

Wyndham City Council

Group: Interface

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 interface councils. 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>.



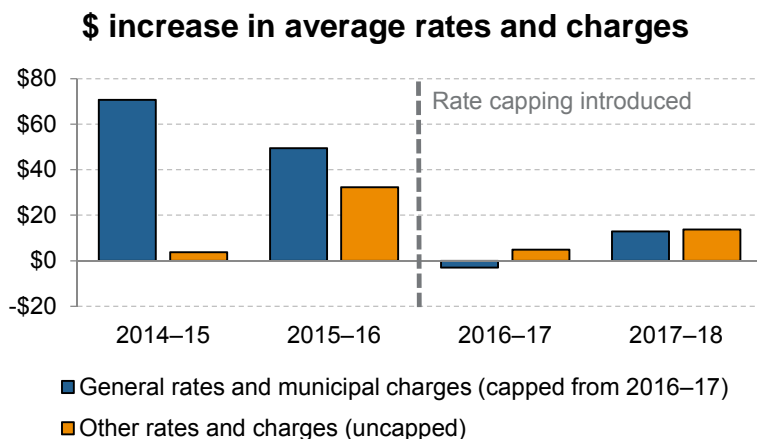
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Key facts

Population:	241,100
Size (km ²):	542
Length of local roads (km):	1,516
Population per km of roads:	159
Council employees (FTE, 2017–18):	1,341
Submitted an application for a higher cap for 2016–17 or 2017–18?	Yes (see table below)

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2014–15	\$1,855	n/a
2015–16	\$1,936	n/a
2016–17	\$1,938	2.50% ^a
2017–18	\$1,965	2.00%

^a Council applied for a higher cap of 4.50% but was unsuccessful.

Rates (continued)

See the reader's guide for data sources and useful information.
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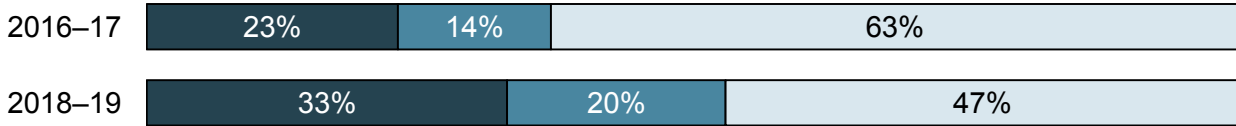
Have council's average rates complied with the applicable rate caps?

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).

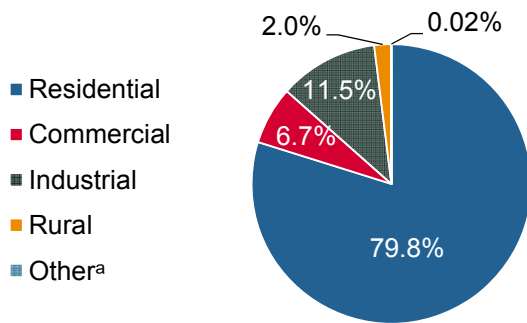


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

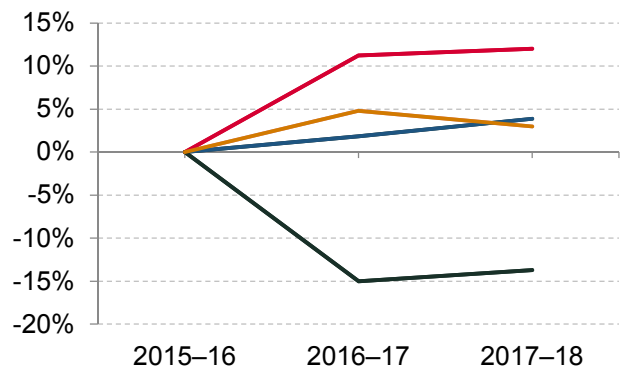
Ratepayers by property class

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 Wyndham 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 \$1,936 to \$1,965 (1.5 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?

