

Wodonga 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>.

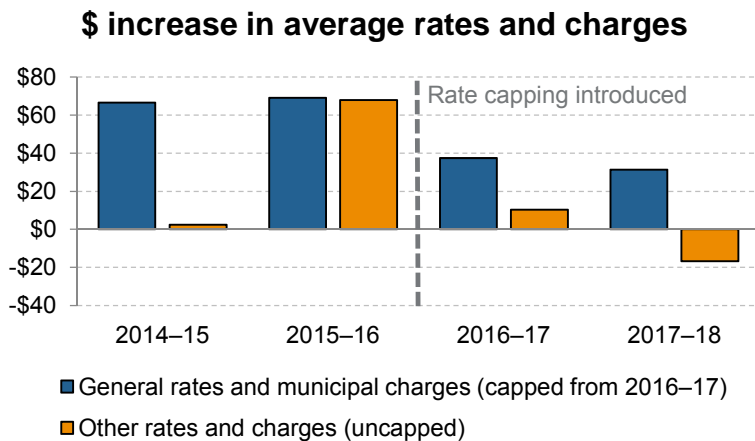


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Key facts	
Population:	40,819
Size (km ²):	432
Length of local roads (km):	483
Population per km of roads:	84.5
Council employees (FTE, 2017–18):	257
Submitted an application for a higher cap for 2016–17 or 2017–18?	No

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2014–15	\$2,126	n/a
2015–16	\$2,263	n/a
2016–17	\$2,311	2.50%
2017–18	\$2,326	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.

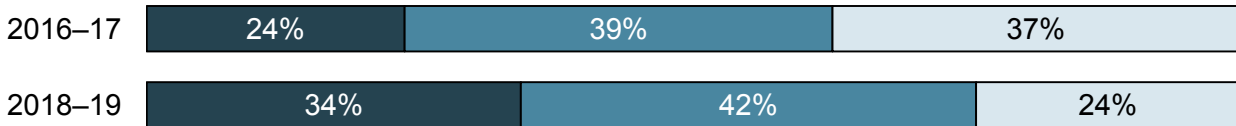
Have council's average rates complied with the applicable rate caps?

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).

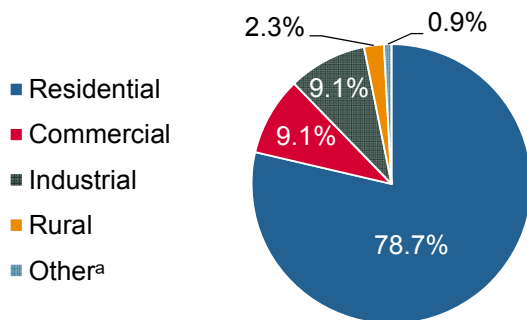


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

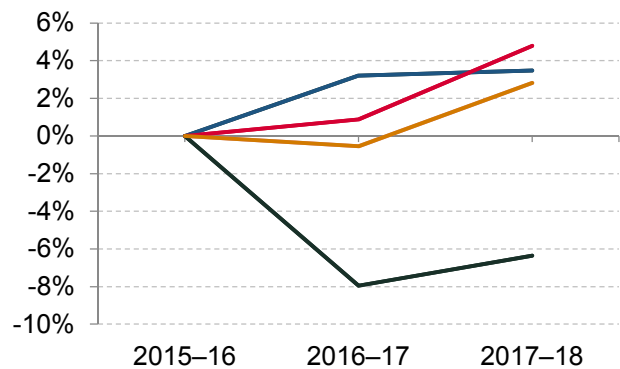
Ratepayers by property class

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 Wodonga City Council's rates and charges. This group of ratepayers, on average, experienced a 3.5 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 \$2,263 to \$2,326 (2.8 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?

