

Yarra 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>.



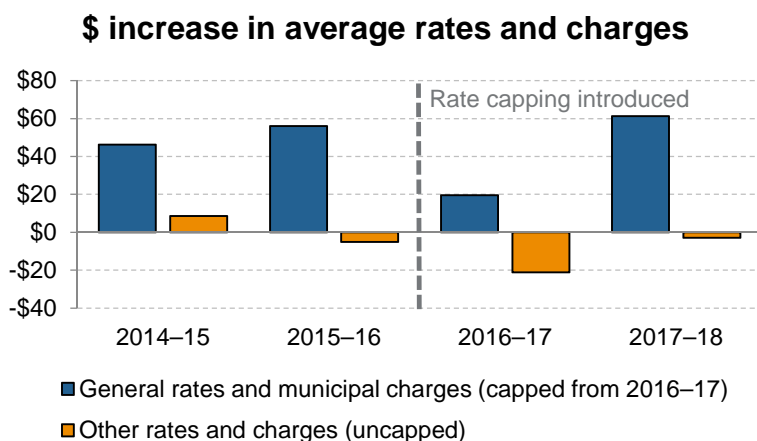
© OpenStreetMap contributors

Key facts

Population:	95,981
Size (km ²):	19.5
Length of local roads (km):	215
Population per km of roads:	446
Council employees (FTE, 2017–18):	839
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	\$1,853	n/a
2015–16	\$1,903	n/a
2016–17	\$1,902	2.50%
2017–18	\$1,960	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.

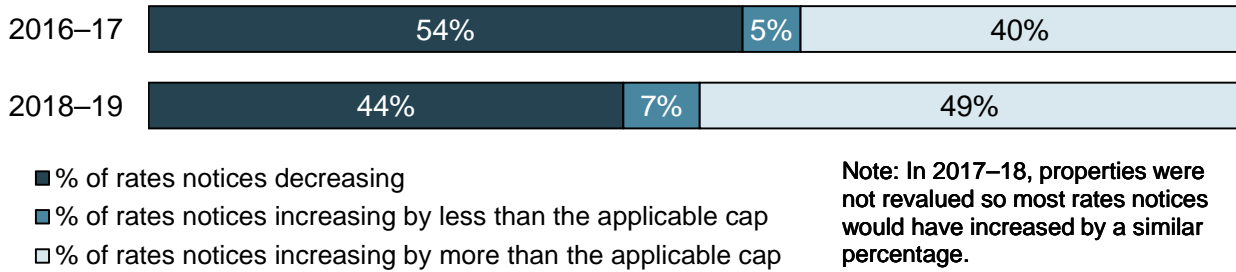
Have council's average rates complied with the applicable rate caps?

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

How have rates changed for individual ratepayers?

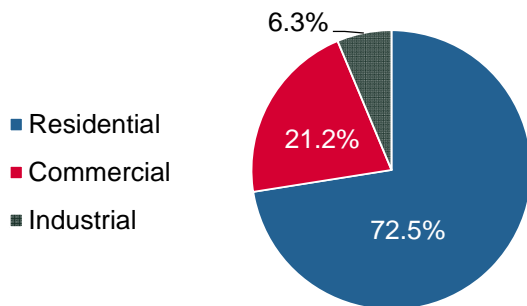
Distribution of rates increases and decreases in revaluation years

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).

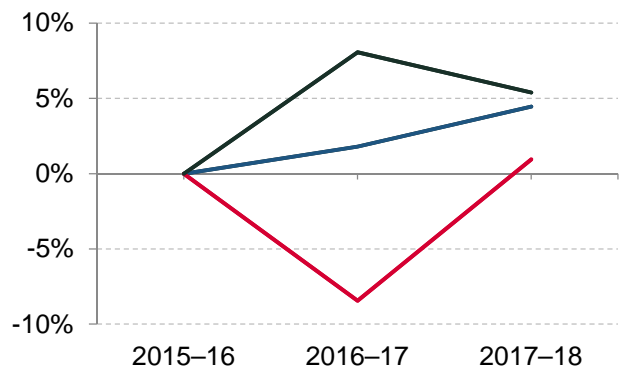


Ratepayers by property class

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



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 Yarra City Council's rates and charges. This group of ratepayers, on average, experienced a 4.5 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 \$1,903 to \$1,960 (3 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?

