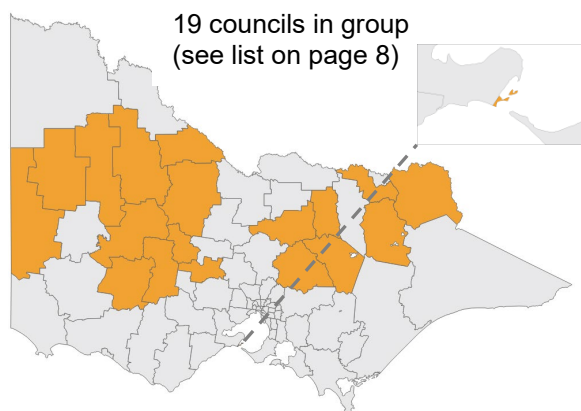


# Small shire council group

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.



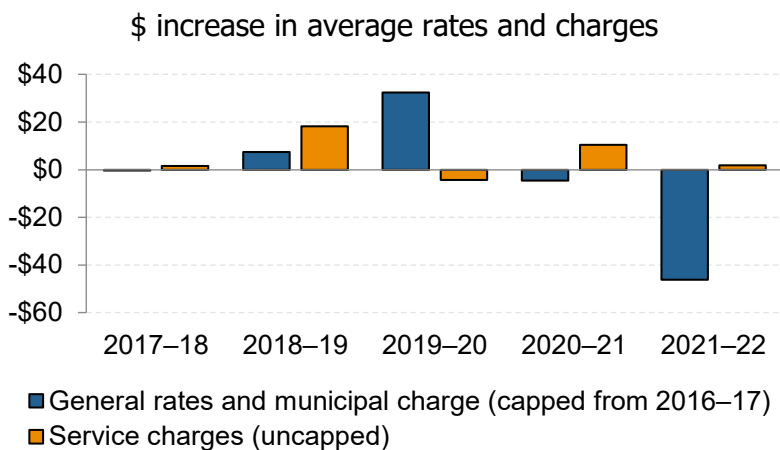
© OpenStreetMap contributors

## Key facts

Population (June 2021, average):	10,138
Size (km <sup>2</sup> , average):	4,509
Length of local roads (km, average):	2,232
Population per km of roads:	5
Council employees (FTE, 2021–22, average):	132
Number of councils with an approved higher cap for any year between 2016–17 and 2021–22:	7 councils with approved higher caps

## Rates

### What happened to average rates and charges (2021–22 dollars)?



Year	Average rates and charges	Applicable rate cap
2016–17	\$2,010	2.50% <sup>a</sup>
2017–18	\$2,011	2.00% <sup>a</sup>
2018–19	\$2,036	2.25% <sup>a</sup>
2019–20	\$2,065	2.50% <sup>a</sup>
2020–21	\$2,070	2.00% <sup>a</sup>
2021–22	\$2,026	1.50%

<sup>a</sup> Approved higher caps (see page 8)

# 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 2021–22 dollars.

## Did small shire councils comply with the applicable rate caps?

	2020–21	2021–22	2022–23
Councils complying with applicable cap	16 of 19	19 of 19	19 of 19
Councils with an approved higher cap	2 of 19	0 of 19	0 of 19

