

Mildura Rural City Council

Group: Regional City

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 regional cities. View the reader's guide, all available fact sheets and information for the sector as a whole at <http://www.esc.vic.gov.au/outcomes-reports>.



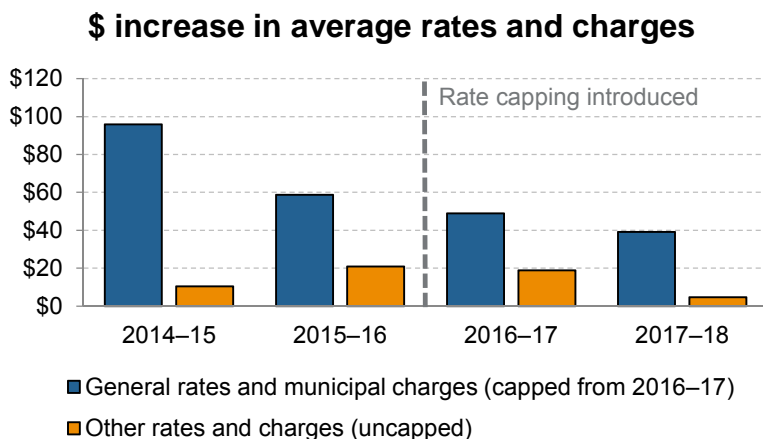
© OpenStreetMap contributors

Key facts

Population:	55,151
Size (km ²):	22,082
Length of local roads (km):	5,218
Population per km of roads:	10.6
Council employees (FTE, 2017–18):	506
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	\$2,105	n/a
2015–16	\$2,184	n/a
2016–17	\$2,252	2.50%
2017–18	\$2,296	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).

2016–17

Council did not provide data

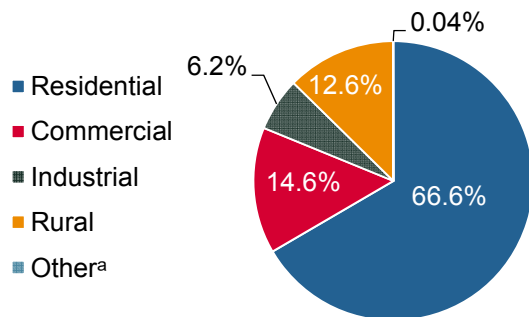
2018–19

- % 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.

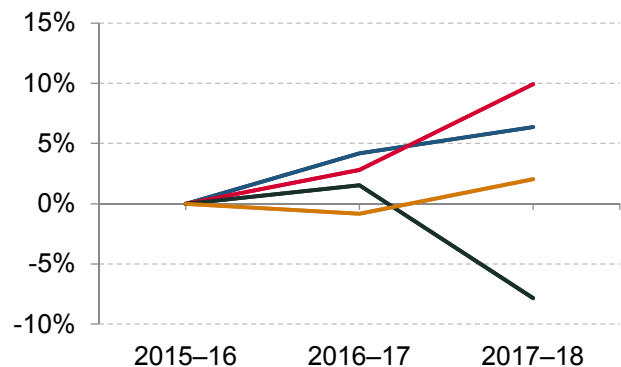
Ratepayers by property class

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 Mildura Rural City Council's rates and charges. This group of ratepayers, on average, experienced a 6.4 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 \$2,184 to \$2,296 (5.1 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?

