

Whitehorse 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.



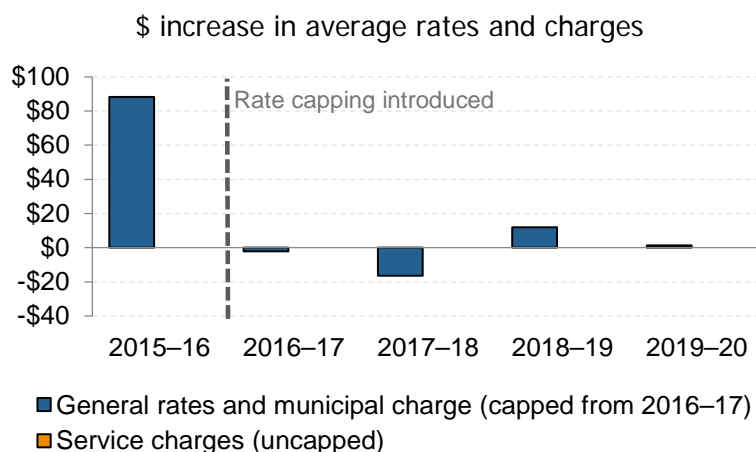
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Key facts

Population (June 2019):	178,739
Size (km ²):	64
Length of local roads (km):	637
Population per km of roads:	281
Council employees (FTE, 2019–20):	803
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	\$1,575	n/a
2016–17	\$1,572	2.50%
2017–18	\$1,556	2.00%
2018–19	\$1,568	2.25%
2019–20	\$1,569	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

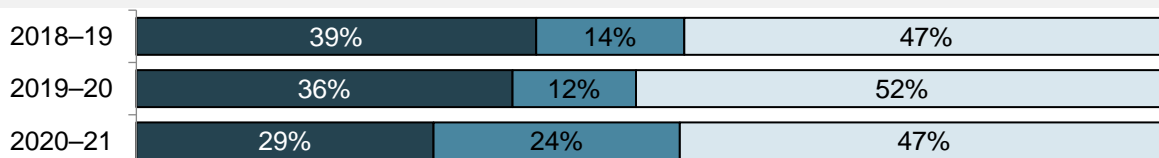
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 2 differential rates (for different types of property). 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).



- % 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
	\$107m (89%) of rates and charges revenue in 2019–20	\$9.8m (8%) of rates and charges revenue in 2019–20	\$3m (2%) of rates and charges revenue in 2019–20	\$0m (0%) of rates and charges revenue in 2019–20
	-0.2% average annual increase between 2015–16 and 2019–20	1.5% average annual increase between 2015–16 and 2019–20	-1.9% 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?

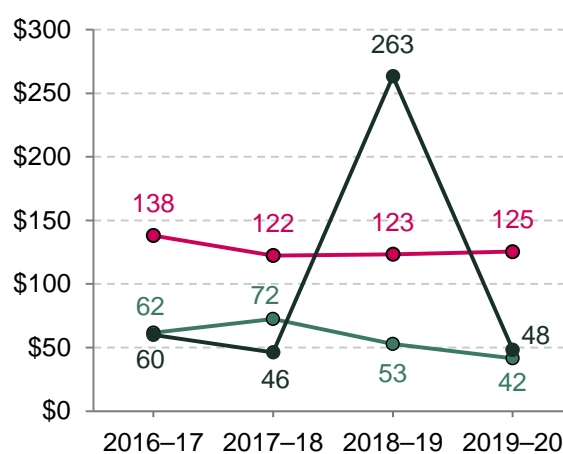
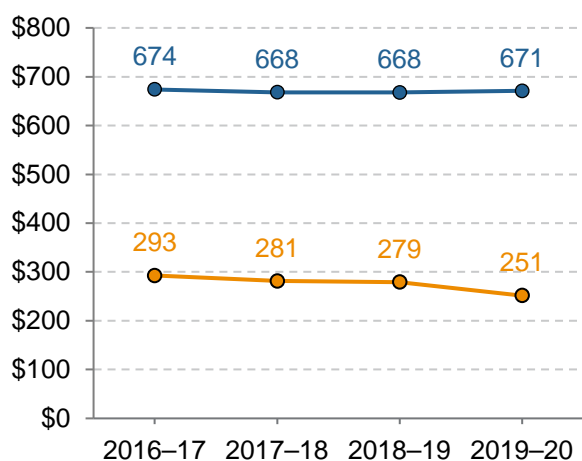
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	114.4	(55%)	115.8	(56%)	117.8	(48%)	120.0	(59%)
User fees and statutory fees and fines	49.6	(24%)	48.8	(24%)	49.2	(20%)	44.9	(22%)
Grants	23.4	(11%)	21.2	(10%)	21.7	(9%)	22.4	(11%)
Contributions	10.5	(5%)	12.5	(6%)	9.3	(4%)	7.4	(4%)
Other	10.2	(5%)	8.0	(4%)	46.4	(19%)	8.6	(4%)
Total	208.1		206.3		244.4		203.4	

