

Campaspe 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>.



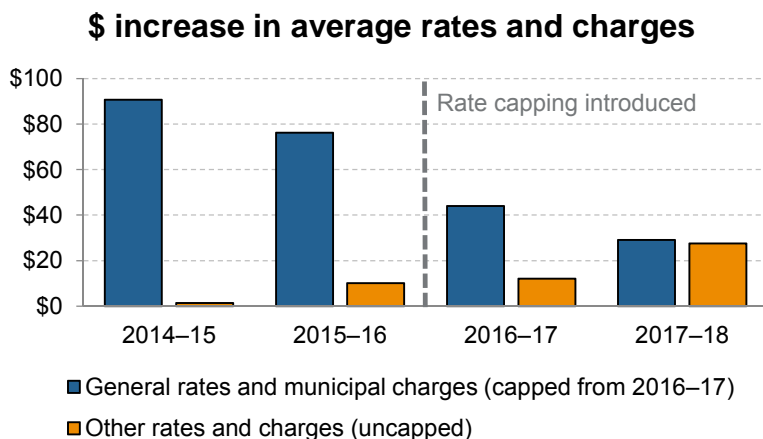
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Key facts

Population:	37,602
Size (km ²):	4,518
Length of local roads (km):	4,054
Population per km of roads:	9.3
Council employees (FTE, 2017–18):	376
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	\$1,778	n/a
2015–16	\$1,865	n/a
2016–17	\$1,921	2.50%
2017–18	\$1,978	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.

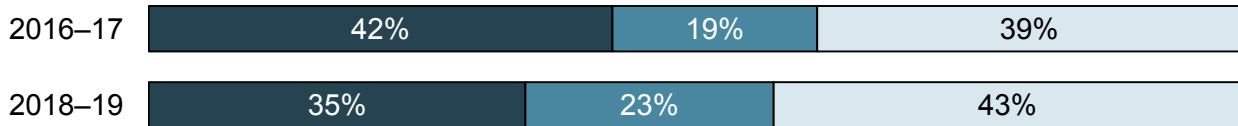
Have council's average rates complied with the applicable rate caps?

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).

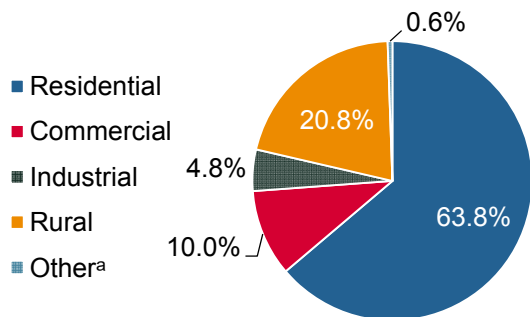


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

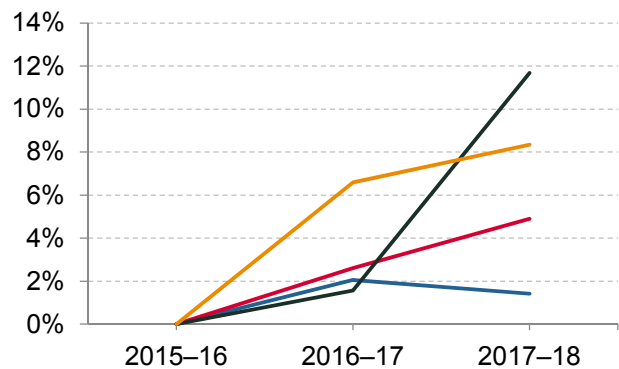
Ratepayers by property class

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



^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.

Residential ratepayers pay the majority of Campaspe Shire Council's rates and charges. This group of ratepayers, on average, experienced a 1.4 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 \$1,865 to \$1,978 (6 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?

