

Wodonga City Council

Group: regional city

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 regional city 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.

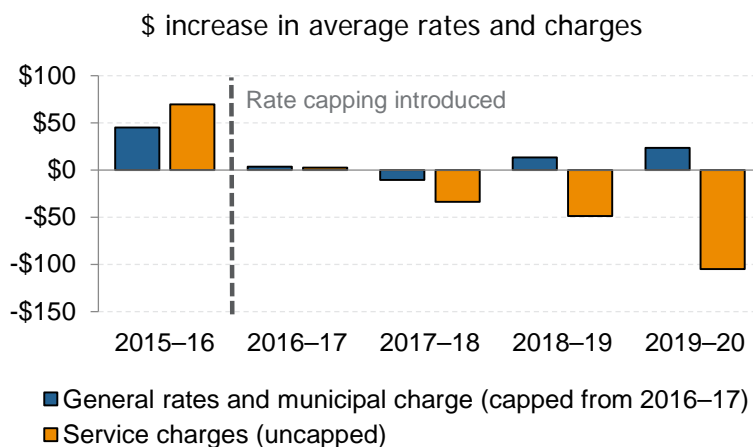


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Key facts	
Population (June 2019):	42,083
Size (km ²):	433
Length of local roads (km):	511
Population per km of roads:	82
Council employees (FTE, 2019–20):	257
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

Rates

What has happened to average rates and charges (2019–20 dollars)?



Year	Average rates and charges	Applicable rate cap
2015–16	\$2,417	n/a
2016–17	\$2,423	2.50%
2017–18	\$2,379	2.00%
2018–19	\$2,344	2.25%
2019–20	\$2,262	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

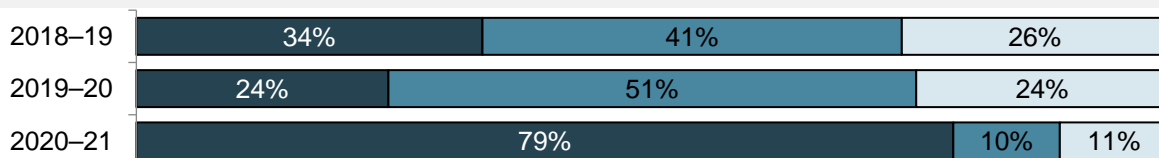
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 5 differential rates (for different types of property) and uses service charges to recover the cost of waste and wastewater 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	4% of ratepayers	3% of ratepayers	2% of ratepayers
	\$35.5m (78%) of rates and charges revenue in 2019–20	\$4.6m (10%) of rates and charges revenue in 2019–20	\$4.3m (9%) of rates and charges revenue in 2019–20	\$1.2m (3%) of rates and charges revenue in 2019–20
	-1.8% average annual increase between 2015–16 and 2019–20	1.1% average annual increase between 2015–16 and 2019–20	-3.3% average annual increase between 2015–16 and 2019–20	1% 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?

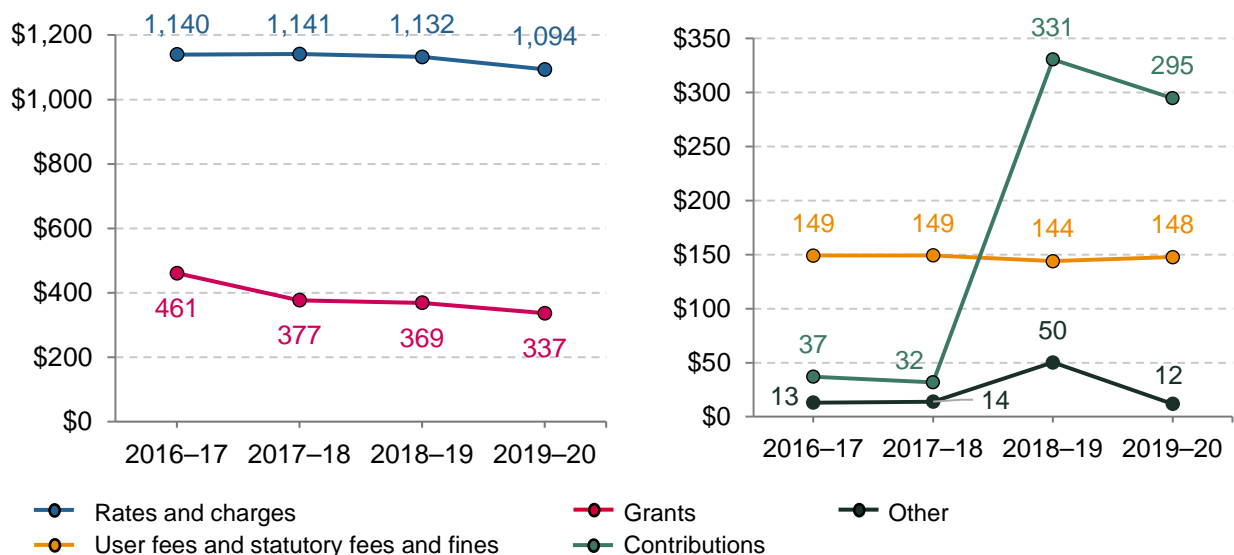
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	45.7	(63%)	46.6	(67%)	46.9	(56%)	46.0	(58%)
User fees and statutory fees and fines	6.0	(8%)	6.1	(9%)	6.0	(7%)	6.2	(8%)
Grants	18.5	(26%)	15.4	(22%)	15.3	(18%)	14.2	(18%)
Contributions	1.5	(2%)	1.3	(2%)	13.7	(16%)	12.4	(16%)
Other	0.5	(1%)	0.6	(1%)	2.1	(2%)	0.5	(1%)
Total	72.2		69.9		83.9		79.3	

