

BELLINGEN SHIRE RATEPAYERS ASSOCIATION

A FAIR GO FOR RATEPAYERS

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BELLINGEN SHIRE RATEPAYERS ASSOCIATION

IPART Submission: Bellingen Shire Council SRV Feb – March 2018

Written by Bruce Cleary on behalf of Bellingen Shire Ratepayers Association (BSRA).

Submission to IPART against the SRV Application.

WITHOUT PREJUDICE

Dear Tribunal members,

Dr Peter J Boxall AO, Chair,

Mr Ed Willett,

Ms Deborah Cope,

In response to the glossy brochure sent out to residents by Bellingen Shire Council in mid-January 2018, informing us the Council was again applying to IPART for yet another unfair rate rise above the pegged limit we decided to form an association in order to represent the community concern. Primarily that these successive rate increases 11.8% + 6% have exhausted the communities capacity to pay and now another 19.1% on top is simply extortionate and will result in a serious reduction in the standard of living for the less well-off and people on fixed incomes. If it does not directly rate them out of their homes.

We formed a steering committee and then sent a letter to editor with regard to the SRV and mentioned that we were forming an association. With interested people to meet at CWA and Bowling Club halls at Dorrigo 23rd Jan, Urunga 24th Jan, and Bellingen 25th Jan. Each meeting was held at 6pm to coincide with the finish of the Council drop in meetings at each town. Our meetings were held at different halls to the council drop in sessions. It meant only one trip to town for interested people.

In Dorrigo the Council had six or seven people turn up to their drop in session excluding the council representatives. All of these people were opposed and later attended our meeting. The Council claimed 16 people attended we were there and counted less than half of that. At our (BSRA) meeting in Dorrigo we had thirty plus people attend and four Council representatives also arrived and left after about twenty minutes of hearing the truth about how people were really struggling to pay rates now before this new 19.1% increase. At Urunga we counted 15-17 people other than council representatives at the council drop in session, we had 70 plus people attend our meeting. At Bellingen Council had another 15-17 people attend their drop in meeting excluding their representatives and we had 50 plus people turn up to our meeting. Council latter claimed it had approximately 70 turn up to the drop in meetings that is not what we independently counted and we were there the whole time.

Overall we had about five fold the number of people turn up to our alternative meetings looking for a forum to express their concern with regard to the rate rise, as they had already lost faith in the council consultation process. Most of these people had learned from the previous SRV rate rises that the Council may acknowledge the community concern but it will totally ignore it when it comes to the decision it makes. So what did the juxtaposition of the two meetings reveal? Considering that Council sent glossy brochures to all households and also advertised in the papers, and we only had one letter to the editor announcing our intention to form an association. The differences in attendance showed us that the community has become totally disillusioned with the Council and their consultation process. The low turn up of people to the Council drop in meetings can in no way be interpreted as a general approval of the SRV by inferred consent due to lack of appearance, moreover it represents significant disillusionment and lack of confidence in the Council and its SRV application process. **We now have more than three hundred members in our association (BSRA) and all of us are totally opposed to this 19.1% rate rise.** Everyone knows the council only cares about raising rates to perpetuate this UNFIT bureaucracy. Everyone also knows Council will ignore the community when it comes to the vote on the SRV application and there is a general consensus among the community that the majority of Councillors suffer from a serious case of bureaucratic capture, so they act on behalf of the administration and not on behalf of the community that they are supposed to represent.

This was very apparent when our association applied to make a deputation to the Council agenda on the 7th February on the issues of capacity to pay when we wanted to air real life ratepayer hardships that are currently experienced and will be very much compounded by this further 19.1% increase. The Council simply refused to hear genuine community concern and it would have been nothing for them to give the 80 plus people in attendance five minutes to air their concerns. Instead we were subjected to threats of police forced removal from our chamber by the [REDACTED] [REDACTED] and time wasting [REDACTED] trying to defend the indefensible rate rises from the Councillors in favour of the SRV. It was clear the administrative staff in the seating line with the Mayor were running the show. It is absolutely clear that Bellinghen Shire Council has no intention of conducting a genuine community consultation process and has failed the requirement for IPART approval. Council just wants to tick the boxes and have the SRV rubber stamped with as minimum community input as possible this is their community engagement strategy.

THE ISSUES

This council is applying for three successive rate increases from the year 2018/19, then 2019/20, and then 2020/21. The last one of these increases are outside the elected term of the Council. So we consider it to be undemocratic for this Council to raise the rates above the peg outside their elected term. The Bellinghen Shire community should be given a right to vote on whether we want the next Council to have such a proactive revenue raising culture and not be locked into something that is outside the democratic ability for the community to change. This council is trying to lock in future rate rises outside their elected term before they give the community a say in the composure of the next council it is simply undemocratic. **None of the current Councillors ran on a platform of endless rate rises during their election campaign they do not have any form of mandate or community consent for this or previous SRVs.** If IPART is going to rubberstamp this SRV which is beyond the capacity of many ratepayers, it should only be for the year 2018/19 but every year of this application fails the approval criteria on many grounds so the whole application must be dismissed outright.

As Bellinghen Council is relying on out of date 2012/16 community surveys that do not account for the last 6% rate rise and therefore current community sentiment we would demand that this application be dismissed especially when considering that they are applying for three consecutive years of cumulative and compounding rate rises on the back of out of date surveys that were skewed in format to favour the Council in the first place. We note Bellinghen Shire Council had no problem sending out glossy brochures and rate notices to all addresses so why was it not possible for the Council to send out a nonbiased survey to all ratepayers so as to gauge true current community sentiment on this additional 19.1% rate rises on top of the previous 11.8% and 6% hikes. Did the previous survey address community happiness with the 11.8% rise or did they try and justify it by saying the SRV would be spent on infrastructure to gain some kind of statistical inference, when the fact is the infrastructure backlog came about primarily through systematic long term neglect and the redirection of funds away from their intended purpose on infrastructure and into social services, that their own survey indicated was a very low community priority. ***More complex applications or requests for a high cumulative percentage increase should be supported by stronger, more extensive evidence. This application is basically just a repeat of last year's application it is not supported by stronger more extensive evidence! Especially in relation to capacity to pay, community consultation and the reuse of old surveys.***

We have conducted our own survey to ascertain an indication of current community concern with regard to this SRV and Council satisfaction. We distributed survey forms to residents and ratepayers and of all the returned survey forms we only had one that was in support of the SRV and had confidence in this Council. It was later determined that this particular couple had an ulterior pecuniary interest as they were active members of a Landcare group that was applying for grants from Council to fund their activities. So other than people with a pecuniary interest we had 100% community disapproval of the SRV and no confidence in the Council its transparency or the Council SRV consultation process.

282 responses is a significant sample in a community of this size and we were very restricted by time and lack of resources, but our survey does reflect the current community sentiment and must be given due consideration. **Please find Attached sample of our community survey.**

We also note that Council makes comment on community feedback about issues regarding former councils being of no current relevance even when former Councils had many of the same Councillors and bad decisions had long lasting impacts. So this Council should not be able to vote for rate rises outside their elected term. Because that would give the next Council the excuse to say that was a past council decision not our problem. In a democracy elected representatives must be accountable for their decisions and the people must have a timely input.

Bellinghen Shire Council must not be able to apply for three consecutive rate rises they must explain to the community and justify the necessity of each yearly rate rise above the pegged limit and this must be put into the context of where and how the previous SRV has been spent and what it achieved and how it affected the community capacity to pay, before another SRV can be applied for. An out of date 2011 SEIFA Index and comparisons between councils does not address the capacity to pay for individual ratepayers on fixed incomes and minimum wage recipients, just because most of the council apples in the barrel are rotten it is not a justification to be rotten as well. Council has failed this application because it has not directly addressed the issue of individual capacity to pay. The idea of an unconstitutional entity means testing

pensioners on capacity to pay is abhorrent in itself. It must never be overlooked that the State recognition of local government was done against the express will of the Australian people and the people of the State without mandate and with the deliberate intention of exploiting a weakness in federation to circumvent the effect of the failed 1988 Constitutional Referendum.

Rates affordability is a social justice necessity not a bureaucratic discretion. There is nothing sustainable about milking the cow to death or rating pensioners out of their homes. When does it end? At the 7th Feb extraordinary meeting the Mayor refused to say when the Council would be able to stop applying for SRVs so this indicates a long term financial plan of never ending rate rises, as they have no intension of serious administrative restructure or curbing the drift into social services that are of low community priority.

Bellinghen Shire Council was deemed UNFIT and the only solution, the lazy solution was to relentlessly raise rates. This Council should have been put into administration in 2014 and not allowed to continue operating in an UNFIT manner on the backs of ratepayers. Affordability and capacity to pay are the reason for rate pegging and it must not be circumvented to prop up UNFIT councils. This Council has received two recent large rate rises above the peg and it was not enough for them, the question must be asked, why should the community continue to suffer when we all know that the infrastructure backlog was brought about through institutionalised long term neglect? At the Dorriggo drop in meeting the [REDACTED] [REDACTED] admitted the backlog was a result of neglect and the move into social services, so why should we pay for their admitted neglect in utility services we need, to provide social services we don't need.

