

# Maroondah 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>.



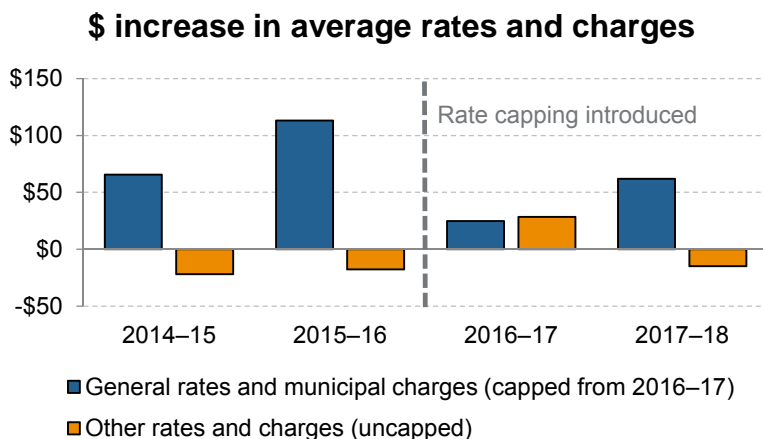
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### Key facts

Population:	116,332
Size (km <sup>2</sup> ):	61.4
Length of local roads (km):	484
Population per km of roads:	240
Council employees (FTE, 2017–18):	565
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	\$1,539	n/a
2015–16	\$1,611	n/a
2016–17	\$1,668	2.50%
2017–18	\$1,708	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.

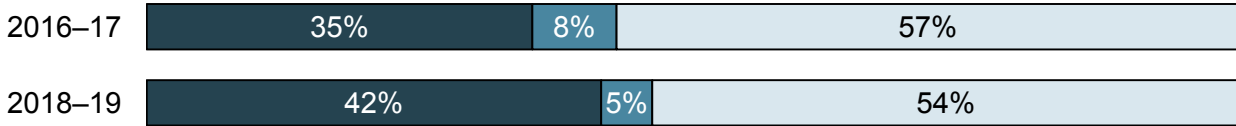
## Have council's average rates complied with the applicable rate caps?

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).

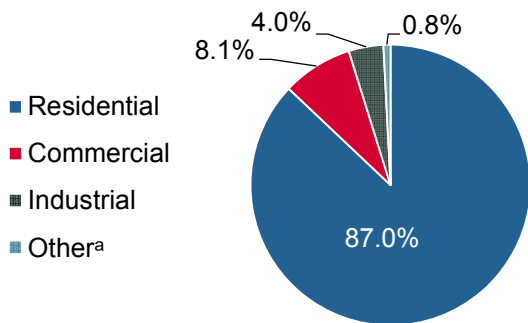


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

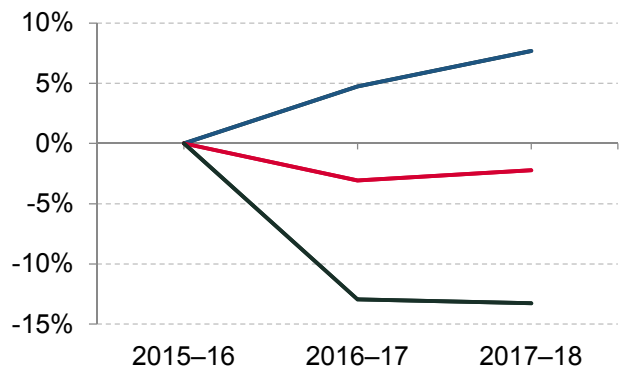
## Ratepayers by property class

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



<sup>a</sup> 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 Maroondah City Council's rates and charges. This group of ratepayers, on average, experienced a 7.7 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 \$1,611 to \$1,708 (6 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?

