

# 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 is intended to help readers understand the impacts of rate capping, which 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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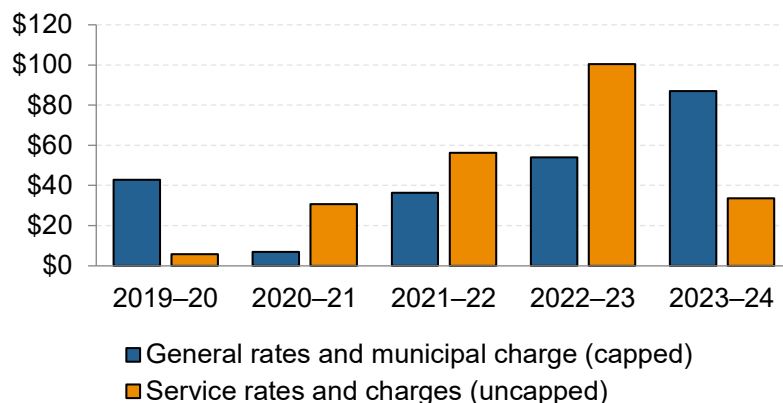
### Key facts

Population (June 2023):	63,264
Size (km <sup>2</sup> ):	432
Length of local roads (km):	776
Population per km of roads:	82
Council employees (FTE, 2023–24):	331
Higher cap approved for any year between 2018–19 and 2023–24	No

## Rates

### What has happened to average rates and charges?

\$ increase in average rates and charges



Year	Average rates and charges	Applicable rate cap
2018–19	\$2,707	2.25%
2019–20	\$2,756	2.50%
2020–21	\$2,793	2.00%
2021–22	\$2,886	1.50%
2022–23	\$3,040	1.75%
2023–24	\$3,161	3.50%

# Rates (continued)



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## Have council's average rates complied with the applicable rate caps?

2022–23 (1.75%)	2023–24 (3.50%)	2024–25 (2.75%)
Yes	Yes	Yes

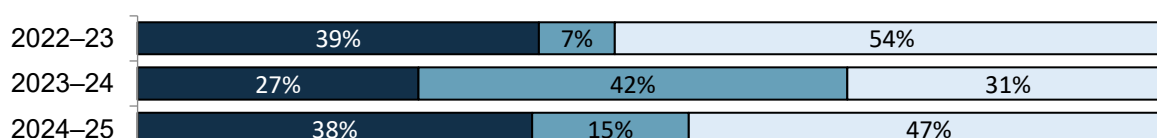
## How have rates changed for different ratepayers?

### Council's rating strategy 2024–25

Council levies 5 differential rates for different types of property and uses service charges to recover the cost of waste services. More information about council's differential rate categories and charges can be found in council's adopted budget.

### Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate, which means 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

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	95% of ratepayers	2% of ratepayers	2% of ratepayers	1% of ratepayers
	\$73.3m (95%) of rates and charges revenue in 2023–24	\$2.1m (3%) of rates and charges revenue in 2023–24	\$1.2m (2%) of rates and charges revenue in 2023–24	\$0.6m (1%) of rates and charges revenue in 2023–24
	3.6% average annual increase between 2019–20 and 2023–24	1.7% average annual increase between 2019–20 and 2023–24	1.8% average annual increase between 2019–20 and 2023–24	2.8% average annual increase between 2019–20 and 2023–24

**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.  
Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## Where is council's money coming from?

