

Maribyrnong 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>.



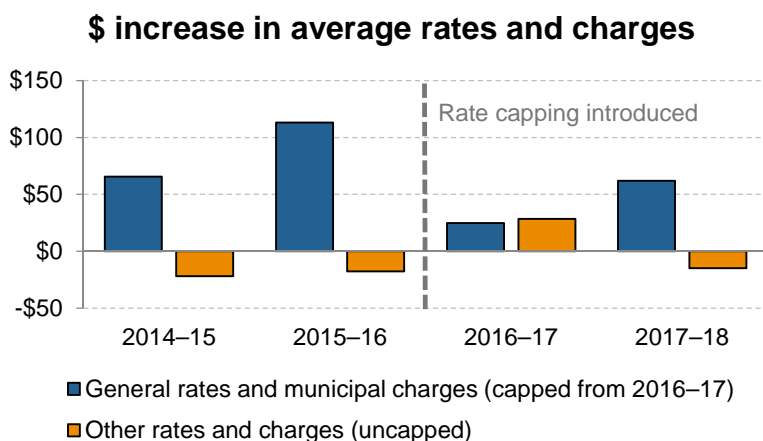
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Key facts

Population:	89,361
Size (km ²):	31.2
Length of local roads (km):	305
Population per km of roads:	293
Council employees (FTE, 2017–18):	553
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	\$2,195	n/a
2015–16	\$2,290	n/a
2016–17	\$2,343	2.50%
2017–18	\$2,391	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.

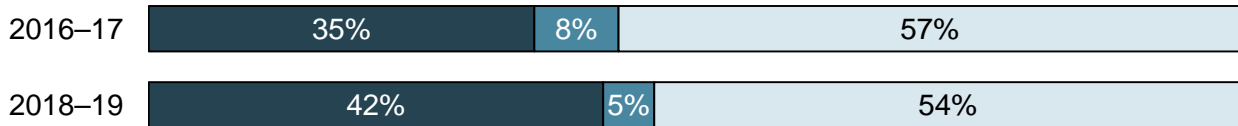
Have council's average rates complied with the applicable rate caps?

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).

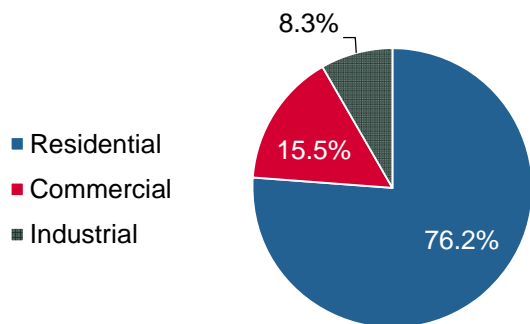


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

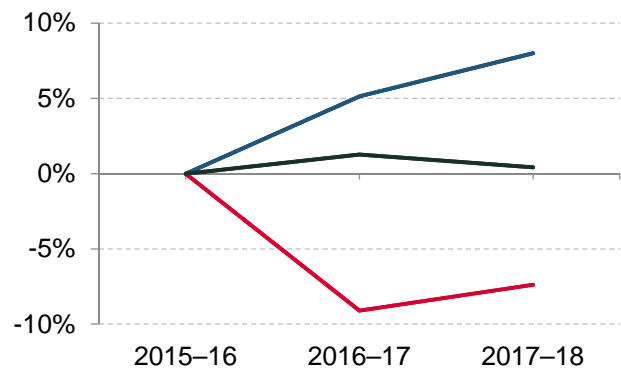
Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

Ratepayers by property class

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



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 Maribyrnong City Council's rates and charges. This group of ratepayers, on average, experienced an 8 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 \$2,290 to \$2,391 (4.4 per cent) over the same period.

Revenue

See the reader's guide for data sources and useful information.
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Where is council's money coming from?

