



# FINANCIAL PERFORMANCE INDICATORS

GLEN EIRA CITY COUNCIL  
**ANNUAL REPORT**  
2016–2017

BENTLEIGH • BENTLEIGH EAST • BRIGHTON EAST • CARNEGIE • CAULFIELD • ELSTERNWICK  
GARDENVALE • GLEN HUNTLY • MCKINNON • MURRUMBEENA • ORMOND • ST KILDA EAST



GLEN EIRA  
CITY COUNCIL

# FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2017

DIMENSIONS / Indicator / Measure	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
<b>EFFICIENCY</b>								
<b>Revenue level</b>								
Average residential rate per residential property assessment  [Residential rate revenue/number of residential property assessments]	\$1,415.61	\$1,485.03	\$1,521.45	\$1,549.42	\$1,572.02	\$1,599.97	\$1,628.51	Movements in line with Council's Strategic Resource Plan.
<b>Expenditure level</b>								
Expenses per property assessment  [Total expenses/number of property assessments]	\$2,149.69	\$2,332.85	\$2,230.99	\$2,341.25	\$2,360.19	\$2,382.49	\$2,417.85	Shows a reduction in expenses for 2016–17 as a result of one-off items in 2015–16 including: the restructuring of existing loan facilities \$4.93m and the payment to the Clayton Landfill Site of \$1.94m relating to undercharges.
<b>Workforce turnover</b>								
Resignations and terminations compared to average staff  [Number of permanent staff resignations and termination/average number of permanent staff for the financial year] × 100 [depreciation] × 100	9.82%	11.48%	9.23%	10.69%	10.69%	10.69%	10.69%	The workforce turnover indicator has seen a reduction from 2015–16. The movements are attributable to normal variances in operational departures.
<b>LIQUIDITY</b>								
<b>Working capital</b>								
Current assets compared to current liabilities  [Current assets/current liabilities] × 100	98.80%	99.31%	123.96%	117.86%	112.96%	107.83%	103.66%	Increase in 2016–17 relates to: higher than anticipated income from parking infringements, open space contributions and brought forward income for Victorian Grants Commission funding. Forecast movements in line with Council's Strategic Resource Plan.
<b>Unrestricted cash</b>								
Unrestricted cash compared to current liabilities  [Unrestricted cash/current liabilities] × 100	25.21%	28.15%	45.34%	26.16%	29.78%	23%	18.05%	Increase in 2016–17 relates to: higher than anticipated income from parking infringements, open space contributions and brought forward income for Victorian Grants Commission funding. Forecast movements in line with Council's Strategic Resource Plan.

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DIMENSIONS / Indicator / Measure	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
<b>OBLIGATIONS</b>								
<b>Asset renewal</b>								
Asset renewal compared to depreciation [Asset renewal expenses/asset depreciation] x100	78.26%	82.14%	69.79%	79.03%	94.96%	83.73%	73.85%	Lower expenditure on asset renewal as a result of a reduced capital program in 2016–17. Forecast movements in line with Council's Strategic Resource Plan.
<b>Loans and borrowings</b>								
Loans and borrowings compared to rates [Interest bearing loans and borrowings/rate revenue] x100	23.35%	25.68%	21.38%	17.55%	13.83%	10.16%	6.62%	Borrowings restructured in June 2016, which resulted in a net financial benefit to Council. Reflects repayment of loan borrowings according to schedule. The principal loan was to build the Glen Eira Sports and Aquatic Centre.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings/rate revenue] x100	3.21%	3.11%	3.94%	3.84%	3.71%	3.59%	3.48%	Borrowings restructured in June 2016, which resulted in a net financial benefit to Council. Reflects repayment of loan borrowings according to schedule.
<b>Indebtedness</b>								
Non-current liabilities compared to own source revenue [Non-current liabilities/own source revenue] x100	20.45%	19.44%	15.91%	13.17%	10.42%	7.64%	4.91%	Reflects Council's reduction in debt according to scheduled loan repayments.
<b>OPERATING POSITION</b>								
<b>Adjusted underlying result</b>								
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/adjusted underlying revenue] x100	9.32%	6.90%	16.20%	9.43%	10.13%	10.32%	10.36%	Underlying result for 2015–16 impacted by one-off, unbudgeted expenditure items. Increase for 2016–17 relates to: higher than anticipated income from parking infringements, open space contributions and brought forward income for Victorian Grants Commission funding.

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FOR THE YEAR ENDED 30 JUNE 2017

DIMENSIONS / Indicator / Measure	Results			Forecasts				Material variations
	2015	2016	2017	2018	2019	2020	2021	
<b>STABILITY</b>								
<b>Rates concentration</b>								
Rates compared to adjusted underlying revenue	61.72%	61.12%	58.73%	61.36%	61.28%	61.65%	61.81%	Rates concentration was reduced in 2016–17 due to increased adjusted underlying revenue. This is a result of increased parking fees, increased planning and subdivision fees and prepayment of Victorian Grants Commission grant income.
[Rate revenue/adjusted underlying revenue] x100								
<b>Rates effort</b>								
Rates compared to property values	0.19%	0.20%	0.17%	0.16%	0.16%	0.16%	0.15%	The reduction in 2016–17 reflects a large increase in property values throughout the municipality compared to capped rate increases.
[Rate revenue/capital improved value of rateable 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 in paragraphs (a) and (b)

“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