

Buloke Shire Council

Group: Small 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 small shires. View the reader's guide, all available fact sheets and information for the sector as a whole at <https://www.esc.vic.gov.au/outcomes-reports>.

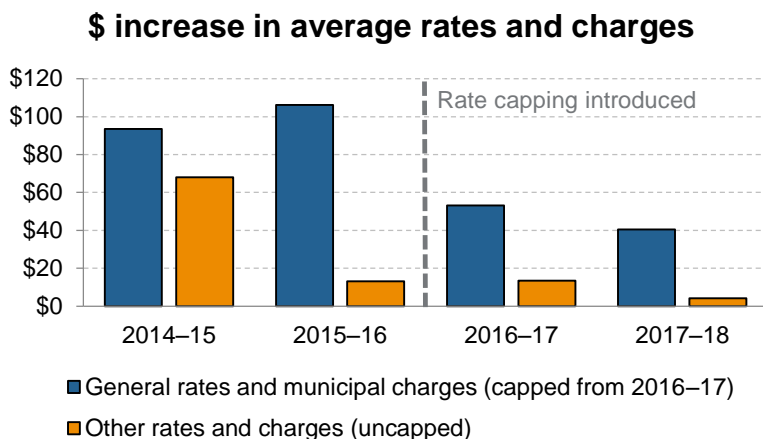


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Key facts	
Population:	6,206
Size (km ²):	8,000
Length of local roads (km):	5,313
Population per km of roads:	1.2
Council employees (FTE, 2017–18):	115
Submitted an application for a higher cap for 2016–17 or 2017–18?	Yes (see table below)

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2014–15	\$1,848	n/a
2015–16	\$1,968	n/a
2016–17	\$2,034	3.05% ^a
2017–18	\$2,079	2.00%

^a Approved higher cap. Minister's cap was 2.50%.

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.

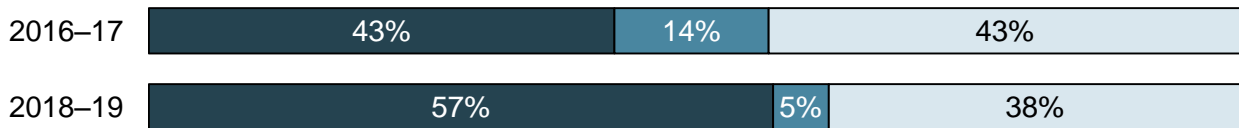
Have council's average rates complied with the applicable rate caps?

2016–17 (3.05%)	2017–18 (2.00%)	2018–19 (2.25%)
Yes (approved higher cap)	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).

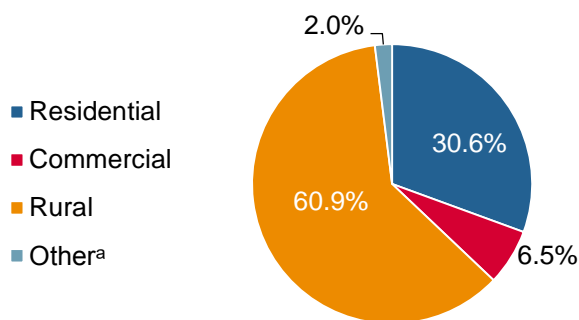


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

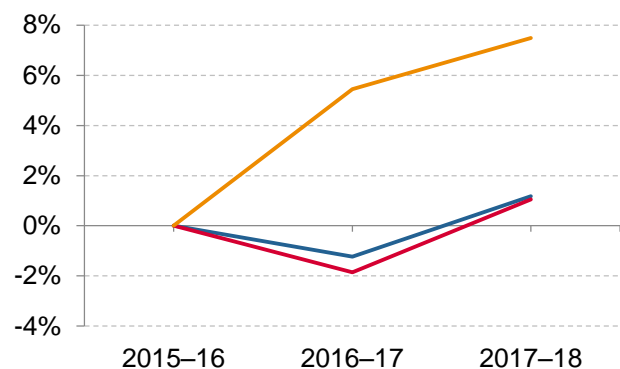
Ratepayers by property class

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



^a 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.

Rural ratepayers pay the majority of Buloke Shire Council's rates and charges. This group of ratepayers, on average, experienced a 7.5 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 \$1,968 to \$2,079 (5.7 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?

