28 September 2022

Ms Carmel Donnelly PSM
Chair
IPART
PO Box K35
HAYMARKET POST SHOP NSW 1240

Email: ipart@ipart.nsw.gov.au

Dear Ms Donnelly,

Re: Submission against Population in Rate Peg Implementation among a few other criticisms, remaining as complaints.

Before moving to reinforce with you the problems of your ToR dealing with Population in Peg (PIP) and your "supplementary" papers dealing with that issue. I take the liberty at this time to submit my response to your Determination of May 2022 regarding you granting a +15% (2%peg +13% SV) Rate increase upon the ratepayers to the Central Coast Council in Administration in the following at pages 1-18 below. The remainder of this submission, starting at page 19, deals with PIP.

This submission has no good news for the Ratepayers of the Central Coast and NSW overall nor IPART nor the Premier, nor the OLG Minister.

In the matter of the Central Coast Council, I talk to the General Rates application, not Water so much, that is best left for a separate response. This submission goes to you granting in the month of May 22 suspiciously and conveniently coincides with the release of the Councils May 22 Financials. Yet you did not stop to reassess and consider with the performance facts in those financials that must have been known to you prior to your final closing of assessment and published determination.

Simply, the improved operating results from the effort of Administrator Perssons and Hart clearly show their remedial actions to rectify the mischief of the previous Council executive and the implementation of the delayed merger going as far back as 2016, have had time to take effect and you should have been responsibly monitoring the Councils financial progress over the 2021/22 period before your Determination, covering this matter.

During which time we have seen the cash flow crisis obverted, productivity improvement take effect, the loans of $150M being serviced without default, Payroll brought down to merger expectations, headcount reduced, underperforming assets sold off and income increased and liquidity reinstated. All without your +15% even being in effect in practice.

Yet despite these welcome improvements it remains alarming that we now see that the Investment Portfolio of ratepayer monies on deposit climb from $450M to $620M! – which goes to further concern that this whole exercise has resulted in a ballooning savings account of term deposits, goes to my allegation that the Council is not chartered to be an investment banker.

Nor your stated OPR you show in your determination being well above 0% target and now stands at 2.3% going to 3%. Means that that there is a surplus of funds over and above what is necessary for healthy financial cover by your own standards.

It is in fact that the crisis is well and truly over as the Administrators prepare to depart, BUT I put to you that the Councils poultry +$25M per annum SV is NO LONGER NECESSARY, yet you went ahead and made your determination knowing this, or should have known this.

Apparently, the only remaining remote and weak justification I can find is that of annual rate amount being lower in the CCC LGA compared to those externally surrounding which is not sufficient in reasoning to be fair and equitable on the basis of affordability, when the Council headcount remains 3 x higher per head of population compared to surrounding Councils. Parity or additional harmonisation between external Council LGA's, outside the CCC, being already harmonised internally, when it comes to rates, is inappropriate, and downright unjustifiable.

Whether the Council reduced its payroll through early retirement, retrenchment, reassignment or move to outsource by subcontracting more services is unknown, you make no comment in your determination so it can only be assumed you failed your due diligence in assessment. Further;

Your assessment found within your discretionary Determination document Special Variation Application - Final Report of May 2022 being your judicial "Reasons for Judgement" at page 14 "Impact on net cash (debt)". You said:

> *"On 30 June 2021 the council's consolidated (including Water and Sewer) funds held $249 million in cash and investments, with:*
> *• $173.5 million externally restricted*
> *• $92.2 million internally restricted*
> *• -$16.9 million unrestricted "*

If this statement was to have as its origin with the CCCouncil it is held as purposely deceptively crafting the facts to mislead the Tribunal in its assessment. On the other hand, it goes to your lack of due diligence in assessment.

By downplaying the Councils actual and truthful financial position.

The assessment before the Tribunal was one of General Rates SV, being. business away from its Water business. Clearly the inclusion of Water and Sewer has possibly negatively skewed and biased these figures to portray a weaker financial position. A reduction not providing a true and faithful transparency to the Tribunal.

Central Coast Council

Statement of Financial Position
as at 30 June 2021

$ '000	Notes	2021	Restated 2020	Restated 1 July 2019
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	**65,709**	92,296	44,059
Investments	C1-2	**164,794**	166,210	340,739
Receivables	C1-4	**62,498**	81,154	68,807
Inventories	C1-5	**1,403**	1,646	1,391
Non-current assets classified as 'held for sale'	C1-7	**44,358**	–	–
Other		**3,608**	6,459	5,481
Total current assets		**342,370**	347,765	460,477
Non-current assets				
Investments	C1-2	**255,297**	104,202	93,717
Receivables	C1-4	**3,384**	3,768	3,409
Infrastructure, property, plant and equipment	C1-8	**7,344,078**	7,228,783	7,078,487
Intangible Assets	C1-9	**19,710**	8,932	1,703
Right of use assets	C2-1	**2,483**	1,804	–
Other		**623**	254	336
Total non-current assets		**7,625,575**	7,347,743	7,177,652
Total assets		**7,967,945**	7,695,508	7,638,129

It is a fact that on or around the same time the Council within its own published and at its Council meeting just prior (February 21) the Administrator/s Communicated and Published their Operating Report to the public and in that document, it was shown that its Investment Portfolio to be $450M approx. in cash and many term deposits, being ratepayer monies. This was detailed down to the ADI institution, amount, type, and term all found within the table of its Investment Portfolio prior to the 30 June 2021.

[Quick pivot: At page 30 of the Councils 2021 Annual Report:

> **"Compliance with Legislation and other Requirements**
>
> *Council came to the view in October 2020 that monies received by the Water Supply Authority under the Water Management Act is within the scope of s.409(3) of the Local Government Act and are therefore externally restricted by s.409(3)(a) of that Act. <u>This means Council accessed restricted funds during 2020-2021 without the approval of Council (for internal restrictions) **nor the Minister** (for external restrictions), as required by the Local Government Act 1993."</u>*
>
> In other words, the Administrator has apparently breached restrictions by accessing restricted funds he neither had the Council (removed) or the Ministers approval, so what is that illegal access and use?]

Back to Invested monies.

In the above reported current and non-current assets there has been a swing from "current" to "non-current" of "investments" line item. It is shown:

> In 2019 Investments "current" = $340M down to $165 M in 2021 (delta = minus $175)
>
> In 2019 Investments "non-current" = $94M up to $265M in 2021 (delta = plus $171 M
>
> Total Investments in 2019 was $434M and $430M in 2021.