It remains fundamentally wrong to force a community to bail out an UNFIT council when the council refuses to undertake serious administrative reform.

Council has known it had an intention for more SRVs from 2016 when they proposed seven consecutive 6% rate rises, the community received the brochure in mid-January 2018 giving the community around two weeks to send submissions to Council and about another month for IPART submissions. So Council has from 2016 with a whole department of full time employees working on the SRV and the community has at best a month during the holiday season to prepare an adequate response to an application with a report that has 370 pages. This brings to mind Dietrich V The Queen [1992] HCA 57, where the case was dismissed because the accused was unable to get a fair hearing, the accused did not have equal representation. If our association had from 2016 to prepare a defence with full time employees I am sure we could mount an overwhelming challenge to the SRV that Council has applied for, but no we the community do not get adequate time to prepare submissions and even if we did Council would ignore them anyway. IPART must take into consideration the fact that the community has not been allowed a sufficient or fair amount of time for submissions, thus it is an unjust process.

Assessment criterion 1.

How the council identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision.

In 2014 Bellinghen Shire Council held a public meeting in the town halls of Dorriggo, Urunga and Bellinghen as an attempt at community consultation with regard to the proposed rate rises. At the Dorriggo meeting the then Mayor [REDACTED] and other Council representatives announced to the community that they had a massive backlog in infrastructure and that if they

did not receive large SRV increases the tar roads would return to gravel and gravel roads and bridges would be further degraded through neglect. It was in effect a form of blackmail threatening to totally neglect road infrastructure if they did not get their rate rise, there was never any genuine consideration given to serious restructure of the Council administration and the drift of focus and funding into social services at the expense of utility services. It was an outright threat pay the SRV or we will run down the road infrastructure. **Neglecting road infrastructure had been this Councils long term operational plan.** Is it not a fact that Bellinghen Shire Council redirected the FAG road component away from roads and into repayments for the Raleigh Works Depot and I quote: “budget provision has been made in the current **four year financial plan 2010/11 to 2013/14** for annual debt servicing costs of \$314,000 (**funded from the FAG's road component**), noting that the budget allocation was based on a loan of \$3 million.” Paragraph 2 Page 4. It then blew out to \$4,528,000 with repayments of \$440,000 pa and then had many cost overruns on top of that. **“This strategy will have an impact on the delivery of other services over the next twenty years as it is a significant expenditure line item.”** Paragraph 5 page 4. Source Wayne Butler, Director of Engineering & Operations, Report on the Raleigh Works Depot 28th October 2010.

We also note that Council is very keen to point out that all the FAG road component is now spent on what they term “transport infrastructure”.

From Attachment I pages 215 and 216 Delivery Program 2017 – 2021 Agenda 7th FEB

2. Financial Assistance Grants not used for fixing roads.

This is completely false!

Council receives approximately \$850K per year for the roads component of the Federal Financial Assistance Grant (FAG) and every dollar is spent on transport infrastructure. In 2016/17, Council spent well over \$5M renewing and maintaining road and bridge infrastructure. **In 2010-11 Council spent \$2.6m on its infrastructure of which only \$0.74m was the FAG road component. This completely refutes any statements made regarding money spent from roads component on the Raleigh Depot.** Council also spent more than \$3.3M in 2015/16. On average, the FAGs road component makes up 31% of the annual road and bridge maintenance budget.

This statement that it is “completely false” and that it “completely refutes” is incompatible with the documentation in the Butler Report as mentioned above. The Butler Report on the Raleigh Works Depot was given to us by the longest serving former [REDACTED] because he wanted the truth to come out about what these Councils had done to create and contribute to these infrastructure backlogs. Sadly [REDACTED] passed away last year, but he knew the funding arrangements for the works depot was rotten with long term impacts and he wanted it exposed.

The question must be asked, is the Raleigh Works Depot included as a component of transport infrastructure? If so then the Council is misinforming the community because the depot is not a road or a bridge and the FAG road component or a proportion of the component is still being redirected away from roads. Or is it just infrastructure? If the Raleigh Works Depot is not included as component of transport infrastructure then where is the funding coming from for the repayment of the loan, has it been replaced by funding from the 11.8% and or the 6% rate rises as those funds were also specified to be allocated to the infrastructure backlog? Or is it that the 11.8% and 6% increases provided by ratepayers have freed up other funds that have

replaced the repayments for the works depot and the Council chamber upgrades it does not matter which way you look at it the cost burden has been pushed onto the ratepayers and they were not responsible for these debts.

Either the Butler Report is true and the Council did redirect the Road Component away from roads or the Council claim in point 2 is true, it cannot be both. If Bellingen Shire Council is lying on this issue then nothing else in their report or their application can be relied upon as being the truth and therefore the whole application must be dismissed. IPART must determine if this Council is lying in their application and their Delivery Program 2017-21. What about the years 2011-12 and 2012-13? Did the Council redirect the FAG Road component or not? We believe [REDACTED] and the Butler Report. Please see Attachment A.

Such an expensive works depot upgrade was not necessary being only a short distance to Coffs Harbour they could have easily shared resources where necessary and minimised the upgrade to bare essentials. This Council wanted to maintain its own little kingdom regardless of the cost to road infrastructure or the ratepayers. We again quote: "Failure to implement significant improvement to the Raleigh Depot may result in the eventual loss of this service to Bellingen Shire, and may conceivably compromise the viability of Council itself." Paragraph 7 page 4 same report. Now we have Joint Organisations and economies of scale and shared resources being the preferred outcome. It demonstrates how backward, insular and self-preserving Bellingen Shire Council has been and to a large extent still is because all of these SRVs have only been about the preservation of an UNFIT council that no other council wanted to amalgamate with.

How the decision to seek higher revenues above the rate peg was made and which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery.

Again as mentioned above they should have shared resources with Coffs. But the primary issue is the allocation of the existing funding resource base. **We argue that Bellingen Shire Council has plenty of funding but it has been allocated to areas of social services that are not within the primary responsibility and function of a local council.**

Social services have been identified as having the lowest priority in the past surveys and roads have been identified as having the highest priority. It is obvious that there is plenty of room for expenditure priorities to be redirected back to the basics which is an alternative to the current status quo. Modes of services delivery can be implemented to account for the community priority of putting roads ahead of social services. A very serious reduction in the provision of social services must be undertaken before any further SRVs can be considered as necessary.

This highlights the issue of what is the primary function of a local council? The answer is always the provision of utility services especially transport infrastructure. So when we have councils deliberately neglecting their primary responsibility and drifting into social services a serious restructure is necessary. This is also the case when a council has developed a culture of chronic overspending in the wrong services that the community has said they do not want or need.

A council should not be pandering to minority group interests or social services that are the responsibility of a legitimate level of government. We have councils setting themselves up as grant authorities and granting our hard earned rates money to minority interest groups like

land care, surf clubs and sporting clubs etc, none of these groups should be funded by ratepayers when many pensioners are struggling with endless cost of living increases. The rainbow banners and the big show for the gay marriage issue was not a legitimate council expenditure item when Council is screaming poor and asking for never ending rate rises. This Council is so out of touch with normal struggling families it is unbelievable.

A LIST OF SOCIAL SERVICES WHICH HAVE LOW COMMUNITY PRIORITY AND ARE NOT SERVICES THAT FALL WITHIN THE PRIMARY FUNCTION OF A COUNCIL OR ARE SERVICES THAT SHOULD BE BETTER PROVIDED BY GOVERNMENT OR INTEREST GROUPS NOT RATEPAYERS.

| | | |
|---|--------------|--------------------|
| Public Order and Safety (Fire and Emergency Services) | COST 2018 | \$479,551 |
| Beach Control | | 173,907 |
| Environmental Noxious Plants | | 170,637 |
| Other Environmental Protection | | 430,621 |
| Community Services and Education | | 303,399 |
| Children and Youth Services | | 142,304 |
| Recreation and Culture | | 598,305 |
| Museum | | 30,672 |
| Economic Affairs | | 242,483 |
| Tourism | COST 2018 | \$ 80,000 |
| Unnecessary low priority services: | TOTAL | \$2,651,879 |

Services that have room for at least a 30-50% efficiency improvement:

| | |
|----------------|-------------|
| Town Planning | \$783,418 |
| Administration | \$2,417,371 |

THIS SRV IS NOT NECESSARY COUNCIL MUST DELETE NON CORE LOW PRIORITY SERVICES BEFORE THEY ASK HARD PRESSED RATE PAYERS FOR MORE. THE SRV PROPOSAL IS NOT THE MOST APPROPRIATE SCENARIO AND MUST BE DISMISSED.

