

Greater Bendigo 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>.



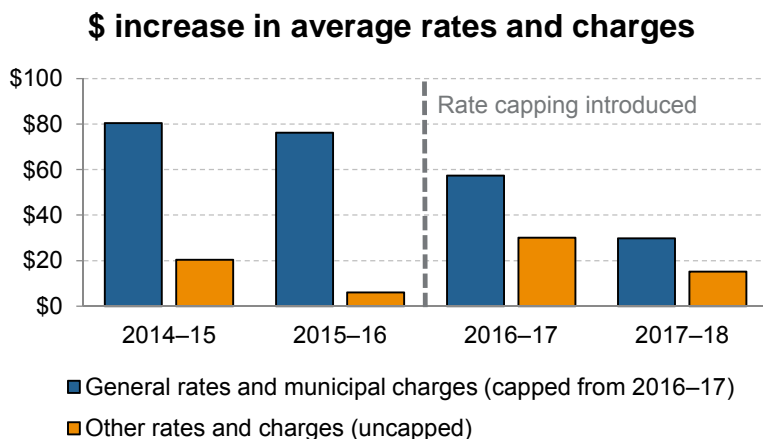
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Key facts

Population:	114,111
Size (km ²):	3,000
Length of local roads (km):	3,119
Population per km of roads:	36.6
Council employees (FTE, 2017–18):	688
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	\$1,680	n/a
2015–16	\$1,762	n/a
2016–17	\$1,849	2.50%
2017–18	\$1,894	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.

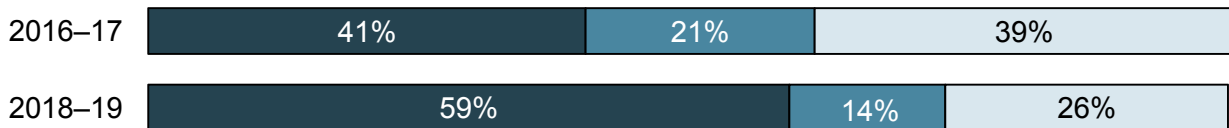
Have council's average rates complied with the applicable rate caps?

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).

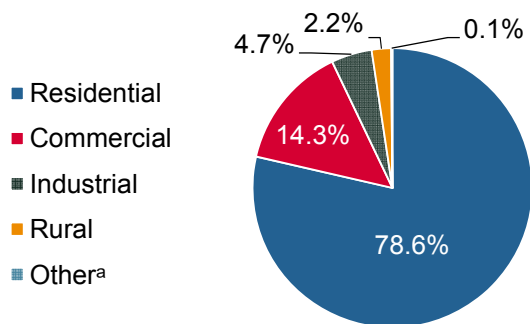


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

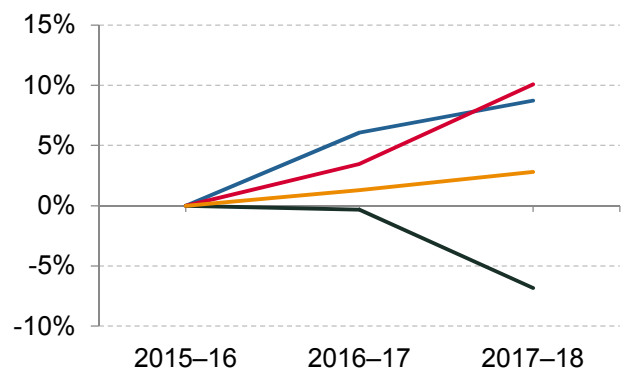
Ratepayers by property class

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 Greater Bendigo City Council's rates and charges. This group of ratepayers, on average, experienced a 8.7 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 \$1,762 to \$1,894 (7.5 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?

