

Glen Eira 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>.



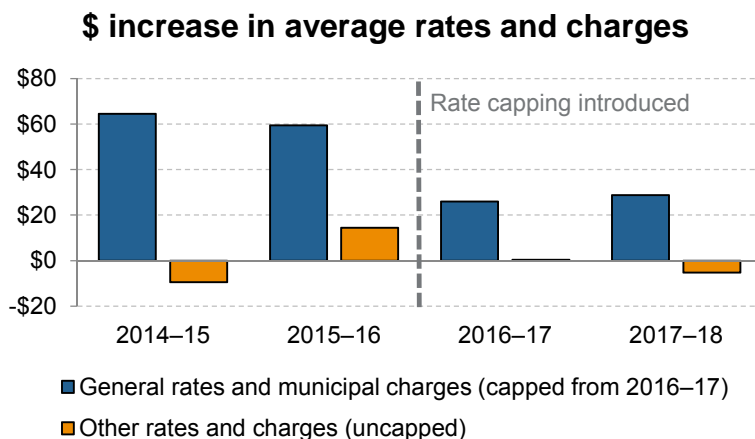
© OpenStreetMap contributors

Key facts

Population:	151,439
Size (km ²):	38.7
Length of local roads (km):	433
Population per km of roads:	349
Council employees (FTE, 2017–18):	811
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	\$1,463	n/a
2015–16	\$1,537	n/a
2016–17	\$1,563	2.50%
2017–18	\$1,587	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.

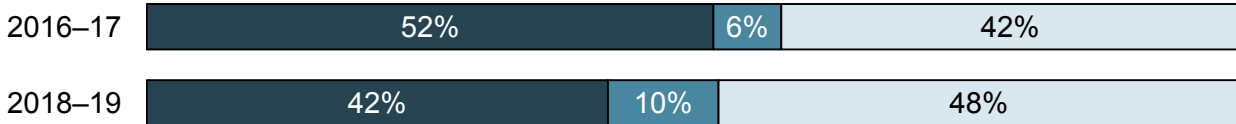
Have council's average rates complied with the applicable rate caps?

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).

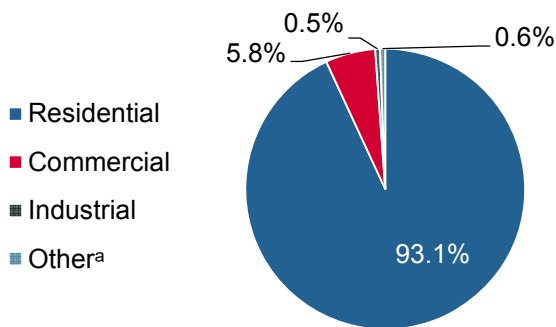


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

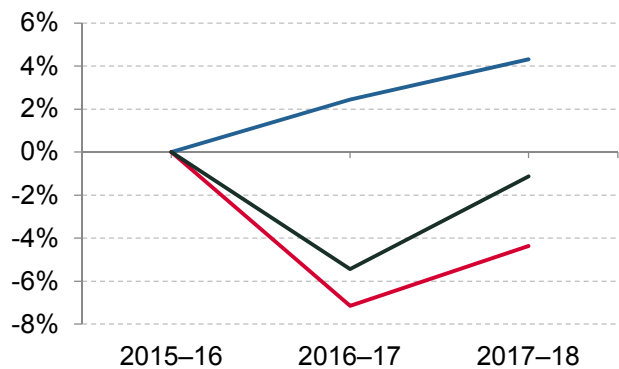
Ratepayers by property class

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 Glen Eira City Council's rates and charges. This group of ratepayers, on average, experienced a 4.3 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 \$1,537 to \$1,587 (3.3 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?

