

Nillumbik Shire Council

Group: interface

This fact sheet uses graphs and data to examine this council's revenue, expenditure and financial sustainability over recent years. The information aims to help readers understand the impacts of rate capping. This was introduced in 2016–17 to restrict the amount councils can increase their general rates and municipal charges each financial year.

You can compare this council's data against its 'group' by looking at the fact sheet for interface councils. Further information is available at <http://www.esc.vic.gov.au/outcomes-reports>. You'll find an interactive version of this fact sheet, a reader's guide to help you understand key terms and information about the sector as a whole.



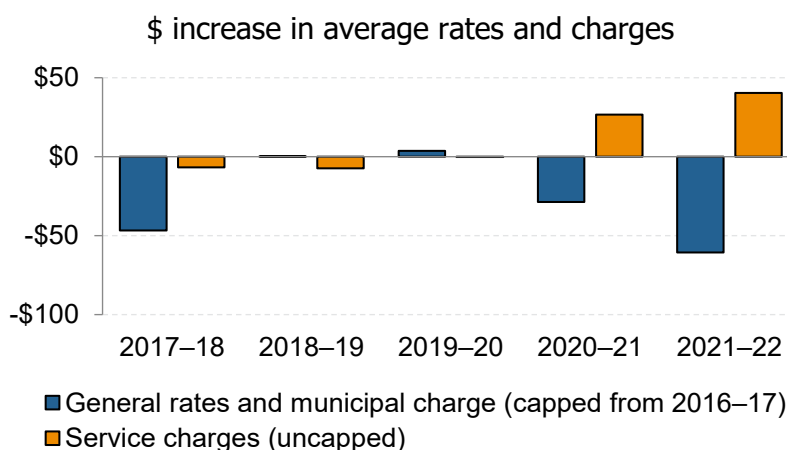
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Key facts

Population (June 2021):	63,454
Size (km ²):	432
Length of local roads (km):	776
Population per km of roads:	82
Council employees (FTE, 2021–22):	322
Higher cap approved for any year between 2016–17 and 2021–22	No

Rates

What happened to average rates and charges (2021–22 dollars)?



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,965	2.50%
2017–18	\$2,912	2.00%
2018–19	\$2,905	2.25%
2019–20	\$2,908	2.50%
2020–21	\$2,906	2.00%
2021–22	\$2,886	1.50%

Rates (continued)



See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

Did council's average rates comply with the applicable rate caps?

2020–21 (2.00%)	2021–22 (1.50%)	2022–23 (1.75%)
Yes	Yes	Yes

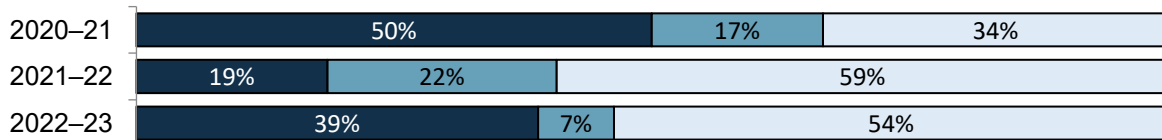
How did rates change for different ratepayers?

Council's rating strategy 2022–23

Council applies 5 differential rates for different types of property and recovers the cost of waste services using service charges. The adopted budget contains more information about rate categories and charges.

Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate. So, some individual rates increased by more and some increased by less than the applicable cap (or even decreased).



- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

Ratepayers by property class (2021–22 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	95% of ratepayers in 2021–22	2% of ratepayers in 2021–22	2% of ratepayers in 2021–22	1% of ratepayers in 2021–22
	\$66.5m (95%) of rates and charges revenue in 2021–22	\$1.9m (3%) of rates and charges revenue in 2021–22	\$1.1m (2%) of rates and charges revenue in 2021–22	\$0.5m (1%) of rates and charges revenue in 2021–22
	-0.1% average annual change between 2017–18 and 2021–22	-1.7% average annual change between 2017–18 and 2021–22	-2.8% average annual change between 2017–18 and 2021–22	1.0% average annual change between 2017–18 and 2021–22

Source: Victorian Local Government Grants Commission (unaudited data). Includes both capped and uncapped rates and charges. 'Other' category of property class has been omitted.

