

Annual Report 2016-17 Content

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Sub-Section:	Understanding the Performance Statement
Item (Action):	
Contributing Officers:	Corporate Performance

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Performance Statement

For the year ended 30 June 2017

Understanding the Performance Statement

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 1989* and Local Government (Planning and Reporting) Regulations 2014.

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 2014 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. Council has, however, provided comments against every indicator to assist readers in interpreting the results.

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 26 June 2017 and which forms part of the Council Plan. The strategic resource 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 strategic resource plan can be obtained by contacting Council or from Council's website www.whitehorse.vic.gov.au.

Description of Municipality

The City of Whitehorse is located just 15 kilometres east of Melbourne and covers an area of 64 square kilometres. The municipality has an estimated residential population of 167,933 residents (Australian Bureau of Statistics, 2016). Whitehorse has a diverse population. According to the 2016 census, 38 per cent of residents were born overseas and 37 per cent speak a language other than English at home. The most common languages are Mandarin, Cantonese, Greek, Italian, Vietnamese, Hindi, Sinhalese, Korean and Persian/Dari. Whitehorse City Council provides high quality services and facilities across a range of areas including community services, environmental services, customer services, health and wellbeing, planning and building, parks and gardens and more. Whitehorse has more than 631 hectares of open space, including quality bushland reserves, parks, formal gardens, recreation reserves and trails, combined with tree-lined residential streetscapes to form a pleasant urban environment.

Sustainable Capacity Indicators

For the year ended 30 June 2017

Dimension/Indicator/Measure	2015	Results 2016	2017	Material Variations and Comments
CAPACITY				
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$906.87	\$912.94	\$923.37	This result demonstrates Council's continual ability to maintain a relatively low cost per head of population. Council ensures service delivery and adequate maintenance of community infrastructure within the parameters of a responsible budget.
Population <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$4,913.42	\$4,912.03	\$5,022.44	This result reflects Council's continual commitment to invest in high quality infrastructure.
Population <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	265.31	268.33	263.63	This result demonstrates Council's ability to continually maintain a well-developed road network to support the size of its population.
Own source revenue <i>Own source revenue per head of municipal population</i> [Own source revenue / Municipal population]	\$871.39	\$934.83	\$981.87	This result reflects Council's continual ability to generate revenue from different sources without relying on funding from other levels of government.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$130.59	\$102.93	\$130.74	This result reflects Council receiving in 2016/17 the full allocation of the 2016/17 Victoria Grants Commission funding and 50% of the funding 2017/18 allocation.
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	9.00	9.00	9.00	This result indicates that Whitehorse continues to be a municipality with a relatively low socio-economic disadvantage.

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 2017

Service/Indicator/Measure	2015	Results 2016	2017	Material Variations and Comments
Aquatic facilities				
Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	10.11	9.62	9.28	<p>Aquatic facilities were well utilised, offering a broad range of accessible aquatic and dry area facilities.</p> <p>The decrease in the utilisation of aquatic facilities is the result of a fall in the number of visits, which has been impacted by the opening of a new aquatic facility in a neighbouring municipality.</p> <p>In the 2017 Community Satisfaction Survey, Council's recreational facilities were one of the top performing areas, significantly exceeding the Metropolitan group and State-wide averages.</p>
Animal management				
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	7.00	7.00	9.00	<p>The number of animal management prosecutions varies from year to year. Matters reported are investigated and where the circumstances of the incident meet statutory provisions, prosecutions are initiated against the animal's owner. This year, nine incidents were reported and all nine incidents were successfully prosecuted. This result represents the effectiveness of the animal management service as all attacks that met the Domestic Animal Act 1994 criteria were successfully prosecuted.</p>

Service/Indicator/Measure	2015	Results 2016	2017	Material Variations and Comments
Food safety				
Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] X 100	92.00%	98.97%	100.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
Governance				
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56.00	57.00	59.00	Council has seen improvement in satisfaction with council decisions over the past two year. This result highlights Council's continued efforts in making decisions which are in the best interest of the community. In the 2017 Community Satisfaction Survey, Council exceeded the Metropolitan result and significantly exceeded the State-wide result on making community decisions.
Libraries				
Participation <i>Active library members</i> [Number of active library members / Municipal population] X 100	15.00%	15.28%	14.84%	The active members indicator fluctuates each year. This year the estimated resident population for Whitehorse has increased, whilst the number of active members has remained static, resulting in a slightly lower percentage. The indicator does not include members who attend the library for other purposes such as using the internet, Wi-Fi services or attendance at library programs.

Service/Indicator/Measure	2015	Results 2016	2017	Material Variations and Comments
Maternal and Child Health (MCH)				
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] X 100	80.00%	78.37%	83.36%	Council's Maternal and Child Health service transitioned to a new state-wide Child Development Information System (CDIS) in April 2017. The new system is experiencing a number of issues, and as such Council is unable to verify the accuracy of the data. Council is currently working with the Municipal Association of Victoria (MAV) to verify this data and rectify these issues. This result demonstrates that Maternal and Child Health participation rates are high in the City of Whitehorse and is supported by the positive results in our most recent Maternal and Child Health Satisfaction Survey.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] X 100	73.00%	75.53%	68.33%	Council's Maternal and Child Health service transitioned to a new state-wide Child Development Information System (CDIS) in April 2017. CDIS is a web-based child and youth centric information management system that was developed in collaboration by the State Government and the Municipal Association of Victoria (MAV). At the end of the financial year, the new system was unable to generate a report for this indicator. Therefore, the MAV have provided the participation in the MCH service by Aboriginal rate for the 2016/17 financial year for the purpose of reporting this indicator's result. The MAV is working to implement this system capability by the next release cycle. In the first year of life, 100% of families attended the service, in the second year 80% attended, the attendance rate drops off considerably after this in years 3, 4, and 5.

