number of appeals to VCAT decreased 16%, 80 compared to 95 in 2021/22, while the number of Council decisions upheld at VCAT increased by 17% compared to 2021/22. In 2022/23 66 were upheld out of 80 appeals. |
| [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> | 36.33% | 33.03% | 30.36% | 29.66% | The ratio of waste diverted from landfill decreased 0.7% compared to 2021/22. |
| [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and 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 2023

| Dimension / indicator / measure | Results | | | | Forecasts | | | | Material Variations |
|--|------------|------------|------------|------------|------------|------------|------------|------------|--|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
| Efficiency | | | | | | | | | |
| Expenditure level | | | | | | | | | |
| <i>Expenses per property assessment</i> | \$3,427.30 | \$3,486.41 | \$3,461.32 | \$3,476.63 | \$3,744.42 | \$3,766.52 | \$3,742.48 | \$3,826.68 | Indicator is consistent with prior years and forecasts for future years indicate no major variances. |
| [Total expenses / Number of property assessments] | | | | | | | | | |
| Revenue level | | | | | | | | | |
| <i>Average rate per property assessment</i> | \$2,030.69 | \$2,037.22 | \$2,075.05 | \$2,097.03 | \$2,208.00 | \$2,233.02 | \$2,252.70 | \$2,267.37 | Indicator is consistent with prior years and forecasts for future years indicate no major variances. |
| [General rates and Municipal charges / Number of property assessments] | | | | | | | | | |
| Liquidity | | | | | | | | | |
| Working capital | | | | | | | | | |
| <i>Current assets compared to current liabilities</i> | 246.58% | 126.61% | 170.49% | 186.56% | 176.01% | 175.06% | 177.51% | 178.01% | Improvement in indicator reflective of improved |

| Dimension / indicator / measure | Results | | | | Forecasts | | | | Material Variations |
|--|---------|--------|--------|---------|-----------|--------|--------|--------|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
| [Current assets / Current liabilities] x100 | | | | | | | | | operating performance in the net result 30 June 2023. |
| Unrestricted cash | | | | | | | | | This indicator is affected by term deposits of \$50 million that are treated as other financial assets. This indicator would be 29.39% if the \$50 million was held as cash and cash equivalents. The indicator in future years, is impacted by debt reduction and increases in statutory reserves. |
| <i>Unrestricted cash compared to current liabilities</i> | 84.14% | 13.27% | -7.38% | -54.13% | 54.45% | 55.41% | 58.00% | 55.19% | |
| [Unrestricted cash / Current liabilities] x100 | | | | | | | | | |
| Obligations | | | | | | | | | |
| Loans and borrowings | | | | | | | | | |
| <i>Loans and borrowings compared to rates</i> | 37.86% | 35.45% | 32.42% | 27.66% | 23.11% | 19.08% | 15.21% | 11.48% | Improvement in indicator mainly due to loans and borrowings reducing from \$39.17 million in 2021/22 to \$34.90 million in 2022/23. Forecast indicator is impacted by a reducing reliance on debt. |
| [Interest and principle repayments on Interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | | | |

| Dimension / indicator / measure | Results | | | | Forecasts | | | | Material Variations |
|--|---------|---------|---------|---------|-----------|---------|---------|---------|--|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
| Loans and borrowings | | | | | | | | | |
| <i>Loans and borrowings repayments compared to rates</i> | 2.80% | 2.70% | 29.54% | 4.22% | 4.01% | 3.92% | 3.81% | 3.71% | This indicator has return to trend following the repayment of interest only loan of \$32.5 million in 2021/22. |
| [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | | | |
| Indebtedness | | | | | | | | | |
| <i>Non-current liabilities compared to own source revenue</i> | 27.39% | 7.93% | 22.56% | 16.94% | 14.09% | 11.23% | 8.51% | 6.67% | 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> | 120.65% | 107.26% | 119.88% | 132.25% | 85.11% | 100.00% | 100.00% | 100.00% | In June 2022, Council adopted a formal Asset Plan which directs and informs investment levels for renewal capital works. The 2024 ratio of 85.11% has been informed by the Council Asset Plan. This reduced forecast has been offset by higher than normal renewal spend during 2020, 2021, 2022 and 2023. |
| [Asset renewal and upgrade expense / Asset depreciation] x100 | | | | | | | | | |

| Dimension / indicator / measure | Results | | | | Forecasts | | | | Material Variations |
|---|---------|--------|--------|--------|-----------|--------|--------|--------|--|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
| Operating position | | | | | | | | | |
| Adjusted underlying result | | | | | | | | | |
| <i>Adjusted underlying surplus (or deficit)</i> | -1.02% | -9.01% | -4.63% | 7.87% | 3.53% | 4.25% | 5.95% | 4.12% | This indicator has reflected the improvement in parking and user fee income as we emerge from the effects of the COVID-19. Forecast is that this indicator will continue to improve in future years. |
| [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | | | | | | | | | |
| Stability | | | | | | | | | |
| Rates concentration | | | | | | | | | |
| <i>Rates compared to adjusted underlying revenue</i> | 60.11% | 63.77% | 62.75% | 56.10% | 57.05% | 56.93% | 56.77% | 56.97% | 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> | 0.20% | 0.20% | 0.20% | 0.18% | 0.20% | 0.20% | 0.20% | 0.20% | Indicator is consistent with prior years and forecasts for future years indicate no major variances. |
| [Rate revenue / Capital improved value of rateable | | | | | | | | | |

| Dimension / indicator / measure | Results | | | | Forecasts | | | | Material Variations |
|---|---------|------|------|------|-----------|------|------|------|---------------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | |
| properties in the municipality] x100 | | | | | | | | | |

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population "means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant "means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2023

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 financial plan on 19 June 2023 and which forms part of the council plan. The financial 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 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.

Wei Chen

Principal Accounting Officer

Dated: 12 September 2023

In our opinion, the accompanying performance statement of the City of Yarra Council for the year ended 30 June 2023 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.

(Councillor 1 Name)

Councillor

Dated: 12 September 2023

(Councillor 2 Name)

Councillor

Dated: 12 September 2023

Sue Wilkinson

Chief Executive Officer

Dated: 12 September 2023
