Buloke Shire Council

2 April 2015

Wycheproof

367 Broadway, PO Box 1

Wycheproof VIC 3527

Rob Jardine

Regional Development Victoria

Level 1, 56-60 King Street

Bendigo VIC 3550

Dear Rob

**Re: Buloke submission for the review of DEDJTR’s regional service delivery model and strategic directions for regional policy**

Thank you for the opportunity to provide input to the review of Regional Development Victoria’s (RDV) strategic priorities. RDV is a key agency that has acted for local government in a very effective way in the past. Its activities are vital to the continued health of the sector.

The attached document sets our Council’s position and finishes with some recommendations. If you have any queries please don’t hesitate to contact me.

Yours sincerely

John Hicks

Chief Executive Officer

# Independent Review of Regional Development Victoria's Strategic priorities

Buloke Shire Council has a vital need for Regional Development Victoria (RDV) to act as a major partner in supporting, complementing and enhancing our rural communities to ensure our rural people have equality in services. In order to address this, Buloke Shire Council has recently adopted a rural advocacy strategy which sets out the key challenge for small rural shires of delivering a minimum set of service levels whilst maintaining financial sustainability. The strategy is attached to this submission and should be read in conjunction with it (see Attachment 1).

# *Buloke Shire Council advocates for changes to the existing funding policies by the Victorian and Commonwealth Governments to provide a more equitable structure of grant funding to enable the sustainable provision of minimum local government service levels to all rural Victorians.*

The current RDV model has many advantages including the ability to operate across government and take accountability for a whole of government response. Without this assistance, small Councils would not be able to work through the bureaucracy, connect with the various government departments required, compete with other grant applications, develop appropriate business cases or have their views properly considered.

Buloke has been fortunate in having a strong working relationship with our Loddon Mallee RDV Regional Team and the Mallee representative Mr Robert Jardine, Senior Development Manager, who through familiarity with the Council's sustainability pressures has assisted with many projects. This local presence is vital in ensuring that Council and RDV's relationship continues to provide positive outcomes for our constituents.

There are concerns that the breadth of the new department may see an erosion of accountability. The uncertainty that resulted from the merging of the Department of Planning and Community Development with RDV may also occur with this expansion.

Another concern is that there have been missed opportunities between Local Government and State Government. Examples include the rapid roll out of numerous CFA buildings across Buloke which could have seen a community and infrastructure partnership similar to the Berriwillock Community Centre instead of an outcome focused on a single function. This is also true of the recent Vic Track station upgrades in three Buloke communities that are seeing additional community spaces being developed when none were needed. In the meantime higher priority existing community infrastructure desperately needs long term investment.

The development of the Loddon Mallee Regional Strategic Plan, that includes Buloke, is based on economies that are quite different to Buloke. Buloke Shire is comprised of small towns resourced by large dryland broadacre agriculture only. Smaller scale development is more important to Buloke than it is to Shires that have other features and more diverse strengths. Buloke is located furthest from the major regional centres of Mildura and Bendigo which are the focus of the RSP and its associated sub plans. Buloke does not have river based tourism, irrigated agriculture or large regional centres, elements which are the major focus of the regional plan. Buloke has struggled to see an obvious link between its wellbeing and many of the priority projects coming out of the Regional Strategic Plan.

The following barriers prevent Buloke from benefiting from much of the positive impact of RDV funding programs :

* difficulties in meeting the 'matched' funding components due to limited financial capacity.
* funding criteria that exclude Buloke projects such as projects of State significance.
* reprioritisation of projects in order to meet funding opportunities.

Buloke Shire Council has recently benefited from RDV programs such as the award winning Putting Locals First which have assisted Council to support local communities to address priorities identified through their community plans. This has resulted in greater support from communities for the community planning process. By allowing communities to take responsibility for local projects and build capacity, this will maintain liveability in Buloke. Council would like to see a continuation of this program and in particular that local government becomes the sole vehicle for funding applications.