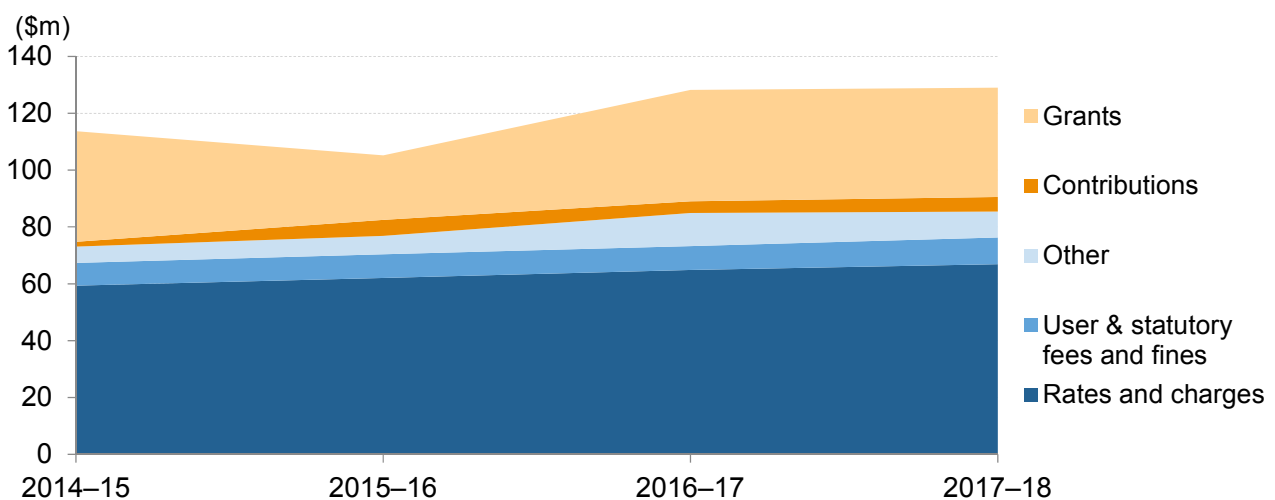
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	60.7	55	65.9	51
Grants	30.8	28	38.8	30
User fees and statutory fees and fines	8.1	7	8.9	7
Contributions	3.7	3	4.6	4
Other	6.1	6	10.4	8
Total	109.4	100	128.6	100

Mildura Rural City Council's average revenue from all sources increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The biggest changes in the composition of council's average revenue were the decrease in the proportion of average revenue from rates and charges and increases in the proportions of average revenue from grants and 'other' revenue 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.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

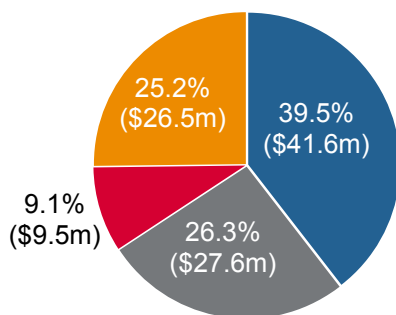
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$77.1m	\$26.1m	\$1,434	\$485
2015–16	\$80.3m	\$26.9m	\$1,483	\$498
2016–17	\$88.6m	\$26.7m	\$1,622	\$489
2017–18	\$90m	\$25.5m	\$1,631	\$462

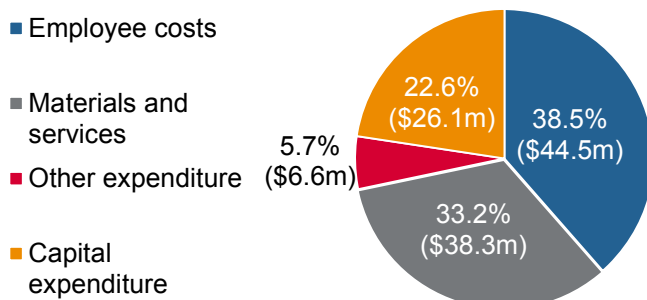
Mildura Rural City Council's operating expenses have been trending upward over time, driven by higher spending on materials and services and employee costs in the two years following the introduction of rate capping. Capital expenditure has been relatively stable over the same period, despite fluctuations in the different categories of capital works.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

