

Manningham City Council

Group: metropolitan

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



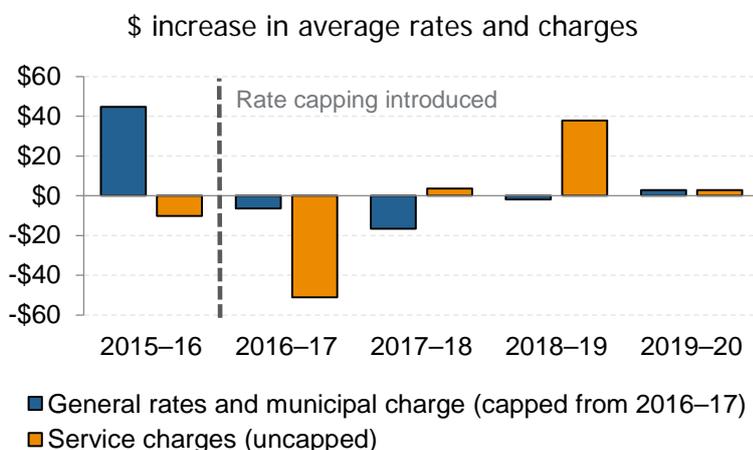
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Key facts

Population (June 2019):	127,573
Size (km ²):	113
Length of local roads (km):	607
Population per km of roads:	210
Council employees (FTE, 2019–20):	527
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

Rates

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



Year	Average rates and charges	Applicable rate cap
2015–16	\$2,068	n/a
2016–17	\$2,010	2.50%
2017–18	\$1,998	2.00%
2018–19	\$2,034	2.25%
2019–20	\$2,039	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.

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

2018–19 (2.25%)	2019–20 (2.50%)	2020–21 (2.00%)
Yes	Yes	Yes

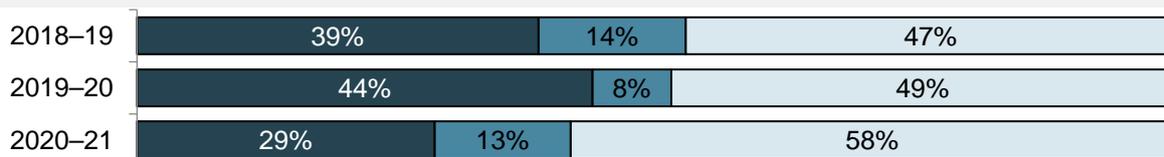
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies a single differential rate (which applies to all types of property) and uses service charges to recover the cost of waste services. More information about council's differential rate categories and charges can be found in council's adopted budget.

Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate, which means 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 (2019–20 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	96% of ratepayers	4% of ratepayers	<1% of ratepayers	<1% of ratepayers
	\$97.2m (92%) of rates and charges revenue in 2019–20	\$7.8m (7%) of rates and charges revenue in 2019–20	\$0.4m (<1%) of rates and charges revenue in 2019–20	<\$0.1m (<1%) of rates and charges revenue in 2019–20
	-0.7% average annual increase between 2015–16 and 2019–20	-2% average annual increase between 2015–16 and 2019–20	5.5% average annual increase between 2015–16 and 2019–20	0.3% average annual increase between 2015–16 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.
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Where is council's money coming from?

