

Metropolitan council group

This fact sheet uses graphs and data to examine revenue, expenditure and financial sustainability for the metropolitan 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 metropolitan group of councils as a whole, not the average of the results for individual councils.

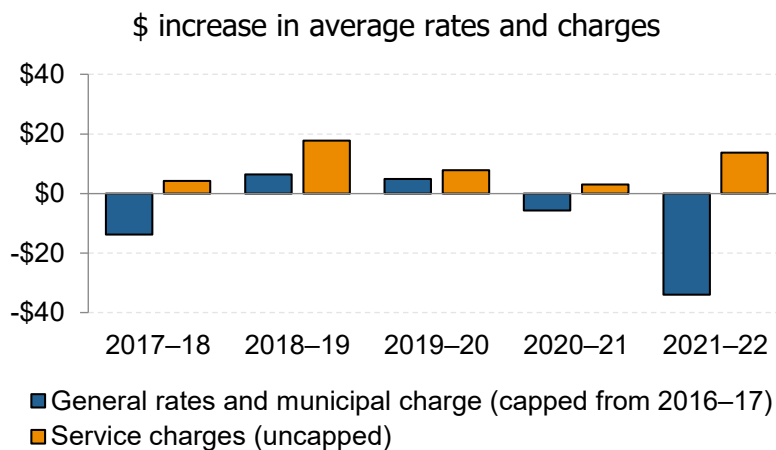


© OpenStreetMap contributors

Key facts	
Population (June 2021, average):	138,849
Size (km ² , average):	66
Length of local roads (km, average):	508
Population per km of roads:	273
Council employees (FTE, 2021–22, average):	799
Number of councils with an approved higher cap for any year between 2016–17 and 2021–22:	1 council with approved higher cap

Rates

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



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,039	2.50%
2017–18	\$2,030	2.00%
2018–19	\$2,054	2.25% ^a
2019–20	\$2,067	2.50%
2020–21	\$2,064	2.00%
2021–22	\$2,044	1.50%

^a Approved higher cap (see page 8)

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 metropolitan councils comply with the applicable rate caps?

	2020–21	2021–22	2022–23
Councils complying with applicable cap	20 of 22	22 of 22	22 of 22
Councils with an approved higher cap	0 of 22	0 of 22	0 of 22

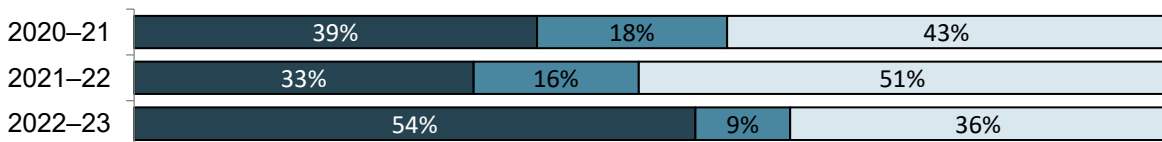
How did rates change for different ratepayers?

