

Benalla Rural City Council

Group: Small Shire

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 small shires. View the reader's guide, all available fact sheets and information for the sector as a whole at <https://www.esc.vic.gov.au/outcomes-reports>.



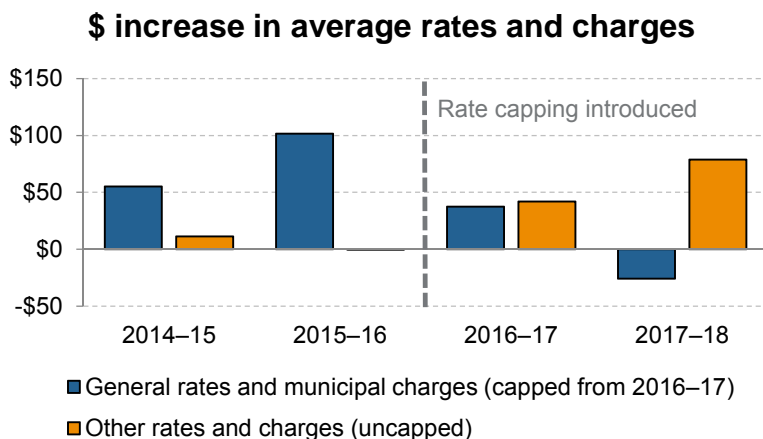
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Key facts

Population:	13,975
Size (km ²):	2,352
Length of local roads (km):	1,335
Population per km of roads:	10.5
Council employees (FTE, 2017–18):	125
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	\$1,864	n/a
2015–16	\$1,966	n/a
2016–17	\$2,045	2.50%
2017–18	\$2,098	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.

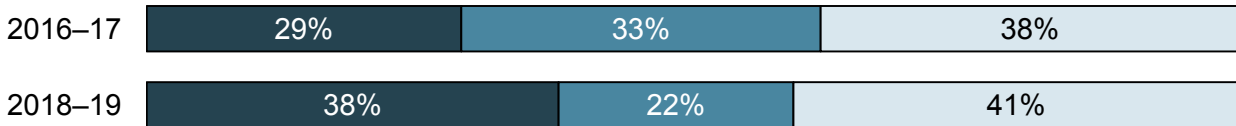
Have council's average rates complied with the applicable rate caps?

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).

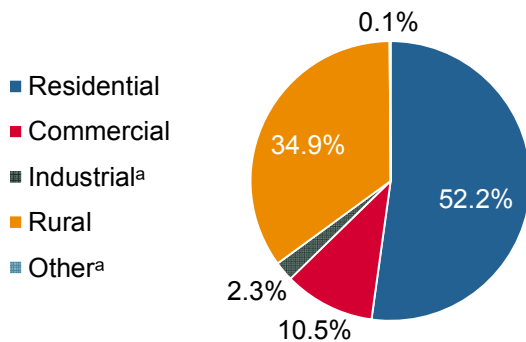


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

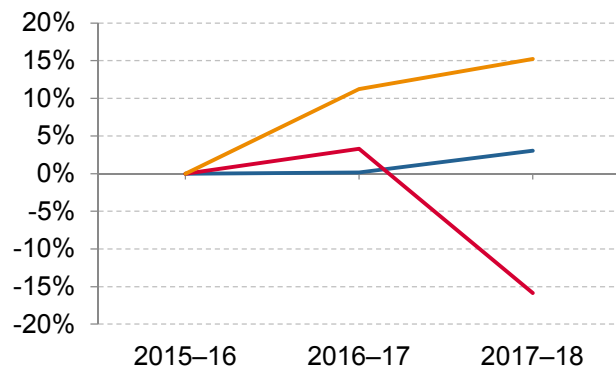
Ratepayers by property class

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 Benalla Rural City Council's rates and charges. This group of ratepayers, on average, experienced a 3 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 \$1,966 to \$2,098 (6.7 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?

