

Campaspe 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.



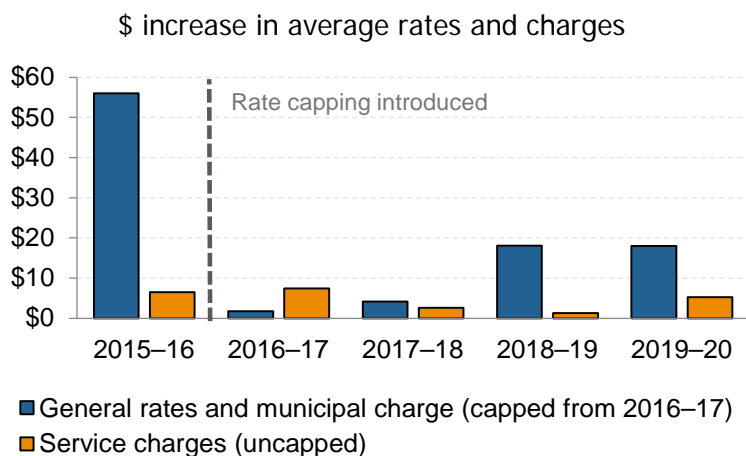
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Key facts

Population (June 2019):	37,622
Size (km ²):	4,519
Length of local roads (km):	4,005
Population per km of roads:	9
Council employees (FTE, 2019–20):	365
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	\$2,010	n/a
2016–17	\$2,019	2.50%
2017–18	\$2,026	2.00%
2018–19	\$2,045	2.25%
2019–20	\$2,068	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

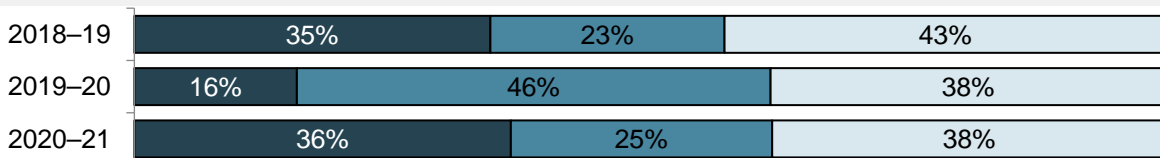
How have rates changed for different ratepayers?

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
	74% of ratepayers	5% of ratepayers	2% of ratepayers	18% of ratepayers
	\$27.6m (63%) of rates and charges revenue in 2019–20	\$4.3m (10%) of rates and charges revenue in 2019–20	\$2.2m (5%) of rates and charges revenue in 2019–20	\$9.6m (22%) of rates and charges revenue in 2019–20
	0.1% average annual increase between 2015–16 and 2019–20	1.1% average annual increase between 2015–16 and 2019–20	3.5% average annual increase between 2015–16 and 2019–20	3.6% 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?

