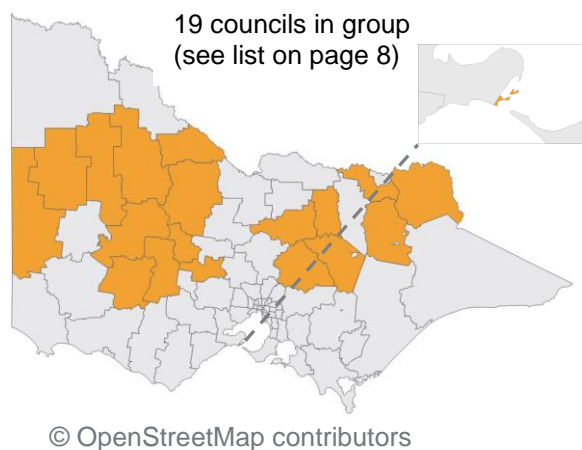


Small shire council group

This fact sheet uses graphs and data to examine revenue, expenditure and financial sustainability for the small shire group of councils over recent years.

Further information is available at <http://www.esc.vic.gov.au/outcomes-reports>. You'll find an interactive version of this fact sheet, a reader's guide to help you understand key terms and information about the sector as a whole. You can compare your council's data against its 'group' by looking at the relevant fact sheet. Unless otherwise indicated, the averages presented in this fact sheet are for the small shire group of councils as a whole, not the average of the results for individual councils.

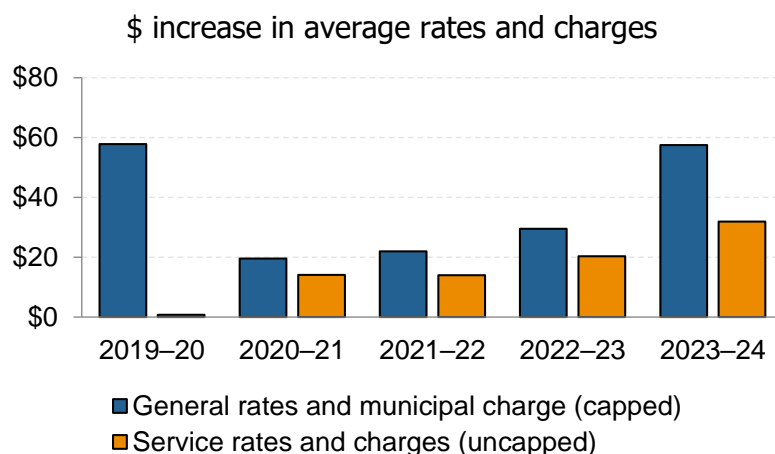


Key facts

Population (June 2023, average):	10,218
Size (km ² , average):	4,509
Length of local roads (km, average):	2,248
Population per km of roads:	5
Council employees (FTE, 2023–24, average):	134
Number of councils with an approved higher cap for any year between 2018–19 and 2023–24:	4 councils with approved higher caps

Rates

What has happened to average rates and charges?



Year	Average rates and charges	Applicable rate cap
2018–19	\$1,898	2.25% ^a
2019–20	\$1,956	2.50% ^a
2020–21	\$1,990	2.00% ^a
2021–22	\$2,026	1.50%
2022–23	\$2,076	1.75%
2023–24	\$2,165	3.50%

^a Approved higher caps (see page 8)

Rates (continued)



See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

Did small shire councils comply with the applicable rate caps?

	2022–23	2023–24	2024–25
Councils complying with applicable cap	19 of 19	19 of 19	19 of 19
Councils with an approved higher cap	0 of 19	0 of 19	0 of 19

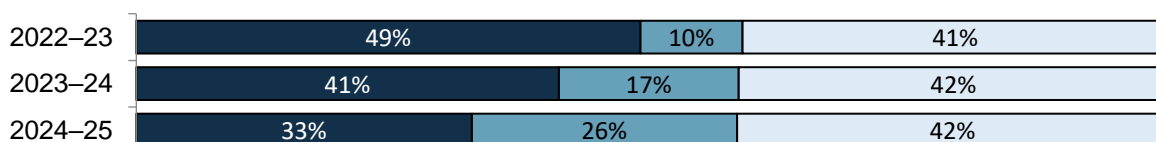
How have rates changed for different ratepayers?

