

# Glenelg Shire Council

## Group: Large 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 large shires. 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>.



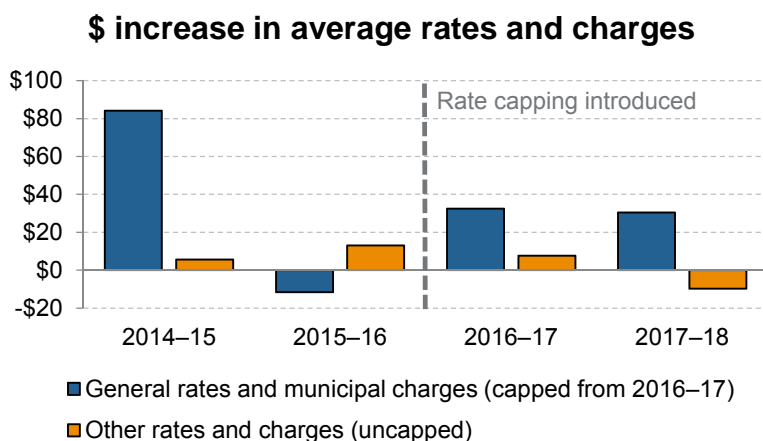
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### Key facts

Population:	19,695
Size (km <sup>2</sup> ):	6,218
Length of local roads (km):	2,629
Population per km of roads:	7.5
Council employees (FTE, 2017–18):	244
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	\$1,813	n/a
2015–16	\$1,814	n/a
2016–17	\$1,854	2.50%
2017–18	\$1,875	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.

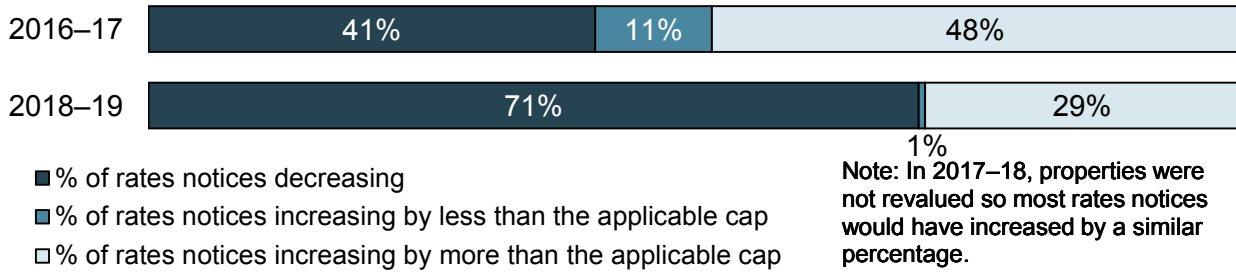
## Have council's average rates complied with the applicable rate caps?

2016–17 (2.50%)	2017–18 (2.00%)	2018–19 (2.25%)
Yes	Yes	Yes

## How have rates changed for individual ratepayers?

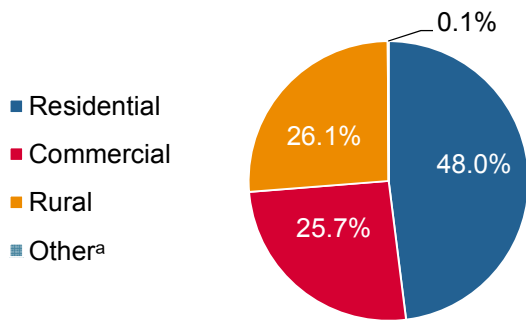
### Distribution of rates increases and decreases in revaluation years

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).



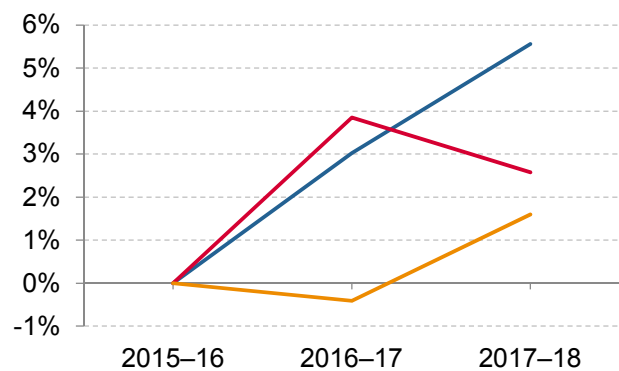
## Ratepayers by property class

### Proportion of rates and charges revenue from each property class in 2017–18



<sup>a</sup> 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 largest share of Glenelg Shire Council's rates and charges. This group of ratepayers, on average, experienced a 5.6 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 \$1,814 to \$1,875 (3.4 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?

