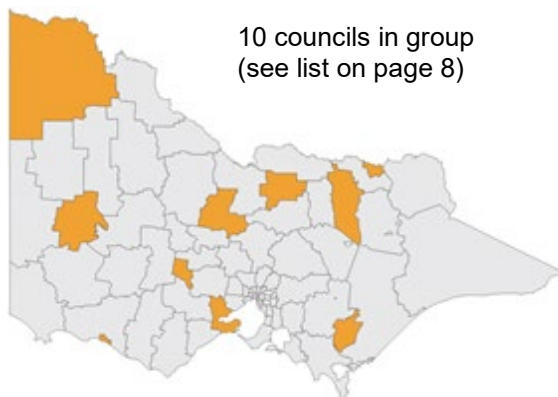


Regional city council group

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.

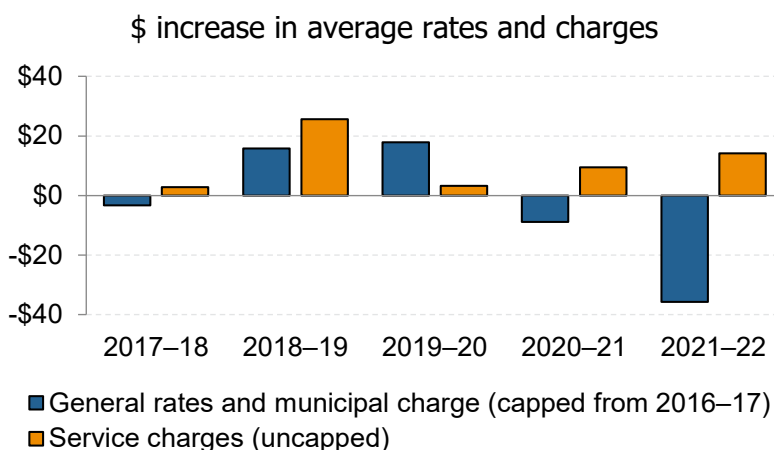


© OpenStreetMap contributors

Key facts	
Population (June 2021, average):	83,677
Size (km ² , average):	3,938
Length of local roads (km, average):	2,218
Population per km of roads:	38
Council employees (FTE, 2021–22, average):	624
Number of councils with an approved higher cap for any year between 2016–17 and 2021–22:	2 councils with approved higher caps

Rates

What happened to average rates and charges (2021–22 dollars)?



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,128	2.50% ^a
2017–18	\$2,128	2.00%
2018–19	\$2,169	2.25%
2019–20	\$2,190	2.50% ^a
2020–21	\$2,191	2.00% ^a
2021–22	\$2,169	1.50%

^a Approved higher caps (see page 8)

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 2021–22 dollars.

Did regional city councils comply with the applicable rate caps?

	2020–21	2021–22	2022–23
Councils complying with applicable cap	9 of 10	10 of 10	10 of 10
Councils with an approved higher cap	1 of 10	0 of 10	0 of 10

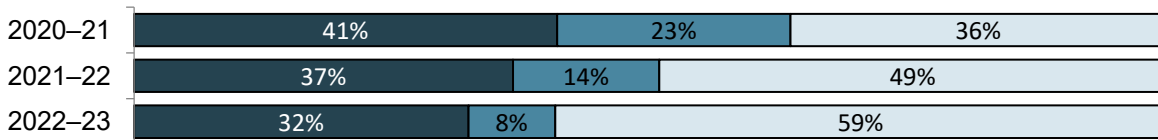
How did rates change for different ratepayers?