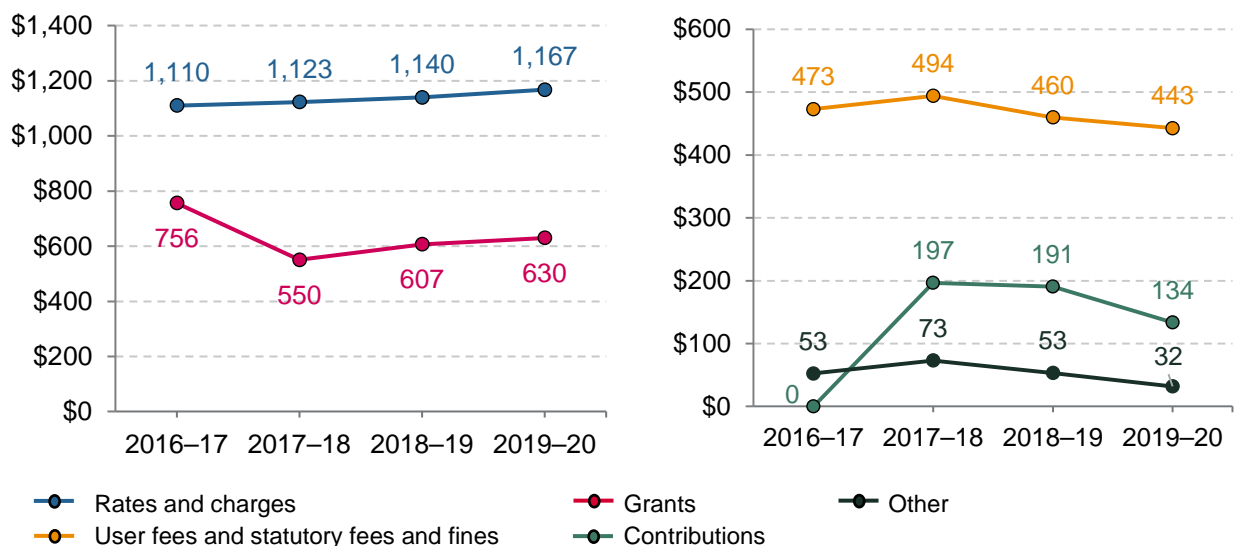
Revenue (2019–20 \$m and % of total revenue)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Rates and charges	41.7	(46%)	42.2	(46%)	42.9	(47%)	43.9	(49%)
User fees and statutory fees and fines	17.8	(20%)	18.6	(20%)	17.3	(19%)	16.6	(18%)
Grants	28.4	(32%)	20.7	(23%)	22.8	(25%)	23.7	(26%)
Contributions	0.0	(0%)	7.4	(8%)	7.2	(8%)	5.0	(6%)
Other	2.0	(2%)	2.7	(3%)	2.0	(2%)	1.2	(1%)
Total	89.9		91.6		92.1		90.5	

In real terms, Campaspe Shire Council's total revenue remained relatively stable between 2016–17 and 2019–20. In 2016–17, council did not receive any revenue from contributions, while revenue from grants was inflated due to the advance payment of Commonwealth financial assistance grants.

Rates and charges was the largest source of council's revenue, accounting for 47 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 grants decreased in real terms in 2017–18 before increasing in 2018–19 and 2019–20. Revenue per person from user fees and statutory fees and fines trended downwards in real terms between 2016–17 and 2019–20 while revenue per person from contributions peaked in 2017–18.

Expenditure



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

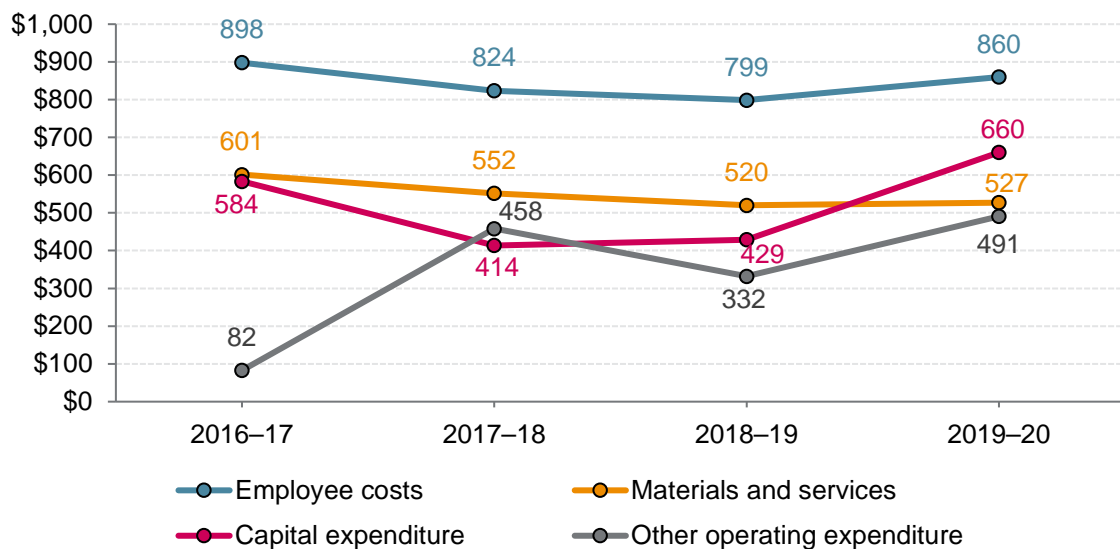
Expenditure (2019–20 \$m and % of total expenditure)

	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Operating expenditure	59.5 (73%)	69.0 (82%)	62.1 (79%)	70.7 (74%)
Employee costs	33.8 (41%)	31.0 (37%)	30.0 (38%)	32.4 (34%)
Materials and services	22.6 (28%)	20.7 (25%)	19.6 (25%)	19.8 (21%)
Other operating expenditure	3.1 (4%)	17.2 (20%)	12.5 (16%)	18.5 (19%)
Capital expenditure	21.9 (27%)	15.6 (18%)	16.1 (21%)	24.8 (26%)
Total	81.4	84.5	78.2	95.5

In real terms, Campaspe Shire Council's total expenditure fluctuated between 2016–17 and 2019–20 due mainly to changes in 'other operating expenditure' (related to losses on the disposal of assets) and capital expenditure. Employee costs decreased in real terms in 2017–18 and 2018–19 but increased in 2019–20. Expenditure on materials and services decreased in real terms between 2016–17 and 2019–20.

Employee costs was council's largest area of expenditure, accounting for 37 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), in real terms capital expenditure decreased in 2017–18 and remained at a similar level in 2018–19 before increasing in 2019–20. Expenditure per person on materials and services trended downwards in real terms between 2016–17 and 2019–20.



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Has council's capital expenditure pattern changed?

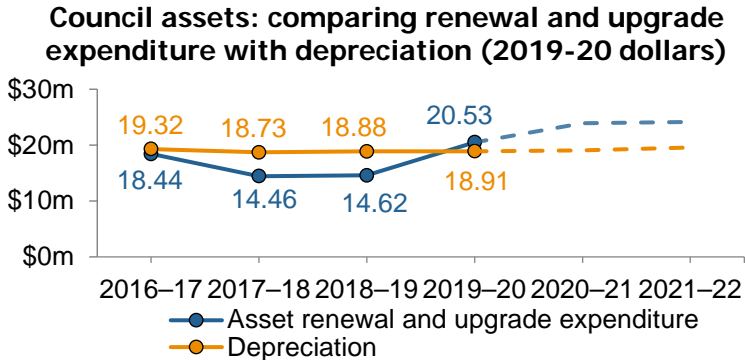
Capital expenditure (2019–20 \$m and % of total capital expenditure)

	2016–17		2017–18		2018–19		2019–20	
	\$m	%	\$m	%	\$m	%	\$m	%
Renewal	15.0	(68%)	13.3	(86%)	13.1	(81%)	15.8	(63%)
Upgrade	3.4	(16%)	1.1	(7%)	1.5	(9%)	4.8	(19%)
Expansion	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
New	3.5	(16%)	1.1	(7%)	1.5	(9%)	4.3	(17%)
Total	21.9		15.6		16.1		24.8	

In real terms, Campaspe Shire Council's capital expenditure was lower in 2017–18 and 2018–19 compared to 2016–17, before returning to similar levels in 2019–20.

However, the breakdown of council's spending was relatively consistent between 2016–17 and 2019–20, with a focus on asset renewal (which accounted for over 60 per cent of capital expenditure in each of these years).

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



Renewal & upgrade expenditure as a percentage of depreciation

2016–17	95%
2017–18	77%
2018–19	77%
2019–20	109%
2020–21	126% (forecast data)
2021–22	123% (forecast data)

Council's spending on the renewal and upgrade of its assets increased in real terms in 2019–20 following a decrease in 2017–18.