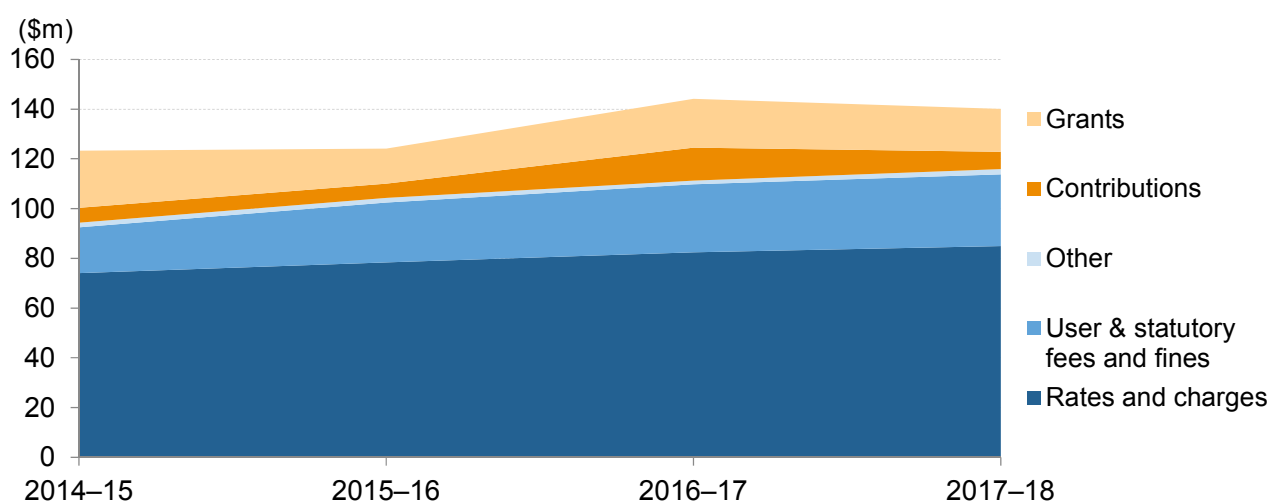
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	76.2	62	83.7	59
Grants	18.5	15	18.4	13
User fees and statutory fees and fines	21.3	17	28.1	20
Contributions	5.8	5	10.1	7
Other	1.9	2	1.8	1
<b>Total</b>	<b>123.7</b>	<b>100</b>	<b>142.1</b>	<b>100</b>

Maroondah City Council's average revenue from rates and charges, user fees and statutory fees and fines and contributions 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 increases in the proportions of revenue from contributions and user fees and statutory fees and fines and the decreases in the proportions of revenue from rates and charges and grants 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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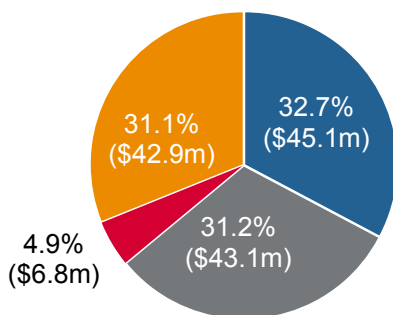
## How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$89.4m	\$51.2m	\$803	\$460
2015–16	\$100.5m	\$34.5m	\$889	\$305
2016–17	\$100m	\$31.5m	\$871	\$275
2017–18	\$106.4m	\$25.5m	\$914	\$220

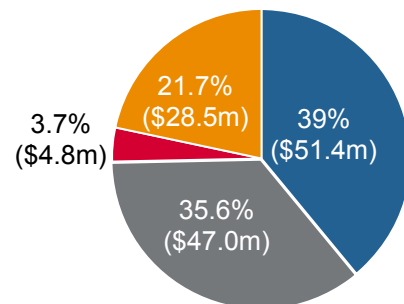
Maroondah City Council's operating expenses have been trending upward over time, driven by increased employee costs and spending on materials and services (largely in relation to contract payments and maintenance) in the two years following the introduction of rate capping. Capital expenditure has trended downward from a peak in 2014–15, reflecting a reduction 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**

