

Corangamite 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>.



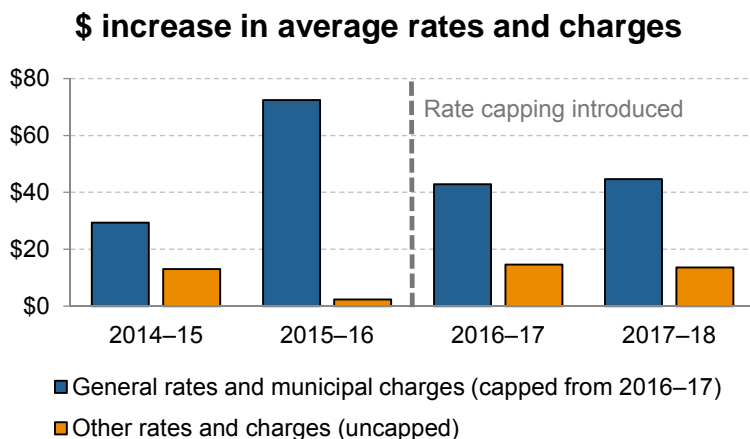
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Key facts

Population:	16,212
Size (km ²):	4,407
Length of local roads (km):	2,368
Population per km of roads:	6.8
Council employees (FTE, 2017–18):	186
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	\$1,943	n/a
2015–16	\$2,018	n/a
2016–17	\$2,075	2.50%
2017–18	\$2,134	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.

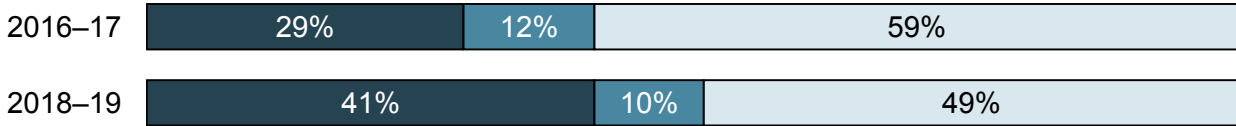
Have council's average rates complied with the applicable rate caps?

2016–17 (2.50%)	2017–18 (2.00%)	2018–19 (2.25%)
Yes	Yes	Immaterially non-compliant (0.01 above the cap)

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).

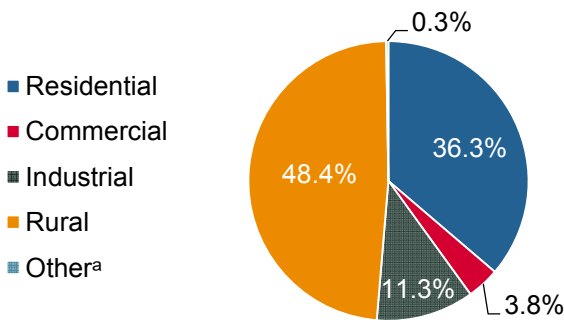


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

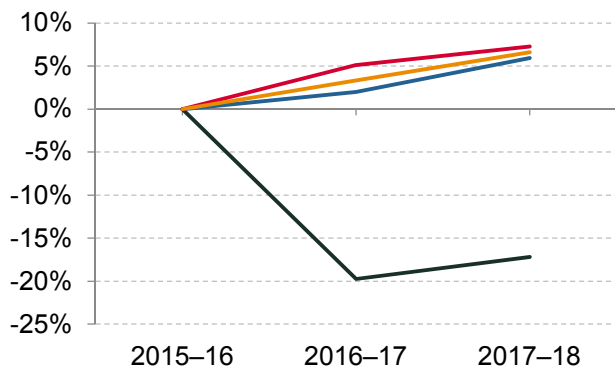
Ratepayers by property class

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 largest share of Corangamite Shire Council's rates and charges. This group of ratepayers, on average, experienced a 6.6 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 \$2,018 to \$2,134 (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?