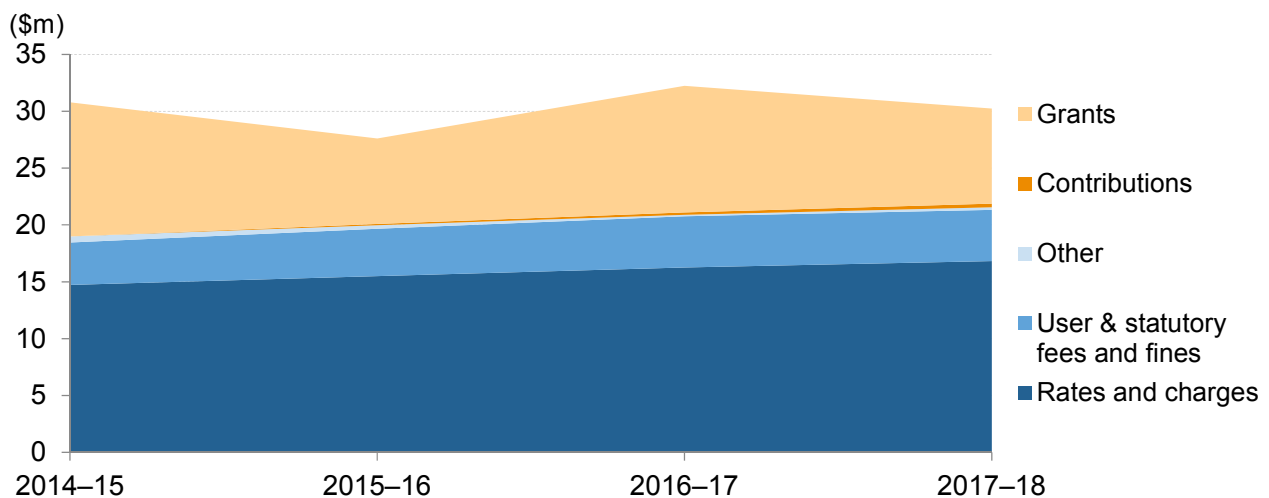
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	15.1	52	16.5	53
Grants	9.7	33	9.8	31
User fees and statutory fees and fines	3.9	14	4.5	14
Contributions	0.1	0	0.3	1
Other	0.4	1	0.2	1
Total	29.2	100	31.2	100

Benalla Rural City Council's average revenue from all sources (except 'other') increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The proportion of council's revenue from each source remained relatively stable after the introduction of rate capping except for the decrease in the proportion of revenue from grants.

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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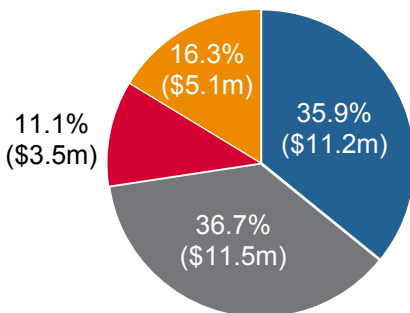
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$28.9m	\$6.2m	\$2,080	\$444
2015–16	\$23.6m	\$4.1m	\$1,695	\$293
2016–17	\$25.1m	\$5m	\$1,798	\$361
2017–18	\$24.1m	\$5.1m	\$1,721	\$366

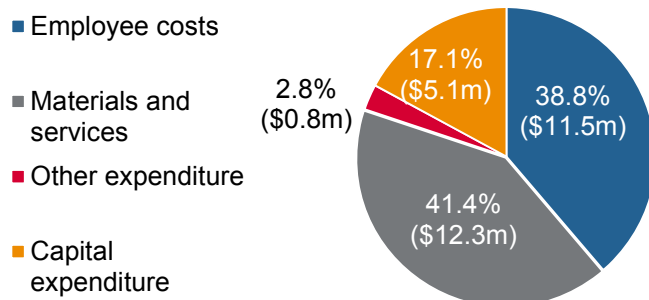
Benalla Rural City Council's operating expenses have been trending upward over time (aside from a spike in 2014–15, caused by unanticipated landfill works). This trend has been driven mostly by increased spending on materials and services in the two years after rate capping was introduced. Capital expenditure has stabilised in recent years, after decreasing each year between 2011–12 and 2015–16.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