## How did rates change for different ratepayers?

### Council rating strategies 2022–23

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

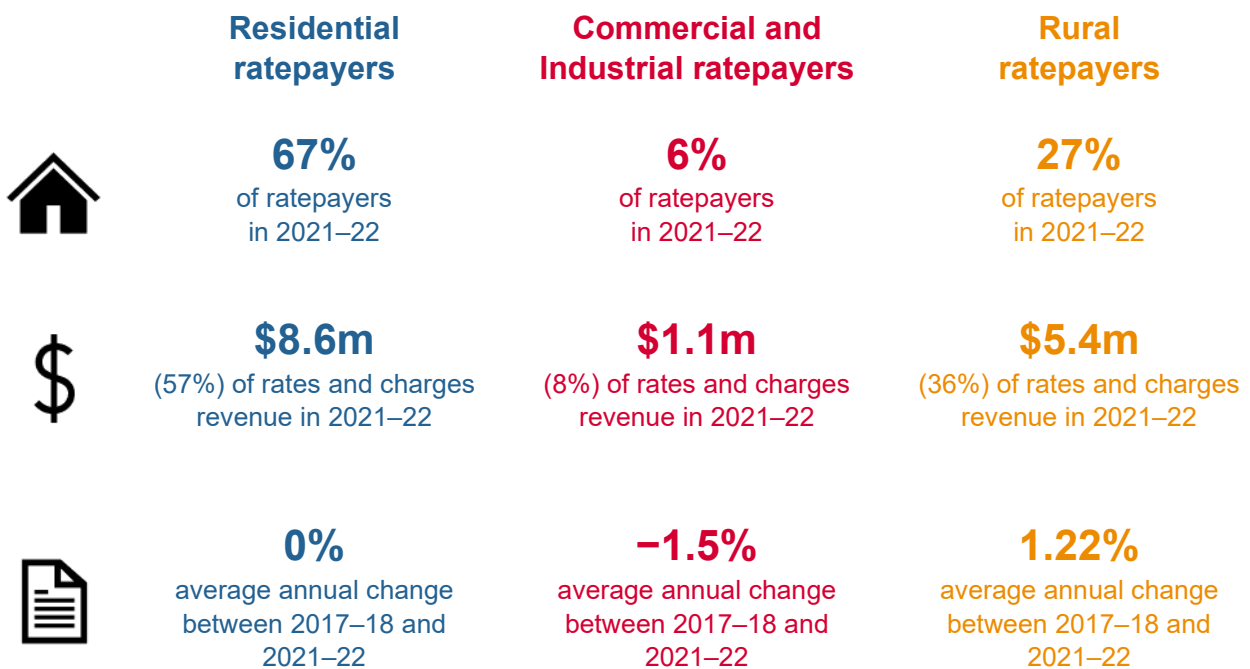
### Distribution of rates increases and decreases

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 (2021–22 dollars)



**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.  
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

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

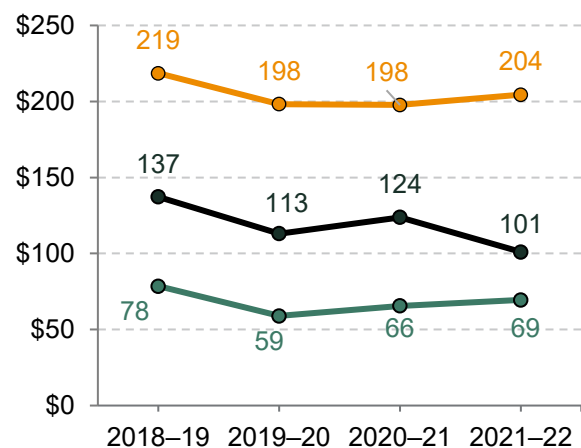
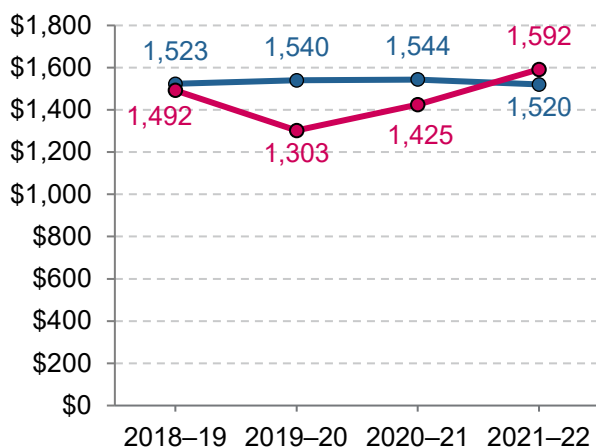
**Average revenue** (2021–22 \$m and % of total revenue)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	15.0	(44%)	15.3	(48%)	15.5	(46%)	15.4	(44%)
User fees and statutory fees and fines	2.2	(6%)	2.0	(6%)	2.0	(6%)	2.1	(6%)
Grants	14.7	(43%)	13.0	(41%)	14.3	(42%)	16.1	(46%)
Contributions	0.8	(2%)	0.6	(2%)	0.7	(2%)	0.7	(2%)
Other	1.4	(4%)	1.1	(4%)	1.2	(4%)	1.0	(3%)
<b>Total</b>	<b>34.1</b>		<b>32.0</b>		<b>33.7</b>		<b>35.4</b>	

The small shire council group's average total revenue increased in real terms between 2018–19 and 2021–22, reflecting increases in revenue from grants and rates and charges.

Rates and charges, and grants were the largest sources of the small shire council group's revenue, accounting for 88 per cent of total revenue between 2018–19 and 2021–22.

## Revenue per person (2021–22 dollars)



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

In terms of revenue per person (which adjusts for population growth), the small shire council group's revenue from grants increased between 2018–19 and 2021–22. This compares with a downward trend in revenue per person from all other sources.

# Expenditure



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 2021–22 dollars.

