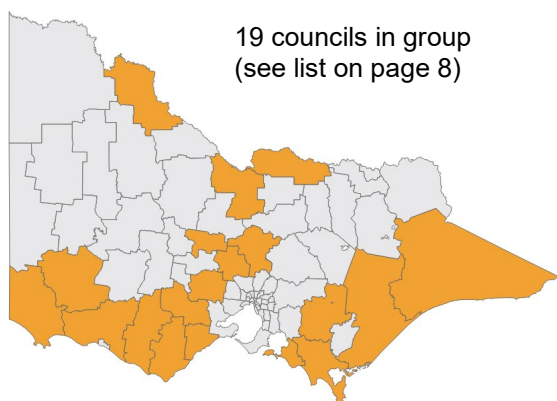


Large shire council group

This fact sheet uses graphs and data to examine revenue, expenditure and financial sustainability for the large shire 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 large shire group of councils as a whole, not the average of the results for individual councils.

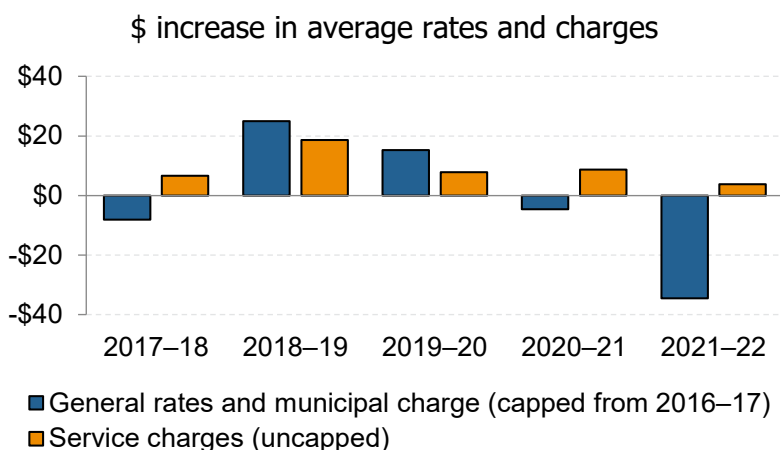


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Key facts	
Population (June 2021, average):	32,985
Size (km ² , average):	4,912
Length of local roads (km, average):	2,297
Population per km of roads:	14
Council employees (FTE, 2021–22, average):	286
Number of councils with an approved higher cap for any year between 2016–17 and 2021–22:	1 council with approved higher cap

Rates

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



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,077	2.50% ^a
2017–18	\$2,075	2.00%
2018–19	\$2,119	2.25%
2019–20	\$2,142	2.50%
2020–21	\$2,146	2.00%
2021–22	\$2,116	1.50%

^a Approved higher cap (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 large shire councils comply with the applicable rate caps?

	2020–21	2021–22	2022–23
Councils complying with applicable cap	19 of 19	19 of 19	19 of 19
Councils with an approved higher cap	0 of 19	0 of 19	0 of 19

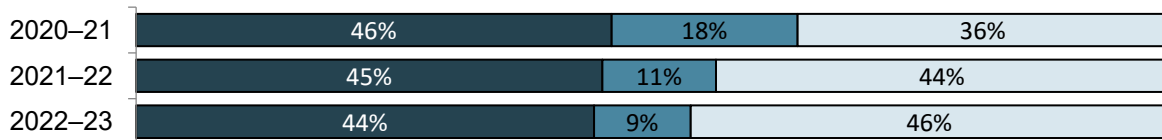
How did rates change for different ratepayers?

