

# Warrnambool 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. The information aims to help readers understand the impacts of rate capping. This was introduced in 2016–17 to restrict the amount councils can increase their general rates and municipal charges 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>. 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.

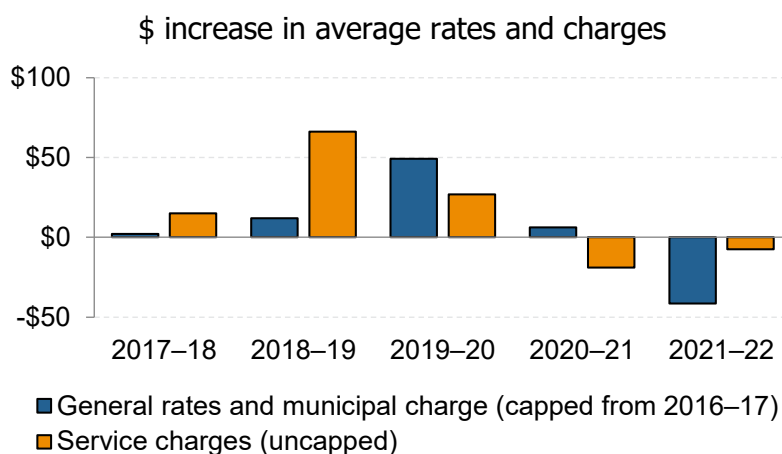


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Key facts	
Population (June 2021):	35,419
Size (km <sup>2</sup> ):	121
Length of local roads (km):	342
Population per km of roads:	104
Council employees (FTE, 2021–22):	399
Higher cap approved for any year between 2016–17 and 2021–22	Yes (see table below)

## Rates

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



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,260	2.50%
2017–18	\$2,277	2.00%
2018–19	\$2,356	2.25%
2019–20	\$2,432	4.50% <sup>a</sup>
2020–21	\$2,419	4.50% <sup>ab</sup>
2021–22	\$2,370	1.50%

<sup>a</sup> Approved higher cap <sup>b</sup> Set 2% rate increase

# 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 council's average rates comply with the applicable rate caps?

2020–21 (4.50%)	2021–22 (1.50%)	2022–23 (1.75%)
Yes (approved higher cap)	Yes	Yes

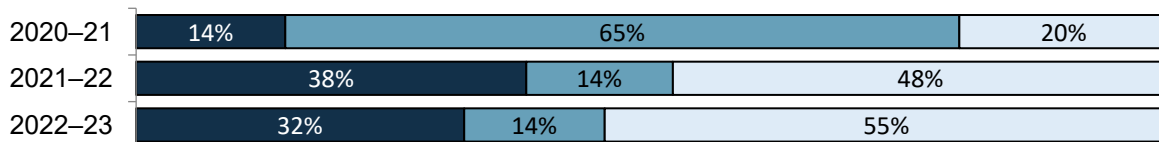
## Did have rates change for different ratepayers?

### Council's rating strategy 2022–23

Council applies 7 differential rates for different types of property, a municipal charge and recovers the cost of waste services using service charges. The adopted budget contains more information about rate categories and charges.

### Distribution of rates increases and decreases

The applicable rate cap is applied to 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)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	<b>87%</b> of ratepayers in 2021–22	<b>5%</b> of ratepayers in 2021–22	<b>2%</b> of ratepayers in 2021–22	<b>1%</b> of ratepayers in 2021–22
	<b>\$32.7m</b> (79%) of rates and charges revenue in 2021–22	<b>\$5.9m</b> (14%) of rates and charges revenue in 2021–22	<b>\$2.1m</b> (5%) of rates and charges revenue in 2021–22	<b>\$0.8m</b> (2%) of rates and charges revenue in 2021–22
	<b>1.3%</b> average annual change between 2018–19 and 2021–22	<b>1.4%</b> average annual change between 2018–19 and 2021–22	<b>-0.6%</b> average annual change between 2018–19 and 2021–22	<b>2.3%</b> average annual change between 2018–19 and 2021–22

**Source:** Victorian Local Government Grants Commission (unaudited data). Includes both capped and uncapped rates and charges. The 'other' category of property class is not shown in the table and accounts for 4 per cent of properties.

