

LG Submission Form 2021-2022 - Applications

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IPART Special Variation Submission Form - Applications

Industry	Local Government
Review	(LG) Special Variations & Minimum Rates 2021-2022
Document Reference	
Council	Armidale Regional Council, Special Variation Application

If you have any general feedback regarding your council's proposed SV, please leave your comments in the comment box below.

IPART,
I wish to lodge an objection to the Canterbury-Bankstown Council Special Rate Variation (SRV) and ask that IPART reject the SRV and harmonization to the highest current rate.
My Objection is based on the following.
When & how did the Canterbury Bankstown Community endorse the level of funding?
I'm unable to find any evidence that the Canterbury Bankstown residents have voted for, thereby providing a mandate for the funding levels being sought in the SRV.
Lack of effective Community engagement in the consultation process
Misleading statements in the "One Rate System because we are one city" pamphlet
The pamphlet states "What you get for your rates now" and "How are your rates spent?" I take issue with the category of "Waste & Recycling & City

Cleaning” being included under these statements in the breakdown of how each \$100 is spent as it is not a Rate, it is funded by a Levy, therefore not part of the Rates that are subject of the SRV.

Currently for former Canterbury LGA residents are levied \$530 and for former Bankstown LGA are levied \$565 per property for domestic waste services.

Therefore, this is the value of the underestimation each person who read the “What this means for you” Rate tables made when relying on the graphical representation of “How are your rates spent?” in assessing the combined Rate Harmonization and Special Rate Variation tables.

Level of Engagement

The misleading statements about what is included in your rates shown in the breakdown of Council expenditure per \$100 and the “What this means for you” included "Waste, Recycling & City Cleaning" led Rate Payers to assume the values in the "What this means for you" Rate tables was for their full Rate bill (including Waste & other levies). The vital information explaining that the figures shown did not include Waste Collection &, Storm Water & other levies & charges was called out in the 2nd last explanatory point under the tables and contradicted other statements “What you get for your rates now” and “How are your rates spent?” in the same communications.

Council advised that approximately 650 Rate Payers had direct communication with Council which is about 0.5% of Households & Business or 0.17% of the LGA population. This converted to 147 submissions to Council about the Rate Harmonization and SRV. Numbers this low cannot be used to support an argument of effective Community Engagement.

Level of Comprehension

Embedding both Rate Harmonization & the SRV within the “One Rate System because we are one city” message led Rate payers to think the figures in the

table would be their total Rate bill in the years to come. The detail under "What this means for you" and "How are your rates spent?" obscured detail in the 2nd last point under the tables advising that the Waste levy was not included generally understood.

Limited Community Consultation – COVID 19 & Christmas New-Year break

The brief Community Consultation over the Christmas New Year period combined with COVID 19 restrictions significantly reduced Rate Payers ability to properly engage with Council to understand what the real impact of the Rate Harmonization & Special Rate Variation.

The SRV justification has significant flaws

2015 Fit for the Future assessments

The claims CBCity Council make in the SRV application about the former Canterbury Council financial mismanagement are not supported by the 2015 Fit for the future assessments.

Productivity improvements and cost containment strategies

CBCity Council had an Operating profit in 2016/17 of \$41 million. 2017/18 \$27.1 million profit, in 2018/19 \$19.6 million loss, in 2019/20 a \$19 million loss and a projected loss in 2020/21 of \$53 million.

Employee benefits & on-costs in 2019/20 were \$133 million, in 2020/21 they are budgeted to go up to \$147 million, a 10% increase.

This numbers do not support councils claims of Productivity improvements and cost containment.

Depreciation

After the Council merger and again in 2019 Council made significant changes to the way they account for depreciation. The changes are inconsistent with the way both councils accounted for depreciation.

Council has also revalued building assets. The combination of increasing asset values and depreciation rates while allowing the assets to depreciate causes a non-accounting cash loss burden

for Council and thereby ratepayers. Council has not justified to the community why they have made these accounting decisions when previous Audits found the previous treatment of depreciation and Building valuations satisfactory.

Capital Expenditure

In the 2020/21 operating plan there is no revenue from the General Fund (Rate Revenue) for Capital works.

The only funds going to Capital Expenditure are from Grants, Sec 7.11/7.12 levies, Storm Water levy, Canterbury 2014/15 SRV, Stronger Community Funding and other tied reserves. he claimed infrastructure backlog requires there be some level of funding to go toward Capital Expenditure.

Sydenham to Bankstown Urban Renewal Corridor Council appears to be very focused on the "Urban Renewal Of The Sydenham to Bankstown Corridor" project. It is difficult to discern the level of Rate Payer funding for this project. As this project is a State Government initiative and has intergenerational benefits, it should not be substantially funded by current Rate Payers. Funding for this should come from long-term borrowing and State & Federal Government grants.

Leisure and Aquatic Strategic Plan \$5 million annual funding

Why is the \$5 million annual funding requirement initiative identified in Council's Leisure and Aquatic Strategic Plan becoming a perpetual increase when the deliverables are specific and will be delivered in a predetermined schedule?

The Leisure and Aquatic Strategic \$168 million project has intergenerational benefits, a projects such as this should be funded by a combination of long-term loans and State or Federal government grants and not by a perpetual Rate increase on current Rate Payers to fund.

The Rate Rise is excessive
Capacity to Pay

There are a number of assumptions Council has made in the SRV application that need to be challenged...

CBCity Council argues 3 points in the SRV application that are not supported by real world facts:

1. 36.4% of the LGA population that Rent (ABS 2016 census) will not be impacted by the SRV rate increase – Landlords will pass the SRV rate increase in full, probably with a margin. Businesses that Rent properties will also be impacted in the same way.
2. Lower income households are not owners of properties who pay Rates - 24% of CBCity Rate payers are Pensioners.
3. SEIFA (IRSAD) aggregation of high and low incomes across the LGA demonstrates a capacity to pay – This mathematical manipulation of incomes across the LGA will not put \$1 in the pocket of low-income earners to pay higher Rates.

Percentage Impact on Minimum Rate payers will be greater & more immediate

The impact on minimum Rate payers will be greater, the \$990 minimum rate will be implemented by 2023/24 and then be subject to IPAR Rate Peg increases after that.

\$ impact will be disproportionately greater on Non-Minimum rate payers

While those Rate Payers living in properties that are valued above \$550,000 they will pay proportionately more. Regardless of the mathematical model Council ants to use to average incomes across the LGA there will still be a significant number of Pensioners and other very low income households who will have to pay higher Rates. This is exacerbated by the land value calculation for those that have owned a property for a long time but are on a low income.

Your comments on Criterion 1:

Your comments on Criterion 2:

Your comments on Criterion 3:

Your comments on Criterion 4:

Your comments on Criterion 5:

If you have attachments you would like to include with your feedback, please attach them below.

Your Details

Are you an individual or organisation?

Individual

If you would like your submission or your name to remain confidential please indicate below.

Anonymous - my submission can be published but my name should remain anonymous

First Name

Last Name

Organisation Name

Position

Email

[REDACTED]

IPART's Submission Policy

I have read & accept IPART's Submission Policy