

Dr Michele Hogg

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14 March 2015

Submission to IPART re Gloucester Council Application for Special Rate Rise

To whom it may concern,

I am writing this submission for myself, personally, as a resident of Gloucester, and also as a voice for my patients, as a doctor in Gloucester.

I understand the financial difficulties in which Gloucester Council finds itself. Unfortunately it fell victim to imprudent investments prior to the Global Financial Crisis. Beaucroatic demands on council appear, to the casual observer, to result in strange projects like medieval stone bridges and kayak launch sites taking precedence over basic road maintenance.

I also recognise the dire financial position in which the residents of Gloucester now find themselves. Long term residents are struggling with closure and down sizing of the traditional employers - the timber and dairy industries. The new residents - superannuants seeking a tree change, are struggling with the drop in interest rates reducing their disposable incomes. Mining has delivered employment in the boom, but increasingly unemployment and uncertainty as commodity prices fall. As well, the conflict and uncertainty of future mining in coal and gas has seen Gloucester real estate defy the statewide trend, with prices trending lower, and little interest or enquiry. Every day I see new examples of people experiencing financial hardship. People asking to be bulk billed, businesses ringing to ask for early payment of accounts, people seeking

treatment for anxiety and depression revealing grave financial problems, banks foreclosing loans, finance companies reclaiming machinery...

The recent federal government proposal for a \$7 co-payment resulted in public shock and outrage. Council's proposal for the rate increase has upset many, and yet many have remained silent. Council held meetings and sent out pamphlets about the proposed change - but the message was ambiguous, and open to misinterpretation. An 18% increase sounded bad, but manageable against dire predictions of forced mergers if this didn't occur. Few people realised that the actual proposal was for a 128% increase above CPI after 5 years. There were objections, and council "listened" and reduced its request to 13% above CPI for 3 years. Even then there was misinformation, with the local newspaper reassuring that rural properties would only have a rate increase of 30%. The true figure is over 42%. I imagine people renting must feel this doesn't affect them, but it has to. Rent will have to increase to cover the cost of the rates, and the magnitude of this increase will dramatically exceed the impact of the \$7 copayment proposal.

In summary

1. In the current economic climate many Gloucester residents will find it impossible / suffer extreme financial hardship if the proposed rate increase is approved.
2. Although council made displays of consulting community, the message delivered was confusing and misleading. I firmly believe the majority of residents still do not understand the magnitude of the proposed rate increase.

Please do not hesitate to contact me if you require clarification of any of the above,

Yours truly,

Dr Michele Hogg