Both the Baseline and SRV scenarios do not address the fundamental problem of the drift away from utility services, (roads and bridges) and into social services.

The above alternative which Council refuses to consider is a realistic start in the process of restructuring the Council in order that they can learn to live within their means. Remember this is an UNFIT Council totally reliant on external grants and SRV rate rises for its continued existence, this Council must be subjected to a serious restructure or face administration, our community can no longer afford its empire building and excessive waste on services we don't need. It can easily be introduced into their delivery program and LTFP. The above scenario is an accurate reflection of community need and it curbs the impact of unsustainable rate rises on the less well off in our community. Why should pensioners, fixed and minimum income recipients have to suffer a serious reduction in their standard of living because this Council refuses to consider or make the necessary structural improvements to live in a sustainable manner.

We all know there is an inbuilt incentive for expanding the bureaucracy, the higher the budget the higher the wages for the executive staff positions this needs to be addressed.

After the last rate 6% rate rise the majority of Councillors voted to give themselves a wage rise, was that an issue where the Councillors involved should have declared a pecuniary interest and abstained from the vote on the SRV?

Assessment criterion 2

Community awareness and engagement

The Community is well aware that Council has been systematically running down our infrastructure especially our transport infrastructure over the long term, but particularly over the last ten years, and spending our resources on areas of low priority to the community. We have had enough of Council cost shifting our funding into social services and deliberately neglecting necessary infrastructure services. The community is aware that there is an infrastructure backlog and that the Council is totally responsible for its creation and further deterioration.

What the Council has failed to inform the community about is that it has plenty of funding available for all our infrastructure needs but Council is spending it in areas of low priority because they think they can blackmail the community over essential services and build their empire at the same time without affecting their social service that are of low priority to us. When the community says we can't afford another rate rise **the Council always replies with well which services would you like us to cut and they always start with essential services** such as roads and make the threat of returning them to gravel and 4wd tracks. We have just listed the services that the community has a low priority for so now the onus should be on the Council to justify the perpetuation of these unnecessary social services, before they ask the community for further sacrifices. It is always the same lie we have not got enough money for roads or bridges, we know they have the money they are spending it on unnecessary bureaucracy it is a direct cultural clash between the community and ever expanding bureaucracy. The community has taken all the burden to date it is now time that the bureaucracy shared the burden with some serious restructuring and we are not just talking about reductions in overtime. This Council has a General Manager and Two Deputy General Managers these three positions alone cost the community in the area of \$750,000 pa including all their perks such as super, travel, accommodation, bonuses and cars etc. Most other councils can survive with just one general manager. These three people seem to have a very strong influence over Council decisions and it is suggested their own pecuniary interests are their highest priority. That includes maintaining as large a bureaucracy as possible.

The IPART fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations. In particular, councils need to communicate the full cumulative increase of the proposed SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.

It is absolutely clear the Council is trying to play down the full impact of the full 19.1% rate increase over the three years in dollar terms even though they mention a 19.1% cumulative increase they deliberately only show the dollar increases for individual years and not the collective and cumulative dollar increases over the entire period. This is evidenced on the glossy brochure sent out to all addresses in mid-January.

COUNCIL HAS FAILED THE ASSESSMENT CRITERION 2 BECAUSE IT HAS FAILED TWO COMMUNICATE THE FULL CUMULATIVE INCREASES IN TOTAL

DOLLAR TERMS OVER THE THREE YEAR PERIOD AND IT WAS DONE SO DELIBERATELY TO PLAY DOWN THE IMPACT ON RATEPAYERS AND ALSO TO MISLEAD RATE PAYERS AS TO THE FULL DOLLAR COST OVER THREE YEARS.

There is also no mention or consideration of the coming revaluation which will again raise rates and further exacerbate cost of living pressures. What is the cumulative and compounding dollar effect of that?

What more needs to be said Bellinghen Council is obviously not engaged in a fully honest and open communication with respect to the total cumulative dollar impact so it has failed the criterion and the application must be rejected.

The Council also failed criterion 2 because it refused the BSRA an opportunity to express the community concern on the agenda at the Council meeting on the 7th FEB. Claiming that we did not meet council protocols because we did not leave an individual name or phone number. We did send our application to the email address on the agenda site and we said we were the Bellinghen Shire Ratepayers Association and they had our return email address. The Council just did not want to adequately consult with the community and they had already made up their minds on the SRV application. This Council simply has never had any intention of conducting a genuine consultation process they wanted to tick the boxes to satisfy the IPART criterion with as minimal community participation as possible they succeeded in minimal community participation but failed the criterion.

It has consulted and engaged the community about the proposed special variation using a variety of engagement methods and that the community is aware of the need for, and extent of, the requested rate increases.

The Council certainly engaged in a variety of engagement methods including arrogance and intimidation. At the Dorrigo drop in meeting with such a small turn up Council representatives demonstrated arrogance and hubris when we were complaining to the [REDACTED]

[REDACTED] about how these rate rises were really going to hurt pensioners [REDACTED] [REDACTED] said [REDACTED]

[REDACTED] " This was witnessed by a few people and it demonstrated the contempt the Council holds for the community. We were very surprised by such an outburst and consider it to be an incitement to commit violence on a public representative. At the same meeting they also practiced a form of intimidation they had the entrance blocked by placing a table longways across the entrance about a metre in from the door and the other heavily tattooed [REDACTED]

[REDACTED] stood in the gap between the table and the entrance with a hard back pad aggressively demanding names and addresses before people could move through. One elderly female pensioner later complained that she felt very intimidated and felt that it was a very unwelcoming atmosphere. Overall the Council representatives were prepared to talk with people but they treated the SRV as a foregone conclusion and they were just putting up with people to tick the boxes for the application process. They were always prepared to illustrate the need with maps and banners etc but never wanted to acknowledge the institutionalised neglect and reallocation of funds that created the need.

The Council has failed to communicate the full extent in dollar terms of the cumulative rate increases many people especially the elderly still do not understand the full cost of this proposal and many of the rates increases that Council demonstrated through their rates

calculator were still revealed in single year amounts and not the cumulative and compounded dollar rate rises. We again say that the Council failed this criterion the Mayor was also heard on ABC radio saying that it would only be a couple of dollars a week, in many cases especially on farms it will be in excess of \$10 per week or \$500 Dollars a year this is a large impact for pensioners. Council has been as non-transparent as it can be while still aiming to achieve the SRV outcome.

Assessment criterion 3

Impact on ratepayers

The impact on affected ratepayers must be reasonable.

The impact of the council's proposed special variation on ratepayers must be reasonable. To do this, we take into account current rate levels, the existing ratepayer base and the purpose of the proposed special variation. We also review how the council has assessed whether that the proposed rate rises are affordable having regard to the community's capacity and willingness to pay.

Many councils are currently applying for large unreasonable SRV rate rises they are taking advantage of a perceived political weakness in State Government. The NSW State Government is seen as running scared by the local government lobby after the hysteria whipped up over the amalgamation fiasco. The NSW State Government and its TRIBUNALS must have the ability, confidence and independence to protect the integrity of the rate pegging system and stand up for the interests of ratepayers that are currently battling to make ends meet.

When has there ever been a willingness to pay higher taxes? Especially when everybody knows the current taxes are waisted in areas of low priority. THERE IS NO WILLINGNESS TO PAY.

With many rates especially Farmland rates now exceeding \$3,000 per year a 20% increase will induce a rate hike of \$600 per year, this does not include other increases in charges and levies or the next revaluation which will inflate these cost of living increases even further. This is an increase of \$12 per week, now that may not seem like a lot for a well paid IPART or Council bureaucrat but for a pensioner or other fixed income and minimum wage recipients this is more than likely the last straw. Cost of living increases and stagnation in wage growth is a very serious issue in Australia at the moment and it seems that the only ones who never have to tighten their belt are councils because they can just push their costs and incompetence onto ratepayers. A single pensioner may get \$444 pw and they may also get a max reduction in rates of \$250 per year but if they are paying \$3600 in rates minus \$250 it is still \$3350 per year which is \$64.42 pw this is a very large chunk out of their \$444 pw. It must also be put into the perspective of a Farmland ratepayer as they receive absolutely no services directly delivered to their property. So is \$64.42 pw affordable? No this is extortionate these are almost rent prices on something that the homeowner is supposed to own. By the time you add in all the other costs of living, electricity, loan repayments, insurance, phones, gas, motor vehicles, regos, food, household goods, fuel, tyres, repairs car and home, medicines, medical, pets, vets, livestock, there is nothing left. There are already many stories of the less well off in our community having to go without heating during winter because electricity costs too much. How can anyone claim that these rate increases have not exceeded our capacity to pay?

What about people who are on the dole that only receive \$250 pw and don't get the pensioner rebate how will they cope with another \$600 pa more on their cost of living?