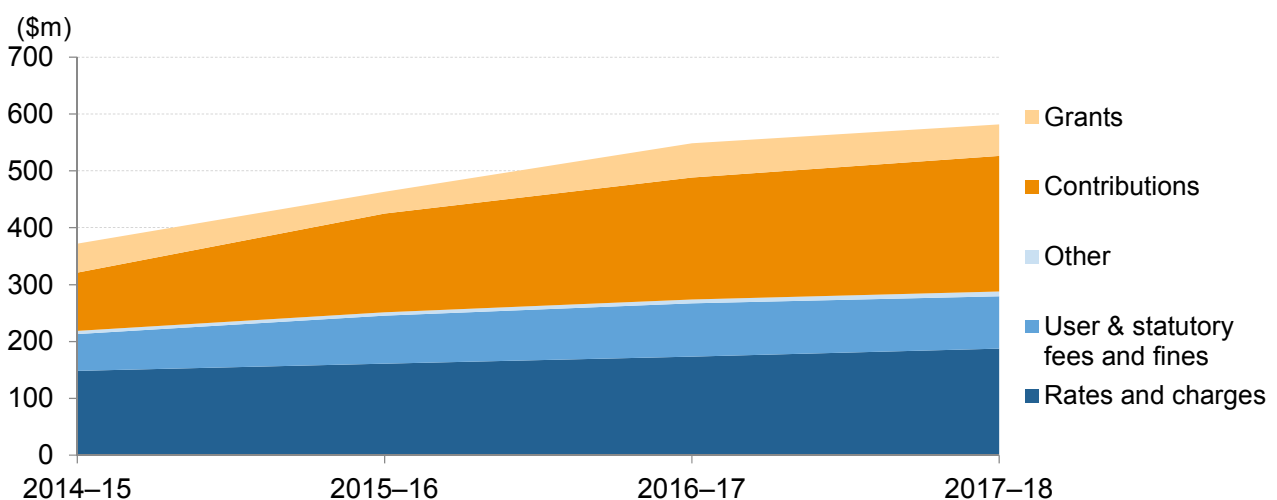
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	154.6	37	180.3	32
Grants	44.6	11	57.8	10
User fees and statutory fees and fines	74.5	18	92.9	16
Contributions	138.1	33	226.7	40
Other	5.7	1	7.5	1
Total	417.7	100	565.3	100

Wyndham 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 revenue were the decrease in the proportion of revenue from rates and charges and the increase in the proportion of revenue from contributions 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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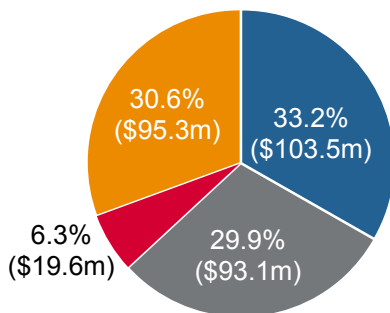
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$211.6m	\$110.3m	\$1,050	\$547
2015–16	\$220.8m	\$80.4m	\$1,033	\$376
2016–17	\$228.6m	\$82.2m	\$1,007	\$362
2017–18	\$270.7m	\$93.2m	\$1,123	\$386

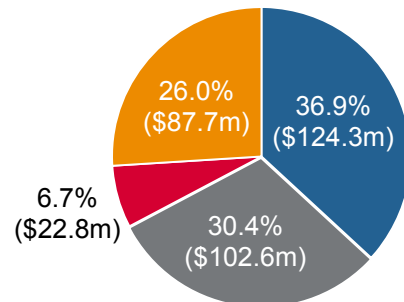
Wyndham City Council's operating expenses have been trending upward over time, with a jump in 2017–18 caused by an increase in employee costs and a \$30.1 million adjustment for road and bridge assets transferred to VicRoads. Capital expenditure has fluctuated over the same period, reflecting changes in spending on asset renewal and other capital works.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping



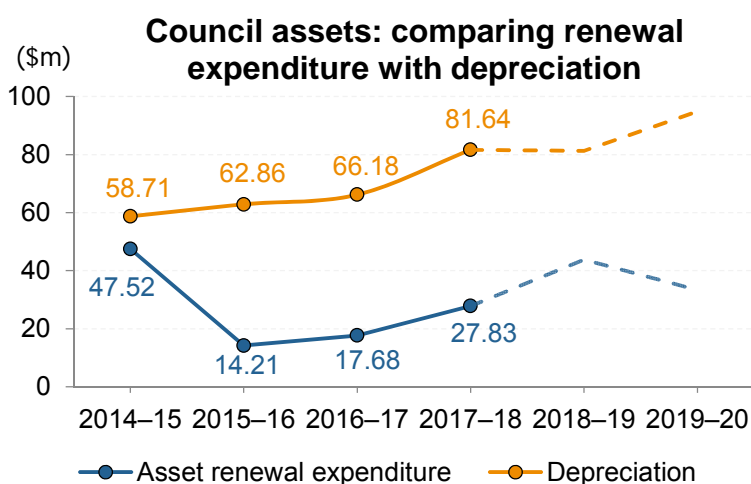
Average expenditure by category in the 2 years after rate capping



