

11 May 2015.



Submission to; Local Government Rates Capping
& Variation Framework Review.

The Essential Services Commission,
Level 37 / 2 Lonsdale Street,
Melbourne. Victoria. 3000.

In my following submission, I do not provide supporting evidence as it is widely known of the ambiguous and devious methods used by councils to achieve, what is best described as their ill gotten gains.

From Local Council's earlier beginnings with responsibilities for Roads, Rubbish & Rates, the attitude of communities to their Council has been one of indifference. Except for the case when a number of interested parties, are seemingly effected by a contentious issue, that appears to be unfairly brought forward. This brings a different light to the subject matter, whereby the city councillors show a more favorable attitude to the issue, with the successful community members fading once again back into sleepy hallow, taking no further interest in city affairs.

As a resident/ratepayer, I find it reprehensible that each year at council Budget time the community is invited to comment on their councils proposed Budget, by way of written submissions an further it by addressing council under Section 223 of the Local. Government Act. It is an insidious formality in which no questions are allowed and the few councillors that elect to sit at the hearing, play no part in the proceedings, irrespective of what is said. Your findings ignored, even so much as if you pointed out a black hole in their Proposed Budget, it would be approved, rarely with an amendment from findings from the community.

Which ever way you look at it, the principle source of revenue for councils is by Rates & Charges paid by the community, in addition to Grants from State & Federal Governments, there again, obtained from Taxes of one description or another.

Non rate paying Institutions – Call for change.

Seemingly there are properties in municipalities where freeloader organizations in the community, that enjoy council services & facilities such as Roads, Footpaths, Drainage, School Crossings, Parking etc, and pay no rates on their properties. Such as private educational institutions, which in reality are commercial businesses. These schools originally established on a somewhat small property, have over the years acquired valuable adjoining, often residential properties, where the rate payable is lost to council (and the community) and in which the institution pays no rates. Over the years this amounts to a considerable sum of lost rate revenue, especially where there may exist five or six private institutions in the municipality and the institutions continue to expand over adjoining rateable properties.

Such rates payable could be imposed on a similar basis to the Cultural & Recreational Lands Act 1963. whereby the amount and methodology to calculate the rate levy would be in the nature of "in use" valuation multiplied by 60 % of the rate in the dollar.

There would need to be a change in the Local Government Act to facilitate this requirement for rate variation and payable by all private educational institutions.

Councils giving away public money.–need for curtailment with mandatory conditions.

Currently, there is a council in the act of giving away some \$1.3 Million dollars (of public money) to a private consortium of sporting clubs. Apparently this is allowable under Section 193 of the Local Government Act 1989. I don't think there is a ratepayer that objects to council engaging in loan guarantee arrangements with clubs and similar organizations. But to give away public money and at the same time increase rates because of short falls in financing capital works, is nothing short of unconscionable conduct.

How can a council claim that for rates to be capped, they will be unable to finance necessary Capital Works etc. when at the same time they are needlessly wasting money on non core items. While recognizing that it is imperative that councils support their local sports clubs, it appears that in this regard the clubs are demanding more. Such as exclusive Social Club rooms, special grasses with expensive watering systems and Electronic Score Boards. Its time councils said no this extravagance, it's a user pay world.

This is on top of excessive salaries of council executives and failing to match performance and output standards. Moneys wasted on promoting commercial businesses of no benefit to the community. Whereas roads & footpaths are in shocking conditions due to lack of proper maintenance. Unlike the average family, most councils it would appear, operate above their means.

Once the matter of capping rates is resolved , it is time for a complete overhaul of councils, in the best interest of the future of Local Government. For a start their needs to be more control over the administration staff, who lock themselves away in comfortable spacious accommodation, a luxury the envy of many a struggling business, while treating the ratepayers with contempt as it were.

Following this review into rate capping, I sincerely advocate that Local Government Minister the Hon.Natalie Hutchings M.P. holds an investigation into Local Council's with their shocking lack of transparency, and the need for genuine respect and openness in all their dealings therein with their communities.

I look forward to the findings of the review.

Mr.K.S.Spencer,
Brighton.

A handwritten signature in black ink, appearing to read 'K.S. Spencer', is written over a horizontal line.