

Objection to Hawkesbury Council Application for SRV

I would like to preface this letter by stating that we strongly object to the Council applying for a SRV. This quite simply excuses the Council of its inefficiencies and lack of good governance. It seems for the Council to be in the current predicament (in need of additional funding) there must be a fundamental flaw in the management of the community's finances and assets given HCC has access to and manages the largest local government area in metropolitan Sydney.

Introduction:

In 2016 this Council fervently opposed a merger with the Hills Council, they also made it very clear to its constituents that it was not necessary for the HCC to merge for financial reasons as they were viable and there was no concern with the future viability of the Council. Less than 12 months later we are advised that the Council is in fact not viable. In the documents submitted to IPART by their own reports they have been running at an operating loss for over 7 years. Given this deception it is difficult to be confident that the proposed numbers Council claim is achievable via a SRV are even factual.

Community consultation (or lack of):

As a resident of a rural property, there are very little services provided in fact there is only one I can think of, my waste is collected weekly. I have no access to: footpaths, kerb and gutter, street lighting, maintained roads or nature strips, public transport and the like. As I made a conscious decision to live in a rural area, I accept this level of service from my Council. However, I don't accept having to pay more than those in town centres for the luxury of the services mentioned above if I have not been afforded them. This is exactly how the Council's latest rating recalculation currently operates.

Last year this Council (without any consultation at all to the community) changed the rating structure under which some rates were calculated from a "rural" category to a "residential" one. My property is 5 acres just over 2 hectares. Once they made this change they then devised a new formula for calculating rates where the majority of rates was now based on land valuation. Obviously, if you have more land the value is worth more than a smaller residential lot closer to a town centre where services are provided. Hence, my rates went from approx. \$500 per quarter to over \$1000 per quarter. A most underhanded method to procure more money from a small proportion of the community.

Whilst the Council has included lots of propaganda in their submission in relation to advising and consulting the community, the first I heard of a SRV was in my rates notice which had just increased by 100% (July/August 2017). Included in this shocking rate notice which I was not prepared for, was an 8 page brochure asking me which of one of 3 additional increases options I would like to nominate to pay even more rates.

As I do not frequent the Council's website, I am not on social media, we are not afforded delivery of newspapers in our rural area, and I am not on any Council email distribution list, I am shocked that they can claim to have given the community notice and information on this issue.

I am not certain we have actually been given “options” to select from as option 1 is a reduction in services - what type of person would naturally select a reduction in services at an increased rate of charges? The community was led to believe the Council was already stable – it is almost as though the only sustainable option for selection was Option 3 otherwise we would be living with even less services than we are currently provided (which is very, very little).

Given the choices: reducing service levels, stabilise them or improve them, I don't really feel like we have much of an alternative, I feel coerced – of course no one wants to see services decrease even further, but that does not denote we are willing or able to pay more for this. The Council seems to continually imply that wanting more services denotes our willingness to also pay for them and therefore we support option 3. Requesting the community to make a selection on this basis is patronising and denigrating at best.

In the 8-page brochure received it stated that Residential rate payers annual rate was \$1,213 this example is misleading as a true reflection of our rates is almost four times this amount.

In examples following this, the annual rate quoted is even less at \$1103, how misleading to print such information. If I were to calculate my rates they would be acutely more than this amount.

The document alludes to adopting a 20-point Plan which is aimed at achieving balanced operating result by 2021 giving the capacity to maintain assets and deliver services into the future. The “proposed” SRV is just one of these measures. I believe there are a few misrepresentations in this statement:

- 1) The SRV is not simply a “proposal” in meeting the benchmarks for FFTF – a SRV is intrinsic in order for the Council to meet these benchmarks
- 2) There are no details relating to the other 19 points in the Council's plan – what other options were investigated and implemented? The community was not previously consulted on other possibilities prior to the notices relating to a vote on which SRV option is preferred.

