

Kingston 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>.



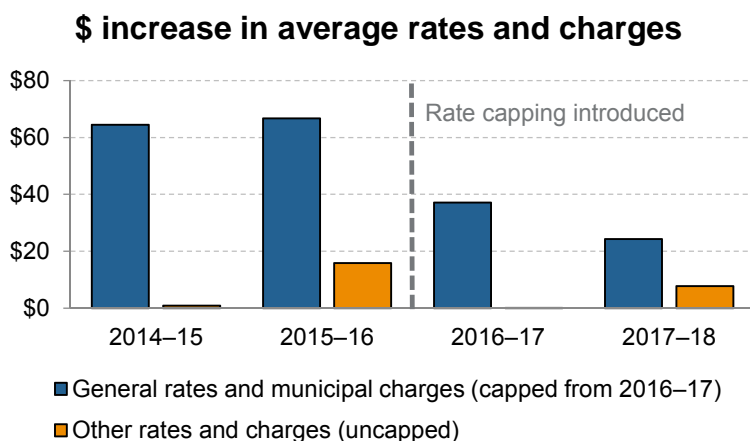
© OpenStreetMap contributors

Key facts

Population:	161,056
Size (km ²):	91.4
Length of local roads (km):	602
Population per km of roads:	267
Council employees (FTE, 2017–18):	818
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	\$1,668	n/a
2015–16	\$1,750	n/a
2016–17	\$1,787	2.50%
2017–18	\$1,819	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.

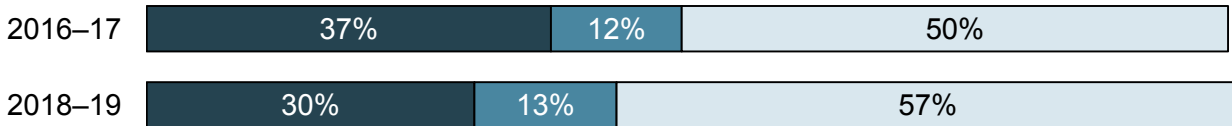
Have council's average rates complied with the applicable rate caps?

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).

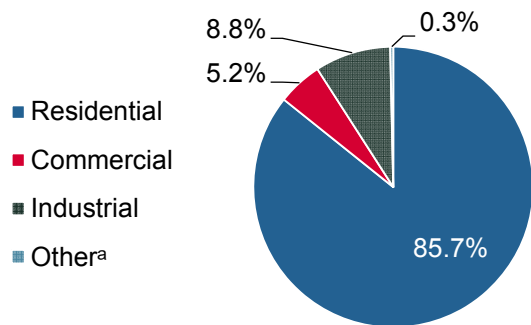


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

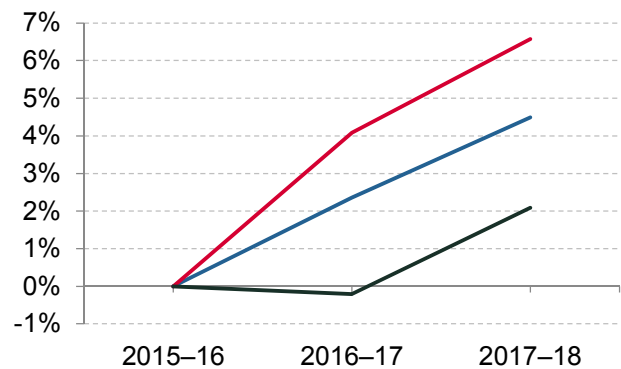
Ratepayers by property class

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 Kingston City Council's rates and charges. This group of ratepayers, on average, experienced a 4.5 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 \$1,750 to \$1,819 (4 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?

