

Brimbank 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>.



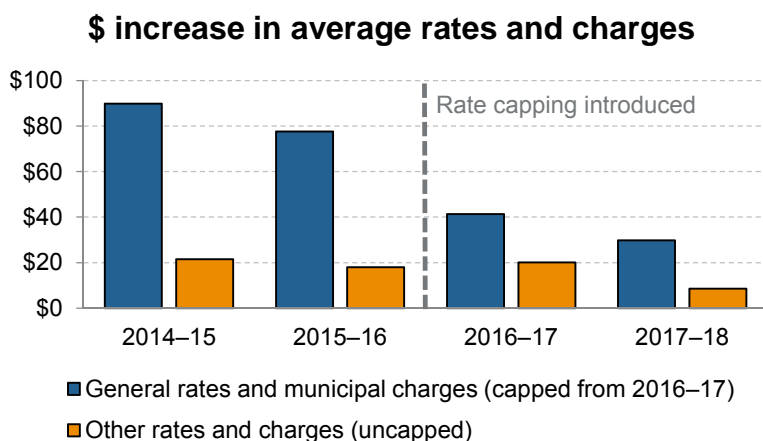
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Key facts

Population:	207,009
Size (km ²):	123
Length of local roads (km):	894
Population per km of roads:	231
Council employees (FTE, 2017–18):	864
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	\$1,739	n/a
2015–16	\$1,834	n/a
2016–17	\$1,896	2.50%
2017–18	\$1,934	2.00%

Rates (continued)

See the reader's guide for data sources and useful information.
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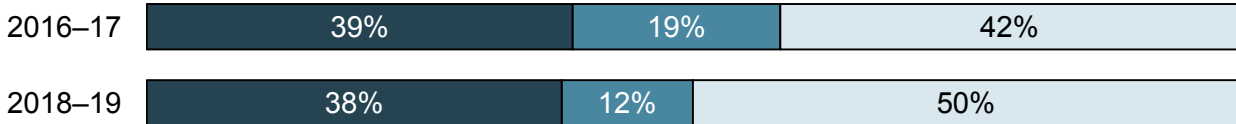
Have council's average rates complied with the applicable rate caps?

2016–17 (2.50%)	2017–18 (2.00%)	2018–19 (2.25%)
Yes	Yes	Yes

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).

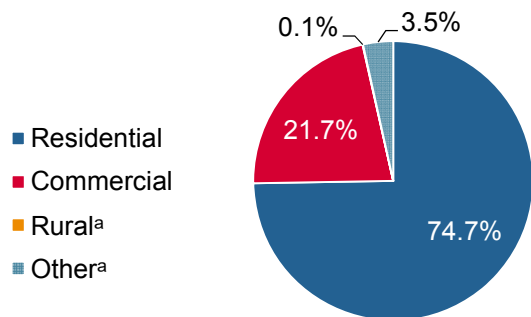


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

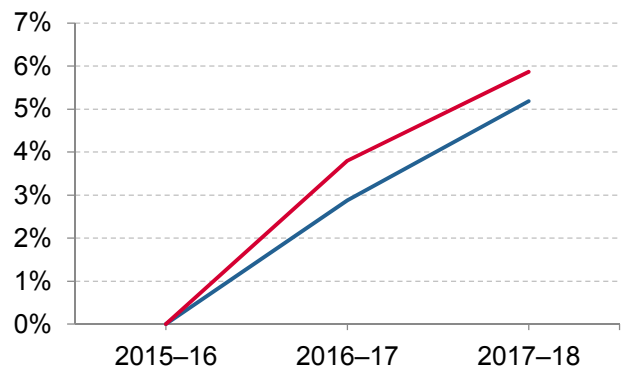
Ratepayers by property class

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



^a 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 Brimbank City Council's rates and charges. This group of ratepayers, on average, experienced a 5.2 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 \$1,834 to \$1,934 (5.4 per cent) over the same period.

Revenue

See the reader's guide for data sources and useful information.
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Where is council's money coming from?