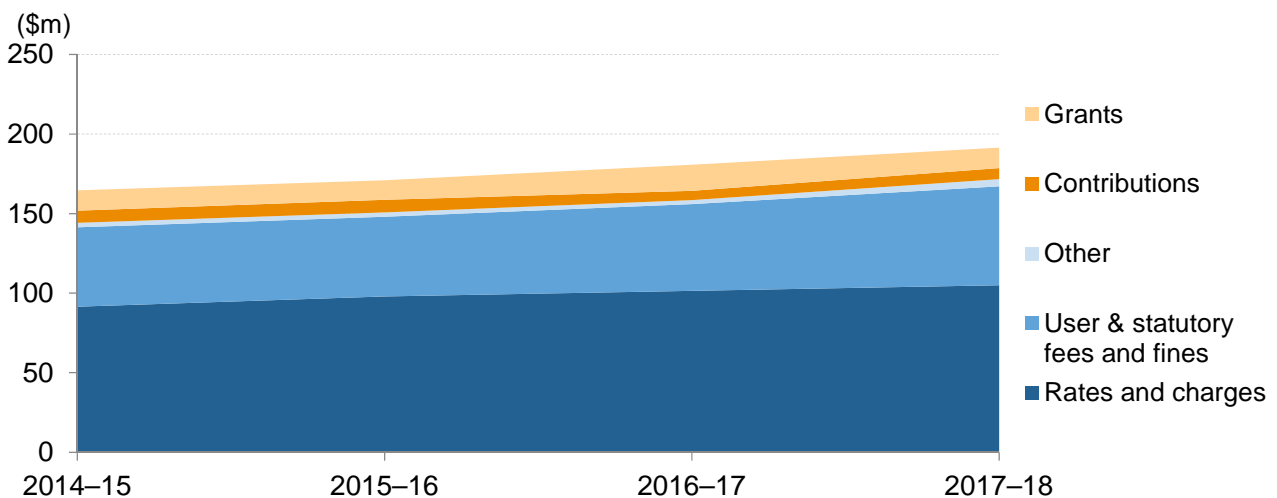
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	94.7	56	103.2	55
Grants	12.5	7	14.6	8
User fees and statutory fees and fines	50.0	30	58.3	31
Contributions	7.8	5	6.4	3
Other	2.8	2	3.5	2
Total	167.8	100	186.1	100

Yarra City Council's average revenue from all sources (except contributions) 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 contributions.

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.

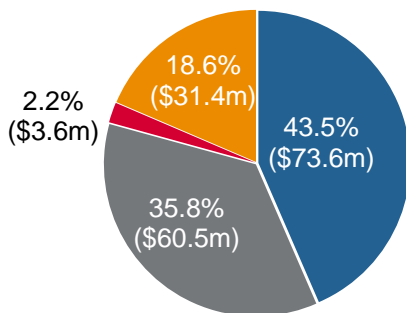
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$134.2m	\$32.2m	\$1,539	\$369
2015–16	\$141.3m	\$30.6m	\$1,571	\$341
2016–17	\$142.8m	\$34.3m	\$1,538	\$369
2017–18	\$149.5m	\$27.1m	\$1,558	\$283

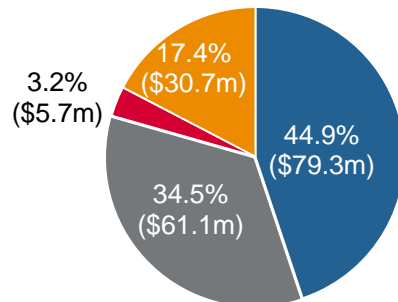
Yarra City Council's operating expenses have been trending upward over time, driven largely by increased employee costs. Capital expenditure has been more varied over the same period, reflecting fluctuations in spending on asset renewal and new assets.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

