



Submission to the inquiry into sustainability of rural and regional councils

September 2016

Contents

About Rural Councils Victoria.....	3
Local government funding and budgetary pressures.....	4
Fairness, equity and adequacy of rating systems	10
Impact of rate capping policies	12
Capacity to meet responsibilities for flood planning and preparation and maintenance of flood mitigation infrastructure.....	16
Weed and pest control.....	18

About Rural Councils Victoria

Rural Councils Victoria represents the interests of the 38 rural Councils across Victoria.

The organisation was recently incorporated and its purposes are to:

- (1) heighten awareness and understanding of issues that impact on rural communities
- (2) assist with building the capacity of rural councils to face challenges
- (3) provide leadership on local governance
- (4) develop and support rural councils; and
- (5) develop policy and advocate for rural councils.

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Local government funding and budgetary pressures

Rural Councils are under increasing financial pressure to deliver more with fewer resources. This has been exacerbated by:

- Revenue factors, including:
 - Indexation freeze on Commonwealth Financial Assistance Grants
 - Imposition of the Fair Go Rates Policy
 - Cessation of the Country Roads and Bridges program
 - Cessation of the Community Infrastructure Development Program
- Expenditure factors, including:
 - Costs imposed on Councils
 - Compliance responsibilities imposed on Councils
 - Significant infrastructure assets managed by rural councils
 - Delivering services over vast geographic areas
 - Contributions to services and infrastructure to facilitate basic service levels for the community (eg contribution to mobile phone towers, recreation facilities, libraries, maternal and child health facilities, kindergartens)

REVENUE FACTORS

Financial Assistance Grants

In 2014/15 Rural Councils received 36% of Victoria's allocation of the Commonwealth Government's Financial Assistance Grants (General Purpose) and 59% of Victoria's Allocation of the Commonwealth Government's Financial Assistance Grants (Local Road Funding). The greater proportion of Local Roads Funding reflects the significant road and bridge infrastructure assets that are owned and maintained by rural Councils.

Financial Assistance Grants from the Federal Government comprise a greater proportion of a rural council's revenue compared to a regional city or metropolitan council. In 2014/15, Financial Assistance Grants comprised an average 6.5% of a Council's recurrent revenue (across Victoria). For thirty-four rural Councils (or 89% of rural Councils), Financial Assistance Grants made up greater than 10% of the Council's recurrent revenue. For nine rural Councils (or 24% of rural Councils), the grants comprised greater than 20% of recurrent revenue.

As a result rural Councils have been more severely impacted by the three year indexation freeze on Financial Assistance Grants. The estimated grant revenue that was originally anticipated by rural Councils but will no longer be received is \$41.5 million over the three year indexation freeze.

Fair Go Rates Policy

The Fair Go Rates Policy came into effect on 1 July 2016. Five rural Councils (out of 38 rural Councils) submitted applications to the Essential Services Commission for a higher rate cap and in May 2016 all five were approved in full or in part.

The Essential Services Commission (ESC) has stated that their "decision about whether to approve a higher cap rests on how confident we are (at this point in time and based on information from the council) in the council's long-term financial planning and their financial capacity to deliver sustainable outcomes for services and infrastructure.

Generally, we consider that a higher cap is not appropriate where an application:

- does not demonstrate a long-term funding need
- proposes to apply the higher cap to fund short-term needs
- is not supported by adequate long-term financial planning
- is not supported by our analysis of the council's financial capacity and overall flexibility to manage its short-term needs."¹

This effectively confirms that at least 13% of rural Councils (or 100% of applicants) have a long term funding need over and above the capped rate in order to deliver sustainable outcomes for services and infrastructure.

A number of additional rural Councils are considering seeking a higher rate cap when the ESC commences accepting multi-year applications (for 2017/18 onwards). Rural Councils Victoria (RCV) will be keeping a close eye on the outcomes of future higher rate cap applications to the ESC to inform RCV initiatives to improve the sustainability of rural councils.

Country Roads and Bridges

The Victorian Government's Country Roads and Bridges Program operated from 2011 to 2015, contributing \$160 million to rural Councils to repair or upgrade local roads and bridges. It resulted in more than 900 local roads and 100 local bridges being repaired or upgraded and reduced the infrastructure backlog that is experienced by rural Councils. This program was ceased in 2015 and has not been replaced.

