

27 June 2024



Economy and Infrastructure Committee
Local Government funding and services in Victoria
Parliament House, Spring St
EAST MELBOURNE VIC 3002

INQUIRY INTO LOCAL GOVERNMENT FUNDING AND SERVICES

Swan Hill Rural City Council (SHRCC) wishes to provide submission to this Inquiry into Local Government funding and services. SHRCC will also address the changing infrastructure requirements and service delivery obligations. We respectfully provide our views on the terms of reference.

Snapshot of the Swan Hill Municipality

Swan Hill Rural City Council (Council) covers 6,116 square kilometres and is home to 21,403* people. It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Beverford, Woorinen South, Ultima, Manangatang and Boundary Bend.

The Swan Hill municipality has experienced significant growth over the past decade, led by the expansion of horticultural and agricultural practices and supported by an innovative manufacturing sector.

This success is depicted by the fact that irrigated areas have been increasing with a higher proportion of mature, high value crops such as almonds and table grapes. The region is one of Australia's largest producers of almond and table grape plantings, vegetables including potatoes and carrots, stone fruit, olives, avocados and field crops.

The region also boasts an impressive 69% of its municipality dedicated to cropping and associated dryland infrastructure, including wheat, barley, lentils, cereal/hay, pulses (including chickpeas and lupins), grazing, oats, and canola. More than 20% of all jobs in the city are directly related to agriculture.

The SunRISE report for Swan Hill in 2021 stated irrigated crops had a value of production of \$1.22 billion, and an additional \$268.4 million for dryland cropping.

Located along the Murray River, tourism plays an important role in our region's economy. Our climate and natural beauty attracted approximately 768,000 visitors this year as reported in the Murray Regional Tourism (MRT) Snapshot report, March 2023. Visitation was up by 39% and tourists spent 960,000 nights in the region – up by 14%. Overnight visitors spent \$174 million on travel to the region, an increase of 89.5%. With domestic visitors spend totalling \$253 million on travel to the region - up by 91.7%.

*2021 Australian Bureau of Statistics (ABS) data estimates the Swan Hill Rural Council residential population to be 21,403, however, due to ongoing concern that the ABS consistently underestimates the population of Robinvale, Council commissioned Geografia to undertake a population determination study. The ABS census figure of 2021 shows the Robinvale population as 3,740 people. The work of Geografia has reliably demonstrated that the true Robinvale population sits at approximately 7,900 people; making the total residential population **25,367**.

The Geografia document has provided Swan Hill Rural City Council with a true indication of population for Robinvale and can be viewed at the following link.

Source: <https://www.swanhill.vic.gov.au/Our-Council/Plans-policies-strategies-and-corporate-documents/Robinvale-housing-and-population>.

This population data may be extrapolated across the whole of the municipality, particularly Swan Hill, to create a more accurate total population for the Council.

This information illustrates another impact to Local Government funding and services, as Council is expected to support a greater population than reported by the ABS, across all areas of our municipality.

This means that many in our communities do not receive as much needed State and Federal Government support, particularly those who are culturally and linguistically diverse (CALD) and those living with challenging accessibility to social and economic resources, such as housing and income (SEIFA). These metrics are measured by the ABS based on the National Census.

Council is confident that these measures are underestimated by the ABS Census.

Our Council's communities are;

- culturally diverse with many nationalities calling Swan Hill Rural City Council home, with a greater percentage of residents from Malaysia (3.7%) and Vietnam (1.6%) in comparison to both the state and national benchmarks; and
- the ABS SEIFA Index, which rates most of our municipality with the second lowest quintile, or **2**, of disadvantage. SEIFA is scaled from 1 to 5 (5 being the most advantaged).

These community members are unlikely to understand and contribute to the National Census. They are often fearful and suspicious of authorities, unable to understand the purpose of a Census and do not have the support to complete the Census. Our community sees some 16 to 25% speak a language other than, or as well as, English. This creates an ongoing cycle of not being counted, not being supported and not completing the Census.

Councils and volunteers can be left to support these community members which is unfunded, unsustainable and unfair.