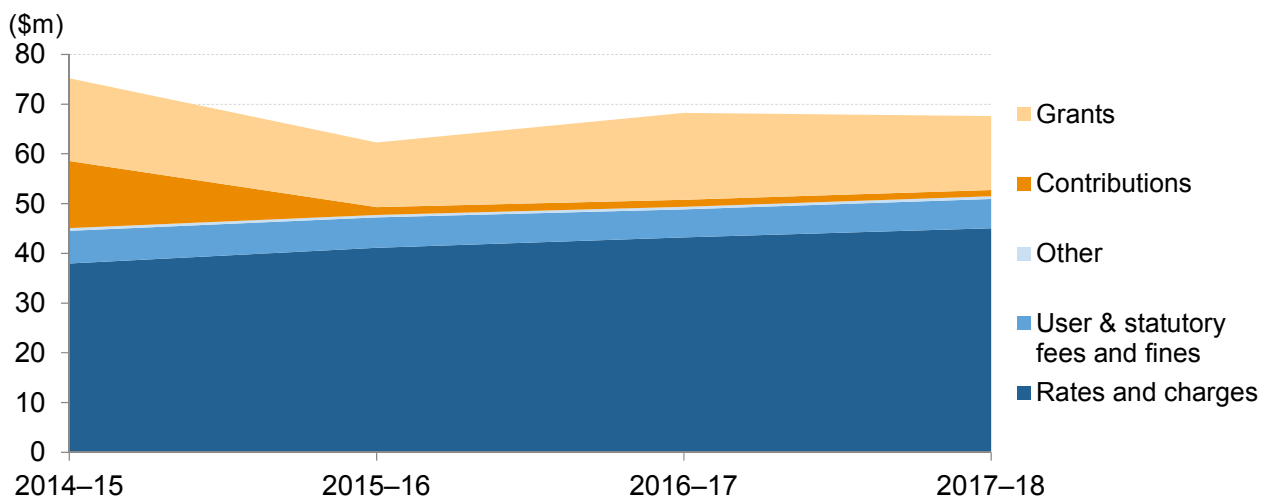
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	39.5	58	44.1	65
Grants	14.8	22	16.2	24
User fees and statutory fees and fines	6.3	9	5.8	8
Contributions	7.5	11	1.3	2
Other	0.5	1	0.5	1
Total	68.7	100	67.9	100

Wodonga City Council's average revenue from rates and charges and grants 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 average revenue from rates and charges and grants 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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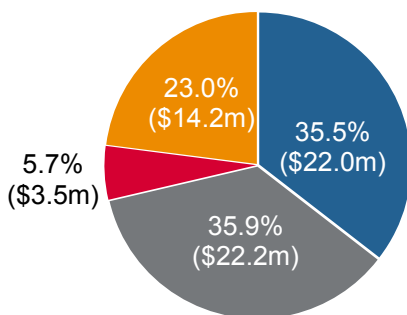
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$47m	\$18.1m	\$1,226	\$473
2015–16	\$48.4m	\$10.3m	\$1,235	\$263
2016–17	\$48.7m	\$11.2m	\$1,213	\$279
2017–18	\$47.5m	\$16.4m	\$1,164	\$401

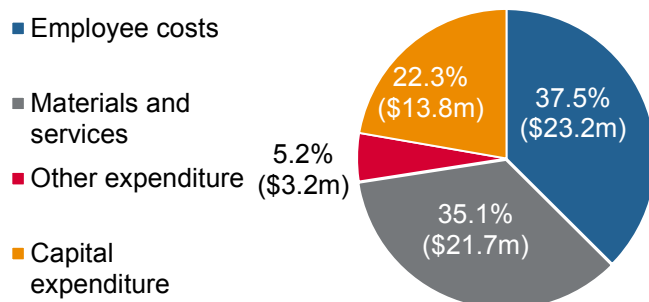
Wodonga City Council's operating expenses have trended upward over time, fluctuating in recent years due to spending on materials and services (particularly contract payments and building maintenance) and 'other' expenses (such as contributions towards infrastructure development). Capital expenditure also fluctuated over the same period, reflecting spending on new assets and asset upgrades.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

