

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>. You'll find an interactive version of this fact sheet, a reader's guide to help you understand key terms 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 of councils as a whole, not the average of the results for individual councils.

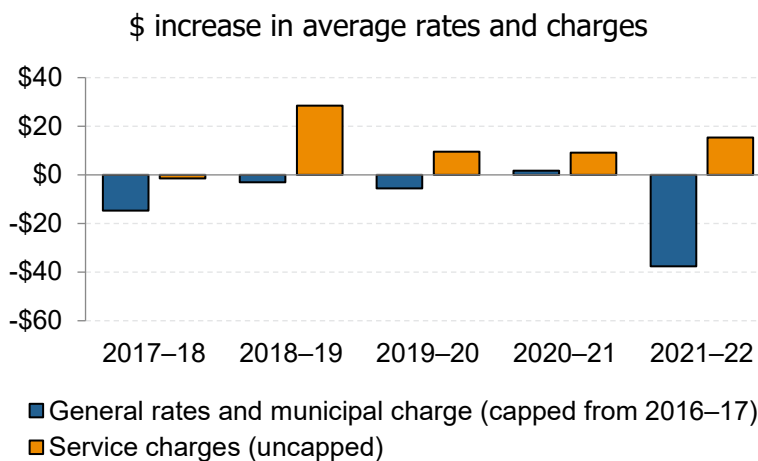


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Key facts	
Population (June 2021, average):	204,034
Size (km ² , average):	820
Length of local roads (km, average):	1,521
Population per km of roads:	134
Council employees (FTE, 2021–22, average):	857
Number of councils with an approved higher cap for any year between 2016–17 and 2021–22:	0 approved higher caps

Rates

What happened to average rates and charges (2021–22 dollars)?



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,001	2.50%
2017–18	\$1,985	2.00%
2018–19	\$2,010	2.25%
2019–20	\$2,014	2.50%
2020–21	\$2,025	2.00%
2021–22	\$2,002	1.50%

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 2021–22 dollars.

Did interface councils comply with the applicable rate caps?

	2020–21	2021–22	2022–23
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

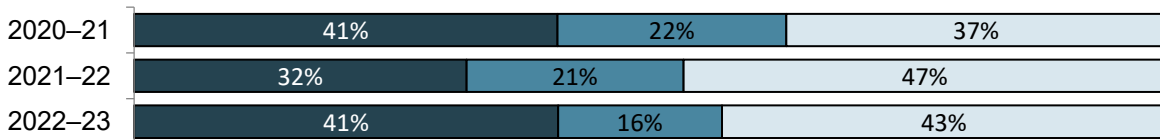
How did rates change for different ratepayers?

Council rating strategies 2022–23

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

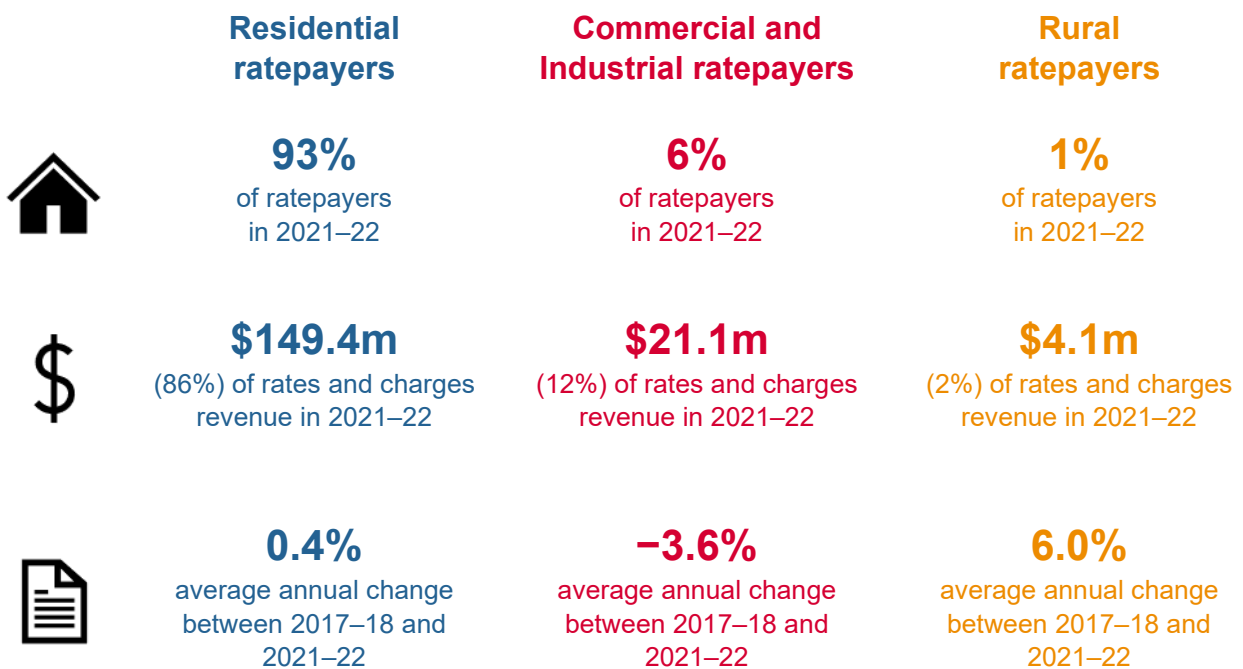
Distribution of rates increases and decreases

