

East Gippsland Shire Council

East Gippsland Shire Council provided the following comments with the 2016-17 questionnaire, submitted 31 October 2017. The Commission may wish to consider this information as a submission.

Questionnaire Comments- as at 30 June 2017

The East Gippsland Shire comprises substantial areas of national and state parks, lakes, rivers and coastal areas and has more than 40 diverse localities. A region on its own, the Shire area occupies 10% of the Victorian land mass with Council responsible for 2,966 kilometres of local roads and 224 bridges, most of which are timber. Council believes that the current VGC cost adjusters do not adequately reflect the growing impost that Council faces as a result of rate capping that was introduced in 2016/17. Some aspects that relate to this claim are as follows;

1. The area is susceptible to natural disasters such as fire, floods and storms. The recompense for these events is a portion only of the costs of Council in planning for, responding to and recovering from these significant natural events. As at 30 June 2017 Council has NDF claims outstanding for natural disasters over the last five (3) years that it will pursue as a priority - refer to comments at "VGC0 - Natural Disasters"
2. Council incurs costs of tourism at a higher proportion than similar councils. These costs include waste collection and disposal to remote areas, street and beach cleaning, extra road and trail maintenance, the provision of interconnecting infrastructure, e.g. foot bridges, promotional costs, interpretive signage, vandalism and other impacts on the environment, the natural environment being a main attractor for visitors to the area.
3. Rural councils such as East Gippsland Shire Council are not receiving any favourable adjustments for the capping of rates. Overall property valuations have increased significantly in the inner metropolitan area in recent years and with a high proportion of commercial activity these councils have much greater capacity to raise fees and charges. These factors reflect an increase in the capacity of inner city ratepayers to pay rates and absorb the impact of a rate cap. In summary, the situation for this Council has become much less favourable in recent years due to lower increases in property valuations, less capacity to increase fees and charges such as through parking fees, the introduction of rate capping and regular natural disasters that are highly resource intensive for a large isolated region with limited capacity to receive support from neighbouring councils or other authorities in the area..
4. East Gippsland Shire covers a vast geographic area with many small communities requiring Council services. Waste facilities are required in many remote areas, delivery of library services to the whole community, service centre facilities in outreach areas as well as recreation and community facilities for these small population areas. This places significant pressure on Council's financial resources, but these are very important services for these remote communities. Most Councils in Victoria do not have the same challenges with service delivery to their community that East Gippsland Shire has. These factors should be considered in the context of equity the Victorian Grants Commission consideration of payment allocations.
5. The imposition of rate capping from 2016/17 will continue to be a challenge for Council's such as East Gippsland in terms of its ability to continue to provide the required level of service to many of its outreach communities. Whilst Council will be reviewing its service requirements and levels to the community over the coming months, it does face challenges that many other Victorian Councils do not encounter. Given that the rate cap is a single cap for all Victorian Councils, the East Gippsland Shire Council is disadvantaged from this one size fits all approach.