

Darebin 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>.



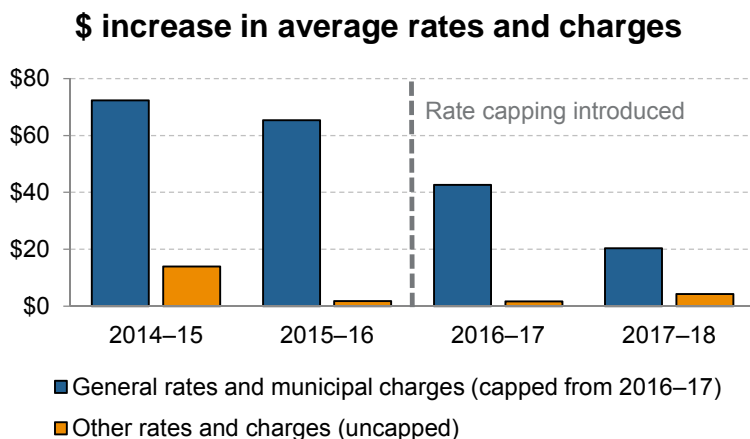
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Key facts

Population:	158,745
Size (km ²):	53.5
Length of local roads (km):	514
Population per km of roads:	308
Council employees (FTE, 2017–18):	765
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	\$1,621	n/a
2015–16	\$1,688	n/a
2016–17	\$1,732	2.50%
2017–18	\$1,757	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.

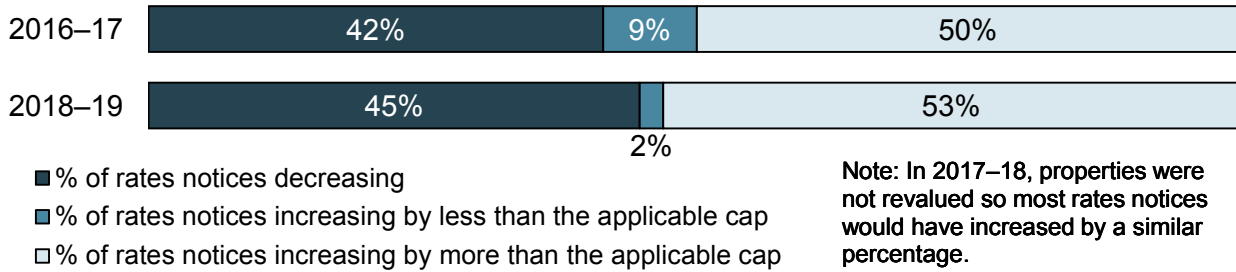
Have council's average rates complied with the applicable rate caps?

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

How have rates changed for individual ratepayers?

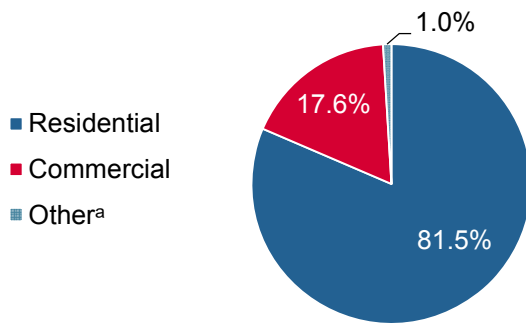
Distribution of rates increases and decreases in revaluation years

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).



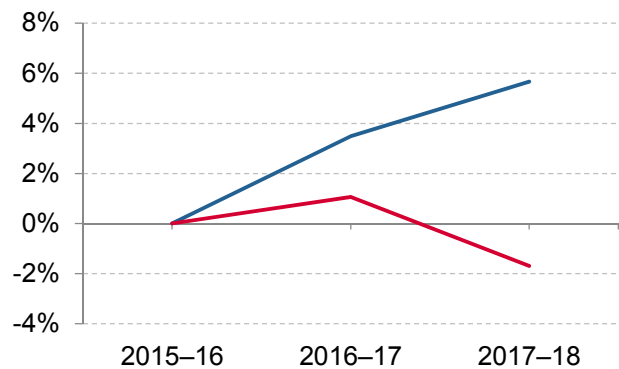
Ratepayers by property class

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 Darebin City Council's rates and charges. This group of ratepayers, on average, experienced a 5.7 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 \$1,688 to \$1,757 (4.1 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?

