

# Port Phillip City Council

Group: metropolitan

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 metropolitan 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.



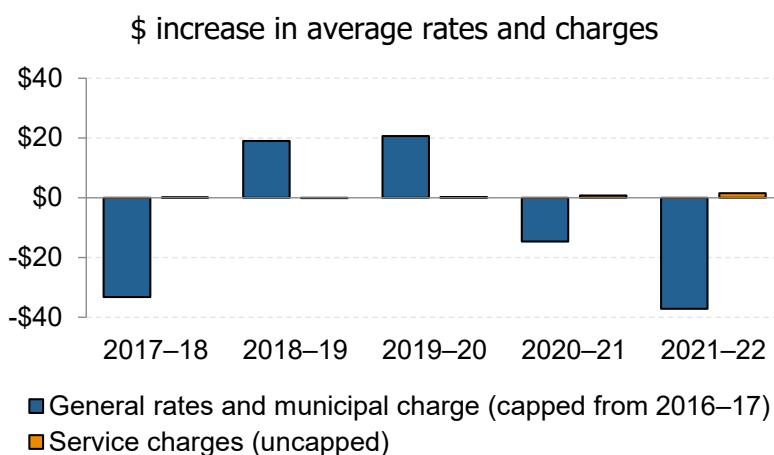
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## Key facts

Population (June 2021):	103,508
Size (km <sup>2</sup> ):	21
Length of local roads (km):	215
Population per km of roads:	481
Council employees (FTE, 2021–22):	826
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	\$1,842	2.50%
2017–18	\$1,809	2.00%
2018–19	\$1,828	2.25%
2019–20	\$1,849	2.50%
2020–21	\$1,835	2.00%
2021–22	\$1,799	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

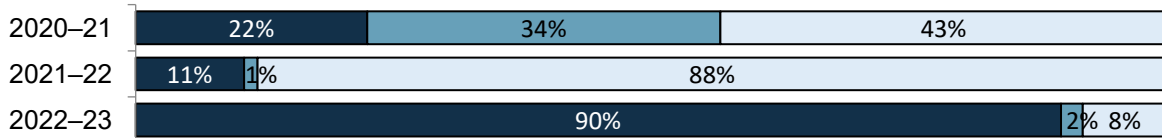
## How did rates change for different ratepayers?

### Council's rating strategy 2022–23

Council applies 2 differential rates for different types of property and recovers the cost of waste services using service charges. 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

Council reduced their rates in 2022–23 to minimise the impact that new waste charges had on ratepayers

## Ratepayers by property class (2021–22 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	<b>90%</b> of ratepayer in 2021–22s	<b>9%</b> of ratepayers in 2021–22	<b>1%</b> of ratepayers in 2021–22	<b>0%</b> of ratepayers in 2021–22
	<b>\$115.1m</b> (84%) of rates and charges revenue in 2021–22	<b>\$17.9m</b> (13%) of rates and charges revenue in 2021–22	<b>\$4.3m</b> (3%) of rates and charges revenue in 2021–22	<b>\$0m</b> (0%) of rates and charges revenue in 2021–22
	<b>1.2%</b> average annual change between 2017–18 and 2021–22	<b>-4.7%</b> average annual change between 2017–18 and 2021–22	<b>-5.5%</b> average annual change between 2017–18 and 2021–22	<b>0.0%</b> average annual change between 2017–18 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?

