

# Monash City Council

Group: Metropolitan

This fact sheet uses graphs and other data to show whether there have been any significant changes in this council's services, infrastructure and financial outcomes since the introduction of rate capping — a system that restricts the amount a council can increase its general rates and municipal charges in each financial year.

A reader's guide is available to help you understand the terms used in this fact sheet. You can compare this council's data against its 'group' by looking at the fact sheet for metropolitan councils. View the reader's guide, all available fact sheets and information for the sector as a whole at <https://www.esc.vic.gov.au/outcomes-reports>.



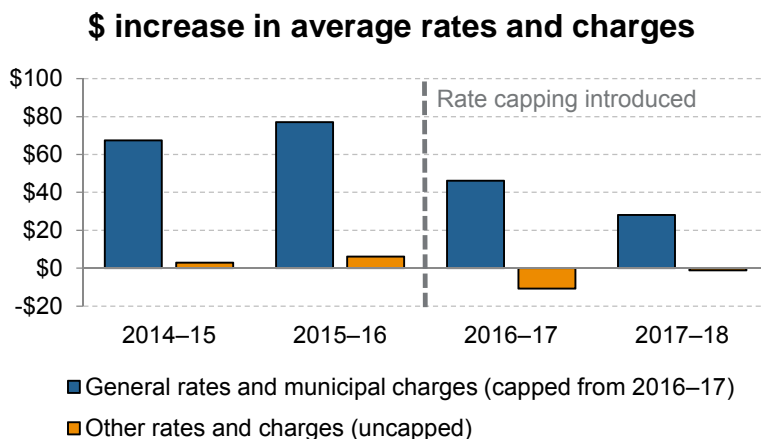
© OpenStreetMap contributors

### Key facts

Population:	196,789
Size (km <sup>2</sup> ):	81.5
Length of local roads (km):	734
Population per km of roads:	268
Council employees (FTE, 2017–18):	652
Submitted an application for a higher cap for 2016–17 or 2017–18?	No

## Rates

### What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2014–15	\$1,323	n/a
2015–16	\$1,406	n/a
2016–17	\$1,441	2.50%
2017–18	\$1,468	2.00%

# Rates (continued)

See the reader's guide for data sources and useful information.  
 Note: The numbers in this fact sheet have not been adjusted for inflation.

## Have council's average rates complied with the applicable rate caps?

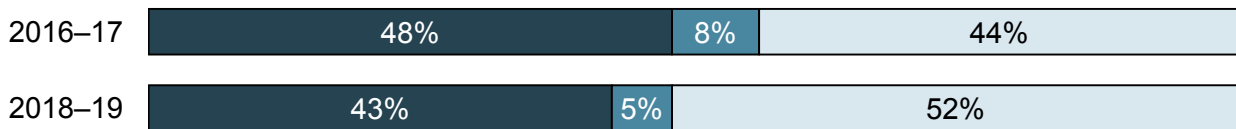
2016–17 (2.50%)	2017–18 (2.00%)	2018–19 (2.25%) <sup>a</sup>
Yes	Yes	Yes <sup>a</sup>

<sup>a</sup> Monash City Council had an approved higher cap of 2.57 per cent in 2018–19. However, council resolved to keep its average rate increase within the minister's cap of 2.25 per cent.

## How have rates changed for individual ratepayers?

### Distribution of rates increases and decreases in revaluation years

The applicable rate cap is applied to council's average rate, which means some individual rates increased by more and some increased by less (or even decreased).

