

**VLGA – LEADING EDGE FORUM**

***Funding issues and challenges  
affecting rural shires:  
time to fix or fiddle?***



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# Available funding options

- Rates
- Fees & charges
- Grants
- Grants commission
- Local roads
- R2R
- HACCC, MCH etc
- Specific grants (Federal & State)



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## Large Asset Base

- Length of roads/drainage etc
- Recreation reserve(s)
- Swimming pool(s)
- Buildings



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## Some of the challenges

- **Asset management**
- **Service delivery expectations**
- **Declining populations**
- **Long term financial management**
- **Attraction of professional staff**
- **One size fits all legislation**
- **Ability of people to pay**



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## Challenges

- **Cost of major infrastructure.**
- **Need for business case and or cost benefit analysis.**
- **Increasing reliance on regional cities to provide services.**
- **Ability to find matching dollars.**



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# The Statistics – 07/08

	Small Councils	Regional Cities	State Average
Rate Revenue/Total Revenue	49.99%	52.38%	56.52%
Rates per capita	\$791	\$628	\$662
Rates per assessment	\$1,079	\$1,175	\$1,294
Fees & Charges/Total Rev.	11.71%	22.77%	15.52%
Expenses per Capita	\$1,784	\$1,205	\$1,274
Debt per Capita	\$199	\$263	\$177
Total Liabilities per Assess.	\$746	\$1,083	\$820
Total Assets per Assess.	\$16,744	\$10,116	\$12,594



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## Fix or fiddle

**We have the ability to fix in our own right.**

**Although very difficult:**

- **Raise increased income via rates fees & charges;**
- **Reducing services to our community; and**
- **Reducing asset base**



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## Engage with our community

- Social contracts
- Community capacity building

## Other Actions

- Lobby to change the grants commission formula
- Changing the contributions towards grants from the traditional 1:1



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## Major question to be asked

- **Do you really understand your financial position?**
- **10 year Strategic Resource Plan**
- **Up-to-date, condition based asset management plans**
- **Asset management strategies**



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