Mr Zachary Casper (sworn).
The CHAIR — I welcome Mr Casper. I ask you to give a short statement, and then we will ask some questions. I am conscious of your submission.

Mr CASPER — Thank you, Chair. I approach this matter from a rather different perspective than the other very interesting presenters we have heard so far. I would like to present a few analogies or symbols in my presentation, and the first symbol which I would like to present to you is a rather unfortunate one. Imagine a cut and bruised, bleeding and staggering individual. That person could be just outside here on Sturt Street, or they could be walking on Vincent Street in Daylesford or probably any major street or even a by-road in any council area in Victoria. This person is in a lot of distress — cut, bleeding, bruised.

A person sees this individual in pain and trauma and calls an ambulance. The ambulance arrives, stops and starts to give emergency treatment. In this analogy the person who sees the individual in pain and trauma is the Honourable Daniel Andrews, the current Premier of Victoria. The ambulance that has stopped and started to give emergency treatment is the Victorian Minister for Local Government, the Honourable Natalie Hutchins. As you can see in my submission, I have thanked them and I sincerely thanked them no less than three times for what they have done.

The question is, will the patient — the bruised, bleeding, staggering individual, who is a symbol for us, the individual property owners and ratepayers in Hepburn shire, where I live, or any other shire — actually recover, and if they do recover, will they recover from the trauma? That question I think is still open. It is a moot question.

I will continue. You will see that I gave you all a copy of the cover page from a Victorian Auditor-General’s report dated September 2011. It is only a cover page; we do not have the time or probably the inclination to go into details. The title is rather dull and boring: Business Planning for Major Capital Works and Recurrent Services in Local Government. It examined the practices of Glen Eira City Council, City of Whittlesea, South Gippsland Shire Council and our own Hepburn Shire Council as a representative selection of councils, and that was to determine whether they had effectively integrated their planning and budgeting and looked at long-term sustainability of investments et cetera. If you take the time and effort to look up this report, you will find that Glen Eira did okay, but the other three councils were basically rapped on the knuckles, slapped in the face — use whatever analogy you wish — and in most categories which this report covered good old Hepburn Shire Council came in pretty well dead last.

Now, that was four and a half years ago, September 2011. Since then the situation at Hepburn Shire Council has improved, with a new CEO, Mr Aaron van Egmond, and you heard his submission on behalf of Hepburn shire this morning. We also had a new council elected in October 2012, and we have made progress, no question about it. However, sad to say, mistakes and bad decisions still continue to be made.

I have brought a copy of our local newspaper, the Hepburn Shire Advocate. This is from December 2015, and as you can see, the headlines read, ‘We’re dissatisfied’. Statewide residents were polled to see how satisfied they were with their council’s performance. The average through the whole state of Victoria was a 56 per cent approval rate, which is certainly not high, but Hepburn shire only scored 43 per cent. And December 2015 is hardly ancient history.

Move forward a few months to March 2016, just last month. Our latest council soap opera or drama — call it what you wish — is that a new sculpture for Calembeen Park in Creswick was commissioned. It is a cup and ball, a game that is played in some countries of the world. I have not seen it here in Australia. I have seen it in Mexico, and there are other countries.

Ms SHING — I have played it myself and very badly.

Mr CASPER — You have? Well, okay. So it has been played here as well. Very good.

Ms SHING — It is one of those — —

Mr DALLA-RIVA — I would not admit that.

The CHAIR — I think we will just let the witness continue on this.
Mr CASPER — No worries. This little statue is titled Dearest. It was commissioned at a cost of $30 000. The locals in Creswick do not really like it. In fact they have now taken to calling it a wrecking ball. That is their word for the sculpture. So that is $30 000, which is not a huge amount of money in council affairs, I admit that, but still for the average resident property owner it is a lot of cash.

I probably do not have to state that increases in property rate rises basically are off the chart. Quoting from the Herald Sun in March 2014, just a little over two years ago, it wrote:

Councils have stung Victorians with rate rises totalling —

more than —

$2 billion above the rate of inflation over the past 10 years.

We can go down and look at various figures. The rates have increased 2½ times the increase in wage earnings, approximately double the increase in age pensions for a couple et cetera. Over the last 10 years rates have risen more than the cost of hospital and medical services, health services, education, food, alcohol, petrol, gas, restaurant meals, takeaway food, domestic and international holidays, clothing and footwear et cetera. The only items which have increased in price more than council property rates are electricity, water and sewerage, and tobacco. Not a good look, Chair — not a good look.