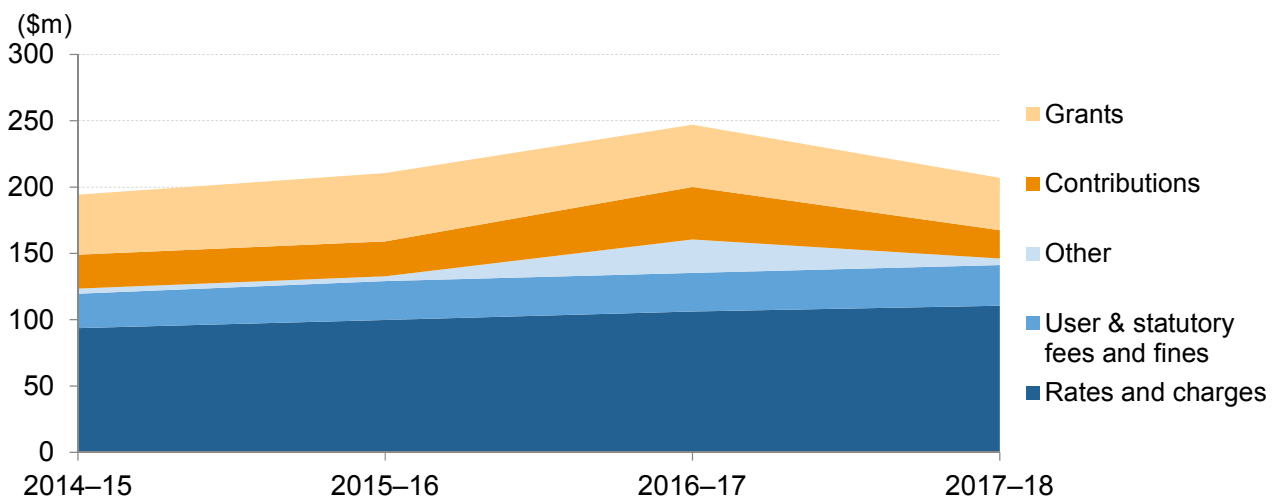
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	96.7	48	108.3	48
Grants	48.4	24	43.2	19
User fees and statutory fees and fines	27.7	14	29.9	13
Contributions	25.9	13	30.4	13
Other	3.8	2	15.1	7
Total	202.4	100	226.9	100

Greater Bendigo City Council's average revenue from all sources (except 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 grants and the increase in the average revenue from 'other' sources 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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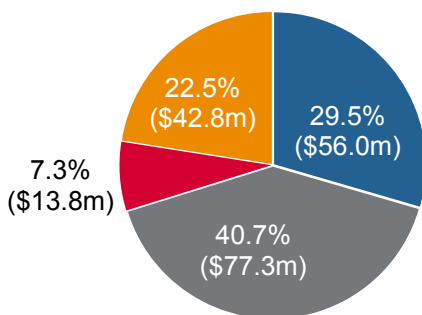
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$155.3m	\$41.5m	\$1,438	\$384
2015–16	\$138.9m	\$44m	\$1,264	\$401
2016–17	\$165.5m	\$80.3m	\$1,475	\$716
2017–18	\$140.1m	\$70m	\$1,228	\$614

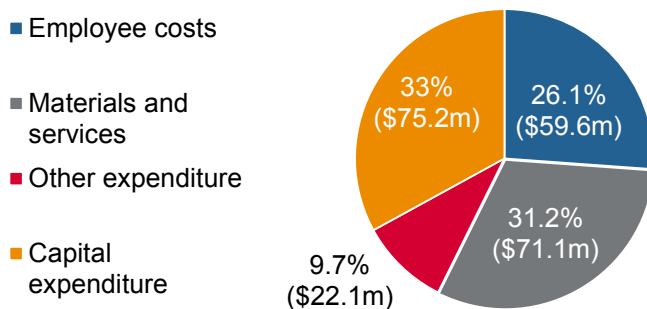
Greater Bendigo City Council's operating expenses have fluctuated in recent years, reflecting changes in spending on materials and services and 'other' expenditure (including adjustments relating to asset and artwork values in 2016–17). Capital expenditure was higher in the two years after rate capping was introduced, reflecting spending on new assets, as well as asset renewal.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