Sources:

Diversity: <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA26610>

Language Proficiency: <https://www.abs.gov.au/census/find-census-data/community-profiles/2021/LGA26610>

SEIFA Source: <https://www.abs.gov.au/statistics/people/people-and-communities/socio-economic-indexes-areas-seifa-australia/latest-release>

Our municipality: fast facts

Our population: 21,403 (ABS data), 25,367 (Geografia)

Our area: 6,116km²

The length of our local roads (sealed and unsealed): 3,665km

Our rateable properties: 12,230

Annual economic output: \$3.293 billion

Swan Hill Rural City Council's Responses to Terms of Reference

1. The effects of cost-shifting from state and federal governments to local councils.

Cost shifting has been a major financial issue for many years and poses a risk to our Council's financial sustainability and our ability to deliver services. Cost-shifting occurs where local government provides a service to the community on behalf of the State and Federal Government and over time the funds received by local government do not increase in line with real costs.

Cost shifting happens when other levels of government:

- Reduce, in real terms, payments to local government but maintain a requirement for the same level of service delivery, or
- Require councils to perform new functions without supplying adequate resources.

Council 'top-up' funding for services that it provides on behalf of the State and Federal Government to the local community such as school crossing supervision, aged care services and library services.

Legislative and policy changes imposed by the State Government have had a significant financial impact on Swan Hill Rural City Council, relating to;

- early years reform
- pool fence compliance
- psychological safety legislation
- fire resistant cladding
- gender equality legislation
- child safe legislation
- revised childcare regulations
- accreditation requirements for Family Day Care
- new immunisation programs
- fire services levy collection; and
- waste reforms.

In all these services, the level of payment Council receives (or the absence of payment) from government does not reflect the real cost of providing the service to the community – leaving a financial burden that is borne by ratepayers.

Local government's capacity to respond to cost shifting is limited and all options available have potential detrimental consequences for the local community.

Options available may include:

- Reducing investment in other services to provide cost-shifted services within the same overall budget envelope.
- Increasing the operating budget to fund cost-shifted services 'on top' of the current overall budget envelope, and therefore reducing the overall operating surplus which would normally be allocated to fund capital works to develop and enhance community assets.
- Increasing the operating budget and seek an exemption to the rate cap to increase rates at amount higher than the rate cap (which may ultimately not be supported by the State Government).
- Exit the service
- Advocating for additional State and Federal Government funding to help offset the expense of cost shifted services.

Cost shifting is not new and despite the discussion about the impacts, it still exists and is biting Local Government hard.

Financial Assistance Grants: These grants have decreased from 1% of Commonwealth taxation revenue to now be only 0.5% of Commonwealth taxation revenue. Funding for Council to provide services has been placed onto the ratepayer and not the Federal Government. This forces Council to divert funds from important infrastructure renewals and upgrades to cover operational expenses. This diversion of funds creates a build-up of asset renewal gaps or puts pressure on future budgets to cover significant capital upgrades and asset renewals.

Libraries: State funding for libraries the last 5 years has increased 7.6%. CPI in that time has increased by 18%. The Victorian Government has just slashed funding for library infrastructure by more than half. Important projects that sought to extend upgrade, or build new libraries are now ineligible. Victorian Government funding for public libraries has been failing in real terms for years, it is not keeping pace with inflation nor the demand for library services, especially as the population grows. It is extremely difficult, almost impossible for Councils to exit these services as the community has grown accustomed to them and therefore the Council has no choice but to continue to fund greater proportion of the service.

School Crossing Supervisors: Cost to Council has increased significantly due to the changes in employee laws for casual staff. Having to pay a minimum number of hours has seen the costs increase with no allowance for this received in funding. Cost for Council to resource the school crossings in the municipality have increased 267% in the past five years. In 2019/20 the school crossing wages were almost fully funded by State funding. For the 2023/24 year the cost to Council will be \$107,000, without taking into account the management component of the staff. The cost should be at least shared 50/50 with the State, noting that Councils in other states are not required to provide this service.

Emergency Management: Over the past 5 years Council has incurred \$613,000 in net cost to ratepayers for various emergency management items and response. This involves maintenance of fire hydrants, having staff and plant available for high fire danger days, net cost to Council of natural disaster events such as floods and fires, support to surrounding Councils and emergency service groups, materials for SES and fire hazard monitoring.

Disaster Recovery: In recent years, Swan Hill Rural City Council has faced formidable challenges due to severe weather and flooding events, resulting in substantial damage to vital community infrastructure. While existing support mechanisms assist in repairing essential public assets, there remains a gap in addressing the restoration of damaged local community infrastructure. To effectively navigate these challenges and foster resilience, it is imperative to enhance disaster recovery funding measures, allowing for the reconstruction of infrastructure under the principle of "building back better". This approach should emphasise not only the restoration of damaged infrastructure but also its enhancement to withstand future hazards and contribute to long-term community resilience.

