

Nillumbik Shire Council Performance Statement For The Year Ended 30 June 2018



Nillumbik Shire Council
Performance Statement
For The Year Ended 30 June 2018

Description of municipality

The Shire of Nillumbik covers an area of 432 square kilometres. At its south western gateway, Nillumbik is located less than 25 kilometres north-east of Melbourne, and has the Yarra River as its southern boundary. It extends 29 kilometres to Kinglake National Park in the north/north-east and stretches approximately 20 kilometres from the Plenty River and Yan Yean Road in the west, to Christmas Hills and the Yarra escarpment in the east.

Nillumbik has a population of 63,158 people who enjoy a healthy, safe, family-friendly lifestyle within close-knit communities. Nillumbik has a relatively healthy and affluent community which lives largely in family units in single dwelling properties.

The Shire of Nillumbik is known as the Green Wedge Shire. The term Green Wedge is used by the State Government to describe non-urban areas that surround metropolitan Melbourne, outside the Urban Growth Boundary (UGB). The Nillumbik Green Wedge covers 91 per cent of the total area of the Shire.

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Sustainable Capacity Indicators

Indicator/measure	2015	2016	2017	2018 Material Variations
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,220.30	\$1,447.43	\$1,231.36	\$1,240.88 The current year result is reflective of a marginal increase in the municipal population relative to an increase in expenditure. The spike in 2016 is reflective of a one-off adjustment to the fixed asset register to correct ownership of non-council assets. The ratio is consistent with prior years.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$6,316.21	\$7,081.93	\$7,215.87	\$7,704.20 The increase is reflective of Council's continued investment in infrastructure and a stable population. The ratio is comparable to prior years.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	82.08	81.09	81.81	81.92 The movement is reflective of a marginal increase in the municipal population. The ratio is consistent with prior years.
Own-source revenue				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,194.05	\$1,212.10	\$1,208.79	\$1,203.11 The ratio is comparable to prior years, with movement reflective of a marginal increase in the municipal population.
Recurrent grants				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$135.90	\$81.75	\$126.67	\$99.06 The decrease is due to the reduction of grants received during the current financial year and the timing of when grants were received in the prior year.
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.

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Service Performance Indicators

Service/indicator/measure	2015	2016	2017	2018 Material Variations
Aquatic Facilities				
Utilisation				
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.18	2.56	0.80	0.94 Council's only indoor aquatic facility at the Eltham Leisure Centre was closed during 2017/18 while undergoing a \$19 million redevelopment. This closure significantly impacted on the number of visits to Council's aquatic facilities. Council's only outdoor aquatic facility at Diamond Creek is open seasonally from November to March.
Animal Management				
Health and safety				
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	5.00	8.00	8.00	5.00 All prosecutions were as a result of dog attacks or a dog rush. The annual results recorded are independent year on year, reflective of isolated incidents occurring within the shire.
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	92.41%	100.00%	100.00%	95.24% 120 out 126 were followed up in 2017. 6 premises received follow-ups outside of the reporting period due to the time allowed to meet the compliance requirements.
Governance				
Satisfaction				
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	66.70	64.20	57.40	62.60 Satisfaction with Council decisions improved significantly in 2018 by 5.2 percentage points, returning to the level of satisfaction in earlier years.

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Service Performance Indicators (continued)

Service/indicator/measure	2015	2016	2017	2018 Material Variations	
Home and Community Care (HACC)					
Participation					
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	24.50%	23.88%	-	-	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	23.74%	40.84%	-	-	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries					
Participation					
<i>Active library members</i> [Number of active library members / Municipal population] x100	24.88%	23.71%	25.94%	27.38%	During the year, 17,720 Nillumbik residents were active library members. This figure does not take into account the number of residents who utilise the many services provided by the Eltham and Diamond Valley libraries but may not be members of the Yarra Plenty Regional Library Service.
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]	81.15%	72.88%	77.76%	78.76%	The Maternal and Child Health Service continues to provide a connected and responsive program to Families with young children in Nillumbik.
<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	76.00%	75.76%	68.29%	78.95%	The overall MCH enrolment of Aboriginal families and young children demonstrates a connection to and linkages with the MCH service in Nillumbik. A small variation in the low raw numbers of this client group accounts for what otherwise appears to be a significant percentage increase from the previous year.

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Service Performance Indicators (continued)

Service/indicator/measure	2015	2016	2017	2018 Material Variations
Roads				
Satisfaction				
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.60	65.20	65.30	64.40 In the 2018 Annual Community Survey, satisfaction with the maintenance and repairs of sealed local roads remained stable at 64.4 out of 100, compared to 65 out of 100 in 2017. This level of satisfaction remains categorised as 'good'.
Statutory Planning				
Decision making				
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	36.36%	70.00%	63.16%	80.00% VCAT upheld more of Council's decisions in the 2017/18 financial year. 8 decisions were upheld out of 10, compared to 12 out of 19 in 2016/17.
Waste Collection				
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	70.00%	69.30%	66.17%	63.66% Nillumbik residents diverted 13,640 tonnes of kerbside waste from landfill during FY 2017/18, 739 tonnes less than FY 2016/2017. Nillumbik continues to be well above the State diversion targets.

