

Central Goldfields Shire Council

Group: small shire

This fact sheet uses graphs and data to examine this council's revenue, expenditure and financial sustainability over recent years. This information is intended to help readers understand the impacts of rate capping, which was introduced in 2016–17 to restrict the amount councils can increase their general rates and municipal charges in each financial year.

You can compare this council's data against its 'group' by looking at the fact sheet for small shires. Further information is available at <http://www.esc.vic.gov.au/outcomes-reports>, including an interactive version of this fact sheet, a reader's guide to help you understand key terms used in this fact sheet, and information about the sector as a whole.



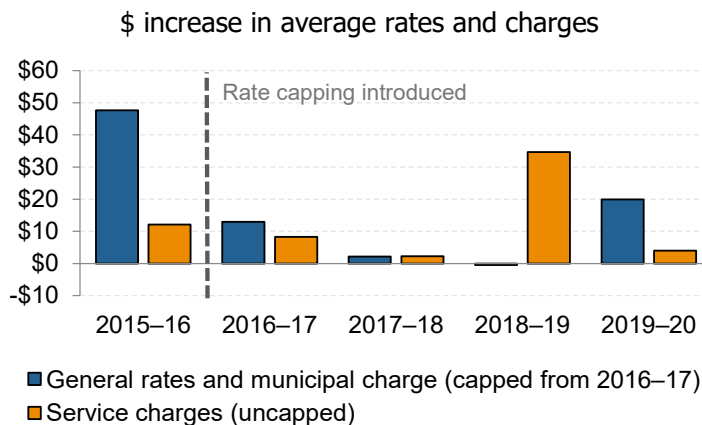
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Key facts

Population (June 2019):	13,186
Size (km ²):	1,533
Length of local roads (km):	1,320
Population per km of roads:	10
Council employees (FTE, 2019–20):	147
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

Rates

What has happened to average rates and charges (2019–20 dollars)?



Year	Average rates and charges	Applicable rate cap
2015–16	\$1,696	n/a
2016–17	\$1,717	2.50%
2017–18	\$1,721	2.00%
2018–19	\$1,755	2.25%
2019–20	\$1,779	2.50%

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 2019–20 dollars.

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

2018–19 (2.25%)	2019–20 (2.50%)	2020–21 (2.00%)
Yes	Yes	Yes

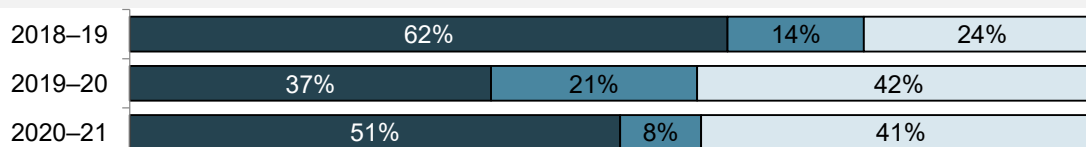
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 8 differential rates (for different types of property), a municipal charge and uses service charges to recover the cost of waste services. More information about council's differential rate categories and charges can be found in council's adopted budget.

Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate, which means 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 (2019–20 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	83% of ratepayers	4% of ratepayers	1% of ratepayers	12% of ratepayers
	\$11.3m (75%) of rates and charges revenue in 2019–20	\$1.1m (8%) of rates and charges revenue in 2019–20	\$0.2m (1%) of rates and charges revenue in 2019–20	\$2.5m (16%) of rates and charges revenue in 2019–20
	0.8% average annual increase between 2015–16 and 2019–20	0.6% average annual increase between 2015–16 and 2019–20	0.8% average annual increase between 2015–16 and 2019–20	4.7% average annual increase between 2015–16 and 2019–20

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.
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Where is council's money coming from?