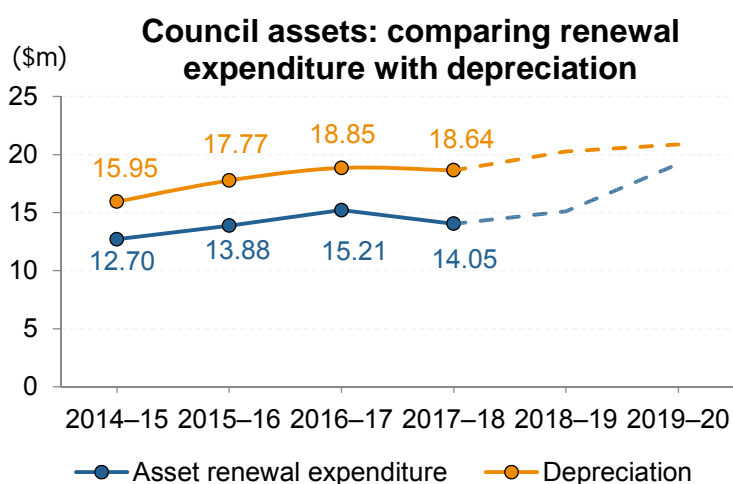


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Mildura Rural City Council's expenditure, reflecting an increase in average spending on materials and services. Average 'other' and capital expenditure decreased over the same period, while employee costs 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	80
2015-16	78
2016-17	81
2017-18	75
2018-19	75 (forecast data)
2019-20	92 (forecast data)

Mildura Rural City Council's spending on the renewal of its assets has fluctuated over time, but generally 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 increase in 2018-19 and 2019-20, moving closer toward 100 per cent of depreciation. 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 asset renewal and new assets in the two years after rate capping was introduced has increased. Average spending on upgrade projects was more stable, while average spending on expansion projects has 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	13.3	50	14.6	56	
New	2.3	9	4.0	15	
Upgrade	4.5	17	4.0	15	
Expansion	6.4	24	3.5	13	
Total	26.5	100	26.0	100	

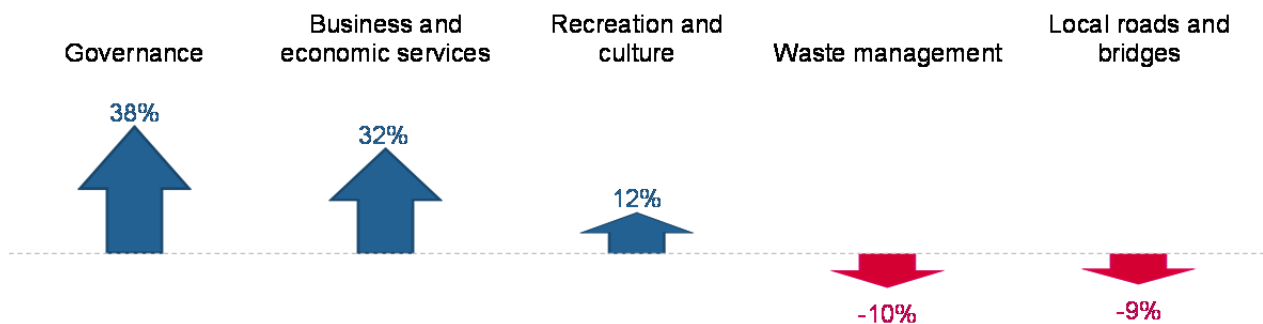
Services

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?

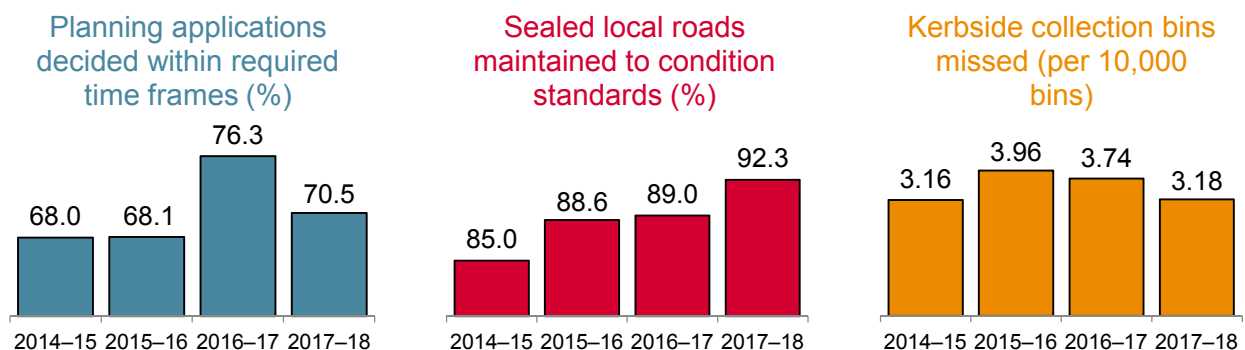
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	459	28.0	635	33.6
Recreation and culture	330	20.1	370	19.6
Business and economic services	181	11.0	238	12.6
Local roads and bridges	257	15.6	234	12.3
Waste management	143	8.7	128	6.8
Family and community services	111	6.8	110	5.8
Aged and disabled services	113	6.9	106	5.6
Traffic and street management	59	3.6	63	3.3
Environment	52	3.2	54	2.9
Other	-63	-3.8	-47	-2.5

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.

