

Bayside 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.

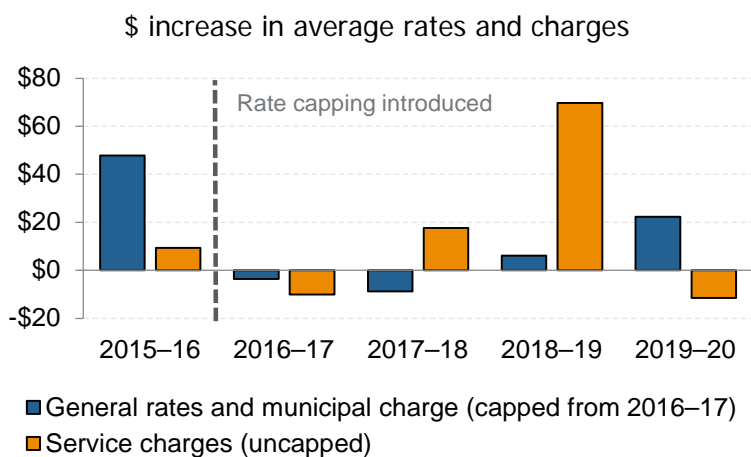


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Key facts	
Population (June 2019):	106,862
Size (km ²):	37
Length of local roads (km):	356
Population per km of roads:	300
Council employees (FTE, 2019–20):	447
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

Rates

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



Year	Average rates and charges	Applicable rate cap
2015–16	\$2,018	n/a
2016–17	\$2,004	2.50%
2017–18	\$2,013	2.00%
2018–19	\$2,089	2.25%
2019–20	\$2,100	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	Yes

How have rates changed for different ratepayers?

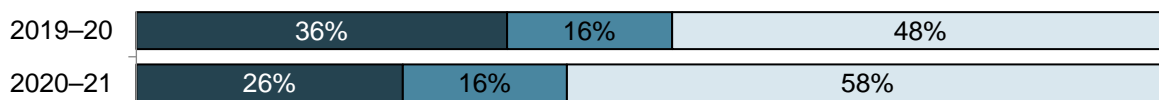
Council's rating strategy 2020–21

Council levies a single differential rate (for different types of property), a municipal charge and uses service charges to recover the cost of 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).

2018–19 Council did not provide data



- % 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 ratepayers	Industrial ratepayers	Rural ratepayers
	93% of ratepayers	5% of ratepayers	2% of ratepayers	0% of ratepayers
	\$91.5m (94%) of rates and charges revenue in 2019–20	\$4.8m (5%) of rates and charges revenue in 2019–20	\$1.2m (1%) of rates and charges revenue in 2019–20	\$0m (0%) of rates and charges revenue in 2019–20
	1.1% average annual increase between 2015–16 and 2019–20	1.6% average annual increase between 2015–16 and 2019–20	-2.7% average annual increase between 2015–16 and 2019–20	0.0% 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.
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Where is council's money coming from?

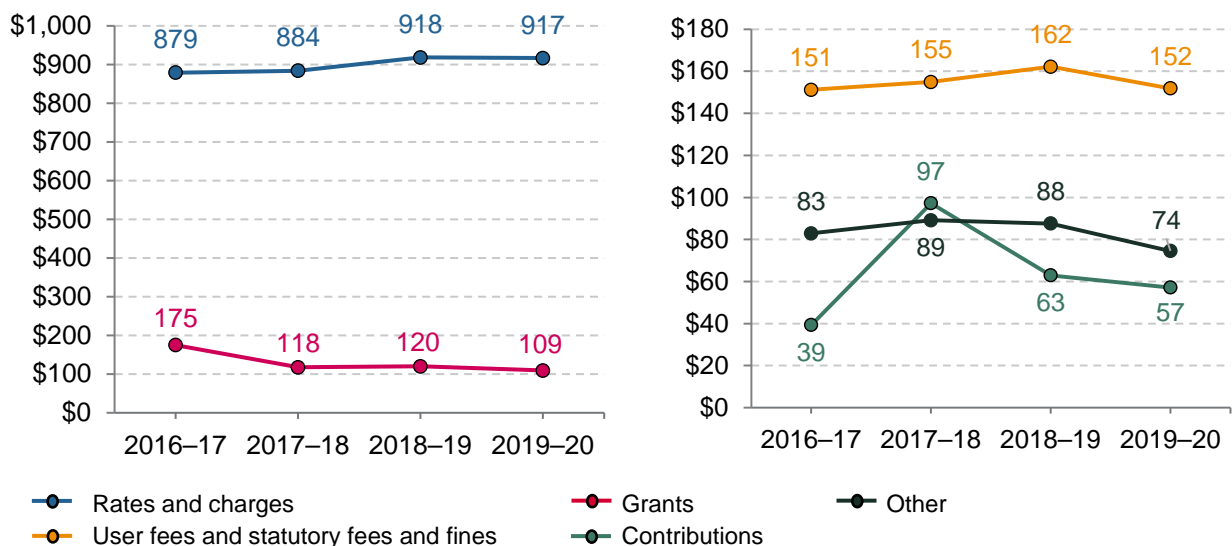
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	90.4	(66%)	92.2	(66%)	97.1	(68%)	98.0	(70%)
User fees and statutory fees and fines	15.6	(11%)	16.2	(12%)	17.1	(12%)	16.2	(12%)
Grants	18.0	(13%)	12.3	(9%)	12.7	(9%)	11.7	(8%)
Contributions	4.0	(3%)	10.1	(7%)	6.7	(5%)	6.1	(4%)
Other	8.5	(6%)	9.3	(7%)	9.3	(6%)	8.0	(6%)
Total	136.6		140.0		142.9		139.9	

