

Monash 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.



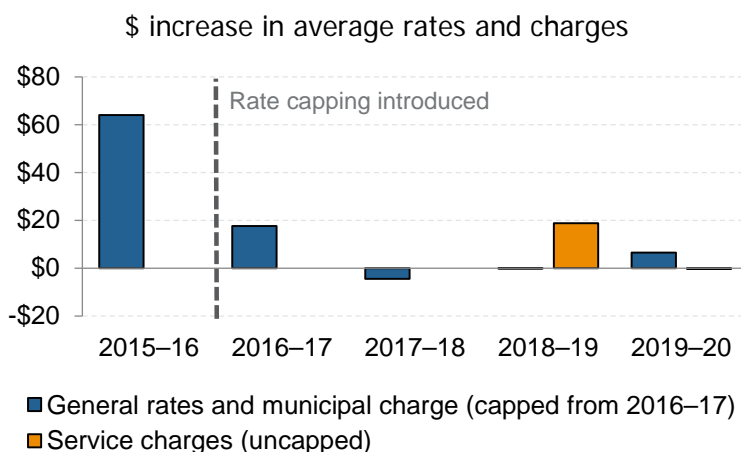
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Key facts

Population (June 2019):	202,847
Size (km ²):	82
Length of local roads (km):	736
Population per km of roads:	276
Council employees (FTE, 2019–20):	826
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	Yes (see table below)

Rates

What has happened to average rates and charges (2019–20 dollars)?



Year	Average rates and charges	Applicable rate cap
2015–16	\$1,492	n/a
2016–17	\$1,510	2.50%
2017–18	\$1,505	2.00%
2018–19	\$1,524	2.57% ^a
2019–20	\$1,530	2.50%

^a Approved higher cap.

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 (2.57%)	2019–20 (2.50%)	2020–21 (2.00%)
Yes (approved higher cap)	Yes	Yes

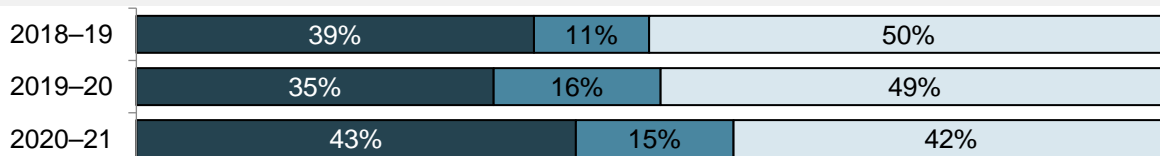
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 2 differential rates (for different types of property) and uses service charges to recover the cost of recycling 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).



- % 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 (2019–20 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	92% of ratepayers	5% of ratepayers	3% of ratepayers	<1% of ratepayers
	\$107.7m (86%) of rates and charges revenue in 2019–20	\$10.7m (9%) of rates and charges revenue in 2019–20	\$7.2m (6%) of rates and charges revenue in 2019–20	<\$0.1m (<1%) of rates and charges revenue in 2019–20
	0.5% average annual increase between 2015–16 and 2019–20	0.7% average annual increase between 2015–16 and 2019–20	0% average annual increase between 2015–16 and 2019–20	1.5% 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?