Power Line Clearance: Council performs a number of power line clearing tasks to remove trees from nearby lines. This work is done to protect assets that don't belong to Council. A task passed on to Council from State bodies at the cost of local government.

Statutory planning, building services and environmental health services: Statutory fees set by legislation are not true cost recovery value. Ongoing changes to state legislation require increased compliance and monitoring. All costs are to be borne by Council with no assistance from the State.

Municipal Building Surveyors (MBS): privatisation of industry and obstacles to recruiting qualified Building Surveyors along with the work of Council MBS involving significant compliance activities is making service delivery difficult or impossible to deliver. This is a legislative requirement, which needs to be reviewed to support Councils and ensure community safety. A Regulatory Impact Statement for fees review is currently underway and some of the lodgement fees for private building surveyors need to be substantially increased as Council should not be bearing the costs of administration of this service.

Waste services: impending introduction of the four bin waste system is mandated by the state. Full costs to implement this change will be passed onto Councils and ratepayers.

Additionally, in the next few years costs from the Circular Economy Act will increase compliance costs. Waste reforms and increased waste services being required by Councils under regulations adds significant additional constraints on current revenue and future compliance and rehabilitation.

EPA Waste Services Levy: The Council must pay the EPA Waste Services Levy to the Victorian State Government but realistically has received very little funding in return. Cost escalation with management of landfills and transfer stations has occurred because of the new Environment Protection Act 2017.

This levy will cost ratepayers approximately \$1.2 million in 2023/24, which is a state government charge, put through Council increased with the recent 2024/25 Victorian Budget. This level impacts on Council ratepayers who don't discern between tiers of government when paying the Council raised invoices.

Fire Service Property Levy: This is not a Council charge, but is collected by Council on behalf of the State Government. Costs for this levy have increased 12.5% to \$2.8 million over the last 5 years. This is higher than the 11.25% allowed under rate capping. This levy will also increase significantly as announced within the 2024/25 Victorian Budget.

This impacts on Council ratepayers who don't discern between tiers of government when paying the Council raised invoices and is not a transparent method to tax the voter by the State Government.

Insurance increases: increases in insurance, particularly workcover have been in excess of the rate cap. Increasing natural disaster events resulting in ever increasing premiums.

Utilities: a review of our electricity prices has seen a 6.9% increase in the usage rate for Financial Year 2023/24. Fuel cost has also increased significantly. Significant costs such as this are well above the CPI rate factored into the ESC rate cap considerations.

Municipal election costs: Council to provide \$235,000 to the VEC for conduct of the 2024 elections. This is a \$77,000 increase in costs (nearly 50%) from the previous election 4 years ago.

Materials and contracts: According to a survey conducted by the Municipal Association of Victoria (MAV) in September 2022, survey conducted by the Municipal Association of Victoria (MAV) on infrastructure delivery challenges on infrastructure delivery challenges, over 80% of Victorian Councils reported a decline in the responsiveness of industry tenders compared to the preceding 12 months (2021/22). This impact is particularly pronounced in the construction sector, where 42% of Councils indicated they are encountering a minimum cost escalation of 25% for construction projects ranging from \$5m to \$15m.

This can mean delays or reductions in scope of infrastructure programs, as well as needing to cut other services to fund the increased costs. Key findings included;

- The cost of delivering infrastructure, particularly construction costs has increased rapidly over 2021-22, while rate-capping increases were significantly less
- Services, materials, and skill shortages are leading challenges
- Infrastructure pipelines in Victoria and Australia are exceeding the capacity of industry to deliver local government's asset to revenue ratio is substantially different to other levels of government.
- Councils have large assets to manage, yet significant constraints on revenue (including imposed limits on own-sourced revenue such as the rate-cap and statutory fees), does not allow this to occur as scheduled.

- Flexibility around how grant funding can be used and increases to untied grants are seen by councils as the most promising response to these challenges

Maternal and Child Health (MCH): Council forecast to spend \$655,000 on this service in 2023/24. The initial MCH funding had been equal 50/50 partnership with the State, but this has not been the case for some time. As a public health service this should be funded and managed by the State.

Youth funding: The State Government responses to its own Youth Strategy 2022-2027 is also under threat with the removal of highly successful programs such as Empower Youth from the 2024-25 State Budget. Empower has changed the lives of hundreds of young people in rural and remote areas, and the ceasing of this funding will almost immediately reduce services that assist young people to gain employment and re-engage with education.

