FINANCIAL PERFORMANCE INDICATORS

GLEN EIRA CITY COUNCIL

ANNUAL REPORT

2021–2022

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 2022

DIMENSIONS / Indicator / Measure	Results				Forecasts				Material variations and comments
	2019	2020	2021	2022	2023	2024	2025	2026	
EFFICIENCY									
Expenditure level									
Expenses per property assessment [Total expenses/number of property assessments]	$2,449.65	$2,542.68	$2,560.92	$2,485.17	$2,608	$2,590	$2,685	$2,702	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	$1,452.33	$1,479	$1,506	$1,536	$1,566	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	139.96%	127.42%	120.68%	102.48%	100%	88%	83%	89%	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 our major projects it has been considered acceptable for our liquidity to temporarily drop below this level.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash/current liabilities] x100	38.39%	34.46%	-14.80%	27.48%	39%	28%	24%	29%	Unrestricted cash movement is due to timing of term deposits at June 2021. Term deposits over 90 days are not included in unrestricted cash, however are easily accessed if required. Future year movements are due to changes in loan borrowings.

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FOR THE YEAR ENDED 30 JUNE 2022

DIMENSIONS / Indicator / Measure	Results				Forecasts				Material variations and comments
	2019	2020	2021	2022	2023	2024	2025	2026	
OBLIGATIONS									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings/rate revenue] x100	13.56%	9.96%	6.34%	5.71%	28%	46%	42%	38%	Our loan borrowings are moving in line with scheduled repayments. Further borrowings are scheduled across 2022–23 and 2023–24 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	3.63%	3.50%	3.32%	3.20%	3%	2%	4%	4%	This indicator will fluctuate over the next three years as scheduled repayments for existing loans come to an end and we start repayment arrangements for new borrowings.
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities/own source revenue] x100	9.84%	9.67%	8.56%	6.38%	25%	38%	34%	32%	Non-current liabilities have decreased in 2021–22 due to the scheduled repayment of existing loans. In 2022–23 and 2023–24 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%	112.29%	141%	220%	101%	89%	The 2021–22 renewal works included works unable to be completed in 2020–21. Large spends on capital works are expected in 2022–23 and 2023–24 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 2022

DIMENSIONS / Indicator / Measure	Results				Forecasts				Material variations and comments
	2019	2020	2021	2022	2023	2024	2025	2026	
OPERATING POSITION									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ adjusted underlying revenue] x100	11.91%	3.51%	-2.88%	2.50%	0.6%	4%	6%	6%	Our surplus has been significantly impacted by COVID-19 during the financial years ending June 2020, 2021 and 2022. The improved adjusted surplus for 2021–22 indicates the start of our recovery from the pandemic related losses. Revenue levels are expected to continue to improve for the forecasted years.
STABILITY									
Rates concentration									
Rates compared to adjusted underlying revenue [Rate revenue/adjusted underlying revenue] x100	58.67%	63.36%	69.29%	69.93%	70%	68%	66%	67%	No material variations.
Rates effort									
Rates compared to property values [Rate revenue/capital improved value of rateable properties in the municipality] x100	0.15%	0.17%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%	No material variations.