

Mount Alexander 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>.



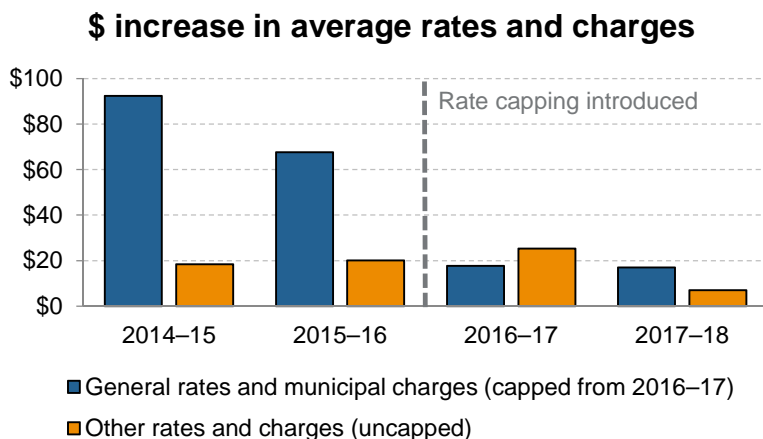
© OpenStreetMap contributors

Key facts

Population:	19,298
Size (km ²):	1,529
Length of local roads (km):	1,429
Population per km of roads:	13.5
Council employees (FTE, 2017–18):	161
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	\$1,732	n/a
2015–16	\$1,820	n/a
2016–17	\$1,863	2.50%
2017–18	\$1,887	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.

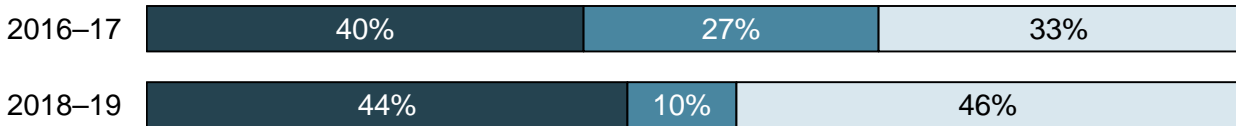
Have council's average rates complied with the applicable rate caps?

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).

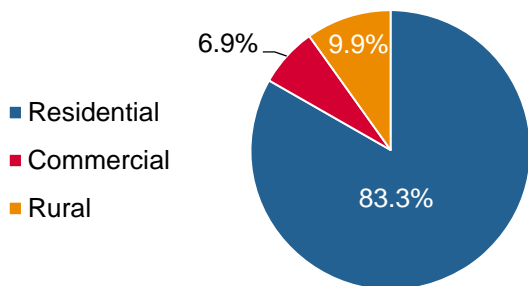


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

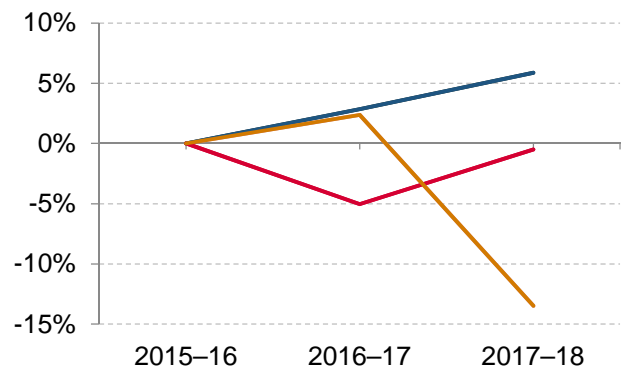
Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

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 Mount Alexander Shire Council's rates and charges. This group of ratepayers, on average, experienced a 5.9 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 \$1,820 to \$1,887 (3.7 per cent) over the same period.

Revenue

See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Where is council's money coming from?

