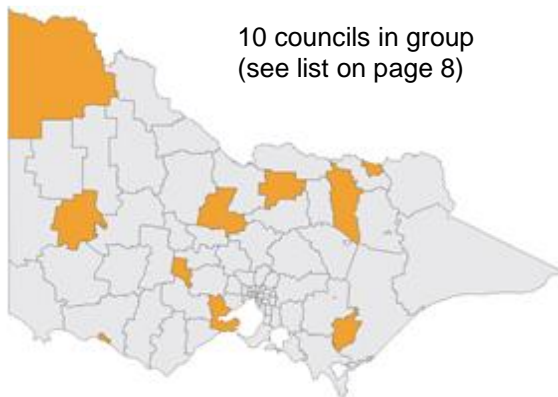


## Regional city council group

This fact sheet uses graphs and data to examine revenue, expenditure and financial sustainability for the regional city group of councils over recent years.

Further information is available at <http://www.esc.vic.gov.au/outcomes-reports>. You'll find an interactive version of this fact sheet, a reader's guide to help you understand key terms and information about the sector as a whole. You can compare your council's data against its 'group' by looking at the relevant fact sheet. Unless otherwise indicated, the averages presented in this fact sheet are for the regional city group of councils as a whole, not the average of the results for individual councils.



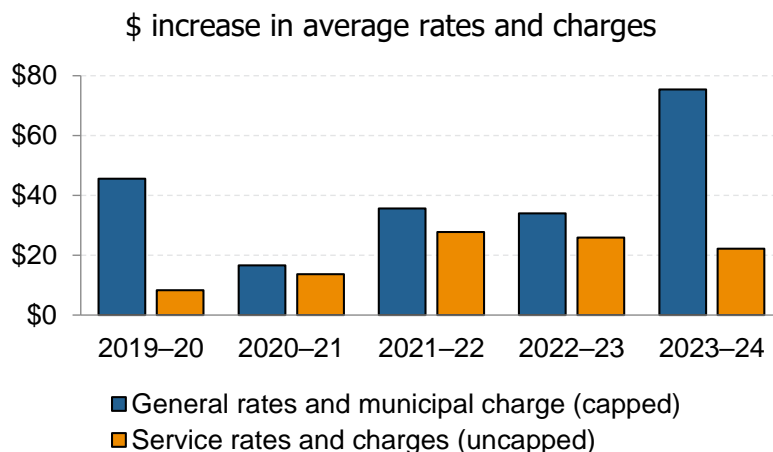
© OpenStreetMap contributors

### Key facts

Population (June 2023, average):	86,046
Size (km <sup>2</sup> , average):	3,938
Length of local roads (km, average):	2,230
Population per km of roads:	39
Council employees (FTE, 2023–24, average):	616
Number of councils with an approved higher cap for any year between 2018–19 and 2023–24:	1 council with approved higher cap

## Rates

### What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2018–19	\$2,021	2.25%
2019–20	\$2,075	2.50% <sup>a</sup>
2020–21	\$2,106	2.00% <sup>a</sup>
2021–22	\$2,169	1.50%
2022–23	\$2,229	1.75%
2023–24	\$2,327	3.50%

<sup>a</sup> Approved higher caps (see page 8)

# Rates (continued)



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## Did regional city councils comply with the applicable rate caps?

	2022–23	2023–24	2024–25
Councils complying with applicable cap	10 of 10	10 of 10	10 of 10
Councils with an approved higher cap	0 of 10	0 of 10	0 of 10

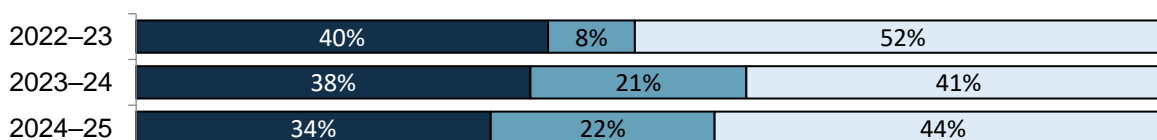
## How have rates changed for different ratepayers?

