

Further submission.

Cost shedding to Local Government is being concealed by the simple expedient of ignoring the rate in the dollar that ratepayers are charged in each municipality. The Department of Victorian Communities does not keep a record of this statistic, nor the information needed to calculate it. The Victoria Grants Commission has the information but appears not to actually make it although it can be done in seconds.

I draw the attention of the Committee to the *Local Government in Victoria 2002* report, which is available at the following URL; -

[http://www.doi.vic.gov.au/doi/doielect.nsf/2a6bd98dec287482ca256915001cff0c/b3e843d39690d884ca256cbe0018c7dc/\\$FILE/2002%20Vic%20Local%20Govt%20-%20Report.pdf](http://www.doi.vic.gov.au/doi/doielect.nsf/2a6bd98dec287482ca256915001cff0c/b3e843d39690d884ca256cbe0018c7dc/$FILE/2002%20Vic%20Local%20Govt%20-%20Report.pdf)

This report purports to compare the performance of all municipalities within Victoria. Most comparisons are based on "community satisfaction". This is a highly subjective concept and depends entirely on community expectations, which in turn are related to what services the respondents have become accustomed to receive from their respective councils.

An urban ratepayer may be dissatisfied if his street is swept only once a fortnight while a country ratepayer may have to be content with his road being graded once a year.

The report prompted the following news report: -

Roads key to rate rises

By MICHELLE ROSE,

urban affairs reporter

Victorian home owners paid an average \$652 in rates last year.

But residents across the state are being charged vastly different amounts, with average costs varying from \$306 to \$878.

A new state government report shows average residential rates and charges were lowest in the Shire of West Wimmera, which covers Edenhope and Kaniva in the state's west.

Homeowners in Wodonga paid the highest aver-

age rates and charges in the 2001-02 financial year.

Boroondara, Melbourne, Wyndham and Queenscliffe ratepayers were the next hardest hit, all paying more than \$860 on average.

The Victorian Local Government report, to be released today, shows residential rates and charges rose an average \$57 across the state last year.

Generally homeowners in inner metropolitan

council areas paid the highest rates, while those in the smallest shires paid the least.

Local Government Minister Candy Broad said the main reasons for the rate rises were infrastructure renewal, particularly roads, and increased operating costs.

Operating costs increased on average by 7.4 per cent, in line with the average rates rise.

The annual report compares Victoria's 79 municipalities by a range of indicators, including

rates, operating costs, debt, community satisfaction levels and capital expenditure.

Ms Broad said the report was an attempt to make councils more accountable and track improvements.

Capital expenditure had risen 18.5 per cent — about \$59 per household — since last year, she said.

"It is pleasing to see councils are investing more on capital works such as local roads, bridges, ... and public buildings," she said.

This report ignores the very basis on which rates are charged, viz. valuation of property, and compares the actual rates paid. This is like equating the amount of tax paid by a millionaire with that of a labourer.

The following table compiled from Victoria Grants Commission statistics gives a fair basis of comparison between municipalities and the change that occurred in the impact of rates between the years 2000-01 and 2001-02. This shows that Melbourne City Council, rather than being among the hardest hit, was able to reduce its rate in the dollar by 24%. This was most likely because of increasing land values, stimulated by the provision of infrastructure at taxpayers rather than ratepayers expense. The only fair basis of comparison is the rate in the dollar struck by each municipality. The purpose of this addendum is to draw attention to one example of misleading information.

