



# State and Federal Government Funding Guidelines – Lessons and Challenges Affecting Smaller Rural Shires

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To 'VLGA LEF'  
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# What does Council do? (based on 07/08 financial year)

## Community Services

- 150 children in 4 kindergartens
- 4 maternal and child health centres, 3 nurses and support for 90 births annually
- Weekly delivery of HACC services, including 260 Meals, and 245 people receiving Home Care, Personal Care, & Home Maintenance
- Social Support activities in 7 centres for 111 people each month
- Annual youth events, including *Battle of the Bands*, excursions & camps
- Rural Access & Youth Mentoring programs including disability events and awards
- Over 300 Volunteers across all programs
- 6 aged persons units
- 5 senior citizens centres
- Regular seniors activities and events
- Planning and delivery of community facilities including Euroa Community Services complex, and Centrelink agency
- Support of 28 Recreation facilities & Community Planning in 4 localities
- Cinema
- 2 Neighbourhood houses/centres



# What does Council do? (cont.)



## Libraries

- 48,000 total books available
- 3,500 new books purchased
- 22,500 library visits
- 50,000 items borrowed
- 4,000 borrowers
- 19,000 internet bookings (Region)
- Mobile library service to Avenel, Longwood and
- Strathbogie



## Environmental Programs

- 2,724 land management rebates managed /processed
- 85 land management rebate properties audited
- Weed control and other environmental works across the Shire
- Community education programs



# What does Council do? (cont.)

## Planning

- 141 planning permits issued
- 31 planning permits extended
- 17 planning permits amended
- 23 subdivision Certifications processed
- 39 subdivision statements of compliance issued
- 387 planning certificates issued



## Health Services

- 130 food shops inspections
- 25 accommodation inspections
- 10 hair & beauty salon inspections
- 131 immunisations carried out (secondary schools only)
- 10 food poisoning investigations
- 20 health nuisance complaints
- 160 septic tanks inspected



## Building Services

- 306 building permits issued
- 700 building inspections
- 12 building notices issued

# What does Council do? (cont.)

## Animals

- 2,959 animal registrations processed
- 20 serious dog attacks investigated
- 101 dogs impounded
- 62 cats impounded
- 116 livestock/other animals impounded
- 10 dog barking complaints responded

## General Enforcement/Local Laws

- 4,582 property inspections for fire hazards
- 5 school crossings staffed daily
- 40 local laws permits processed
- 40 marine safety inspections / matters
- 38 planning enforcement matters
- 180 infringement notices issued
- 4 court cases



# What does Council do? (cont.)

## Infrastructure

- 2,231km of council managed roads
- 135 bridges
- 372 major culverts and fords
- 33km of drainage pipes
- 39 km of footpaths
- 72 km of kerb and channel
- 913 drainage pits
- 170 Buildings

## Parks and Gardens

- 139 hectares of parks and open space reserves
- 19 Playgrounds and other open areas



# What does Council do? (cont.)



- **Transfer stations/Waste management**
  - 7 transfer stations/collection points
  - 4,000+ tenements being serviced
  - 1 Landfill site
- **Recreation/Sporting reserves and community facilities**
  - 8 Ovals (plus 3 disused)
  - 9 public halls
  - 11 public toilets
  - 170 council owned buildings
- **Leisure facilities**
  - 4 Outdoor pools in Euroa, Nagambie, Avenel, Violet Town





# Demographics

- Population 9,700
- Agriculture, forestry and fishing – 853 people (27.9%)
- 3<sup>rd</sup> Fastest Aging
- Wealth less than  $\frac{1}{2}$  state average
- Disposable income  $\frac{3}{4}$  state average
- Residents job rate  $\frac{2}{3}$  state average
- Rate effort is 9<sup>th</sup> highest in Victoria, 2008 (per assessment)
- Rate effort is 6<sup>th</sup> highest in Victoria, 2008 (per head)
- Rate effort is 6<sup>th</sup> highest in Victoria, 2006 (as measured by rates as a percentage of average income)



