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.

Interface council group

This fact sheet uses graphs and data to examine revenue, expenditure and financial sustainability for the interface group of councils over recent years.

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. You can compare your council's data against its 'group' by looking at the relevant fact sheet. Unless otherwise indicated, the averages presented in this fact sheet are for the Interface group as a whole, not the average of the results for individual councils.

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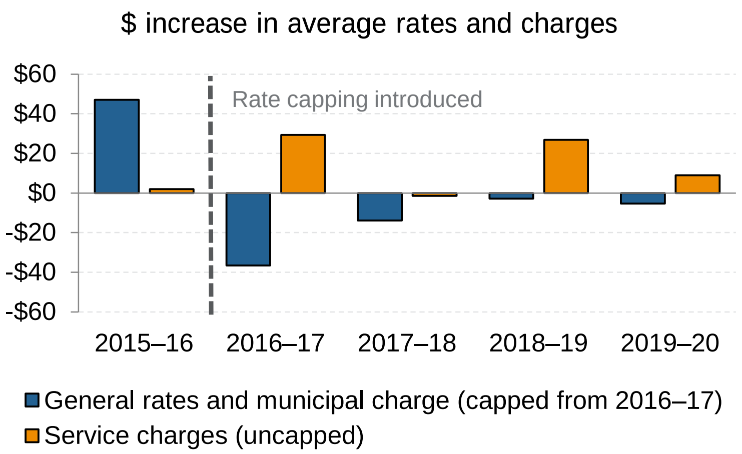
Key facts	
Population (June 2019, average):	195,257
Size (km², average):	820
Length of local roads (km, average):	1,467
Population per km of roads:	133
Council employees (FTE, 2019–20, average):	817
Number of applications for a higher cap for any year between 2016–17 and 2019–20	2 applications from 2 councils (2 unsuccessful)

Rates

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



Year	Average rates and charges	Minister's rate cap
2015–16	$1,903	n/a
2016–17	$1,896	2.50%
2017–18	$1,880	2.00%
2018–19	$1,904	2.25%
2019–20	$1,908	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.

How many interface councils complied with the applicable rate caps?

	2018–19	2019–20	2020–21
Councils complying with applicable cap	9 of 9	9 of 9	9 of 9
Councils with an approved higher cap	0 of 9	0 of 9	0 of 9

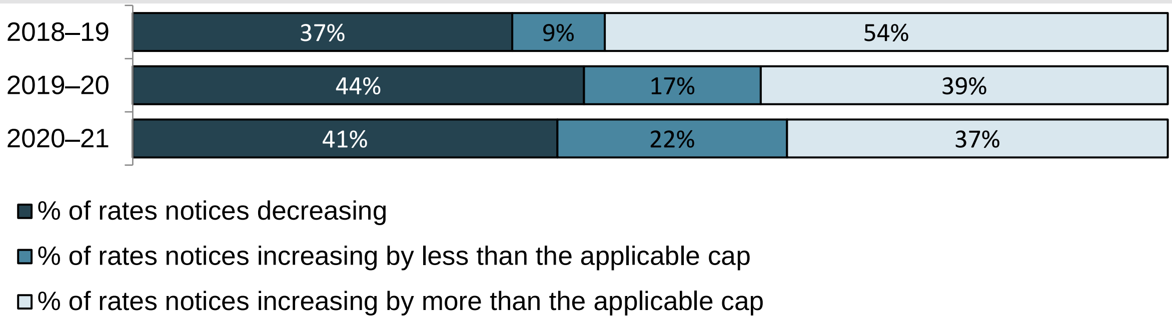
How have rates changed for different ratepayers?

Council rating strategies 2020–21

Information about councils' differential rate categories and charges can be found in their adopted budgets.

