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10th March 2016

Dr Peter Boxall AO
IPART Chairman
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Dear Dr Boxall

**Application for Special Rate Variation
Wingecarribee Shire Council**

I write to raise some objections to the Shire Council's plan to apply to IPART for an increase in rates by **45.3%** over four years (2016/17 to 2019/20). That is, Option 3 under their "Investing in Our Future" proposal.

I attended an information "kiosk" on 27th January, and had the opportunity to discuss this matter with three of the Shire Council's officers, who were happy to respond to my questions. I came away, however, with my original concerns still not resolved:

1. The inadequacy of the figures resulting from the community consultation.

The large dossier prepared by Council officers containing figures and a lot of other material was a document of over **350 pages**. Members of the community were invited to consult this document (available at a number of venues); it could not be taken away and had to be consulted on the spot, but a document of that size is unwieldy and would take a long time to examine.

The Council conducted a community consultation by a variety of means, with the percentage of responses, when totalled, fairly evenly divided between the three suggested rate increase "Options". In round figures, there were approximately **1500 responses** only overall; I was told there are approximately 47,000 residents in the Shire, and approximately 20,000 rateable properties. The response rate as a percentage of the residents (again in round figures) would be something like **0.03%**, or measured against the number of rate-payers, the response would **0.07%**. By either calculation this is an extremely small sample, and not one that serious statisticians would consider adequate in order to extrapolate from them what the whole community thinks. Yet the Council officers I spoke to said that this was an acceptable guide.

A further weakness in the community consultation was that it did not differentiate between "residents" and "rate-payers". As the proposal is to increase rates by a very large amount, surely it would have been incumbent on those conducting the survey

to consult **rate-payers only**, since they are the ones who are going to have to pay any increase in rates. They are also the ones who pay for the services and infrastructure. Yet all residents, whether they pay rates or not, utilise those services and facilities.

2. Assumption that one-third of the community favoured the large rate increase

Of the percentages extrapolated from the community consultation from the extremely small sample as noted above, there was an almost equal proportion for each of the three "Options". In other words, around one-third (i.e. approximately 500 of the respondents) favoured Options 1 and 2, while a further one third favoured Option 3 which calls for the largest rate increase of around 45%. In view of the fairly even division (though reached by what I see as a flawed process) between the Options, why was Option 2, for example, which called for a smaller 38.4% increase, not considered a possibility for the application to IPART?

Further, there was no mention in the 200-page dossier of papers given to the councillors for their meeting on 17th February to make the final decision on the issue that a petition had been submitted containing **600** signatures **against** the large increase. If only approximately one-third (i.e. 500) of the respondents from the community consultation were in favour of the 45.3% increase proposed under Option 3 of "Investing in Our Future", and 600 signed a petition against the large increase, the mathematic result is **minus** 100! No mention was made of that in the Council's final decision.

It would seem that the Council had already made up its mind to pursue Option 3, and that therefore the whole consultation process (given its very poor response and faults in the extrapolation of results) was **a waste of time and money**.

3. Impact of a considerable hike in rates over the next four years.

According to the pamphlet "Investing in Our Future", the proposed rate increases under Option 3 are three years at 9.25% (which includes the "normal" rate pegging) and a final year at 12.15%, bringing the total increase over four years to 45.3% (compounded). An average rate-payer will end up paying a total of **\$530.78** in rate increases, and the final year's rates will have jumped from \$1278.63 to \$1809.41 (or **\$35.00 per week**, compared to the current \$24.60). There is a small discount, I know, for pensioners, but an increase of over \$10.00 per week will cause hardship for those on low incomes or pensions.

4. Basis for the application – provision for infrastructure

At the request of a friend of mine Council officers provided an analysis of rate increases over the last 15 years (2000/01 to 2014/15); a copy of that analysis is added at the end. The analysis includes the environment levy (temporary, but temporary for a long time) and the infrastructure levy (initially temporary, but now simply slipped in as permanent). The average rate increase over that fifteen-year period (including levies) was **7.81%**. That is consistently well above the cost-of-living increase each year (2-3% per year), and the current rate of inflation (just under 2%). The proposed rate increases under Option 3 will be **four or five** times the CPI. That is manifestly inequitable and a harsh impost on rate-payers.

The document prepared by Council, "Investing in Our Future", argues that the cost of building and maintaining infrastructure requires the significant rate increase. But the list of rate increases shows that an infrastructure levy has been in place virtually since 2002/03. One begins to wonder what the Council has been doing with the funds generated by these infrastructure levies over many years that it now requires a massive increase to deal what deteriorating infrastructure.

Needless to say, as a ratepayer I am totally opposed to this application for a huge and inequitable increase in rates.

Yours faithfully

Bruce Marshall AM

Year	Rate Peg	Environmental Levy	Infrastructure	Crownland Adjustment	Total	Comment
2000/01	2.70%	4.51%	0.00%	0.00%	7.21%	Temporary Increase until 2002/03
2001/02	2.80%	0.00%	0.00%	0.00%	2.80%	No Special Variation sought
2002/03	3.30%	0.00%	5.00%	0.00%	8.30%	Temporary Increase until 2006/07
2003/04	3.60%	4.30%	7.84%	0.00%	15.74%	Temporary Increase(s) until 2007/08
2004/05	3.50%	0.00%	7.82%	0.00%	11.32%	Temporary Increase for 1 Year
2005/06	3.50%	0.00%	0.00%	0.00%	3.50%	Special Variation Application refused
2006/07	3.60%	0.00%	5.00%	0.00%	8.60%	Temporary Increase for 1 Year
2007/08	3.40%	0.00%	6.10%	0.00%	9.50%	Temporary Increase for 1 Year
2008/09	3.20%	3.74%	6.30%	0.00%	13.24%	Permanent Increase for Infrastructure - Temporary Increase for EL for 4 Years

2009/10	3.50%	0.00%	6.00%	0.00%	9.50%	Permanent Increase for Infrastructure
2010/11	2.60%	0.00%	6.90%	0.00%	9.50%	Permanent Increase for Infrastructure
2011/12	2.80%	0.00%	6.70%	0.00%	9.50%	Permanent Increase for Infrastructure
2012/13	3.60%	3.49%	0.00%	0.00%	7.09%	Temporary Increase for 6 Years
2013/14	3.40%	0.00%	0.00%	0.06%	3.46%	No Special Variation sought
2014/15	2.30%	0.00%	0.00%	0.00%	2.30%	No Special Variation sought
2015/16	2.40%	0.00%	0.00%	1.00%	3.40%	No Special Variation sought

The above increases have been applied in accordance with the approved percentages provided by the Department of Local Government (in early years) or IPART each year.