In real terms, Whitehorse City Council's total revenue was relatively stable between 2016–17 and 2019–20, except for an increase in 2018–19 when council sold some of its property (reflected in an increase in 'other' revenue). In 2019–20, council's revenue from user fees and statutory fees and fines decreased in real terms due to the closure of leisure facilities during the coronavirus pandemic.

Rates and charges was the largest source of council's revenue, accounting for between 48 and 59 per cent of total revenue between 2016–17 and 2019–20.

Revenue per person (2019–20 dollars)



- Rates and charges
- User fees and statutory fees and fines
- Grants
- Contributions
- Other

In terms of revenue per person (which adjusts for population growth), council's revenue from user fees and statutory fees and fines trended downwards in real terms between 2016–17 and 2019–20, while revenue from rates and charges remained relatively stable. Council's 'other' revenue per person peaked in real terms in 2018–19.

Expenditure



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

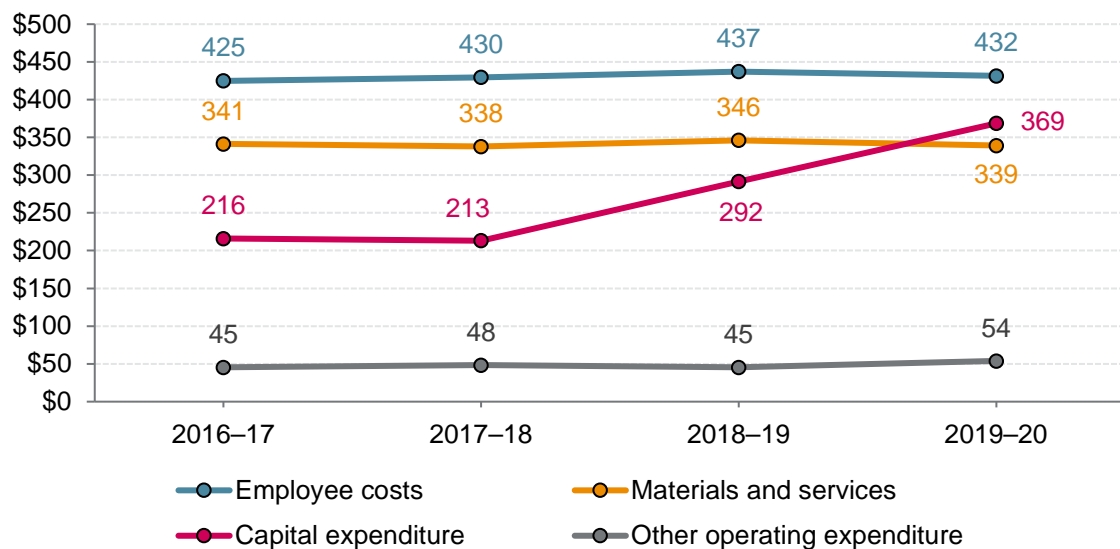
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	137.7	(79%)	141.4	(79%)	146.1	(74%)	147.4	(69%)
Employee costs	72.1	(41%)	74.5	(42%)	77.1	(39%)	77.2	(36%)
Materials and services	57.9	(33%)	58.6	(33%)	61.0	(31%)	60.6	(28%)
Other operating expenditure	7.7	(4%)	8.4	(5%)	8.0	(4%)	9.6	(5%)
Capital expenditure	36.7	(21%)	37.0	(21%)	51.4	(26%)	65.9	(31%)
Total	174.3		178.4		197.5		213.3	

In real terms, Whitehorse City Council's total expenditure increased between 2016–17 and 2019–20, reflecting increases in all areas of expenditure, particularly capital expenditure in 2018–19 and 2019–20.

