

From: council@blayney.nsw.gov.au [mailto:council@blayney.nsw.gov.au]
Sent: Wednesday, 27 November 2013 3:49 PM
To: council
Subject: IS/5213 - Contact via Council's Website | Special Rate Variation Submission

Does this message need to be registered in the corporate recordkeeping system ?

The following information has been submitted from the Blayney Shire Council Website:

Please keep the
following submission
ID for your reference.
Submission ID:
11201327174

Subject : Special Rate Variation Submission

Full Name :

Address :

Town or Suburb :

Postcode :

Phone Number :

e-mail address :

Comments : I cannot agree with the contention that a 15% year on year rise year on year (compounding) will not have a deleterious effect on farm profitability. On a quick review of my business costs this will reduce profit by over 4.5%. I support the Reduced services option.

Add Document :

Attach Image 1 :

Attach Image 2 :

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General Manager
Blayney Shire Council
91 Adelaide Street
Blayney NSW 2799

SHIRE
CIL

1/14

28th January 2014

Dear General Manager,

Disp.
GA39:

Re:- Blayney Shire Strategic Plan 2025

Sent.

We make the following comments in relation to the above Plan.

The statement of future directions lists Leadership last. This possibly reflects the Community Committee's perception of reality. With any strategic plan successful implementation is the hard part which requires strong leadership. Item DP 6.1.1 states Councillors should exhibit leadership. However, as senior staff seem to be the decision makers or lead the councillors to endorse staff decisions, then those staff also should have leadership responsibility.

The Plan recognises the importance of agriculture. However, Council refuses to correct its E3 zoning mistake affecting 13% of the shire's land area in the 2012 LEP. This is contrary to the objectives contained in CSP 1.1 and DP 1.1.3, which raises questions about Council's commitment to its published strategy. Property owners in the affected area certainly are not being treated equally to those in other rural areas.

If credibility is important, it is time for Councillors and staff to "walk the talk".

Delivery Programme

The majority of action plans are scheduled for delivery over each of the four years. There is no indication of order of priority. There would be core projects which should receive concentrated attention in the first one or two years. How are these identified in the programme?

Long Term Financial Plan

Four rating classifications are listed. At present different rate formulae apply to villages such as Millthorpe, Carcoar etc., including business ratings. Will this structure be maintained in future years or will those ratepayers be disadvantaged?

By including the community centre SRV in the Base Rate it is difficult to determine whether the annual rate percentage increase has been applied to the \$75. If that amount was shown separately on the rate notice there would be no need for the present convoluted formula. It is understandable Council does not want ratepayers regularly reminded of the levy.

Item 3.1.4 lists \$275,000 as income generated by the \$75 SRV. That equated to 3666 assessments. In the May 2013 IP&R documents Council lists total assessments as 3756. Which ratepayers are exempt from the levy?

Employee Benefits in 2014/15 show a reduction of \$529,262 or 9% over 2013/14 in both models. This would be after the annual increase of 3.5%. How is this achieved with staff numbers unchanged?

The consolidated income statement for the "community informed" model is hard to reconcile. In relation to Rate revenue the growth over the previous year is 5.3% 2015/16, 3.4% 2016/17 and 6.7% 2017/18.

For Employees benefits the growth is 2.6% 2015/16, 3.4% 2014/17 and 3.16% 2017/18. It appears the projected increase in staff numbers from 66 to 77 is not factored in but the additional expense would be significant. If the additional rate revenue is included in income (as 2017/18) the additional staff should be included in expenses otherwise the Operating Result is overstated.

Item 3.2.2 Waste Management provides for a surcharge of \$30 in 2014/15 with no explanation. If, say, 2500 assessments incur this charge, the extra revenue would be \$75,000.

The Capital Works schedule includes a Waste Transfer Station costing \$500,000 2014/15. This is a major expense taking priority over the much needed infrastructure maintenance of bridges and roads. Surely an expense of this magnitude warrants an explanation as to necessity and alternatives.

