

Boroondara City Council

Group: Metropolitan

This fact sheet uses graphs and other data to show whether there have been any significant changes in this council's services, infrastructure and financial outcomes since the introduction of rate capping — a system that restricts the amount a council can increase its general rates and municipal charges in each financial year.

A reader's guide is available to help you understand the terms used in this fact sheet. You can compare this council's data against its 'group' by looking at the fact sheet for metropolitan councils. View the reader's guide, all available fact sheets and information for the sector as a whole at <https://www.esc.vic.gov.au/outcomes-reports>.



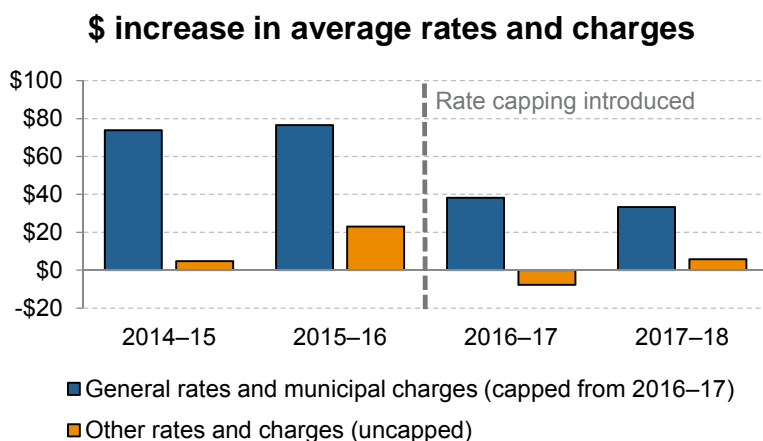
© OpenStreetMap contributors

Key facts

Population:	179,640
Size (km ²):	60.2
Length of local roads (km):	561
Population per km of roads:	320
Council employees (FTE, 2017–18):	860
Submitted an application for a higher cap for 2016–17 or 2017–18?	No

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2014–15	\$2,059	n/a
2015–16	\$2,158	n/a
2016–17	\$2,189	2.50%
2017–18	\$2,228	2.00%

Rates (continued)

See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

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

2016–17 (2.50%)	2017–18 (2.00%)	2018–19 (2.25%)
Yes	Yes	Yes

How have rates changed for individual ratepayers?

Distribution of rates increases and decreases in revaluation years

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

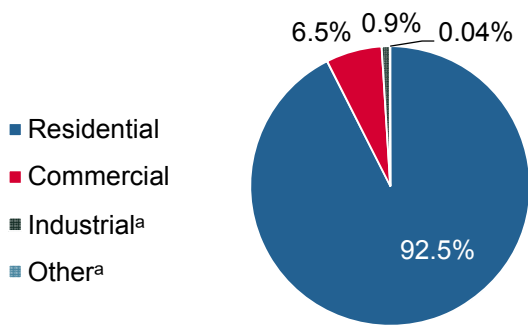


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

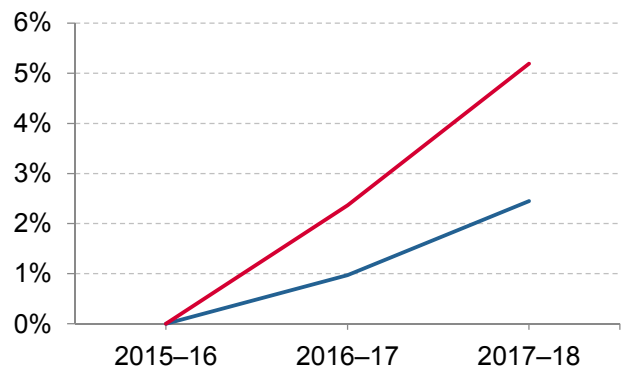
Ratepayers by property class

Proportion of rates and charges revenue from each property class in 2017–18



^a Category has been omitted from the line chart

Percentage change in average rates and charges since 2015–16



Source: Victoria Grants Commission (unaudited data). Includes both capped and uncapped rates and charges.

Residential ratepayers pay the majority of Boroondara City Council's rates and charges. This group of ratepayers, on average, experienced a 2.4 per cent increase in their rates notices between 2015–16 and 2017–18. The difference in rate increases can be due to relative changes in property valuations, and changes in property numbers, the council's rating structure, and uncapped rates and charges. Council's average rates and charges (a combination of all classes) increased from \$2,158 to \$2,228 (3.2 per cent) over the same period.

