

Whittlesea City Council

Group: interface

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 interface 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.



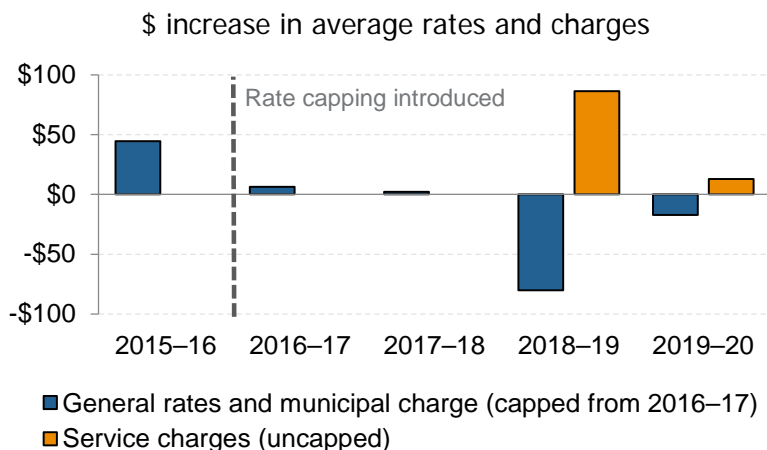
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Key facts

Population (June 2019):	230,238
Size (km ²):	490
Length of local roads (km):	1,308
Population per km of roads:	176
Council employees (FTE, 2019–20):	847
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	\$1,719	n/a
2016–17	\$1,725	2.50%
2017–18	\$1,727	2.00%
2018–19	\$1,734	2.25%
2019–20	\$1,729	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

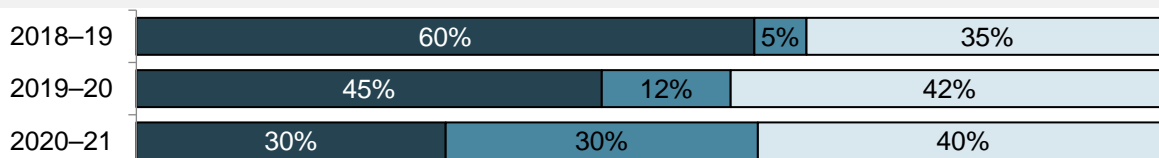
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 2 differential rates (for different types of property) and uses service charges to recover the cost of waste services. 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
	91% of ratepayers	3% of ratepayers	3% of ratepayers	2% of ratepayers
	\$133.3m (82%) of rates and charges revenue in 2019–20	\$15.7m (10%) of rates and charges revenue in 2019–20	\$11.3m (7%) of rates and charges revenue in 2019–20	\$1.7m (1%) of rates and charges revenue in 2019–20
	1.6% average annual increase between 2015–16 and 2019–20	-5.8% average annual increase between 2015–16 and 2019–20	-5.1% average annual increase between 2015–16 and 2019–20	15.7% 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?

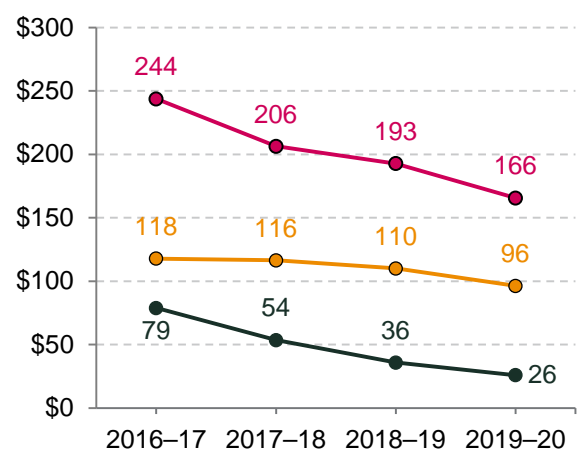
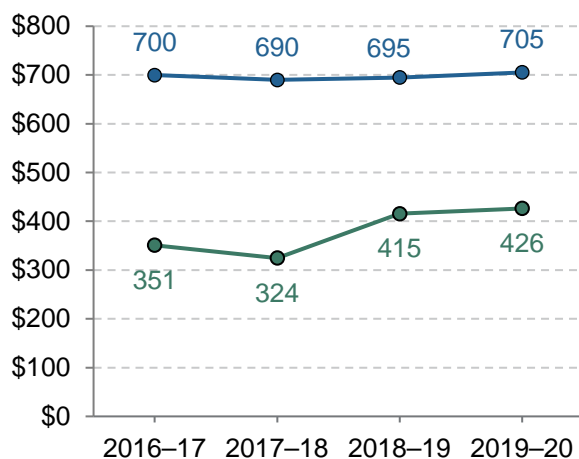
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	144.9	(47%)	148.7	(50%)	155.1	(48%)	162.4	(50%)
User fees and statutory fees and fines	24.4	(8%)	25.1	(8%)	24.6	(8%)	22.2	(7%)
Grants	50.5	(16%)	44.5	(15%)	43.1	(13%)	38.1	(12%)
Contributions	72.6	(24%)	70.0	(23%)	92.8	(29%)	98.1	(30%)
Other	16.3	(5%)	11.5	(4%)	8.0	(2%)	6.0	(2%)
Total	308.7		299.9		323.6		326.8	

