

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.



22 councils in group
(see list on page 8)

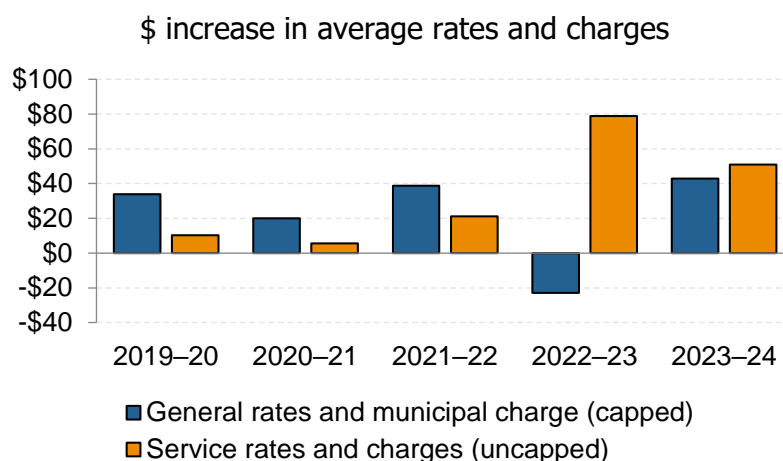
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Key facts

Population (June 2023, average):	143,961
Size (km ² , average):	66
Length of local roads (km, average):	512
Population per km of roads:	281
Council employees (FTE, 2023–24, average):	817
Number of councils with an approved higher cap for any year between 2018–19 and 2023–24:	1 council with approved higher cap

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2018–19	\$1,914	2.25% ^a
2019–20	\$1,958	2.50%
2020–21	\$1,984	2.00%
2021–22	\$2,044	1.50%
2022–23	\$2,100	1.75%
2023–24	\$2,191	3.50%

^a Approved higher cap (see page 8)

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 metropolitan councils comply with the applicable rate caps?

	2022–23	2023–24	2024–25
Councils complying with applicable cap	22 of 22	22 of 22	22 of 22
Councils with an approved higher cap	0 of 22	0 of 22	0 of 22

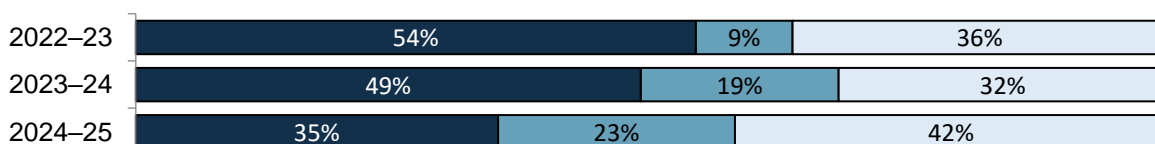
How have rates changed for different ratepayers?

Council rating strategies 2024–25

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

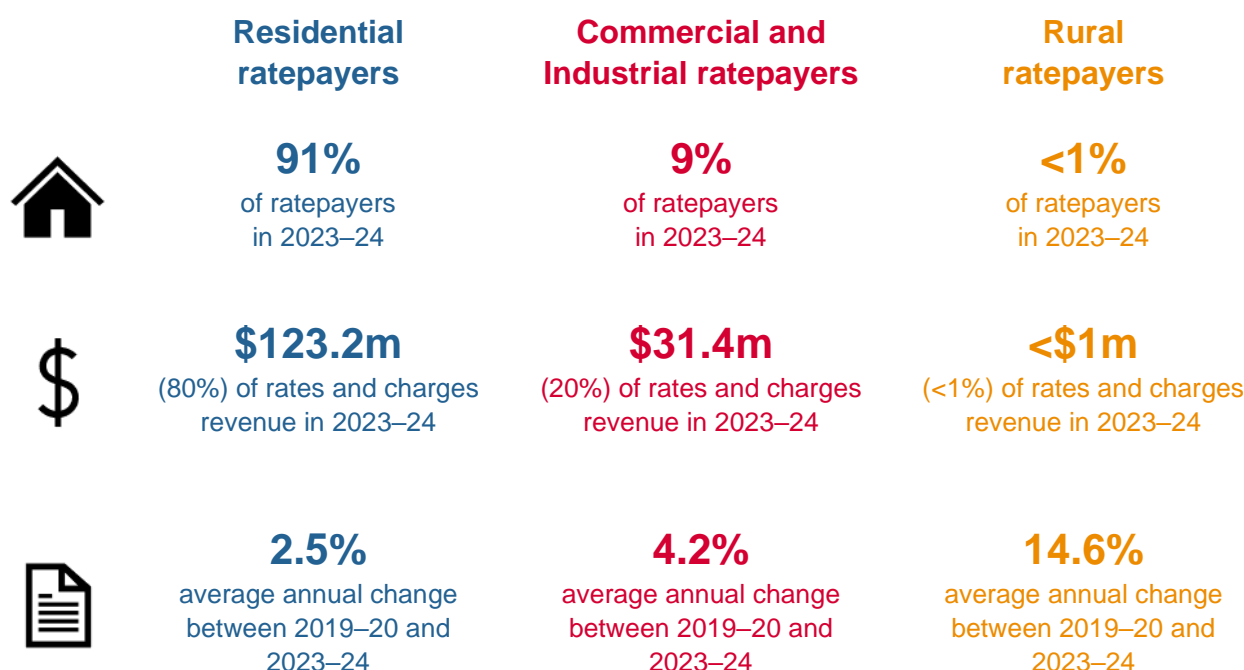
Distribution of rates increases and decreases