Revenue

See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Where is council's money coming from?

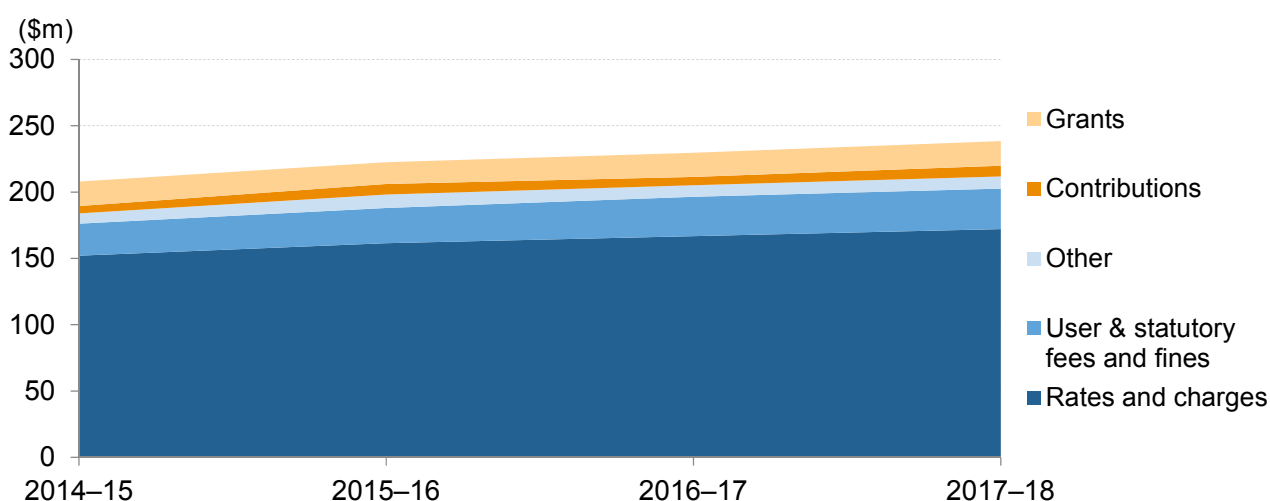
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	156.7	73	169.4	72
Grants	17.5	8	18.4	8
User fees and statutory fees and fines	25.4	12	30.1	13
Contributions	6.8	3	7.2	3
Other	8.9	4	9.0	4
Total	215.3	100	234.0	100

Boroondara City Council's average revenue from all sources increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The proportion of council's revenue from each source remained relatively stable after the introduction of rate capping.

Note: Revenue from grants may have been affected by the advance payment of annual Commonwealth grant allocations in 2014–15, 2016–17 and 2017–18.

Revenue growth by source



Expenditure

See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

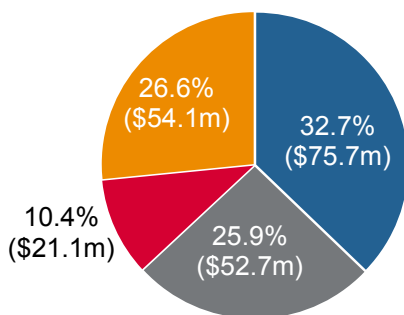
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$148.2m	\$54.6m	\$858	\$316
2015–16	\$150.9m	\$53.7m	\$863	\$307
2016–17	\$166.2m	\$47.5m	\$937	\$268
2017–18	\$166.8m	\$61.6m	\$929	\$343

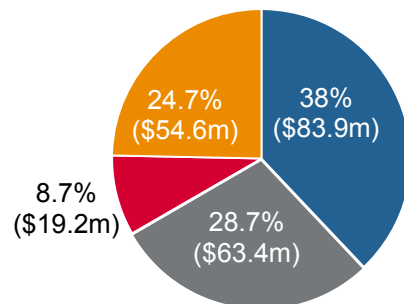
Boroondara City Council's operating expenses have been trending upward over time, driven by increased employee costs and spending on materials and services in the two years after rate capping was introduced. Capital expenditure has varied more, with an increase in 2017–18 (reflecting spending on new assets) following a downward trend in the previous years.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

