

Moira Shire Council

Group: large shire

This fact sheet uses graphs and data to examine this council's revenue, expenditure and financial sustainability over recent years. This information is intended to help readers understand the impacts of rate capping, which was introduced in 2016–17 to restrict the amount councils can increase their general rates and municipal charges in each financial year.

You can compare this council's data against its 'group' by looking at the fact sheet for large shires. Further information is available at <http://www.esc.vic.gov.au/outcomes-reports>, including an interactive version of this fact sheet, a reader's guide to help you understand key terms used in this fact sheet, and information about the sector as a whole.

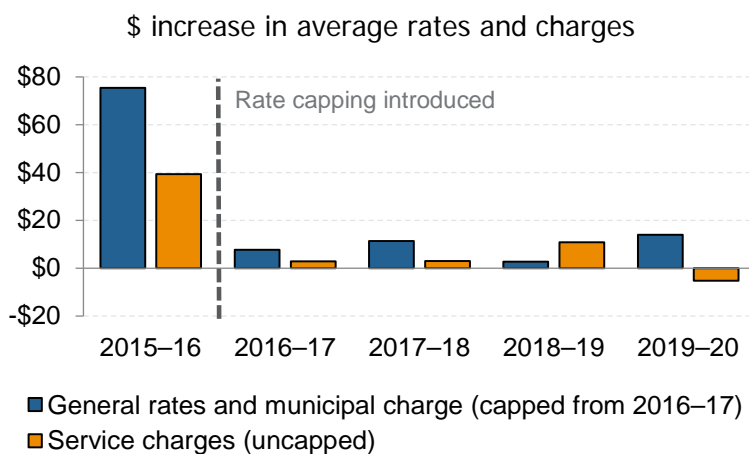


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Key facts	
Population (June 2019):	29,925
Size (km ²):	4,046
Length of local roads (km):	3,651
Population per km of roads:	8
Council employees (FTE, 2019–20):	220
Submitted an application for a higher cap for any year between 2016–17 and 2019–20?	No

Rates

What has happened to average rates and charges (2019–20 dollars)?



Year	Average rates and charges	Applicable rate cap
2015–16	\$2,054	n/a
2016–17	\$2,064	2.50%
2017–18	\$2,078	2.00%
2018–19	\$2,092	2.25%
2019–20	\$2,101	2.50%

Rates (continued)



See the reader's guide for data sources and useful information. Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2019–20 dollars.

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

2018–19 (2.25%)	2019–20 (2.50%)	2020–21 (2.00%)
Yes	Yes	Yes

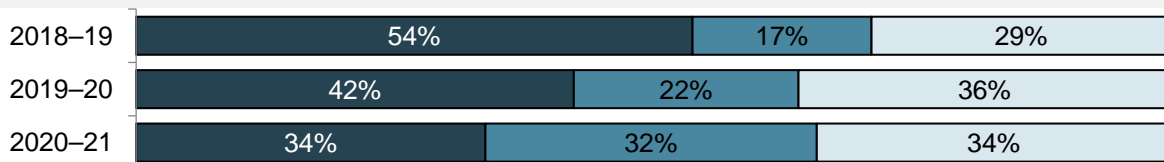
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies 4 differential rates (for different types of property), a municipal charge and uses service charges to recover the cost of waste services. More information about council's differential rate categories and charges can be found in council's adopted budget.

Distribution of rates increases and decreases

The applicable rate cap is applied to council's average rate, which means some individual rates increased by more and some increased by less than the applicable cap (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

Ratepayers by property class (2019–20 dollars)

	Residential ratepayers	Commercial ratepayers	Industrial ratepayers	Rural ratepayers
	66% of ratepayers	4% of ratepayers	3% of ratepayers	27% of ratepayers
	\$22.8m (60%) of rates and charges revenue in 2019–20	\$2.8m (7%) of rates and charges revenue in 2019–20	\$1.7m (4%) of rates and charges revenue in 2019–20	\$10.7m (28%) of rates and charges revenue in 2019–20
	-0.3% average annual increase between 2015–16 and 2019–20	9.3% average annual increase between 2015–16 and 2019–20	-23.8% average annual increase between 2015–16 and 2019–20	2.9% average annual increase between 2015–16 and 2019–20

Source: Victorian Local Government Grants Commission (unaudited data). Includes both capped and uncapped rates and charges. 'Other' category of property class has been omitted.