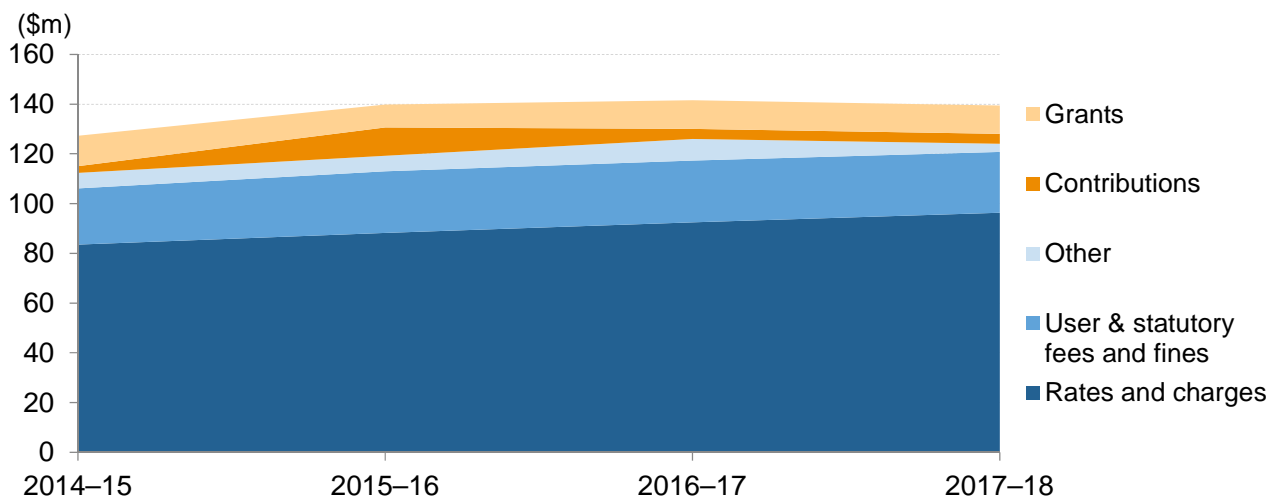
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	85.9	64	94.4	67
Grants	10.7	8	11.5	8
User fees and statutory fees and fines	23.7	18	24.6	18
Contributions	7.1	5	4.0	3
Other	6.2	5	6.0	4
Total	133.6	100	140.5	100

Maribyrnong City Council's average revenue from rates and charges, grants and user fees and statutory fees and fines increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The changes in the composition of council's revenue reflect the increase in average revenue from rates and charges and the decrease in average revenue from contributions over the two years after rate capping commenced.

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.
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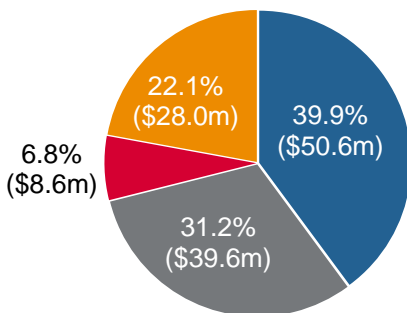
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$94.6m	\$26.4m	\$1,147	\$320
2015–16	\$102.9m	\$29.7m	\$1,214	\$350
2016–17	\$108.1m	\$28.5m	\$1,244	\$328
2017–18	\$106.5m	\$18.5m	\$1,191	\$207

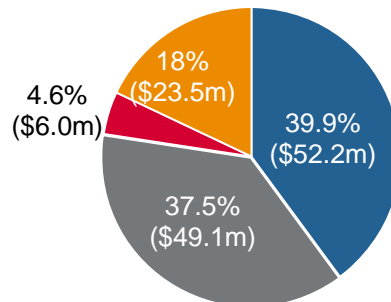
Maribyrnong City Council's operating expenses have been trending upward over time, driven by higher spending on materials and services (particularly contract payments), as well as employee costs, in the two years following the introduction of rate capping. Capital expenditure has been more varied over the same period, reflecting fluctuations in spending on new assets and upgrade projects.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