The applicable rate cap is applied to each council's average rate. So, 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 (2021–22 dollars)



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 did councils in the interface group get their money from?

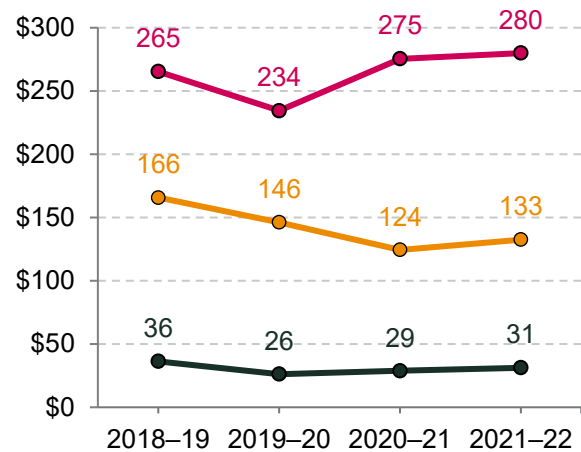
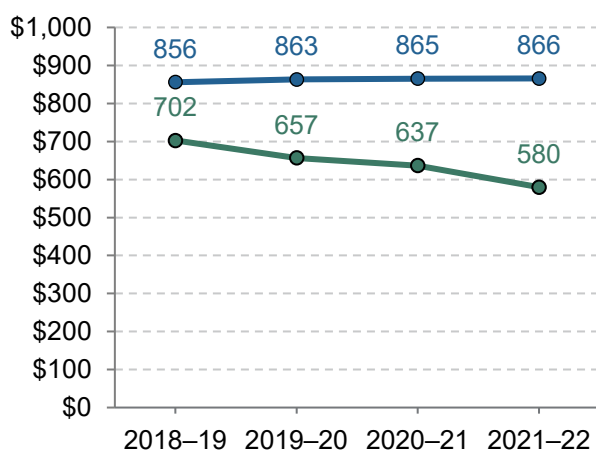
Average revenue (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	161.0	(42%)	168.2	(45%)	173.7	(45%)	176.6	(46%)
User fees and statutory fees and fines	31.2	(8%)	28.5	(8%)	25.0	(6%)	27.1	(7%)
Grants	49.9	(13%)	45.7	(12%)	55.3	(14%)	57.1	(15%)
Contributions	132.1	(35%)	127.9	(34%)	127.8	(33%)	118.3	(31%)
Other	6.8	(2%)	5.1	(1%)	5.8	(1%)	6.4	(2%)
Total	381.0		375.4		387.5		385.5	

The interface council group's average total revenue increased in real terms between 2018–19 and 2021–22, reflecting increases in revenue from rates and charges, and grants. Revenue from contributions and user fees and statutory fees and fines declined over the same period.

Rates and charges, and contributions were the largest sources of the interface council group's revenue, accounting for 78 per cent of total revenue between 2018–19 and 2021–22.

Revenue per person (2021–22 dollars)



- Rates and charges
- User fees and statutory fees and fines
- Grants
- Contributions
- Other

In terms of revenue per person (which adjusts for population growth), the group's revenue from user fees and statutory fees and fines, contributions and 'other' revenue decreased between 2018–19 and 2021–22. This compares with an upward trend in revenue per person from rates and charges, and grants.

