

Whitehorse 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>.



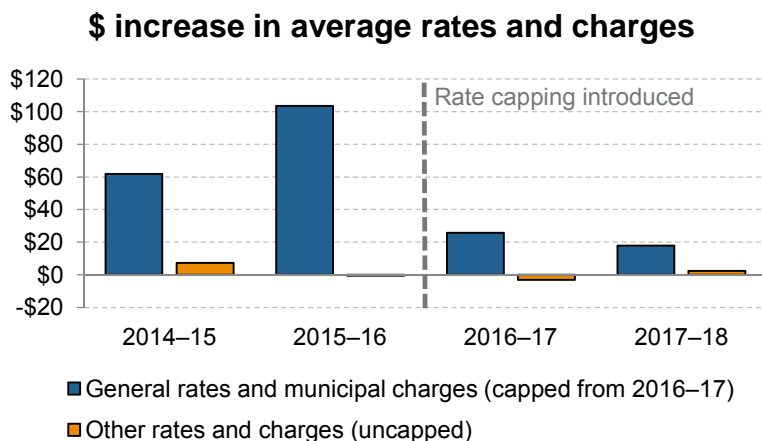
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Key facts

Population:	173,233
Size (km ²):	64.3
Length of local roads (km):	633
Population per km of roads:	273
Council employees (FTE, 2017–18):	729
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	\$1,379	n/a
2015–16	\$1,482	n/a
2016–17	\$1,504	2.50%
2017–18	\$1,525	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.

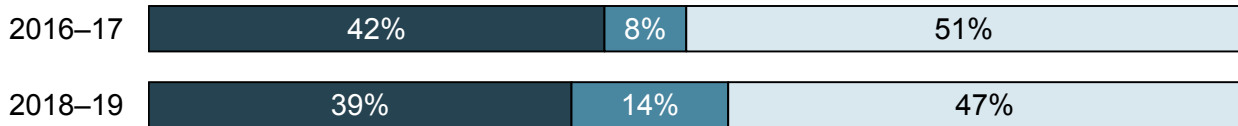
Have council's average rates complied with the applicable rate caps?

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).

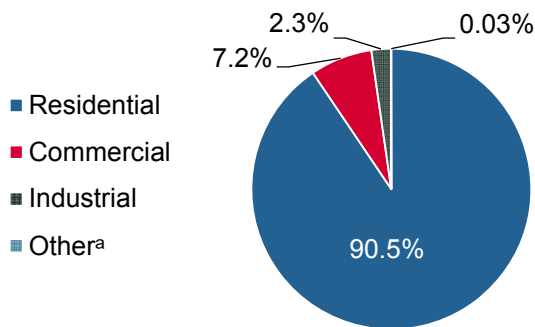


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

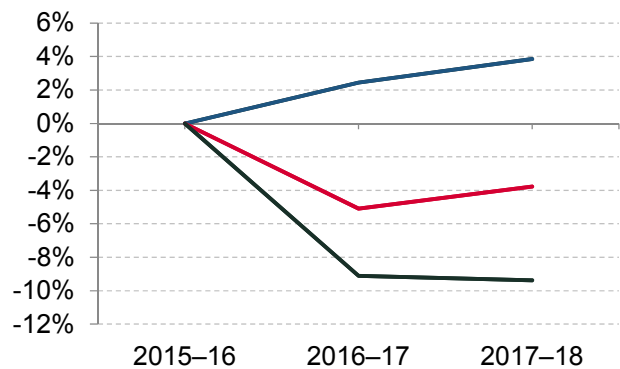
Ratepayers by property class

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 Whitehorse City Council's rates and charges. This group of ratepayers, on average, experienced a 3.9 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 \$1,482 to \$1,525 (2.9 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?

