

# Hume City Council

## Group: interface

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

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

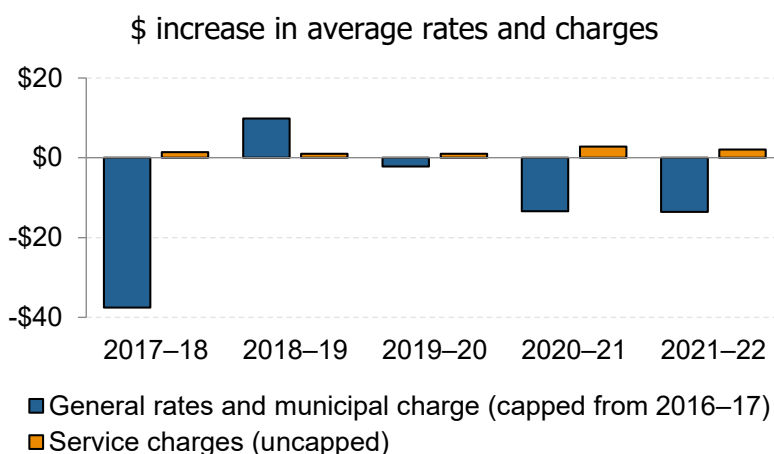


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Key facts	
Population (June 2021):	246,850
Size (km <sup>2</sup> ):	504
Length of local roads (km):	1,448
Population per km of roads:	170
Council employees (FTE, 2021–22):	1,057
Higher cap approved for any year between 2016–17 and 2021–22	No

## Rates

### What happened to average rates and charges (2021–22 dollars)?



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,047	2.50%
2017–18	\$2,011	2.00%
2018–19	\$2,021	2.25%
2019–20	\$2,020	2.50%
2020–21	\$2,010	2.00%
2021–22	\$1,998	1.50%

# 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 2021–22 dollars.

## Did council's average rates comply with the applicable rate caps?

2020–21 (2.00%)	2021–22 (1.50%)	2022–23 (1.75%)
Yes	Yes	Yes

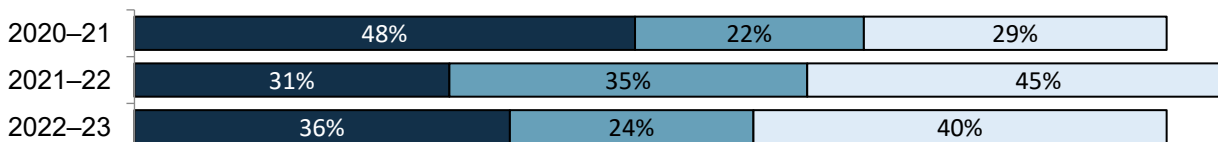
## How did rates change for different ratepayers?

### Council's rating strategy 2022–23

Council applies a single differential rate to all property types. The adopted budget contains more information about rate categories and charges.

### Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate. So, 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 (2021–22 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	<b>90%</b> of ratepayers in 2021–22	<b>3%</b> of ratepayers in 2021–22	<b>6%</b> of ratepayers in 2021–22	<b>1%</b> of ratepayers in 2021–22
	<b>\$151m</b> (72%) of rates and charges revenue in 2021–22	<b>\$23.9m</b> (11%) of rates and charges revenue in 2021–22	<b>\$24.7m</b> (12%) of rates and charges revenue in 2021–22	<b>\$9.8m</b> (5%) of rates and charges revenue in 2021–22
	<b>0%</b> average annual change between 2018–19 and 2021–22	<b>-3.8%</b> average annual change between 2018–19 and 2021–22	<b>0.3%</b> average annual change between 2018–19 and 2021–22	<b>4.5%</b> average annual change between 2018–19 and 2021–22

