The Hon Jaala Pulford

Minister for Regional Development 8 Nicholson Street

East Melbourne VIC 3002

Dear Minister

# Mount Alexander Shire Council Input to the Review of DEDJTR’s Regional Service Delivery Model and Strategic Directions for Regional Policy

Thank you for the opportunity to provide input into this review. Council considers this an important review and is pleased to contribute to the issues under consideration.

## Key Issues

Council asks that in undertaking this review, the combined and compounding effects of the Federal government's decision to suspend the indexation of Financial Assistance Grants, and the State Government's proposed Local Government rate capping policy be taken into account. Together, these policies will greatly impact the budgets of rural councils and will have significant implications for our capacity to deliver essential services to our communities.

In addition, there is uncertainty around the continuation and/ or extent of future State funding to assist rural local governments in:

* Maintaining rural roads networks;
* Controlling roadside weeds and pests; and
* Meeting our obligations under the *Planning and Environment* Act *1987,*

including planning strategically for the future of rural communities.

Maintaining at least current levels of funding to each of these areas will be critical to key aspects of the economic and jobs prospects of our communities.

You may be aware that over recent months, Rural Councils Victoria has initiated an investigation into the Sustainability of Rural Councils, based on a view that there is work councils can do themselves to streamline their operations. It also responds to VAGO's 2013 findings that as the most vulnerable, with small ratepayer bases and high dependency on government funding to maintain their operations, rural councils are more exposed to the potential for higher financial risks in the future 1.

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VAGO found that eighteen of the most vulnerable (i.e. rural) councils had a combined operating deficit of $34 million, which is a small amount in the context of the State economy, but a very substantial deficit being carried by small and vulnerable councils and their communities.

 1 Victorian Auditor General’s Office, Organisational Sustainability of Small Councils (Melbourne: Victorian Auditor General's Office, 2013).

## Regional/Rural differentiation

We ask that your external advisory board recognises the clear distinction between the major economic, social and demographic issues facing rural councils and those of regional cities. That said, it is also hoped that the important, mutual opportunities and benefits of constructive relationships and collaborations between regional cities, as the hubs of regional economies, and their neighbouring rural (hinterland) councils are given due consideration by the panel, particularly with regard to investment decision making and service planning.

## Building on existing research

The review occurs in a context of significant existing research and information - work that has been undertaken by local governments and up to Federal levels. This work provides a wealth of information relevant to the issues identified in the terms of reference for the review.

This includes the extensive regional strategy work that has been undertaken in the Loddon Mallee region over recent periods and related plans such as the Loddon Mallee Regional Strategic Plan and Loddon Mallee Regional Growth Plan. Each Plan has been developed with consultation from the region and outlines the future opportunities and challenges for Loddon Mallee, identifying a range of initiatives that require State Government leadership and support.

Council has developed a range of plans and strategies in order to plan for future challenges and opportunities. Of particular relevance to the review are the Council Plan 2013-3017, Public Health and Wellbeing Plan 2013-2017, Economic Development Strategy 2013-2017, Greenhouse Action Plan 2011- 2015 and Walking and Cycling Strategy 2010-2020.

## Benefits of Regional Development Funding

The funding Council has received through Regional Development Victoria over recent years has been critical to our Council's ability to maintain quality infrastructure, promote growth and support community development. It has enabled us to undertake a range of projects and programs that we would not have had capacity for otherwise, and the flow-on benefits have delivered important economic and social outcomes for our communities.

Direct funding from Regional Development Victoria has contributed to projects including development of our walking and cycling trails, planning and implementation projects to improve the appearance of our small towns, tourism development and a range of feasibility and business planning projects to support key community organisations.

## Future Priorities

The key priorities for Council are articulated in the goals of the Council Plan 2013-2017:

* A vibrant and healthy community Better community facilities
* A thriving local economy
* Building sustainable communities

Regional Development Victoria has a critical role in supporting Council with its strategies and initiatives that will make progress towards each of these goals.

Council has also prepared a document to highlight its specific future priorities - Project Priorities 2013-2017. This document outlines key projects that are central to the future growth and prosperity of our Shire and which need a partnership approach to be delivered. The identified projects address issues such as broadband access, housing, renewable energy, infrastructure renewal, education and business development. I invite you to contact me for further information on any of the projects listed above or for any further comment regarding the current review.

Yours Sincerely

Phil Rowland

Chief Executive Officer