

Yarriambiack 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>.



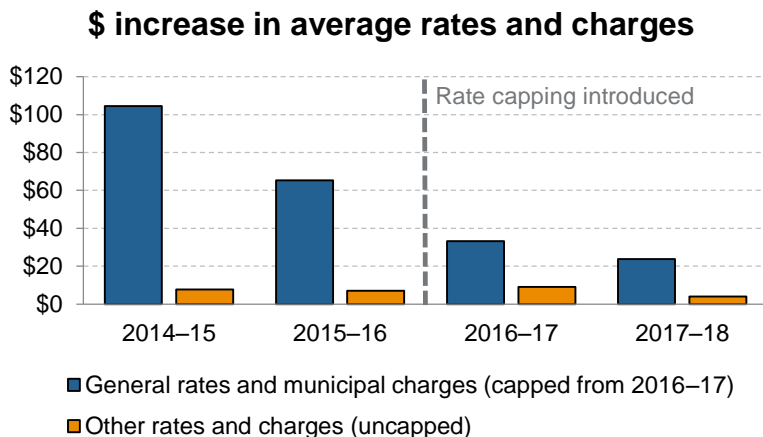
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Key facts

Population:	6,684
Size (km ²):	7,325
Length of local roads (km):	4,938
Population per km of roads:	1.4
Council employees (FTE, 2017–18):	104
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	\$1,581	n/a
2015–16	\$1,654	n/a
2016–17	\$1,696	2.50%
2017–18	\$1,724	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	Materially non-compliant (0.32 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).

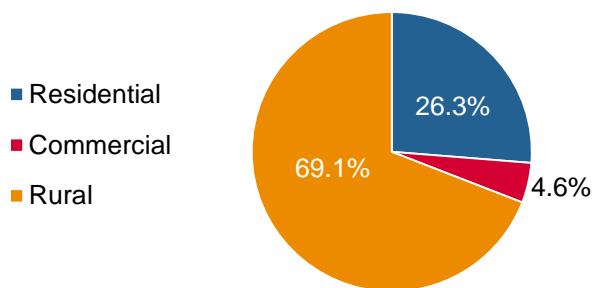


- % of rates notices decreasing
- % of rates notices increasing by less than the applicable cap
- % of rates notices increasing by more than the applicable cap

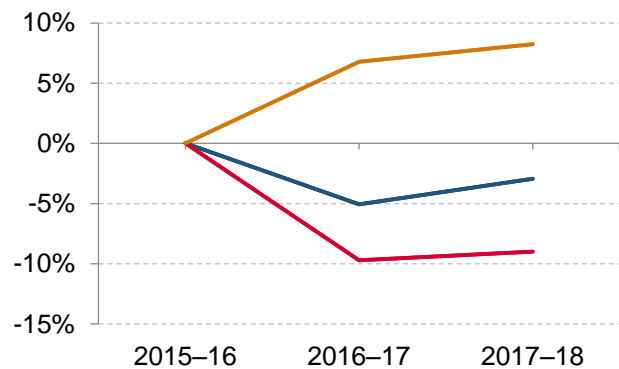
Note: In 2017–18, properties were not revalued so most rates notices would have increased by a similar percentage.

Ratepayers by property class

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



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 majority of Yarriambiack Shire Council's rates and charges. This group of ratepayers, on average, experienced an 8.2 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 \$1,654 to \$1,724 (4.2 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?