Council rating strategies 2022–23

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

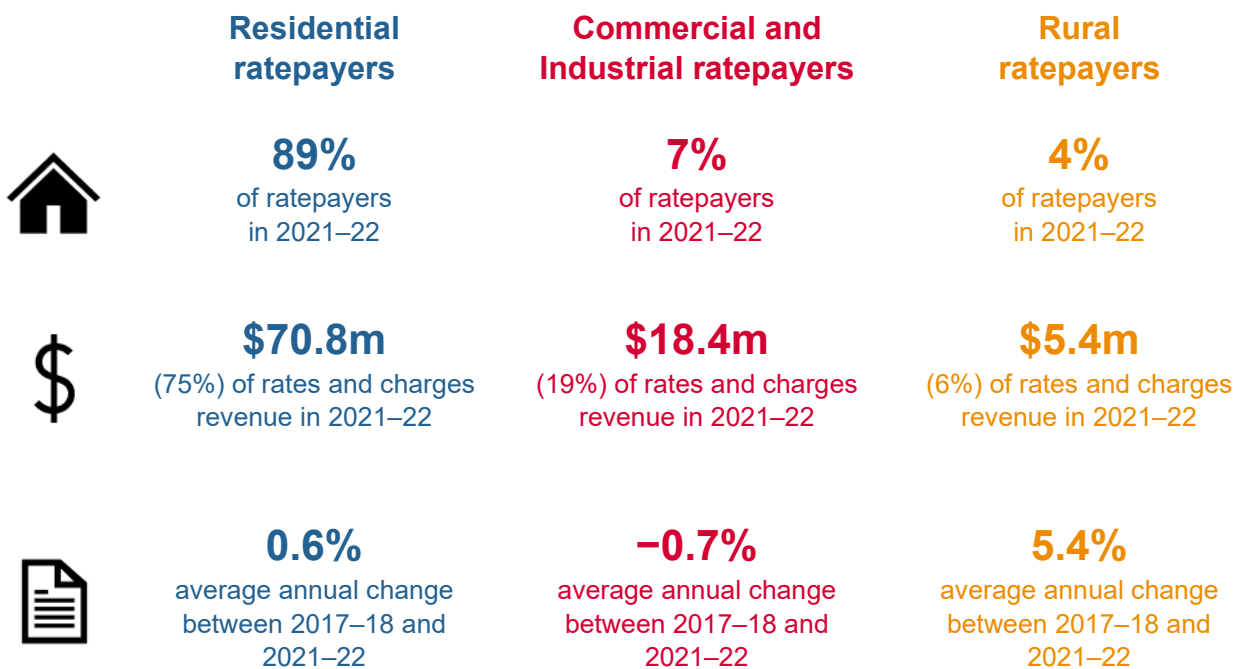
Distribution of rates increases and decreases

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 (2021–22 dollars)



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.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

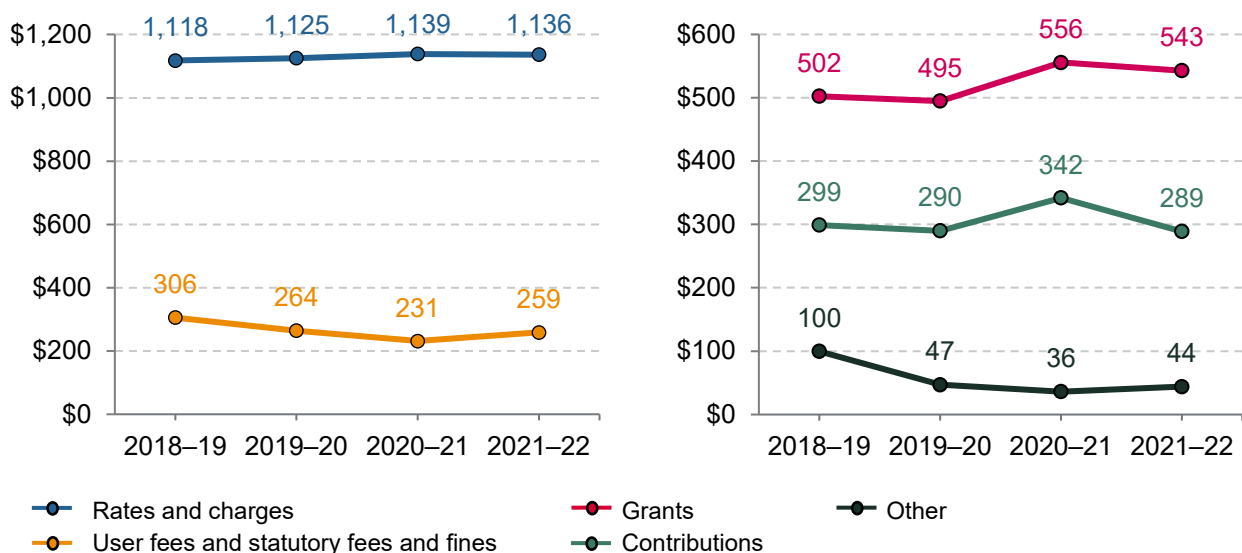
Where did councils in the regional city group get their money from?