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

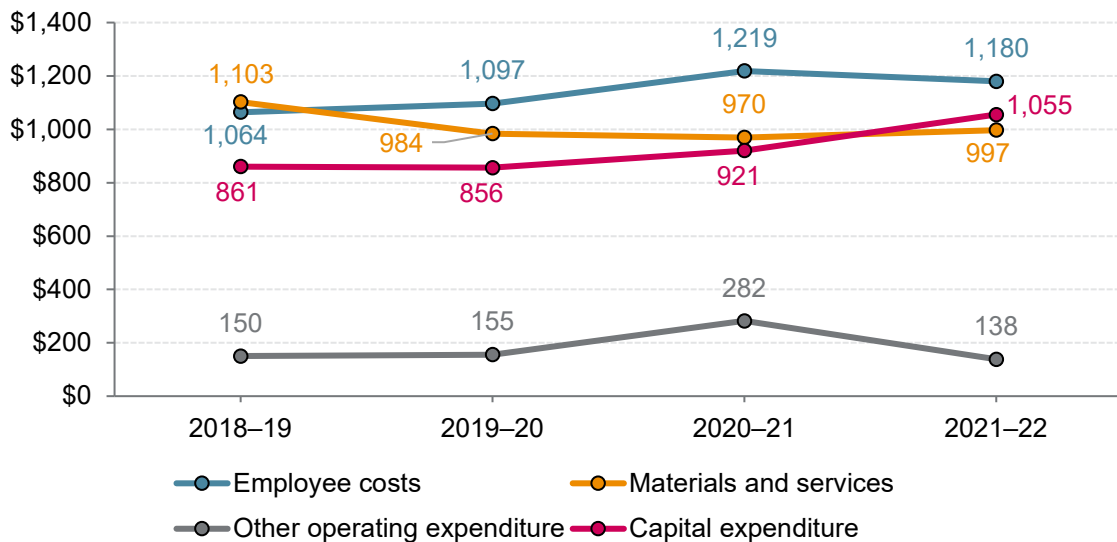
**Average expenditure** (2021–22 \$m and % of total expenditure)

	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Operating expenditure	22.9	73%	22.3	72%	24.8	73%	23.5	69%
Employee costs	10.5	33%	10.9	35%	12.2	36%	12.0	35%
Materials and services	10.9	35%	9.8	32%	9.7	29%	10.1	30%
Other operating expenditure	1.5	5%	1.5	5%	2.8	8%	1.4	4%
Capital expenditure	8.5	27%	8.5	28%	9.3	27%	10.7	31%
<b>Total</b>	<b>31.4</b>		<b>30.8</b>		<b>34.1</b>		<b>34.2</b>	

The small shire council group's average total expenditure increased in real terms between 2018–19 and 2021–22, reflecting increases in capital expenditure and employee costs.

Employee costs was the largest area of expenditure, accounting for 35 per cent of total expenditure between 2018–19 and 2021–22.

## Expenditure per person (2021–22 dollars)



In terms of expenditure per person (which adjusts for population growth), the small shire council group's expenditure on employee costs and capital expenditure increased between 2018–19 and 2021–22. This compares with a downward trend in expenditure on materials and services.



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 2021–22 dollars.

## Did the capital expenditure pattern change?

**Average capital expenditure** (2021–22 \$m and % of total capital expenditure)

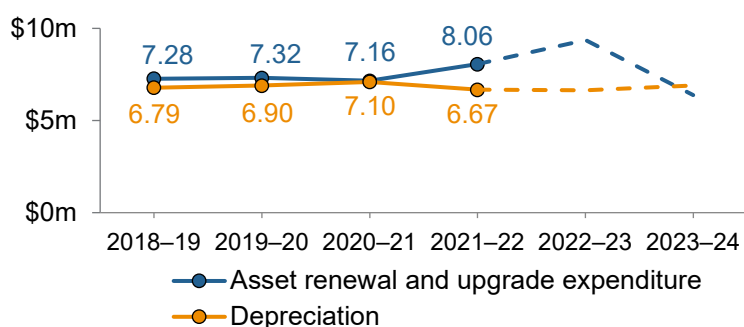
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Renewal	5.2	61%	4.8	56%	5.1	55%	5.4	50%
Upgrade	2.1	24%	2.5	30%	2.0	22%	2.7	25%
Expansion	0.1	1%	0.1	1%	0.2	2%	0.3	3%
New	1.2	14%	1.1	13%	1.9	21%	2.3	22%
<b>Total</b>	<b>8.5</b>		<b>8.5</b>		<b>9.3</b>		<b>10.7</b>	

The small shire council group's average spending on asset renewal trended upwards in real terms between 2018–19 and 2021–22. Asset renewal accounted for the highest share of capital expenditure over this period (56 per cent).