Cultural funding: Art gallery funding has remained the same for the last 5 years, so too has funding for performing arts. Council can no longer provide the same levels of service and attract quality exhibitions and performances that inspire the community with these amounts of funding remaining the same.

2. Whether local councils are adequately delivering their core service delivery objectives.

Community satisfaction survey overall results for all Councils is 54%, and for large rural Councils is 50%, this indicates that ratepayers have low satisfaction of the delivery of core services. Roads continue to get a poor score. If this is the case the funding for renewal works used for other operational purposes is having an effect on the condition of our roads. Our renewal gap ratio for all fixed assets as reported in our annual report has decreased 12% over the last 4 years.

It is a fact that the State Governments is under increasing budgetary pressures and this is being passed onto Local Government through the diminishing grants programs and funding.

The requirements to complete funding applications are becoming onerous, there are lengthy delays in obtaining outcomes which impacts on costings and leads to budget increases. This coupled with increased costs across the board drains Councils finances and resources.

Regional and Rural Councils also have the added complexity of being considered remote from capital cities, often within safe political seats and therefore afforded minimal attention by the Government of the day.

3. The overall revenue structure of local government.

Rates and charges constitute the primary revenue stream for Swan Hill Rural City Council, contributing 50% (with rates alone representing 44%) of the total revenue. However, Council faces increasing reliance on government grants and structural

challenges that contribute to its financial sustainability. To address these challenges, Council is budgeting for a rate rise in line with the rate cap.

The emergence of large-scale projects for renewable energy, wind farms, and potential mineral sands mining in the region presents promising economic opportunities, including employment growth and increased population. Nonetheless, these projects also pose challenges, particularly concerning infrastructure capacity. Local roads may require upgrades to accommodate increased traffic and heavy vehicles, potentially surpassing the council's financial capacity.

According to a recent report by the Grattan Institute (November 2023), the Federal Government has a role to play in assisting Councils with asset management and road infrastructure. The report suggests establishing a national road hierarchy, minimum service standards, and basic data specifications for Local Councils to adhere to. State Governments are encouraged to provide templates to assist those under-resourced councils in creating and maintaining best-practice asset management and long-term financial plans consistently.

Better road management practices would alleviate the bureaucratic burden faced by Councils, enabling them to more efficiently utilise funding and resources. Current funding structures, including Roads to Recovery grants, often entail obligations that divert resources from essential road maintenance and repair. The Grattan Institute's report proposes a model for ongoing and proportional roads funding through councils, reflecting the extent of their road networks.

Highlighting the disproportionate costs incurred by ratepayers due to high rates, partially attributed to fulfilling road infrastructure requirements, underscores the importance of addressing these funding and management challenges. The Grattan report offers valuable insights and recommendations for improving local roads funding and management practices.

Source: <https://grattan.edu.au/report/potholes-and-pitfalls-how-to-fix-local-roads/>

There will also be additional demand on services that Council provides. Some examples are childcare, recreation services, waste removal, and protection of the environment. Council will be called upon to find solutions to work force issues and the need for additional homes.

These large-scale projects will attract substantial payments to both the State and Federal Governments through the payment of royalties. Serious consideration should be given to the determination of an agreed percentage of any payments to the State and Federal Governments that go to the Council where these projects are being generated from. These payments should be made on annual basis for the life of the project.

It is considered only fair that the Council, who must accept both the associated opportunities and challenges, should receive a level of income to provide these services for other levels of government. These funds can then be used to undertake upgrades of roads, community facilities or construct new infrastructure to address service needs introduced by a growing population.

The introduction of fully funded community benefit program developed out of these projects of State and National significance would also assist in relieving pressure on the Council's budgets.

The entire local government funding model needs to be looked at, not just the council rates. There is a need to examine what impacts the council's ability to manage core services like rubbish collection, road maintenance, footpaths, and libraries.

4. Whether the existing revenue structure is it sustainable and appropriate or if alternative models of funding would be more sustainability and appropriate.

In 2015, the Victorian Government introduced Fair Go Rates System, (FGRS), which enables the minister to establish a yearly rate cap that limits Councils' ability to increase their rates and municipal charges each year. The current rate capping environment needs to be amended to factor in cost factors relevant to Local Government and not CPI.

This could be via the introduction of a Local Government cost index with items such as wages, construction costs, utilities, insurances, legislation changes and so on, all factored into the cap calculation. The rate cap is a major contributor to Council's falling behind financially. With utility charges at the level they are now also make it extremely difficult for Councils to keep pace.