Average revenue (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	89.5	(48%)	91.7	(51%)	94.1	(49%)	95.1	(50%)
User fees and statutory fees and fines	24.5	(13%)	21.5	(12%)	19.1	(10%)	21.7	(11%)
Grants	40.2	(22%)	40.3	(22%)	45.9	(24%)	45.4	(24%)
Contributions	23.9	(13%)	23.6	(13%)	28.3	(15%)	24.2	(13%)
Other	8.0	(4%)	3.8	(2%)	3.0	(2%)	3.7	(2%)
Total	186.1		180.9		190.5		190.0	

The regional city council group's average total revenue increased in real terms between 2018–19 and 2021–22, reflecting increases in revenue from rates and charges, grants and contributions. Rates and charges, and grants were the largest sources of the regional city council group's revenue, accounting for 73 per cent of total revenue between 2018–19 and 2021–22.

Revenue per person (2021–22 dollars)



In terms of revenue per person (which adjusts for population growth), the regional city council group's revenue from user fees and statutory fees and fines, and 'other' revenue decreased between 2018–19 and 2021–22, while contributions fluctuated. This compares with an upward trend in revenue per person from rates and charges, 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 2021–22 dollars.

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

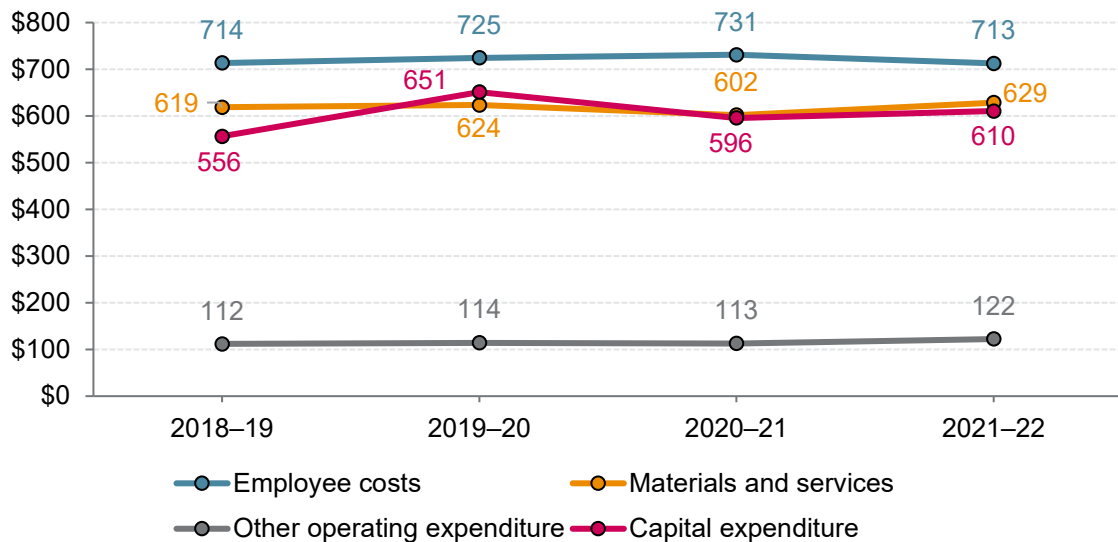
Average expenditure (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	115.6	72%	119.1	69%	119.5	71%	122.5	71%
Employee costs	57.1	36%	59.0	34%	60.4	36%	59.6	34%
Materials and services	49.5	31%	50.8	30%	49.8	29%	52.6	30%
Other operating expenditure	8.9	6%	9.3	5%	9.3	6%	10.2	6%
Capital expenditure	44.5	28%	53.1	31%	49.3	29%	51.1	29%
Total	160.1		172.2		168.8		173.6	

The regional city council group's average total expenditure increased in real terms between 2018–19 and 2021–22, reflecting increases in all expenditure categories.

Employee costs was the largest area of expenditure, accounting for 35 per cent of total expenditure between 2018–19 and 2021–22.

Expenditure per person (2021–22 dollars)



In terms of expenditure per person (which adjusts for population growth), the regional city council group's expenditure on materials and services, 'other operating expenditure' and capital expenditure increased between 2018–19 and 2021–22.



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 2021–22 dollars.

Did the capital expenditure pattern change?