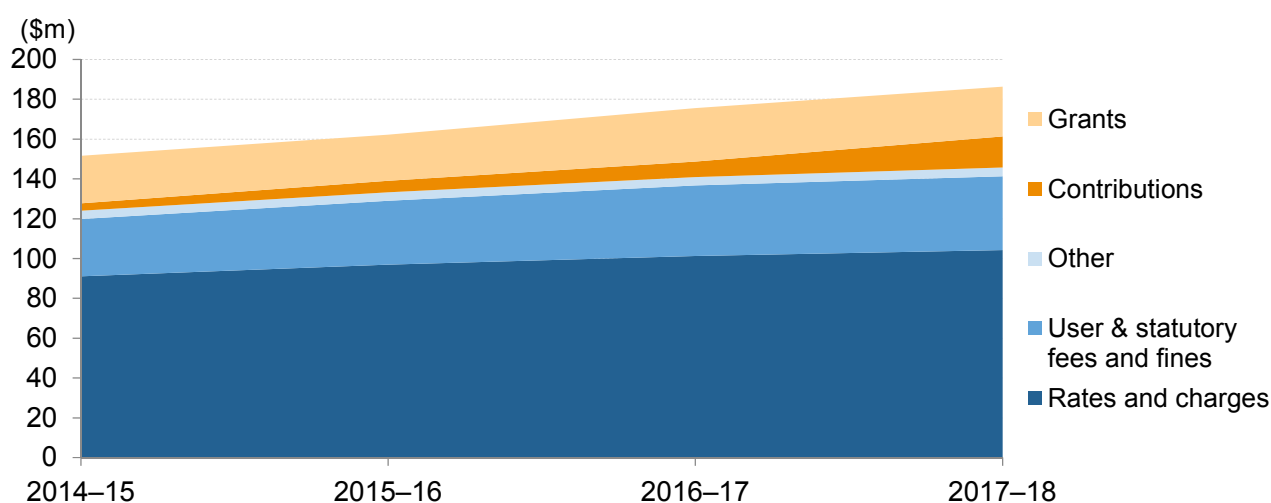
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	94.0	60	102.7	57
Grants	23.5	15	25.9	14
User fees and statutory fees and fines	30.4	19	36.3	20
Contributions	4.8	3	11.7	6
Other	4.2	3	4.3	2
Total	156.9	100	180.9	100

Glen Eira 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 biggest changes in council's revenue composition were the decrease in the proportion of revenue from rates and charges and the increase in the proportion of revenue from contributions.

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.

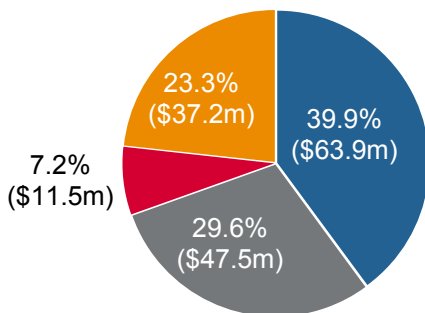
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$117.4m	\$37m	\$817	\$257
2015–16	\$128.3m	\$37.5m	\$879	\$257
2016–17	\$124.6m	\$35m	\$839	\$236
2017–18	\$132.5m	\$35.2m	\$875	\$233

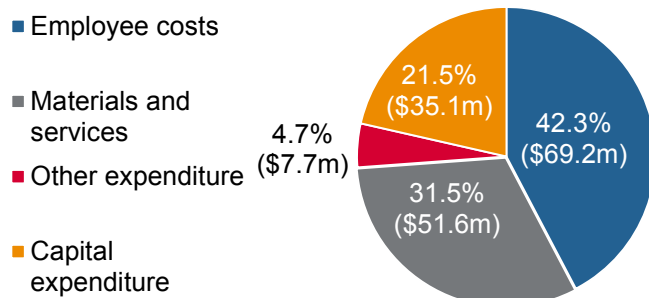
Glen Eira City Council's operating expenses have been trending upward over time, driven by increased employee costs and spending on materials and services (particularly contract payments). Capital expenditure has remained relatively stable with a slight downward trend in recent years.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