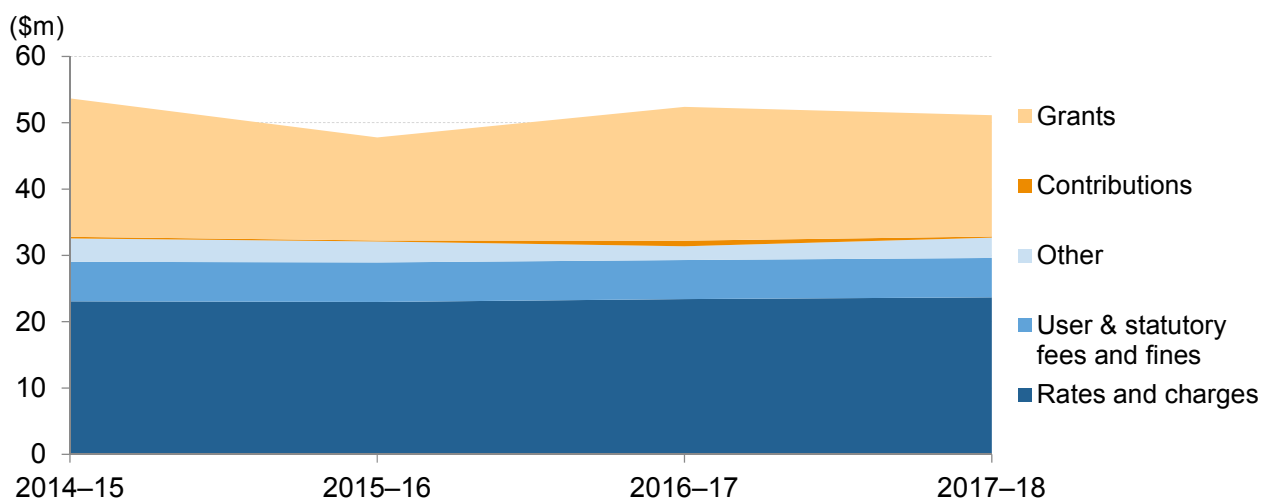
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	23.0	45	23.5	45
Grants	18.2	36	19.2	37
User fees and statutory fees and fines	6.0	12	5.9	11
Contributions	0.2	0	0.5	1
Other	3.3	7	2.6	5
<b>Total</b>	<b>50.7</b>	<b>100</b>	<b>51.8</b>	<b>100</b>

Glenelg Shire Council's average revenue from rates and charges, grants and contributions 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 increase in average revenue from grants and doubling of average revenue from contributions, as well as the decrease in average revenue from 'other' sources.

**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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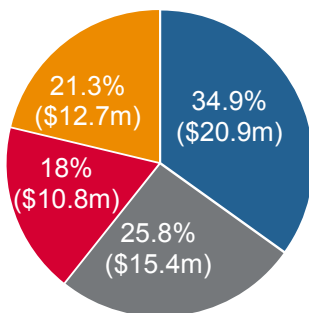
## How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$49.4m	\$9.1m	\$2,503	\$462
2015–16	\$44.8m	\$16.3m	\$2,274	\$828
2016–17	\$43.4m	\$11.6m	\$2,197	\$586
2017–18	\$38.3m	\$11.7m	\$1,946	\$593

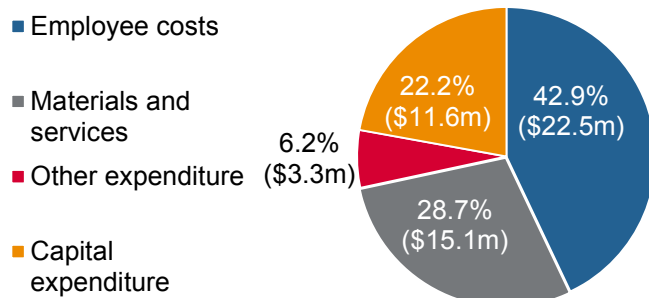
Glenelg Shire Council's operating expenses have trended downward in recent years, driven largely by decreases in 'other' expenses (reflecting adjustments related to asset values and landfill provision expenses being unusually high in 2014–15 and 2015–16). Capital expenditure has been more varied, with a spike in 2015–16 from increased spending on asset renewal and new assets.