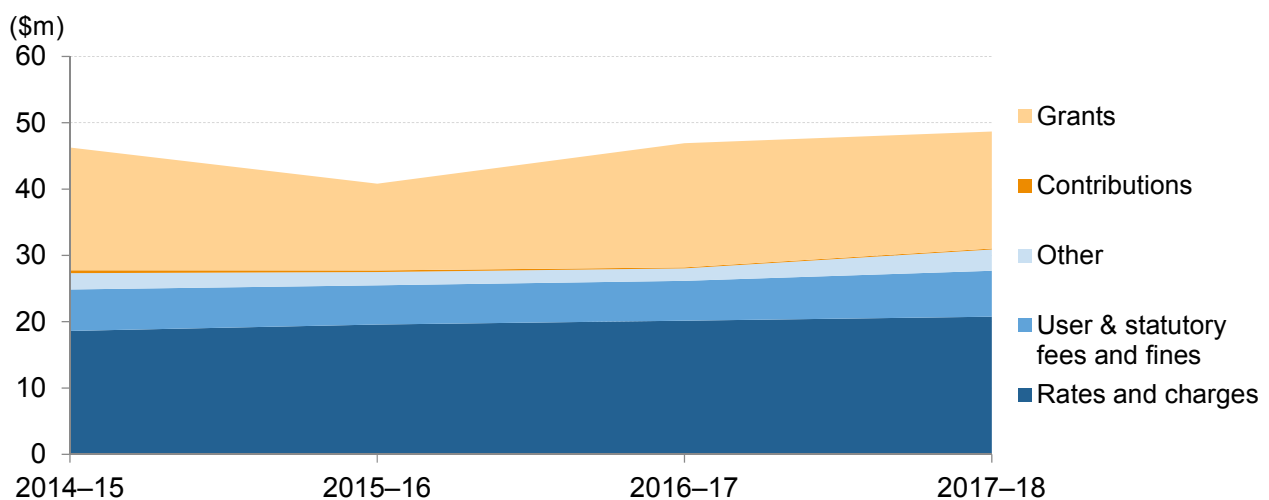
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	19.1	44	20.5	43
Grants	15.8	36	18.2	38
User fees and statutory fees and fines	6.1	14	6.5	14
Contributions	0.3	1	0.2	0
Other	2.2	5	2.5	5
Total	43.5	100	47.8	100

Corangamite Shire Council's average revenue from all sources (except contributions) 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 contributions, 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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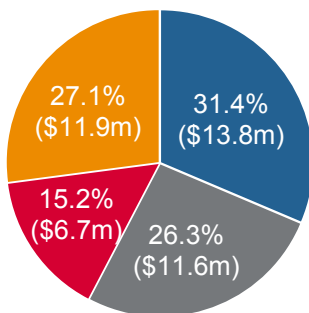
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$33.4m	\$10.2m	\$2,041	\$622
2015–16	\$30.9m	\$13.7m	\$1,899	\$842
2016–17	\$31.3m	\$10m	\$1,926	\$615
2017–18	\$28.7m	\$11.8m	\$1,772	\$725

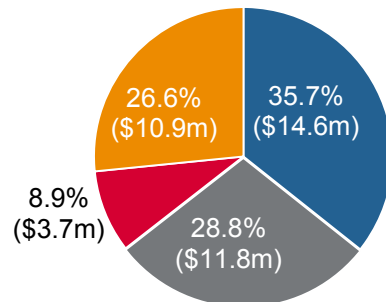
Corangamite Shire Council's operating expenses have been relatively stable in recent years, with a slight upward trend, driven by a small increase in employee costs in the two years after rate capping was introduced. Capital expenditure has been more varied, with a spike in 2015–16 relating to an increase in asset renewal.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping



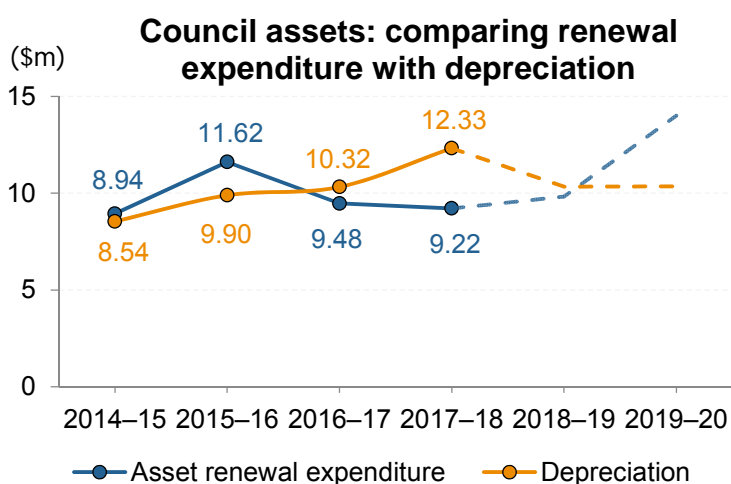
Average expenditure by category in the 2 years after rate capping