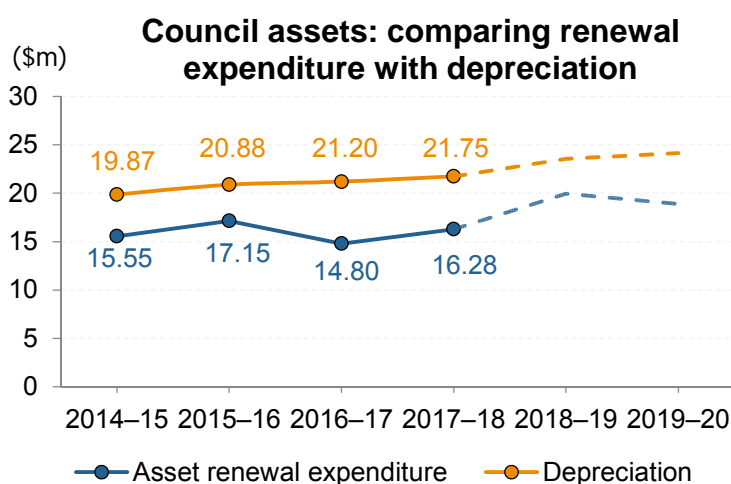


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Glen Eira City Council's expenditure, reflecting increases in average employee costs and spending on materials and services, and reductions in average capital and 'other' expenditure in the two years after rate capping was introduced.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	78
2015-16	82
2016-17	70
2017-18	75
2018-19	85 (forecast data)
2019-20	78 (forecast data)

Glen Eira City Council's spending on the renewal of its assets has been relatively stable in recent years, but remains less than the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to be higher in 2018-19 and 2019-20, while remaining below 100 per cent of depreciation. A sustained gap between expenditure and depreciation can lead to a backlog of renewal expenditure required and increase a council's costs in the long term.

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 spending on asset renewal remained a similar share of capital expenditure despite decreasing in average dollars spent in the two years after rate capping was introduced. Average spending on new assets increased, while spending on expansion projects decreased.
	\$m	% of total	\$m	% of total	
Renewal	16.4	44	15.5	44	
New	1.1	3	4.3	12	
Upgrade	11.0	30	11.0	31	
Expansion	8.8	24	4.2	12	
Total	37.2	100	35.1	100	

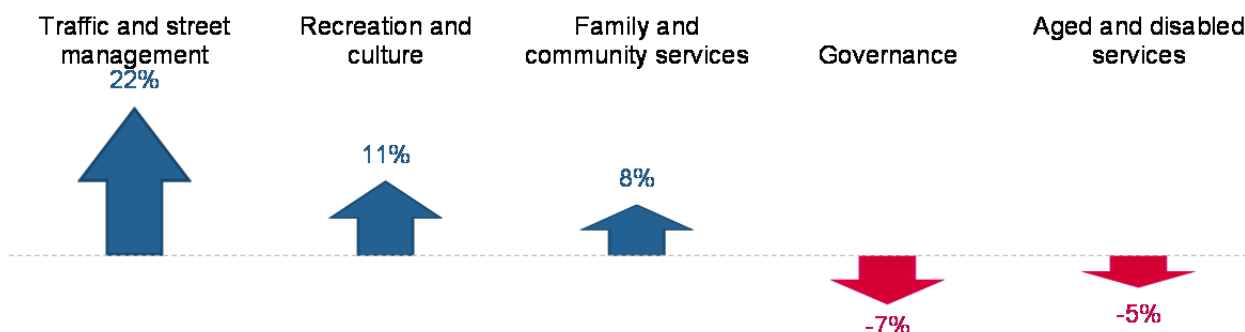
Services

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?

