

Moyne 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.



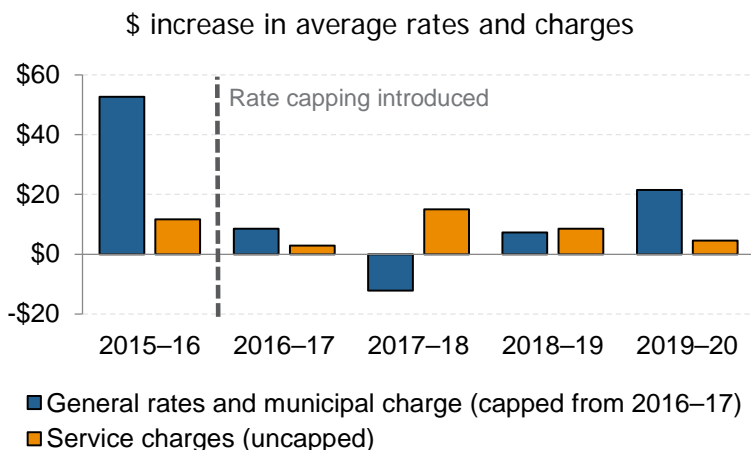
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Key facts

Population (June 2019):	16,953
Size (km ²):	5,482
Length of local roads (km):	2,744
Population per km of roads:	6
Council employees (FTE, 2019–20):	245
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	\$1,689	n/a
2016–17	\$1,701	2.50%
2017–18	\$1,704	2.00%
2018–19	\$1,719	2.25%
2019–20	\$1,745	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

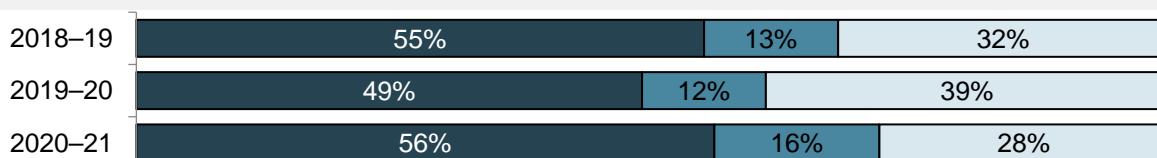
How have rates changed for different ratepayers?

Council's rating strategy 2020–21

Council levies a single differential rate (which applies to all 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
	36% of ratepayers	2% of ratepayers	1% of ratepayers	62% of ratepayers
	\$10.7m (50%) of rates and charges revenue in 2019–20	\$0.3m (2%) of rates and charges revenue in 2019–20	\$0.5m (2%) of rates and charges revenue in 2019–20	\$9.9m (46%) of rates and charges revenue in 2019–20
	11.3% average annual increase between 2015–16 and 2019–20	1% average annual increase between 2015–16 and 2019–20	-12.9% average annual increase between 2015–16 and 2019–20	-6.6% 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?

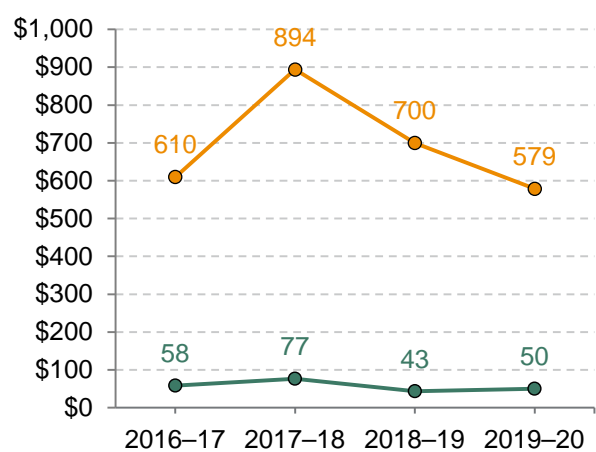
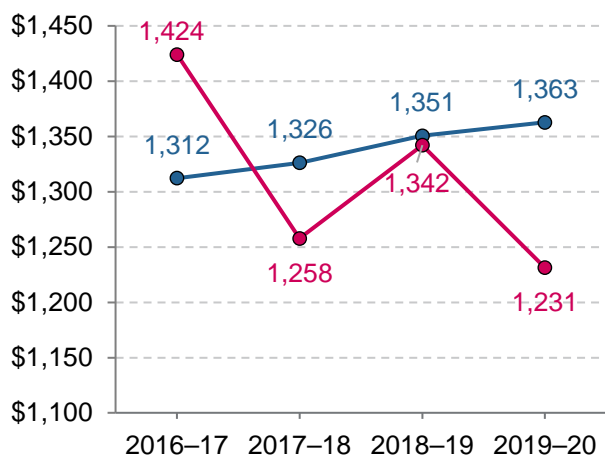
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	22.0	(39%)	22.3	(37%)	22.8	(41%)	23.1	(44%)
User fees and statutory fees and fines	10.2	(18%)	15.0	(25%)	11.8	(21%)	9.8	(19%)
Grants	23.8	(42%)	21.1	(35%)	22.7	(41%)	20.9	(40%)
Contributions	1.0	(2%)	1.3	(2%)	0.7	(1%)	0.8	(2%)
Other	-0.3	(0%)	0.1	(0%)	-2.6	(-5%)	-2.1	(-4%)
Total	56.7		59.8		55.4		52.5	

