

# Moira 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>.



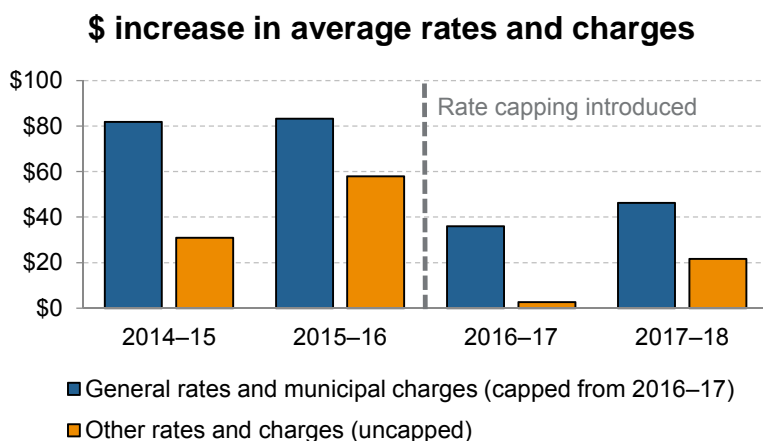
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### Key facts

Population:	29,655
Size (km <sup>2</sup> ):	4,046
Length of local roads (km):	3,648
Population per km of roads:	8.1
Council employees (FTE, 2017–18):	213
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	\$1,780	n/a
2015–16	\$1,922	n/a
2016–17	\$1,960	2.50%
2017–18	\$2,028	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).

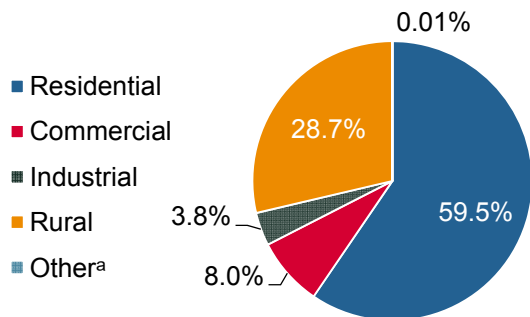


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

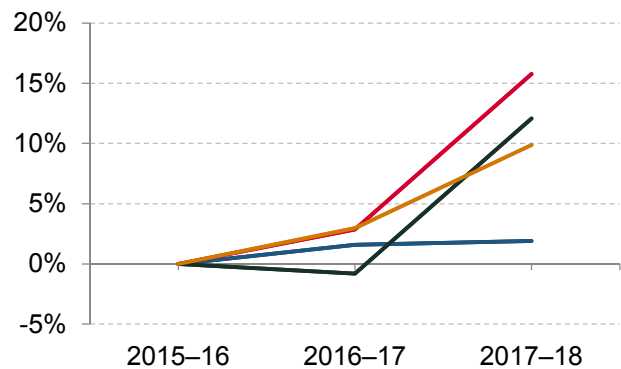
## Ratepayers by property class

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



<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 majority of Moira Shire Council's rates and charges. This group of ratepayers, on average, experienced a 1.9 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 \$1,922 to \$2,028 (5.5 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?