Council rating strategies 2022–23

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

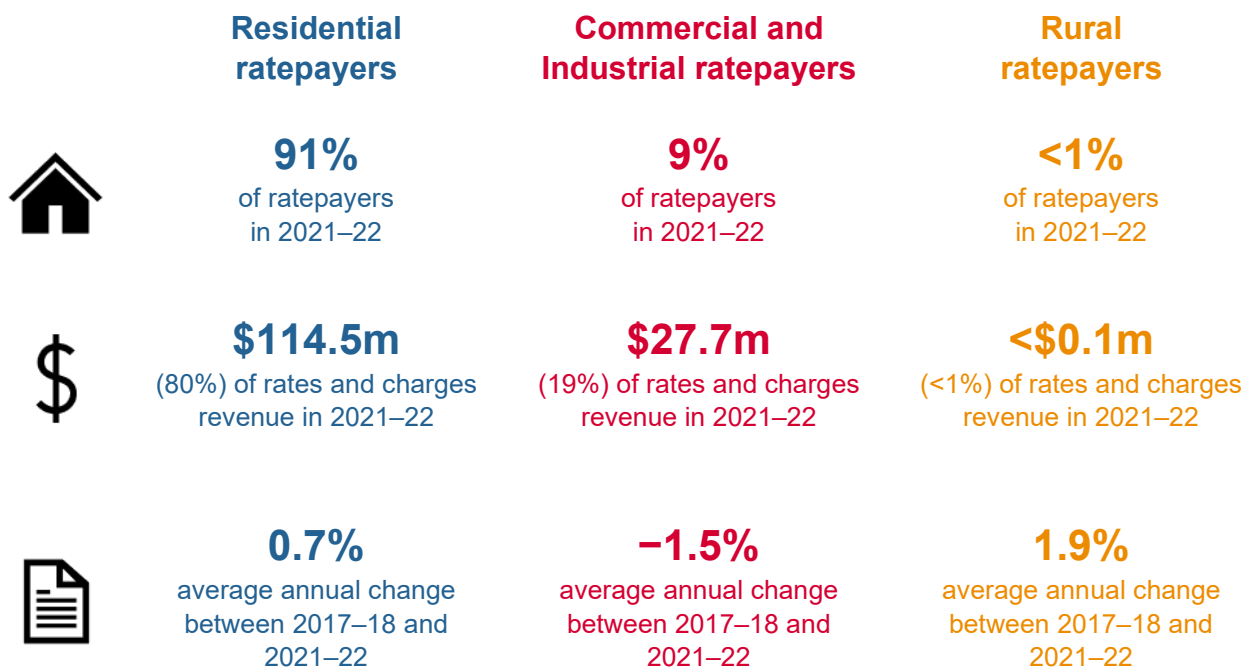
Distribution of rates increases and decreases

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.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

Where did councils in the metropolitan group get their money from?

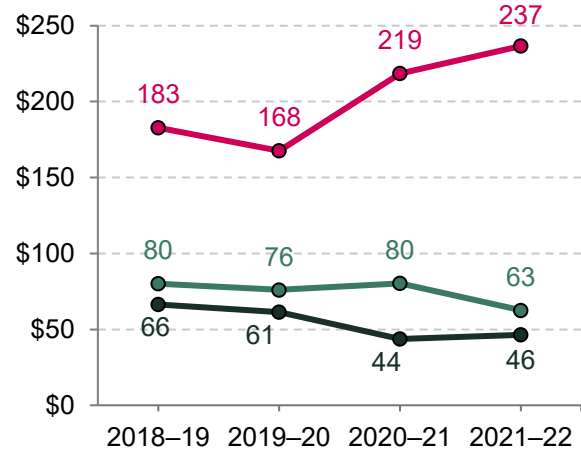
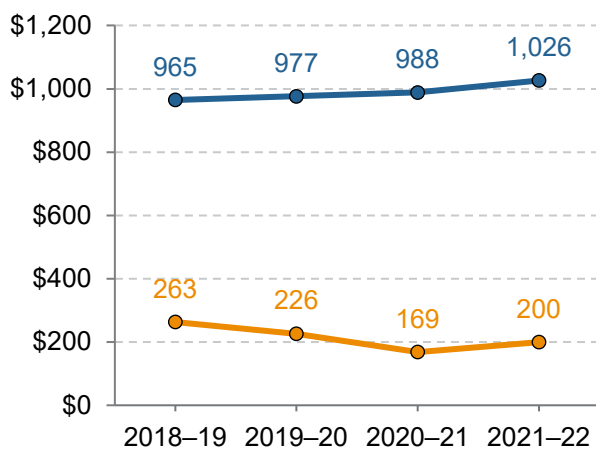
Average revenue (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	137.9	(62%)	140.6	(65%)	142.2	(66%)	142.5	(65%)
User fees and statutory fees and fines	37.6	(17%)	32.6	(15%)	24.3	(11%)	27.7	(13%)
Grants	26.1	(12%)	24.1	(11%)	31.4	(15%)	32.9	(15%)
Contributions	11.4	(5%)	11.0	(5%)	11.6	(5%)	8.7	(4%)
Other	9.5	(4%)	8.9	(4%)	6.3	(3%)	6.5	(3%)
Total	222.6		217.1		215.8		218.2	

The metropolitan council group's average total revenue decreased in real terms between 2018–19 and 2021–22, reflecting decreases in revenue from user fees and statutory fees and fines, contributions and 'other' revenue.

Rates and charges was the largest source of the metropolitan council group's revenue, accounting for 64 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), revenue from rates and charges, and grants increased between 2018–19 and 2021–22. This compares with a downward trend in revenue per person from user fees and statutory fees and fines, contributions and 'other' revenue.

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 2021–22 dollars.

How much money did councils in the metropolitan group spend?

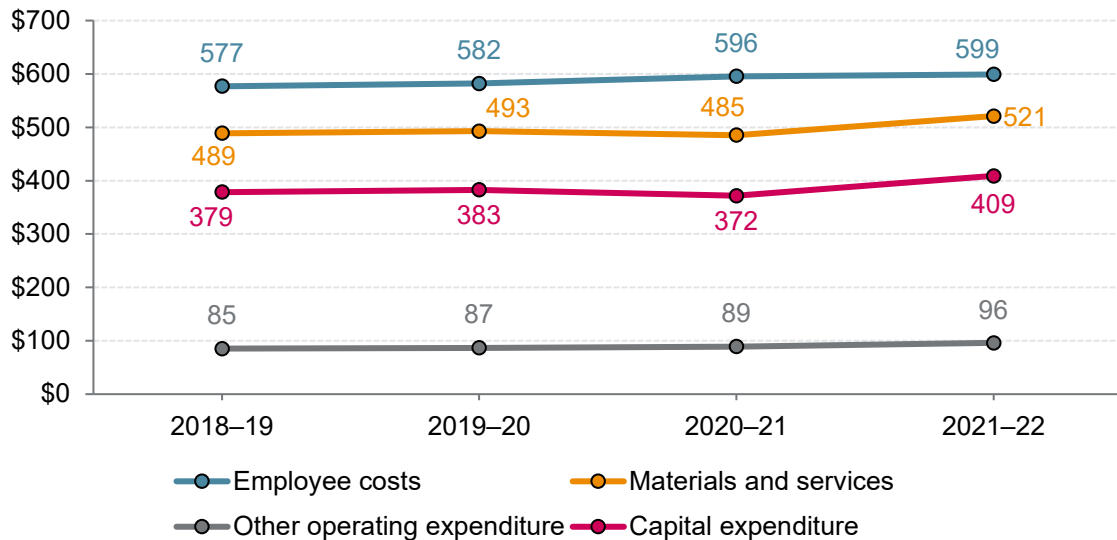
Average expenditure (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	164.5	75%	167.3	75%	168.4	76%	168.9	75%
Employee costs	82.4	38%	83.8	38%	85.7	39%	83.2	37%
Materials and services	69.9	32%	71.0	32%	69.8	31%	72.4	32%
Other operating expenditure	12.2	6%	12.5	6%	12.8	6%	13.3	6%
Capital expenditure	54.1	25%	55.1	25%	53.5	24%	56.8	25%
Total	218.6		222.4		221.9		225.7	

The metropolitan council group's average total expenditure increased in real terms between 2018–19 and 2021–22, reflecting increases in all expenditure categories.

Employee costs was the largest area of expenditure, accounting for 38 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 metropolitan council group's spending on all categories increased between 2018–19 and 2021–22.



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 the capital expenditure pattern change?

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

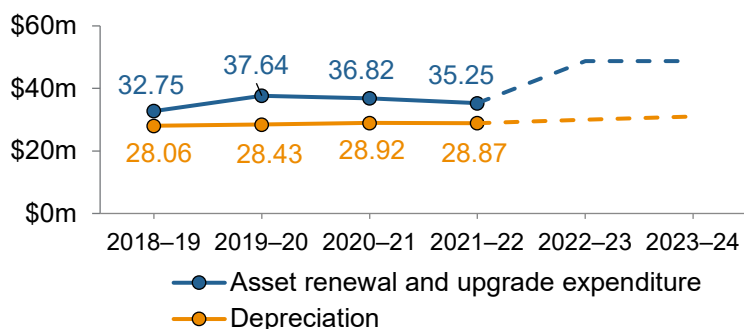
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Renewal	25.5	48%	26.6	49%	25.0	47%	25.0	44%
Upgrade	7.2	14%	11.0	20%	11.8	22%	10.2	18%
Expansion	2.9	5%	2.7	5%	2.0	4%	4.4	8%
New	17.8	33%	14.3	26%	14.7	27%	17.9	31%
Total	53.4		54.7		53.5		57.5	

The metropolitan council group's average spending on asset renewal trended downwards in real terms between 2018–19 and 2021–22. Asset renewal accounted for the highest share of capital expenditure over this period (47 per cent).

The group's spending on asset upgrade increased between 2018–19 and 2021–22, while spending on expansion and new assets decreased from 2018–19 to 2020–21 before increasing in 2021–22.

Did councils in the metropolitan 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	117%
2019–20	132%
2020–21	127%
2021–22	122%
2022–23	162% (forecast data)
2023–24	154% (forecast data)

The metropolitan council group's average spending on the renewal and upgrade of its assets trended downwards in real terms between 2019–20 and 2021–22, following a peak in 2019–20. Renewal and upgrade expenditure remained above 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 remain above the amount of depreciation in 2022–23 and 2023–24.

Services



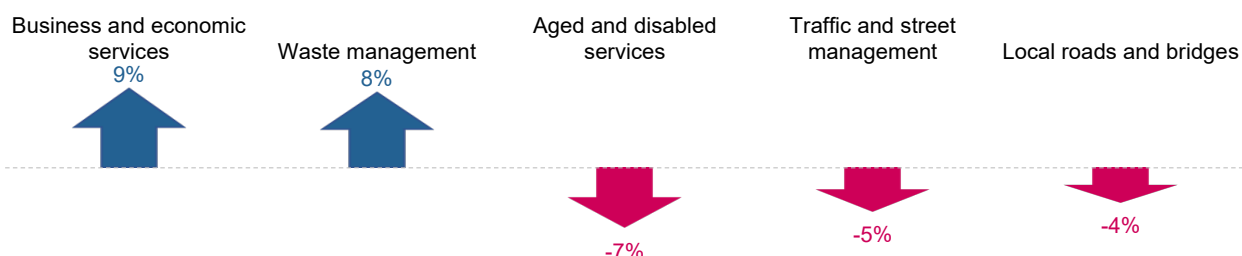
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

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

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

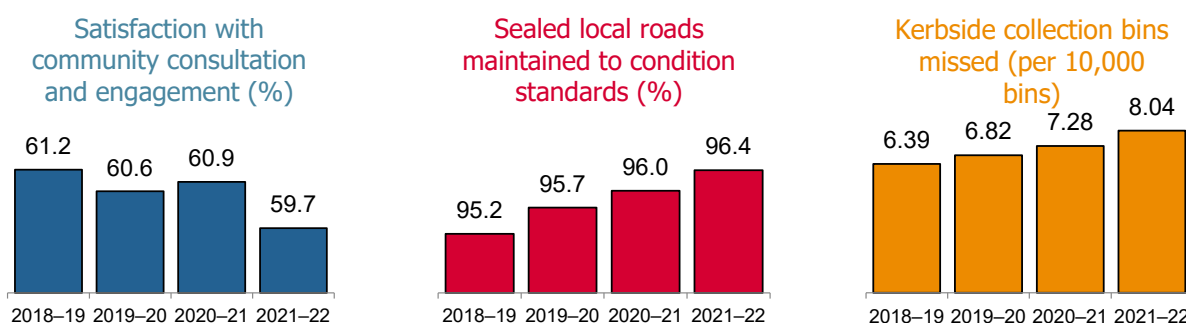
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Aged and disabled services	13.2	7%	12.5	6%	11.9	6%	10.8	5%
Business and economic services	26.7	13%	28.2	14%	31.4	15%	34.4	16%
Environment	7.2	4%	7.5	4%	7.7	4%	7.7	4%
Family and community services	17.2	9%	16.7	8%	16.7	8%	16.9	8%
Governance	38.1	19%	41.0	20%	43.2	21%	41.3	20%
Local roads and bridges	14.5	7%	15.0	7%	13.5	7%	12.8	6%
Recreation and culture	41.5	21%	41.8	20%	40.2	19%	42.7	20%
Traffic and street management	23.6	12%	23.4	11%	20.7	10%	20.3	10%
Waste management	16.2	8%	17.5	9%	19.5	9%	20.7	10%
Other	1.9	1%	1.8	1%	2.8	1%	2.4	1%
Total	200.1		205.5		207.7		210.0	

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?