Distribution of rates increases and decreases

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



Ratepayers by property class (2019–20 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	93% of ratepayers	**3%** of ratepayers	**3%** of ratepayers	**1%** of ratepayers
	$134.7m (85%) of rates and charges revenue in 2019–20	**$10.6m** (7%) of rates and charges revenue in 2019–20	**$8.8m** (6%) of rates and charges revenue in 2019–20	**$3.8m** (2%) of rates and charges revenue in 2019–20
	0.8% average annual increase between 2016–17 and 2019–20	**−1.5%** average annual increase between 2016–17 and 2019–20	**−4.2%** average annual increase between 2016–17 and 2019–20	**3.5%** average annual increase between 2016–17 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.
Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

Where are councils in the interface group getting their money from?

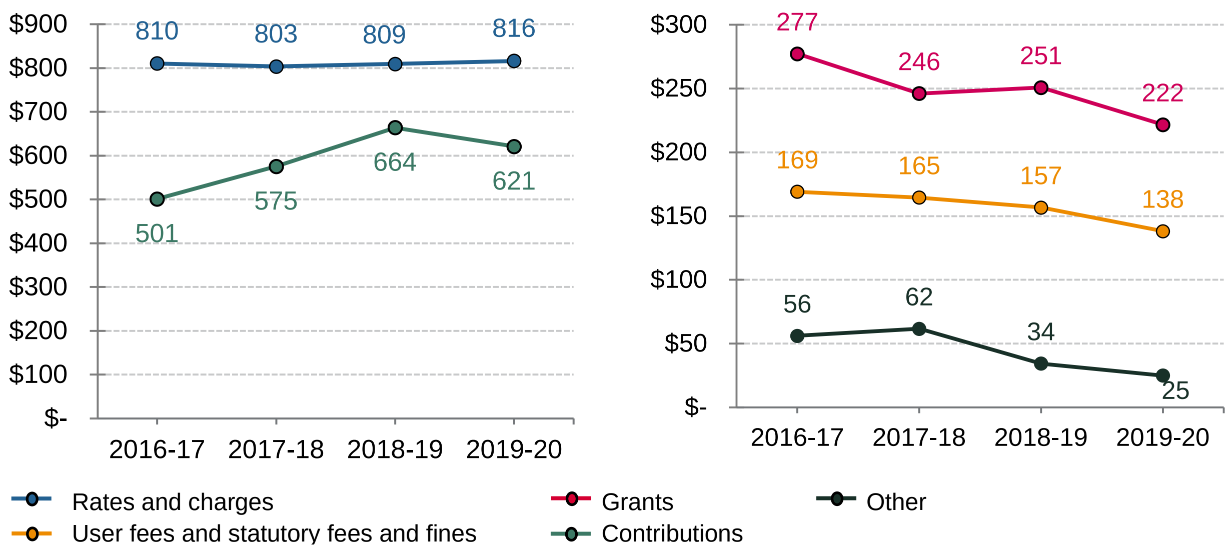
Average revenue (2019–20 $m and % of total revenue)

	2016–17 $m		2017–18 $m		2018–19 $m		2019–20 $m	
Rates and charges	141.7	(45%)	146.0	(43%)	152.6	(42%)	159.4	(45%)
User fees and statutory fees and fines	29.6	(9%)	29.9	(9%)	29.5	(8%)	27.0	(8%)
Grants	48.5	(15%)	44.7	(13%)	47.3	(13%)	43.3	(12%)
Contributions	87.6	(28%)	104.5	(31%)	125.2	(35%)	121.2	(34%)
Other	9.8	(3%)	11.2	(3%)	6.5	(2%)	4.9	(1%)
Total	**317.2**		**336.3**		**361.0**		**355.8**	

In real terms, the interface council group's average total revenue increased between 2016–17 and 2019–20, reflecting increases in revenue from rates and charges and contributions.

Rates and charges was the largest source of revenue for the group, accounting for 44 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), revenue from contributions trended upwards in real terms between 2016–17 and 2019–20. This compares with a downward trend in revenue per person from grants, and user fees and statutory fees and fines.

Expenditure

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.

How much money are councils in the interface group spending?