Council rating strategies 2022–23

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

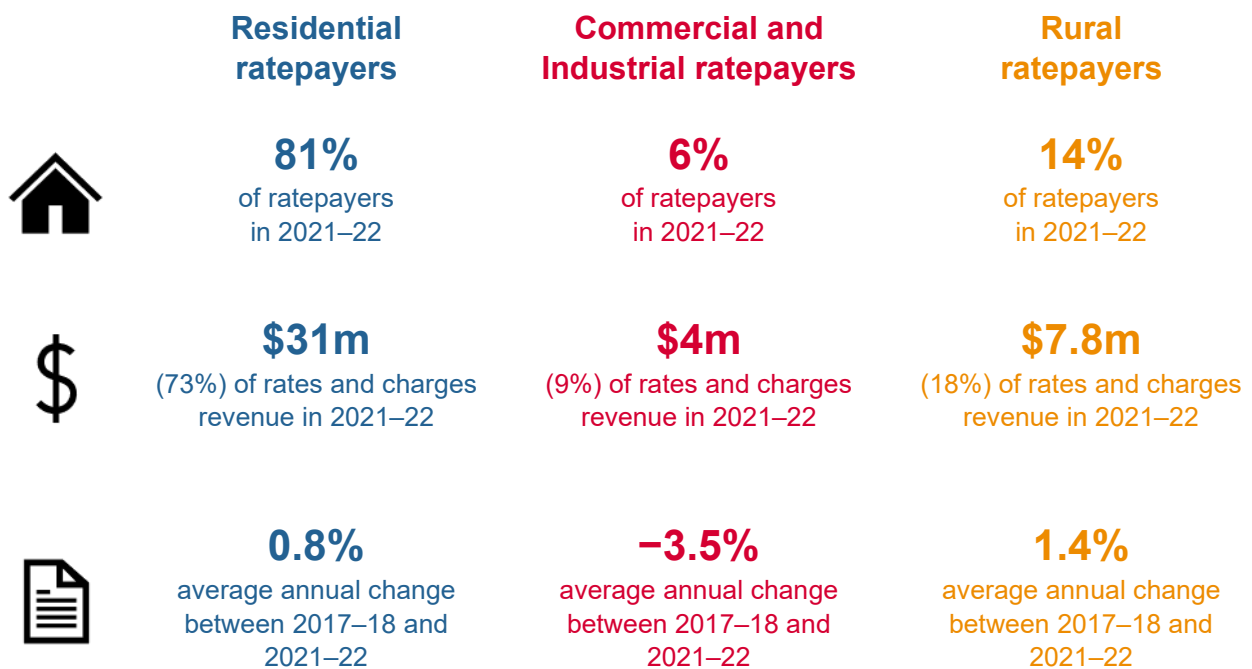
Distribution of rates increases and decreases

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 large shire group get their money from?

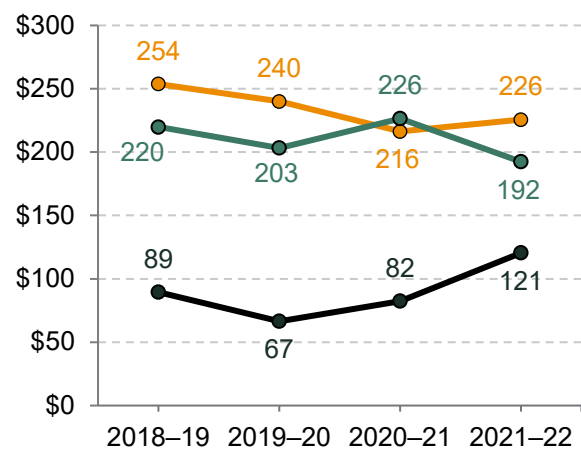
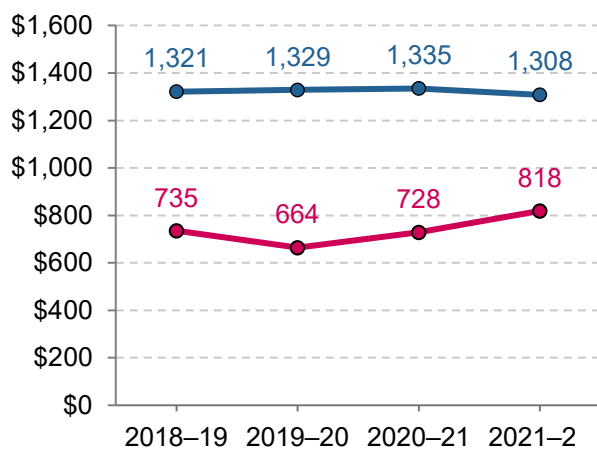
Average revenue (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	41.2	(50%)	42.2	(53%)	43.2	(52%)	43.1	(49%)
User fees and statutory fees and	7.9	(10%)	7.6	(10%)	7.0	(8%)	7.4	(8%)
Grants	22.9	(28%)	21.1	(27%)	23.6	(28%)	27.0	(31%)
Contributions	6.9	(8%)	6.5	(8%)	7.3	(9%)	6.3	(7%)
Other	2.8	(3%)	2.1	(3%)	2.7	(3%)	4.0	(5%)
Total	81.7		79.6		83.8		87.9	

The large shire council group's average total revenue increased between 2018–19 and 2021–22, reflecting increases in revenue from grants, rates and charges, and 'other' revenue.

