

Moorabool 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>.



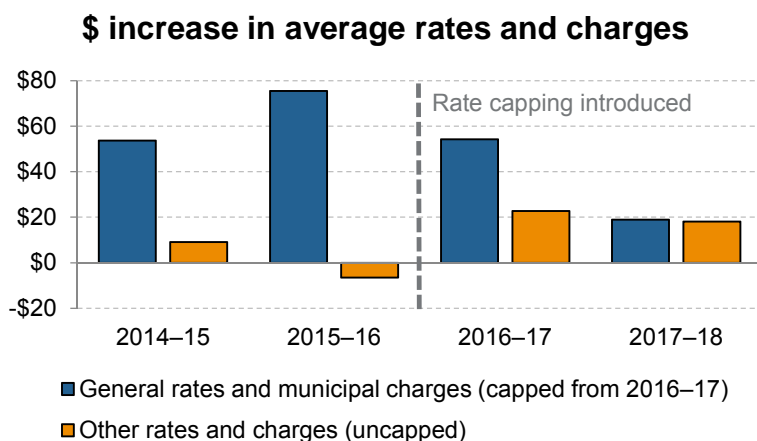
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Key facts

Population:	33,448
Size (km ²):	2,110
Length of local roads (km):	1,522
Population per km of roads:	22
Council employees (FTE, 2017–18):	215
Submitted an application for a higher cap for 2016–17 or 2017–18?	Yes (see table below)

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2014–15	\$1,768	n/a
2015–16	\$1,837	n/a
2016–17	\$1,914	3.50% ^a
2017–18	\$1,951	2.00%

^a Approved higher cap. Minister's cap was 2.50%.

Rates (continued)

See the reader's guide for data sources and useful information.
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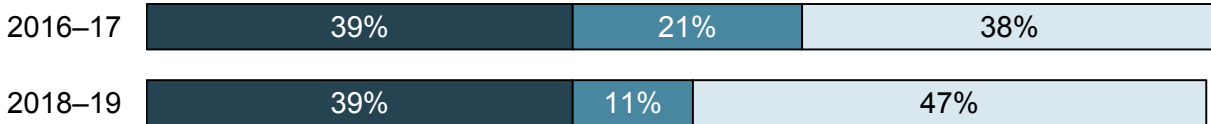
Have council's average rates complied with the applicable rate caps?

2016–17 (3.50%)	2017–18 (2.00%)	2018–19 (2.25%)
Yes (approved higher cap)	Materially non-compliant (0.14 above the cap)	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).

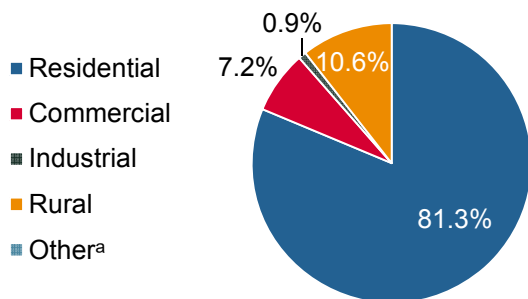


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

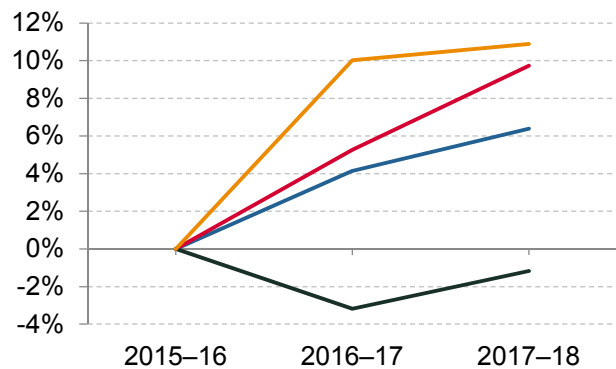
Ratepayers by property class

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 Moorabool Shire Council's rates and charges. This group of ratepayers, on average, experienced a 6.4 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 \$1,837 to \$1,951 (6.2 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?