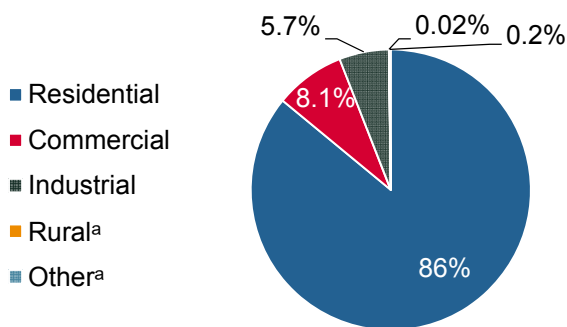


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

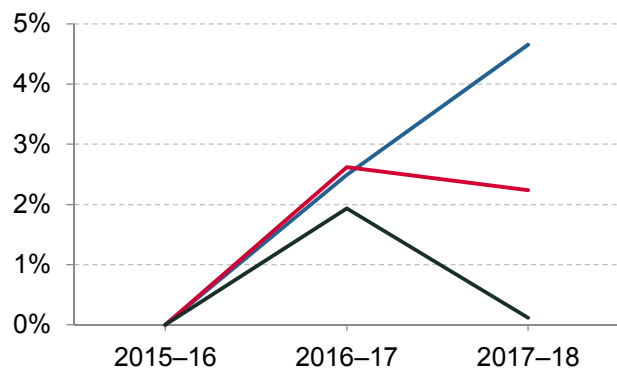
## Ratepayers by property class

### Proportion of rates and charges revenue from each property class in 2017–18



<sup>a</sup> Category has been omitted from the line chart

### Percentage change in average rates and charges since 2015–16



Source: Victoria Grants Commission (unaudited data). Includes both capped and uncapped rates and charges.

Residential ratepayers pay the majority of Monash City Council's rates and charges. This group of ratepayers, on average, experienced a 4.7 per cent increase in their rates notices between 2015–16 and 2017–18. The difference in rate increases can be due to relative changes in property valuations, and changes in property numbers, the council's rating structure, and uncapped rates and charges. Council's average rates and charges (a combination of all classes) increased from \$1,406 to \$1,468 (4.4 per cent) over the same period.

# Revenue

See the reader's guide for data sources and useful information.  
Note: The numbers in this fact sheet have not been adjusted for inflation.

## Where is council's money coming from?

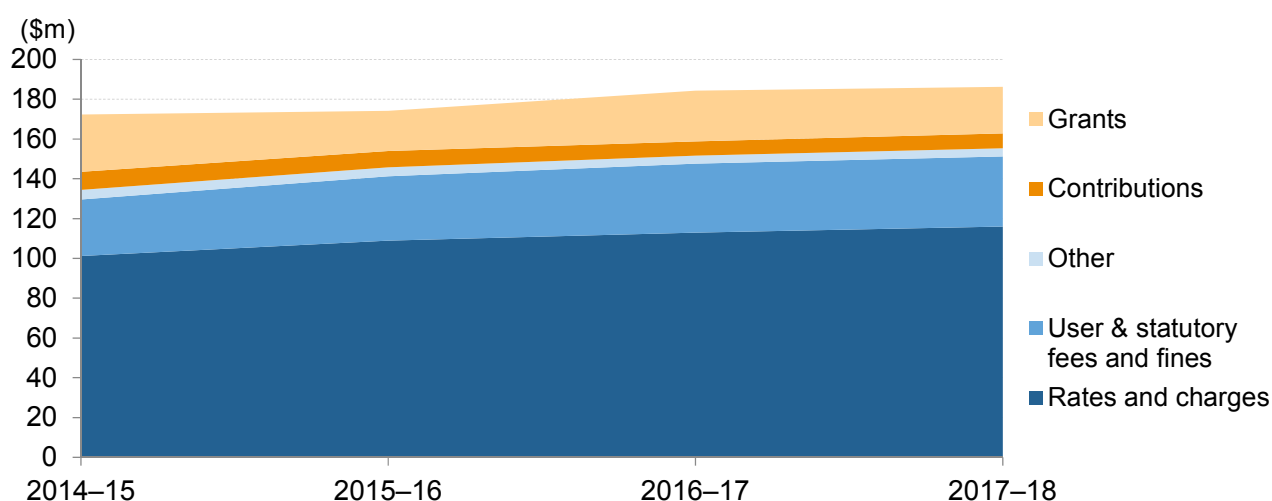
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	105.1	61	114.5	62
Grants	24.5	14	24.4	13
User fees and statutory fees and fines	30.3	18	35.0	19
Contributions	8.7	5	7.4	4
Other	4.7	3	4.0	2
<b>Total</b>	<b>173.2</b>	<b>100</b>	<b>185.3</b>	<b>100</b>

Monash City Council's average revenue from grants, contributions and 'other' sources decreased in the two years following the introduction of rate capping compared to the two years before rate capping.