### Council rating strategies 2024–25

Information about councils' differential rate categories and charges can be found in their adopted budgets.

### Distribution of rates increases and decreases

The applicable rate cap is applied to each council's average rate. So, 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, group average

	Residential ratepayers	Commercial and Industrial ratepayers	Rural ratepayers
	<b>89%</b> of ratepayers in 2023–24	<b>7%</b> of ratepayers in 2023–24	<b>4%</b> of ratepayers in 2023–24
	<b>\$79.1m</b> (78%) of rates and charges revenue in 2023–24	<b>\$18.2m</b> (17%) of rates and charges revenue in 2023–24	<b>\$6.1m</b> (6%) of rates and charges revenue in 2023–24
	<b>3.2%</b> average annual change between 2019–20 and 2023–24	<b>–1.5%</b> average annual change between 2019–20 and 2023–24	<b>9.6%</b> average annual change between 2019–20 and 2023–24

**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.  
Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24

## Where did councils in the regional city group get their money from?

### Average revenue (2023–24 \$m and % of total revenue)

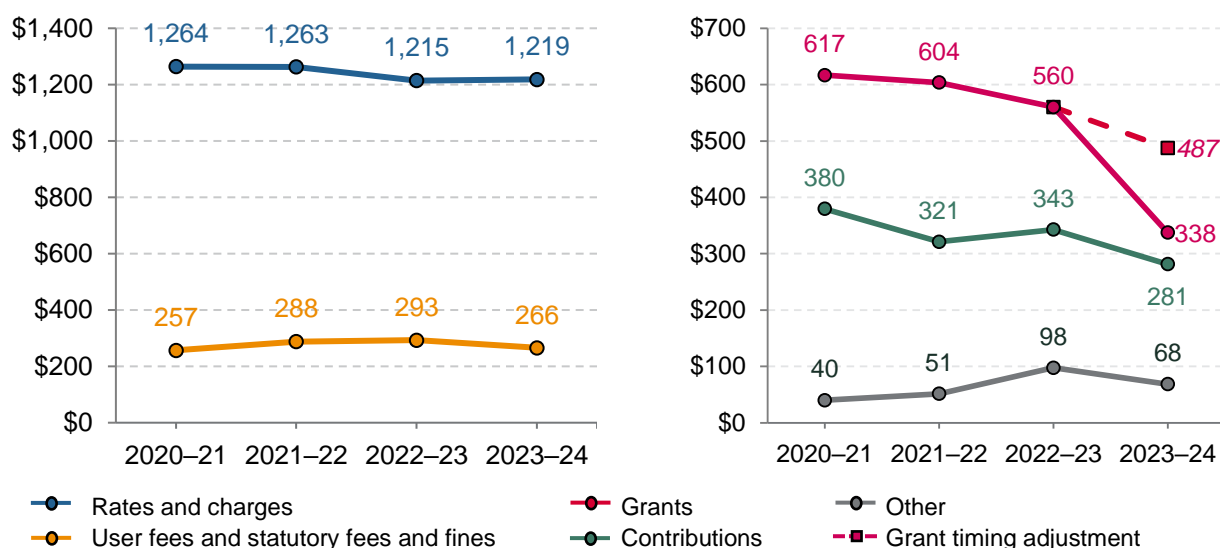
	2020–21		2021–22		2022–23		2023–24	
	\$m		\$m		\$m		\$m	
Rates and charges	104.7	(49%)	105.8	(50%)	103.1	(48%)	104.9	(56%)
User fees and statutory fees and fines	21.3	(10%)	24.1	(11%)	24.9	(12%)	22.9	(12%)
Grants	51.1	(24%)	50.5	(24%)	47.5	(22%)	29.0	(16%)
Contributions	31.4	(15%)	26.9	(13%)	29.1	(14%)	24.2	(13%)
Other	3.3	(2%)	4.3	(2%)	8.3	(4%)	5.9	(3%)
<b>Total</b>	<b>211.8</b>		<b>211.6</b>		<b>212.9</b>		<b>186.9</b>	

The regional city group's average total revenue decreased in real terms between 2020–21 and 2023–24, reflecting decreases in revenue from grants and contributions.