The group's average spending on all other categories also increased in real terms between 2018–19 and 2021–22.

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

**Comparing average renewal and upgrade expenditure with average depreciation (2021–22 dollars)**



**Renewal & upgrade expenditure as a percentage of depreciation**

2018–19	107%
2019–20	106%
2020–21	101%
2021–22	121%
2022–23	141% (forecast data)
2023–24	92% (forecast data)

The small shire council group's average spending on the renewal and upgrade of its assets trended upwards in real terms, despite fluctuating between 2018–19 and 2021–22. Renewal and upgrade expenditure remained above the amount of depreciation (the decline in value of council's assets caused by age and use) between 2018–19 and 2021–22. This spending was forecast to remain above the amount of depreciation in 2022–23, before decreasing in 2023–24.



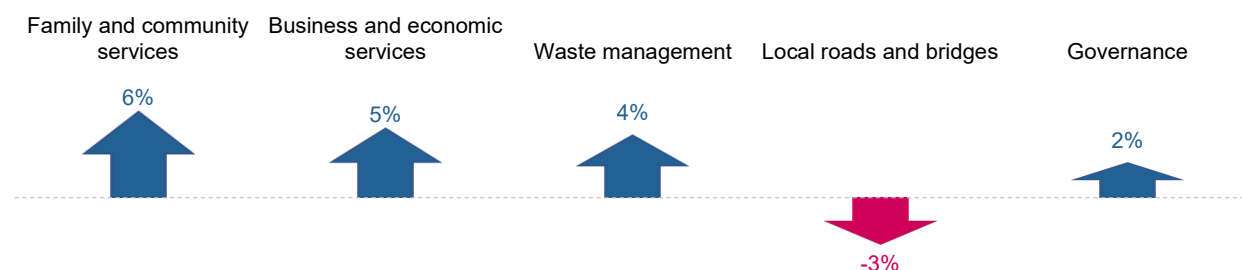
See the reader's guide for data sources and useful information.  
 Note: The numbers in this fact sheet have been adjusted for inflation and are expressed in 2021–22 dollars.

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

**Average expenditure by function** (2021–22 \$m and % of total services expenditure)

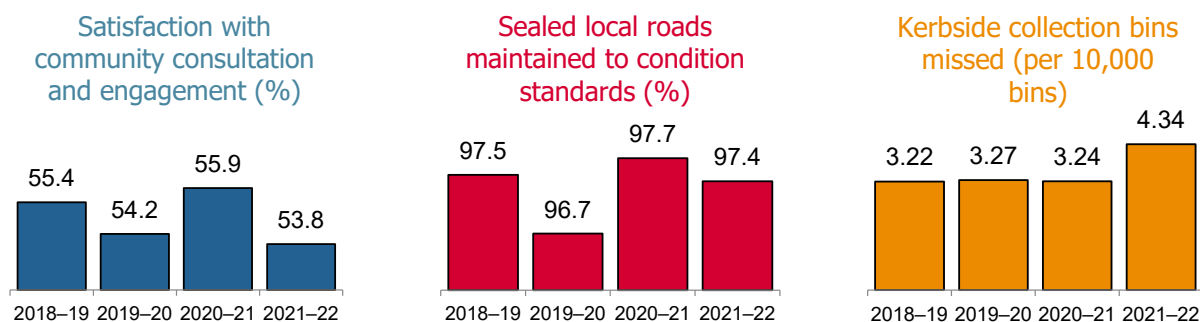
	2018–19		2019–20		2020–21		2021–22	
	\$m	%	\$m	%	\$m	%	\$m	%
Aged and disabled services	1.3	4%	1.3	4%	1.2	4%	1.3	4%
Business and economic services	2.7	9%	2.7	9%	2.9	9%	3.1	10%
Environment	0.9	3%	0.9	3%	0.8	3%	0.9	3%
Family and community services	1.4	5%	1.5	5%	1.7	5%	1.7	6%
Governance	7.0	24%	6.9	24%	7.5	24%	7.5	25%
Local roads and bridges	8.7	30%	8.1	28%	9.3	30%	7.9	27%
Recreation and culture	3.8	13%	4.0	14%	4.3	14%	4.0	13%
Traffic and street management	1.1	4%	1.0	3%	0.8	3%	0.8	3%
Waste management	2.3	8%	2.4	8%	2.4	8%	2.6	9%
Other	0.1	0%	0.1	0%	0.3	1%	0.1	0%
<b>Total</b>	<b>29.3</b>		<b>28.8</b>		<b>31.3</b>		<b>29.9</b>	

