Maribyrnong City Council

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23 February 2018

Mr Andrew Chow Director Local Government Essential Services Commission Level 37, 2 Lonsdale Street Melbourne VIC 3000

By email: localgovernment@esc.vic.gov.au

Dear Andrew

Setting a local government efficiency factor - draft proposal

Thank you for the opportunity to make a submission on your draft proposal.

Maribyrnong City Council are disappointed by the proposal and its preconceived conclusion that local government is inefficient and that an efficiency factor is required.

The draft proposal does not assess efficiencies being achieved by the introduction of rate capping, or consider the full impact of rate capping.

Rate capping has led to significant changes to our operations and will continue to do so. However, the main drivers to increasing costs are not due to inefficiencies in operations, but the rapid growth of our community and their increasing needs and expectations.

While we are able to manage the current service levels, factors such the universal rate in the dollar; the garbage charge; cost shifting from the state and federal government; and declining government grants will affect our future capacity to deliver services.

Rate capping is an efficiency program and its introduction is still relatively new. As such the longer term impacts are still not known. Until they are known we, along with most of the local government sector, do not believe that a further efficiency factor is warranted and that it would appear to be premature to impose an additional reduction in revenue.

This could only lead to a strain on service levels and infrastructure renewal in the long term.

We support the concerns raised by other Victorian councils and agencies to the draft proposal.

Maribyrnong City Council welcomes the opportunity to discuss this further or to provide additional information.

Yours sincerely.

Stephen Wall

Chief Executive Officer