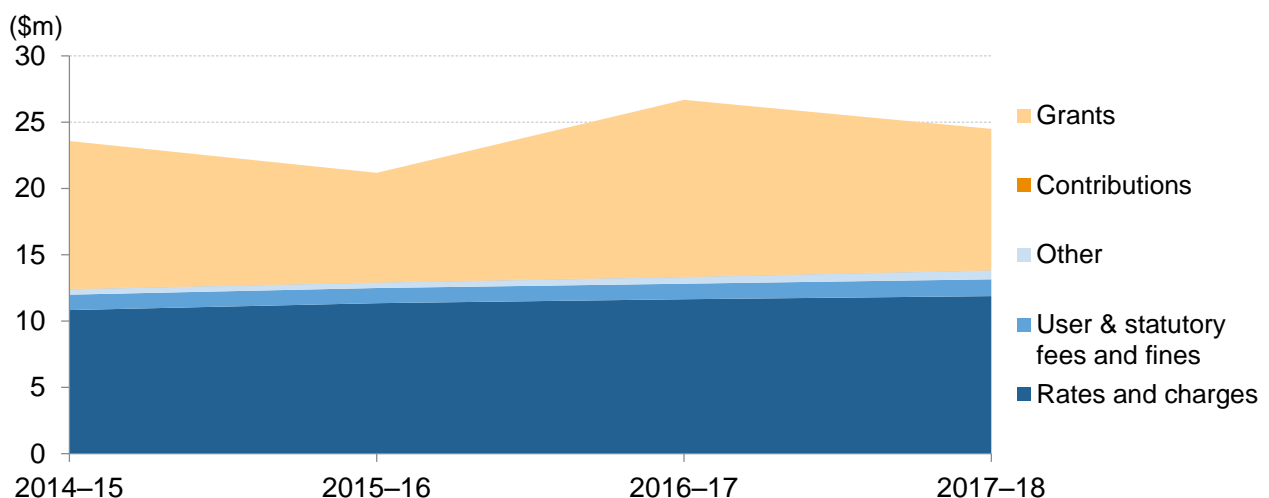
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	11.1	50	11.8	46
Grants	9.7	43	12.0	47
User fees and statutory fees and fines	1.2	5	1.2	5
Contributions	0.0	0	0.0	0
Other	0.4	2	0.6	2
Total	22.4	100	25.6	100

Yarriambiack Shire Council's average revenue from rates and charges, grants and 'other' sources 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 except the decrease in the proportion of revenue from rates and charges 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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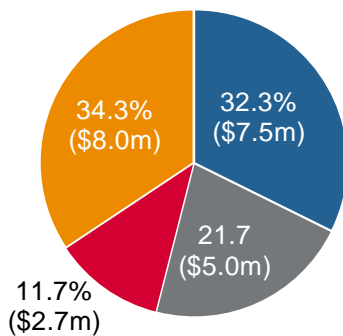
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$15.3m	\$7.3m	\$2,204	\$1,061
2015–16	\$15.2m	\$8.6m	\$2,233	\$1,260
2016–17	\$16.2m	\$6.8m	\$2,396	\$1,001
2017–18	\$16.2m	\$7.7m	\$2,419	\$1,147

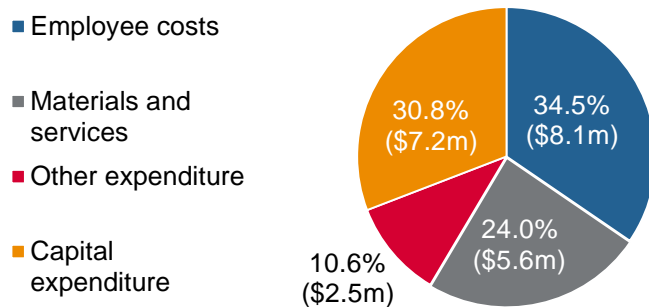
Yarriambiack Shire Council's operating expenses have been relatively stable in recent years, with a small jump in 2016–17 driven by higher employee costs and spending on materials and services in the two years following the introduction of rate capping. Capital expenditure has varied more over the same period, reflecting fluctuation in spending on asset upgrade projects.

How is council spending its money?

