

Cardinia Shire 2016/17 Budget and Council Plan

Comment by Gloria O'Connor, Cardinia Ratepayers & Residents Association 11th April 2016

It is good to note that Council has reluctantly agreed to implement state government policy of rates capping at 2.5%, at least for this financial year(perhaps a Variation application might have been considered but was hardly possible without strong justification and community support which was not achieved by the Big Budget Brainstorm ?) and also very good to note that the practice of cost shifting has been formally acknowledged in the Budget preliminary report, "Any further cost shifting by either state or federal government is to be rejected. Performance indicator: All cost shifting to be reported quarterly via council meetings"

Cost shifting comes as a result of the continuing imposition by other government levels of continued growth corridor policy whereby rapid development of residential housing and infrastructure is designated for outer metropolitan areas to accommodate ever increasing population and provide for the consequent needs of new communities created by developers at an unsustainable pace.

Looking at the preliminary budget report figures concerning forecast population growth in the Council budget report, there will be continuing financial pressure on Council to fund infrastructure and all manner of services including health, welfare, education, employment and business support, so the next Council will be facing these financial costs in the following financial year.

The question that needs resolving is where will this all end for ratepayers who are also taxpayers? Where should the line of responsibility be drawn? Government social services, health, education and welfare are covered by taxes imposed according to financial status of citizens, whereas rates are levied on the value of a property regardless of the ability of an owner to pay. Some residents use a lot of council services and sporting facilities, others use very little, over and above the basics of rubbish collection and/or road maintenance, library, kindergarten etc. Is that equitable?

Reading through the budget pages covering Services, Initiatives & Service performance indicators, page 15 to 27, it is obvious where a large proportion of council expenditure is directed, all ratepayers should take time to look through those pages and see what they are paying for (including the amount of council employees required to carry out the huge amount of projects, services offered and delivered, and then consider whether the system requires review, regarding rates, taxes? free services and programs for those requiring them? Would it be fairer and more financially manageable to introduce a 'user pays' system or abolish the practice of municipal rates and fund everything through the government taxation system ?

The current system is not working, councils will always be crying poor and lobbying for higher rates and government is benefiting by the current system of taxing property owners via their rates in order to fund more and more infrastructure and services. It is time to review the current situation which is being manipulated against the financial interests of ratepayers and taxpayers and can only get worse if the population increases as forecast in Cardinia Shire, and rates capping will not work.