FINANCIAL PERFORMANCE INDICATORS

GLEN EIRA CITY COUNCIL

ANNUAL REPORT

2020–2021

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 2021

DIMENSIONS / Indicator / Measure	2018	2019	2020	2021	2022	2023	2024	2025	Material variations and comments
EFFICIENCY									
Expenditure level									
Expenses per property assessment [Total expenses/number of property assessments]	$2,341.87	$2,449.65	$2,542.68	$2,560.92	$2,604.35	$2,672.77	$2,695.36	$2,717.54	No material variations.
Revenue level									
Average rate per property assessment [Total rate revenue (general rates and municipal charges)/number of property assessments]	-	-	$1,403.85	$1,427.50	$1,438.03	$1,477.62	$1,507.04	$1,537.06	No material variations. **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	141.87%	139.96%	127.42%	120.68%	93.73%	92.07%	92.70%	94.05%	Council's working capital ratio is expected to fall below 100 per cent in the next few years due to the impact of COVID-19 and a large investment in strategic capital works projects. Our long term aim is to return to a working capital ratio of over 100 per cent, however during the build of a number of major projects it is considered acceptable for our liquidity to drop below this level.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash/current liabilities] x100	44.41%	38.39%	34.46%	-14.80%	29.53%	25.77%	26.17%	27.40%	Unrestricted cash has reduced due to investments held for terms over three months. These investments could be accessed if liabilities fall due. If the calculation for 2020–21 included term deposits maturing greater than three months ($30m), the indicator would be 28 per cent.

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FOR THE YEAR ENDED 30 JUNE 2021

DIMENSIONS / Indicator / Measure	2018	2019	2020	2021	2022	2023	2024	2025	**Material variations and comments**
OBLIGATIONS									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings/rate revenue] x100	17.56%	13.56%	9.96%	6.34%	29.59%	47.89%	43.74%	39.73%	Our loan borrowings are moving in line with scheduled repayments. Future borrowings are scheduled across 2021–22 and 2022–23 and repayments are in line with our 10 year *Financial Plan.*
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings/rate revenue] x100	3.83%	3.63%	3.50%	3.32%	3.44%	4.99%	3.83%	3.72%	No material variations.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities/own source revenue] x100	13.06%	9.84%	9.67%	8.56%	22.87%	37.78%	34.34%	30.36%	Non-current liabilities have decreased in 2021–22 due to the scheduled repayment of existing loans. In 2022 and 2023 non-current liabilities will increase due to new loan borrowings that have been provided to fund major capital works projects.
Asset renewal and upgrade									
Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense/ asset depreciation] x100	-	-	120.31%	89.33%	222.51%	232.65%	111.70%	114.68%	The 2021 indicator reflects the difficulties in completing our scheduled capital works program during the COVID-19 pandemic restrictions. Large spends on capital works are expected in 2021–22 and 2022–23 including construction of several major strategic projects. **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.

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FOR THE YEAR ENDED 30 JUNE 2021

DIMENSIONS / Indicator / Measure	2018	2019	2020	2021	2022	2023	2024	2025	Material variations and comments
OPERATING POSITION									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ adjusted underlying revenue] x100	14.15%	11.91%	3.51%	-2.88%	-0.45%	3.42%	4.07%	6.08%	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 with full recovery occurring over several future years.
STABILITY									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue/adjusted underlying revenue] x100	57.90%	58.67%	63.36%	69.29%	67.98%	66.80%	66.92%	64.74%	Underlying revenue as a percentage of rates has decreased mainly due to the reduced fee income from parking and Glen Eira Leisure during COVID-19 closures. This is expected to improve in future years.
Rates effort									
Rates compared to property values [Rate revenue/capital improved value of rateable properties in the municipality] x100	0.17%	0.15%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%	No material variations.