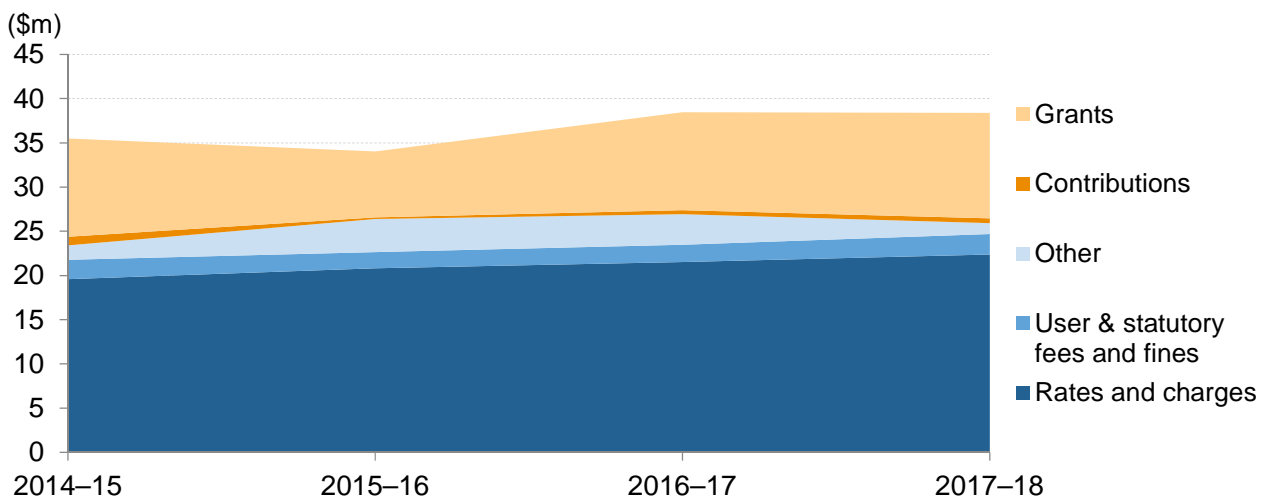
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	20.2	58	21.9	57
Grants	9.3	27	11.5	30
User fees and statutory fees and fines	2.0	6	2.1	6
Contributions	0.6	2	0.5	1
Other	2.7	8	2.4	6
Total	34.8	100	38.4	100

Mount Alexander Shire Council's average revenue from rates and charges, grants and 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 biggest changes in the composition of council's revenue were the decrease in the proportion of revenue from 'other' sources, 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.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

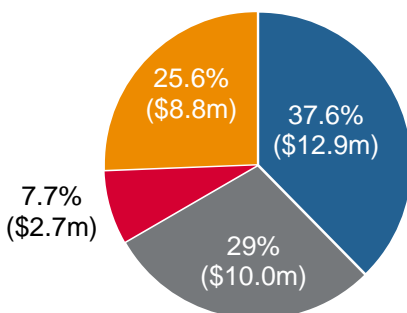
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$25.1m	\$9.5m	\$1,354	\$513
2015–16	\$26m	\$8.1m	\$1,383	\$430
2016–17	\$25.8m	\$8.6m	\$1,349	\$451
2017–18	\$27m	\$8.1m	\$1,401	\$422

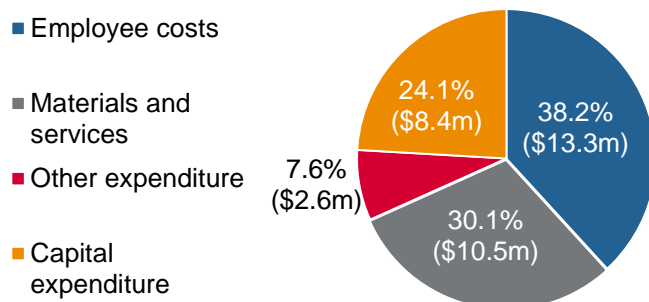
Mount Alexander Shire Council's operating expenses have been trending upward over time, driven by increased employee costs, as well as an increase in spending on materials and services in 2017–18 (including flood recovery works). Capital expenditure has been trending downward over the same period, reflecting decreasing investment in new assets.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