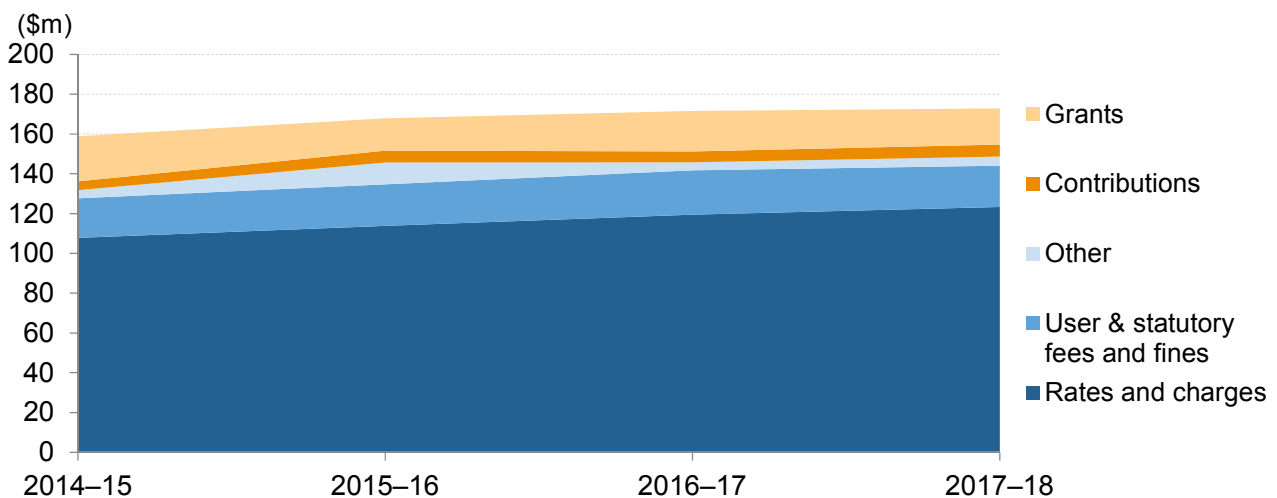
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	110.8	68	121.4	70
Grants	19.4	12	19.2	11
User fees and statutory fees and fines	20.4	12	21.5	12
Contributions	5.2	3	5.7	3
Other	7.5	5	4.3	3
Total	163.4	100	172.2	100

Darebin City Council's average revenue from rates and charges, user fees and statutory fees and fines and contributions increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The changes in the composition of council's revenue were the increase in the proportion of revenue from rates and charges and the decreases in the proportions of revenue from grants and 'other' sources 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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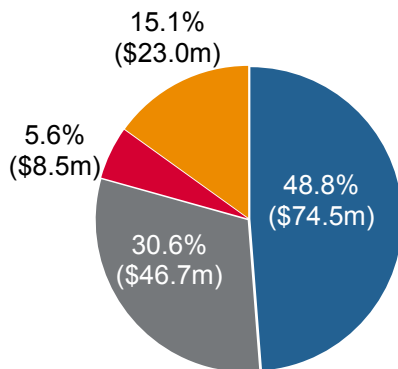
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$132.8m	\$24.6m	\$888	\$165
2015–16	\$126.8m	\$21.4m	\$835	\$141
2016–17	\$127.9m	\$31.4m	\$825	\$203
2017–18	\$138m	\$32.8m	\$869	\$207

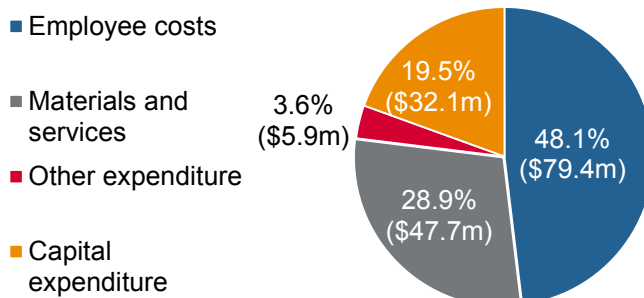
Darebin City Council's operating expenses have been trending upward over time, driven by increased employee costs. Capital expenditure has been more varied, with an increase in the two years after rate capping was introduced, reflecting spending on asset renewal and new assets.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