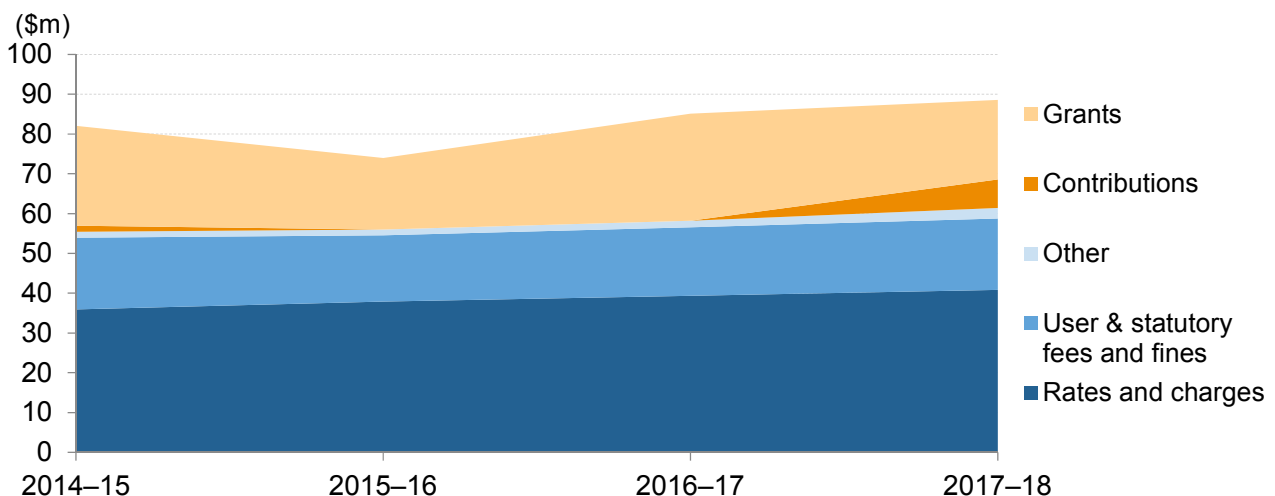
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	36.9	47	40.1	46
Grants	21.6	28	23.4	27
User fees and statutory fees and fines	17.3	22	17.6	20
Contributions	0.8	1	3.6	4
Other	1.5	2	2.1	2
Total	78.0	100	86.8	100

Campaspe 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 changes in the composition of council's revenue were the increase in the proportion of revenue from contributions and the decreases in the proportions of revenue from user fees and statutory fees and fines, rates and charges and 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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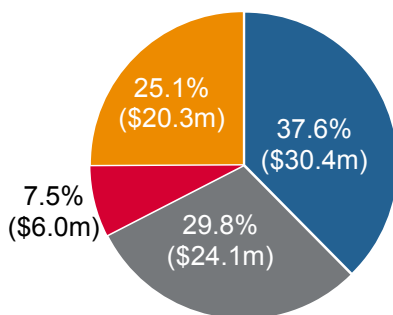
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$65.3m	\$20.9m	\$1,748	\$559
2015–16	\$55.7m	\$19.6m	\$1,488	\$525
2016–17	\$56.3m	\$20.7m	\$1,498	\$552
2017–18	\$66.7m	\$15m	\$1,773	\$400

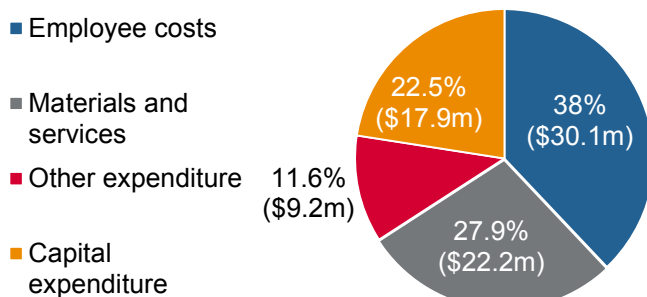
Campaspe Shire Council's operating expenses have been trending upward over time, with some fluctuation in recent years caused by higher than usual 'other' expenditure in 2014–15 and 2017–18 (reflecting adjustments made to asset values). Capital expenditure has been relatively stable in recent years, however there was a decrease in 2017–18 relating to a number of budgeted capital works projects being postponed or cancelled.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

