

# Maribyrnong 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.



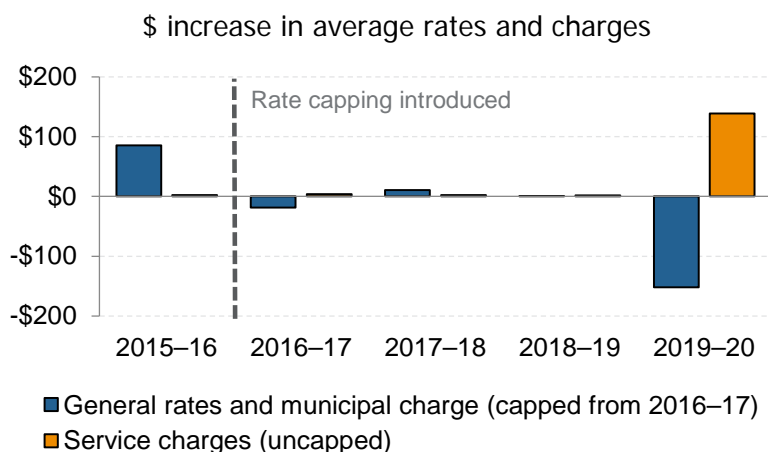
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## Key facts

Population (June 2019):	93,448
Size (km <sup>2</sup> ):	31
Length of local roads (km):	305
Population per km of roads:	306
Council employees (FTE, 2019–20):	488
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	\$2,441	n/a
2016–17	\$2,426	2.50%
2017–18	\$2,439	2.00%
2018–19	\$2,441	2.25%
2019–20	\$2,427	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

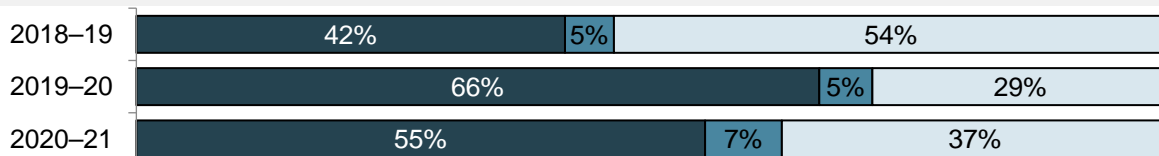
## How have rates changed for different ratepayers?

### Council's rating strategy 2020–21

Council levies 5 differential rates (for different types of property), a municipal charge 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
	<b>90%</b> of ratepayers	<b>6%</b> of ratepayers	<b>3%</b> of ratepayers	<b>0%</b> of ratepayers
	<b>\$76.2m</b> (78%) of rates and charges revenue in 2019–20	<b>\$14.7m</b> (15%) of rates and charges revenue in 2019–20	<b>\$7.4m</b> (8%) of rates and charges revenue in 2019–20	<b>\$0m</b> (0%) of rates and charges revenue in 2019–20
	<b>0.2%</b> average annual increase between 2015–16 and 2019–20	<b>-3.6%</b> average annual increase between 2015–16 and 2019–20	<b>-3.8%</b> average annual increase between 2015–16 and 2019–20	<b>0.0%</b> 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.  
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

## Where is council's money coming from?

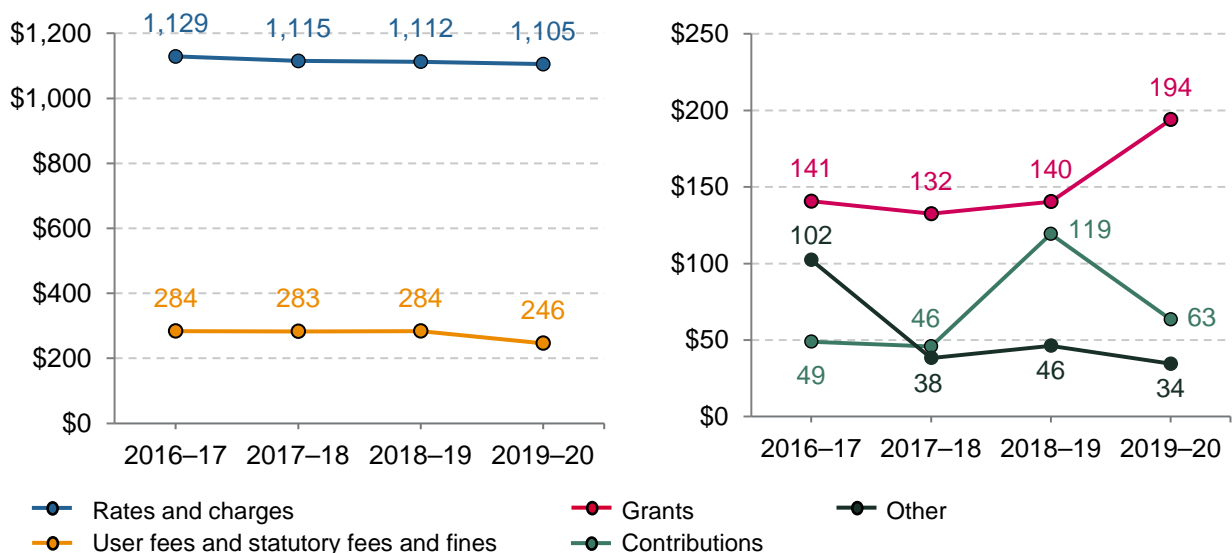
**Revenue** (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	98.1	(66%)	99.6	(69%)	101.7	(65%)	103.3	(67%)
User fees and statutory fees and fines	24.7	(17%)	25.3	(18%)	25.9	(17%)	23.0	(15%)
Grants	12.2	(8%)	11.8	(8%)	12.8	(8%)	18.1	(12%)
Contributions	4.2	(3%)	4.1	(3%)	10.9	(7%)	5.9	(4%)
Other	8.9	(6%)	3.4	(2%)	4.2	(3%)	3.2	(2%)
<b>Total</b>	<b>148.2</b>		<b>144.3</b>		<b>155.6</b>		<b>153.6</b>	

