

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### Inquiry into Local Government Funding and Services

Camperdown – Wednesday 7 August 2024

#### MEMBERS

Georgie Purcell – Chair

David Davis – Deputy Chair

John Berger

Katherine Copsey

Moira Deeming

Bev McArthur

Tom McIntosh

Evan Mulholland

Sonja Terpstra

#### PARTICIPATING MEMBERS

Gaelle Broad

Georgie Crozier

David Ettershank

Michael Galea

Renee Heath

Sarah Mansfield

Rachel Payne

Richard Welch

**WITNESSES**

Monica Revell, Chief Executive Officer, Hindmarsh Shire Council; and

Cr Kylie Zanker, Mayor, and

Tammy Smith, Chief Executive Officer, Yarriambiack Shire Council.

**The CHAIR:** I declare open the Legislative Council Economy and Infrastructure Committee's public hearing for the Inquiry into Local Government Funding and Services. Please ensure that mobile phones have been switched to silent and that background noise is minimised.

I would like to begin this hearing by respectfully acknowledging the Aboriginal peoples, the traditional custodians of the various lands we are gathered on today, and pay my respects to their ancestors, elders and families. I particularly welcome any elders or community members who are here today to impart their knowledge of this issue to the committee or who are watching the broadcast of these proceedings. I also welcome any members of the public watching via the live broadcast or in the public gallery today.

Before we kick off, I will just get members of the committee to introduce themselves, starting with Mr Mulholland.

**Evan MULHOLLAND:** Evan Mulholland, Northern Metropolitan Region.

**Bev McARTHUR:** Bev McArthur, Western Victoria Region.

**Sarah MANSFIELD:** Sarah Mansfield, Western Victoria Region

**The CHAIR:** Georgie Purcell, Northern Victoria Region.

**John BERGER:** John Berger, Southern Metro.

**The CHAIR:** And then we will go Gaelle and Richard.

**Gaelle BROAD:** Gaelle Broad, Member for Northern Victoria.

**Richard WELCH:** And Richard Welch, Member for North-East Metro Region.

**The CHAIR:** Wonderful. Thanks very much. We also have Mr Davis here. He will be back in the room shortly.

Thanks very much for appearing today. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing, and then transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, could you all please state your full names and the organisations you are appearing on behalf of.

**Tammy SMITH:** Tammy Smith, Yarriambiack Shire Council. I am the CEO.

**Kylie ZANKER:** I am Kylie Zanker. I am Mayor of the Yarriambiack Shire Council.

**Monica REVELL:** Monica Revell. I am the CEO of Hindmarsh Shire Council.

**The CHAIR:** Wonderful. Thank you. We now welcome your opening comments, but I ask that they are kept to around 10 to 15 minutes to ensure plenty of time for our discussion and questions.

**Monica REVELL:** I am happy to commence. Hindmarsh Shire Council is located halfway between Melbourne and Adelaide. We are a small rural council but we do have significant assets. We have economic output of about \$721.5 million per year predominantly from agriculture, being food and fodder that is transported both locally and interstate. We contribute significantly to the economic output of the state. We have a road network of just over 3000 kilometres, which is the equivalent of driving from Melbourne to Darwin, but we do not have the revenue to support the need to maintain and upgrade our roads to cater for the ever-increasing size in machinery that we have.

Council's rate revenue is approximately \$6.7 million for the 2023–24 financial year – that excludes waste charges – with our revenue from rates equating to about 40 per cent of council's revenue. We do have other sources of revenue, but they are very limited, being user fees which are predominantly from our caravan parks and offset by expenditure for the running of these. We have very few opportunities to source revenue from other avenues, so we are heavily reliant on grants. We do have a socio-economically disadvantaged community, so it is important that we do consider our council's community members' ability to pay when setting any fees and charges on any of our facilities that we have as well.

We are heavily reliant on the financial assistance grants which are provided by the federal government and distributed through the state government. Quite often we find it very hard to apply for grants because it is a one for one, a two for one or a three for one, but we are also finding that the funding available is not keeping up with the costs of delivering a project. An example is an AFL-compliant change room. It costs about \$1 million per facility but the grant is only \$250,000, so for council to be able to apply to upgrade our facilities is becoming more and more difficult.