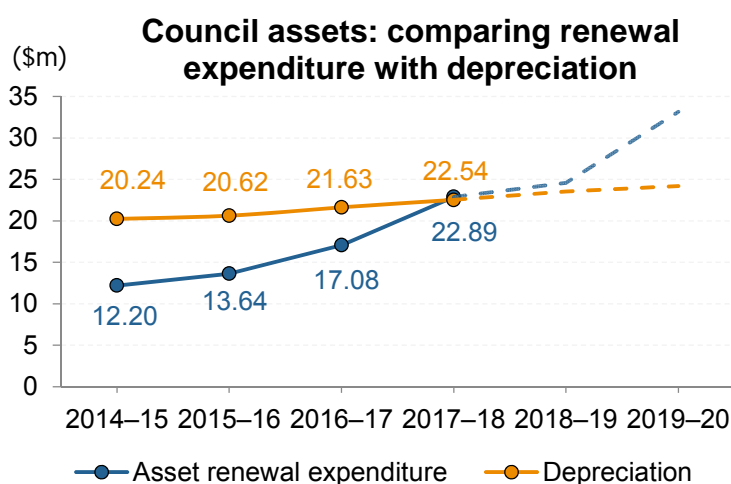


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Darebin City Council's expenditure, reflecting both an increase in average capital expenditure and a reduction in average 'other' expenditure in the two years after rate capping was introduced. Employee costs and spending on materials and services decreased as a proportion of total expenditure over the same period, 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	60
2015-16	66
2016-17	79
2017-18	102
2018-19	104 (forecast data)
2019-20	137 (forecast data)

Darebin 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 remain above 100 per cent of depreciation in 2018-19 and 2019-20.

Has council's capital expenditure pattern changed?

Capital expenditure					Council's average spending on asset renewal and new assets in the two years after rate capping was introduced has increased. Average upgrade and expansion expenditure decreased over the same period.
	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	12.9	56	20.0	62	
New	1.2	5	8.4	26	
Upgrade	5.4	23	3.4	10	
Expansion	3.6	16	0.4	1	
Total	23.0	100	32.1	100	

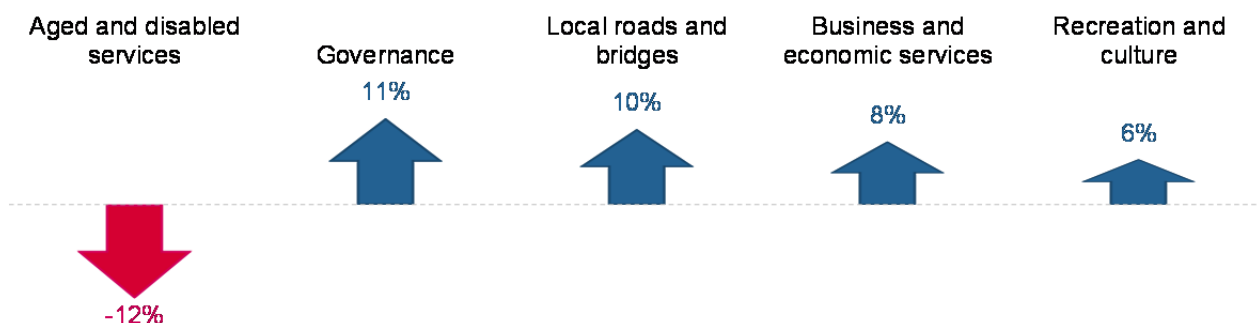
Services

See the reader's guide for data sources and useful information.
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Which service areas is council spending its money in?