However, the decrease in grant revenue in 2023–24 partially reflects the financial assistance grants being received later than usual. The average regional city council would have received \$41.9 million in grant revenue if the payment was received before the end of the financial year.

Rates and charges, and grants were the largest sources of the regional city group's revenue, accounting for 72 per cent of total revenue between 2020–21 and 2023–24.

### Revenue per person (2023–24 dollars)



In terms of revenue per person (which adjusts for population growth), the regional city group's revenue from rates and charges, grants and contributions decreased in real terms between 2020–21 and 2023–24.

# Expenditure



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## How much money did councils in the regional city group spend?

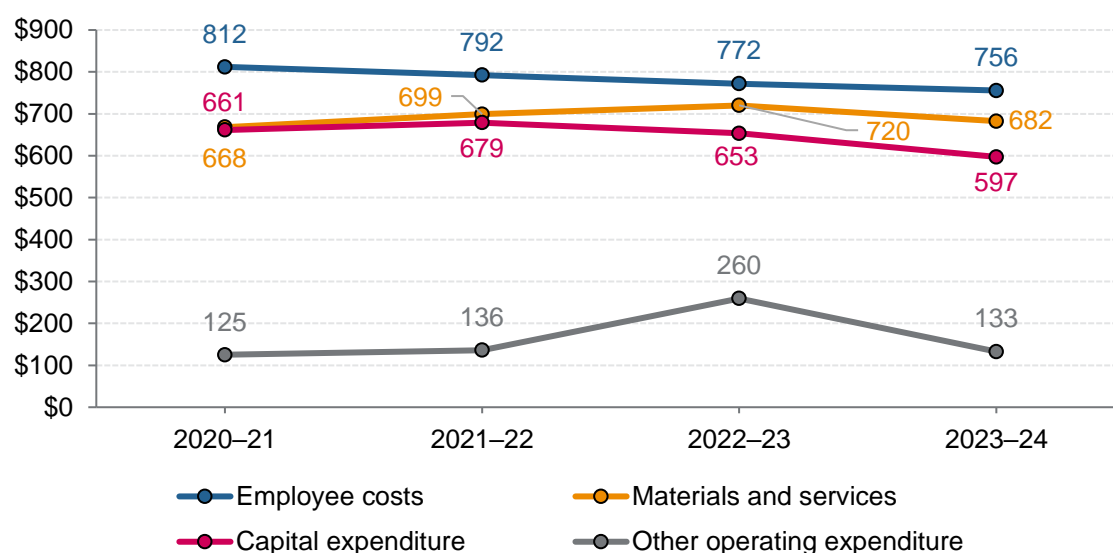
### Average expenditure (2023–24 \$m and % of total expenditure)

	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Operating expenditure	132.9 (71%)	136.5 (71%)	148.6 (73%)	135.1 (72%)
Employee costs	67.2 (36%)	66.3 (34%)	65.5 (32%)	65.0 (35%)
Materials and services	55.4 (29%)	58.5 (30%)	61.1 (30%)	58.7 (31%)
Other operating expenditure	10.4 (6%)	11.6 (6%)	22.0 (11%)	11.4 (6%)
Capital expenditure	54.8 (29%)	56.8 (29%)	55.4 (27%)	51.4 (28%)
<b>Total</b>	<b>187.7</b>	<b>193.3</b>	<b>204.1</b>	<b>186.5</b>

The regional city group's average total expenditure fluctuated in real terms between 2020–21 and 2023–24. The largest changes occurred in 2022–23, due to a peak in 'other' operating expenditure.

Employee costs was the largest area of expenditure, which accounted for 34 per cent of total expenditure between 2020–21 and 2023–24.