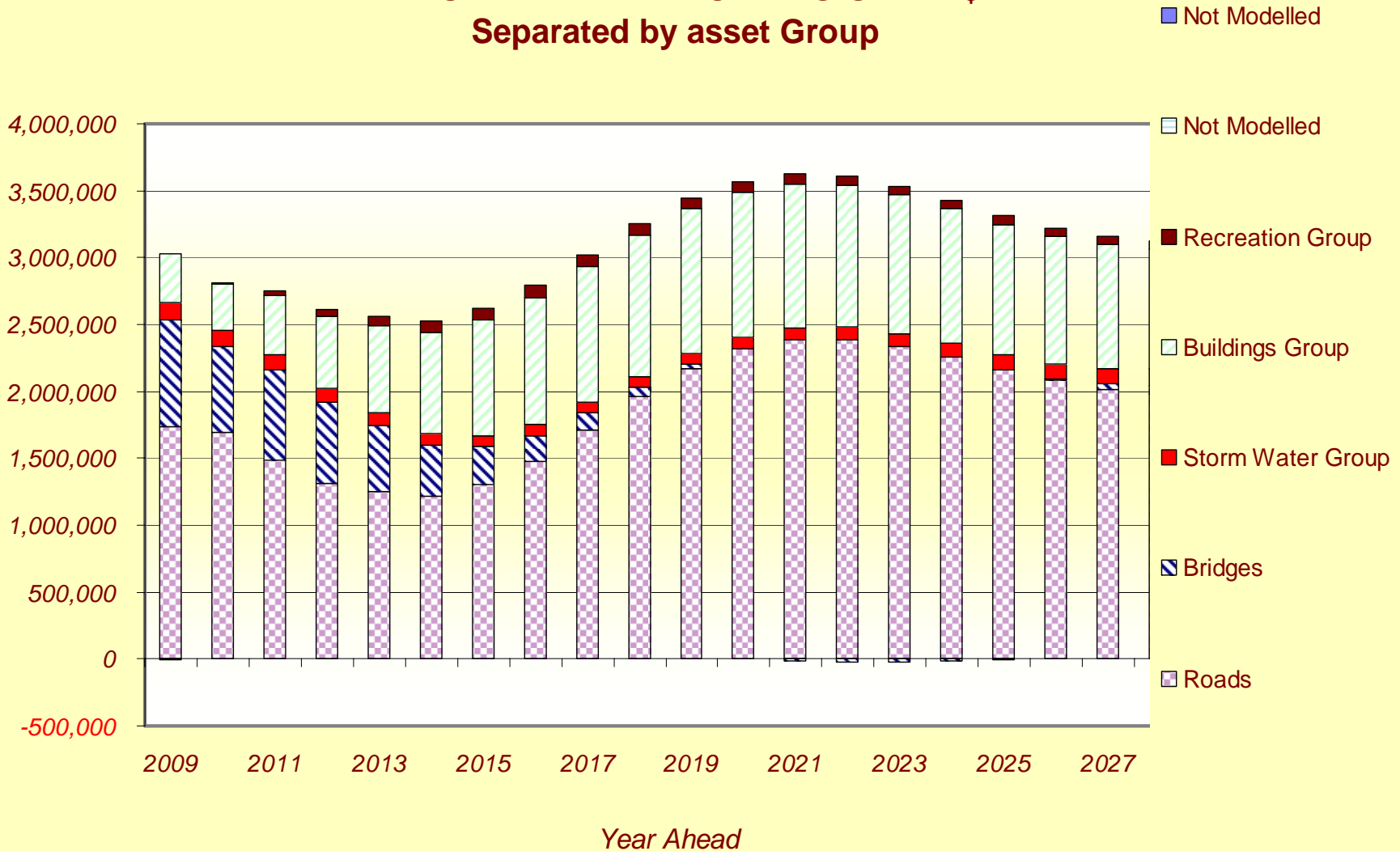
# Financial Position

- Annual Budget of Approx \$19m
- Capital Budget of Approx \$3m
- Debt, \$3.5m – 1994 Council amalgamation borrowings for landfill / transfer stations, redundancies, superannuation, violet town rec hall
- 1998 DOI Infrastructure Renewal Gap
- 2003 Loss of Non-Feasance
- 2004 Road Management Act
- 2006 Infrastructure Renewal Gap \$20+m
- 2008 Infrastructure Renewal Gap \$60+m = \$3+m/year = 35% Rate increase!