Irrespective of the reasons why the Administrator considered locking up more funds in non-current terms now found to be at very low interest rate and not in the best interest of ratepayers, remains for further explanation by Council, but this illumination shows beyond doubt that at the <u>30 June 2021 the Council had $430 M in investment</u>s and this is reconciled as being what was told to Community in Council Meetings of February 2021 and in its subsequent Operating Report – Investment Portfolio breakdown as evidenced below:

<u>On 2 February 2022</u>, some 7 months later, the Councils CFO wrote to me and said:

*"Council's portfolio is valued <u>**at over $550m**</u> with $33.2m (approximately 6.0%) invested with Bank of China, China Construction Bank and Industrial and Commercial Bank of China, placed between November 2020 and January 2021 when they provided the best returns. Since then, Council has placed over $400m with other institutions" -*

My submission to IPART on 6 March 2021 stated:

Submission #7 – *"Challenge to Procedural Justice "*and "*Proposed Orders to Restrict Applicant if Successful*" – in the matter of CCC in IPART – Community View - 6 March 2021

c)

Total Term Deposit & Bonds:	**403,504,004**	**89.28%**
TOTAL PORTFOLIO	**451,960,526**	**100.00%**
Current	283,373,522	62.70%
Non-Current	168,587,004	37.30%
TOTAL PORTFOLIO	**451,960,526**	**100.00%**

d) Shows a total portfolio value of **$452M** being **<u>$283M</u>** <u>current</u> plus **<u>$167M</u>** <u>non-current</u> on top of the **<u>Cash at call of $49M</u>** <u>in a) above</u>.

e) Goes to the issue of <u>Need and Truthfulness</u> for his SV application to IPART

So, in the period from 30 June 2021 to 2 February 2022 the Portfolio has grown from $430M to $550M – up $120M in 7 months!

Central Coast Council has placed its draft Operational Plan 2021-2022 including proposed fees and charges on exhibition for community feedback.

At a glance

- The Operational Plan is the financial plan for financial year 2021-22
- Now open for public comment until May 26
- It is based on 15 per cent rate rise (plus harmonisation)
- Surplus of $7M forecast
- State Government cost shifting explained as a $45M burden
- State Significant Developments give money to State but Council does the work
- Pensioners rebates a heavy cost
- Lists 350 capital work projects
- Water rates will be adjusted after March CPI figures known
- Interest on late rates will be 6.75 per cent.

The Operational Plan provides residents with an overview of essential services, programs and capital works projects for the year ahead and is exhibited annually for community input.

The fees and charges do not include a comparison with last year's fees.

As part of Council's plan towards financial recovery, the 2021/22 operational plan forecasts Council's operating income as $666.8M from which Council will spend $659.8M on services and operational costs resulting in a modest surplus of $7.0M.

This forecast is based on the Independent Pricing and Regulatory Tribunal (IPART) allowing council to impose a 15 per cent rate rise - called a special rate variation.

It does not include capital grants and contributions, which Council says will be allocated towards repaying the restricted reserves debt.

Council proposes to spend $173.5M on capital works projects, with a focus on depreciation and maintaining Council's existing infrastructure.

This includes more than 350 capital works projects in 2021-2022, with the draft plan including details of capital works projects for the following three years.

"Should IPART determine no Special Variation, then the numbers that Council is working towards would reduce and more budget cuts will need to be applied," the Council said.

The plan explains that Council is currently not financially viable and the need for the rate variation has been demonstrated by the current situation in which Council finds itself.

"Even with actions including staff, expenses and capital expenditure reductions and raising $150M in external borrowings, Council's long term financial viability is not achievable without a Special Rate Variation," the plan states.

Rates income represents 29 per cent of Council's income.

Council says a rate variation would improve the underlying position of Council's General Fund.

"This would allow the provision of services, the repayment of borrowings and the eventual repayment of the funds spent from restricted funds," the plan outlines.

"Without the variation, Council would need to reduce its operating expenses further which would mean a further reduction of the workforce by a third.

"This would potentially result in significantly reduced services below acceptable levels.

It would impact the ability to deliver services and works.

"The staff levels would be below those at amalgamation, which themselves were artificially low as identified in the Administrator's 30 day report."

The report states that it will need to updated before implementation because water and sewer charges will be adjusted for CPI increases.

"Council has estimated the CPI multiplier as 1.5% as the CPI for the March quarter 2021 has not been released at the time of developing the draft 2021-22 Operational Plan budget," Council said.

"Once the CPI is released Council will calculate the multiplier to apply to the 2021-2022 charges.

The plan outlines the cost to the Council from State and Federal government's "cost shifting".

Cost shifting is where the responsibility and/or costs of providing a certain service, asset or regulatory function are shifted from a higher level of government to a lower level of government.

The cost is shifted without providing corresponding funding or adequate revenue raising capacity.

Council said cost shifting continues to place a significant burden on Council's financial situation, to the tune of about $45M per annum.

"Despite the recognition of cost shifting and its adverse impacts on NSW Local Government there has been no change in funding for these costs," the Council said.

"Examples of cost shifting include contributions to NSW Fire and Rescue, NSW Rural Fire Services and NSW State Emergency Service, lack of adequate funding for public libraries and the failure to fully reimburse Councils for mandatory pensioner rebates.

"Our region has a higher proportion of aged pensioners compared to other local government authorities," Council said.

"As the number of eligible pensioners increases in our local government area Council must fund a larger amount of pensioner rebates.

"The estimated total amount of pension rebates for ordinary rates and domestic waste management charges in 2021-2022 is $6,373,000 of which 55% is funded by the NSW Government with the balance funded by Council."

Council also gives pensioners a reduction of 50 per cent of the water supply service and water usage charges levied up to a maximum of $87.50 and a further reduction of 50 per cent of sewerage service and sewerage usage charges levied up to a maximum of $87.50.

Of these reductions 55 per cent is reimbursed by the NSW Government.

The estimated total amount of the pension rebate in 2021-2022 is $4,228,000.

The Minister for Local Government has determined that the maximum rate of interest payable on overdue rates and charges levied under the Local Government Act 1993 for the 2021-2022 rating year will be 6.75 per cent.

Council said that income related to development applications has fallen in recent years and a significant proportion of this is a result of changes to State Significant Development (SSD) provisions, including specific provisions of the Gosford City Centre.

"Under these circumstances applications are lodged (and fees paid) directly to the Department of Planning Industry & Environment," the Council said.

"These SSD provisions are generally for larger applications and therefore the fees are significant on a per application basis.

"Council officers are still required to undertake assessment work for these applications, through formal referral processes, so whilst the fees are reduced, the level of work remains approximately the same."

Administrator Dick Persson said the draft operational plan takes into consideration Council's current financial situation and structural reduction in staff expenses.

"Every year Council presents a plan of works to the community in line with what they have told us is important to them, which is the continued delivery of essential services, the environment, community facilities and open space and recreation," Persson said.