**Revenue** (2023–24 \$m and % of total revenue)

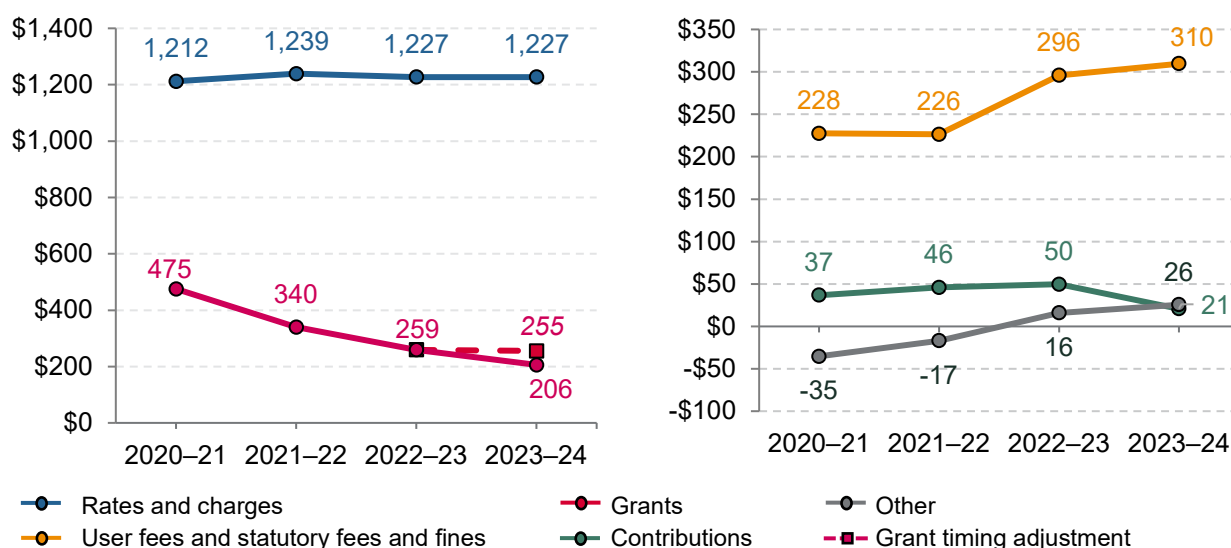
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Rates and charges	77.9 (63%)	78.6 (68%)	77.4 (66%)	77.6 (69%)
User fees and statutory fees and fines	14.6 (12%)	14.4 (12%)	18.7 (16%)	19.6 (17%)
Grants	30.6 (25%)	21.6 (19%)	16.4 (14%)	13.0 (11%)
Contributions	2.4 (2%)	2.9 (3%)	3.1 (3%)	1.3 (1%)
Other	-2.3 -(2%)	-1.1 -(1%)	1.0 (1%)	1.6 (1%)
<b>Total</b>	<b>123.3</b>	<b>116.4</b>	<b>116.6</b>	<b>113.2</b>

Nillumbik Shire Council's total revenue decreased in real terms between 2020–21 and 2023–24, reflecting a decrease in revenue from grants.

However, the decrease in grant revenue in 2023–24 partially reflects the financial assistance grants being received later than usual. Council would have received \$16.2 million in grant revenue if the payment was received before the end of the financial year.

Rates and charges was the largest source of council's revenue, accounting for 66 per cent of total revenue between 2020–21 and 2023–24.

## Revenue per person (2023–24 dollars)



In terms of revenue per person (which adjusts for population growth), council's revenue from grants and contributions decreased in real terms between 2020–21 and 2023–24, while revenue from user fees and statutory fees and fines increased.

# Expenditure



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

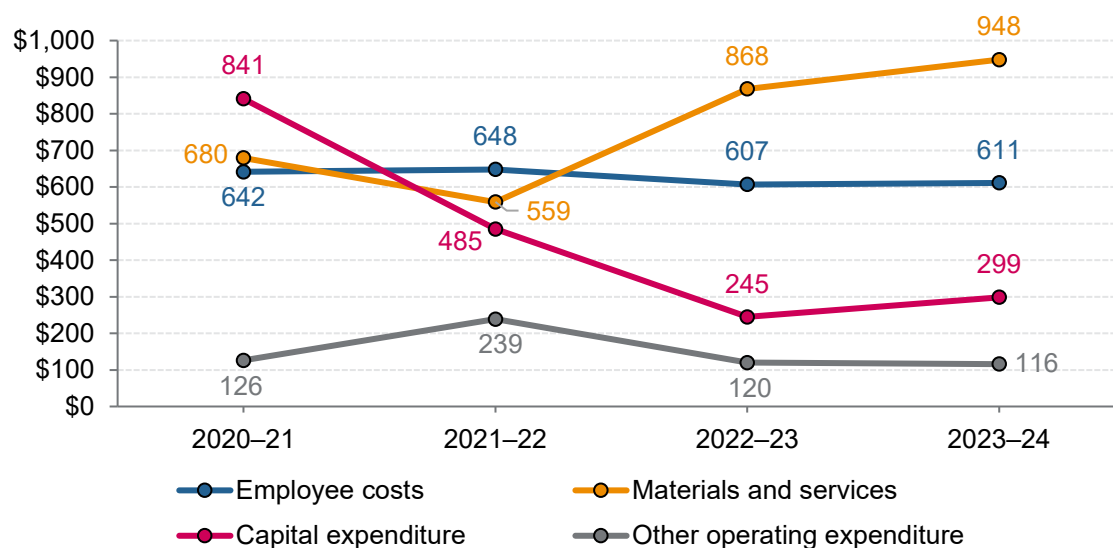
## How much money is council spending?