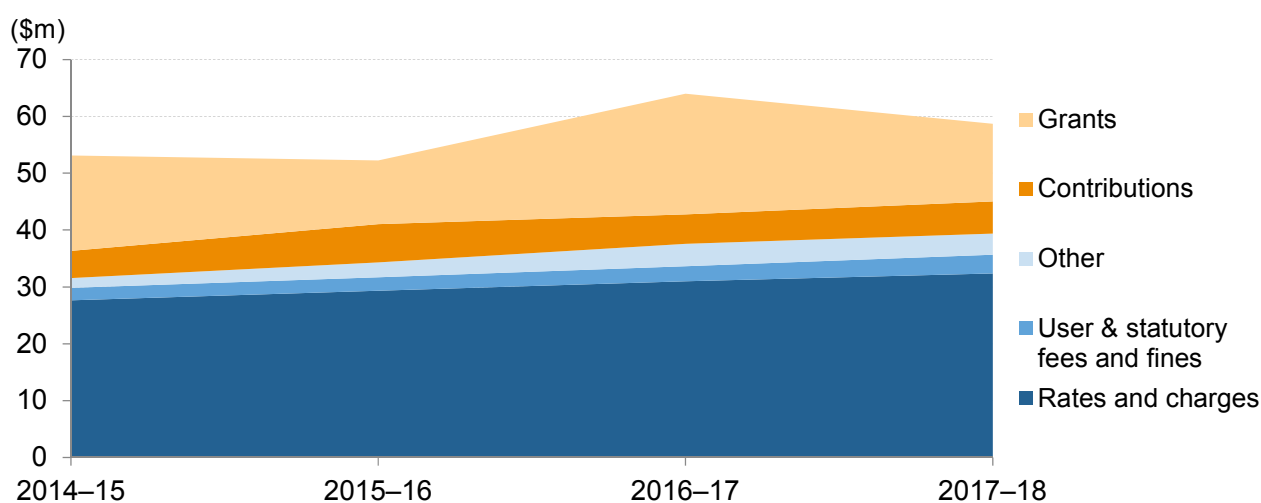
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	28.5	54	31.7	52
Grants	14.0	27	17.4	28
User fees and statutory fees and fines	2.3	4	3.0	5
Contributions	5.8	11	5.4	9
Other	2.2	4	3.8	6
Total	52.7	100	61.3	100

Moorabool 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 biggest changes in the composition of council's revenue were the decreases in the proportions of revenue from contributions and rates and charges, and the increase in the proportion of revenue from '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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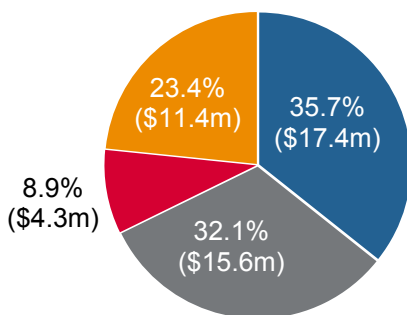
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$37.7m	\$9.2m	\$1,214	\$296
2015–16	\$37m	\$13.6m	\$1,167	\$429
2016–17	\$41m	\$22.7m	\$1,254	\$694
2017–18	\$38.9m	\$11.7m	\$1,164	\$349

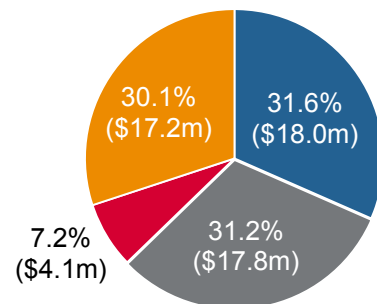
Moorabool Shire Council's operating expenses have been trending upward over time, although fluctuating in recent years. These fluctuations reflect changes in spending on materials and services and 'other' expenses. Capital expenditure has also fluctuated over the same period, with a spike in spending on new assets and upgrade projects in 2016–17.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping



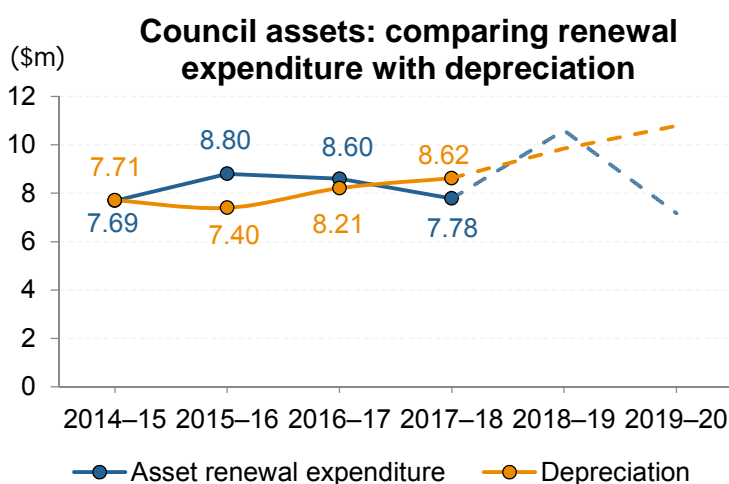
Average expenditure by category in the 2 years after rate capping



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

There was a change in the composition of Moorabool Shire Council's expenditure, reflecting an increase in average capital expenditure in the two years after rate capping was introduced (from the spike in capital expenditure in 2016–17 mentioned above). Spending on materials and services and employee costs 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	100
2015-16	119
2016-17	105
2017-18	90
2018-19	108 (forecast data)
2019-20	66 (forecast data)

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

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)		Council's average spending on asset renewal in the two years after rate capping was introduced remained the same (despite year on year fluctuations). Average spending on new assets and upgrade projects increased, due to a spikes in both categories in 2016-17.
	\$m	% of total	\$m	% of total	
Renewal	8.2	72	8.2	48	
New	1.6	14	6.5	38	
Upgrade	1.6	14	2.5	15	
Expansion	0.0	0	0.0	0	
Total	11.4	100	17.2	100	

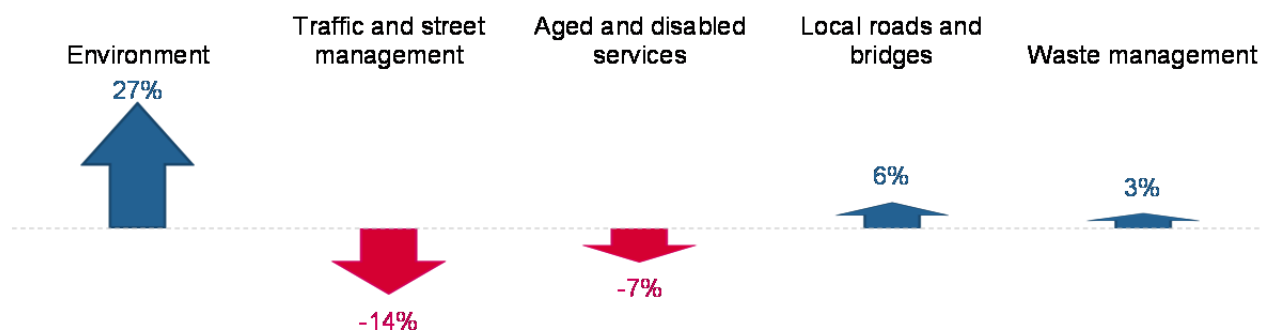
Services

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

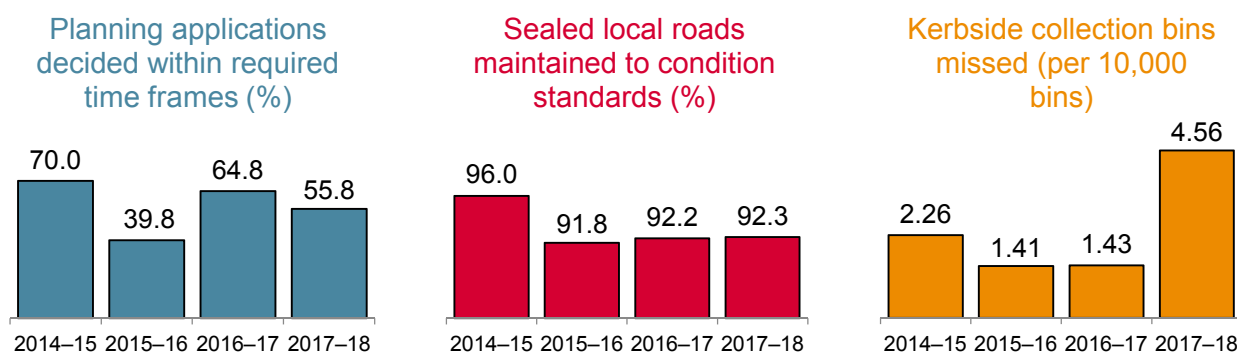
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	368	27.3	369	26.7
Local roads and bridges	263	19.5	277	20.0
Business and economic services	141	10.5	144	10.4
Recreation and culture	145	10.7	143	10.3
Waste management	99	7.3	102	7.4
Environment	80	5.9	101	7.3
Family and community services	86	6.4	89	6.4
Aged and disabled services	93	6.9	86	6.3
Traffic and street management	73	5.4	63	4.5
Other	0	0.0	9	0.6

