

12 September 20222

Letter sent to All Victorian Local Councils by email

Attention: The Mayor and Chief Executive Officer

State Government Cost Shifting to Local Government

I am writing to express our concern about the extent of cost shifting from the state government to local government which is limiting Council's ability to meet the future operational and infrastructure needs of its community.

At its meeting on 22 August 2022 Council considered a report on the issue and resolved as follows:

1. Write to the Premier of Victoria, Daniel Andrews, expressing concern about the extent of cost shifting from the State Government to Local Government, limiting Council's ability to meet the future operational and infrastructure needs of its community.
2. Request the Municipal Association of Victoria undertake an advocacy campaign drawing attention to the issue of cost shifting from the State Government to Local Government.
3. Seek support from the opposition and Local State Members of Parliament to campaign to address the cost shifting concerns from the State Government to Local Government.
4. Write to the Mayor of all Victorian Councils raising the concerns outlined in the cost shifting report and seeking their support for advocacy to the MAV, State Government and the Opposition on the issue.
5. Continue to monitor cost shifting that is occurring and bring future reports back to Council on specific significant cost shifting that is occurring.
6. Commit to the Campaign being led by Monash Council raising concern with the State Government about the school crossing supervisor program including the funding model.

Like the state government, Council has either lost significant revenues due to COVID or diverted resources to support the community through COVID. In Boroondara's case there has been a loss of more than \$40m over the two budgets impacted. Unlike the state government, Council's revenue is limited by the rate cap set and based upon a CPI which bears no real relationship to the primary cost drivers in local government budgets. The escalation in the cost of capital projects is but one example.

It is against this backdrop that Council raises concerns about the impact of cost and responsibility shifting from the state government to local government. Cost shifting can take the form of reductions in funding for services typically funded at higher levels by the state government and the transfer of responsibilities which previously sat with the state government.

Council has written to the Premier, The Hon. Daniel Andrews, the opposition leader The Hon. Matthew Guy MP and local elected representatives seeking a commitment to reconsider current funding levels with the intention of addressing deficiencies which have built up over the years such as maternal and child health funding and school crossing supervision. Council is also requesting that the various proposals which are designed to transfer responsibility from the state government to local governments be reconsidered whether they be related to the building system (flammable cladding, orphaned building applications/approvals and post construction inspections) or responses to the newly announced kindergarten arrangements.

With the significant impact imposed on local government, I seek your support in writing to the MAV in support of their advocacy to the State Government and the Opposition on the issue.

Should your office have any questions or require any further information, please have them contact Scott Walker, Director Urban Living by phone 9278 4800 or email scott.walker@boroondara.vic.gov.au.

Yours sincerely



Cr Jane Addis
MAYOR