Average expenditure by category in the 2 years before rate capping

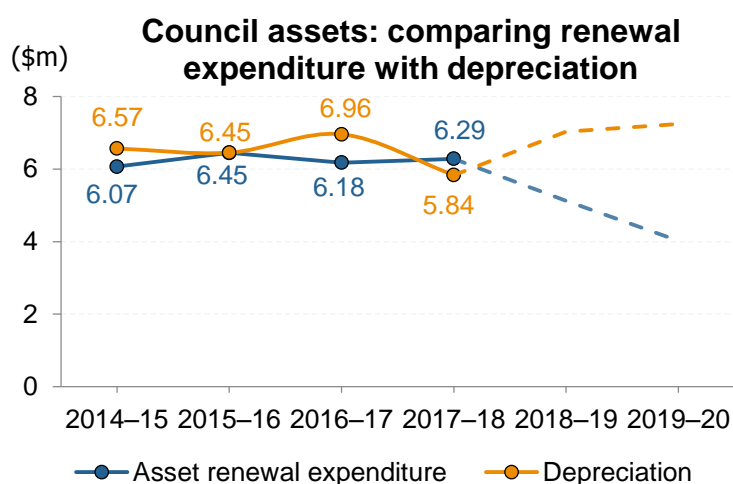


Average expenditure by category in the 2 years after rate capping



There was a change in the composition of Yarriambiack Shire Council's expenditure, reflecting a reduction in average capital expenditure in the two years after rate capping was introduced, as well as increases in average employee costs and spending on materials and services. Average 'other' expenses decreased 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	92
2015-16	100
2016-17	89
2017-18	108
2018-19	73 (forecast data)
2019-20	56 (forecast data)

Yarriambiack Shire Council's spending on the renewal of its assets has been relatively stable in recent years, but has fluctuated relative to the amount of depreciation (the decline in value of its assets caused by age and use) due to changes in depreciation. Renewal expenditure is planned to decrease in 2018-19 and 2019-20, falling below 100 per cent of depreciation.

Has council's capital expenditure pattern changed?

Capital expenditure					Council's spending on asset renewal has remained relatively stable over time. Average spending on upgrade projects in the two years after rate capping was introduced has decreased (despite year on year fluctuations).
	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	78	6.2	86	
New	0.2	3	0.4	6	
Upgrade	1.5	19	0.6	8	
Expansion	0.0	0	0.0	0	
Total	8.0	100	7.2	100	

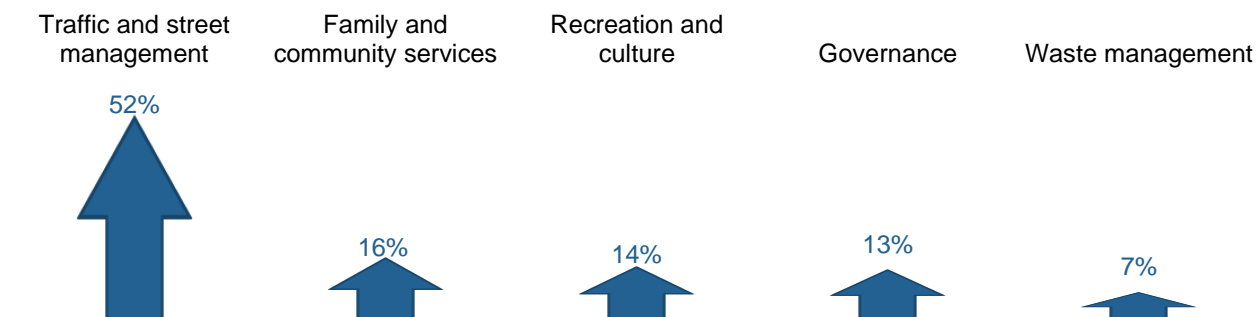
Services

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

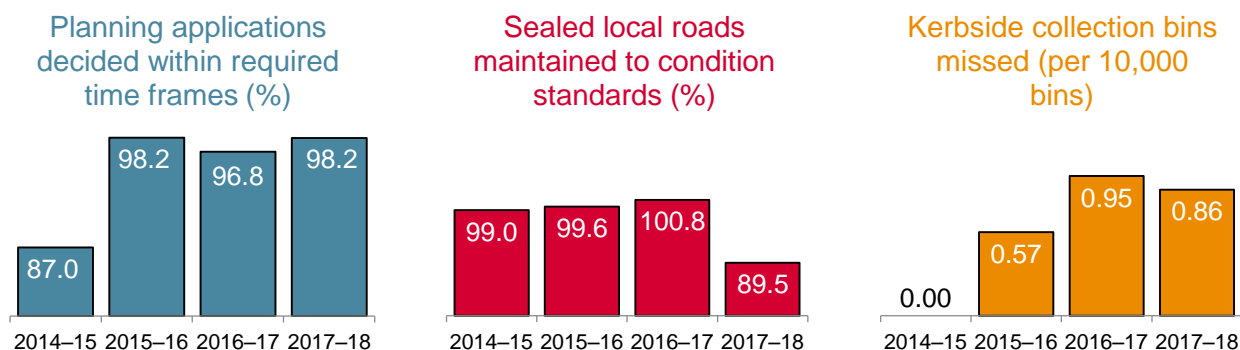
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Local roads and bridges	1,264	40.9	1,233	37.1
Governance	440	14.2	497	14.9
Traffic and street management	228	7.4	347	10.4
Business and economic services	278	9.0	275	8.3
Recreation and culture	211	6.8	240	7.2
Aged and disabled services	202	6.5	217	6.5
Waste management	200	6.5	215	6.5
Family and community services	170	5.5	198	5.9
Environment	102	3.3	105	3.1
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.