**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.  
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

## Where did council's money come from?

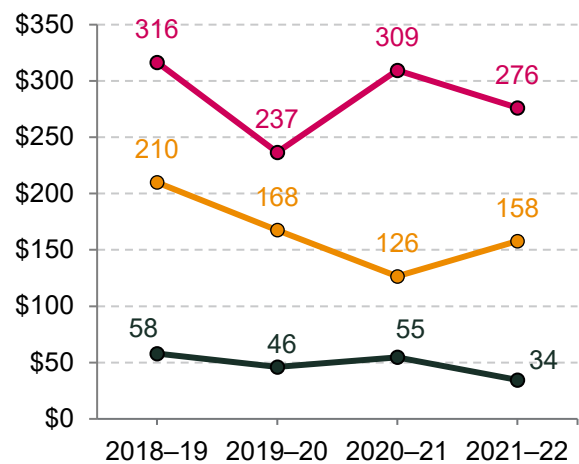
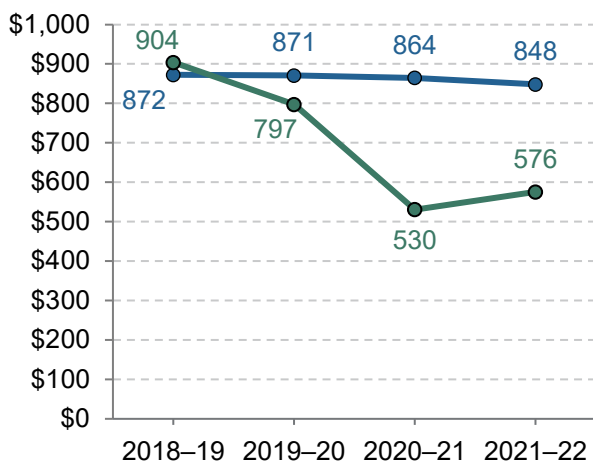
**Revenue** (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	196.5	(37%)	204.7	(41%)	210.3	(46%)	209.4	(45%)
User fees and statutory fees and fines	47.3	(9%)	39.4	(8%)	30.8	(7%)	39.0	(8%)
Grants	71.3	(13%)	55.6	(11%)	75.2	(16%)	68.1	(15%)
Contributions	203.7	(38%)	187.5	(38%)	129.0	(28%)	142.1	(30%)
Other	13.1	(2%)	10.8	(2%)	13.3	(3%)	8.5	(2%)
<b>Total</b>	<b>531.8</b>		<b>498.0</b>		<b>458.6</b>		<b>467.0</b>	

Hume City Council's total revenue decreased in real terms between 2018–19 and 2020–21 before increasing in 2021–22, reflecting changes in revenue from contributions.

Rates and charges, and contributions were the largest sources of council's revenue, accounting for 76 per cent of total revenue between 2018–19 and 2021–22.

## Revenue per person (2021–22 dollars)



- Rates and charges
- User fees and statutory fees and fines
- Grants
- Contributions
- Other

In terms of revenue per person (which adjusts for changes in population), revenue from all categories decreased between 2018–19 and 2021–22.

# Expenditure



See the reader's guide for data sources and useful information.  
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## How much money did council spend?