The proportion of council's revenue from each source remained relatively stable after the introduction of rate capping.

**Note:** Revenue from grants may have been affected by the advance payment of annual Commonwealth grant allocations in 2014–15, 2016–17 and 2017–18.

## Revenue growth by source



# Expenditure

See the reader's guide for data sources and useful information.  
 Note: The numbers in this fact sheet have not been adjusted for inflation.

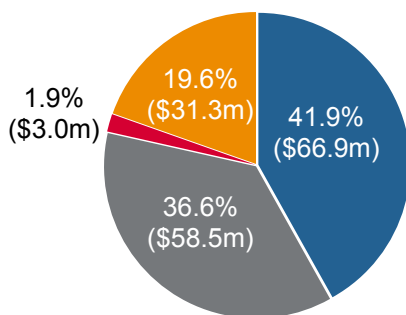
## How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$129.8m	\$33.2m	\$697	\$178
2015–16	\$127m	\$29.5m	\$672	\$156
2016–17	\$134.9m	\$38m	\$700	\$197
2017–18	\$142.2m	\$41.7m	\$723	\$212

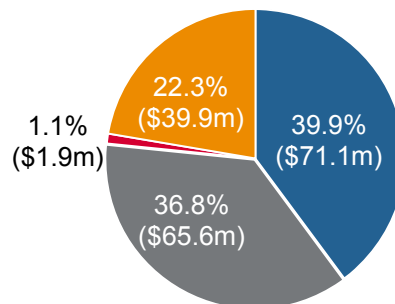
Monash City Council's operating expenses have trended upward in recent years, driven by increased spending on materials and services (particularly contract payments) and employee costs in the two years following the introduction of rate capping. Capital expenditure has also trended upward in recent years, reflecting increased spending on asset renewal.

## How is council spending its money?

**Average expenditure by category in the 2 years before rate capping**



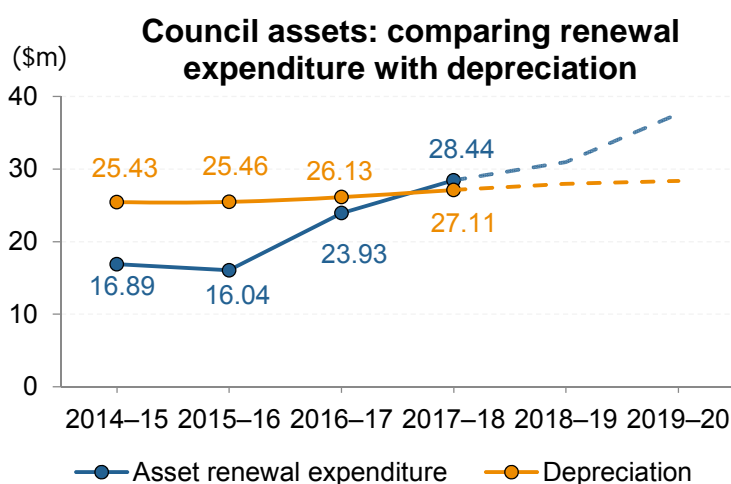
**Average expenditure by category in the 2 years after rate capping**



- Employee costs
- Materials and services
- Other expenditure
- Capital expenditure

There was a change in the composition of Monash City Council's expenditure, reflecting an increase in average capital expenditure in the two years after rate capping was introduced. Average spending on materials and services also increased, while average employee costs decreased as a proportion of total expenditure despite increasing in terms of average dollars spent.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	66
2015-16	63
2016-17	92
2017-18	105
2018-19	111 (forecast data)
2019-20	133 (forecast data)

Monash City Council's spending on the renewal of its assets has been trending upward in recent years, increasing above the amount of depreciation (the decline in value of its assets caused by age and use) in 2017-18. Renewal expenditure is planned to increase further above 100 per cent of depreciation in 2018-19 and 2019-20.