Community Infrastructure Development Program

The Victorian Government's Community Infrastructure Development Program operated from 2011 to 2015 and provided Councils with funding to address asset renewal opportunities and challenges. The program was ceased in 2015 and has not been replaced.

EXPENDITURE FACTORS

Costs imposed on Councils

Councils are subject to a range of costs over which they have minimal or no control. These costs are generally as a result of obligations imposed by the State Government or required to meet the basic expectations of local communities.

Often these costs can be more burdensome on a rural Council relative to large Councils with a larger rate base over which to spread the cost.

For example:

Community Satisfaction Survey

The annual state-wide Community Satisfaction Survey is conducted by the Department of Environment, Land, Water and Planning. The survey, or an equivalent survey, is required to meet the reporting requirements of the Local Government Performance Reporting Framework (LGPRF). The base fee or minimum cost to participate in 2015 was \$11,500, with the cost increasing by an average 16% over the past six years.

For results to be statistically valid, a minimum sample size of 400 is required, regardless of whether the survey is for a small rural population or a city with over one million residents. This means that the cost

¹ Essential Services Commission 2016, *Overview: Decisions on higher cap applications for 2016-17*, May.

of the survey is the same for a small Council as a large Council. The cost per resident of the survey is significantly higher for a small shire (eg. Queenscliffe - \$6.32 per resident and Towong - \$1.31 per resident) compared to a larger council (eg. Wodonga - \$0.19 per resident).

Electoral Representation Review

Electoral Representation Reviews are conducted twelve yearly by the Victorian Electoral Commission. The cost of the review is paid by Councils. The cost to Towong Shire Council of the Electoral Representation Review conducted in 2015 was \$27,360. We understand the cost to the City of Wodonga (a neighbouring regional Council) was \$36,000.

The cost of the Electoral Representation Review equates to \$4.77 per Towong resident compared to \$0.91 per Wodonga resident.

Election costs

The cost of the Victorian Electoral Commission conducting local government elections is passed directly on to Councils. Councils have no involvement in the procurement process.

The cost estimate for Towong Shire Council for the 2016 local government elections is \$80,583. This is a 35% increase on the costs incurred in conducting the 2012 election, or an average increase of 8% per annum. The cost estimate for the Borough of Queenscliffe Council for the 2016 election is \$80,800, a dramatic increase on the 2012 election cost of \$53,863.

Superannuation costs

The defined benefits superannuation scheme places a disproportional impost on small rural Councils given the comparatively higher number of Council staff who have relatively longer periods of employment. This has consistently translated into a comparatively higher financial burden at times when 'a call' is made for additional contributions to meet the legal obligations on the superannuation fund.

Compliance responsibilities imposed on Councils

Councils are required to fulfil a range of legislative responsibilities, many of which have limited or no funding support.

Emergency Management

Responsibilities on Councils are becoming more onerous as changes are made to emergency management legislation, principles and processes.

In the recent Issues Paper for the Emergency Management Legislation (Planning) Exposure Draft, the Victorian Government has acknowledged that "preparing an integrated emergency management plan for each region or municipal district will be a complex task"². Rural councils do not have large pools of staff available to fulfil emergency management planning responsibilities (and response and recovery). Whilst Councils deliver a significant range of services to communities, employing staff such as kindergarten teachers, librarians, customer service staff, garbage collectors, road maintenance crew, planning officers and finance officers, these staff do not necessarily have a high level of emergency management expertise or experience. This is particularly the case for smaller rural Councils where often the only staff with non-core service provision responsibilities and capacity to actively contribute to emergency response and recovery responsibilities are senior executive staff whose primary role is organisational management

² Draft Emergency Management Legislation (Planning) Exposure Draft – Issues Paper May 2016

This results in an increased risk to rural community members as rural Councils may not be in a position to appropriately respond to emergency management responsibilities. A one size fits all approach to councils will not effectively manage the risk exposure to small rural communities.

Immunisations

Under section 24 of the Public Health and Wellbeing Act (2008) one of the functions of Council is to co-ordinate and provide immunisation services to children living or being educated within the municipal district. Whilst many rural Councils provide a basic service, feedback has been obtained that many families are accessing vaccinations from alternative more convenient and flexible sources, such as GP clinics. For 2015/16 the net cost to Towong Shire Council of the immunisation service was \$14,633 or 78% of the total cost.