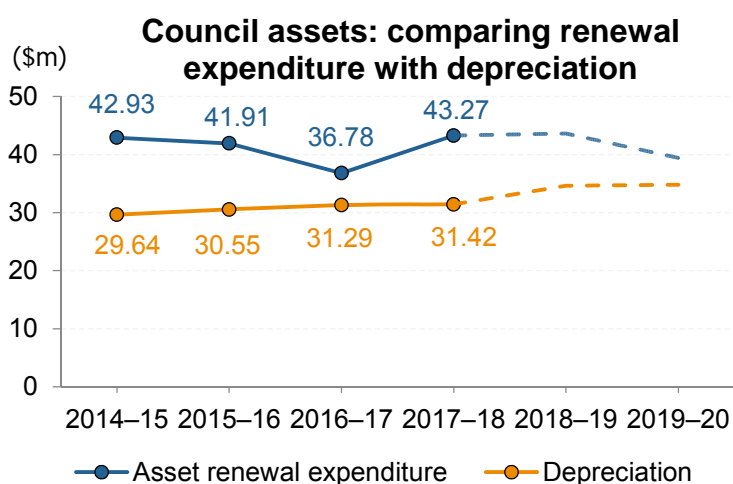


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Boroondara City Council's expenditure, reflecting increases in average employee costs and spending on materials and services in the two years after rate capping was introduced. Capital expenditure decreased as a share of total expenditure over the same period (despite increasing slightly in terms of average dollars spent), and there was a decrease in average 'other' expenditure.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	145
2015-16	137
2016-17	118
2017-18	138
2018-19	126 (forecast data)
2019-20	113 (forecast data)

Boroondara City Council's spending on the renewal of its assets has been relatively stable in recent years (despite a dip in 2016-17), and remains above 100 per cent of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to continue above depreciation in 2018-19 and 2019-20.

Has council's capital expenditure pattern changed?

Capital expenditure	Before rate capping (average 2014-15 and 2015-16)		After rate capping (average 2016-17 and 2017-18)		Council's average spending on asset renewal in the two years after rate capping was introduced has decreased (due to a dip in 2016-17). On average, council increased spending on new assets, but reduced spending on upgrade and expansion projects.
	\$m	% of total	\$m	% of total	
Renewal	42.4	78	40.0	73	
New	5.7	11	11.5	21	
Upgrade	3.7	7	1.9	3	
Expansion	2.2	4	1.2	2	
Total	54.1	100	54.6	100	

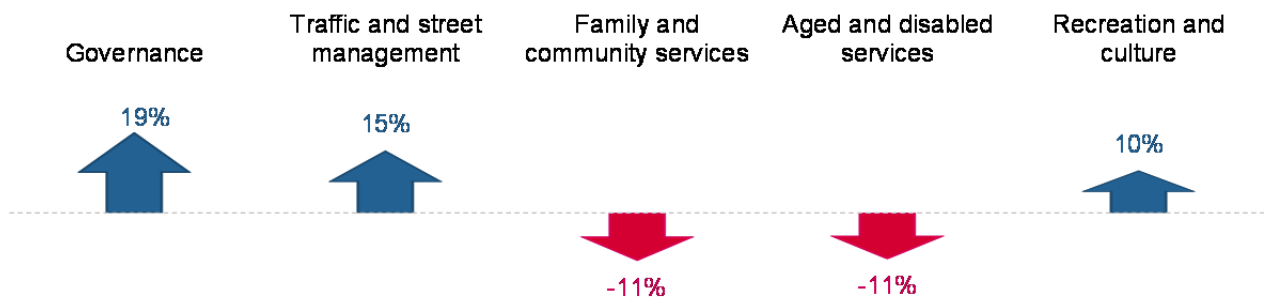
Services

See the reader's guide for data sources and useful information.
Note: The numbers in this fact sheet have not been adjusted for inflation.

Which service areas is council spending its money in?

