



1 November 2019

Local Government Rating Review Ministerial Panel
C/o- Department of Environment, Land, Water and Planning
Level 35
2 Lonsdale Street
Melbourne, VIC 3000

Rating.review@delwp.vic.gov.au

Dear Panel,

Thank you for the opportunity to provide feedback to inform your decision-making in relation to Council rating options and best practice outcomes for the communities they serve.

About us

Connect Health & Community (formerly known as Bentleigh Bayside Community Health). Connect Health & Community is a not for profit community health organisation that provides a comprehensive range of services. These services include Dental, Physiotherapy, Dietetics, Podiatry, Hydrotherapy, Speech Pathology, Gambler's Help, Community Transport and Activity Programs to name but a few.

Connect Health & Community has a strong tradition of commitment to community participation via volunteering, with an increasing emphasis on consumer representation at all levels across the organisation. It has been in operation for 42 years. We receive funding from Federal, State and Local Government and work in partnership with other community agencies.

Gambler's Help Southern (GHS) is a program of Connect Health & Community and has maintained continuous funding since 1994. GHS is the largest problem gambling service provider in Australia. It encompasses 25% of the Victorian population, operating from 13 geographically, demand led sites across the Southern Metropolitan Region of Melbourne and managed centrally from its corporate office at 2A Gardeners Road, Bentleigh East Vic. 3165.

Gambler's Help Southern provides the following specialist program streams:

- Therapeutic Counselling
- Financial Counselling
- Community Engagement
- Venue Support

Our therapeutic counsellors assist clients to identify and address the underlying causes which have led to the client experiencing gambling related harm. This may have resulted from trauma, drug and alcohol addictions; depression arising from grief or other mental health conditions.



Our financial counsellors assist clients to address the financial consequences of gambling related harm. This includes advocacy with financial institutions, landlords and energy providers.

The information provided in this submission speaks to the professional learnings of our staff and their observations from working with a very broad cross section of our community for over 4 decades. Our breadth of experience includes working as accountants; financial professionals and long term work as advocates in the community sector.

We invite you to contact Sally Hoffmann, Chief of Services, Connect Health and Community (03) 9575 5362, s.hoffmann@connecthealth.org.au to discuss any aspect of this submission and our recommendations.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Amanda Murphy", is written over a horizontal line. The signature is stylized and includes a large loop at the end.

Amanda Murphy
Chief Executive Officer
Connect Health & Community

Submission

Connect Health endorses the submissions by both WEstJustice and Financial and Consumer Rights Council and would like the review to additionally reflect on the following: -

- The past few years has seen an increase in Local Government using punitive Court action against ratepayers who are in arrears. Given, that rates are protected under the Local Government Act (1989) and, payable to Councils and Shires before payments of any other encumbrances on the property and with the right to charge interest at the same amount as that imposed by the Magistrates' Court. We feel this action places an unnecessary burden on both the broader community and the individual ratepayer.
- s171 and s171a of the current Act provides for waiver and other assistance where ratepayers are in financial hardship. This section of the current Act is more often ignored or intermittently applied to varying degrees often limited by the understanding of the individuals administering any process to adequately assess the impact and range of hardship often experienced in the community they serve.
- That anyone administering the collection of any debt to a Council be required to undergo training to understand hardship.
- The current Act provides for quarterly rate payments. This, in our opinion, should be expanded to fortnightly and all rating authorities be required to accept payments through the Centrelink Centrepay system.
- Hardship assistance should be accessible to ratepayers who are in receipt of any Centrelink payment or allowance and any ratepayers in who receive low incomes and can establish financial difficulty.
- We would also like to see a consideration for DHHS concessions URG allocation of \$1300 or part thereof to be accessed for payment of land rates.
- A cap placed on further accrual of interest / fees if the person, or their representative, has had contact with the council rates department and or has accessed financial counselling services establishing financial difficulty.

We feel the establishment of a legislatively enforceable Code of Conduct for Local Government is becoming a necessity to ensure all Councils are operating under the same policy guidelines for how they interact with their ratepayers on this issue of arrears.

