

**Nillumbik Shire Council
Performance Statement
For The Year Ended 30 June 2024**

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**Nillumbik Shire Council
Performance Statement
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PERFORMANCE STATEMENT

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Nillumbik Shire Council
Certification of the Performance Statement
For The Year Ended 30 June 2024

In my opinion the accompanying performance statements have been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Melika Sukunda CA

Principal Accounting Officer

Date :

Greensborough

In our opinion, the accompanying performance statement of Nillumbik Shire Council for the year ended 30 June 2024 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.

Ben Ramcharan (Mayor)

Councillor

Date :

Greensborough

Karen Egan (Deputy Mayor)

Councillor

Date :

Greensborough

Carl Cowie

Chief Executive Officer

Date :

Greensborough

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**Nillumbik Shire Council
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Description of municipality

The Shire of Nillumbik is located in Melbourne's north-eastern suburbs, approximately 25km from the Melbourne Central Business District.

Known as “the Green Wedge Shire”, the area offers residents and visitors a unique rural environment of bushland, small farms, rivers and forest. The balance of the shire is a collection of suburbs, townships and villages, each with its own unique identity and heritage.

The Nillumbik Green Wedge covers over 90% of the total area of the shire and is host to a number of state and national parks. Nillumbik’s Green Wedge is highly valued locally and regionally because of its biodiversity, natural beauty, visitor experiences, agriculture, grazing land, rural living and open space.

Nillumbik has a population of approximately 65,094 people who are at the higher end of the socio-economic gradient in Greater Melbourne, meaning that in many aspects, Nillumbik residents enjoy better than average health and wellbeing.

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Service Performance Indicators

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.11	1.44	11.22	N/A	12.47	Visits have increased from prior year due to strong program and services offerings across all leisure facilities. Improved access technology has been implemented to capture attendance data.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	100%	N/A	0%	There were no animal management prosecutions in 2023-2024. As a result of community education around responsible pet ownership, matters have been resolved without the requirement to refer to court for further prosecution.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	90.63%	94.44%	100.00%	N/A	100.00%	100% of critical and major non-compliant inspection outcomes were followed up within the reporting period.
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	61	62	69	71	69	Satisfaction with Council's community consultation and engagement remained stable in 2023-2024.

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Service Performance Indicators

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x100	New	New	New	New	45.75%	The number of registered library members has remained steady throughout the year with a recent data clean-up of online memberships resulting in the increased accuracy of our registered borrowers for the Nillumbik branch libraries.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.65%	80.08%	79.87%	N/A	77.43%	High participation in the Maternal and Child Health (MCH) service is determined by the ratio of the number of children who attend the service at least once in a year to the total number of children enrolled in the MCH service. This indicator reflects the level of engagement and utilisation of the MCH service. There has been a decline in participation. This has been attributed to parents returning to work earlier in the first year following birth.
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	85.11%	81.63%	73.17%	N/A	87.23%	Participation in MCH services by First Nations children has increased by 14.06% since the last financial year. Addressing barriers such as cultural sensitivity, geographic isolation, and historical distrust has improved participation and ensured equitable healthcare for First Nations children.
Roads Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	88.07%	95.10%	95.28%	91.70%	95.47%	Of the 488km of sealed local roads in the Shire, 466km are maintained within condition standards.

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Service Performance Indicators

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Statutory Planning Service standard <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	66.13%	60.36%	55.99%	59.80%	64.02%	Council is committed to improving decision timeframes. Over the 12-month period, Council has improved the timeliness of decisions even with staffing gaps and absences within the team. There has also been a strong focus on determining applications with higher gross days.
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	72.80%	72.69%	72.24%	72.20%	70.61%	Nillumbik residents diverted 16,000 tonnes of recycling and green waste from landfill in 2023-2024. The diversion rate is slightly lower than the previous three years, primarily due to lower recycling and green waste tonnes, along with a small increase in landfill tonnes. Overall, the total amount of material collected through the household bin service has decreased. While recycling tonnes have continued to trend downward since 2020-21, another contributing factor is the introduction of Victoria's container deposit scheme in November 2023.

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Financial Performance Indicators

	Results				Forecasts				Material Variations and Comments	
	2021	2022	2023	2024		2025	2026	2027		2028
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,866.13	\$4,062.79	\$4,566.63	\$4,220.77	\$5,061.00	\$4,434.08	\$4,561.25	\$4,671.21	\$4,787.54	The provision for landfill rehabilitation movement in the current year has resulted in a significant expense, due to increasing aftercare and maintenance costs. This movement has been further compounded by capital works and work-in-progress expensed, which is not expected to occur in forecast years. Other impacts include increased spend in agency staff and contractors, offset by position vacancies. There have also been increases across software maintenance, legal fees and insurance premiums. Leisure facility contract expenditure has increased, counteracted by corresponding increases in income.
Revenue level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$2,403.04	\$2,456.58	\$2,511.29	N/A	\$2,611.92	\$2,691.96	\$2,785.00	\$2,885.88	\$2,983.00	The increase reflects budgeted increase in rates and charges and the anticipated additional rateable properties created each year throughout the Shire.