Council rating strategies 2024–25

Information about councils' differential rate categories and charges can be found in their adopted budgets.

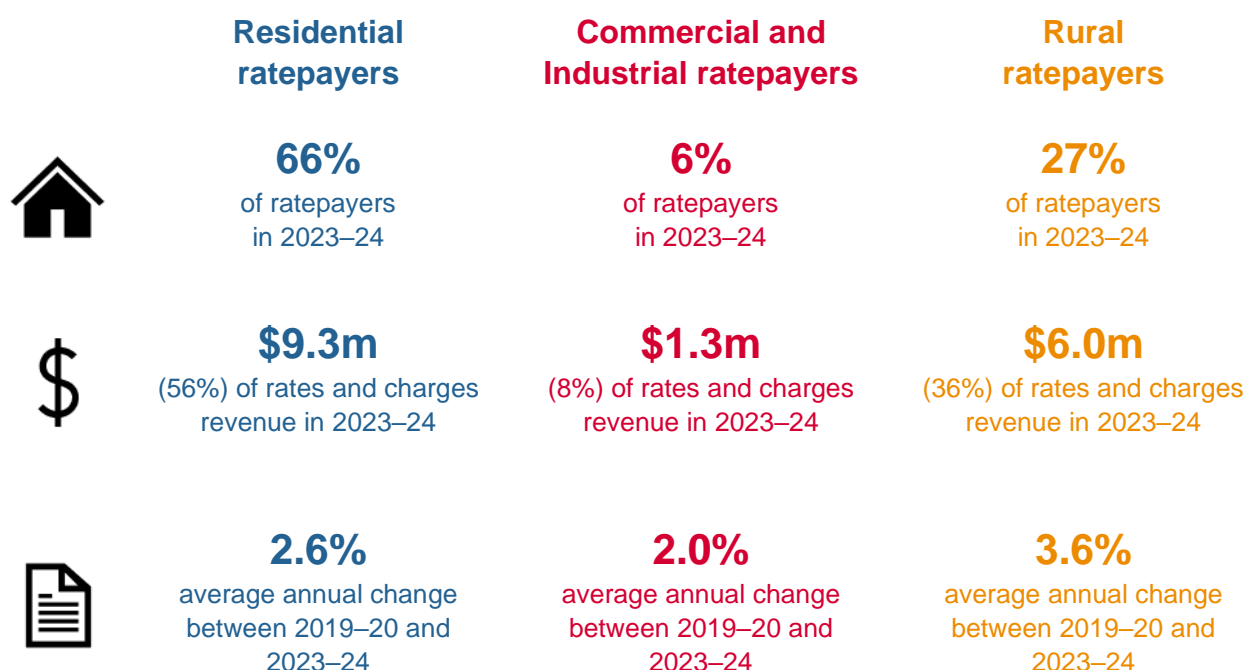
Distribution of rates increases and decreases

The applicable rate cap is applied to each council's average rate. So, 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, group average



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. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24

Where did councils in the small shire group get their money from?

Average revenue (2023–24 \$m and % of total revenue)