"It is important to note that Council has actively taken steps towards financial stability, and while there is a calculated reduction in service levels this does not mean the delivery of services will stop.

"We are still looking at delivering over 70 essential projects that will better our region and community, and we can do this because we are aware of how much money we have available, we have prioritised spend and this is the core business of Local Governments – to put back into the community.

"I encourage everyone interested to take a look at the plan and have your say."

The draft Operational Plan including proposed Fees and Charges will be on exhibition until Wednesday, May 26.

View the plan and Have Your Say at yourvoiceourcoast.com

Source:
Media release, Apr 27
Central Coast Council
Draft Operational Plan

Nowhere in this public statement of 27 April 2021 does the Administrator illuminate nor address the Councils Balance Sheet and improvement in Investment Portfolio balance!

Look at this evidence below "Variance due to increased investments following receipt of $150M bank loans"

Does that not show the Council taking receipt of the full loan facility and acting like an Investment Banker – by not responsibly and gradually drawing down upon the loan facility when needed, thereby keeping interest expense to a minimum. No, because the loan funds were at a very low interest rate (0.10%) was the then market rate published by the RBA (see below). The Administrator thought he could reinvest the full $150M at a higher rate, he had enough cash at call to cover operating expenses. But alas that has now only locked in ratepayer monies at very low interest, now we find rates for term deposits, let alone cash at call rising well beyond 0.10%, beyond 2.35% and more to come, as at today as shown here:

https://www.rba.gov.au/statistics/cash-rate/

Source: RBA

Interest Rate Decisions

About the cash rate target

Effective Date	Change % points	Cash rate target %
7 Sep 2022	+0.50	2.35
3 Aug 2022	+0.50	1.85
6 Jul 2022	+0.50	1.35
8 Jun 2022	+0.50	0.85
4 May 2022	+0.25	0.35
6 Apr 2022	0.00	0.10
2 Mar 2022	0.00	0.10
2 Feb 2022	0.00	0.10
8 Dec 2021	0.00	0.10
3 Nov 2021	0.00	0.10
6 Oct 2021	0.00	0.10
8 Sep 2021	0.00	0.10
4 Aug 2021	0.00	0.10
7 Jul 2021	0.00	0.10

$ '000	2021 Budget	2021 Actual	2021 Variance		
STATEMENT OF CASH FLOWS					
Cash flows from investing activities Variance due to increased investments following receipt of $150M bank loans.	(125,758)	(286,882)	(161,124)	128%	U
Cash flows from financing activities Variance due to additional loans funds of $150M.	5,218	111,563	106,345	2,038%	F

So, how does these facts go to your, or the Administrators statements of crafted reduction. Restated

> *"On 30 June 2021 the council's consolidated (<u>including Water and Sewer</u>) funds held $249 million in cash and investments, with:*
> - *$173.5 million externally restricted*
> - *$92.2 million internally restricted*
> - *-$16.9 million unrestricted "*

What $249M – well that is just BS!

When Investments, without cash, is $550M+ by the time of your assessment and your determination and even grew to $620M stated in the Councils FYE 2022 Annual Report? <u>The Council has no charter to be an investment banker. And that argument is clearly reflected and shown in your OPR justification well above your own target of 0%</u>

Your assessment and determination are flawed, you failed to remove the possible negative skew of Water and Sewage which was not within the scope of your assessment, so held as not "well-reasoned" a mandatory requirement for your discretionary power to be in effect. A flaw beyond erring.

A determination that by its excess goes way beyond the primary reason for the SV application, being remediation of the initiating mischief as stated as the reason for his application for the SV.

Box 1 Operating Performance Ratio as a measure of financial performance

The OPR measures whether a council's income will fund its costs and is defined as:

$$OPR = \frac{Total\ operating\ revenue - operating\ expenses}{Total\ operating\ revenue}$$

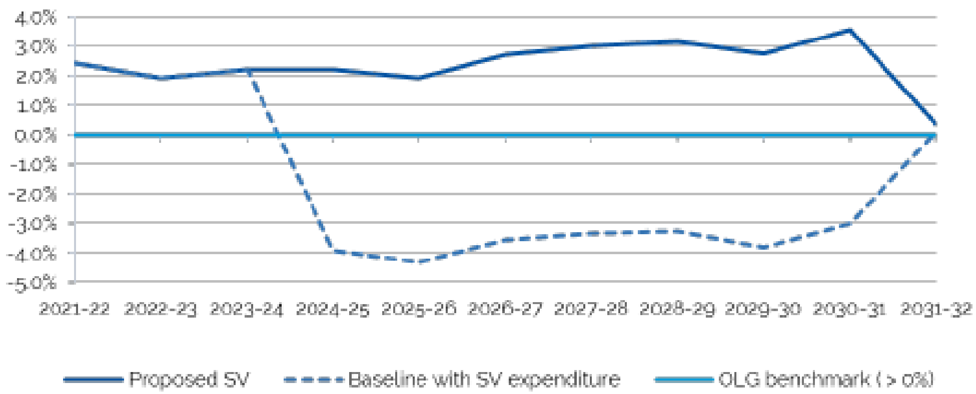
where revenue and expenses exclude capital grants and contributions and are net of gains/losses on the sale of assets. The ratio also excludes capital expenditure.

The Office of Local Government has set a benchmark for the ratio of greater than or equal to 0%.

Generally, we consider that a council's average OPR over the next 10 years should be 0% or greater, as this represents the minimum level needed to demonstrate financial sustainability. A consistent OPR substantially above 0% would bring into question the financial need for an SV.

However, we recognise that other factors, such as the level of borrowings or investment in infrastructure, may affect the need for a council to have a higher or lower operating result than OLG's breakeven benchmark.

Figure 4.1 Operating Performance Ratio (%) excluding capital grants and contributions (2021-22 to 2031-32)



Source: Central Coast Council, *Application Part A*, Worksheet 8 and IPART calculations.

Table 4.1 Council's projected operating performance ratio with proposed special variation, 2022-23 to 2031-32 (%)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Proposed SV	1.9	2.2	2.2	1.9	2.7	3.0	3.2	2.7	3.6	0.4
Baseline with SV expenditure	1.9	2.2	-3.9	-4.3	-3.5	-3.3	-3.3	-3.8	-3.0	0.1

Source: Central Coast Council, *Application Part A*, Worksheet 9 and IPART calculations.

The effect of your determination, given these facts is held overzealous and excessive, being well over 0% for a service utility, a not-for-excessive profit objective. Clearly as the graph shows your determination has approved this excess and it is ongoing – leading to the assertion and claim that your extension from 3 years to 10 years was excessive and disproportionate. That your original determination for 3 years of an SV of $25M per annum is but a very small component (proportionality) of the now more normalised income as shown in the CCC May 22 Financial Report, excluding your Determination on that increase (see my March 2021 submissions #5 and #7 attached again).

