

Bass Coast Shire Council

Group: Large 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 large shires. View the reader's guide, all available fact sheets and information for the sector as a whole at <http://www.esc.vic.gov.au/outcomes-reports>.



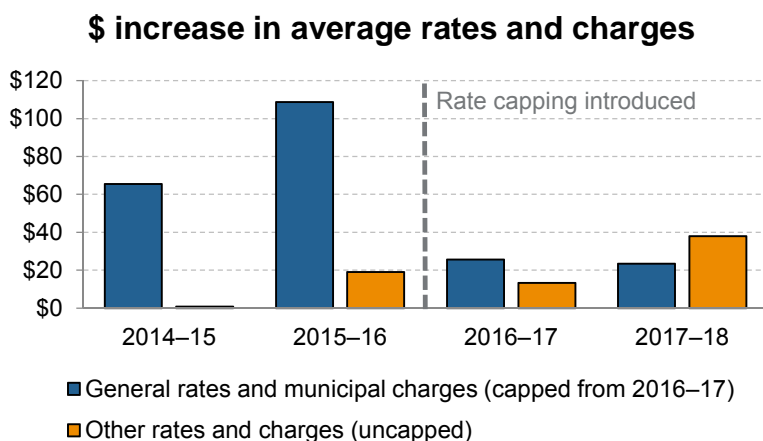
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Key facts

Population:	34,390
Size (km ²):	865
Length of local roads (km):	935
Population per km of roads:	36.8
Council employees (FTE, 2017–18):	316
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	\$1,563	n/a
2015–16	\$1,691	n/a
2016–17	\$1,730	2.50%
2017–18	\$1,791	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.

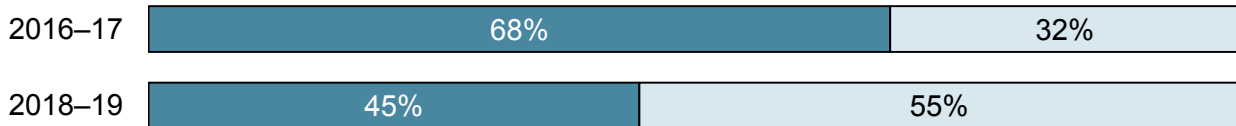
Have council's average rates complied with the applicable rate caps?

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).

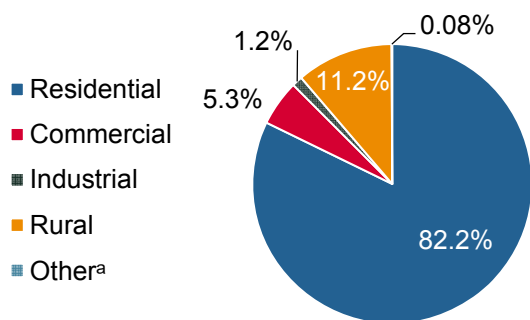


- % of rates notices less than the applicable cap
- % of rates notices increasing by more than the applicable cap

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

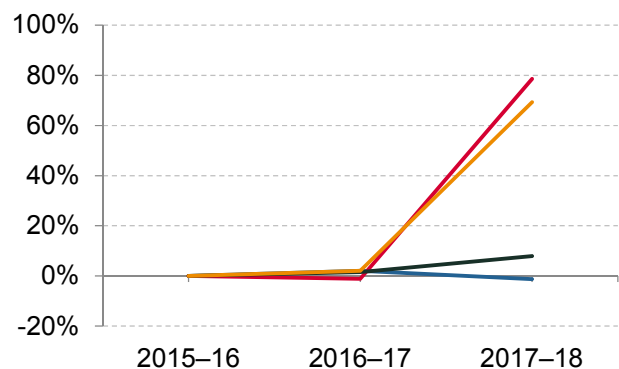
Ratepayers by property class

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



^a Category has been omitted from the line chart

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 Bass Coast Shire Council's rates and charges. This group of ratepayers, on average, experienced a 1.2 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 \$1,691 to \$1,791 (5.9 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?