To increase rates beyond the cap, Councils must currently apply to the Essential Services Commission (ESC).

Under section 185E of the Act, Councils applying for a higher cap must demonstrate a range of factors, including:

- How the views of ratepayers and the community have been considered in proposing the higher cap
- How the higher cap is an efficient use of Council resources and represents value for money
- Whether the Council has considered reprioritising proposed expenditure and alternative funding options and why those options are not adequate.

In the first three years of FGRS, few Councils applied for adjustments to their rate cap. In 2016–17, nine Councils applied for a variation and six succeeded. In 2017–18, five Councils applied to ESC and four were approved. In 2018–19, only the City of Monash applied and was granted a variation to the rate cap, although at a lower level than requested.

ESC has advised that Councils seeking a higher rate cap must establish a long-term funding need. The Council needs to demonstrate this through a rigorous approach to long-term financial planning, which can include:

- Service reviews (service planning and service prioritisation) leading to affordable services and service levels, informed by community engagement

- Asset management planning that identifies cost-effective outlays and is based on properly considered and documented risk management practices
- Rigorous and well-documented financial strategies and practices.

The cost to apply to the ESC for a rate increase beyond cap and meet the requirements of Section 185E of the 1989 Act is prohibitive for smaller Councils.

How the ESC application process sits within the legislative framework:

What should be demonstrated	Long-term funding need consistent with long-term interests of the ratepayers and community for sustainable outcomes in services and infrastructure.										
Key questions	1. What is the underlying financial position?			2. What has been done to manage the underlying position?			3. How were community views taken into account?		4. Do plans, policies, processes show a long-term funding need?		5. In the long-term interests of ratepayers and community?
Legislative basis	Purpose and Objective Financial capacity of the council s. 185A(b)	Legislative matter Quantum of increase and reasons specified s. 185E(3)(a)-(b)			Legislative matter Efficiency, value for money s. 185E(3)(d)	Legislative matter Alternative funding and offsets s. 185E(3)(e)	Legislative matter Engagement s. 185E(3)(c)		Legislative matter Long-term planning s. 185E(3)(f) ss. (c)-(e) s. 185A(a)		Purpose and Objective Long-term interests of ratepayers s. 185A(a)
How it can be demonstrated	LGPRF Financial indicators (historical and projected) particularly the Adjusted Underlying Result	LGPRF Financial indicators (historical and projected) and VAGO historical performance	Budget Baseline Information	Relevant asset management plans if applying for renewal, upgrade or expansion	Relevant service level data if applying to increase services or improve service levels	Records of efforts to: reduce costs, align services with community's views, dispose of unwanted assets, ensure effective procurement and tendering	Records to show that council has explored other reasonable funding sources and reasons why higher rates are the most appropriate	How the council engaged with community and what information was provided	How the council took account of views and dealt with unmet expectations	Budget Baseline Information, long-term financial plans, council plan, debt policy, revenue & rating plan	Throughout the entire application

Source: <https://www.esc.vic.gov.au/sites/default/files/documents/lq-highercap-guidanceforcouncils2024-25-20231102.pdf>

Under FGRS, a key challenge for Councils is to become more efficient while continuing to deliver services, maintain infrastructure, and renew assets that meet the needs of their communities. This acts as a constraint on how Councils have previously raised revenue.

The rate capping has failed to account for the diversity of Councils and the different services provided. It has only taken into account the average cost increases of Councils, without any regard for each Council's size, economic influence, additional costs of rapid growth, staffing levels, operating budget, asset management and infrastructure needs.

Increased charges being levied against Councils, little or no ability to withdraw services, higher interest rates, increased charges for services, tender prices that are significantly higher, higher infrastructure costs, reduction in State and Federal Government Funding which combined demonstrate the pressure local government is under. Such factors are further compounded by the State rate cap.

5. Any other related matters.

Swan Hill Rural City Council employs 210 full-time equivalent staff and emphasises secure employment, staff development and best practice workforce policies. We traditionally provide opportunities for school base trainees, apprentices, and graduates programs, as well as development opportunities for all staff, including education assistance. Our robust Staff Consultative Committee process places a priority on secure permanent employment.

There has been a major challenge faced by Swan Hill Rural City Council post COVID, in attraction and retention of skilled workers. Challenges in recruiting staff in a range of trades and professional occupations (such as information technology, arborists, architects, building surveyors, environmental planners and engineers), often competing with other levels of government or the private sector (and with more constrained income sources).