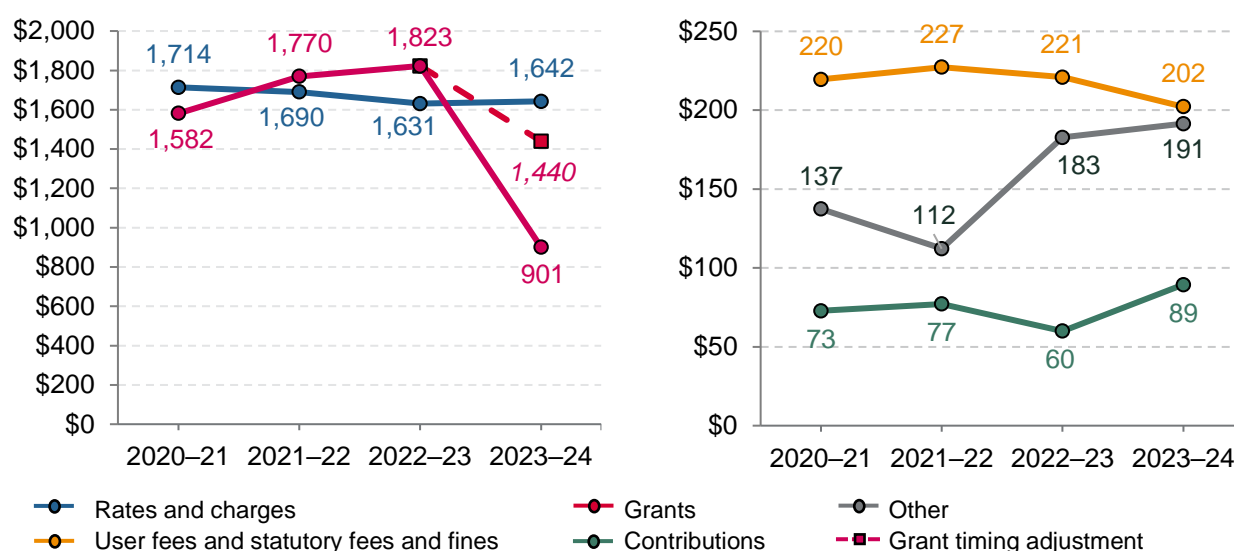
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Rates and charges	17.3 (46%)	17.1 (44%)	16.6 (42%)	16.8 (54%)
User fees and statutory fees and fines	2.2 (6%)	2.3 (6%)	2.2 (6%)	2.1 (7%)
Grants	15.9 (42%)	17.9 (46%)	18.6 (47%)	9.2 (30%)
Contributions	0.7 (2%)	0.8 (2%)	0.6 (2%)	0.9 (3%)
Other	1.4 (4%)	1.1 (3%)	1.9 (5%)	2.0 (6%)
Total	37.5	39.3	39.9	30.9

The small shire council group's total revenue fluctuated in real terms between 2020–21 and 2023–24, reflecting changes in revenue from grants.

However, the decrease in grant revenue in 2023–24 partially reflects the financial assistance grants being received later than usual. The average small shire council would have received \$14.7 million in grant revenue if the payment was received before the end of the financial year.

Rates and charges, and grants were the largest sources of the small shire group's revenue, accounting for 88 per cent of total revenue between 2020–21 and 2023–24.

Revenue per person (2023–24 dollars)



In terms of revenue per person (which adjusts for population growth), the small shire group's revenue from rates and charges and user fees and statutory fees and fines decreased in real terms between 2020–21 and 2023–24. Revenue from grants increased between 2020–21 and 2022–23, before decreasing in 2023–24.

Expenditure



See the reader's guide for data sources and useful information.
Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

How much money did councils in the small shire group spend?

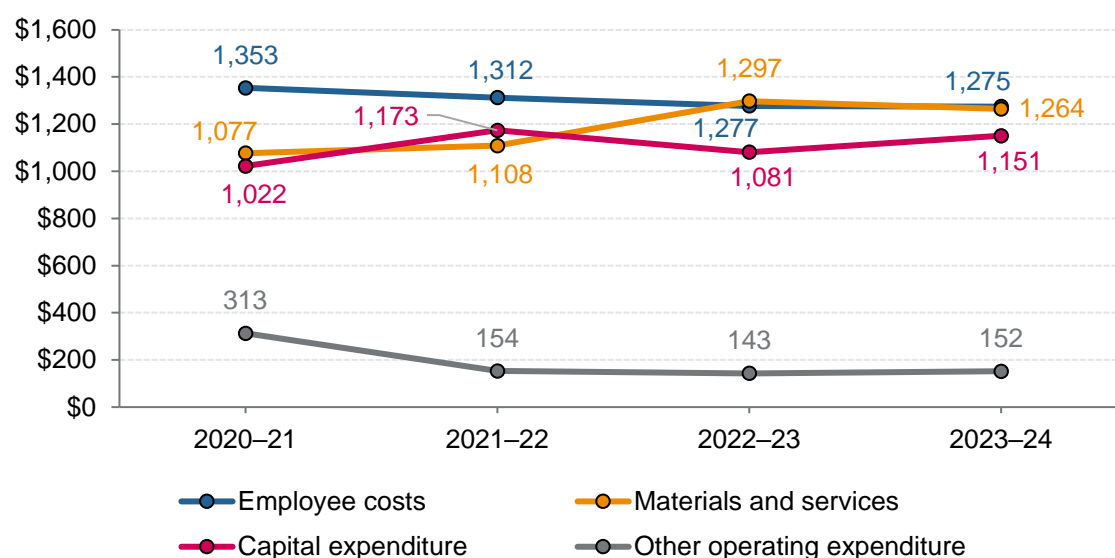
Average expenditure (2023–24 \$m and % of total expenditure)