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

There was a change in the composition of Corangamite Shire Council's expenditure, reflecting reductions in average 'other' and capital expenditure (relating to the spike in asset renewal in 2015–16 mentioned above) in the two years after rate capping was introduced. Average employee costs and spending on materials and services increased 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	105
2015-16	117
2016-17	92
2017-18	75
2018-19	95 (forecast data)
2019-20	135 (forecast data)

Corangamite Shire Council's spending on the renewal of its assets has been relatively stable in recent years, aside from a spike in 2015-16. Renewal expenditure has fluctuated in comparison to the amount of depreciation (the decline in value of its assets caused by age and use), however it is planned to increase above 100 per cent of depreciation in 2019-20.

Has council's capital expenditure pattern changed?

Capital expenditure					Council's average spending on asset renewal in the two years after rate capping was introduced has decreased (due to the spike in asset renewal in 2015-16 mentioned above), while other spending remained at similar levels on average.
	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	10.3	86	9.3	86	
New	1.3	11	1.4	13	
Upgrade	0.2	2	0.1	1	
Expansion	0.1	1	0.0	0	
Total	11.9	100	10.9	100	

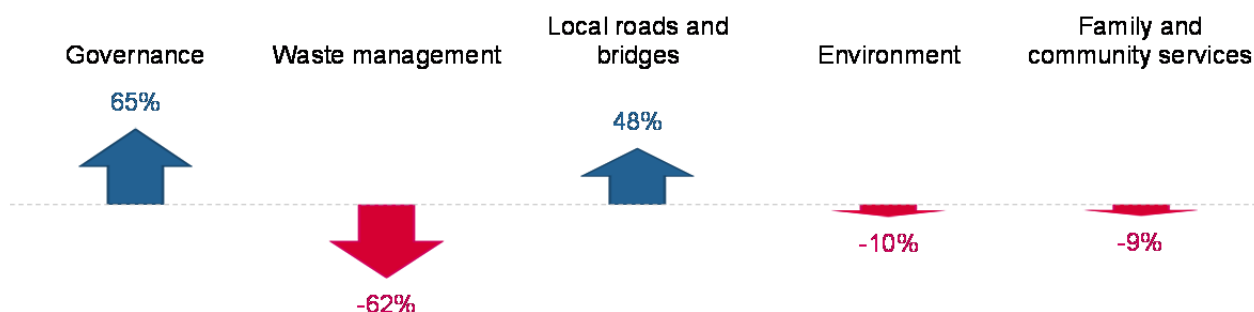
Services

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

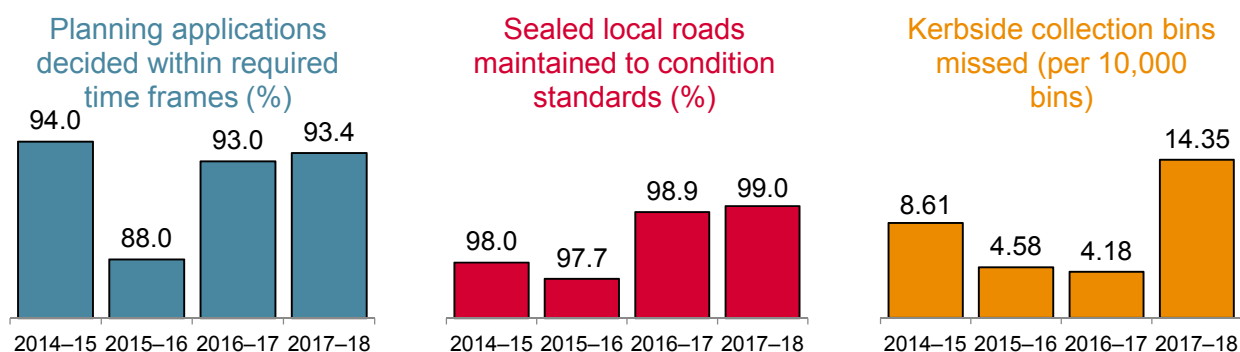
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	631	25.6	937	35.7
Governance	324	13.1	534	20.3
Recreation and culture	297	12.0	273	10.4
Family and community services	229	9.3	207	7.9
Business and economic services	178	7.2	167	6.4
Waste management	407	16.5	153	5.8
Environment	155	6.3	139	5.3
Aged and disabled services	114	4.6	109	4.2
Traffic and street management	82	3.3	70	2.7
Other	51	2.1	35	1.3

