

Ref: IM/lw  
File: 44/02/02



Mr Paul Slape  
Chair  
Victorian Grants Commission  
C/- Department of Planning & Community Development  
GPO Box 2392  
Melbourne Vic 3001

Dear Mr Slape

**Re: Cost Adjustors and Grants**

In discussions with my Council and other Council representatives in drought affected areas, it would seem that there is no identifiable adjustor factor which adequately recognises the impact of long term drought on rural councils.

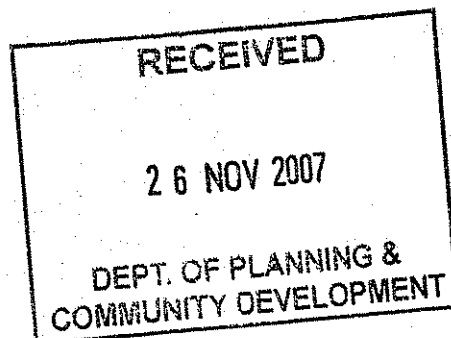
As you can appreciate, that whilst there are programs for assistance to drought affected farmers, local government is confronted with a range of additional costs during periods of sustained drought. These costs have been well documented in submissions made by this Council, but materialise in the provision of support programs, reduced collection rate of service costs and also a reduced capacity to increase rates to match the cost of services.

I am therefore seeking your comment and support, in particular for a review of the Cost Adjustor to specifically include drought (refer cost adjustor 3 which includes flooding). Inclusion of drought in the Cost Adjustor would ensure some recognition for the added cost incurred by drought affected Councils and their communities.

I would be happy to discuss this matter further with your members of your Commission.

Yours sincerely

Ian Morris PSM  
Chief Executive



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