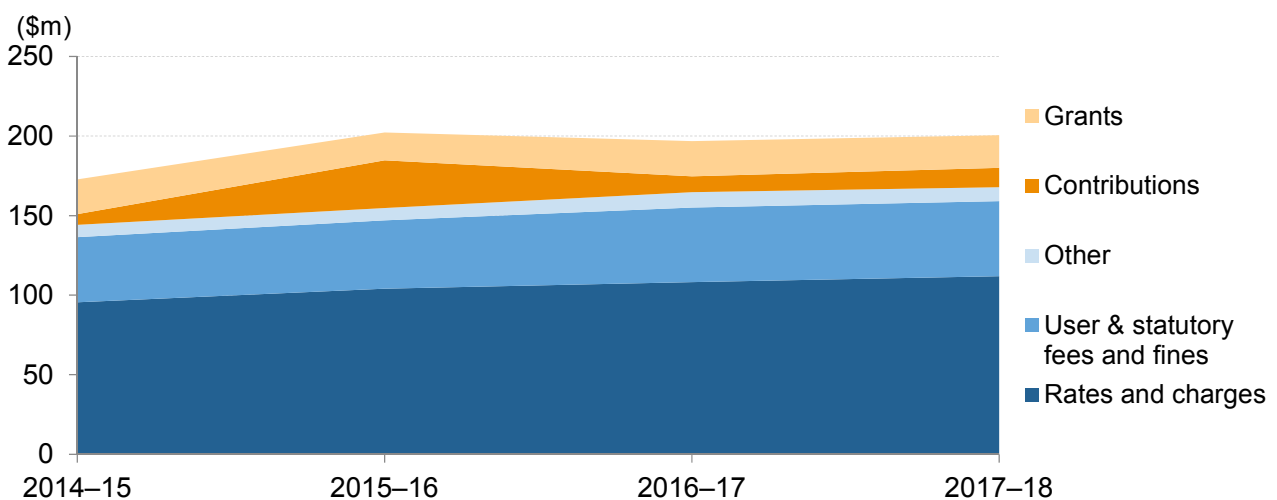
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	99.8	53	110.1	55
Grants	19.7	10	21.4	11
User fees and statutory fees and fines	41.9	22	47.0	24
Contributions	18.3	10	11.0	6
Other	7.8	4	9.2	5
Total	187.5	100	198.7	100

Whitehorse 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 changes in the composition of council's revenue reflect the decrease in the average revenue from contributions and the increases in the average revenue from rates and charges and user fees and statutory fees and fines 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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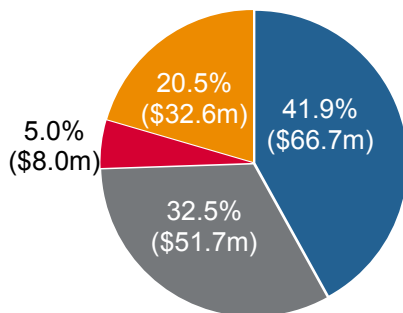
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$126.3m	\$27m	\$769	\$165
2015–16	\$126.6m	\$38.1m	\$759	\$229
2016–17	\$130.4m	\$34.7m	\$769	\$204
2017–18	\$137.7m	\$35.7m	\$795	\$206

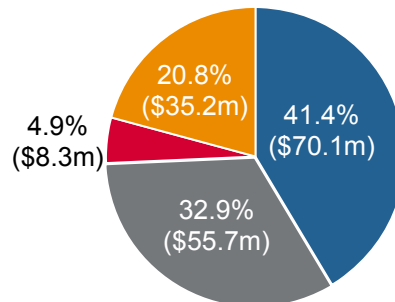
Whitehorse City Council's operating expenses have been trending upward over time, driven by increased employee costs and spending on materials and services. Capital expenditure has varied more over the same period, reflecting fluctuations in spending on asset renewal and new assets.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping