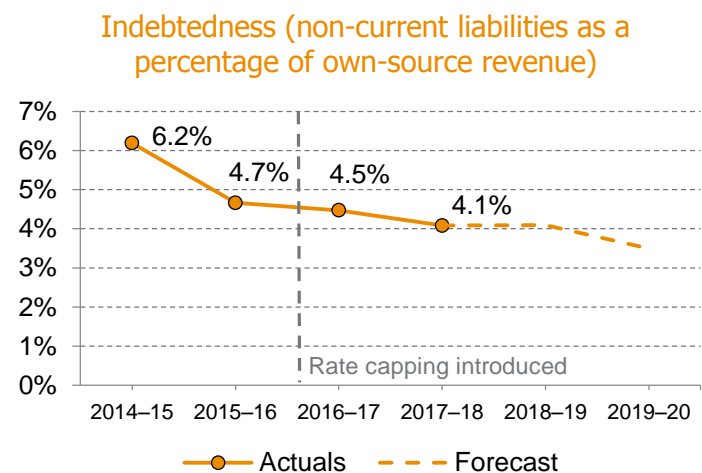
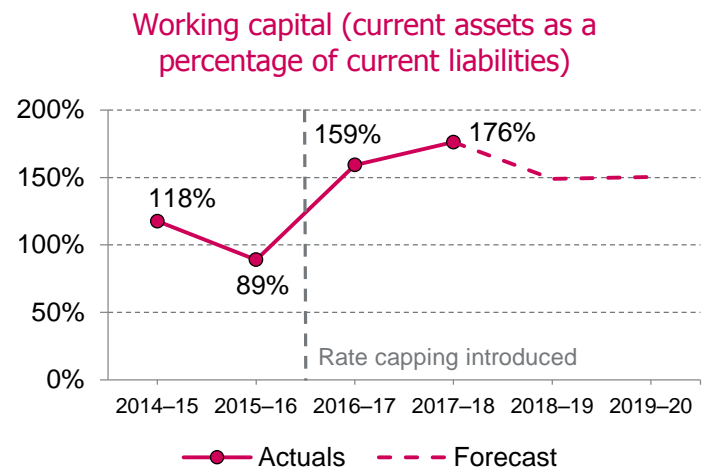
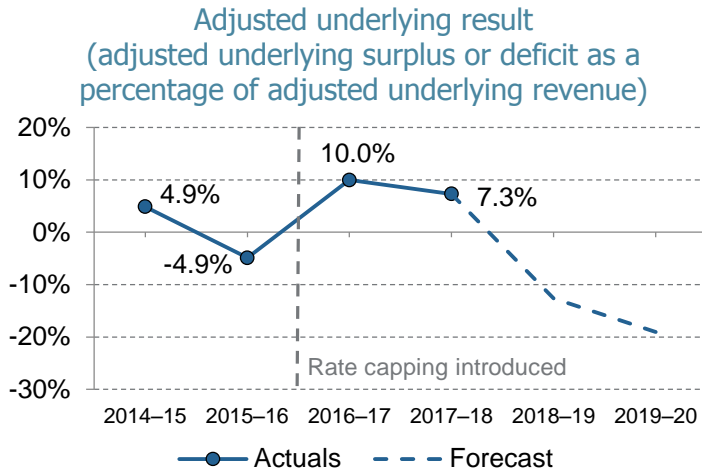
Has there been a change in service quality? (selected services only)



Financial position

See the reader's guide for data sources and useful information.
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Is council operating sustainably?



Between 2014–15 and 2017–18, Yarriambiack Shire Council reported an average **adjusted underlying result** of 4 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 135 per cent between 2014–15 and 2017–18.

The falling **indebtedness ratio** reflects increased revenue and the repayment of some 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.