

# Darebin 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.



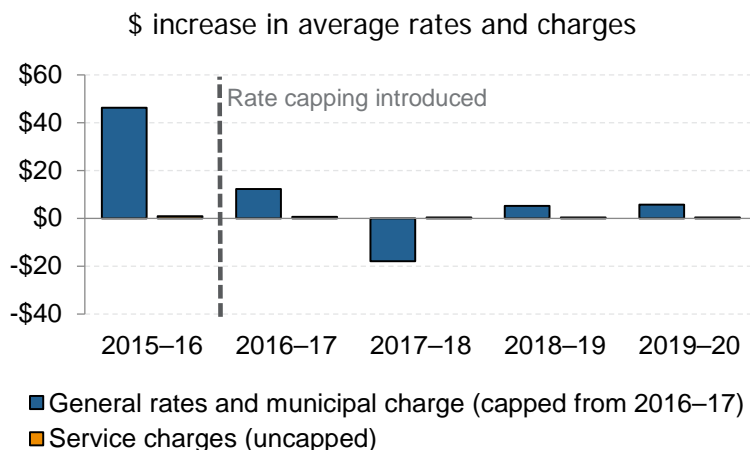
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## Key facts

Population (June 2019):	164,184
Size (km <sup>2</sup> ):	54
Length of local roads (km):	514
Population per km of roads:	319
Council employees (FTE, 2019–20):	898
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

## Rates

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



Year	Average rates and charges	Applicable rate cap
2015–16	\$1,789	n/a
2016–17	\$1,802	2.50%
2017–18	\$1,785	2.00%
2018–19	\$1,790	2.25%
2019–20	\$1,796	2.50%

# 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 (2.25%)	2019–20 (2.50%)	2020–21 (2.00%)
Yes	Yes	Immaterially non-compliant (0.01 above the cap)

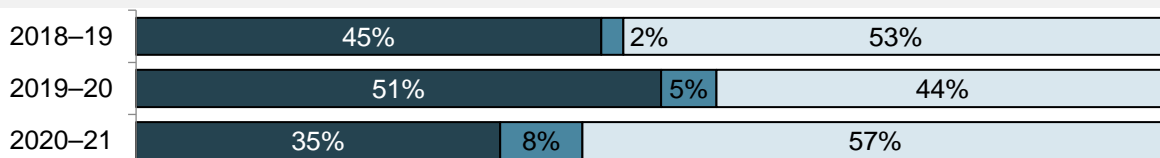
## How have rates changed for different ratepayers?

### Council's rating strategy 2020–21

Council levies 6 differential rates (for different types of property) and uses service charges to recover the cost of green waste 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 & Industrial ratepayers	Rural ratepayers
	<b>93%</b> of ratepayers	<b>7%</b> of ratepayers	<b>0%</b> of ratepayers
	<b>\$131.6m</b> (100%) of rates and charges revenue in 2019–20	<b>\$0.3m</b> (0%) of rates and charges revenue in 2019–20	<b>\$0m</b> (0%) of rates and charges revenue in 2019–20
	<b>5.7%</b> average annual increase between 2015–16 and 2019–20	<b>-65.2%</b> average annual increase between 2015–16 and 2019–20	<b>0.0%</b> 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.  
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

