

Performance Statement for the year ended 30 June 2018

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 the *Strategic Resource Plan 2018-2022* on 25 June 2018 and which forms part of the *Council Plan 2017-2021*. The *Strategic Resource Plan 2018-2022* 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 2018-2022* can be obtained by contacting Council or from Council's website www.whitehorse.vic.gov.au/Corporate-Documents.html.

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 **173,514** residents (Australian Bureau of Statistics, 2018). 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 2018

Dimension/Indicator/Measure	Results				Material Variations and Comments
	2015	2016	2017	2018	
CAPACITY					
Population Expenses per head of municipal population [Total expenses / Municipal population]	\$906.87	\$912.94	\$923.37	\$937.41	This result demonstrates Council's ability to maintain a low cost per head of population. Council ensures high-quality service delivery and maintenance of community infrastructure within the parameters of a responsible budget.
Population Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$4,913.42	\$4,912.03	\$5,022.44	\$4,909.70	This result reflects Council's continual commitment to invest in high-quality infrastructure.
Population Population density per length of road [Municipal population / Kilometres of local roads]	265.31	268.33	263.63	272.39	This result demonstrates the growing Whitehorse population using an established road network, well maintained but not growing in length.
Own source revenue Own source revenue per head of municipal population [Own source revenue / Municipal population]	\$871.39	\$934.83	\$981.87	\$967.43	This result reflects Council's continual ability to generate revenue from different sources without relying on funding from other levels of government.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$130.59	\$102.93	\$130.74	\$115.25	In 2017/18, Council received 50% of the 2017/18 funding allocation and 50% of the 2018/19 funding allocation for the Financial Assistance Grants, whereas in 2016/17 Council received the full 2016/17 funding allocation and 50% of the 2017/18 allocation.
Disadvantage Relative socio-economic disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	9.00	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 2018

Service/Indicator/Measure	Results				Material Variations and Comments
	2015	2016	2017	2018	
Aquatic facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	10.11	9.62	9.28	9.00	Aquatic facilities were well utilised, offering a broad range of accessible aquatic and dry area facilities. The minor decrease in the indicator result can be attributed to an increase in municipal population. The number of visits for 2018 actually increased slightly from 2017 despite increased competition from a new aquatic facility in a neighbouring municipality. Council’s recreational facilities are one of the top performing areas in Council’s Community Satisfaction Survey, significantly exceeding the state-wide averages for the period 2016–2018.
Animal management					
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	7.00	7.00	9.00	4.00	All attacks that met the Domestic Animal Act 1994 criteria were successfully prosecuted. This year four incidents were reported and all four incidents were successfully prosecuted. 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.

Service/Indicator/Measure	Results				Material Variations and Comments
	2015	2016	2017	2018	
Food safety					
Health and safety Critical and major non-compliance notifications [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%	100.00%	In 2017, all major and critical non-compliances identified were followed up in accordance with operational policy. Consistent results have been achieved in the past two years through improved tracking of critical and major non-compliance and strengthening operational policy.
Governance					
Satisfaction Satisfaction with council decisions [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	58.00	Whitehorse City Council has seen improvement in satisfaction with Council decisions over the past four years with only minor variations year on year. This result highlights Council's continued efforts in making decisions which are in the best interest of the community. In the 2018 Community Satisfaction Survey, Whitehorse City Council's result was consistent with the metropolitan result and significantly exceeded the state-wide result on making community decisions.
Libraries					
Participation Active library members [Number of active library members / Municipal population] X 100	15.00%	15.28%	14.84%	14.15%	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	Results				Material Variations and Comments
	2015	2016	2017	2018	
Maternal and Child Health (MCH)					
Participation Participation in the MCH service [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%	85.71%	This result demonstrates that Maternal and Child Health Service participation rates are high and steadily increasing in the City of Whitehorse. This is supported by the positive results in our most recent Maternal and Child Health Satisfaction Survey. Twelve per cent of children were not scheduled for a visit during the 12 month period because it would fall between their 2 year and 3.5 year scheduled visit.
Participation Participation in the MCH service by Aboriginal children [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%	93.55%	Whitehorse City Council has a small number of Indigenous Australian children registered and the participation rate is high during the first three years, as per the non-indigenous children. The ability to send SMS reminders to families has improved participation.
Roads					
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	64.00	73.00	73.00	70.00	Satisfaction with sealed local roads remains largely consistent for the past three years. In the 2018 Community Satisfaction Survey, Whitehorse City Council performed strongly in the area of sealed local roads, significantly exceeding the metropolitan group and state-wide averages.
Statutory Planning					
Decision making Council planning decisions upheld at VCAT [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%	58.11%	The increase in the number of planning decisions upheld at VCAT is likely to reflect the continuing pressure for applications to be resolved outside of VCAT's merits hearing process. This means that applicants, Council and the community involved in proceedings are strongly encouraged to find a point on applications at which all parties can agree, thereby eliminating the need for a full merits hearing. Poorer planning applications are not receiving VCAT support, and objector appeals are less often resulting in overturned decisions.

