

Local Government Team IPART
Submission re: Wyong Council SRV

I strongly oppose the application by Wyong Shire Council for a special rate variation (SRV) of 6.9% each year for 7 years.

Wyong Council does not have community support for any increase above the NSW

Government's rate-pegged increase of 3.4%

Wyong Council's own consultation process very clearly demonstrates that 62% of ratepayers oppose such an increase. (*p 23, Strategic plan 2013-2017. Option 1*).

Wyong Council's request for a SRV of 6.9% each year for 7 years was NOT part of the community consultation process.

Impact on ratepayers

Coupled with the ever increasing price of electricity and associated costs of daily living, the affordability of the proposed rate increases by residents is also doubtful.

Wyong Council already acknowledges the high percentage of outstanding rates and annual charges is a reflection of the demographics of the shire i.e; the lowest labour force participation rate, unemployment rate above state and national rates, high youth unemployment, high aged population, household income level 25% less than state average (*council letter to Local Govt Dept of Premier and Cabinet Feb 2012*).

A rate rise above the rate peg of 3.4% will only add a further burden to ratepayers.

Wyong Council has failed to demonstrate responsible financial management

Wyong Council has failed to inform ratepayers that as of 30 June 2012 it has \$197.6 m outstanding, incurring \$16.5m interest costs and a net debt servicing cost of \$21.16 m for 2010/2011. (*p72/73 supporting documents of council application*)

"Council's ability to remain financially sustainable in the long term is of concern." (*Letter to Wyong Council from Local Govt Dept of Premier and Cabinet 27/01/12*)

Yet councillors still continue to vote for grand schemes, such as a proposed airport, with no accountability for expenditure of such a project in its long term financial plan.

Wyong Council demonstrates a clear inability to make spending choices that fit its budget, resulting in a huge debt for the community. Wyong Council has openly admitted to *"taking their eye of the ball"* and wasting millions of dollars over the years. (*Community Consultation Meeting Feb 2013*)

In applying for a SRV, Wyong Council has only highlighted the incompetence of its financial management.

Perhaps now is the time for the NSW State government to appoint an administrator.

I ask IPART to **reject** Wyong Shire Council's application for a SRV of 6.9% each year for 7 years and to enforce the rate peg for 2013/2014 of 3.4%