Limitations in Local Government revenue, reduce the opportunity for permanent roles, and can push Councils towards temporary employment through contracting. We are developing and implementing a range of strategies geared towards making Swan Hill Rural City Council an employer of choice, as well as increasing diversity in our workforce. Flexible working arrangements such as working from home, job-share and school hour work opportunities contribute to the attraction and retention of talent.

The rate cap has exacerbated the gap in revenue required to support actual employee costs in meeting wage increases that Councils are required to fund and did not reflect all employee costs including future superannuation increases, workers compensation and training and development costs. This has made it difficult for Councils to compete in the market to both recruit and retain qualified and skilled staff. This has also led to increased overtime costs that can result in a higher risk of psychosocial injury from workload.

The Government should provide adequate funding and at least indexed to meet the true cost for grants like Financial Assistance Grants, Roads to Recovery, the Safer Local Roads and Infrastructure Program and the Black Spot Program. They should facilitate more affordable housing, better prepared for natural disasters, and deliver on our national emissions targets, but Council can't do this without funding support. The tax concessions, similar to NGO's, not for profit organisation and charitable organisation should be made available to Councils like ours, (Charity tax concessions are income tax exemption, FBT exemption, FBT rebate and GST charity concessions). These incentives will help in recruitment and retention of staff.

Commonwealth Federal Assistance Grants are distributed to local governments based on a formula that considers population size, socio-economic indicators and relative expenditure needs and relative capacity to raise revenue. This funding is "untied", and Councils can use the grants at their discretion. In 2014 to 2015,

indexation of the grant was frozen. Although the freeze has been removed, the impact of the reduced proportion is still felt on the base level of grants.

As our community continues to evolve, the demands of our residents will naturally evolve as well. Public awareness and understanding of local government varies. Some may argue Councils should simply deliver basic services – often expressed as “roads, rates and rubbish”. In recent times, there has been a noticeable upswing in community expectations, specifically on Council's involvement in promoting social equity and implementing climate reforms. These expectations extend beyond traditional services and infrastructure.

Council is of the view that the importance of food and fibre production and to get stock to market should be factored and reviewed in the Financial Grants formula. It is understood this is currently factored in via traffic count statistics but this is not a reliable measurement when you take in seasonality of harvest etc. A key issue in government enquiries into supermarkets and cost of living has focussed on the return to farmers. To fairly disperse grants a factor of economic outputs from primary producers may provide rural and regional Councils with a more equitable share of the funding pool.

Councils suggested that there may be opportunity to review Municipality boundaries, to potentially create more strategic alignment. Such a review may allow for more robust organisations that can generate increased resources through the economies of scale and scope, and then ‘plough back’ efficiency gains into infrastructure, services and other benefits to the communities. Due diligence of boundary adjustments along with funding support is recommended to protect the viability of successful and marginal councils, particularly when considering boundaries with Councils believed to be more financially unsustainable.

Conclusion

Council wishes to emphasise that:

- The budget negotiations with the State Government carries a burden for Local Government, who in turn are repeatedly expected to pick up the shortfall for real or perceived critical services on behalf of the State.
- Financial sustainability of rural Councils is a significant challenge and supports this inquiry.
- Rate Caps set by the State Government need to be more closely aligned to the Consumer Price Index (CPI) and other relevant indexes, to keep pace with other sectors of the economy.
- Existing funding streams where Council delivers services for and on behalf of other levels of government need to return fair and proportional funding (or other rates as established when service shift was determined) and to be CPI indexed and paid accordingly.

- There should be due recognition of the importance of agriculture to the national economy and it factored in as a key measure in determining Financial Assistance and other Grants.
- The entire local government funding model needs to be reviewed, not just the rating system. There is a need to examine what impacts the council's ability to manage core services like rubbish collection, road maintenance, footpaths, and libraries.
- This requirement of levys through Council are a failure of the State and Federal revenue processes and not a transparent tax to the State and Federal Government voters. Overall State levys increase the Council generated invoice by more than 10% to the local ratepayers.

Local Government is a key provider of services to the community and needs to be able to deliver services and infrastructure in a cost effective, supported and sustainable manner.

Council is happy to have this submission uploaded to any website and to present to the Committee if of benefit.

Yours faithfully



Cr Stuart King
Mayor



Scott Barber
Chief Executive Officer