Rates and charges, and grants were the largest sources of the large shire council group's revenue, accounting for 79 per cent of total revenue between 2018–19 and 2021–22.

Revenue per person (2021–22 dollars)



- Rates and charges
- Grants
- User fees and statutory fees and
- Contributions
- Other

In terms of revenue per person (which adjusts for population growth), the large shire council group's revenue from grants and 'other' revenue increased between 2018–19 and 2021–22. This compares with a downward trend in revenue per person from rates and charges, user fees and statutory fees and fines, and contributions.

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 large shire group spend?

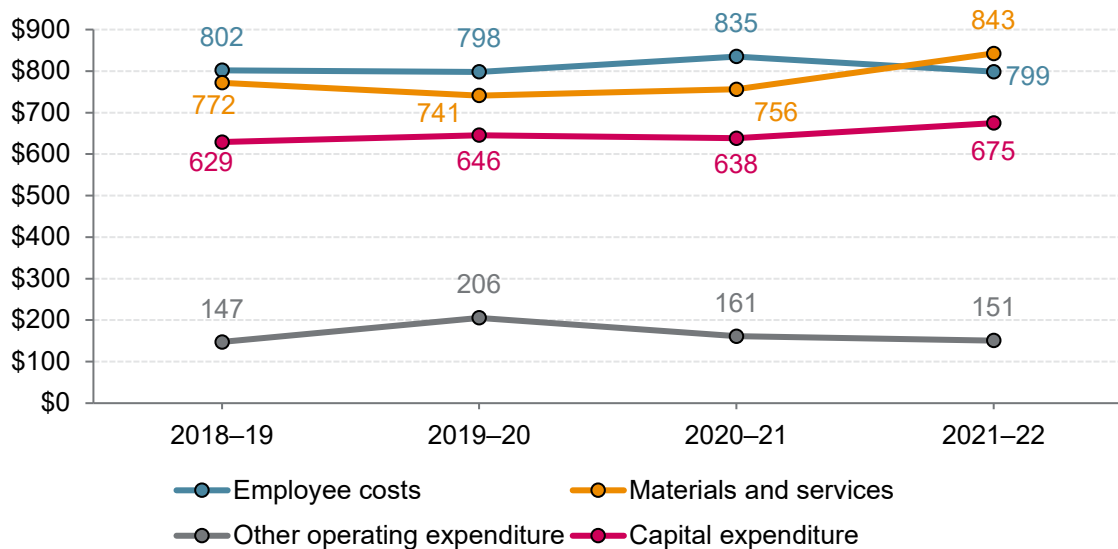
Average expenditure (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	53.7	73%	55.5	73%	56.7	73%	59.1	73%
Employee costs	25.0	34%	25.4	33%	27.0	35%	26.3	32%
Materials and services	24.1	33%	23.6	31%	24.5	32%	27.8	34%
Other operating expenditure	4.6	6%	6.5	9%	5.2	7%	5.0	6%
Capital expenditure	19.6	27%	20.5	27%	20.7	27%	22.3	27%
Total	73.3		76.0		77.4		81.4	

The large shire council group's average total expenditure increased between 2018–19 and 2021–22, reflecting increases in all expenditure categories.

Employee costs was the largest area of expenditure, accounting for 34 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), council's expenditure on materials and services and capital expenditure increased between 2018–19 and 2021–22. Expenditure per person on employee costs and 'other operating expenditure' fluctuated.



