Cardinia Shire Council Budget 2010/11

Council received ten submissions regarding the annual budget, six from various community groups and four from individual ratepayers. At a Special Council Meeting on 15th June, six submitters made a verbal presentation to the Council. At the General Council Meeting 21st June, the Budget was adopted by Council with one change, resulting from a submission made by Officer Recreation Reserve Committee of Management. An additional late submission was not accepted by Council but it is important to note that it contains an accurate analysis of how the Major Project s funding is to be allocated. Also see the CRRA written submission plus notes on the verbal follow up presentation.

It is evident that rural wards are missing out on funding and ratepayers outside the State government created growth area are subsidising urban infrastructure projects. It is clear that ratepayers are being taxed via their municipal rates.

Following the 2005 realignment of the urban growth boundary, the State government designated Cardinia Shire as being metropolitan which resulted in loss of funding advantages available to rural municipalities. While the Cardinia Shire urban growth corridor population is currently 37,043, the Shire is actually over 80% in rural area which has a population of 31,994. Budget allocation for Major Projects is 91% in the Central Ward growth corridor and 9% for the rural wards.

Relatively minor projects in rural wards, including road maintenance and various local needs, are left out while the Council prioritises growth corridor projects because the State government expects this to be done. To keep up with the provision of infrastructure, the Council must borrow and the debt level at 2010/11 is currently around $44 million.

Growth Area Infrastructure Contribution

The State government response to Council's financial difficulties is to promise funding from a Growth Area Infrastructure Contribution fund raised by realigning the Urban Growth Boundary and levying a tax on landowners whose property has been brought into the growth corridor and nominated as potential residential development over the next 15-20 years. Council rates on those properties have risen enormously and some landowners may have to sell and leave their property if they cannot afford to pay the rates.

This levy has been described as a 'contribution', but it is actually a tax. State government receives GST revenue from Federal government and collects many forms of tax including enormous revenue from Stamp Duty. It should not be necessary to impose additional taxes on landowners and ratepayers.