

SUBMISSION
TO THE
LOCAL GOVERNMENT RATES-CAPPING FRAMEWORK ENQUIRY
(ESSENTIAL SERVICES COMMISSION)

Residential rates:

Why are the ratepayers of Victoria forced into paying higher rates with each periodic council property revaluation, when all most of us want is to live peacefully in our homes with the least stress? Surely there's a better way.

Everyone agrees that Local Government services are essential and expensive but it appears to residents that properties are only revalued every couple of years to give councils an excuse to raise the rates. People who have no intention of selling their homes and therefore have no real interest in the revaluation of their property should be able to opt-out of the current system.

As an older ratepayer who wishes to remain in his residence until death I await with trepidation my annual rates notice, fearful of what surprise is awaiting me. I would be happier knowing that my obligation would not represent a massive increase year-on-year but be tied to a bedrock price, plus an additional premium based on the CPI.

Every residential-property-holder who 'opts out' would instead pay a standard across-the-board residential rate of, say, \$600 per year (depending on the individual council and its residential rate revenue) plus an annual amount for CPI indexation, and make up any 'shortfall' when their property was sold – as part of the sale negotiations (possibly including an amount for interest foregone).

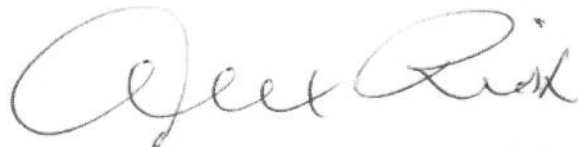
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People who buy and sell regularly to improve their situation would opt to stay in the current revaluation/increased-rates system and pay their full revaluation calculation. The uncollected amount for those who opt out would remain as a debt against the property until it was sold.

This way councils would know their projected annual income from rates, based on the bedrock amount owing (from those who opt out) and from those who agree to pay their full amount. Councils might then learn to manage their/our money better when it is not on an ever-increasing spiral upwards. They would still get their rate money in the end. They always do.

What I am seeking, in effect, is for my annual rates to be capped to a bedrock figure – generated on last year's amount – plus an additional premium based on the Consumer Price Index, regardless of the purported 'value' of the property.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'Alex Risk', written in black ink.

Alex Risk