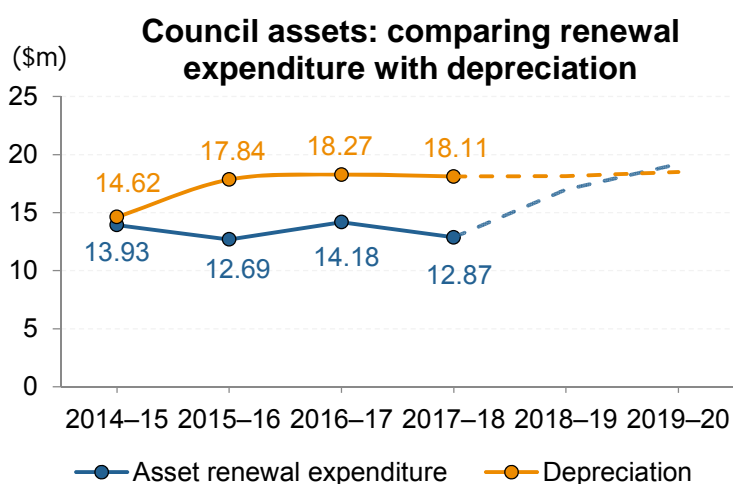


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Campaspe Shire Council's expenditure, reflecting both an increase in average 'other' expenditure and decreases in average capital expenditure and spending on materials and services in the two years after rate capping was introduced. Employee costs remained at similar levels 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	95
2015-16	71
2016-17	78
2017-18	71
2018-19	94 (forecast data)
2019-20	104 (forecast data)

Campaspe 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 spending on asset renewal has remained stable in recent years. Average spending on new assets in the two years after rate capping was introduced has declined.
	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	13.3	66	13.5	76	
New	4.4	22	2.2	12	
Upgrade	2.6	13	2.2	12	
Expansion	0.0	0	0.0	0	
Total	20.3	100	17.9	100	

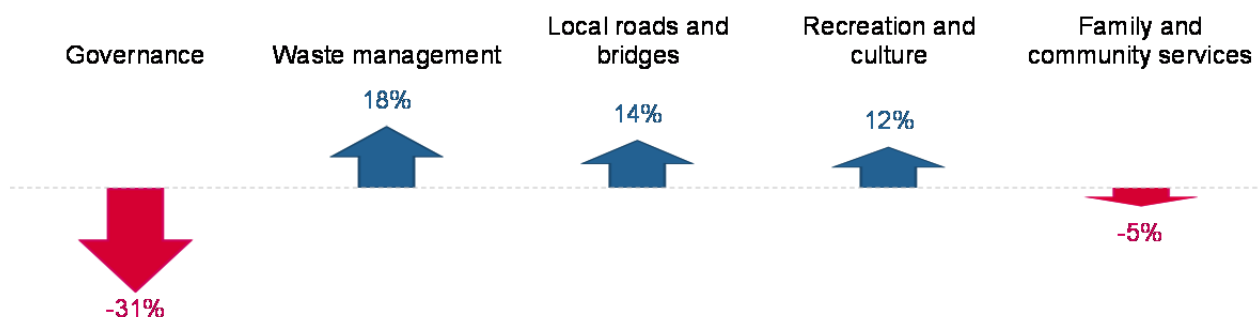
Services

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

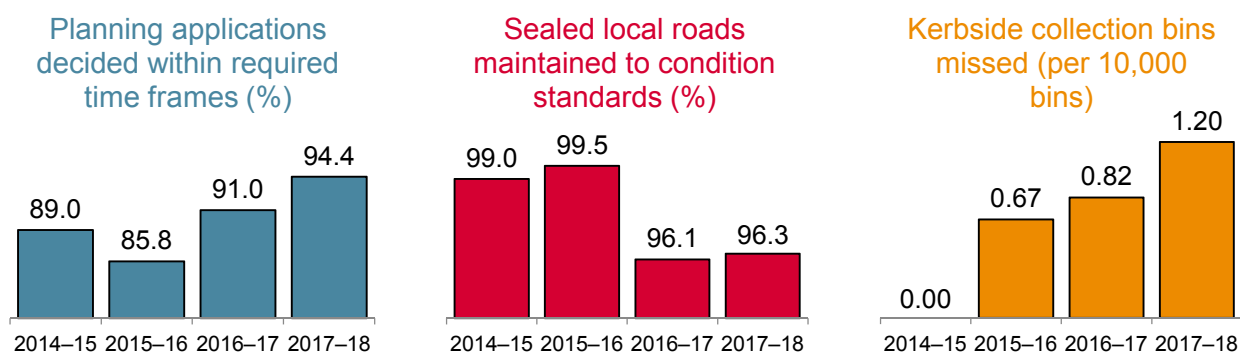
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	463	23.8	530	27.4
Recreation and culture	288	14.8	324	16.8
Business and economic services	334	17.2	323	16.7
Governance	319	16.4	220	11.4
Aged and disabled services	150	7.7	148	7.7
Family and community services	151	7.8	143	7.4
Waste management	116	6.0	138	7.1
Traffic and street management	78	4.0	68	3.5
Environment	48	2.4	38	1.9
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.

