



PLEASE QUOTE REFERENCE
ENQUIRIES

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14 May, 2015

Local Government Rates Capping and Variation Framework Review,
Essential Services Commission

localgovernment@esc.vic.gov.au

Dear Review Chair,

I refer to the Commission's Consultation Paper 'Local Government – Rates Capping and Variation Framework' April 2015. Central Goldfields Shire Council has considered same and makes the following response:

- The consultation paper recognises the issues to be considered in achieving the Government's objective of developing a state-wide capping and variation framework for council rates.
- The paper references a rate capping framework with improved efficiencies and financial sustainability.

The current Council budget is not finite. Council has for example an infrastructure renewal gap for a reason – and that is its incapacity to raise sufficient funds.

Simply; Councils current need is , current resources are , and rate capping will result in .

- Council refers the Commission to the 'Whelan Report' into Councils Financial Sustainability, and further recommends that it consult with report authors Merv and Rohan Whelan.

The Whelan Report/Model provides an evidence-based analysis of why some municipalities will be inherently financially challenged. It does this by taking selected environmental factors that significantly influence Council performance; quantifies the degree to which each factor impacts on operating costs and revenue; and applies the results to assess the relative sustainable capacity of each council.

Council is optimistic that an outcome of this current rate capping/variation framework exercise will be a greater understanding of local government financial sustainability, and, a review of industry funding models.

The reality is – all Councils are not created equally!

Thank you for the opportunity to submit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark W Johnston', with a large, stylized flourish extending from the end of the name.

Mark W Johnston
CHIEF EXECUTIVE OFFICER