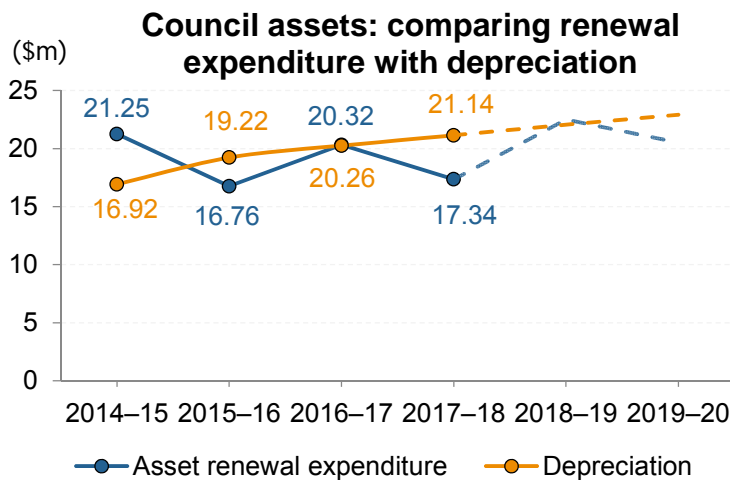


**Average expenditure by category in the 2 years after rate capping**



There was a change in the composition of Maroondah City Council's expenditure, reflecting a reduction in average capital expenditure, as well as increases in average employee costs and spending on materials and services in the two years after rate capping was introduced. Average 'other' expenditure 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	126
2015-16	87
2016-17	100
2017-18	82
2018-19	102 (forecast data)
2019-20	90 (forecast data)

Maroondah City Council's spending on the renewal of its assets has varied in recent years, fluctuating above and below the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure was at 100 per cent of depreciation or above in 2014-15 and 2016-17, and is planned to be above 100 per cent of depreciation in 2018-19.

## 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 average spending on asset renewal in the two years after rate capping was introduced remained at a similar level. Average spending on new assets and upgrade projects decreased.
	\$m	% of total	\$m	% of total	
Renewal	19.0	44	18.8	66	
New	13.7	32	5.2	18	
Upgrade	10.1	24	4.5	16	
Expansion	0.0	0	0.0	0	
<b>Total</b>	<b>42.9</b>	<b>100</b>	<b>28.5</b>	<b>100</b>	