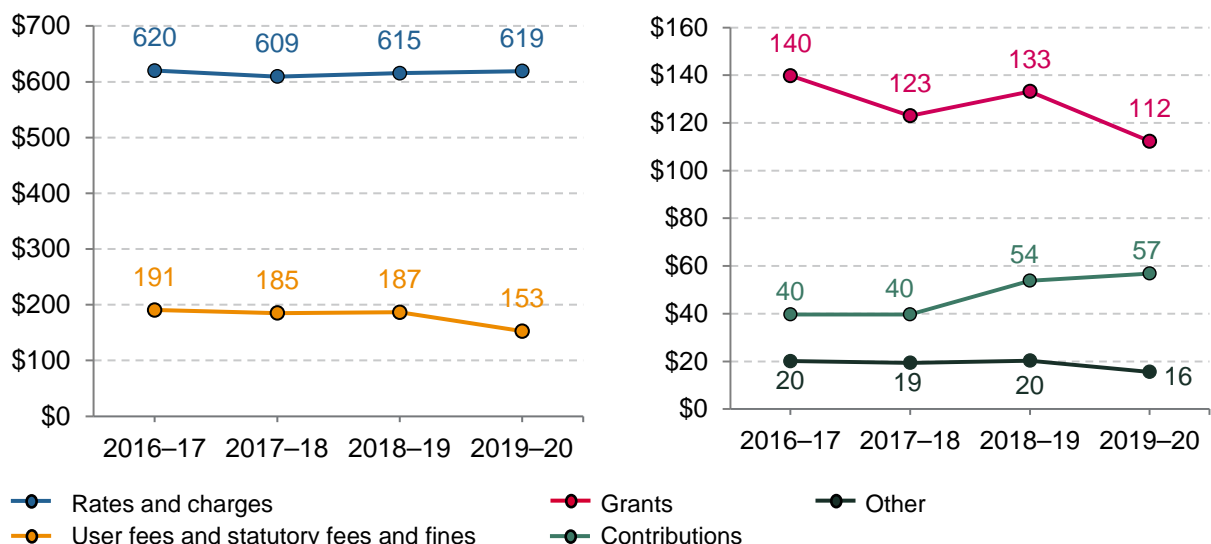
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	119.4	(61%)	120.0	(62%)	123.2	(61%)	125.6	(65%)
User fees and statutory fees and fines	36.7	(19%)	36.4	(19%)	37.4	(18%)	31.0	(16%)
Grants	26.9	(14%)	24.2	(13%)	26.7	(13%)	22.8	(12%)
Contributions	7.6	(4%)	7.8	(4%)	10.8	(5%)	11.5	(6%)
Other	3.9	(2%)	3.8	(2%)	4.1	(2%)	3.2	(2%)
Total	194.6		192.3		202.1		194.1	

In real terms, Monash City Council's total revenue fluctuated between 2016–17 and 2019–20. Revenue from rates and charges, and contributions increased in real terms between 2016–17 and 2019–20, while revenue from grants and 'other' revenue fluctuated. In 2019–20, revenue from user fees and statutory fees and fines decreased in real terms, reflecting the closure of leisure facilities during the coronavirus pandemic.

Rates and charges was the largest source of council's revenue, accounting for 62 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 trended downwards in real terms between 2016–17 and 2019–20. This compares with an upward trend in revenue per person from contributions.

Expenditure



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

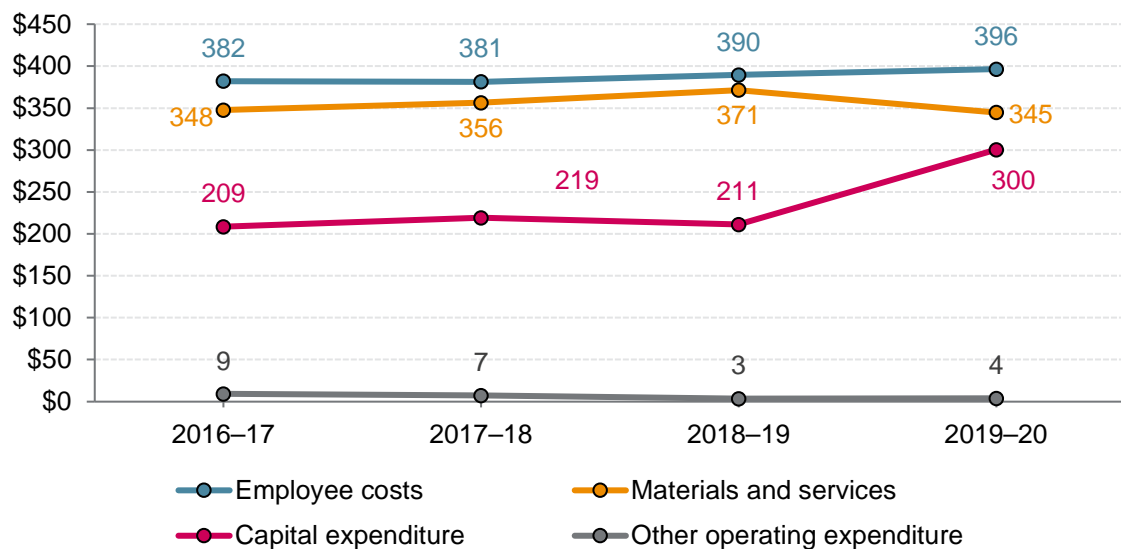
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	142.4	(78%)	146.7	(77%)	153.1	(78%)	151.1	(71%)
Employee costs	73.6	(40%)	75.1	(40%)	78.0	(40%)	80.4	(38%)
Materials and services	67.0	(37%)	70.2	(37%)	74.4	(38%)	69.9	(33%)
Other operating expenditure	1.8	(1%)	1.4	(1%)	0.7	(0%)	0.7	(0%)
Capital expenditure	40.2	(22%)	43.2	(23%)	42.3	(22%)	60.9	(29%)
Total	182.5		189.9		195.3		212.0	

In real terms, Monash City Council's total expenditure increased between 2016–17 and 2019–20, with a significant increase in capital expenditure in 2019–20.

