

# Yarra Ranges Shire Council

## Performance Statement

For the year ended 30 June 2023

### **Description of municipality - About Yarra Ranges Council**

Yarra Ranges Shire is situated in metropolitan Melbourne's outer east, 30 to 110 kilometres from the Melbourne Central Business District. It covers 2,468 square kilometres in area, making it Melbourne's largest local government area. It is well known for its tourism and wineries, agricultural industry, and the natural beauty of the Dandenong Ranges.

The 157,339 residents live in more than 60 suburbs and townships. 52% of the population live in the urban areas of Yarra Ranges, which make up 7.3% of the total land area (including Coldstream). The remaining population is spread throughout rural areas.

The diversity of places, people, industries and attractions – dispersed over a wide variety of urban and rural communities - makes Yarra Ranges one of the most unusual municipalities in Victoria.

## Performance Statement

### Sustainable Capacity Indicators

For the year ended 30 June 2023

Indicator	Results 2020	Results 2021	Results 2022	Results 2023	Variation
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,206.66	\$1,200.62	\$1,331.87	\$1,434.98	This ratio has increased from prior years, due to Council's increased expenditure to support recovery from natural disasters and the increased costs in materials and labour to deliver services.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$4,474.54	\$4,669.06	\$5,347.64	\$5,944.48	Increased spending on infrastructure maintenance and increased waste management services resulted in the increased ratio year-on-year. Also contributing to the increase was the revaluation of infrastructure assets that took place at year end, increasing building and infrastructure assets by \$31.6mil and \$29.4mil respectively.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	89.79	90.89	90.17	89.34	The rate of population has remained stable while Council's investment in roads has increased through the Roads for the Community Initiative.
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$988.49	\$986.51	\$1,065.09	\$1,140.01	Higher than previous year due to a 1.75% lift in rate capping, increased collections from waste management charge and the reinstatement of infringement post the COVID-19 pandemic.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$190.34	\$190.83	\$266.33	\$246.25	Lower recurrent grants per head of municipal population has been impacted by the significantly reduced funding for aged care as a result of aged care reform.
<b>Disadvantage</b>					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	8	8	8	8	Relative socio-economic disadvantage has remained stable in Yarra Ranges throughout the pandemic years.
<b>Efficiency</b>					
<i>Workforce turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff]	10.97%	10.53%	21.15%	21.96%	Turnover increased after the COVID-19 pandemic and remained at a similar level during 2022/23, as more staff look to change careers post the pandemic and due to the restructure which took place within the Directorate's. A number of contractor roles have expired and were not renewed.

Indicator	Results 2020	Results 2021	Results 2022	Results 2023	Variation
<b>for the financial year] x100</b>					

### Definitions

"adjusted underlying revenue" means total income other than—

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

"infrastructure" means non-current property, plant and equipment excluding land.

"local road" means a sealed or unsealed road for which Council is the responsible road authority under the *Road Management Act 2004*.

"variation" is the quantitative threshold set by Yarra Ranges Shire Council based on the 2021-22 results. These thresholds are used to create explanatory commentary.

"population" means the resident population estimated by Council based on the ABS ERP as at 30 June 2022.

"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.

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

## Service Performance Indicators for the year ended 30 June 2023

Indicator	Results 2020	Results 2021	Results 2022	Results 2023	Variation
<b>Animal management</b>					Council has achieved 100% success in Animal Management prosecutions. 21 prosecutions took place this year, slightly less than the previous year but still consistent with historical trends
<i>Health and safety</i>					
<b>Animal management prosecutions</b>	100.00%	100.00%	95.65%	100.00%	
[Number of successful animal management prosecutions / Number of animal management prosecutions]x100					
<b>Aquatic facilities</b>					Utilisation of aquatic facilities substantially increased this year, which was expected as Covid-19 restrictions are no longer impacting these facilities. Visitor numbers would have been even higher if it weren't for vandalism of the inflatable dome at the Kilsyth Centennial Pool which forced it to be closed in February 2023. The pool has remained closed since. Additionally, the Monbulk Aquatic Centre which was closed the year before following damage from a fallen tree, was re-opened in September 2022.
<i>Utilisation</i>					
<b>Utilisation of aquatic facilities</b>	2.28	1.29	1.39	2.81	
[Number of visits to aquatic facilities / Municipal population]					
<b>Food safety</b>					Council observed an improvement in this space from the previous year. The overall number of number of critical non-compliance outcome notifications and major non-compliance notifications decreased this year, which was a positive sign.
<i>Health and safety</i>					
<b>Critical and major non-compliance outcome notifications</b>	88.64%	97.67%	72.97%	93.33%	
[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100					
<b>Governance</b>					The 2023 Community Satisfaction Survey found scored Council 48 for this indicator. Results were varied amongst different sub-groups of the community, with 18-34 year olds reporting the highest satisfaction score (53) and residents from the Yarra Valley region reporting the lowest satisfaction (41).
<i>Satisfaction</i>					
<b>Satisfaction with Council decisions</b>	53	56	54	48	
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]					
<b>Libraries</b>					The proportion of active library borrowers across the municipality has increased slightly.
<i>Participation</i>					
<b>Active library borrower</b>	10.84%	9.80%	8.89%	9.03%	