Expenditure



See the reader's guide for data sources and useful information.
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How much money did councils in the interface group spend?

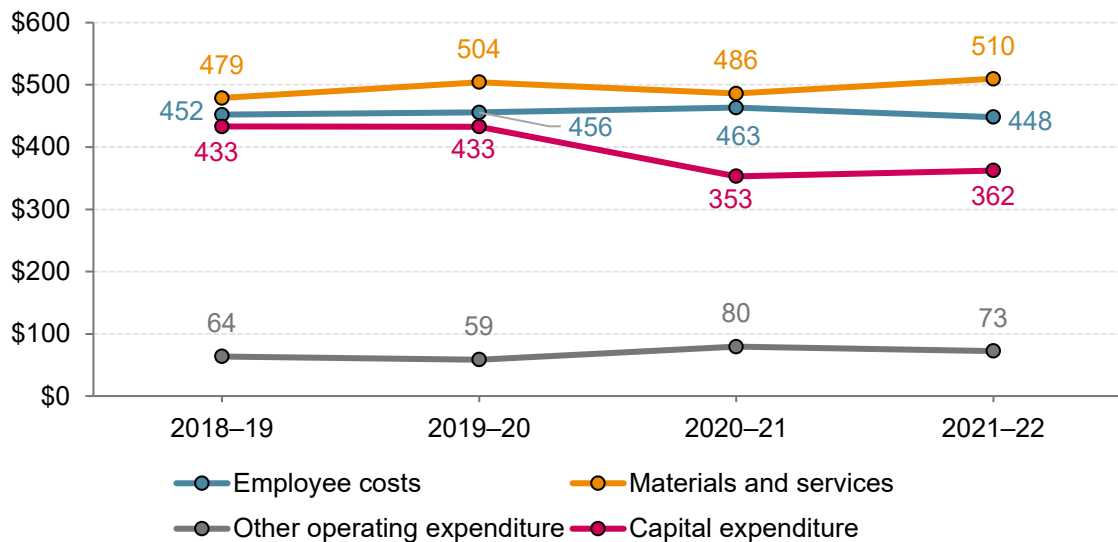
Average expenditure (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	187.0	70%	198.5	70%	206.6	74%	210.3	74%
Employee costs	85.0	32%	88.8	31%	93.0	34%	91.5	32%
Materials and services	90.0	34%	98.3	35%	97.6	35%	104.0	37%
Other operating expenditure	12.0	4%	11.4	4%	16.0	6%	14.8	5%
Capital expenditure	81.4	30%	84.3	30%	70.9	26%	73.9	26%
Total	268.5		282.8		277.5		284.2	

The interface council group's average total expenditure increased in real terms between 2018–19 and 2021–22, reflecting increases in expenditure on materials and services, employee costs and other operating expenditure.

Materials and services was the largest area of expenditure, accounting for 35 per cent of total expenditure between 2018–19 and 2021–22.

Expenditure per person (2021–22 dollars)



In terms of expenditure per person (which adjusts for population growth), the interface council group's capital expenditure decreased between 2018–19 and 2021–22. This compares with an upward trend in expenditure on materials and services and 'other operating expenditure' per person.

Did the capital expenditure pattern change?

Average capital expenditure (2021–22 \$m and % of total capital expenditure)

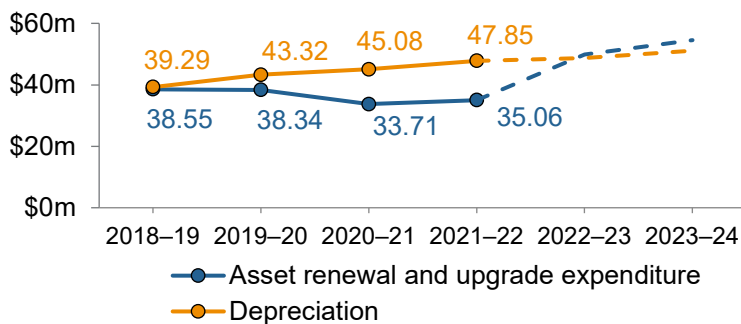
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Renewal	22.8	28%	22.5	27%	18.2	26%	19.6	27%
Upgrade	15.7	19%	15.8	19%	15.5	22%	15.4	21%
Expansion	4.8	6%	4.1	5%	2.4	3%	3.3	5%
New	38.1	47%	41.9	50%	34.8	49%	35.5	48%
Total	81.4		84.3		70.9		73.9	

The interface council group's average spending on new assets trended downwards in real terms, despite fluctuating between 2018–19 and 2021–22. New assets accounted for the highest share of capital expenditure over this period (48 per cent).