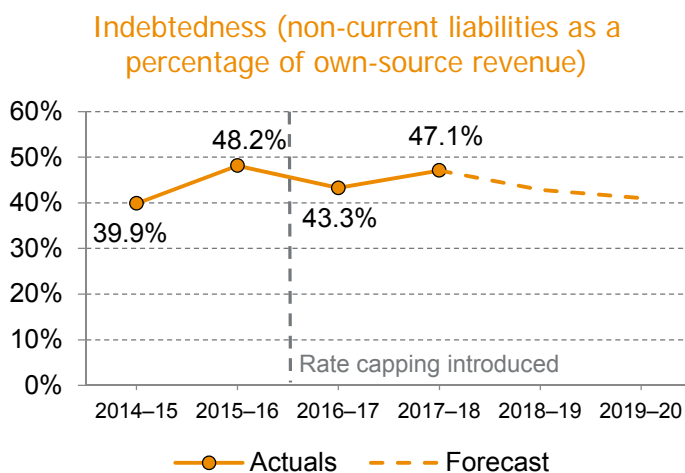
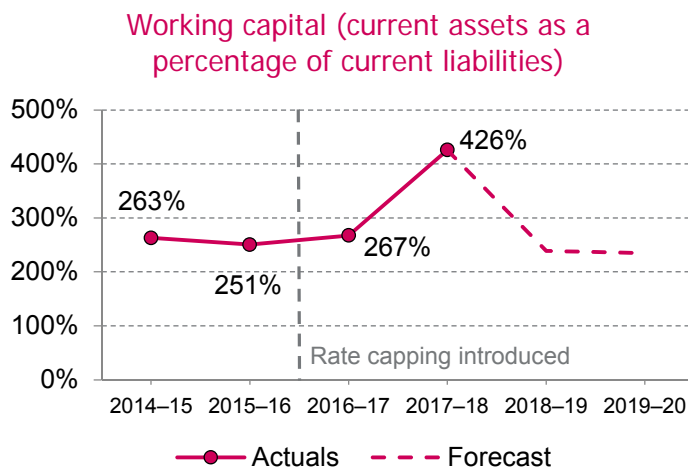
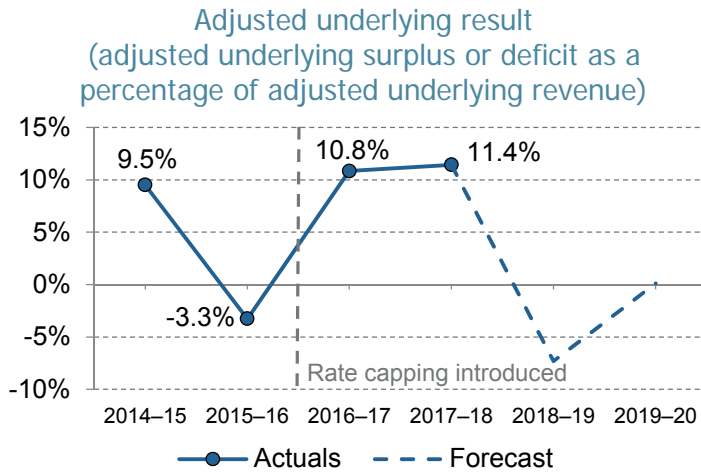
Has there been a change in service quality? (selected services only)



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?



Between 2014–15 and 2017–18, Mildura Rural City Council reported an average **adjusted underlying result** of 7 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 302 per cent between 2014–15 and 2017–18.

The changes in the **indebtedness ratio** were primarily due to changes in provisions.

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.