

To: Environment Natural Resources and Regional Development Committee

Subject: New submission to inquiry into sustainability and operational challenges of rural and regional councils.

Date: 25th July

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Submission Context: (B) Fairness and Adequacy of Rating Systems

(C) Impact of Rate Capping Systems

Background: I am an 80 year old pensioner and live on a 5 acre property in Glenlyon approximately 12 kms out of Daylesford. I left school at the age of 14, as most children in my generation did, and have never written a submission before. I hope the inquiry can keep this in mind when reading my submission.

STATEMENT IN RESPONSE TO (B) FAIRNESS, EQUITY, ADEQUACY OF RATING SYSTEMS

Over 30 years ago when I bought this property, it was zoned Rural Living. In 2003, Council rezoned my area to Rural Residential. The only impact this had was to raise my rates by 62%! I am rated as residential but can't sub-divide as I am zoned rural. None of the rating types in this shire – General Rate, Farm rate, Commercial Rate, Industrial Rate, Mixed Use Rate, Vacant Land Rate-Township, Vacant Land Rate-Other, Recreation Rate - covers the likes of my property. (See File 1)

To calculate my 'CIV' the council compares my property to other homes in the area. Most of these are occupied by double income families and 'tree changers' who do huge improvements to their properties, therefore raising the value of their properties, whereas I do no improvements yet my CIV goes up because of their improvements. If I park my 1980 Valiant next to a Rolls Royce, does the value of my Valiant increase?

In summary, there is no fairness or equity in my classification of rates. I am rated on a residential scale yet zoned on a rural scale. I'm paying the highest rates without the same rights as my neighbours across the road.

STATEMENT IN RESPONSE TO (C) IMPACT OF RATE CAPPING POLICIES

The Government capped rate rises at 2.5% for 2016. However my rates increased by 4.2% since the Council increased my capital improved value by 10.4%. I am over 80 years old and have carried out no improvements in the last 20 years. In fact, my property is in dire need of roof repairs that I cannot afford to carry out, which should mean my property value should fall, as the real estate appraisal price range is below council value as well.

When I approached the Council about the valuation of my property, I was met with belligerence and a lack of compassion. The Council policy was to use the price of similar properties when they come up for sale. Some of these properties had nothing to do with or to compare with our place – bush blocks, township blocks and some miles away in different areas.

There was a recent auction up the road about 3 kms away - similar land to my 5 acres. My land has a CIV of \$510,000. This property was 66 acres with a residence and sheds and sold for \$518,000. How does this compare equitably with my property's CIV?

The Hepburn shire's valuer, Vin Burke, values each property every two years. There are 11,092 rateable properties in this shire, so most values must be 'guesstimates'.

My home is that of an 80 year old pensioner who cannot afford repairs let alone improvements. There is no indication that Hepburn Shire Council takes this into account.

Over the last 13 years, my rates have risen from \$670.85 to \$2018.76, a 301% increase, and this increase shows no sign of slowing down. On a Government pension, I cannot afford this, even with the 50% rates cut (capped at \$230) for pensioners.



John Cooper

I AM NOT SEEKING CONFIDENTIALITY

Your rates explained

Q: What are the fixed charges for 2015/2016

A: Fixed charges are:

Waste Management Charge (Improved or Vacant) of \$109.00 (last year \$129.00)

This is levied on all properties and goes towards the cost of maintaining waste disposal facilities in the Shire, including costs of the transfer stations, street cleaning and street litter bin collection.

This is different to the kerbside collection charges and commercial garbage collection charges; these are a service charge and only those who receive the service pay.

Kerbside Waste Collection Charge of \$126.00 (last year \$126.00)

This charge covers the actual cost of collection and disposal of domestic garbage from all dwellings within defined township (Daylesford, Creswick, Trentham and Clunes) collection areas in the Shire. The charge is compulsory for dwellings whether the service is used or not. A 120 litre capacity mobile garbage bin is the only approved container to be used for residential garbage collection. Each household is responsible for providing their own bin.

Kerbside Waste Collection Rural Charge of \$106.00 (New service provided to some outlying areas)

This charge covers the actual cost of collection and disposal of domestic garbage from all dwellings within defined collections areas. Two Waste Vouchers are also provided to the properties that have opted in to this service, with their First Instalment Rates Notice. This charge is compulsory for dwellings who have not opted out of the fortnightly collection service. A 140 litre mobile garbage bin is the only approved container to be used for garbage collection. Each household is responsible for providing their own bin.

Your rates explained

Kerbside Waste Collection Commercial of \$280.00 (last year \$280.00)

This is an optional service to commercial properties. Operators who choose to use this service may utilise more than one 240 litre mobile garbage bin, however the charge applies for each bin used. Each business is responsible for providing their own bin/s.

Kerbside Recycling Collection charge of \$45.00 (last year \$55.00)

This covers the cost of collecting recyclables from all dwellings within defined recycle collection areas in the Shire. Council provides a 240 litre mobile garbage bin as part of this service.

Q: What is the Property Based Fire Services Levy— Fixed & Variable

A: On 1 July 2013 the Victorian Government introduced a property based levy to fund fire fighting services in Victoria, as recommended by the Victorian Bushfires Royal Commission. The Fire Services Property Levy replaced the previous insurance-based funding model. All property owners will pay the levy at the same time as they pay their council rates.