In real terms, Wodonga City Council's total revenue increased between 2016–17 and 2019–20, reflecting revenue from contributions returning to levels more in line with the historical average. Revenue from rates and charges, and user fees and statutory fees and fines remained relatively stable in real terms between 2016–17 and 2019–20, while revenue from grants trended downwards.

Rates and charges was the largest source of council's revenue, accounting for between 56 and 67 per cent of total revenue between 2016–17 and 2019–20.

Revenue per person (2019–20 dollars)



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 grants.

Expenditure



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

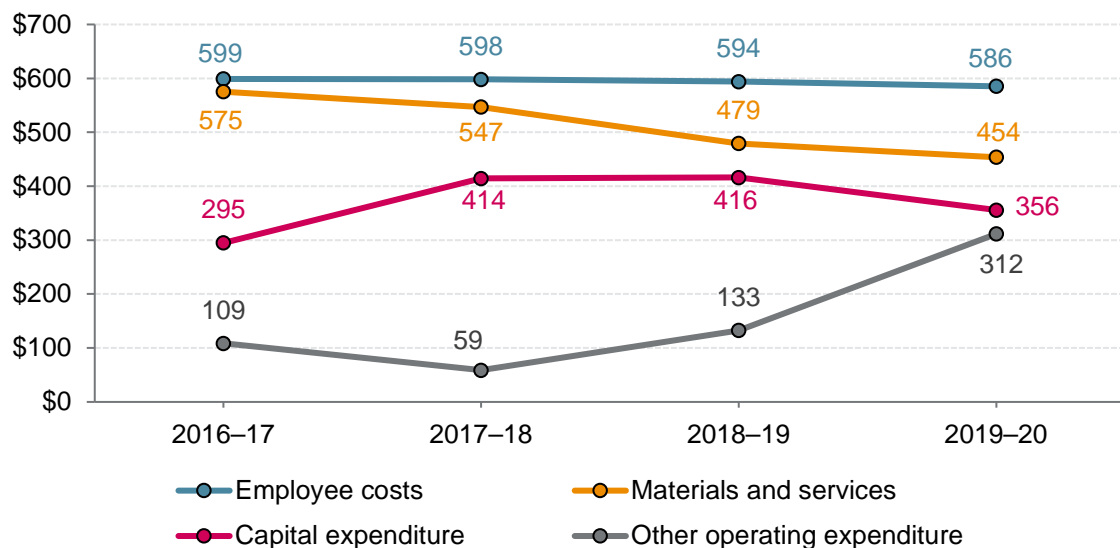
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Operating expenditure	51.5 (81%)	49.1 (74%)	50.0 (74%)	56.9 (79%)
Employee costs	24.0 (38%)	24.4 (37%)	24.6 (37%)	24.6 (34%)
Materials and services	23.1 (36%)	22.3 (34%)	19.9 (30%)	19.1 (27%)
Other operating expenditure	4.4 (7%)	2.4 (4%)	5.5 (8%)	13.1 (18%)
Capital expenditure	11.8 (19%)	16.9 (26%)	17.2 (26%)	15.0 (21%)
Total	63.3	66.1	67.2	71.8

In real terms, Wodonga City Council's total expenditure increased between 2016–17 and 2019–20, reflecting increases in capital expenditure and 'other operating expenditure'. Expenditure on materials and services trended downwards in real terms between 2016–17 and 2019–20, while employee costs remained relatively stable. The increase in 'other operating expenditure' in 2019–20 reflects council's contribution to infrastructure costs at the LOGIC industrial estate and losses relating to asset write-down.

Employee costs was council's largest area of expenditure, accounting for 36 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), in real terms, capital expenditure increased in 2017–18 and remained at a similar level in 2018–19, before decreasing in 2019–20. Employee costs per person and expenditure per person on materials and services trended downwards in real terms between 2016–17 and 2019–20. 'Other operating expenditure' per person increased in 2019–20 in real terms.