On both this and the \$30 surcharge Council fails its own "community informed" policy.

Workforce Strategy

The Plan contains a suggestion to investigate a payment system based on length of service. This is already legislated in the Long Service Act. For an organisation constantly concerned about financial viability, this should be an avoidable expense. The emphasis should be on pay for performance.

Putting this voluminous Plan out for comment over the Christmas New Year holiday period will limit community comment. If council is serious about wanting community input, planning to achieve more appropriate timing of document issue needs to be considered for the future.

SUMMARY OF SUBMISSIONS TO IP&R PLANS EXHIBITED DEC. 2013

Submissions

Submission #1

Submission in Brief:

The submission expresses the author's objection to a 15% rate rise stating that it will have a "deleterious impact of farming profitability" and support of the Reduced Services Option:

Response:

Comments are acknowledged. Council has since resolved to apply for a permanent Special Variation of 6% per annum over two years and to commence a community consultation on future funding of services in this two year period.

Submission #2

Submission in Brief:

The submission raises a number of issues in Council's documents as outlined below. (Please note that page numbers refer to page number on website. Document page number inserted after reference):

Issue 1: Future Direction 6: Leadership

Authors make reference to Leadership being listed last in Community Strategic Plan and that staff should be referenced in Delivery Program Action 6.1.1.

Response:

The Community Strategic Plan is shown in any priority order, so Leadership being shown as Future Direction 6 is of no significance. Delivery Program Action 6.1.1 is Councillor specific and is in reference to exhibiting community leadership. It is also reflective of the governing body as reflected in the Local Government Act.

Issue 2: Importance of Agriculture – CSP1.1 and DP1.1.3

Authors reference Councillors' refusal to rectify E3 Zoning in the 2012 LEP as contrary to the above objectives. It is also alleged that property owners in the affected area are not being treated equally.

Response:

This is a matter that has been addressed by Council previously.

Issue 3: Delivery Program – No priorities expressed.

Authors reference that plan is for four years yet no priorities are expressed and questioned how they are prioritised.

Response:

The Delivery Program identifies the actions and the year or years that they are proposed for delivery. Council is not the “Provider” of all actions and is unable to control delivery of such actions. The purpose of the document is not to prioritise but articulate actions to be delivered.

Issue 4: LTFP – Rating Categories

Authors reference the four rating categories and have questioned whether the present different rate formulae that apply to villages will be maintained or if those ratepayers will be disadvantaged.

Response:

Council is obligated under legislation to maintain the current rating categories in place, subject to land being existent and categorised accordingly. Rating structures of future years, including sub-categories as referenced, are unable to be forecast. These will be tabled and exhibited annually in the Operational Plan.

Issue 5: LTFP – Community Special Rate Variation

Authors assert that the Community Centre Special Rate Variation being shown separately would be more transparent for determining whether it has been indexed by rate increases. It is also asserted that there are ratepayers who are exempt for the Community Centre SRV as the figures quoted do not tabulate.

Response:

It is acknowledged that transparency could be improved by disclosing the Community Centre SRV separately. Figures in the LTFP are forecast and figures will be reconciled upon project finalisation. Council can confirm that there are no exemptions to the Community Centre Special Rate Variation with the exception of non-rateable properties as defined in legislation.

Issue 6: LTFP – Reduction in Employee Benefits

Question raised as to how employee benefits expenditure has reduced yet employee numbers are unchanged.

Response:

This occurrence is as a consequence of the capitalisation of employee costs. That is costs associated with employees that work on assets that are subsequently capitalised and depreciated are not expensed in the Income statement and are thus not shown as such.

Issue 7: LTFF – Rate Revenue Growth

Growth in rate Revenue for the Community Informed Model hard to reconcile.

