

Alpine 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>.



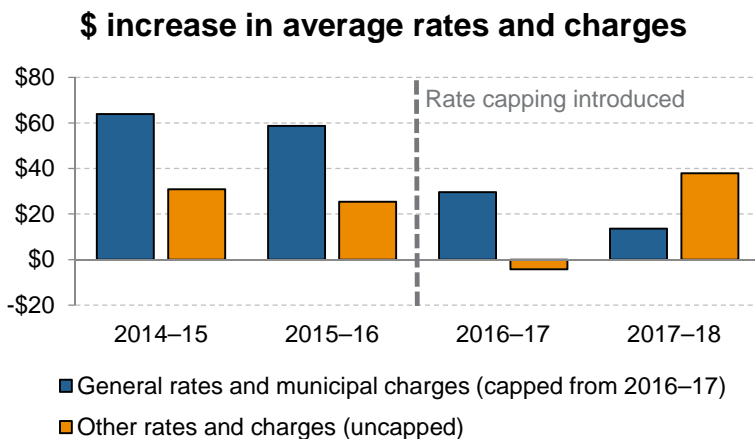
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Key facts

Population:	12,639
Size (km ²):	4,788
Length of local roads (km):	793
Population per km of roads:	15.9
Council employees (FTE, 2017–18):	105
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	\$1,879	n/a
2015–16	\$1,963	n/a
2016–17	\$1,989	2.50%
2017–18	\$2,040	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).

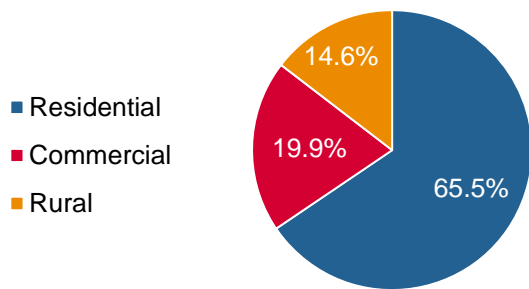


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

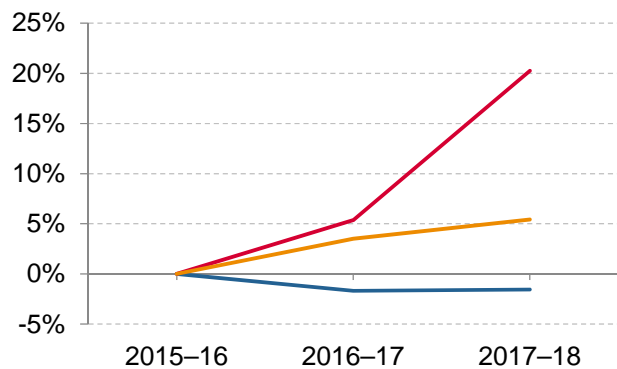
Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

Ratepayers by property class

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



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 Alpine Shire Council's rates and charges. This group of ratepayers, on average, experienced a 1.5 per cent decrease 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 \$1,963 to \$2,040 (3.9 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?

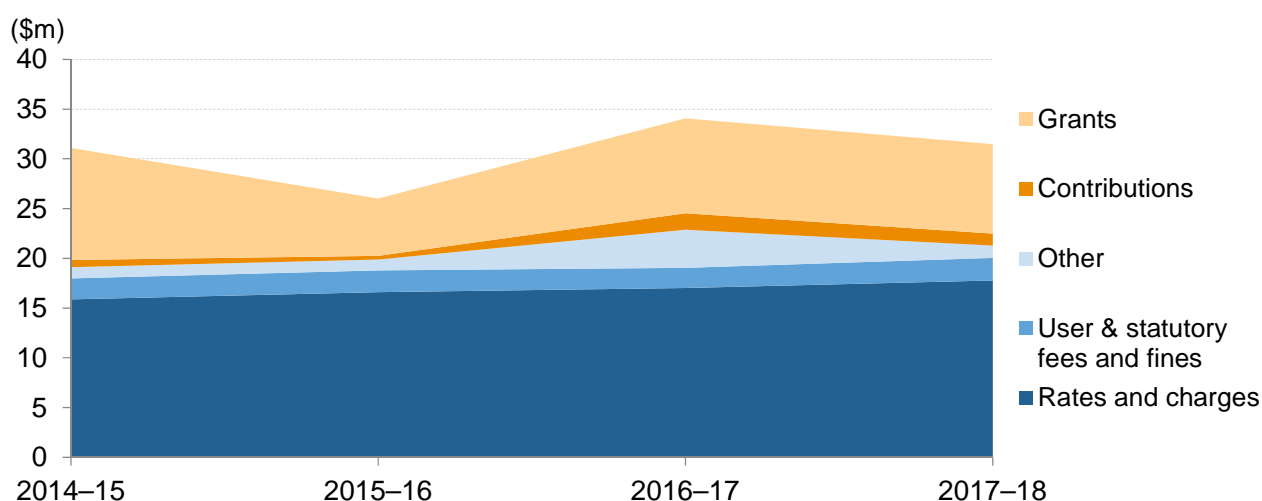
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	16.2	57	17.4	53
Grants	8.5	30	9.3	28
User fees and statutory fees and fines	2.1	8	2.1	7
Contributions	0.6	2	1.4	4
Other	1.1	4	2.5	8
Total	28.6	100	32.8	100

Alpine Shire Council's average revenue from all sources (except user fees and statutory fees and fines) increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The changes in percentage contribution to revenue were driven by the doubling of average revenue from contributions and 'other' sources over the two years after rate capping commenced. Fluctuations in these revenue sources are common.

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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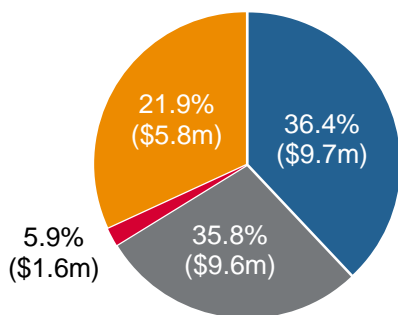
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$19.7m	\$5.9m	\$1,598	\$477
2015–16	\$22m	\$5.8m	\$1,773	\$466
2016–17	\$20.7m	\$8.5m	\$1,642	\$673
2017–18	\$19.8m	\$7m	\$1,567	\$554

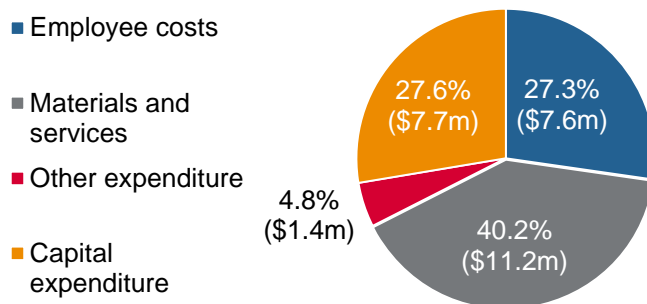
Alpine Shire Council's operating expenses have been trending downward in recent years, driven by decreases in employee costs. Capital expenditure was higher in 2016–17 and 2017–18, compared to the previous two years, which reflects increased spending on asset upgrade projects.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

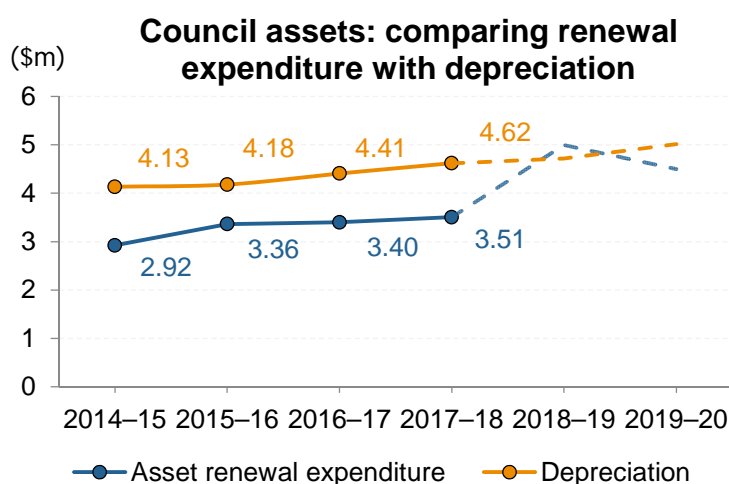


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Alpine Shire Council's expenditure, reflecting both a reduction in average employee costs, and increases in average capital expenditure and spending on materials and services 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	71
2015-16	80
2016-17	77
2017-18	76
2018-19	106 (forecast data)
2019-20	90 (forecast data)

Alpine 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 around 100 per cent of depreciation in 2018-19 and 2019-20. 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					Council's average spending on asset renewal has remained relatively stable. Spending on new, upgrade and expansion projects shows peaks and troughs, which is typical of small shires.
	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	3.1	53	3.5	45	
New	1.3	22	0.4	6	
Upgrade	1.4	25	3.8	50	
Expansion	0.0	0	0.0	0	
Total	5.8	100	7.7	100	

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?