Council has advised that it has reduced operating costs, increased spending on assets, sold underperforming assets and implemented a user pays system for services. This means that only 4 avenues of cost cutting have been undertaken. Have others been considered such as:

- Separate or specific rates and charges (user pays for provided services)
- The potential to reduce the reliance on rates through increased revenues from other sources e.g. fees and charges
- Potential growth from development in the LGA such as NSW Planning Growth Areas (Vineyard)
- Potential of revenue via other sources e.g. grants or subsidies
- Council's current rating structure and changes to that formula to make the rates burden fairer and more evenly distributed given it is the largest LGA in metropolitan Sydney.

- Review of management salaries and remuneration – particularly executive staff

In the Spring 2017 Community Newsletter the Council proudly announces that they were declared as Fit for The Future by Gabrielle Upton MP – at no point does it explain that this is ONLY possible with a massive increase in upcoming rates via an SRV -again this Council insists on omitting important information and misleading us to believe they are efficient and viable.

This newsletter goes on to say that consultation is now completed and that “there is a clear preference by the Hawkesbury community for Council to deliver improved services and facilities” – isn’t this the goal of any business? In making this claim however, they fail to disclose how they intend on delivering those services which is via charging rate payers 30% more. The note then goes on to state that in a Council meeting in September the Council resolved to support Option 3. However, the newsletter does not provide any results of the consultation to give any confidence that the community actually supports this option. It is yet another example of Council propaganda to have us believe this option had the most support by those who voted.

Criterion items:

In the OLG guidelines for an application for a SRV the criteria state:

“Evidence that the community is aware of the need for and extent of a rate rise” given we were not aware the Council was in such financial hardship, as stated previously, there is no way we could have possibly been aware of the extent or need for this increase.

“The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. ”

Given the recent rate rises in some suburbs have increased by at least 100% how can the Council morally impose another increase? Surely this impact is not considered “reasonable” by any measure. I am not sure how the Council has demonstrated “the community’s capacity and willingness to pay rates” nor that the “proposed rate increases are affordable”. I live in a community of self-funded retirees, pensioners and families with mortgages on limited incomes and no wage increases, who are struggling to pay for the increased cost of living and the latest round of rate increases.

“Councils must supply a copy of the resolution(s) to apply for the special variation, with its application.” It should be noted that the GMs application for SRV to the chamber on January 30th 2017 was not unanimously supported by the Councillors – clearly if this is the case, Councillors themselves have concerns about proceeding with this type of action in their LGA.

"The adopted Delivery Program should include the rationale, impact on ratepayers and the benefits of the proposed special variation." After reviewing the detailed and complicated 71-page Delivery Program, I don't believe it details impact on ratepayers as it is not specific in terms of costs for the proposed programs or what these programs are nor their locations, it appears for such a large document it is certainly scant on detail. It is a long bureaucratic document written with little real explanation of what each section is relating to or how it impacts me as an individual either negatively or positively.

This framework provides Councils with a clear path for consulting with their communities on needs, priorities and will does not include willingness to pay rates at levels above the projected rate peg. The IP&R document outlines some engagement with the community however, after reading the summary of 10 issues in the table on page 10, the responses are evasive at best and give indirect answers. The Council is consistently blaming other departments such as IPART and the NSW Government for the way it calculates it rates and simply relinquish their responsibility to the community for an equitable system, which is within their own control.

Page 69 of the IP&R Manual states "The planning process should include an assessment of the community's capacity and willingness to pay rates and whether there is the potential for changes in that capacity." Again, I reiterate that the Council has not assessed the community's capacity to pay nor their willingness. The submissions to Council alone are evidence that the majority of the community who responded are not accepting of the option being promoted by the Council. Whilst I understand there may be a short term need for additional funding, I would request IPART assess this application on the basis with a view to possibly a small one-off annual increase that is temporary not as a recurring or permanent fixture in our rates.

Thank you for your time in reading this submission. I hope you can undertake a very independent review of this request by Hawkesbury Council and assess it in the same light as this community, another gouge by this Council to correct their internal inefficiencies of years of financial negligence and mismanagement.

I would appeal IPART refute Hawkesbury City Council's submission for any SRV.

Sincerely,

Rate Payer of Hawkesbury Council