### Expenditure per person (2023–24 dollars)



In terms of expenditure per person (which adjusts for population growth), the regional city group's expenditure on employee costs and capital expenditure decreased in real terms between 2020–21 and 2023–24.

## Did the capital expenditure pattern change?

### Average capital expenditure (2023–24 \$m and % of total capital expenditure)

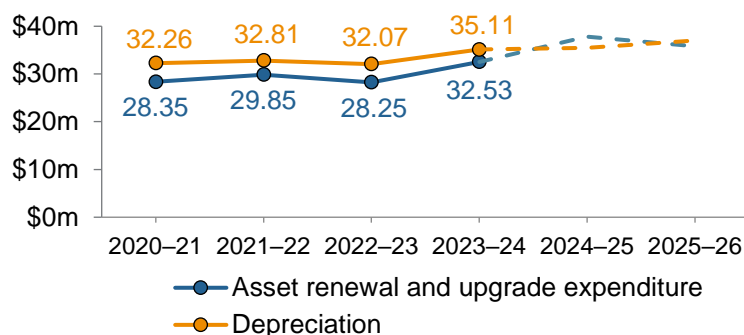
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Renewal	23.4 (43%)	23.2 (41%)	21.0 (38%)	24.5 (48%)
Upgrade	5.0 (9%)	6.6 (12%)	7.2 (13%)	8.0 (16%)
Expansion	0.4 (1%)	0.5 (1%)	0.5 (1%)	0.3 (1%)
New	26.0 (47%)	26.5 (47%)	26.6 (48%)	18.5 (36%)
<b>Total</b>	<b>54.8</b>	<b>56.8</b>	<b>55.4</b>	<b>51.4</b>

The regional city council group's average spending on new assets trended downwards in real terms, despite fluctuating between 2020–21 and 2023–24. New assets accounted for the highest share of capital expenditure over this period (45 per cent).

The group's spending on asset renewal and asset upgrades increased in real terms between 2020–21 and 2023–24, while spending on asset expansion declined.

## Did councils in the regional city group renew assets (such as roads, parks and buildings)?

### Comparing average renewal and upgrade expenditure with average depreciation (2023–24 dollars)



### Renewal & upgrade expenditure as a percentage of depreciation

2020–21	88%
2021–22	91%
2022–23	88%
2023–24	93%
2024–25	107% (forecast data)
2025–26	97% (forecast data)

The group's spending on the renewal and upgrade of its assets trended upwards in real terms, despite fluctuating between 2020–21 and 2023–24.

Renewal and upgrade expenditure remained below the amount of depreciation (the decline in value of the group's assets caused by age and use) between 2020–21 and 2023–24. This spending was forecast to increase above the amount of depreciation in 2024–25, before decreasing in 2025–26.

# Services



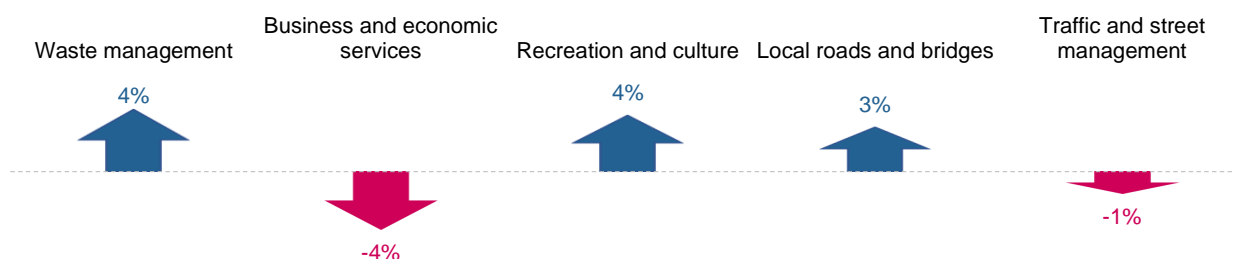
See the reader's guide for data sources and useful information.  
Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## Which service areas did councils in the regional city group spend their money on?

