

Moonee Valley City Council

Group: metropolitan

This fact sheet uses graphs and data to examine this council's revenue, expenditure and financial sustainability over recent years. This information is intended to help readers understand the impacts of rate capping, which was introduced in 2016–17 to restrict the amount councils can increase their general rates and municipal charges in each financial year.

You can compare this council's data against its 'group' by looking at the fact sheet for metropolitan councils. Further information is available at <http://www.esc.vic.gov.au/outcomes-reports>, including an interactive version of this fact sheet, a reader's guide to help you understand key terms used in this fact sheet, and information about the sector as a whole.

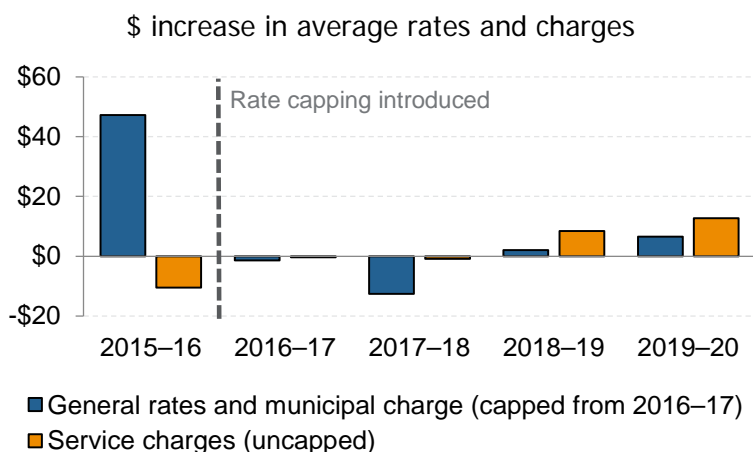


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Key facts	
Population (June 2019):	130,294
Size (km ²):	43
Length of local roads (km):	411
Population per km of roads:	317
Council employees (FTE, 2019–20):	888
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

Rates

What has happened to average rates and charges (2019–20 dollars)?



Year	Average rates and charges	Applicable rate cap
2015–16	\$1,996	n/a
2016–17	\$1,995	2.50%
2017–18	\$1,981	2.00%
2018–19	\$1,992	2.25%
2019–20	\$2,011	2.50%

Rates (continued)



See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

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

2018–19 (2.25%)	2019–20 (2.50%)	2020–21 (2.00%)
Yes	Yes	Yes

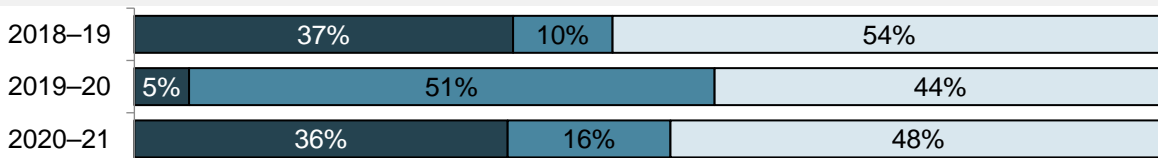
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 2 differential rates (for different types of property), a municipal charge and uses service charges to recover the cost of waste services. More information about council's differential rate categories and charges can be found in council's adopted budget.

Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate, which means some individual rates increased by more and some increased by less than the applicable cap (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

Ratepayers by property class (2019–20 dollars)

	Residential ratepayers	Commercial & Industrial ratepayers	Rural ratepayers
	94% of ratepayers	6% of ratepayers	0% of ratepayers
	\$105.2m (89%) of rates and charges revenue in 2019–20	\$12.9m (11%) of rates and charges revenue in 2019–20	\$0m (0%) of rates and charges revenue in 2019–20
	0.3% average annual increase between 2015–16 and 2019–20	-0.2% average annual increase between 2015–16 and 2019–20	0.0% average annual increase between 2015–16 and 2019–20

Source: Victorian Local Government Grants Commission (unaudited data). Includes both capped and uncapped rates and charges. 'Other' category of property class has been omitted.