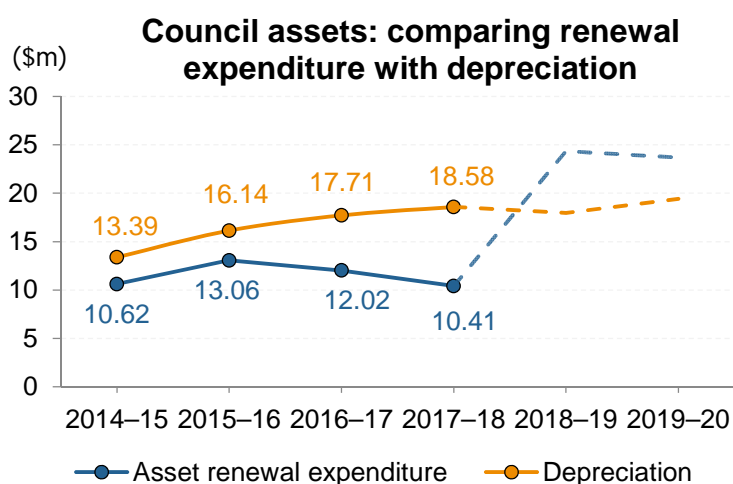


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Maribyrnong City Council's expenditure, reflecting an increase in average spending on materials and services, as well as decreases in average capital and 'other' expenditure in the two years after rate capping was introduced. Employee costs remained at the same share of total expenditure, despite increasing in terms of average dollars spent.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	79
2015-16	81
2016-17	68
2017-18	56
2018-19	135 (forecast data)
2019-20	122 (forecast data)

Maribyrnong City Council's spending on the renewal of its assets has trended downward in recent years, with a widening gap between expenditure and the amount of depreciation (the decline in value of its assets caused by age and use). However, renewal expenditure is planned to increase to above 100 per cent of depreciation in 2018-19 and 2019-20. 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					Council's spending on asset renewal in the two years after rate capping was introduced has decreased. Spending on new assets has fluctuated, but on average remained at a similar level. Average spending on upgrade projects decreased.
	Before rate capping (average 2014-15 and 2015-16)		After rate capping (average 2016-17 and 2017-18)		
	\$m	% of total	\$m	% of total	
Renewal	11.7	52	11.2	67	
New	4.9	22	4.9	29	
Upgrade	5.8	26	0.7	4	
Expansion	0.0	0	0.0	0	
Total	22.4	100	16.8	100	

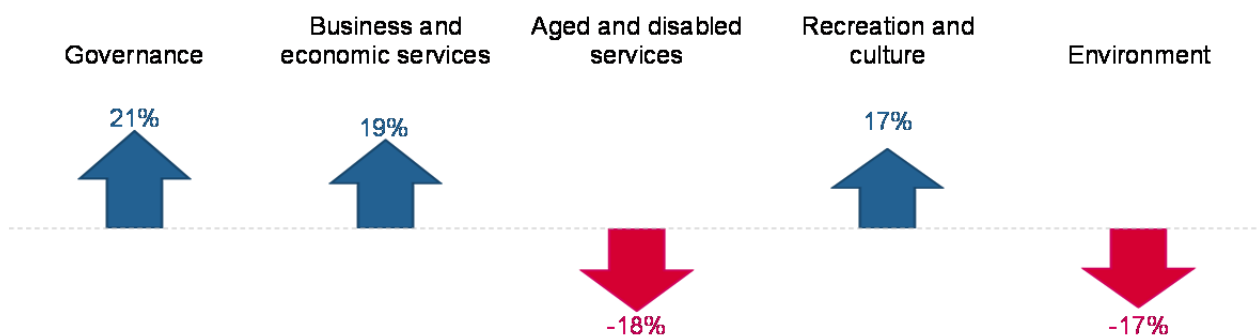
Services

See the reader's guide for data sources and useful information.
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Which service areas is council spending its money in?