RDV's current model of operation has a strong emphasis on economic development such as job creation, income generation and infrastructure projects. This has influenced community planning and weakened the emphasis on wellbeing focused projects required to maintain liveability. This challenge requires individual focus in small towns that have transitioning population bases and greater operational priority from RDV.

*Buloke Shire Council strongly advocates for the return of allocation-based funding programs such as the Local Government Infrastructure Program to ensure local governments can deliver local projects that have been developed, partly funded, and prioritised by the local community. See attachment 2 for the Buloke Case Study: Donald Family Services Project.*

In Buloke productivity and agricultural viability are growing as the population declines and farming operations are aggregated. This means that economic output is occurring as population is driven down by improved productivity in the major industry, with consequent job reductions. In order for economic activity to continue, investment in communities is necessary to maintain a viable population base.

Despite the emphasis on agriculture in the Food to Asia Action Plan, there has been minimal support to agricultural extension including recent cuts to Department of Primary Industry staff. Little economic development support is being provided to rural dependent enterprises with less than twenty employers and these make up a significant portion of Buloke businesses.

While there is some support for retail based business through Small Business Victoria (SBV), a more flexible delivery arrangement is essential for rural communities. SBV is a city based organisation with minimal presence in small rural communities and have consequently less understanding of the personal experiences and pressures felt by rural retailers in small towns.

*Buloke Shire Council advocates for support in both agriculture extension and rural dependent agribusiness to support rural communities and primary producers and a wider scope in the delivery of regional economic development support to service businesses that are vulnerable due to size and location.*

As the small Buloke townships transition in to the future, the need for modern Information and Communication Technology (ICT) cannot be overestimated. ICT has a role to play in regional economic development for the retail sector and more importantly is predicted as the future driver for the greatest agricultural efficiencies over the next two decades. The uptake of ICT to enhance farm productivity is being adopted by the majority of Buloke primary producers with more than 90% of new machinery delivered with auto steer technology. There needs to be a focus on ensuring that ICT professionals understand the fundamentals of agricultural practices to ensure the best programs are designed.

The advent of ICT also brings accessible educational opportunities to rural communities and we urge that education remains a priority in RDV strategic directions. Availability of the latest ICT, particularly the highest standard of broadband with maximum bandwidth and speed is critical to providing local professional training as well as telecommuting options. Buloke Shire Council has been actively involved in the iLoddon Mallee project to promote ICT in the region.

*Buloke Shire Council advocates that RDV increase its focus on Information and Communication Technology to effect positive change to the rural economy including agricultural efficiencies as well as increasing community and education opportunities. See attachment 2 for the Buloke Case Study: iLoddon Mallee Project.*

RDV has a key role to play in the planning and funding of transport in rural areas, supported by regional transport bodies and a strong relationship with VicRoads. Buloke has been heavily involved in the Wimmera Southern Mallee Regional Transport Strategy and aligned its goals and vision with the Regional Growth Plan to ensure consistency. This would be a strong approach for all regions to adopt in order to progress priority transport needs.

The focus of the regional transport strategy is on key projects and routes. Buloke residents have an accompanying concern with first and last mile issues and the economic impact of their local roads on their ability to transport goods. The Country Roads and Bridges Program allocation allowed Council to improve local transport infrastructure that would have not been considered in a competitive funding program.

This program also did not require matching funding from Council and, as mentioned earlier, this is vital to enable Council to participate in such programs.

*Buloke Shire Council advocates for regional transport planning alongside appropriate funding for local governments without matching requirements in order to address the first and last mile issues in rural councils. See attachment 2 for the Buloke Case Study: Watchupga - Culgoa Road Bridge upgrade.*

Many of the RDV programs require significant local government staff resources to submit the application, administer the project, and acquit the funding. This creates an issue for a small Council like Buloke which are unable to claim staff costs associated with the project. We have a small workforce and a wide geographical area to cover which means that some programs are not pursued due to the potential inability to deliver. Our location also precludes us from a readily available pool of potential and affordable consultant project managers.