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

There was a change in the composition of Wyndham City Council's expenditure, reflecting an increase in average employee costs, as well as spending on materials and services and 'other' expenditure, and a decrease in average capital expenditure in the two years after rate capping was introduced.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	81
2015-16	23
2016-17	27
2017-18	34
2018-19	54 (forecast data)
2019-20	35 (forecast data)

Wyndham City Council's spending on the renewal of its assets has trended upward in recent years following a drop in 2015-16, with renewal expenditure being 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, 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. However, councils with a growing population (typically interface councils) tend to have lower levels of asset renewal as a percentage of depreciation. Their capital works are generally focused on new asset, upgrade and expansion projects to service their growing communities, and because of this they tend to have a higher proportion of newer assets with less need for renewal in the short 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 upgrade projects in the two years after rate capping was introduced has decreased. Average spending on new assets and expansion projects increased.
	\$m	% of total	\$m	% of total	
Renewal	30.9	32	22.8	26	
New	30.0	31	38.2	44	
Upgrade	33.3	35	22.4	26	
Expansion	1.2	1	4.3	5	
Total	95.3	100	87.7	100	

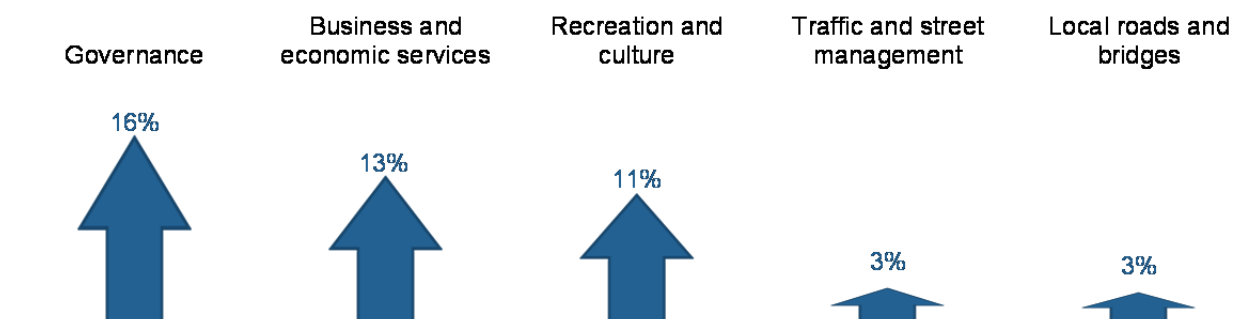
Services

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

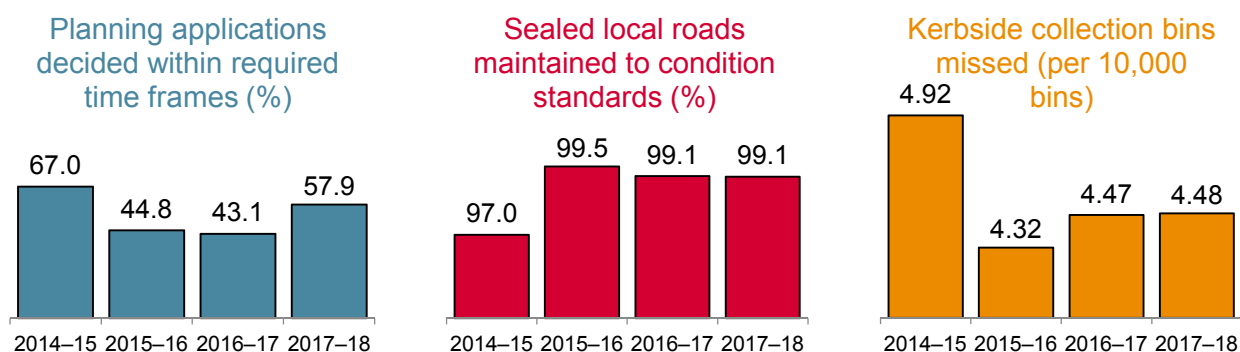
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Recreation and culture	263	20.5	292	22.0
Waste management	266	20.7	263	19.8
Local roads and bridges	213	16.6	219	16.5
Family and community services	150	11.7	147	11.1
Governance	114	8.9	132	9.9
Traffic and street management	78	6.1	80	6.0
Business and economic services	65	5.1	73	5.5
Environment	59	4.6	54	4.1
Aged and disabled services	62	4.8	52	3.9
Other	14	1.1	15	1.1

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.

