

# Greater Shepparton City Council

## Group: Regional City

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 regional cities. 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>.



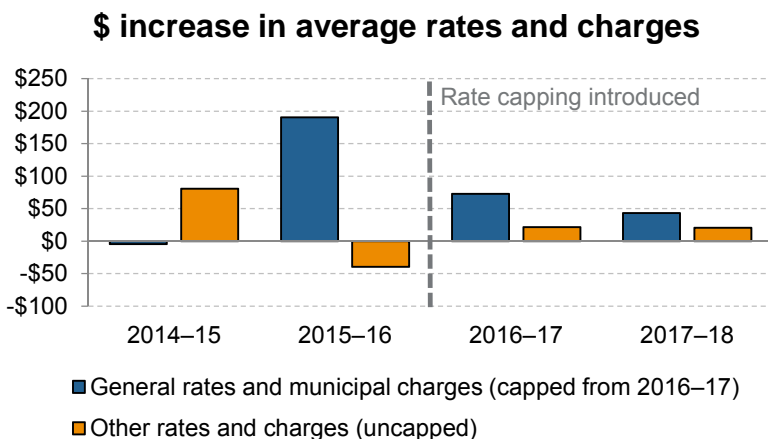
© OpenStreetMap contributors

### Key facts

Population:	65,565
Size (km <sup>2</sup> ):	2,421
Length of local roads (km):	2,517
Population per km of roads:	26
Council employees (FTE, 2017–18):	577
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	\$2,113	n/a
2015–16	\$2,264	n/a
2016–17	\$2,358	2.50%
2017–18	\$2,422	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.

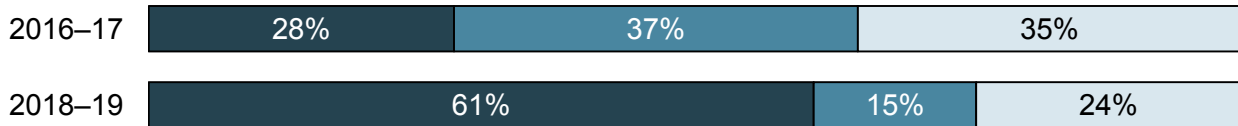
## Have council's average rates complied with the applicable rate caps?

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).

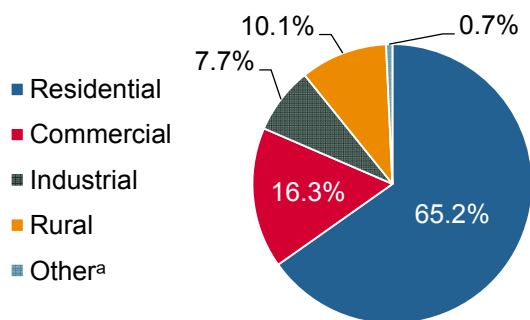


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

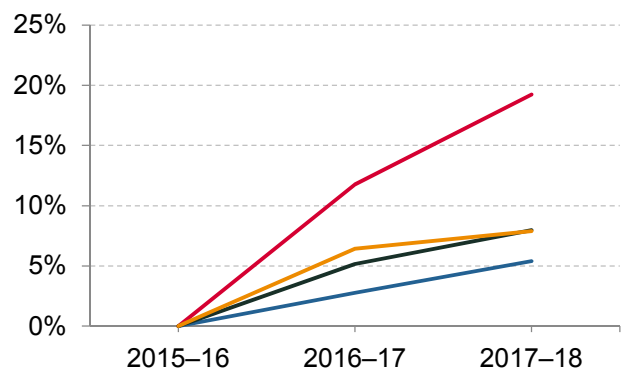
## Ratepayers by property class

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



<sup>a</sup> 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 Greater Shepparton City Council's rates and charges. This group of ratepayers, on average, experienced a 5.4 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 \$2,264 to \$2,422 (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?