In real terms, Whittlesea City Council's total revenue increased between 2016–17 and 2019–20, reflecting increases in revenue from rates and charges, and contributions (from higher levels of development activity in 2018–19, and the receipt of road contributions in 2019–20). 'Other' revenue was inflated in 2016–17 due to accounting adjustments (related to the recognition of assets that council received previously).

Rates and charges was the largest source of council's revenue, accounting for 49 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 contributions trended upwards in real terms between 2016–17 and 2019–20. This compares with a downward trend in revenue per person from user fees and statutory fees and fines, and grants.

Expenditure



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.

How much money is council spending?

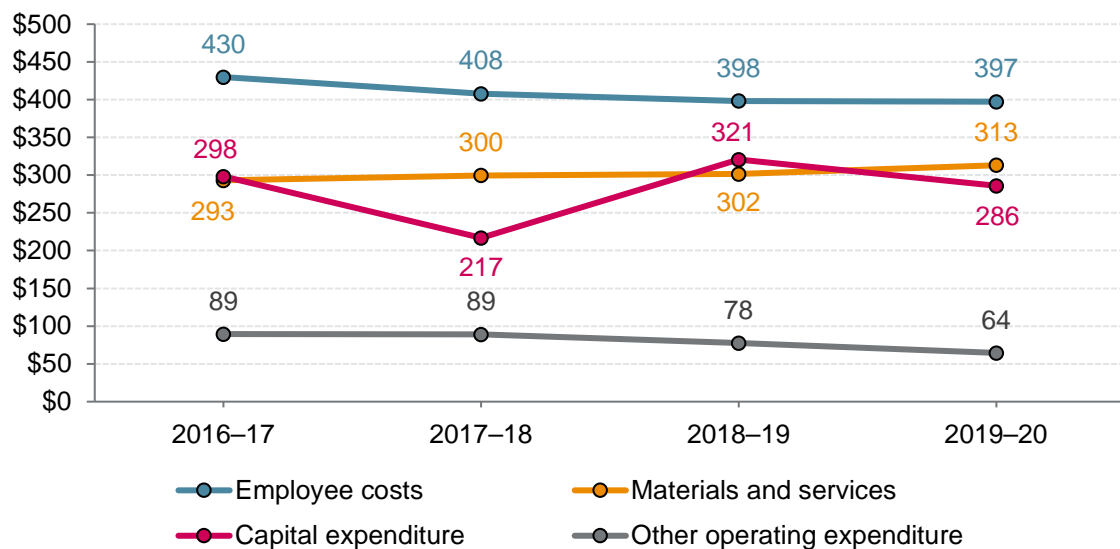
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Operating expenditure	168.2	(73%)	171.7	(79%)	173.6	(71%)	178.4	(73%)
Employee costs	89.0	(39%)	88.0	(40%)	89.0	(36%)	91.5	(37%)
Materials and services	60.7	(26%)	64.6	(30%)	67.4	(27%)	72.1	(30%)
Other operating expenditure	18.5	(8%)	19.2	(9%)	17.3	(7%)	14.8	(6%)
Capital expenditure	61.7	(27%)	46.8	(21%)	71.6	(29%)	65.8	(27%)
Total	230.0		218.5		245.2		244.2	

In real terms, Whittlesea City Council's total expenditure fluctuated between 2016–17 and 2019–20, largely reflecting changes in capital expenditure. Expenditure on materials and services increased in real terms between 2016–17 and 2019–20, while employee costs remained relatively stable until an increase in 2019–20.

