To: localgovernment@esc.vic.gov.au
From: Andre Bokos
Date: 25/08/2015 05:34:45 PM
Subject: Rates capping Review Submission - "How should the Rate Cap be calculated".

Good afternoon.

I refer to your recommendation that the cap should be applied to the rates and charges paid by the "average ratepayer" and that this would be calculated by dividing a council's total required rate revenue in a given year by the number of rateable properties in that council area. I'm unclear as to the fairness of this approach for the notional "average ratepayer".

I would like to suggest that a notional average ratepayer is one who owns a house – not someone who owns a shop, factory, farm ,so called lifestyle property, growth corridor development land or urban growth zone land.

The majority of ratepayers would simply own a house. So the idea that a house owner should be bundled in with these other ratepayers for "averaging" purposes does not make sense or sit well with me on a first pass.

As I see it a number of these latter ratepayers would be absentee owners. As I see it some of these properties would be highly valued and would, if included in the "averaging" process, somewhat distort the process (in my opinion) to the disadvantage of your "average ratepayer".

The latter described properties (see above) need to be dealt with differently because they are not your "average " property. I think its fair to say that Councils make a big play when increasing rates generally by saying that
they need to provide infrastructure and services for the "newbies" entering the Growth corridors. Millions of dollars is being spent for example on sporting facilities to the detriment of establishing, maintaining, upgrading footpaths, drains, roads and roadsides (i.e. simple basic services). 95% of my Shire (Cardinia) is rural and is clearly being gouged to support the so called growth corridor. The benefits being received by those living in the growth corridor is incredible but with benefits comes financial (rates) responsibility so perhaps they need to pay more on a strictly residential "average ratepayer" basis. Similarly commercial, industrial, inglobo residential and urban growth zone fit another "average ratepayer" category. Again rural and green wedge zone properties fit yet another (average ratepayer) category.

I'm not sure as to how good I am explaining myself other than to repeat that the proposed method of calculating the rate cap is being over simplified.

Your enlightenment would be appreciated.

Regards,

Andre Bokos