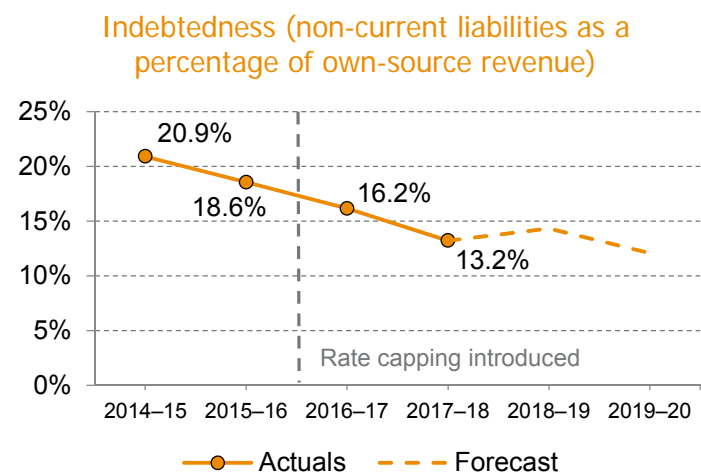
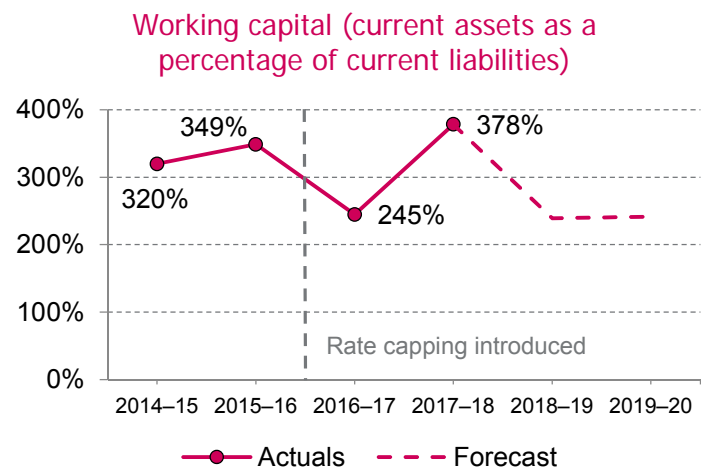
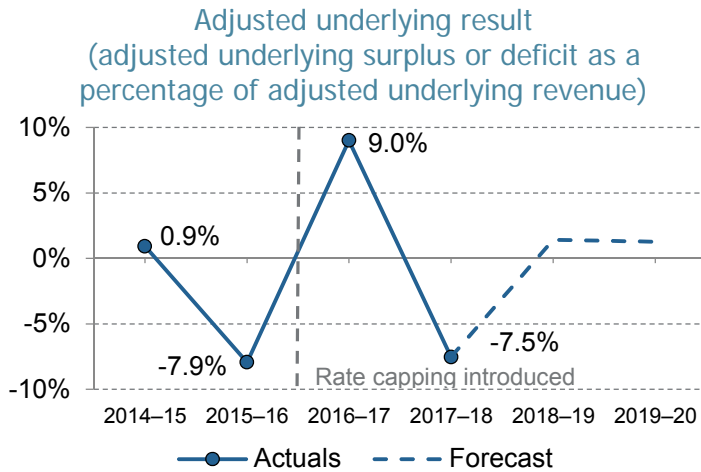
Has there been a change in service quality? (selected services only)



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, Campaspe Shire Council reported an average **adjusted underlying result** of -1 per cent. An ongoing negative result suggests that without the receipt of one-off grants or increases in ongoing revenue, the council may not have sufficient revenue to continue to fund the range and level of services it has been providing.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 323 per cent between 2014–15 and 2017–18.

The falling **indebtedness ratio** reflects council repaying some of its borrowings.

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.