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From: Tom Kusic

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Subject: Rate Capping

I wish to comment on the conduct of the Maribyrnong City Council (the council) with respect to its approach to rates.

For many years this council has been increasing rate by CPI plus a levy for specified capital works projects. In subsequent years, previous year's capital works levies have not been removed before new capital works levies have been added. Hence capital works levies have been compounding. Had the levies not been compounded, rates charged by the council would be approximately half of what they are now.

The council keeps searching for capital works to spend money on, and in the most recent budget has proposed to spend \$1.4 million to re-construct the Nicholson Street Mall (the mall), even though this council spent approximately \$1 million only a few years ago to re-construct the same mall. The council claims that the mall is in a state of dis-repair and that the re-construction is necessary. Yet when I have travelled through the mall, I have not found anything wrong with the mall, except for a hand full of loose tiles, which could simply be re-cemented.

This council also wants to spend \$13.5 million to build a car park to accommodate 100 cars.

It just recently built a complex in Braybrook, at a cost of \$9 million, housing a library, a cafe and a kindergarden (the cafe reminds me of the ICAC enquiry in NSW). This council is building and renovating kindergardens even though the federal government provides child care rebates and family tax benefits.

Footpaths are in an extremely bad state in some locations, but I suspect that they will be used to justify applying for capital works levies once capping is introduced. One such example is in front of the car park of the Western Hospital in Ballarat Road.

Looking at the obsession with capital works, it is as though some incentive is being paid by construction firms to encourage spending on capital works. To me, this suggests brown paper bags stuffed with cash.

The imposition of capital works levies, forcing residents to pay for dubious capital works is no different than protection rackets that Mafia mobs have operated in the past in US cities - if someone wants to live in the area controlled by the council, they have to pay a levy. The only difference is that the levy doesn't pay for protection, it pays for capital works.