

Wangaratta 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>.



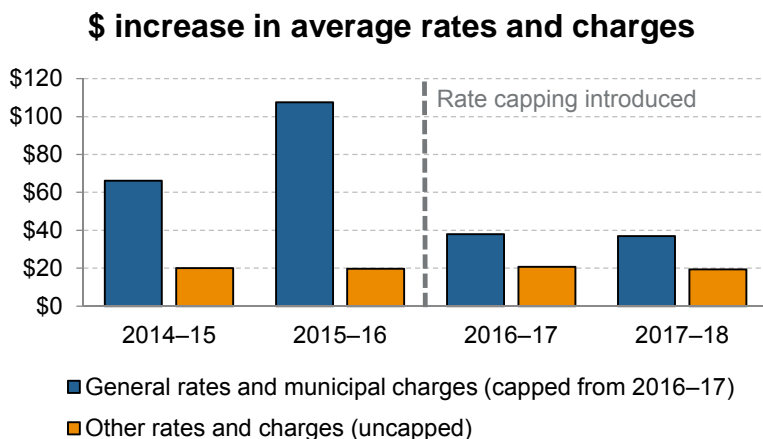
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Key facts

Population:	28,857
Size (km ²):	3,645
Length of local roads (km):	1,962
Population per km of roads:	14.7
Council employees (FTE, 2017–18):	269
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	\$1,866	n/a
2016–17	\$1,925	2.50%
2017–18	\$1,981	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.

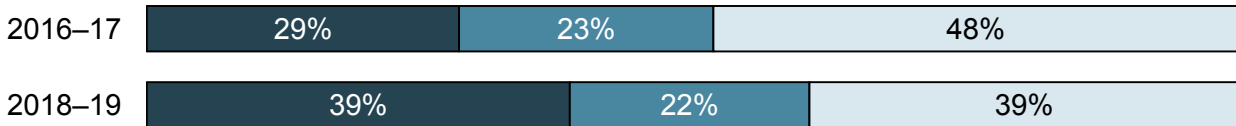
Have council's average rates complied with the applicable rate caps?

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).

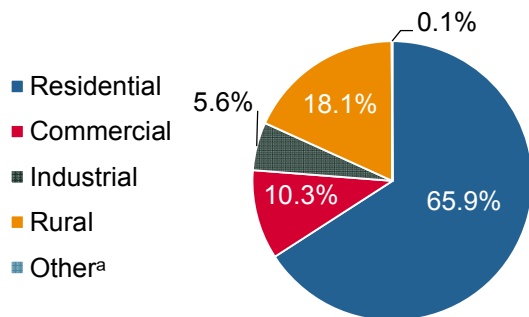


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

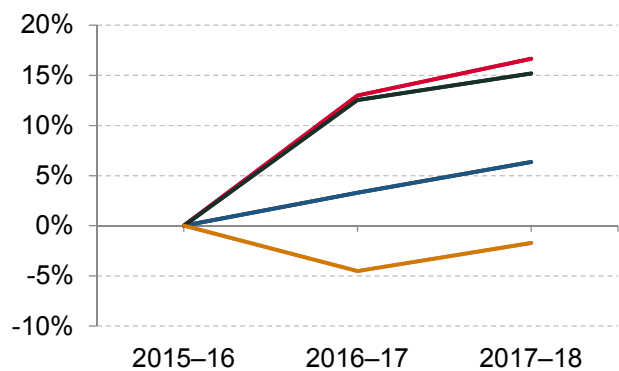
Ratepayers by property class

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 Wangaratta 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 \$1,866 to \$1,981 (6.2 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?