Revenue



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

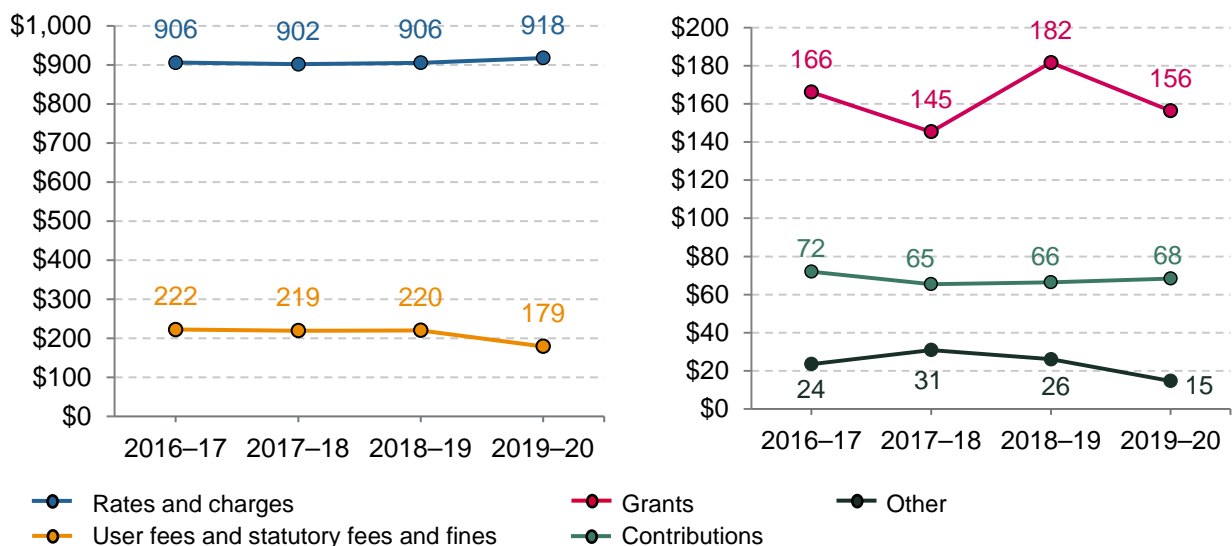
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	111.3	(65%)	113.1	(66%)	115.8	(65%)	119.6	(69%)
User fees and statutory fees and fines	27.3	(16%)	27.5	(16%)	28.1	(16%)	23.3	(13%)
Grants	20.4	(12%)	18.2	(11%)	23.2	(13%)	20.4	(12%)
Contributions	8.8	(5%)	8.2	(5%)	8.5	(5%)	8.9	(5%)
Other	2.9	(2%)	3.9	(2%)	3.3	(2%)	1.9	(1%)
Total	170.8		171.0		179.0		174.1	

In real terms, Moonee Valley City Council's total revenue increased between 2016–17 and 2019–20, reflecting increases in revenue from rates and charges. In 2019–20, council's revenue from user fees and statutory fees and fines decreased in real terms due to the closure of leisure facilities and fewer parking fines during the coronavirus pandemic.

Rates and charges was the largest source of council's revenue, accounting for 66 per cent of total revenue between 2016–17 and 2019–20.

Revenue per person (2019–20 dollars)



In terms of revenue per person (which adjusts for population growth), council's revenue from grants fluctuated in real terms between 2016–17 and 2019–20. Revenue per person from user fees and statutory fees and fines was stable in real terms until a decrease in 2019–20.

Expenditure



See the reader's guide for data sources and useful information.
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How much money is council spending?

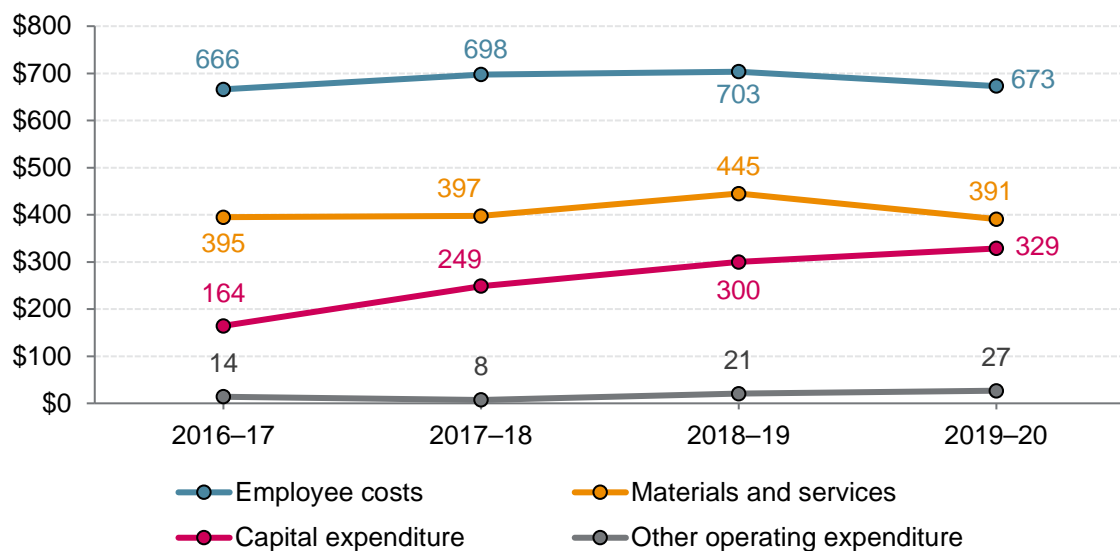
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m	(%)	\$m	(%)	\$m	(%)	\$m	(%)
Operating expenditure	132.1	(87%)	138.3	(82%)	149.6	(80%)	142.1	(77%)
Employee costs	81.8	(54%)	87.5	(52%)	90.0	(48%)	87.7	(47%)
Materials and services	48.5	(32%)	49.8	(29%)	56.9	(30%)	50.9	(28%)
Other operating expenditure	1.8	(1%)	1.0	(1%)	2.6	(1%)	3.5	(2%)
Capital expenditure	20.2	(13%)	31.2	(18%)	38.4	(20%)	42.8	(23%)
Total	152.3		169.5		187.9		185.0	