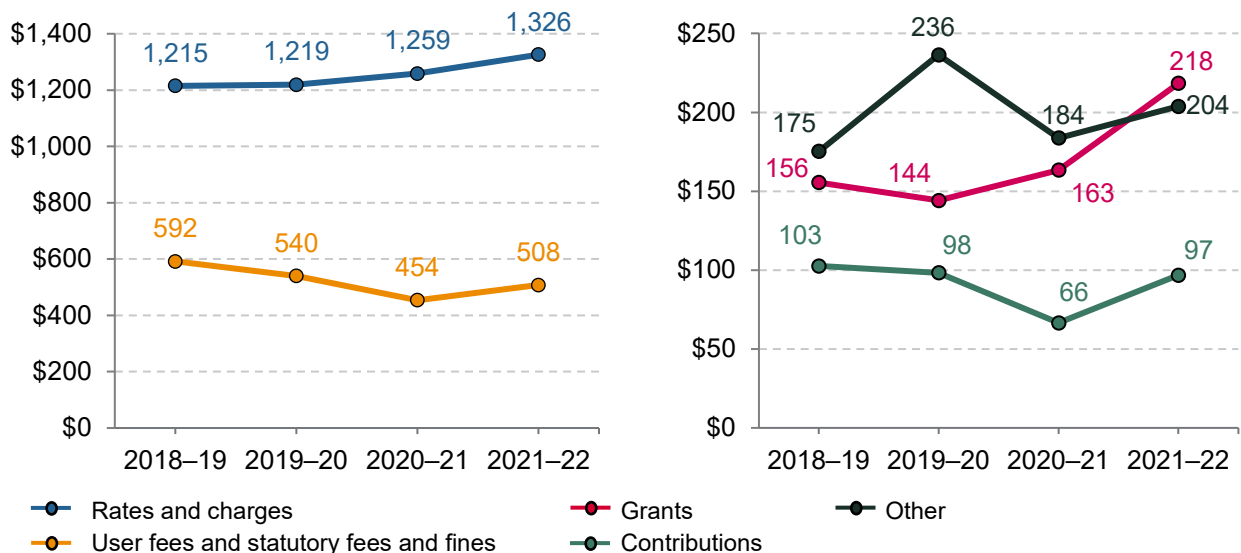
**Revenue** (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	134.5	(54%)	136.2	(54%)	139.1	(59%)	137.3	(56%)
User fees and statutory fees and fines	65.5	(26%)	60.3	(24%)	50.1	(21%)	52.5	(22%)
Grants	17.2	(7%)	16.1	(6%)	18.1	(8%)	22.6	(9%)
Contributions	11.4	(5%)	11.0	(4%)	7.3	(3%)	10.0	(4%)
Other	19.4	(8%)	26.4	(11%)	20.3	(9%)	21.1	(9%)
<b>Total</b>	<b>247.9</b>		<b>250.0</b>		<b>234.9</b>		<b>243.5</b>	

Port Phillip City Council's total revenue fluctuated in real terms between 2018–19 and 2021–22, reflecting changes in revenue from user fees and statutory fees and fines, and grants.

Rates and charges, and user fees and statutory fees and fines were the largest sources of revenue, accounting for 79 per cent of total revenue on average between 2018–19 and 2021–22.

## Revenue per person (2021–22 dollars)



In terms of revenue per person (which adjusts for changes in population), revenue from rates and charges, grants and 'other' revenue increased between 2018–19 and 2021–22. This compares with a downward trend in revenue per person from user fees and statutory fees and fines, and contributions.