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Financial Performance Indicators

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
<i>Revenue level</i>									
<i>Average residential rate per residential property</i> [Residential rate revenue / Number of residential property assessments]	\$2,463.03	\$2,569.65	\$2,617.22	\$2,687.64	\$2,731.72	\$2,802.73	\$2,881.73	\$2,962.48	The ongoing increase reflects budgeted increases in rates and charges and the anticipated additional rateable properties created during each year throughout the shire.
<i>Expenditure level</i>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,186.17	\$3,329.18	\$3,240.42	\$3,346.25	\$3,565.96	\$3,640.46	\$3,714.67	\$3,788.25	This result shows the positive relationship between the growth in rateable properties across the shire and corresponding growth in service expenditure.
<i>Workforce turnover</i>									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]	5.68%	12.94%	10.31%	17.57%	5.76%	5.76%	5.76%	5.76%	Due to an organisation restructure the number of resignations/ terminations was higher than normal expectations. This is predicted to become stable in the outlying years.
Liquidity									
<i>Working capital</i>									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	265.70%	351.48%	353.27%	337.37%	183.43%	177.52%	159.45%	151.18%	This result is driven by cash on hand held, largely for scheduled capital works. In the forecast years, the decreasing trend is reflective of reduced cash balances held.

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Financial Performance Indicators (continued)

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Liquidity (continued)									
<i>Unrestricted cash</i>									
<i>Unrestricted cash compared to current liabilities</i> <i>[Unrestricted cash / Current liabilities] x100</i>	71.82%	62.99%	53.74%	84.76%	39.89%	33.73%	35.48%	15.83%	This result is reflective of a marginal increase in current liabilities and a larger proportion of cash being restricted for capital works. In the forecast years, movements in results are driven by the long-term capital works program.
Obligations									
<i>Asset renewal</i>									
<i>Asset renewal compared to depreciation</i> <i>[Asset renewal expense / Asset depreciation] x100</i>	52.09%	74.99%	70.56%	47.69%	48.99%	40.23%	56.89%	53.32%	The variance is reflective of Council allocating a larger proportion of capital works funding to upgrading facilities as opposed to renewal works.
<i>Loans and borrowings</i>									
<i>Loans and borrowings compared to rates</i> <i>[Interest bearing loans and borrowings / Rate revenue]</i>	26.74%	23.76%	21.53%	20.23%	18.85%	16.37%	14.90%	10.00%	Council continues to reduce its existing loans and is not projecting to take out further loans in the future.
<i>Loans and borrowings repayments compared to rates</i> <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	4.47%	2.88%	2.76%	2.44%	2.19%	3.04%	1.89%	5.19%	Council's loan balances are reducing relative to rate revenue.
<i>Indebtedness</i>									
<i>Non-current liabilities compared to own source revenue</i> <i>[Non-current liabilities / Own source revenue] x100</i>	27.87%	34.24%	26.81%	23.53%	17.06%	15.73%	11.60%	10.54%	The current year and projections in outer years show a declining result which is reflective of the reduction in debt and in increase in own source revenue.

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Financial Performance Indicators (continued)

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Operating position									
<i>Adjusted underlying result</i>									
<i>Adjusted underlying surplus (or deficit)</i>	9.79%	-12.92%	8.46%	5.56%	0.66%	1.50%	2.26%	3.03%	The trend is reflective of non-cash contributions received which are unexpected and hence not budgeted.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Stability									
<i>Rates concentration</i>									
<i>Rates compared to adjusted underlying revenue</i>	66.41%	88.26%	73.59%	74.02%	74.50%	74.24%	74.24%	74.26%	This result is reflective of the current and projected stability in underlying revenue and the projected increase in rates and charges.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.41%	0.43%	0.39%	0.39%	0.32%	0.31%	0.31%	0.30%	The consistent trend is reflective of projected annual property revaluations forecasting positive growth.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Nillumbik Shire Council
Notes To The Performance Statement
For The Year Ended 30 June 2018

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 sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

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*).

The performance statement presents the actual results for the current and three preceding years and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* 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.

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 26 June 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

Nillumbik Shire Council
Certification of the Performance Statement
For The Year Ended 30 June 2018

In my opinion the accompanying performance statements have been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Vincenzo Lombardi MBA ICAANZ
Principal Accounting Officer

Date :
GREENSBOROUGH

In our opinion, the accompanying performance statement of Nillumbik Shire Council for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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 2014* to certify this performance statement in its final form.

Peter Clarke (Mayor)
Councillor

Date :
GREENSBOROUGH

Karen Egan (Deputy Mayor)
Councillor

Date :
GREENSBOROUGH

Mark Stoermer
Chief Executive Officer

Date :
GREENSBOROUGH