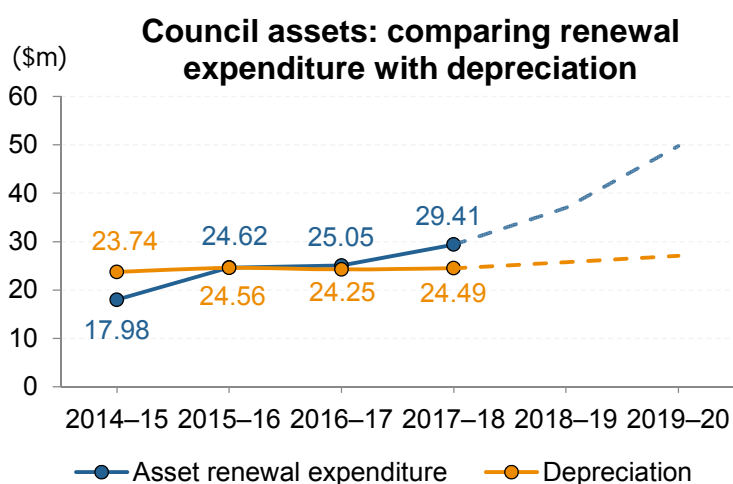
Average expenditure by category in the 2 years after rate capping



- Employee costs
- Materials and services
- Other expenditure
- Capital expenditure

There was a change in the composition of Whitehorse City Council's expenditure, reflecting proportionally higher increases in average spending on materials and services and capital expenditure in the two years after rate capping was introduced. Employee costs and 'other' expenditure 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	76
2015-16	100
2016-17	103
2017-18	120
2018-19	144 (forecast data)
2019-20	184 (forecast data)

Whitehorse City Council's spending on the renewal of its assets has fluctuated over time, although trending upward in recent years and increasing to around, or above, the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to continue this upward trend in 2018-19 and 2019-20, increasing further 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 expansion projects also increased, while average spending on upgrade and new assets decreased.
	\$m	% of total	\$m	% of total	
Renewal	21.3	65	27.2	77	
New	7.8	24	3.2	9	
Upgrade	2.5	8	1.6	5	
Expansion	1.0	3	3.1	9	
Total	32.6	100	35.1	100	

