28 July 2016

The Secretary, Environment and Planning Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

Sent via email: epc@parliament.vic.gov.au

Dear Sir

Corangamite Shire welcomes the opportunity to provide comments in relation to the ongoing Inquiry Into Rate Capping Policy.

In a financially constrained environment imposed by rate capping, rural councils such as Corangamite continue to face increasing cost pressures which are compounded by the ongoing transfer of services and imposition of red tape and reporting requirements by the State Government. To remain financially sustainable the Government should consider introducing a dedicated funding source.

Council’s 2016-2017 Budget includes a variety of initiatives to deliver recurrent savings of over $500,000 to bridge the funding gap imposed by the rate cap. This was achieved through modifying or eliminating some services, including reviewing those provided by Council on behalf of the State Government. For example, Council resolved to reduce SES contributions by 50% and we are no longer undertaking blue green algae monitoring and response for waterways not under the direct control of Council. Council services that have been cut or reduced include arts and culture and environmental programs. Fees and charges have also been increased where the service delivers benefits to individuals rather than the community.

We also observe through the ESC variation process there is considerable variability and continued uncertainty. We believe that the ESC must develop a best practice guide for the sector. Similarly, the reporting and monitoring requirements imposed by the ESC should logically be absorbed by other oversight bodies to avoid unnecessary duplication.

Rate capping has resulted in Corangamite more closely reviewing the services we provided to our community and how we do business. These reviews will then determine the services Council can afford to provide into the future and has given us an impetuous to cut services that are not core business.

Thank you for the opportunity to make this submission and should you require further clarification on the matters raised in this submission please contact me on .

Yours faithfully

Andrew Mason
Chief Executive Officer

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