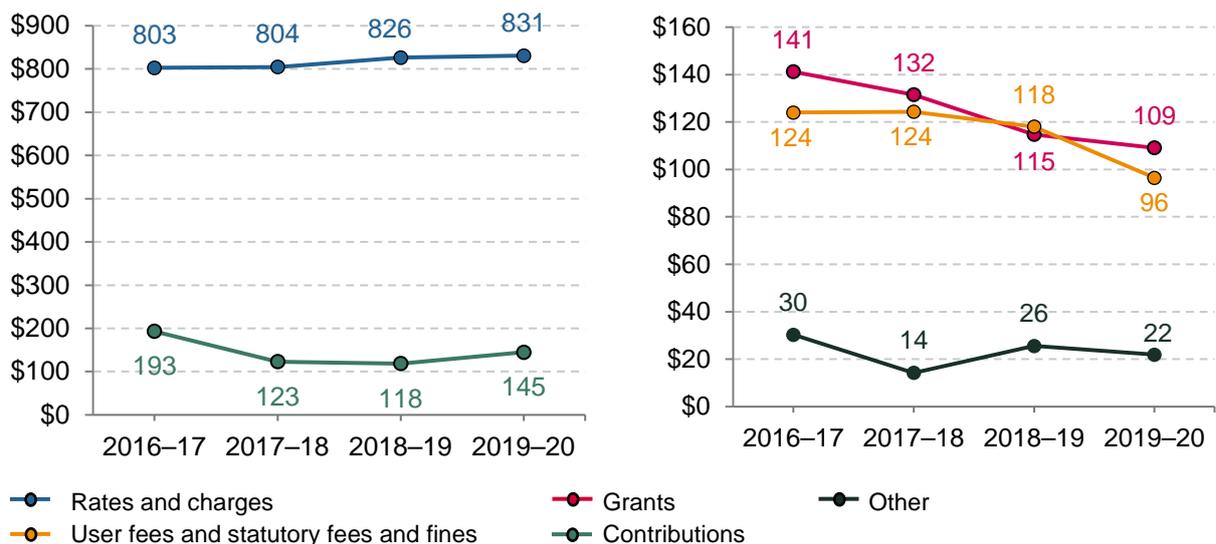
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	98.4	(62%)	100.0	(67%)	103.7	(69%)	106.0	(69%)
User fees and statutory fees and fines	15.2	(10%)	15.5	(10%)	14.8	(10%)	12.3	(8%)
Grants	17.3	(11%)	16.3	(11%)	14.4	(10%)	13.9	(9%)
Contributions	23.7	(15%)	15.3	(10%)	14.9	(10%)	18.5	(12%)
Other	3.7	(2%)	1.8	(1%)	3.2	(2%)	2.8	(2%)
Total	158.3		148.8		151.0		153.4	

In real terms, Manningham City Council's total revenue fluctuated between 2016–17 and 2019–20. In 2016–17, total revenue was inflated with higher revenue from contributions (following the completion of a residential development project) and grants (due to an advance payment of Commonwealth financial assistance grants).

Rates and charges was the largest source of council's revenue, accounting for between 62 and 69 per cent of total revenue between 2016–17 and 2019–20. With revenue from grants and contributions decreasing in real terms between 2016–17 and 2019–20, the proportion of revenue council received through rates and charges increased.

Revenue per person (2019–20 dollars)



In terms of revenue per person (which adjusts for population growth), revenue from all sources except rates and charges trended downwards in real terms between 2016–17 and 2019–20.

Expenditure



See the reader's guide for data sources and useful information.
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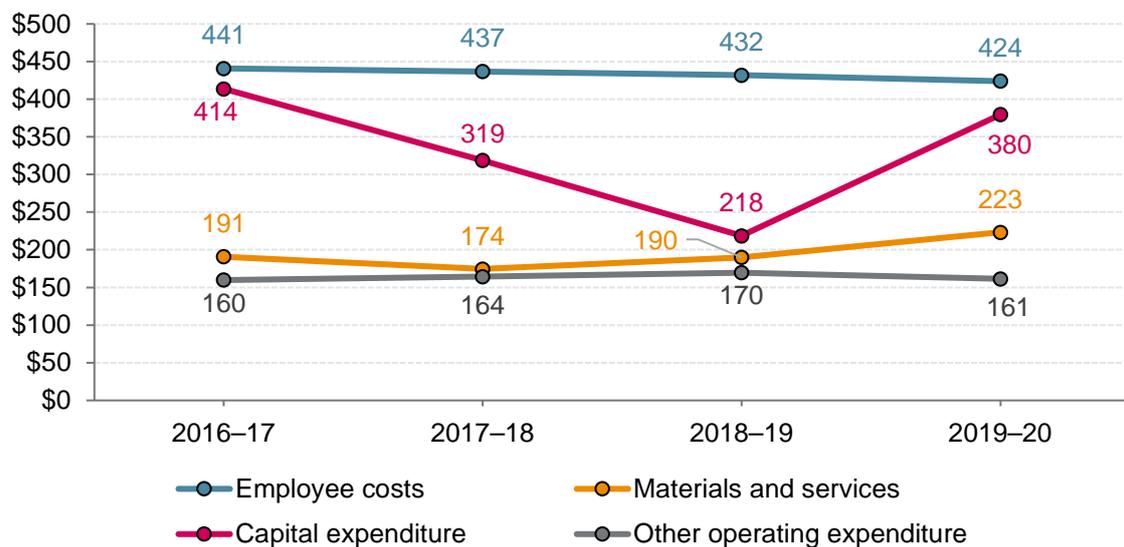
How much money is council spending?

