**Submission Relating to Application by Maitland City Council for rates increase of 7% every year for the next seven years.**

Please find attached my views on the proposed rates increase by Maitland City Council

* The proposed rates increase of 7% per annum for the next 7 years in my opinion is excessive and not justified or agreed upon by ratepayers. The 7% increase for 7 years is really excessive when the compounding factor of a 7% increase for 7 years is considered.
* The application for a %7 increase over 7 years is really excessive when measured against the Consumer Price Increases over the past 4 years. The CPI rises are:
  + Dec 2009-2010 +2.5%
  + Dec 2010-2011 +3.1%
  + Dec 2011-2012 +2.2%
  + Dec 2012-2013 +2.7%

As can be seen by the above figures the requested increase of 7% is almost three times higher than the accepted CPI rises over the past 4 years. The CPI rises are a measuring tool for a number of Govt increases including Govt Pensions and other Govt benefits.

The granting of rate increases which are almost three times higher than the CPI would have a dramatic effect on persons on sole wages or fixed Govt Pensions.

Maitland Council cannot claim the 7% increase is required to fund additional costs incurred by Council such as wages, materials and associated costs as if these functions had increased dramatically, those increases would have been reflected in the Consumer Price Index rises and as listed above, there have not been significant CPI rises.

The Council in its plan has not identified any areas within which it plans to implement savings, in the absence of approval of a significant rate rise, Council should commence savings and conduct reviews whereby they can provide the required services by implementing savings.

Council also claims they consulted widely with the community, however, the Councils plan identifies that in 2011 the population of Maitland was 69,000 so it would now be approximately 75,000 people. The responses to Council’s consultation included 50 postcards and 800 hits on facebook. These figures verify that consultation was minimal and the responses indicated that ratepayers have little faith in the Council taking any notice of their feedback. The Consultation was minimal and included some “loaded” questions such as “If you want to maintain services would you agree to a rate increase”?, this is a question you ask when you wish to achieve an already identified result.

Council were also unable to provide any figures regarding surveys etc which specified the number of respondents who were ratepayers and the number whom were non ratepayers. The individual status of respondents eg ratepayers, non-ratepayers is critical to obtain as obviously if you were not going to be faced with a large rate increase that you would simply vote for an increase in rates and an increase in services and facilities.

I also question Maitland City Council’s claim that the rate increase would only result in an increase of $71 per year. I am not aware as to how this was calculated but my current rates are $1472 per year which results in an increase of $103 per year.

Councils figures in claiming the rates increase will be $71 per year are not accurate in that this figure

(even though it is incorrect) does not take into account the compounding figures as a 7% increase for 7 years adds compounding costs every year.

In summary, the Council requested increase of 7% for 7 years is not warranted as it is far excess of CPI rises and any increases should be pegged at the Consumer Price Index rises which for the previous 12 months was 2.7%