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Financial Performance Indicators

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	145.09%	171.89%	171.16%	126.14%	184.56%	146.50%	147.58%	156.97%	167.35%	Current year results reflect cash held for capital works, increasing rates receivables and the maturity of Council's loan portfolio and provision balances. The trend is reflective of a the proportion of Council's provision for landfill rehabilitation and borrowings becoming current over the forecast years.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	-10.01%	-22.43%	18.53%	N/A	-14.51%	28.28%	29.16%	31.53%	41.27%	The current year result is driven by an increase in cash balances held in term deposits with a maturity of greater than 90 days due to better returns on longer term deposits and therefore not shown within the cash balance. The outlying years show that the majority of Council's cash balances are held for specific purposes.

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Financial Performance Indicators

	Results					Forecasts				Material Variations and Comments
	2021	2022	2023	2024		2025	2026	2027	2028	
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	19.95%	24.03%	18.32%	N/A	25.45%	21.36%	17.35%	13.50%	9.95%	Council has borrowed to fund the rehabilitation of the closed Kangaroo Ground landfill site and to allow a response to capital works grants awarded, requiring co-contributions. This is offset by the borrowing maturities scheduled to occur each year, resulting in a fluctuating trend.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	1.93%	5.70%	5.54%	N/A	3.35%	4.46%	4.30%	4.15%	3.79%	The current year is reflective of Council's existing loan portfolio, while forecast figures are reflective of loan maturities scheduled in forecast years.

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Financial Performance Indicators

	Results				Forecasts				Material Variations and Comments	
	2021	2022	2023	2024		2025	2026	2027		2028
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Obligations (continued)										
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	34.83%	34.16%	24.27%	N/A	35.14%	21.69%	17.30%	14.95%	11.76%	The current year and projections show a stable result which is reflective of the reduction in the non-current portion of the provision for landfill rehabilitation and stable borrowings and an increase in own source revenue. Forecast figures are reflective of loan maturities scheduled and ongoing landfill rehabilitation works.
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	261.63%	162.92%	88.42%	160.69%	100.31%	116.19%	96.94%	98.38%	99.04%	Council continues to invest in community infrastructure with an underlying criteria being the reduction in renewal gap, to ensure Council's responsibility remains at a manageable level.

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Financial Performance Indicators

	Results				Forecasts				Material Variations and Comments	
	2021	2022	2023	2024		2025	2026	2027		2028
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-9.00%	-6.35%	-7.41%	N/A	-17.96%	2.15%	2.58%	3.14%	3.49%	The decrease is largely driven by an increase in one-off expenditure increases, particularly the expensed capital works and work in progress and significant increase in the provision for landfill rehabilitation due to increasing aftercare and maintenance costs. Forecasts show a stabilising trend, reflecting limited growth in own-source revenue and maintenance of operational expenditure in line with service levels.

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Financial Performance Indicators

	Results				Forecasts				Material Variations and Comments	
	2021	2022	2023	2024		2025	2026	2027		2028
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	78.81%	76.80%	72.66%	74.66%	75.11%	73.54%	73.62%	73.63%	73.59%	This result is reflective of the current and projected stability in underlying revenue and the projected increase in rates and charges.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.32%	0.33%	0.30%	N/A	0.31%	0.32%	0.33%	0.34%	0.35%	The consistent trend is reflective of projected annual property revaluations. In outer years, property valuations are forecast to remain stable.

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Sustainable Capacity Indicators

	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal</i> [Total expenses / Municipal population]	\$1,422.70	\$1,508.02	\$1,738.84	\$1,919.95	The provision for landfill rehabilitation movement in the current year is significant due to increasing aftercare and maintenance costs. This movement has been further compounded by capital works and work-in-progress expensed, which is not expected to occur in forecast years. Other impacts include increased across spend in agency staff and contractors, offset by position vacancies. There have also been increases across software maintenance, legal fees and insurance premiums. Leisure facility contract expenditure has increased, counteracted by corresponding increases in income.
<i>Infrastructure per head of municipal</i> [Value of infrastructure / Municipal population]	\$8,354.53	\$6,931.35	\$7,027.72	\$8,536.75	The current year result is reflective of the revaluation of Council's assets that occurred in 2023/2024. The forecast years reflect relative stability of Council's asset portfolio. Council continues to invest in renewal and upgrades to the infrastructure portfolio, ensuring that the renewal gap continues to be actively managed across asset classes.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	84.15	82.26	80.06	80.18	The decrease is driven by a small decrease in the municipal population relative to a minor increase road lengths.
Own-source revenue <i>Own-source revenue per head of</i> [Own-source revenue / Municipal population]	\$1,196.32	\$1,277.97	\$1,481.04	\$1,562.41	The overall increase is reflective of a minimal increase in the municipal population, minimal growth in rateable properties in the Shire and an increase in own-source revenue, noting there is a corresponding increase in associated expenditure.
Recurrent grants <i>Recurrent grants per head of municipal</i> [Recurrent grants / Municipal population]	\$76.63	\$109.23	\$105.51	\$45.13	The variance is driven by a decrease in the recurrent grants received in the current financial year, reflective of programs and services delivered. Recurrent grants are often driven by service delivery and fluctuate in line with programs scheduled and /or delivered in the financial year.

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Sustainable Capacity Indicators

	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	Council's relative socio-economic disadvantage remains stable and the current result is comparable to the previous year.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.2%	16.7%	15.9%	18.2%	Council's turnover rate has stabilised and remains at a healthy level and within the industry benchmark range of 15-20 per cent.

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Nilumbik Shire Council
Notes To The Performance Statement
For The Year Ended 30 June 2024

Note 1 Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g., Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the Council's financial

The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

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Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: non-recurrent grants used to fund capital expenditure; and non-monetary asset contributions; and contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash