

## Re: SRV Dungog Shire Council

### Introduction

I am writing on behalf of my wife Barbara, and myself, with regard to the proposed application by Dungog Shire Council for a 97.8% SRV over the next seven years.

As third generation farmers and operating as a partnership in the Shire for the past 38 years, we are concerned that this proposal places an **unfair** and **inequitable** burden on the farmland ratepayers compared to the other rate categories in the Shire.

Our present rates for the year 2018/19 covering [REDACTED] are [REDACTED]. If the proposed SRV was to take effect that would rise to [REDACTED].

As we consider ourselves competent farmers, who strive to keep abreast of the ever changing improvements being made in beef production, we are simply not able to just produce another [REDACTED] per annum from our business. That money will have to be taken from elsewhere in our budget. This means reducing inputs such as seed and fertiliser, buying lesser priced breeding animals of reduced genetic quality, cutting back on infrastructure improvements and personal expenditure.

All these cuts will result in lower production, which then in turn only exacerbates the problem. It also has flow on effects to the wider community as money will not be spent with our local suppliers of goods and services.

### Notes on the SRV application

#### Community consultation

The application implies that the Council gave the community ample information on its intention to apply for the SRV, however as an interested community member who attended public meetings and two council meetings, I cannot agree that this was done effectively.

In March 2018 I, along with about a dozen others, attended one of the community meetings that was held to discuss the Council's financial situation. Despite the many dire projections shown to us, no mention was made of this 97.8% proposal. A total of 109 people out of the Shire's population of 9114 (Morrison Low report p5) or 1.15%, attended the six meetings.

A Community Reference Panel was then set up, whose members were supposed to consult with their communities. I don't know who sat on the panel and heard nothing from them.

I was unable to attend one of the next series of meetings, which I believe had even less attendees.

A survey letter came out with the rate notices in July 2018 which basically gave the two options of a 97.8% SRV or what services do you think Council should cut?

A telephone survey was then held, but I have not been able to find anyone in the farm sector who was contacted.

After learning that a councillor was putting forward a paper to the Council for consideration of the effect a 97.8% SRV would have on the Shire's farming community I, and a number of other residents, attended the November General Meeting. Much to our dismay the paper was rejected by the meeting. Some of the comments given by Councillors were upsetting such as "rates are tax deductible", "farmers have large value properties and could sell some off" and "this is an opinion piece".

I also attended the December General Meeting where, after a long debate on an amendment to the motion for a lesser SRV was defeated, the motion to apply for a 97.8% SRV was carried.

## **Comparison to other Shires**

The Morrison Low report that the application places so much weight on, compares Dungog Shire with other rural Group 10 Shires.

As a small coastal Shire with a much smaller average farm size and income, we cannot be compared to inland Shires who have much larger average size and more productive farms.

Even still, our present ad valorem rates are not that much different to other Shires in the group. The proposed SRV would take us ahead however.

## **Willingness to pay**

The Morrison Low report uses very dubious reasons to say we have the willingness and ability to pay almost twice our present rates.

The 4<sup>th</sup> highest household income (ML p80) may be true across the Shire but would not be across the farm sector.

The 9<sup>th</sup> lowest outstanding rates out of 22 is very near the middle and will only get worse after a 97.8% increase.

Highest proportion of healthcare ownership. What has this got to do with willingness to pay? Health insurance will become one of the first casualties of low income earners, pensioners and farmers budgets.

## **Reasons for the SRV**

The key purpose given throughout the application is to address Dungog Shire Council's financial sustainability and maintain essential community infrastructure including Council's road network, timber bridges and community buildings.

With regard to the roads and timber bridges, the coalition state government on the 21<sup>st</sup> February 2019 has provided \$16m for the timber bridge renewal.

[\(https://www.michaeljohnsen.com.au/releases/dungog-shore-receives-16-million-commitment-for-bridge-repair-funding/\)](https://www.michaeljohnsen.com.au/releases/dungog-shore-receives-16-million-commitment-for-bridge-repair-funding/)

The NSW Minister for Roads then gave a commitment to take over the main state and regional roads in the Shire, previously placed back onto the Shire, which became a large

burden on the Shire's finances. (Mayoral Update 25/2/2019 & Reaffirmed by the Member for Upper Hunter, Hon Michael Johnsen, at a meet the candidates meeting at Dungog RSL on Thursday 28<sup>th</sup> February 2019)

The Labor Party has promised a grant of \$10.5m and an undertaking a review into the roads classification should it be elected to government. (Mayoral Update 3/12/2018)

As stated on p20 of the application

*"Of the above \$22,780,000 of backlog works, the largest area of concern is the roads and bridge networks which account for \$14,295,000 or 63% of these required works."*

As the total amount for the timber bridge replacement program shown at the bottom of the table on p20 is \$16,089,750 (which figure is right?) these funds will either completely cover these costs or go a long way towards doing so.

Shouldn't we wait to see what funding comes to the Shire before slugging the poor ratepayer?

## **Conclusion**

The problems that beset the Dungog Shire Council are of their own making.

During the investigations in 2016/17 into the proposed amalgamation with a neighbouring Council it became abundantly clear that Dungog Shire lacked the scale and capacity to meet the NSW State Governments "Fit For the Future" criteria.

The obvious, and most popular proposal put forward at the time, was to amalgamate with the Port Stephens Shire. This was evidenced by the feelings of ratepayers who gathered at public meetings at the time. It came with a large offer of funding from the NSW State Government.

The decision taken by the then Council to reject the amalgamation was roundly condemned by the community and several Councillors and the General Manager resigned. This left a very small number of Councillors and an Acting GM.

We feel the State Government should have stepped in at that point and put the Council into administration and followed through on the amalgamation.

The present Council now is trying to play catch-up with the proposed 97.8%SRV, which even if we were able to afford to pay it, will only push the problem back for a few years as the financial predictions show that the Council will be short of funds again by 2035.

The proposed 97.8% SRV is extremely unfair to the farmland ratepayers. They will carry the biggest burden of this increase with little capacity to pay, yet they use exactly the same services as the rest of the community.

Rates are a **tax**, a tax on the value of your property.

What other Government would consider a 97.8% increase in tax of any form? Income tax, Capital Gains Tax, Stamp Duty.

It would not only indicate a complete lack of fiscal acumen, but also be political suicide!

We ask that IPART refuse the proposed SRV and that the NSW Government enter into serious discussions regarding amalgamating with a neighbouring LGA or a boundary adjustment for the Dungog Shire LGA.

Yours Sincerely

Murray and Barbara Brooker

[REDACTED]

[REDACTED]

4<sup>th</sup> March 2019