The group's spending on all other categories decreased in real terms between 2018–19 and 2021–22.

Did councils in the interface group renew assets (such as roads, parks and buildings)?

Comparing average renewal and upgrade expenditure with average depreciation (2021–22 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2018–19	98%
2019–20	89%
2020–21	75%
2021–22	73%
2022–23	102% (forecast data)
2023–24	107% (forecast data)

The interface council group's average spending on the renewal and upgrade of its assets trended downwards in real terms between 2018–19 and 2020–21, before increasing in 2021–22. Renewal and upgrade expenditure remained below the amount of depreciation (the decline in value of council's assets caused by age and use) between 2018–19 and 2021–22. This spending was forecast to increase above the amount of depreciation in 2022–23 and 2023–24.

Services



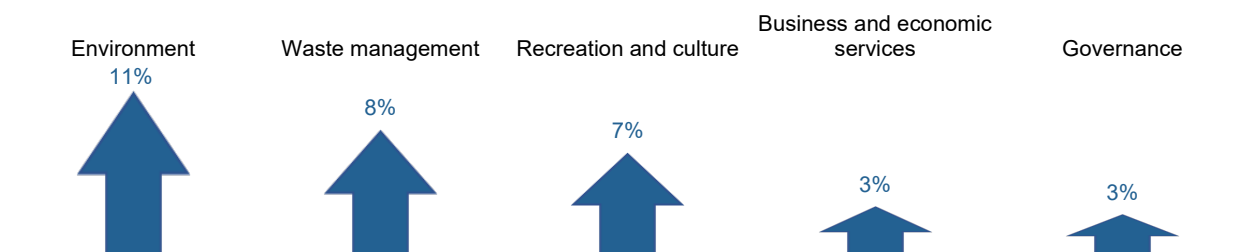
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Which service areas did councils in the interface group spend their money on?

Average expenditure by function (2021–22 \$m and % of total services expenditure)

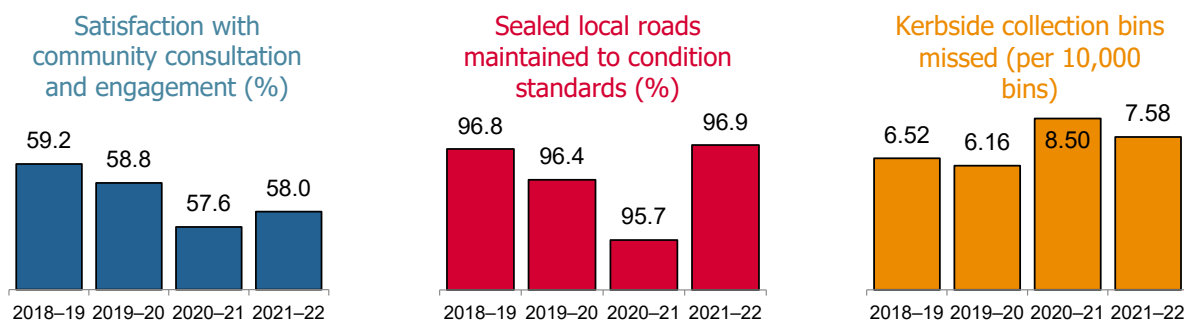
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Aged and disabled services	10.6	5%	10.1	4%	9.7	4%	9.3	4%
Business and economic services	16.5	7%	17.5	7%	19.6	8%	18.2	7%
Environment	15.9	7%	19.3	8%	19.6	8%	21.8	9%
Family and community services	23.4	10%	24.6	10%	24.9	10%	24.5	10%
Governance	43.8	20%	42.2	18%	43.7	18%	47.6	19%
Local roads and bridges	24.8	11%	25.3	11%	25.2	10%	24.0	10%
Recreation and culture	42.8	19%	48.5	20%	50.6	21%	52.3	21%
Traffic and street management	19.7	9%	18.4	8%	20.7	8%	19.0	8%
Waste management	24.9	11%	30.3	13%	30.2	12%	31.8	13%
Other	1.1	0%	0.5	0%	0.9	0%	0.6	0%
Total	223.6		236.6		244.9		249.1	

Which areas experienced the biggest changes from 2018–19 to 2021–22?