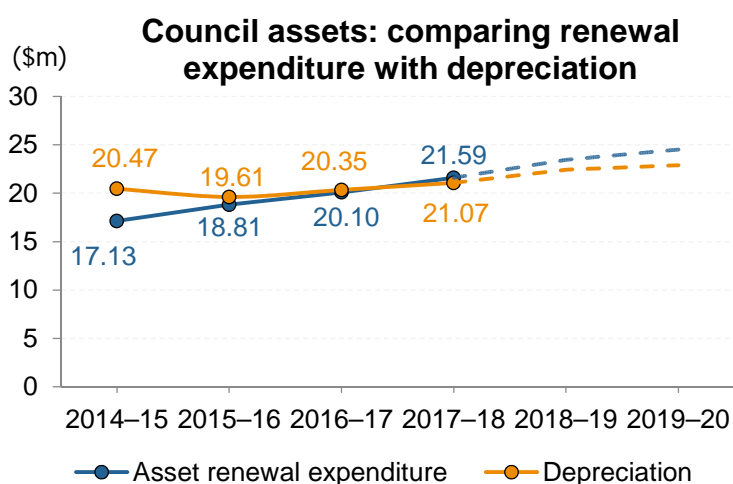


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Yarra City Council's expenditure, reflecting an increase in average employee costs in the two years after rate capping was introduced, as well as an increase in average 'other' expenses. Average capital expenditure decreased over the same period, while spending on materials and services 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	84
2015-16	96
2016-17	99
2017-18	102
2018-19	105 (forecast data)
2019-20	107 (forecast data)

Yarra City Council's spending on the renewal of its assets has trended 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 continue increasing in 2018-19 and 2019-20, remaining above 100 per cent of depreciation.

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 in the two years after rate capping was introduced has increased. Average spending on upgrade projects also increased, while there was a decrease in average spending on new assets.
	\$m	% of total	\$m	% of total	
Renewal	18.0	57	20.8	68	
New	11.5	37	7.6	25	
Upgrade	1.9	6	2.2	7	
Expansion	0.0	0	0.0	0	
Total	31.4	100	30.7	100	

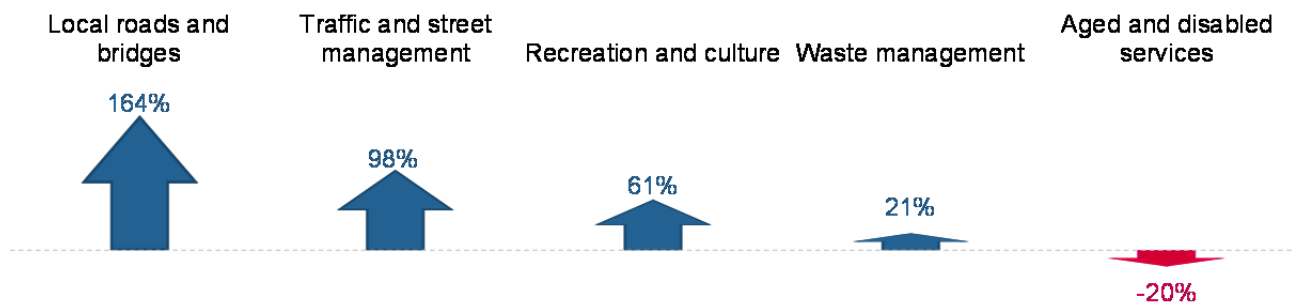
Services

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?

