

Dear Essential Services Commission,

The Melbourne Jewish Charity Fund would like to add our voice to strongly endorse the proposal for local government rates and charges to be capped to the rate of inflation.

As a grassroots, volunteer-run organisation, working directly with the poorest and most vulnerable in our community, rent relief assistance and accommodation for those who struggle to meet these very basic needs is one of our foremost priorities.

In the past financial year alone, we provided accommodation for more than 70 families, among them many single-parent households. Many would be homeless or on the streets without the emergency and longer-term shelter we provide.

The spiralling increase in council rates –at a rate of more than 100% over the past ten years – strikes at the very core of our ability to provide these essential services.

Over the past five years, our annual expenditure for accommodation –due in large part to the rise of rates at three times the cost of CPI-- has increased almost six-fold from \$80,00 per annum to in excess of \$450,000.

Many of those for whom we provide emergency rental and shelter struggle with ongoing mental and physical illnesses; others are in dire need due to unexpected tragedy or loss of income.

Rate rises impact most directly on those who can least afford them.

In the case of municipal (fixed) charges particularly, these tend to affect most significantly the lower-valued properties– and consequently primarily low-income owners.

For our charity, there is a snowball effect. As increased rates cut more into the family budget, already struggling families have less disposable income to spend on other necessities – such as food and utilities, which in turn drains our already stretched resources.

For many of those we support, annual rate rises have proven to be a tipping point -- from barely getting by to being unable to sustain even the most basic necessities.

By any measure, council rate rises over the last ten years have been unparalleled by those in any other sector of the community.

The rate rise is at :

:twice the increase in wages

: fifty percent more than the actual increase in costs incurred by councils

:approximately double the increase in age pensions for couples

:the fourth highest increase of 40 household expenditures measured by the Australian Bureau of Statistics.

There are clearly many other proven workable alternatives to uncurtailed rate rises.

In New South Wales, for example, annual rate pegging, set by the governments' Independent Pricing and Regulatory Tribunal, determines the maximum percentage amount by which a council may increase its general income for the year.

We urge the Essential Services Commission to please take urgent action on this issue – the wellbeing of the most vulnerable and desperate among us is at stake.

Yours sincerely,
Nicole Lefkovits,
Volunteer, Melbourne Jewish Charity Fund