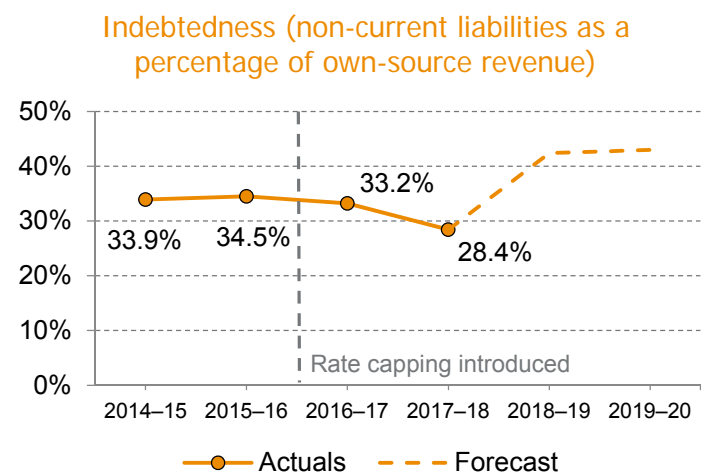
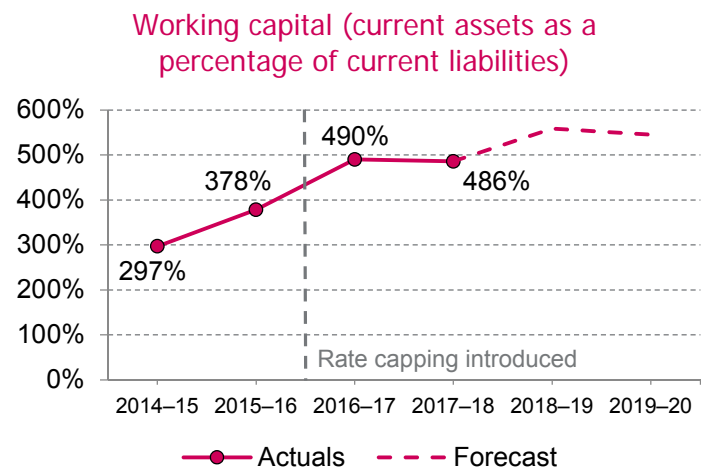
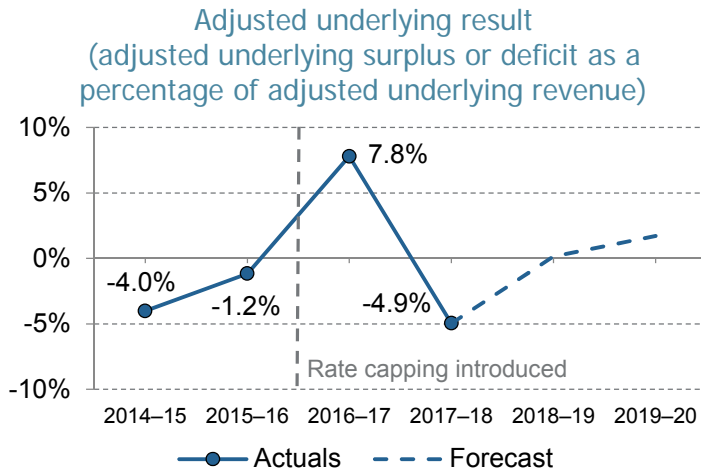
Has there been a change in service quality? (selected services only)



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, Wyndham City Council reported an average **adjusted underlying result** of -0.6 per cent. An ongoing negative result suggests that without the receipt of one-off grants or increases in ongoing revenue, the council may not have sufficient revenue to continue to fund the range and level of services it has been providing. The negative results in 2014–15 and 2017–18 related to the transfer of assets to VicRoads.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 413 per cent between 2014–15 and 2017–18.

Council has a relatively stable **indebtedness ratio**.

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.