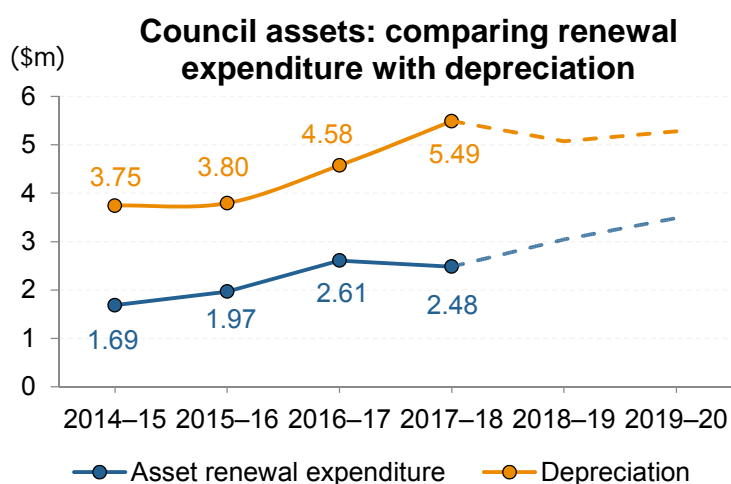


Average expenditure by category in the 2 years after rate capping



The change in the composition of Benalla Rural City Council's expenditure shown in these charts largely reflects a return to council's usual levels of 'other' expenditure (following a spike in 2014–15 related to unanticipated landfill works).

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	45
2015-16	52
2016-17	57
2017-18	45
2018-19	60 (forecast data)
2019-20	66 (forecast data)

Benalla Rural City Council's spending on the renewal of its assets has been trending upward in recent years, 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 increase in 2018-19 and 2019-20, while still remaining below 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					Council's average spending on asset renewal in the two years after rate capping was introduced has increased. Spending on new, upgrade and expansion projects shows peaks and troughs, which is typical of small shires.
	Before rate capping (average 2014-15 and 2015-16)		After rate capping (average 2016-17 and 2017-18)		
	\$m	% of total	\$m	% of total	
Renewal	1.8	36	2.5	50	
New	1.7	34	1.3	26	
Upgrade	1.6	31	0.6	11	
Expansion	0.0	0	0.6	13	
Total	5.1	100	5.1	100	

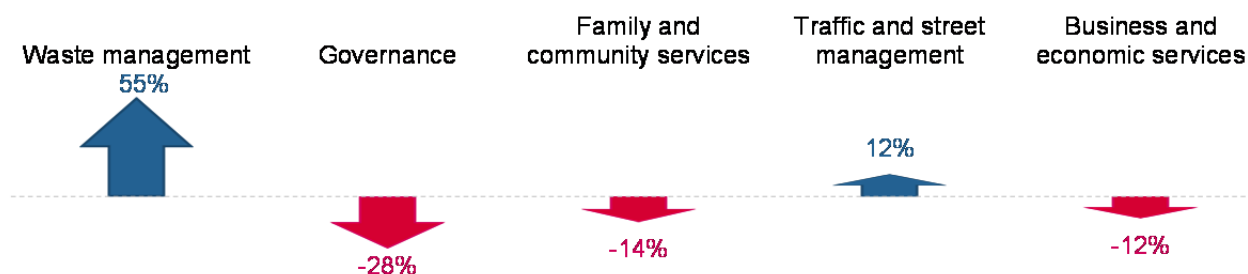
Services

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

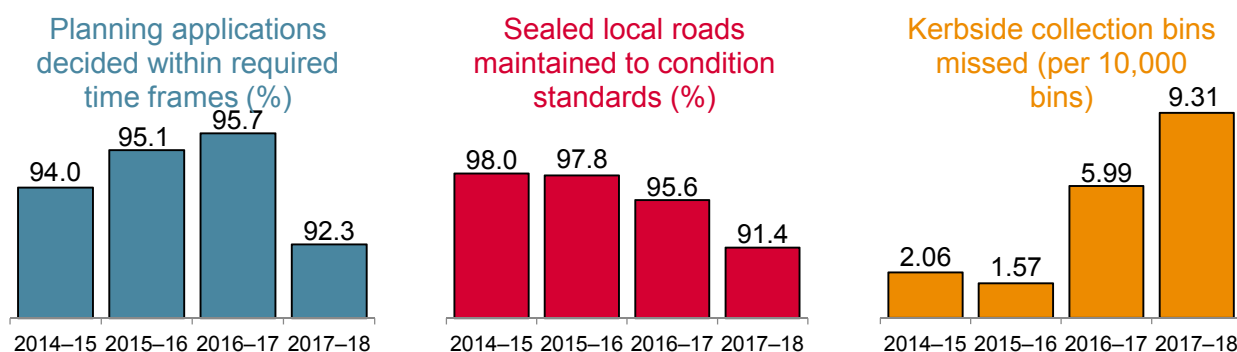
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	646	30.0	462	21.8
Waste management	213	9.9	330	15.5
Recreation and culture	304	14.1	312	14.7
Local roads and bridges	235	10.9	263	12.4
Environment	169	7.8	189	8.9
Traffic and street management	167	7.7	187	8.8
Family and community services	177	8.2	152	7.2
Aged and disabled services	128	5.9	123	5.8
Business and economic services	118	5.5	104	4.9
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.