Employee costs was council's largest area of expenditure, accounting for 39 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 and employee costs trended upwards in real terms between 2016–17 and 2019–20. Expenditure on materials and services decreased in real terms in 2019–20 after trending upwards between 2016–17 and 2018–19.



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Has council's capital expenditure pattern changed?

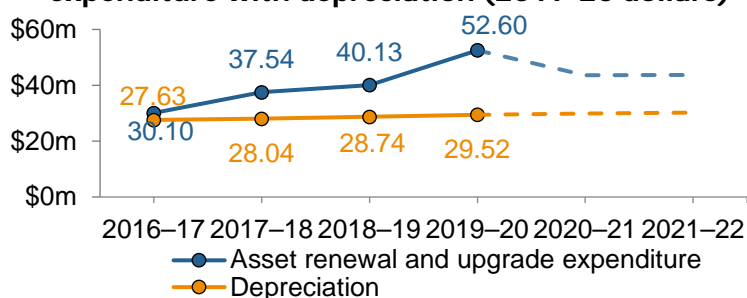
Capital expenditure (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	25.3	(63%)	29.4	(68%)	31.6	(75%)	39.3	(64%)
Upgrade	4.8	(12%)	8.1	(19%)	8.6	(20%)	13.3	(22%)
Expansion	2.0	(5%)	5.6	(13%)	2.1	(5%)	5.2	(9%)
New	8.0	(20%)	0.0	(0%)	0.0	(0%)	3.1	(5%)
Total	40.2		43.2		42.3		60.9	

Monash City Council's spending on asset renewal, which represented its largest area of capital expenditure, trended upwards in real terms between 2016–17 and 2019–20. Spending on asset upgrades also trended upwards in real terms over this time, representing the second largest share of total capital expenditure from 2017–18 onwards.

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

Council assets: comparing renewal and upgrade expenditure with depreciation (2019-20 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	109%
2017–18	134%
2018–19	140%
2019–20	178%
2020–21	146% (forecast data)
2021–22	145% (forecast data)

Council's spending on the renewal and upgrade of its assets trended upwards in real terms between 2016–17 and 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), and was forecast to remain above 100 per cent of depreciation in 2020–21 and 2021–22 (despite a forecast fall in renewal and upgrade expenditure in real terms for those years).

Services



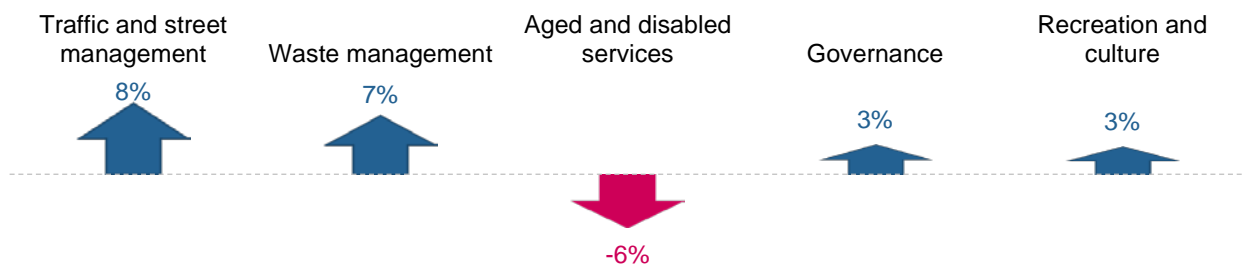
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Which service areas is council spending its money in?