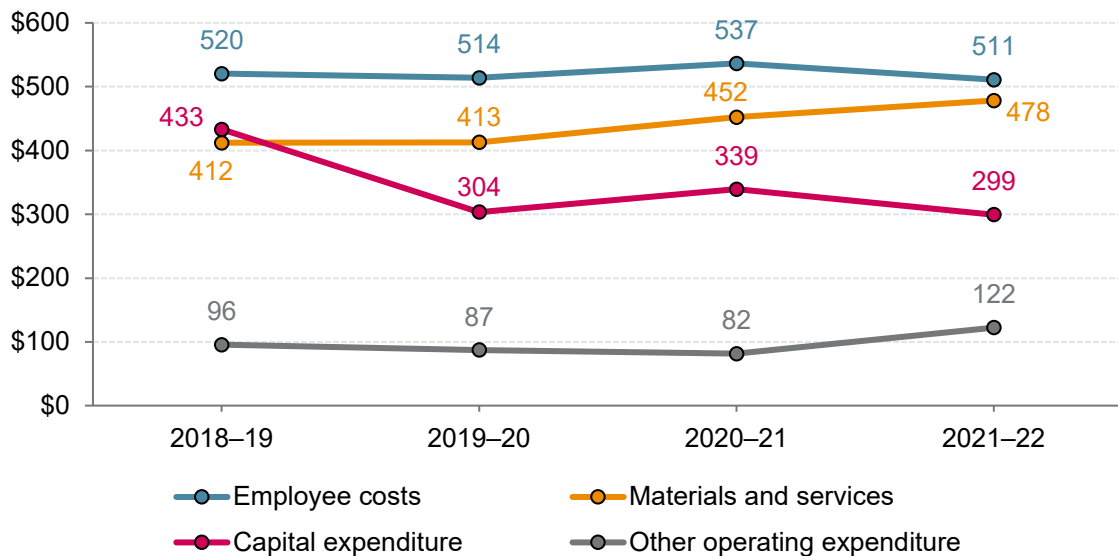
**Expenditure** (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	231.6	(70%)	238.4	(77%)	260.3	(76%)	274.4	(79%)
Employee costs	117.2	(36%)	120.8	(39%)	130.5	(38%)	126.1	(36%)
Materials and services	92.9	(28%)	97.1	(31%)	110.0	(32%)	118.1	(34%)
Other operating expenditure	21.5	(7%)	20.5	(7%)	19.8	(6%)	30.2	(9%)
Capital expenditure	97.6	(30%)	71.4	(23%)	82.6	(24%)	73.9	(21%)
<b>Total</b>	<b>329.2</b>		<b>309.8</b>		<b>342.9</b>		<b>348.3</b>	

Hume City Council's total expenditure increased in real terms between 2018–19 and 2021–22, reflecting increases in expenditure on materials and services, expenditure on employee costs and 'other operating expenditure'.

Employee costs was the largest area of expenditure, accounting for 37 per cent of total expenditure between 2018–19 and 2021–22.

## Expenditure per person (2021–22 dollars)



In terms of expenditure per person (which adjusts for changes in population), council's expenditure on employee costs and capital expenditure decreased between 2018–19 and 2021–22. This compares with an upward trend in expenditure on materials and services and 'other operating expenditure' per person.

## Did council's capital expenditure pattern change?

**Capital expenditure** (2021–22 \$m and % of total capital expenditure)

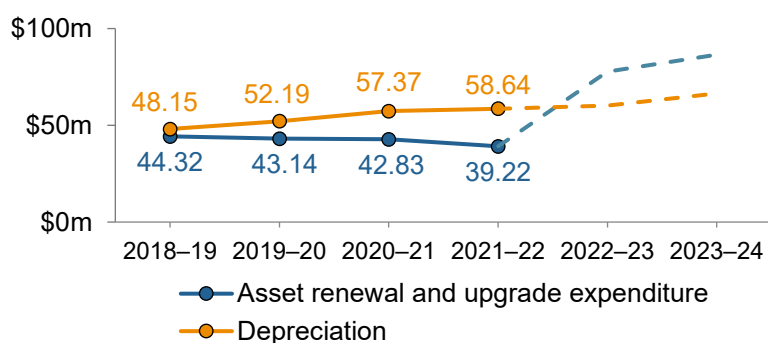
	2018–19		2019–20		2020–21		2021–22	
	\$m		\$m		\$m		\$m	
Renewal	30.5	(31%)	31.1	(44%)	29.0	(35%)	28.0	(38%)
Upgrade	13.8	(14%)	12.0	(17%)	13.9	(17%)	11.2	(15%)
Expansion	18.5	(19%)	6.4	(9%)	6.1	(7%)	2.7	(4%)
New	34.8	(36%)	21.9	(31%)	33.7	(41%)	32.0	(43%)
<b>Total</b>	<b>97.6</b>		<b>71.4</b>		<b>82.6</b>		<b>73.9</b>	

Hume City Council's spending on new assets fluctuated in real terms between 2018–19 and 2021–22. New assets accounted for the highest share of capital expenditure over this period (38 per cent).

Council's spending on all other categories decreased in real terms between 2018–19 and 2021–22.

