

MONASH CITY COUNCIL

PERFORMANCE STATEMENT

For the year ended 30 June 2022

Description of municipality

The City of Monash is a culturally diverse community in Melbourne's south eastern suburbs, between 13 and 24 kilometres south-east of Melbourne's Central Business District.

Our City covers 81.5 square kilometres and includes the suburbs of Ashwood, Clayton, Glen Waverley, Hughesdale, Huntingdale, Mount Waverley, Mulgrave, Notting Hill, Oakleigh, Oakleigh East, and Wheelers Hill. Parts of Chadstone, Burwood and Oakleigh South are also included in Monash.

Monash is one of Melbourne's most populous municipalities, with an estimated residential population of 197,890 people living in more than 76,877 dwellings. Over the past two years, the population in Monash has declined by 3.6%, likely as a result of the Pandemic with a large portion of international students who resided in the municipality going back home.

Monash is regarded as a cosmopolitan city with a multi-cultural population. Monash has 50% of residents speaking a language other than English at home and almost 49% of our residents were born overseas, having come from more than 100 different countries.

In keeping with the State Government's cap on rate increases, rate revenue was increased by 3.38% (comprising the 1.5% rate cap with 1.88% supplementary rate growth). By controlling costs over many years, rates have been kept low. In the 2020/21 year, the average rate per property in Monash were \$1,372.86, compared with the state-wide average of \$1,798.88 and similar council average of \$1,807.50. In 2021/22, the average rate per property in Monash was \$1,558.97.

Overview of 2021/22

Council's operations continued to be impacted by the extended lockdown restrictions in Victoria during the first half of 2021/22 financial year. Council extended the COVID deferral option due to COVID impacts, allowing ratepayers till 30 June 2022 to pay their rates and charges without interest charges. Many in the community were still facing financial hardship through job losses and business closures.

Government grants continued to support Council operations particularly with COVID impacted areas such as outdoor dining areas, business support programs and delivery of meals. Revenue levels through user-pay services were lower than anticipated, with offsetting expenditure reductions. In addition, capital project delivery continued to be effected by COVID particularly with supplier chain and resourcing constraints. However, services such as aquatic, recreation centres and libraries slowly returned to relatively normal capacity from November 2021 to June 2022.

Where COVID impacts have been identified as affecting the indicators in this report explanatory notes have been provided.

Sustainable Capacity Indicators

For the year ended 30 June 2022

Indicator/measure	Results				Material Variations and Comments
	2019	2020	2021	2022	
Population					
Expenses per head of population <i>(Total expenses / Municipal population)</i>	\$893.64	\$901.05	\$892.45	\$1,002.92	The ratio has increased by 12.3% from 20/21 which is mainly due to a 3.4% decrease in population. Expenditure is higher than in 20/21 due to services returning to a post-covid normal after several restriction periods for Victoria occurring mainly in 20/21. A result of \$1,002.02 again indicates Council is on the lower end of the expenses per head of municipal population.
Infrastructure per head of Population <i>(Value of infrastructure / Municipal Population)</i>	\$4,493.36	\$4,580.41	\$4,788.89	\$5,114.18	The increase of 6.8% primarily relates to a higher capital works program although municipal population decreased over the 12 month period by 3.4% impacting the final result.
Population density per length of road <i>(Municipal population / Kilometres of local roads)</i>	271.84	268.49	266.84	257.79	A slight decrease due to the decline in the municipal population. Although the trend has seen a reduction in recent years the longer-term expectation is a higher ratio as population numbers increase.
Own-source revenue					
Own-source revenue per head of population <i>[Own-source revenue / Municipal population]</i>	\$809.33	\$787.47	\$689.50	\$838.19	Own source revenue in 21/22 increased mainly due to rate income returning to full charges with no rate waiver which only applied in 20/21. User fees improved as Council services returned to a 'post-covid' normal and facilities opened up although there were some restrictions in Victoria experienced in the early part of the financial year. Municipal population decreased by 3.4% which has also contributed to the \$838.19 result measure or 21.6% increase.
Recurrent grants					
Recurrent grants per head of population <i>(Recurrent grants / Municipal population)</i>	\$102.78	\$99.08	\$103.22	\$114.13	This ratio increased by 10.6% over 20/21 levels with an overall increase in recurrent grant income of \$1.44M. Municipal population reduced by 3.4% which has resulted in a ratio increase to \$114.13.