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

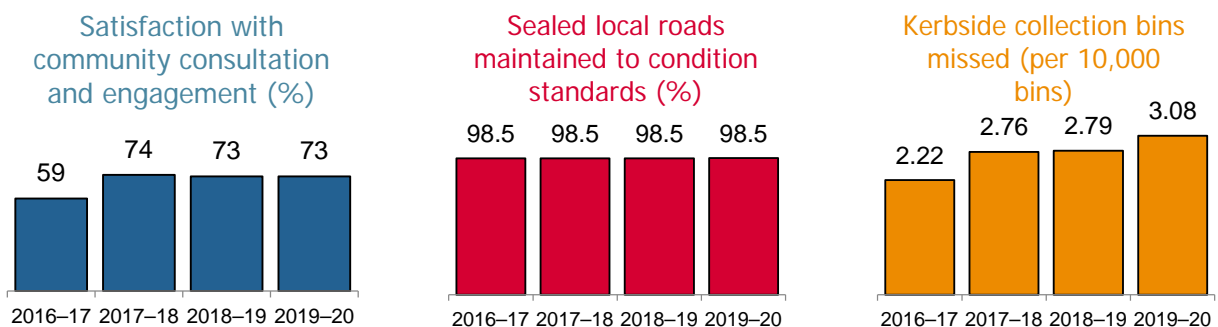
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	11.5 (7%)	11.4 (7%)	10.4 (6%)	9.6 (5%)
Business and economic services	13.7 (8%)	13.7 (8%)	13.8 (8%)	13.5 (7%)
Environment	5.7 (3%)	6.0 (3%)	6.3 (3%)	6.9 (4%)
Family and community services	12.9 (8%)	11.7 (7%)	12.2 (7%)	11.7 (6%)
Governance	40.3 (24%)	40.5 (23%)	41.0 (23%)	44.4 (24%)
Local roads and bridges	7.7 (5%)	7.4 (4%)	7.7 (4%)	6.5 (4%)
Recreation and culture	45.6 (27%)	48.7 (28%)	49.7 (27%)	50.0 (27%)
Traffic and street management	14.0 (8%)	14.9 (9%)	19.7 (11%)	17.7 (10%)
Waste management	18.5 (11%)	20.3 (12%)	21.1 (12%)	22.4 (12%)
Other	0.0 (0%)	0.0 (0%)	0.0 (0%)	0.0 (0%)
Total	170.0	174.7	182.0	182.8

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?



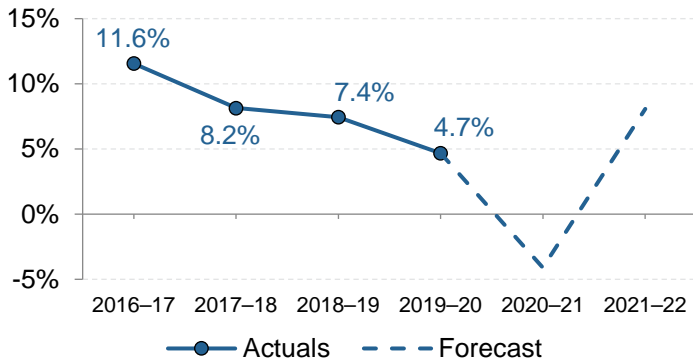
Financial position



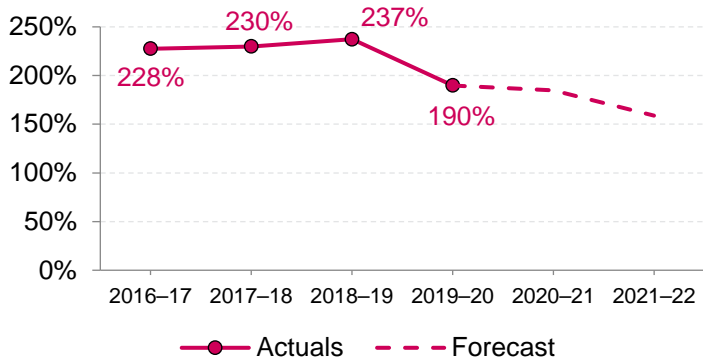
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Is council operating sustainably?

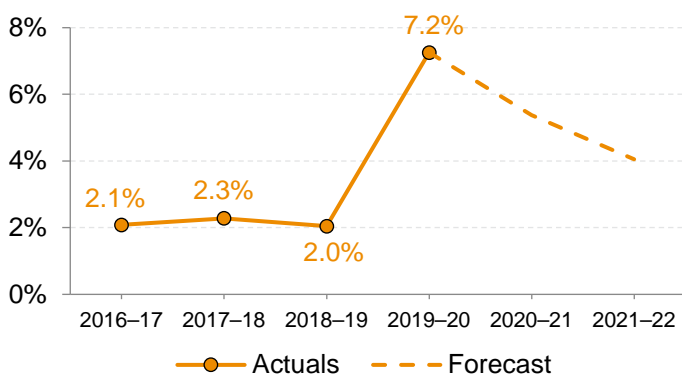
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Monash City Council reported an average **adjusted underlying result** of 8.0 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision.

Council could meet its current financial obligations with a reported average **working capital ratio** of 221 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 3.4 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 both an increase in non-current liabilities (due to a change in accounting standards relating to the recognition of leased assets) and lower revenue due to coronavirus.

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.