

Central Goldfields 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>.



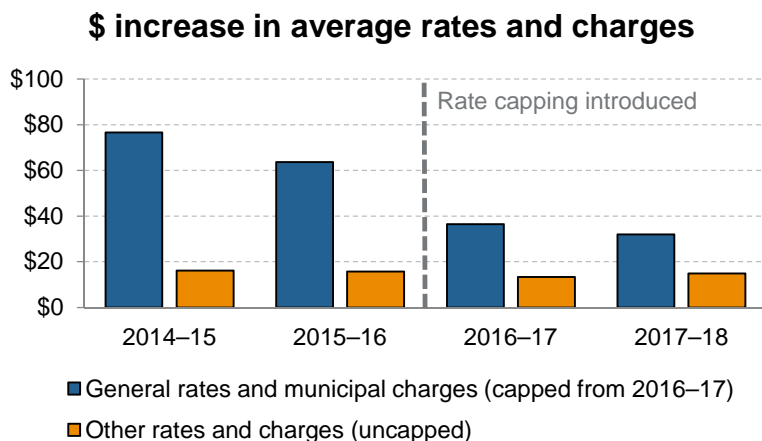
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Key facts

Population:	13,148
Size (km ²):	1,532
Length of local roads (km):	1,280
Population per km of roads:	10.3
Council employees (FTE, 2017–18):	145
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	\$1,494	n/a
2015–16	\$1,573	n/a
2016–17	\$1,623	2.50%
2017–18	\$1,670	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.

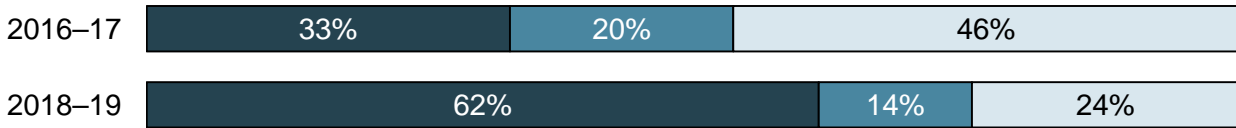
Have council's average rates complied with the applicable rate caps?

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).

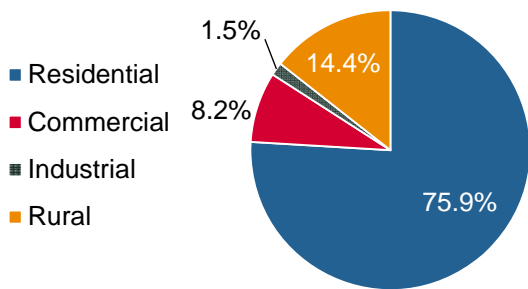


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

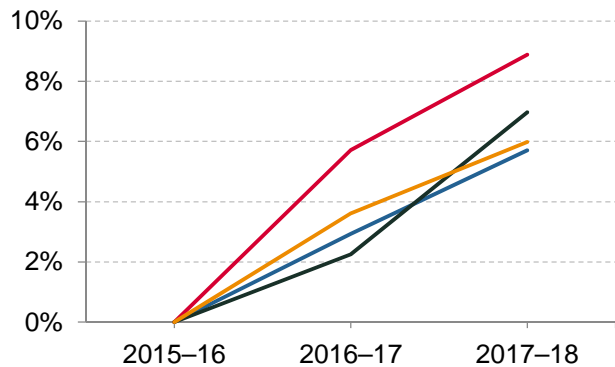
Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

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 Central Goldfields Shire Council's rates and charges. This group of ratepayers, on average, experienced a 5.7 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 \$1,573 to \$1,670 (6.1 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?

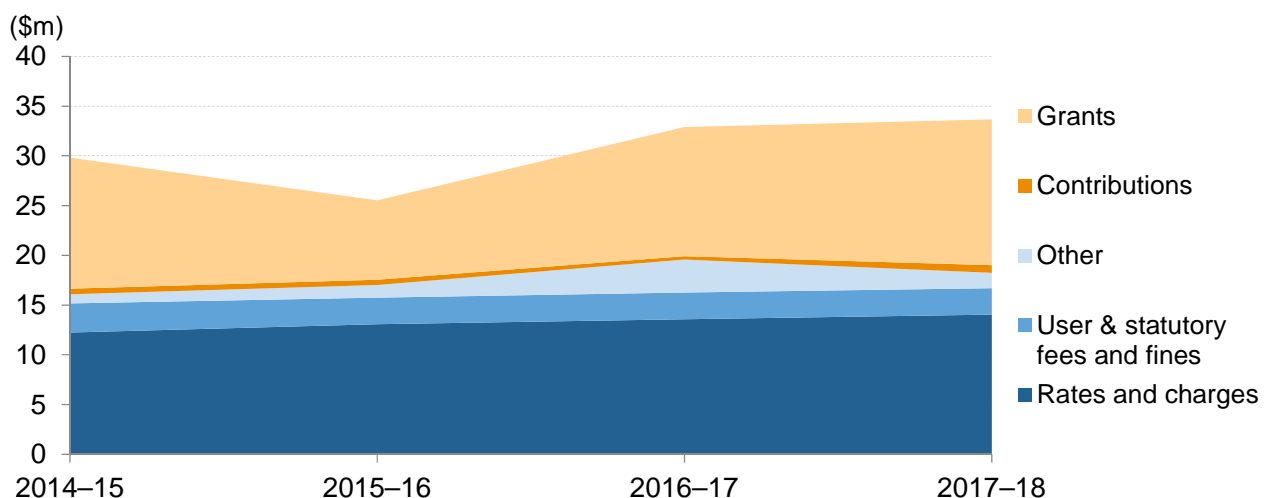
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	12.7	46	13.8	41
Grants	10.6	38	13.8	42
User fees and statutory fees and fines	2.8	10	2.7	8
Contributions	0.5	2	0.6	2
Other	1.1	4	2.4	7
Total	27.7	100	33.3	100

