

morningtonpeninsulabeachboxassociationinc.

address: P.O. Box 447 Mount Martha Victoria 3934 email: info@mpbba.org.au phone: 0447 321 257

REG. NO. A5043646G
A.B.N. 35 827 627 970

Dr R Ben-David
Chairperson,
Local Government Rates Capping & Variation Framework Review
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne. 3000
Fax: 9032 1303

26th August 2015

Dear Dr Ben-David,

Thankyou for the opportunity to comment further on the Blueprint for Change proposals. This Association represents Crown land licensees of Boatsheds and Bathing boxes within the municipal district of the Mornington Peninsula Shire Council. There are about 1,300 of these Licences, more than half are issued to Association financial members. Currently the Licences are levied a) a Boatshed/Bathing Box Rate identical to the residential rate as c/\$ and b) a fixed Municipal Charge, also identical to the Municipal Charge levied on residences. (There are also Licence fees).

We urge your Committee to draft and recommend an inclusion to Section 3 of the Local Government Act by providing an inclusive definition of "administrative costs" to apply to the Municipal Charge in Section 159. The purpose of Section 159 is to allow Councils to defray "some" of their "administrative costs" which we submit, do NOT include rubbish collection. Boatsheds & Bathing Boxes do not need or have a waste collection service yet the Municipal Charge includes waste collection for residents while Licensees pay the same amount without a service. Clarity around "administrative costs" would aid understanding of the "municipal charge". Or, in the words of the report, " (help ratepayers) verify the linkages between the rates they pay and the outcomes they observe". P.28.

We commend the question of Chapter 6.2 "what is still required to really drive efficiency". We submit that a thorough review of local regulations and the administration of them would be welcomed by ratepayers, and would yield significant gains to any Council as well. "Red Tape" is real, unwieldy and tends to be self-serving. For instance, minor matters of materials or vegetation management consume unnecessary and inordinate time of Council officers.

We support the foreshadowed study of Councils' productivity.

Using forecast rates of increase in the WPI may well become self-fulfilling. Aware that a Council has already factored a percentage wage increase via the Cap formula into it's rate rise without offsets like productivity or restructuring, wage negotiations will be detrimental to ratepayers from the start. Indeed, having read the summary of submissions to the Commission, it seems that EBA outcomes may have been a major reason for Council rate escalations which have now lead to the need for an effective Cap.

Finally, on your website it would be very useful to see a worked example of the arithmetic involved in striking a hypothetical rate assessment on an "average" property for the years 14/15 and 15/16.

Chris Maine
President.MPBBA