Under the property-based levy:

- Council's will collect the levy through rate notices on behalf of the State Government;
- the levy will be **calculated** based on the **capital improved value** of a property;
- the levy will consist of a **fixed** component plus a **variable** component;

The **Fixed Levy** is **\$104** for **residential** properties and **\$210** for **non-residential** properties.

The **Variable Levy** will differ for property types such as residential, industrial, commercial and primary production. This portion of the levy is **calculated as a percentage of capital improved property values.**

Eligible pensioners will be entitled to a **\$50 rebate** against the Fire Services Levy for their principal place of residence. For more information visit <http://www.firelevy.vic.gov.au>

Your rates explained

Q: Who is entitled to Waste Vouchers (Tip Tickets)

A: **Residential** properties outside the Shire's designated Kerbside Collection areas receive 12 waste vouchers with their first rate notice each year. Each voucher allows for the free disposal of up to half a cubic metre of garbage at Council transfer stations. The value of each tip pass is \$18.00. Please note that waste vouchers will only be issued with the first rate notice and will not be replaced or re-issued during the year.

Q: When do I pay my rates?

A: Rates must be paid in four instalments due:

- 30th September
- 30th November
- 28th February
- 31st May

unless you have taken up the 10 Direct Debit Request (DDR) payment option (see below)

Q: How and where can I pay my rates?

A: A list of payment options are below:

Direct Debit Request (DDR) - This option is unavailable if your property is in arrears.

The 10 direct debit instalment dates are set by Council and are **not negotiable**. Deductions occur the 3rd Friday of the month, commencing September through to June. Once this arrangement has commenced, this will continue each year until Council has been advised in writing to cease.

Direct Debit forms can be obtained from Council's website or our offices throughout the year.

Forms must be **returned** to Council one week before the deduction date.

BPAY

To pay using BPAY, contact your participating bank, credit union or building society and make your payment directly from your cheque, savings or credit account. Make sure you quote the Biller Code and Customer Reference number located on the front of your current rate notice.

Your rates explained

BPOINT

BPOINT is a convenient way to pay using your credit card either online or by phone. To pay online simply go to the 'Make A Payment' section on Council's website, click on the BPOINT link, enter your Biller Code and Customer Reference Number shown on the front of your current rate notice or to pay by phone please call 1300 BPOINT any time, 24/7 and follow the prompts.

In person at:

- Daylesford Town Hall – 76 Vincent Street, Daylesford
- Duke Street Office – Cnr Duke & Albert Streets, Daylesford
- Creswick Office – 68 Albert Street, Creswick
- The Warehouse – Clunes – 36 Fraser Street, Clunes

By mail:

Address to: Hepburn Shire Council, PO Box 21, Daylesford, VIC, 3460

At any Australia Post Office

Providing you have your Rates Notice with you, the Australia Post barcode can be scanned and payment made.

Q: What happens if I do not pay my rates?

A: Council is required under the Victorian Local Government Act to charge interest on all overdue rate amounts calculated from the date that the instalment was due until the date it is paid. Unpaid rates will be referred to our debt collection agency for legal action.

Q: Who sets the interest rate?

A: The State Government sets the maximum interest rate pursuant to the Penalty Interest Rate Act, and the current Penalty Interest Rate is set at 9.5%.

Your rates explained

Q: If I am unable to pay my rates by the due date, what do I do?

A: Contact the Council's Rates Department to arrange a mutually acceptable payment plan, such as making fortnightly or monthly payments to suit your budget.

Interest will continue to accrue on overdue amounts. For payment arrangement forms contact one of our offices.

Q: Am I entitled to a pensioner rebate?

A: Centrelink and Veterans' Affairs pensioners may be entitled to a State Government rebate on their **principal place of residence**.

This principal place of residence **must** be within Hepburn Shire Council for them to be eligible. Holders of Veterans' Affairs Pension Cards and Centrelink Pensioner Concession Cards are eligible for this rebate, but holders of the Centrelink Health Care Card are not eligible.

Application forms and assistance are available from council's offices. You must present your pension concession card when applying.

The Municipal Rates concession is an annual capped amount set by the Department of Human Services, being an amount of **\$213.00** for 2015/16.

In addition to this amount, Hepburn Shire Council has made provisions for pensioners in its 2015/2016 Budget of an **additional \$21** rebate for pensioners who qualify under the State Government's Pensioner Rate Remission scheme to accommodate the difficulties experienced by pensioners. Eligible pensioners will also be entitled to a **\$50** rebate against the Fire Services Levy.

Therefore the total rebate amount for 2015/2016 is **\$284.00**

The Pension Rebate (if applied) is listed on your FIRST instalment Rates notice. The rebate is deducted from your total rates. An application for the rebate can be made at any time during the year.

Hepburn
SHIRE COUNCIL

Your rates explained

Q: How are my rates calculated?

A: The Capital Improved Value (CIV) of a property is used to calculate the rate amount to be paid. Rates are calculated by multiplying the Capital Improved Value (CIV) by the differential rate in the dollar.

For example:

House and land valued \$300,000 on a general rate would be

$$300,000 \times .004219 = \$1,265.70$$

The various differential rates in the dollar are:

Vin Burke trying to decide which zone I'm in!

Differential Rate Type	Rate - cents per \$CIV 2015/16
General Rate XX	0.4219
Farm Rate —	0.2743
Commercial Rate —	0.4895
Industrial Rate	0.4895
Mixed Use Rate	0.4895
Vacant Land Rate - Township	0.5275
Vacant Land Rate - Other	0.4219
Trust for Nature Rate	0.211
Recreational Rate	0.211