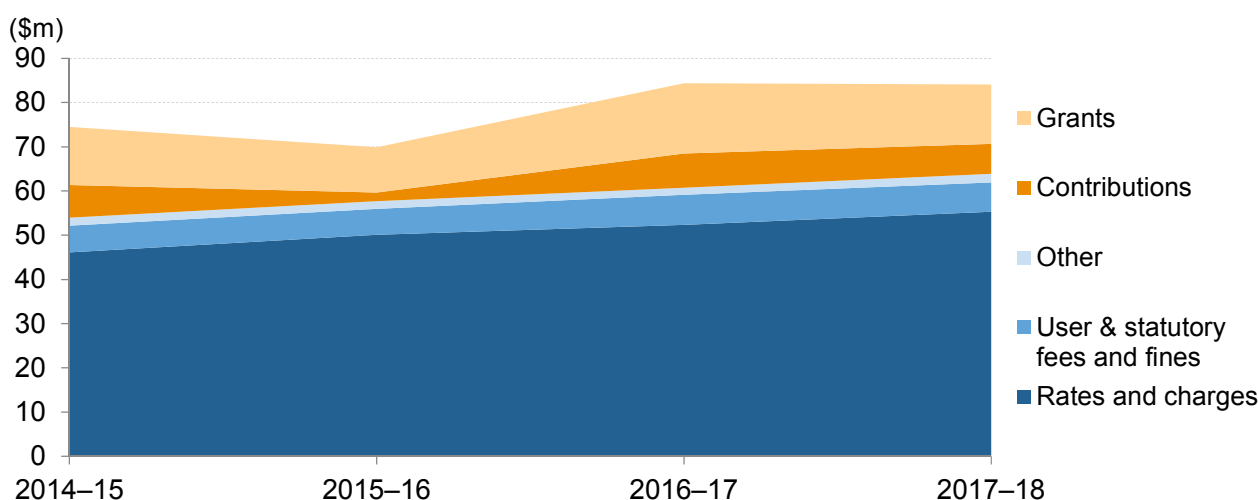
Revenue source	Before rate capping (average of 2014–15 and 2015–16)		After rate capping (average of 2016–17 and 2017–18)	
	\$m	% of revenue	\$m	% of revenue
Rates and charges	48.1	67	53.8	64
Grants	11.7	16	14.6	17
User fees and statutory fees and fines	5.9	8	6.7	8
Contributions	4.7	6	7.3	9
Other	1.8	2	1.8	2
Total	72.2	100	84.2	100

Bass Coast Shire Council's average revenue from all sources (except 'other') increased in the two years following the introduction of rate capping compared to the two years before rate capping.

The changes in the composition of council's revenue were the decrease in the proportion of revenue from rates and charges and the increases in the proportions of revenue from grants and contributions 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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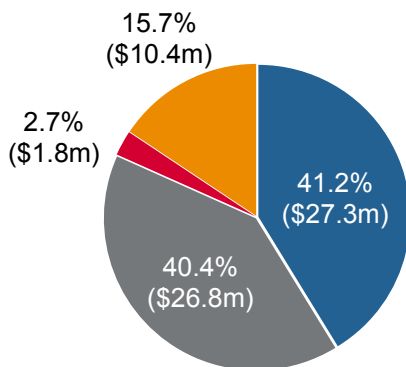
How much money is council spending?

Year	Operating expenditure	Capital expenditure	Operating expenditure per head of population	Capital expenditure per head of population
2014–15	\$55.7m	\$9.8m	\$1,745	\$306
2015–16	\$56m	\$11m	\$1,720	\$336
2016–17	\$58.1m	\$12.6m	\$1,735	\$376
2017–18	\$60.3m	\$12.3m	\$1,752	\$359

Bass Coast Shire Council's operating expenses have been trending upward over time, driven by increased 'other' expenses (reflecting contributions made to other organisations and adjustments relating to asset values), as well as increased employee costs, in the two years after the introduction of rate capping. Capital expenditure has also trended upward in recent years, reflecting spending on asset upgrades.

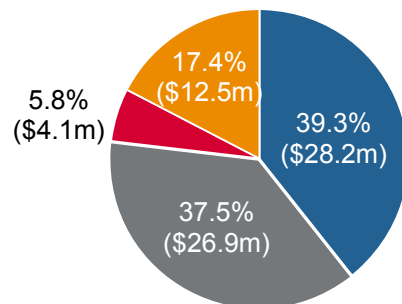
How is council spending its money?

