

ATTN: ESSENTIAL SERVICES Commission

re LOCAL GOVERNMENT RATE CAP.



Dr. Ron Ben-David

Dear Sir,

I was only just recently made aware of the nature and scope of your inquiry so please accept my apology for my late submission

Shires will always argue for a higher rating measure than C.P.I and say that it is not a fair measure but neither is their L.G.C.I proposal.

In our shire (Strathbogie) 40% of ratepayers annual income is lock-step with the C.P.I.

Our shire Strathbogie is a small shire and a poor shire. However notwithstanding that our shire is one of the highest spending per capita shires in the state and already our rate is at 53.347c/\$1000 with stat. charges north of \$900.00 added.

The problem in Euroa is that if rates compound at 4% then rates will double in 18 years. Ratepayer incomes on CPI increases will not double for 35 years.

Now I appreciate that rural shires are faced with many challenges

e.g. Age : Melbourne median 36.1 years  
 State " 41.9  
 EUROA " 50.1 years

(2)

POP GROWTH RATES : MELBOURNE 9.6%  
 STATE 1.5%  
 EUROA STATIC

Income AVE. ANNUAL WAGE VICTORIA \$ 77,000

in EUROA 30% of pop 65+

40% of households are pension recipients

\$ 780/week is ~~average~~ <sup>median</sup> household income.

IN EUROA many households are paying 6% - 8% of their annual income on rates

STRATHBOGIE shire derives  $\approx$  65% of its income from rates + charges  
 and has 13 staff averaging over \$100K/pa income  
 and a further 53 staff earning on average \$80K pa

It is patently obvious that STRATHBOGIE shire is not financially sustainable and perhaps the error goes back to the time when new boundaries were drawn.

As a person who has been community involved all my life (in S.A.) I am extremely comfortable

with the formula and projections that you propose. ③

Is it feasible to mandate that shires can only spend income on roads, rubbish etc., and not global, federal or state issues.

Unfortunately some citizens see local government as a political football rather than a grass-roots community service.

Yours sincerely  
Des Ryan

DESMOND JOHN RYAN (BA (Geog.))