Revenue



See the reader's guide for data sources and useful information.
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Where is council's money coming from?

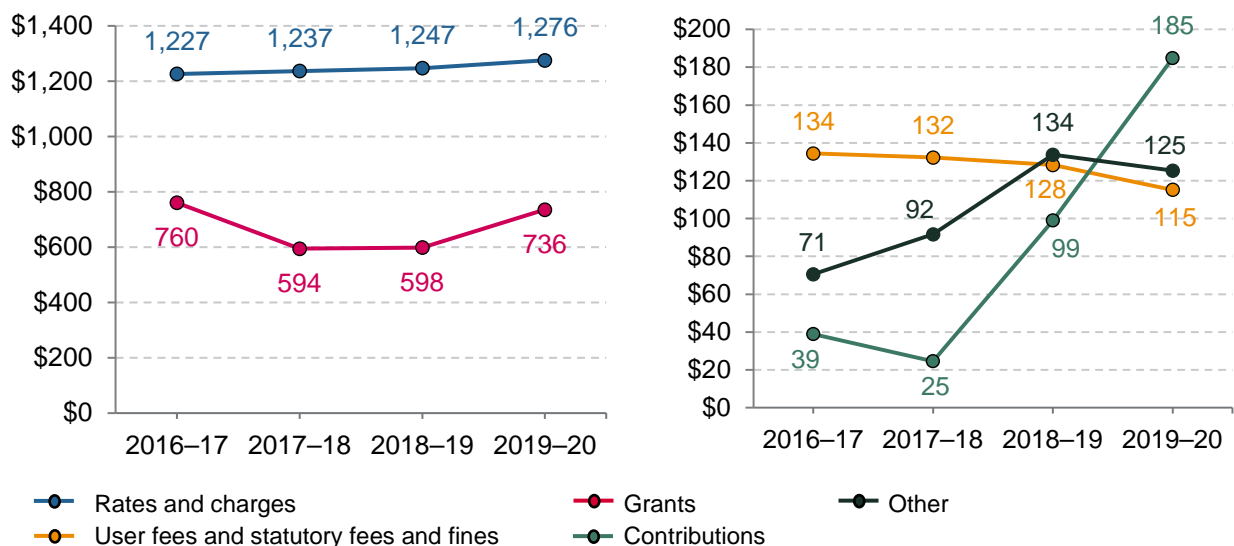
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	36.2	(55%)	36.7	(59%)	37.2	(57%)	38.2	(52%)
User fees and statutory fees and fines	4.0	(6%)	3.9	(6%)	3.8	(6%)	3.4	(5%)
Grants	22.4	(34%)	17.6	(29%)	17.8	(27%)	22.0	(30%)
Contributions	1.1	(2%)	0.7	(1%)	2.9	(4%)	5.5	(8%)
Other	2.1	(3%)	2.7	(4%)	4.0	(6%)	3.8	(5%)
Total	65.8		61.7		65.8		72.9	

In real terms, Moira Shire Council's total revenue increased between 2016–17 and 2019–20, reflecting increases in revenue from rates and charges, contributions (due to higher levels of development activity) and 'other' revenue. Revenue from grants increased in real terms in 2019–20 due to the receipt of one-off capital grants.

Rates and charges was the largest source of council's revenue, accounting for between 52 and 59 per cent of total revenue between 2016–17 and 2019–20.

Revenue per person (2019–20 dollars)



In terms of revenue per person (which adjusts for population growth), council's revenue from contributions trended upwards in real terms between 2016–17 and 2019–20. This compares with a downward trend in revenue per person from user fees and statutory fees and fines.

Expenditure



See the reader's guide for data sources and useful information.
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How much money is council spending?