## Which areas experienced the biggest changes from 2018–19 to 2021–22?



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

## Did service quality or community satisfaction change?



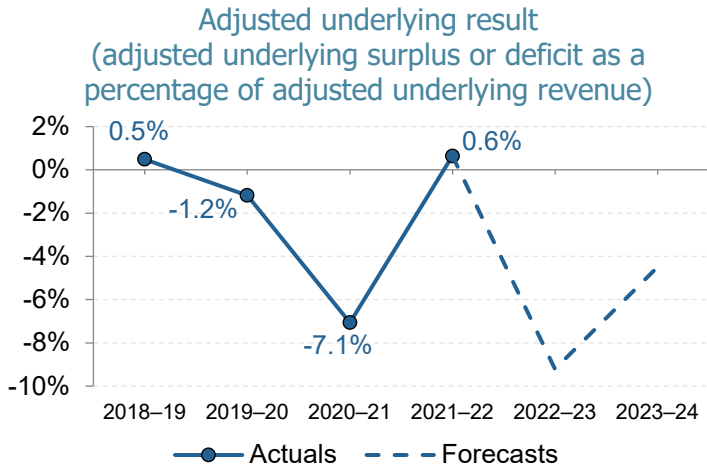
**Note:** These group results are averages of individual council results. Towong has been excluded due to incomplete data in 2021–22

# Financial position

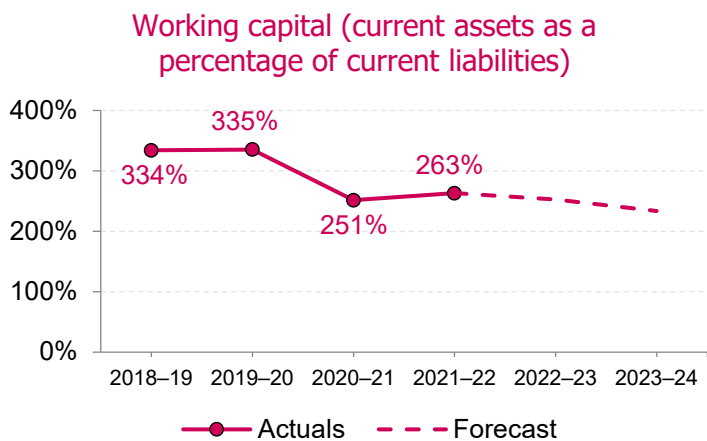


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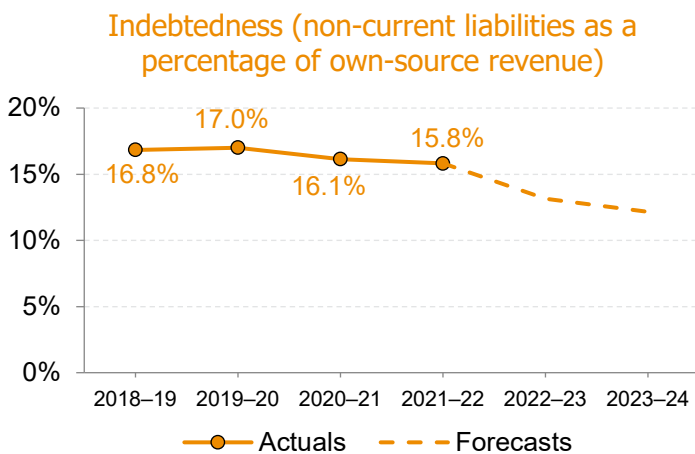
## Did councils in the small shire group operate sustainably?



Between 2018–19 and 2021–22, the small shire council group reported an average **adjusted underlying result** of -1.8 per cent. An ongoing negative result 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 group could meet its current financial obligations with a reported average **working capital ratio** of 296 per cent between 2018–19 and 2021–22.



Between 2018–19 and 2021–22, the small shire council group had an average **indebtedness ratio** of 16.5 per cent.

**Note:** Some of the year-on-year changes in these financial indicators may be due to changes to accounting standards or the impact of coronavirus. 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						
	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Ministers' cap	2.50%	2.00%	2.25%	2.50%	2.00%	1.50%
Buloke Shire Council	3.05%					
Murrindindi Shire Council	4.30%					
Pyrenees Shire Council	3.83%	3.50%	3.50%			
Towong Shire Council	6.34%	5.55%	5.55%	5.55%	5.55%	
Hindmarsh Shire Council		4.00%				
West Wimmera Shire Council		3.50%	3.50%	3.50%	3.50%	
Mansfield Shire Council				13.94%		
<b>Number of higher caps</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>0</b>