### Expenditure (2023–24 \$m and % of total expenditure)

	2020–21		2021–22		2022–23		2023–24	
	\$m		\$m		\$m		\$m	
Operating expenditure	93.1	(63%)	91.7	(75%)	100.6	(87%)	106.0	(85%)
Employee costs	41.3	(28%)	41.1	(34%)	38.3	(33%)	38.7	(31%)
Materials and services	43.7	(30%)	35.5	(29%)	54.8	(47%)	60.0	(48%)
Other operating expenditure	8.1	(6%)	15.2	(12%)	7.6	(7%)	7.4	(6%)
Capital expenditure	54.1	(37%)	30.8	(25%)	15.4	(13%)	18.9	(15%)
<b>Total</b>	<b>147.2</b>		<b>122.5</b>		<b>116.1</b>		<b>124.9</b>	

Nillumbik Shire Council's total expenditure fluctuated in real terms between 2020–21 and 2023–24, reflecting changes in capital expenditure and expenditure on materials and services. Materials and services was the largest area of expenditure, which accounted for 38 per cent of total expenditure between 2020–21 and 2023–24.

### Expenditure per person (2023–24 dollars)



In terms of expenditure per person (which adjusts for population growth), council's employee costs, 'other operating expenditure' and capital expenditure decreased in real terms between 2020–21 and 2023–24, while spending on materials and services increased.

## Has council's capital expenditure pattern changed?

### Capital expenditure (2023–24 \$m and % of total capital expenditure)

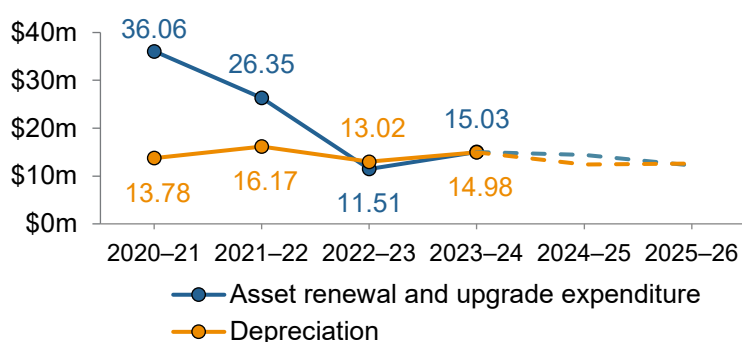
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Renewal	4.9 (9%)	1.6 (5%)	5.4 (35%)	5.3 (28%)
Upgrade	31.2 (58%)	24.7 (80%)	6.1 (39%)	9.7 (51%)
Expansion	2.0 (4%)	3.8 (12%)	0.5 (4%)	0.3 (2%)
New	16.0 (30%)	0.6 (2%)	3.4 (22%)	3.6 (19%)
<b>Total</b>	<b>54.1</b>	<b>30.8</b>	<b>15.4</b>	<b>18.9</b>

Nillumbik Shire Council's spending on asset upgrades trended downwards in real terms between 2020–21 and 2023–24. Asset upgrades accounted for the highest share of capital expenditure over this period (60 per cent).

Council's spending on asset renewal increased in real terms between 2020–21 and 2023–24, while spending on new assets and asset expansion declined.