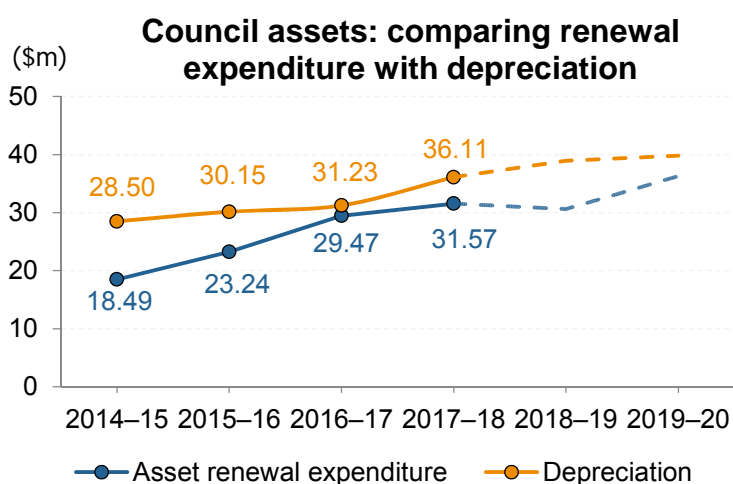


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Greater Bendigo City Council's expenditure, reflecting increases in average capital and 'other' expenditure and a decrease in average spending on materials and services. Employee costs decreased as a share of total spending over the same period, despite increasing in terms of average dollars spent.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	65
2015-16	77
2016-17	94
2017-18	87
2018-19	79 (forecast data)
2019-20	91 (forecast data)

Greater Bendigo City Council's spending on the renewal of its assets has trended upward in recent years, approaching but remaining less than the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to continue an upward trend 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 spending on asset renewal decreased as a share of total spending in the two years after rate capping was introduced, despite increasing in terms of average dollars spent. Average spending on new assets increased over the same period, doubling as a share of total spending.
	\$m	% of total	\$m	% of total	
Renewal	20.9	49	30.5	41	Average spending on new assets increased over the same period, doubling as a share of total spending.
New	8.9	21	33.1	44	
Upgrade	8.5	20	5.7	8	
Expansion	4.5	11	5.9	8	
Total	42.8	100	75.2	100	

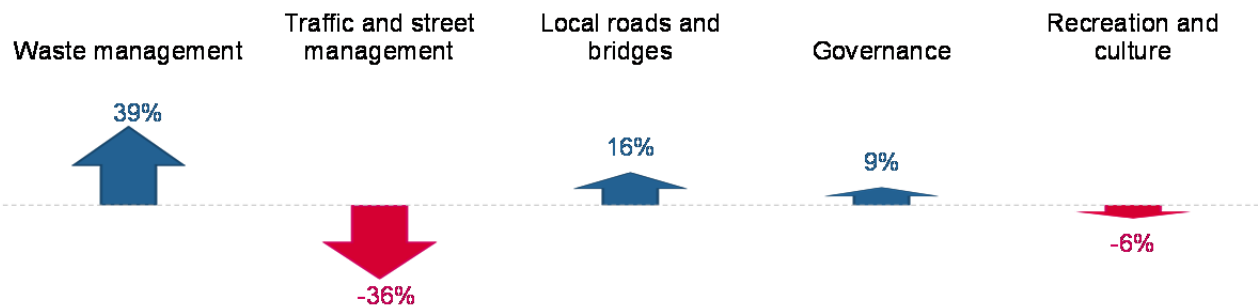
Services

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

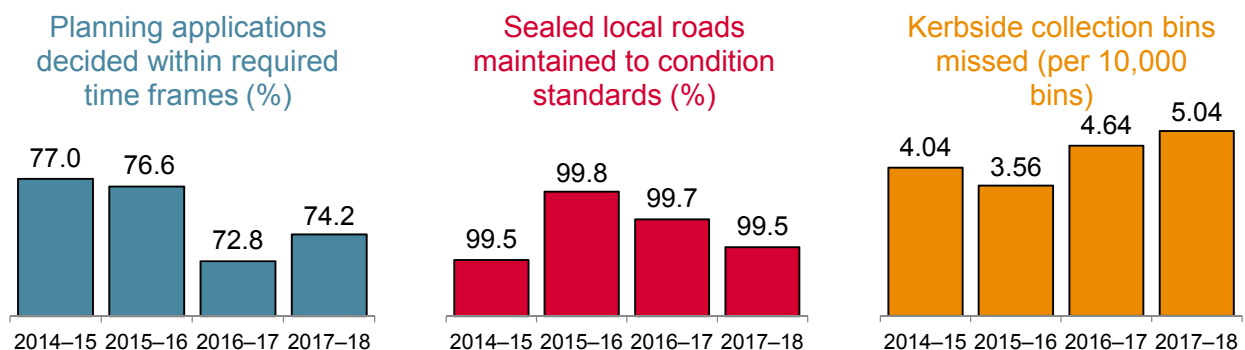
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	412	24.8	479	28.2
Recreation and culture	356	21.5	333	19.6
Governance	200	12.1	218	12.8
Waste management	127	7.6	176	10.3
Business and economic services	155	9.4	156	9.2
Family and community services	103	6.2	99	5.8
Traffic and street management	149	9.0	96	5.6
Environment	80	4.8	80	4.7
Aged and disabled services	77	4.6	63	3.7
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.

