

Our File: HCC08/645  
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14 February 2018

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

By Email: [localgovernment@esc.vic.gov.au](mailto:localgovernment@esc.vic.gov.au)

**RE: Submission to Productivity Study: Victorian Local Government**

Thank you for the opportunity to provide a submission to the Draft Proposal on setting a local government efficiency factor.

Council understands the feedback received by the Essential Services Commission (ESC) from the sector has led to the Draft proposal to use a notional approach in setting an efficiency factor for 2018-19 and 2019-20. Whilst council supported the data envelopment approach, it accepts that a staged approach before its use would provide the sector greater certainty in the advice that the ESC will provide to the Minister.

Further, Council supports the ongoing development of measuring productivity in the local government sector as this will provide the sector with an evidence base to discuss with and inform the State Government policies that would impact the sector. Council would also be willing to participate in the next productivity review scheduled for 2020-21.

Should you wish to discuss any details of this submission please contact Mr Daryl Whitfort, Director Corporate Services on (03) 9205 2777.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'D. Isola', written over a circular stamp or mark.

**DOMENIC ISOLA**  
**CHIEF EXECUTIVE OFFICER**