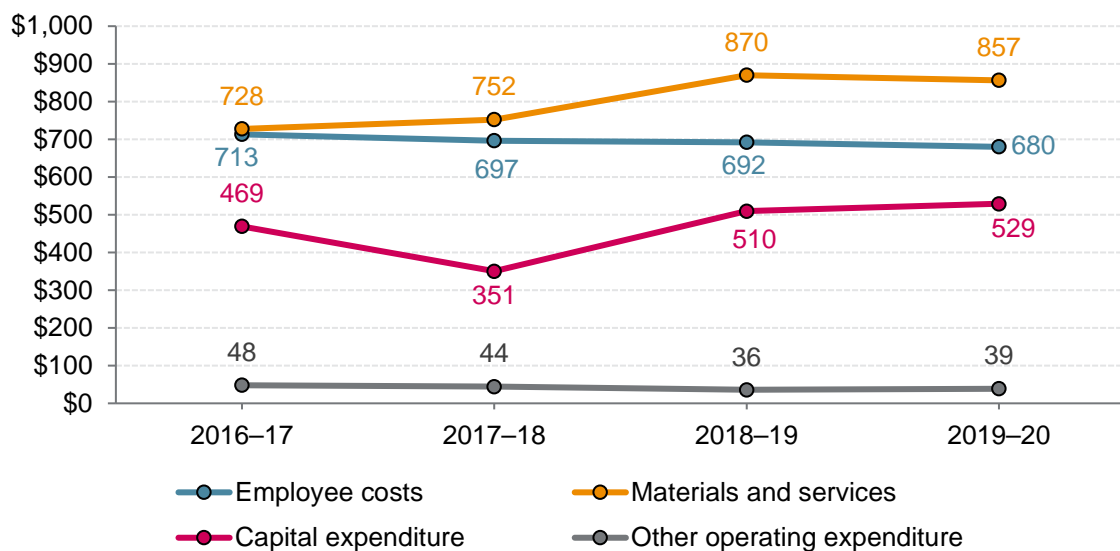
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Operating expenditure	43.9 (76%)	44.3 (81%)	47.6 (76%)	47.2 (75%)
Employee costs	21.0 (36%)	20.7 (38%)	20.6 (33%)	20.4 (32%)
Materials and services	21.5 (37%)	22.3 (41%)	25.9 (41%)	25.6 (41%)
Other operating expenditure	1.4 (2%)	1.3 (2%)	1.1 (2%)	1.2 (2%)
Capital expenditure	13.8 (24%)	10.4 (19%)	15.2 (24%)	15.8 (25%)
Total	57.8	54.7	62.8	63.0

In real terms, Moira Shire Council's total expenditure increased between 2016–17 and 2019–20, reflecting changes in capital expenditure and expenditure on materials and services. Employee costs remained relatively stable in real terms between 2016–17 and 2019–20.

Materials and services was council's largest area of expenditure, accounting for 40 per cent of total expenditure between 2016–17 and 2019–20.

Expenditure per person (2019–20 dollars)



In terms of expenditure per person (which adjusts for population growth), capital expenditure trended upwards in real terms between 2016–17 and 2019–20, despite a dip in 2017–18. Expenditure per person on materials and services also trended upwards between 2016–17 and 2019–20, while employee costs per person decreased in real terms.



See the reader's guide for data sources and useful information.
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Has council's capital expenditure pattern changed?

Capital expenditure (2019–20 \$m and % of total capital expenditure)

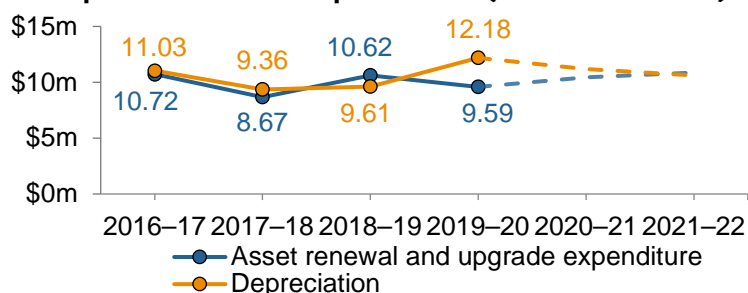
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	9.9	(72%)	7.3	(70%)	7.9	(52%)	6.1	(38%)
Upgrade	0.8	(6%)	1.4	(14%)	2.7	(18%)	3.5	(22%)
Expansion	0.8	(6%)	0.1	(1%)	0.0	(0%)	0.2	(2%)
New	2.4	(17%)	1.6	(16%)	4.6	(30%)	6.0	(38%)
Total	13.8		10.4		15.2		15.8	

Between 2017–18 and 2019–20, Moira Shire Council's spending on asset renewal trended downwards in real terms, while spending on new assets and asset upgrades trended upwards (aside from a decrease in spending on new assets in 2017–18).

With this shift in spending, asset renewal fell from 72 per cent of capital expenditure in 2016–17 to 38 per cent in 2019–20. However, asset renewal remained the highest share of capital expenditure each year (equal highest with spending on new assets in 2019–20).

Is council renewing its assets (such as roads, parks and buildings)?