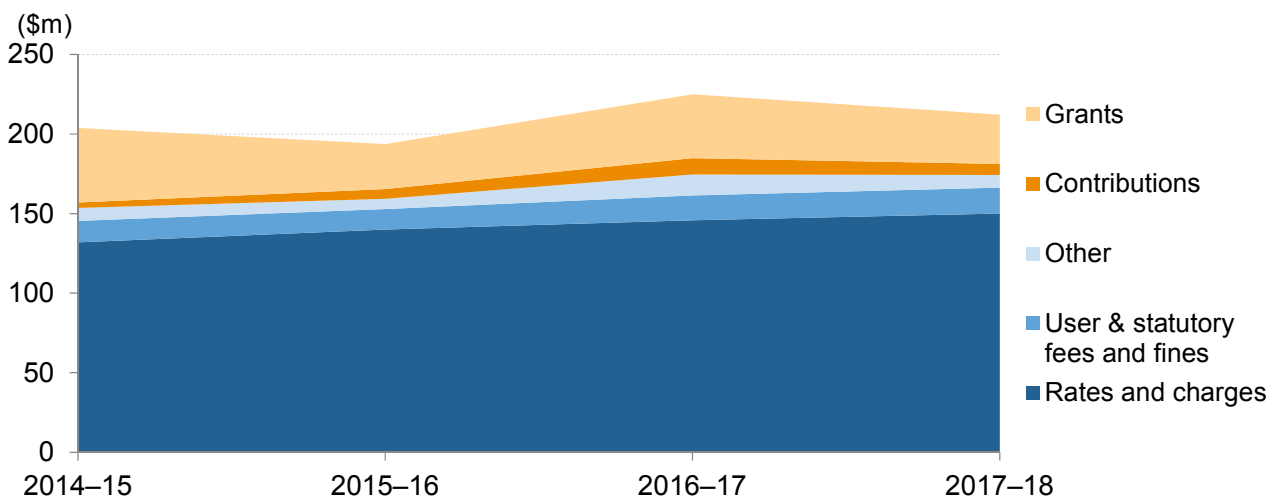
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	135.9	68	147.9	68
Grants	37.5	19	35.6	16
User fees and statutory fees and fines	13.2	7	15.9	7
Contributions	4.8	2	8.6	4
Other	7.3	4	10.5	5
Total	198.7	100	218.6	100

Brimbank City Council's average revenue from all sources (except grants) increased 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 except for the decrease in the proportion of revenue from grants and increase in the proportion of revenue from contributions over the two years after rate capping commenced.

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.
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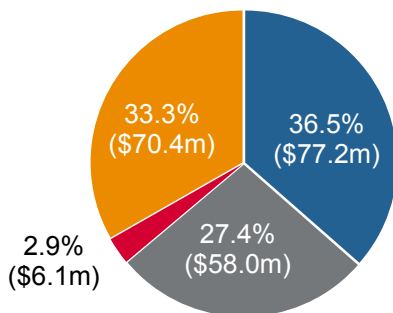
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$140.2m	\$51m	\$707	\$257
2015–16	\$142.4m	\$89.8m	\$709	\$447
2016–17	\$145.8m	\$47.9m	\$714	\$235
2017–18	\$155.2m	\$43.1m	\$749	\$208

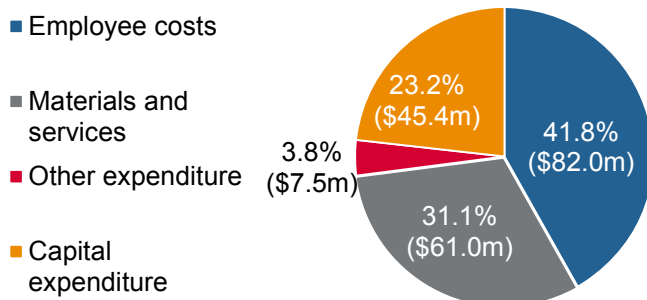
Brimbank City Council's operating expenses have been trending upward over time, driven by increased employee costs and spending on materials and services. Capital expenditure has been relatively stable, aside from a spike in 2015–16 (relating to spending on new assets).