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

	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Operating expenditure	97.0 (66%)	96.4 (71%)	99.4 (78%)	103.2 (68%)
Employee costs	54.0 (37%)	54.3 (40%)	54.2 (43%)	54.1 (36%)
Materials and services	23.4 (16%)	21.7 (16%)	23.8 (19%)	28.5 (19%)
Other operating expenditure	19.6 (13%)	20.4 (15%)	21.3 (17%)	20.6 (14%)
Capital expenditure	50.7 (34%)	39.6 (29%)	27.4 (22%)	48.4 (32%)
Total	147.7	136.0	126.8	151.6

In real terms, Manningham City Council's total expenditure trended downwards between 2016–17 and 2018–19 before increasing in 2019–20, largely reflecting changes in capital expenditure. Expenditure on materials and services increased between 2016–17 and 2019–20, while employee costs and 'other operating expenditure' remained relatively stable in real terms. Employee costs was council's largest area of expenditure, accounting for 39 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 trended downwards in real terms between 2016–17 and 2018–19 before increasing in 2019–20. Expenditure per person on materials and services trended upwards in real terms between 2016–17 and 2019–20, while employee costs per person decreased.



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Has council's capital expenditure pattern changed?

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

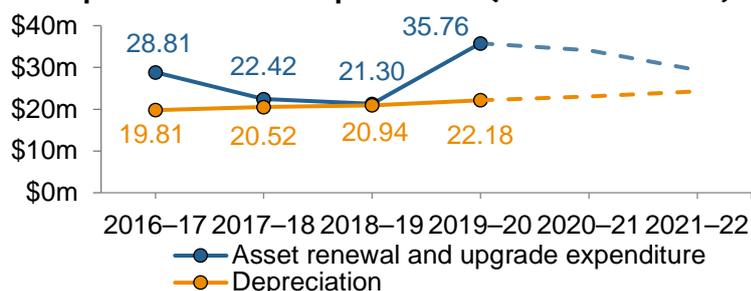
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	24.5	(48%)	19.8	(50%)	18.3	(67%)	31.5	(65%)
Upgrade	4.3	(9%)	2.6	(7%)	3.0	(11%)	4.3	(9%)
Expansion	1.0	(2%)	0.9	(2%)	1.3	(5%)	1.1	(2%)
New	20.9	(41%)	16.3	(41%)	4.8	(18%)	11.6	(24%)
Total	50.7		39.6		27.4		48.4	

In real terms, Manningham City Council's spending on asset renewal and new assets trended downwards between 2016–17 and 2018–19, before increasing in 2019–20. Spending on asset upgrades trended upwards in real terms between 2017–18 and 2019–20, following a decrease in 2017–18.

Asset renewal remained the highest share of capital expenditure between 2016–17 and 2019–20 (accounting for 48 to 67 per cent of total capital expenditure).

Is council renewing its 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	145%
2017–18	109%
2018–19	102%
2019–20	161%
2020–21	148% (forecast data)
2021–22	121% (forecast data)

In real terms, council's spending on the renewal and upgrade of its assets trended downwards between 2016–17 and 2018–19, before increasing in 2019–20. However, this spending remained above the amount of depreciation (the decline in value of council's assets caused by age and use).

Renewal and upgrade expenditure was forecast to remain above 100 per cent of depreciation in 2020–21 and 2021–22 (despite spending on renewal and upgrades decreasing in real terms).

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

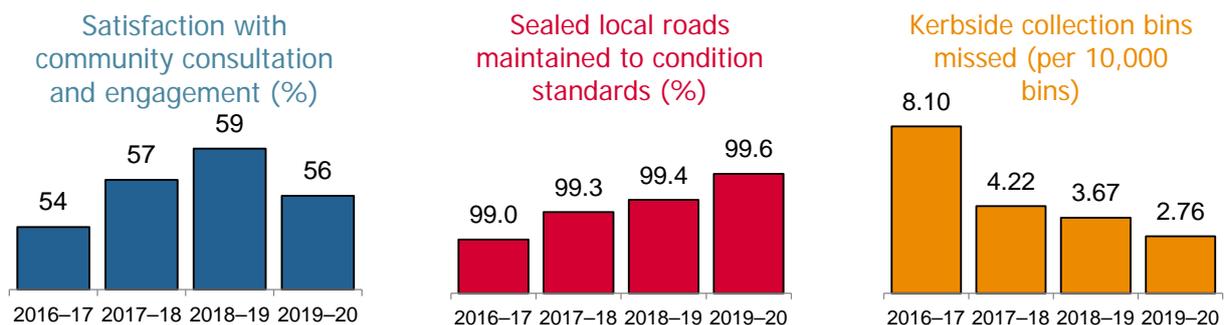
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	11.2	(10%)	11.1	(9%)	11.1	(9%)	10.6	(8%)
Business and economic services	8.7	(7%)	8.1	(7%)	8.4	(7%)	7.9	(6%)
Environment	11.2	(10%)	10.9	(9%)	10.6	(9%)	14.0	(11%)
Family and community services	8.1	(7%)	8.2	(7%)	8.2	(7%)	8.1	(6%)
Governance	21.2	(18%)	20.7	(18%)	20.9	(17%)	21.7	(17%)
Local roads and bridges	15.2	(13%)	15.7	(13%)	16.4	(13%)	17.8	(14%)
Recreation and culture	22.8	(19%)	23.0	(20%)	23.7	(20%)	25.4	(20%)
Traffic and street management	6.9	(6%)	6.9	(6%)	7.7	(6%)	7.3	(6%)
Waste management	10.8	(9%)	11.1	(9%)	11.7	(10%)	12.2	(10%)
Other	1.3	(1%)	2.0	(2%)	2.7	(2%)	0.5	(0%)
Total	117.5		117.7		121.5		125.5	

