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Venkaiah for higher taxes to fund urban amenities

Union Minister for Urban Development M. Venkaiah Naidu on Monday suggested that municipal bodies increase taxes once in three years to meet the rising cost of better amenities.

The bodies could follow the Singapore model wherein people had to pay to travel on a particular road and to possess more than one vehicle, the Minister suggested. The aim was to decongest roads. "Taking hard decisions for a better future is essential," he said, speaking at the first consultative workshop on urban governance here. The municipal commissioners and senior officials of the Urban Development Departments of Kerala, Tamil Nadu, Karnataka, Telangana and Andhra Pradesh and the Union Territory of Puducherry took part in the workshop.

Mr. Naidu asked the municipal commissioners to prepare the people for reforms to make urban life more comfortable. He said he was agitated at the "poor shape" of urban governance in the country. Reforms and accountability must be built into the system, and people must be made to pay taxes. The

Central and State governments would give funds but the municipal bodies must develop their own resources.

“The habit of looking up to government for everything should stop.”

Mr Naidu hinted at the introduction of a credit rating system for the municipal bodies. People must be told about the fiscal health of the civic bodies. In Vijayawada, for example, taxes had not been revised for the past 12 years, he pointed out.

At present, a third of the population was living in urban areas, and this figure would increase in the coming years. About 63 per cent of the GDP came from cities, and it would rise to 75 per cent by 2030. Toilet coverage in the country was at a poor 40 per cent and sewerage 16 per cent, while waste segregation at source was just 18 per cent. Water supply was a mere 73 litres per capita per day (lpcd) against the target of 135 lpcd. The shortage of houses was 1.8 crore, and the Prime Minister wanted to provide houses for all by 2022.

Mr. Naidu asked the officials to propose “out of the box” ideas

to face the challenges. There must be a single-window clearance, he said, adding that the private sector could be roped in to create public amenities. The proposed smart cities would take 10-15 years. For all this to happen, smart leadership was also required, he said. The municipal commissioners must play a key role. “Try to leave a mark on the city,” he told them.

The Minister urged municipal bodies to increase taxes every three years to meet the rising cost of better services