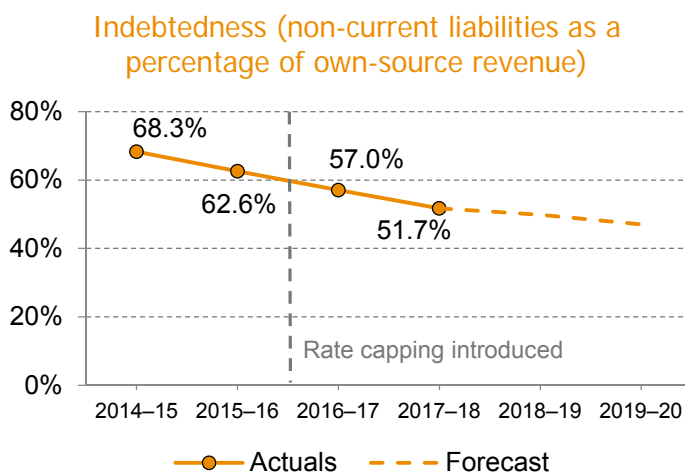
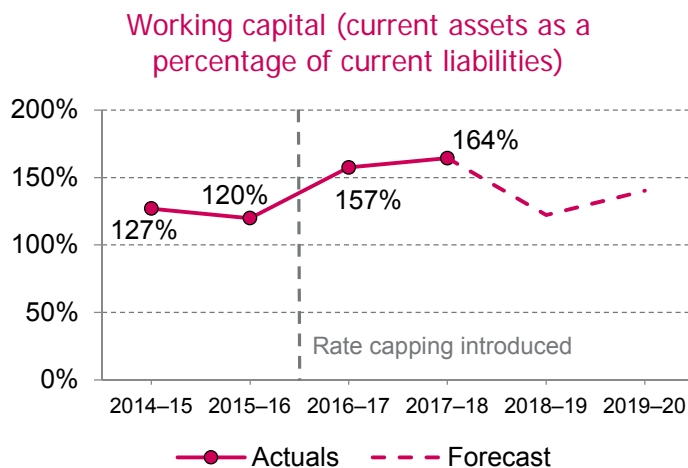
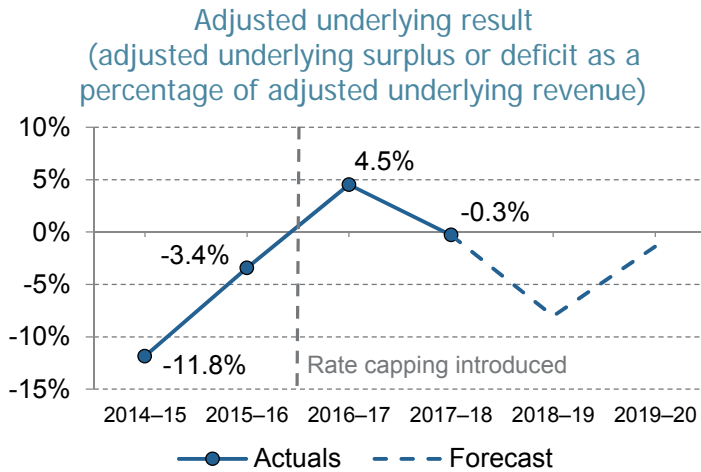
Has there been a change in service quality? (selected services only)



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, Benalla Rural City Council reported an average **adjusted underlying result** of -2.8 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 142 per cent between 2014–15 and 2017–18.

The falling **indebtedness ratio** reflects council repaying some of its 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.