East Gippsland Shire Council thanks you for the opportunity to make a submission in relation to the outcome of the State Government policy of local government rate capping on council’s viability, service impacts on local communities and impacts on the provision of local infrastructure. Whilst the framework for rate capping is yet to be finalised, Council has however undertaken preliminary assessment of the potential impacts its introduction may have on this Council as follows:

Firstly in terms of quantifying the impact of rate capping on East Gippsland Shire Council, it is more about the loss of control over determining the level of rating required to deliver the services expected by the community. Council’s forward 10 year financial plan had included modest rate increases into the future and whilst rate capping may impact on those proposed rate increases, the overall financial impact is expected to be able to be absorbed without impacting on current service levels. Council will continue to strive for further efficiencies in operations and therefore ensure that rate capping will not impact on the services being delivered to the community.

Council is mindful of other factors, outside the control of Council that may impact financially on Council. Such events as a call for the defined benefits superannuation scheme, natural disaster events that require significant cash funding up front by Council, cost shifting from other levels of government for the delivery of a number of services to name but a few. The importance of having a rate cap variation process that allows for reasonable and sensible consideration for such circumstances will be important to Council so that financial sustainability is maintained with certainty into the future.

Kind regards
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