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?



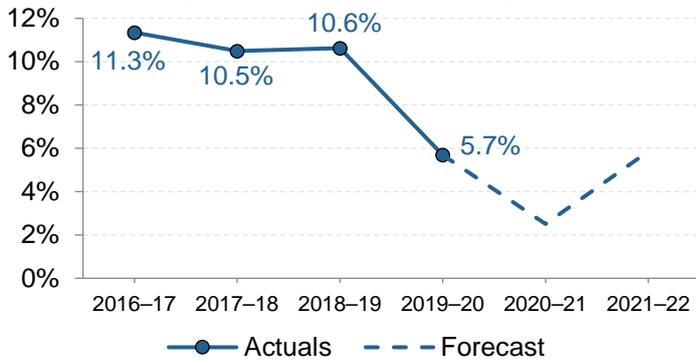
Financial position



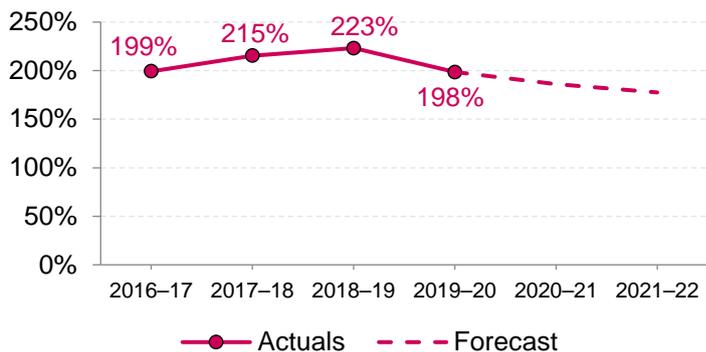
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Is council operating sustainably?

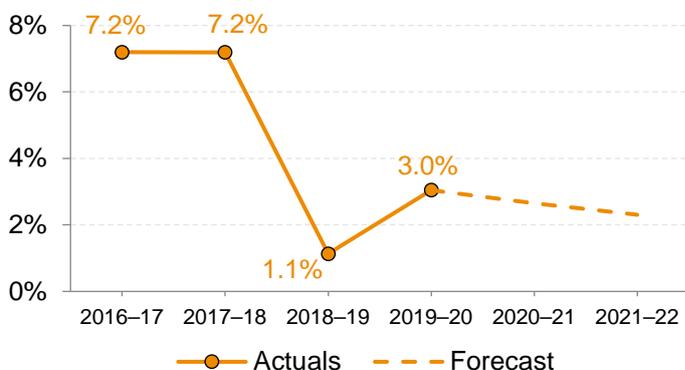
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2016–17 and 2019–20, Manningham City Council reported an average **adjusted underlying result** of 9.5 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The decrease in 2019–20 reflects the impact of coronavirus.

Council could meet its current financial obligations with a reported average **working capital ratio** of 209 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 4.6 per cent between 2016–17 and 2019–20 places the council in the Victorian Auditor–General’s low risk category for this indicator, which means there is no concern over council’s ability to repay debt from the revenue it controls. The decrease in 2018–19 reflects reclassification of long-term borrowings as short-term liabilities for planned repayment in 2019–20.

Note: Some of the year-on-year changes in these financial indicators may be due to the advance payment of Commonwealth grants (particularly in 2016–17) and changes to accounting standards or the impact of coronavirus (in 2019–20). See the reader’s guide for more information.