We are also finding that the grants that we are receiving through block funding are not keeping up with our cost escalations. Some examples of this are our emergency management funding, our library funding and our school crossing funding, but the issue we have with the block funding as well is that it is provided for it could be two years, it could be four years; council is then stuck with a permanent employee and when the funding ceases council is the responsible authority for paying that redundancy. Being a small team, we generally do not have the capacity to redeploy somebody into another role.

I would like to say that although rate capping has limited our ability to raise rates above the cap, we do need to look at the consideration of our community to pay rates. We have not applied for a rate cap variation for quite a number of years because we are conscious of our community's ability to pay the increases. We are also conscious of their ability to pay any rate rise that we do set each year. In Hindmarsh 28 per cent of our residential properties are receiving the pensioner concession, so you can see there is a large portion of our community that really struggle and cannot afford rate increases. We are seeing that the rates arrears are increasing steadily. We do work very closely with our community around entering into payment plans on terms that work for them, but the cost of living is really hitting hard with our community.

We have got significant infrastructure that we are responsible for, but with low rate revenue we are really finding it difficult to maintain the infrastructure. We have approximately 199 buildings that we do look after, with 20 per cent of those in an average-to-poor state. We have four swimming pools, one in each of our major towns. They are all at end of life and need significant investment. We have less than two people per kilometre of road, but with the farming machinery getting larger we are finding it more difficult to fund the upgrades that are required. Underfunded renewal just leaves us in a situation where we are liable for significant injuries that may occur in our community, but also it costs us more in the long run to bring those assets back up to the maintenance level that is needed.

We do often also provide services that are outside of the remit of local government, because it is just not commercially viable in a small rural council to bring in a private provider. So we are also providing services on behalf of the state and the federal government and other community and social services, because otherwise our community would not have access to these. They are generally provided so that our community have access to the services and do not have to travel hundreds of kilometres to access the services. We do not have a lot of public transport in our community either. Our towns of Jeparit and Rainbow have a bus service only twice per week, on a Wednesday and a Thursday, so the ability for people to utilise buses and public transport to attend appointments and to access services is also difficult in some of our communities.

I guess what I would propose are some solutions to assist our small rural councils: whether there could be a percentage of the revenue collected through vehicle registrations provided to the rural councils so they have the ability to maintain their roads; that there can be consideration for block funding and the implications that this does cause for small rural councils; that grant guidelines also are considerate of the ability of small rural councils to meet the requirements to see significant uptake in usage or utilisation – and traffic counts as well are another big one when we are applying for road funding; and also, when there is a change in legislation, that there is consideration given to the impacts on small rural councils. We do not have the ability to employ another staff member, so generally what we do is we have to speak to a staff member and say, ‘We know you already have a full workload, but we’ve now got this legislative requirement that we also need to fit into your workload.’ Tammy, I will hand over to you.

### **Visual presentation shown.**

**Tammy SMITH:** Thank you very much for having me here to join the meeting as well as our Mayor, Kylie Zanker, and we just wish to acknowledge that the activities of Yarriambiack Shire Council are held under the waterways and traditional skies of the Wotjobaluk, Jaadwa, Jardwadjali, Wergaia and Jupagulk people, and we pay respect to their elders past, present and emerging.

We agree with all of the points that Monica just touched on. We are very similar – a small rural shire. We have 4824 kilometres of roads, we have 7158 square kilometres to cover, and we have a population base of 6556 people. As you are all, I am sure, very well aware, small rural shires obviously have a very small population base but a lot of services to fulfil and a very large area to cover.

There are probably three main points that we wanted to touch on that we thought were important, and I also did not want to go over anything that Monica has already touched on. Waste and recycling – we really wanted to raise this as a significant issue for rural communities. The cost of recycling per tonne for our community is \$1302.72 as opposed to \$389.39 if we were to send that recycling to landfill. There is a difference of \$913, and that expense is being borne predominantly by our residential ratepayers who predominantly have our highest rates arrears, and Yarriambiack does have one of the highest rates arrears in the state, and that was noted in an inspectorate investigation that occurred in 2019 around the high level of our outstanding rates and charges that we were unable to recoup. We are very concerned that the rising cost of waste disposal is becoming a significant burden, and waste is to be full cost recovery, and so therefore this year going into the 2024–25 budget year we were not able to make a full cost recovery, and we are bearing the burden of an additional \$200,000 that we have had to try and find some cost savings in other areas to cover, because we would have had to have raised our waste charges by 22 per cent, and we just knew that our community would not be able to cope with that initial cost burden. Therefore we only raised it by 10 per cent. We will look to do that – raise it by 10 per cent – over three years each year to try and get to a place of full cost recovery.