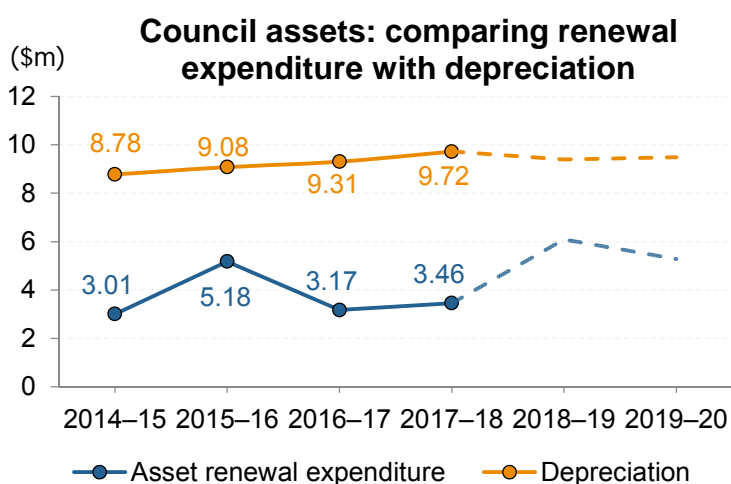


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Wodonga City Council's expenditure, reflecting an increase in average employee costs and reductions in average spending on materials and services, 'other' expenditure and 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	34
2015-16	57
2016-17	34
2017-18	36
2018-19	65 (forecast data)
2019-20	56 (forecast data)

Wodonga City Council's spending on the renewal of its assets has trended upward in recent years, with a spike in 2015-16, 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, while 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 increased.
	\$m	% of total	\$m	% of total	
Renewal	4.1	29	3.3	24	
New	7.8	55	4.1	30	
Upgrade	2.3	16	6.4	46	
Expansion	0.1	0	0.0	0	
Total	14.2	100	13.8	100	