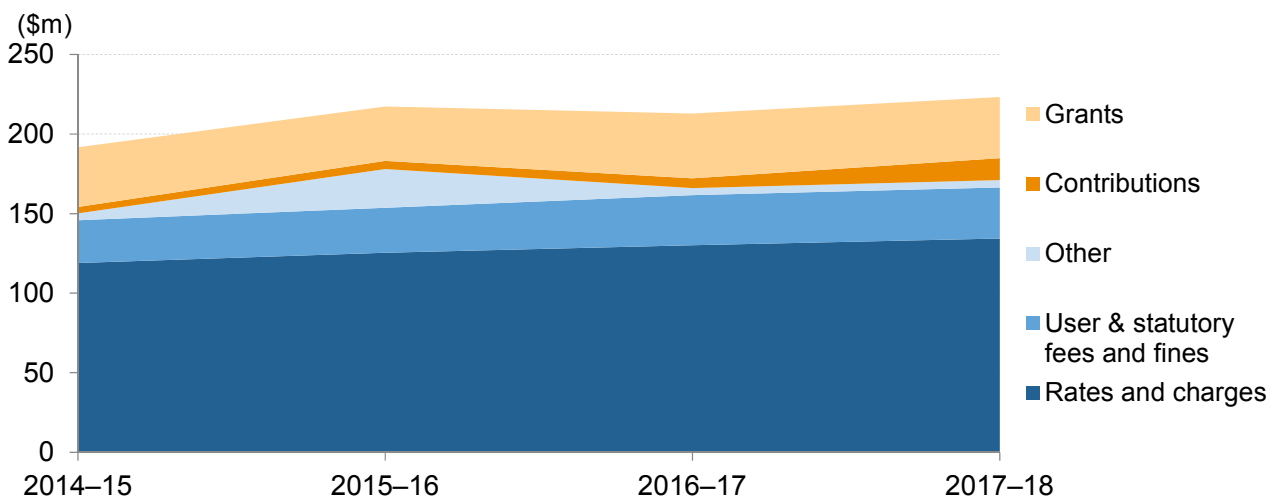
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	122.2	60	132.2	61
Grants	35.8	18	39.5	18
User fees and statutory fees and fines	27.6	13	31.8	15
Contributions	4.6	2	9.9	5
Other	14.3	7	4.6	2
Total	204.5	100	218.0	100

Kingston City Council's average revenue from all sources (except 'other') increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The biggest changes in the composition of council's revenue were the decrease in the proportion of revenue from 'other' sources and the increase in the proportion of 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.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

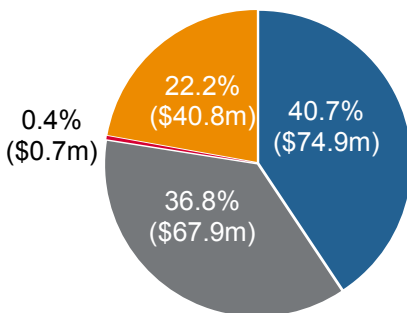
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$141.7m	\$38.4m	\$919	\$249
2015–16	\$145.2m	\$43.3m	\$929	\$277
2016–17	\$145.5m	\$46.7m	\$916	\$294
2017–18	\$157.9m	\$49.6m	\$980	\$308

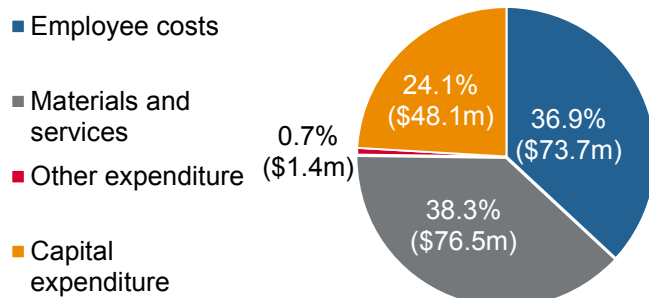
Kingston City Council's operating expenses have been trending upward over time, driven by increased spending on materials and services (particularly in relation to road infrastructure maintenance) in the two years after rate capping was introduced. Capital expenditure has also trended upward in recent years, reflecting increased spending on new asset, expansion and upgrade projects.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

