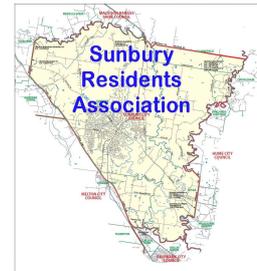


Sunbury Residents Association



**Essential Services Commission,
Level 37, 2 Lonsdale Street,
Melbourne. VIC 3000**

Re: Local Government Rates Capping and Variation Framework Review.

Comments on the ESC Draft Report

With Reference to: Sect 2.2 of Vol 1

1/ Rates capping should be applied to all charges by Council not just general rates and municipal charges, otherwise we fear that Council will “load” other charges as a mean of compensating for reduced revenue increases. The one exception would be Supplementary valuations.

If (as is suggested in the ESC draft report) charges such as Garbage are indeed directly related to costs then active policing via regular audits is needed to ensure this continues.

2/ If Council can apply for a variation of rates above the cap the we perceive that it is only fair that ratepayers either individually or as a group are permitted to apply for a variation of the rate increase to a level BELOW the default (CPI related increase). If an application is approved it must be enforceable by the Minister.

With Reference to: Sect 3.3 of Vol 1

3/ Councils are notoriously bad at listening to rate payers. Examples are plentiful where submissions to Council about their draft budgets are totally ignored.

A mechanism which can be policed is required for Councils to interact with ratepayers when seek rate payer permission to submit a variation to the standard rate increase. Failure to oversee and police this specific aspect of the abnormal rate increase application would mean that Councils would be applying for rate increases above the cap every year and the capping mechanism would then become the default process, merely adding cost and complexity to Council processes for absolutely no benefit to ratepayers.

Sunbury Residents Association recommend using a process where the council submits an application to an independent body, (Probably the ESC) who also collect the rate payer submissions in reply to the application. This body would then assess the council application and rate payer submissions before making a recommendation to the Minister. This process would ensure that decisions about rates are based on an unbiased assessment of need, as viewed by the community, rather than a desire for empire building by council employees or councillors.

Sunbury Residents Association



4/ If you are reading between the lines of this submission and deduce that residents and ratepayers do not trust Council to be honest, fair, transparent and reasonable, you would be correct. That in itself is a significant condemnation of the current relationship Council has with it's ratepayers. We realise that issue is outside your scope for this exercise however please bear it in mind when considering how Council and ratepayer interaction should be reviewed in the situation of a rate increase application.

Bryce Letcher
Secretary
Sunbury Residents Association Inc.

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