	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Operating expenditure	27.6 (73%)	26.1 (69%)	27.7 (72%)	27.5 (70%)
Employee costs	13.6 (36%)	13.3 (35%)	13.0 (34%)	13.0 (33%)
Materials and services	10.8 (29%)	11.2 (30%)	13.2 (34%)	12.9 (33%)
Other operating expenditure	3.2 (8%)	1.6 (4%)	1.5 (4%)	1.6 (4%)
Capital expenditure	10.3 (27%)	11.9 (31%)	11.0 (28%)	11.8 (30%)
Total	37.9	38.0	38.7	39.3

The small shire council group's average total expenditure increased in real terms between 2020–21 and 2023–24, reflecting increases in expenditure on materials and services and capital expenditure.

Employee costs was the largest area of expenditure, which accounted for 34 per cent of total expenditure between 2020–21 and 2023–24.

Expenditure per person (2023–24 dollars)



In terms of expenditure per person (which adjusts for population growth), the small shire group's expenditure on materials and services and capital expenditure increased in real terms between 2020–21 and 2023–24.

Did the capital expenditure pattern change?

Average capital expenditure (2023–24 \$m and % of total capital expenditure)

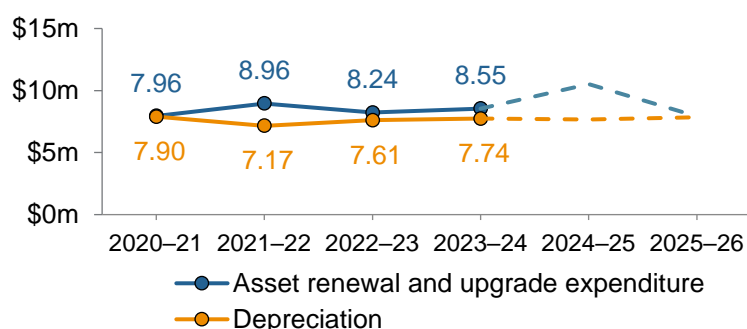
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Renewal	5.7 (55%)	6.0 (50%)	5.4 (49%)	5.7 (48%)
Upgrade	2.2 (22%)	3.0 (25%)	2.9 (26%)	2.9 (24%)
Expansion	0.2 (2%)	0.3 (3%)	0.5 (4%)	0.5 (4%)
New	2.2 (21%)	2.6 (22%)	2.3 (21%)	2.7 (23%)
Total	10.3	11.9	11.0	11.8

The small shire council group's average spending on asset renewal fluctuated in real terms between 2020–21 and 2023–24. Asset renewal accounted for the highest share of capital expenditure over this period (51 per cent).

The group's spending on all other categories increased between 2020–21 and 2023–24.

Did councils in the small shire group renew assets (such as roads, parks and buildings)?

Comparing average renewal and upgrade expenditure with average depreciation (2023–24 dollars)



Renewal & upgrade expenditure as a percentage of depreciation

2020–21	101%
2021–22	125%
2022–23	108%
2023–24	111%
2024–25	141% (forecast data)
2025–26	102% (forecast data)

The group's spending on the renewal and upgrade of its assets trended upwards in real terms, despite fluctuating between 2020–21 and 2023–24.

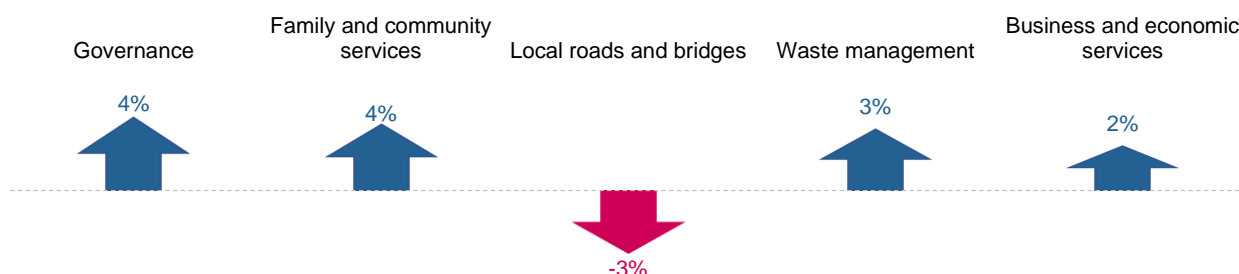
Renewal and upgrade expenditure remained above the amount of depreciation (the decline in value of the group's assets caused by age and use) between 2020–21 and 2023–24. This spending was forecast to remain above the amount of depreciation in 2024–25 and 2025–26.