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Has council's capital expenditure pattern changed?

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

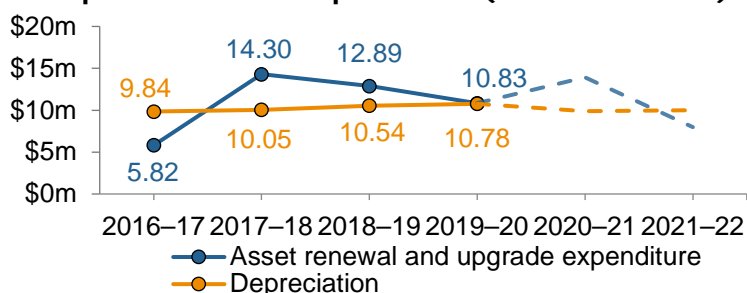
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	3.4	(28%)	3.6	(21%)	4.8	(28%)	6.5	(43%)
Upgrade	2.5	(21%)	10.7	(63%)	8.1	(47%)	4.3	(29%)
Expansion	0.0	(0%)	0.1	(0%)	0.0	(0%)	0.0	(0%)
New	6.0	(51%)	2.5	(15%)	4.4	(25%)	4.1	(28%)
Total	11.8		16.9		17.2		15.0	

In real terms, Wodonga City Council's spending on asset renewal trended upwards between 2016–17 and 2019–20. Council's spending on asset upgrades trended downwards following a jump in 2017–18, while there was a drop in spending on new assets in 2017–18.

As a share of capital expenditure, the breakdown varied between 2016–17 and 2019–20, with the highest share of capital expenditure being new assets in 2016–17, asset upgrades in 2017–18 and 2018–19, and asset renewal in 2019–20.

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	59%
2017–18	142%
2018–19	122%
2019–20	101%
2020–21	141% (forecast data)
2021–22	80% (forecast data)

Council's spending on the renewal and upgrade of its assets trended downwards in real terms between 2017–18 and 2019–20, following a jump in 2017–18. This spending increased above the amount of depreciation (the decline in value of council's assets caused by age and use) from 2017–18, despite the downward trend.

Renewal and upgrade expenditure was forecast to remain above 100 per cent of depreciation in 2020–21, before decreasing below in 2021–22.

Services



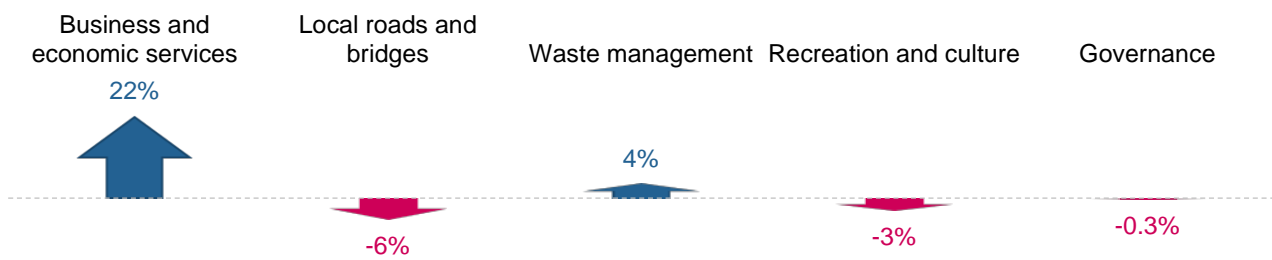
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Which service areas is council spending its money in?

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

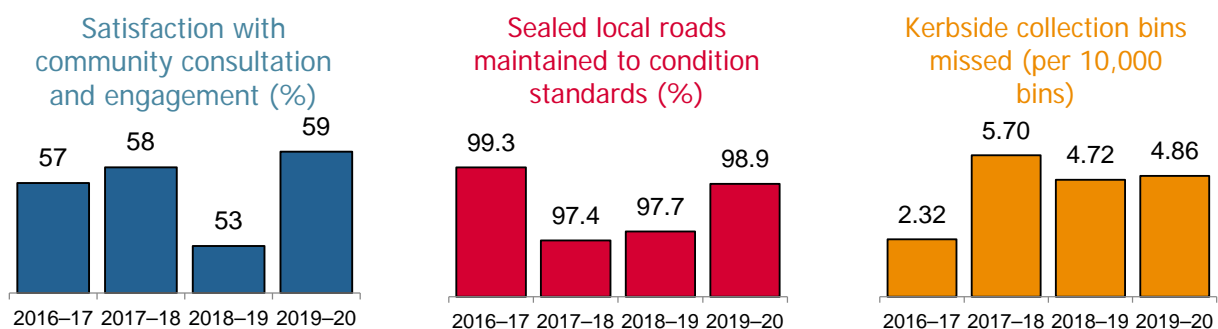
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	0.4 (1%)	0.4 (1%)	0.0 (0%)	0.0 (0%)
Business and economic services	6.2 (10%)	4.6 (8%)	4.3 (7%)	11.1 (16%)
Environment	2.1 (3%)	2.0 (3%)	1.8 (3%)	2.8 (4%)
Family and community services	5.9 (10%)	5.7 (10%)	6.0 (10%)	5.8 (9%)
Governance	21.1 (35%)	20.6 (35%)	20.6 (35%)	20.9 (31%)
Local roads and bridges	6.5 (11%)	7.0 (12%)	6.3 (11%)	5.4 (8%)
Recreation and culture	11.1 (18%)	10.9 (18%)	10.1 (17%)	10.0 (15%)
Traffic and street management	3.1 (5%)	2.9 (5%)	2.8 (5%)	1.6 (2%)
Waste management	4.9 (8%)	5.1 (9%)	5.2 (9%)	5.5 (8%)
Other	0.0 (0%)	0.0 (0%)	0.9 (2%)	4.3 (6%)
Total	61.3	59.2	58.2	67.6