## Where is council's money coming from?

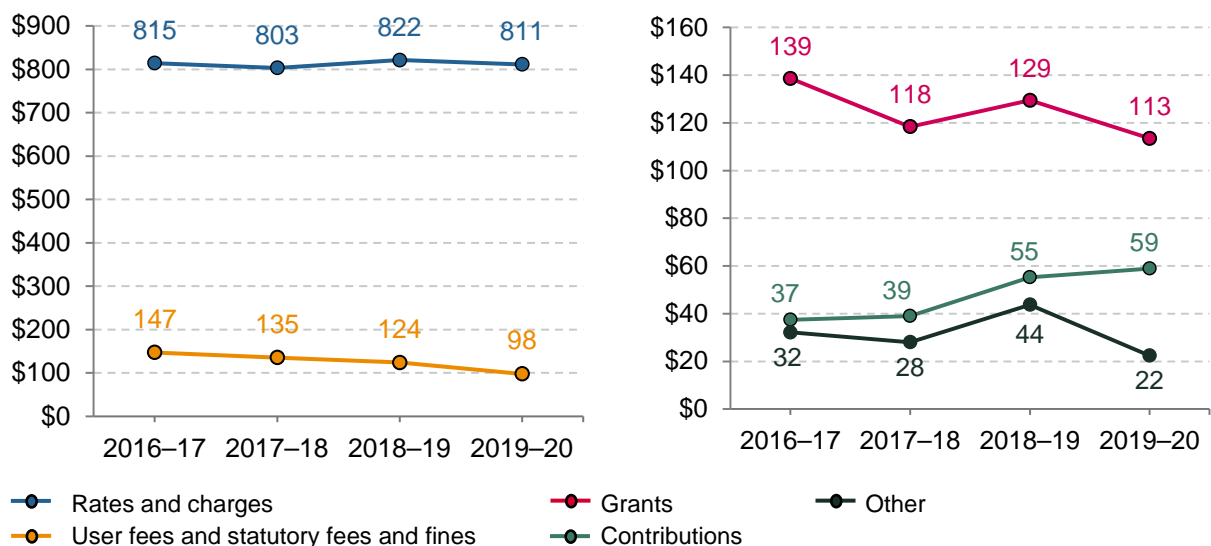
**Revenue** (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	126.4	(70%)	127.5	(71%)	132.8	(70%)	133.2	(74%)
User fees and statutory fees and fines	22.8	(13%)	21.5	(12%)	20.0	(11%)	16.1	(9%)
Grants	21.5	(12%)	18.8	(11%)	20.9	(11%)	18.6	(10%)
Contributions	5.8	(3%)	6.2	(3%)	8.9	(5%)	9.7	(5%)
Other	5.0	(3%)	4.5	(2%)	7.1	(4%)	3.7	(2%)
<b>Total</b>	<b>181.5</b>		<b>178.4</b>		<b>189.7</b>		<b>181.2</b>	

In real terms, Darebin City Council's total revenue fluctuated between 2016–17 and 2019–20, reflecting changes in revenue from grants and 'other' revenue. Revenue from rates and charges, and contributions increased in real terms between 2016–17 and 2019–20, while revenue from user fees and statutory fees and fines decreased.

Rates and charges was the largest source of council's revenue, accounting for 71 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 user fees and statutory fees and fines, and 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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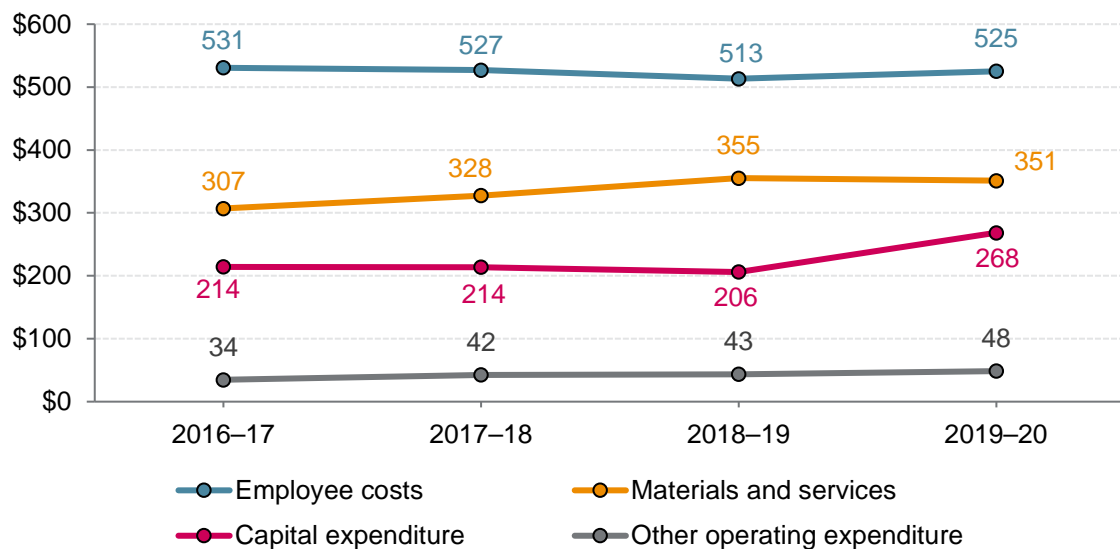
## How much money is council spending?

