

Maroondah 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.



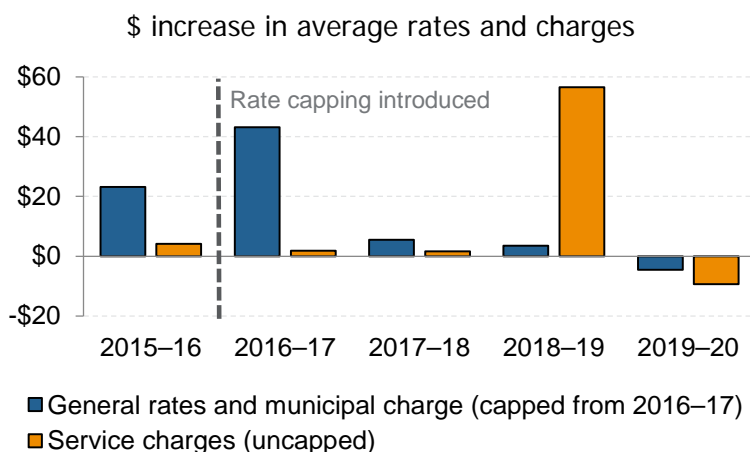
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Key facts

Population (June 2019):	118,558
Size (km ²):	61
Length of local roads (km):	474
Population per km of roads:	250
Council employees (FTE, 2019–20):	555
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	\$1,697	n/a
2016–17	\$1,742	2.50%
2017–18	\$1,749	2.00%
2018–19	\$1,809	2.25%
2019–20	\$1,795	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 4 differential rates (for different 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).

Council did not provide data

Ratepayers by property class (2019–20 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	91% of ratepayers	4% of ratepayers	4% of ratepayers	0% of ratepayers
	\$80m (87%) of rates and charges revenue in 2019–20	\$7.8m (9%) of rates and charges revenue in 2019–20	\$4.1m (4%) of rates and charges revenue in 2019–20	\$0m (0%) of rates and charges revenue in 2019–20
	1.4% average annual increase between 2015–16 and 2019–20	0.4% average annual increase between 2015–16 and 2019–20	-1.2% average annual increase between 2015–16 and 2019–20	0.0% 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?

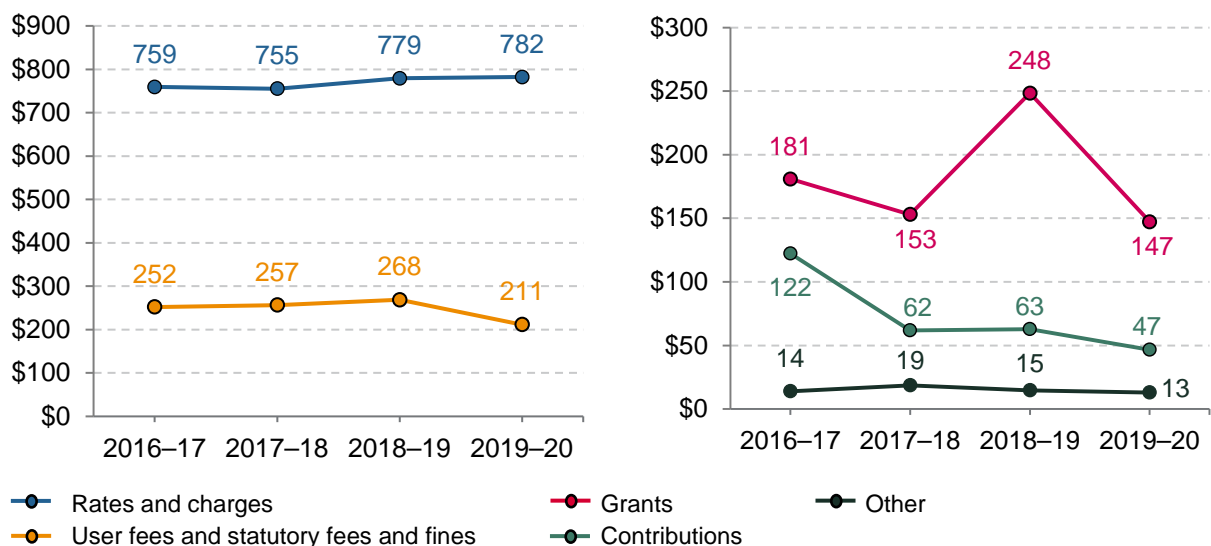
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	87.2	(57%)	87.8	(61%)	91.6	(57%)	92.8	(65%)
User fees and statutory fees and fines	28.9	(19%)	29.8	(21%)	31.5	(20%)	25.0	(18%)
Grants	20.8	(14%)	17.8	(12%)	29.2	(18%)	17.5	(12%)
Contributions	14.0	(9%)	7.2	(5%)	7.4	(5%)	5.5	(4%)
Other	1.6	(1%)	2.2	(2%)	1.7	(1%)	1.5	(1%)
Total	152.5		144.9		161.4		142.3	