Your excess in determination has as you say:

"A consistent OPR substantially above 0% would bring into question the financial need for an SV" being a Special Variation.

So, you have proven this as a fact – why do not practice what you preach?

In addition, you and I both know that "restricted funds" within the Investment Portfolio can be accessed by application from the Administrator to the Minister.

This was an avenue open to the Administrators Persson and Hart for remediation, but they deliberately chose not to provide this option, as public transparency to both Community and the Tribunal. Nowhere in his SV application nor in your determination document do you make mention that this was a feasible and legitimate alternative to a $25M pa SV. – goes to the transparency and possible misconduct to the people and misleading the court.

Restated: "November 2020 and January 2021 when they provided the best returns. Since then, Council has placed over $400m with other institutions" – ref the CFO letter to me dated 2 Feb 22 above and attached.

In this period the Administrators moved a large portion of the $400M from "current assets" to new "non-current asset" deposits ensuring they had a plausible excuse of "*oh. but we cannot now access new term deposits for fear of cost of breaching fixed deposit terms – it cannot be considered an alternative source now - as it is now newly locked away*"

Your/IPART failure to investigate and report in your determination around this fact and findings and your reasoning is failure in due diligence in assessment.

IPART failed to make known to the public in your determination that by the simple act of a letter to the Minister and her positive response releasing restriction in investments, being ratepayer monies, would have negated the SV and the wasted public effort and public cost of that application to you. (No wonder Hancock left early).

By way of example the withdrawal of $33.2M unethically invested in Chinese CCP controlled ADI would have a possible ADI administrative penalty for early withdrawal which may or may be applicable. Really? You consider this forgoing on short time interest and admin penalty fee would not out-way the costs and inconvenience of this SV you approved and the damage your determination has and will cause financially and emotionally damage, the Administrator and you have and will inflict upon the ratepayers of the Central Coast? – being a breach of Tribunal and Judicial Charter not to effect consequential injustice and damage upon the people.

Did you even ask the Administrator why he had not looked at this remediation?

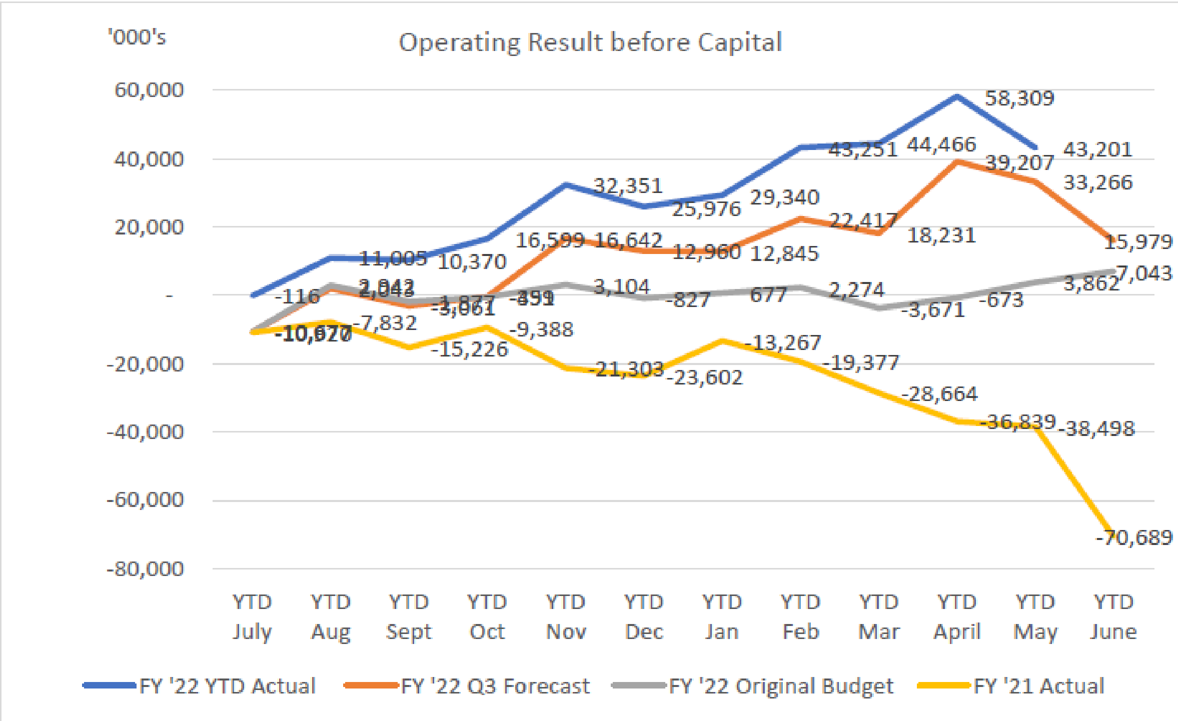
What did he say?

I now turn to the following and hold - goes to possible coercion and orchestrated Determination before release

CCC Financial Performance

Monthly Finance Report May 2022

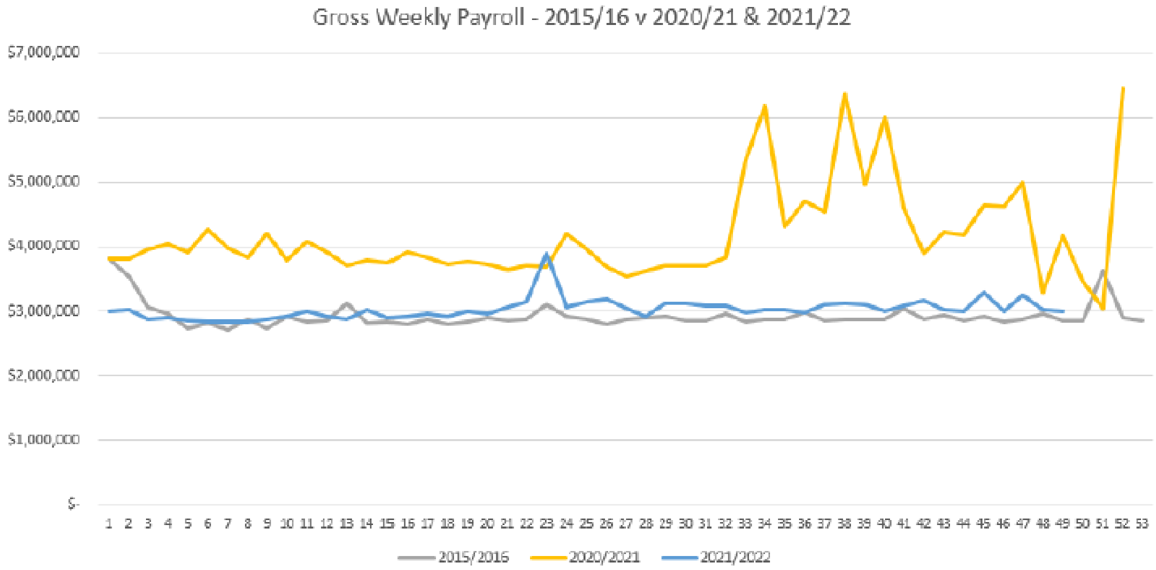
A CCC Report at the time of IPART Determination May 22



Nothing in this financial performance, the blue line, says anything about the need to increase the SV by +15% as IPART has wrongly determined.