Central Goldfields 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 the composition of council's revenue were the decreases in the proportions of revenue from rates and charges and user fees and statutory fees and fines, and the increases in the proportions of revenue from grants and 'other; sources 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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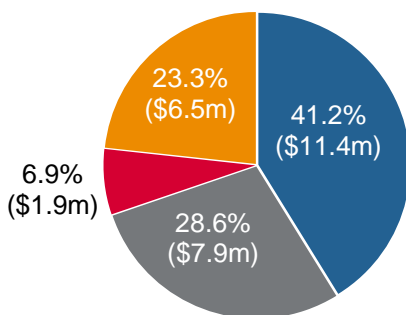
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$23.2m	\$7m	\$1,800	\$542
2015–16	\$19.4m	\$6m	\$1,501	\$460
2016–17	\$21.6m	\$7.3m	\$1,648	\$559
2017–18	\$22.8m	\$12.5m	\$1,731	\$951

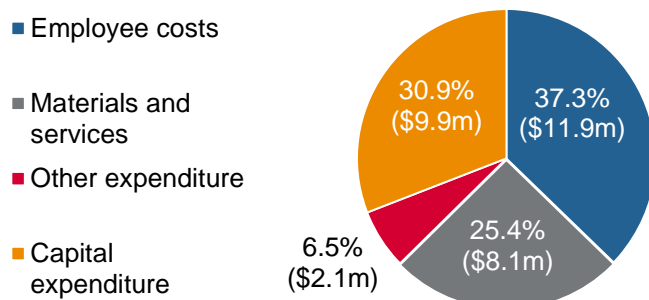
Central Goldfields Shire Council's operating expenses have been relatively stable over time, with a slight upward trend in recent years reflecting a small increase in employee costs in the two years after rate capping was introduced. Capital expenditure has been more varied, with a jump in 2017–18 relating to a spike in asset renewal.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

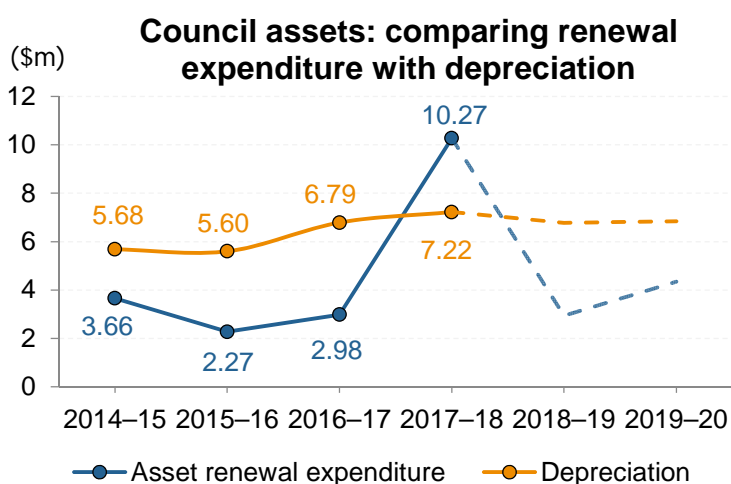


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Central Goldfields Shire Council's expenditure, reflecting a proportionally higher increase in average capital expenditure in the two years after rate capping was introduced. Employee costs, spending on materials and services and 'other' expenses decreased as a proportion of total expenditure, despite increasing 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	64
2015-16	41
2016-17	44
2017-18	142
2018-19	43 (forecast data)
2019-20	63 (forecast data)

Prior to 2017-18, Central Goldfields Shire Council's spending on the renewal of its assets had been relatively stable, below the amount of depreciation (the decline in value of its assets caused by age and use). However in 2017-18, asset renewal spiked above 100 per cent of depreciation. Renewal expenditure is planned to return to previous levels, below 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	Before rate capping (average 2014-15 and 2015-16)		After rate capping (average 2016-17 and 2017-18)		The spike in asset renewal in 2017-18 increased the average expenditure on this category in the two years after rate capping. Average spending in each of the other categories remained at similar levels.
	\$m	% of total	\$m	% of total	
Renewal	3.0	46	6.6	67	
New	1.4	22	1.5	15	
Upgrade	2.1	32	1.8	18	
Expansion	0.0	0	0.0	0	
Total	6.5	100	9.9	100	

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?