Average capital expenditure (2021–22 \$m and % of total capital expenditure)

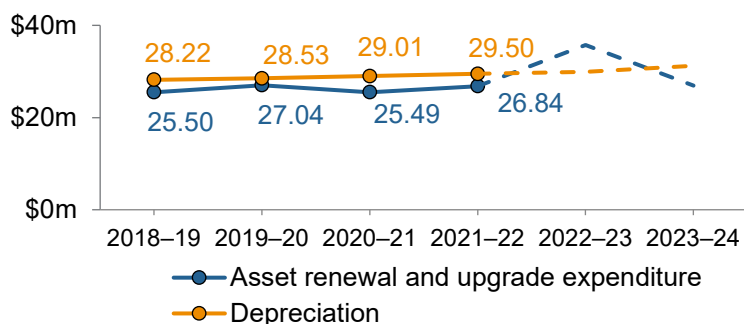
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Renewal	20.0	45%	19.6	37%	21.0	43%	20.9	41%
Upgrade	5.5	12%	7.5	14%	4.5	9%	6.0	12%
Expansion	0.6	1%	0.9	2%	0.4	1%	0.4	1%
New	18.4	41%	25.1	47%	23.4	47%	23.8	47%
Total	44.5		53.1		49.3		51.1	

The regional city council group's average spending on new assets trended upwards in real terms, despite fluctuating between 2018–19 and 2021–22. New assets accounted for the highest share of capital expenditure over this period (46 per cent).

The group's spending on asset renewal and asset upgrades increased in real terms between 2018–19 and 2021–22, 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 (2021–22 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2018–19	90%
2019–20	95%
2020–21	88%
2021–22	91%
2022–23	119% (forecast data)
2023–24	86% (forecast data)

The regional city council group's spending on the renewal and upgrade of its assets trended upwards in real terms, despite fluctuating between 2018–19 and 2021–22. Renewal and upgrade expenditure remained below the amount of depreciation (the decline in value of council's assets caused by age and use) between 2018–19 and 2021–22. This spending was forecast to increase above the amount of depreciation in 2022–23, before decreasing in 2023–24.

Services



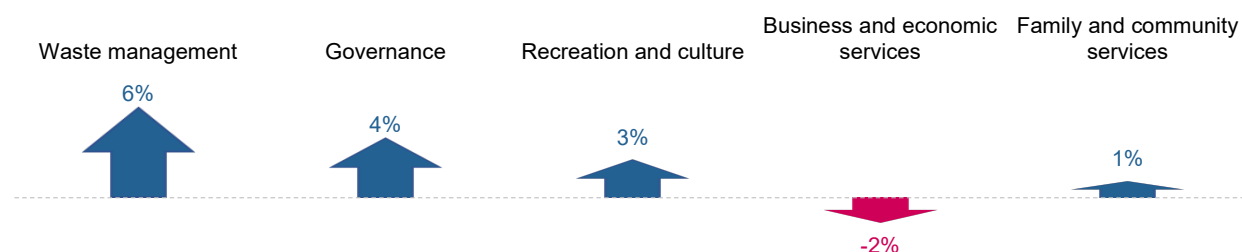
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

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

Average expenditure by function (2021–22 \$m and % of total services expenditure)

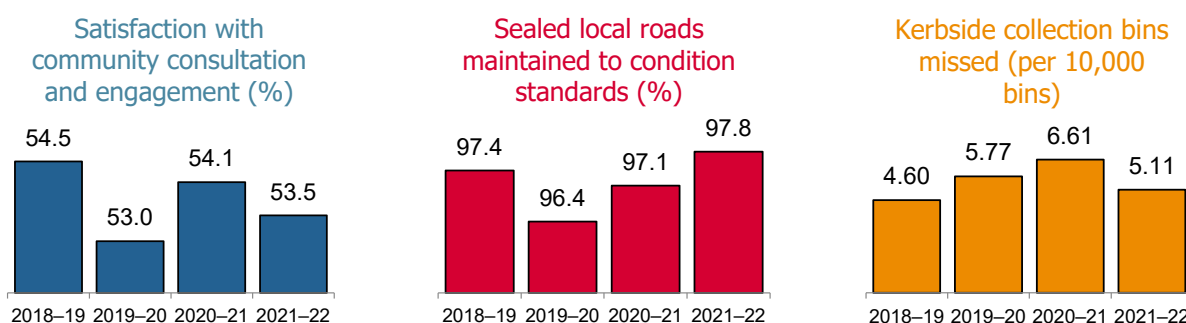
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Aged and disabled services	6.7	5%	6.7	5%	6.2	4%	6.0	4%
Business and economic services	13.4	9%	13.7	9%	15.0	10%	12.8	8%
Environment	6.1	4%	5.6	4%	6.4	4%	6.7	4%
Family and community services	12.8	9%	12.8	9%	12.9	9%	13.2	9%
Governance	27.6	19%	30.8	21%	30.8	20%	31.0	21%
Local roads and bridges	22.2	16%	21.0	14%	22.8	15%	22.6	15%
Recreation and culture	29.2	21%	29.6	20%	29.2	19%	31.5	21%
Traffic and street management	8.4	6%	9.2	6%	8.5	6%	8.4	6%
Waste management	14.9	11%	16.0	11%	16.3	11%	17.8	12%
Other	0.1	0%	0.8	1%	2.6	2%	0.8	1%
Total	141.5		146.2		150.6		150.8	

Which areas experienced the biggest changes from 2018–19 to 2021–22?