In real terms, Maribyrnong City Council's total revenue increased between 2016–17 and 2019–20, reflecting increases in revenue from rates and charges, and grants (including the receipt of one-off capital grants in 2019–20).

Rates and charges was the largest source of council's revenue, accounting for 67 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), council's revenue from grants trended upwards in real terms between 2016–17 and 2019–20, while revenue from rates and charges, and user fees and statutory fees and fines trended downwards. Revenue per person from contributions peaked in real terms in 2018–19.

# Expenditure



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

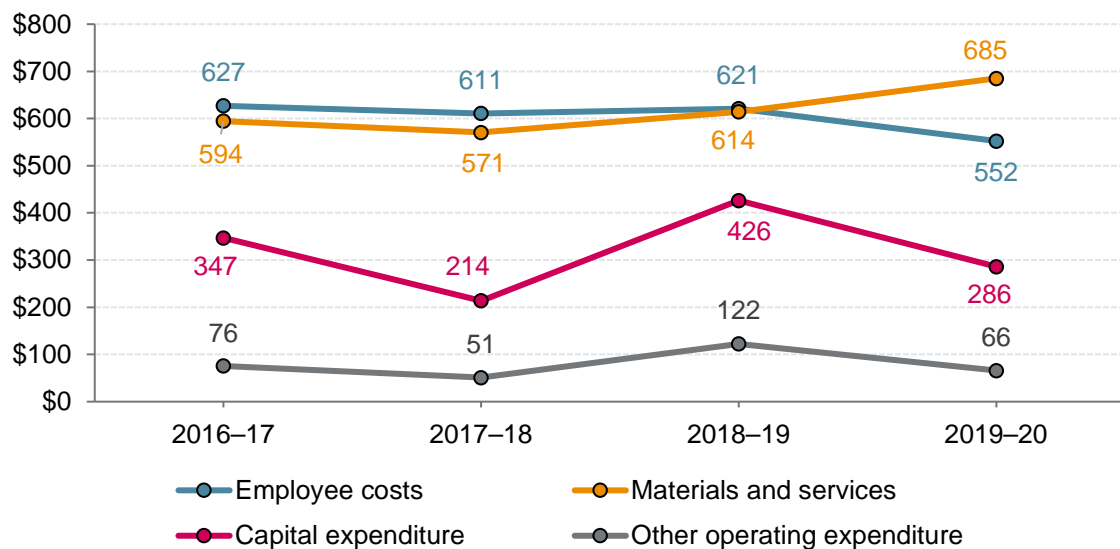
**Expenditure** (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Operating expenditure	112.8	(79%)	110.1	(85%)	124.1	(76%)	121.8	(82%)
Employee costs	54.5	(38%)	54.6	(42%)	56.8	(35%)	51.6	(35%)
Materials and services	51.7	(36%)	51.0	(39%)	56.2	(34%)	64.0	(43%)
Other operating expenditure	6.6	(5%)	4.5	(4%)	11.2	(7%)	6.1	(4%)
Capital expenditure	30.1	(21%)	19.1	(15%)	39.0	(24%)	26.7	(18%)
<b>Total</b>	<b>142.9</b>		<b>129.2</b>		<b>163.1</b>		<b>148.5</b>	

In real terms, Maribyrnong City Council's total expenditure fluctuated between 2016–17 and 2019–20, largely reflecting fluctuations in capital expenditure. Expenditure on materials and services increased in real terms in 2018–19 and 2019–20, while employee costs decreased in 2019–20.