I am going to present you with a second symbol or analogy, and that is of a person who is entering a dense jungle and starting to hack their way through it with a machete to a clearing which they think is located somewhere in the distance. They have got the machete in hand. They are cutting, hacking, toiling, labouring and sweating. After some time they finally emerge into the clearing. They have reached their goal, or so it seems, but then they discover — shock, horror — the presence of a tick, previously unnoticed, somewhere on their legs or thighs. The tick is actually quite large, engorged with the blood that it has been sucking while the individual was sweating and toiling and cutting and hacking their way through the jungle. Then the individual realises their blood system has actually been poisoned by the tick, and now they are in real danger.

In this symbol the individual cutting and hacking their way through the jungle is analogous to the average homebuyer who takes out a mortgage from this or that bank and then struggles not only for years but usually, as we know, for decades to pay it off. Just when they reckon they have hacked their way through the terrible burden of the mortgage, they discover that they have been attacked by a previously unknown and unanticipated enemy — namely, the poison-bearing tick. In this analogy, the tick corresponds to council property rates. The person has expended huge amounts of time and lots of energy on hacking through the jungle, or paying off the home mortgage, but has not considered the detrimental effects of ever-increasing council property rates as well.

Let us ask ourselves some very important questions — some hard questions and some very complex ones, questions which will take a lot of discussion and debate.

Question no. 1: in Hepburn shire, the level of rates that I pay is directly related to the capital improved value, or CIV, of my two properties. That is calculated and re-evaluated by council at two-year intervals. But why should we locals pay ever-increasing rates according to the CIV of the property? Here is the really hard question, the really hard knot: wouldn’t ever-increasing CIV valuations actually be artificially inflated values, conditioned by factors such as overseas investors, negative gearing and banks lending credit without the backing of gold?

Question no. 2: as all home and property owners do, I pay a stamp duty to the Victorian state government when I purchase my properties, and that was not just a few hundred dollars either. Having paid that stamp duty, what continuing relationship is there between the CIV of my properties, as calculated by the local council, with either the principal home in which I live or the other property I own, and most importantly, is such a relationship actually a fair and just one? It is a difficult question.

Question no. 3: besides paying annual property rates to the local council, the state government of Victoria is charging me an annual land tax as well. Local council property rates can be regarded as a sort of tax levied by councils against land and property owners, while state land taxes are definitely a tax, clearly defined as such. Why should I, as a property owner, be double dipped by both the local council as well as the state of Victoria when it comes to paying tax on the properties that I own?
Now for the third and final symbol, imagine that persons of different ages and generations are herded into some sort of enclosure with a fence around it, but there is an opening guarded by guards, and individuals, couples and families are being let out. Across the road there is a beautiful green garden, and everyone is happy and smiling. Those inside want to get out. The message goes to those inside that those born in the 1930s, the 1940s — such as I was — the 1950s and 1960s have the easy passage. They can go out, no problem. Those born in the 1970s and 1980s have a more difficult time getting out, but most of them can still manage. But for anyone born in the 1990s, the passage out becomes very difficult, and for those born in the 2000s or after, the gate is basically locked. ‘Sorry, you can’t leave the enclosure. You’ll have to stay here for the rest of your lives.’

In this analogy the universal Aussie dream of owning a home is a passage out of the enclosure or compound. Those born in the early to middle decades of the 20th century, as I was, are having a relatively easy passage out to home ownership. For those born in the latter decades of the 20th century, the journey to home ownership becomes much more difficult. For those born in the 21st century, the dream, sad to say, has become almost an impossibility. I ask you, honourable members, why wouldn’t the younger generation be rather upset and angry with previous generations in this particular analogy?

That is the conclusion of my remarks. Any questions you have, I will try to answer.

The CHAIR — I have a small number of questions. Thank you for your submission, which is different to a number of the ones that we have received before, and I put that on the record. It brings a different perspective. I understand, and tell me if I am wrong in this summation, that you like the idea of rate capping. You think it is a good step.

Mr CASPER — I am very much in favour of it. Yes. Very much in favour of it.

The CHAIR — And you think that Hepburn has increased its rates by too much.

Mr CASPER — Yes, too much.

The CHAIR — I will not worry about the numbers, but too much over a longer period and it is still not run as well as it ought to be.