In real terms, Maroondah City Council's total revenue fluctuated between 2016–17 and 2019–20, largely reflecting changes in revenue from grants (including an advance payment of Commonwealth financial assistance grants in 2016–17, and the receipt of one-off capital grants in 2018–19). In 2019–20, council's revenue from user fees and statutory fees and fines decreased in real terms due to the closure of leisure facilities during the coronavirus pandemic.

Rates and charges was the largest source of council's revenue, accounting for between 57 and 65 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 fluctuated in real terms between 2016–17 and 2019–20, while revenue from contributions trended downwards. Revenue per person from user fees and statutory fees and fines was relatively stable in real terms until a decrease in 2019–20.

Expenditure



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

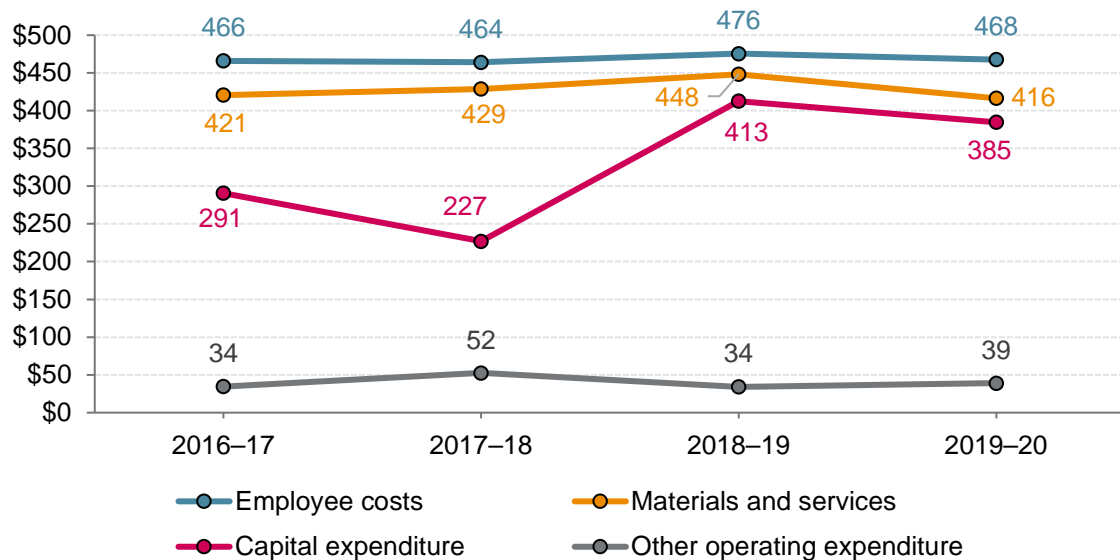
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	105.8	(76%)	110.0	(81%)	112.6	(70%)	109.4	(71%)
Employee costs	53.5	(38%)	54.0	(40%)	55.9	(35%)	55.5	(36%)
Materials and services	48.3	(35%)	49.9	(37%)	52.7	(33%)	49.4	(32%)
Other operating expenditure	4.0	(3%)	6.1	(4%)	4.0	(2%)	4.6	(3%)
Capital expenditure	33.4	(24%)	26.4	(19%)	48.5	(30%)	45.6	(29%)
Total	139.1		136.4		161.1		155.1	

In real terms, Maroondah City Council's total expenditure fluctuated between 2016–17 and 2019–20, largely reflecting changes in capital expenditure. Employee costs and expenditure on materials and services trended upwards in real terms between 2016–17 and 2018–19, before decreasing in 2019–20.

Employee costs was council's largest area of expenditure, accounting for 37 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 upwards in real terms between 2016–17 and 2019–20, despite fluctuating year on year. In real terms, employee costs per person remained relatively stable between 2016–17 and 2019–20, while expenditure per person on materials and services decreased in 2019–20.