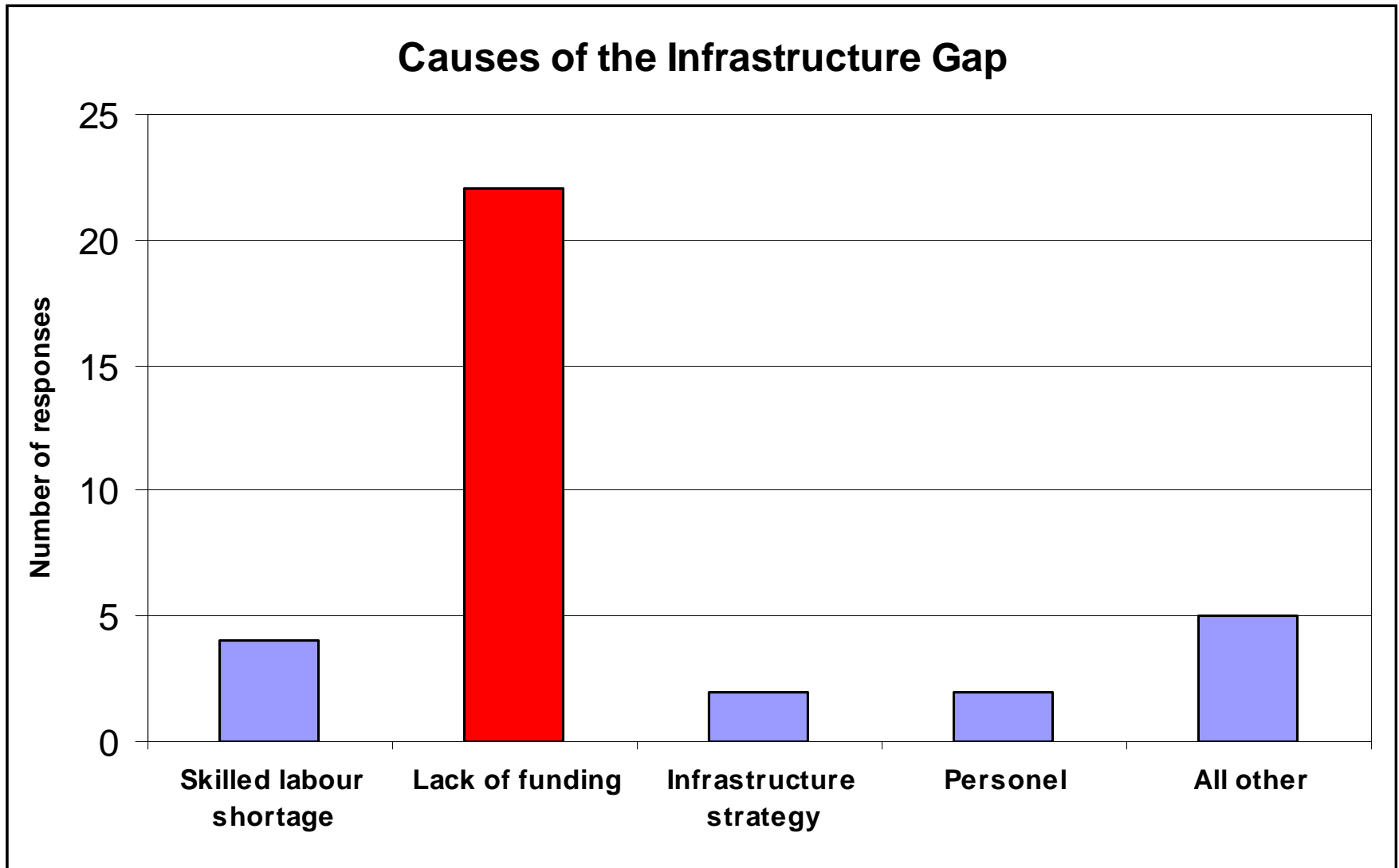
# Infrastructure Gap by Asset Group



**ANNUAL RENEWAL FUNDING GAP in \$  
Separated by asset Group**

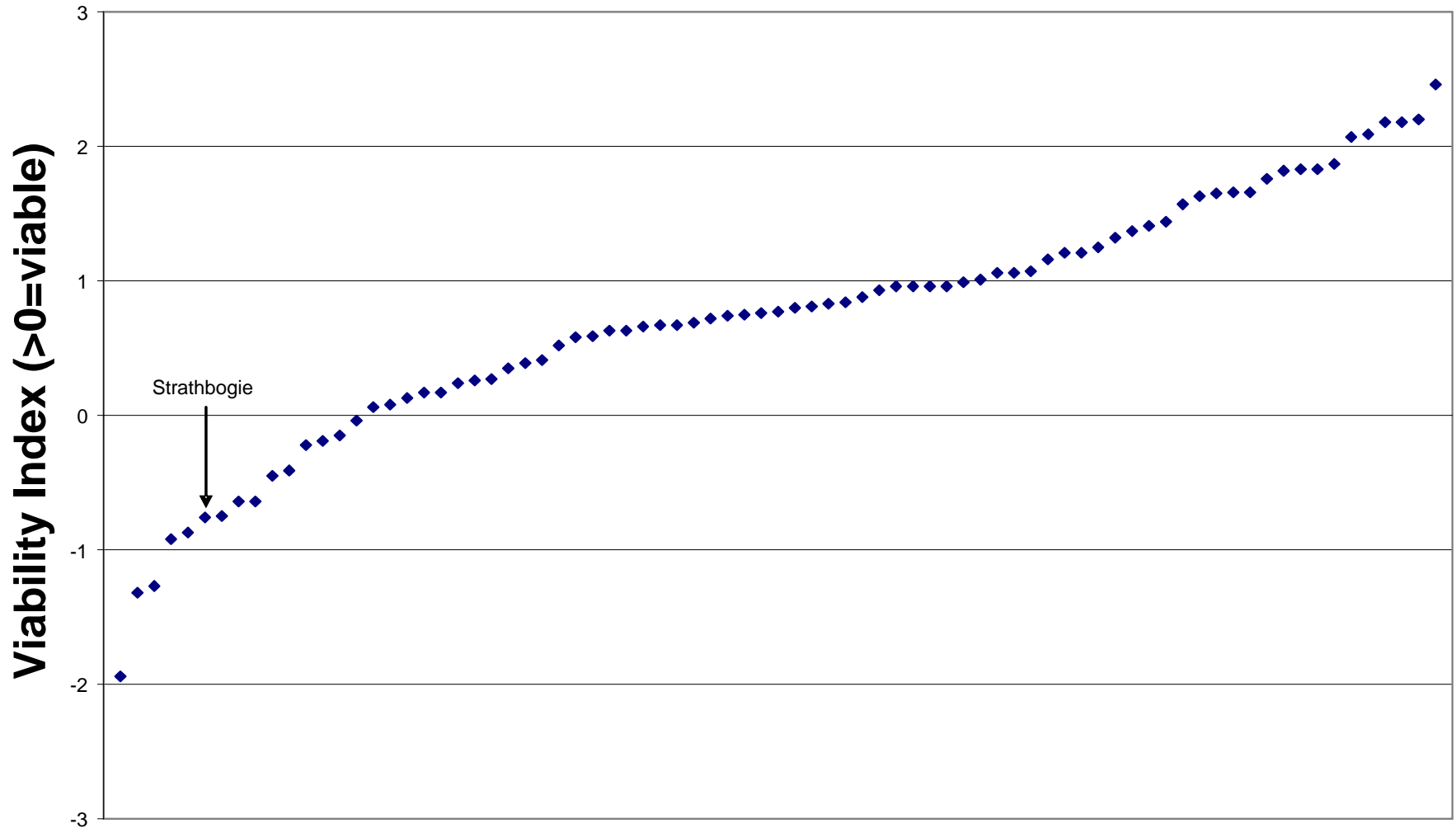


# What are the causes of the infrastructure gap?



# Viability

(Source: MAV Financial Sustainability Conference, Sept 06)



# What have we done?



- Significant rate increases