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



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 metropolitan group get their money from?

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

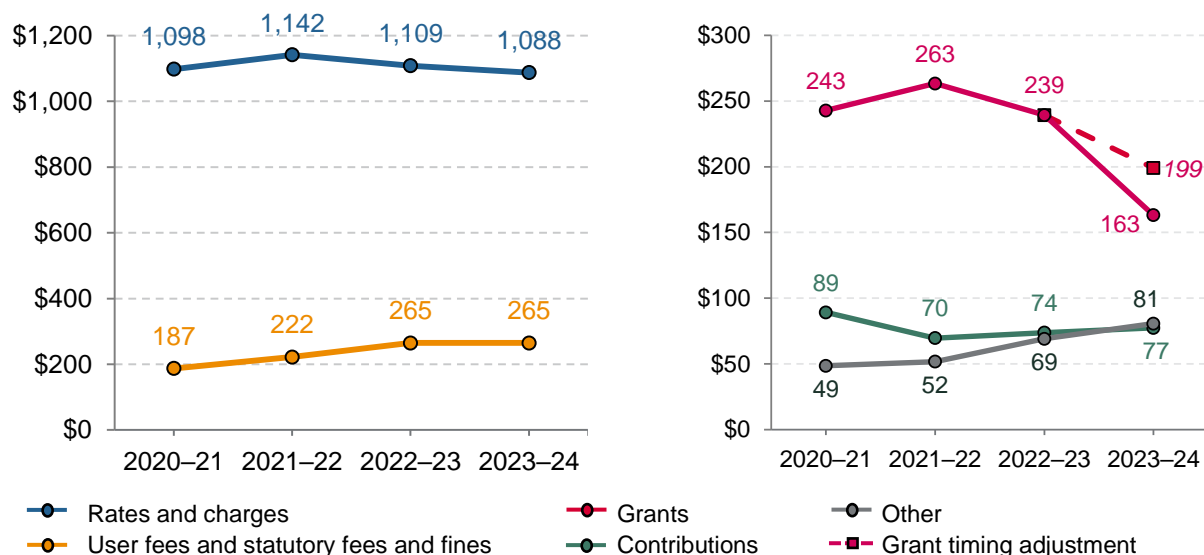
	2020–21		2021–22		2022–23		2023–24	
	\$m		\$m		\$m		\$m	
Rates and charges	158.2	(66%)	158.5	(65%)	154.5	(63%)	156.6	(65%)
User fees and statutory fees and fines	27.0	(11%)	30.8	(13%)	36.9	(15%)	38.1	(16%)
Grants	35.0	(15%)	36.5	(15%)	33.3	(14%)	23.5	(10%)
Contributions	12.9	(5%)	9.7	(4%)	10.3	(4%)	11.2	(5%)
Other	7.0	(3%)	7.2	(3%)	9.6	(4%)	11.6	(5%)
Total	240.0		242.7		244.7		240.9	

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

The decrease in grant revenue in 2023–24 partially reflects the financial assistance grants being received later than usual. The average metropolitan council would have received \$28.6 million in grant revenue if the payment was received before the end of the financial year.