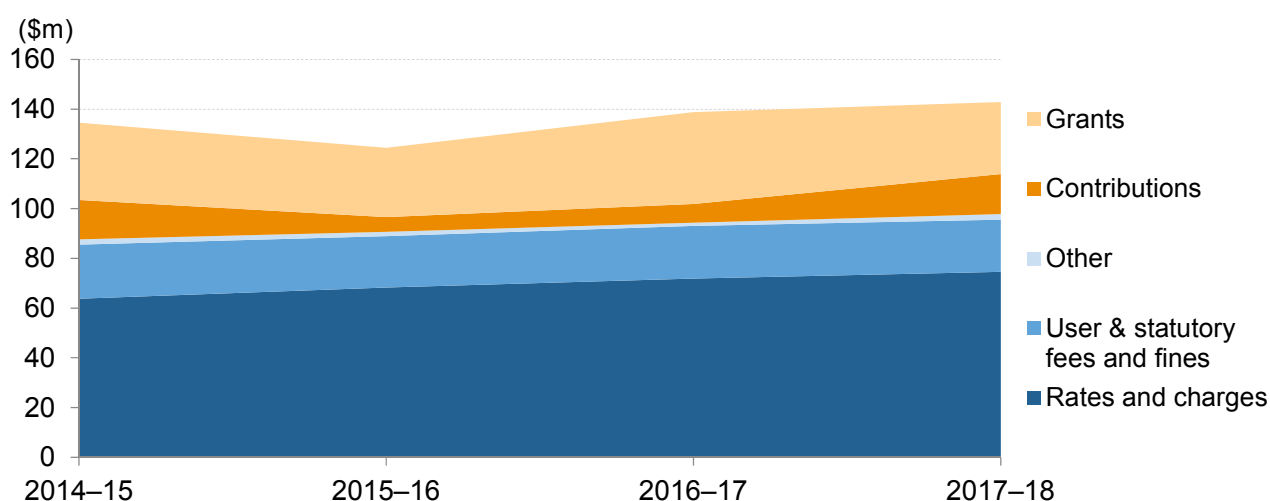
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	66.0	51	73.2	52
Grants	29.5	23	33.0	23
User fees and statutory fees and fines	21.2	16	21.1	15
Contributions	10.9	8	11.8	8
Other	1.9	1	1.8	1
<b>Total</b>	<b>129.5</b>	<b>100</b>	<b>140.8</b>	<b>100</b>

Greater Shepparton City Council's average revenue from rates and charges, grants and contributions increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The proportion of council's revenue from each source remained relatively stable after the introduction of rate capping.

**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.

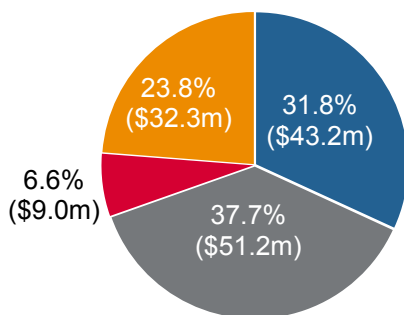
## How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$104.3m	\$27.5m	\$1,631	\$430
2015–16	\$102.5m	\$37m	\$1,590	\$574
2016–17	\$89.3m	\$42.2m	\$1,372	\$648
2017–18	\$95m	\$30m	\$1,449	\$458

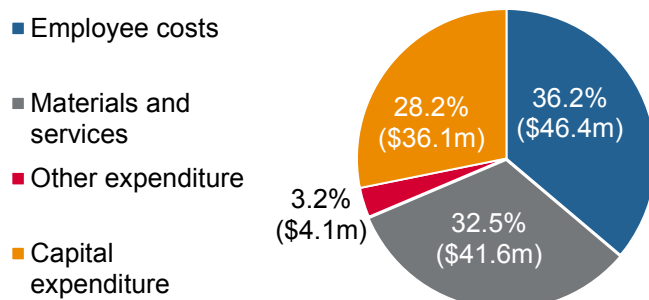
Greater Shepparton City Council's operating expenses have historically trended upward, but have fluctuated in recent years, reflecting higher spending on materials and services and 'other' expenditure in 2014–15 and 2015–16 (including adjustments relating to asset values). Capital expenditure has also varied over the same period, reflecting fluctuations in spending on asset renewal and new assets.