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

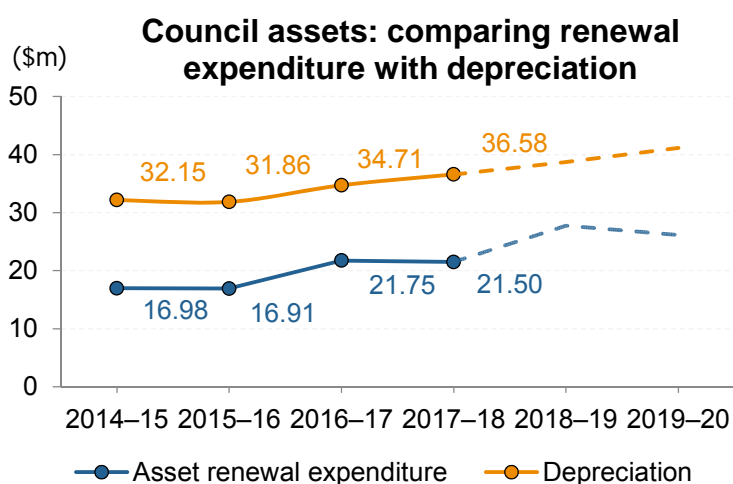


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Brimbank City Council's expenditure, reflecting a spike in capital expenditure in 2015–16 and a return to usual levels of capital expenditure in the two years after rate capping. Employee costs, spending on materials and services and 'other' expenditure all increased in the two years after rate capping was introduced.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	53
2015-16	53
2016-17	63
2017-18	58
2018-19	72 (forecast data)
2019-20	64 (forecast data)

Brimbank City Council's spending on the renewal of its assets has trended upward in recent years, while remaining less than the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to be higher in 2018-19 and 2019-20. A sustained gap between expenditure and depreciation can lead to a backlog of renewal expenditure required and increase a council's costs in the long term.

Has council's capital expenditure pattern changed?

Capital expenditure					Council's average spending on new assets in the two years after rate capping was introduced has decreased, due to a spike in 2015-16. Average spending on renewal of assets has increased, while average spending on upgrade projects decreased.
	Before rate capping (average 2014-15 and 2015-16)		After rate capping (average 2016-17 and 2017-18)		
	\$m	% of total	\$m	% of total	
Renewal	16.9	24	21.6	47	
New	46.0	65	18.0	40	
Upgrade	7.4	11	5.9	13	
Expansion	0.0	0	0.0	0	
Total	70.4	100	45.5	100	

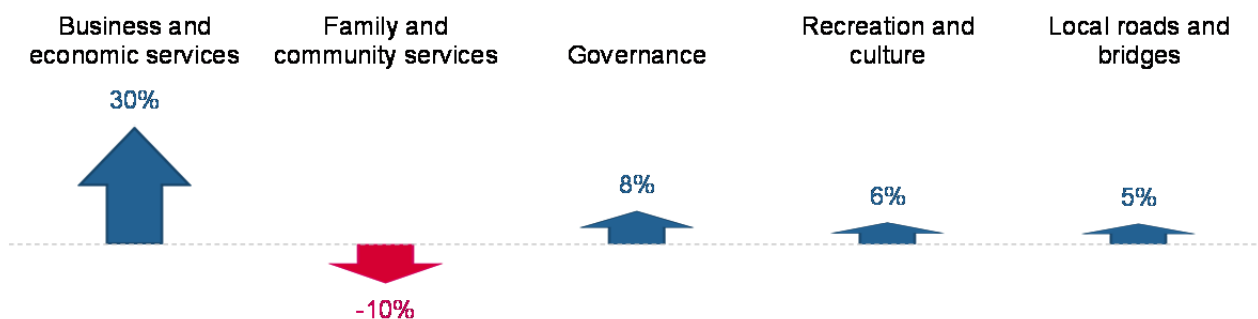
Services

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?