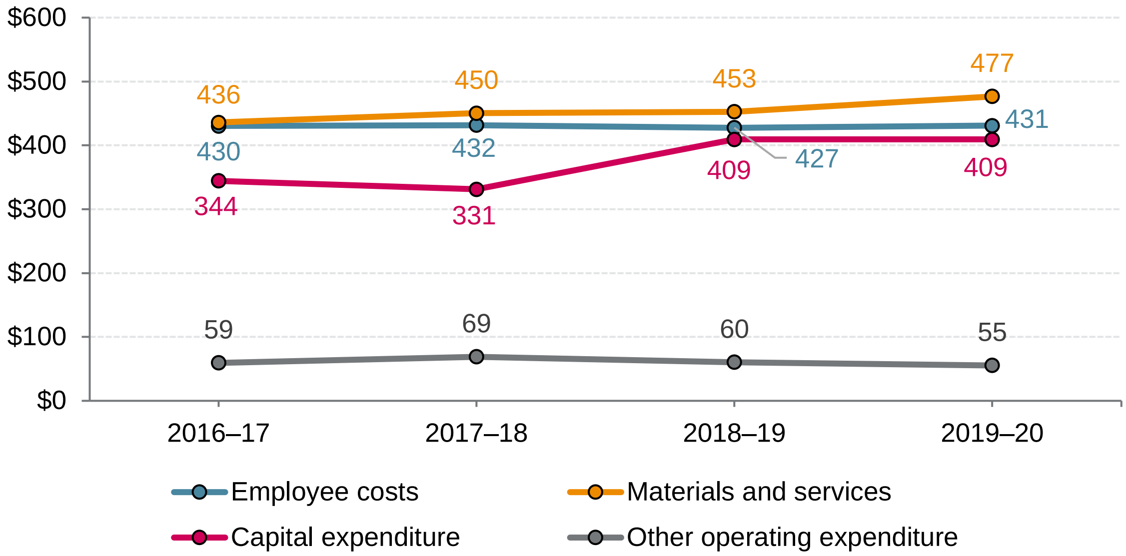
Average expenditure (2019–20 $m and % of total expenditure)

	2016–17 $m		2017–18 $m		2018–19 $m		2019–20 $m	
Operating expenditure	161.8	(73%)	172.8	(74%)	177.2	(70%)	188.1	(70%)
Employee costs	75.2	(34%)	78.4	(34%)	80.6	(32%)	84.1	(31%)
Materials and services	76.2	(34%)	81.8	(35%)	85.3	(34%)	93.1	(35%)
Other operating expenditure	10.4	(5%)	12.5	(5%)	11.4	(4%)	10.8	(4%)
Capital expenditure	60.2	(27%)	60.2	(26%)	77.2	(30%)	79.9	(30%)
Total	**222.1**		**232.9**		**254.4**		**268.0**	

In real terms, the interface council group's average total expenditure increased between 2016–17 and 2019–20, reflecting increases in all areas of expenditure, particularly capital expenditure in 2018–19 and 2019–20.

Expenditure on materials and services was the group's largest area of expenditure, accounting for 34 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), capital expenditure and expenditure on materials and services trended upwards between 2016–17 and 2019–20, while employee costs remained stable.

Infrastructure

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.

Has the capital expenditure pattern changed?

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

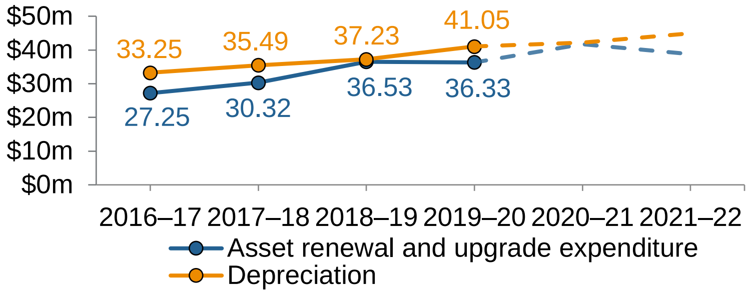
	2016–17		2017–18		2018–19		2019–20	
	$m		$m		$m		$m	
Renewal	15.7	(26%)	17.5	(29%)	21.6	(28%)	21.3	(27%)
Upgrade	11.6	(19%)	12.8	(21%)	14.9	(19%)	15.0	(19%)
Expansion	4.1	(7%)	3.8	(6%)	4.5	(6%)	3.9	(5%)
New	28.9	(48%)	26.0	(43%)	36.1	(47%)	39.7	(50%)
Total	**60.2**		**60.2**		**77.2**		**79.9**	

In real terms, the interface council group's average spending on asset expansion fluctuated year on year between 2016–17 and 2019–20. Spending across all other categories trended upwards over this time.

