

# Macedon Ranges 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>.



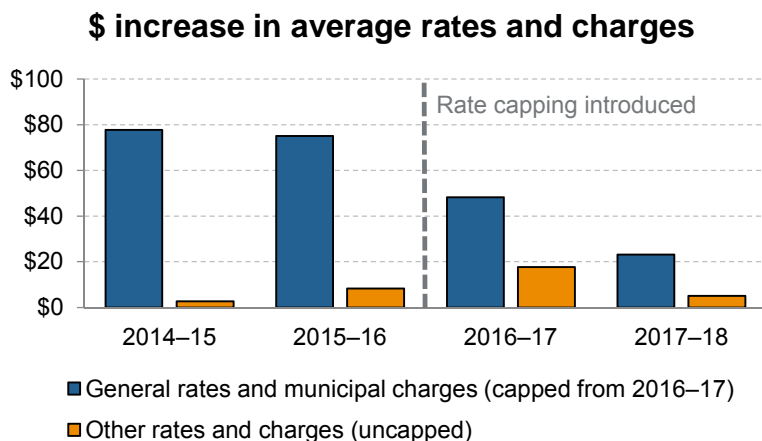
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### Key facts

Population:	48,430
Size (km <sup>2</sup> ):	1,748
Length of local roads (km):	1,635
Population per km of roads:	29.6
Council employees (FTE, 2017–18):	348
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	\$1,862	n/a
2015–16	\$1,945	n/a
2016–17	\$2,011	2.50%
2017–18	\$2,039	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).

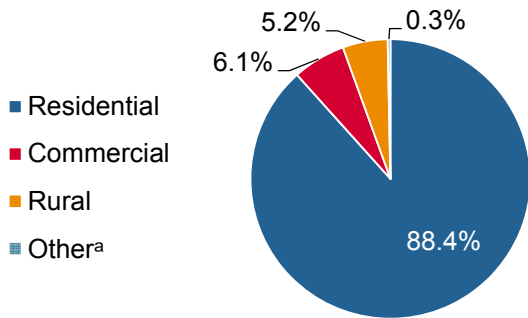


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

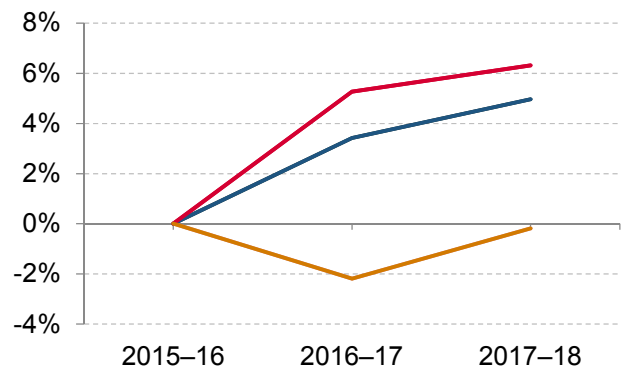
## Ratepayers by property class

### 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 Macedon Ranges Shire Council's rates and charges. This group of ratepayers, on average, experienced a 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 \$1,945 to \$2,039 (4.8 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?