Between 2016–17 and 2018–19, employee costs was council's largest area of expenditure. However, following increases in expenditure on materials and services, this became council's largest area of expenditure in 2019–20.

## Expenditure per person (2019–20 dollars)



In terms of expenditure per person (which adjusts for population growth), capital expenditure fluctuated in real terms between 2016–17 and 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 trended downwards.



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## Has council's capital expenditure pattern changed?

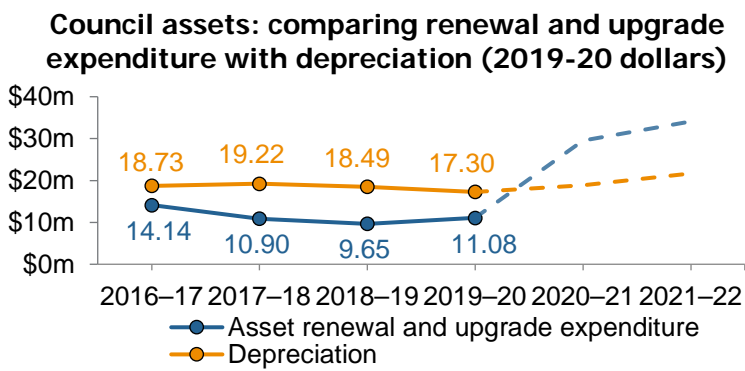
**Capital expenditure** (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	12.7	(54%)	10.8	(90%)	9.3	(37%)	10.2	(60%)
Upgrade	1.4	(6%)	0.1	(1%)	0.3	(1%)	0.9	(5%)
Expansion	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
New	9.2	(39%)	1.1	(9%)	15.6	(62%)	5.9	(35%)
<b>Total</b>	<b>23.3</b>		<b>11.9</b>		<b>25.2</b>		<b>16.9</b>	

In real terms, Maribyrnong City Council's spending on asset renewal trended downwards between 2016–17 and 2018–19, before increasing in 2019–20. There was a jump in spending on new assets in 2018–19, causing new assets to be the highest share of capital expenditure in that year. Asset renewal was the highest share in all other years between 2016–17 and 2019–20.

**Note:** In this table, total capital expenditure excludes works in progress that are included in the capital expenditure reported in the expenditure section of this fact sheet.

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



**Renewal & upgrade expenditure as a percentage of depreciation**

2016–17	75%
2017–18	57%
2018–19	52%
2019–20	64%
2020–21	157% (forecast data)
2021–22	158% (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. 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 above 100 per cent of depreciation in 2020–21 and 2021–22.

# Services



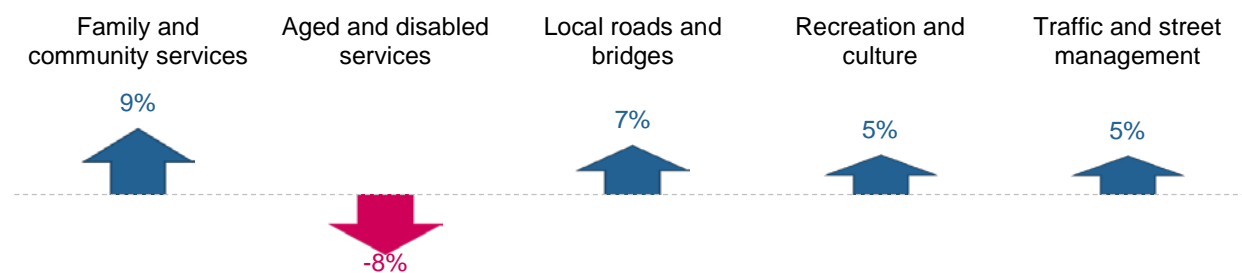
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## Which service areas is council spending its money in?