Spending on new assets remained the highest share of capital expenditure between 2016–17 and 2019–20 (accounting for 43 to 50 per cent of total capital expenditure).

Are councils in the interface group renewing their 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	82%	
2017–18	85%	
2018–19	98%	
2019–20	89%	
2020–21	99%	(forecast data)
2021–22	86%	(forecast data)

Average spending by councils in the interface council group on the renewal and upgrade of assets trended upwards in real terms between 2016–17 and 2018–19, before decreasing in 2019–20. However, this spending remained below the amount of depreciation (the decline in value of council's assets caused by age and use).

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

Services

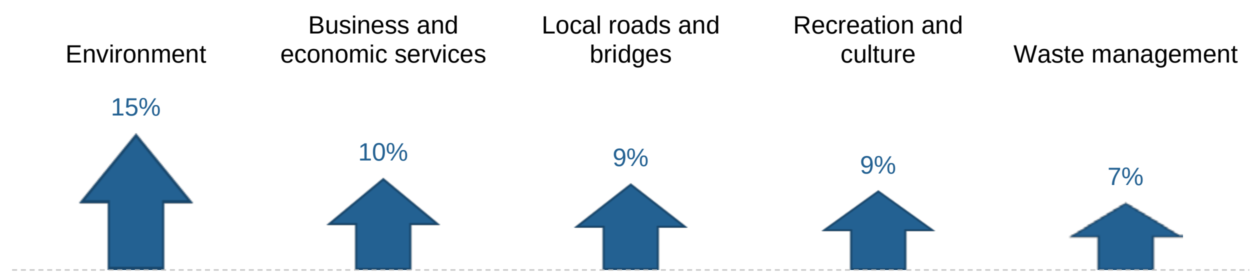
See the reader's guide for data sources and useful information.
Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

Which service areas are councils in the interface group spending their money in?

Average expenditure by function (2019–20 $m and % of total services expenditure)

	2016–17 $m		2017–18 $m		2018–19 $m		2019–20 $m	
Aged and disabled services	10.6	(5%)	10.8	(5%)	10.1	(5%)	9.6	(4%)
Business and economic services	12.4	(6%)	14.1	(7%)	15.6	(7%)	16.6	(7%)
Environment	12.1	(6%)	14.5	(7%)	15.1	(7%)	18.3	(8%)
Family and community services	20.7	(11%)	21.3	(10%)	22.2	(10%)	23.3	(10%)
Governance	44.4	(23%)	41.0	(20%)	41.5	(20%)	40.0	(18%)
Local roads and bridges	18.3	(9%)	22.6	(11%)	23.5	(11%)	24.0	(11%)
Recreation and culture	35.8	(19%)	38.4	(19%)	40.5	(19%)	45.9	(20%)
Traffic and street management	14.8	(8%)	17.2	(8%)	18.7	(9%)	17.4	(8%)
Waste management	23.2	(12%)	23.6	(12%)	23.6	(11%)	28.7	(13%)
Other	1.2	(1%)	1.1	(1%)	1.0	(0%)	0.4	(0%)
Total	**193.5**		**204.7**		**211.9**		**224.2**	

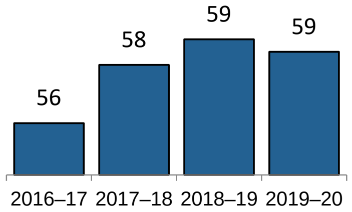
Which service areas have experienced the biggest changes in spending?



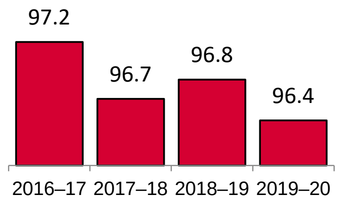
Source: Victorian Local Government Grants Commission (unaudited). Council Annual Reports may provide further explanation of these expenditure changes.