Renewal and upgrade expenditure increased above the amount of depreciation (the decline in value of council's assets caused by age and use) in 2019–20. This spending was forecast to increase further above depreciation in 2020–21 and 2021–22.

Services



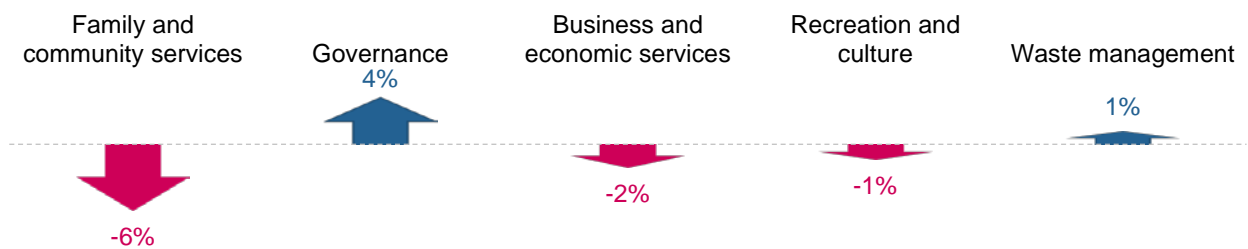
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Which service areas is council spending its money in?

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

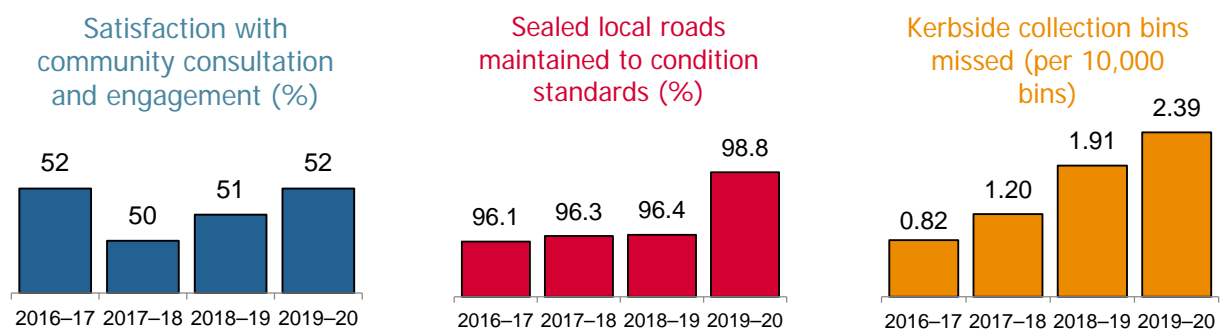
	2016–17	2017–18	2018–19	2019–20
	\$m	\$m	\$m	\$m
Aged and disabled services	6.4 (8%)	5.3 (7%)	5.1 (7%)	6.4 (8%)
Business and economic services	13.0 (17%)	12.4 (17%)	12.0 (16%)	12.3 (16%)
Environment	1.5 (2%)	1.5 (2%)	1.6 (2%)	1.7 (2%)
Family and community services	6.0 (8%)	5.2 (7%)	4.9 (7%)	5.1 (7%)
Governance	9.2 (12%)	8.1 (11%)	10.3 (14%)	10.3 (13%)
Local roads and bridges	20.9 (27%)	20.8 (28%)	20.9 (28%)	20.3 (26%)
Recreation and culture	12.9 (17%)	12.5 (17%)	12.8 (17%)	12.5 (16%)
Traffic and street management	2.7 (4%)	2.6 (4%)	2.6 (3%)	2.8 (4%)
Waste management	5.4 (7%)	5.4 (7%)	4.6 (6%)	5.6 (7%)
Other	0.0 (0%)	0.0 (0%)	0.0 (0%)	0.0 (0%)
Total	78.0	73.9	74.9	76.9

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?