# Expenditure



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

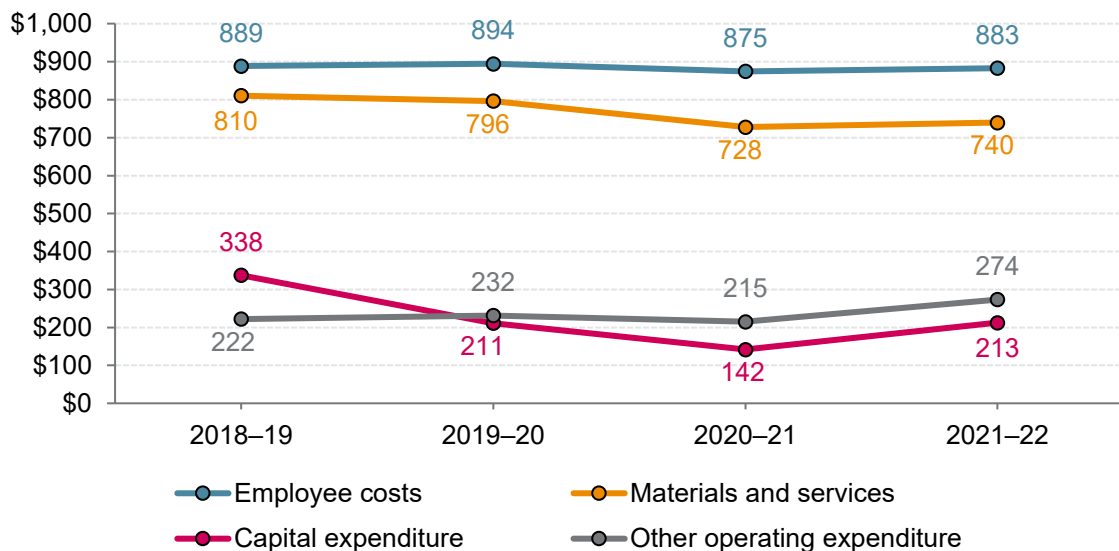
**Expenditure** (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	212.6	(85%)	214.7	(90%)	200.8	(93%)	196.3	(90%)
Employee costs	98.3	(39%)	99.9	(42%)	96.6	(45%)	91.4	(42%)
Materials and services	89.7	(36%)	88.9	(37%)	80.4	(37%)	76.6	(35%)
Other operating expenditure	24.6	(10%)	25.9	(11%)	23.7	(11%)	28.3	(13%)
Capital expenditure	37.4	(15%)	23.6	(10%)	15.7	(7%)	22.0	(10%)
<b>Total</b>	<b>250.0</b>		<b>238.3</b>		<b>216.5</b>		<b>218.3</b>	

Port Phillip City Council's total expenditure decreased in real terms between 2018–19 and 2021–22. This reflected a decrease in capital expenditure, materials and services expenditure and employee costs.

Employee costs was the largest area of expenditure, accounting for 42 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, expenditure on materials and services and capital expenditure decreased between 2018–19 and 2021–22. This compares with an upward trend in 'other operating expenditure' per person.



See the reader's guide for data sources and useful information.  
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## Did council's capital expenditure pattern change?

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

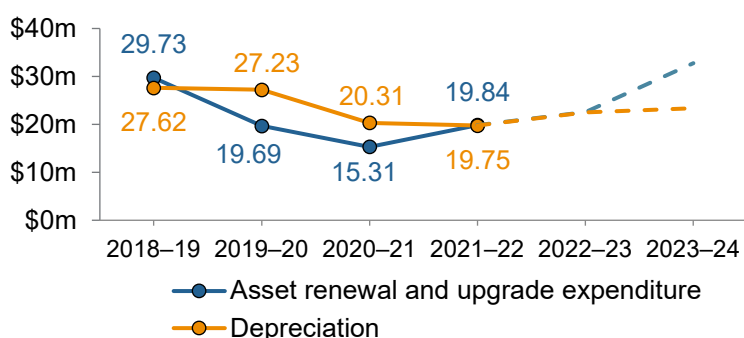
	2018–19		2019–20		2020–21		2021–22	
	\$m		\$m		\$m		\$m	
Renewal	17.3	(46%)	10.8	(46%)	9.5	(61%)	11.2	(51%)
Upgrade	12.4	(33%)	8.9	(38%)	5.8	(37%)	8.6	(39%)
Expansion	3.1	(8%)	2.2	(9%)	0.0	(0%)	0.8	(4%)
New	4.5	(12%)	1.7	(7%)	0.3	(2%)	1.4	(6%)
<b>Total</b>	<b>37.4</b>		<b>23.6</b>		<b>15.7</b>		<b>22.0</b>	

Port Phillip City Council's spending on asset renewal trended downwards in real terms, despite fluctuating between 2018–19 and 2021–22. Asset renewal accounted for the highest share of capital expenditure over this period (49 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	108%
2019–20	72%
2020–21	75%
2021–22	100%
2022–23	100% (forecast data)
2023–24	140% (forecast data)

Council's spending on renewing and upgrading assets trended downwards in real terms between 2018–19 and 2020–21, before increasing in 2021–22. Renewal and upgrade expenditure decreased below the amount of depreciation (the decline in value of council's assets caused by age and use) in 2019–20, before increasing above 100 per cent of depreciation in 2021–22. It was forecast to remain above the amount of depreciation in 2022–23 and 2023–24.