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

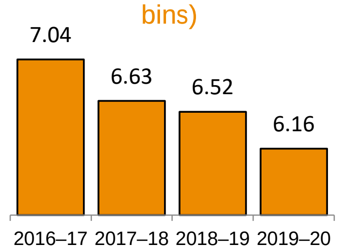
Satisfaction with community consultation and engagement (%)



Sealed local roads maintained to condition standards (%)



Kerbside collection bins missed (per 10,000 bins)



Note: These group results are an average of individual council results.

Financial position

See the reader's guide for data sources and useful information.
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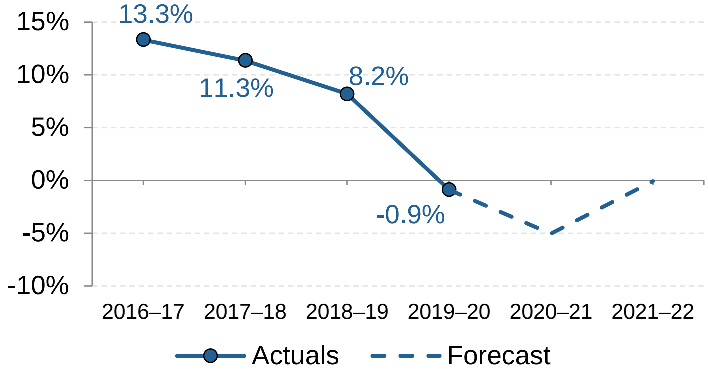
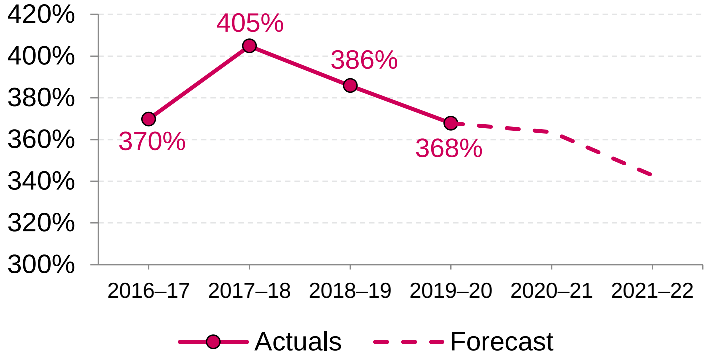
Are councils in the interface group operating sustainably?

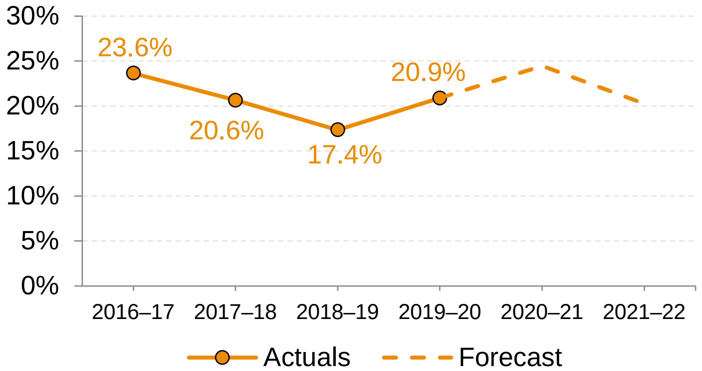
Adjusted underlying result
(adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, the interface council group had an average adjusted underlying result of 8 per cent.

The interface council group had an average working capital ratio of 382 per cent between 2016–17 and 2019–20.

Between 2016–17 and 2019–20, the interface council group had an average indebtedness ratio of 20.6 per cent.

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.

Interface councils

Councils in this group	
Cardinia Shire Council	Nillumbik Shire Council
Casey City Council	Whittlesea City Council
Hume City Council	Wyndham City Council
Melton City Council	Yarra Ranges Shire Council
Mornington Peninsula Shire Council	