Rates and charges, and user fees and statutory fees and fines were the largest sources of the metropolitan council group's revenue, accounting for 79 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 metropolitan group's revenue from user fees and statutory fees and fines, and 'other' revenue increased in real terms between 2020–21 and 2023–24, while revenue from grants decreased.

Expenditure



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

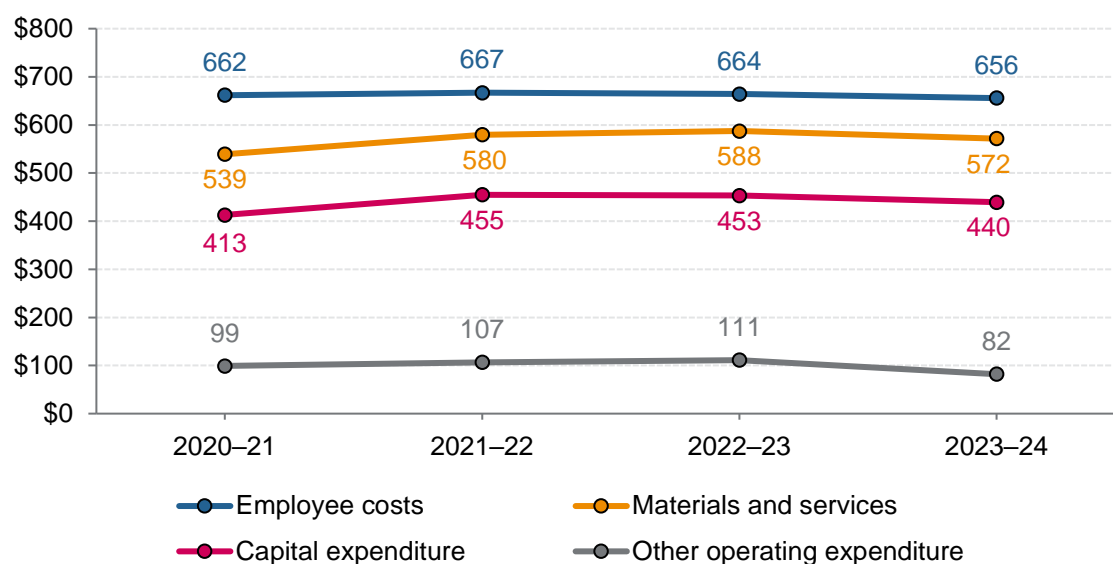
Average expenditure (2023–24 \$m and % of total expenditure)

	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Operating expenditure	187.3 (76%)	187.9 (75%)	190.0 (75%)	188.6 (75%)
Employee costs	95.4 (39%)	92.6 (37%)	92.6 (37%)	94.5 (38%)
Materials and services	77.7 (31%)	80.5 (32%)	81.9 (32%)	82.3 (33%)
Other operating expenditure	14.3 (6%)	14.8 (6%)	15.5 (6%)	11.8 (5%)
Capital expenditure	59.5 (24%)	63.2 (25%)	63.2 (25%)	63.3 (25%)
Total	246.8	251.0	253.2	251.9

The metropolitan 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.

Employee costs was the largest area of expenditure, which accounted for 37 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 metropolitan group's expenditure on materials and services and capital expenditure increased in real terms between 2020–21 and 2023–24.

Did the capital expenditure pattern change?

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

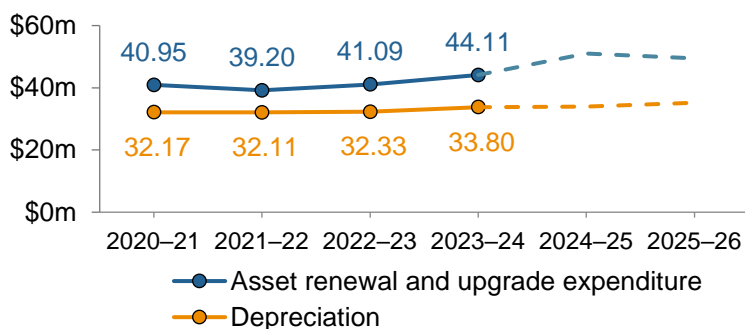
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Renewal	27.8 (47%)	27.8 (44%)	27.9 (44%)	28.5 (45%)
Upgrade	13.2 (22%)	11.4 (18%)	13.2 (21%)	15.6 (25%)
Expansion	2.2 (4%)	4.8 (8%)	4.6 (7%)	4.1 (6%)
New	16.3 (27%)	19.9 (31%)	17.5 (28%)	15.1 (24%)
Total	59.5	63.9	63.2	63.3

