



Residents of Retirement Villages Victoria Inc.
Representing Residents

Reg.No. 0048146R ABN 2034 1655161 www.rrvv.org.au

11 May 2015

Local Government Rate Capping
and Variation Framework Review.
Essential Services Commission.
Level 32, 2 Lonsdale Street.
Melbourne, Vic., 3000

Dear Sir Madam,

The Residents of Retirement Villages Victoria (RRVV), which represents over 38,000 Victorian retirement villages residents and for whom the RRVV are campaigning for a reduction in all Victorian council rates due to the fact that retirement villages residents pay full local council rates except for 6 out of the 79 Victorian councils.

They also pay a substantial levy, increased annually according to the CPI, to the owner who provides and maintains street, footpaths, drainage, garbage collection and street lighting infrastructure of their retirement village. This leads to the situation of double taxation for retirement village residents. Local councils do not expend any capital on any of these infrastructure items yet collect up to 3 times the rates revenue from retirement village residents due to the building density of village units compared to an ordinary residential street.

These residents live on limited incomes (85% on pension or part pension) increased only by the CPI and are unable to increase their incomes by employment due to their age. Rampantly escalating costs of living expenses such as council rates, electricity, gas, telephone and private health insurance, etc. are placing extra burdens on these elderly people.

RRVV supports the proposal or local government rates and charges to be capped to the rate of inflation. We are concerned that the rise in rates over the last 10 years is excessive having increased by 100% which is more than the increase in the cost of nearly all other costs or services incurred by Victorians.

If increases in local government and rates and charges are allowed to proceed at this rate in future years it will be impossible for Victorian residents, either those who live in retirement villages or otherwise, to be able to afford them.

Yours sincerely,

Lesley Menzies
President RRVV