At our Bellinghen meeting a man in his 30s or early 40s stood up he was clearly distressed and desperate for help with regard to his capacity to pay the proposed rate rises. He was a minimum wage recipient with a large family, he said that he was terrified that if these new additional cost of living increases came in he would not be able to keep up with the repayments on his home and he was genuinely in fear of losing his and his family's home. What genuine consideration has Council made for people in these circumstances, clearly this Council couldn't care less this was one of the cases we wanted to air in our deputation on the issue at the 7th Feb extraordinary meeting, this Mayor and Council refused to give due consideration for people in genuine despair as a result of their unreasonable SRV.

Has Council done detailed research into the individual effects that these rate rises will have on the less well off in our community? The answer to that is no. A \$250 max rebate is helpful but only applies to pensioners and won't even cover this 19.1% rate increase so in real terms it is insignificant. People that have lost their job or been retrenched and find themselves on the dole cannot even get this rebate and it is the same for minimum wage recipients how can they afford these rate rises many people have home repayments and are raising children these people are really struggling. Councils only response is ignorant insouciance.

Community's Capacity to Pay

In consideration of making an application for a SV, Council has considered the community's capacity to pay based on the 2011 SEIFA Index of Advantage and Disadvantage, level of proposed increase and other cost indices. Given that many comparisons were made with neighbouring councils by respondents to the engagement process, the following information is provided.

Bellinghen Shire's SEIFA index, in comparison with some neighbouring councils, states Bellinghen (950.1) has a higher capacity to pay compared to other like councils, e.g. Nambucca (900.0) that ranked higher in terms of their level of disadvantage. Kempsey also ranks higher with an Index of 879.7.

Bellinghen Shire Council has made no attempt to account for individual circumstances it relies on an out of date 2011 SEIFA index of comparisons between councils and indexed averages. A single aged pensioner in Dorrigo has done a budget of her expenses and her rates are \$2800 pa after the rebate at present with her home repayments, car, and after all her current expenses she is left with \$34 per fortnight. With an additional 20% she will incur another \$560 pa in rates this will leave her with around \$12.50 per fortnight. What is she going to do if the fridge dies, or the car dies or any other unexpected expense arises. She is growing all her own vegetables now to try and stay alive.

An out of date SEIFA index simply is not good enough it does not address individual capacity and to say that people can claim hardship and give the Council the right to means test them is really undignified what kind of a nanny state is this Council aspiring to be? The excuse that not many people are defaulting on rate payments is also misleading, it does not indicate what level of sacrifice people are making in order to pay these extortionate rates. The term extortionate is correct, if you don't pay the rate tax the Council will steal your home, auction it off and throw you on the street to recover the rate whether you receive any services or not. It should also be noted that councils are not registered as having a lawful interest on a proprietors title

deeds and overriding statutes have destroyed indefeasibility and the integrity of Torrens Title system.

BELLINGEN SHIRE COUNCIL HAS FAILED ASSESSMENT CRITERION 3
IT HAS NOT ADEQUATELY CONSIDERED THE IMPACT ON RATEPAYERS OR THE
INDIVIDUALS CAPACITY TO PAY. THE SRV AT 19.1% IS WAY ABOVE THE
INDEXATION OF FIXED INCOMES THUS IT REDUCES THE STANDARD OF LIVING
AND IN NO POSSIBLE WAY CAN IT BE SEEN AS REASONABLE!
THE APPLICATION MUST BE REJECTED!

Assessment criterion 4

Public exhibition of relevant IP&R documents.

The exhibition of the IP&R documents was of no conceivable use because the IP&R documents did not effectively address the above first three criteria.

The IP&R documents do not makes any real attempt to address the fundamental issue of resources being directed away from transport infrastructure and into social services, finding efficiencies in areas of overtime etc is only tinkering at the edges. The fundamental facts remain Council is incapable of restructuring the administration in a manner so as that they can live within their means. The only significant real improvements have been made on the backs of ratepayers and not through efficiencies. The IP&R documents only solution for Councils self-inflicted infrastructure backlog is to further inflict unreasonable rate rises on to the already suffering ratepayers.

The Mayor [REDACTED] has exhibited public declarations that the Council finances are in good shape so why on earth do they require another huge rate hike 19.1%?

Cr [REDACTED] said any reference to Council having huge debts was incorrect.

“In fact, compared to the NSW state average, Council’s debt is significantly lower and our borrowings are also less than the state’s industry benchmark.

“For 2016/17, Council’s debt service ratio, which measures the cost of servicing debt relative to income, was only 3.97 per cent. For councils to be deemed Fit for the Future this ratio was required to be above zero per cent and below 20 per cent, so Council’s result is at the lower end of this.”

The infrastructure backlog and the need to use debt and special rate variations to address it was a statewide issue, well documented by the NSW Government’s 2013 Infrastructure Audit, Cr King said.

That audit estimated the size of the infrastructure backlog in local communities across the state to be over \$7 billion.

Cr King said rate rises were just one of the options Council was deploying to manage its infrastructure and improve its financial performance.

He noted Council had reduced its financial deficit from \$9 million dollars in 2014 to a surplus of \$0.28 million in 2017 – a net improvement of \$9.2 million dollars over the last three years.

“More than half of the shire is unrateable and I am involved in a Mayoral working group who are pushing state government to pay rates on state owned land,” Cr [REDACTED] said. (Yes Ha Ha the State is really going to tax itself, councils are just a creature of the State and nothing more. This local government lobby agenda really is delusional, they have to restructure their priorities back to basics and stop begging for more.)

Source: Bellinghen Shire Courier Sun Wednesday 17th January 2018

OK, So what is the percentage of the other options that have contributed to resolving the back log to date we say the claimed turnaround is almost entirely paid for by the last two SRV rate rises 11.8% + 6% and next to nothing from other options. So no real structural reform. So if Council has reduced its \$9 million deficit to a surplus of \$0.28 million in 2017 why on earth is there such a drastic need to impose such a large cumulative and compounding 19.1% SRV tax hike now? It is obviously not necessary. The adoption of the SRV option as opposed to option 2 remaining with the pegged limit in their IP&R documentation cannot be justified as Council claims they are currently running a surplus. The argument that they want to address accelerated deterioration is purely a Trojan Horse they were well aware when they reduced infrastructural upkeep on these essential services that it would exacerbate the problem but they went ahead anyway. This Council must be made to undertake serious administrative structural reform to reverse the drift away from infrastructure and into social services. Until that is seriously implemented in their IP&R procedures no further SRV rate rises should even be considered. **As it stands now with Council claiming a surplus the SRV that will really hurt fixed income recipients is totally unreasonable and must be rejected.**

BELLINGHEN SHIRE COUNCIL HAS FAILED ASSESSMENT CRITERION 4

THE SRV MUST BE REJECTED!

Please see Attached Correspondence with regard to previous SRV applications and the highlighted paragraph.

Can you also see our former 2014 submission against the 11.8% SRV and note we had 200+ signatures and were completely ignored, this is on your IPART website. We now have 300+ members in our new association and growing we expect due consideration, sooner or later we must be taken seriously and these unsustainable tax hikes will be stopped or even better reversed.