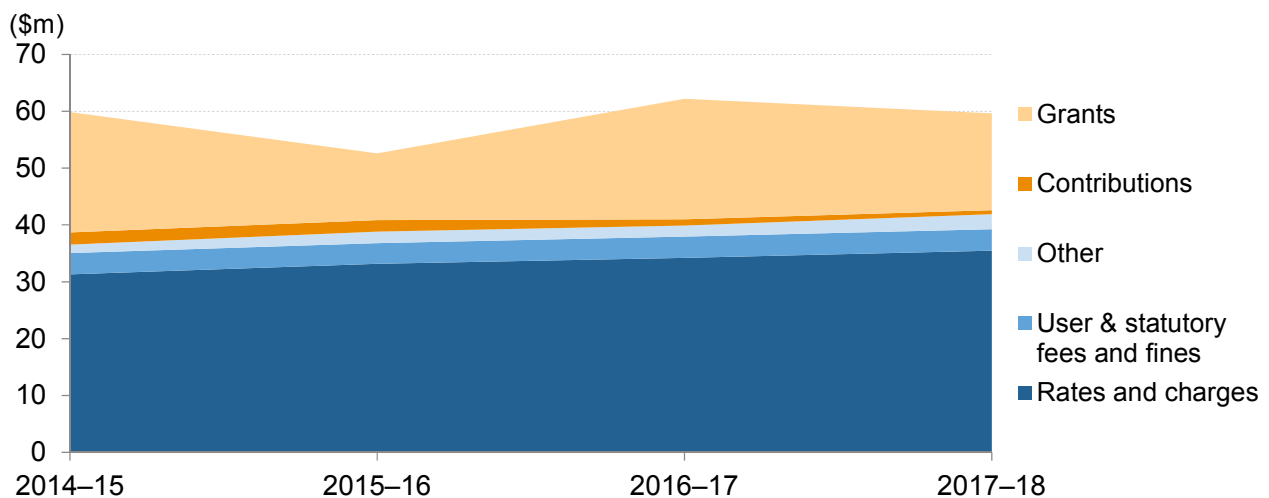
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	32.2	57	34.8	57
Grants	16.4	29	19.1	31
User fees and statutory fees and fines	3.7	7	3.8	6
Contributions	2.1	4	0.9	1
Other	1.8	3	2.3	4
<b>Total</b>	<b>56.2</b>	<b>100</b>	<b>60.9</b>	<b>100</b>

Moira Shire Council's average revenue from all sources (except contributions) increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The proportions of council's revenue from each source remained relatively stable after the introduction of rate capping except for the increase in the proportion of revenue from grants over the two years after rate capping commenced and decrease in the proportion of revenue from contributions.

**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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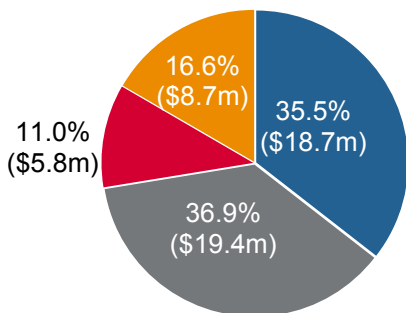
## How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$47.1m	\$7.8m	\$1,618	\$267
2015–16	\$40.6m	\$9.7m	\$1,388	\$332
2016–17	\$41.5m	\$13.1m	\$1,409	\$444
2017–18	\$42.8m	\$10.1m	\$1,444	\$339

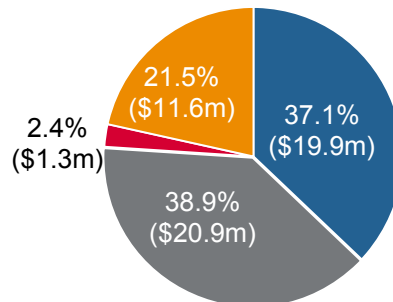
Moira Shire Council's operating expenses, which had previously been trending downward from a spike in 2012–13, have trended upward in recent years. This upward trend has been driven by increased employee costs and spending on materials and services. Capital expenditure has varied more over the same period, reflecting changes in spending on asset renewal and new assets.