Council assets: comparing renewal and upgrade expenditure with depreciation (2019–20 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	97%
2017–18	93%
2018–19	110%
2019–20	79%
2020–21	93% (forecast data)
2021–22	102% (forecast data)

In real terms, council's spending on the renewal and upgrade of its assets fluctuated year on year between 2017–18 and 2019–20, however continued an upward trend from previous years.

Renewal and upgrade spending increased above the amount of depreciation (the decline in value of council's assets caused by age and use) in 2018–19, before decreasing back below 100 per cent of depreciation in 2019–20.

Renewal and upgrade expenditure was forecast to increase back above 100 per cent of depreciation in 2021–22.

Services



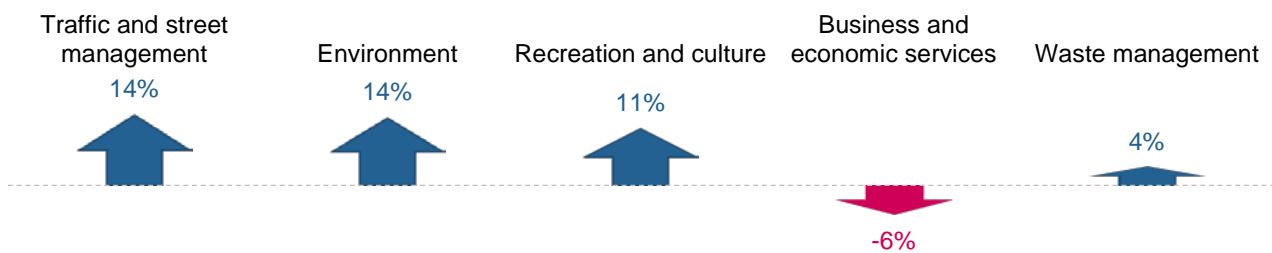
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Which service areas is council spending its money in?

Expenditure by function (2019–20 \$m and % of total services expenditure)

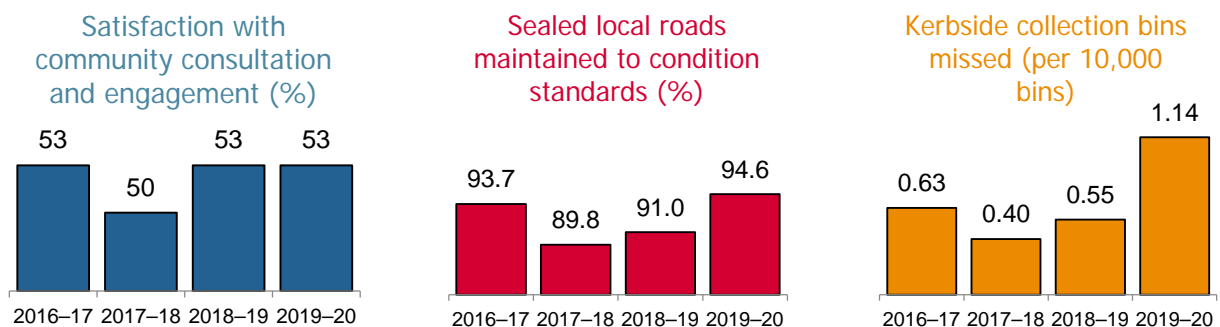
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
Business and economic services	4.3	(8%)	3.8	(7%)	3.8	(7%)	3.6	(6%)
Environment	2.8	(5%)	3.3	(6%)	3.4	(6%)	4.1	(7%)
Family and community services	2.9	(5%)	2.4	(5%)	2.4	(4%)	2.1	(4%)
Governance	15.9	(29%)	17.4	(33%)	17.7	(32%)	16.5	(29%)
Local roads and bridges	10.9	(20%)	8.3	(16%)	10.2	(19%)	12.0	(21%)
Recreation and culture	6.4	(12%)	6.0	(11%)	8.3	(15%)	8.9	(16%)
Traffic and street management	2.5	(5%)	2.9	(6%)	3.6	(6%)	3.8	(7%)
Waste management	5.7	(10%)	5.5	(10%)	5.5	(10%)	6.3	(11%)
Other	3.2	(6%)	3.1	(6%)	0.0	(0%)	0.0	(0%)
Total	54.7		52.8		55.0		57.2	

Which service areas have experienced the biggest changes in spending?