In real terms, Moyne Shire Council's total revenue decreased between 2016–17 and 2019–20, reflecting decreases in revenue from grants and 'other' revenue (as council recorded a net loss from disposal of some assets). In 2017–18, total revenue was inflated with higher revenue from user fees and statutory fees and fines (related to payments from external entities for the completion of external works).

Rates and charges, and grants were the largest sources of council's revenue, and together these sources accounted for between 73 and 84 per cent of total revenue between 2016–17 and 2019–20.

Revenue per person (2019–20 dollars)



- Rates and charges
- User fees and statutory fees and fines
- Grants
- Contributions

Note: 'Other' Category has been omitted from the line chart

In terms of revenue per person (which adjusts for population growth), council's revenue from user fees and statutory fees and fines peaked in real terms in 2017–18. Revenue per person from rates and charges trended upwards in real terms between 2016–17 and 2019–20, while revenue per person from grants trended downwards (despite year-on-year fluctuations).

Expenditure



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

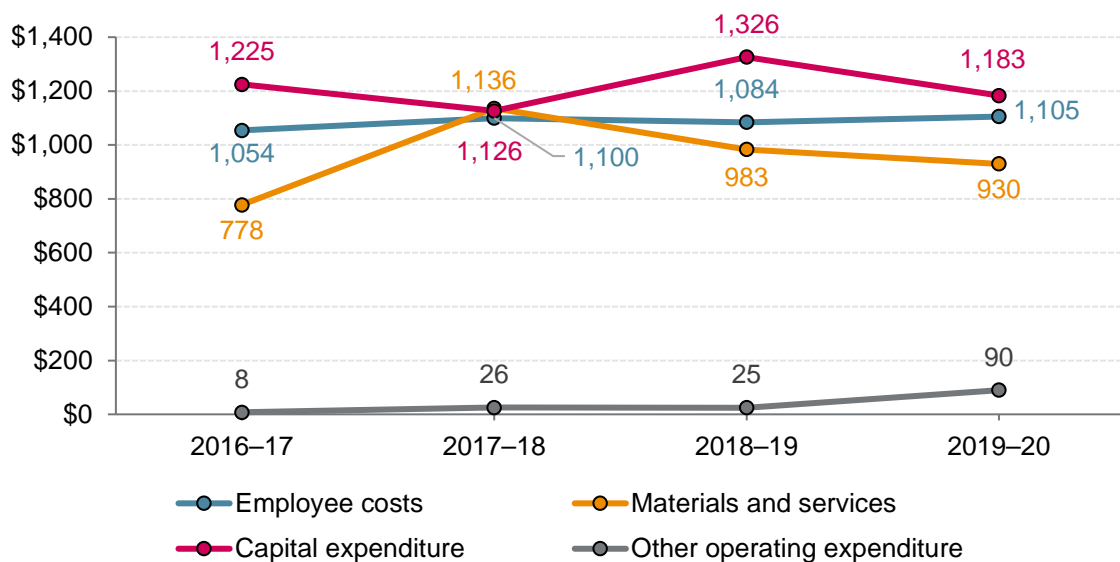
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Operating expenditure	30.8 (60%)	38.0 (67%)	35.3 (61%)	36.0 (64%)
Employee costs	17.6 (34%)	18.5 (32%)	18.3 (32%)	18.7 (33%)
Materials and services	13.0 (25%)	19.1 (34%)	16.6 (29%)	15.8 (28%)
Other operating expenditure	0.1 (0%)	0.4 (1%)	0.4 (1%)	1.5 (3%)
Capital expenditure	20.5 (40%)	18.9 (33%)	22.4 (39%)	20.1 (36%)
Total	51.3	56.9	57.7	56.1

In real terms, Moyne Shire Council's total expenditure increased between 2016–17 and 2019–20, reflecting increases in employee costs, expenditure on materials and services and 'other operating expenditure'. Expenditure on materials and services spiked in 2017–18 due to an increase in expenses incurred in completing works under external contracts (for which corresponding revenue was received).

Capital expenditure was council's largest area of expenditure between 2016–17 and 2019–20, except in 2017–18 when expenditure on materials and services was higher.