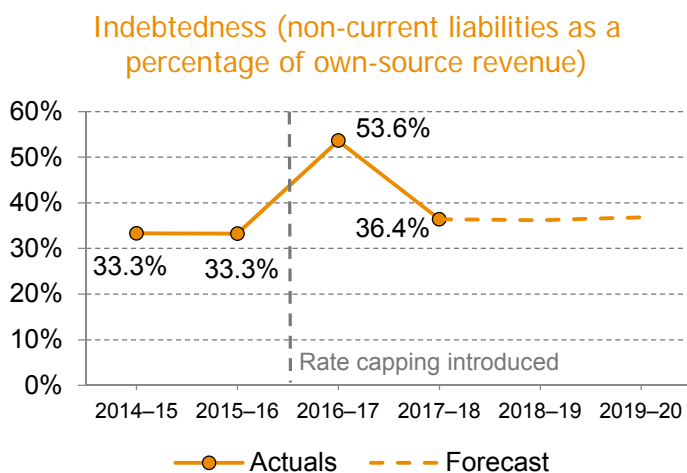
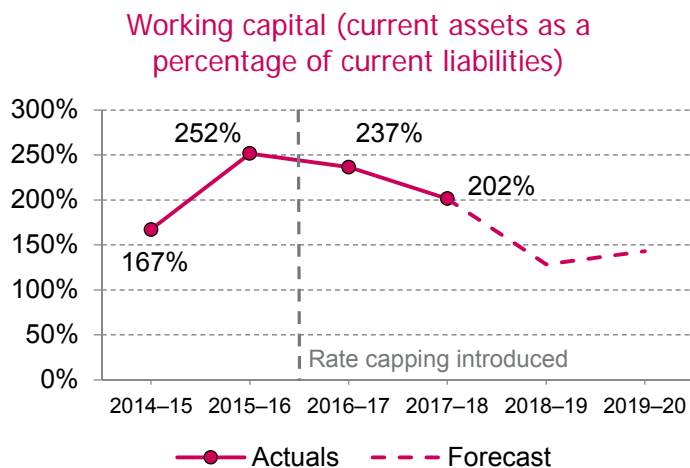
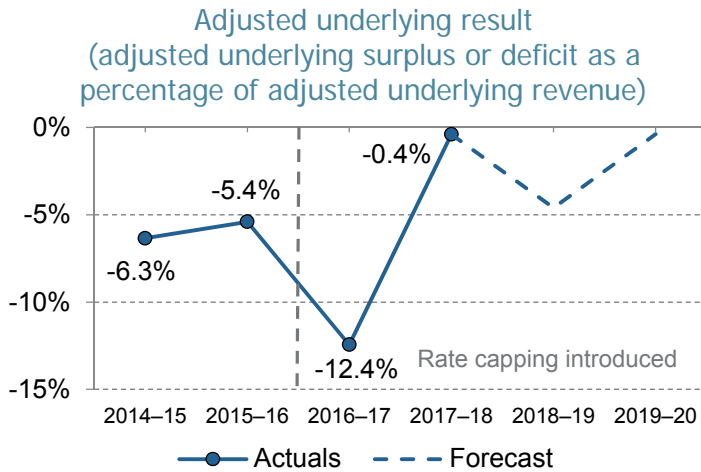
Has there been a change in service quality? (selected services only)



Financial position

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, Greater Bendigo City Council reported an average **adjusted underlying result** of -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.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 214 per cent between 2014–15 and 2017–18. The ratio increased in 2015–16, reflecting the timing of grants and planned capital works deferred into the next year. The decrease in the working capital ratio reflects council's use of cash reserves to fund capital works.

The increase in the **indebtedness ratio** in 2016–17 reflects council borrowing money to fund capital works.

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.