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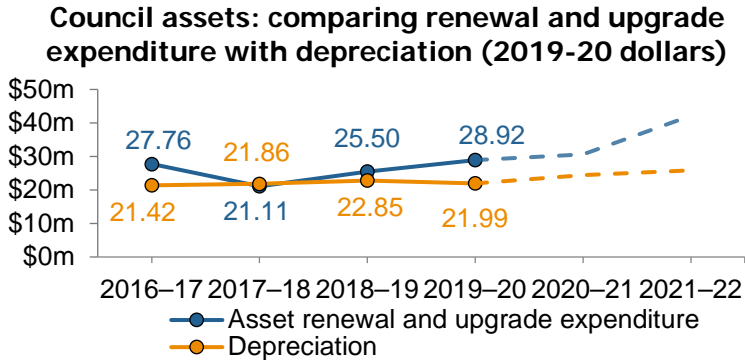
Has council's capital expenditure pattern changed?

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

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	21.5	(64%)	17.9	(68%)	19.5	(40%)	15.5	(34%)
Upgrade	6.3	(19%)	3.2	(12%)	6.0	(12%)	13.4	(29%)
Expansion	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
New	5.6	(17%)	5.3	(20%)	23.0	(47%)	16.7	(37%)
Total	33.4		26.4		48.5		45.6	

In real terms, Maroondah City Council's spending on asset upgrades trended upwards between 2017–18 and 2019–20, following a decrease in 2017–18. Spending on asset renewal trended downwards in real terms between 2016–17 and 2019–20, except in 2018–19 when spending on asset renewal, upgrades and new assets all increased. The jump in spending on new assets resulted in new assets accounting for the highest share of total expenditure from 2018–19 (prior to this, asset renewal was the highest share in 2016–17 and 2017–18).

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



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	130%
2017–18	97%
2018–19	112%
2019–20	131%
2020–21	125% (forecast data)
2021–22	163% (forecast data)

Council's spending on the renewal and upgrade of its assets trended upwards in real terms between 2017–18 and 2019–20, following a decrease in 2017–18. This spending remained above the amount of depreciation (the decline in value of council's assets caused by age and use) except in 2017–18 when it decreased below 100 per cent of depreciation.

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

Services



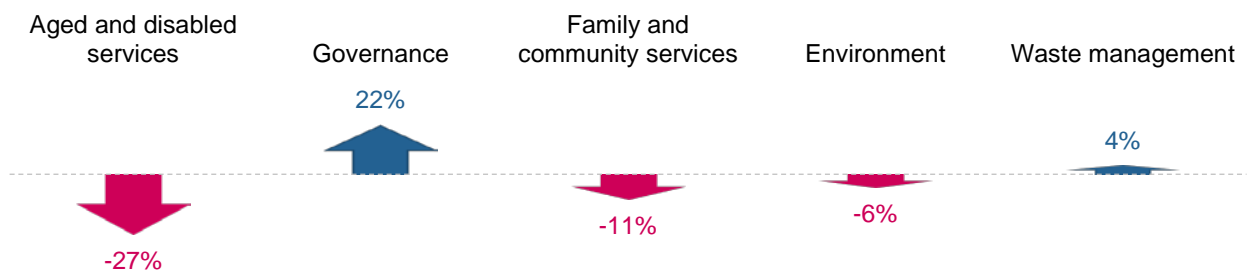
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Which service areas is council spending its money in?

