

# Dedicated Rural Council Fund

## OUR ASK

A dedicated rural council fund that enables small rural councils funding to maintain their significant assets and continue to deliver services expected by the community that are received in larger centres.

Community members should not be disadvantaged because of where they choose to live.

## ABOUT HINDMARSH SHIRE COUNCIL

Hindmarsh Shire Council is a large rural council in the Wimmera Southern Mallee, covering 7,500 square kilometres with a small and dispersed population of 5,698 (2021 Census). Located between Melbourne and Adelaide, the Shire's four main towns are Dimboola, Jeparit, Nhill and Rainbow.

## UNABLE TO MAINTAIN ASSETS

Hindmarsh Shire is facing growing financial pressure from rising service demands, increasing construction and operating costs, climate impacts and ageing infrastructure, while revenue remains limited. This is placing significant strain on Council's ability to maintain essential community assets, with many nearing the end of their useful life.

In particular, four swimming pools require major short-term investment to remain operational, and around 20% of Council's 199 buildings and structures are in average to poor condition.

Recent sales of the Dimboola Senior Citizens Centre and Gerang Hall reflect the difficult decisions Council has had to make where limited use and insufficient funding made ongoing maintenance and safety upgrades unviable.

While Council has prioritised asset renewal in the short term, modelling indicates that from 2027 onwards, asset renewal expenditure falls significantly to between 62% and 74% of annual depreciation, declining to 62.3% by 2035.

## OUR ROAD NETWORK

Hindmarsh Shire Council's road network is the equivalent of driving from Nhill to Darwin, with less than 2 residents per kilometre of road network, but without the commensurate financial resources to maintain, renew, and upgrade.

Despite our best efforts, maintaining vital infrastructure (including the significant road network) remains a constant struggle impacted by climate changes and increased heavy vehicle usage.



## HOW DOES HINDMARSH COMPARE?

	Hindmarsh	Horsham	Ballarat	City of Port Phillip
Revenue	\$22.204m	\$67.44m (25/26)	\$296.45m (25/26)	\$318.88m
Rates and Charges	\$10.630m	\$34.88m (25/26)	\$167.11m (25/26)	\$165.594m
Assets (Infrastructure) per Head of Population*	\$51,354	\$32,709	\$16,731	\$8,796
Average Rates per Assessment*	\$1,660	\$2,228	\$2,086	\$1,764
Kilometres of Road	598 (sealed) 2,590 (unsealed)	1,059 (sealed) 1,924 (unsealed)	1,093 (sealed) 382 (unsealed)	over 300km
Population per Km	1.81	6.81	79.25	418.84
Area (km2)	7,527	4,267	739	20.7

## SPECIFIC IMPACTS TO RURAL COUNCILS

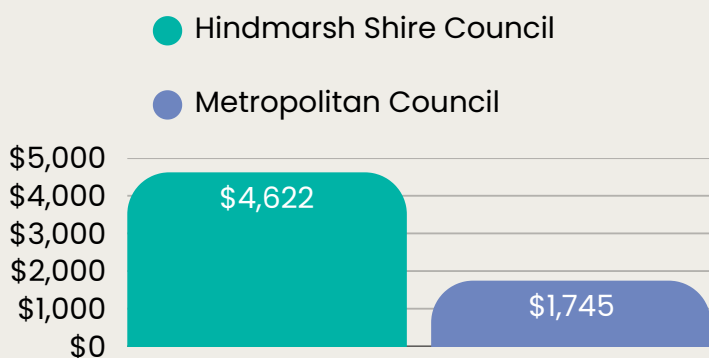
In addition to asset pressures, Council's LTFP shows a deterioration in operating results and liquidity over time, despite prudent budgeting and the absence of debt. By 2032 Council will be without any Cash in the bank.