Mr CASPER — That is correct. What the CEO of Hepburn shire said this morning, a lot of it is correct. But then again he did not mention the dark corners of the house that have not yet been cleaned, so there is still some cleaning to do, I reckon.

The CHAIR — I also note that you mention in a couple of spots here some state government-related matters, noting the multiple layers of taxation that occur on land — stamp duty, council rates, land tax and indeed some new taxes in this particular budget. Taxes overall have gone up 20.7 per cent in the last two years, and land tax this year coming, from 1 July, taken statewide will go up 28.5 per cent.

Mr CASPER — Right.

The CHAIR — That is a massive whack on property owners across the state.

Mr CASPER — Indeed.

The CHAIR — Do you think there is some incongruity in clamping down on council rates on the one hand and jacking up land-based taxes on the other hand by the state government?

Mr CASPER — It certainly is, and my solution for what it is worth — not that the politicians in Spring Street are likely to adopt it — is that we property owners be allowed to deduct a certain percentage of our land tax, whether it be 10 per cent or 20 per cent or whatever, from our property rates. That would contribute a lot towards a situation where fairness is seen to prevail, and it would bring a lot of relief to we who pay double taxes. But I certainly agree that the taxes are increasing far too quickly and far too highly.

The CHAIR — Stamp duty will go up. In this financial year that we are in now, it will have increased by $1.6 billion to a new record of $6 billion.
Mr CASPER — Right. Those were figures in the newspapers as of today, regarding the Victorian state budget.

The CHAIR — Yes. The one to watch, I think, next year is land tax, which will take another 28.5 per cent statewide in one year.

Mr CASPER — Right. Obviously in my opinion, it is far too high.

Mr LEANE — I have just one question, Mr Casper. I just want to play devil’s advocate from the information that we had from the council this morning.

Mr CASPER — Sure.

Mr LEANE — The councils stated that people that live in rural councils expect the same services as metropolitan councils and therefore that is something that is very difficult for rural councils to achieve. Do you have a comment on or view on that?

Mr CASPER — As someone who lives on a rural property near Glenlyon, which is about 15 kilometres from Daylesford —

The CHAIR — A beautiful place.

Mr CASPER — I certainly do not expect the same level of services as in Daylesford. For instance, my house in Daylesford gets a weekly rubbish collection. In Glenlyon, we do not have that. I am not pressing the local government to provide it. I think if you are living in the bush, you have to have a certain sense of self-sufficiency and self-reliance about you. In fact those were the sterling qualities and virtues on which this country was built, in my opinion. I have only been here 25 years as a migrant; you can probably tell from my accent. But I reckon back in the good old days, that would be postwar Australia of the 1950s and even in decades previous, that was the spirit which made this country great.

Mr DALLA-RIVA — I was actually listening to your speech as you were making the analogies. I enjoyed the analogies because it put it into some context.

Mr CASPER — That is good.

Mr DALLA-RIVA — We have heard from various councils around the state and various ratepayers about when there is a flat across the board rate but there is a need for things to be done; not the cup and ball stuff that I probably agree with you on, not that I know anything about it. But it just seems very odd when councils say, ‘Look, we do need to do this’. Do you think there are times, and if so when, councils should be asking for an above-cap rate? In what circumstances and with what process should that happen if it does have to happen?

Mr CASPER — First of all, I think the local councils, when they want to accomplish this or that objective or this or that goal, should tap into the expertise of the local community. In Daylesford, for instance, in Hepburn shire and to a lesser extent in Creswick, Clunes et cetera, we have a lot of retirees with phenomenal experience. Just in the pool of the almost 15 000 persons in Hepburn shire, we probably have enough expertise to run the state government, maybe even the federal government. That is my opinion anyway. So councils, in my opinion, should tap into that pool of knowledge and enlist the spirit of volunteerism, which once again was a spirit which I believe made this country great in the early decades of the 20th century. Sadly, it seems to be on the decline, at least in some sectors.

Now given that pool of expertise, I am quite sure that suggestions could come from that pool about the best way to fund this or that project. So that is my response. Let us ask the people. Let us tap into the spirit of volunteerism. Let us tap into the spirit of goodwill, which is all-pervasive in this country, especially in rural areas in my experience in my 25 years here.

The CHAIR — Thank you, Mr Casper, for your evidence. We greatly appreciate it.

Mr CASPER — Thank you very much.

Witness withdrew.