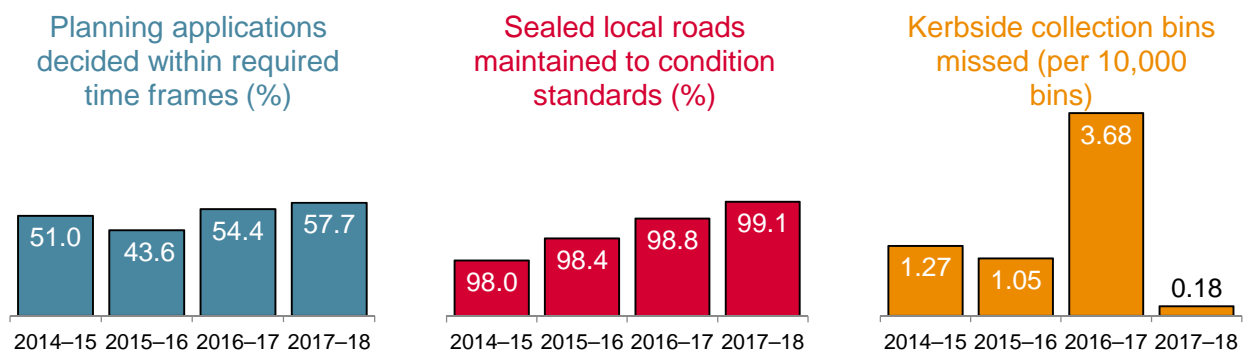
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	263	14.8	424	24.0
Governance	211	11.9	246	13.9
Traffic and street management	114	6.4	225	12.7
Family and community services	190	10.7	224	12.7
Business and economic services	146	8.2	170	9.6
Waste management	105	5.9	127	7.2
Local roads and bridges	47	2.7	125	7.1
Other	548	30.8	101	5.7
Aged and disabled services	121	6.8	98	5.5
Environment	34	1.9	27	1.5

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)

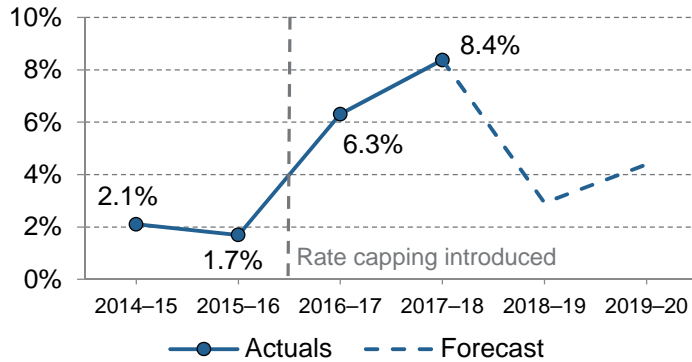


Financial position

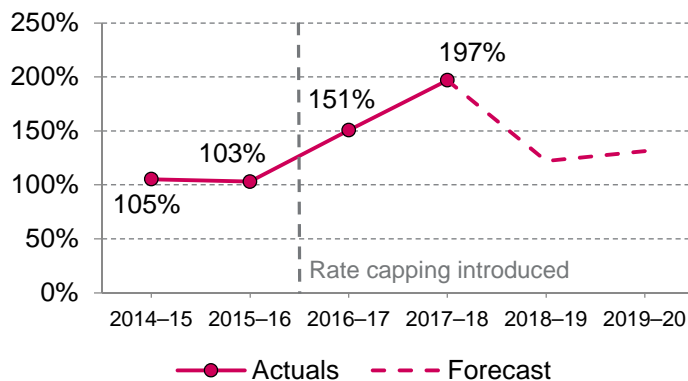
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Is council operating sustainably?

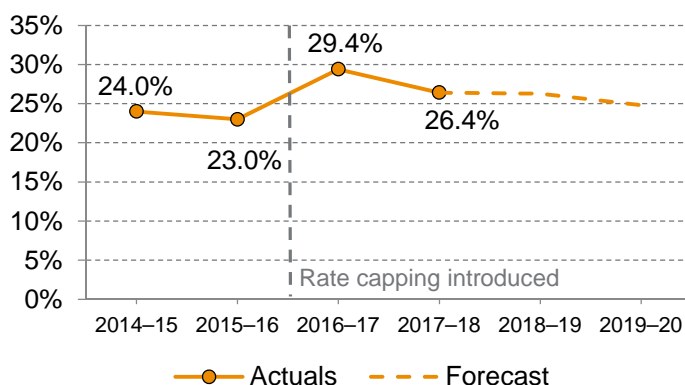
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Yarra City Council reported an average **adjusted underlying result** of 4.6 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 139 per cent between 2014–15 and 2017–18.

The increase in the **indebtedness ratio** in 2016–17 relates to council borrowing to fund capital works.

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.