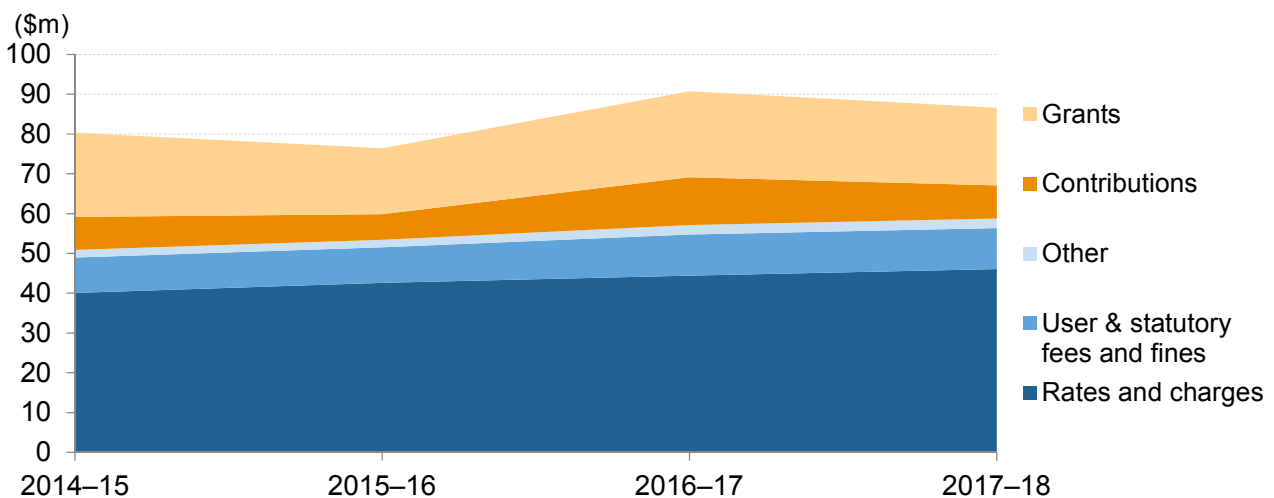
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	41.3	53	45.2	51
Grants	18.8	24	20.5	23
User fees and statutory fees and fines	8.9	11	10.3	12
Contributions	7.4	9	10.2	11
Other	1.9	2	2.4	3
<b>Total</b>	<b>78.4</b>	<b>100</b>	<b>88.7</b>	<b>100</b>

Macedon Ranges Shire Council's average revenue from all sources 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 contributions and decrease in the proportion of revenue from rates and charges.

**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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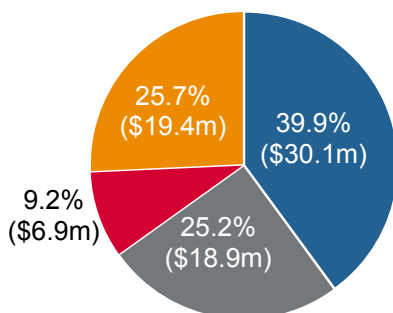
## How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$56.8m	\$17m	\$1,249	\$373
2015–16	\$55m	\$21.8m	\$1,186	\$469
2016–17	\$54.5m	\$16.3m	\$1,148	\$343
2017–18	\$56.7m	\$20m	\$1,171	\$412

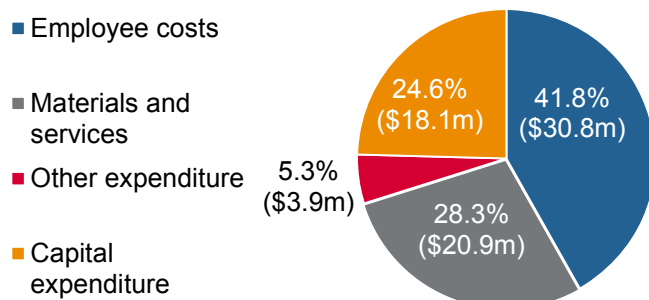
Macedon Ranges Shire Council's operating expenses were higher in 2014–15, reflecting a spike in 'other' expenditure (from adjustments relating to asset values and a one-off contribution for construction of a stadium). Operating expenses have otherwise trended upward over time, driven by increased employee costs and spending on materials and services. Capital expenditure has been more varied over the same period, reflecting fluctuation in asset renewal.