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

	2016–17		2017–18		2018–19		2019–20	
	\$m	(%)	\$m	(%)	\$m	(%)	\$m	(%)
Operating expenditure	135.3	(80%)	142.4	(81%)	147.4	(82%)	151.8	(78%)
Employee costs	82.3	(49%)	83.7	(47%)	83.0	(46%)	86.2	(44%)
Materials and services	47.6	(28%)	52.0	(29%)	57.4	(32%)	57.6	(29%)
Other operating expenditure	5.3	(3%)	6.7	(4%)	7.0	(4%)	8.0	(4%)
Capital expenditure	33.2	(20%)	33.9	(19%)	33.3	(18%)	44.0	(22%)
<b>Total</b>	<b>168.5</b>		<b>176.3</b>		<b>180.7</b>		<b>195.9</b>	

In real terms, Darebin City Council's total expenditure increased between 2016–17 and 2019–20, reflecting increases in all areas of expenditure. Between 2016–17 and 2018–19, increases in council's expenditure were mainly due to increases in expenditure on materials and services, while the increase in expenditure in 2019–20 was due to an increase in capital expenditure. Employee costs was council's largest area of expenditure, accounting for 46 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 expenditure on materials and services increased in real terms between 2016–17 and 2019–20, while employee costs remained relatively stable.



See the reader's guide for data sources and useful information.  
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## Has council's capital expenditure pattern changed?

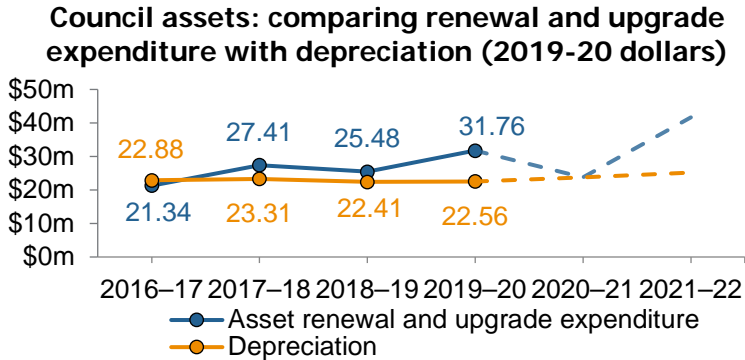
**Capital expenditure** (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	18.1	(54%)	23.7	(70%)	18.7	(56%)	23.5	(53%)
Upgrade	3.3	(10%)	3.7	(11%)	6.8	(20%)	8.2	(19%)
Expansion	0.3	(1%)	0.6	(2%)	0.9	(3%)	1.4	(3%)
New	11.6	(35%)	6.0	(18%)	7.0	(21%)	10.9	(25%)
<b>Total</b>	<b>33.2</b>		<b>33.9</b>		<b>33.3</b>		<b>44.0</b>	

Darebin City Council's spending on asset renewal trended upwards in real terms, despite fluctuating year on year between 2016–17 and 2019–20. Asset renewal accounted for the highest share of capital expenditure each year.

In real terms, council's spending on asset upgrades and asset expansion also trended upwards between 2016–17 and 2019–20, while spending on new assets trended upwards from 2017–18, following a spike in spending on new assets in 2016–17.