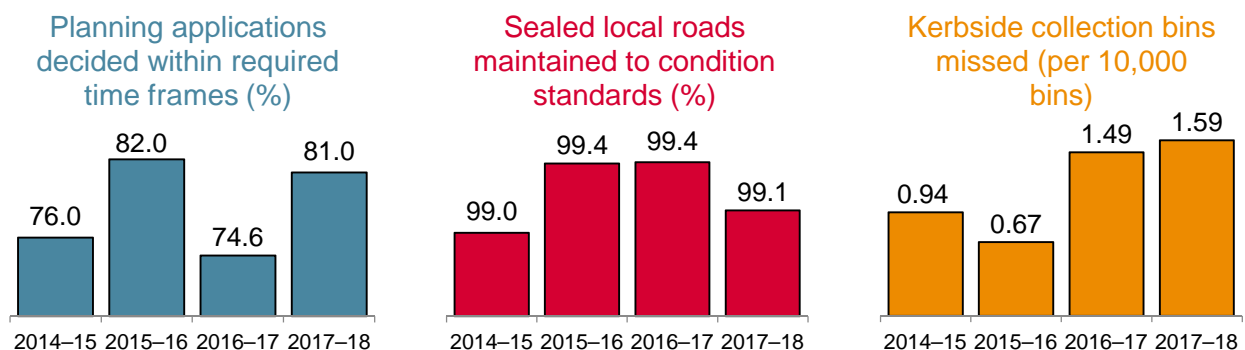
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	324	16.8	551	29.0
Recreation and culture	444	23.0	413	21.7
Governance	392	20.3	360	18.9
Business and economic services	285	14.8	281	14.8
Waste management	201	10.4	164	8.6
Traffic and street management	51	2.7	52	2.7
Family and community services	82	4.3	40	2.1
Environment	32	1.7	34	1.8
Aged and disabled services	116	6.0	9	0.5
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.

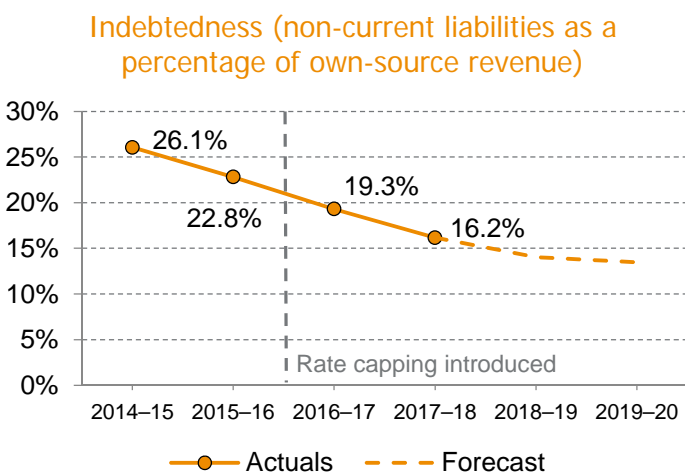
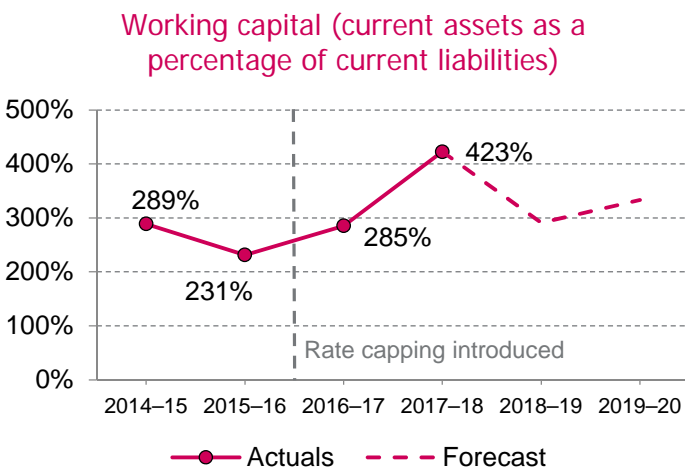
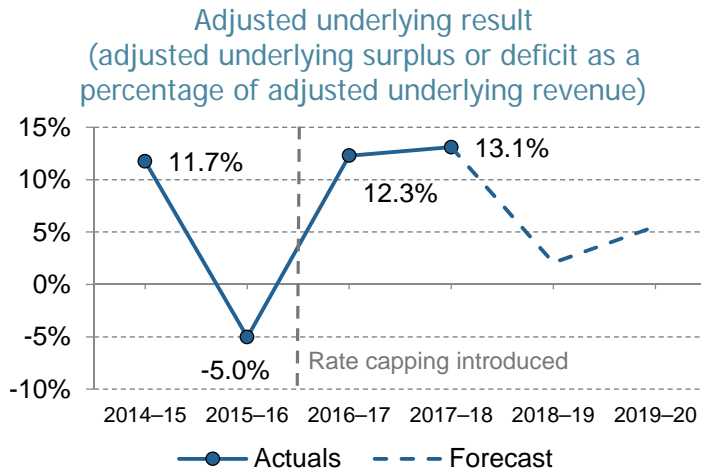
Has there been a change in service quality? (selected services only)



Financial position

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, Alpine Shire Council reported an average **adjusted underlying result** of 8 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 307 per cent between 2014–15 and 2017–18. The increase in working capital reflects council building cash reserves to fund capital works planned for 2018–19.

Council repaid all of its borrowings in 2015–16. The **indebtedness ratio** also reflects changes in other long-term liabilities.

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.