Yours sincerely,

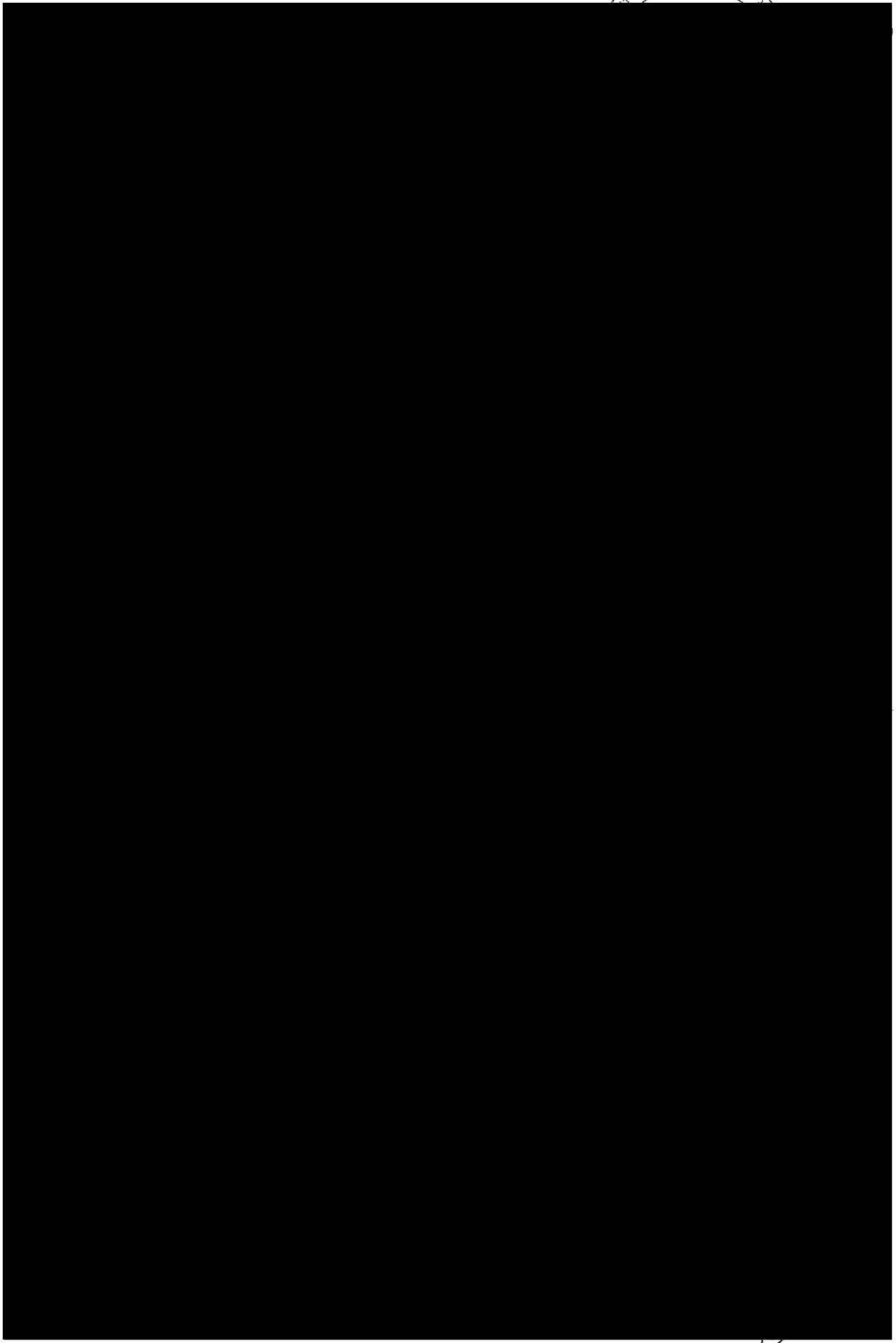
Bruce Cleary.

Vice President Bellinghen Shire Ratepayers Association

PLEASE NOTE:

5 ATTACHMENTS

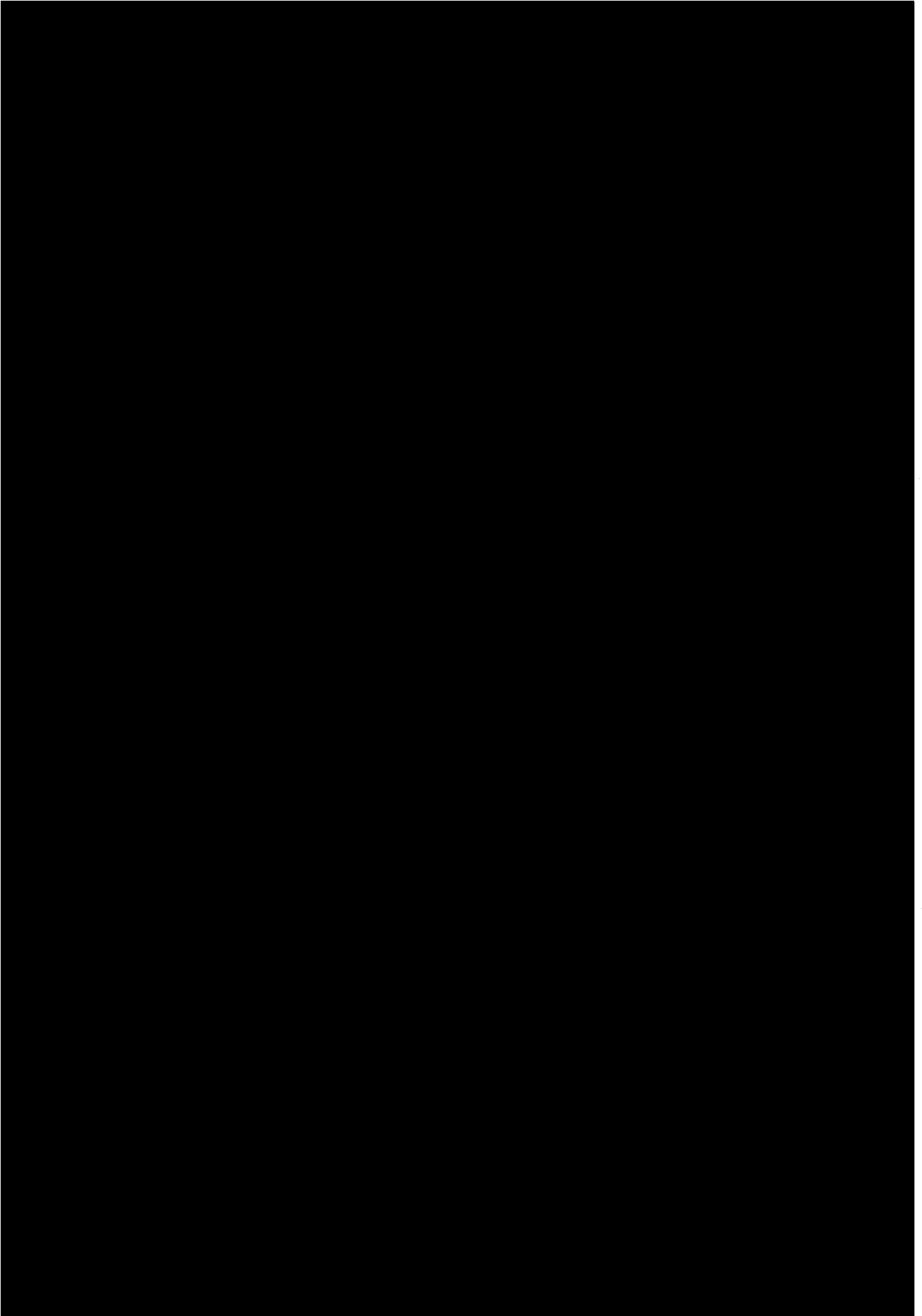
PLUS SURVEY SAMPLE.