# 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 council's money come from?

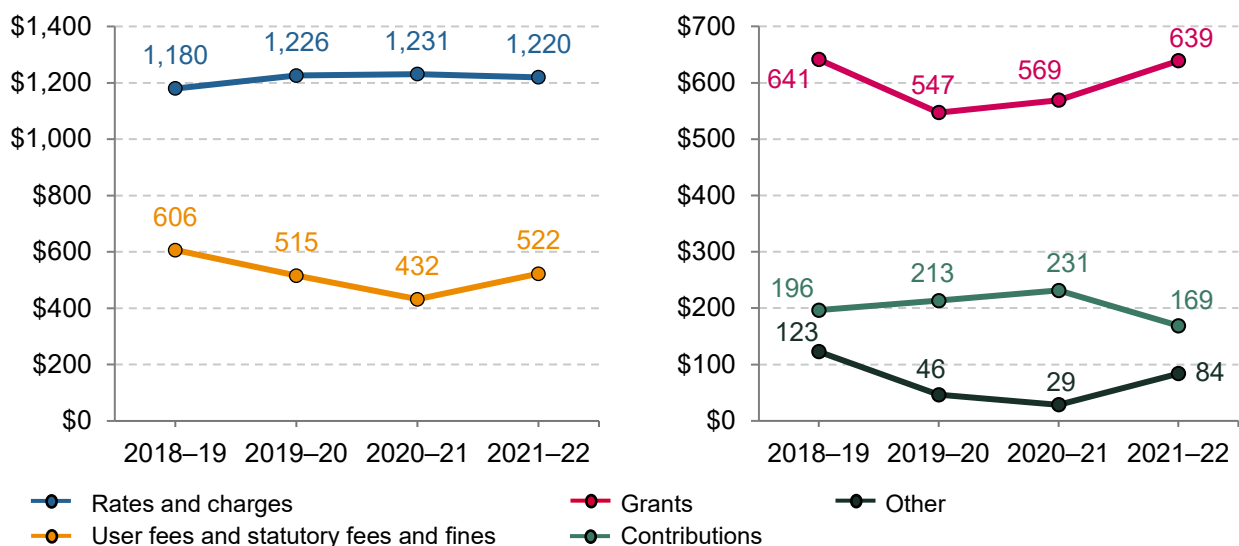
**Revenue** (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	41.1	(43%)	43.0	(48%)	43.5	(49%)	43.2	(46%)
User fees and statutory fees and fines	21.1	(22%)	18.1	(20%)	15.3	(17%)	18.5	(20%)
Grants	22.3	(23%)	19.2	(21%)	20.1	(23%)	22.6	(24%)
Contributions	6.8	(7%)	7.5	(8%)	8.2	(9%)	6.0	(6%)
Other	4.3	(4%)	1.6	(2%)	1.0	(1%)	3.0	(3%)
<b>Total</b>	<b>95.6</b>		<b>89.3</b>		<b>88.1</b>		<b>93.3</b>	

Warrnambool City Council's total revenue decreased in real terms between 2018–19 and 2021–22, reflecting decreases in revenue from user fees and statutory fees and fines and 'other' revenue.

Rates and charges, and grants were the largest sources of revenue, accounting for 70 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 changes in population), revenue from user fees and statutory fees and fines, contributions and 'other' revenue decreased between 2018–19 and 2021–22. 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.  
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## How much money did council spend?