In real terms, Bayside City Council's total revenue increased between 2016–17 and 2019–20, reflecting increases in revenue from rates and charges, contributions and user fees and statutory fees and fines.

Rates and charges was the largest source of council's revenue, accounting for 68 per cent of total revenue between 2016–17 and 2019–20. With revenue from grants decreasing in real terms between 2016–17 and 2019–20, the proportion of revenue council received through rates and charges increased.

Revenue per person (2019–20 dollars)



In terms of revenue per person (which adjusts for population growth), council's revenue from rates and charges trended upwards in real terms between 2016–17 and 2019–20. This compares with a downward trend in revenue per person from grants.

Expenditure



See the reader's guide for data sources and useful information.
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How much money is council spending?

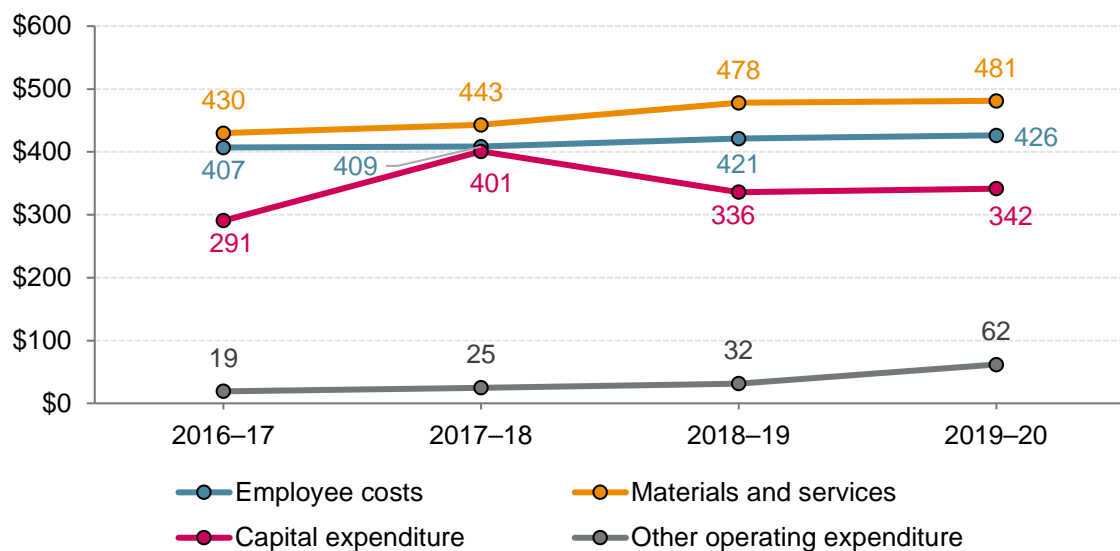
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Operating expenditure	88.1 (75%)	91.4 (69%)	98.5 (73%)	103.6 (74%)
Employee costs	41.9 (35%)	42.6 (32%)	44.6 (33%)	45.6 (33%)
Materials and services	44.2 (37%)	46.2 (35%)	50.6 (38%)	51.4 (37%)
Other operating expenditure	2.0 (2%)	2.6 (2%)	3.4 (3%)	6.6 (5%)
Capital expenditure	29.9 (25%)	41.8 (31%)	35.5 (27%)	36.5 (26%)
Total	118.0	133.2	134.0	140.1

In real terms, Bayside City Council's total expenditure increased between 2016–17 and 2019–20, reflecting increases in all areas of council's expenditure.