Revenue



See the reader's guide for data sources and useful information.
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Where did council's money come from?

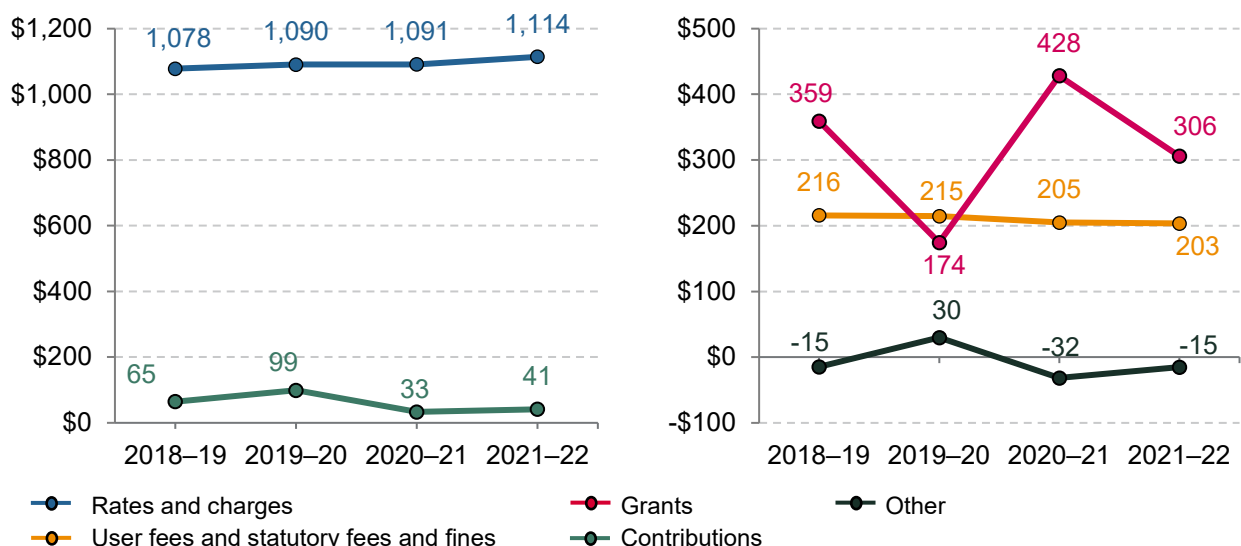
Revenue (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	69.5	(63%)	70.2	(68%)	70.1	(63%)	70.7	(68%)
User fees and statutory fees and fines	13.9	(13%)	13.8	(13%)	13.2	(12%)	12.9	(12%)
Grants	23.1	(21%)	11.2	(11%)	27.5	(25%)	19.4	(19%)
Contributions	4.2	(4%)	6.4	(6%)	2.1	(2%)	2.6	(3%)
Other	-1.0	-(1%)	1.9	(2%)	-2.0	-(2%)	-1.0	-(1%)
Total	110.1		103.5		110.8		104.6	

Nillumbik Shire Council's total revenue fluctuated in real terms between 2018–19 and 2021–22, reflecting changes in revenue from grants and contributions.

Rates and charges was the largest source of revenue, accounting for 65 per cent of total revenue between 2018–19 and 2021–22.

Revenue per person (2021–22 dollars)



In terms of revenue per person (which adjusts for changes in population), revenue from user fees and statutory fees and fines decreased between 2018–19 and 2021–22. This compares with an upward trend in revenue per person from rates and charges. Revenue from grants, fluctuated during the period.

Expenditure



See the reader's guide for data sources and useful information.
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How much money did council spend?