- Business Case for Long Term Borrowing?
- Reduction of service levels, roads & bridges
- Reduce number of roads & bridges
- Don't build new assets
- No discretionary services
- Constantly review service / staffing levels

# Community satisfaction survey



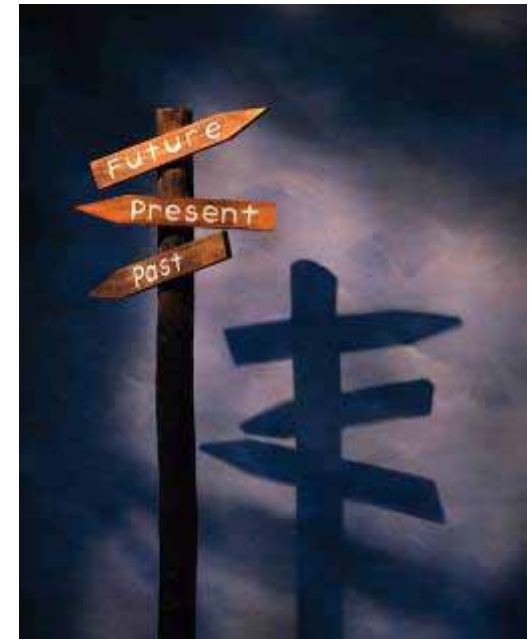
## 1. How the Shire of Strathbogie performed in 2007/2008