Service/Indicator/Measure	2015	Results 2016	2017	Material Variations and Comments
Roads				
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	64.00	73.00	73.00	Satisfaction with sealed local roads remains consistent with prior year. In the 2017 Community Satisfaction Survey, Council performed best in the area of sealed local roads, significantly exceeding the Metropolitan group and State-wide averages.
Statutory Planning				
Decision making <i>Council planning decisions upheld at VCAT</i> [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] X 100	52.00%	40.66%	48.98%	This year's outcome is a result of changes to the VCAT process which require most applications to undertake compulsory conferences. There is considerable pressure to resolve issues prior to a hearing or at least narrow the scope of contended issues for VCAT hearings. The result can be a significant improvement on plans originally considered by Council, but as this is not measured, it does not reflect through the statistic.
Waste Collection				

Service/Indicator/Measure	2015	Results 2016	2017	Material Variations and Comments
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] X 100	51.10%	50.12%	51.12%	<p>Diversion from landfill of 51.12% is consistent with Council's Waste Management Plan 2011 and our continual efforts to reduce waste to landfill.</p> <p>With less paper and lighter packaging, Council has maintained a diversion rate above 50%. This is an excellent achievement, due to the weight of recyclables declining in recent years. A point to note, however, is as a result of Council's waste reduction measures, the amount of garbage waste to landfill has also declined, offsetting the decline in the weight of recyclables. This has resulted in a consistent result compared to the prior years.</p> <p>In the 2017 Community Satisfaction Survey, waste management was the second highest performing service area.</p>

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 member" 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 sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2017

Dimension/Indicator/Measure	2015	Results 2016	2017	2018	Forecasts		2021	Material Variations
Efficiency								
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,338.28	\$1,421.53	\$1,461.10	\$1,497.19	\$1,522.43	\$1,543.16	\$1,570.68	This result confirms Whitehorse City Council's low average rates per assessment and is among the lowest across Metropolitan Melbourne. Future rate increases are anticipated to be in line with the rate cap.
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,151.48	\$2,148.34	\$2,157.02	\$2,310.65	\$2,297.18	\$2,347.47	\$2,388.25	This result demonstrates Council’s continual ability to deliver quality services within a responsible budget.
Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]	7.16%	8.33%	10.27%	15.00%	15.00%	15.00%	15.00%	The result reflects an increase in the staff leaving the organisation. However the result is consistent with the forecast which is in the upper range of positive workforce turnover and refreshment.
Liquidity								
Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities]	278.81%	284.31%	421.04%	447.59%	398.18%	411.07%	374.77%	This demonstrates Council's extremely strong cash position. This will contribute to funding for major community infrastructure projects. The result reflects Council’s strong operating performance in 2016/17 and the increase in Assets now available for sale in the forthcoming year.

Dimension/Indicator/Measure	Results							Material Variations
	2015	2016	2017	2018	Forecasts		2021	
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities]	188.90%	194.18%	257.97%	242.48%	287.52%	273.55%	227.19%	This demonstrates Council's strong unrestricted cash position, strong operating performance in 2016/17 and reflects the cash available after accounting for trust funds and deposits and statutory reserves. This will contribute to funding for major community infrastructure projects.
Obligations								
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation]	75.75%	100.22%	103.30%	102.64%	163.89%	144.04%	122.02%	This result continues the upward trend of Council's Asset's renewal expenditure. This demonstrates Council's continual commitment to renew its existing community infrastructure with projects such as the Whitehorse Centre Redevelopment and the Nunawading Community Hub.
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue]	6.53%	5.62%	5.03%	4.49%	4.33%	0.00%	0.00%	Council continues to have a relatively low level of current borrowings which will reduce over time. There were no new borrowings in the 2016/17 year and this is not expected to change over the forecasted period.
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue]	8.46%	0.67%	0.62%	0.60%	0.19%	4.26%	0.00%	Consistent with the loans and borrowings compared to rates ratio, Council continues to have a relatively low level of current borrowings with the associated interest and principle repayments. There were no new borrowings in the 2016/17 year and this is not expected to change over the forecasted period.

Dimension/Indicator/Measure	Results							Material Variations
	2015	2016	2017	2018	Forecasts		2021	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue]	6.89%	5.75%	5.10%	5.18%	2.10%	2.17%	2.16%	This result demonstrates Council's continual ability to meet its long term obligations. This ratio will continue to improve over the forecasted period.
Operating position								
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (or deficit) / Adjusted underlying revenue]	12.33%	15.25%	20.84%	13.38%	18.28%	14.76%	13.30%	This result represents another strong result for 2016/17, however the forecast trend is expected to decline due to the introduction of rate capping.
Stability								
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue]	56.44%	58.34%	55.21%	58.21%	55.92%	58.04%	58.85%	This result is consistent with prior years in respect to the reliance on rates as a funding source. This percentage is not expected to significantly change in the forecasted period.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality]	0.20%	0.21%	0.17%	0.17%	0.15%	0.16%	0.15%	This result illustrates the relatively low rating burden for the Whitehorse community that will decrease over the forecasted period.

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.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

Stuart Cann CPA
Principal Accounting Officer
Dated: 21 August 2017

In our opinion, the accompanying performance statement of *Whitehorse City Council* for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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 2014 to certify this performance statement in its final form.

Denise Massoud (Mayor)
Councillor
Dated: 21 August 2017

Ben Stennett
Councillor
Dated: 21 August 2017

Noelene Duff
Chief Executive Officer
Dated: 21 August 2017