Employee costs was council's largest area of expenditure, accounting for 38 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 fluctuated in real terms between 2016–17 and 2019–20, while employee costs trended downwards and expenditure on materials and services trended upwards.



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Has council's capital expenditure pattern changed?

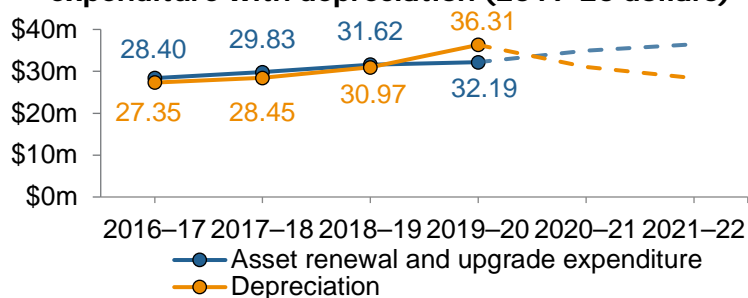
Capital expenditure (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	6.9	(11%)	10.4	(22%)	18.8	(26%)	16.8	(26%)
Upgrade	21.5	(35%)	19.4	(42%)	12.8	(18%)	15.4	(23%)
Expansion	3.1	(5%)	1.4	(3%)	0.3	(0%)	0.1	(0%)
New	30.2	(49%)	15.5	(33%)	39.7	(55%)	33.6	(51%)
Total	61.7		46.8		71.6		65.8	

In real terms, Whittlesea City Council's spending on asset expansion trended downwards between 2016–17 and 2019–20. Between 2016–17 and 2018–19, in real terms, spending on asset renewal trended upwards and spending on asset upgrades trended downwards. Spending on new assets fluctuated year on year, but accounted for the highest share of capital expenditure each year, aside from 2017–18.

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	104%
2017–18	105%
2018–19	102%
2019–20	89%
2020–21	112% (forecast data)
2021–22	129% (forecast data)

Council's spending on the renewal and upgrade of its assets trended upwards in real terms between 2016–17 and 2019–20. However, renewal and upgrade expenditure fell below the amount of depreciation (the decline in value of council's assets caused by age and use) in 2019–20, due to a relatively higher increase in depreciation that year.

Renewal and upgrade expenditure was forecast to continue its upward trend in real terms, increasing back above 100 per cent of depreciation in 2020–21 and 2021–22, with depreciation forecast to decrease in these years.

Services



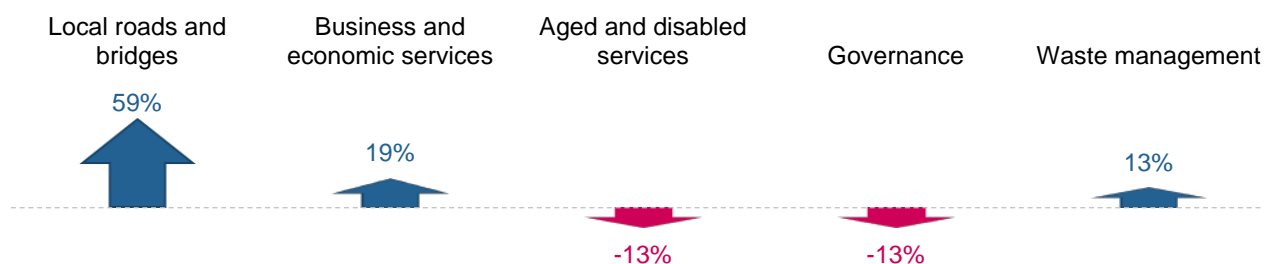
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Which service areas is council spending its money in?