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)

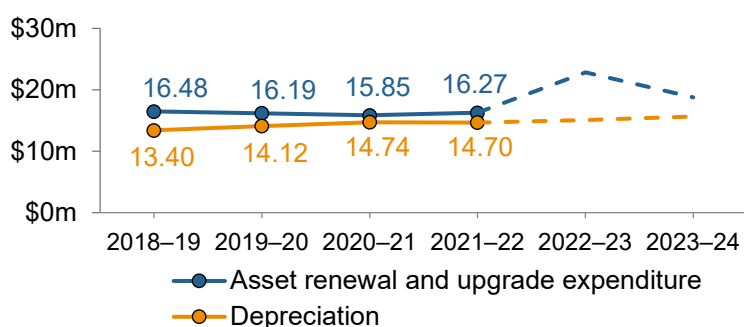
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Renewal	13.2	67%	12.2	60%	12.4	60%	12.6	57%
Upgrade	3.3	17%	4.0	19%	3.5	17%	3.7	16%
Expansion	0.6	3%	1.0	5%	1.0	5%	1.2	5%
New	2.5	13%	3.3	16%	3.8	18%	4.8	22%
Total	19.6		20.5		20.7		22.3	

The large shire council group's average spending on asset renewal trended downwards in real terms between 2018–19 and 2021–22. Asset renewal accounted for the highest share of capital expenditure over this period (61 per cent).

The group's spending on all other categories increased in real terms between 2018–19 and 2021–22.

Did councils in the large shire 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	123%
2019–20	115%
2020–21	108%
2021–22	111%
2022–23	151% (forecast data)
2023–24	120% (forecast data)

The large shire council group's average spending on the renewal and upgrade of its assets trended downwards in real terms between 2018–19 and 2020–21, before increasing in 2021–22. 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. This spending was forecast to remain above the amount of depreciation in 2022–23 and 2023–24.



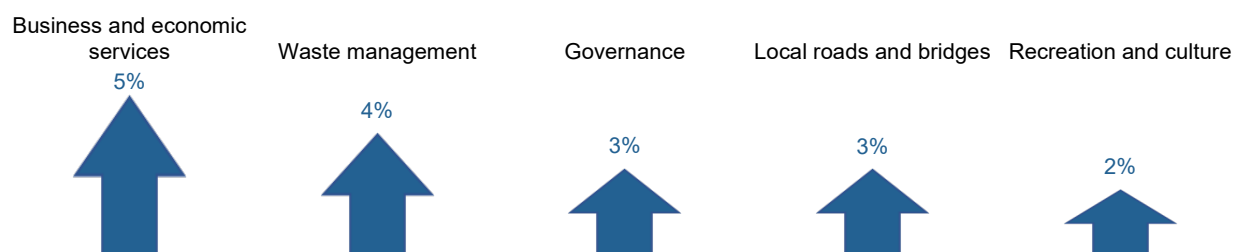
See the reader's guide for data sources and useful information.
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Which service areas did councils in the large shire group spend their money on?

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

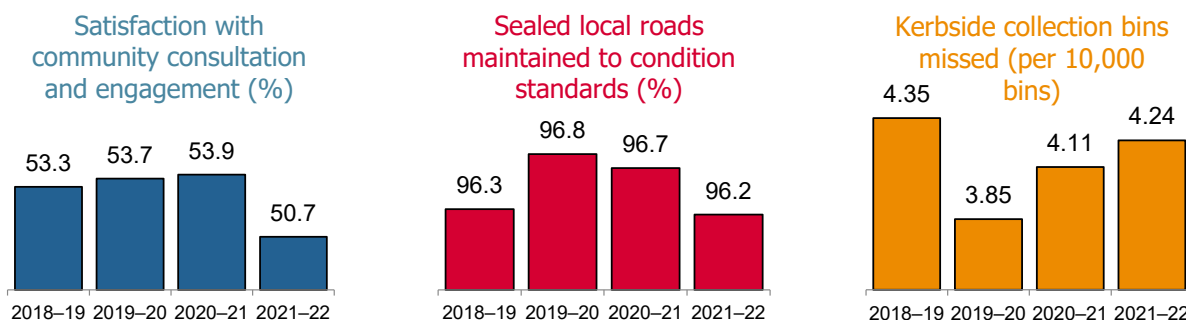
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Aged and disabled services	2.7	4%	2.5	4%	2.1	3%	2.1	3%
Business and economic services	6.5	10%	6.4	10%	7.2	10%	7.6	11%
Environment	3.1	5%	3.5	5%	3.4	5%	3.4	5%
Family and community services	3.6	5%	3.7	6%	4.0	6%	3.8	5%
Governance	14.6	22%	14.3	22%	15.6	23%	16.0	22%
Local roads and bridges	14.4	22%	14.4	22%	15.0	22%	15.7	22%
Recreation and culture	10.9	17%	11.2	17%	11.0	16%	11.7	16%
Traffic and street management	2.8	4%	2.9	4%	3.2	5%	3.3	5%
Waste management	6.9	10%	7.1	11%	6.9	10%	7.8	11%
Other	0.2	0%	0.3	0%	0.5	1%	0.6	1%
Total	65.8		66.3		68.9		72.0	

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.