The other issue that we are facing is glass collection. Obviously, the government has mandated the glass recycling bins, so we rolled them out when the government provided funding to be able to do this. The issue that we found is now that whilst it was utilised initially – and you can see from the glass collection in tonnes for 2023 versus 2024 – we now have the container deposit scheme rolled out across three of our towns, and you can see the significant impact that is now having on the collection tonnage and the collection numbers of the bin presentations. What we are finding is, at the last collection run of a couple of weeks ago, we had trucks coming up from Horsham all the way up to Lascelles and Patchewollock sometimes not collecting one bin, sometimes only collecting two bins. Part of this is we would request the government consider how glass collection is managed going forward, and we would request that the government considers that rural councils do not have to implement a glass collection at all, and that we could actually have hard stands and that they consider rolling the container deposit scheme out across more rural communities, because really we are seeing two lots of trucks effectively going up into the rural areas doing the collection. When you think about the carbon emissions of those trucks and you think about the impacts on climate change, it does not make sense to be doing that, so therefore that would be our argument: that there needs to be another way to do glass collection in rural communities.

The next one that I wanted to touch on is renewable energy and mining. Yarriambiack shire has three current renewable energy farms – wind farms – that are currently looking to establish. We have the Warracknabeal Energy Park, which is currently in the technical reference group stage to then proceed onto the EES. We have got the Wilkur Energy Park, which is also a WestWind project, and currently the EES has just been placed on

hold. We also have the RWE Campbells Bridge renewable energy project, which is looking to make a referral to the minister sometime in the latter part of this year for, we believe, an EES. We also have the Donald mineral sands mine, and they are going through the final work plan stage of the moment. What we have found is that rural communities – we have now got these three wind farms looking to establish, and they are coming quite thick and fast at us and similarly with the mining. We are a small rural council with one manager that is also the planner, and we are just not geared up enough from a staffing perspective to be able to deal with the demand that comes from renewable energy and mining.

We probably did not realise the extent and level of the expertise that we do need to draw upon to assist us with this process. Obviously we have to be on the technical reference group. We are dealing with a lot of community division, so it is a lot of stakeholder engagement from our councillors but also from staff trying to deal with the community division. We also need to be able to undertake the peer review of the technical documents that come through, so we do not necessarily have the skills and expertise but we have got to be able to buy that in; we need to be able to seek legal advice around some of the contracts or some of the discussions we are having, like with Donald mineral sands; and we need to ensure we are doing our due diligence for our community, and this is coming at a significantly high cost to us as a rural council. So we would be recommending that the government does consider that there is some type of funding pool which we can apply to to assist. There are many rural councils in a similar situation to us, and as these types of issues or these plans are coming up, we could apply for funding to be able to assist with undertaking the review of the technical documentation, because that is where the high cost is going to be borne.

Then the last one I do wish to touch on is the cost shifting to rural councils. As you can see from the slide there, we have captured the abundance of services that we provide in our rural community. We are delivering maternal child health, which we strongly believe does sit in the health sector, and it is strongly aligned from an industrial relations perspective. You can do the whole wraparound services from domiciliary nursing to maternal child health, and it has the allied health support. We feel that it sits much better in a health service, especially in a rural health service where it does provide that wraparound service. We would argue that there needs to be consideration that some of these services need to be looked at, and we really need to clearly define what local government does and does not do and where some of these services should sit. Similarly, kindergartens – currently Yarriambiack delivers kindergarten services, and we are looking at whether we need to move out kindergarten services out of local government into a cluster manager that manages them from a regional perspective and probably has a much greater capability of being able to move staff between different services, also from a recruiting perspective, and then local government can support them to deliver those services.

We have a livestock exchange. Really this is probably something that should sit in the private market. Rural councils get burdened with having to carry these types of activities and they do come at a cost to council. Library services, as Monica touched on, are underfunded but it is an expected service that we are to deliver to the community – well, the community expects that. And emergency management, Monica also touched on that as well. It is something that is ever growing. There is a huge burden on council to be able to meet a lot of the legislative compliance obligations and there is also the community expectation that we are geared up to be able to respond to emergency events. We just feel that we are not funded adequately enough to be able to do that, and we do believe then it becomes a burden on our community.