**Average expenditure by function** (2023–24 \$m and % of total services expenditure)

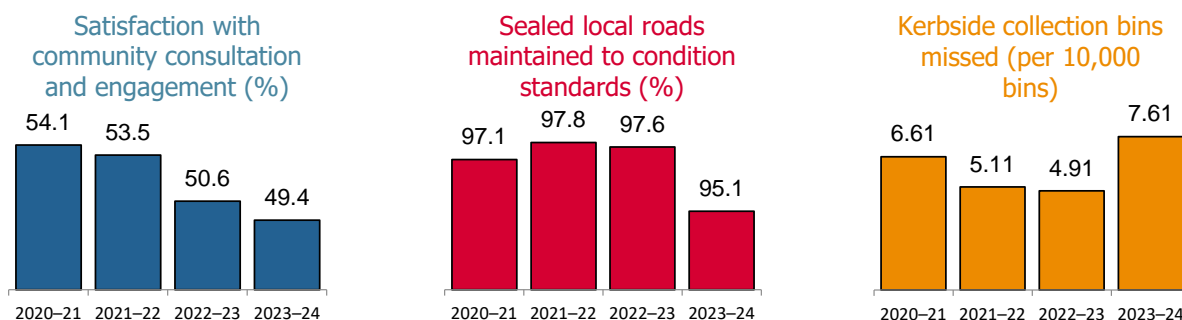
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Aged and disabled services	6.8 (4%)	6.7 (4%)	5.8 (3%)	4.1 (2%)
Business and economic services	16.7 (10%)	14.2 (8%)	14.3 (8%)	14.9 (9%)
Environment	7.1 (4%)	7.4 (4%)	7.8 (5%)	6.6 (4%)
Family and community services	14.3 (9%)	14.7 (9%)	14.5 (9%)	14.7 (9%)
Governance	34.3 (20%)	34.5 (21%)	36.7 (22%)	35.5 (21%)
Local roads and bridges	25.3 (15%)	25.1 (15%)	23.8 (14%)	27.6 (16%)
Recreation and culture	32.4 (19%)	35.0 (21%)	34.8 (21%)	36.1 (21%)
Traffic and street management	9.4 (6%)	9.3 (6%)	9.9 (6%)	9.0 (5%)
Waste management	18.2 (11%)	19.8 (12%)	21.2 (13%)	20.4 (12%)
Other	2.8 (2%)	0.9 (1%)	0.5 (0%)	0.4 (0%)
<b>Total</b>	<b>167.5</b>	<b>167.7</b>	<b>169.4</b>	<b>169.6</b>

## Which service areas experienced the biggest changes in spending?



**Source:** Victorian Local Government Grants Commission (unaudited). Average annual change between 2020–21 and 2023–24. Excludes small service areas (<5% of total expenditure). Council Annual Reports may provide further explanation of these changes.

## Did service quality or community satisfaction change?



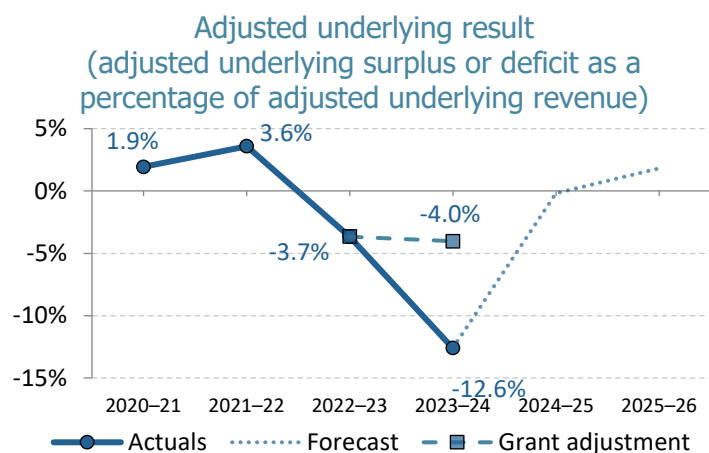
**Note:** These group results are averages of individual council results.