Average expenditure by category in the 2 years before rate capping



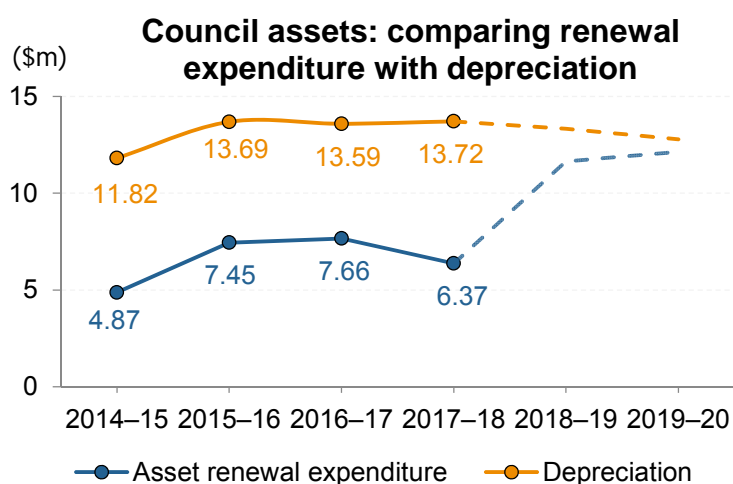
Average expenditure by category in the 2 years after rate capping

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



There was a change in the composition of Bass Coast Shire Council's expenditure, reflecting proportionally higher increases in the average amount spent on capital and 'other' expenditure in the two years after rate capping was introduced. Employee costs and spending on materials and services decreased as a proportion of total expenditure over the same period, despite increasing slightly 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	41
2015-16	54
2016-17	56
2017-18	46
2018-19	87 (forecast data)
2019-20	95 (forecast data)

Bass Coast Shire Council's spending on the renewal of its assets has fluctuated in recent years, but remains less than the amount of depreciation (the decline in value of its assets caused by age and use). Renewal expenditure is planned to increase towards 100 per cent of depreciation in 2018-19 and 2019-20. A sustained gap between expenditure and depreciation can lead to a backlog of renewal expenditure required and increase a council's costs in the long term.

Has council's capital expenditure pattern changed?

Capital expenditure					Council's spending across the capital expenditure categories shows peaks and troughs. An increase in average spending on asset upgrades contributed to changes in the relative shares of spending, as did an increase in new assets and a decrease in expansion.
	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	6.2	59	7.0	56	
New	0.5	5	1.2	10	
Upgrade	2.5	24	4.1	33	
Expansion	1.2	12	0.2	1	
Total	10.4	100	12.5	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?

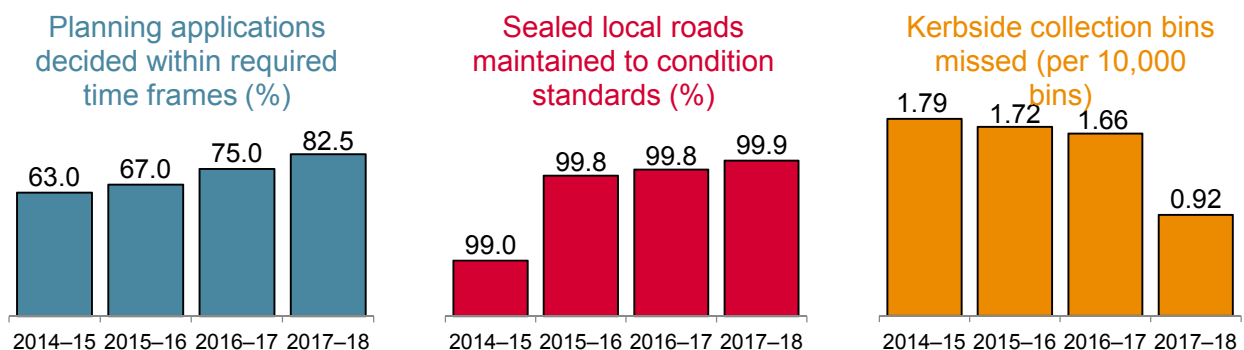
Expenditure by function	Before rate capping (average 2014–15 and 2015–16)		After rate capping (average 2016–17 and 2017–18)	
	\$ per person	% of expenditure	\$ per person	% of expenditure
Governance	436	20.2	507	23.9
Local roads and bridges	418	19.4	393	18.6
Recreation and culture	342	15.9	308	14.6
Waste management	268	12.4	274	13.0
Business and economic services	215	10.0	205	9.7
Environment	171	7.9	145	6.9
Aged and disabled services	133	6.2	105	5.0
Family and community services	80	3.7	86	4.1
Traffic and street management	91	4.2	75	3.5
Other	0	0.0	18	0.8

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.

