



29 April 2015

Essential Services Commission
Level 37
2 Lonsdale Street
Melbourne VIC 3000

Dear Commissioners

Local Government Rates Capping & Variation Framework Review

I have recently heard people on the radio representing the MAV, VLGA and various local councils, opposing the proposal for local government rates and charges to be capped to the rate of inflation.

As well as a vested interest, they must have their collective heads in the sand!

Rates in Victoria have reportedly increased more than other jurisdictions. In my experience the rise in rates over the last 10 years has been excessive, having increased by 100% which is more than the increase in the cost of nearly all other costs or services incurred by Victorians, it is placing a financial burden on families, individuals and businesses and simply cannot be justified or sustained into the future.

In the same time, on top of these exorbitant increases, the Mornington Peninsula Shire has pushed up the Municipal Charge from \$80 to \$180 per residential property, which is effectively a flat-tax subsidiary rate and a grossly unfair burden, particularly on lower-income ratepayers.

Rate capping does not totally prevent an increase in Councils' revenues, and if Councils have special circumstances and wish to increase rates more than the cost of inflation then they should have to rigorously justify the increase, and any such increase have a "sunset clause". That is, the increase should not continue ad-indefinitum but be specific for the term of the special circumstance. In addition it should be mandatory that Annual Rates Notices itemise these special circumstances charges so that the cost is clearly indicated to ratepayers.

The framework developed by the Commission should also ensure that Councils cannot subvert rate capping measures by increasing charges for services or borrowings in lieu of increasing rates more than the cost of living.

I wish to lodge my **support** of local government rates and charges being capped to the rate of inflation.

Yours sincerely

A handwritten signature in black ink, appearing to read "Margaret B Wilson".