Fire plug maintenance

Under the Water Act 1989 Councils must meet the costs of providing, installing, marking and maintaining all fire plugs that the council requires to be installed in its municipal district. When a small Council covers a large geographic area, they may be responsible for a large number of fire plugs throughout the Local Government Area. For example, Towong Shire has 5,958 residents and covers an area of 6,635 sq km, Council maintains 512 fire plugs, which cost \$5,430 in 2015/16.

Naming new roads

Council incurs considerable expense in naming new roads created by the realignment of VicRoads controlled and managed roads, for example Pyrenees Shire Council has incurred considerable costs naming new roads created by the VicRoads Western Highway re-alignment.

Film Permits

The State Government requires Councils to have a filming policy and procedure available on the Council's website, as well as imposing a requirement to undertake permit application processing within five days as a State standard. This activity provides no income to Councils and there was no funding provided to assist with complying with these new requirements.

'Streetrader'

Responsibility for the administration of the State-wide temporary Food registration system 'Streetrader' was transferred from the State Government to Councils in 2013. This has resulted in additional annual costs to Councils to manage the program.

Domestic Waste Water Management Plan

Inspections of septic tanks are now required every year, a new requirement which has caused significant community unrest, which must be implemented and monitored by Councils but with no matching income to offset the time spent on compliance.

Fair Go Rates Policy

The Fair Go Rates Policy reporting framework involves new comprehensive annual reporting to the Essential Services Commission. This adds to the existing substantial requirements for reporting undertaken by Councils: audited annual Financial Statements, audited annual Performance Statements, Victorian Grants Commission, various annual recurrent funding acquittals, Local Government Performance Reporting Framework reporting, etc...

Local Government Performance Reporting Framework

Mandatory performance reporting under the Local Government Performance Reporting Framework (LGPRF) came into effect for Councils on 1 July 2014. This reporting provides 66 measures and a governance and management checklist of 24 items. As a result Councils have had to introduce additional data collection and validation processes to meet the requirements of the reporting

framework. Many of the measures also require audit by the Victorian Auditor General, which has added over \$5,000 to the cost of the annual external audit.

Contributions to services and infrastructure to facilitate basic service levels for the community

Many rural Councils are contributing to services and infrastructure to ensure that rural communities have access to basic service levels.

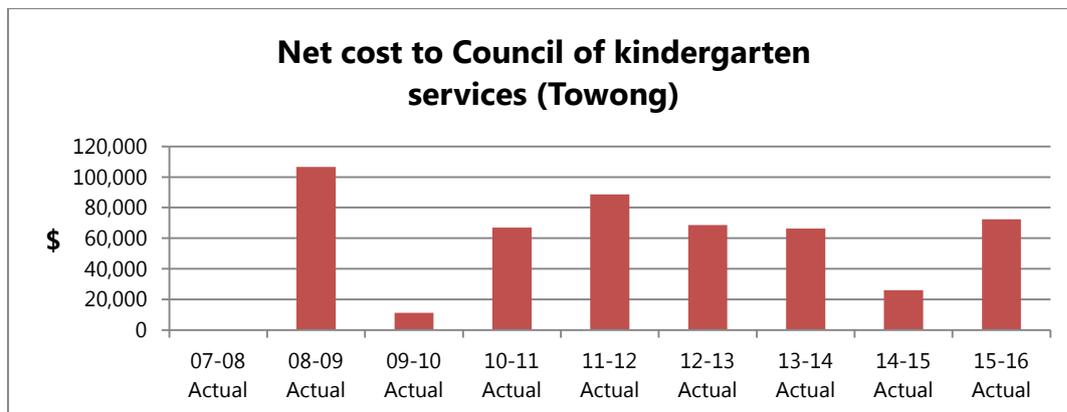
The following examples provide a snapshot of some of these services that councils are subsidising.

Kindergartens

Some rural Councils are directly providing kindergarten services or financially supporting community run services. This is particularly the case where there are small populations that often result in limited private sector investment.

Costs of providing services have increased with the implementation of the National Quality Framework and changes to staffing ratios from 1 educator : 15 children to 1 educator : 11 children. These changes require more qualified educators, resulting in higher hourly wage rates, and additional staffing to meet the changed staffing ratios.