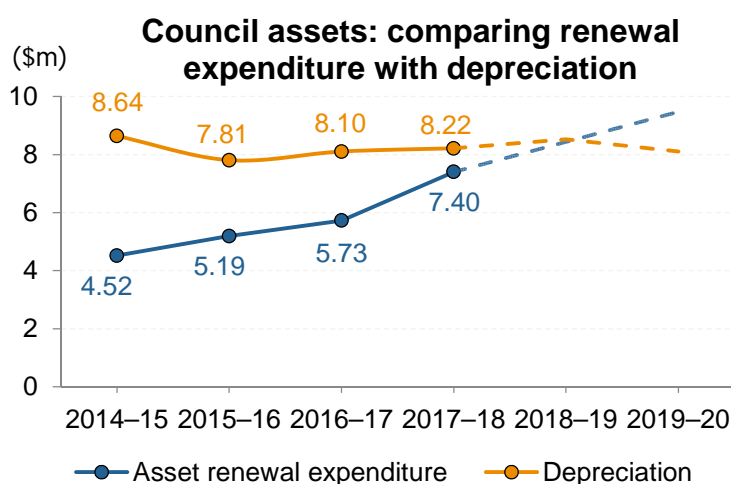


Average expenditure by category in the 2 years after rate capping



There was only a small change in the composition of Mount Alexander Shire Council's expenditure, reflecting increases in average spending on materials and services and employee costs, and a decrease in average capital expenditure 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	52
2015-16	67
2016-17	71
2017-18	90
2018-19	99 (forecast data)
2019-20	117 (forecast data)

Mount Alexander Shire Council's spending on the renewal of its assets has trended upward in recent years, while remaining less than the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to continue increasing, to around 100 per cent of depreciation in 2018-19, and above 100 per cent in 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 in the two years after rate capping was introduced has increased. Spending on new, upgrade and expansion projects has fluctuated year on year, with average spending decreasing in each category.
	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	4.9	55	6.6	78	
New	3.1	35	1.3	16	
Upgrade	0.7	8	0.5	6	
Expansion	0.1	1	0.0	0	
Total	8.8	100	8.4	100	

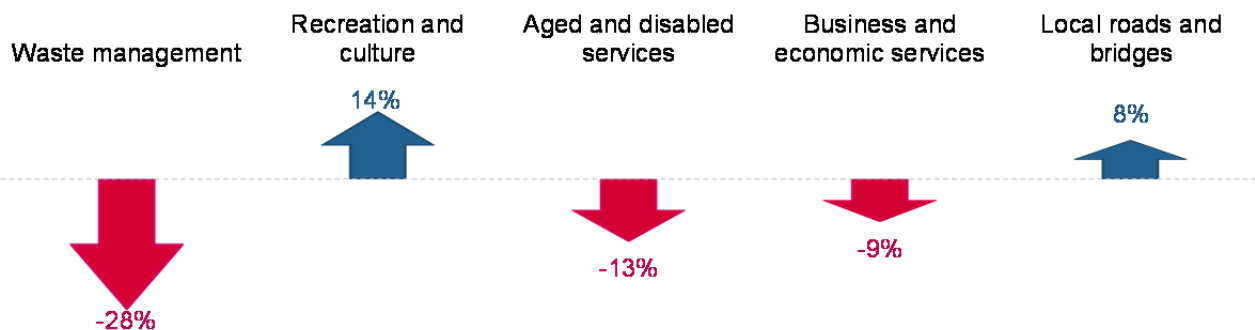
Services

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?

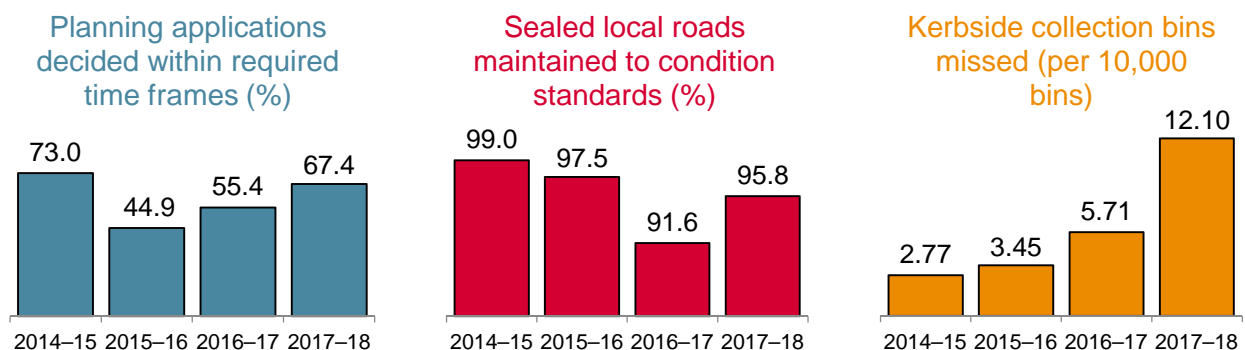
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	404	23.1	437	24.8
Local roads and bridges	367	21.0	398	22.6
Recreation and culture	254	14.5	290	16.5
Waste management	271	15.5	196	11.1
Business and economic services	168	9.6	153	8.7
Aged and disabled services	139	8.0	121	6.9
Traffic and street management	56	3.2	62	3.5
Environment	47	2.7	56	3.2
Family and community services	44	2.5	47	2.7
Other	0	0.0	2	0.1