The performance was due to the Administrator carrying out the necessary head count reduction and other productivities across the organisation mandatory of completing the merger expected by community, shown by the difference between the blue and yellow line.

The May 22 Determination by IPART <u>must be wound back</u>, its +15% has not been implemented, the crisis is over - <u>goes to premature and wrongful assessment</u>, confirming the alarmist narrative and presentations to public, banks and the Tribunal by the Administrators.

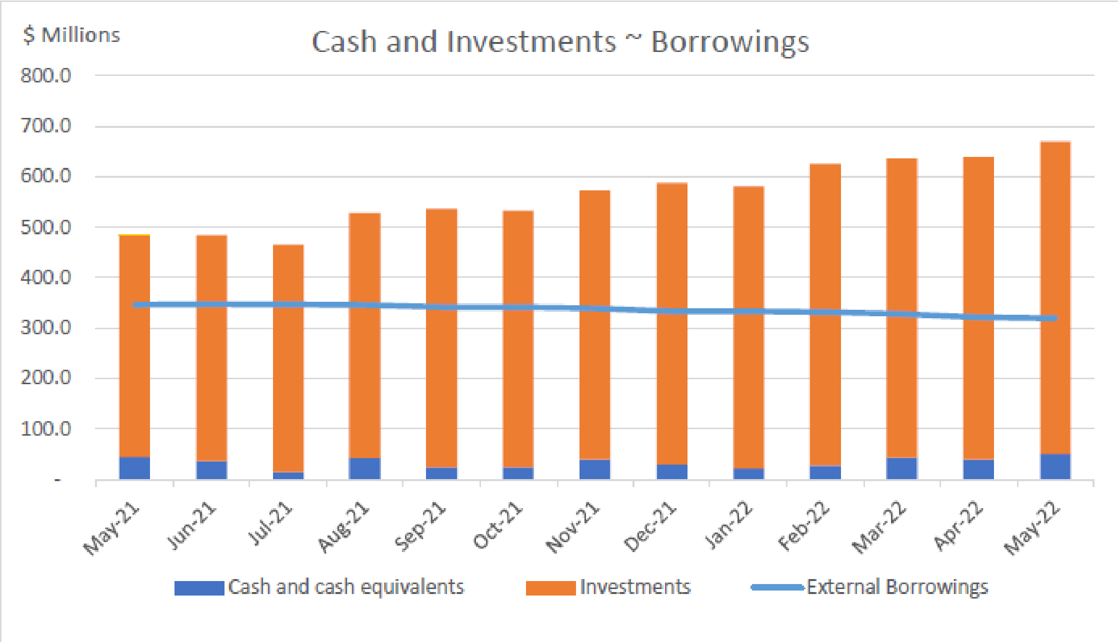


This is a more recent – May 22 update of the blue line in controlling payroll to pre-merger levels – again negating the SV application.

It cannot be clearer that rising wages growth is going to put pressure for a payroll increase. It is the job of any Council to keep wage increases in check and more importantly, in the case of the CCC here heads must continue to roll, (the Wonderland Queen of Hearts policy) as I say elsewhere the current 2,100 heads in the CCC must be further removed to comparable Council Levels, it still remains 3 x comparable Council when it comes to headcount it needs to further come down from 2,100 to closer too 1,000 or lower. For the same reasons the Applicant put to you, IPART, accepted that the average for household rate for CCC be more aligned to surrounding LGA's – <u>you cannot have it both ways, that's called inequality in assessment</u>.

You use in your Determination the principle of comparable LGAs to justify an increase in revenue, but not apply that same principle to cost reduction in payroll (Council headcount) – got it!

Financial Performance – Monthly Finance Report May 2022



Shows investment (excluding cash) is about $620M above the $450M reported in February 2021 and the CFO statement of $550M and taking the current RBA 2.35% as at today the interest earnt that would equate $14.75M per annum return on ratepayer monies. – <u>goes to significantly negating the SV in the medium to long term. With interest rates now increasing to more than 47-fold of 2021 rates - that annual interest contribution to Council income would negate the SV of $25M pa.</u>

Conclusion to the +15% SV now found as fact – that the Tribunal has wrongfully found in favour of the Administrator

In the past 9 months, my:

- Woollies shop has gone up 30%
- Petrol will resume (after 40c tax is reinstated) back to $2.30 something / ltr.
- Electricity base rate from 27c to 33c a 20% increase per kW used,
- Central Coast Council (CCC) rates up 15%! Being a 2% peg +13% SV which you, IPART, so wrongly granted, so inflicting great harm upon citizens, especially when the Council and yourselves failed to properly address "affordability" and "willingness to pay" in both submission and your assessment - going to a civil claim of

lack of procedural fairness by not adhering to your own 6 Criteria in assessment and ignoring the CCC May 22 Financials known to you as facts prior to your convenient Determination.

- CC Council Water Rate increase by 37% - again you’re doing by granting. Despite our dams are full and the root cause of your 15% increase in general rates and +37% in water was the root mischief of past CCC CEO send CFO using restricted monies to advance in time the construction of the Mardi plant for $70M, did so contribute to the cash crisis at that time along with the redirection of $90M in State grant away from CCC to Hornsby Council (the home of that MP Matt Kean – what a joke!).