The net cost to Councils reflects the difference between the total cost of providing the kindergartens, the funding received from the State Government and user fees paid by families. As detailed in the graph below, in 2015/16 the total cost to Towong Shire Council was \$67,000.



In small kindergartens the net cost to Council fluctuates depending on the number of children enrolled in the services. When numbers are 22 or less, at least two staff are required to deliver a kindergarten program. When less children are enrolled, the staffing levels and staffing costs remain static, however services receive less State Government funding and less user fees.

Maternal and Child Health

Councils are incurring considerable costs to provide maternal and child health (MCH) services across vast geographic areas with dispersed populations. Current MCH funding from the State Government is based on a standard unit cost, with a funding formula that takes into account socioeconomic status and rurality. This rurality factor does not fully reflect the increased costs, particularly in relation to travel time and travel costs, required to deliver MCH services over vast local government areas. For a small Council like Towong, the net cost to Council of providing a very basic service was \$131,000, or \$22 per resident per annum.

School crossing supervisors

Many rural Councils are also funding school crossing supervisors on local and VicRoads controlled roads. Whilst limited funding is provided by the State Government / VicRoads, Councils are effectively incurring a greater proportion of the cost of the service (75-85%).

SES

Many Councils have been matching the State Government's financial contribution to SES units each year.

Small rural councils who cover large geographical areas and can least afford to pay, are the ones who are impacted most due to the number of SES units within their municipal boundaries.

For comparative purposes, one regional city is incurring \$16,215 for one SES unit, compared to a neighbouring small rural Council which is currently paying contributions totaling \$32,240 for three SES units. This equates to a cost of \$5.63 per rural resident in the rural Council, compared to a cost of \$0.41 per regional city resident, where the Councils are in the same geographic area.

Surf Life Saving

Small coastal Councils have the impost of paying for professional life saving services over the summer period to ensure that visiting beach goers can safely enjoy the summer beach experience. This impost paid to Surf Life Saving Victoria can be as high as \$30,000 per annum.

Fairness, equity and adequacy of rating systems

Rates are a property tax based on property valuations. The taxes collected represent 3.6 per cent of the overall taxation collected in Australia.

From a constitutional perspective, the States have primary responsibility for funding local councils. In Victoria, the Local Government Act 1989 (the Act) provides the mechanism for each Council to apply rates on properties within its local government area. Property valuations are undertaken in accordance with the requirements of the Act.

Each Council determines the rate in the dollar that is applied to property values throughout its municipality. This then enables the property tax (rates) to be computed for each property and levied on each property owner.

A Council determines the services that will be provided within its municipality. A budget is then developed to establish expenditure required to deliver the services and maintain and renew Council infrastructure and identify other revenue available, such as grants or user charges, to offset the expenditure. This enables Council to determine the total fund required to be collected from rates to deliver services, maintain and renew infrastructure and be financially sustainable. Once the total rates requirements has been established, the total is divided by the total of the rateable property values, resulting in a rate in the dollar.

With the current rating framework a residential property in one municipality will pay different rates or property tax to that in another municipality. For example, the rates and charges on an \$800,000 residential property will vary significantly across the state. The following table provides a sample of the rates that would be payable on an \$800,000 residential property. As detailed, the rates can vary from \$962 to \$6,990 per annum, depending on the local government area where the property is located.

Council	Kms²	Assessments	Rates on a \$800,000 Residential Property	Rates and Charges Income
City of Stonnington	26	58,000	\$ 962	\$ 98,420,000
Mornington Peninsula Shire Council	723	97,000	\$ 1,684	\$ 149,063,000
South Gippsland Shire Council	3,300	19,000	\$ 4,339	\$ 38,257,000
Buloke Shire Council	8,000	6,736	\$ 6,990	\$ 12,073,000
Towong Shire Council	6,635	4,871	\$ 4,201	\$ 7,718,000

This rating inequity is compounded by the socioeconomic capacity of property owners to pay local government rates and charges. The table below compares the annual rates and charges on the \$800,000 property compared to the median annual household income. The contrast in the rates as a % of median household income is striking – from 1% in the City of Stonnington to 18% for property owner in Buloke Shire.