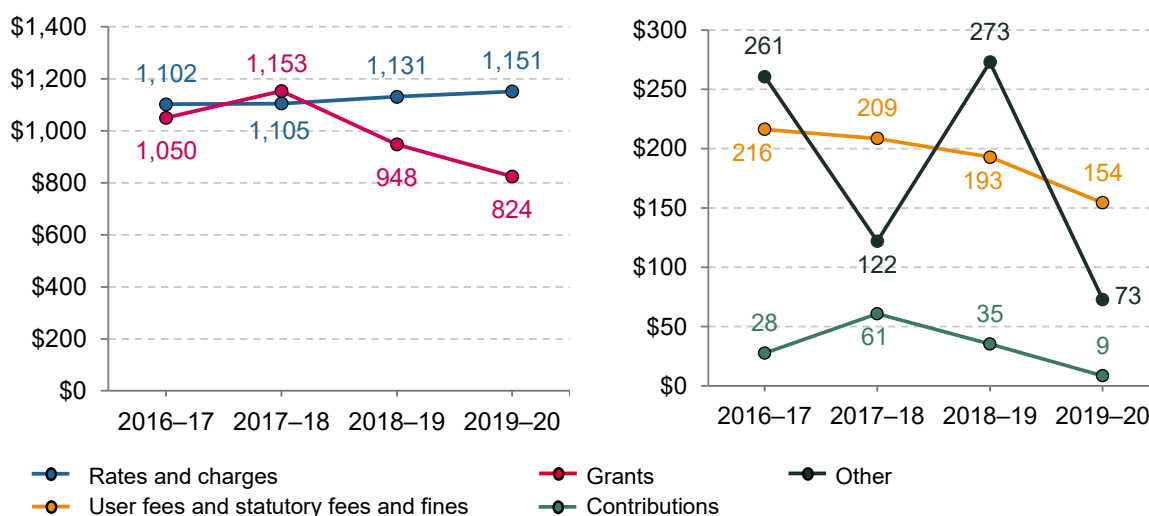
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	14.4	(41%)	14.5	(42%)	14.9	(44%)	15.2	(52%)
User fees and statutory fees and fines	2.8	(8%)	2.7	(8%)	2.5	(7%)	2.0	(7%)
Grants	13.7	(40%)	15.2	(44%)	12.5	(37%)	10.9	(37%)
Contributions	0.4	(1%)	0.8	(2%)	0.5	(1%)	0.1	(0%)
Other	3.4	(10%)	1.6	(5%)	3.6	(11%)	1.0	(3%)
Total	34.8		34.8		34.1		29.2	

In real terms, Central Goldfields Shire Council's total revenue decreased between 2016–17 and 2019–20, reflecting decreases in revenue from user fees and statutory fees and fines, and grants (specifically flood recovery grants).

Rates and charges, and grants were the largest sources of council's revenue, and together these sources accounted for between 81 and 89 per cent of total revenue between 2016–17 and 2019–20. With revenue from user fees and statutory fees and fines, and grants decreasing in real terms between 2016–17 and 2019–20, the proportion of revenue council received through rates and charges increased.

Revenue per person (2019–20 dollars)



In terms of revenue per person (which adjusts for population growth), council's revenue from user fees and statutory fees and fines, grants, and contributions trended downwards in real terms between 2016–17 and 2019–20.

Expenditure



See the reader's guide for data sources and useful information.
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How much money is council spending?

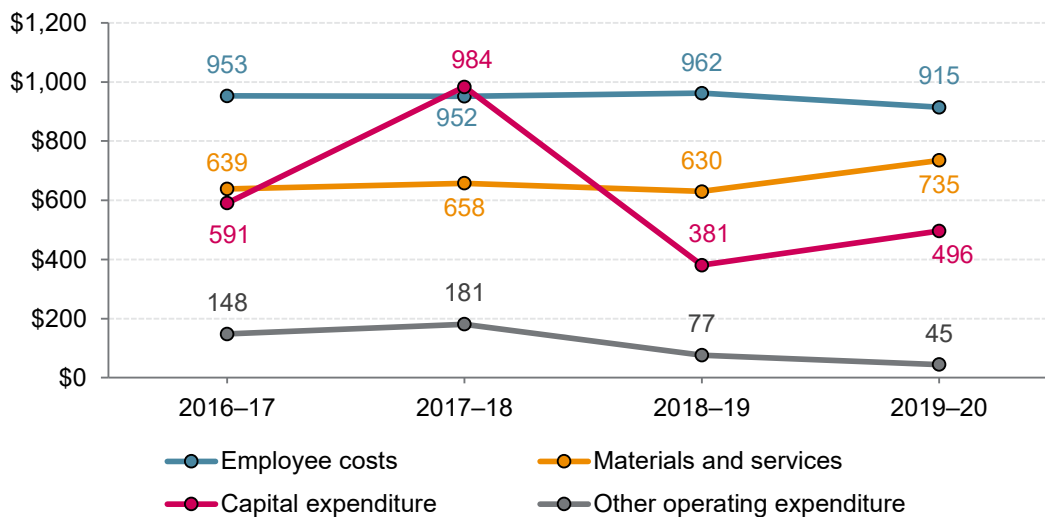
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	22.8	(75%)	23.5	(65%)	22.0	(81%)	22.3	(77%)
Employee costs	12.5	(41%)	12.5	(34%)	12.7	(47%)	12.1	(42%)
Materials and services	8.4	(27%)	8.6	(24%)	8.3	(31%)	9.7	(34%)
Other operating expenditure	1.9	(6%)	2.4	(7%)	1.0	(4%)	0.6	(2%)
Capital expenditure	7.7	(25%)	12.9	(35%)	5.0	(19%)	6.5	(23%)
Total	30.5		36.5		27.1		28.9	

In real terms, Central Goldfields Shire Council's total expenditure fluctuated between 2016–17 and 2019–20, largely reflecting changes in capital expenditure. Employee costs remained relatively stable in real terms between 2016–17 and 2019–20, while expenditure on materials and services increased.