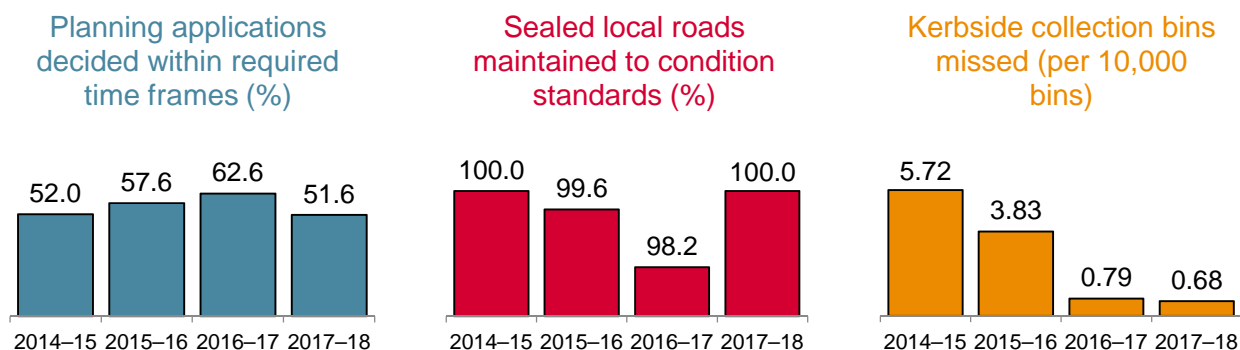
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	406	19.1	549	24.7
Governance	377	17.7	437	19.7
Recreation and culture	297	14.0	295	13.3
Family and community services	288	13.5	277	12.5
Traffic and street management	217	10.2	199	8.9
Waste management	145	6.8	154	6.9
Business and economic services	145	6.8	142	6.4
Aged and disabled services	132	6.2	126	5.7
Environment	45	2.1	44	2.0
Other	71	3.4	1	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)

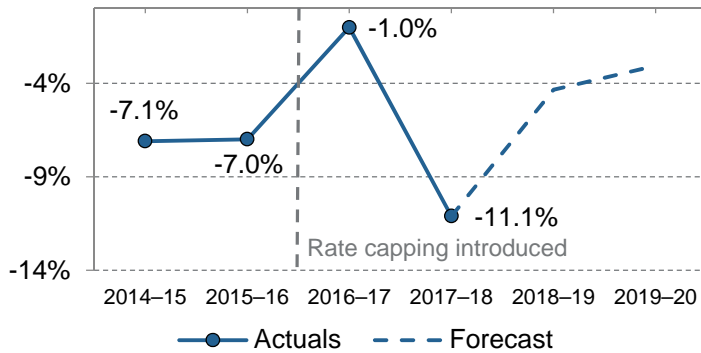


Financial position

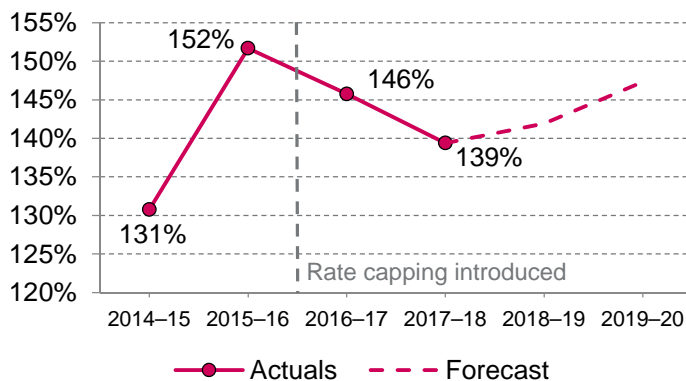
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Is council operating sustainably?

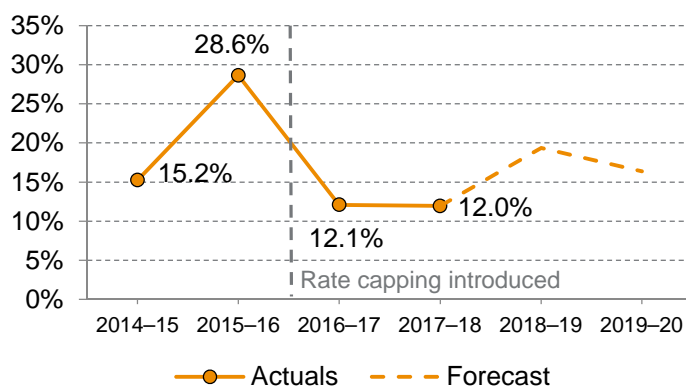
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Central Goldfields Shire Council reported an average **adjusted underlying result** of -6.6 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 142 per cent between 2014–15 and 2017–18. The fall in working capital relates to council using cash to fund capital works. In 2015–16, the increase reflects planned capital works deferred into the next year.

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.