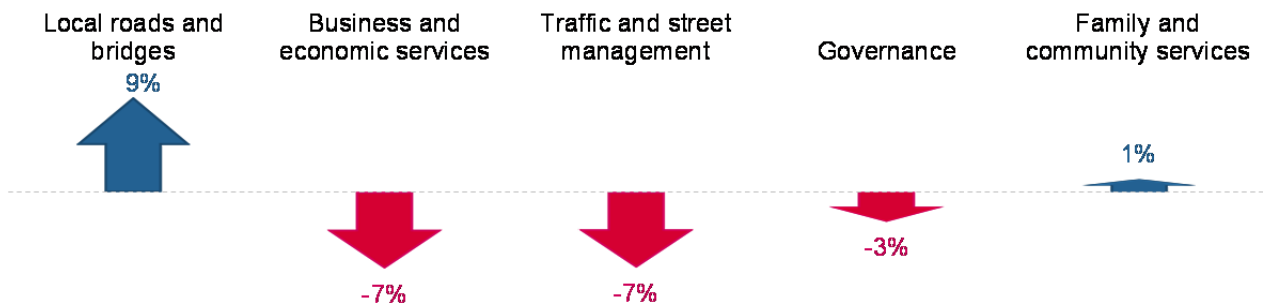
Services

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

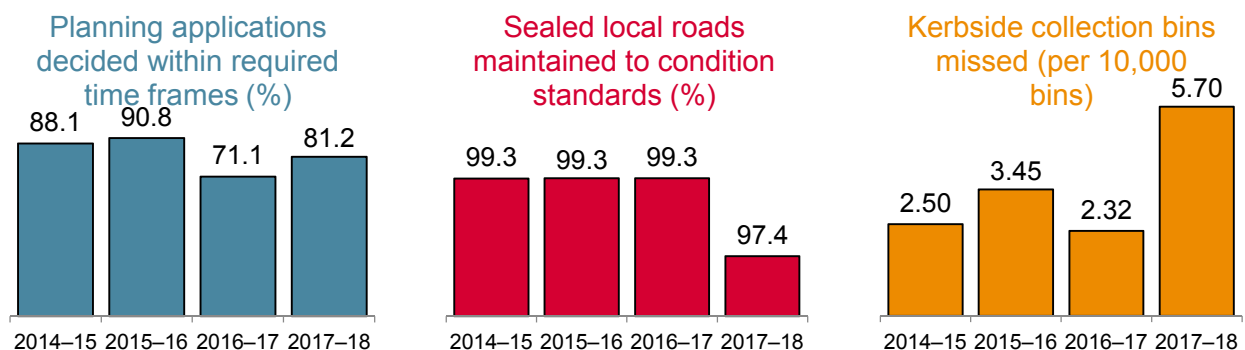
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	507	35.3	493	34.7
Recreation and culture	260	18.1	260	18.3
Local roads and bridges	146	10.2	159	11.2
Family and community services	144	10.1	146	10.3
Business and economic services	137	9.5	127	9.0
Waste management	120	8.3	118	8.3
Traffic and street management	75	5.2	70	4.9
Environment	45	3.2	49	3.5
Aged and disabled services	0	0.0	0	0.0
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)

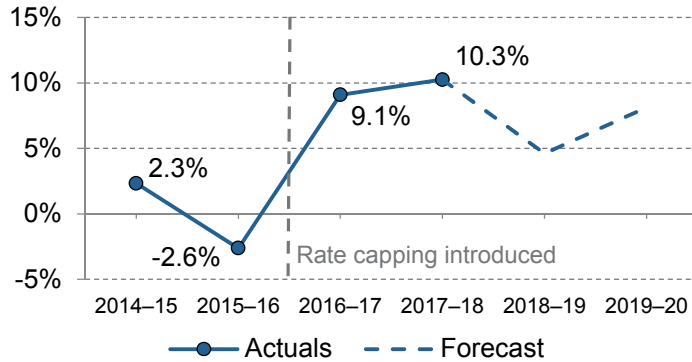


Financial position

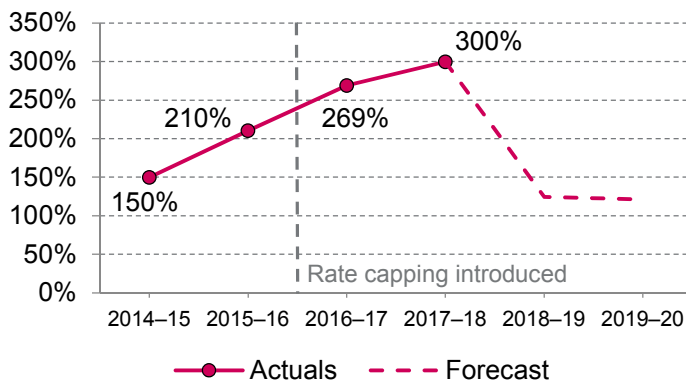
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Is council operating sustainably?

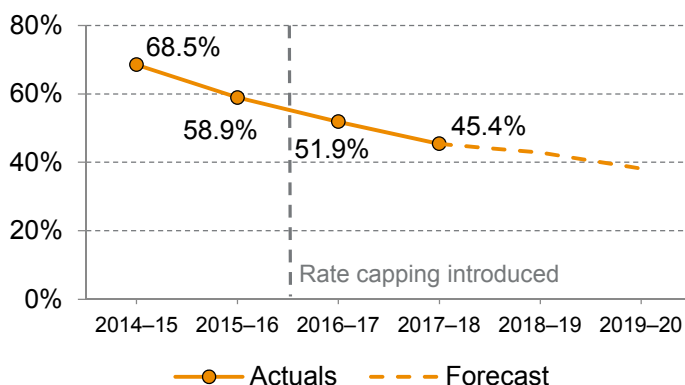
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Wodonga City Council reported an average **adjusted underlying result** of 4.8 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 232 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 increased revenue and the repayment of some 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.