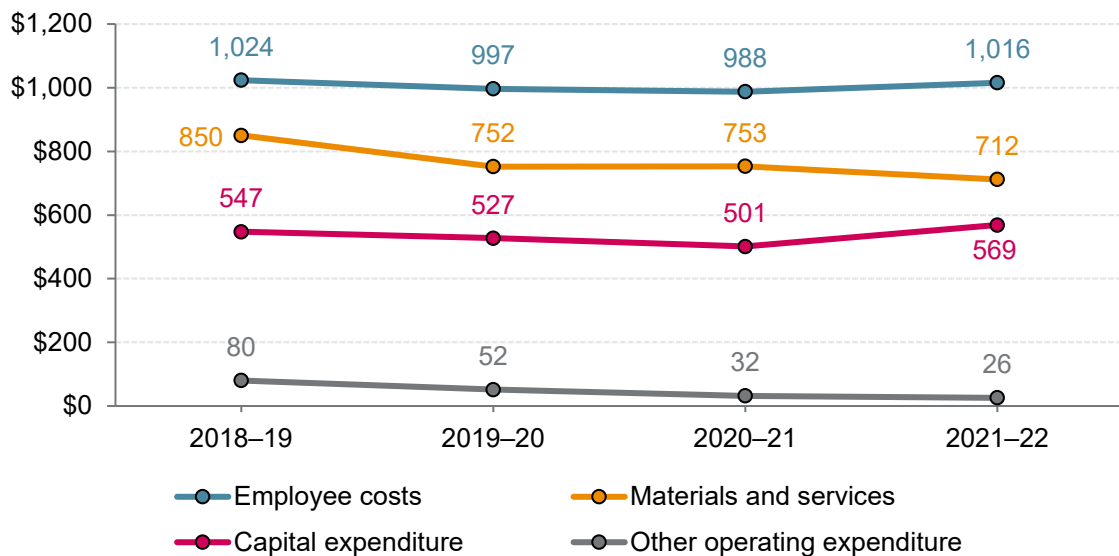
**Expenditure** (2021–22 \$m and % of total expenditure)

	2018–19	2019–20	2020–21	2021–22
	\$m	\$m	\$m	\$m
Operating expenditure	68.0 (78%)	63.1 (77%)	62.7 (78%)	62.1 (76%)
Employee costs	35.6 (41%)	35.0 (43%)	34.9 (43%)	36.0 (44%)
Materials and services	29.6 (34%)	26.4 (32%)	26.6 (33%)	25.2 (31%)
Other operating expenditure	2.8 (3%)	1.8 (2%)	1.1 (1%)	0.9 (1%)
Capital expenditure	19.0 (22%)	18.5 (23%)	17.7 (22%)	20.1 (24%)
<b>Total</b>	<b>87.0</b>	<b>81.6</b>	<b>80.4</b>	<b>82.3</b>

Warrnambool City Council's total expenditure decreased in real terms between 2018–19 and 2021–22. This reflected a decrease in expenditure on materials and services.

Employee costs was the largest area of expenditure, accounting for 43 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 changes in population), council's expenditure on employee costs, materials and services and 'other operating expenditure' decreased between 2018–19 and 2021–22. This compares with an increase in capital expenditure per person.



See the reader's guide for data sources and useful information.  
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## Did council's capital expenditure pattern change?

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

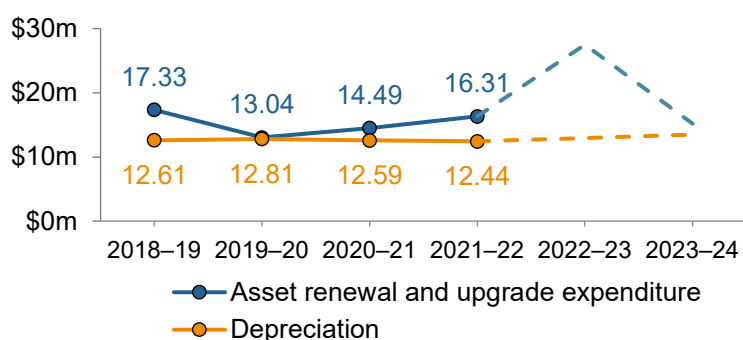
	2018–19		2019–20		2020–21		2021–22	
	\$m		\$m		\$m		\$m	
Renewal	13.9	(73%)	10.3	(56%)	10.4	(59%)	14.1	(70%)
Upgrade	3.4	(18%)	2.7	(15%)	4.1	(23%)	2.2	(11%)
Expansion	0.1	(1%)	0.0	(0%)	0.1	(0%)	0.0	(0%)
New	1.6	(8%)	5.4	(29%)	3.1	(18%)	3.8	(19%)
<b>Total</b>	<b>19.0</b>		<b>18.5</b>		<b>17.7</b>		<b>20.1</b>	

Warrnambool City Council's spending on asset renewal trended upwards in real terms, despite fluctuating between 2018–19 and 2021–22. Asset renewal accounted for the highest share of capital expenditure over this period (65 per cent).