Indicator/measure	Results				Material Variations and Comments
	2019	2020	2021	2022	
Disadvantage					
Relative socio-economic disadvantage (Index of Relative Socio-economic Disadvantage by decile)	9	9	9	9	The City of Monash is ranked in the top 10% on the SEIFA index suggesting low levels of disadvantage.
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) x 100	11.00%	9.29%	11.93%	17.16%	<p>Council experienced 139 terminations of permanent employees within the financial year 2021/22. This equates to 45 additional terminations than the previous financial year (2020/21). Breakdown detailed.</p> <ul style="list-style-type: none"> • 118 were voluntary (resignation or retirement). This represents an increase of 36 additional voluntary terminations than the previous financial year. • There was an increase of 8 employees terminating due to the ending their contract. • As the workforce moved into a COVID-normal period, there was an increase in resignations (retirement or career change) due to the amount of workload, changing expectations around workplace culture and flexibility/ability to work remotely. • Within this financial year (specifically February 2022), following government requirements for employees to have the 3 vaccinations within the workplace, all of Council's Healthcare and Emergency Service employees were asked to fulfil this requirement in order to work. This led to Council terminating employees who did not comply.

Service Performance Indicators

For the year ended 30 June 2022

Service/Indicator/measure	Results				Material Variations and Comments
	2019	2020	2021	2022	
Aquatic facilities Utilisation Utilisation of aquatic facilities <i>(Number of visits to aquatic facilities /population)</i>	8.30	5.13	2.70	3.82	Modest improvement in 2021/22 compared to 2020/21. However, attendances still significantly lower than pre-COVID level, that is 54% lower. Health Club and casual attendances (aquatics) have been hardest hit with Group Fitness and Learn-to-Swim programs reaching 75% pre-COVID levels.
Animal management Health and safety Animal management prosecutions <i>(Number of successful animal management prosecutions /Total number of animal management prosecutions) x 100</i>	New 2020	100%	100%	100%	The continued high success rate in prosecutions is reflective of the willingness of people to report incidents that impact wider community safety and amenity, which is complemented by the quality of investigations and enforcement skills within the relevant teams.
Food safety Health and safety Critical and major non-compliance outcome notifications <i>(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) x 100</i>	100%	100%	100%	100%	This represents the 2021 calendar year as per the Performance Reporting requirements. All non-conformances have been followed up and this is consistent over the four year period.
Governance Satisfaction 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)</i>	72	74	71	68	Making decisions in the interest of the community recorded a score of 68 ((down 3.9% from 71 in 2021). Despite the decline in satisfaction recorded this year, satisfaction with Council's performance maintaining the trust and confidence of the local community remains measurably and significantly higher than the metropolitan Melbourne (63)

Service/Indicator/measure	Results				Service/Indicator/measure
	2019	2020	2021	2022	Material Variations and Comments
Libraries					
Participation					
Active library borrowers (Number of active library borrowers in the last three years / The sum of the population for the last three years) x 100	16.55%	16.28%	14.21%	12.58%	Pandemic restrictions directly impacted the number of active library borrowers since January 2020. The drop in physical loans was only partly offset by an increase in use of eResources through the Pandemic.
Maternal and child health					
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	77.07%	77.22%	76.46%	74.54%	Over the four-year period there has been a reduction in MCH participation. This decline is attributed to the State-Wide Code Brown Surge. This surge saw MCH services across Victoria reduce service delivery only to families with infants from birth to 8 weeks/vulnerable and Aboriginal families. This reduction significantly impacted the ability of the MCH service to see older children. The City of Monash is planning to support families that missed their KAS (key age and stage) visits will be seen in 2022/23.
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	85.71%	82.72%	79.38%	75.89%	Participation in the MCH service by Aboriginal children over the past four years has declined. A review of the CDIS (child development information system) data indicated attendance of Aboriginal children in the City of Monash in the first two years and three year plus age dropped off. This is consistent the drop off seen with non-Aboriginal Total number of Aboriginal children enrolled is 56.
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)	78	76	75	72	Maintenance and repair of sealed roads recorded a score of 72, down 3.6%. The decline in satisfaction with sealed local roads is attributed to a number of factors including increased traffic on the roads following COVID lockdowns and a focus on traffic and congestion and an overall decline in satisfaction with government services.