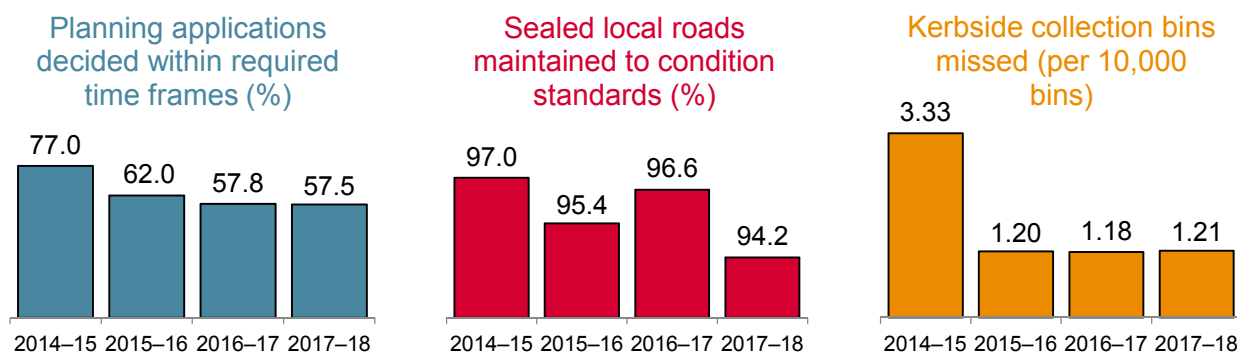
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	227	23.3	252	25.4
Governance	250	25.7	232	23.4
Aged and disabled services	168	17.3	160	16.2
Traffic and street management	89	9.2	109	11.0
Waste management	86	8.9	85	8.5
Family and community services	56	5.7	60	6.0
Business and economic services	47	4.9	40	4.1
Local roads and bridges	28	2.9	31	3.1
Environment	20	2.1	21	2.2
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)

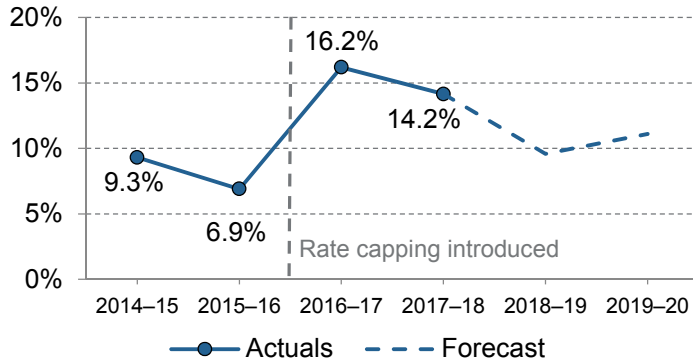


Financial position

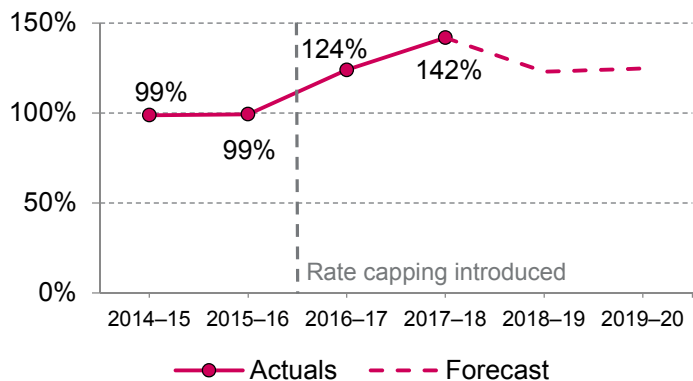
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Is council operating sustainably?

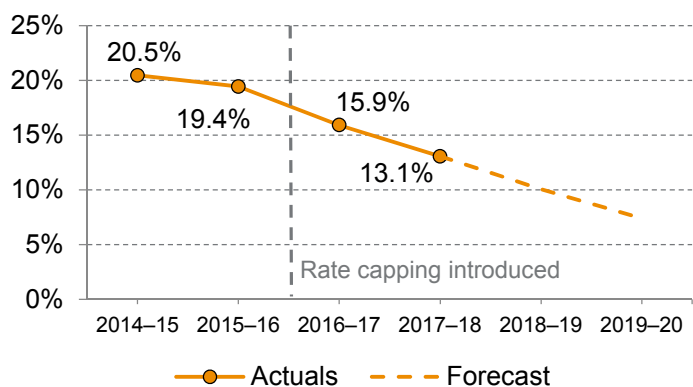
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Glen Eira City Council reported an average **adjusted underlying result** of 11.7 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 116 per cent between 2014–15 and 2017–18. The increase in working capital relates to increased revenue and the timing of grants.

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.