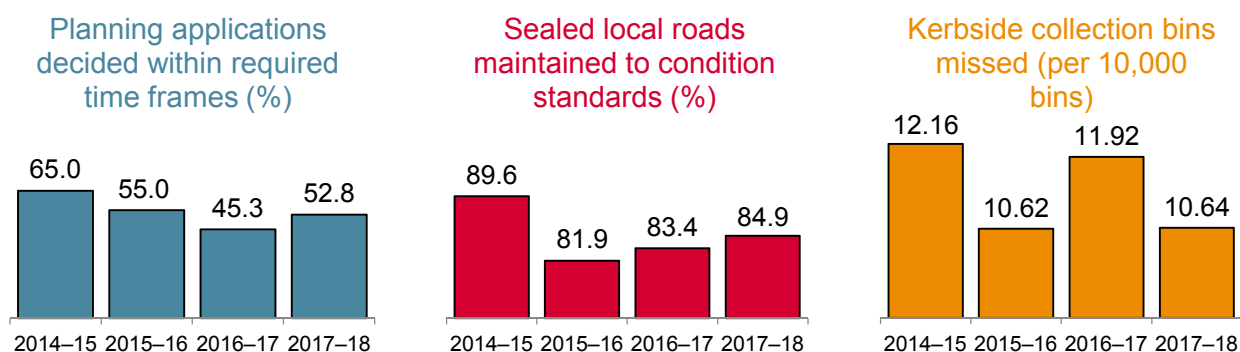
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	202	23.3	219	24.3
Recreation and culture	184	21.2	194	21.5
Traffic and street management	101	11.7	103	11.4
Local roads and bridges	74	8.5	78	8.6
Waste management	62	7.2	64	7.1
Family and community services	68	7.8	61	6.7
Aged and disabled services	52	6.0	53	5.8
Business and economic services	39	4.5	50	5.6
Environment	48	5.5	46	5.0
Other	38	4.4	36	4.0

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)

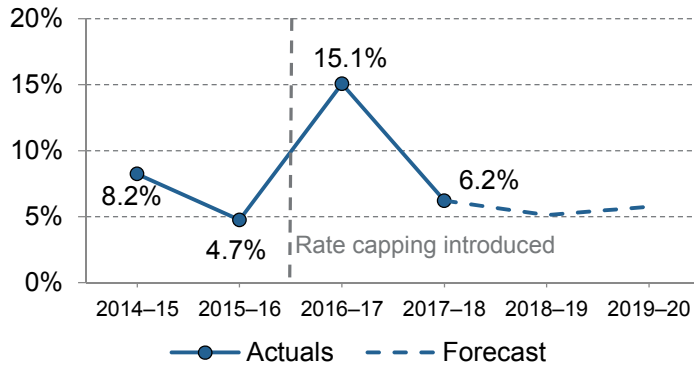


Financial position

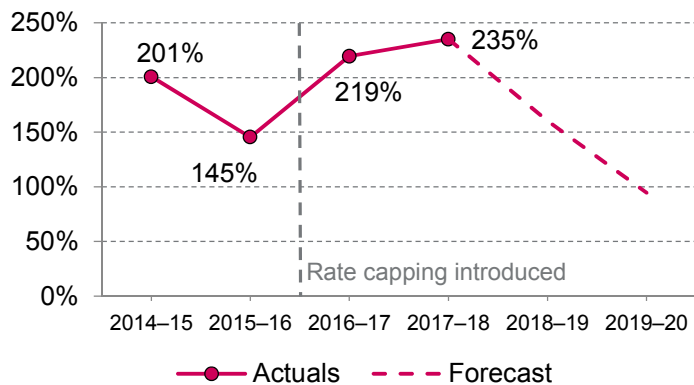
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Is council operating sustainably?

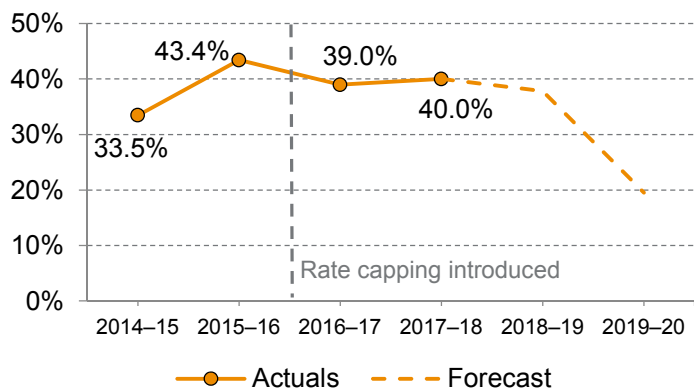
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2014–15 and 2017–18, Brimbank City Council reported an average **adjusted underlying result** of 8.6 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.

In 2015–16, council borrowed money to fund capital works. This is reflected in an increase in the **indebtedness ratio**.

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.