Service/Indicator/measure	Results				Material Variations and Comments
	2019	2020	2021	2022	
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	47.97%	51.43%	42.86%	46.84%	There has been a 4% improvement to the result when compared to the 2020/21 reporting period.
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	49.81%	52.33%	56.41%	55.88%	A marginal decrease. An increase is expected in 2022/23 following the switch to bin collection frequency from August 2022.

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 member of a library who has borrowed a book from the library.

"annual report" means an annual report prepared by a council under section 98 of the Act.

"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 authorised 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 authorised 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 the Australian Bureau of Statistics.

Financial Performance Indicators

For the year ended 30 June 2022

Dimension/indicator/measure	Results				Forecast				Material Variations and Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
Efficiency Expenditure level Total expenses per property assessment. <i>(Total expenses / Number of property assessments)</i>	\$2,234.95	\$2,256.48	\$2,177.31	\$2,351.75	\$2,457.50	\$2,521.71	\$2,614.36	\$2,689.39	This ratio increased by 7.9% in 21/22 mainly due to increased expenditure which relates to a post-covid return to normal services for the year. A minor increase to property assessments occurred but as covid restrictions eased for Victoria, Council facilities and services gradually increased capacity. On an expenses per property assessment the Monash ratio is significantly lower than similar councils and the State average.
Revenue level Average rate per property assessment <i>(General rates and Municipal charges / Number of property assessments)</i>	New 2020	\$1,528.68	\$1,372.86	\$1,558.97	\$1,616.56	\$1,662.63	\$1,713.96	\$1,770.90	The Minister for Local Government rate cap of 1.5% was applied to the 21/22 rates (in 2020/21 Council provided a 10% waiver to all rate payers to alleviate COVID impacts). This resulted in an increased ratio by 13.6% as there was only a minimal increase in property assessments. Council's rates are one of the lowest in the State on a per assessment basis.

Dimension/indicator/measure	Results				Forecast				Material Variations and Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
Liquidity Working capital Current assets compared to current liabilities <i>(Current assets / Current liabilities) x 100</i>	237.05%	189.69%	177.25%	179.68%	115.49%	95.77%	110.98%	111.34%	The liquidity ratio increased by 2.97% in 21/22. Current assets, which include cash and term deposits, decreased by \$4M overall and current liabilities decreased by \$3.2M; this was mainly due to lower unearned income being carried forward to next year. Reduced cash holdings coupled with lower capital grants unearned income have improved marginally the overall ratio. Council's forecast working capital levels are expected to reduce in future years mainly due to significant capital works projects scheduled into the future. This result is indicates a strong financial position with current assets exceeding liabilities.
Unrestricted cash Unrestricted cash compared to current liabilities <i>(Unrestricted cash / Current liabilities) x 100</i>	20.28%	24.80%	10.10%	25.08%	30.08%	16.67%	9.97%	32.84%	
Obligations Loans and borrowings Loans and borrowings compared to rates <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100</i>	0.00%	0.00%	0.00%	0.00%	0.00%	10.41%	8.24%	6.10%	Council achieved a debt free status as at 30 June 2015. Future year budgets may require borrowings for various capital works projects but this will be considered and decided upon by Council at the appropriate time.
Loans and borrowings Loans and borrowings repayments compared to rates <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.24%	2.17%	