Expenditure per person (2019–20 dollars)



In terms of expenditure per person (which adjusts for population growth), capital expenditure fluctuated in real terms between 2016–17 and 2019–20, while employee costs remained relatively stable. Expenditure per person on materials and services increased in real terms in 2017–18 before decreasing in 2018–19 and 2019–20.



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)

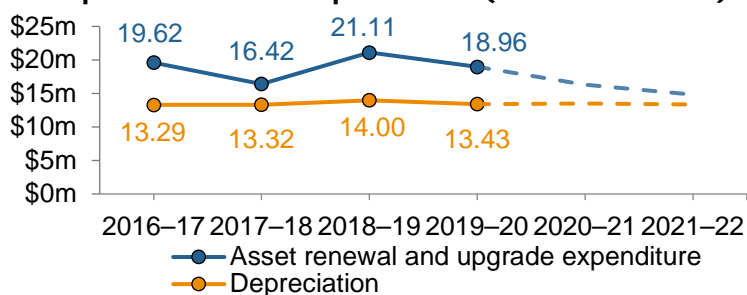
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Renewal	15.4	(75%)	13.4	(71%)	17.2	(77%)	15.1	(75%)
Upgrade	4.3	(21%)	3.0	(16%)	3.9	(17%)	3.9	(19%)
Expansion	0.1	(1%)	1.0	(5%)	0.1	(0%)	0.2	(1%)
New	0.7	(4%)	1.5	(8%)	1.2	(5%)	0.9	(5%)
Total	20.5		18.9		22.4		20.1	

In real terms, Moyne Shire Council's spending on new assets trended downwards between 2017–18 and 2019–20, after increasing in 2017–18. Spending on asset upgrades and expansion were more stable, aside from a decrease in spending on upgrades and an increase in spending on expansion in 2017–18.

Asset renewal remained the highest share of capital expenditure between 2016–17 and 2019–20, despite fluctuating year on year in real terms.

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	148%
2017–18	123%
2018–19	151%
2019–20	141%
2020–21	121% (forecast data)
2021–22	111% (forecast data)

In real terms, council's spending on the renewal and upgrade of its assets fluctuated year on year between 2016–17 and 2019–20. However, this spending remained above the amount of depreciation (the decline in value of council's assets caused by age and use).

Renewal and upgrade expenditure was forecast to remain above 100 per cent of depreciation in 2020–21 and 2021–22 (despite spending on renewal and upgrades decreasing in real terms).

Services



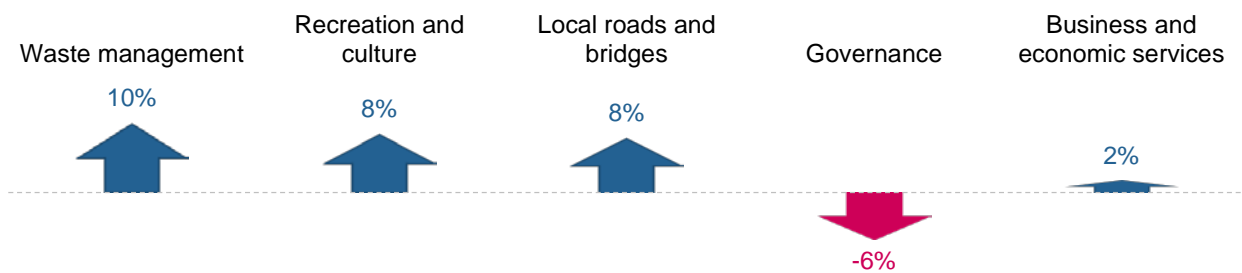
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Which service areas is council spending its money in?

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

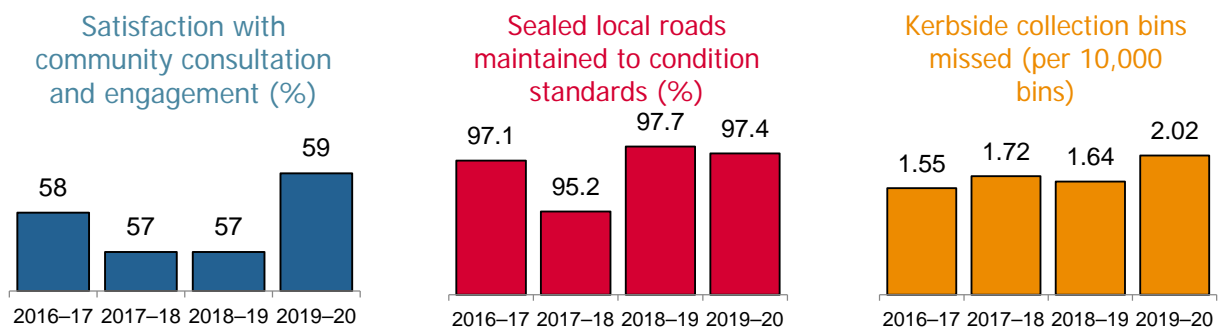
	2016–17		2017–18		2018–19		2019–20	
	\$m		\$m		\$m		\$m	
Aged and disabled services	1.9	(4%)	2.0	(4%)	2.4	(5%)	2.2	(5%)
Business and economic services	6.4	(15%)	10.7	(21%)	7.7	(16%)	6.7	(14%)
Environment	1.2	(3%)	0.7	(1%)	0.9	(2%)	1.8	(4%)
Family and community services	3.9	(9%)	3.3	(6%)	3.7	(7%)	3.8	(8%)
Governance	8.3	(19%)	7.4	(14%)	7.6	(15%)	6.8	(14%)
Local roads and bridges	13.3	(30%)	16.8	(33%)	16.1	(33%)	16.6	(34%)
Recreation and culture	3.1	(7%)	5.4	(10%)	4.4	(9%)	3.9	(8%)
Traffic and street management	1.4	(3%)	1.8	(4%)	2.3	(5%)	3.0	(6%)
Waste management	2.6	(6%)	3.0	(6%)	3.5	(7%)	3.4	(7%)
Other	2.0	(5%)	0.2	(0%)	0.8	(2%)	0.4	(1%)
Total	44.1		51.3		49.3		48.5	