## How is council spending its money?

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

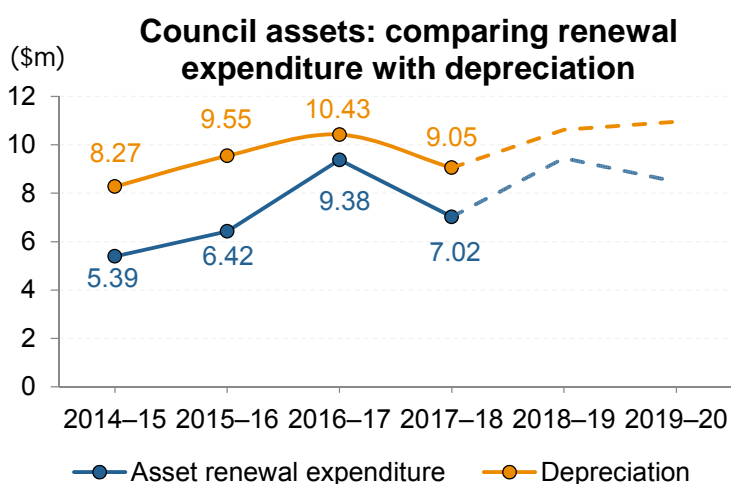


**Average expenditure by category in the 2 years after rate capping**



There was a change in the composition of Moira Shire Council's expenditure, reflecting a reduction in average 'other' expenditure and increases in average employee costs, spending on materials and services and capital expenditure in the two years after rate capping was introduced.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	65
2015-16	67
2016-17	90
2017-18	78
2018-19	89 (forecast data)
2019-20	77 (forecast data)

Moira Shire Council's spending on the renewal of its assets has fluctuated in recent years, while remaining less than the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to continue to fluctuate in 2018-19 and 2019-20, while remaining below 100 per cent of 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	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, with average spending on new assets and upgrade projects increasing.
	\$m	% of total	\$m	% of total	
Renewal	5.9	67	8.2	71	
New	1.6	19	1.9	16	
Upgrade	0.8	9	1.1	9	
Expansion	0.4	5	0.4	4	
<b>Total</b>	<b>8.8</b>	<b>100</b>	<b>11.6</b>	<b>100</b>	

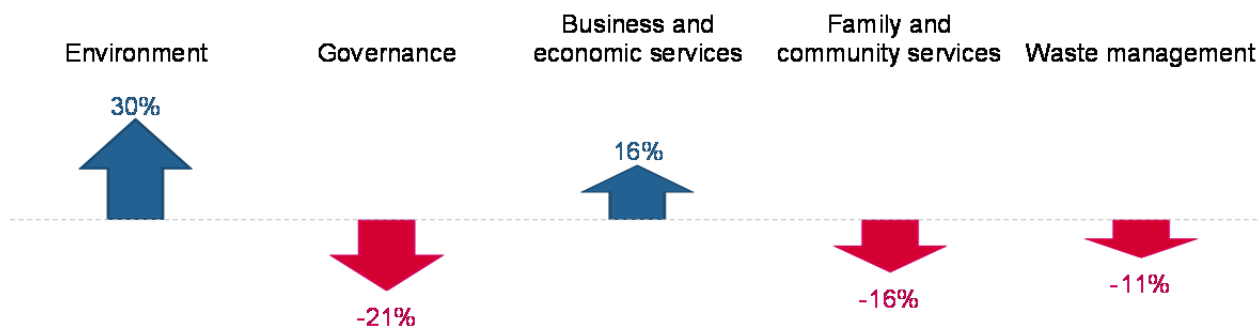
# Services

See the reader's guide for data sources and useful information.  
Note: The numbers in this fact sheet have not been adjusted for inflation.

## Which service areas is council spending its money in?

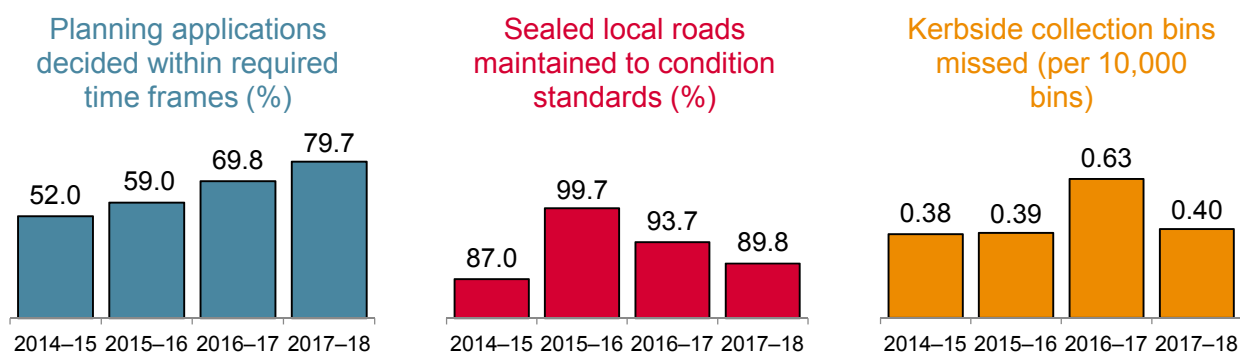
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	683	38.0	539	31.0
Local roads and bridges	318	17.7	310	17.8
Recreation and culture	206	11.5	202	11.6
Waste management	204	11.4	181	10.4
Business and economic services	112	6.2	131	7.5
Other	0	0.0	101	5.8
Environment	76	4.2	99	5.7
Traffic and street management	95	5.3	88	5.1
Family and community services	103	5.7	87	5.0
Aged and disabled services	1	0.1	1	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.

