FINANCIAL PERFORMANCE INDICATORS

GLEN EIRA CITY COUNCIL

ANNUAL REPORT

2019–2020

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

City of GLEN EIRA

GLEN EIRA CITY COUNCIL

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2020

DIMENSIONS / Indicator / Measure	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
EFFICIENCY									
Expenditure level									
Expenses per property assessment [Total expenses/number of property assessments]	$2,230.99	$2,341.87	$2,449.65	$2,542.68	$2,562.51	$2,629.31	$2,672.77	$2,695.36	No material variations.
Revenue level									
Average rate per property assessment [General rates and municipal charges/number of property assessments]	-	-	-	$1,403.85	$1,439.09	$1,464.27	$1,493.34	$1,523.01	**Note:** new indicator for 2019–20 financial year. The indicator now includes all property types. This indicator replaced 'Average residential rate per residential property assessment' [Residential rate revenue/Number of residential property assessments] from 1 July 2019.
LIQUIDITY									
Working capital									
Current assets compared to current liabilities [Current assets/current liabilities] x100	123.96%	141.87%	139.96%	127.42%	114.19%	123.83%	100.01%	100.36%	Our liquidity has been impacted by COVID-19 closures, in particular by our reduced ability to generate fee income. The impact of further closures during the 2020–21 year has been included in the forecast.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash/current liabilities] x100	45.31%	44.41%	38.39%	34.46%	22.45%	52.97%	26.00%	27.43%	The forecast is based on the assumption that some business units, such as Glen Eira Leisure facilities, will be operating for only part of 2020–21 due to the COVID-19 pandemic, but will return to full operation in 2021–22. In addition, future borrowings are in line with our *Strategic Resource Plan*.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2020

DIMENSIONS / Indicator / Measure	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
OBLIGATIONS									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings/rate revenue] x100	21.38%	17.56%	13.56%	9.96%	6.37%	11.17%	22.17%	35.98%	Our loan borrowings are decreasing in line with scheduled repayments. Future borrowings are in line with our *Strategic Resource Plan*.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings/rate revenue] x100	3.94%	3.83%	3.63%	3.50%	3.33%	3.21%	4.96%	3.23%	$10 million of loan borrowings have been provided to fund capital works projects in 2021–22, a further $20 million of borrowings is expected in 2022–23. The budget is based on our expected repayment schedules.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities/own source revenue] x100	15.91%	13.06%	9.84%	9.67%	6.97%	9.26%	18.93%	28.36%	The increase in non-current liabilities is due to $10 million of loan borrowings that have been provided to fund capital works projects in 2021–22, a further $20 million of borrowings is expected in 2022–23.
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense/ asset depreciation] x100	-	-	-	120.31%	115.05%	135.25%	287.79%	189.60%	**Note:** new indicator for 2019–20 financial year. The indicator now includes renewal and upgrade expenditure. This indicator replaced 'Asset renewal compared to depreciation' [Asset renewal expense/ asset depreciation] x100 on 1 July 2019. The 2023 forecast is based on a capital program of $98 million which includes construction of major strategic projects.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2020

DIMENSIONS / Indicator / Measure	Results				Forecasts				Material variations
	2017	2018	2019	2020	2021	2022	2023	2024	
OPERATING POSITION									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ adjusted underlying revenue] x100	16.20%	14.15%	11.91%	3.51%	-0.48%	7.08%	6.66%	7.13%	Our results in 2019–20 and 2020–21 are impacted by the COVID-19 restrictions, particularly in generating fee income due to forced closures. The adjusted underlying result for the 2021–22 financial year is based on the assumption that all business units, such as Glen Eira Leisure facilities, will be operational for a full year.
STABILITY									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue/adjusted underlying revenue] x100	58.73%	57.90%	58.67%	63.36%	68.17%	62.56%	62.90%	63.14%	The underlying revenue in 2020–21 is expected to be impacted by COVID-19 restrictions.
Rates effort									
Rates compared to property values [Rate revenue/capital improved value of rateable properties in the municipality] x100	0.17%	0.17%	0.15%	0.17%	0.18%	0.17%	0.17%	0.17%	Property values in 2020 have decreased when compared to the previous year.