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



**Renewal & upgrade expenditure as a percentage of depreciation**

2016–17	93%
2017–18	118%
2018–19	114%
2019–20	141%
2020–21	100% (forecast data)
2021–22	166% (forecast data)

Council's spending on the renewal and upgrade of its assets trended upwards in real terms between 2016–17 and 2019–20. This spending increased above the amount of depreciation (the decline in value of council's assets caused by age and use) from 2017–18 onwards.

Renewal and upgrade expenditure was forecast to decrease to 100 per cent of depreciation in 2020–21, before increasing again in 2021–22.

# Services



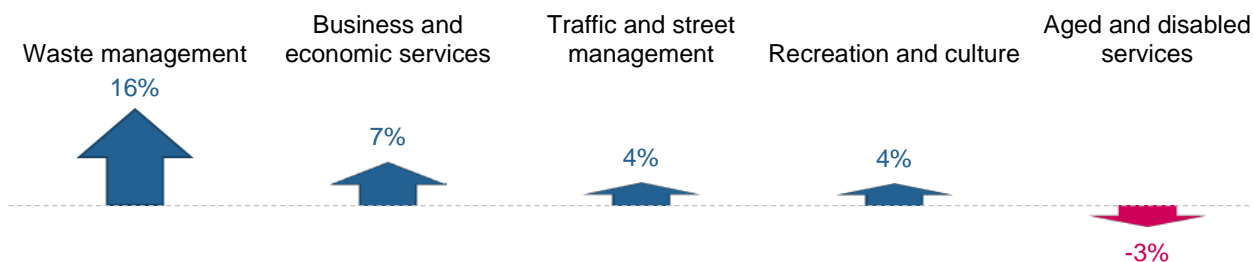
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Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

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

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

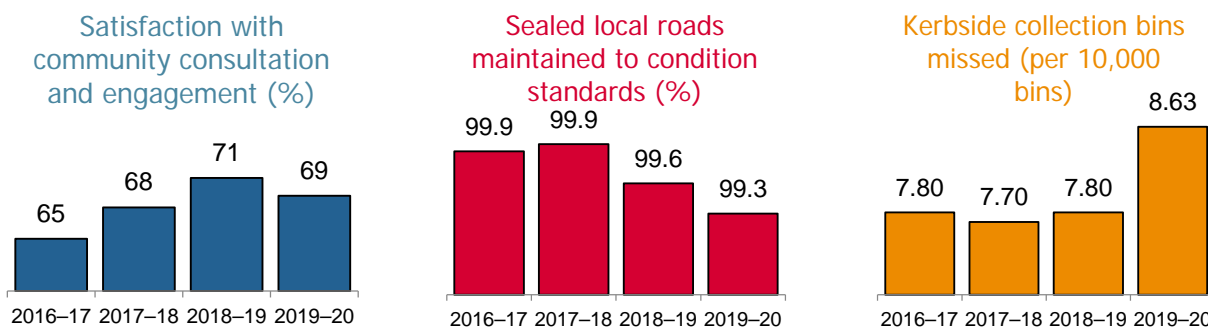
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	16.3	(11%)	15.3	(9%)	14.5	(9%)	14.7	(9%)
Business and economic services	9.2	(6%)	9.6	(6%)	10.1	(6%)	11.3	(7%)
Environment	5.0	(3%)	5.6	(3%)	5.8	(3%)	5.4	(3%)
Family and community services	11.9	(8%)	10.4	(6%)	10.5	(6%)	11.3	(7%)
Governance	38.1	(25%)	40.8	(25%)	39.6	(24%)	41.9	(24%)
Local roads and bridges	8.0	(5%)	9.1	(6%)	7.7	(5%)	7.7	(5%)
Recreation and culture	35.7	(23%)	38.3	(24%)	39.4	(24%)	39.7	(23%)
Traffic and street management	14.8	(10%)	17.4	(11%)	17.7	(11%)	16.6	(10%)
Waste management	14.3	(9%)	14.2	(9%)	21.7	(13%)	22.4	(13%)
Other	0.0	(0%)	0.8	(0%)	0.0	(0%)	0.0	(0%)
<b>Total</b>	<b>153.4</b>		<b>161.6</b>		<b>166.9</b>		<b>171.1</b>	