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.

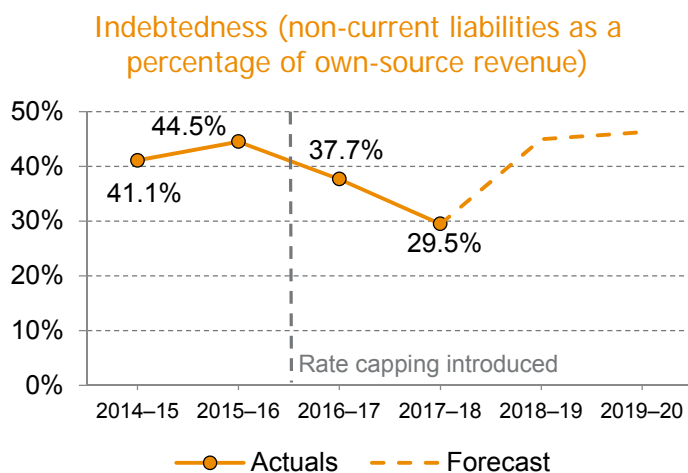
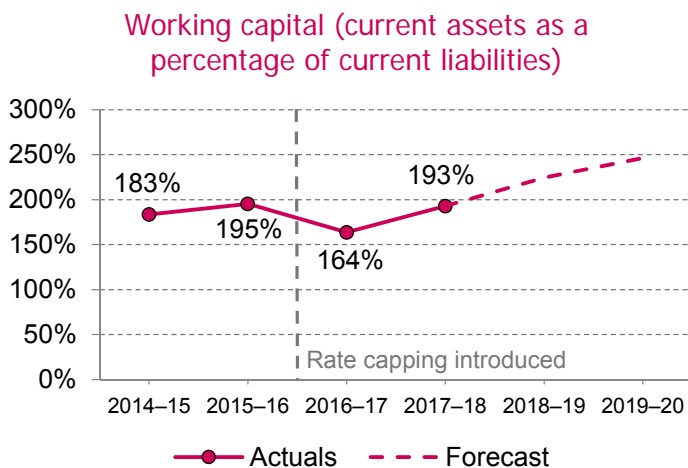
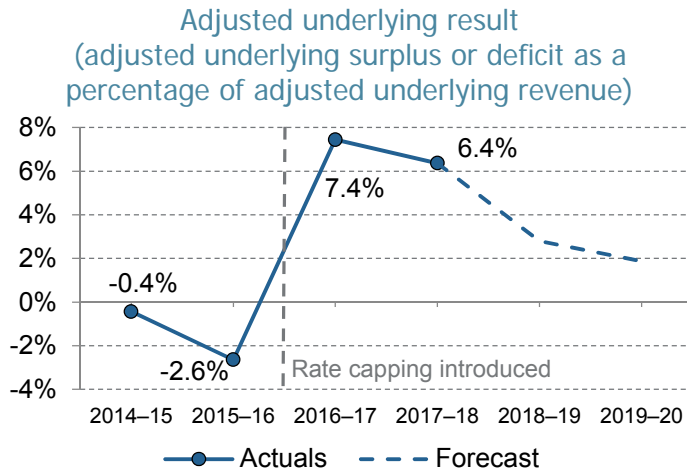
Has there been a change in service quality? (selected services only)



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, Moorabool Shire Council reported an average **adjusted underlying result** of 2.7 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 183 per cent between 2014–15 and 2017–18.

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

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.