

New study on councils facing rapid population growth

21 September 2017

Local government

A new study has found rapid population growth is a challenge for council areas on the urban fringe.

The independent report by consultants Arup was commissioned by the Essential Services Commission to analyse the impact of population growth on councils' capacity to provide services and infrastructure to their communities.

The commission's director of local government, Andrew Chow says the study was prompted by the need to know more about the extent and nature of population growth among the rapidly growing urban fringe councils.

'We wanted to know how growth is impacting on councils and how councils can manage growth,' he said.

The study found:

- Councils need to spend more when they are growing compared to when population is stable, primarily due to costs associated with infrastructure delivery (roads and buildings). This is particularly for councils where growth exceeds 3 per cent per year.
- Growth can present a challenge to stay within the rate cap, however, there is scope for councils to increase their efficiency and effectiveness, particularly in how they plan and manage asset delivery that could reduce the need to apply for a higher cap.

- There appears to be no evidence that a community's own current and future income is insufficient to fund its local infrastructure (based on the data gathered to date).

The [growth study](#) is now available. Feedback on the study should be sent to localgovernment@esc.vic.gov.au by 18 October 2017.

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