



28th of October 2019.

Local Government Rating,
System Ministerial Panel,
Department of Environment,
Land, Water and Planning,
Level 35, 2 Lonsdale St,
Melbourne, Vic 3000.

I begin this submission from a position that the existing rating system cannot continue. There are far too many people that have either committed suicide or are suffering immensely as a result of the impost of council rates and charges. The unsustainable liability that councils place upon the people of its municipal area is just outrageous and then just somehow expect the same people to be able to find that money out of there household budget.

The Taxation Department has declared the council rates and charges are a tax on property (property tax). No other level of government is capable of charging such a large amount tax on a flat rate basis; as opposed to an ability to pay. There is no provision that has any consideration for those people are on a government benefit of any description full relief from there council inflicted liability of rates and chargers despite the fact that the Local government Act 1989 (hear after called the LGA, provides for such relief.

I my case the Latrobe Council do have an application form, but only for a rate reduction or deferment for persons suffering financial hardship (refer sections 170 and 171, LGA). I have been told on many occasions that is the only form for a rate reduction that the Latrobe Council has. This action flies in the face of section 171A of the LGA, which provides that I am entitled to make an application for a full reduction of my rates and charges for the purpose of suffering financial hardship but they do not have a form.

This arrangement is not only applicable to the Latrobe council, it's across all Victoria. I have sighted a letter from the Minister for local government that states that no council has provided any relief for rates and charges. A few have waived some interest. It's just not possible that no person would be entitled to a waiver of rates and charges under sections 171(1) (b) and 171 A (1) in the whole of Victoria.

We must realise that council rates and charges must be within the reach of all, even those on New Start benefits. We are all entitled to be able to live. I can provide an example of one gentleman, who is on an old age pension, and that gentleman can only eat once a day on all days except one, on the majority of days he eats bread and it's the cheapest bread that he can buy, with some kind of spread, again the cheapest spread that he can buy. The one remaining day he has one properly cooked meal, but it's not prawns or crayfish, it's very basic. That gentleman must eat like that so that he can pay his property tax; he has no choice as his council have threatened on many occasions to take his property, if he does not pay such tax. He has on many occasions, contacted his council seeking relief, just so that he can afford to eat a little better. The relief that I am commenting on is the relief provided for under the Local Government Act 1989 section 171(1)(b) and 171A (1). His council have never provided any relief for him. That situation is nothing more than an inhumane and a bloody mined onslaught on a person that is on an age pension.

If that gentleman can't get relief from his rates and charges; no one can. Clearly councils have no intention of providing any relief from rate and chargers to Victorians. I don't believe that this position is accidental; I think that the Municipal Association Victoria (MAV) is behind this deliberate arrangement.

Of cause there are many more that are not so severe, but they find it almost as cruel. Government must find a way of resolving this issue. I have personally sat in a Magistrates Court and heard a Barrister, representing a council in a matter where the council alleged that an elderly lady had not paid her rates and chargers to her council, stated that the council would not provide that elderly lady with any relief from her rates and charges because it would open the flood gates. I nearly fell of my seat in disbelief. Clearly section 171 and 171A is in the LGA for a reason and a Magistrate along with a Barrister surly must be aware of that or if they are not aware they should be; that's their job.

At the beginning of this submission I stated that rates and charges must be within the reach of all. All this leaves me in a position that there must be a substantial change in the way councils inflict a rates and chargers liability on the people in there municipal area.

The substantial changes that I speak of;-

1. People on any kind of government benefit shall not pay council rates and chargers; and
2. Council rates and chargers must decrease by more than 50%; and
3. Council rates and chargers must be based on the people's ability to pay

I don't believe it's possible to achieve a substantial change in the way councils put rates and chargers liability on their people, without the structure of Local Government changing significantly.

How this significant change could be done.

I believe that Municipal Councils must continue to exist, but as a department of a State, just as the Commonwealth Constitution stipulates. The councillors as elected by the people should be ultimately responsible for and shall manage their Municipal District.

There should not be a CEO or any directors and should all be replaced by a senior engineer and a senior office manager and **necessary** support personal. Paying CEOs and directors, costs those that pay property tax 100s of thousands of dollars every year. It's probably fair to say that such position would save those paying property tax somewhere around 30% of their property tax liability.

The burden on those that pay property tax to their council and such council being members of, or sending representatives of council to these groups must stop. Being aligned with or being members of those extremist union organisations such as the Victorian Municipal Association (MAV), Victorian Local Government Association (VLGA), Australian Local Government Association (ALGA), the United Nations Agenda 21 and the International Council For Local Environmental Initiatives (ICLEI), the sister cities program or any other organisation, also must stop.

Such membership, costs those that pay property tax 10s of thousands, if not 100s of thousands of dollars every year. It's probably fair to say that such position would save those paying property tax somewhere around 20% of their property tax liability.

The way forward.

Section 74A & 74B of the Victorian Constitution must be repealed. The State of Victoria does not need any head of power for Municipal institutions and local government as such head of power is within in section 107 (“section 107 Saving of power of State Parliaments”) of the Commonwealth Constitution, under power reserved to the State, just like Health and Education.

The Victorian State Government to set up a department called “Municipal Services and Infrastructure” that is directly under the control of the Minister for local government and that such minister shall be the highest paid person in the entire department.

A small office is set up to collect property tax, which shall be paid into the coffers of the Department of Municipal Services and Infrastructure and answer queries in all towns with a population of 5.000 people or more.

Property tax shall be returned to the Municipal District as collected, except for 0.5% that will contribute towards the running of the Department of Municipal Services and Infrastructure.

Possible formula for calculating Rates and Chargers

I have provided a concept that might be a good starting point. As stated earlier in this document, no person shall pay any rates or charges, if such person is on any type of Government benefit. All taxes except the goods and services tax and Council rates and charges are based on your ability to pay. Even the GST is slightly compensated for those on some type of Government benefit. They get an amount in there benefit to compensate them for the GST impost. That leaves only council rates and charges, which is a tax on property; that is levied against on a Government benefit.

I have started with a figure of \$36,150.00 that all calculations are based on. The figure of \$36,150.00 per year = \$695.00 per week which is the minimum adult weekly wage before tax. Clearly this figure will change, but the concept will remain.

No person that is working shall be taxed beyond their means; meaning that no person shall pay Council rates and charges at rate of more than 1.0% of those that earn up to and including \$36,150 annual income, after Federal income Tax is paid; and increasing by .4 of 1% for every \$10,000 or part there off; increase in their annual income thereafter.

Other issues.

That all services such as planning and fire prevention revert back to the State Government and the State Government desists from inflicting its responsibility on to the councils, which will lessen the burden on the people that have to pay that property tax and associated charges.

The Department of Municipal Services and Infrastructure **must govern for the living people as a whole**, not just the noisy few, or interest groups such as property developers. It must provide a system of governance that is considerate of people with little means and not force them into servitude as they are entitled to live as does everyone else.

In this document I have mentioned several times that council rates and chargers must be within the reach of all. If this group does nothing else, it must identify people's ability to pay those rates and chargers. Such a direction and the Parliament taking up that direction will be a help.

I am very mindful that a restructure of local government is not within the terms of reference; but if anyone is to look at the system of rates and chargers in a holistic way and make rates and charges affordable to all; there is no choice.