	2007		2008		Change in performance in the Last Year
	Mean	Indexed Mean	Mean	Indexed Mean	
<b>a. Local Government Indicators</b>					*
Overall Performance	2.8	57	3.0	60	Unchanged
Advocacy	2.9	58	2.9	57	Unchanged
Community Engagement	2.6	52	2.8	57	<b>Improved</b>
Customer Contact	3.4	69	3.4	68	Unchanged
<b>b. Specific Performance Areas</b>					
Local Roads and Footpaths	2.2	43	2.2	43	Unchanged
Health and Human Services	3.6	72	3.5	69	Unchanged
Recreational Facilities	3.2	65	3.3	66	Unchanged
Appearance of Public Areas	3.3	67	3.3	65	Unchanged
Traffic Management and Parking	3.2	63	3.2	64	Unchanged
Waste Management	3.4	68	3.3	66	Unchanged
Enforcement of Local Laws	3.2	63	3.2	63	Unchanged
Economic Development	2.7	53	2.7	53	Unchanged
Town Planning Policy and Approvals	2.7	54	2.9	57	Unchanged

\* Improved/declined indicates a significantly different result from 2007.

# What are we doing for the future?

- Amalgamation?
- Appropriate Services
- Efficient Services
- Business Case for provision of Regional Shared Services
- Adhoc vs planned development
- Rate increases vs Grow Rate Base (new \$)
- Submission to Hon A Albanese 2009
- LG Credibility 2009
- Sustainability Overview, M & R Whelan 2009



# What are we doing for the future (cont.)



## Grow Rate Base (new \$)

- National Rowing Course
- Horse Capital of Victoria
- Chinamans Bridge Caravan Park
- Glencairne CDZ
- Rural Lifestyle Living
- Food & Wine Tourism
- Nagambie Growth Management Plan
- Avenel 2030 Plan
- Strathbogie Agribusiness Park, Stage 1



# State & Federal funding

## State

- RDV
- services with inflationary growth – GST/CPI e.g. HACCC / libraries
- eho / building / planning regulation vs fees to administer state acts, VCEC Enquiry
- are we going to eventually be the states responsibility?

## Federally

- Cost Shifting, Productivity Comn, Price Waterhouse Coopers
- FAGS, cpi – 50%, GDP/Tax inc
- R2R, DoTars 50%
- RCLIP \$2m, popn based – new assets
- 18 Nov 2008 PM “making resources available for a long term reform to support councils as they improve their asset management and financial plans”

# Sustainability Overview Strathbogie – M & R Whelan

## Environmental Factors

- Net disposable community income - \$18,434 / \$21,205
- Recurrent govt grants - \$533 / \$235
- Popn number (ABS 2006) - 9,733 / 39,721
- Popn density - 4.46 / 25.04
- Popn change (10yrs each way) - 4.2% / 6.74%
- Popn dispersion - 84 / 15.15
- Remoteness from major popn - 47km / 1.72km

## Financial measures

- Underlying Op result – (11.5%) / (2.4%)
- Asset renewal / mtce – 75.4% / 100%
- Adj undlyg op result (asset renewl & mtce bklog) – (21.6%) / (3.1%)
- Undlyg net op cash flow - (14.2%) / (4.2%)
- Debt level (int exp / rev) - 1.5% / 4.0%
- Liquidity (work cap) – 1.2 / 1.1
- Rev raising effort – 5.7% / 3.7%
- Op cost / head - \$1746 / \$1168



# Strategic Way Forward

1. Continue to pursue economic development growth opportunities within Councils jurisdiction
2. Convince State / Federal Governments of the need for specific funding for financially unsustainable Councils (VLGA / MAV / ALGA)
3. Inform the community of Strathbogie's current position and invite them to assist Council convince State / Federal Governments of the need for specific funding for financially unsustainable Councils (Local State / Federal members)
4. Use Council's Communication Strategy to implement items 2 & 3
5. Actively participate in the Federal Government's review of the Taxation System