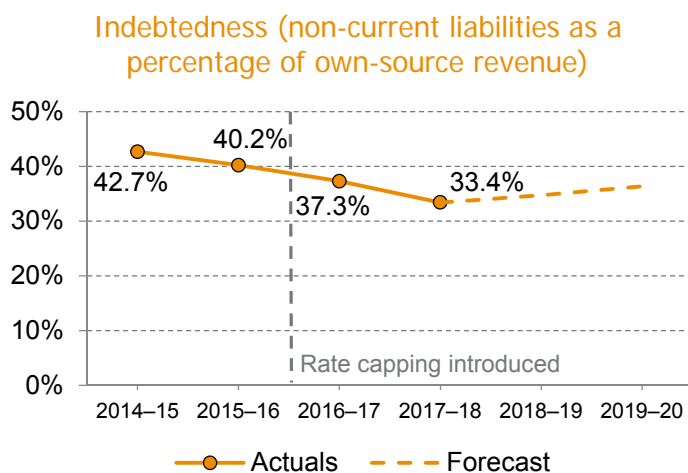
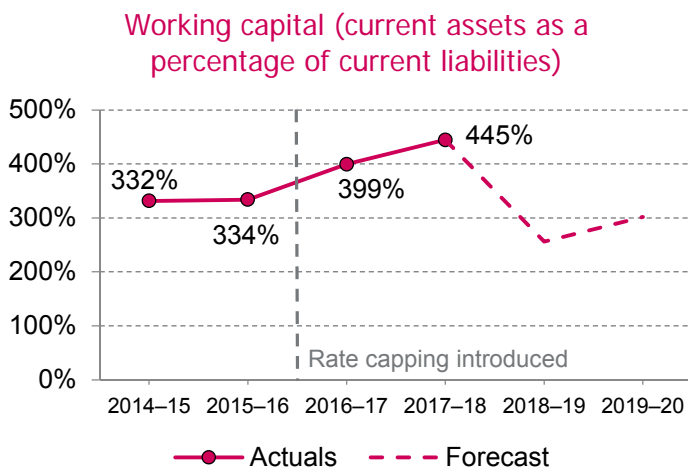
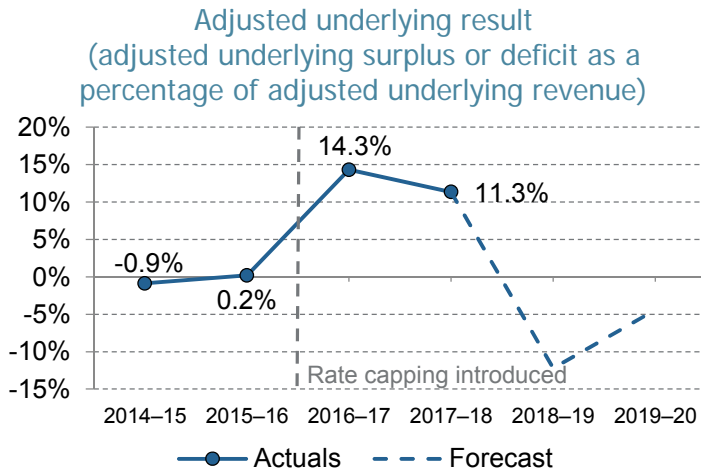
## Has there been a change in service quality? (selected services only)



# 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, Moira Shire Council reported an average **adjusted underlying result** of 6 per cent. A positive result suggests that there is enough ongoing revenue to continue to fund the current level of service provision.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 377 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.