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MEDIA RELEASE

Indigo Shire Council - Declining Service Levels

Indigo Community Voice is raising concerns about Indigo Shire Council's 2024/25 draft budget and long-term plan. A significant reduction in renewal of core community assets has been slated by Council for the next 10 years.

Key Findings:

- Substantial underfunding for renewing vital community assets.
- Community service levels is expected to remain low for the next 10 years.
- Current and past expansionary programme has set the stage for future rate rises.

Indigo Shire Council's (ISC) long-term plan in conjunction with the 2024/25 budget reveals a significant annual shortfall in funding of 34% for renewing major assets over the next decade. Community dissatisfaction with service levels over the past five years has been an ongoing concern and the situation is expected to deteriorate even further.

Critical infrastructure like roads, footpaths and flood mitigation works will be underfunded by Council as identified by the Renewal gap, which is only at 66% of that required.

The Renewal gap indicator measures how well Councils are replacing worn-out assets. The ratio should be above 1.0 (or 100%), so replacement funds exceed the cost of renewing the declining assets. The 10-year average annual funding for renewing assets is only 66% of that required which is a concern for the community.

Daily maintenance and repair costs will increase, further straining ratepayer funds. The backlog of worn-out assets will grow, leading to further pressure on declining service levels.

Over the past few years, the council has been on a multi-million-dollar expansion programme through public tax funded grants for non-essential projects. This ultimately creates an ongoing debt legacy for rate payers for projects that the community have not seen as a priority, as demonstrated by past budget submissions over the last 3 years.

Whilst Council has identified no future rate rises above the rate cap this ignores Council’s current and past expansionary programme and coupled with the 34% funding reduction will ultimately increase pressure for rate rises above the rate cap in the mid to long term.

Indigo Community Voice encourages the community to raise their concerns and provide feedback to Indigo Shire Council on the draft budget by June 4th.

Charles Mitchell,
Committee Member, Indigo Community Voice Inc.

Reference data from Council’s long-term plan

Appendix - VAGO Performance Summary

The following table provides a summary of Council’s performance against key VAGO indicators over the period of the plan. Council’s intention is to maintain low to medium risk against financial indicators.

VAGO/LGPRF Measure	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2032/34
Adjusted Underlying Result	-13.31%	-3.73%	2.09%	4.45%	4.11%	3.93%	4.46%	4.06%	4.60%	3.93%	3.21%
Net Result	-1.61%	8.98%	11.81%	14.74%	13.16%	14.58%	13.24%	12.73%	13.07%	15.13%	14.56%
Liquidity Ratio	2.12	2.14	2.10	2.06	2.03	2.00	1.98	1.98	1.96	1.96	0.02
Financing											
Internal Financing	51.52%	107.98%	104.23%	102.60%	102.59%	102.32%	102.49%	102.57%	102.56%	102.34%	103.36%
Indebtedness	19.31%	19.56%	19.10%	18.54%	17.95%	17.39%	16.85%	16.61%	16.42%	16.51%	16.65%
Capital Replacement (Ratio)	1.82	1.34	1.10	1.21	1.20	1.29	1.22	1.21	1.23	1.38	1.54
Renewal Gap (Ratio)	1.15	0.59	0.58	0.64	0.62	0.65	0.65	0.67	0.70	0.75	0.80

	LOW RISK
	MEDIUM RISK
	HIGH RISK

Table 1 – Extract from Indigo Shire Council 2024/25 Draft budget