Without reform and adequate funding for Rural Councils:

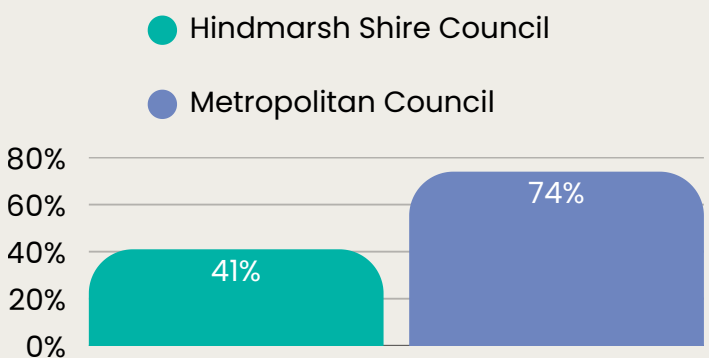
- Ongoing operating deficits erode accumulated surpluses;
- Cash reserves are progressively depleted; and
- Councils are forced to choose between reducing services, deferring renewal, or accepting increasing financial risk.

This is not sustainable and limits local government's ability to plan confidently for the future or respond to emerging challenges such as climate adaptation and disaster recovery.

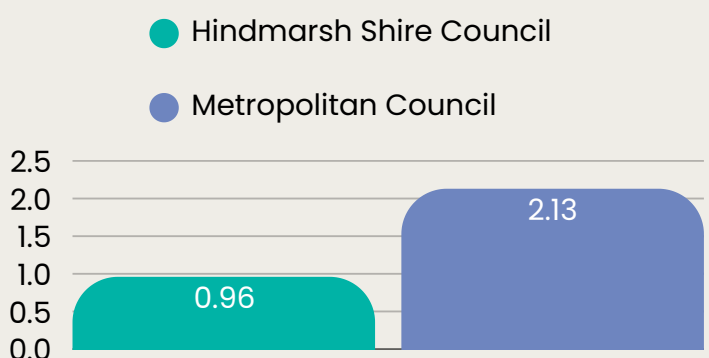
### Expenses per head of population:



### Rates Concentration:



### Asset Renewal vs Depreciation (2024/2025)



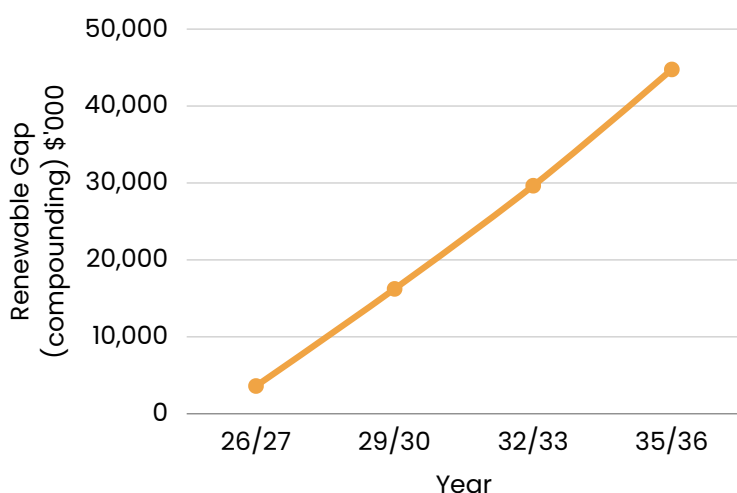
## UNFAIR ALLOCATED FINANCIAL SUPPORT

Hindmarsh Shire receives a bottom-quartile of the total Financial Assistance Grant allocation across Victoria (62 out of 79), yet in relation to geographic area Hindmarsh is the sixth largest geographic area and has the twelfth largest road network.

Hindmarsh Shire Council is committed to sound financial management and long-term planning. However, the evidence from Council's Long-Term Financial Plan clearly demonstrates that **current funding arrangements are insufficient to sustain essential services and infrastructure over time.**

**Without meaningful reform and increased federal support, local governments will face declining asset condition, reduced service levels, and increasing financial risk** - outcomes that ultimately affect the wellbeing and prosperity of communities.

The below graph shows the value of the compounding renewal gap:



## CONTACT US

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