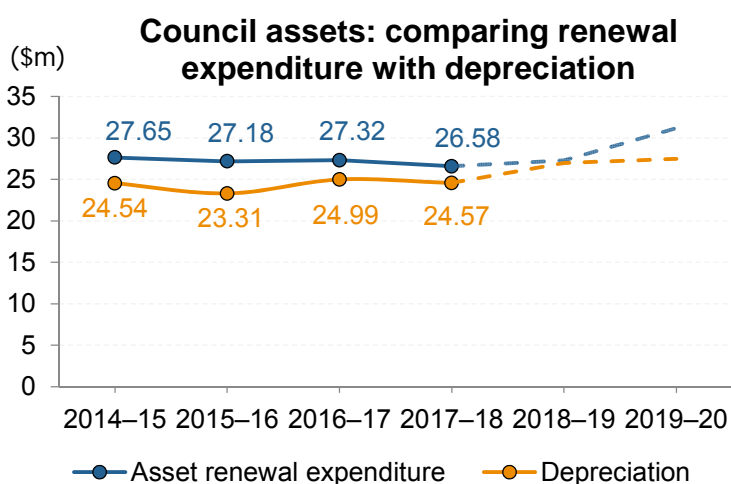


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Kingston City Council's expenditure, reflecting increases in average spending on materials and services and capital expenditure in the two years after rate capping was introduced. Average 'other' expenditure also increased, while average employee costs decreased over the same period.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	113
2015-16	117
2016-17	109
2017-18	108
2018-19	101 (forecast data)
2019-20	113 (forecast data)

Kingston City Council's spending on the renewal of its assets has been relatively stable in recent years, and above the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to remain above 100 per cent of depreciation in 2018-19 and 2019-20.

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 has remained relatively stable in recent years. Average spending on new, upgrade and expansion projects in the two years since rate capping was introduced has increased.
	\$m	% of total	\$m	% of total	
Renewal	27.4	67	27.5	57	
New	2.6	6	5.7	12	
Upgrade	8.4	21	11.1	23	
Expansion	2.4	6	3.7	8	
Total	40.8	100	48.1	100	

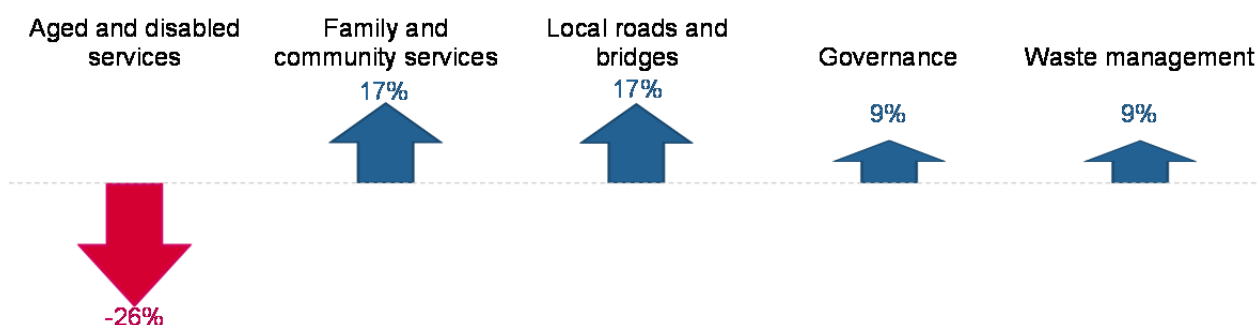
Services

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?