**Expenditure by function** (2019–20 \$m and % of total services expenditure)

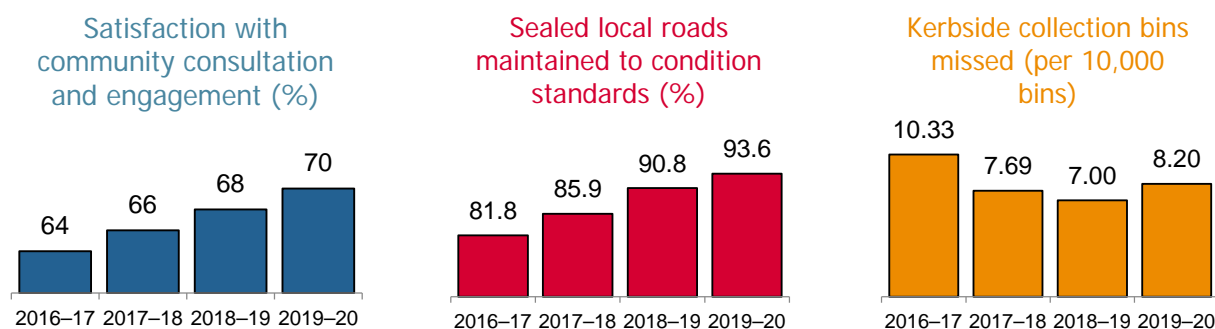
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	6.7 (5%)	6.6 (5%)	8.8 (6%)	5.2 (4%)
Business and economic services	8.7 (7%)	7.1 (6%)	7.8 (5%)	7.8 (6%)
Environment	6.8 (5%)	6.9 (5%)	9.7 (7%)	6.9 (5%)
Family and community services	7.1 (6%)	7.5 (6%)	7.7 (5%)	9.3 (7%)
Governance	35.6 (28%)	35.6 (28%)	33.7 (24%)	34.3 (25%)
Local roads and bridges	9.5 (7%)	8.8 (7%)	11.5 (8%)	11.6 (8%)
Recreation and culture	29.3 (23%)	26.6 (21%)	31.3 (22%)	34.4 (25%)
Traffic and street management	19.3 (15%)	22.4 (17%)	25.3 (18%)	22.6 (16%)
Waste management	6.3 (5%)	6.6 (5%)	6.9 (5%)	6.9 (5%)
Other	0.0 (0%)	0.2 (0%)	0.0 (0%)	0.7 (1%)
<b>Total</b>	<b>129.4</b>	<b>128.2</b>	<b>142.6</b>	<b>139.8</b>

## 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?



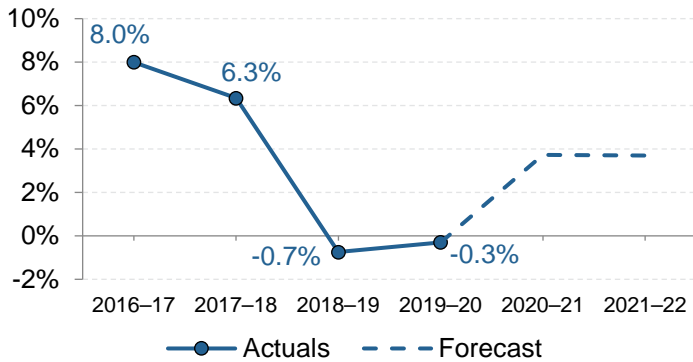
# Financial position



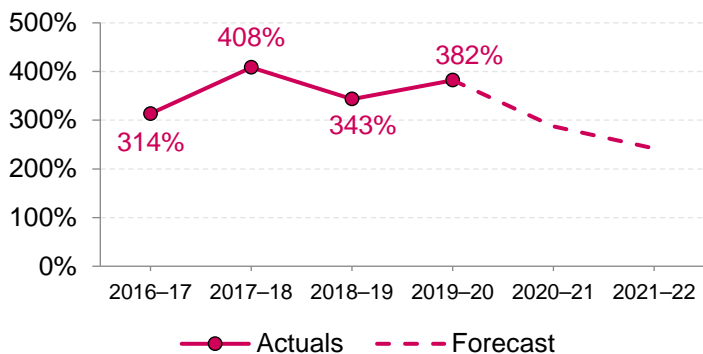
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## Is council operating sustainably?

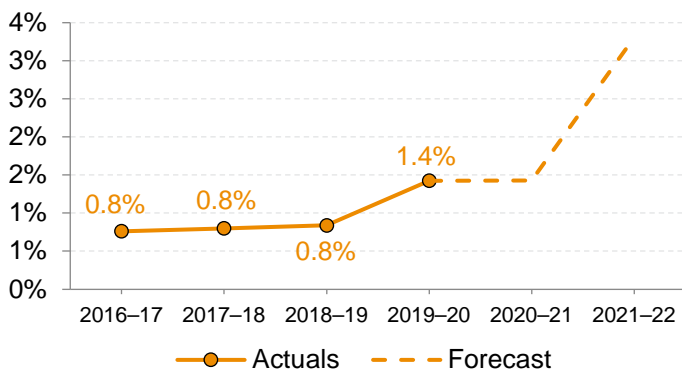
Adjusted underlying result  
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Maribyrnong City Council reported an average **adjusted underlying result** of 3.3 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 2018–19 reflects reduced revenue from fines, and disposal of infrastructure assets.

Council could meet its current financial obligations with a reported average **working capital ratio** of 362 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 1.0 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.

**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.