

## Performance Statement

For the year ended 30 June 2022

### Description of municipality - About Yarra Ranges Council

Yarra Ranges Shire Council is situated on metropolitan Melbourne's eastern fringe, 35 km from the Melbourne Central Business District. It covers an area of almost 2,500 square kilometres. It is well known for its tourism industry including the Yarra Valley wine region, farming and the natural beauty of the Dandenong Ranges. The tourism region had experienced an 8.6% average annual growth over a five year period, normally attracting 7 million tourists annually and generating an estimated \$634 million gross revenue annually by businesses and organisations prior to the COVID-19 pandemic. We have seen a significant decline in the growth of this sector due to the impact of the COVID-19 pandemic.

The 158,331 residents live in over 55 suburbs, townships and small communities. Yarra Ranges has about 70 per cent of its population living in approximately 3 per cent of the total land area. The remaining population is mostly distributed throughout rural areas. It has a young population, with 19 per cent aged between 5 and 19 years and has a growing ageing population, with the number of people aged over 65 expected to increase by 32% between 2020 and 2030. Yarra Ranges is still attracting couples with children, who are looking for a lifestyle choice in one of the 6,077 new dwellings expected to be built over the next ten years.

Yarra Ranges' economy is home to 13,459 businesses employing 41,700 people. Manufacturing and construction are the most valuable sectors, yielding \$3.8 billion in regional output. Rental, Hire and Real Estate Services and Agriculture are also strong contributors with an output generating \$2.6 billion in the last year. Retail, construction, education and training, health care and social assistance, and manufacturing industries are the key industry sectors and employ more than 56.2 per cent of people who work in Yarra Ranges.

The diversity of places and dispersion of communities makes Yarra Ranges one of the most unique municipalities in the State of Victoria.

## Performance Statement

### Sustainable Capacity Indicators

For the year ended 30 June 2022

Indicator	Results 2019	Results 2020	Results 2021	Results 2022	Variation
<b>Population</b>					
<b>Expenses per head of municipal population</b> [Total expenses / Municipal population]	\$1,122.10	\$1,206.66	\$1,200.62	\$1,331.87	This ratio has increased from prior years, due to Council's increased expenditure to support recovery from the June 2021 storm event.
<b>Infrastructure per head of municipal population</b> [Value of infrastructure / Municipal population]	\$4,369.84	\$4,474.54	\$4,669.06	\$5,347.64	A 20% growth in the Capital Expenditure program from 2021 has shown increased spending on infrastructure assets, mainly roads (\$9.9m) and recreational, leisure and community facilities (\$5.2m).  Council is partway through a significant road sealing program which is contributing to the growth.  This KPI is also impacted by the increased revaluation of assets.
<b>Population density per length of road</b> [Municipal population / Kilometres of local roads]	88.71	89.79	90.89	90.17	The rate of population has remained stable while Council's investment in roads has increased, particularly as a result of the Roads for the Community program, has shown a slight decrease in this ratio.
<b>Own-source revenue</b>					
<b>Own-source revenue per head of municipal population</b> [Own-source revenue / Municipal population]	\$976.56	\$988.49	\$986.51	\$1,065.09	Higher than previous year due increased waste management charges, and Council not providing a Covid-19 rates credit in 2021-22, which was provided in 2020-21.
<b>Recurrent grants</b>					
<b>Recurrent grants per head of municipal population</b> [Recurrent grants / Municipal population]	\$171.53	\$190.34	\$190.83	\$266.33	Council received an additional 25% advance receipt of its Victorian Grants Commission funding in 2022, with 75% of the 2022/23 allocation received in 2021/22.
<b>Disadvantage</b>					
<b>Relative socio-economic disadvantage</b> [Index of Relative Socio-economic Disadvantage by decile]	8	8	8	8	Council is ranked in the top 20% of the SEIFA index suggesting low levels of disadvantage, but at a more localised level, it has several pockets of high levels of disadvantage.
<b>Efficiency</b>					
<b>Workforce turnover</b> [Number of permanent staff resignations and terminations / Average number of permanent staff for	12.31%	10.97%	10.53%	21.15%	Turnover increased during FY2022, as more staff looked to change roles/careers post-pandemic. Resignations were lower during COVID-19 but have increased since as more certainty has returned. Turnover also increased by a higher number of contracts coming to an end during 2022. If temporary contract staff and staff unable to meet vaccination

### 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 2020-21 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 2021.