Source: Victorian Local Government Grants Commission (unaudited). Council Annual Reports may provide further explanation of these expenditure changes.

Did service quality or community satisfaction change?



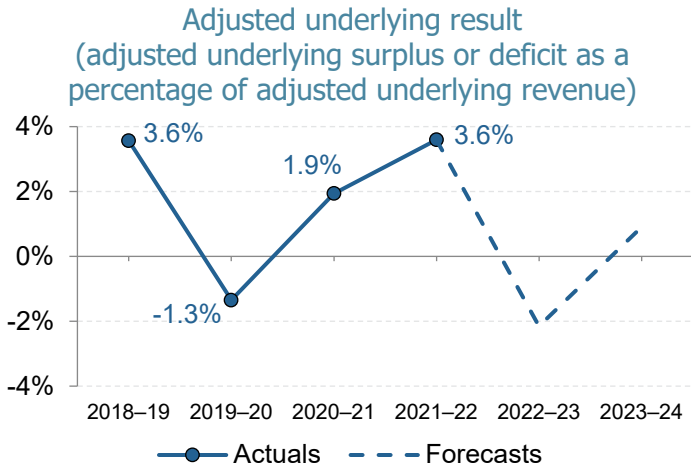
Note: These group results are averages of individual council results.

Financial position

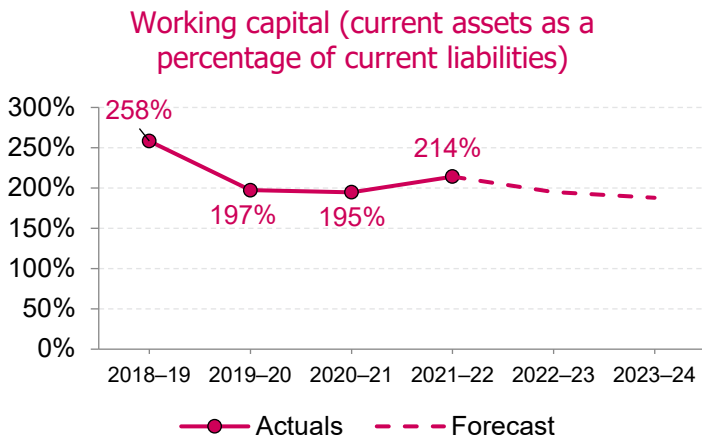


See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

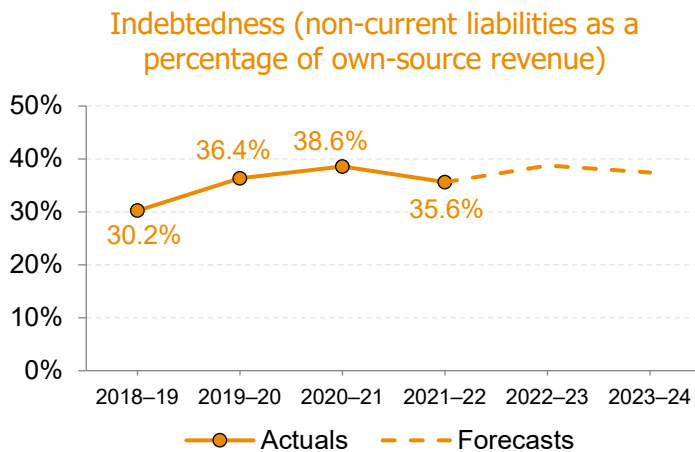
Did councils in the regional city group operate sustainably?



Between 2018–19 and 2021–22, the regional city council group reported an average **adjusted underlying result** of 1.9 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision.



The regional city council group had an average **working capital ratio** of 216 per cent between 2018–19 and 2021–22.



Between 2018–19 and 2021–22, the regional city council group had an average **indebtedness ratio** of 35.2 per cent.

Note: Some of the year-on-year changes in these financial indicators may be due to changes to accounting standards or the impact of coronavirus. 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						
	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Ministers' cap	2.50%	2.00%	2.25%	2.50%	2.00%	1.50%
Horsham Rural City Council	3.50%					
Warrnambool City Council				4.50%	4.50%	
Number of higher caps	1	0	0	1	1	0