## How is council spending its money?

**Average expenditure by category in the 2 years before rate capping**

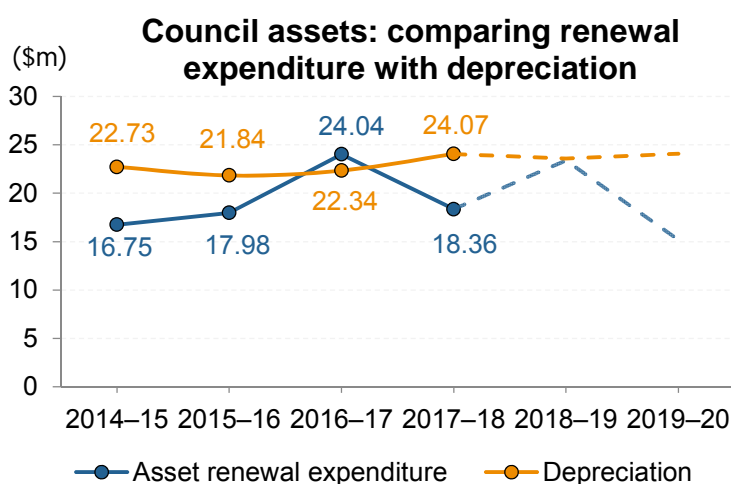


**Average expenditure by category in the 2 years after rate capping**



There was a change in the composition of Greater Shepparton City Council's expenditure, reflecting reductions in average spending on materials and services and 'other' expenditure in the two years after rate capping was introduced (due to being unusually high in the previous two years as explained in the section above). Average employee costs and capital expenditure 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	74
2015-16	82
2016-17	108
2017-18	76
2018-19	99 (forecast data)
2019-20	63 (forecast data)

Greater Shepparton City Council's spending on the renewal of its assets has been relatively stable in recent years, aside from a spike in 2016-17, when asset renewal went above the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to fluctuate in 2018-19 and 2019-20, while remaining at or below 100 per cent of depreciation. 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)		Council's average asset renewal spending in the two years after rate capping was introduced has increased. There was a small decrease in average spending on new assets, and increase in average upgrade expenditure.
	\$m	% of total	\$m	% of total	
Renewal	17.4	54	21.2	59	
New	12.1	38	11.5	32	
Upgrade	2.5	8	3.3	9	
Expansion	0.2	1	0.1	0	
<b>Total</b>	<b>32.3</b>	<b>100</b>	<b>36.1</b>	<b>100</b>	

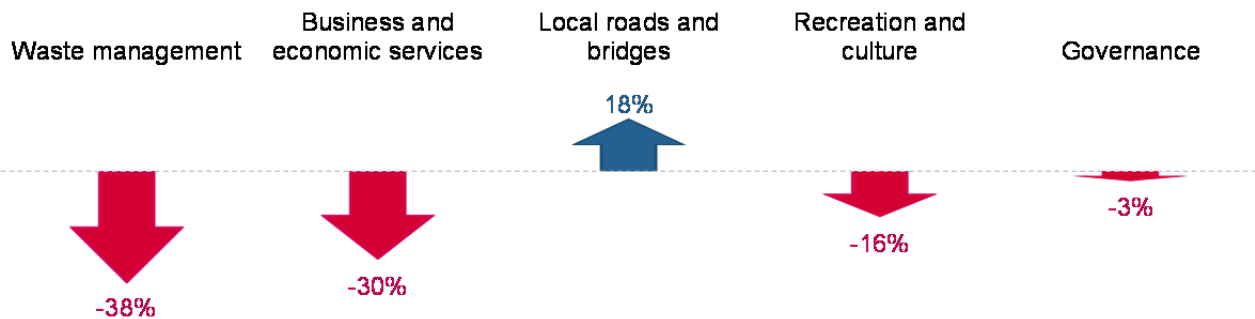
# Services

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?

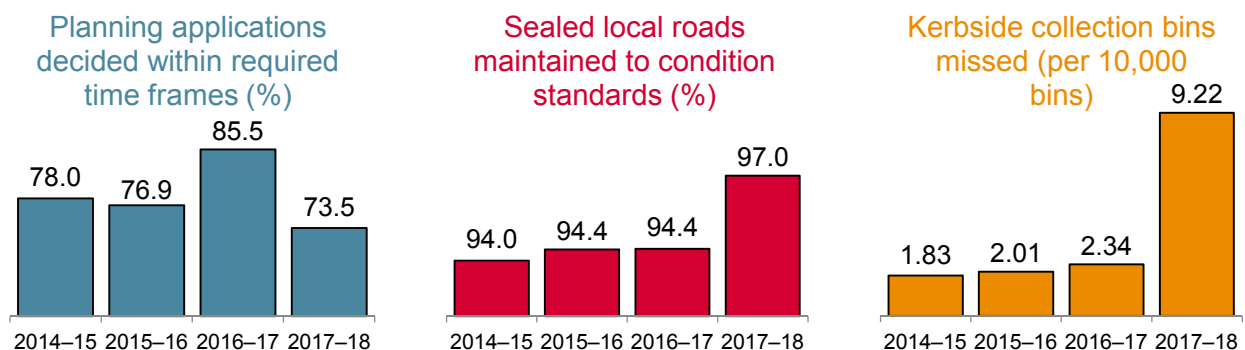
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	485	24.8	469	26.8
Local roads and bridges	284	14.5	335	19.1
Recreation and culture	351	17.9	296	16.9
Family and community services	184	9.4	186	10.6
Business and economic services	221	11.3	155	8.9
Waste management	222	11.4	138	7.9
Aged and disabled services	71	3.6	65	3.7
Traffic and street management	95	4.8	63	3.6
Environment	45	2.3	42	2.4
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.