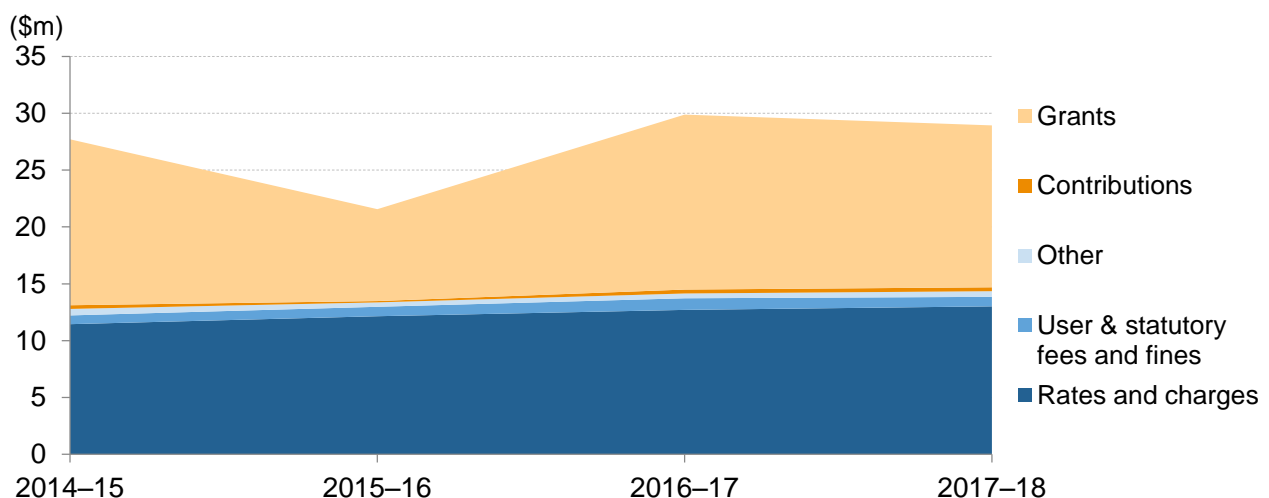
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	11.8	48	12.9	44
Grants	11.3	46	14.8	50
User fees and statutory fees and fines	0.8	3	0.9	3
Contributions	0.2	1	0.3	1
Other	0.5	2	0.5	2
Total	24.6	100	29.4	100

Buloke Shire Council's average revenue from all sources (except 'other') 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 were the decrease in the proportion of revenue from rates and charges and the increase in the proportion of revenue from grants over the two years after rate capping commenced.

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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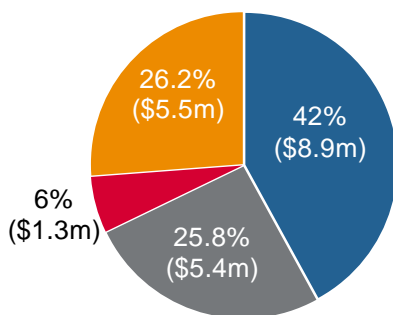
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$16.1m	\$5.9m	\$2,536	\$932
2015–16	\$15.1m	\$5.2m	\$2,393	\$817
2016–17	\$15.9m	\$6.2m	\$2,534	\$991
2017–18	\$18.1m	\$6.9m	\$2,911	\$1,116

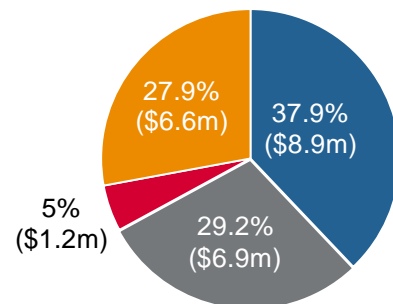
Buloke Shire Council's operating expenses have remained relatively stable in recent years, with an increase in 2017–18 reflecting increased spending on materials and services (including \$1.5 million of flood recovery works). Capital expenditure has also remained relatively stable with a slight increase in the two years after rate capping was introduced.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping



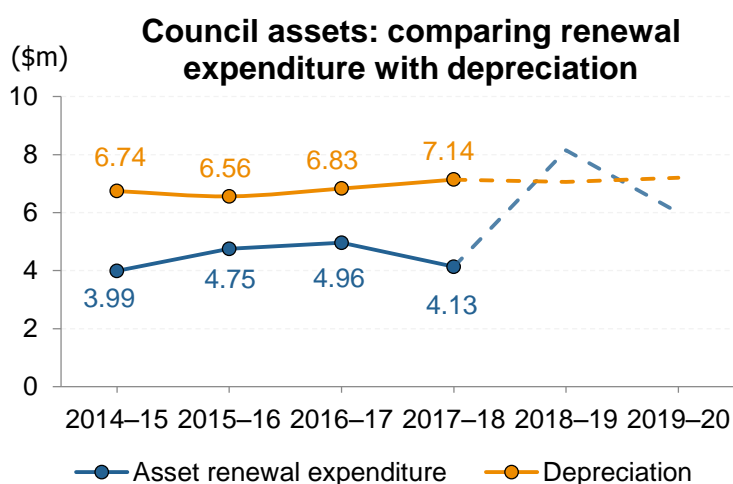
Average expenditure by category in the 2 years after rate capping



- Employee costs
- Materials and services
- Other expenditure
- Capital expenditure

There was a change in the composition of Buloke Shire Council's expenditure, reflecting increases in average spending on materials and services and capital expenditure in the two years after rate capping was introduced. Employee costs and 'other' expenditure decreased as a proportion of total expenditure, despite remaining relatively stable 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	59
2015-16	72
2016-17	73
2017-18	58
2018-19	115 (forecast data)
2019-20	83 (forecast data)

Buloke Shire Council's spending on the renewal of its assets has been relatively stable 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 increase to above 100 per cent of depreciation in 2018-19. 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)	
	\$m	% of total	\$m	% of total
Renewal	4.4	79	4.5	69
New	0.3	5	1.0	16
Upgrade	0.9	16	1.0	15
Expansion	0.0	0	0.0	0
Total	5.5	100	6.6	100

Council's spending has remained relatively stable over time. Average spending on new assets in the two years after rate capping was introduced has increased, however spending on the other categories was stable.

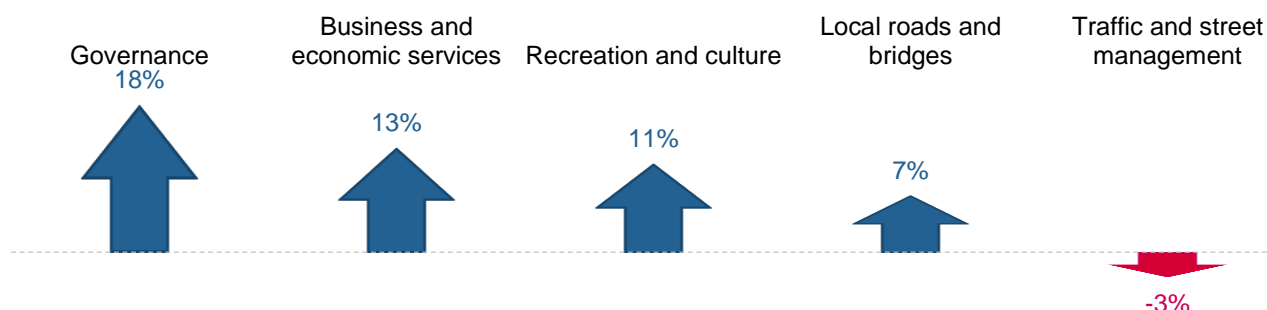
Services

See the reader's guide for data sources and useful information.
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Which service areas is council spending its money in?