The metropolitan council group's average spending on asset renewal trended upwards in real terms between 2020–21 and 2023–24. Asset renewal accounted for the highest share of capital expenditure over this period (45 per cent).

The group's spending on asset upgrades and asset expansion increased in real terms between 2020–21 and 2023–24, while spending on new assets declined.

Did councils in the metropolitan 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	127%
2021–22	122%
2022–23	127%
2023–24	131%
2024–25	150% (forecast data)
2025–26	141% (forecast data)

The group's spending on the renewal and upgrade of its assets trended upwards in real terms between 2021–22 and 2023–24, following a decrease in 2021–22.

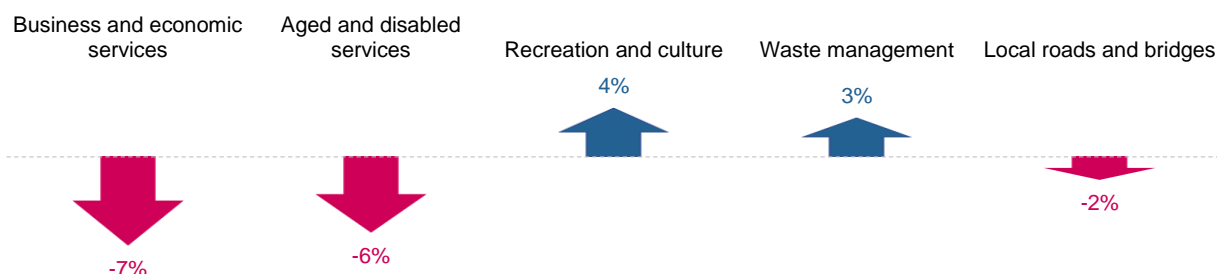
Renewal and upgrade expenditure remained above the amount of depreciation (the decline in value of the group's assets caused by age and use) between 2020–21 and 2023–24. This spending was forecast to remain above the amount of depreciation in 2024–25 and 2025–26.

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

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

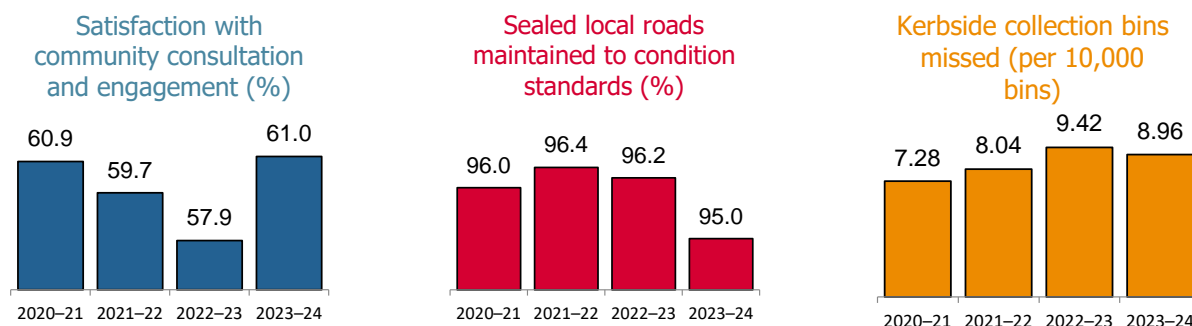
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Aged and disabled services	13.3 (6%)	12.0 (5%)	11.9 (5%)	11.1 (5%)
Business and economic services	34.9 (15%)	38.3 (16%)	35.4 (15%)	28.5 (12%)
Environment	8.5 (4%)	8.5 (4%)	8.7 (4%)	9.3 (4%)
Family and community services	18.5 (8%)	18.8 (8%)	18.6 (8%)	19.1 (8%)
Governance	48.0 (21%)	45.9 (20%)	47.4 (20%)	48.2 (21%)
Local roads and bridges	15.1 (7%)	14.3 (6%)	13.9 (6%)	14.3 (6%)
Recreation and culture	44.7 (19%)	47.5 (20%)	48.4 (21%)	49.8 (22%)
Traffic and street management	23.1 (10%)	22.6 (10%)	23.1 (10%)	23.3 (10%)
Waste management	21.7 (9%)	23.0 (10%)	23.8 (10%)	23.7 (10%)
Other	3.2 (1%)	2.7 (1%)	2.3 (1%)	2.3 (1%)
Total	231.0	233.6	233.6	229.6

