From: Daniel Goodwin
Sent: Tuesday, 1 March 2016 8:03 PM
To: EPC
Subject: Submission - inquiry into rate capping policy.

To whom this may concern,

I wish to submit a submission to the inquiry into rate capping policy.

I would like to express my concerns regarding our local council Latrobe City. It relates to the recent implementation of the state governments legislation limiting local councils to a fixed 2.5% rate increase. It has come to my attention that our council is planning on applying to the essential services commission to ask to apply for an exemption to increase rates above this figure. I have some genuine concerns about the fact our council over the past 10 years has increased rates well above the CPI. The council has also resorted to selling assets to cover financial short falls. In my opinion our council is not managing rate payers funds effectively. If you look at every council across Victoria they all expect property prices to increase and in turn translates to more revenue. However what happens if property prices go the other way? In these uncertain economic times you can not rule it out. Our council in particular is carrying a large amount of debt, who bails the council out if they get into trouble?. I believe all councils across the state need to have there books reviewed by the auditor general and stress tests applied similar to what occurred to the banks after the 2008 financial crisis. I have no doubt this will highlight potential liabilities that council maybe unable to meet and hence fall to Victorian tax payers to pick up the bill. This is an opportunity to ensure the sustainability of local councils and to ensure local governments are living within their means.

Thank you for taking the time to read my submission.

Regards

Daniel Goodwin