

Strathbogie 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>.



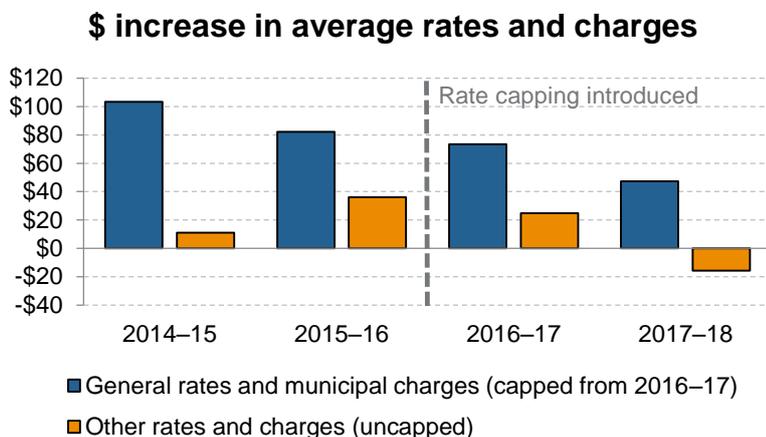
© OpenStreetMap contributors

Key facts

Population:	10,485
Size (km ²):	3,303
Length of local roads (km):	2,204
Population per km of roads:	4.8
Council employees (FTE, 2017–18):	103
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	\$2,223	n/a
2015–16	\$2,341	n/a
2016–17	\$2,439	2.50%
2017–18	\$2,471	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).

2016–17

Council did not provide data

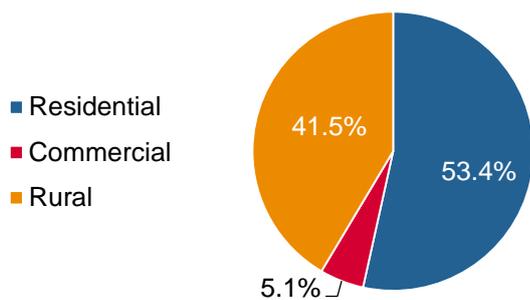
2018–19

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

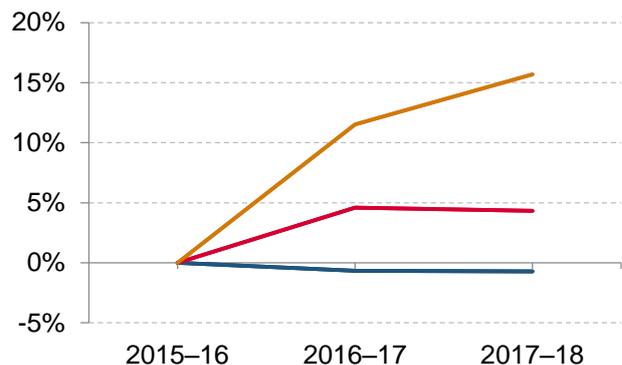
Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

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 Strathbogie Shire Council's rates and charges. This group of ratepayers, on average, experienced a 0.7 per cent decrease 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 \$2,341 to \$2,471 (5.5 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?

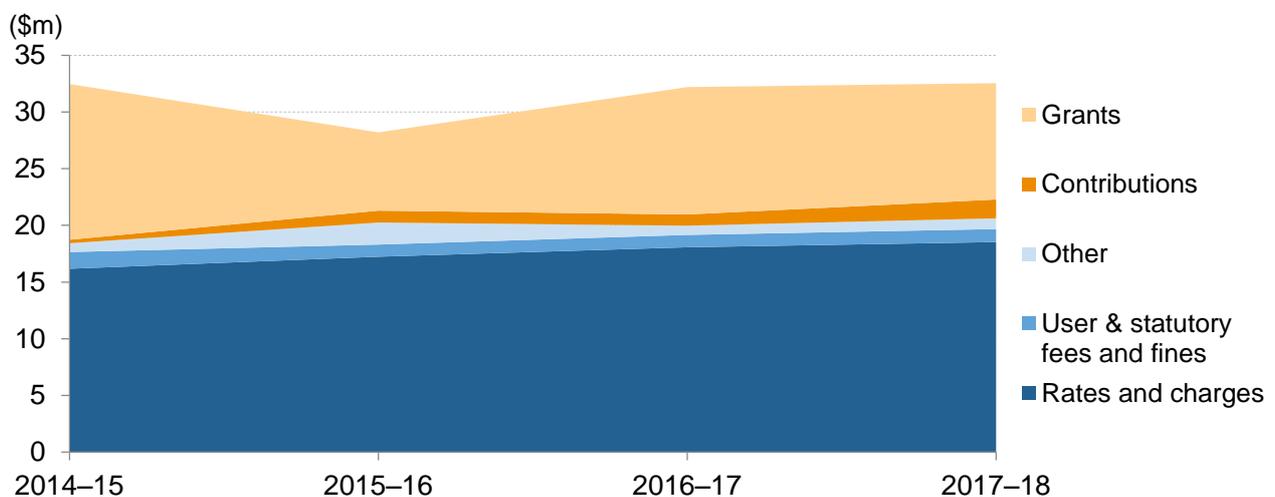
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	16.7	55	18.3	57
Grants	10.3	34	10.7	33
User fees and statutory fees and fines	1.3	4	1.1	3
Contributions	0.7	2	1.3	4
Other	1.4	4	0.9	3
Total	30.3	100	32.4	100

Strathbogie Shire 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 biggest changes in the composition of council's revenue were the increases in the proportions of revenue from contributions and rates and charges 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.

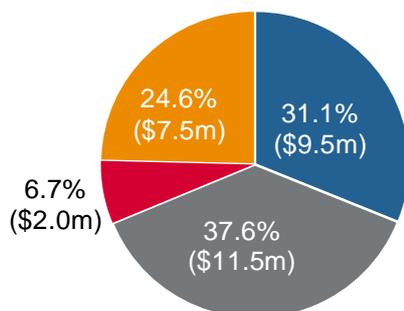
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$22.6m	\$7.6m	\$2,254	\$757
2015–16	\$23.4m	\$7.4m	\$2,303	\$730
2016–17	\$21.7m	\$6.6m	\$2,091	\$638
2017–18	\$25.9m	\$10.2m	\$2,469	\$972

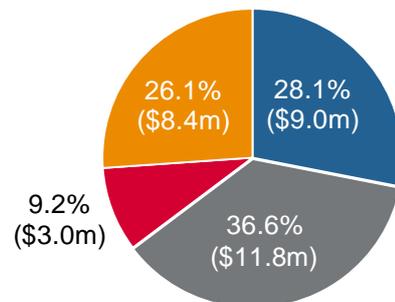
Strathbogie Shire Council's operating expenses have fluctuated in recent years, driven largely by variations in 'other' expenses (with an adjustment relating to asset values in 2015–16 and a provision for landfill in 2017–18). Capital expenditure also fluctuated over the same period, reflecting changes in spending on asset renewal.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping



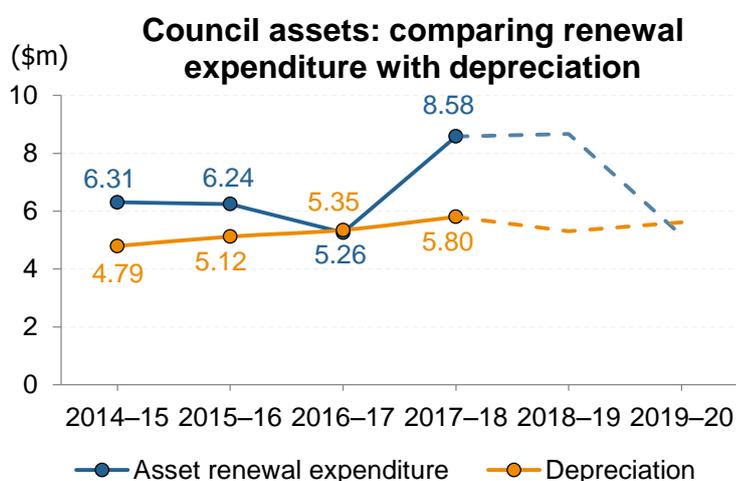
Average expenditure by category in the 2 years after rate capping