## Has council's capital expenditure pattern changed?

Capital expenditure	Before rate capping (average 2014-15 and 2015-16)		After rate capping (average 2016-17 and 2017-18)		Council's average spending on asset renewal and expansion projects in the two years after rate capping was introduced has increased. Spending on new assets and upgrade projects shows peaks and troughs, with average spending on these categories decreasing.
	\$m	% of total	\$m	% of total	
Renewal	16.5	53	26.2	66	
New	4.7	15	3.8	10	
Upgrade	10.1	32	6.2	16	
Expansion	0.1	0	3.7	9	
<b>Total</b>	<b>31.3</b>	<b>100</b>	<b>39.9</b>	<b>100</b>	

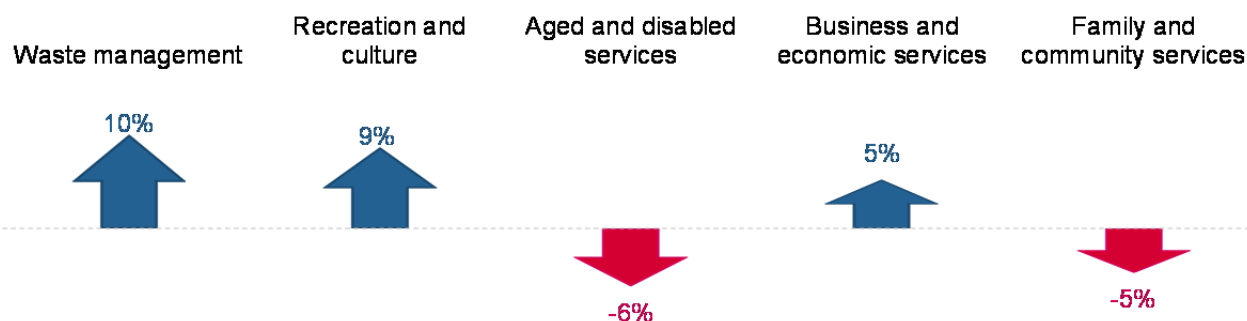
# Services

See the reader's guide for data sources and useful information.  
Note: The numbers in this fact sheet have not been adjusted for inflation.

## Which service areas is council spending its money in?

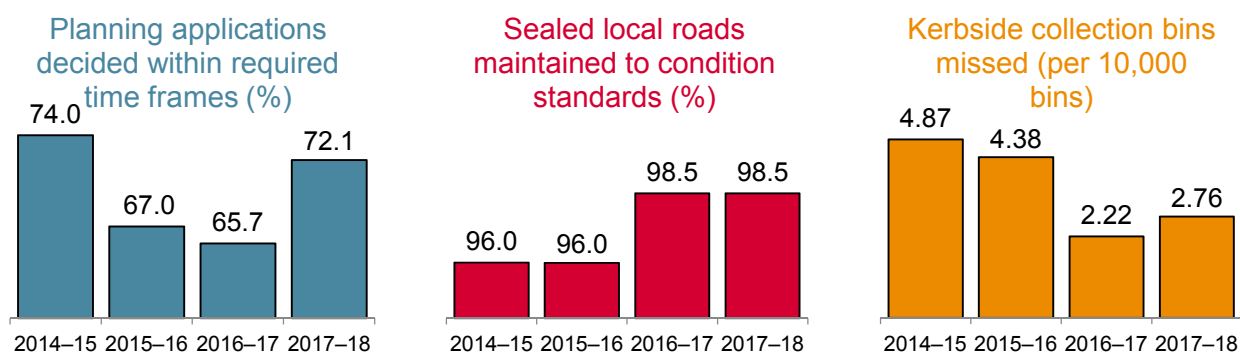
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	213	26.2	232	27.4
Governance	193	23.7	198	23.5
Waste management	87	10.7	95	11.3
Traffic and street management	68	8.3	71	8.4
Business and economic services	64	7.8	67	7.9
Family and community services	63	7.8	60	7.1
Aged and disabled services	60	7.4	56	6.7
Local roads and bridges	37	4.5	37	4.4
Environment	28	3.5	29	3.4
Other	0	0.0	0	0.0