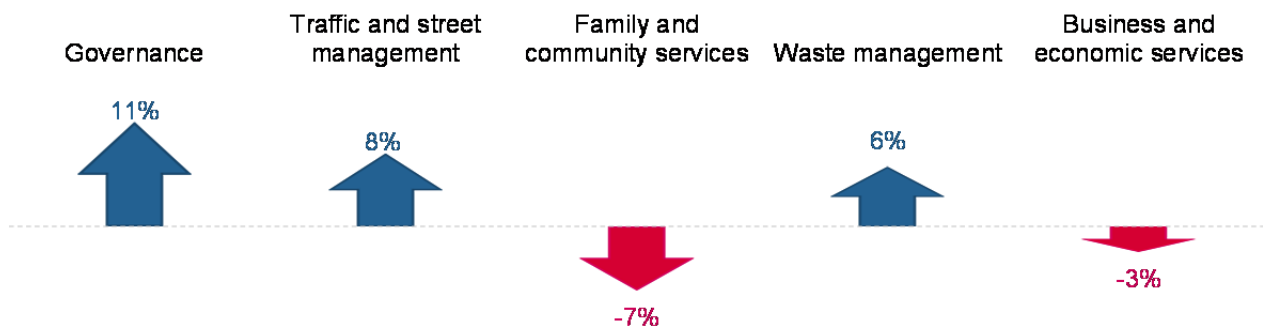
Services

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

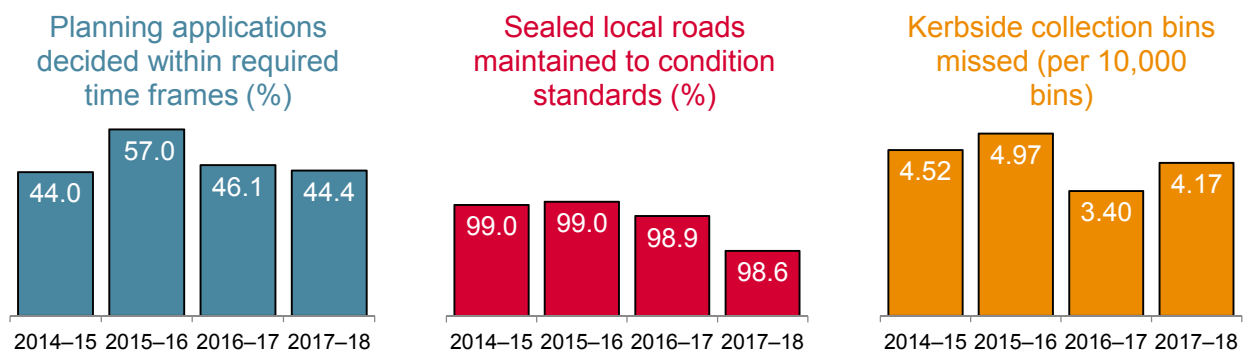
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	260	28.7	259	28.1
Governance	116	12.8	129	14.0
Waste management	117	12.9	125	13.5
Aged and disabled services	106	11.6	103	11.2
Traffic and street management	92	10.2	100	10.8
Family and community services	100	11.0	93	10.1
Business and economic services	59	6.5	58	6.3
Local roads and bridges	35	3.9	34	3.7
Environment	22	2.4	22	2.4
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)

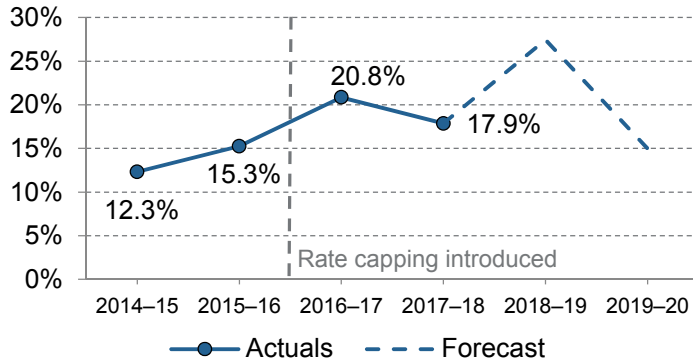


Financial position

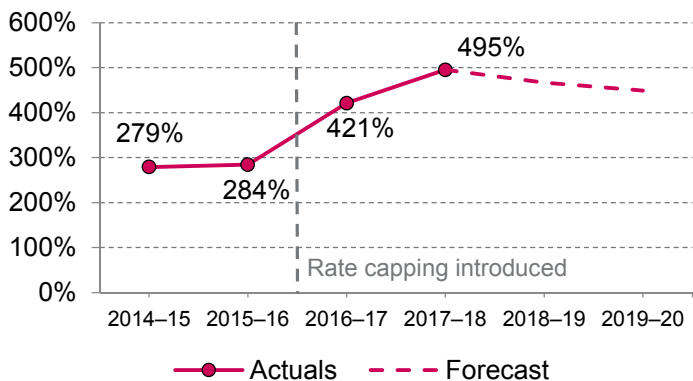
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Is council operating sustainably?

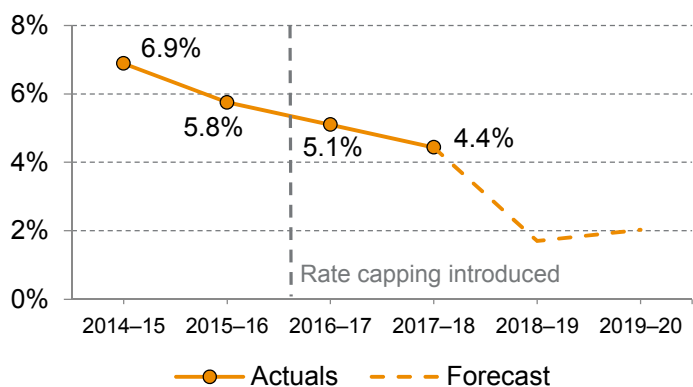
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Whitehorse City Council reported an average **adjusted underlying result** of 16.6 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 370 per cent between 2014–15 and 2017–18. The increase in working capital relates to council building cash reserves to fund future capital works.

The falling **indebtedness ratio** reflects council repaying some of its borrowings.

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.