Municipality	Rate struck 2001-02	Rate struck 2000-01	Change in rate struck 2001-02 cf 2000- 01
CARDINIA(S)	0.0044874	0.0036706	18%
HOBSON'S BAY(C)	0.0044068	0.0037652	15%
MURRINDINDI(S)	0.0046429	0.0039967	14%
STRATHBOGIE(S)	0.0051904	0.0045462	12%
BULOKE(S)	0.0072165	0.0063720	12%
CASEY(C)	0.0047195	0.0042113	11%
GLEN EIRA(C)	0.0022126	0.0019846	10%
DELATITE(S)	0.0047070	0.0042346	10%
MILDURA(RC)	0.0050669	0.0045810	10%
EAST GIPPSLAND(S)	0.0062763	0.0056907	9%
BAYSIDE(C)	0.0018810	0.0017070	9%
MAROONDAH(C)	0.0033553	0.0030552	9%
SOUTH GIPPSLAND(S)	0.0052952	0.0048299	9%
KNOX(C)	0.0034312	0.0031392	9%
MACEDON RANGES(S)	0.0048793	0.0044644	9%
MOYNE(S)	0.0034339	0.0031543	8%
WELLINGTON(S)	0.0058003	0.0053441	8%
SWAN HILL(RC)	0.0071690	0.0066158	8%
HEPBURN(S)	0.0050040	0.0046321	7%
STONNINGTON(C)	0.0016923	0.0015704	7%
HUME(C)	0.0049155	0.0045619	7%
WHITTLESEA(C)	0.0051303	0.0047707	7%
BAW BAW(S)	0.0054625	0.0050878	7%
QUEENSLIFFE(B)	0.0035971	0.0033537	7%
INDIGO(S)	0.0046633	0.0043550	7%
MARIBYRNONG(C)	0.0059619	0.0055699	7%
BOROONDARA(C)	0.0020414	0.0019073	7%
SURF COAST(S)	0.0038136	0.0035631	7%
MOUNT ALEXANDER(S)	0.0047932	0.0044803	7%
GANNAWARRA(S)	0.0046377	0.0043405	6%
FRANKSTON(C)	0.0047146	0.0044146	6%
CORANGAMITE(S)	0.0046373	0.0043471	6%
GOLDEN PLAINS(S)	0.0038465	0.0036058	6%
WHITEHORSE(C)	0.0028180	0.0026502	6%
MORELAND(C)	0.0035323	0.0033255	6%
YARRA RANGES(S)	0.0047335	0.0044609	6%
WARRNAMBOOL(C)	0.0051388	0.0048456	6%
MONASH(C)	0.0026998	0.0025481	6%
GREATER DANDENONG(C)	0.0041989	0.0039637	6%
CAMPASPE(S)	0.0047794	0.0045183	5%
ALPINE(S)	0.0064190	0.0060715	5%
HORSHAM(RC)	0.0055148	0.0052266	5%
LATROBE(C)	0.0032646	0.0030966	5%
MORNINGTON PENINSULA(S)	0.0030945	0.0029381	5%
YARRIAMBIACK(S)	0.0057180	0.0054294	5%

WEST WIMMERA(S)	0.0047238	0.0044879	5%
GREATER BENDIGO(C)	0.0062232	0.0059161	5%
HINDMARSH(S)	0.0056014	0.0053282	5%
NORTHERN GRAMPIANS(S)	0.0059622	0.0056796	5%
SOUTHERN GRAMPIANS(S)	0.0058457	0.0055726	5%
GREATER GEELONG(C)	0.0050427	0.0048098	5%
COLAC-OTWAY(S)	0.0049931	0.0047641	5%
PYRENEES(S)	0.0049975	0.0047698	5%
BASS COAST(S)	0.0045561	0.0043525	4%
MOONEE VALLEY(C)	0.0026733	0.0025538	4%
YARRA (C)	0.0037703	0.0036190	4%
WODONGA(RC)	0.0059546	0.0057175	4%
ARARAT(RC)	0.0067569	0.0064914	4%
MOORABOOL(S)	0.0051994	0.0050078	4%
DAREBIN(C)	0.0040549	0.0039062	4%
BANYULE(C)	0.0032453	0.0031306	4%
MITCHELL(S)	0.0055591	0.0053673	3%
BRIMBANK(C)	0.0047474	0.0045949	3%
TOWONG(S)	0.0050104	0.0048661	3%
GREATER SHEPPARTON(C)	0.0053917	0.0052619	2%
BALLARAT(C)	0.0063336	0.0061849	2%
GLENELG(S)	0.0045368	0.0044429	2%
WYNDHAM(C)	0.0064782	0.0063587	2%
NILLUMBIK(S)	0.0036886	0.0036272	2%
PORT PHILLIP(C)	0.0028940	0.0028754	1%
WANGARATTA(RC)	0.0048234	0.0048496	-1%
MOIRA(S)	0.0050375	0.0050998	-1%
LODDON(S)	0.0060650	0.0062281	-3%
CENTRAL GOLDFIELDS(S)	0.0062441	0.0066567	-7%
MELTON(S)	0.0058580	0.0063383	-8%
MELBOURNE(C)	0.0041146	0.0052023	-26%
MANNINGHAM(C)	0.0019735	0.0024959	-26%
KINGSTON(C)	0.0025745	0.0034485	-34%
TOTAL	0.0037085	0.0035002	6%

It should be mandatory for all councils to report the rate in the dollar that they strike each year, together with the revenue received from all sources including parking. Where this is derived from council owned freehold land, it could be designated as such.

Signed
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