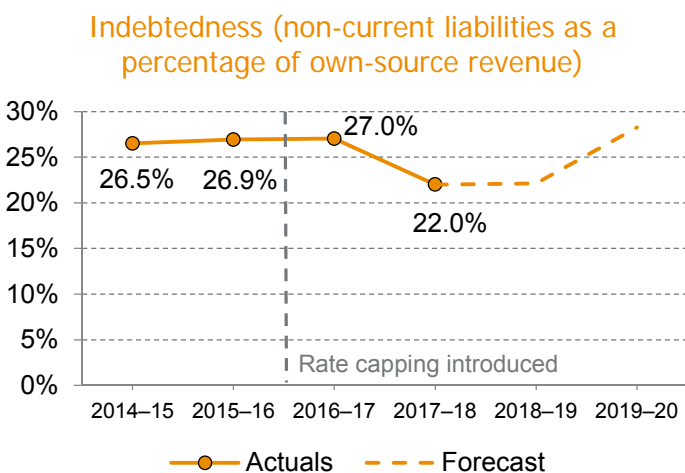
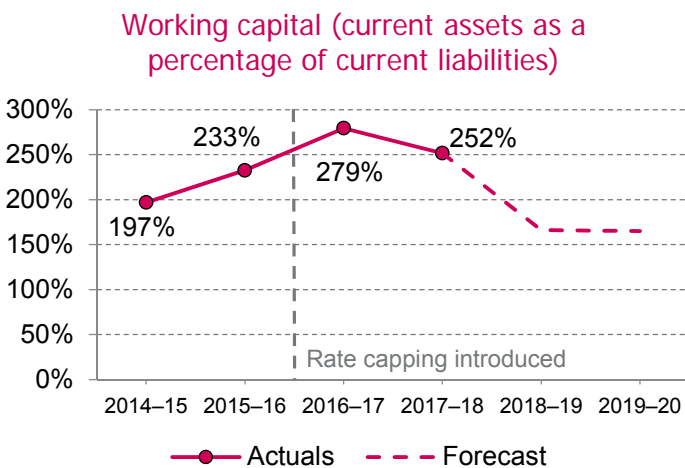
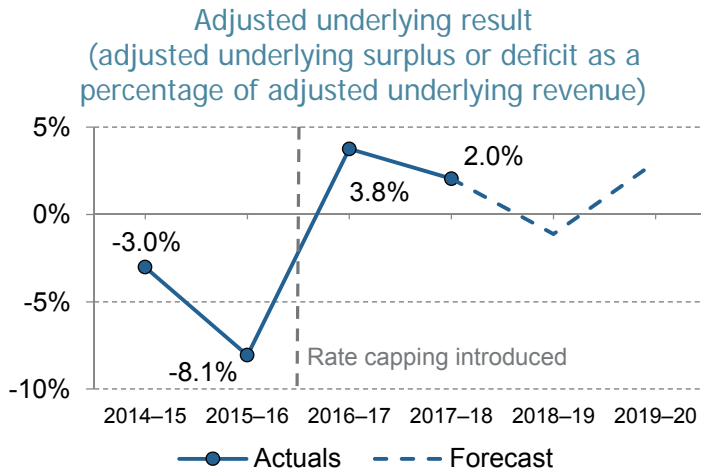
Has there been a change in service quality? (selected services only)



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, Bass Coast Shire Council reported an average **adjusted underlying result** of -1 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 240 per cent between 2014–15 and 2017–18. The increase in working capital reflects council building up cash reserves to fund infrastructure renewal.

The changes in the **indebtedness ratio** reflect changes in council's long-term liabilities.

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.