Materials and services was council's largest are of expenditure, accounting for 37 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), all areas of expenditure trended upwards in real terms between 2016–17 and 2019–20. In real terms, capital expenditure per person spiked in 2017–18.



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

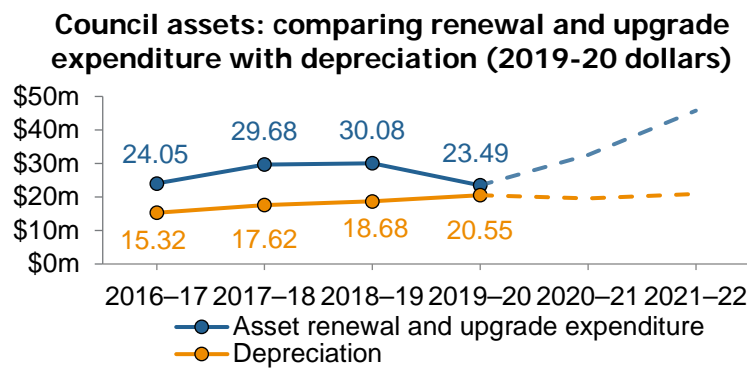
Capital expenditure (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	16.5	(55%)	18.9	(45%)	22.6	(64%)	22.2	(61%)
Upgrade	7.6	(25%)	10.8	(26%)	7.4	(21%)	1.3	(4%)
Expansion	2.6	(9%)	3.4	(8%)	0.8	(2%)	8.6	(24%)
New	3.3	(11%)	8.7	(21%)	4.6	(13%)	4.4	(12%)
Total	29.9		41.8		35.5		36.5	

In real terms, Bayside City Council's spending on asset renewal and expansion trended upwards between 2016–17 and 2019–20 (aside from decreases in asset expansion in 2018–19 and asset renewal in 2019–20). Spending on new assets and asset upgrades trended downwards in real terms between 2017–18 and 2019–20, after increasing in 2017–18.

Asset renewal remained the highest share of capital expenditure between 2016–17 and 2019–20 (accounting for 45 to 64 per cent of total capital expenditure).

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



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	157%
2017–18	168%
2018–19	161%
2019–20	114%
2020–21	166% (forecast data)
2021–22	218% (forecast data)

Council's spending on the renewal and upgrade of its assets trended upwards in real terms between 2016–17 and 2018–19, before decreasing in 2019–20. This spending remained above the amount of depreciation (the decline in value of council's assets caused by age and use).

Renewal and upgrade expenditure was forecast to increase further above 100 per cent of depreciation in 2020–21 and 2021–22.

Services



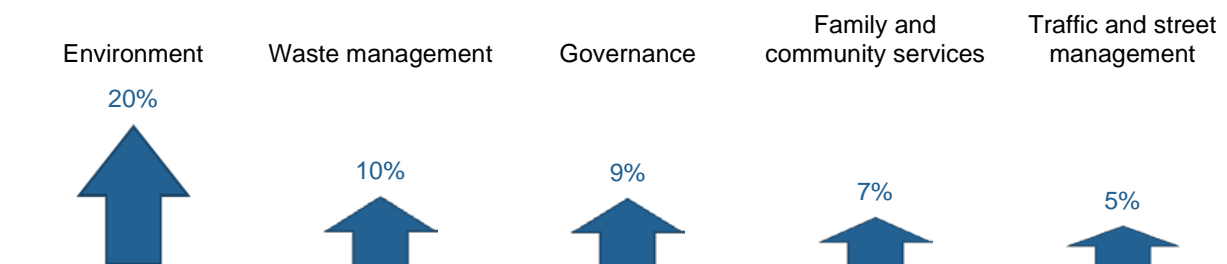
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Which service areas is council spending its money in?