Indicator	Results 2020	Results 2021	Results 2022	Results 2023	Variation
[The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years] x100					This indicator uses figures over the past three years so is still being impacted by lower visitor numbers during the Covid-19 pandemic. Council considers it will take another year to return to pre-pandemic levels.
<b>Maternal and child health</b>					
<i>Participation</i>					
<b>Participation in the MCH service</b>	75.49%	74.54%	74.93%	74.65%	Participation in Council's MCH service has remained consistent with levels seen in previous years.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
<i>Participation</i>					
<b>Participation in the MCH service by Aboriginal children</b>	72.08%	74.81%	79.00%	78.47%	Participation levels in the MCH service by Aboriginal children remain consistent with previous years. Yarra Ranges Council has continued working in partnership and close collaboration in ongoing engagement efforts with Aboriginal and Torres Strait Islander community services in addition to EACH and Best start.
[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					
<b>Roads</b>					
<i>Satisfaction</i>					
<b>Satisfaction with sealed local roads</b>	53	49	48	43	The Local Government Community Satisfaction Survey reported that satisfaction with sealed local roads fell from 48 to 43 this year. Lower scores were reported by residents in the Hills and Yarra Valley regions, which were more adversely impacted by storms throughout the year.
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					
<b>Statutory Planning</b>					
<i>Decision making</i>					
<b>Council planning decisions upheld at VCAT</b>	54.84%	88.00%	56.25%	62.50%	Council continues to see an increase in the number of matters being appealed at VCAT. The success rate of 62.50% includes both decisions overturned and also where VCAT varied the decision by amending conditions.
[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					
<b>Waste Collection</b>					
<i>Waste diversion</i>					
<b>Kerbside collection waste diverted from landfill</b>	51.22%	50.56%	50.15%	52.14%	Results are consistent with previous years with a slight improvement. Total tonnages are slightly higher than the previous year though the tonnages of recyclables and green organics has increased

Indicator	Results 2020	Results 2021	Results 2022	Results 2023	Variation
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					more than garbage, resulting in a slight improvement in this indicator.  We expect the new Food Organics, Garden Organics service will improve this figure next year, since not all households have a green waste bin currently but will in the future.

## 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 Yarra Ranges member of the Eastern Regional Library who has borrowed a physical or digital item from the library in the last 12 months

"Annual Report" means an annual report prepared by a Council under section 98 of the 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. In Yarra Ranges a critical non-compliance will be followed up within 48 hours.

"food premises" has the same meaning as in the *Food Act 1984*

"local road" means a sealed or unsealed road for which 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. In Yarra Ranges a major non-compliance will be followed up within 90 days.

"MCH" means the Maternal and Child Health Service provided by 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 based on the ABS ERP as at 30 June 2022.