## Which service areas have experienced the biggest changes in spending?



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

## Has there been a change in service quality? (selected services only)

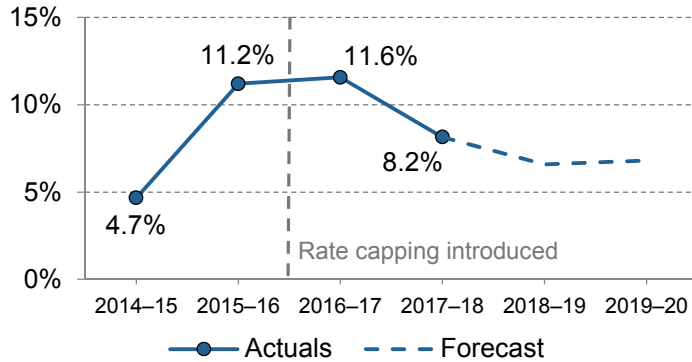


# Financial position

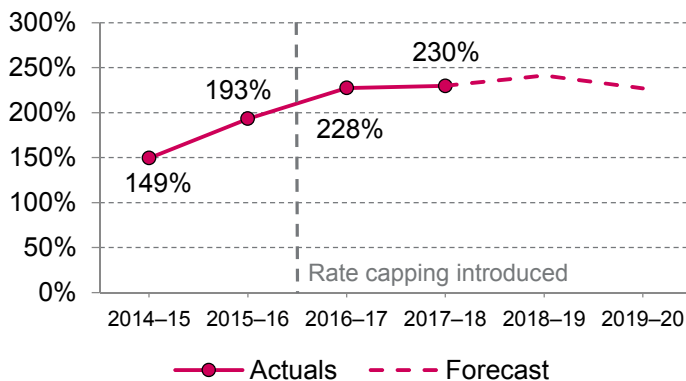
See the reader's guide for data sources and useful information.  
 Note: The numbers in this fact sheet have not been adjusted for inflation.

## Is council operating sustainably?

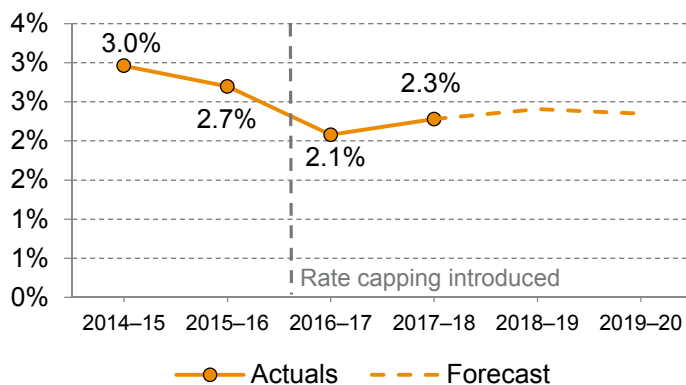
Adjusted underlying result  
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2014–15 and 2017–18, Monash City Council reported an average **adjusted underlying result** of 8.9 per cent. A positive result suggests that there is enough ongoing revenue to continue to fund the current level of service provision.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 200 per cent between 2014–15 and 2017–18.

Council repaid all of its borrowings in 2014–15. The **indebtedness ratio** also reflects changes in other long-term liabilities.

**Note:** Some of the year on year change in the adjusted underlying result and the working capital ratio may be due to the timing of Commonwealth grant payments.