## Is council renewing its assets (such as roads, parks and buildings)?

Council assets: comparing renewal and upgrade expenditure with depreciation (2023–24 dollars)



### Renewal & upgrade expenditure as a percentage of depreciation

2020–21	262%
2021–22	163%
2022–23	88%
2023–24	100%
2024–25	116% (forecast data)
2025–26	97% (forecast data)

Council's spending on the renewal and upgrade of its assets trended downwards in real terms between 2020–21 and 2022–23, before increasing in 2023–24.

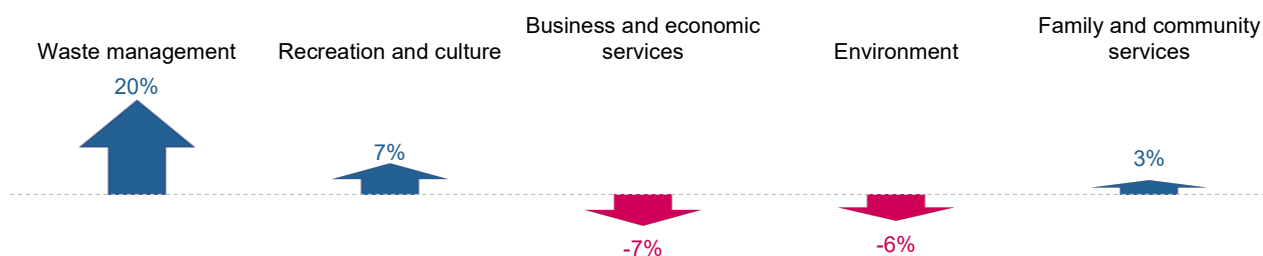
Renewal and upgrade expenditure decreased below the amount of depreciation (the decline in value of council's assets caused by age and use) in 2022–23, before increasing above 100 per cent of depreciation in 2023–24. This spending was forecast to continue to be above the amount of depreciation in 2024–25, before decreasing in 2025–26.

## Which service areas is council spending its money in?

### Expenditure by function (2023–24 \$m and % of total services expenditure)

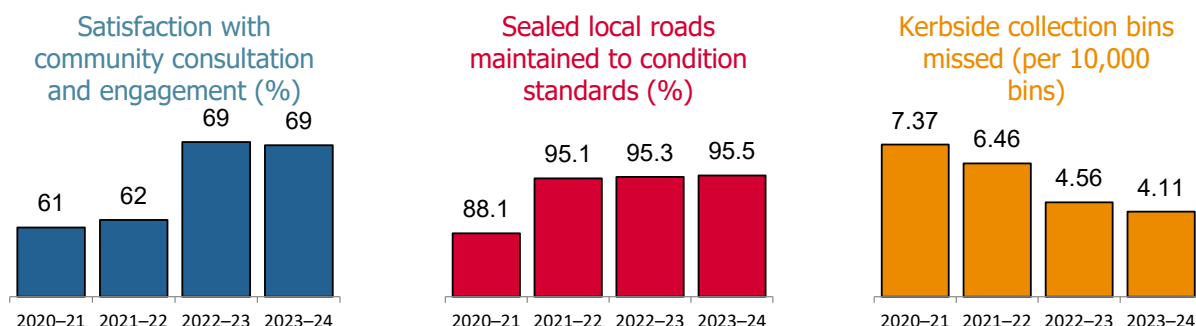
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Aged and disabled services	0.8 (1%)	0.6 (1%)	0.5 (0%)	0.7 (1%)
Business and economic services	8.5 (8%)	8.8 (8%)	7.5 (7%)	6.9 (6%)
Environment	11.8 (11%)	10.0 (9%)	10.8 (9%)	9.9 (8%)
Family and community services	8.5 (8%)	8.6 (8%)	8.6 (8%)	9.3 (8%)
Governance	21.2 (20%)	21.6 (20%)	20.7 (18%)	22.5 (19%)
Local roads and bridges	9.5 (9%)	8.5 (8%)	10.4 (9%)	10.3 (9%)
Recreation and culture	28.2 (26%)	30.0 (28%)	38.2 (33%)	34.3 (28%)
Traffic and street management	6.6 (6%)	6.7 (6%)	7.0 (6%)	6.3 (5%)
Waste management	12.2 (11%)	10.1 (9%)	10.2 (9%)	21.2 (17%)
Other	0.0 (0%)	3.6 (3%)	0.0 (0%)	0.0 (0%)
<b>Total</b>	<b>107.4</b>	<b>108.4</b>	<b>114.0</b>	<b>121.5</b>

## Which service areas have experienced the biggest changes in spending?



**Source:** Victorian Local Government Grants Commission (unaudited). Average annual change between 2020–21 and 2023–24. Excludes small service areas (<5% of expenditure). Council Annual Reports may provide further explanation of these changes.