They are probably the main things that we really wanted to touch on. Obviously, our submission was quite extensive and touched on a whole raft of other matters, but we felt that these were probably the three things that really stand out for Yarriambiack at this point in time. Thank you.

**The CHAIR:** Thank you very much. We will kick off questions. We have got about 35 minutes, so we will do one question each and then hopefully go around again, starting with Mr Berger.

**John BERGER:** Thank you, Chair, and thank you all for your appearance and presentations today. In your submissions you highlighted the rural councils transformation program. I am just wondering whether you can tell us more about that project. Secondly, how do you work together to collaborate on joint procurement activities?

**Tammy SMITH:** I might let Monica talk about her rural council's transformation. Did you want to talk about that first, Monica?

**Monica REVELL:** Yes. Hindmarsh is a member of what we are calling the RCCC, and that involves Horsham Rural City Council, Loddon Shire Council and Hindmarsh Shire Council. We are working on a shared financial system. The main aim is to create efficiencies within the small rural councils by having a backup option. For Hindmarsh Shire Council, we have one payroll officer. If the payroll officer is away during a pay period, then we struggle to process our pays. Being a member of the RCCC and having that shared platform means that a member from another council that is part of the platform can step in and process our payroll. It is the same with our rates. If our rates officer is away during a peak period, we then have the opportunity to share resources. It is something that is becoming more and more important for small rurals to look at, because with the specialised services we are finding that we have to contract them out, so our planning and our building are both contracted out because we are unable to get staff members in house. Rates: one day we are probably likely to be in the same situation that we will not be able to have a rates coordinator sitting at Hindmarsh, so by having the rural council transformation and being part of that collaborative approach we then have access to resources that we do not have in house.

**Tammy SMITH:** I might just add to that. Yarriambiack also recently was funded in phase 2 of the rural councils transformation project. We were with Ararat and Buloke and we were able to align our asset management systems. We made some significant changes to some Power BI reporting. Collaboratively we are all on the same platforms and we are using a lot of off-the-shelf products. We use Xero as our finance system, and then we use a lot of add-ons to that. There are a number of councils – I think there are now up to 12 rural councils – that have gone this way. It is quite a cost-effective solution, and we are all collaborating together to be able to get efficiency gains from this.

**Monica REVELL:** Just in relation to the joint procurement, to have the economy of scale we really need to partner with our neighbouring councils on areas that come at significant cost to council, like our sealing program. We have just recently undertaken a joint collaboration on procurement. We also are partners with Horsham and a number of other councils in relation to the municipal building surveying services as well so that we get the economy of scale and can make sure that we are receiving the best value for money.

**The CHAIR:** Thanks very much. Mr Davis.

**David DAVIS:** I have a couple of questions. The first is – and I have been asking each council on some specific areas – I am interested in a time series of the spending by state government and by your local councils on maternal and child health in particular, libraries but also some other areas. Local roads – I see some of the figures that Hindmarsh has got there on roads. It would be helpful to have those sorts of figures over a period since the start of the new rate-capping regime. That would give us some very strong evidence about the impact on your position and the greater share that I think a lot of councils are carrying. That is a question on notice.

The second one is on the country roads and bridges program, and I note Hindmarsh refers to that in its submission. Did that assist? Did it give you predictability? Did it give you the flexibility that you needed to actually make sure that your roads and indeed bridges were in a much better position?

**Monica REVELL:** Hindmarsh is fortunately in the situation where we do not deliver maternal and child health services. It is delivered through our local health service. It works really well, because they do have the ability to have professional training within the health service, so I cannot speak on maternal and child health services. I can speak on libraries. There is an expectation from our community that each of our towns has a library service. We receive about \$123,000 a year from the state government for library services. It has not significantly increased for a number of years now, but our costs have certainly significantly increased. The cost of running a library service for Hindmarsh is up over the \$220,000 per year mark. Our Jeparit and Rainbow libraries are staffed 1½ days per week, our Nhill Library is staffed four afternoons and one morning and our Dimboola library is staffed four days a week. We are unable to provide library services five days a week, but we do the best we can with the funding that we have available.

I think it is important to note that rates increases for Hindmarsh are small. For this year our rates increase is only about \$180,000, based on 2.75 per cent. It is not a lot of money when we look at what is happening with our WorkCover premium and our insurances, and we have got the extra 0.5 per cent on superannuation, which is now a requirement for council. And our costs are certainly significantly increasing for the delivery of our basic services, like maintaining our roads; it is about \$10,000 more per kilometre than it was pre COVID. The

costs are certainly significantly increasing. The country roads and bridges was a fantastic program. The million dollars a year made a significant difference to our ability to maintain our roads and to maintain our bridges.