Council	Rates on a \$800,000 Residential Property	Median annual household income	Rates as % of median household income
City of Stonnington	\$ 962	\$ 89,544	1%
Mornington Peninsula Shire Council	\$ 1,684	\$ 54,808	3%
South Gippsland Shire Council	\$ 4,339	\$ 47,840	9%
Buloke Shire Council	\$ 6,990	\$ 38,584	18%
Towong Shire Council	\$ 4,201	\$ 44,200	10%

A fairer rate system would result in a property tax that is more equitable between local government areas and between property owners of varying socio-economic capacity.

Impact of rate capping policies

The Fair Go Rates Policy came into effect on 1 July 2016. As stated previously five of the 38 rural Councils (13% of rural Councils) submitted applications to the Essential Services Commission for a higher rate cap and in May 2016 all five were approved in full or in part.

In responding to the Fair Go Rates Policy, rural Councils have generally responded with a combination of:

- Reducing Council expenditure
- Delaying infrastructure renewal and other projects
- Reducing Council cash reserves by accepting significant underlying deficits over the ensuing four year period

These responses provide a broad range of impacts on the community, some that will not be immediately evident to community members, some that will impact on the short term, and others that are likely to have longer term consequences.

Reduced Council expenditure

Many rural Councils have reduced Council expenditure in 2016/17 to offset the financial consequences of rate capping. Councils have reduced membership of industry interest groups, reduced services to their communities and / or sought further internal operating efficiencies.

Cuts to expenditure on community services will be immediately evident to the local community through:

- a) reduced number of youth support programs
- b) ceased or reduced funding to local State Emergency Services units
- c) reduced number and scale of seniors programs
- d) reduced number and scale of arts and cultural programs
- e) reduced length of swimming pool seasons

Some rural Councils have reduced expenditure with potentially minimal impact in the short term:

- a) ceased membership of industry bodies
- b) ceased participation in the community satisfaction survey
- c) capped the budget available for Council officer wage increases
- d) reduced the budget available for staff training
- e) reduced funding support for Blue Green algae monitoring, testing and response on waters not under Council control

It should be noted that while ceasing membership of groups may have little impact in the short term, the long term impacts of ceasing membership of organisations such as regional arts or tourism groups may have a longer term impact in reducing opportunities for communities through grants, cultural opportunities or learning and professional development opportunities for Council staff.

Infrastructure renewal and other projects delayed

Many rural Councils report delaying infrastructure renewal and other projects.

In the very short term delaying infrastructure renewal is unlikely to have a significant impact on community members. Over time, without appropriate renewal, it is expected that rural infrastructure will deteriorate and reach unacceptable levels for community members, commercial businesses and visitors. A reduction in asset renewal and maintenance is likely to lead to increased potholes and surface failings, less maintenance of gravel roads (resulting in slippery conditions in the wet), reduced tonnage limits on bridges. This will impact on the safety of rural road and bridge users, reduce the potential for tourism businesses to be competitive and reduce the viability of rural agriculture and timber industries.

It is more cost effective to address asset renewal and maintenance in a proactive manner, these delays are not only adding time to the renewal process, but are also resulting in a higher cost of reactive maintenance and asset renewal due to the delay.