Source: Victorian Local Government Grants Commission (unaudited). Council Annual Reports may provide further explanation of these expenditure changes.

Has there been a change in service quality and community satisfaction?

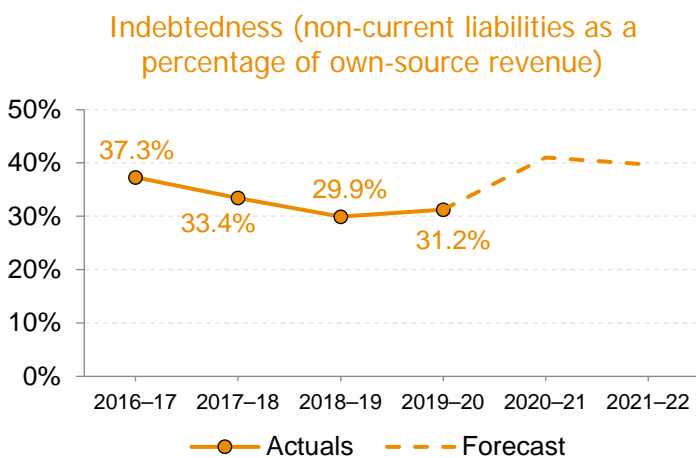
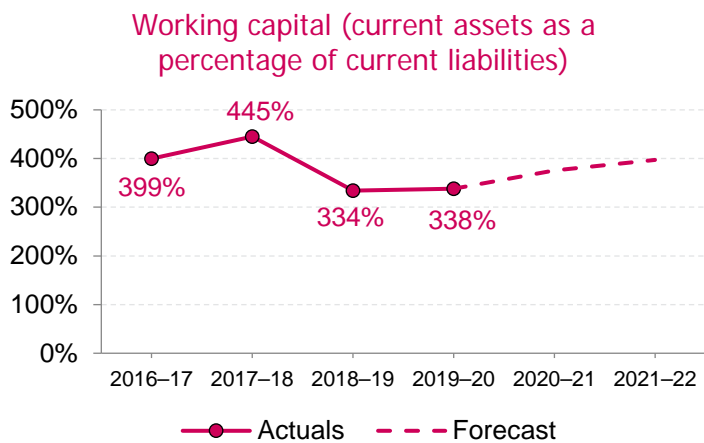
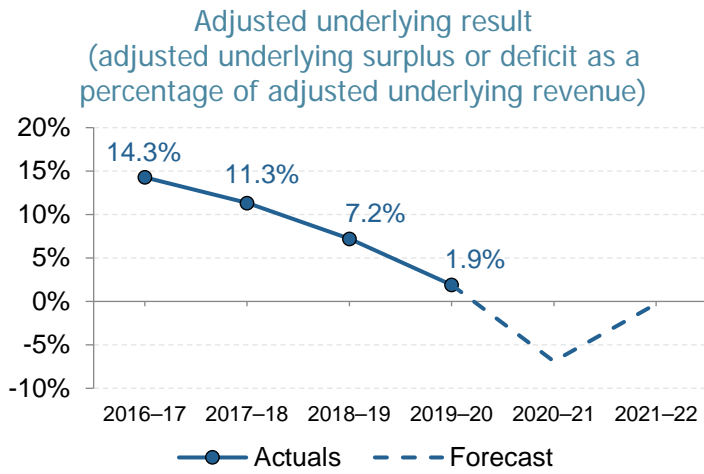


Financial position



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Is council operating sustainably?



Between 2016–17 and 2019–20, Moira Shire Council reported an average **adjusted underlying result** of 8.7 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The reductions in 2018–19 and 2019–20 reflect higher proportions of non-monetary contributions and non-recurrent capital grants in these years (which are excluded from the calculation of the adjusted underlying result).

Council could meet its current financial obligations with a reported average **working capital ratio** of 379 per cent between 2016–17 and 2019–20. The higher ratio in 2017–18 reflects an increase in cash reserves related to the early receipt of some of council's 2018–19 grant funding.

The reported average **indebtedness ratio** of 33.0 per cent between 2016–17 and 2019–20 places the council in the Victorian Auditor-General's low risk category for this indicator, which means there is no concern over council's ability to repay debt from the revenue it controls.

Note: Some of the year-on-year changes in these financial indicators may be due to the advance payment of Commonwealth grants (particularly in 2016–17) and changes to accounting standards or the impact of coronavirus (in 2019–20). See the reader's guide for more information.