## Did council renew assets (such as roads, parks and buildings)?

**Council assets: comparing renewal and upgrade expenditure with depreciation (2021–22 dollars)**



**Renewal & upgrade expenditure as a percentage of depreciation**

2018–19	92%
2019–20	83%
2020–21	75%
2021–22	67%
2022–23	129% (forecast data)
2023–24	130% (forecast data)

Council's spending on renewing and upgrading assets trended downwards in real terms between 2018–19 and 2021–22. Renewal and upgrade expenditure remained below the amount of depreciation (the decline in value of council's assets caused by age and use) between 2018–19 and 2021–22. It was forecast to increase above the amount of depreciation in 2022–23 and 2023–24.



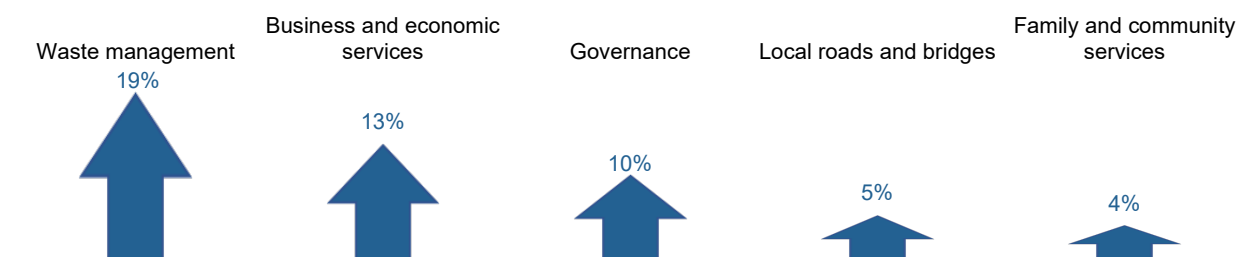
See the reader's guide for data sources and useful information.  
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## Which service areas did council spend its money on?

**Expenditure by function** (2021–22 \$m and % of total services expenditure)

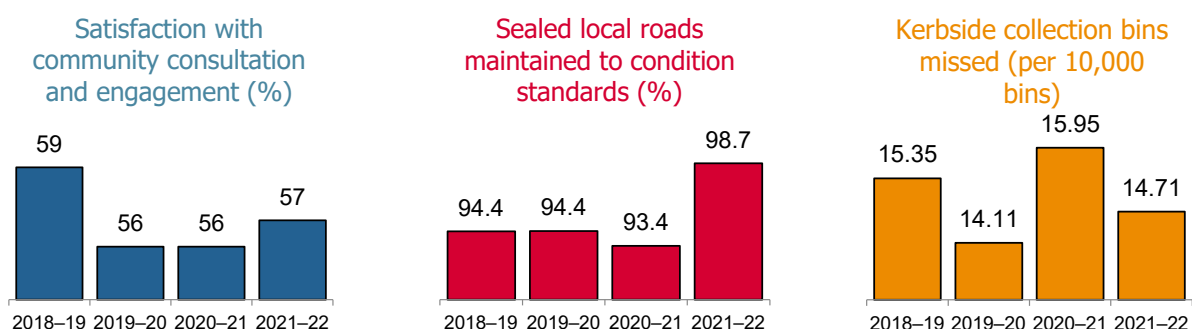
	2018–19		2019–20		2020–21		2021–22	
	\$m		\$m		\$m		\$m	
Aged and disabled services	12.4	(5%)	11.3	(4%)	10.0	(3%)	10.5	(3%)
Business and economic services	18.6	(7%)	24.4	(9%)	26.7	(9%)	26.8	(8%)
Environment	11.6	(4%)	12.9	(5%)	17.0	(5%)	14.3	(4%)
Family and community services	35.5	(13%)	36.0	(13%)	38.0	(12%)	39.9	(12%)
Governance	51.6	(19%)	50.1	(18%)	57.7	(18%)	67.8	(21%)
Local roads and bridges	22.2	(8%)	23.9	(8%)	27.0	(9%)	25.8	(8%)
Recreation and culture	64.1	(24%)	66.6	(23%)	65.9	(21%)	69.2	(21%)
Traffic and street management	33.4	(12%)	32.4	(11%)	35.8	(11%)	33.4	(10%)
Waste management	22.8	(8%)	27.1	(10%)	33.9	(11%)	38.1	(12%)
Other	0.1	(0%)	0.1	(0%)	0.0	(0%)	0.0	(0%)
<b>Total</b>	<b>272.4</b>		<b>284.9</b>		<b>312.0</b>		<b>325.8</b>	