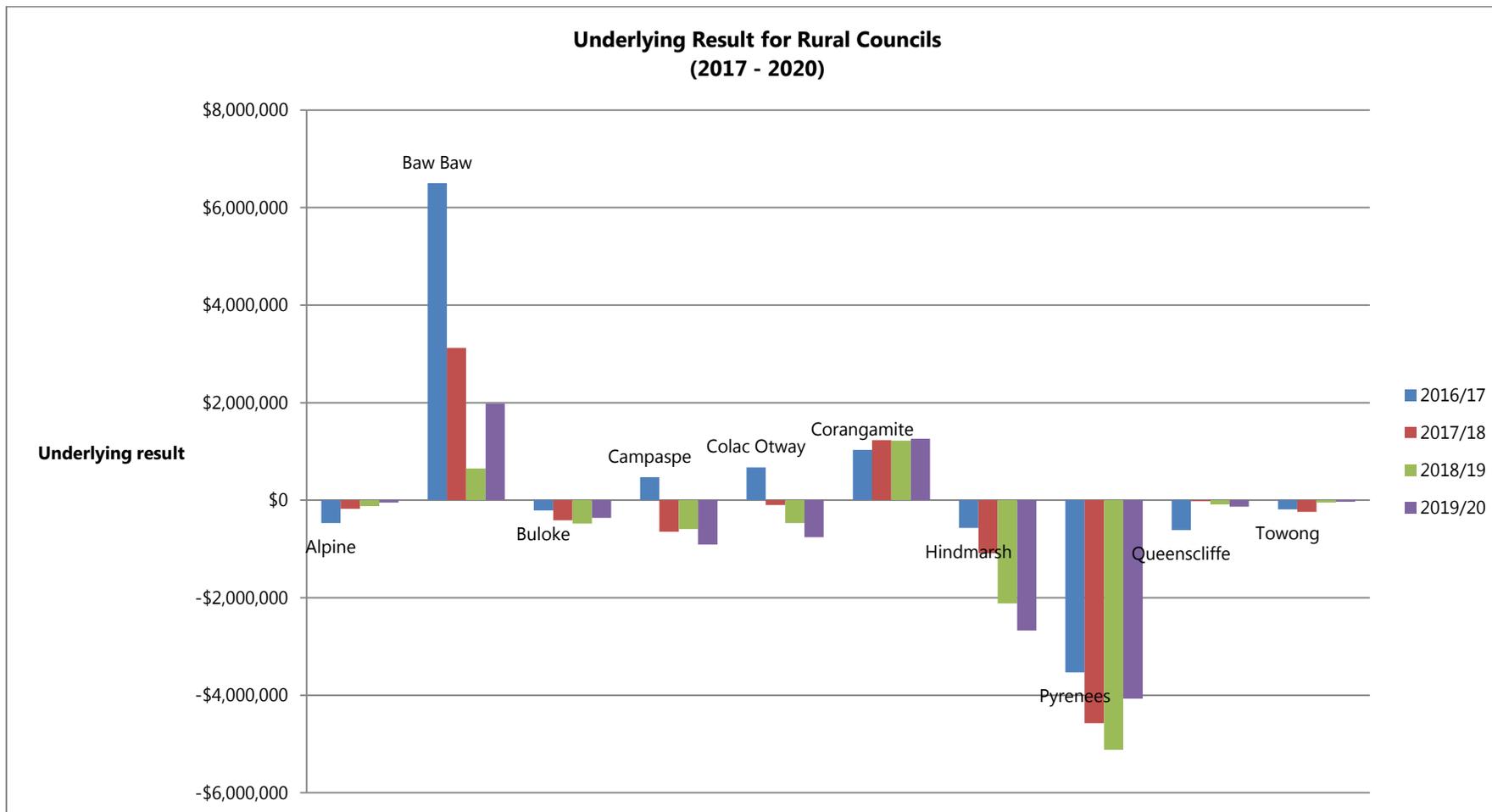
Reduced cash reserves / underlying result

Based on a rate cap of 2.5%, many rural Councils have planned for significant underlying deficits over the coming four year period. Underlying deficits over a period of time will erode Council cash reserves and impact on Council's ability to fund Council services and infrastructure renewal in the medium term.

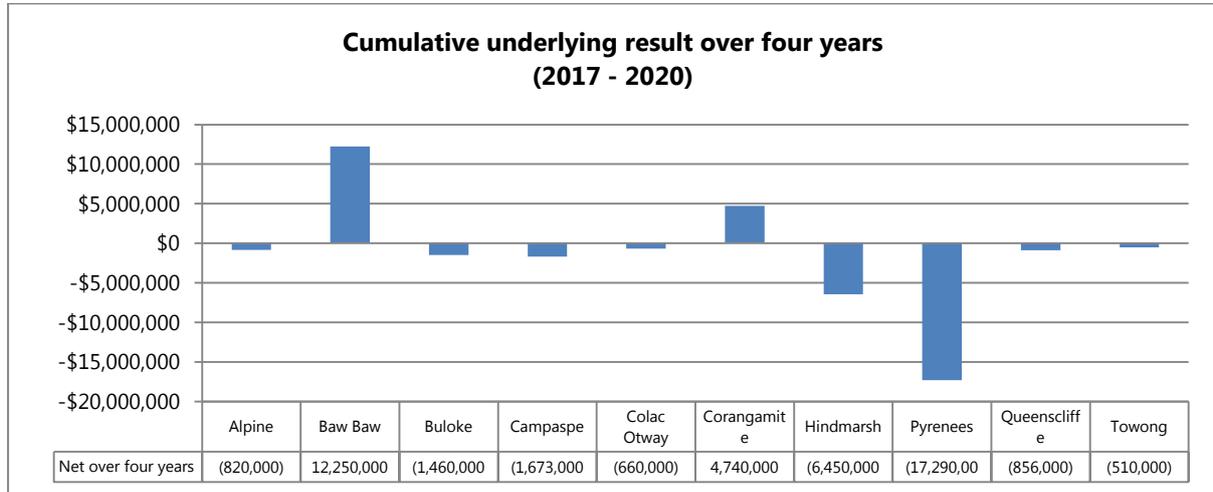
The following chart provides a snapshot of ten rural Councils and their expected underlying result over the next four years. This data has been extracted from individual Council Budgets and Strategic Resource Plans for 2016/17.