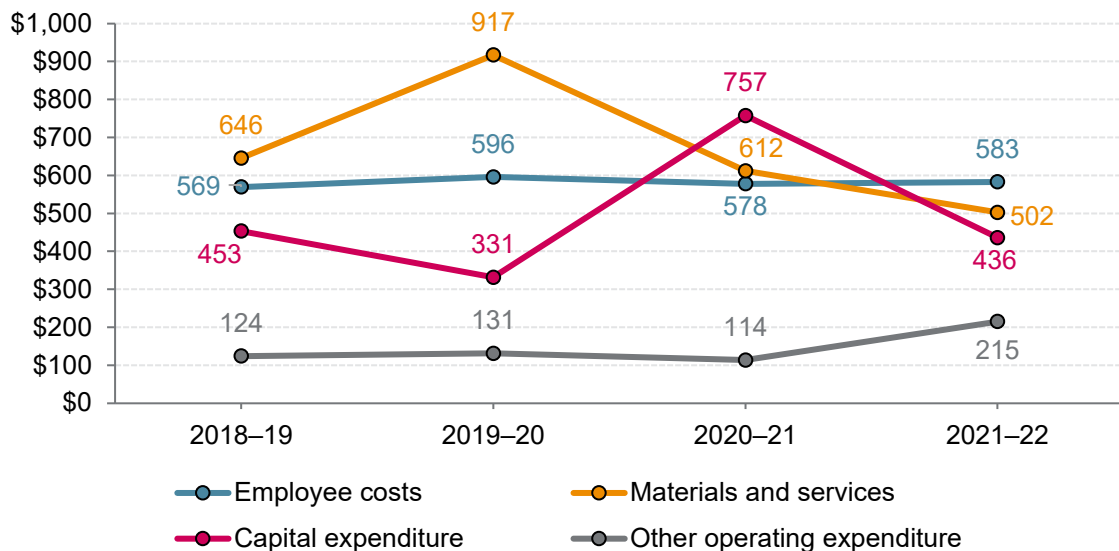
Expenditure (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	86.3	(75%)	105.9	(83%)	83.7	(63%)	82.5	(75%)
Employee costs	36.7	(32%)	38.4	(30%)	37.1	(28%)	37.0	(34%)
Materials and services	41.6	(36%)	59.1	(46%)	39.3	(30%)	31.9	(29%)
Other operating expenditure	8.0	(7%)	8.5	(7%)	7.3	(6%)	13.6	(12%)
Capital expenditure	29.2	(25%)	21.3	(17%)	48.7	(37%)	27.7	(25%)
Total	115.6		127.3		132.4		110.2	

Nillumbik Shire Council's total expenditure fluctuated in real terms between 2018–19 and 2021–22. The largest changes occurred in 2020–21, as capital expenditure increased, and in 2021–22, as capital expenditure decreased.

Materials and services was the largest area of expenditure, accounting for 35 per cent of total expenditure between 2018–19 and 2021–22.

Expenditure per person (2021–22 dollars)



In terms of expenditure per person (which adjusts for changes in population), council's expenditure on materials and services decreased between 2018–19 and 2021–22. This compares with an upward trend in expenditure on employee costs and 'other operating expenditure' per person and a fluctuation in capital expenditure per person.



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Did council's capital expenditure pattern change?

Capital expenditure (2021–22 \$m and % of total capital expenditure)

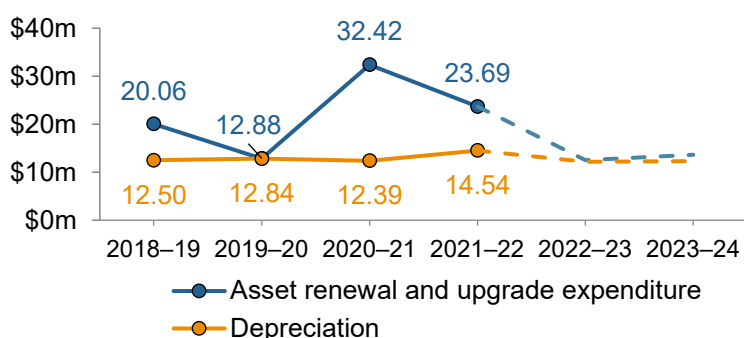
	2018–19		2019–20		2020–21		2021–22	
	\$m		\$m		\$m		\$m	
Renewal	4.7	(16%)	5.1	(24%)	4.4	(9%)	1.5	(5%)
Upgrade	15.4	(53%)	7.8	(37%)	28.1	(58%)	22.2	(80%)
Expansion	2.8	(9%)	0.7	(3%)	1.8	(4%)	3.4	(12%)
New	6.4	(22%)	7.8	(36%)	14.4	(30%)	0.6	(2%)
Total	29.2		21.3		48.7		27.7	