# Performance Statement

## Financial Performance Indicators

for the year ended 30 June 2023

Indicator	Results			Forecasts					Variation
	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Efficiency</b>									
<b>Revenue level</b>									
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	\$1,906.71	\$1,896.24	\$1,974.06	\$2,013.31	\$2,089.21	\$2,214.93	\$2,256.37	2,340.26	Minor increase in average rate per property assessment is in line with the State imposed rate cap.
<b>Expenditure level</b>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,915.41	\$2,903.17	\$3,155.41	\$3,350.07	\$3,346.65	\$3,395.72	\$3,419.60	\$3,449.82	Expenses per head of population has increased from the previous year due to higher total expenses, mainly being influenced by Council's investment into recovery from recent natural disasters.
<b>Liquidity</b>									
<b>Working capital</b>									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	166.82%	132.16%	122.37%	123.31%	113.42%	123.53%	126.94%	139.06%	A slight increase in the ratio in 2023 is due to council ending the year with a higher cash balance due to delays in the delivery of the capital work program.
<b>Unrestricted cash</b>									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	33.07%	82.17%	24.51%	14.20%	17.99%	28.05%	33.55%	47.41%	Council has seen a reduction in unrestricted cash due to the treatment of unearned income in accordance with AASB 1058.
<b>Obligations</b>									
<b>Asset renewal and upgrade</b>									
<i>Asset renewal compared to depreciation</i> [Asset renewal and asset upgrade expenditure / Asset depreciation] x100	145.52%	131.30%	155.10%	138.78%	174.30%	124.78%	121.59%	124.02%	Delays in asset renewals and cost rises in materials and labour shortages have caused the indicator to drop on the prior year.
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	9.47%	6.88%	4.03%	1.92%	11.44%	14.98%	24.73%	33.70%	Higher revenue collection including interest on outstanding rates and delays in the capital program has meant Council has not needed to draw down on further debt. This indicator will normalise next year as borrowings are required to complete the capital works program.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.92%	2.89%	2.72%	2.10%	0.97%	3.04%	4.05%	5.26%	High revenue collection including interest on outstanding rates and delays in the capital program has meant Council has not needed to draw down on any further debt funding lowering the indicator.

Indicator	Results					Forecasts			Variation
	2020	2021	2022	2023	2024	2025	2026	2027	
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	10.14%	8.51%	6.04%	5.77%	21.74%	22.47%	29.65%	35.84%	Ratio has reduced year-on-year due to a reduction of non-current interest bearing loans. Council will however rely on borrowings in future years to deliver the scheduled capital expenditure program.
<b>Operating position</b>									
<b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	0.38%	5.09%	6.60%	3.48%	-2.39%	-0.11%	0.56%	2.14%	Ratio higher than previous year due to higher non-recurrent grant revenue, mainly due to grant funding received to support storm recovery and advance receipt of Victorian Grants Commission funding.
<b>Stability</b>									
<b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	75.34%	72.78%	68.96%	69.40%	77.59%	78.16%	78.49%	79.13%	Is in line with expectations and prior year. Rates concentration dipped following COVID 19 along with severe storm events which occurred over the past couple of year as funding received for natural disasters and COVID 19 reduced the rates concentration percentage. Accordingly, Council is expecting rates concentration to return to pre-2020 levels.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.34%	0.33%	0.34%	0.29%	0.31%	0.32%	0.33%	0.34%	The Valuer General Victoria revalues your property each year and this value determines your rates. Rates are based on your property value relative to other properties in your area. As property prices have increased significantly this has reduced the indicator despite rates also rising.



## **Definitions**

"adjusted underlying revenue" means total income other than:

- a. non-recurrent grants used to fund capital expenditure
- b. non-monetary asset contributions
- 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" mean the resident population estimate by council.

"rate revenue" means revenue from the general rates, municipal charges, service rates and service charges.

"recurrent grants" 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**

#### **Basis for 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 an accounting basis 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 year ended 30 June 2023 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 in the Performance Statement. Yarra Ranges Shire 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 Budget 2023-24 to 2026-27 adopted on 27 June 2023 and which forms part of the Council Plan. The Budget 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 Budget 2022-23 to 2025-26 is available on Council's website, [www.yarraranges.vic.gov.au](http://www.yarraranges.vic.gov.au).

**Performance Statement**  
**For the year ended 30 June 2023**

**Certification of the Performance Statements**

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*.

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**Andrew Hilson CA**  
Principal Accounting Officer  
XX October 2023

In our opinion, the accompanying performance statement of the Yarra Ranges Shire 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.

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**Cr Jim Child**  
Mayor  
xx October 2023

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**Cr Fiona McAllister**  
xx October 2023

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**Tammi Rose**  
Chief Executive Officer  
xx October 2023