Council's spending on new assets increased in real terms between 2018–19 and 2021–22, while spending on asset upgrades and asset expansion declined.

## Did council renew assets (such as roads, parks and buildings)?

**Council assets: comparing renewal and upgrade expenditure with depreciation (2021–22 dollars)**



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

2018–19	137%
2019–20	102%
2020–21	115%
2021–22	131%
2022–23	212% (forecast data)
2023–24	112% (forecast data)

Council's spending on renewing and upgrading assets trended upwards in real terms between 2019–20 and 2021–22, following a decrease in 2019–20. Renewal and upgrade expenditure remained above the amount of depreciation (the decline in value of council's assets caused by age and use) between 2018–19 and 2021–22. It was forecast to remain above the amount of depreciation in 2022–23 and 2023–24.



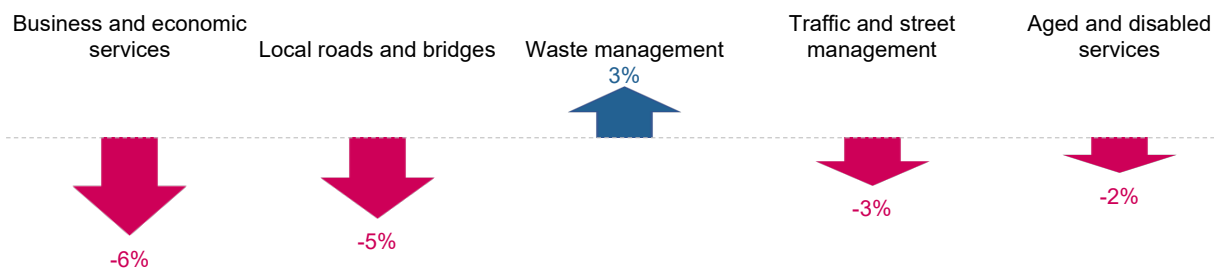
See the reader's guide for data sources and useful information.  
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## Which service areas did council spend its money on?

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

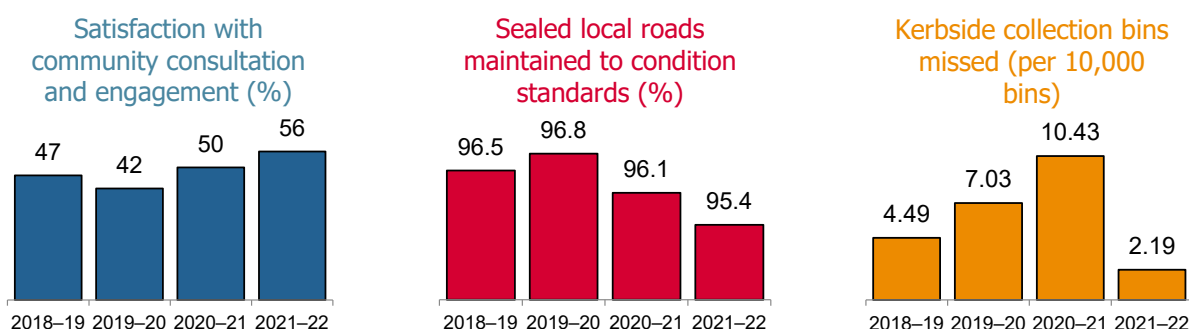
	2018–19	2019–20	2020–21	2021–22
	\$m	\$m	\$m	\$m
Aged and disabled services	4.9 (6%)	5.1 (7%)	5.1 (7%)	4.6 (6%)
Business and economic services	9.6 (12%)	9.3 (12%)	8.3 (11%)	7.9 (11%)
Environment	2.5 (3%)	2.6 (3%)	3.7 (5%)	2.8 (4%)
Family and community services	10.6 (13%)	10.8 (14%)	10.3 (14%)	11.0 (15%)
Governance	14.1 (18%)	13.9 (18%)	15.3 (20%)	13.6 (18%)
Local roads and bridges	11.1 (14%)	10.0 (13%)	10.2 (14%)	9.5 (13%)
Recreation and culture	17.9 (23%)	15.9 (21%)	13.9 (18%)	17.0 (23%)
Traffic and street management	4.5 (6%)	4.4 (6%)	4.2 (6%)	4.1 (5%)
Waste management	4.0 (5%)	4.0 (5%)	4.4 (6%)	4.4 (6%)
Other	0.0 (0%)	0.0 (0%)	0.0 (0%)	0.0 (0%)
<b>Total</b>	<b>79.3</b>	<b>76.1</b>	<b>75.5</b>	<b>74.8</b>