## 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?

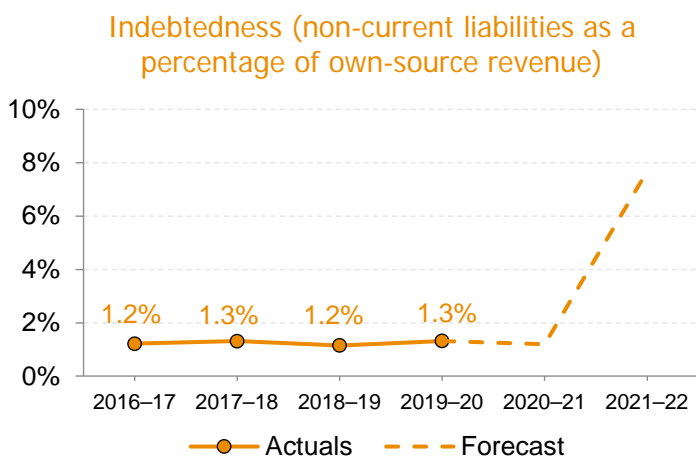
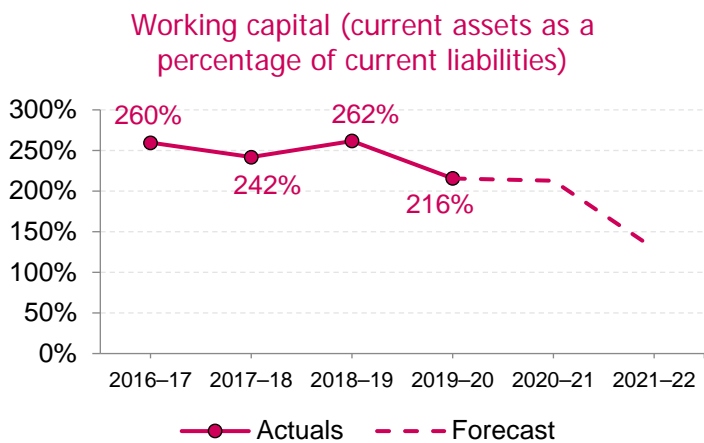
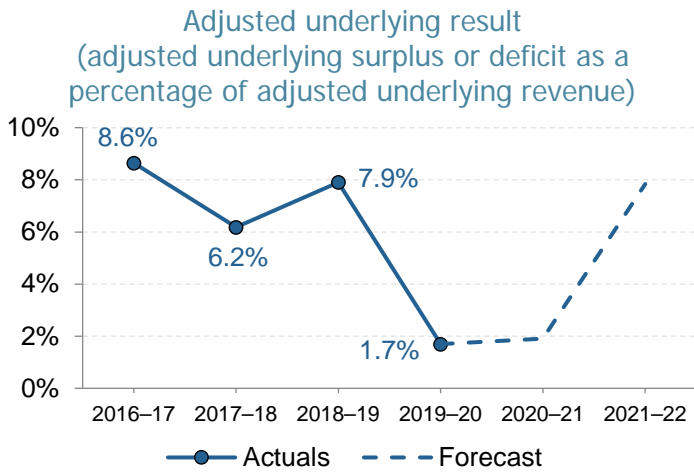


# Financial position



See the reader's guide for data sources and useful information.  
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## Is council operating sustainably?



Between 2016–17 and 2019–20, Darebin City Council reported an average **adjusted underlying result** of 6.1 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The decrease in 2019–20 partly reflects increased costs and lower revenue due to coronavirus.

Council could meet its current financial obligations with a reported average **working capital ratio** of 245 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 1.3 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.

**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.