Nillumbik Shire Council's spending on asset upgrades trended upwards in real terms, despite fluctuating between 2018–19 and 2021–22. Asset upgrades accounted for the highest share of capital expenditure over this period (58 per cent).

Council's spending on asset expansion increased in real terms between 2018–19 and 2021–22, while spending on new assets and asset renewal declined.

Did council renew assets (such as roads, parks and buildings)?

Council assets: comparing renewal and upgrade expenditure with depreciation (2021–22 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2018–19	161%
2019–20	100%
2020–21	262%
2021–22	163%
2022–23	103% (forecast data)
2023–24	111% (forecast data)

Council's spending on renewing and upgrading assets trended upwards in real terms, despite fluctuating between 2018–19 and 2021–22. Renewal and upgrade expenditure remained above the amount of depreciation (the decline in value of council's assets caused by age and use) between 2018–19 and 2021–22. It was forecast to remain above the amount of depreciation in 2022–23 and 2023–24.

Services



See the reader's guide for data sources and useful information.
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Which service areas did council spend its money on?

Expenditure by function (2021–22 \$m and % of total services expenditure)

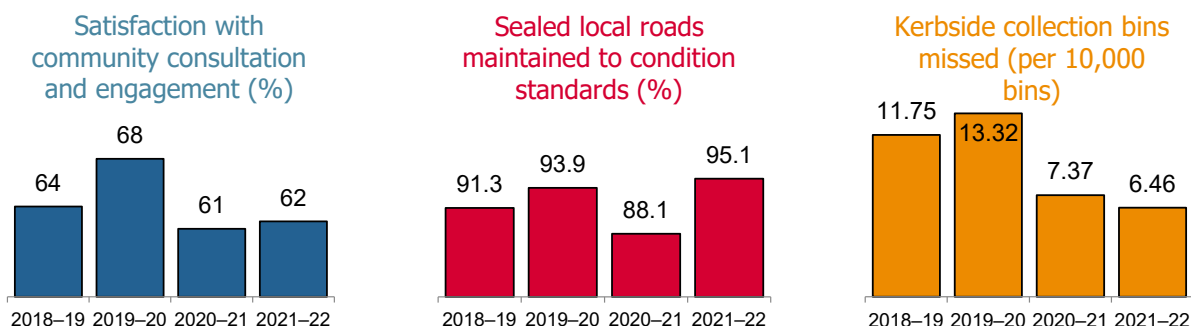
	2018–19	2019–20	2020–21	2021–22
	\$m	\$m	\$m	\$m
Aged and disabled services	2.6 (3%)	2.6 (2%)	0.7 (1%)	0.5 (1%)
Business and economic services	7.4 (8%)	6.6 (6%)	7.7 (8%)	7.9 (8%)
Environment	12.7 (13%)	12.3 (10%)	10.6 (11%)	9.0 (9%)
Family and community services	6.4 (6%)	7.1 (6%)	7.7 (8%)	7.7 (8%)
Governance	19.1 (19%)	20.0 (17%)	19.1 (20%)	19.4 (20%)
Local roads and bridges	8.1 (8%)	9.0 (8%)	8.6 (9%)	7.7 (8%)
Recreation and culture	26.6 (27%)	27.7 (23%)	25.4 (26%)	27.0 (28%)
Traffic and street management	5.9 (6%)	5.7 (5%)	6.0 (6%)	6.0 (6%)
Waste management	10.1 (10%)	28.2 (24%)	10.9 (11%)	9.1 (9%)
Other	0.0 (0%)	0.0 (0%)	0.0 (0%)	3.3 (3%)
Total	98.8	119.3	96.5	97.5

Which areas experienced the biggest changes from 2018–19 to 2021–22?