## 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?



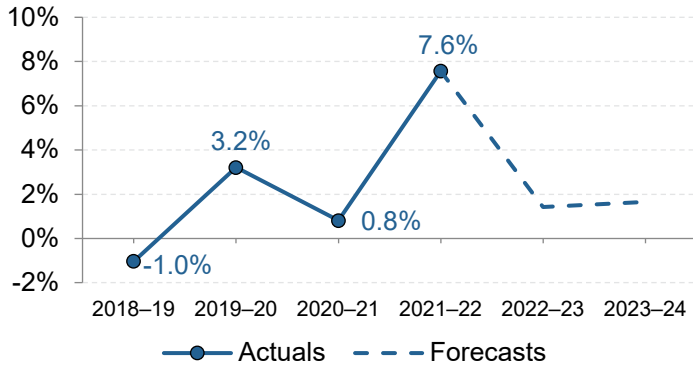
# Financial position



See the reader's guide for data sources and useful information.  
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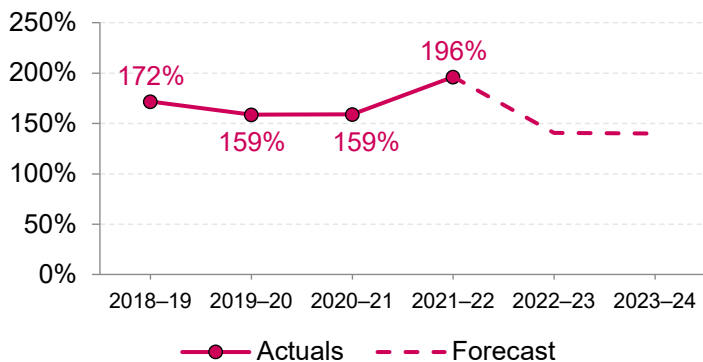
## Did council operate sustainably?

Adjusted underlying result  
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



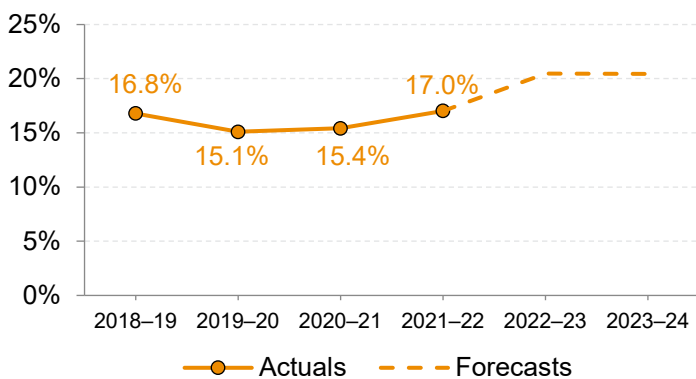
Between 2018–19 and 2021–22, Warrnambool City Council reported an average **adjusted underlying result** of 2.6 per cent. An ongoing positive result suggests ongoing revenue can fund the current level of service provision.

Working capital (current assets as a percentage of current liabilities)



Council could meet its current financial obligations with a reported average **working capital ratio** of 171 per cent between 2018–19 and 2021–22.

Indebtedness (non-current liabilities as a percentage of own-source revenue)



Between 2018–19 and 2021–22, council reported an average **indebtedness ratio** of 16.1 per cent. The lower the percentage, the greater a council's ability is to repay debt from revenue it controls.

**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.