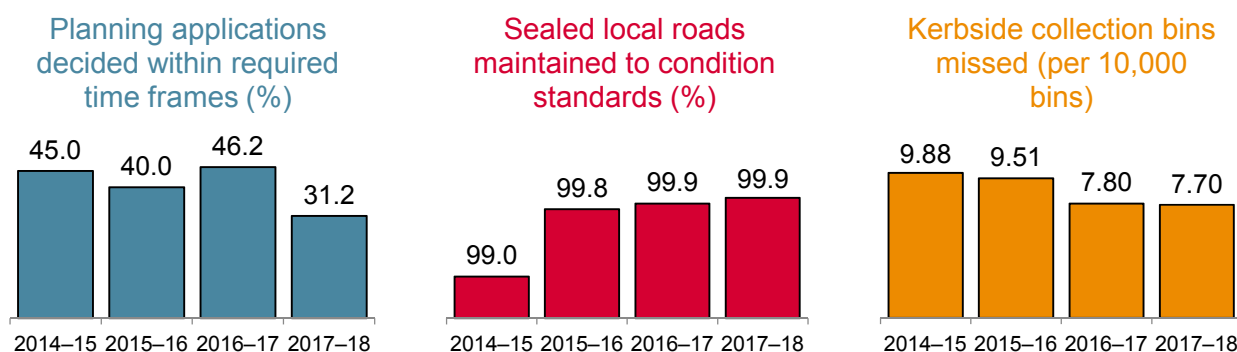
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	216	23.5	240	25.0
Recreation and culture	213	23.2	226	23.5
Traffic and street management	94	10.2	98	10.2
Aged and disabled services	109	11.9	96	10.0
Waste management	85	9.3	87	9.1
Family and community services	70	7.6	68	7.0
Business and economic services	53	5.8	57	6.0
Local roads and bridges	48	5.2	52	5.4
Environment	32	3.4	33	3.4
Other	0	0.0	2	0.3

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)

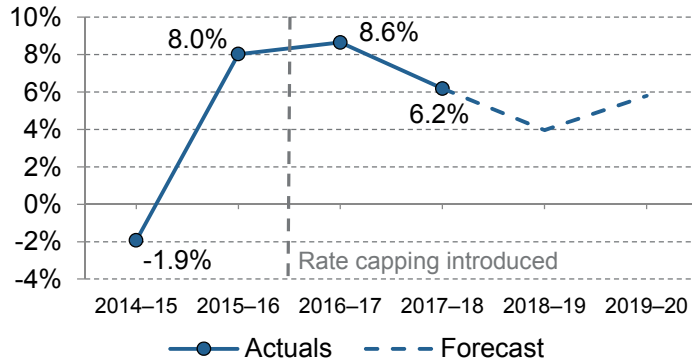


Financial position

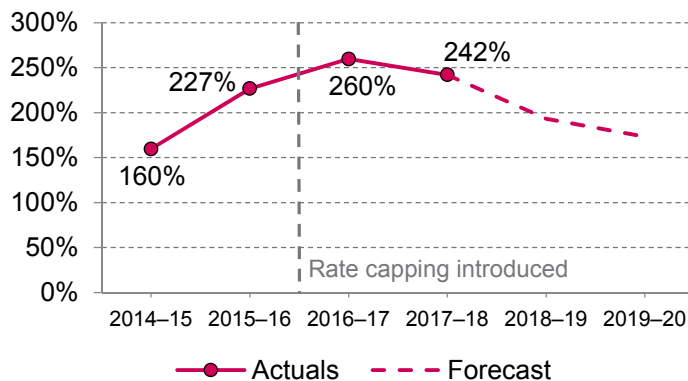
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Is council operating sustainably?

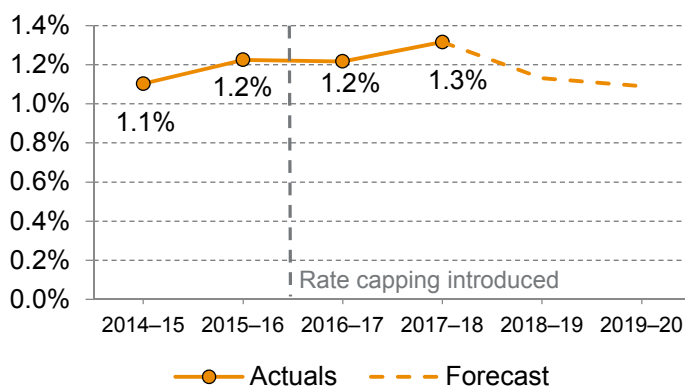
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Darebin City Council reported an average **adjusted underlying result** of 5 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 222 per cent between 2014–15 and 2017–18. The increase in working capital reflects council building cash reserves to fund future capital works.

Council is able to meet its long-term financial obligations with a low **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.