Dimension/indicator/measure	Results				Forecast				Material Variations and Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
Indebtedness Non-current liabilities compared to own source revenue <i>(Non-current liabilities / Own source revenue) x 100</i>	2.04%	7.25%	7.43%	5.62%	6.16%	13.49%	11.09%	8.88%	The 21/22 ratio compared to the prior year is lower by 1.81%; whilst non-current liabilities have decreased (\$1.18M) own source revenue has increased (\$24.6M) mainly due to additional rate revenue, higher statutory fee and user fee income received. Rate revenue increased due to a return to full charges for the year and no 10% rate waiver; user charges increased due to improved patronage as facilities opened up and statutory fees experienced continued high volumes particularly in planning and building.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation <i>(Asset renewal and upgrade expenses/Asset depreciation) x 100</i>	New 2020	178.19%	138.59%	148.41%	220.75%	134.14%	134.68%	137.43%	This ratio increased by 9.81% on the prior year due to higher renewal and upgrade expenditure undertaken compared to asset depreciation. Council is still meeting its renewal targets and the 148.41% ratio confirms existing high level asset renewal and upgrade expenditure.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) <i>(Adjusted underlying surplus {deficit} / Adjusted underlying revenue) x 100</i>	7.45%	4.68%	-0.73%	1.11%	1.07%	3.39%	2.76%	3.65%	The 21/22 adjusted underlying surplus increased by \$3.73M from 20/21 and the ratio improved by 1.93%. This was mostly due to increased rate income, statutory fees and user charges received compared to 20/21. With the emergence from Covid restrictions and a change to full rate charges without the 10% waiver in place, income improved as did the adjusted financial surplus. Expenses also increased given the return to post-covid services and the re-opening of various council facilities (Halls, Reserves and Recreation facilities).

Dimension/indicator/measure	Results				Forecast				Material Variations and Comments
	2019	2020	2021	2022	2023	2024	2025	2026	
Stability Rates concentration Rates compared to adjusted underlying revenue <i>(Rate revenue / Adjusted underlying revenue) x 100</i>	62.73%	65.50%	65.18%	67.76%	67.13%	65.69%	65.73%	65.40%	This ratio has increased by 2.58% overall in 21/22. This relates to increases in rate revenue and also underlying revenue by similar amounts. The rate revenue increase is due to a return to full rate charges for 21/22 and no rate waiver of 10% for all ratepayers. Underlying revenue includes statutory fees and also user charges which both experienced an increase on the prior year with improved patronage and use of facilities and volume increases in planning and building.
Rates effort Rates compared to property values <i>(Rate revenue / Capital improved value of rateable properties in the municipality) x 100</i>	0.15%	0.16%	0.14%	0.16%	0.14%	0.14%	0.15%	0.15%	The ratio has increased by only 0.02% compared to 20/21. This is due to an increase in capital improved values and also an increase in rate revenue. The increase in rate revenue relates to the 1.5% approved rate cap increase by the Minister for Local Government and also the return to full rate charges for the year. Council applied a rate waiver in the previous year of 10% for all ratepayers in response to the covid pandemic economy impact experienced by all ratepayers across the municipality.

Former measures

Retired measure Service/indicator/measure	Results 2018	Results 2019	Results 2020
Animal management Health and safety Animal management prosecutions <i>Number of successful animal management prosecutions]</i>	12	6	Retired in 2020
Efficiency Revenue level Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,379.46	\$1,427.92	Retired in 2020
Obligations Asset renewal Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x 100</i>	104.90%	109.85%	Retired in 2020

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 as 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 the council.

"population" means the resident population estimated by the Australian Bureau of Statistics.

"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.

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for general use 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

1. Basis of 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 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 2020* 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.

The forecast figures included in the performance statement are those adopted by Council in its 2022/23 Adopted Budget on 28 June 2022 and which forms part of the Council Plan. The Adopted Budget 2022/23 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 Adopted Budget 2022/23 can be accessed online through the *Monash City Council* website.

Certification of the Performance Statement

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*.

DANIEL WAIN (CPA)
Principal Accounting Officer

Dated:

In our opinion, the accompanying performance statement of *Monash City 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.

STUART JAMES
Mayor

Dated:

TINA SAMARDZIJA
Deputy Mayor

Dated:

DR. ANDI DIAMOND
Chief Executive Officer

Dated: