

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.



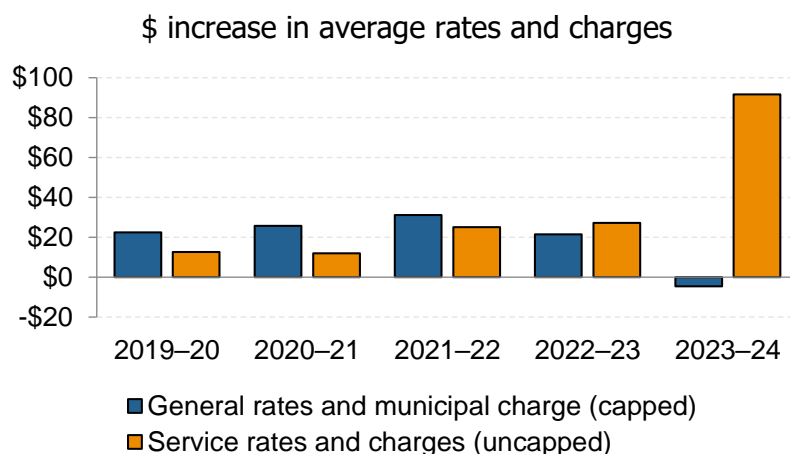
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Key facts

Population (June 2023, average):	216,580
Size (km ² , average):	820
Length of local roads (km, average):	1,582
Population per km of roads:	137
Council employees (FTE, 2023–24, average):	946
Number of councils with an approved higher cap for any year between 2018–19 and 2023–24:	0 councils with approved higher caps

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2018–19	\$1,873	2.25%
2019–20	\$1,908	2.50%
2020–21	\$1,946	2.00%
2021–22	\$2,002	1.50%
2022–23	\$2,051	1.75%
2023–24	\$2,138	3.50%

Rates (continued)



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

Did interface councils comply with the applicable rate caps?

	2022–23	2023–24	2024–25
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

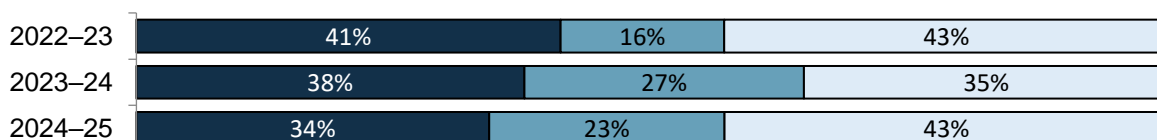
How have rates changed for different ratepayers?

Council rating strategies 2024–25

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, group average

	Residential ratepayers	Commercial and Industrial ratepayers	Rural ratepayers
	93% of ratepayers in 2023–24	6% of ratepayers in 2023–24	1% of ratepayers in 2023–24
	\$169.1m (85%) of rates and charges revenue in 2023–24	\$24.4m (13%) of rates and charges revenue in 2023–24	\$4.4m (2%) of rates and charges revenue in 2023–24
	2.6% average annual change between 2019–20 and 2023–24	2.2% average annual change between 2019–20 and 2023–24	8.0% average annual change between 2019–20 and 2023–24

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.
Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

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

Average revenue (2023–24 \$m and % of total revenue)

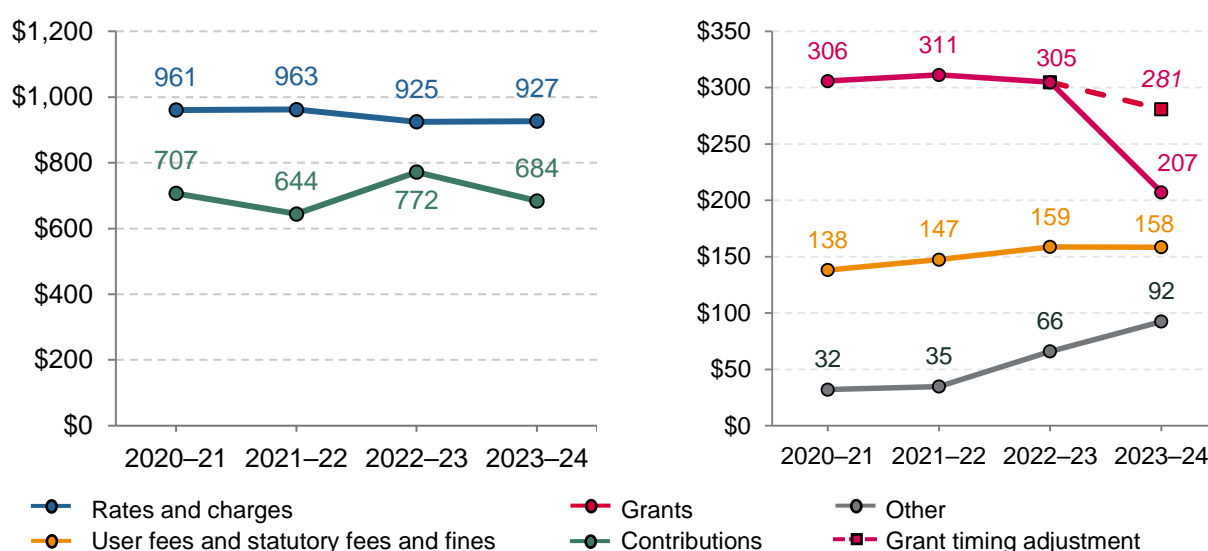
	2020–21		2021–22		2022–23		2023–24	
	\$m		\$m		\$m		\$m	
Rates and charges	193.2	(45%)	196.4	(46%)	193.8	(42%)	200.7	(45%)
User fees and statutory fees and fines	27.8	(6%)	30.1	(7%)	33.2	(7%)	34.3	(8%)
Grants	61.5	(14%)	63.5	(15%)	63.9	(14%)	44.9	(10%)
Contributions	142.1	(33%)	131.5	(31%)	161.7	(35%)	148.2	(33%)
Other	6.5	(1%)	7.1	(2%)	13.8	(3%)	20.0	(4%)
Total	431.0		428.7		466.4		448.1	

The interface group's average total revenue increased in real terms between 2020–21 and 2023–24, reflecting increases in revenue from 'other' revenue, rates and charges, and user fees and statutory fees and fines.

The decrease in grant revenue in 2023–24 partially reflects the financial assistance grants being received later than usual. The average interface council would have received \$60.8 million in grant revenue if the payment was received before the end of the financial year.

Rates and charges, and contributions were the largest sources of the interface group's revenue, accounting for 77 per cent of total revenue between 2020–21 and 2023–24.

Revenue per person (2023–24 dollars)



In terms of revenue per person (which adjusts for population growth), the interface group's revenue from rates and charges, and grants decreased in real terms between 2020–21 and 2023–24.

Expenditure



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

How much money did councils in the interface group spend?

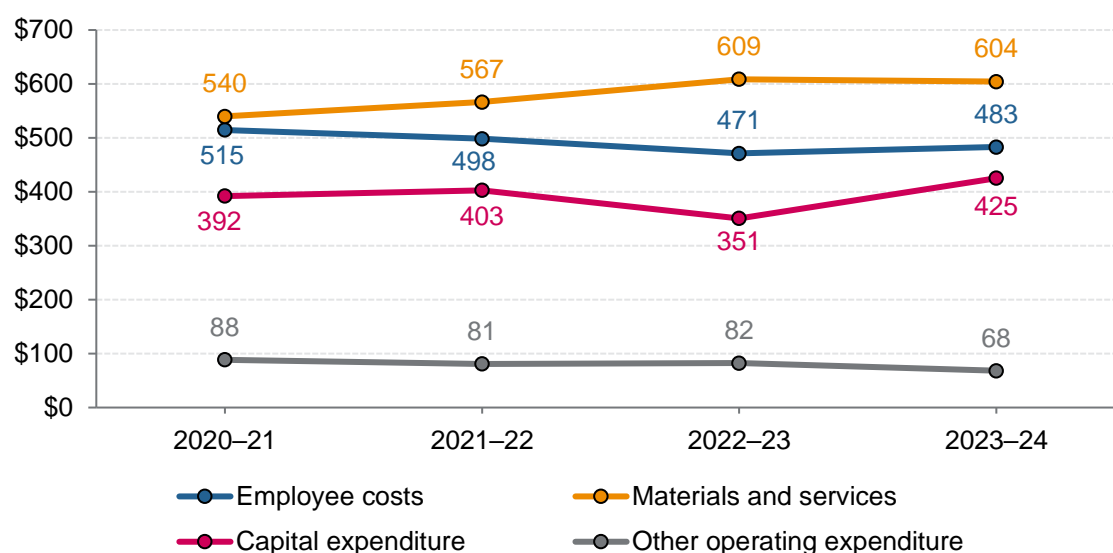
Average expenditure (2023–24 \$m and % of total expenditure)

	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Operating expenditure	229.7 (74%)	233.8 (74%)	243.5 (77%)	250.3 (73%)
Employee costs	103.5 (34%)	101.7 (32%)	98.7 (31%)	104.6 (31%)
Materials and services	108.5 (35%)	115.6 (37%)	127.6 (40%)	130.9 (38%)
Other operating expenditure	17.8 (6%)	16.5 (5%)	17.2 (5%)	14.8 (4%)
Capital expenditure	78.8 (26%)	82.2 (26%)	73.5 (23%)	92.1 (27%)
Total	308.6	316.1	317.0	342.4

The interface council group's average total expenditure increased in real terms between 2020–21 and 2023–24, reflecting increases in expenditure on materials and services and capital expenditure.

Materials and services was the largest area of expenditure, which accounted for 38 per cent of total expenditure between 2020–21 and 2023–24.

Expenditure per person (2023–24 dollars)



In terms of expenditure per person (which adjusts for population growth), the interface group's expenditure on materials and services and capital expenditure increased in real terms between 2020–21 and 2023–24, while employee costs declined.

Did the capital expenditure pattern change?

Average capital expenditure (2023–24 \$m and % of total capital expenditure)

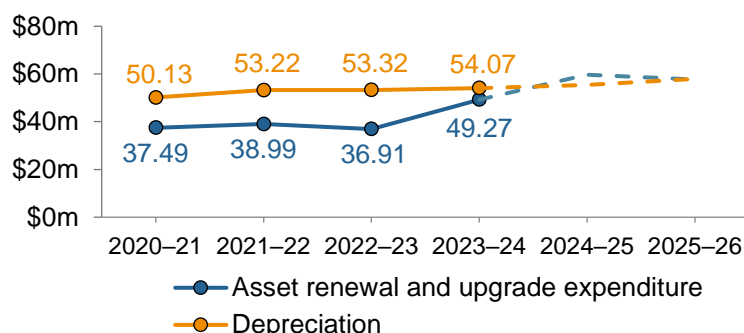
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Renewal	20.2 (26%)	21.8 (27%)	21.8 (30%)	26.8 (29%)
Upgrade	17.3 (22%)	17.2 (21%)	15.1 (21%)	22.5 (24%)
Expansion	2.7 (3%)	3.7 (5%)	5.0 (7%)	6.2 (7%)
New	38.7 (49%)	39.5 (48%)	31.5 (43%)	36.6 (40%)
Total	78.8	82.2	73.5	92.1

The interface council group's average spending on new assets trended downwards in real terms, despite fluctuating between 2020–21 and 2023–24. New assets accounted for the highest share of capital expenditure over this period (45 per cent).

The group's spending on all other categories increased between 2020–21 and 2023–24.

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

Comparing average renewal and upgrade expenditure with average depreciation (2023–24 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2020–21	75%
2021–22	73%
2022–23	69%
2023–24	91%
2024–25	108% (forecast data)
2025–26	100% (forecast data)

The group's spending on the renewal and upgrade of its assets trended upwards in real terms, despite fluctuating between 2020–21 and 2023–24.

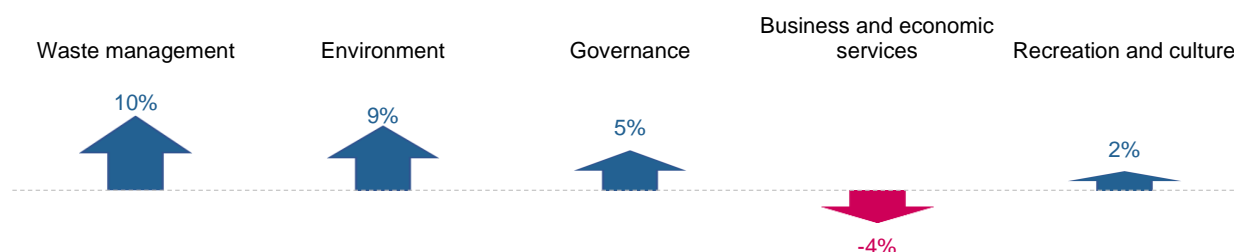
Renewal and upgrade expenditure remained below the amount of depreciation (the decline in value of the group's assets caused by age and use) between 2020–21 and 2023–24. This spending was forecast to increase above the amount of depreciation in 2024–25, before decreasing in 2025–26.

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

Average expenditure by function (2023–24 \$m and % of total services expenditure)

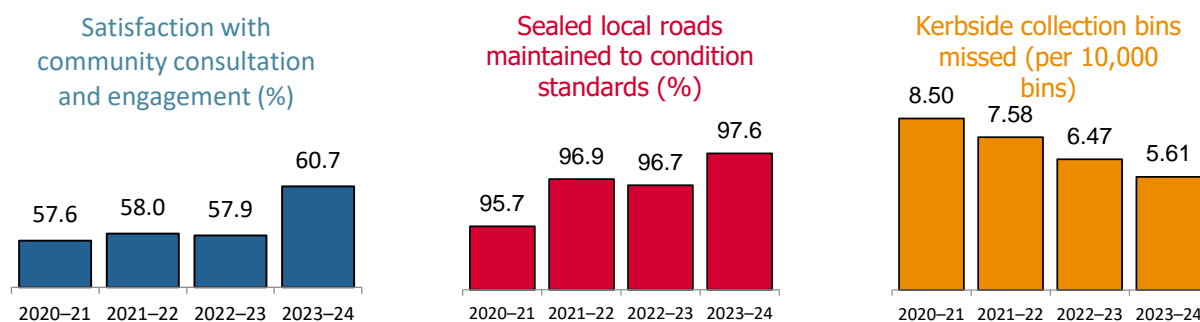
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Aged and disabled services	10.7 (4%)	10.3 (4%)	6.9 (2%)	6.9 (2%)
Business and economic services	21.8 (8%)	20.3 (7%)	20.5 (7%)	19.1 (6%)
Environment	21.8 (8%)	24.2 (9%)	24.8 (9%)	28.0 (9%)
Family and community services	27.6 (10%)	27.2 (10%)	27.4 (10%)	28.8 (10%)
Governance	48.6 (18%)	53.0 (19%)	55.1 (19%)	56.9 (19%)
Local roads and bridges	28.0 (10%)	26.7 (10%)	26.5 (9%)	26.5 (9%)
Recreation and culture	56.2 (21%)	58.2 (21%)	59.6 (21%)	60.5 (21%)
Traffic and street management	23.0 (8%)	21.1 (8%)	23.0 (8%)	22.6 (8%)
Waste management	33.6 (12%)	35.4 (13%)	42.0 (15%)	44.7 (15%)
Other	1.0 (0%)	0.7 (0%)	0.2 (0%)	1.1 (0%)
Total	272.4	277.1	286.0	295.1

Which service areas experienced the biggest changes in spending?



Source: Victorian Local Government Grants Commission (unaudited). Average annual change between 2020–21 and 2023–24. Excludes small service areas (<5% of total expenditure). Council Annual Reports may provide further explanation of these changes.

Did service quality or community satisfaction change?



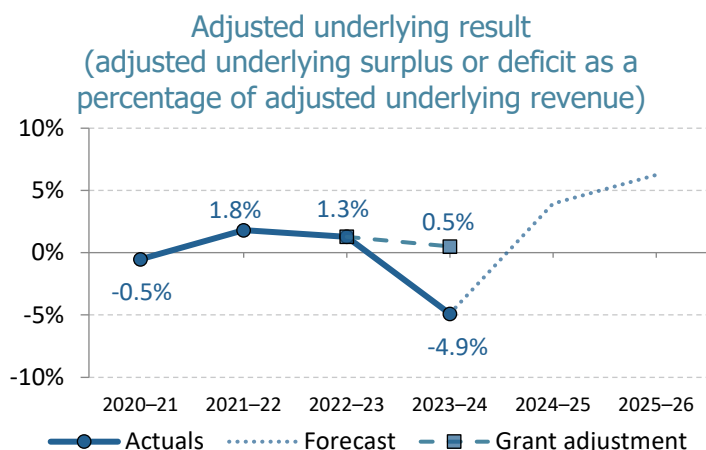
Note: These group results are averages of individual council results.

Financial position



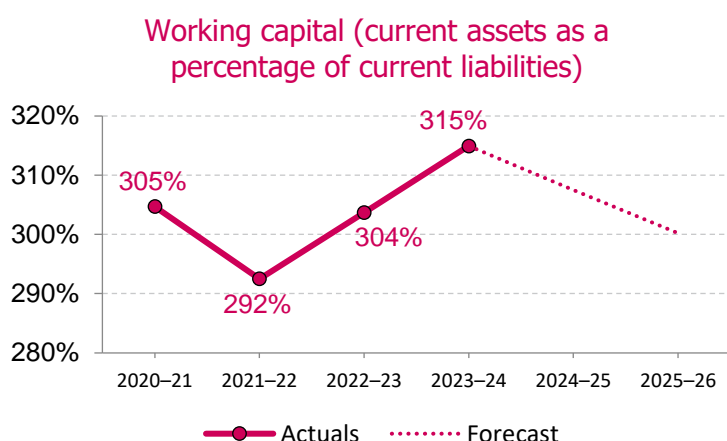
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Did councils in the interface group operate sustainably?

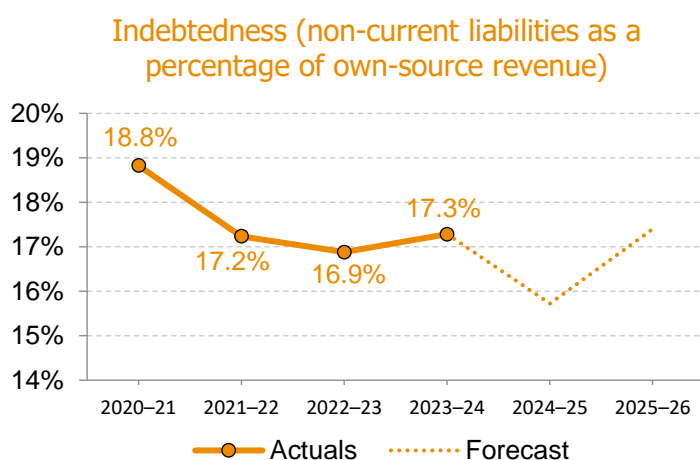


Between 2020–21 and 2023–24, the interface council group reported an average **adjusted underlying result** of **-0.6 per cent**. The average result would have been **0.8 per cent**, if the timing of the financial assistance grants payment in 2023–24 was consistent with previous years.

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 **304 per cent** between 2020–21 and 2023–24.



Between 2020–21 and 2023–24, the interface council group reported an average **indebtedness ratio** of **17.6 per cent**.

Note: The year-on-year changes in the financial indicators can be affected by the timing of financial assistance grant payments. We have estimated the impact of a change in the timing of these payments for the 2023–24 adjusted underlying result. Please 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	