## How is council spending its money?

**Average expenditure by category in the 2 years before rate capping**

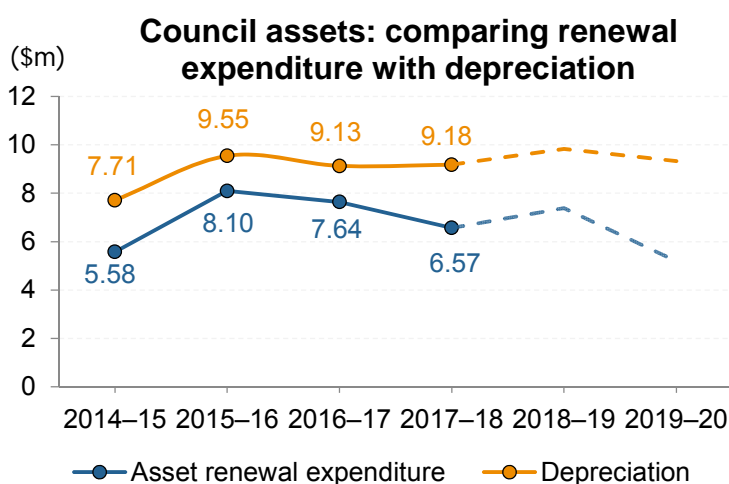


**Average expenditure by category in the 2 years after rate capping**



There was a change in the composition of Glenelg Shire Council's expenditure, reflecting the reduction in average 'other' expenses. Average employee costs increased in the two years after rate capping was introduced, while spending on materials and services and capital expenditure increased their shares of total spending despite decreasing 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	72
2015-16	85
2016-17	84
2017-18	72
2018-19	75 (forecast data)
2019-20	56 (forecast data)

Glenelg Shire Council's spending on the renewal of its assets has fluctuated 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 remain below 100 per cent of depreciation in 2018-19 and 2019-20. 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 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 large shires.
	\$m	% of total	\$m	% of total	
Renewal	6.8	54	7.1	61	
New	3.4	27	2.0	17	
Upgrade	2.5	19	1.2	11	
Expansion	0.0	0	1.3	11	
<b>Total</b>	<b>12.7</b>	<b>100</b>	<b>11.6</b>	<b>100</b>	

# 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?

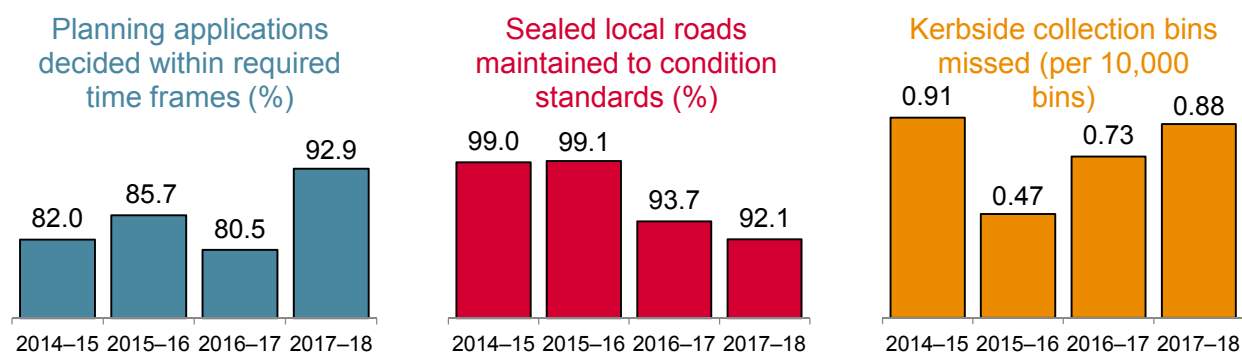
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	469	18.7	785	32.1
Governance	495	19.7	469	19.1
Recreation and culture	360	14.3	319	13.0
Business and economic services	225	8.9	226	9.2
Family and community services	220	8.7	209	8.5
Waste management	260	10.4	144	5.9
Aged and disabled services	111	4.4	117	4.8
Traffic and street management	112	4.4	89	3.7
Environment	136	5.4	64	2.6
Other	127	5.0	26	1.1