## Which areas experienced the biggest changes from 2018–19 to 2021–22?



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

## Did service quality or community satisfaction change?



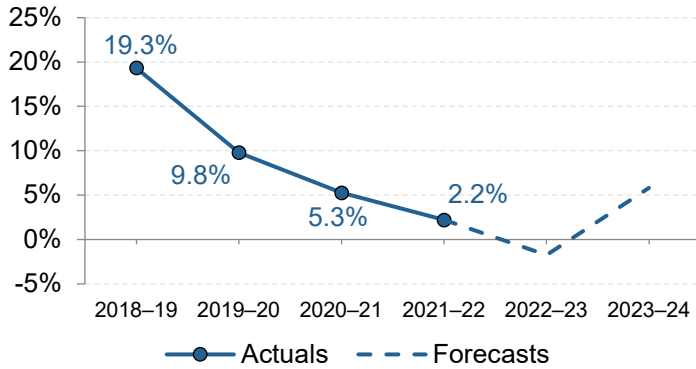
# Financial position



See the reader's guide for data sources and useful information.  
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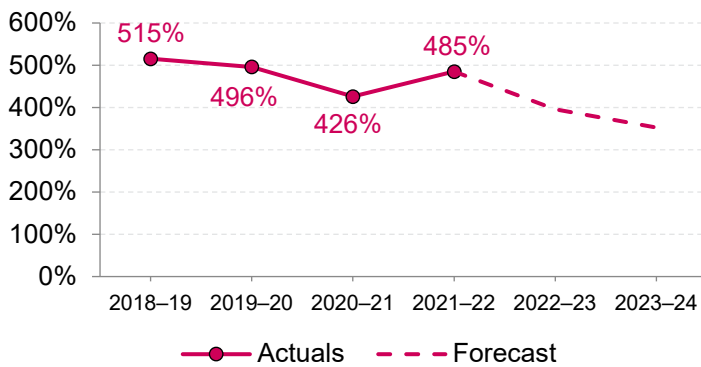
## Did council operate sustainably?

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



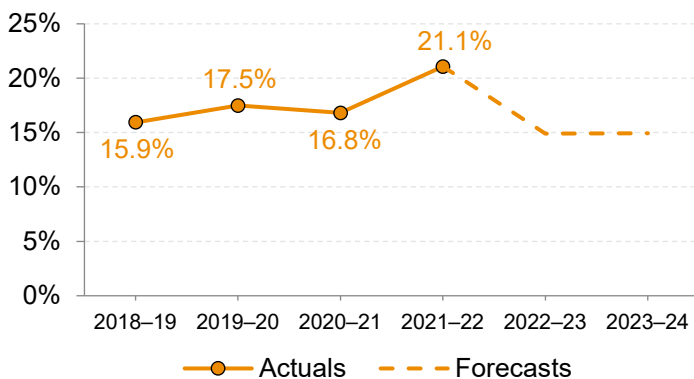
Between 2018–19 and 2021–22, Hume City Council reported an average **adjusted underlying result** of 9.1 per cent. An ongoing positive result suggests ongoing revenue can fund the current level of service provision.

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



Council could meet its current financial obligations with a reported average **working capital ratio** of 481 per cent between 2018–19 and 2021–22.

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



Between 2018–19 and 2021–22, council reported an average **indebtedness ratio** of 17.8 per cent. The lower the percentage, the greater a council's ability is to repay debt from revenue it controls.

**Note:** Some of the year-on-year changes in these financial indicators may be due to changes to accounting standards or the impact of coronavirus. See the reader's guide for more information.