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.

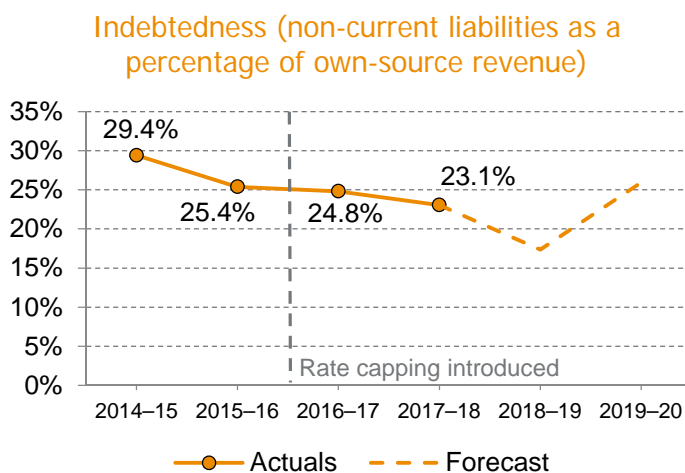
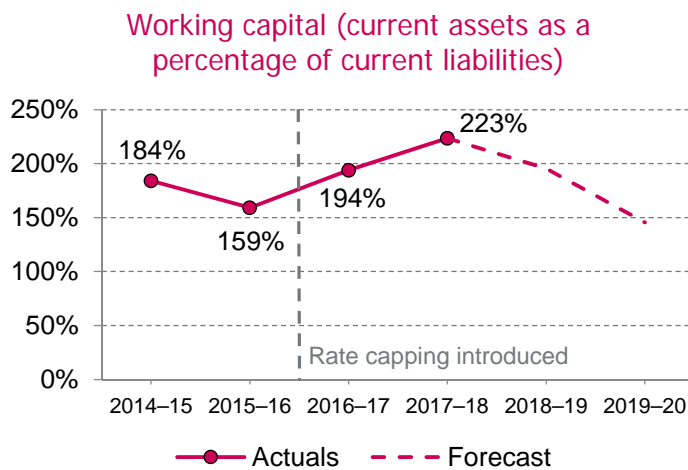
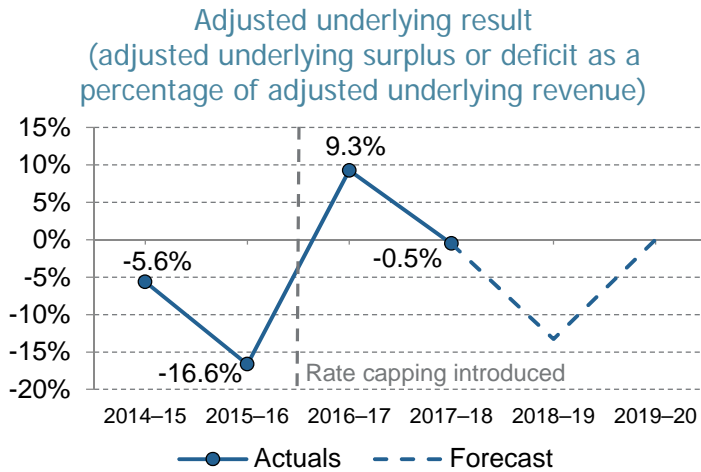
Has there been a change in service quality? (selected services only)



Financial position

See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Is council operating sustainably?



Between 2014–15 and 2017–18, Mount Alexander Shire Council reported an average **adjusted underlying result** of -3 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 190 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.