Dear Rates review

We live in Drouin one of the fastest growing peri-urban areas of Victoria. Our Shire Council is struggling to keep up with providing the normal services expected of any council in a very large shire with rapidly increasing population. As the demand for services rapidly increases the council is expected to meet the increasing demand with very DECREASING income. The 2.25% rate cap on the revenue the council can collect means that despite almost 30% growth in Drouin where we live the council has to make cuts in services just to meet wage and utility cost increases.
How does this make any sense, especially in a rapidly growing community?

When the government introduced a 2.25% cap on the rates increase, I thought the 2.25% applied to the rate multiplier and it seemed reasonable that the rates would only go up at 2.25% per year (plus the increase due to any increase in house/land value).
With the recent arrival of the rate notices we were expecting to be paying more. Our home had increased in value as was expected but we were pleasantly surprised to see the actual dollar rate charged had decreased slightly.

On careful reading of the recent notice accompanying the rates we realised that the 2.25% cap on rate increases introduced by the state government was actually on the overall revenue that the Baw Baw Shire could collect from rates! Effectively this amounts to a 2.25% cap on any increase in their income! It appears this applies irrespective of the number of new houses or increase in population. Somehow the Shire is expected to pay for staff wage increases, increase in utility costs, increase in other expenses on an ever-increasing population and somehow maintain services. Of course, this is not possible. Is it any wonder it's such a strain for the Shire to do as much as they do. It would seem far more logical if the rate increase cap was on the individual rates of the ratepayers not on the income of the Shire.

We don't see how we can expect the Shire to provide the same or improved services on lower effective income. Perhaps whichever State Government is in power should reconsider the cap they have imposed on rapidly growing shires like ours.

We are sure the State Government would not be happy if their income from taxes was capped at 2.25% per annum! They would laugh at any such suggestion!
Imagine stamp duty (or payroll tax) being reduced due to the increase in houses being sold (or increases in wages) just so the revenue collect was not more that a 2.25% increase! How absurd!

We call on the State government to remove the rate cap on the shire's rate income, so our shire has the income to provide the services we expect in our rapidly growing community. If needed they can cap individuate rate increases.

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