

20th February, 2017

Independent Pricing & Regulatory Tribunal
PO Box K35
Haymarket Post Shop
NSW 1240



Attention: The Chairman,

Dear Sir and other tribunal members,

Re: **Shoalhaven Council's application for Council rate increases for the years 2017/2018 & 2018/2019.**

On behalf of myself and my wife I write to this independent body in the hope that it will reject the Shoalhaven Council application for the rate increases that it seeks for the abovementioned periods and only grant the normal increase of 1.5%.

The reasons for such an objections are: - a) attempt by council to force residents to choose between **unacceptable scenarios.**
b) **no evidence based information** for proper evaluation for each of the scenarios.
c) failed to consider the large population of retirees and their ability **to fund such increases** in rates.

The Council in giving the residents only the scenarios that they wanted to be accepted, failed in their duty by not allowing a further choice of **no rate increase** at all. Its attempt to cajole the rate payers into accepting a foregone conclusion is inconsistent to how a Council should operate.

The Council has been derelict in its duty by **not supplying evidence based information** for the community to properly access and evaluate all of the proposals placed before us. The Council web site is of little value and fails to show in any intelligent manner where there is the necessity to have our rates increased to such exorbitant levels.

With the exception of a few FAQ on the Council's web site, there has been no evidence forthcoming from Council in relation as to how they came to such a horrendous conclusion in any of their rate adjustment scenarios.

The Council indicates that if the proposed rate increases over the next two years is rejected, then asset conditions may decline, that roads may deteriorate, that fixing roads may cost more, etc.

Is assuming that certain events may occur the correct method by which horrendous rate rises are analysed?

Council has given every indication that it will not improve service levels and, therefore, by this statement only existing infrastructure will benefit, but I would ask this Tribunal to investigate what happened to the additional rate increase of 4.6% in 2013 that your body allowed this Council several years ago for exclusive use on roads and footpaths in the Shoalhaven.

Has there been any real change in the depreciating position of the infrastructure of the Shoalhaven since 2013, or is it that this Council is attempting to mislead the Tribunal and thus punish the community with further debilitating cost increases.

Council stated that it last carried out an efficiency review in 2012 for the previous excessive rate increases, but yet there is no evidence that Council has intentions of carrying a similar review to justify a rate increase that is more than double that sort by it only a few years ago.

If we as residents are not able to convince Council to justify their assertions, then maybe the Tribunal, as a higher authority, may!

There is no evidence that Council has truly investigated the area of depreciation valuations that may offer a more advantageous method of better accounting practices, thus placing less emphasis on such draconian rate increases.

It is understood that Council needs to keep a certain amount of funding for what could be termed as a "rainy day scenario". However, could not this present situation be termed as that "rainy day"? Would not the use of a proportion of the millions of dollars held by the Council in bank accounts and investment portfolios be better used for maintenance upgrades in the community instead of being stashed away in secret accounts?

To confuse the issue of evidence based reasoning, the Mayor, in a recent radio interview was heard to say that she had no idea where the additional funds for the rate increase would be spent, except to say that she envisaged more parks and recreational friendly areas.

Considering what the official diatribe stated in the Council web site of this rate increase only being used for existing infrastructure coupled with the abundance of parks and recreational areas in the Shoalhaven area, it is no wonder that the community is somewhat sceptical of Shoalhaven Council's request to your tribunal.

With respect to the affordability issue in the event of such a catastrophic rate increase on community members such as ourselves, we, as pensioners on a fixed income from a Government age pension scheme, like many others in the Shoalhaven, will have to reduce expenditure in other important areas of our daily survival so as to **fund such rate increases**.

As you may be aware, the pension doesn't pay much. Most pensioners, like ourselves, have little access to other sources of income and therefore find it difficult to keep abreast of current outlays such as the current Council rates, etc.

How may I ask, are we to manage this horrendous rate increase yet still be able to cope with proposed increases in electricity, gas, fuel and food etc.?

It is noted that Council in the web site acknowledge that pensioners do run into difficulties paying their rates and Council do offer extended payment plans. However, what Council forgets to recognise is that we as pensioners still have to find the extra money for this rate rise without any additional resources and therefore additional time to pay makes little difference at all if there is no extra money to pay for it.

We would ask, how more discriminatory can this Council get than to put a low income group, such as pensioners, in a more monetary disadvantage position, thus creating an unnecessary "affordability crisis"?

Consideration should now be given to the recent Council elections in September 2016 when, to my recollection, there was no mention by the current Mayor (██████) during the election campaign that she was considering such huge rate increases, or, for that matter, any rate increases for the Shoalhaven.