**David DAVIS:** Thank you.

**The CHAIR:** Thanks, Mr Davis. I have a question for both councils. You touched on your delivery of animal management services. Could you explain, particularly as regional councils, the challenges that come with that? I hear stories of rangers having to travel long distances to reunite pets, for example. And also, what could be done to better support regional councils in the delivery of those services?

**Tammy SMITH:** I am happy to start off with answering that question. Across Yarriambiack – as we noted, it is a really large shire – we have had to actually engage an additional local laws officer to assist. What we are starting to see is our rural communities are starting to change in the sense that after COVID we have had new people move to the shire, and I would say the social fabric of some of the communities has changed. We are seeing activities occurring that would have not have previously occurred pre COVID. This is one of the reasons why we have recently revisited our local law. We have had to revise and redo our local law because what we have seen is dogs off leads, dangerous dog attacks. We are seeing more people being abusive towards our local laws officer, even to the point that we are engaging another officer and having them go two-up to some areas. The community has changed, and it is something that was not really an issue three or four years ago that is becoming quite a significant issue for us now. We have had to redo our local law based on community feedback – because it was the community driving us to review it – and try and put some more robust procedures in there around how we deal with some of these matters. But yes, it is becoming a burden for us, and we are having to spend more money in this space to address a lot of these issues.

**The CHAIR:** Thank you.

**Monica REVELL:** For Hindmarsh we have tried to recruit a second local laws officer with no success. We are heavily reliant on one local laws officer. From one end of the shire to the other end of the shire it is about 100 kilometres, so to have to attend a dog attack generally it could take up to an hour for our local laws officer to get out to be able to attend that attack. Like Yarriambiack, we have been seeing a significant number of dog attacks recently that take a considerable amount of time. But then we have also got all of the legislative requirements that our local laws officer is responsible for as well in relation to fire prevention, marking animals – so they are not just concentrating on one area, they have to concentrate on multiple areas.

**The CHAIR:** Thank you very much. I will go to Dr Mansfield.

**Sarah MANSFIELD:** Thank you. And thank you for appearing today. We have heard from a number of other councils today about, particularly for rural councils, the heavy reliance on grant funding and the increasing costs associated with applying for those grants for smaller councils with respect to both time but also money, because a lot of the grants require significant preparatory work such as master planning, getting consultants and quotes for different things. Is that something your councils have experienced?

**Tammy SMITH:** I might start off, if that is okay. Yes, and definitely. I am the treasurer of Rural Councils Victoria, and this is something that we have raised. We did raise it with I think it was Minister Dimopoulos' team as well, just in regard to the onerous reporting that is required. One, you get the grant, but then the reporting requirements come with that. We would really love to be able to see some of those onerous reporting requirements eased. I do not understand – we are a tier of government and we should be trusted in the sense that if we are allocated funds, then why couldn't we possibly just do an acquittal at the end of the project, or at the financial year be audited, similar to how we do Roads to Recovery? With the time and effort that it takes, we actually have to pay consultants nine times out of 10 to be able to apply for some of the grant funding. It is a cost burden on council and it is onerous. So if we could, it would be wonderful to be able to see an allocation given to council for some of these activities to be able to enhance some of our assets, especially when we are so heavily reliant on grant funding.

**Monica REVELL:** Just to add to that, we are accountable to our community, so if we are doing the wrong thing, our community is absolutely going to let us know that they are not happy with what we are doing. But we are in the same situation. Generally it costs a fair bit of money to put that grant application together, but we do not have the ability to show that it is going to increase our vehicle count or significantly increase the uptake of usage, because we do have small communities. When we are competing against a Ballarat or a Geelong, or

even a Horsham, we cannot show the significant increase in usage, but our communities deserve the same access to the same facilities that they would get if they were living in another council as well.

**The CHAIR:** Thanks. Dr Mansfield. Mrs McArthur.

**Bev McARTHUR:** Thank you, Chair. And thank you, ladies, for participating today. Over 11 years ago this Labor government started secret negotiations with various Indigenous groups, and over a year ago they rolled out the Barengi Gadjin Land Council Recognition and Settlement Agreement. Hindmarsh and Yarriambiack are two of the 10 councils affected, and you will have to negotiate with the Barengi Gadjin Land Council over waterways, road names, road building and give preference to employment. But in these negotiations, the ratepayers will of course have to pick up the cost – you do not know what that will be. Have you done any estimates of how this extra cost is going to affect your ratepayers, as you are forced to roll out negotiations with the Barengi Gadjin Land Council in this recognition and settlement agreement, which you had absolutely no say in when the negotiations were being conducted by government?

