

David Mandara

The Commissioner
Essential Services Commission Victoria
Level 8/570 Bourke St
Melbourne Victoria 3000

**Submission re Hepburn Shire Council application
to increase property rates by 10% for fiscal year 2025-26**

Dear Commissioner,

I am a long-term (30 year +) resident of Hepburn Shire and the owner of a house in Hepburn Springs with my partner.

Rates have always been high in the Shire and meeting the payments has always been a struggle.

I view the possibility of a 10% rate increase both unjustifiable and unfair – and doubt my capacity to meet such an increase.

It is clear that the proposed rate increase is primarily, or at least partly, a result of the Council's failed attempt to repurpose and renovate the old The Rex theatre, a magnificent heritage building boasting a central position in the Main Street of Daylesford, a beloved landmark of our town.

Ironically, one intention of the Council was to convert the building into lavish new offices for itself!

However, after multiple failed attempts to renovate the building – at presumably great expense – the project was abandoned. This beautiful building with its classical frontage, vast spaces with soaring ceilings and a huge parking area at the rear now stands derelict, albeit with a new owner, a loss of amenity to visitors and locals alike and a symbol of Council mismanagement.

I have been unable to find a reliable estimate of the cost of this debacle but figures I have heard range to well above \$5 million.

This alone would explain why the council is seeking a massive 10% rate increase, putting the burden of responsibility back on the innocent ratepayer.

It is fair to say if this situation was brought about by an individual or a private company, they would have to face the full consequences of their errors of judgement.

This may involve liquidating assets, declaring bankruptcy, being forced into administration and being prohibited from holding a company directorship.

They would not be able to pass responsibility to their customers or those they serve, as the Council is attempting to do.

Putting it in basic terms, the company or individual would be required to pay back the money or face the consequences.

At a company level at the very least the responsible decision maker or decision makers would be removed from their position of office. Clearly that is not going to happen in this case.

And the debt still remains to be recovered.

One recovery option would be to increase the efficiency of the Council and reduce costs.

It's hard to find an estimate of council employees. The figures I have seen range from 200 to 1,000!

But the last cost-saving method I would hope to see, particularly in these turbulent economic times, is the loss of livelihood caused by failure of leadership.

One of the challenges of living in a popular tourist destination is that a high proportion of Council expenditure goes towards maintaining amenities for the tourist population. While this is an unavoidable drawback of living in such an attractive region, it goes a long way to explaining the high rates that residents must endure.

The influx of wealthy new property buyers moving to Daylesford and surrounds in recent years has exacerbated the rates dilemma, substantially increasing property prices and therefore property rates.

Many of these properties are used only as weekenders. Even more are on the Airbnb and other accommodation markets. These often lie empty during the week. There are also a number of new residents and non-residents who own multiple investment and/or accommodation properties. This also has the impact of pushing up property prices and preventing local renters from finding accommodation.

I don't know if the Council has a strategy to deal with this growing issue, one that threatens towns like Daylesford, Hepburn Springs, Glenlyon etc, to lose their innate charm. I assume not.

So, taking all this into account, is there a viable solution to this problem without placing undue hardship on the true residents of the Shire?

I propose the following:

1/ Leave the property rates of permanent residents as they are.

2/ Increase the rates on properties that are on the temporary accommodation market.

3/ Increase the rates for owners of more than one property providing that property does not provide living accommodation to a local.

4/ Substantially increase the rates on owners of more than five properties.

5/ Investigate the decision-making process of The Rex debacle and review the future employment of the decision makers.

It's fair to say that the level of rate increase sought by the Shire Council is a measure of its financial mismanagement.

It should never fall to local residents to pay for the mistakes of their Council.

Yours sincerely,

David Mandara