Employee costs was council's largest area of expenditure between 2016–17 and 2019–20, except in 2017–18 when council's capital expenditure was higher.

Expenditure per person (2019–20 dollars)



In terms of expenditure per person (which adjusts for population growth), employee costs and expenditure on materials and services fluctuated in real terms between 2016–17 and 2019–20. Capital expenditure per person spiked in 2017–18 in real terms.



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Has council's capital expenditure pattern changed?

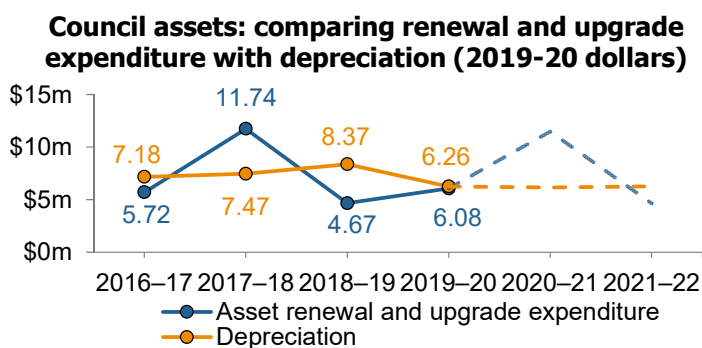
Capital expenditure (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	3.2	(41%)	10.6	(82%)	4.0	(79%)	3.9	(59%)
Upgrade	2.6	(33%)	1.1	(9%)	0.7	(14%)	2.2	(34%)
Expansion	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
New	2.0	(26%)	1.2	(9%)	0.4	(7%)	0.5	(7%)
Total	7.7		12.9		5.0		6.5	

In real terms, there was a spike in Central Goldfields Shire Council's spending on asset renewal in 2017–18. Spending on asset upgrades and new assets trended downwards in real terms between 2016–17 and 2018–19, before increasing in 2019–20.

Asset renewal remained the highest share of capital expenditure between 2016–17 and 2019–20 (accounting for 41 to 82 per cent of total capital expenditure).

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



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	80%
2017–18	157%
2018–19	56%
2019–20	97%
2020–21	186% (forecast data)
2021–22	74% (forecast data)

Council's spending on the renewal and upgrade of its assets fluctuated year on year in real terms between 2016–17 and 2019–20. This spending remained below the amount of depreciation (the decline in value of council's assets caused by age and use), except in 2017–18 when it increased above 100 per cent of depreciation (with the spike in asset renewal spending).

Renewal and upgrade expenditure was forecast to increase above 100 per cent of depreciation in 2020–21 before falling below in 2021–22.

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 (2019–20 \$m and % of total services expenditure)

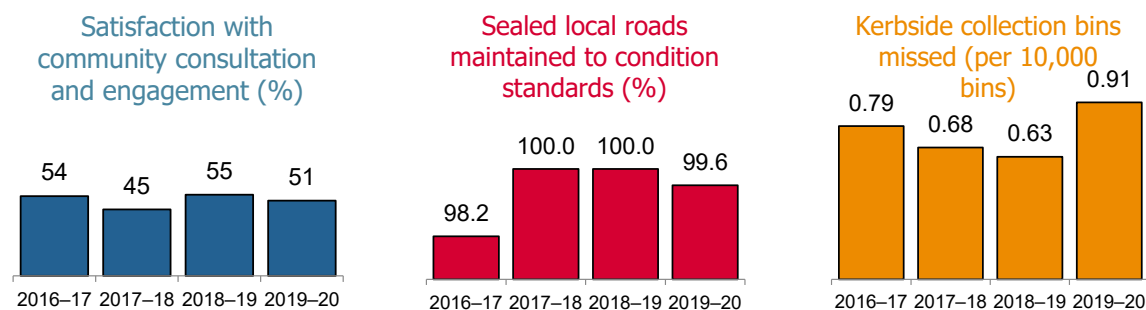
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	1.7 (6%)	1.7 (5%)	1.7 (6%)	1.9 (7%)
Business and economic services	1.8 (6%)	2.1 (7%)	2.8 (9%)	3.0 (11%)
Environment	0.6 (2%)	0.6 (2%)	0.5 (2%)	0.7 (2%)
Family and community services	3.9 (13%)	3.7 (12%)	3.4 (11%)	4.4 (15%)
Governance	5.8 (19%)	6.2 (20%)	5.9 (19%)	6.4 (22%)
Local roads and bridges	7.4 (25%)	7.7 (25%)	6.0 (20%)	5.2 (18%)
Recreation and culture	4.0 (13%)	4.1 (13%)	3.9 (13%)	3.7 (13%)
Traffic and street management	2.8 (9%)	2.7 (9%)	3.6 (12%)	1.6 (5%)
Waste management	2.0 (7%)	2.2 (7%)	2.3 (8%)	1.9 (7%)
Other	0.0 (0%)	0.1 (0%)	0.3 (1%)	0.0 (0%)
Total	29.9	31.0	30.4	28.7