The underlying result for all reported Councils are based on a rate cap of 2.5%, except for Towong Shire Council. Towong's underlying result is based on a higher rate cap of 6.34% through years two-four of the Strategic Resource Plan. This would be subject to approval by the Essential Services Commission.

Six of the Councils report an underlying deficit in each of the next four years. Only two Councils report an underlying surplus through the Strategic Resource Plan period.



The following chart details the cumulative underlying result over the next four years for the selected councils. Eight of the ten rural Councils are expected to record a cumulative underlying deficit of between \$500,000 and \$17 million, through to 2020.



These underlying deficits reduce the cash reserves of Councils and will reduce the future ability of these Councils to meet the expectations of future generations of ratepayers and community members.

Capacity to meet responsibilities for flood planning and preparation and maintenance of flood mitigation infrastructure

Rural Councils are involved in flood planning and preparation. The experiences of flooding in rural councils differs based on location, with impacts across the State caused by:

- Flash flooding
- Urban / Stormwater flooding
- Slow rise / riverine flooding
- Coastal inundation

The impacts of the flooding are also diverse, from significant, immediate damage to infrastructure from flash flooding to the long term damage to infrastructure and public health issues caused by stagnant water in riverine flooding situations.

Data from the Victorian Floodplain Mitigation Strategy indicates that the planning schemes of some rural LGAs may be without appropriate Flood Overlays:

“While Victoria’s flood databases indicate that 11.5% of the Victorian landmass is prone to a 1% AEP flood, the planning system records 7.5% of the landmass as being covered by Flood Overlays. This leaves 4% of the landmass without appropriate Planning Scheme Overlays to account for riverine flooding. The area at risk of coastal flooding is of a similar order of magnitude and little of it is currently covered by appropriate Planning Scheme Overlays.”³

“...Until now, including flood overlays in Planning Schemes has depended on the capacity and willingness of LGAs to do so. Where that capacity and willingness has been deployed, land use planning is working well. Melbourne Water has made it possible for land use planning to work throughout metropolitan Melbourne. It also works well in regional areas that are subject to frequent flooding. However, there are large areas of rural and regional Victoria that remain inadequately covered.”

Rural Councils Victoria would contend that in those cases where a rural Council has not undertaken a Flood Overlay amendment to their planning scheme, it is more likely that capacity is the barrier, rather than willingness. Most small, rural councils have limited capacity within their planning teams to undertake the statutory work required of council and little to no capacity for additional work. This has been recognised by the State Government both in the Victorian Floodplain Mitigation Strategy, where DELWP and CMAs are charged with supporting councils, but also through the formation and deployment of the DELWP Planning “Flying Squad” to support rural and regional councils with planning capacity issues.

For councils operating in a coastal environment, significant issues are being experienced as climate change, sea level rise, storm surges and day to day wear impact on coastlines. World’s best practice demonstrates that the best way to proactively manage coastal erosion is to replace sand and dunes as they are eroded. This is not currently being undertaken in a consistent way along Victoria’s coastlines, although it is commonplace in Queensland, particularly in areas highly frequented by tourists. The level of investment required to undertake this style of mitigation work is well outside the capacity of most rural and regional LGAs.