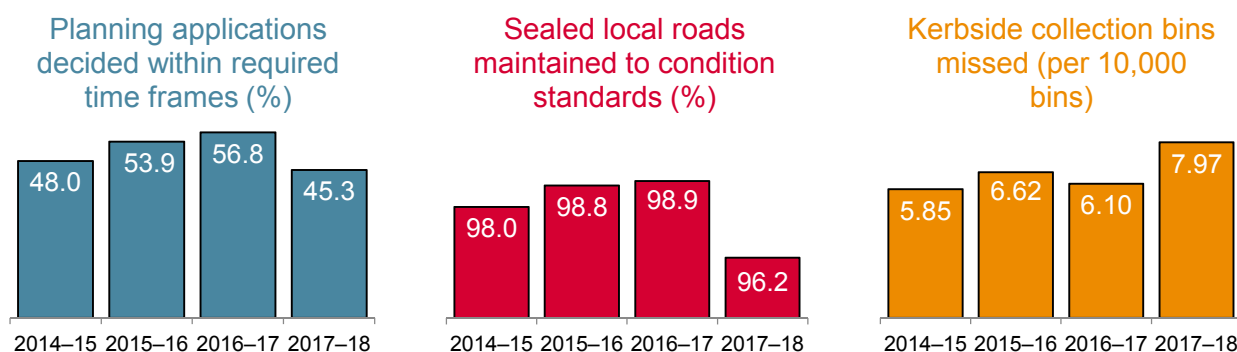
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	221	20.5	227	20.6
Governance	173	16.0	189	17.1
Aged and disabled services	201	18.6	148	13.5
Family and community services	120	11.1	140	12.7
Local roads and bridges	109	10.1	128	11.6
Business and economic services	89	8.3	95	8.6
Waste management	73	6.7	79	7.2
Traffic and street management	59	5.5	61	5.5
Environment	35	3.3	34	3.1
Other	0	0.0	2	0.2

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)

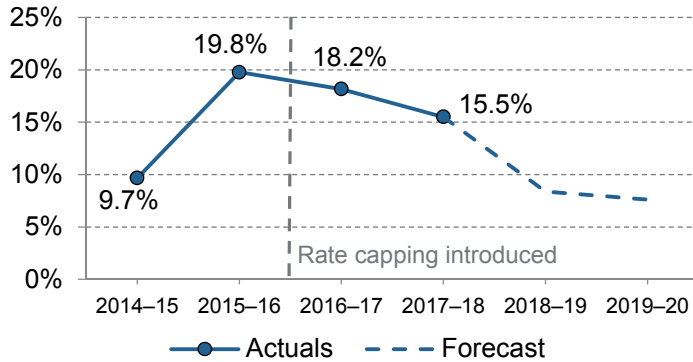


Financial position

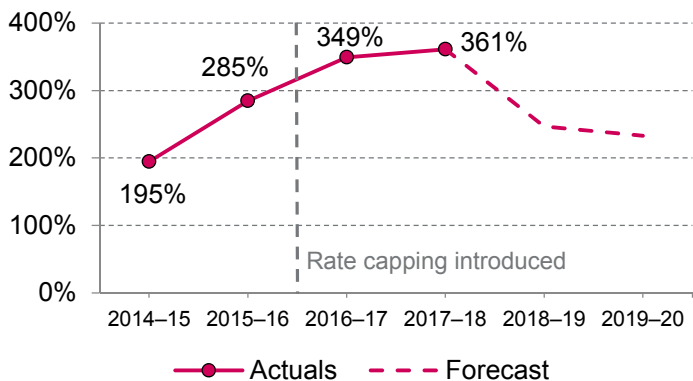
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Is council operating sustainably?

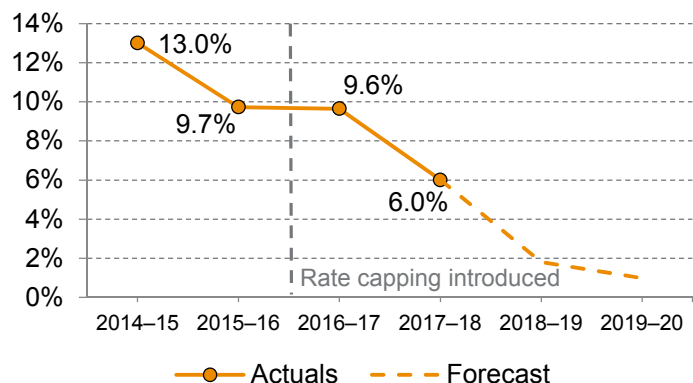
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Kingston City Council reported an average **adjusted underlying result** of 15.8 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 297 per cent between 2014–15 and 2017–18. The increase in working capital reflects the sale of assets and deferred capital works.

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.