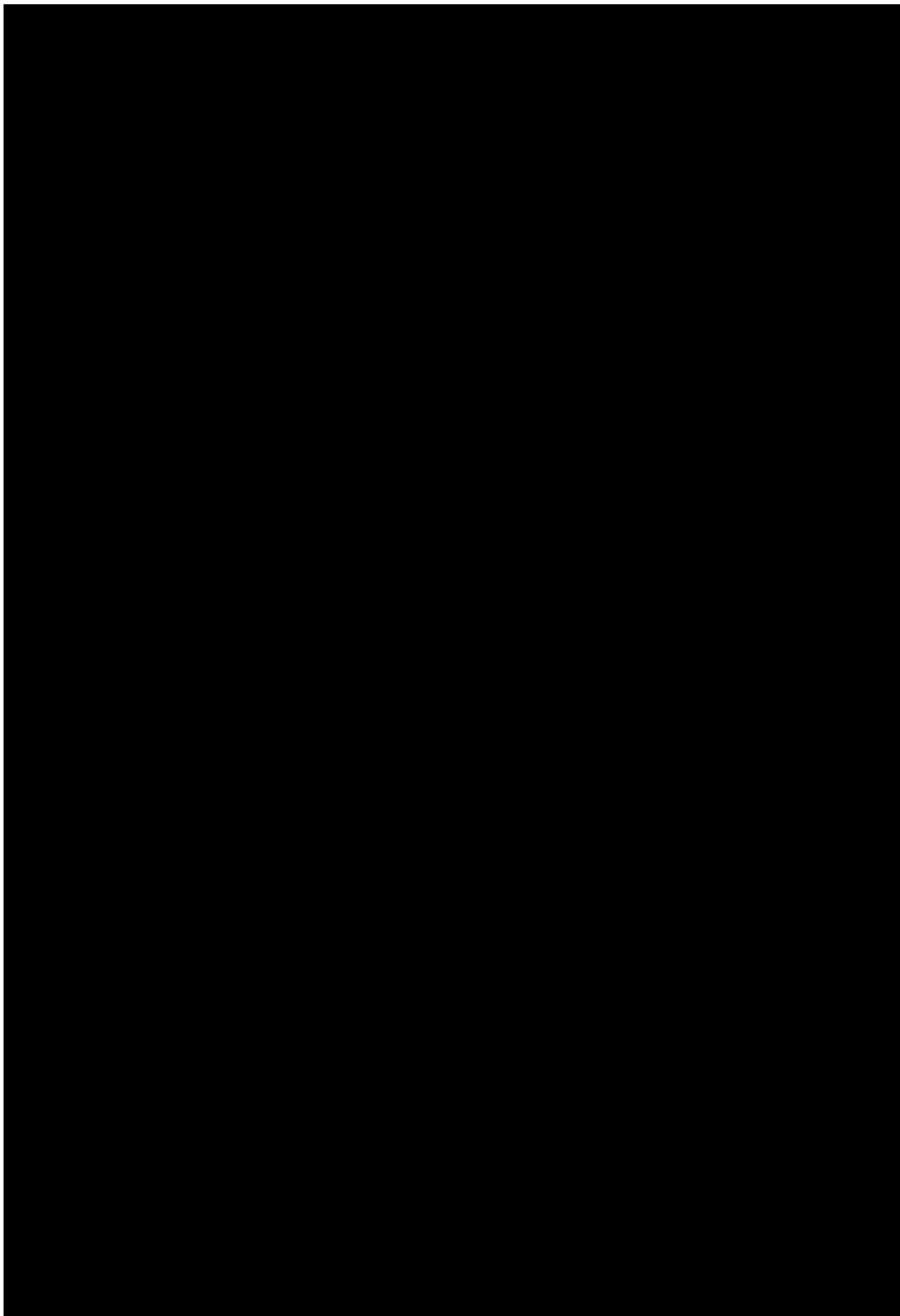
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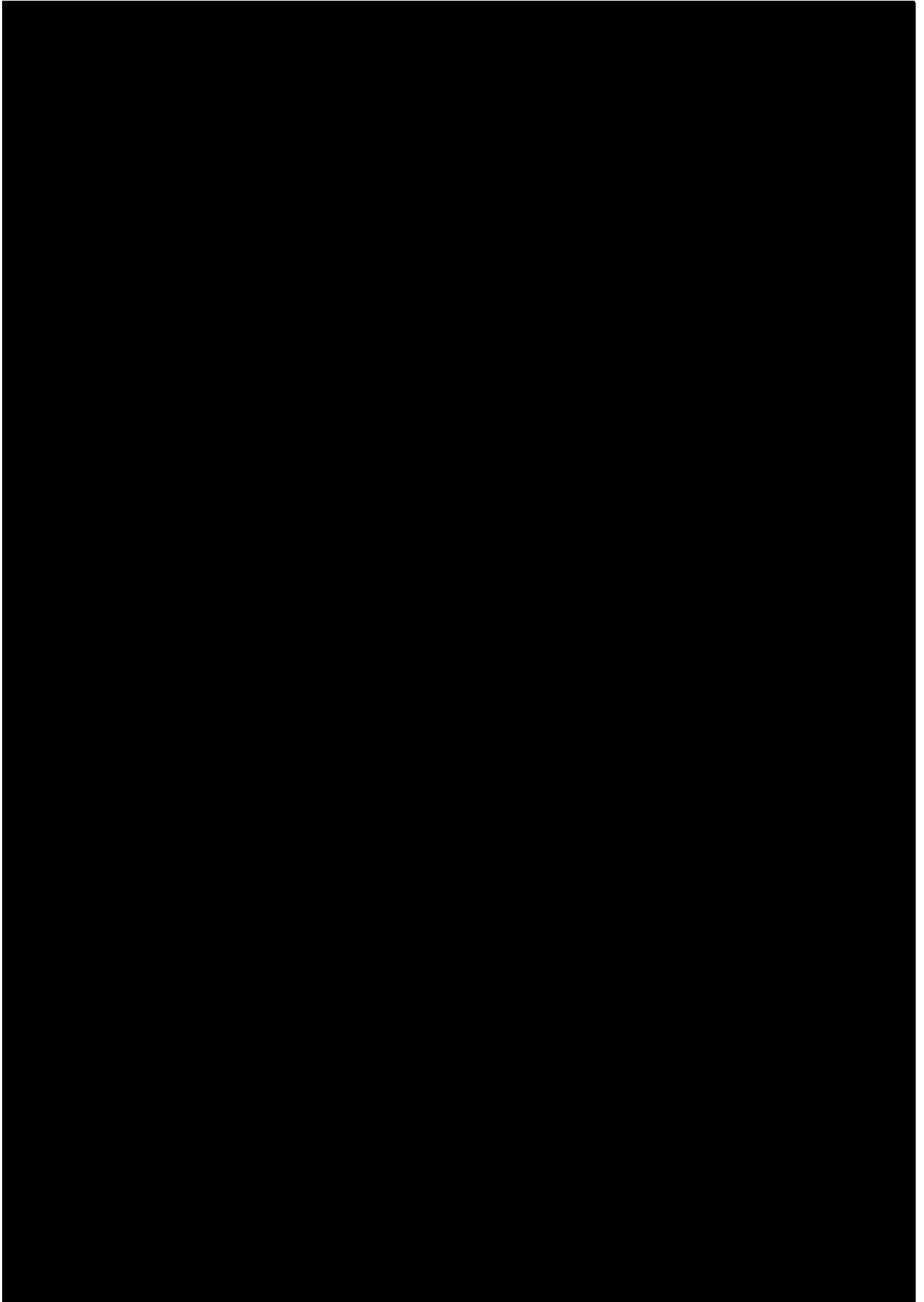
11/11/11



28-10-11



28-10-11



Was \$3,000,000-00With \$314-00 per year taken from Roads to repay Loan

Now \$4,557,131-00....With \$440-00 per year taken from Roads to repay Loan

\$66,000-00 from Water and Sewerage. (Overcharged ratepayers in the first place to have such a loose surplus)

\$60,000-00 from Working funds, (What do we have to delete to make this money available)

Will have an impact on services, (Some would say 'What Services' over the next 20 years as this is a significant expenditure item.

'Reduction of dust nuisance emanating from the site' what about all the roads that will remain or return to dust as a result of this proposition?

'Consultation' 'Public Meeting' What a story, I did not see any halls filled with people to hear of such waste.

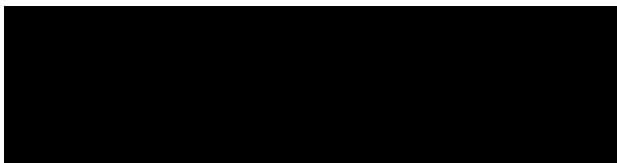
I have said all along and was supported by a consultant at a meeting held in the S.E.S. building at Bellingham, that we should do things in stages each year and pay as we go.

This will go down as Bellingham's 'Glass House' and those Councillors that supported it will be identified as those who did not support the views of the majority of the citizens of the Bellingham Shire.

There is a lot I would like to say, but I am restricted by protocol at this Council meeting,

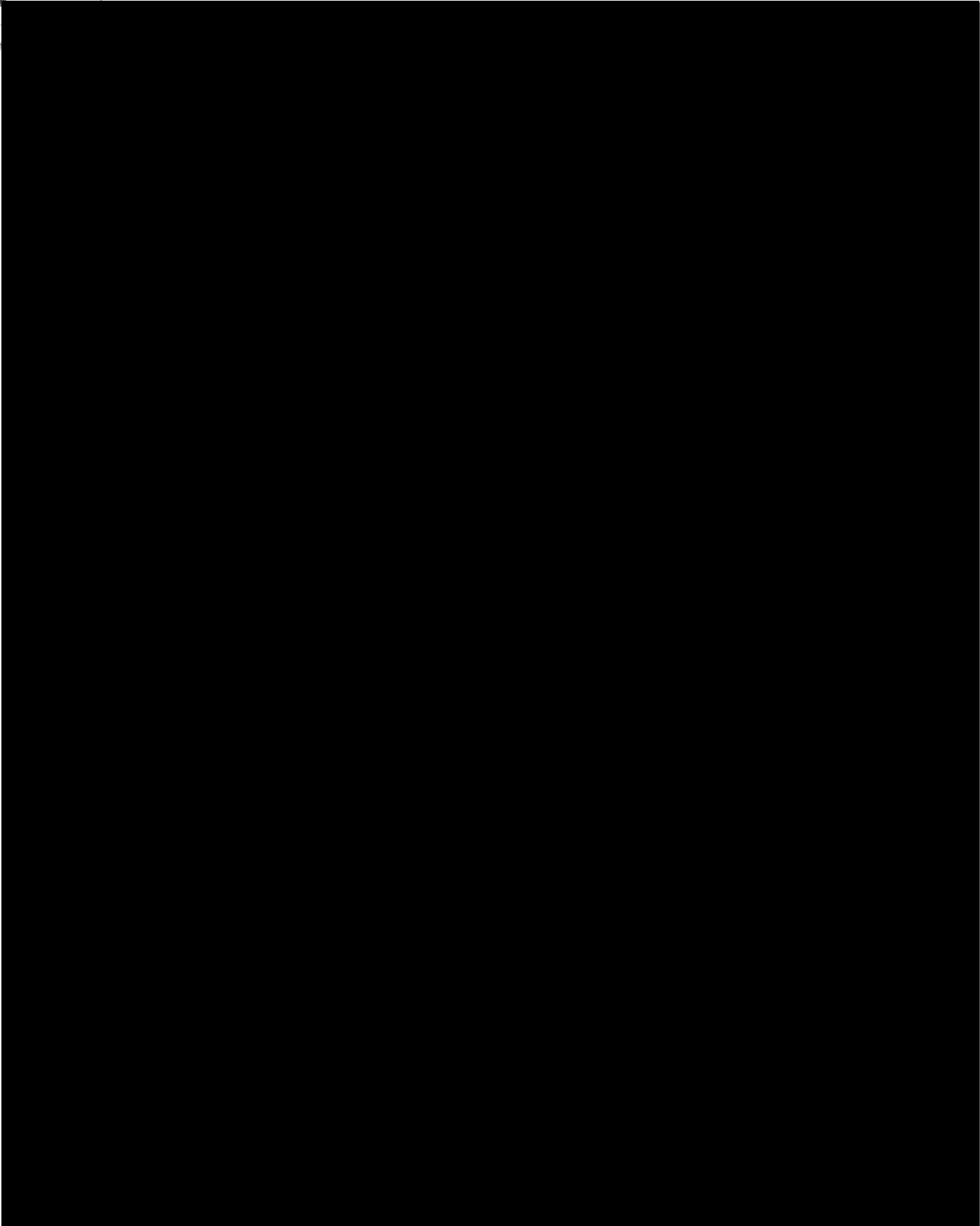
People won't forget.