Employee costs was council's largest area of expenditure, accounting for 39 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), capital expenditure trended upwards, while employee costs and expenditure on materials and services remained relatively stable.



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)

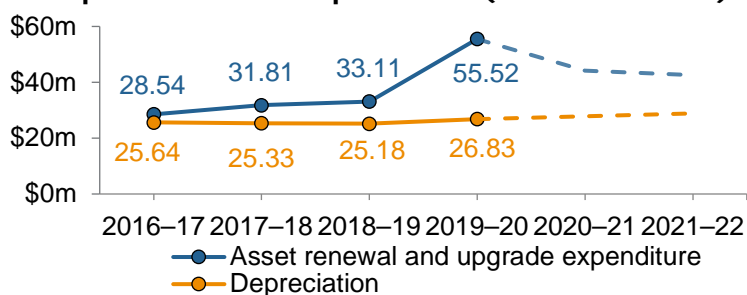
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	26.5	(72%)	30.4	(82%)	28.8	(56%)	47.0	(71%)
Upgrade	2.0	(6%)	1.4	(4%)	4.3	(8%)	8.5	(13%)
Expansion	2.7	(7%)	3.8	(10%)	1.3	(3%)	5.1	(8%)
New	5.4	(15%)	1.4	(4%)	17.0	(33%)	5.3	(8%)
Total	36.7		37.0		51.4		65.9	

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

Asset renewal remained the highest share of capital expenditure between 2016–17 and 2019–20 (retaining a 56 per cent share in 2018–19 despite the spike in spending on new assets).

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

Council assets: comparing renewal and upgrade expenditure with depreciation (2019-20 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	111%
2017–18	126%
2018–19	131%
2019–20	207%
2020–21	159% (forecast data)
2021–22	147% (forecast data)

Council's spending on the renewal and upgrade of its assets trended upwards in real terms between 2016–17 and 2019–20, with a jump in this spending in 2019–20.

Renewal and upgrade expenditure remained above the amount of depreciation (the decline in value of council's assets caused by age and use) and was forecast to remain above 100 per cent of depreciation in 2020–21 and 2021–22 (despite spending on renewal and upgrades decreasing in real terms).

Services



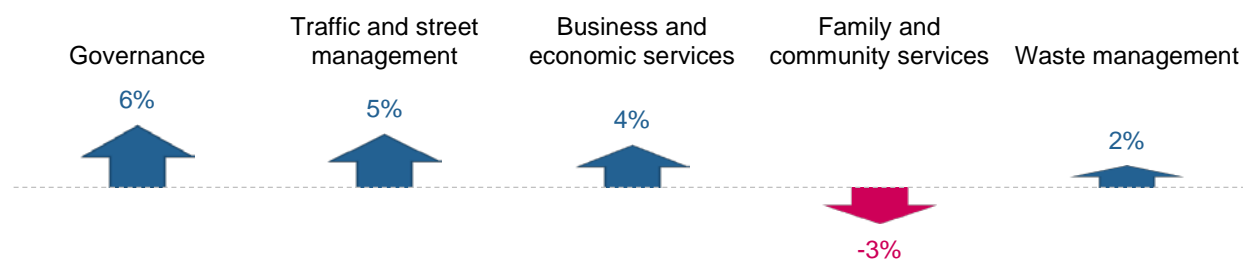
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Which service areas is council spending its money in?