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.

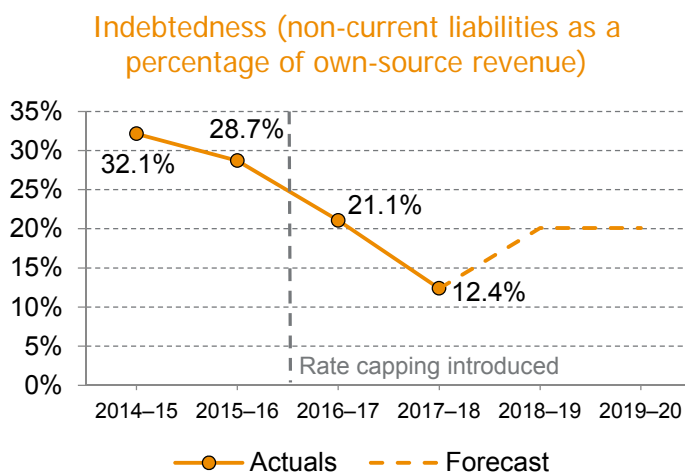
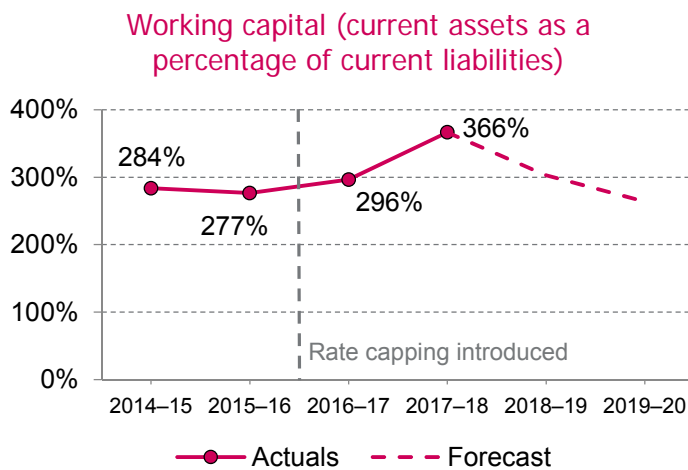
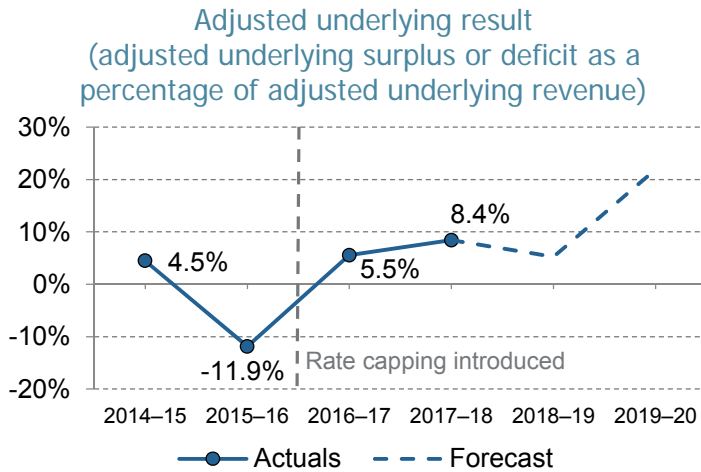
Has there been a change in service quality? (selected services only)



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, Corangamite Shire Council reported an average **adjusted underlying result** of 1.7 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 306 per cent between 2014–15 and 2017–18.

Council repaid all of its borrowings in 2016–17. 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.