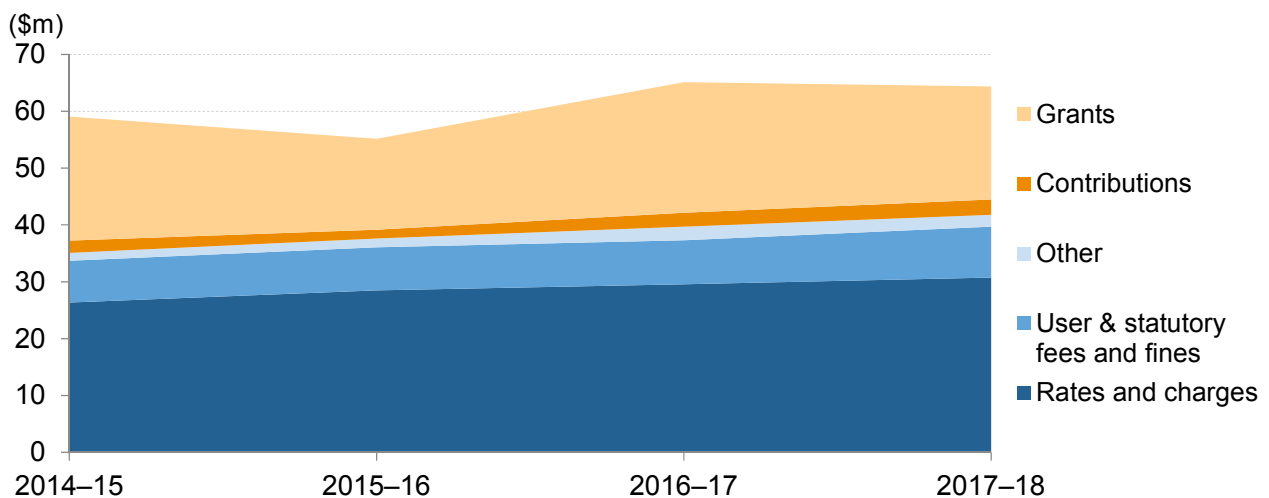
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	27.4	48	30.2	47
Grants	18.9	33	21.4	33
User fees and statutory fees and fines	7.4	13	8.3	13
Contributions	1.8	3	2.6	4
Other	1.5	3	2.2	3
Total	57.1	100	64.7	100

Wangaratta 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 proportions of council's revenue from each source remained relatively stable after the introduction of rate capping.

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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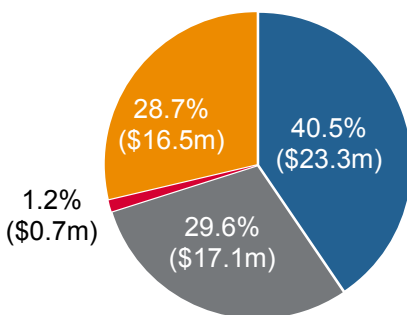
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$40.5m	\$14.1m	\$1,452	\$506
2015–16	\$41.7m	\$18.9m	\$1,482	\$673
2016–17	\$44.6m	\$9.6m	\$1,559	\$334
2017–18	\$41.6m	\$12.3m	\$1,442	\$427

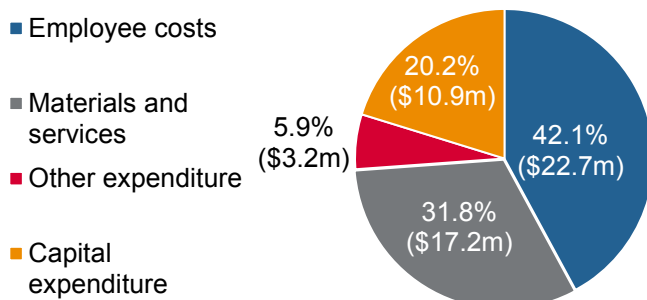
Wangaratta Rural City Council's operating expenses have fluctuated in recent years, with a spike in 2016–17 caused by adjustments relating to landfill sites. Capital expenditure has also fluctuated over the same period, reflecting changes in spending on asset renewal and new assets.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