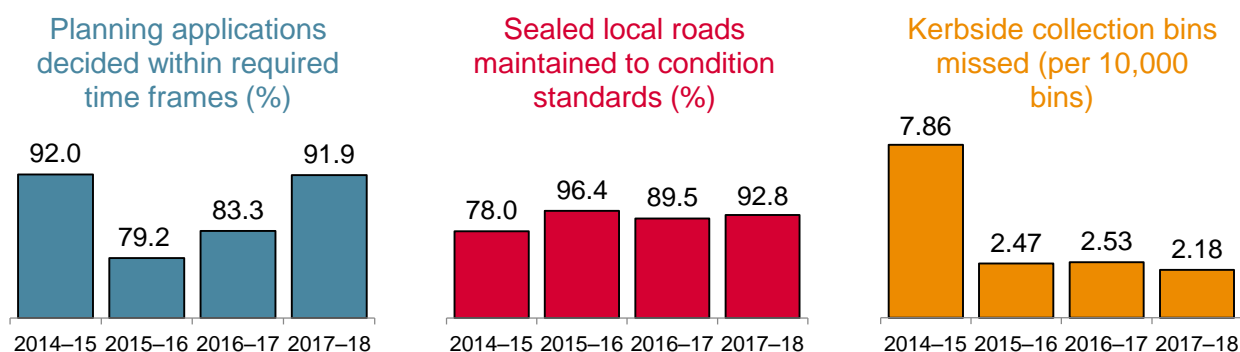
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	1,316	37.5	1,405	36.9
Governance	817	23.3	963	25.3
Recreation and culture	376	10.7	416	10.9
Business and economic services	208	5.9	234	6.2
Aged and disabled services	209	6.0	206	5.4
Waste management	175	5.0	175	4.6
Traffic and street management	180	5.1	175	4.6
Family and community services	105	3.0	109	2.9
Environment	98	2.8	86	2.3
Other	20	0.6	36	0.9

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)

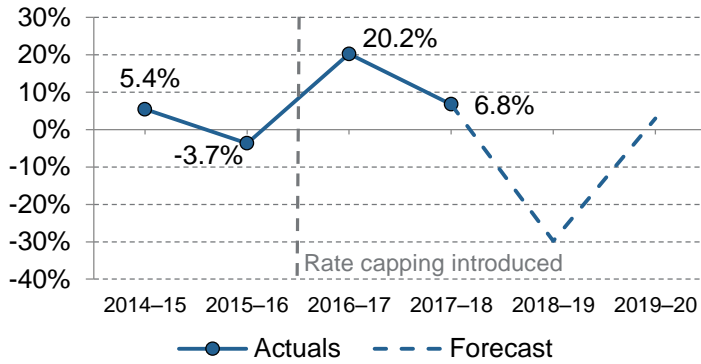


Financial position

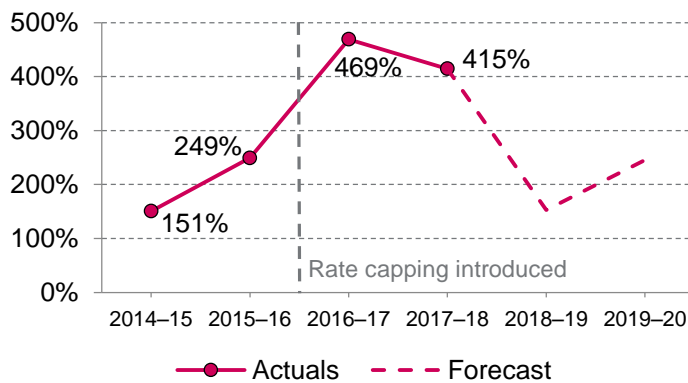
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Is council operating sustainably?

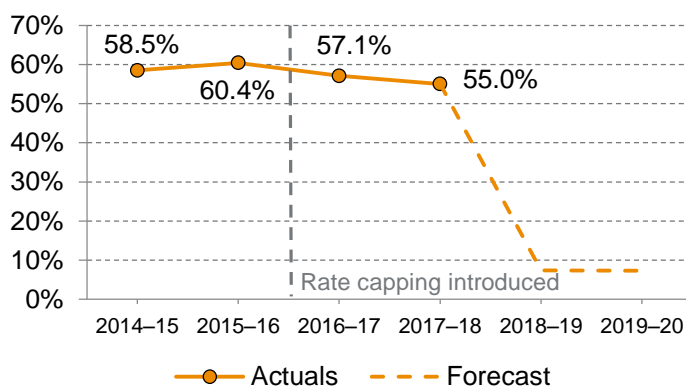
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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



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



Between 2014–15 and 2017–18, Buloke Shire Council reported an average **adjusted underlying result** of 7 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 321 per cent between 2014–15 and 2017–18. The increase in working capital reflects council saving cash to repay its borrowings in future years.

Council has a relatively stable **indebtedness ratio**.

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.