



OUR REF

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26 May 2017

Mr Jim Pearce MP
Infrastructure, Planning & Natural Resources Committee
Parliament House
George Street
BRISBANE QLD 4000

Via Email: IPNRC@parliament.qld.gov.au

Submission Response: Inquiry into the long-term financial sustainability of local governments

Dear Mr Pearce,

Mackay Regional Council welcomes the Inquiry into long term financial sustainability of local governments.

Council is aware of the deficiencies of some local government authorities in addressing sustainability issues. The ongoing long term sustainability of Mackay Regional Council is a current major focus in all decision making. In future years like most local governments, we are facing some sustainability challenges due to our declining revenue base and ongoing level of expenses to deliver the communities desired level of service and maintain our current asset base.

In recent years the local economy has slowed down and residents are facing challenging economic conditions. We have experienced a decline in the number of new subdivisions and new properties, which translates to reduced income growth. There is also an ongoing community expectation for council to do more for less and reduce charges. In addition, costs and liabilities are incurred to support job creation and economic growth in the region, which adds additional pressure to achieve longer term financial sustainability.

In general terms we support the recommendations in the report and we have begun the journey to implement some of the key recommendations. One of our major hurdles we face to implementing the findings will be the time taken and resources needed to develop and implement the recommendations with other competing financial priorities of preparing the Annual Budget and the end of financial year requirements.

Council currently adopts annually an annual budget and 10 Year Long Term Financial Forecast and is constantly striving to improve this process. We continually review and amend operating assumptions based on corporate plans and operational plans to provide accurate and realistic targets.

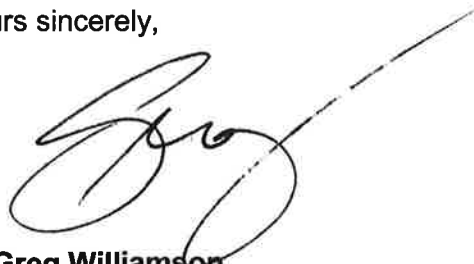
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Council is well aware of current deficiencies in our current asset management processes and is endeavouring to improve this area. Several years ago we developed an Enterprise Project Management Framework for our capital planning process and we continue to refine and improve this. Detailed asset management plans and asset condition data are other high priorities for this Council.

Council would welcome any support provided by the department to assist in meeting the appropriate level of reporting for long-term financial sustainability.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Williamson', with a long, sweeping horizontal stroke extending to the right.

Cr Greg Williamson
Mayor – Mackay Regional Council