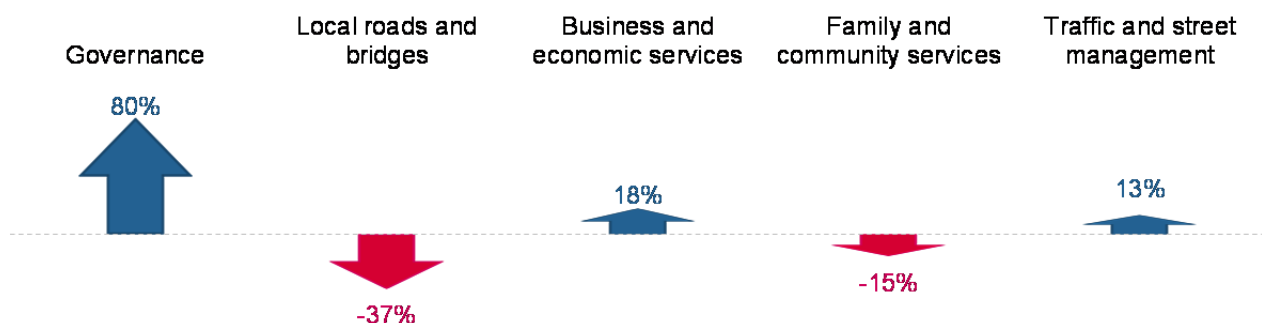
# Services

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

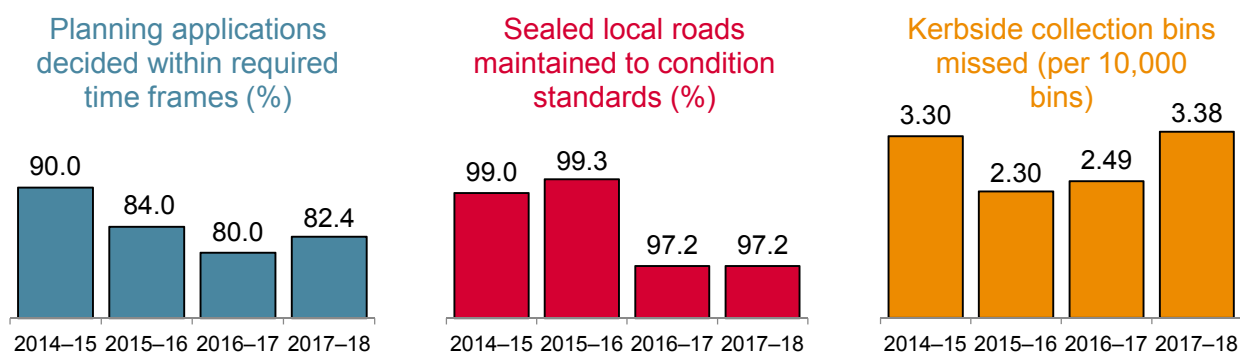
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	305	31.5	343	32.1
Governance	76	7.8	136	12.7
Traffic and street management	103	10.6	117	10.9
Waste management	96	9.9	100	9.4
Business and economic services	71	7.3	83	7.8
Family and community services	78	8.1	67	6.3
Environment	60	6.2	65	6.1
Aged and disabled services	73	7.5	64	6.0
Other	44	4.6	54	5.0
Local roads and bridges	64	6.6	40	3.8

## 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)

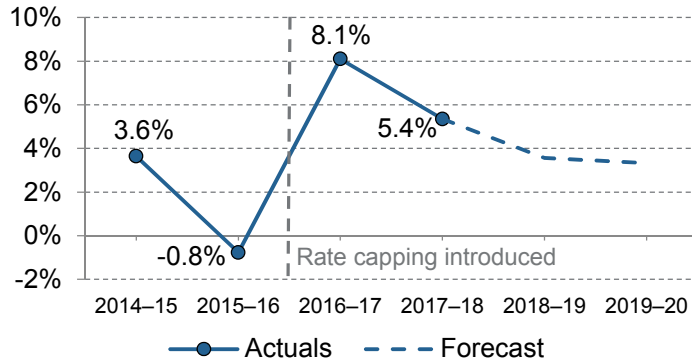


# Financial position

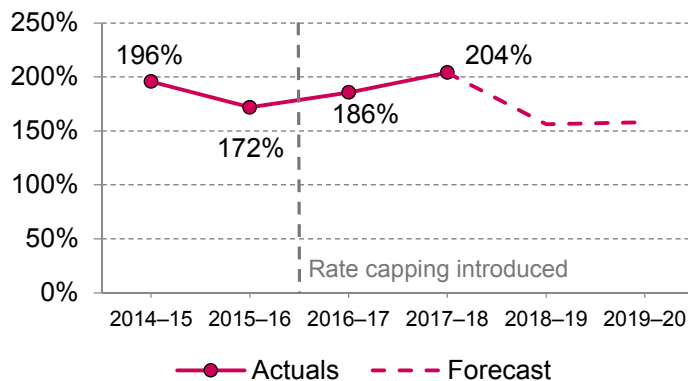
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## Is council operating sustainably?

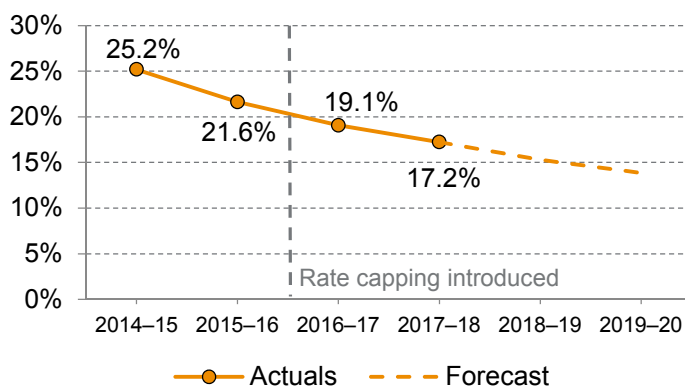
Adjusted underlying result  
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Maroondah City Council reported an average **adjusted underlying result** of 4 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 189 per cent between 2014–15 and 2017–18.

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.