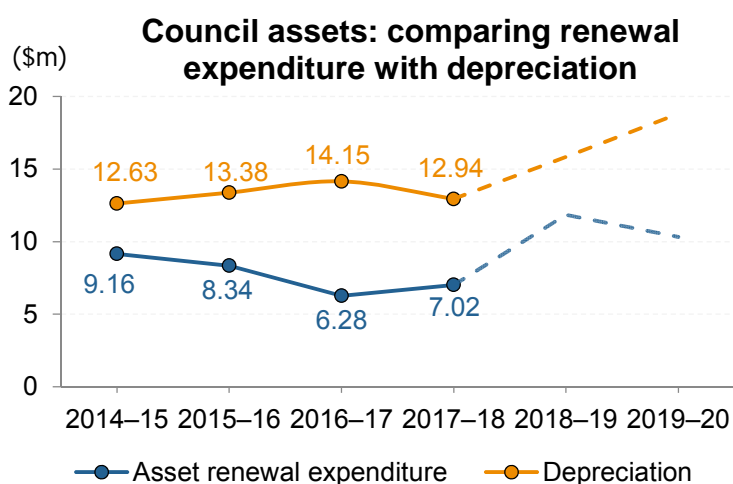


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Wangaratta Rural City Council's expenditure, reflecting a reduction in average capital expenditure and an increase in average 'other' expenditure in the two years after rate capping was introduced. Employee costs increased as a proportion of total expenditure, despite decreasing 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	73
2015-16	62
2016-17	44
2017-18	54
2018-19	75 (forecast data)
2019-20	55 (forecast data)

Wangaratta Rural City Council's spending on the renewal of its assets has fluctuated in recent years, but remains 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, however remaining below 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	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 and new assets in the two years after rate capping was introduced has decreased. Average spending on upgrade projects remained at a similar level (despite fluctuating year on year).
	\$m	% of total	\$m	% of total	
Renewal	8.8	53	6.6	61	
New	5.6	34	2.1	19	
Upgrade	2.1	13	2.2	20	
Expansion	0.0	0	0.0	0	
Total	16.5	100	10.9	100	

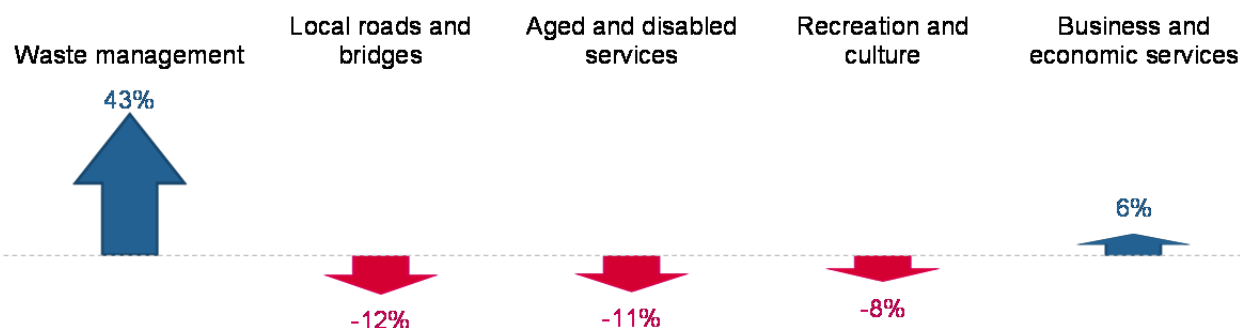
Services

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

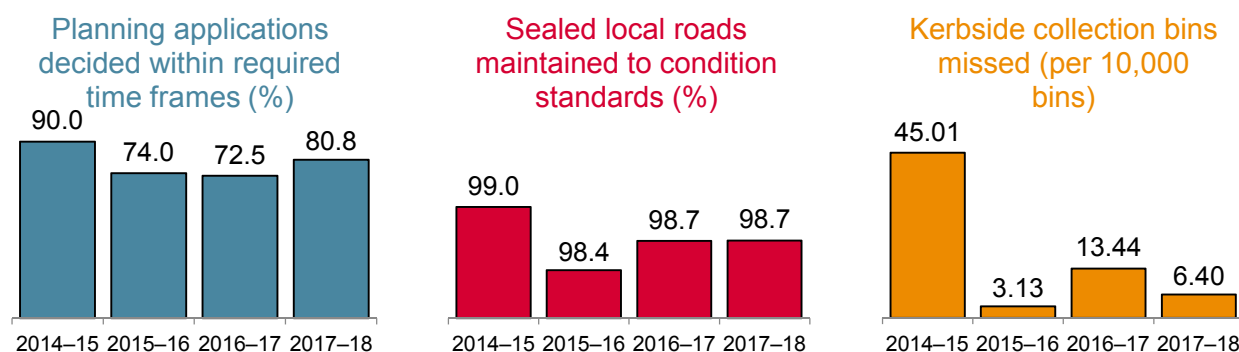
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	458	23.8	487	25.0
Local roads and bridges	395	20.5	350	18.0
Waste management	191	9.9	273	14.0
Recreation and culture	273	14.1	251	12.9
Aged and disabled services	220	11.4	196	10.1
Business and economic services	125	6.5	133	6.8
Family and community services	134	6.9	127	6.5
Environment	73	3.8	71	3.7
Traffic and street management	59	3.0	59	3.0
Other	0	0.0	0	0.0

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.