Which service areas did councils in the small shire group spend their money on?

Average expenditure by function (2023–24 \$m and % of total services expenditure)

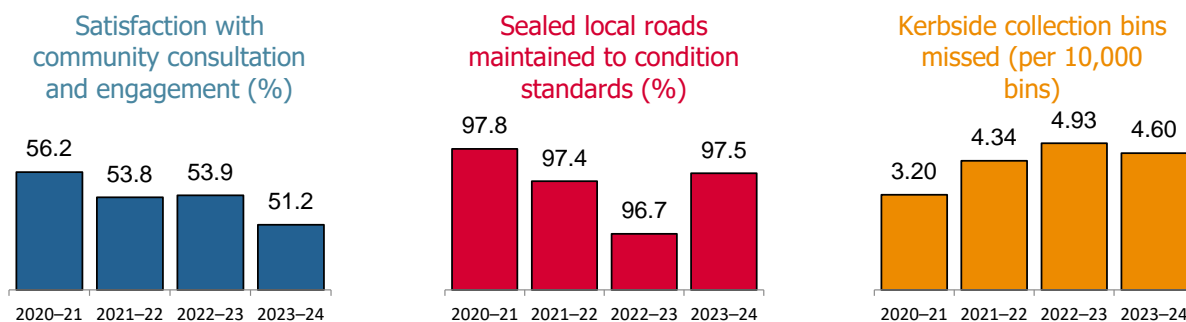
	2020–21	2021–22	2022–23	2023–24
	\$m	\$m	\$m	\$m
Aged and disabled services	1.4 (4%)	1.4 (4%)	1.0 (3%)	0.6 (2%)
Business and economic services	3.3 (9%)	3.4 (10%)	3.4 (10%)	3.5 (10%)
Environment	0.9 (3%)	1.0 (3%)	1.1 (3%)	1.2 (3%)
Family and community services	1.9 (5%)	1.9 (6%)	2.0 (6%)	2.1 (6%)
Governance	8.3 (24%)	8.4 (25%)	9.0 (26%)	9.4 (27%)
Local roads and bridges	10.4 (30%)	8.8 (27%)	9.2 (26%)	9.4 (27%)
Recreation and culture	4.8 (14%)	4.4 (13%)	4.7 (14%)	4.8 (14%)
Traffic and street management	0.9 (3%)	0.9 (3%)	1.0 (3%)	1.1 (3%)
Waste management	2.6 (8%)	2.9 (9%)	3.0 (9%)	2.9 (8%)
Other	0.4 (1%)	0.1 (0%)	0.2 (1%)	0.2 (0%)
Total	34.8	33.3	34.7	35.1

Which service areas experienced the biggest changes in spending?



Source: Victorian Local Government Grants Commission (unaudited). Average annual change between 2020–21 and 2023–24. Excludes small service areas (<5% of total expenditure). Council Annual Reports may provide further explanation of these changes.

Did service quality or community satisfaction change?



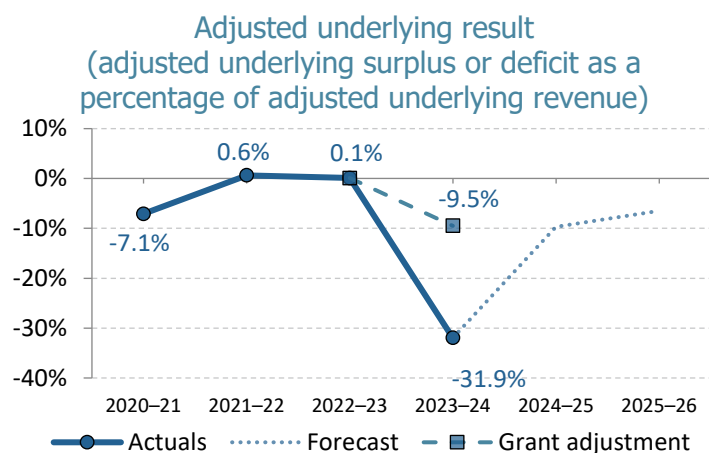
Note: These group results are averages of individual council results.