*Buloke Shire Council advocates for allowances for staff cost provision to be included in grants that require project management to reduce the risks and human resource costs to Council.*

We hope this submission assists you with the review of DEDJTR's regional service delivery model and strategic directions for regional policy. As one of the most important statutory bodies that Buloke partners with, we and our rural community need you to continue to assist us.

## Recommendations:

1. Buloke Shire Council advocates for changes to the existing funding policies by the Victorian and Commonwealth Governments to provide a more equitable structure of grant funding to enable the sustainable provision of minimum local government service levels to all rural Victorians.
2. Maintain accountability during the departmental restructures to prevent uncertainty.
3. RDV needs to be involved in the rollout of all infrastructure to prevent the wasted investment seen with the CFA firesheds and the VicTrack station refurbishments.
4. An additional lower level planning process is needed to allow the inclusion of Buloke priorities in regional planning.
5. The development of funding criteria which allow small rural shires to participate fully, e.g. unmatched funding, and smaller scale projects that do not require regional significance.
6. Continuation of programs that support community planning such as the Putting Locals First program.
7. Buloke Shire Council strongly advocates for the return of allocation-based funding programs such as the Local Government Infrastructure Program to ensure local governments can deliver local projects that have been developed, partly funded, and prioritised by the local community.
8. Funding needs to be available to support well-being in reduced population areas that are providing much of the increased productivity in the agricultural industry. Without this support the necessary skilled people and productivity will drop away.
9. Economic development support needs to be extended to employers with less than 20 people - these are the majority of our businesses where most jobs are.
10. Small Business Victoria is not effective outside the cities. Rural Victoria needs an equivalent body.
11. Buloke Shire Council advocates for support in both agriculture extension and rural dependent agribusiness to support rural communities and primary producers and a wider scope in the delivery of regional economic development support to service businesses that are vulnerable due to size and location.
12. Buloke Shire Council advocates that RDV increase its focus on Information and Communication Technology to effect positive change to the rural economy including agricultural efficiencies as well as increasing community and education opportunities.
13. Buloke Shire Council advocates for regional transport planning alongside appropriate funding for local governments without matching requirements in order to address the first and last mile issues in rural councils.
14. Buloke Shire Council advocates for allowances for staff cost provision to be included in grants that require project management to reduce the risks and human resource costs to Council.

Attachment 1

### Minimum Local Government Service Levels for Victorians

All Victorians should have access to levels of service that enable liveability and safety. Victorians pay income tax, GST and rates and are entitled to a level of reciprocity in the service levels they receive.

The services set out in this document detail a minimum set to be provided by local government for their communities. Most communities will have levels in excess of these but none should fall below them.

* A responsive and effective municipal council.
* All weather access roads to all inhabited residences.
* A road network that meets the needs of local industry.
* Kerbside waste and recycling services for all townships over 50 people Urban drainage systems to cope with a minimum 20 year rainfall event
* Footpaths to safety standards in the central business, hospital and school areas
* Access to public facilities including:
* Recreation Reserve
* Functional Meeting Space
* Park and playground
* Public toilet
* Swimming pool
* Immunisation for children on a monthly basis
* Local statutory and strategic planning services
* Environmental health enforcement
* Enforcement of Local Laws and building regulations
* School crossing supervision on major roads
* Community planning on a community (town) basis
* One hour of HACC services every 2 weeks for eligible clients, e.g. domestic assistance, personal care or respite care.
* Weekly access to library books and services within a 50 km distance
* Maternal and Child Health Services in in all towns over 500 people.
* Access to an annual youth event.
* Transport to essential appointments for frail aged people.
* Meals on Wheels
* Child care and kindergarten services in all towns over 500 people.
* Municipal emergency services
* Access to business development information and support.

