

Rate Capping

Capping Council rates may sound like a vote winner but it is a bad idea

Councils do a lot more than roads, rates and rubbish.

They play an important role in financially supporting local environmental programs, neighbourhood houses, aged care services, local community groups, local welfare agencies (inc. those that assist asylum seekers), community arts, youth services, free community events and much, much more.

For example in my local Council area over 5 years the impact of rate capping would be tear up to \$50 million out of the revenue base of Greater Dandenong Council. Why? Because CPI rises up to 2% less than the cost of local government services which is based on increases in wages and construction costs largely out of our control - not in how much a typical bag of household goods cost.

Other Councils (with smaller, less diverse rate bases) would be in a worse position.

Losing \$50 million would mean we would need to start cutting back non-core services and not replacing community infrastructure.

Yours sincerely
Noel Wyndom