

Jennifer POVEY



28 February 2019

Local Government Team  
IPART NSW  
Level 15, 2-24 Rawson Place  
Sydney NSW 2000

RE: Lithgow City Council 2019 -20 Special Rate Variation Application

Dear Team Members,

This letter is my submission regarding Lithgow City Council's application to permanently increase the minimum rate above the statutory limit and my opposition as a ratepayer to this application.

Lithgow City Council mailed a letter, dated 4 December 2018 to the ratepayers providing only two options of:

1. 2.7% rate peg added to the lower rate base
2. Maintain the current SRV (4.77% - that was only temporary but maintained for a few years) + rate peg (2.7%) + one-off (permanent) 4.23% = 11.7%

The letter also provided the only options for ratepayer consultation including:

- Micromex Consulting 'to undertake a telephone survey of residents within the Lithgow local government area during December'
- Survey 'online at [www.haveyoursay.lithgow.com](http://www.haveyoursay.lithgow.com) from 14 December 2018 to 11 January 2019.'

I went online to do this survey and I was disheartened and frustrated for the following reasons:

- No Acknowledgement for residents / ratepayers from Meadow Flat, even though localities such as Rydal, Cullen Bullen, Hartley had been mentioned.
- There were only two options that one could vote for (as per the letter)
- There was no section where **one could really have their say**

I felt that the survey, a consultative process between Lithgow City Council and the Micromex Consulting group, was flawed, biased, selective and [REDACTED] especially regarding no acknowledgement of the properties and ratepayers in Meadow Flat and other localities within the Lithgow LGA.

I am totally opposed to the way how Lithgow City Council has gone about this process regarding the proposed Special Rate Variation, which includes:

- The online survey (as itemised above)

- Lack of community consultation nights / evenings / days e.g. at venues in Lithgow, Portland, Wallerawang, as what had previously been done in the past
- Lithgow City Council could state they had prior consultation with the community but a **Report (attachment to Item 14) presented at the August 2018 General Meeting from Micromex Research** (the questionnaire developed by both Lithgow City Council and the Research group) was based on an initial sample of 631 residents of which 401 were telephoned, some of whom were not ratepayers. The Research group's figure of Nett 52% (Page 30) was a cumulative value of two different conceptual and non-related options ("52% of residents already accept that they need to pay directly (via rates: 31%) or indirectly (via service charges and fees: 38%")) and thus one would question the validity of the results. This survey is NOT a true reflection of the ratepayers in the Lithgow LGA when only 31% of the 401 residents favoured an increase in rates. Of the 401 residents, 16% were non-ratepayers. Thus, rounding up, only 31% of 337 (=104) residents, being ratepayers, were in favour of a rate increase. I do question the section of the report (pages 31-32) that addresses Community Consultation (which is only 401 residents). I also question the style of the questions (as per the report tabled at the August 2018 General Meeting) especially when they were read (pg 23 – "This statement was read to residents prior to asking further questions") to the resident on the telephone, are closed- style questions (pages 51-57) that were skewed with no option to add comments. The disclaimer at the beginning of the report "no guarantee .....accuracy and reliability" is questionable as the scientific definition of reliability when applying research methodology is the repeatability with similar results. This survey was not repeated and thus is not reliable. Furthermore, very few residents were advised that consultancy of this nature was to occur in 2018. Again questionable actions of Lithgow City Council that one could state lack transparency.
- Extraordinary Meeting conducted on Tuesday 29 January which, prior to the commencement of the meeting, no public forum could be held. It was only after cumulative negative ratepayer reaction (including social, printed and televised media) did Councillor [REDACTED] request, at the start of the meeting, that a vote be called to allow for a Public Forum for 15 minutes only. This time period was not sufficient for many members of the public gallery to voice their concerns regarding the special rate variation. This was the one and only time that the public – the ratepayers - could consult publicly with the Lithgow City Council.
- Telephone survey conducted by Micromex Consulting only surveyed a small percentage of the ratepayers (less than 1000 people) and being conducted during a period when many families would be on holidays / vacations as was highlighted at the Extraordinary Meeting (29 January 2019)
- Lack of communication between the Lithgow Council members [REDACTED] [REDACTED] as identified at the Extraordinary Meeting (29 January 2019) and acknowledged by Councillors [REDACTED] (re communication), [REDACTED] ('accept..understand... confusion and anger...poorly communicated')
- Some of the Councillors at the Extraordinary Meeting (29 January 2019) going to the extent of blaming the current NSW Government for Lithgow City Council's current financial state e.g. Councillors [REDACTED] ('...asking the community...current NSW government...blame...would not have to ask for money...asking the ratepayer for the long term...') and [REDACTED] ('...government direction...pressure from NSW government Fit for the Future put in place prior to council amalgamations...page 7 of the report the then Minister Paul Toole ...ironic..')

- The current 4.77% SRV, as identified at the Extraordinary Meeting (29 January 2019), was only temporary but had been for a few years. Thus the question to be asked is why was this rate initially implemented and if for financial difficulties why is Lithgow City Council still in this position – mismanagement? This is a possibility as there has been a change in the projected total revenue raised quoted in the ratepayers letter (December 2018) from the [REDACTED] using the same SRV value of 11.7%. I do question the ability of Lithgow City Council to budget, when keeping in mind the current councillors (as identified by [REDACTED] at the Extraordinary Meeting, most of them being ‘a change of faces since 2016’) voted at the August 2018 General Meeting (Minutes - Item 18) for a 2.5% pay increase for themselves, and most households in the Lithgow LGA are struggling but able to budget on
  - wages that have been static for the last couple of years (with a maximum of 1% annual increase)
  - wages that are below the NSW (and in many cases Australian) average as per the 2016 Census
  - Centrelink payments (Newstart, various pensions) that have not increased whilst each year the cost of living increases with expenses such as car registration (rural location), insurance policies (health, car, house/contents), utilities, food increase between a minimum of 5% averaging +10% annually.