- *PART has released its Final Report on the prices that the Central Coast Council as a Water Supply Authority (CCC Water) can charge its customers for water services from 1 July 2022 to 30 June 2026.*
- *Our review found that CCC Water must increase its spending so that it can appropriately maintain all of the infrastructure required to provide water-related services*. (Rubbish!) *Customers have told us there were persistent water quality problems in some parts of the water supply system. The increases should enable CCC Water to improve the quality of services its customers receive.*
- *CCC Water proposed an immediate bill increase for typical residential customers of 37% in 2022-23. Under our decisions, typical household bills would increase by around $183 (17%) in 2022-23. This is lower than the initial price increase in our Draft Report. In response to the community’s concerns about affordability, we adjusted the price path to slightly ease bill impacts in the first year of the determination period. Bills would then increase by $80 (6%) in 2023-24, $106 (8%) in 2024-25 and $9 (1%) in 2025-26****, as well as by inflation****.* - **Being Virtue Signalling at its worst.**
- *Use our* ***bill calculator*** *to see what the new prices would mean for your bills.*
- *Our price path allows CCC Water to recover the same amount of money over the 4-year determination period as if we had decided to allow an immediate increase of 28% in typical household bills from 2022-23. This is lower than the 37% immediate increase proposed by CCC Water.* - **Being Virtue Signalling at its worst.**

- *For more information on how these figures have changed since our draft decisions please see our fact sheet attached to our media release.*
- *Over 1,000 stakeholders responded to our Issues Paper survey and 89% indicated that they would prefer any necessary price increases be applied gradually. As a result, we have introduced the necessary price increases over the 4-year determination period in stages. We have also made recommendations to support pensioners and customers who may need extra assistance.*
- *Our review identified the need for CCC Water to substantially improve its performance and accountability to the community. We have recommended a set of performance measures to drive accountability, and that the NSW Government authorises us to review CCC Water's progress in 2 years' time.* **With this sort of BS, the Government won't be in power by then!**
- *We also recommend the NSW Government considers the merits of amending the legislative framework for monitoring performance and compliance of CCC Water. Other major water utilities in NSW are subject to an operating licence, which may be one option to consider.*
    - NSW Government MUST get water out of CCCouncil.
    - Simply put Community does not know what this additional monies are being spent on, Mardi Pipeline has had $70M spent on it albeit early, being the mischief of Council executive back during merger.
    - It is not a "service issue", it is a "product quality" issue. Where are the independent water consultants to measure consumer taste sensitivity tests now and at the end of the 2-year review? – 2 years ago, we were in drought, dams were low and becoming stagnant so more chlorine was required. But that is definitely no longer the case. I know I have had 4 floods to my property in 2 years.
    - Has water taste improved? now the dams are full and fresh - requiring less chlorine additive?
    - And don't start me on the reasons why the CCC Water don't report by feeding dam and reservoir level data into the BOM Water app? – when the rest of Australia can – goes to lack of transparency and removal of Water from the CCCouncil, it has enough on its plate moving forward.

- Yet the bleating's of the non-mandated Administrators sought financial remediation by jacking up general and water rates, which you unreasonably granted that despite warning you, IPART and Ministers that the then LTF of the CCC submitted to you for a poultry +$25M in SV per annum (general rates) was a penalty upon the ratepayers as victims for the poor state management and audit and OLG oversight by the State government. You have shown no Restraint in your discretionary decisions to our minds. What is really important is

- In submissions, being 7 documents, I made then (2021) to the IPART regarding the CCC application for +15% at that time I argued that IPART should be aware that if approved, and you did, that granting would see a significant increase in the deposit of ratepayer monies into the Councils Investment Portfolio, in addition to its wrongful deposit of the full loan amount (at little to no interest earnt, not to mention the $33.2M invested in Chinese communist controlled banks in Australia being unethical investment and grows more so). In 2020/1 the total CCC Portfolio was about $450M as I alluded to back in 2020/1. <u>Well in 2022 that amount in deposits is close to $620M!</u> – I told you so and we ratepayers are pretty unhappy about that. Councils are a public utility, and only that! – it is a utility of primary purpose of "roads and rubbish and planning" and in the case of CCC "water" too. Nothing else by way of community support to any amount and type is held as primary in purpose. It is down-right misappropriation to sprinkle ratepayer monies around to the benefit of the general population transients in your Population in Peg methodology. And the $620 M in the Investment Portfolio is also our money, not the governments. Towards $800M by 2023/4?

- In 2021 I submitted to you: "*22. Why is the Respondent* (CCCouncil) *having* ***borrowed $150M from a big four bank*** *to meet "the crisis" then turn around and* ***spends $115 M in investment securities****?* *<u>And plans for the next 7 years</u>* ***to buy $75M in additional securities each and every year****? This all raises the tempo to claims of* ***lack of veracity, transparency, proportionality and most of all there is no need for this poultry SV*** *($25M). Goes to the issue of Transparency and Proportionality and Need.* <u>– well, that is ignored and now it has happened!</u>

- Councils are not investment bankers, balance sheet growth or maximisation is not a mandated goal, unless the Council wants to show a quarterly interest credit as an offset on ratepayer bill notices. Perhaps it must. Hmmm, Interest return of 3% pa on $800M, that's $24M p.a., wow the same as his SV ($25M pa increase you granted) do you IPART see what is in reality, what your granting has done! Let's wind back the IPART decision of May 22 and 2021 and his extension for ten years as amended was totally disproportionate and unnecessary, look at your OPR chart!

- All this supports the argument to maintain the low peg rate PIP including population as a form of justifiable claw back to ratepayers (0.7%). And if that means more SV submissions upon IPART then good, you have new productivity goals too and if you don't start sticking to your criteria in assessment, well you could see the public come at you and your ministers with the full weight of the law, being through the Court of Public Opinion. No man is above the law. The CCCouncil in its Administrator/s application to you was misconduct, it was based on his crafted deceit and you fell for it – CCC's application was simply not needed, nor affordable nor willingness-to -pay as evidenced by the 20,000 plus petitioners in complaint to the Minister and 4,000 in complaint to IPART, and for all that you ignored it. Serves you both right if the Government gets voted out. Stop sending our GST to Queensland too!

- You, the OLG and the Premier (or Moreso Kean) are so preoccupied in your drive to increase the burden on ratepayers that you have completely and deliberately set aside Ratepayer Needs, by your repeated focus on crafted Administrator needs that clearly now as I say again – the liquidity crisis is over!

- AND PUBLIC TRUST IN THE IPART to deliver justice IS eroded further. There is little evidence of your independency and objectivity nor fairness in judgement. You do not protect ratepayers from unjustified and excessing rate rises, as your Determination and this submission clearly shows.

- And through your exhibited lack of independency only goes to show beyond reasonable doubt – when it comes to Community

View that you are clearly not independent of Government – you abuse the principle of Separation of Powers.

- Further. In April 2021 I wrote to the OLG Minister saying:

  "39. The CCC say in its PART-B application to IPART "Council has proactively identified Federal and State funding opportunities to deliver capital infrastructure. $14.5M was obtained in 2019-20 ***with an additional election promise of $90M****"* Given this fact that $61M of the restricted funds (mischief) was spent on the Mardi Water Pipeline. This fact alone whether it is fully realised or even 66% successful, being +$60M, that would negate this $25M SRV Application in total. Goes to the issue of Transparency and Potential Sources of funds" – and IPART apparently ignored this fact. Goes to failure in diligent assessment.