Which service areas have experienced the biggest changes in spending?



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

Has there been a change in service quality and community satisfaction?

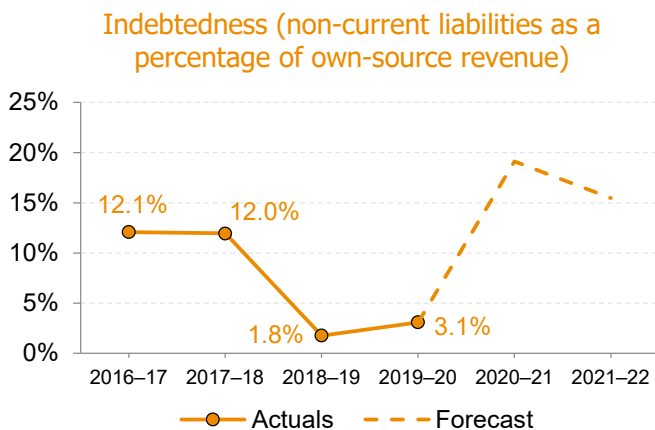
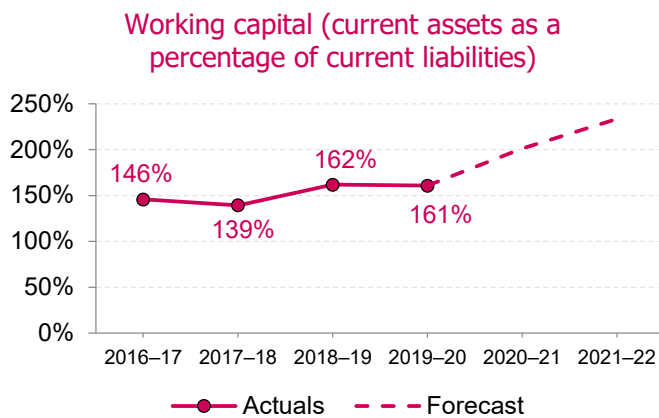
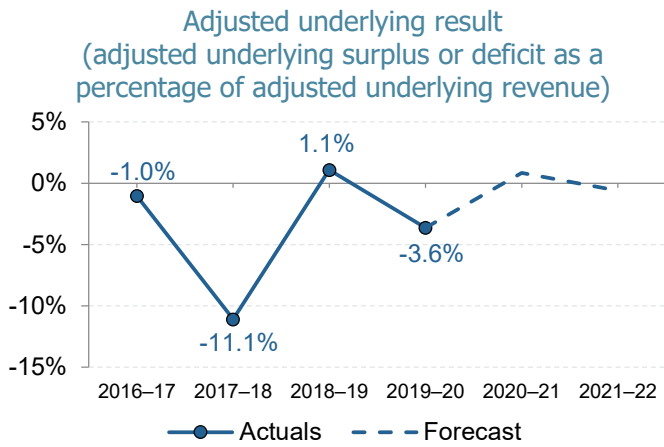


Financial position



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Is council operating sustainably?



Between 2016–17 and 2019–20, Central Goldfields Shire Council reported an average **adjusted underlying result** of –3.7 per cent. An ongoing negative result, or deficit, suggests that, without the receipt of one-off grants or increases in ongoing revenue, the council may not have sufficient revenue to fund the range and level of services it has been providing. The decrease in 2017–18 reflects variations in the timing of grant receipts. The increase in 2018–19 reflects the recognition of found assets.

Council could meet its current financial obligations with a reported average **working capital ratio** of 152 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 7.2 per cent between 2016–17 and 2019–20 places the council in the Victorian Auditor-General’s low risk category for this indicator, which means there is no concern over council’s ability to repay debt from the revenue it controls. The decrease in 2018–19 reflects reclassification of a long-term loan, from non-current to current liabilities for planned repayment in 2019–20.

Note: Some of the year-on-year changes in these financial indicators may be due to the advance payment of Commonwealth grants (particularly in 2016–17) and changes to accounting standards or the impact of coronavirus (in 2019–20). See the reader’s guide for more information.