**Tammy SMITH:** Happy if I start, Monica? I will answer that one. So we have just developed our local government engagement strategy as part of the reconciliation settlement agreement with Barengi Gadjin Land Council. We have bimonthly meetings with them, and we have gone through and developed that. What we found was a lot of the things that were required in the engagement strategy were already things built into other legislative requirements that we were able to then feed through into the strategy. We have just been notified by BGLC that they have been funded for a local government engagement officer to actually work with us, so at this point in time –

**Bev McARTHUR:** They are getting \$60 million to help them with negotiations. How much are you getting?

**Tammy SMITH:** No, so they have been directly funded and that person will work with us. At this point in time, we have not been asked to contribute any funds.

**Bev McARTHUR:** But do you have people having to engage with this? How much is that costing your staff to be involved in this?

**David DAVIS:** It is not cost-free.

**Bev McARTHUR:** Your staff are obviously engaged in it, so that is perhaps time that could have been spent doing something else.

**Tammy SMITH:** I suppose from a Yarriambiack perspective, I pulled it together, so I did it and worked with BGLC on the engagement strategy. At this point in time, we have not incurred any direct costs from this. But Monica may wish to add something further.

**Monica REVELL:** I think it is important that we do acknowledge our traditional owners and that we respect the lands that we are working on. We have seen that Hindmarsh has the Wimmera River going through Dimboola and Jeparit. Projects that are working within that corridor – we are now seeing that we do need CHMPs and that we need to have meetings with BGLC. Yes, it comes at a cost, but also when we develop a CHMP it is an enabling document for the future as well that then guides what we can do within that space going forward. The Wimmera River discovery trail that Hindmarsh is in the process of finalising has actually identified quite a number of significant sites that had not previously been identified, and so we will actually be able to educate people now. As they are walking along the trail they will be able to understand some of the significance of the area along that 65 kilometre corridor of the Wimmera River. So yes, we are incurring some costs, but I think being able to acknowledge the history and acknowledge the scar trees or any of the sites of significance that have been found is actually a good thing.

**Bev McARTHUR:** I am glad you have mentioned scar trees.

**The CHAIR:** Mrs McArthur, final question.

**Bev McARTHUR:** I know that in this council, for instance, the cost to save a dead scar tree was \$30,000 so a bridge could be built down the road not far from here. That was a significant cost in a bridge-building



exercise, but you will also have to give preference to employing Barengi Gadjin Land Council members. How do you imagine that will play out?

**Monica REVELL:** I spoke to Charee, and I think it will not really affect us as much as is being communicated out there in the media. Within our footprint just at Wail just outside of our shire Barengi Gadjin have a nursery, and so I would be looking to utilise their services through that nursery – the same as we would do with any other procurement – and seeking quotes.

**The CHAIR:** Thanks, Mrs McArthur.

**Bev McARTHUR:** That is all I have got time for?

**The CHAIR:** Yes. Mr Mulholland.

**Evan MULHOLLAND:** Thank you to both of you for presenting to us. Just a quick one I wanted to ask that we asked some other councils – and it was revealed today and we have heard from some even inner city councils that have similar issues. The central immunisation register run by the Department of Health – supposedly the Department of Health have sent out a notice that councils must co-fund that. Have you received any correspondence from the Department of Health regarding that? I am happy for you both to take that on notice if you do not have that information.

**Tammy SMITH:** I will have to take that on notice. Thank you.

**Monica REVELL:** Hindmarsh does not deliver immunisation services, so it is likely that that letter has been provided to the health service that delivers the immunisation and MCH for Hindmarsh.

**Evan MULHOLLAND:** No worries. You both spoke about clarification on the essential services which local governments are required to deliver. Should there be more precise definitions of what local government should deliver? Also, what do you think are the essential services that your local government should be involved in?