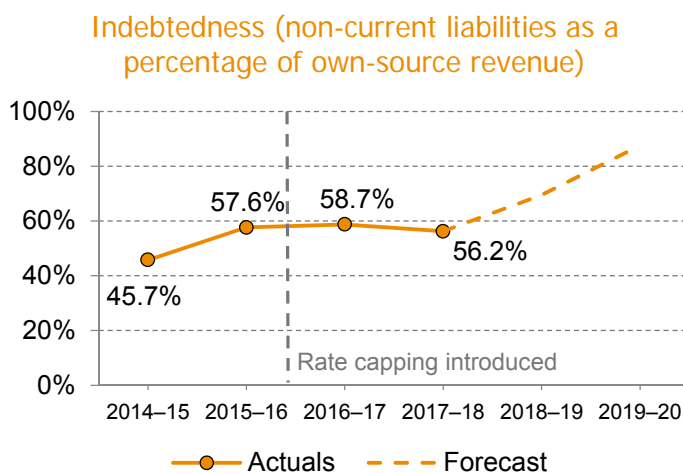
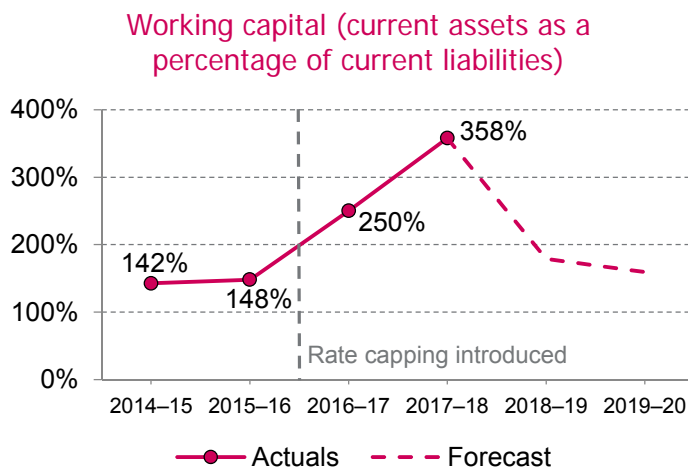
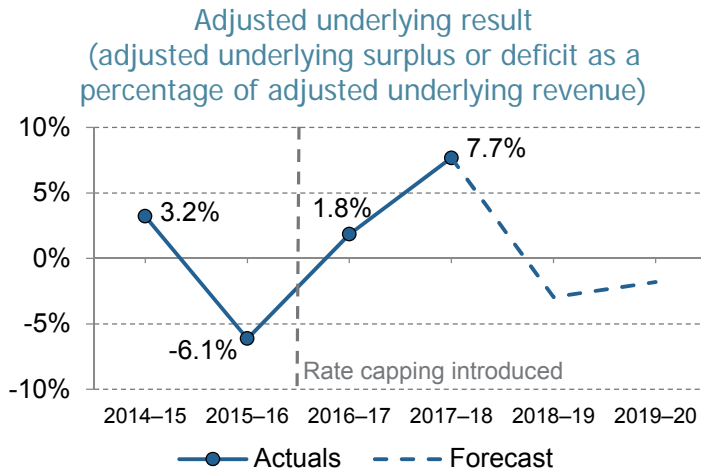
Has there been a change in service quality? (selected services only)



Financial position

See the reader's guide for data sources and useful information.
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Is council operating sustainably?



Between 2014–15 and 2017–18, Wangaratta Rural City Council reported an average **adjusted underlying result** of 1.7 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 225 per cent between 2014–15 and 2017–18.

The **indebtedness ratio** increased in 2015-16 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.