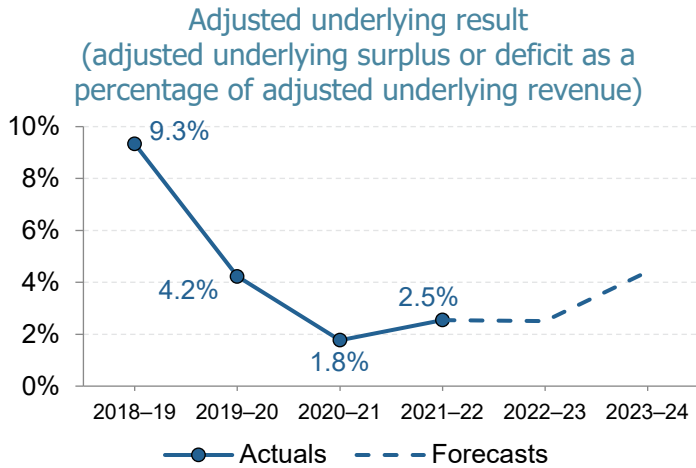
Note: These group results are averages of individual council results.

Financial position

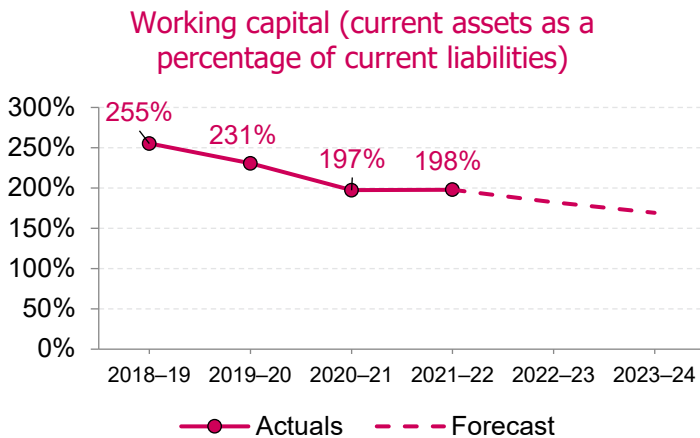


See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

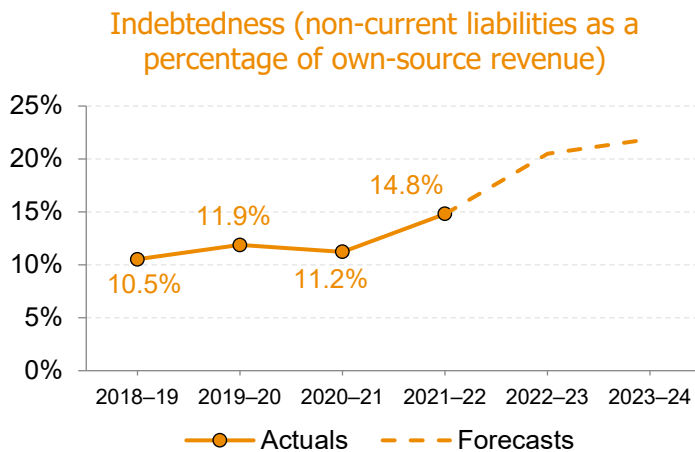
Did councils in the metropolitan group operate sustainably?



Between 2018–19 and 2021–22, the metropolitan council group reported an average **adjusted underlying result** of 4.5 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision.



The metropolitan council group had an average **working capital ratio** of 220 per cent between 2018–19 and 2021–22.



Between 2018–19 and 2021–22, the metropolitan council group had an average **indebtedness ratio** of 12.1 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.

Metropolitan councils

Councils in this group	
Banyule City Council	Manningham City Council
Bayside City Council	Maribyrnong City Council
Boroondara City Council	Maroondah City Council
Brimbank City Council	Melbourne City Council
Darebin City Council	Merri-bek City Council
Frankston City Council	Monash City Council
Glen Eira City Council	Moonee Valley City Council
Greater Dandenong City Council	Port Phillip City Council
Hobsons Bay City Council	Stonnington City Council
Kingston City Council	Whitehorse City Council
Knox City Council	Yarra City Council

Metropolitan councils with approved higher caps						
	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Ministers' cap	2.50%	2.00%	2.25%	2.50%	2.00%	1.50%
Monash City Council			2.57%			
Number of higher caps	0	0	1	0	0	0