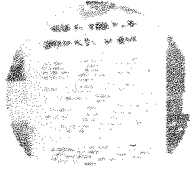
ARGUMENT AGAINST R. DEPOT AT THE C. MEETING
By





New South
Treasury



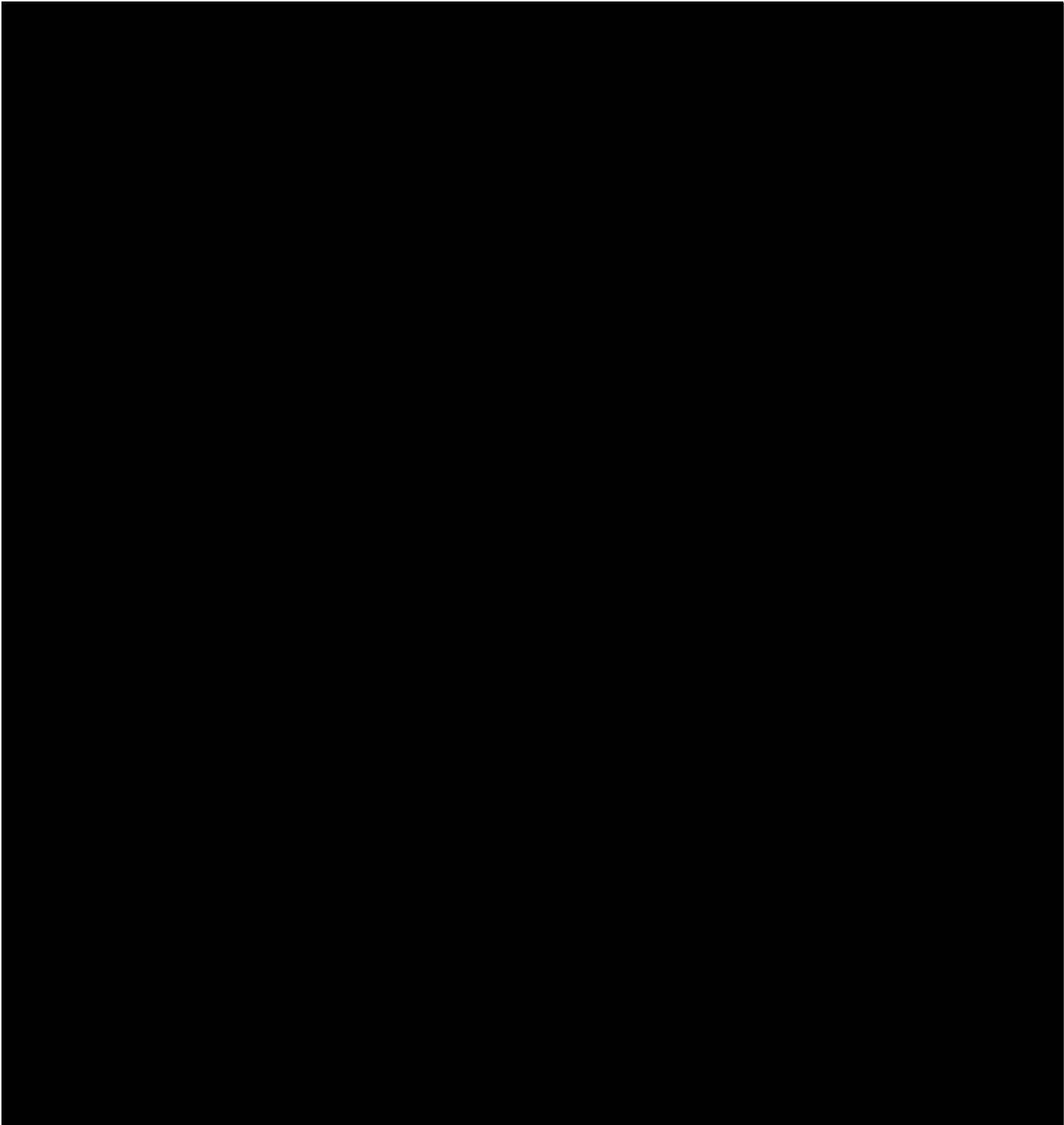


BelloLeaks



6 Sep 2017 at 12:44pm · 🌐

A few facts about Council and our money



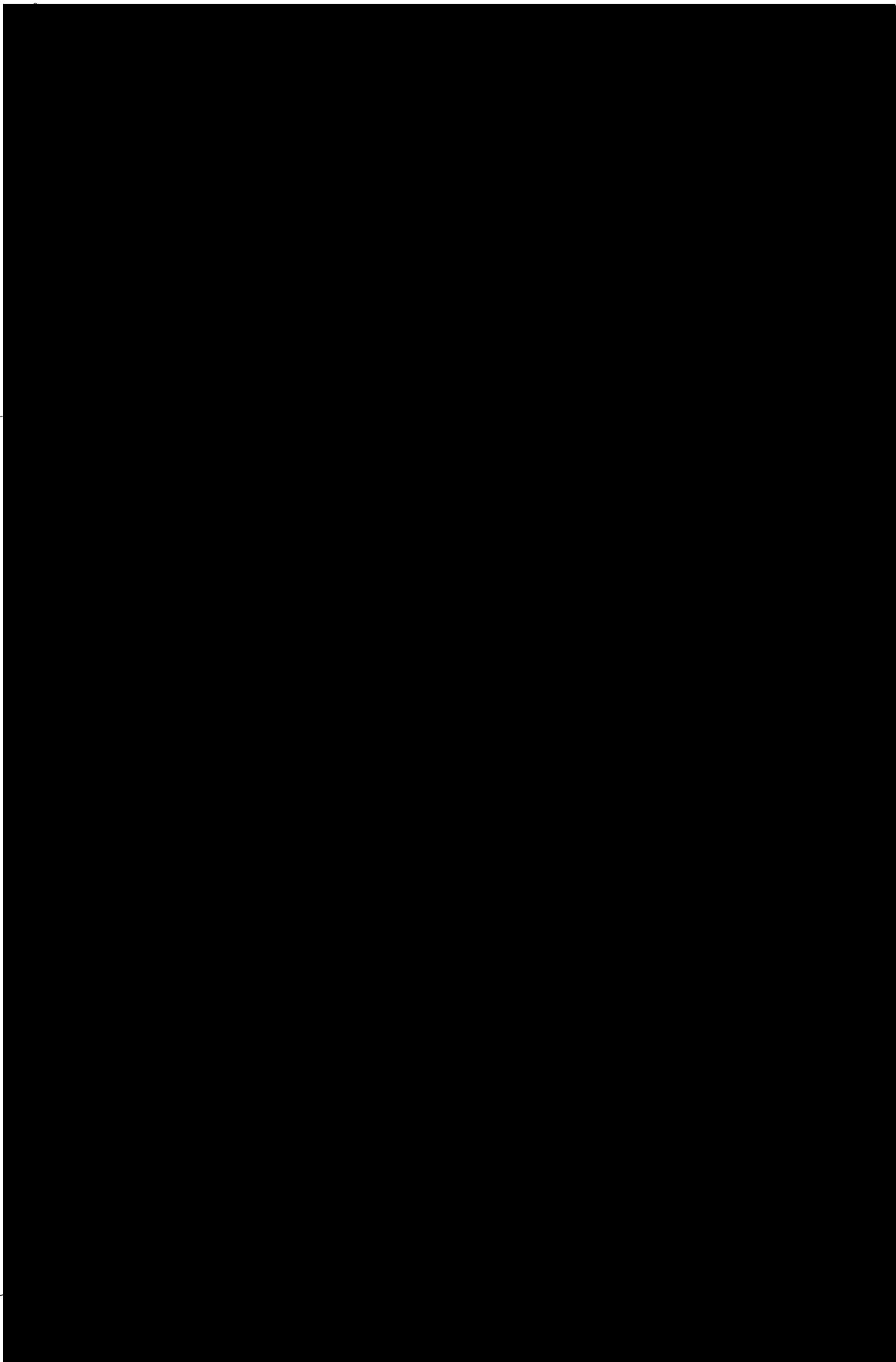
(M)