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

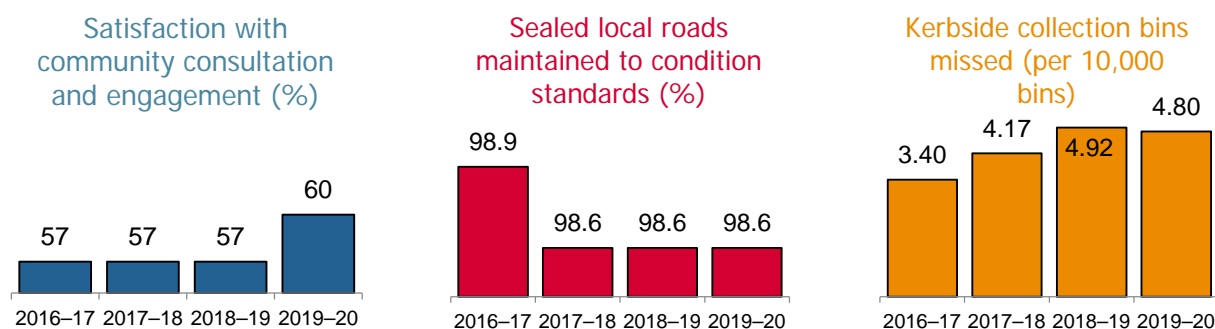
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	18.4	(11%)	18.5	(11%)	19.2	(11%)	19.6	(11%)
Business and economic services	10.0	(6%)	10.7	(6%)	11.1	(6%)	11.3	(6%)
Environment	3.9	(2%)	4.1	(2%)	4.2	(2%)	5.0	(3%)
Family and community services	17.0	(10%)	16.3	(10%)	15.8	(9%)	15.3	(9%)
Governance	22.2	(14%)	23.9	(14%)	26.2	(15%)	26.6	(15%)
Local roads and bridges	6.4	(4%)	5.9	(4%)	6.7	(4%)	7.1	(4%)
Recreation and culture	45.8	(28%)	47.2	(28%)	47.2	(27%)	45.8	(26%)
Traffic and street management	17.9	(11%)	17.8	(11%)	18.3	(11%)	20.9	(12%)
Waste management	22.3	(14%)	22.4	(13%)	23.0	(13%)	23.8	(14%)
Other	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
Total	164.0		166.8		171.6		175.4	

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?



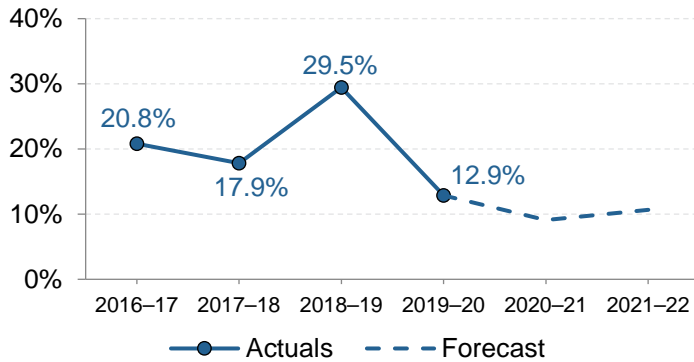
Financial position



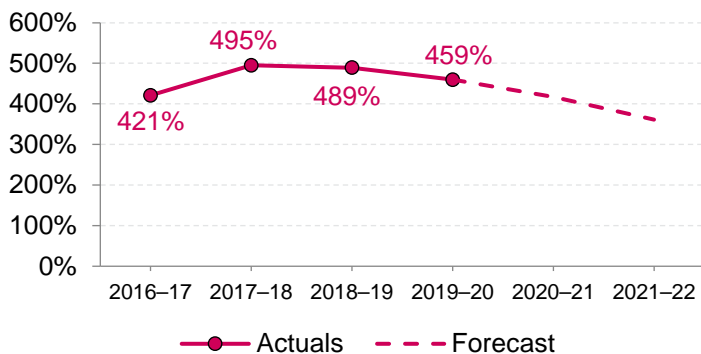
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Is council operating sustainably?

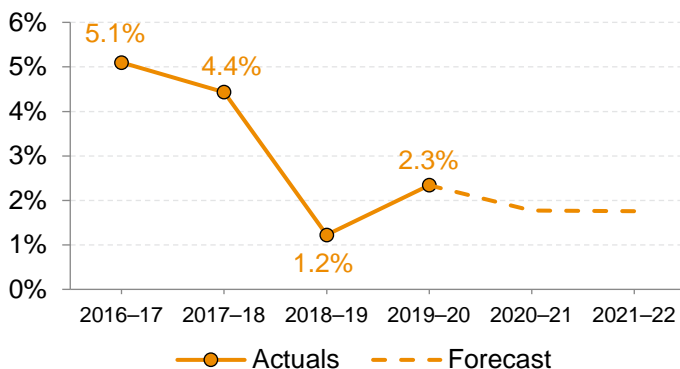
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Whitehorse City Council reported an average **adjusted underlying result** of 20.3 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. In 2018–19, the increase reflects revenue from the sale of a property.

Council could meet its current financial obligations with a reported average **working capital ratio** of 466 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 3.3 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. The reduction in 2018–19 reflects movement of a long-term loan into current liabilities.

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.