In real terms, Moonee Valley City Council's total expenditure increased between 2016–17 and 2018–19, reflecting increases in all areas of expenditure. Although capital expenditure continued to increase in real terms in 2019–20, council's total expenditure decreased in 2019–20 due to lower employee costs and expenditure on materials and services.

Employee costs was council's largest area of expenditure, accounting for 50 per cent of total expenditure between 2016–17 and 2019–20.

Expenditure per person (2019–20 dollars)



In terms of expenditure per person (which adjusts for population growth), expenditure on materials and services fluctuated in real terms between 2016–17 and 2019–20, while capital expenditure trended upwards. Employee costs per person increased between 2016–17 and 2018–19, before decreasing in 2019–20.



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Has council's capital expenditure pattern changed?

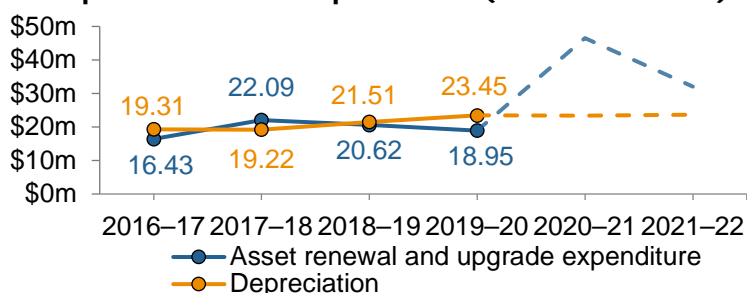
Capital expenditure (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	9.9	(49%)	9.9	(32%)	7.4	(19%)	10.4	(24%)
Upgrade	6.6	(33%)	12.2	(39%)	13.2	(34%)	8.5	(20%)
Expansion	3.2	(16%)	5.7	(18%)	0.4	(1%)	0.9	(2%)
New	0.6	(3%)	3.4	(11%)	17.4	(45%)	23.0	(54%)
Total	20.2		31.2		38.4		42.8	

In real terms, Moonee Valley City Council's spending on new assets trended upwards between 2016–17 and 2019–20. Spending on asset upgrades also trended upwards between 2016–17 and 2018–19, before decreasing in 2019–20, while spending on asset expansion decreased in 2018–19. Spending on asset renewal was consistent, aside from a drop in spending in 2018–19. New assets was the highest share of capital expenditure in 2018–19 and 2019–20 (prior to this, the highest share was asset renewal in 2016–17 and asset upgrades in 2017–18).

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

Council assets: comparing renewal and upgrade expenditure with depreciation (2019-20 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	85%
2017–18	115%
2018–19	96%
2019–20	81%
2020–21	199% (forecast data)
2021–22	135% (forecast data)

Council's spending on the renewal and upgrade of its assets trended downwards in real terms between 2017–18 and 2019–20, after increasing in 2017–18. This spending remained below the amount of depreciation (the decline in value of council's assets caused by age and use), except in 2017–18 when it increased above 100 per cent of depreciation.

Renewal and upgrade expenditure was forecast to increase above 100 per cent of depreciation in 2020–21 and 2021–22.

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 (2019–20 \$m and % of total services expenditure)