Rates

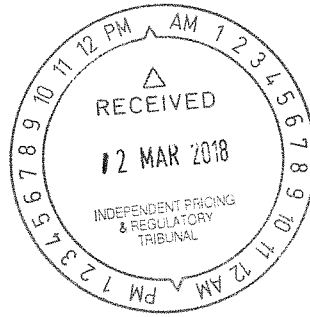
* PLEASE NOTE: THIS IS A TYPICAL SMALL FARM IN BELLINGHAM SHIDE
IT IS OWNED BY ONE OF OUR BSDA MEMBERS AND
SHOWS REAL CUMULATIVE DOLLAR IMPACTS - BUT NOT
FUTURE REVALUATION IMPACTS.

| Year | Valuation | Rate | Levy | Base | Total | Refuse | Total | Increase | | Accumulative Increase since 2002 since 2010 |
|------|-----------|-----------|------------|-------|---------|----------|---------|------------|--------|--|
| 2002 | \$303,000 | 0.0046528 | \$1,409.79 | \$235 | \$1,645 | \$40.00 | \$1,685 | \$61.25 | 3.6% | |
| 2003 | \$303,000 | 0.0048285 | \$1,463.04 | \$243 | \$1,706 | \$40.00 | \$1,746 | \$59.85 | 3.4% | |
| 2004 | \$303,000 | 0.4999650 | \$1,514.89 | \$251 | \$1,766 | \$40.00 | \$1,806 | (\$422.52) | -23.4% | |
| 2005 | \$399,000 | 0.0026776 | \$1,068.37 | \$275 | \$1,343 | \$40.00 | \$1,383 | \$89.07 | 6.4% | |
| 2006 | \$399,000 | 0.0027780 | \$1,108.44 | \$284 | \$1,392 | \$80.00 | \$1,472 | \$67.37 | 4.6% | |
| 2007 | \$399,000 | 0.0028717 | \$1,145.80 | \$294 | \$1,440 | \$100.00 | \$1,540 | \$102.39 | 6.6% | |
| 2008 | \$526,000 | 0.0023730 | \$1,248.20 | \$304 | \$1,552 | \$90.00 | \$1,642 | \$74.71 | 4.5% | |
| 2009 | \$526,000 | 0.0024561 | \$1,291.91 | \$315 | \$1,607 | \$110.00 | \$1,717 | \$46.56 | 2.7% | |
| 2010 | \$526,000 | 0.0025199 | \$1,325.47 | \$323 | \$1,648 | \$115.00 | \$1,763 | \$389.49 | 22.1% | |
| 2011 | \$552,000 | 0.0025905 | \$2,207.11 | \$331 | \$2,033 | \$120.00 | \$2,153 | \$266.32 | 12.4% | |
| 2012 | \$552,000 | 0.0025389 | \$2,163.14 | \$363 | \$2,299 | \$120.00 | \$2,419 | (\$67.71) | -2.8% | Checked against Invoice |
| 2013 | \$552,000 | 0.0021239 | \$1,809.56 | \$375 | \$2,185 | \$167.00 | \$2,352 | \$198.83 | 8.5% | Checks with Invoice |
| 2014 | \$769,000 | 0.0025480 | \$1,959.39 | \$419 | \$2,378 | \$172.00 | \$2,550 | \$65.09 | 2.6% | Checks with Invoice |
| 2015 | \$769,000 | 0.0026118 | \$2,008.47 | \$429 | \$2,437 | \$178.00 | \$2,615 | \$33.71 | 1.3% | Checks with Invoice |
| 2016 | \$769,000 | 0.0026586 | \$2,044.49 | \$437 | \$2,481 | \$168.00 | \$2,649 | \$115.85 | 4.4% | Checks with Invoice |
| 2017 | \$769,000 | 0.0027674 | \$2,128.14 | \$463 | \$2,591 | \$174.00 | \$2,765 | \$155.46 | 5.6% | 6% Rate Variation |
| 2018 | \$769,000 | | | | \$2,747 | \$174.00 | \$2,921 | \$164.79 | 5.6% | 6% Rate Variation |
| 2019 | \$769,000 | | | | \$2,911 | \$174.00 | \$3,085 | | 5.7% | 6% Rate Variation |
| 2020 | \$769,000 | | | | \$3,086 | \$174.00 | \$3,260 | | 5.7% | 6% Rate Variation |

53.5% 97.2%



THE UNIVERSITY OF CHICAGO PRESS



SURVEY

Ratepayer and resident survey on the 19.1% rate rise and satisfaction with Bellingen Shire Council

This is a sample of ratepayer response we collected 282 completed response forms and did not have time to collect a lot more as time ran out for the IPART submission. We are not sending them all because 282 is just too much to photo copy and handle. Even though 282 is a small sample it is significant and does give an accurate indication of current community sentiment with regard to this unreasonable rate increase on top of the last two. We only had one dissenter and they had an ulterior motive wanting ratepayer funded grants from Council for their [REDACTED] group. So we could say that this survey indicates 100% community opposition to this further 19.1% rate rise excluding people with an undeclared pecuniary interest. What else should be expected no one wants endless tax increases. When asked on the 7th Feb extraordinary meeting Council admitted that it did not have one submission in favour of the rate rise! This survey backs up that significant statistic. This is a current survey and should be given greater consideration than Councils out of date 2016 survey that was formatted to justify their SRV application.

Bellingen Shire Ratepayers Association

Ratepayer and Residents response to proposed 19.1% rate rise on top
of recent 6% and 11.8% rate increases.



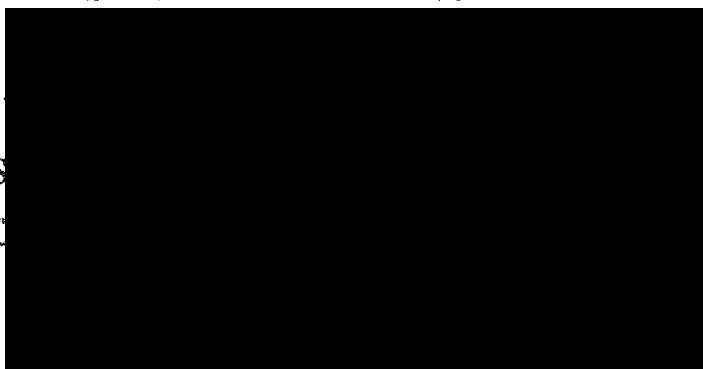
1. Do you have confidence in your current Council representation including the Mayor, the majority of Councillors and the Administration?
YES ☐ NO ☒
2. Your Council Rates are going to increase by 20% over the next three years do you agree with this cost of living increase?
YES ☐ NO ☒
3. Are you concerned about the proportional increase in indoor administrative staff numbers over outdoor staff numbers?
YES ☒ NO ☐
4. Are you concerned with public access to our Councils financial details and general transparency in the administration of our community resources?
YES ☒ NO ☐
5. Do you feel a sense of disillusionment that we as ratepayers and residents do not receive due consideration in the Council SRV consultation process?
YES ☒ NO ☐

NAME

ADDRESS

PHONE

DATE 2



Return completed digital from to:



OR

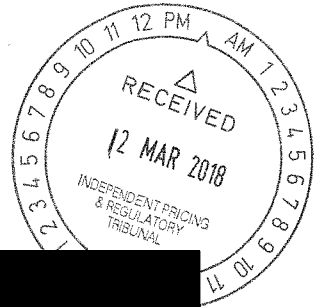
Return completed hard copy to:

BSRA.



NAME
ADDRESS
PHONE
DATE

1st Feb 2018



Melinda Pavey. Hon, MP

Luke Hartsuyker. Hon, MP

NSW,
(02)

Bellingen Shire Ratepayers Association

Ratepayer and Residents response to proposed 19.1% rate rise on top of recent 6% and 11.8% rate increases.

1. Do you have confidence in your current Council representation including the Mayor, the Councillors and the Administration - Management?

YES ☐

NO ☒

2. Your Council Rates are going to increase by 20% over the next three years do you agree with this cost of living increase?

YES ☐

NO ☒

3. Are you concerned about the proportional increase in indoor administrative staff numbers over outdoor staff numbers?

YES ☒

NO ☐

4. Are you concerned with public access to our Councils financial details and general transparency in the administration of our community resources?

YES ☒

NO ☐

5. Do you feel a sense of disillusionment that we as ratepayers and residents do not receive due consideration in the Council SRV consultation process?

YES ☒

NO ☐