# Financial position



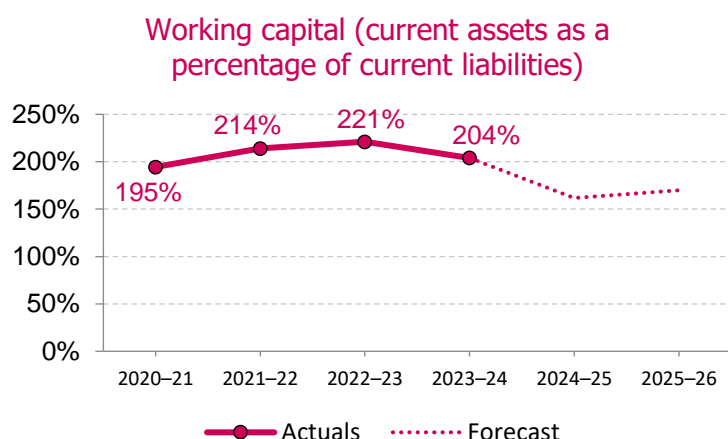
See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

## Did councils in the regional city group operate sustainably?

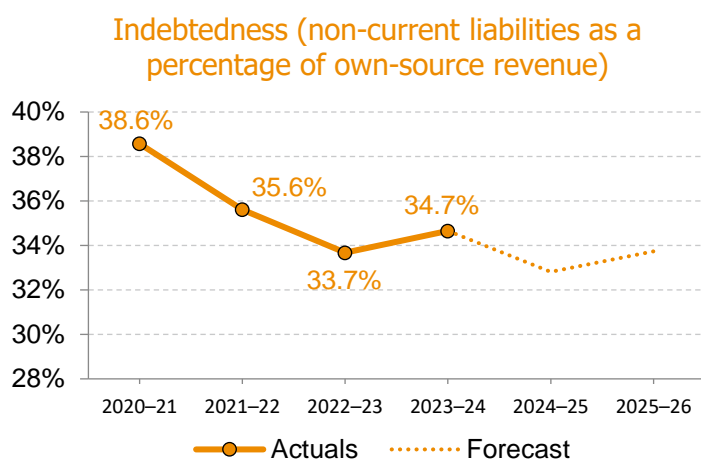


Between 2020–21 and 2023–24, the regional city group reported an average **adjusted underlying result** of **-2.7 per cent**. The average result would have been **-0.5 per cent**, if the timing of the financial assistance grants payment in 2023–24 was consistent with previous years.

An ongoing negative result, or deficit, suggests that, without an increase in ongoing revenue or receipt of one-off grants, ongoing revenue may not fund the range and level of services being provided.



The regional city council group could meet its current financial obligations with a reported average **working capital ratio** of **208 per cent** between 2020–21 and 2023–24.



Between 2020–21 and 2023–24, the regional city council group reported an average **indebtedness ratio** of **35.6 per cent**.

**Note:** The year-on-year changes in the financial indicators can be affected by the timing of financial assistance grant payments. We have estimated the impact of a change in the timing of these payments for the 2023–24 adjusted underlying result. Please see the reader's guide for more information.

## Regional city councils

Councils in this group						
Ballarat City Council			Latrobe City Council			
Greater Bendigo City Council			Mildura Rural City Council			
Greater Geelong City Council			Wangaratta Rural City Council			
Greater Shepparton Council			Warrnambool City Council			
Horsham Rural City Council			Wodonga City Council			
Regional city councils with approved higher caps						
	2018–19	2019–20	2020–21	2022–23	2023–24	2024–25
Ministers’ cap	2.25%	2.50%	2.00%	1.50%	1.75%	3.50%
Warrnambool City Council		4.50%	4.50%			
Number of higher caps	0	1	1	0		