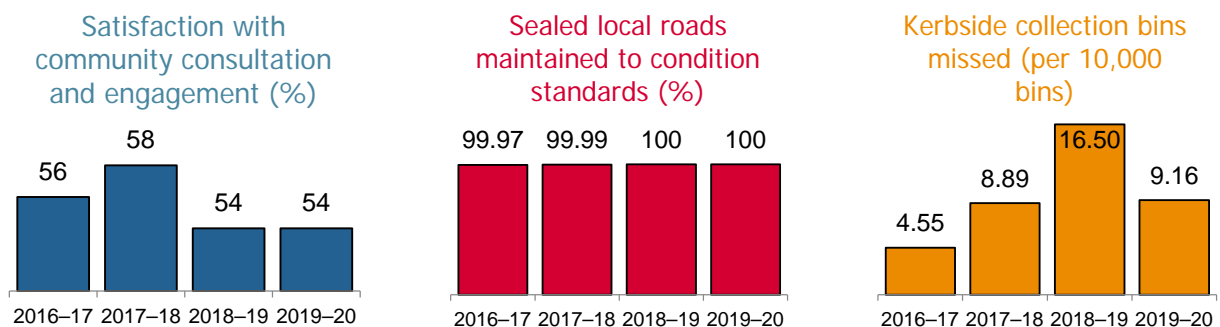
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	17.9	(12%)	17.4	(11%)	16.0	(9%)	14.4	(9%)
Business and economic services	9.2	(6%)	11.2	(7%)	12.0	(7%)	10.9	(7%)
Environment	8.7	(6%)	9.0	(6%)	10.9	(6%)	8.9	(5%)
Family and community services	31.8	(21%)	33.6	(21%)	31.8	(19%)	29.3	(18%)
Governance	15.3	(10%)	15.8	(10%)	20.8	(12%)	22.5	(14%)
Local roads and bridges	11.4	(8%)	12.8	(8%)	14.4	(8%)	15.9	(10%)
Recreation and culture	26.8	(18%)	27.6	(18%)	30.7	(18%)	28.2	(17%)
Traffic and street management	17.1	(11%)	17.4	(11%)	19.9	(12%)	19.9	(12%)
Waste management	12.9	(9%)	12.7	(8%)	13.9	(8%)	15.9	(10%)
Other	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
Total	151.1		157.5		170.5		165.8	

Which service areas have experienced the biggest changes in spending?



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

Has there been a change in service quality and community satisfaction?



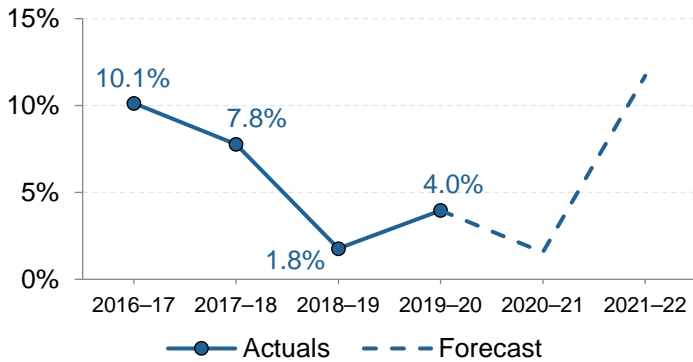
Financial position



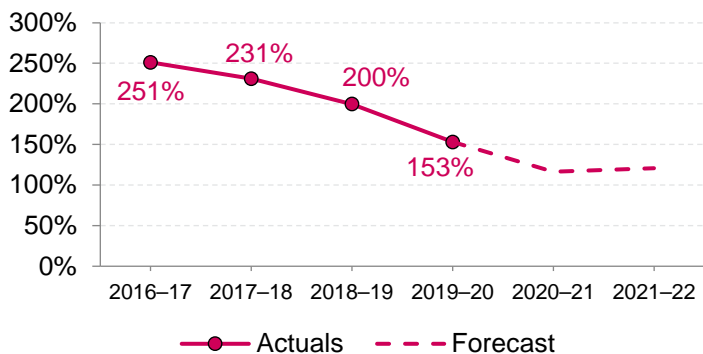
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Is council operating sustainably?

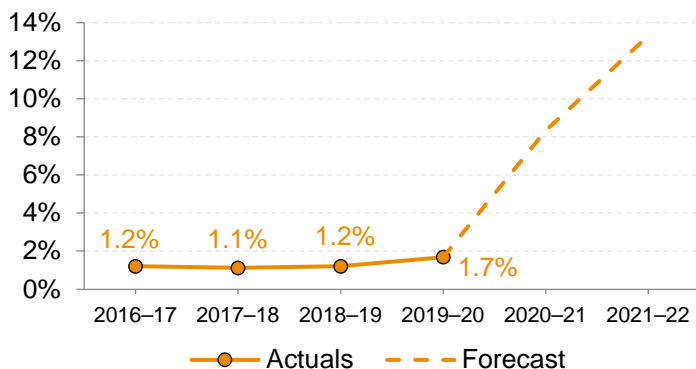
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2016–17 and 2019–20, Moonee Valley City Council reported an average **adjusted underlying result** of 5.9 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The decrease in 2018–19 reflects over-budget spending on employee costs and on materials and services.

Council could meet its current financial obligations with a reported average **working capital ratio** of 209 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 1.3 per cent between 2016–17 and 2019–20 places the council in the Victorian Auditor-General's low risk category for this indicator, which means there is no concern over council's ability to repay debt from the revenue it controls.

Note: Some of the year-on-year changes in these financial indicators may be due to the advance payment of Commonwealth grants (particularly in 2016–17) and changes to accounting standards or the impact of coronavirus (in 2019–20). See the reader's guide for more information.