In the Matter of Population in Peg (PIP)

At your website you claim:

"IPART has completed our review of the rate peg to include population growth

We have completed our review of the local government rate peg to include population growth. Our final report is here.

The NSW Government asked IPART to recommend a rate peg methodology that allows the general income of councils to vary in a way that accounts for population growth.

Our methodology will allow growing councils to provide services to their communities *(*Roads and rubbish sounds about right, in other words get non-City LGAs to subsidise Sydney Central Councils – so State Government can fund city development in their plans for bigger cities and make regional centres the same, being not mandated, so they can be higher rate taxed)

"The amount councils currently receive in rates is usually not enough to cover the increased costs associated with population growth. (Rubbish)

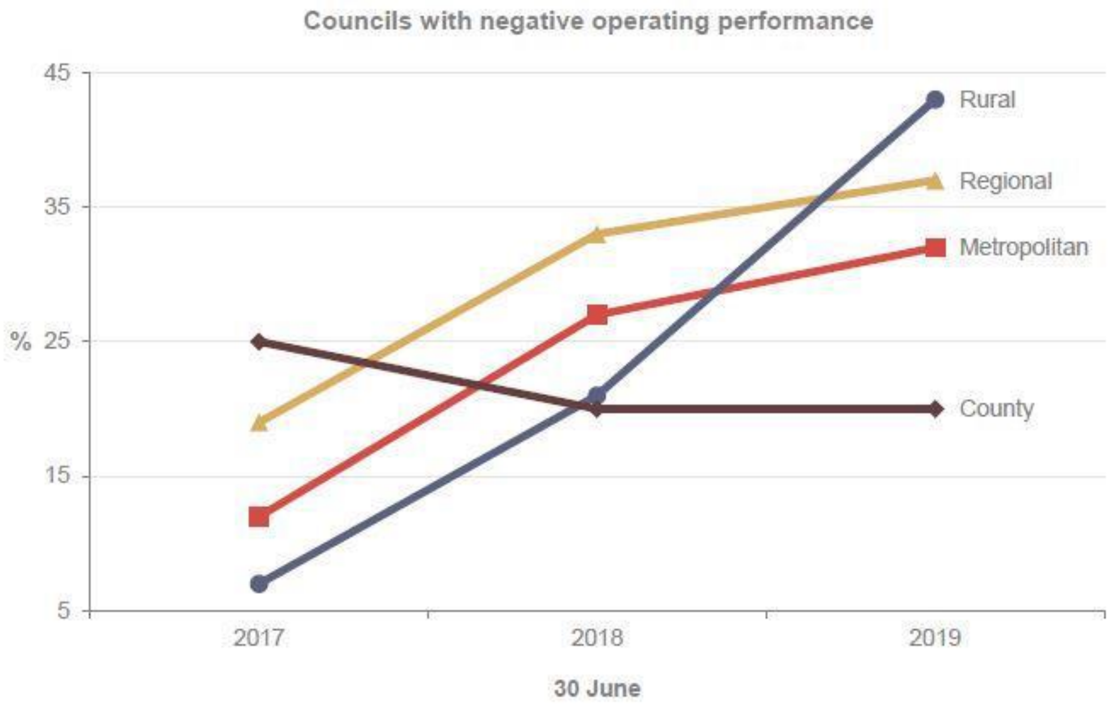
The methodology we have recommended will ensure councils maintain their rates income on a per capita basis as their population grows. This will enable councils to provide services to their growing communities. (And lower Council headcounts in line with productivity improvements and reducing the size of government)

Our methodology would have increased councils' income by 1.5%

*We modelled the impact our methodology would have had on councils over the past 4 years and found it would have increased the total general income of the sector by **$287 million or 1.5%.** We have published a fact sheet explaining our modelling here. "*

We found the benefit to councils would increase and compound over time. Our methodology will allow rates revenue to increase to better cover the costs of population growth from 2022-23." (Paid by Ratepayers not the general population. Better cover the cost of Councils by our ballooning generous Council headcount expenses not to mention surreptitiously behaving like Investment Bankers by ballooning assets of Council Investment Portfolios of ratepayer monies as shown for CCC, while at the same bleating poor to IPART for rate increases by Peg ad SV, while they continue to operate unproductively)

More councils reported negative operating performance



It is more unlikely that the Population in PEG will improve this situation, because we are yet to seriously address <u>Productivity</u> and <u>Pork Barrelling</u> electorates by our Politicians. Until you/the OLG and Cabinet halt Pork Barrelling, you as IPART cannot assess any application for PEG or PIP or SV on true facts

Rate peg methodology

In your Final Report you said:

Each year, we will determine and publish a rate peg for each council based on the following methodology:

Rate peg = *change in LGCI* − *productivity factor* + *other adjustments* + <u>*population factor*</u>

In this formula:
change in LGCI means the change in the local government cost index (LGCI). More information on the LGCI, productivity factor and other adjustments we may make in determining the rate peg is set out in Appendix C: The context of our review. We have <u>not considered other changes to the rate peg</u> as part of this review

My RESPONSE to the 2021 Issues Paper. I wrote:

"General Population Growth is not a valid factor for inclusion in the PEG model as you propose. For the reasons given extensively in this response and corresponding proposal"

"However, should Interest Rates begin to increase, after the present COVID low inflation and removal of the very low interest rate condition, then this too must be taken as a likely dampener on Sydney and regional property prices eventually. What is also relevant is the Chinese factor and Inflation factors may very well have a negative impact upon population growth beyond the next 2 – 3-year Zero population growth – well into the 10-year figures provided above in the diagram from the DPIE, established back in December 2019. So, the growth percentages are very rubbery and <u>to my mind an unreliable "general" population growth assumption</u>"

Customisation down to the LGA is the correct level, except great care must be applied to the nuances of merging councils, for any adjustment or tailoring, the other options you suggest are considered not Socially Fair and Equitable – held as presently being autocratic in nature.

Counter to this, it is held that "ratepayer" population growth would be more valid as a higher correlation factor to any rate increase model. – the (then 2021) *Minister's question of IPART is flawed"*

<u>I put to you now that ratepayers should not pay for the social and infrastructure benefits enjoyed by non-ratepayers, seasonal holidayers and periodic transients, this must be funded from GST and Tourism and Grants funding – but definitely it is not for residential ratepayers to pay for these on costs based on General Population.</u>

In your Final Report you went on with rubbish - accounting jiggery pokery.