Service/Indicator/Measure	Results				Material Variations and Comments
	2015	2016	2017	2018	
Waste Collection					
Waste diversion Kerbside collection waste diverted from landfill [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%	50.18%	Diversion from landfill is satisfactory and in line with the diversion rate at other councils with optional garden bin services. Council has maintained a diversion rate above 50% despite the decline in the weight of recyclables and the amount of garbage waste to landfill in recent years. In the 2018 Community Satisfaction Survey, waste management was first equal as the highest-performing service area.

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 2018

Dimension/Indicator/Measure	Results					Forecast			Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,338.28	\$1,421.53	\$1,461.10	\$1,481.26	\$1,504.40	\$1,529.49	\$1,555.54	\$1,582.57	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 Expenses per property assessment [Total expenses / Number of property assessments]	\$2,151.48	\$2,148.34	\$2,157.02	\$2,215.05	\$2,265.01	\$2,318.40	\$2,356.28	\$2,398.28	This result demonstrates Council's continual ability to deliver quality services within a responsible budget.
Workforce turnover Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]	7.16%	8.33%	10.27%	9.84%	15.00%	15.00%	15.00%	15.00%	This result reflects a small decrease in the number of staff leaving the organisation compared to the previous year and the filling of a number of vacant positions during the year. The result is consistent with the forecast.

Dimension/Indicator/Measure	Results					Forecast			Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
Liquidity									
Working capital Current assets compared to current liabilities [Current assets / Current liabilities]	278.81%	284.31%	421.04%	495.00%	466.73%	448.93%	395.85%	382.41%	This demonstrates Council's extremely strong cash position, which will contribute to funding for major community infrastructure projects including the redevelopment of the Nunawading Community Hub and Whitehorse Centre. The improvement in the result reflects Council's strong operating performance in 2017/18.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities]	188.90%	194.18%	257.97%	307.62%	332.30%	281.10%	216.15%	196.55%	<p>This demonstrates Council's strong unrestricted cash position, strong operating performance in 2017/18 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.</p> <p>A decrease in this indicator is expected over future years as Council uses cash reserves as a funding source for major infrastructure projects including the Nunawading Community Hub and Whitehorse Centre redevelopments. The forecast indicator remains strong.</p>

Dimension/Indicator/Measure	Results					Forecast			Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
Obligations									
Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation]	75.75%	100.22%	103.30%	120.06%	143.86%	183.80%	136.45%	104.57%	<p>This result continues the upward trend of Council's asset renewal expenditure. This demonstrates Council's continual commitment to renew its existing community infrastructure such as the Nunawading Community Hub and Whitehorse Centre redevelopments.</p> <p>This indicator is expected to increase over the next two years and then reduce once these major projects are completed, however is expected to remain above the desired level of 100%</p>
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue]	6.53%	5.62%	5.03%	4.57%	4.32%	0.00%	0.00%	0.00%	<p>Council continues to have a relatively low level of current borrowings which will reduce over time. There were no new borrowings in the 2017/18 year and this is not expected to change over the forecasted period.</p>
Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue]	8.46%	0.67%	0.62%	0.51%	0.19%	4.25%	0.00%	0.00%	<p>Consistent with the loan 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 2017/18 year and this is not expected to change over the forecasted period.</p>

Dimension/Indicator/Measure	Results					Forecast			Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue]	6.89%	5.75%	5.10%	4.44%	1.70%	2.03%	2.03%	2.03%	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 Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (or deficit) / Adjusted underlying revenue]	12.33%	15.25%	20.84%	17.85%	27.46%	14.98%	13.62%	12.47%	This result represents another strong result for 2017/18, however the forecast trend is expected to decline due to the impact of rate capping.
Stability									
Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue]	56.44%	58.34%	55.21%	56.39%	49.55%	57.60%	58.41%	58.97%	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 Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality]	0.20%	0.21%	0.17%	0.17%	0.15%	0.14%	0.13%	0.12%	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: 20 August 2018

In our opinion, the accompanying performance statement of *Whitehorse City Council* for the year ended 30 June 2018 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
Councillor
Dated: 20 August 2018

Ben Stennett
Councillor
Dated: 20 August 2018

Noelene Duff
Chief Executive Officer
Dated: 20 August 2018