The letter to ratepayers is flawed as the costings are based on the 2016 Land Valuation set by the Valuer General. The costings are NOT based on the Land valuations effective at 1 July 2018 which will come into effect for the 2019/2020 financial year. An article in the Village Voice Issue 243 – 18 January 2019 – quoted there has been a significant increase averaging 7.5% in the residential land values and in particular 13.9% increase in Lithgow commercial land values. If Lithgow City Council had provided a third Option of just retaining the 4.77% I have estimated (using the 7.5% land valuation increase effective from the 1 July 2018) that just with my property alone, there would be an approximate annual increase of \$120 - \$150 in my residential rates.

Whilst there has been a 13.9% increase in commercial land values in Lithgow, it is to be noted that [REDACTED] is not an attraction for new business(es) to invest in Lithgow. A further disincentive for potential business(es) would be the proposed and accepted Option / Scenario 2. It is to be noted that a few business owners present at the Extraordinary Meeting (29 January 2019) voiced their opposition and dismay with the proposed special rate variation. It also should be noted the [REDACTED] submitted to the Village Voice (1 February 2019 edition), from a ratepayer (also a business owner) who was not afforded the opportunity to speak at the Extraordinary Meeting (29 January 2019). Within the last two years many residents (including ratepayers) have verbalised their concern regarding the closure of many businesses in Lithgow and surrounding towns within the Lithgow LGA.

Lithgow City Council councillors voted (7 in favour, 2 against) at the Extraordinary Meeting for a permanent 11.7% SRV. It would be a timely reminder to Lithgow City Council a snapshot of Lithgow LGA as per the results of the 2016 Census.

- The median age of the 21,090 people in Lithgow LGA was 45 years
- Private dwellings – median weekly household income was \$984 (approx.. \$51168) – well below the NSW and Australian annual average income
- Permanent employment – fulltime of 54.8 % – below both NSW and Australian averages

- Median Personal Weekly income of \$510 – below both NSW and Australian averages
- Household Gross weekly income below \$650 is 31.2% which is significantly HIGHER than that in NSW and Australia
- Household Gross weekly income above \$3000 is 9.5% which is significantly LOWER than that of NSW and Australia

It is quite apparent, using the 2016 ABS Census statistics (and a concept utilised by Micromex Research for their August 2018 Report), that ratepayers of Lithgow LGA cannot afford the permanent 11.7% SRV. Lithgow LGA has an aging population whose annual income is below both the NSW and Australian averages.

It is also disconcerting to read of bullish tactics being publicised (article from Village Voice – Issue 243 – 18 January 2019 and Issue 248 – 22 February 2019) that Lithgow City Council will adopt to raise revenue. Whilst there is no source from Lithgow City Council being quoted / referred to in the article it has raised ire and questions from residents (including ratepayers) regarding the validity of Council taking such actions including fines. Recently, within the last week, a Lithgow LGA business owner was confronted with a recent 100% increase in application fees. There was no consultation and one would question the lack of transparency displayed by Lithgow City Council especially as the fees were accepted (with no prior consultation) at the August 2018 General Meeting but addressed as Water and Sewage charges. These two examples display the blatant and desperate disregard that Lithgow City Council has towards the ratepayers and further disincentive to promote and encourage growth and investment from businesses.

It is also of interest that the letter from Lithgow City Council – ‘Why can’t my current rates pay for the additional maintenance and renewal works’ itemises Executive, communication and support services as one of the many services being funded. My proposal to reduce costs in this area includes:

- [REDACTED] whose annual income would be between 4 to 5 times more than the average annual income of the residents (many of them being ratepayers) of the Lithgow LGA
- Reduce the number of councillors from 9 to 7, especially when they are ‘supposedly’ representing only 21,090 people. This in turn would weed out the non-performing councillors who just got in due to preferences from other candidates.

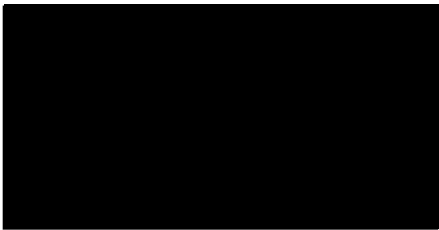
To summarise, I am OPPOSED to the proposed SRV rate of 11.7% as voted by majority of the Lithgow City councillors. I suggest an alternative option of retaining just the current 4.77%, which in line with new land valuation rates will provide a suitable revenue, along with [REDACTED] and reducing the councillor numbers from 9 to 7.

I would like my letter with my opposition to Lithgow City Council’s application to the Special Rate Variation (in particular Option 2):

1. be assessed by IPART, and
2. IPART not approve Lithgow City council’s application based on points 2 and 3 of 2.2 Assessment Criteria and the Attachment 2 – Minimum rate increase application checklist – for evidence of the impact on ratepayers and evidence of community consultation (Guidelines for the Preparation of an Application to Increase Minimum Rates above the Statutory Limit, September 2018).

I will be submitting this letter online but also posting the letter with most of the documents cited (excluding the Minutes and Attachments from the Lithgow City Council August 2018 General Meeting – easily accessed on line). Finally, I along with many ratepayers look forward to a positive outcome and not having to be put in an additional financially stressful situation.

Yours Sincerely



Jennifer Povey  
Ratepayer