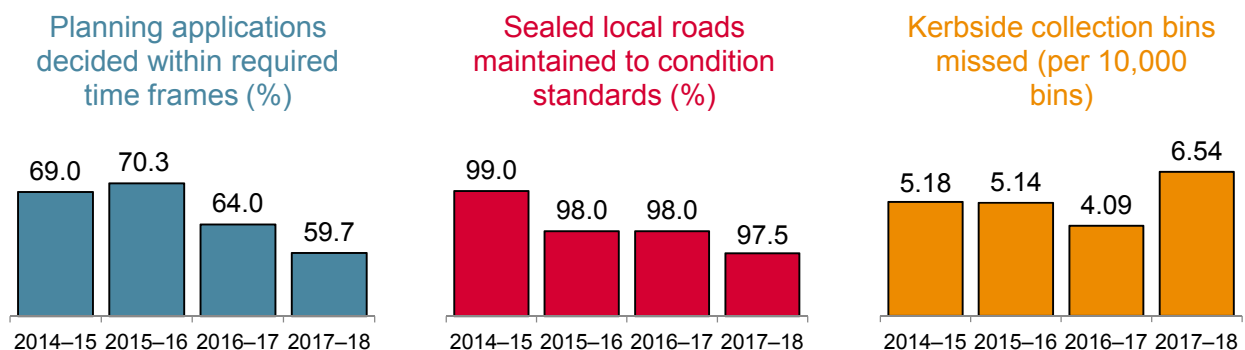
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	291	29.2	347	32.0
Recreation and culture	209	20.9	229	21.2
Traffic and street management	116	11.6	133	12.2
Waste management	97	9.7	104	9.6
Business and economic services	73	7.3	74	6.8
Family and community services	73	7.3	65	6.0
Aged and disabled services	57	5.7	51	4.7
Environment	47	4.7	43	4.0
Local roads and bridges	36	3.6	37	3.4
Other	0	0.0	0	0.0

Which service areas have experienced the biggest changes in spending?



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

Has there been a change in service quality? (selected services only)

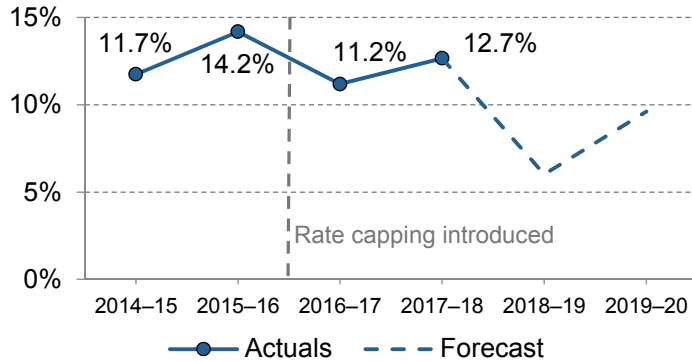


Financial position

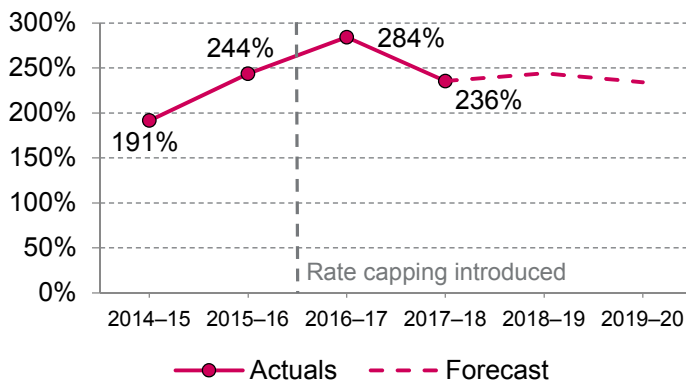
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Is council operating sustainably?

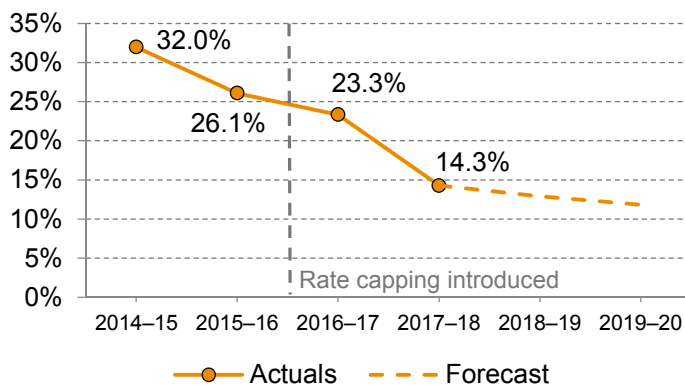
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2014–15 and 2017–18, Boroondara City Council reported an average **adjusted underlying result** of 12 per cent. A positive result suggests that there is enough ongoing revenue to continue to fund the current level of service provision.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 239 per cent between 2014–15 and 2017–18.

The falling **indebtedness ratio** reflects council repaying some of its borrowings.

Note: Some of the year on year change in the adjusted underlying result and the working capital ratio may be due to the timing of Commonwealth grant payments.