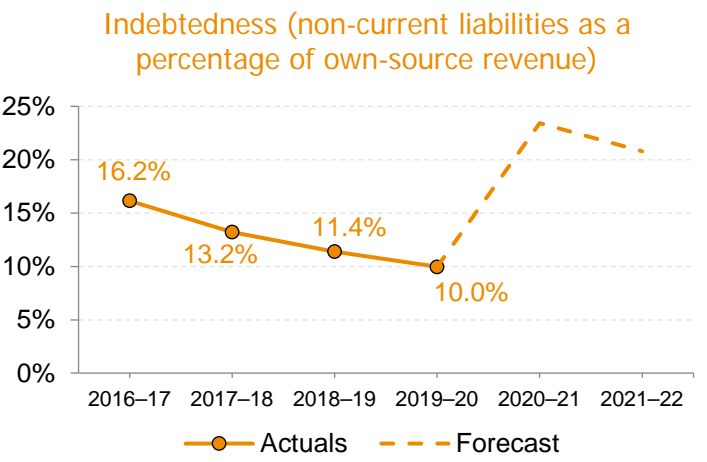
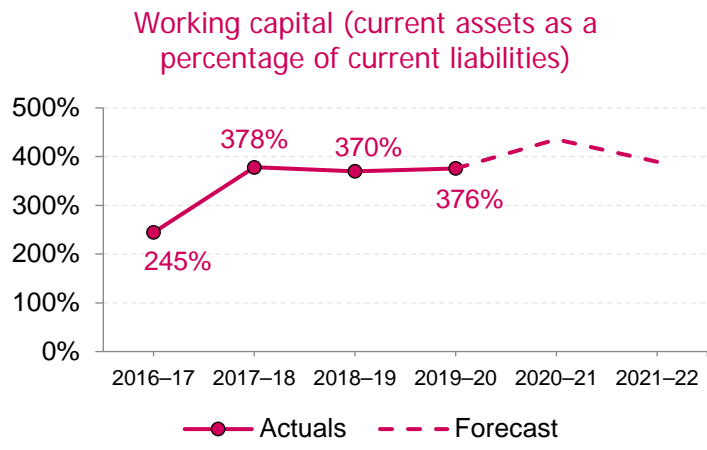
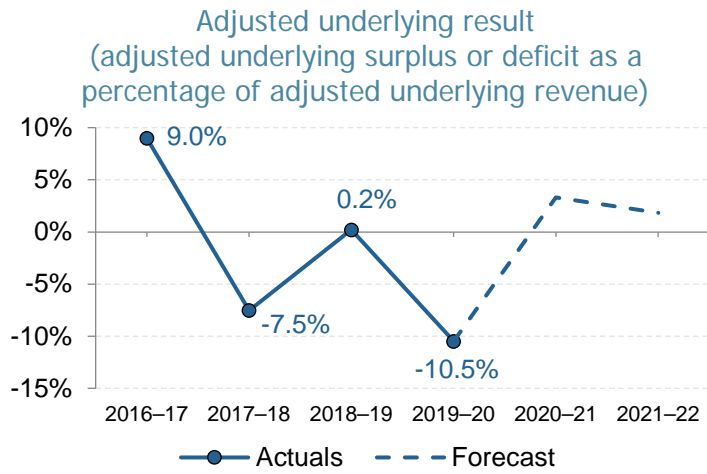


Financial position



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Is council operating sustainably?



Between 2016–17 and 2019–20, Campaspe Shire Council reported an average **adjusted underlying result** of –2.2 per cent. An ongoing negative result, or deficit, suggests that, without the receipt of one-off grants or increases in ongoing revenue, the council may not have sufficient revenue to fund the range and level of services it has been providing. The near-zero or negative results between 2017–18 and 2019–20 reflect losses on the disposal of property, plant and equipment.

Council could meet its current financial obligations with a reported average **working capital ratio** of 342 per cent between 2016–17 and 2019–20.

The reported average **indebtedness ratio** of 12.7 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.