## How is council spending its money?

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

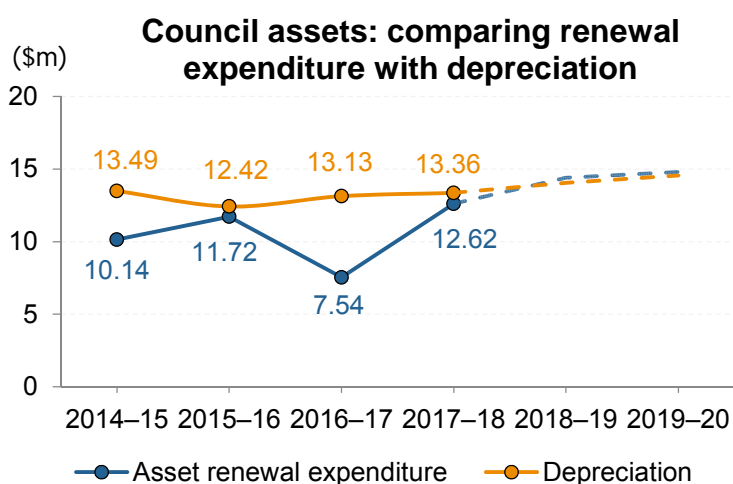


**Average expenditure by category in the 2 years after rate capping**



There was a change in the composition of Macedon Ranges Shire Council's expenditure, reflecting reductions in average 'other' and capital expenditure, and an increase in average spending on materials and services in the two years after rate capping was introduced. Average employee costs also increased moderately over the same period.

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



Year	Asset renewal expenditure as a percentage of depreciation (%)
2014-15	75
2015-16	94
2016-17	57
2017-18	94
2018-19	102 (forecast data)
2019-20	102 (forecast data)

Macedon Ranges Shire Council's spending on the renewal of its assets has fluctuated in recent years, remaining below the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to be around 100 per cent of depreciation in 2018-19 and 2019-20.

## Has council's capital expenditure pattern changed?

Capital expenditure					Council's spending on asset renewal has fluctuated year on year, but on average in the two years after rate capping was introduced has remained at a similar level. Spending on new, upgrade and expansion projects has been more varied, showing peaks and troughs.
	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	10.9	56	10.1	56	
New	4.7	24	3.4	19	
Upgrade	2.3	12	4.7	26	
Expansion	1.5	8	0.0	0	
<b>Total</b>	<b>19.4</b>	<b>100</b>	<b>18.1</b>	<b>100</b>	

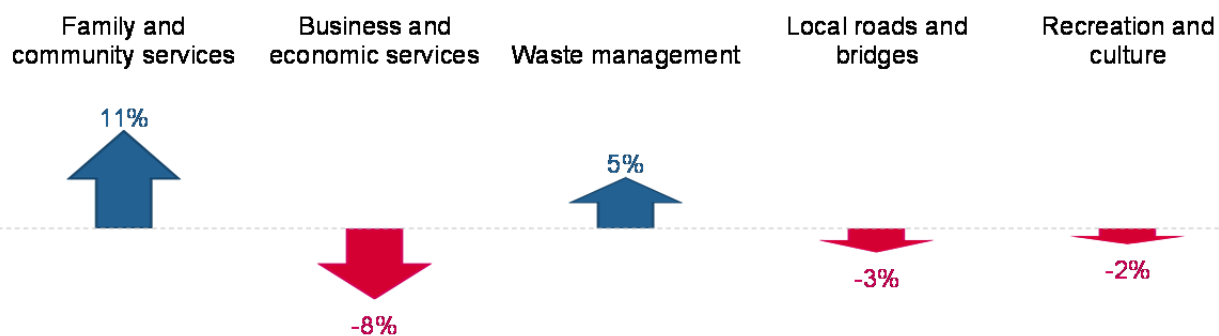
# Services

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?