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

Did service quality or community satisfaction change?



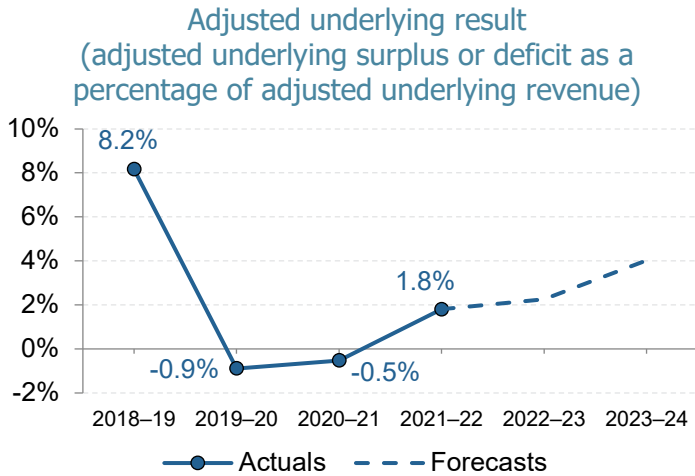
Note: These group results are averages of individual council results.

Financial position

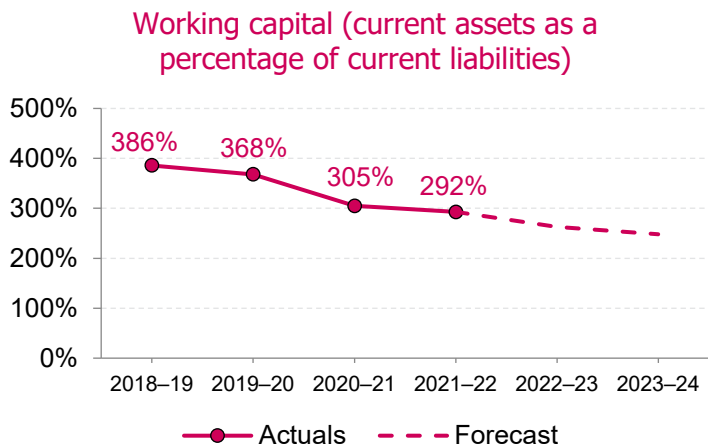


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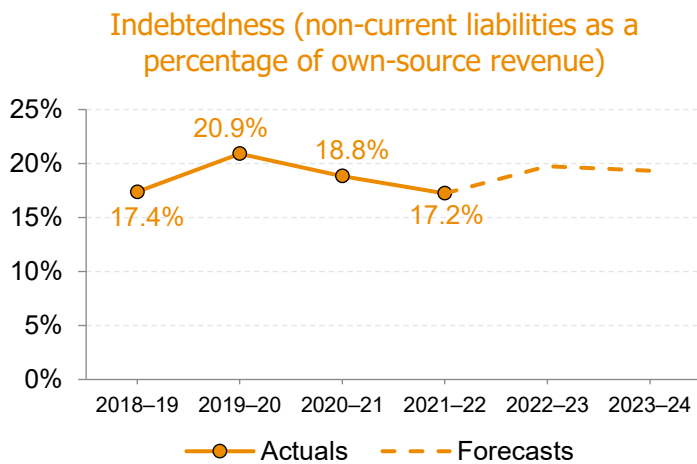
Did councils in the interface group operate sustainably?



Between 2018–19 and 2021–22, the interface council group reported an average **adjusted underlying result** of 2.1 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision.



The interface council group could meet its current financial obligations with a reported average **working capital ratio** of 338 per cent between 2018–19 and 2021–22.



Between 2018–19 and 2021–22, the interface council group had an average **indebtedness ratio** of 18.6 per cent.

Note: Some of the year-on-year changes in these financial indicators may be due to changes to accounting standards or the impact of coronavirus. See the reader's guide for more information.

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	