Financial position



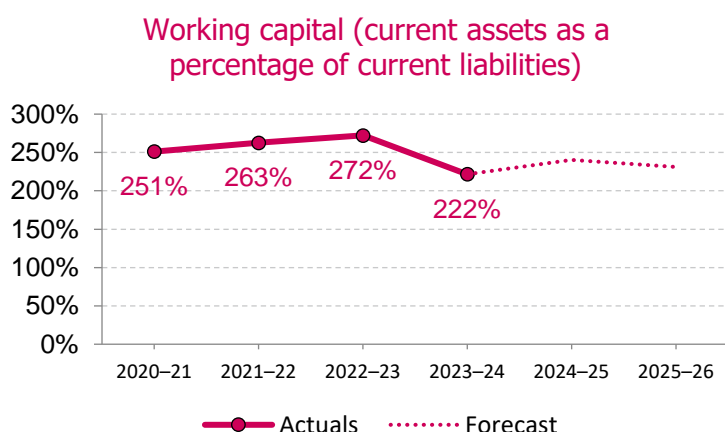
See the reader's guide for data sources and useful information. Where noted, the numbers in this fact sheet have been adjusted for inflation and are expressed in 2023–24 dollars.

Did councils in the small shire group operate sustainably?

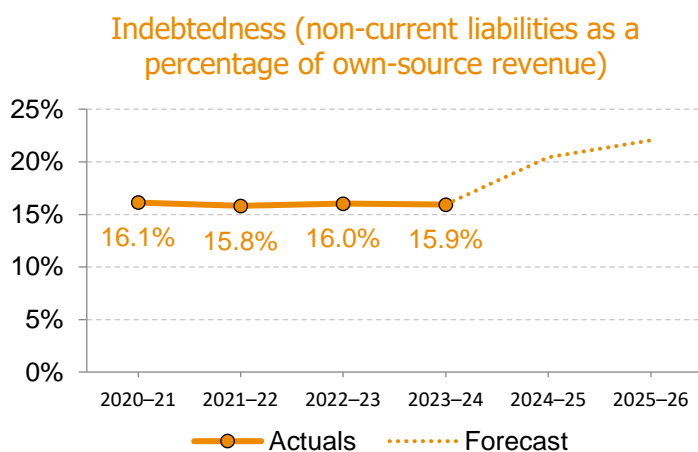


Between 2020–21 and 2023–24, the small shire council group reported an average **adjusted underlying result** of **–9.6 per cent**. The average result would have been **–4 per cent**, if the timing of the financial assistance grants payment in 2023–24 was consistent with previous years.

An ongoing negative result, or deficit, suggests that, without an increase in ongoing revenue or receipt of one-off grants, ongoing revenue may not fund the range and level of services being provided.



The small shire council group could meet its current financial obligations with a reported average **working capital ratio** of **252 per cent** between 2020–21 and 2023–24.



Between 2020–21 and 2023–24, the small shire council group reported an average **indebtedness ratio** of **16 per cent**.

Note: The year-on-year changes in the financial indicators can be affected by the timing of financial assistance grant payments. We have estimated the impact of a change in the timing of these payments for the 2023–24 adjusted underlying result. Please see the reader's guide for more information.

Small shire councils

Councils in this group	
Alpine Shire Council	Mansfield Shire Council
Ararat Rural City Council	Murrindindi Shire Council
Benalla Rural City Council	Northern Grampians Shire Council
Buloke Shire Council	Pyrenees Shire Council
Central Goldfields Shire Council	Borough of Queenscliffe Council
Gannawarra Shire Council	Strathbogie Shire Council
Hepburn Shire Council	Towong Shire Council
Hindmarsh Shire Council	West Wimmera Shire Council
Indigo Shire Council	Yarriambiack Shire Council
Loddon Shire Council	

Small shire councils with approved higher caps						
	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
Ministers' cap	2.25%	2.50%	2.00%	1.50%	1.75%	3.50%
Mansfield Shire Council		13.94%				
Pyrenees Shire Council	3.50%					
Towong Shire Council	5.55%	5.55%	5.55%			
West Wimmera Shire Council	3.50%	3.50%	3.50%			
Number of higher caps	3	3	2	0	0	0