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?

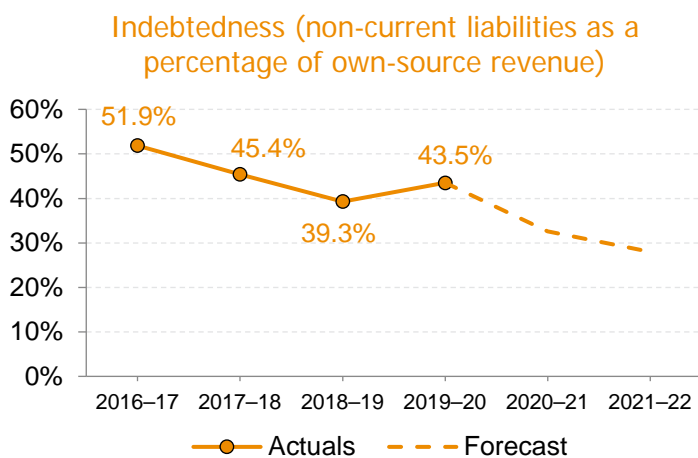
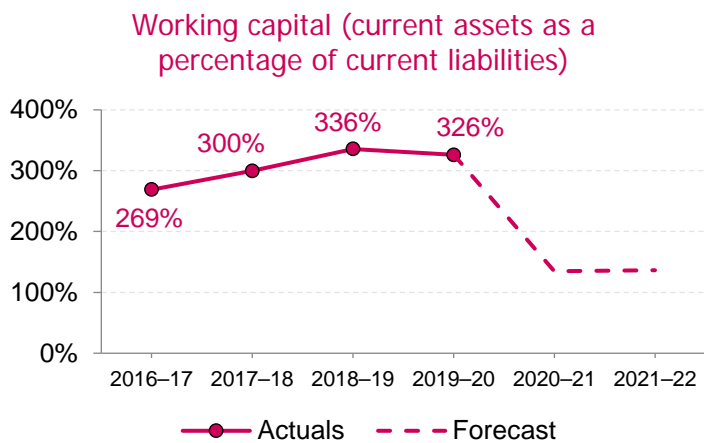
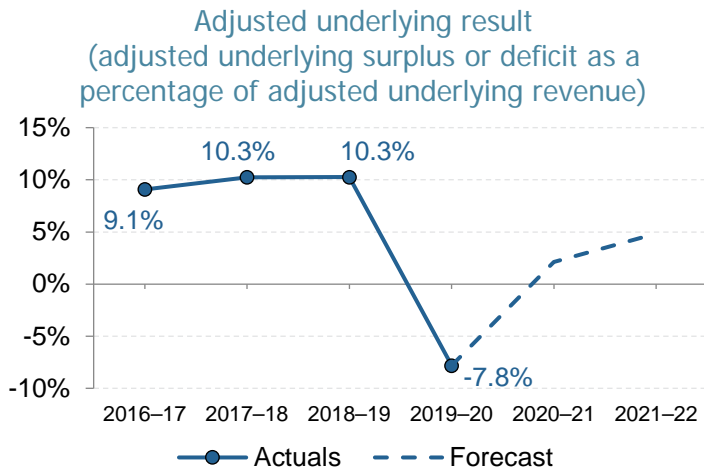


Financial position



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Is council operating sustainably?



Between 2016–17 and 2019–20, Wodonga City Council reported an average **adjusted underlying result** of 5.5 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The deficit in 2019–20 reflects in part a contribution the council made to infrastructure costs at an industrial estate.

Council could meet its current financial obligations with a reported average **working capital ratio** of 308 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 45.0 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.