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

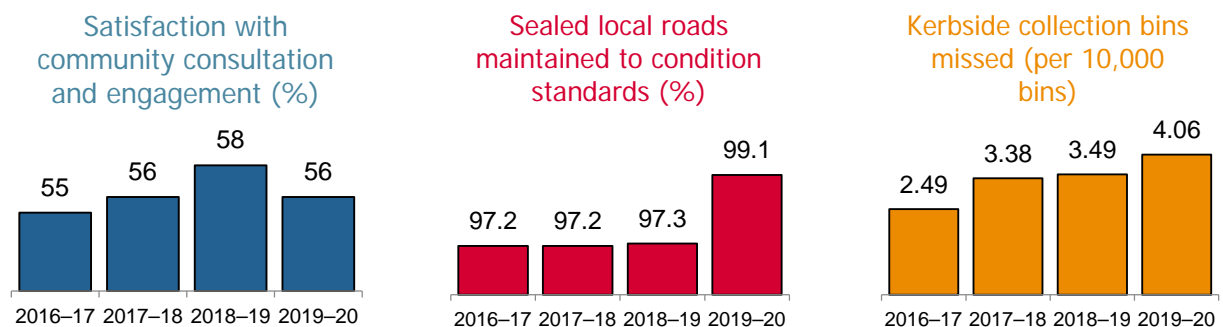
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	8.7 (7%)	6.8 (5%)	7.2 (5%)	3.5 (3%)
Business and economic services	10.5 (8%)	9.6 (7%)	9.6 (7%)	10.8 (8%)
Environment	8.4 (6%)	7.4 (6%)	7.4 (6%)	7.0 (5%)
Family and community services	9.4 (7%)	6.8 (5%)	7.3 (6%)	6.6 (5%)
Governance	12.3 (10%)	20.3 (16%)	21.8 (16%)	22.4 (17%)
Local roads and bridges	5.5 (4%)	4.3 (3%)	4.7 (4%)	4.7 (4%)
Recreation and culture	42.1 (33%)	40.7 (32%)	41.0 (31%)	39.1 (30%)
Traffic and street management	13.6 (11%)	14.6 (11%)	14.2 (11%)	14.5 (11%)
Waste management	12.5 (10%)	11.8 (9%)	12.9 (10%)	13.9 (11%)
Other	6.4 (5%)	6.5 (5%)	7.0 (5%)	6.6 (5%)
Total	129.5	128.8	133.2	129.1

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?



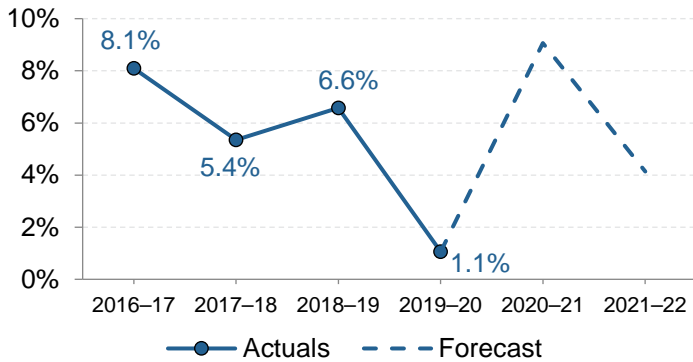
Financial position



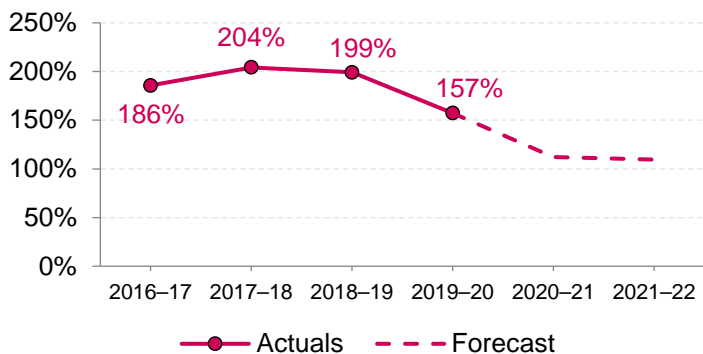
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Is council operating sustainably?

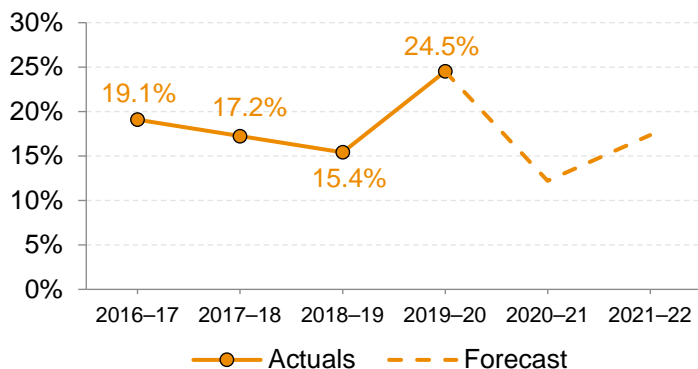
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Maroondah City Council reported an average **adjusted underlying result** of 5.3 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 2019–20 reflects the impact of coronavirus.

Council could meet its current financial obligations with a reported average **working capital ratio** of 187 per cent between 2016–17 and 2019–20. The decrease in 2019–20 reflects changed accounting standards for leases and revenue, as well as the impact of coronavirus.

The reported average **indebtedness ratio** of 19.1 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 increase in 2019–20 reflects changed accounting standards.

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.