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.

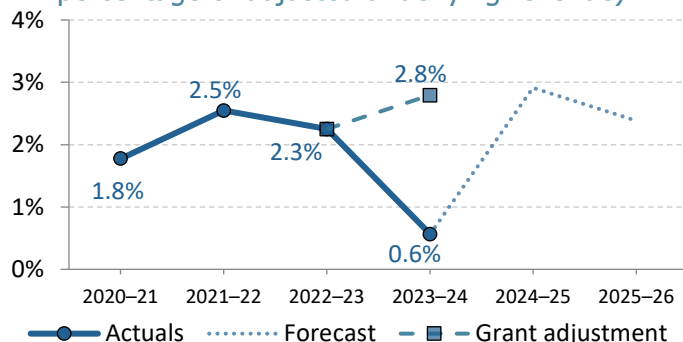
Financial position



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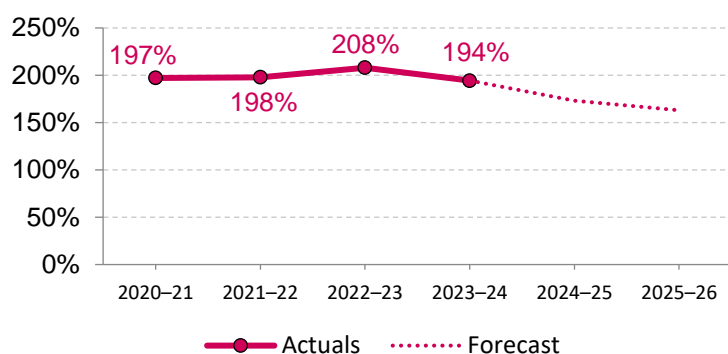
Did councils in the metropolitan group operate sustainably?

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



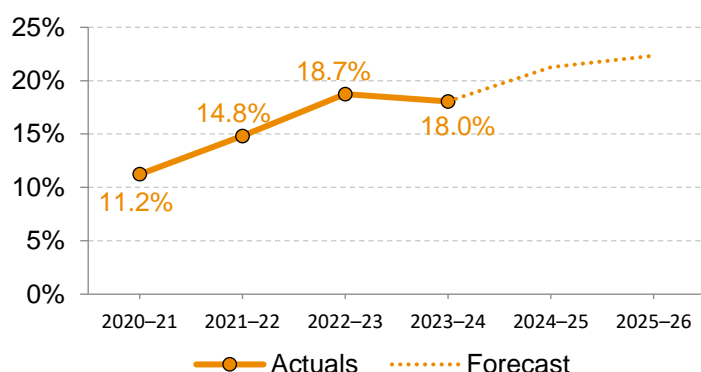
Between 2020–21 and 2023–24, the metropolitan council group reported an average **adjusted underlying result** of **1.8 per cent**. The average result would have been **2.3 per cent**, if the timing of the financial assistance grants payment in 2023–24 was consistent with previous years. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision.

Working capital (current assets as a percentage of current liabilities)



The metropolitan council group could meet its current financial obligations with a reported average **working capital ratio** of **199 per cent** between 2020–21 and 2023–24.

Indebtedness (non-current liabilities as a percentage of own-source revenue)



Between 2020–21 and 2023–24, the metropolitan council group reported an average **indebtedness ratio** of **15.7 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.

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						
	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
Ministers' cap	2.25%	2.50%	2.00%	1.50%	1.75%	3.50%
Monash City Council	2.57%					
Number of higher caps	1	0	0	0	0	0