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

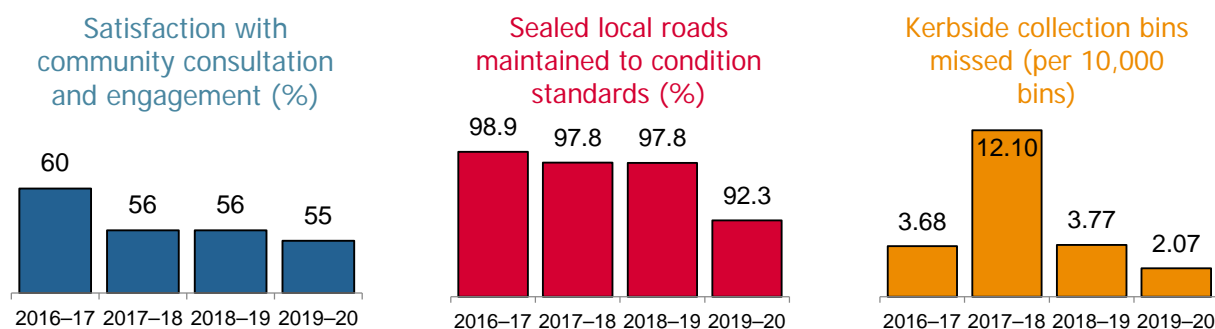
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	17.2	(9%)	16.8	(8%)	12.6	(6%)	11.2	(5%)
Business and economic services	13.2	(7%)	14.3	(7%)	21.6	(11%)	22.5	(10%)
Environment	3.9	(2%)	3.9	(2%)	10.2	(5%)	10.4	(5%)
Family and community services	16.9	(9%)	17.9	(9%)	19.3	(9%)	18.9	(9%)
Governance	73.6	(38%)	75.3	(38%)	42.6	(21%)	48.1	(22%)
Local roads and bridges	5.1	(3%)	4.8	(2%)	20.7	(10%)	20.5	(10%)
Recreation and culture	31.3	(16%)	30.7	(15%)	35.9	(17%)	41.8	(19%)
Traffic and street management	19.3	(10%)	20.5	(10%)	23.5	(11%)	21.8	(10%)
Waste management	13.6	(7%)	14.9	(7%)	18.3	(9%)	19.6	(9%)
Other	1.2	(1%)	1.1	(1%)	0.3	(0%)	0.3	(0%)
Total	195.1		200.1		205.1		215.0	

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?



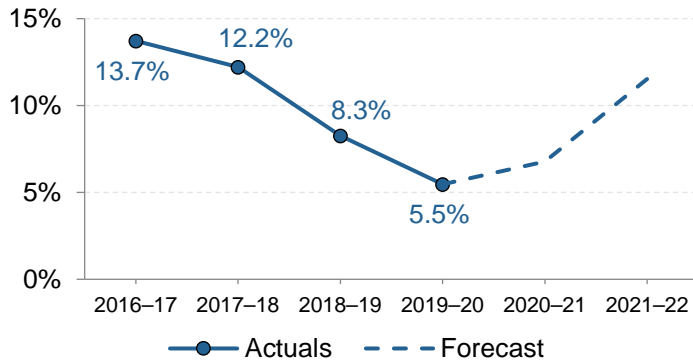
Financial position



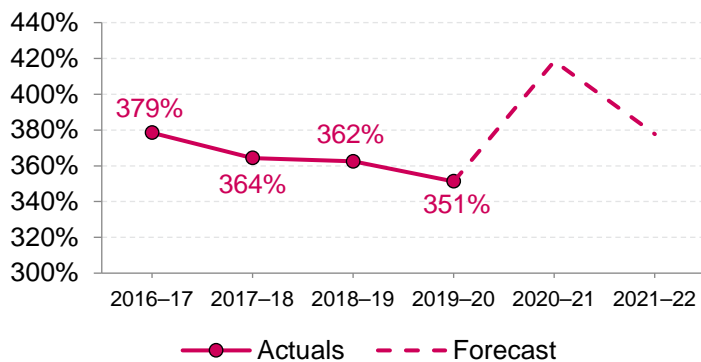
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Is council operating sustainably?

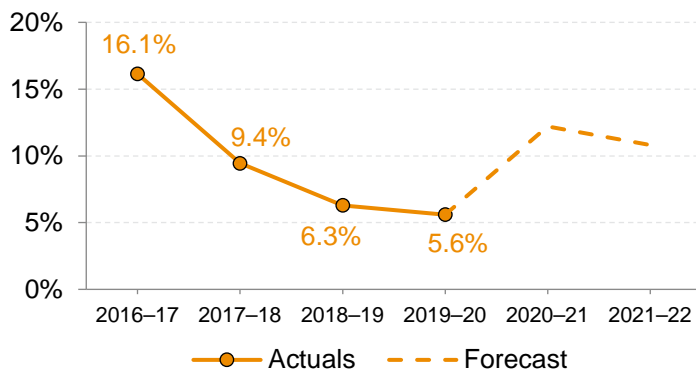
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Whittlesea City Council reported an average **adjusted underlying result** of 9.9 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The decrease in 2019–20 reflects increases in depreciation and other expenses.

Council could meet its current financial obligations with a reported average **working capital ratio** of 364 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 9.4 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.

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.