**Tammy SMITH:** I am happy to start. I believe that there definitely should be a clear definition, because I think this is where it makes it really hard. The community, especially in rural communities, believes councils should deliver everything. Especially if there is some kind of market failure, they expect council to jump in and address those service gaps. When it comes to defining I think it needs to be very, very clear that if there is an activity that sits and aligns with health or community health, it really should sit with the health service, and I believe that is why the rural health services are quite an important sector and operation, because rural health services are not just acute-care services. They are also community health services, and they do provide wraparound services to our communities. So I do feel that is where maternal child health immunisation should be, and I believe the way the model works in Hindmarsh shire is a really great example of how West Wimmera Health Service delivers the maternal child health immunisation and council sticks to core business – definitely those types of activities. Kindergartens really should sit with cluster management managed by the Department of Education. Child care has no place in local government, and that should either sit in private enterprise or not-for-profit entities specifically established in rural areas specifically to address child care. The reason why I am saying this is in rural communities with child care the issue is that ratepayers, who are already burdened with generally higher rates and higher charges, then have to foot the bill to prop up child care as well. It also means there are reduced services, so there needs to be something done to address the inequity there.

Library services I believe do sit with councils, but I do believe that they need to be funded better, because I do believe they create a cohesive hub and place of connection and I am not sure that anybody else would be better placed to do that other than local government. Definitely community and economic development sits with local government as well, because they have got that first face with the people, and obviously then roads, rates and rubbish sit with local government as well.

**Evan MULHOLLAND:** No worries. If I can have another question, what is the cost – and this can go to both of you – of your councils collecting the government's fire services levy from ratepayers, and do you believe the Victorian government should be responsible for collecting its own fees instead of relying on the council for its administrative task?

**Tammy SMITH:** Yes. I am happy to address that, and I will hand over to Monica. I believe it should sit with the State Revenue Office. The reason why I say that is we raise the rates and charges and then we have the debt sitting there not collected, and that contributes to our rates arrears. This is a significant issue for us. We also identified the other day what we were not aware of – this is a really good example. We have just had two EV charging stations established – one in Warracknabeal and one in Hopetoun – and we have just realised that we are actually meant to be paying the fire services levy on those commercial activities back to the government. It was something that we had overlooked. We have signed an agreement with the company, but the burden comes back on us to have to pay that. There are some of these little anomalies that are happening, so we are going to have to be quite mindful when we sign up to some of these types of activities going forward.

**Evan MULHOLLAND:** Thank you.

**The CHAIR:** Thanks, Mr Mulholland. Mr Welch.

**Richard WELCH:** Thank you, Chair, and thank you for your presentations today. A lot of my questions have been covered already, but I will just touch on one. In terms of road maintenance, I do not know to what degree tourism is an income for your councils, but do the conditions of the road have any material effect on your ability to attract and capture value from tourism?

**Monica REVELL:** Tourism has a small benefit to our communities. In Hindmarsh we manage three of the four caravan parks. I am not sure whether they would be commercially viable for a private operator, so this is why they are delivered through council – because of the economic benefit they bring into our community. So there is a cost there as well for our community to have those caravan parks.

But on a lot of our roads it is important that people drive to the conditions. Quite often we see people coming into our area from the city who do not understand the conditions and are not used to narrow roads and are not used to a dry-weather-only road, and so we hear constantly that our farmers are having to pull people out. So there is a cost to council, because as they go down that dry-weather-only road and they become bogged and then the tractor comes down to pull them out, they are certainly ripping up roads, and that is a cost that comes back onto council.

**Tammy SMITH:** I would agree with Monica as well. What we see is we have a lot of caravans coming throughout our shire and they just do not understand around giving way to some of the trucks and agricultural machinery. Then obviously our roads are not in great condition. We cannot be everywhere, and we do not have the funding to be able to maintain them to the standard required. Therefore what happens is the caravans do not want to get off because of the drop-offs, but neither should the trucks have to. This is where it poses a significant risk to the community and to travellers on the road.

**Richard WELCH:** Do you think that is an inhibitor to getting more tourist traffic through your shires? Or is it just a fact of life that they do not make good road mates?

**Tammy SMITH:** Yes, I think they do not necessarily make good road mates, with the current width of the roads. It would be interesting to look at something like WikiCamps and see if some of those comments are out there circulating, and if there are reports of poor roads, whether that is a deterrent for people travelling to our regions.