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

There was a change in the composition of Strathbogie Shire Council's expenditure, reflecting increases in average 'other' and capital expenditure in the two years after rate capping was introduced. Spending on materials and services 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	132
2015-16	122
2016-17	98
2017-18	148
2018-19	164 (forecast data)
2019-20	92 (forecast data)

Strathbogie Shire Council's spending on the renewal of its assets has fluctuated in recent years, but has remained close to, or above, the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to remain close to, or above, 100 per cent of depreciation in 2018-19 and 2019-20.

Has council's capital expenditure pattern changed?

Capital expenditure					Council's spending on asset renewal, new and upgrade projects has fluctuated year on year. Average spending on asset renewal, new assets and expansion projects in the two years after rate capping was introduced has increased, while upgrade projects decreased.
	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	6.3	84	6.9	82	
New	0.4	6	0.8	9	
Upgrade	0.8	11	0.5	6	
Expansion	0.0	0	0.2	2	
Total	7.5	100	8.4	100	

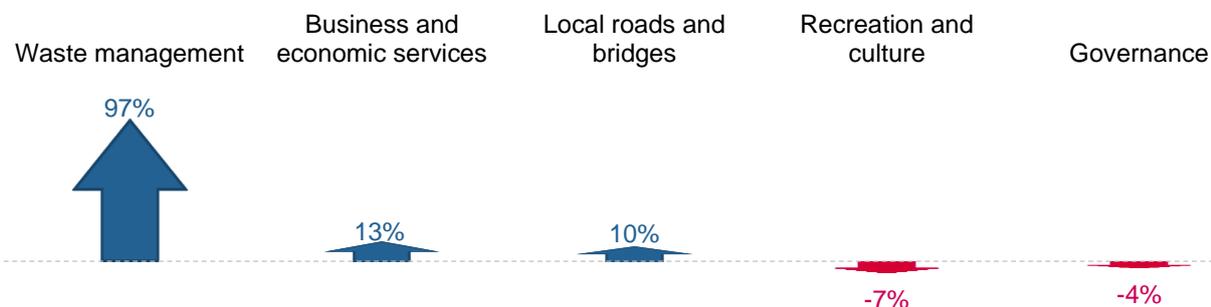
Services

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?

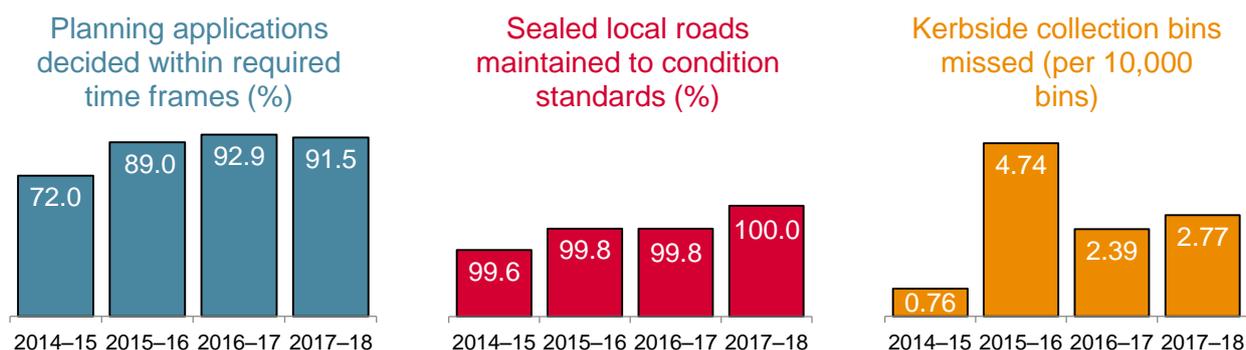
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	945	36.4	1,040	37.1
Governance	744	28.6	713	25.4
Waste management	209	8.0	411	14.7
Recreation and culture	335	12.9	310	11.1
Business and economic services	172	6.6	195	6.9
Family and community services	57	2.2	73	2.6
Environment	15	0.6	28	1.0
Traffic and street management	18	0.7	16	0.6
Aged and disabled services	104	4.0	16	0.6
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)