This code could include some of the suggestions above but also: -

- Rates departments must make contact with ratepayers and or correspond when rates are overdue by 12 months to 24 months and include information about services available to assist them both internal – any assistance or support available to them via council rates department or external supports through Financial Counselling services. Councils must be able to prove that these attempts at engagement or referral to external agencies have been made.
- Provision of a “Welcome Pack” for new home buyers / ratepayers to be sent to them upon settlement of the property. The pack should confirm basic information about rates / cost/ what / when / how these are paid. Our service sees issues with Refugee and newly settled Australians (CALD) communities not understanding the local laws and responsibilities in relation to paying rates. This community often is under the impression that conveyancer has sorted this matter upon settlement and they are a once only payment. This is a cohort of ratepayers with little or no financial Literacy.

Case study 1: Ms K

Ms K¹ identifies as an Indigenous client, she has two toddlers under 5 years of age and recently separated from her spouse. Due to experienced financial difficulty relationship struggles, Ms. K. found it difficult to cope and manage her bills and on-going expenses, eventually having arrears on her mortgage, credit card, utilities. With unpaid rates at \$7,000

Ms. K. was not contacted by the council regarding her unpaid rates. She received her annual rates notice in the mail each August, including an accumulation of the increased balance, interest and charges.

She did attempt to arrange a payment plan for the rates at one point with a debt collection agent, but due to an administration bungles and inaccuracy the payment plan did not commence.

Under the Magistrates Court Civil Procedure Rules 2010, Ms. K. did receive a summons to attend an Oral Examination. In early 2019, CLH lawyers acting on behalf of the Shire council for the unpaid rates filed documentation in the court.

As she could not attend the hearing, Ms. K. contacted CLH lawyers the day prior to notify of her unavailability. CLH Lawyers confirmed that they would re-schedule the hearing and accepted a payment plan for the unpaid rates on behalf of the Shire council.

On the 28th May 2019, the local Police station contacted Ms. K. to attend the station. Upon presentation to the Police station Ms. K. was advised that she had committed an offence by failing to attend an Oral Examination, summons executed by the Shire council at the Dandenong Magistrates court.

A provision of an 'Undertaking of Bail' in accordance with the Bail Act 1977, was issued to Ms. K. and the conditions of the Bail were discussed. Her failure to attend her next scheduled hearing for an ORAL EXAMINATION would determine that she had breached of her Bail conditions, which is considered a criminal offence.

It is a concern that the council did not contact Ms. K. during the accumulation of her rates and there was no attempt to verify her financial position or difficult circumstance. Had they initially contacted her prior to the rates becoming unmanageable she may have had an opportunity financially to remedy the situation by accessing financial hardship, financial counselling assistance and or support to do so.

Ms. K. was under the assumption that she would go to Jail for unpaid rates, which caused her significant stress during this period. Her workplace had to be informed due to her pending court hearing and her application to be absent from work. Her job became at risk as her manager confirmed that she could not continue to work if she had a criminal charge.

¹ Not her real name.

Ms. K. has had to access her superannuation to repay her rates arrears. With the added penalty interest and court fees makes the debt was more difficult to manage, this situation has compounded her vulnerable state. It is a concern that a civil debt and processes to recover these funds have potentially become a criminal matter when the council have 'a lean' over her property in the first instance. This situation could have been avoided.

Case study 2: Mr. S.

Mr. S² migrated to Australia in 1999 from Turkey, English is his second language and he often has difficulty understanding financial matters and or complex language.

Mr. S. purchased a home in 2014 through assisted financial mortgage broker. He works full time and his wife does not work.

He has not paid any rates to the council since purchasing the home. He is unaware of this responsibility and is lacking in financial literacy around these matters.

The council has not contacted him since purchasing his home, only to receive his annual rates statement in August each year. The rates balance now totalling \$9,000 inclusive of penalty interest/charges accruing.

The amount outstanding for the rates has become difficult to manage and will cause him significant hardship in reaching a resolution. He may need to access his superannuation funds to repay them and thus pay him less benefit when he retires.

This situation could have been avoided if there were better mechanisms in place to address rates arrears and assistance by the councils' obligations to make contact earlier.

² Not his real name.