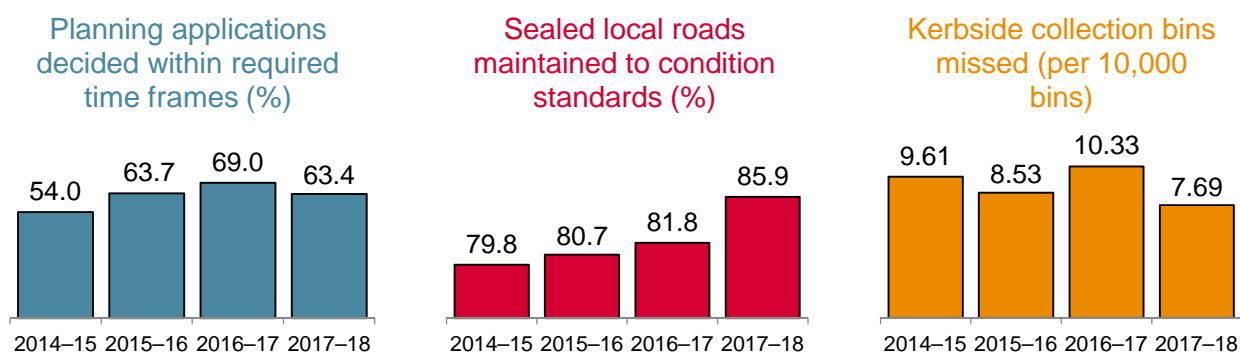
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	319	24.6	386	27.7
Recreation and culture	259	19.9	303	21.7
Traffic and street management	221	17.0	226	16.2
Local roads and bridges	98	7.5	99	7.1
Business and economic services	72	5.5	85	6.1
Family and community services	83	6.4	79	5.7
Environment	89	6.9	74	5.3
Aged and disabled services	88	6.7	72	5.2
Waste management	71	5.4	70	5.0
Other	0	0.0	1	0.1

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)

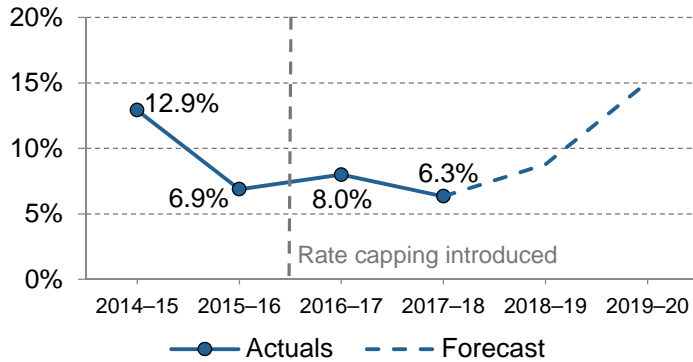


Financial position

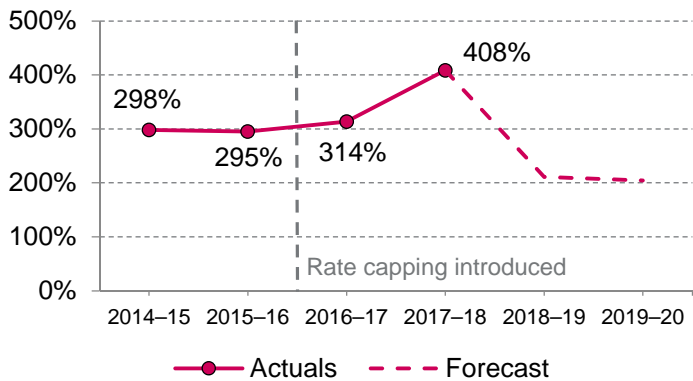
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Is council operating sustainably?

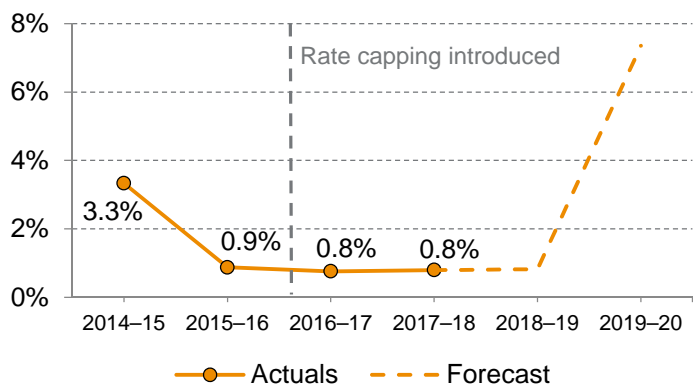
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Maribyrnong City Council reported an average **adjusted underlying result** of 8.6 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 329 per cent between 2014–15 and 2017–18. The increase in working capital relates to council building cash reserves to fund future capital works.

Council repaid all of its borrowings in 2016–17. This is reflected in a low **indebtedness ratio**.

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.