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Submission

Thank you for the opportunity to object to the proposed Special Rate Variation (“SRV”) of 6.9%.

I would like to draw two examples to your attention which demonstrate the biased manner in which Council have conducted the community consultation in relation to the SRV. This biased conduct may have left some of the community with a misperception of the actual cost of the proposed SRV. This misperception may have led to more votes for an increase in rates than would have been the case if the community had been properly informed.

Example 1

In Council’s covering letter to IPART for the SRV, the Council states that

“The 6.9% Special Rate Variation means on average an extra \$30.39 per annum for a rate payer in year one, rising to an extra \$312.55 per annum in year seven.”

In all other communication with the community, the 6.9% SRV option has been advertised as on average an extra \$30.39 per annum in year one and there has been no reference whatsoever to the amount rising to \$312.55 in year seven.

Given this year seven amount, the actual per annum extra amount if spread out evenly over the first seven years would be about $(\$30.39 + \$312.55) \div 2 = \$171.47$.

This is more than 5 times the amount of \$30.39 advertised by Council. Given the knowledge demonstrated in the covering letter to IPART, one would have to ask if this has been done intentionally to misinform the community.

Example 2

The second example concerns the longevity of the impact of the SRV.

During the community consultation process, Council explained that after the seven year maximum term of the SRV, the annual increases would reduce back down to normal rate pegging levels.

Although that explanation was correct, it had the potential to be misinterpreted and did lead to confusion.

As stated in example 1, the average extra amount in year one will be \$30.39 per annum increasing to \$312.55 in year seven. In year eight and going forward, the extra amount payable following the SRV will persist at \$312.55 and will be subject to the rate pegging. The extra amount payable following the SRV will not be reduced down to \$0.00 after year seven. There will be a permanent increase in the rate base.

Many of the people I spoke to in the community were unclear on this point. Given the obvious potential for misinterpretation and the ongoing financial impact on ratepayers, it would have been helpful to make the point absolutely clear as demonstrated quite simply in the previous paragraph.