Small rural shires have major barriers to their capacity to provide basic services to their residents. These include:

* Lack of economies of scale
* Large distances and time required to deliver services.
* More people with lower incomes and other socio-economic factors.
* A higher proportion of aged people in the population.
* Lack of competition from service providers and suppliers.
* Difficulties in the recruitment of staff and skilled contractors.
* Frequent market failure resulting in premium prices for goods and services.
* Small population sizes and a consequent lack of capacity to pay for services.

To address these issues, local government has focused positively on improving efficiencies, sharing services, innovative service provision and enhanced management. A great deal of progress has been made, and continues to be made, with many of these shires reaching high levels of efficiency but the lack of sustainability of small rural shires remains.

Despite these efforts it is apparent the residents of these shires have inferior services and poor community outcomes and liveability. The residents of these shires make a considerable contribution to the nation's GDP, as well as paying rates and taxes, the same as their metropolitan colleagues, but do not receive the minimum level of services. This is clearly inequitable.

The Local Government Act requires councils to "work in partnership with the Governments of Victoria and Australia" in order to "….achieve the best outcomes for the local community" and to "….. improve the overall quality of life of the people in the municipal district." This responsibility is not being met by these partners under the current fiscal arrangements.

The provision of Financial Assistance Grants under the current structural arrangements is not sufficient to address the disadvantage faced by small rural shires so that the minimum level of services can be provided if the shires are to remain sustainable.

What this document seeks to do is not to suggest the changes and solutions that might remedy the problem but to seek agreement to the concept that all Victorians, including the residents of small rural shires, are worthy of a specific minimum set of service levels. It is not until agreement on this can be reached that the methods of achieving this outcome can be formulated.

Attachment 2

### Case Studies

**Buloke Case Study: Donald Family Services Project**

The Donald Kindergarten facility was dilapidated, dysfunctional, and not fit for purpose and the community had lobbied for years in support of a proposal to demolish the existing facility and replace it with the building of a new Integrated Family Services Centre to enable an expanded suite of early childhood care and education programs to be offered to the young families of Donald and surrounding districts.

The submission of funding applications to the Department of Education and Early Childhood Development, Regional Development Victoria and the Regional Australia Development Fund was possible through participation in numerous meetings, provision of strategic advice and coordination of the applications. The $2.3 million project is in the final stages of completion and the Integrated Family Services Centre will serve the community for many years.

**Buloke Case Study: iLoddon Mallee project**

The Buloke Shire Council is currently partnered with ten other Councils, RDA, RDV and a number of other partners to progress JCT in the Loddon Mallee region and capitalise on the opportunities presented. The project recognises the need to collectively advocate for faster roll out of ICT and ensure local business has the skills and knowledge to take advantage of the technology when it arrives in the region.

**Buloke Case Study: Watchupga - Culgoa Road Bridge upgrade**

The Watchupga-Culgoa Road Bridge in Culgoa was washed away in the January 2011 floods. Given the age of the bridge, Council could not secure full funding for the reconstruction under the NDRRA arrangements.

The result was 2.5 years of a small township that was divided by the Tyrrell Creek, with no safe way of easily getting residents from one side of town to the other. As an ageing population, the township had a number of gophers that were driving along the shoulders of the Calder Highway and a number of near misses were reported. The impact on the residents of the Culgoa community was very evident as you drove through the township.

The impact of the bridge closure on the agricultural industry was also felt, as it blocked heavy vehicle access and the alternate detour was not deemed to be safe for many truck drivers. It also did not meet the requirements for B-double turning circles. As a result, truck drivers were forced to drive up to 20km further (on the local road network) to unload grain in neighbouring Berriwillock, or perform risky and illegal turns on the Calder Highway.

Being a small Council, Buloke were not in a position to foot the bill for $800,000 to reconstruct the bridge. The Country Roads and Bridges Program was the only way that Council were able to fund this project and thus connecting the disjointed township and providing an accessible 'last mile' to the local Culgoa grain receivable site.