**Richard WELCH:** Thank you, Chair.

**The CHAIR:** Thanks, Mr Welch. Ms Broad.

**Gaelle BROAD:** Thank you very much for putting in these submissions and appearing today before the committee. I am just interested: your submissions mention – the one from Yarriambiack was to about 15 halls, eight pools, 26 playgrounds. There is a lot of infrastructure, essential infrastructure, that you are trying to provide, and roads. I know earlier you touched on that. But do you know what the current funding shortfall is for maintenance in your shires at the moment?

**Tammy SMITH:** I would have to take that on notice, Gaelle, if that is okay, because we would be able to provide you with the exact figures.

**Gaelle BROAD:** Thank you. Monica, did you want to talk to that?

**Monica REVELL:** Yes, I will also have to take that on notice.

**Gaelle BROAD:** That is great. You also talked about workforce shortages. Can you talk a bit more about that. Is it the affordability of staff, or how can you be better supported in getting the expertise needed to handle some of the demands that you have got?

**Tammy SMITH:** I might start if that is okay, Monica, because I might just talk about early years – so kindergarten and childcare staff. The pre-prep rollout has actually placed a higher demand, because with the increase in hours, we are looking to increase staffing numbers. There is already a significant skills shortage in early childhood teachers, so this is going to place an additional burden on us. We also had the issue, whilst we do not run the childcare centre in Hopetoun, where the childcare centre has closed due to lack of staff.

There does need to be some type of incentive to get people to come and live in rural communities, because in an environment where there is such a significant skills shortage we are competing against metropolitan areas and large regional centres. What is the carrot to get people to move out to our communities? There does need to be some enticement. There also needs to be an investment in housing for workers. We know not just from our local government perspective – because we have got an operations coordinator currently that is trying to find an alternative rental with no success – but we also know more broadly, there is no housing. Those are some of the challenges – that when people are looking to even move, there is nothing available. I will hand over to Monica.

**Monica REVELL:** Yes, we are currently advertising our manager, planning and environment role for the fourth time, trying to fill that position. We cannot pay what those larger councils can pay, so we really struggle to attract staff into some of the key roles. We do have to build up the stuff we have got. We actually utilise a cluster for our kindergartens and our early years services because we would be unable to staff them otherwise.

**Gaelle BROAD:** This is a very different topic, but I am interested in sports. I know AFL and Netball Victoria have very strict standards for grounds and change room maintenance, but my understanding is the Victorian government does not provide funding for these requirements. Is that really going to put future sports at risk?

**Monica REVELL:** Yes. As I said earlier, the state government is providing about \$250,000 through the country football and netball program for a change room. An AFL change room that is compliant is around a million dollars in our community because we have limited commercial builders that are available within our shire, and a female-friendly change room is now getting close to \$700,000 to deliver. We cannot fund that shortfall, that difference in funding.

**Tammy SMITH:** I might just add to that. Just as an example, the Murtoa netball and tennis courts need to be redone because they are cracked and damaged. We needed a co-contribution of I think it was around \$250,000, and the community has come up with \$130,000 to contribute. What we find is a lot of our assets are aged across all of our communities, but they are also state government assets as well. This is where it is really difficult for rural councils, because we tend to put council's money into assets that we own where our legal liability sits, and so some of these community groups miss out or they are having to raise funds from their own communities to try and come up with co-contributions to go for some of these grants. It is a testament to the work the Murtoa community has done. But Hopetoun has done something similar; whilst we own the asset, they raise funds. Brim also had to raise \$150,000 to be able to get their netball and tennis courts redone as well. These are some of the challenges that our rural communities are facing.

**Gaelle BROAD:** I am interested in what you talked about with the grants, because often grants can be shared between a third, a third, a third – you know, state, federal and local council. So, Monica, do you have examples perhaps of grants where you have missed out or have not been able to apply because you could not afford to put in for them?

**Monica REVELL:** Yes. Quite often. We are about to upgrade the change rooms at Davis Park. Fortunately we were able to line up the country football and netball, the LRCI funding, from the federal government. Council is putting in a significant amount of money, and the sporting club is also contributing to that project because it is a key project required at that facility. But going forward I am not sure how we will be able to line things up now that the federal government has removed the LRCI funding. It is going to be harder and harder for us to work on lining up a number of different grants to be able to deliver those facilities. When you are looking at a two-for-one and you need to spend a million dollars, we cannot contribute our contribution.

**The CHAIR:** Thanks, Mrs Broad. That is all we have time for today, but members might send through some questions on notice after your evidence today. Thank very much for appearing and also your submissions. That concludes the public hearing.

**Witnesses withdrew.**