³ Victorian Floodplain Management Strategy, Department of Environment, Land, Water and Planning, Victorian State Government

The burden on coastal councils is compounded by a lack of clarity about management during emergency events. The Victorian Floodplain Mitigation Strategy states that;

“The emergency management arrangements for coastal flooding have not previously been formalised. More certainty is needed about each agency’s roles, capacities, responsibilities and accountabilities.”

The capacity of councils to pay for flood mitigation works is limited.

In addition to the issues of planning scheme amendments and emergency management, councils face additional stressors during and following flood events. While strictly outside the scope of this enquiry, it should be noted that most of the public infrastructure damaged by flood waters or coastal inundation is managed by rural councils.

The costs of repairing and replacing this infrastructure is an additional burden on councils. While some may be able to access funding from the State Government, this funding is generally on a matching funds basis. The capacity of councils to find matching funding will continue to reduce as financial pressures increase, leading to poor outcomes for community in the aftermath of flooding events and other natural disasters.

Weed and pest control

Legislative changes have transferred responsibility for weeds and pest animal control from the State Government to Local Government over a long period of time. In the Victorian Farming Federation's submission to the Inquiry into Local Government and Cost Shifting in 2002 noted:

"State Government policy imposing controls on clearing of native vegetation under the Victorian Planning Scheme has also imposed significant costs on councils. Councils are required to administer the restrictions on clearing, including the development of municipal native vegetation clearing strategies, the requirement to develop or purchase relevant expertise within staff, and processing land clearing requests received from landholders. This often involves council officers undertaking inspections of the land and consulting with the NRE. For example, where native vegetation clearing permits are rejected, councils have responsibility to defend appeals at the Victorian Civil and Administrative Tribunal."

Additionally, the State Government policy around roadside management of weeds and pest animals was changed in 2010 to reflect that Local Government was the sole party responsible for the management of weeds and pest animals on roadsides:

"Roadsides provide a means for weeds and pests to spread throughout Victoria. These, in turn, threaten agricultural production and environmental assets and are a major concern for both private land managers and Government. Responsibility for the management of roadside weeds and pests has been the subject of confusion for several years. In 2010 the former Government established a working party to review the current arrangements and make recommendations to clarify these responsibilities. A key recommendation of the working party was that the Government should enact a legislative requirement for councils to prepare and implement approved Roadside Weed and Rabbit Control Plans. The Government has accepted this recommendation and considers councils to be best placed to control weeds and rabbits on local roadsides.⁴"

Under s 20 of the Catchment and Land Protection Act, all land owners, including the Crown, public authorities and licensees of Crown lands, must, in relation to their land, take all reasonable steps to:

- avoid causing or contributing to land degradation which causes or may cause damage to land of another land owner;
- eradicate regionally prohibited weeds;
- prevent the growth and spread of regionally controlled weeds on their land;
- prevent the spread of, and as far as possible, eradicate established pest animals⁵.

4

http://www.dtpli.vic.gov.au/_data/assets/pdf_file/0003/225282/Roadside_Weeds_and_Pest_Management_Program_FAQs.pdf

5 <http://agriculture.vic.gov.au/agriculture/pests-diseases-and-weeds/protecting-victoria-from-pest-animals-and-weeds/legislation-policy-and-permits/noxious-weed-and-pest-animal-management-your-legal-roles-and-responsibilities>

For Councils, these shifts and legislative requirements have resulted in Councils being responsible for significant tracts of land, including public parks and reserves and most significantly, rural roadside areas.

Some funding has been made available to Councils to support the cost of managing weeds and pest animals, particularly where they relate to roadside works. The Roadside Weeds and Pests Management Program (RWPP) provides \$5.2 million (2015-2017) for rural and regional councils to plan and manage regionally prohibited, regionally controlled and restricted weeds and pests on rural roadsides⁶.

This funding is widely recognised as being insufficient to cover the costs of activities associated with weed and pest animal management. Funding from the program is capped at a maximum of \$75,000 per Council per year, which reflects just a small portion of the true cost. Additionally, small councils, particularly those in rural settings, have extensive road networks and areas of public land under management while at the same time having limited resources and expertise in pest species management. This increases the risk of pest weed outbreaks occurring in areas where there is no additional capacity within the council to manage the event. Should an event occur, councils are at risk of costly litigation.

⁶ <http://www.delwp.vic.gov.au/local-government/council-funding/roadside-weeds-and-pests-management-program>