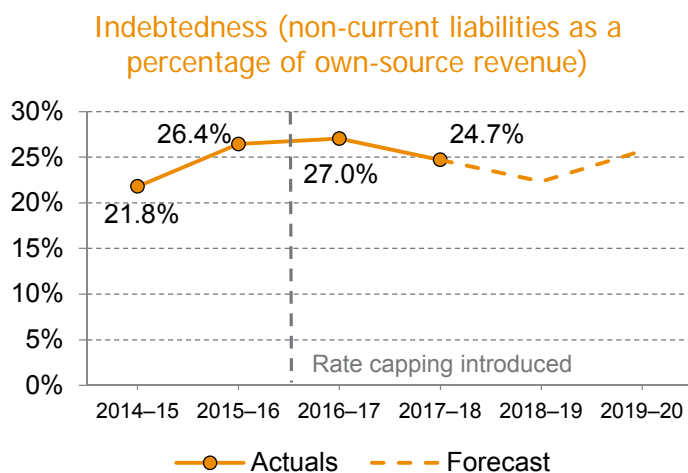
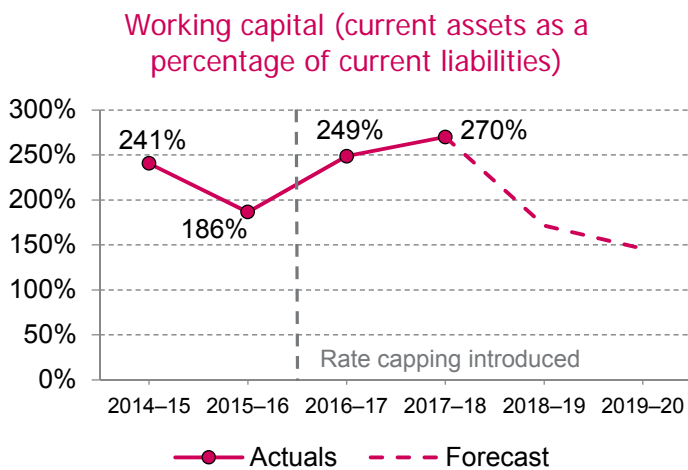
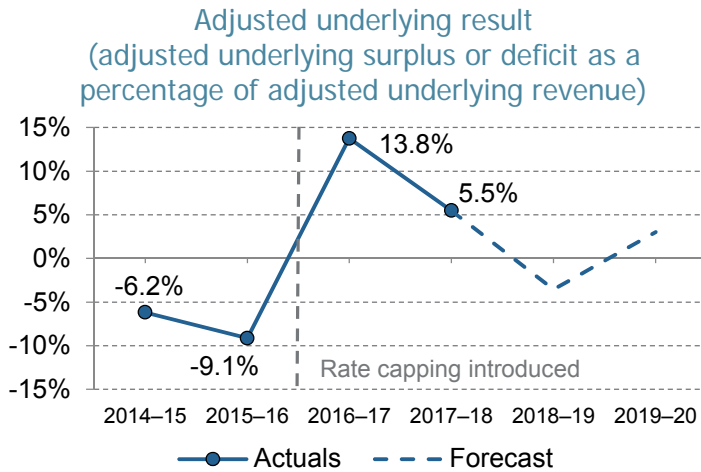
## Has there been a change in service quality? (selected services only)



# Financial position

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

## Is council operating sustainably?



Between 2014–15 and 2017–18, Greater Shepparton City Council reported an average **adjusted underlying result** of 1 per cent. A positive result suggests that there is enough ongoing revenue to continue to fund the current level of service provision. The negative results in 2014–15 and 2015–16 reflect adjustments relating to provisions and asset values.

Council is able to meet its short-term financial obligations with an average **working capital ratio** of 236 per cent.

In 2015–16, council borrowed money to fund capital works, increasing the **indebtedness ratio**.

**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.