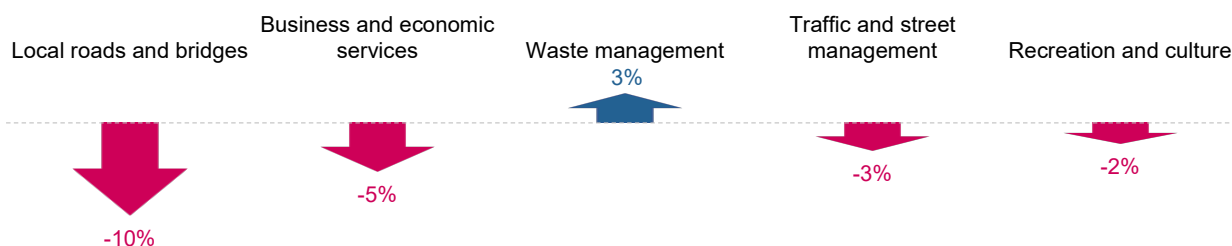
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## Which service areas did council spend its money on?

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

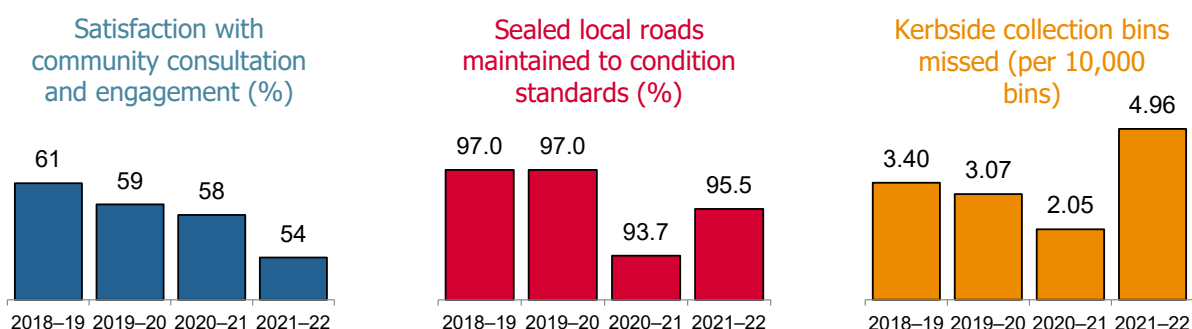
	2018–19	2019–20	2020–21	2021–22
	\$m	\$m	\$m	\$m
Aged and disabled services	9.5 (4%)	8.7 (4%)	6.9 (3%)	6.5 (3%)
Business and economic services	29.5 (13%)	27.7 (11%)	23.9 (11%)	25.0 (12%)
Environment	6.2 (3%)	4.2 (2%)	3.3 (2%)	3.2 (2%)
Family and community services	26.6 (11%)	29.3 (12%)	24.1 (11%)	24.9 (12%)
Governance	48.1 (20%)	50.8 (21%)	59.7 (27%)	46.5 (22%)
Local roads and bridges	25.3 (11%)	30.2 (13%)	21.4 (10%)	18.3 (9%)
Recreation and culture	38.9 (17%)	41.2 (17%)	37.7 (17%)	36.3 (17%)
Traffic and street management	36.2 (15%)	33.8 (14%)	29.4 (13%)	33.1 (16%)
Waste management	14.3 (6%)	15.3 (6%)	15.2 (7%)	15.7 (7%)
Other	0.0 (0%)	0.0 (0%)	0.0 (0%)	0.0 (0%)
<b>Total</b>	<b>234.4</b>	<b>241.3</b>	<b>221.7</b>	<b>209.6</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?