Source: Victorian Local Government Grants Commission (unaudited). Council Annual Reports may provide further explanation of these expenditure changes.

Did service quality or community satisfaction change?



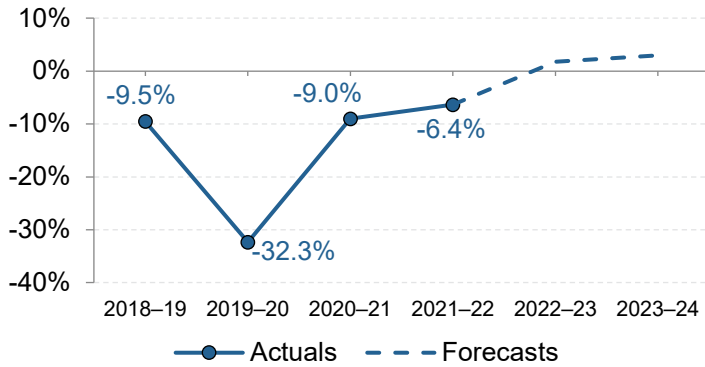
Financial position



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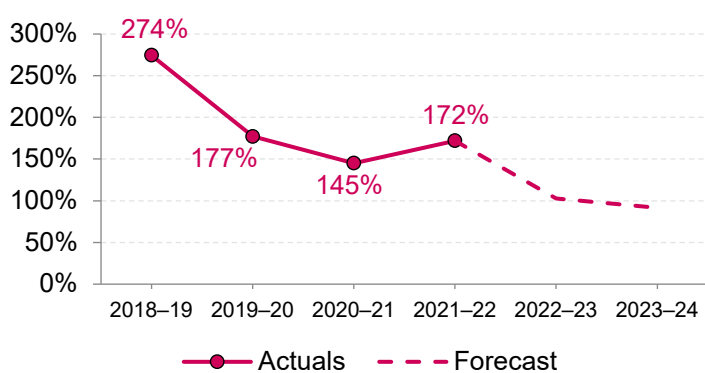
Did council operate sustainably?

Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



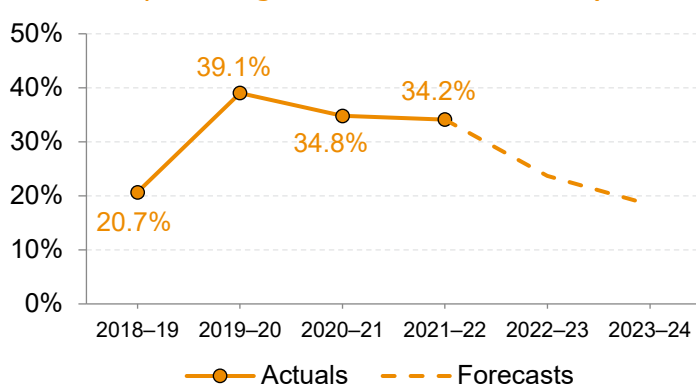
Between 2018–19 and 2021–22, Nillumbik Shire Council reported an average **adjusted underlying result** of -14.3 per cent. An ongoing negative result suggests that, without an increase in ongoing revenue or receipt of one-off grants, ongoing revenue may not fund the range and level of services being provided.

Working capital (current assets as a percentage of current liabilities)



Council could meet its current financial obligations with a reported average **working capital ratio** of 192 per cent between 2018–19 and 2021–22.

Indebtedness (non-current liabilities as a percentage of own-source revenue)



Between 2018–19 and 2021–22, council reported an average **indebtedness ratio** of 32.2 per cent. The lower the percentage, the greater a council's ability is to repay debt from revenue it controls.

Note: Some of the year-on-year changes in these financial indicators may be due to changes to accounting standards or the impact of coronavirus. See the reader's guide for more information.