

From: Col Poulter
Sent: Friday, 8 March 2013 2:32 PM
To: Local Government Mailbox
Subject: Opposition to 8% rate rise by Shoalhaven City Council

To: IPART

On 27/2/13 I wrote to Shoalhaven City Council (SCC) opposing a special rate increase. I sent a further email to SCC on 3/3/13 following a reply from one of the Councillors

This

correspondence is shown below.

I was not alone. 70% of submissions to Council opposed the rate increase.

Not all Councillors agree with the 8% increase. For example, Councillor Guile, an experienced Councillor, argues strongly against it - see attached press report "Shoalhave News".

SCC has a poor record for asset maintenance (with a KPI indicating spending about half what its counterparts do) yet wants to build more assets. The new mayor and her "Team Gash" want more ribbon cutting ceremonies, and are prepared to tax us all for the pleasure. There is not enough asset management discipline or value for money discipline in this Council. An 8% rate rise will make this even worse, providing more capital to waste and blowing out asset maintenance liabilities further.

The vast majority of ratepayers know this, and by Council's own admission today, the vast majority (70%) of ratepayers do not want a special rate increase.

Please read my submissions to Council on 27/2/13 and 3/3/13 below, and reject the special rate increase being sought by SCC.

Regards,

Col Poulter

SHOALHAVEN NEWS

Shoalhaven One Step Away From 8% Rate Rise

Thursday, 07 March 2013 22:59



4 people like this.



Shoalhaven Council is to push on with an application for an 8% rate rise, despite two thirds of people who have commented on the proposal, being opposed to the idea.

Under the state's rate pegging legislation council can automatically lift rates by 3.4%, but following a meeting overnight the city has agreed to seek an additional 4.6%....taking the total to 8%.

Council says the extra money will go towards the cost of constructing roads and footpaths.

Cr Andrew Guile says it is the height of arrogance to go out and seek an 8% rise when the vast majority of local residents are opposed to it.

Cr Guile says history will prove the city does not have the ability to spend the extra funds it collects.

From: "White, Patricia"

Date: 7 March 2013 6:42:26 AM AEDT

To: Col Poulter

Subject: RE: Shoalhaven City Council - Rate rise

Hello Col,

Thank you for your additional comments in relation to the rate rise. I acknowledge your comments and appreciate the time you have taken to forward them to me.

Regards

Clr Patricia White

Shoalhaven City Council – Ward 3

From: Col Poulter

Sent: Sunday, 3 March 2013 6:27 PM

To: White, Patricia

Subject: Re: Shoalhaven City Council - Rate rise

Dear Patricia,

Thank you for your reply below, including the offer to provide further comments.

The Mayor's Discussion Paper claimed Council would target operating savings, building up over 2 years to \$1M pa (less than 1%). Together with a special rate increase that raised an additional \$1.8M annually, this would achieve total additional funds of \$2.8M pa for use on paying off the currently proposed capital works program. My response was that 2% savings would achieve what Council wants, without a special rate increase.

Then the Mayor's media statement last week announced a restructure achieving operating savings that built up over 2 or 3 years to \$6.5M pa - or 5%, delivering an additional \$3.7M pa over and above the \$2.8M pa sought in the Discussion Paper.

It seems to me that the proposed restructure allows a rate REDUCTION of 3%, not an increase of 8%, to achieve Council's stated capital works objectives.

Unless there is other information not publicly available, I cannot reconcile the continued desire by some Councillors to apply for a special rate increase. I will therefore feel compelled to make my views to IPART.

Regards,

Col Poulter

On 03/03/2013, at 12:10 PM, White, Patricia wrote:

Hello Colin

Thank you for your email regarding the increase in Council rates and I acknowledge your comments in your letter. Councillors elected at the last Council elections are addressing other issues detailed in your letter and you may be aware, last week the Mayor, supported by the majority of Councillors announced a complete structural review of the Council staff and operations. It is anticipated that this review will take approximately two years to be fully implemented. Savings from this review will start to address the long term financial issues. The funds raised from the rate increase will be utilised directly for roads, cycle ways and paths.

Thank you once again for your email and I would appreciate any further comments you may like to make.

Regards

Clr Patricia White

Shoalhaven City Council – Ward 3

From: Col Poulter
Date: 27 February 2013 5:59:08 PM AEDT
To: council@shoalhaven.nsw.gov.au
Subject: **Opposition to 8% rate rise**

Dear Councillors,

I am voicing my strong opposition to the proposed 8% rate rise, due to the need for SCC to significantly lift its game in achieving value for ratepayer's money, and the lack of community support for the increase.

Improvements in productivity and value for money are needed

Based on my knowledge of Shoalhaven City Council (SCC) over the last 3 years, it is clear to me that SCC is in need of significant productivity improvements. With these improvements sufficient funds can be freed up to implement the required capital works and asset maintenance programs, without any rate increase above CPI.

We are all still in the midst of a global financial crisis, and financial restraint and productivity improvements are being implemented by national governments, state governments, large businesses, small businesses and individuals around the world and in Australia. Why does our local government in the Shoalhaven believe it is immune from these pressures? When the city's demographics are taken into account, it should be even more important for Shoalhaven to show leadership in delaying discretionary capital works, and achieving improvements in productivity and value for money.

Shoalhaven's population has a higher than average representation of pensioners, senior citizens and small businesses. It is these people who provide the rating base for SCC – the pensioners, the self-funded retirees, the small manufacturers, retailers, builders and tradespeople. These people are all struggling against fixed or declining income at the same time as escalating costs (particularly power costs). Yet SCC wants to increase its tax on them by about 3 times the CPI. Instead of driving tax increases – the easy way out only available to governments – SCC should drive productivity increases, like the rest of the country, and find savings in its operations to fund its plans.

SCC is known for its sometimes poor quality construction work (requiring even simple road, path and playing field projects to be rebuilt within months of completion), its sometimes poor design management, day labour management and tendering management (often paying more than reasonable prices for work), and its sometimes poor planning and decision making (making decisions without all the facts, and making wrong decisions). Getting it right first time is a good step to productivity improvements.

Another good step is getting value for money from employee costs, material and contract costs, and other costs such as technology. According to the 2012 Financial Accounts, \$126M was spent last year on these items. A small 2% savings, just on these items, would yield an additional

\$2.5M of funds for SCC's road and path plans. There would be no need for the additional 4.4% rate increase with this small productivity improvement. SCC in its document supporting an 8% rate increase, is targeting just \$1M in annual operational savings by the end of 2014/15. That is a very small annual saving of 0.8%, and taking over 2 years to get there.

SCC staffing levels have also increased 4% (28 equivalent full time positions) compared to staffing levels 4 years ago – a 2% productivity improvement could probably be achieved just by returning staffing to these levels. Exposing SCC's workforce to competitive tendering would further improve productivity.

SCC needs to lift its productivity and recognise that large parts of its rating base are hurting too much already. It needs to get its own operating costs down in a serious way, in lieu of hiding waste and inefficiency by raising taxes.

Lack of community support for a special rate increase

SCC claims that, based on just 180 responses to a poorly constructed internet based survey, half the community is prepared to pay extra rates for roads and paths. That's less than 100 people in a population of 100,000 people – hardly representative of what the community really feels.

Not only that, the bulk of the responses were from an online survey, which is not accessible by many of the ratepayers least able to afford an increase - the senior citizens and pensioners who do have computers and internet access.

I have taken the opportunity to speak to many residents and small businesses over the last two months, about the proposed rate increase, and the overwhelming majority of them do not support it.

Regards,

Col Poulter