

SUBMISSION to the INDEPENDENT PRICING AND REGULATORY TRIBUNAL (IPART) concerning an application by COFFS HARBOUR CITY COUNCIL (CHCC) for a permanent special rate variation over two consecutive years under section 508A of the Local Government Act 1993 of New South Wales (the Act) being the years 2015-16 and 2016-17

I am [REDACTED], a ratepayer to CHCC in respect of my property and principal residence at [REDACTED]

I submit that IPART should not accede to the application (the Application) by CHCC for a permanent Special Rate Variation for 2015/16 and 2016/17 (SRV) on the following grounds -

1. The Application does not have the support of the majority of ratepayers of the local government area of CHCC or of three of its nine elected councillors;
  1. CHHC has in recent times conducted three surveys of ratepayer and resident opinion concerning issues of services and increases in rates with disparate results but the majority of respondents in all surveys have been resoundingly against rate increases;
  2. The most recent survey in October 2014, described by CHCC in the Application as a community engagement program, included a mailed out information booklet titled 'Funding our Future' comprising 17 pages of information plus cover and a blank page which was accompanied by a 'Have your Say' ballot form. The 'Have your Say' ballot form offered a choice between Option A for no additional rate increase to general ordinary rates and Option B for additional rate increase over two years of approximately 8.14% and 7.75% including rate peg). The information concerning Option B on the ballot form failed to make it clear that the additional rate increase would be permanent after those two years and would in effect compound in following years;
  3. The 'Have your Say' ballot form which I completed online invited respondents to include an email address to enable them to receive email updates of the consultation, but I and other online respondents with whom I have spoken have not received any such email, being informed only by newspaper reports and otherwise;
  4. The minutes of a CHCC Council meeting on 12 February 2015 obtained online say that almost 6,000 people responded to a postal and web-based survey, which I understand to be the 'Have your Say' ballot, and that 'the statistically valid results of Online Survey Panel results were 29% support, 71% do not support', and I believe that this means that 71% of respondents voted for Option A in the 'Have your Say' ballot;

5. The minutes of the CHCC Council meeting on 12 February show that a motion to proceed with the Application was resolved in a division with six councillors, including the Mayor, in favour, and three councillors, Councillors Cowling, Arkan and Sultana, against;
6. CHCC has incurred considerable expense for ratepayers in consultancy fees, and in preparing and mailing out the 'Funding our Future' booklet and providing other information to ratepayers in the guise of testing opinion concerning the SRV when overwhelming resulting ratepayer opinion against the SRV has been palpable. In short, CHCC has simply gone through the motions of its own 'Community Engagement Strategy' and by a majority vote ignored the outcome of a very expensive exercise;

2. The ratepayers of the local government area of CHCC have been misinformed and/or inadequately informed concerning the circumstances and needs of CHCC in carrying out its statutory duties under the Act;

1. The booklet "Funding our Future" fails to make it clear to ratepayers that the rate increases proposed in the SRV pursuant to section 508A of the Act will be a permanent rate increase that will be ongoing and compounding with ordinary rate increases in following years. In particular, reference should be made to the printed response to the question 'What are we proposing?' on page 5 of 'Funding our Future' which does not address the ongoing permanency issue and says 'Overall, a cumulative increase over two years of approximately 16.5% in general income'. The ballot paper which accompanied this booklet similarly failed to address the permanency issue. The average ratepayer could well be excused for thinking that the rate increases proposed would be for two years only and behind them in July 2017;
2. The booklet "Funding our Future" fails to make clear or adequately state, especially in its 4 line non-specific comment on page 5, what it has done to discharge its duty to effect cost savings before seeking a SRV and what 'significant changes' it claims to have made, and this duty does not sit well with many ratepayers who see Council extravagances and understand from local newspaper reports that the [REDACTED] has received a 'substantial' salary increase on the casting vote of the Mayor;
3. Some cost savings have been made in respect of essential services including limiting the provision of paid lifesavers at beaches within the CHCC local government area;
4. Overall, the booklet 'Funding our Future' contains a considerable amount of specific information with pie and bar charts that are very technical in nature and not immediately relevant to the average ratepayer looking for simple facts on which to judge the issue. These technical details are what some might call a 'snow job' to obscure the real issues before ratepayers in what CHCC calls its 'Community Engagement Policy';

3. The Application contains inaccurate, inadequate and misleading information;
  1. The Application states in clause 7.2 that 'The community engagement will have a focus on receiving feedback from the community in regards to a willingness to pay more rates to maintain current levels of service via additional expenditure on asset renewal and maintenance' which, considering the community feedback and the decision of CHCC on 12 February 2015 to proceed with the SRV is inaccurate, inadequate and misleading. Please refer to further information set out in ground 1 above;
  2. The succeeding passage in clause 7.2 of the Application states that 'In the interests of ensuring cost-effective use of Council's scarce resources, and also the need for timely responses, much of the community feedback process will focus on using online tools'. It would appear that the 'focus on using online tools' in respect of the SRV has not been paramount in respect of the Application.
  3. The affairs of CHCC appear to be in a state of disarray involving mismanagement, incompetence and inappropriate use of Council funds, with a recent call by one councillor for an inquiry into the operations and financial management of CHCC by the Office of Local Government;
4. Several recent and relevant newspaper reports concerning CHCC which support this ground have been collated from online publications of the Coffs Coast Advocate and the Sydney Daily Telegraph. These have been copied and pasted in date order into the Word document attached as an addendum and have only been changed by the removal of photographs and their captions and by the addition of the name of the newspaper against the date;
5. The Application does not show clearly the impact on affected ratepayers and is not reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation and does not;
  1. Clearly show the impact of any rises on the community;
  2. Include the council's consideration of the community's capacity and willingness to pay the proposed SRV; or
  3. Establish that the proposed rate increases are affordable having regard to the local community's capacity to pay;
6. The burden on ratepayers in contributing additional funds to CHCC may be discriminatory when further proposals by CHCC in relation to the Application are considered; The 'Funding our Future' booklet distributed by CHCC to ratepayers states on page 17 that 'the proposed increases would be applied uniformly across all rateable properties' within the CHCC local government area. However, at the CHCC Council meeting on 12 February 2015 it was agreed on a majority vote that water and sewerage charges be frozen over the years 2015-16 and 2016-17 to ensure that the increases are no greater than 3.9% for the average ratepayer. After discussion by councillors on the inequity for rural ratepayers who do not have water and sewerage services, the proposal was amended to include a \$15

per year reduction in CHCC onsite inspection charges in respect of the approximate 5,500 septic tanks in the rural and outlying parts of the CHCC local government area. I believe that IPART should examine this proposal in considering the application and seek from CHCC evidence of equity for all ratepayers prior to acceding to any part of the Application.

I further submit that, in the event that IPART does not reject the Application, any approval should be limited to a temporary increase not greater than 8.14% inclusive of the rate peg increase for a single year in 2015/2016 under section 508 (2) of the Act.

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12 March 2015