## Has there been a change in service quality and community satisfaction?



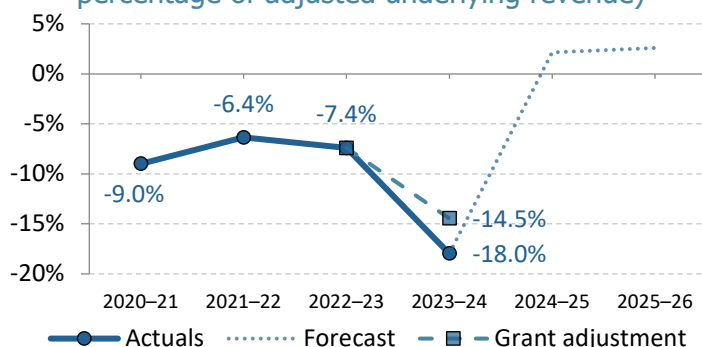
# Financial position



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## Is council operating sustainably?

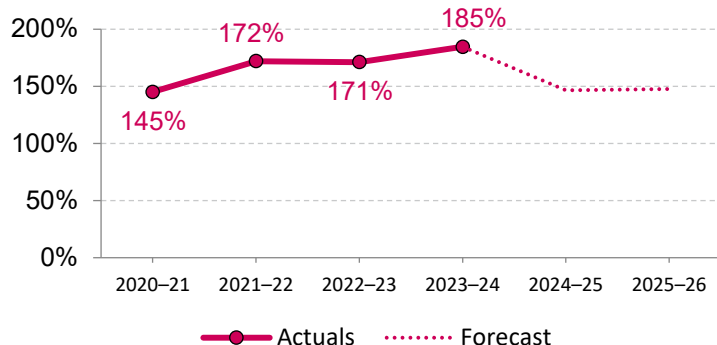
Adjusted underlying result  
(adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



Between 2020–21 and 2023–24, Nillumbik Shire Council reported an average **adjusted underlying result** of **-10.2 per cent**. The average result would have been **-9.3 per cent**, if the timing of the financial assistance grants payment in 2023–24 was consistent with previous years.

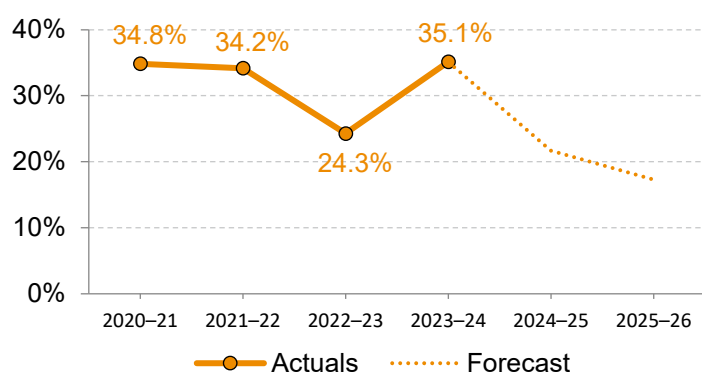
An ongoing negative result, or deficit, suggests that, without the receipt of one-off grants or an increase in ongoing revenue, the council may not have sufficient revenue to fund the range and level of services it has been providing.

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 **168 per cent** between 2020–21 and 2023–24.

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



Between 2020–21 and 2023–24, council reported an average **indebtedness ratio** of **32.1 per cent**. The lower the percentage, the greater a council's ability to repay debt from revenue it controls.

**Note:** The year-on-year changes in the financial indicators can be affected by the timing of financial assistance grant payments. We have estimated the impact of a change in the timing of these payments for the 2023–24 adjusted underlying result. Please see the reader's guide for more information.