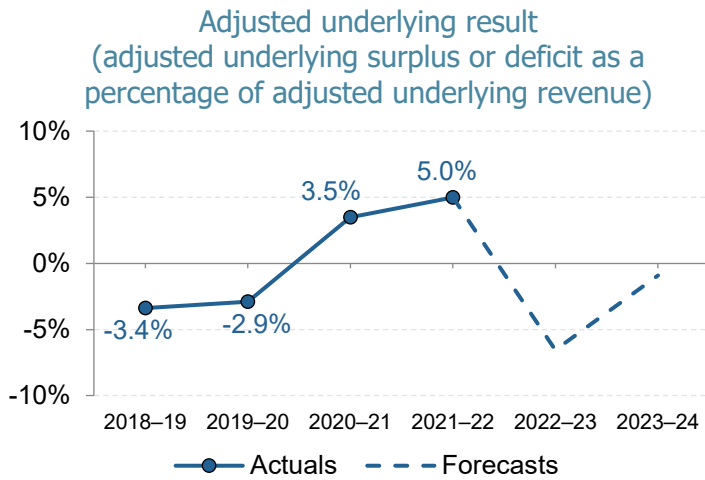


# Financial position

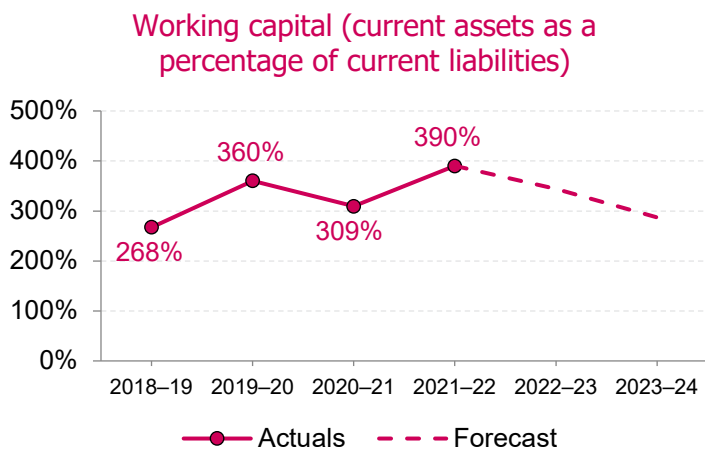


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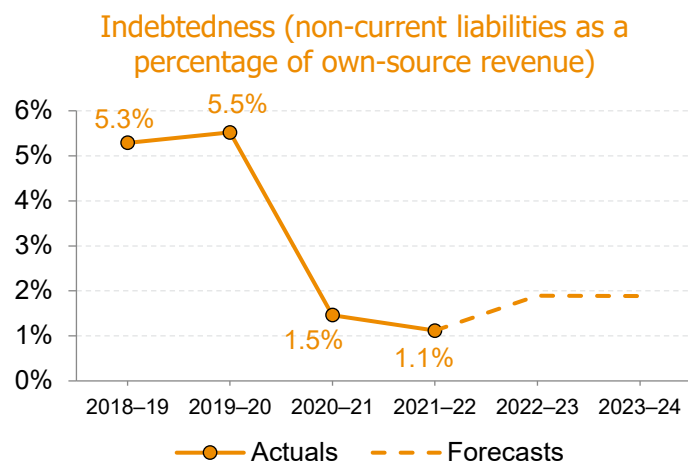
## Did council operate sustainably?



Between 2018–19 and 2021–22, Port Phillip City Council reported an average **adjusted underlying result** of 0.6 per cent. An ongoing positive result suggests ongoing revenue can fund the current level of service provision.



Council could meet its current financial obligations with a reported average **working capital ratio** of 332 per cent between 2018–19 and 2021–22.



Between 2018–19 and 2021–22, council reported an average **indebtedness ratio** of 3.3 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.