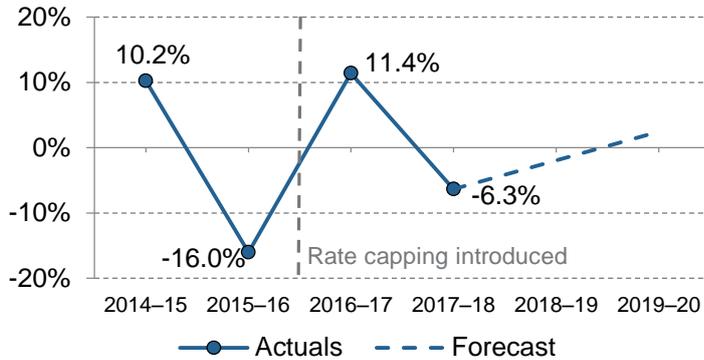


Financial position

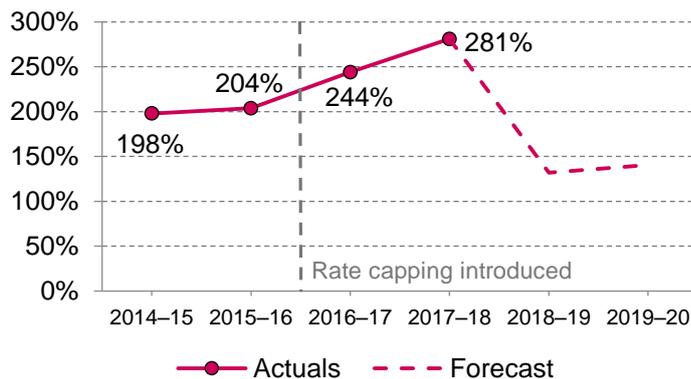
See the reader's guide for data sources and useful information.
 Note: The numbers in this fact sheet have not been adjusted for inflation.

Is council operating sustainably?

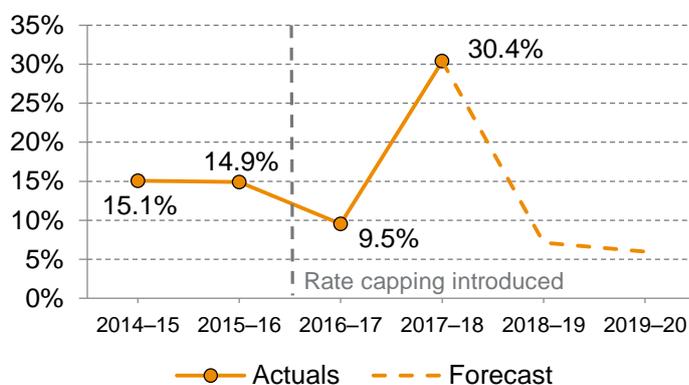
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



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, Strathbogie Shire Council reported an average **adjusted underlying result** of -0.2 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 232 per cent between 2014–15 and 2017–18.

In 2017–18, the increase in the **indebtedness ratio** reflects an increase in landfill provisions.

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.