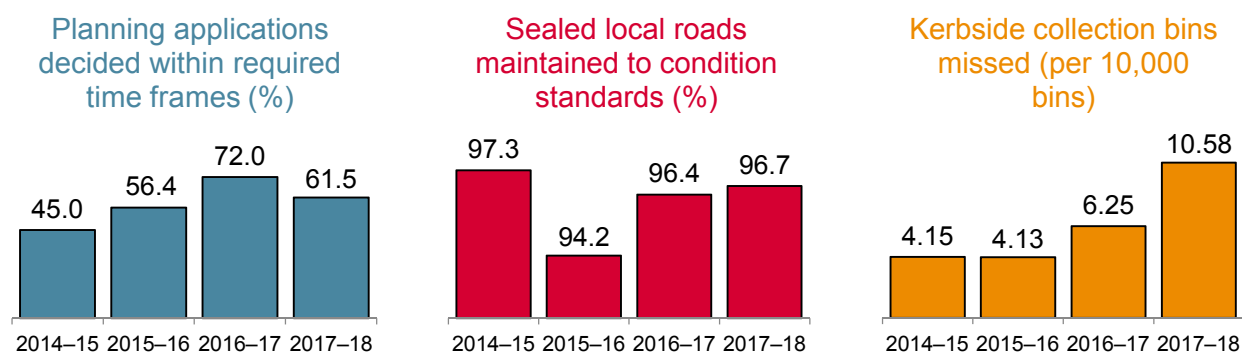
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	308	21.3	311	21.6
Recreation and culture	305	21.1	300	20.9
Local roads and bridges	262	18.1	255	17.8
Waste management	127	8.8	134	9.3
Family and community services	117	8.1	129	9.0
Business and economic services	130	9.0	120	8.4
Environment	63	4.4	64	4.5
Aged and disabled services	70	4.9	62	4.3
Traffic and street management	62	4.3	60	4.2
Other	0	0.0	0	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)

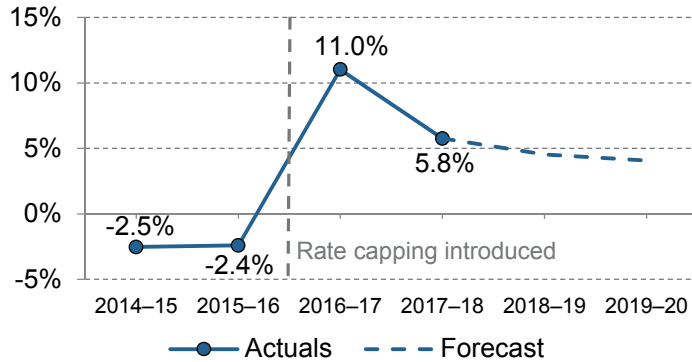


# Financial position

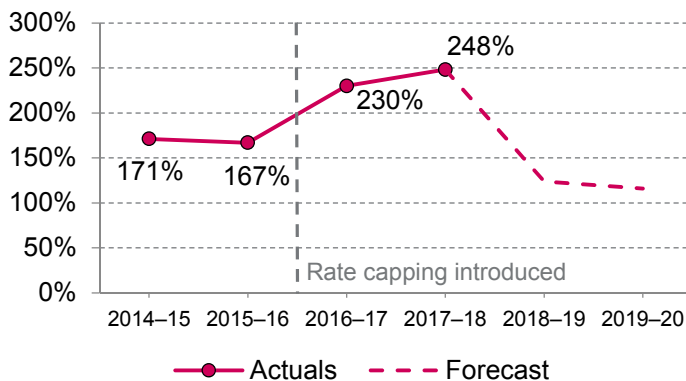
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## Is council operating sustainably?

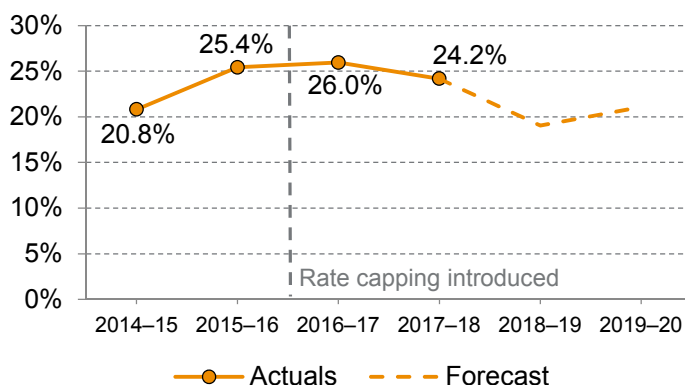
Adjusted underlying result  
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Macedon Ranges Shire Council reported an average **adjusted underlying result** of 3 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 204 per cent between 2014–15 and 2017–18. The increase in working capital reflects council building cash reserves to fund future capital works and repay borrowings.

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.