Response:

Percentages referenced refer to growth in revenue of Rates and Annual Charges. Annual Charges are not subject to rate or special rate variation to income and influence the percentage growth. Also, as articulated in the narrative part of the LTFF, the Community Centre special rate variation is forecast to cease and also reduces rate revenue growth.

Issue 8: LTFF – Growth in Employee Benefits

Growth in employee numbers from 66 to 77 does not appear to be reflected and operating result is overstated.

Response:

Per issue 6, growth in numbers of employees will focus upon capital works and therefore be capitalised. Numbers are only proposed and are subject to future special rate variations above 6%.

Issue 9: LTFF – Waste Management Surcharge \$30

Author states that no explanation for the \$30 charge proposed for 2014/15.

Response:

The \$30 charge relates to forecast expenditure increases associated with waste management operations, changing legislative requirements and forecast state government cost imposts. Council is permitted to determine charges on a reasonable cost basis for waste operations.

Issue 10: LTFF – Capital Works: Waste Transfer Station \$500,000

Claim that major expense is taking funding from roads and bridges and such expenditure warrants explanation as to necessity and alternatives.

Response:

Waste management operations are funded exclusively by Waste Charges and do not rely on rate revenue. Accordingly such expenditure will not impact upon services funded by Rate or other revenues. As the project nears Council will be informed of project including alternatives.

Issue 11: Workforce Strategy – Payment system based on length of service

Suggestion that such a payment system is already incorporated in the Long Service Act and should be avoided.

Response:

Comment noted. Council is purely investigating this as an employee retention strategy.

*Issue 12: Exhibition of Plan over Christmas / New Year period
Placing plans on exhibition over this period will limit input and more appropriate timing
of document should be considered for the future.*

Response:

Comment noted. Document is being exhibited from 10 December 2013 to 5 February 2014. Timing is associated with lodgement of Special Rate Variation application to IPART by 23 February 2014 and undertaking of community engagement on future funding of Council services.

General Manager
Blayney Shire Council
91 Adelaide Street
Blayney NSW 2799

28th January 2014

Dear General Manager,

Re: Blayney Shire Council Special Rate Variation (SRV)
Application to IPART.

We make the following submission in relation to the above subject.

There has been no community consultation in regard to a special rate variation of 6% for two years. The decision was made solely by Council. Its inclusion in the IP&R documents released for comment over the Christmas/New Year period is not consultation. For many ratepayers their vacation plans will coincide with much of the time allowed for comment.

The outcome of the three options presented at community meetings provide no basis for the 6% decision. To imply community endorsement is not correct.

Without knowing the numbers attending the community meetings it is not possible to determine the significance of the percentages voting for each option. The fact that the percentages total 105 makes the data suspect. The times for most of these meetings would have limited community participation. One was at 1pm, two at 3.30pm and four at 5.30pm. That meant seven of the nine meetings would have precluded people in employment and business and farm operators.

In contrast the meeting organised by the local Farmers' Federation at 7.30pm was attended by about 100 people. That meeting gave a clear message to Council with some 97% voting for the rate pegging option (then 3.3%).

We believe if anything can be drawn from community involvement it is for continuation of rate pegging.

The theoretical conclusion by the Western Research Institute that shire ratepayers (except farming) can afford a 15% SRV defies reality. Cost of living pressures are foremost in everyone's mind. Council should not base its analysis of the affordability of any SRV on that report.

BLAYNEY SHIRE
COUNCIL

28 JAN 2014

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GA39:

Sent.

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It should also be recognised that local businesses will try to pass on any cost increase to their customers.

Council consistently emphasises that the priority for expenditure is maintenance of infrastructure especially bridges and roads. Now Council is proposing that 90% of the extra income generated by the 6% SRV will be spent on Village Enhancement Programmes. Since these cannot be considered a priority, Council has demonstrated no Special Rate Variation is required.

We are opposed to any SRV and support increases based on the rate pegging formula

Yours faithfully