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

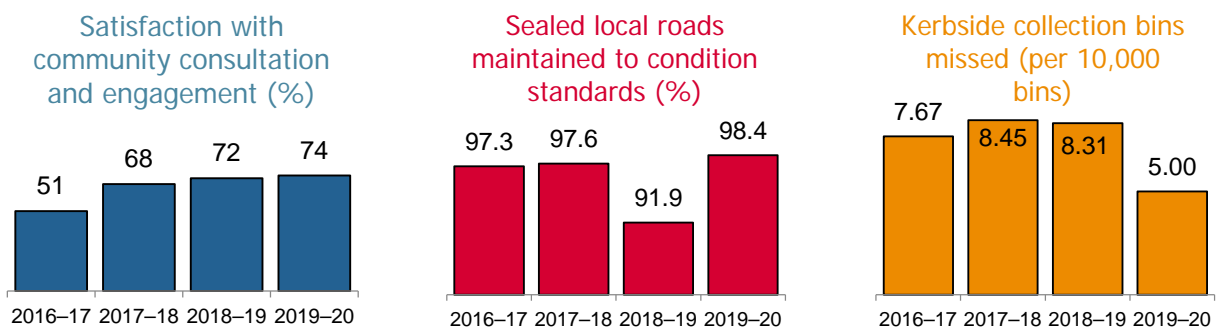
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	9.5 (9%)	9.5 (9%)	8.8 (8%)	8.6 (7%)
Business and economic services	7.9 (8%)	8.7 (8%)	8.8 (8%)	8.4 (7%)
Environment	5.6 (6%)	7.4 (7%)	7.4 (6%)	9.6 (8%)
Family and community services	9.4 (9%)	9.9 (9%)	10.4 (9%)	11.4 (9%)
Governance	23.9 (23%)	24.4 (23%)	27.9 (24%)	31.2 (26%)
Local roads and bridges	3.5 (3%)	3.4 (3%)	3.4 (3%)	3.8 (3%)
Recreation and culture	19.0 (19%)	19.6 (18%)	20.8 (18%)	18.6 (16%)
Traffic and street management	14.1 (14%)	14.8 (14%)	15.8 (14%)	16.5 (14%)
Waste management	9.0 (9%)	10.1 (9%)	11.5 (10%)	11.8 (10%)
Other	0.0 (0%)	0.0 (0%)	0.0 (0%)	0.0 (0%)
Total	101.9	107.8	114.7	120.0

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?



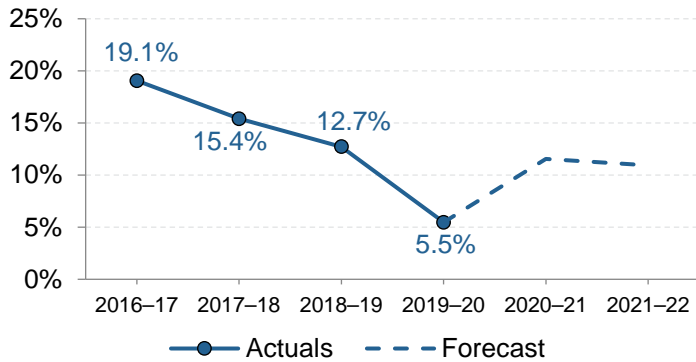
Financial position



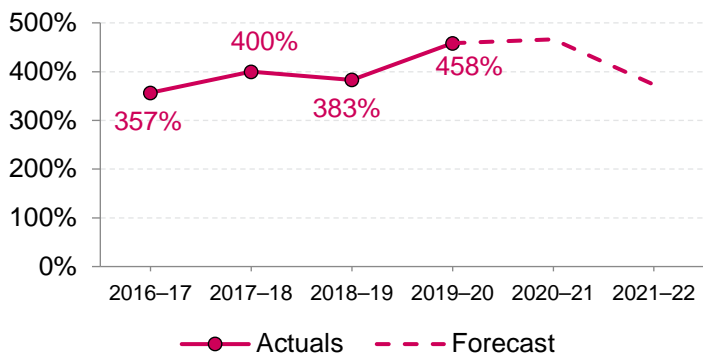
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Is council operating sustainably?

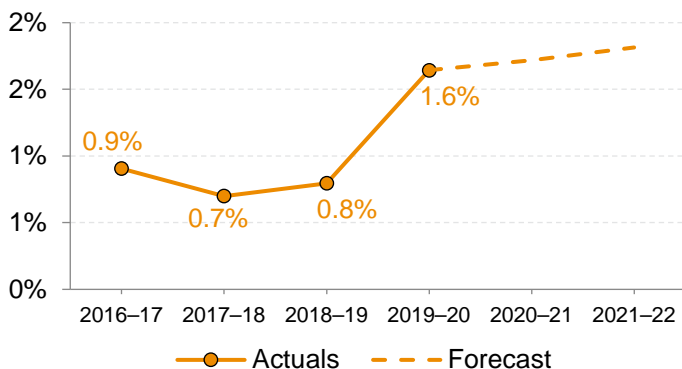
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2016–17 and 2019–20, Bayside City Council reported an average **adjusted underlying result** of 13.2 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 reflects lower rental income, and increased depreciation expense following infrastructure revaluations.

Council could meet its current financial obligations with a reported average **working capital ratio** of 400 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 1.0 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.