"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 decile.

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

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## Service Performance Indicators for the year ended 30 June 2022

Indicator	Results 2019	Results 2020	Results 2021	Results 2022	Variation
<b>Animal management</b>					23 prosecutions took place this year, which is slightly less than the previous year. Of the 23 prosecutions, 22 were successful. Council continues to experience delays in court processing times due to the impact of COVID-19 and associated staff shortages.
<i>Health and safety</i>					
<b>Animal management prosecutions</b>	<i>New in 2020</i>	100.00%	100.00%	95.65%	
[Number of successful animal management prosecutions / Number of animal management prosecutions]x100					
<b>Aquatic facilities</b>					Numbers at aquatic facilities improved this year, though were still low compared to pre-COVID-19 levels. Facilities were either completely closed or open with capacity limits at various times during the year due COVID-19 restrictions.  The pool at Monbulk Aquatic Centre was closed for the entire year, following damage sustained during the June 2021 storm. A reciprocal membership between Monbulk and Belgrave Aquatic Centre was established, allowing members at Monbulk to swim at Belgrave whilst Monbulk was closed.
<i>Utilisation</i>					
<b>Utilisation of aquatic facilities</b>	3.12	2.28	1.29	1.39	
[Number of visits to aquatic facilities / Municipal population]					
<b>Food safety</b>					Data shown is for the 2021 calendar year to align with reporting to the Department of Health (DoH).  The percentage of critical and major non-compliance notifications followed up decreased in 2021 as the pandemic and June 2021 storm event impacted our responsiveness. Council also faced significant challenges from staff vacancies. There is an industry-wide shortage of qualified Environmental Health Officers which has impeded our ability to recruit suitable staff to vacant positions.
<i>Health and safety</i>					
<b>Critical and major non-compliance outcome notifications</b>	97.73%	88.64%	97.67%	72.97%	
[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>					Community satisfaction with Council's performance in making decisions in the interest of the community is broadly consistent compared to previous financial years but has decreased slightly in 2022.  Council continues to place a strong focus on consulting and engaging with the community despite the limitations that social distancing restrictions placed on our ability to engage face to face with our community. In line with our revised engagement approach, we have continued expanding our use of social media and other digital modes of communication to keep the community informed.
<i>Satisfaction</i>					
<b>Satisfaction with Council decisions</b>	56	53	56	54	
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]					

<b>Libraries</b>					The number of library borrowers decreased significantly from 2019/20 to 2020/21 due to the pandemic, however, there was a small increase in the number of borrowers in 2021/22 as COVID-19 restrictions eased. Physical borrowings appear to have declined whilst digital borrowings continue to increase.
<i>Participation</i>					
<b>Active library borrower</b>	11.12%	10.84%	9.80%	8.89%	
[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					
<b>Maternal and child health</b>					Participation in the MCH service increased slightly this year from the previous year and remains consistent with longer term results.
<i>Participation</i>					
<b>Participation in the MCH service</b>	76.66%	75.49%	74.54%	74.93%	Our modified service delivery model continued to enable us to reach clients throughout various COVID-19 lockdown periods.
[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>	76.10%	72.08%	74.81%	79.00%	This year's increase reflects Council's efforts to better engage the Aboriginal community with Best Start as well as strengthening relationships with Victorian Aboriginal Child Care Agency (VACCA) and Oonah.
[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					
<i>Participation</i>					
<b>Roads</b>					The satisfaction score decreased from 49 to 48 this year.
<i>Satisfaction</i>					
<b>Satisfaction with sealed local roads</b>	55	53	49	48	It is important to note that 31% of sealed kilometres of roads within the municipality are managed by the Department of Transport. The community satisfaction rating reflects both Council and Department of Transport roads. Approximately 30% (264) of all sealed road requests received were transferred to the Department of Transport suggesting there is a misconception in the community around which sealed roads Council is responsible for.
[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]					
<i>Satisfaction</i>					
<b>Statutory Planning</b>					32 matters were taken to VCAT throughout the year, which is higher than the 25 in the previous year.
<i>Decision making</i>					
<b>Council planning decisions upheld at VCAT</b>	42.42%	54.84%	88.00%	56.25%	VCAT ruled to uphold Council's decision in 18 out of 32 cases.
[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>					Council saw small decreases across three areas year-on-year. This is possibly driven by fewer people working from home post-
<i>Waste diversion</i>					
<b>Kerbside collection waste diverted from landfill</b>	49.15%	51.22%	50.56%	50.15%	

[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100

COVID-19, shifting back to more traditional tonnages.

