



Name [REDACTED]
Address Line 1... [REDACTED]
Address Line 2... [REDACTED]

24 January, 2018

The General Manager
Bellingen Shire Council
PO Box 117
BELLINGEN NSW 2454

Council Special Variation 2018/19

We, the owners/residents of the above property are writing to you to express our objection to Bellingen Shire Council's application for a special rate variation of 3.7% over and above the Independent Pricing and Regulatory Tribunal's (IPART) rate peg of 2.3% for the 2018/2019 fiscal year.

We further object to Council's proposal to seek rate increases of 6.0 %, inclusive of IPART rate pegs, in the 2019/20 and 2020/21 fiscal years, i.e. which according to the Council's own figures amounts to a cumulative (compound) total of 19.1% over three years!¹

It is difficult to fathom Council's audacity in seeking these excessive and unreasonable increases, after significantly increasing rates in the current fiscal year. Council's ever increasing appetite to extract more money, and increase spending is beyond the means of the general community and will exacerbate the economic plight of vulnerable people, as demonstrated below.

- Australian Bureau of Statistics (ABS) data shows that the All Groups Consumer Price Index (CPI) increased 1.9% over twelve months to the June quarter 2017. The most recent ABS September 2017 quarter data shows that CPI increased by 0.6% compared to 0.2% the June quarter 2017².
- Meanwhile Australian workers are still stuck with the lowest level of wages growth in at least two decades, as pay packets increased an average of just 1.9 per cent last financial year. ABS chief economist Bruce Hockman recently said that, even though unemployment was not particularly high at 5.6 per cent, underemployment was rife and weighing on pay demands³.
- Bellingen Shire is a particularly socio-economically disadvantaged local government area. For example:
 - The 2011 ABS census data shows that gross weekly individual income of resident workers was well below the NSW average, with 71% earning less than \$1000 per week compared with the NSW average of 55.2%⁴.
 - ABS 2011 and 2016 census data reveals that 35.5% of Bellingen households had weekly incomes of less than \$497, and 32.7 % received just \$498 to

¹ <https://www.bellingen.nsw.gov.au/news/special-variation-updated-documents-public-exhibition>

² <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0>

³ <http://www.abc.net.au/news/2017-08-16/wages-growth-remains-stuck-under-2pc/8812584>

⁴ <http://economy.id.com.au/bellingen/income>

(2)

\$891, compared to NSW regional average of 30.6% and 29.2% respectively. Only 10.6% of Bellingen households had weekly incomes above \$1465, compared to the NSW regional average of 16.1%⁵, and 30.3% in the Greater Sydney region⁶.

- In the 2017 September quarter the unemployment rate in Bellingen Shire was 7.93% compared to the NSW average of 4.7%, and 5.6% nationally⁷.
- Council has already had approval for a special rate variation of 4.5% over and above the IPART rate peg of 1.5% effective from July 1, 2017. i.e. a permanent increase of in the rate base of 6%! So the overall compound increase which Council is seeking, inclusive of the increase exacted on our community in the current fiscal year would amount to 26.2% by 2021!
- The rate increases should be considered in context with other charges levied by Council such as sewer, waste and water are among the highest in NSW, i.e. the total average annual charges levied by this Council against each property. While these additional charges are supposedly "cost neutral", the charges are not subject to the scrutiny of IPART, particularly with respect to "creative accounting" practices to cross subsidise Council's general administration and staff costs .
- Residents are already being slugged with massive increases in the costs of electricity, with further increases flagged. The ABS reported 8.9% increase in the price of electricity in the September 2017 quarter alone.⁸
- The further rate increases which Bellingen Council is seeking are more than three times the growth in annual Australia's CPI and wages.
- A high proportion of the local community are struggling single income families, unemployed, pensioners and self-funded retirees who are particularly exposed and vulnerable to these excessive increases.

Where are these significant additional costs, which are well in excess of income growth, supposed to come from in an already socio economically stressed community?

Clearly this Council's spending is beyond the means of the community that it is obliged to serve.

We strongly urge IPART to recognise these critical issues and resoundingly dismiss Bellingen Shire Council's audacious application for the further excessive special rate increases.

Yours faithfully

[Redacted Signature]

Email:

⁵ <http://profile.id.com.au/bellingen/equalised-household-income-quartiles>

⁶ <http://profile.id.com.au/sydney/equalised-household-income-quartiles>

⁷ <http://economy.id.com.au/bellingen/unemployment>

⁸ <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0>