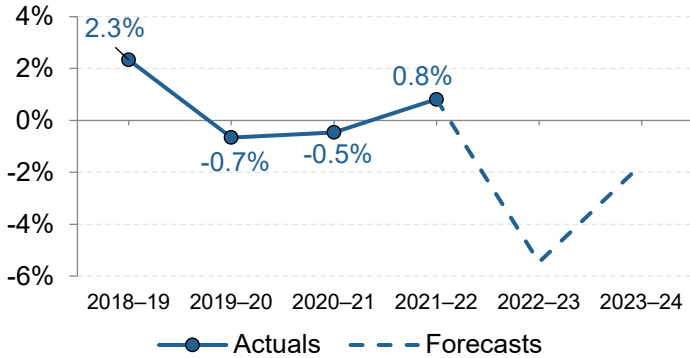
Financial position



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.

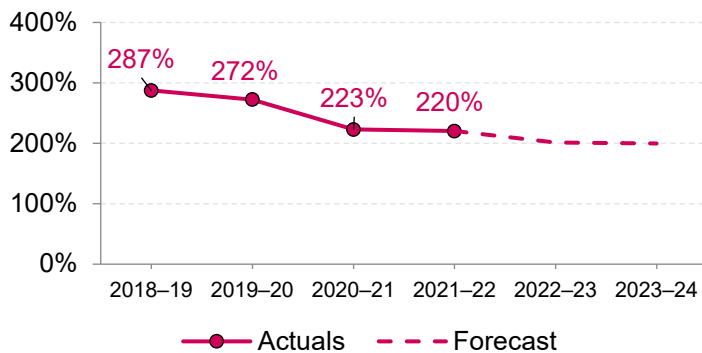
Did councils in the large shire group operate sustainably?

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



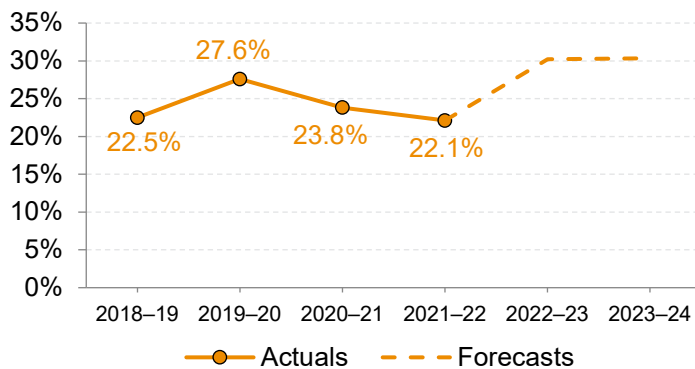
Between 2018–19 and 2021–22, the large shire council group reported an average **adjusted underlying result** of 0.5 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision.

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



The group could meet its current financial obligations with a reported average **working capital ratio** of 251 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, the large shire council group had an average **indebtedness ratio** of 24 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.

Large shire councils

Councils in this group	
Bass Coast Shire Council	Moira Shire Council
Baw Baw Shire Council	Moorabool Shire Council
Campaspe Shire Council	Mount Alexander Shire Council
Colac Otway Shire Council	Moyne Shire Council
Corangamite Shire Council	South Gippsland Shire Council
East Gippsland Shire Council	Southern Grampians Shire Council
Glenelg Shire Council	Surf Coast Shire Council
Golden Plains Shire Council	Swan Hill Rural City Council
Macedon Ranges Shire Council	Wellington Shire Council
Mitchell Shire Council	

Large shire 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%
Moorabool Shire Council	3.50%					
Number of higher caps	1	0	0	0	0	0