## 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.

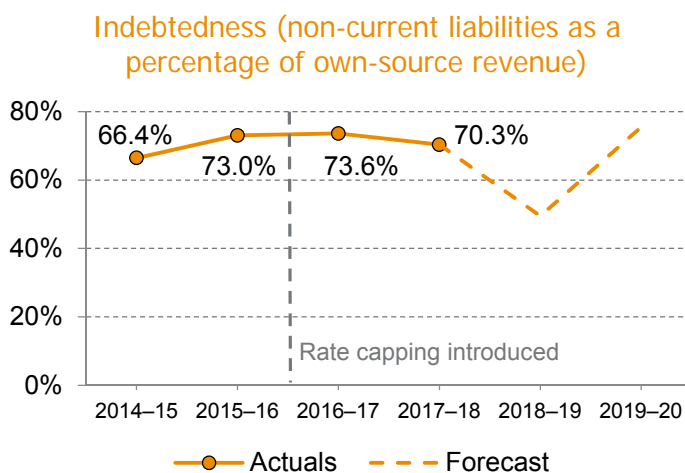
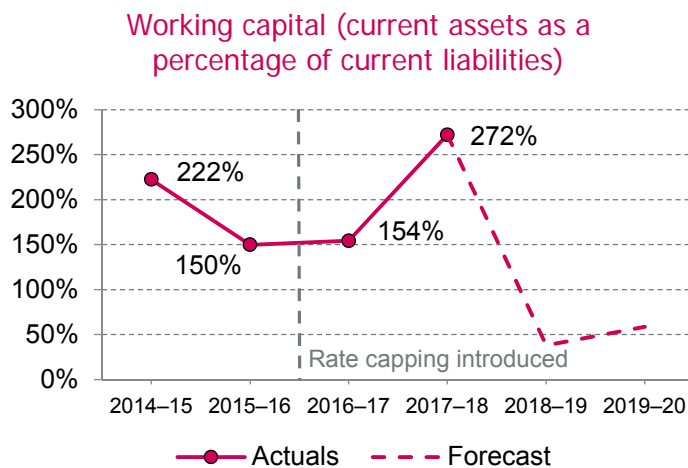
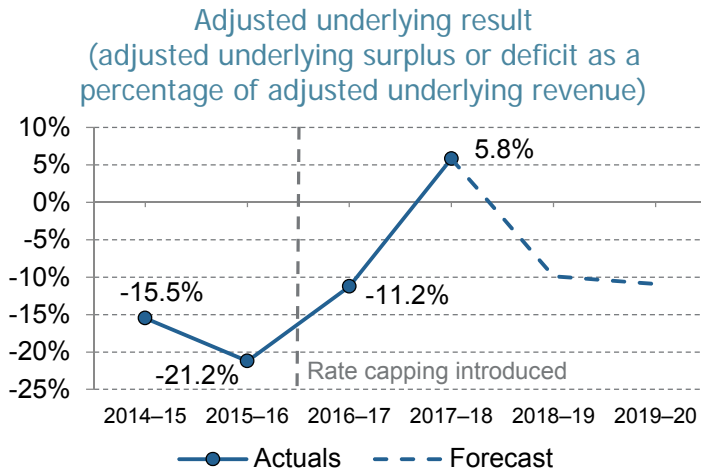
## Has there been a change in service quality? (selected services only)



# 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, Glenelg Shire Council reported an average **adjusted underlying result** of -10.5 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. The result fell in 2015–16, reflecting increased expenses for landfill provisions.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 200 per cent between 2014–15 and 2017–18.

Council has a relatively stable **indebtedness ratio**. Most of council's long-term liabilities relate to future costs associated with rehabilitating landfill sites.

**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.