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?



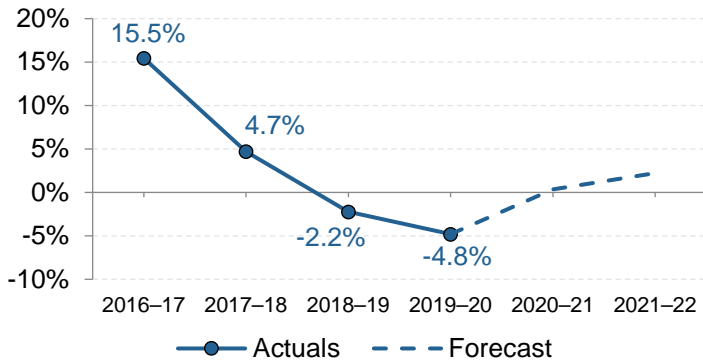
Financial position



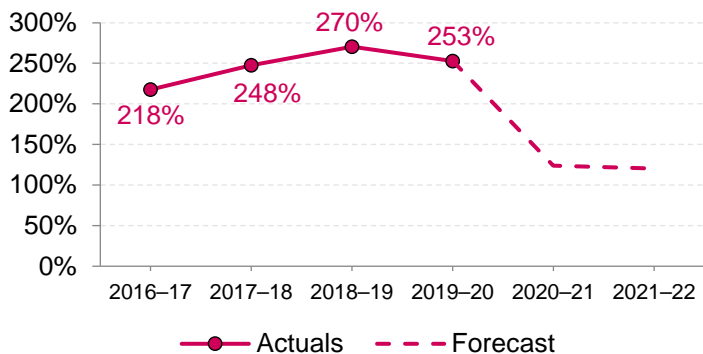
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Is council operating sustainably?

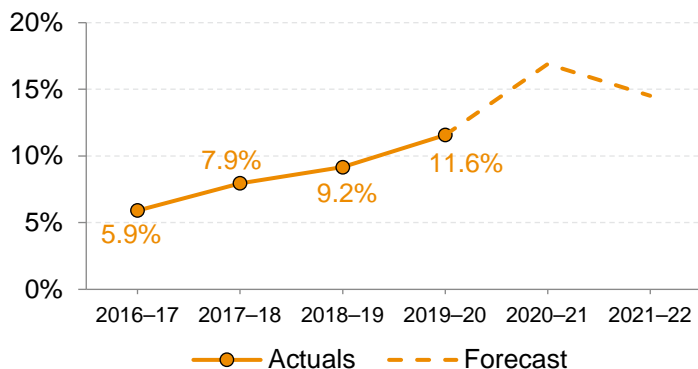
Adjusted underlying result
 (adjusted underlying surplus or deficit as a percentage of adjusted underlying revenue)



Working capital (current assets as a percentage of current liabilities)



Indebtedness (non-current liabilities as a percentage of own-source revenue)



Between 2016–17 and 2019–20, Moyne Shire Council reported an average **adjusted underlying result** of 3.3 per cent. An ongoing positive result suggests there is enough ongoing revenue to continue to fund the current level of service provision. The lower surplus in 2017–18 reflects the timing of receipt of government grants. The deficits in 2018–19 and 2019–20 reflect accounting adjustments for infrastructure revaluation.

Council could meet its current financial obligations with a reported average **working capital ratio** of 247 per cent between 2016–17 and 2019–20. The increase in 2018–19 reflects the receipt of grants in advance of projects for the following year.

The reported average **indebtedness ratio** of 8.6 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. The increases from 2017–18 to 2019–20 reflect higher landfill rehabilitation provisions.

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.