We expect the new FOGO services will improve this figure from August 2023, 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 2021.

# Performance Statement

## Financial Performance Indicators

for the year ended 30 June 2022

Indicator	Results				Forecasts				Variation
	2019	2020	2021	2022	2023	2024	2025	2026	
<b>Efficiency</b>									
<b>Revenue level</b>									
<i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,906.71	\$1,896.24	\$2,014.57	\$2,049.99	\$2,075.41	\$2,106.31	\$2,142.90	Increase in average rate per property assessment is in line with the State imposed rate cap, as well as Council not providing a Covid-19 rate credit in 2021-22
<b>Expenditure level</b>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,723.35	\$2,915.41	\$2,903.17	\$3,220.16	\$3,156.50	\$3,040.37	\$3,053.12	\$3,072.39	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 the June 2021 storm event.
<b>Liquidity</b>									
<b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	255.31%	166.82%	132.16%	122.37%	110.88%	112.98%	107.01%	124.56%	Decrease in working capital from 2021 reflects an increase in current liabilities, mainly influenced by increase in trade creditors due to changeover of finance systems at 1 July 2021 which required all trade creditor payments to be made prior to 30 June 2021.
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	82.07%	33.07%	82.17%	24.51%	25.51%	26.21%	24.83%	30.48%	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	New in 2020	145.52%	131.30%	155.10%	206.83%	232.65%	222.34%	207.22%	Higher asset renewal expenditure, with activity increasing following the lifting of COVID-19 restrictions.
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	12.25%	9.47%	6.88%	4.03%	22.87%	30.48%	36.60%	43.70%	Higher rates revenue and delays in the capital program has meant Council has not needed to draw down on further debt. Council expects to rely on borrowings in future year to deliver the scheduled capital expenditure program.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing	3.02%	2.92%	2.89%	2.72%	4.21%	5.60%	6.93%	8.51%	Higher rates revenue and delays in the capital program has meant Council has not needed to draw down on any further debt funding.

Indicator	Results					Forecasts			Variation
	2019	2020	2021	2022	2023	2024	2025	2026	
loans and borrowings / Rate revenue] x100									
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	11.85%	10.14%	8.51%	6.04%	20.60%	26.01%	30.31%	35.72%	Ratio has reduced year-on-year due to a reduction of non-current interest-bearing loans. Council will 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	5.60%	0.38%	5.09%	6.60%	5.86%	10.21%	10.40%	10.43%	Ratio higher than previous year due to higher operating 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	74.94%	75.34%	72.78%	68.96%	72.96%	73.13%	73.76%	74.54%	2022 has a lower ratio compared to 2021 due to a higher level of operating grant income received in 2021, causing the ratio to decrease.
<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%	0.34%	0.33%	0.34%	0.35%	0.35%	0.35%	0.34%	The prior year rates revenue included a one-off COVID-19 related credit, which reduced rates, however this was not provided in 2021/22 which has slightly increased this ratio.



Retired Indicators	Results 2019	Results 2020
<b>Animal management</b>		
<b>Health and safety</b>		
<i>Animal management prosecutions</i>	15	Retired in 2020
[Number of successful animal management prosecutions]		
<b>Efficiency</b>		
<b>Revenue Level</b>		
<i>Average residential rate per residential property assessment</i>	\$2,053.29	Retired in 2020
[Residential rate revenue / Number of residential property assessments]		
<b>Obligations</b>		
<b>Asset Renewal</b>		
<i>Asset renewal compared to depreciation</i>	108.48%	Retired in 2020
[Asset renewal expense / Asset depreciation] x100		

### 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 2022

#### 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 2022 and for the prescribed financial performance indicators and measures, the results forecast by Council's Budget. 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 explanations have been provided for all measures irrespective of materiality thresholds.

The forecast figures included in the Performance Statement are those adopted by Council in its Budget 2022-26 adopted on 28 June 2022 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 2022-26 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 2022

### 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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**Allison Southwell**  
Principal Accounting Officer  
BComm CPA  
25 October 2022

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

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**Cr Jim Child**  
Mayor  
25 October 2022

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**Cr Richard Higgins**  
25 October 2022

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**Tammi Rose**  
Chief Executive Officer  
25 October 2022