

RE: Dungog Shire Council's application for Special Rate Variation

To: Local Government team

I would like to voice my opposition to the proposed SRV application by Dungog Shire Council, based on the following arguments.

1. Council has indicated that extra funding from rate increases will primarily be utilised on reducing infrastructure backlogs/civil works. As an engineering professional who has worked for both the private sector and neighbouring local governments on civil works, I believe that I am qualified to comment on the distinct lack of competence and efficiency demonstrated by Dungog Council.

In past years Dungog Council attempted to address the "skills shortage" within its workforce. However given that suitably qualified and experienced candidates pose a very real threat to the job security of the current long term management hierarchy, recruitment attempts were deemed as unsuccessful.

Dungog Council has provided no data as to how they efficiently utilise existing funds whilst undertaking civil works, nor have they provided any form of 'cost per unit' benchmarking against neighbouring councils or organisations.

Other organisations for which I have worked, including local government have readily available data for such things as;

- Cost per unit to maintain roads/civil infrastructure (e.g. dollars per metre)
- Hours taken to complete civil works (e.g. hours per metre).

If Dungog Council's operational budget were in different hands, it is highly likely that there would be a vast increase in efficiency and much more could be done with existing funding.

This is a situation that can be remedied by Council's senior management without the need for a rate increase, or if necessary by appointing a temporary or permanent administrator.

2. In addition to Council's internal problems, much of their road network serves as the only means of access to vast tracts of State owned and managed Forest Reserve and National Park.

These State owned assets make up 23% of the shire's area and are heavily utilised by tourists (200,000 per annum) as indicated by the Dungog Shire Tourism Plan 2015-2018. As well as tourism, heavy vehicular traffic from forest harvesting operations causes considerable damage to Council roads.

Dungog council is in a position to collect data on vehicles accessing State land through the use of appropriately placed traffic counters. This information coupled with Council's existing tourism data will place Council in a strong position to lobby politicians for road reclassification.

A motivated Council would be successful in achieving 'State Road' classification on some arterial roads within the network resulting in the State taking its 'fair share' of funding responsibility.

3. A considerable number of ratepayers within Dungog shire rely on income gained from agricultural based activities involving livestock.

Current drought conditions in NSW have seen many farmers walk off the land due to rising production costs. Unfortunately, predictions about Australia's changing climate and future weather patterns are not optimistic for a prosperous future.

It is absolutely certain that prices for livestock and agricultural commodities will not rise by 97.8% over the next 7 years.

If a 97.8% rate increase is approved it is certain that there will be a considerable number of ratepayers undergoing financial hardship.

In summary

1. Problem: Dungog Council have not demonstrated current or future levels of efficiency and competency through 'cost per unit' benchmarking.

Solution: Appointment of administrator or management restructure.

2. Problem: Much of Council's road network is maintained solely for the use of others.

Solution: Political. Preparation of a sound case based on collecting traffic usage data on arterial roads as used by the 200,000 annual visitors, then lobbying politicians to have these roads within the shire reclassified as 'State Roads'.

3. Problem: Many of Dungog Shire's ratepayers rely on the uncertain agriculture sector as an income source and will not be able to absorb large rate increases.

In addition Council's Tourism plan estimates that the visitor economy tourism is worth approximately \$47m annually to the shire. This makes tourism the largest business in the LGA. If Council were serious about raising revenue other than by the easy option of milking ratepayers they would, (as other Councils have done) be identifying ways to tap into the revenue stream offered by this opportunity.

Solution: Appropriate rate increases as dictated by inflation.

I believe there are unexplored options available to Dungog Council to remedy their infrastructure backlog and financial situation. There is also much that could be done to adopt and demonstrate efficiency in civil works which would go a long way to extending their present infrastructure budget.

For these reasons I submit that Dungog Councils' request for a SRV be rejected in favour of other options and efficiency improvements.

Regards,

[Redacted Signature]

[Redacted Address]