"Population factor for 2022–23:

Each year, each council will have a population factor equal to the annual change in <u>its residential</u> population (NO, no and no! – ratepayer population, when are you going to get this right), *<u>adjusted</u> for revenue <u>received from supplementary valuations.</u>* (So, you are going to fiddle with the population variable and adjust it when it does not generate the outcome you want? – <u>you seek a "golden goose variable" one that you can turn up or down and expect residential ratepayers to</u>

cop it! - also I understand that SV are for project specific purposes, like a new council pool; "Special Variation" (SV) does not equal "Supplementary Valuation" – nice deception! – Please Xplain!
OR
If you mean "Supplementary" Valuation to be the Valuer General + CDI + election costs, being supplementary to population, I have to strongly disagree - these are not auxiliary, not a top-up, not secondary in support of Population. They are not supplementary they have served for decades as an acceptable and reliable establisher and most importantly held as reasonable by ratepayers to justify the Peg. It is your General Population variable that is supplementary and unconvincing. – it is flawed.

Our methodology allows councils' rates revenue to rise with population growth Review of the rate peg to include population growth (Page | 3)

What, while your Government Policy shovels 150,000 new migrants into regional areas – irrespective of any rural labour needs! – who are unlikely to own a rateable house for many years to come – and you want existing ratepayers who have invested their lives and savings into their private property and businesses to pay for the infrastructure burdened with the influx of new migrants – at what point do you get off private property of ratepayers?

STOP giving our NSW GST to Queensland

None of this PIP correlates with Ratepayers! – who pay the bills.

The population factor is equal to the maximum of the change in residential population less the supplementary valuations percentage or zero. Councils with negative population growth will have a population factor of zero, - (So you keep Council costs growing while there is less community of ratepayers to pay for too many overheads – how stupidly unrealistic and arrogant!) *ensuring no council would receive a lower increase in general income, relative to a rate peg calculated using the LGCI and productivity factor, under our methodology.*

*Councils that have **recovered more from supplementary valuations** than is required* (Does that mean excessive Special Variations or SV too?) *to maintain per capita general income as their **population grows** will **also have a population factor of zero**. The population factor will be calculated using the following formula:*

Population factor = max (0, *change in population* − *supplementary valuations percentage*)"

This is rubbish and has no veracity in good reasons and principles.

Yet the OLG Minister and Premier went ahead (despite being ill-advised from others) they gave no consideration to other equitable variables, (notably Affordability and Willingness-to-Pay being criteria in IPART assessment) as you say and bolted-on the population variable within the peg formula only to find in 2022 and his latest Terms of Reference (ToR) to now have to fix the problems of social inequality that his narrow PIP formulation and implementation caused, despite the warnings in illumination and argument I put forward in my 2021 submission repeated as attached to this September 2022 submission.

This ill-advised bolt-on approach, being a "suck it and see" approach is a failure in responsible government and it is for that reason I submit here a second time (2022) to reinforce what I said earlier. My 2021 warnings were ignored and now the NSW Government and Councils have to fix inequality and equity in taxing by rates. I hope you have thrown that final report on PIP in the bin by now.

Now ratepayers find themselves with declining property values, any thought of increasing disposable income being private property that Local government can milk to further enhance local and state government coffers is abhorrent to all citizens. There is no disposable income growth unless bureaucrats have their heads buried in the sands of Bondi Beach. (Highly likely)

In the past 9 months, my:

- Woollies shop has gone up 30%

- Petrol will resume (after 40c tax is reinstated) back to $2.30 something / ltr.

- Electricity base rate from 27c to 33c a 20% increase per kW used,

- Central Coast Council (CCC) rates up 15%! Being a 2% peg +13% SV which you, IPART, so wrongly granted, so inflicting great harm upon citizens, especially when the Council and yourselves failed to address "affordability" nor "willingness to pay" in both submission and your assessment - going to a civil claim of lack of procedural fairness by not adhering to your own 6 Criteria in assessment.

- CC Council Water Rate increase by 37% - again you're doing by granting. Despite our dams are full and the root cause of your 15% increase in general rates and +37% in water was the root mischief of past CCC CEO send CFO using restricted monies to advance in time the construction of the Mardi plant for $70M, did so contribute to the cash crisis at that time along with the redirection of $90M in State grant away from CCC to Hornsby Council (the home of that MP Matt Kean – what a joke!).

- *PART has released its Final Report on the prices that the Central Coast Council as a Water Supply Authority (CCC Water) can charge its customers for water services from 1 July 2022 to 30 June 2026.*
- *Our review found that CCC Water must increase its spending so that it can appropriately maintain all of the infrastructure required to provide water-related services.* **(Rubbish!)** *Customers have told us there were persistent water quality problems in some parts of the water supply system. The increases should enable CCC Water to improve the quality of services its customers receive.*
- *CCC Water proposed an immediate bill increase for typical residential customers of 37% in 2022-23. Under our decisions, typical household bills would increase by around $183 (17%) in 2022-23. This is lower than the initial price increase in our Draft Report. In response to the community's concerns about affordability, we adjusted the price path to slightly ease bill impacts in the first year of the determination period. Bills would then increase by $80 (6%) in 2023-24, $106 (8%) in 2024-25 and $9 (1%) in 2025-26, as well as by inflation.* **(Rubbish!)**
- *Use our* ***bill calculator*** *to see what the new prices would mean for your bills.*
- *Our price path allows CCC Water to recover the same amount of money over the 4-year determination period as if we had decided to allow an immediate increase of 28% in typical household bills from 2022-23.* **(Rubbish!)** *This is lower than the 37% immediate increase proposed by CCC Water. For more information on how these figures have changed since our draft decisions please see our fact sheet attached to our media release.*
- *Over 1,000 stakeholders responded to our Issues Paper survey and 89% indicated that they would prefer any necessary price increases be applied gradually. As a result, we have introduced the necessary price increases over the 4-year determination period in stages. We have also made recommendations to support pensioners and customers who may need extra assistance.*
- *Our review identified the need for CCC Water to substantially improve its performance and accountability to the community. We have recommended a set of performance measures to drive*

accountability, and that the NSW Government authorises us to review CCC Water’s progress in 2 years’ time. **(Rubbish!)**

- *We also recommend the NSW Government considers the merits of amending the legislative framework for monitoring performance and compliance of CCC Water. Other major water utilities in NSW are subject to an operating licence, which may be one option to consider.*
    - NSW Government MUST get water out of CCCouncil.
    - Simply put Community does not know what this additional monies are being spent on, Mardi Pipeline has had $70M spent on it albeit early and being the mischief of Council executive back during merger.
    - It is not a service issue; it is a product quality issue. Where are the independent water consultants to measure consumer taste sensitivity tests now and at the end of the 2-year review?
    - Has water taste improved? now the dams are full and fresh - requiring less chlorine additive?

- Yet the bleating’s of the non-mandated Administrators sought financial remediation by jacking up general and water rates, which you unreasonably granted that despite warning you, IPART and Ministers that the then LTF of the CCC submitted to you for a poultry +$25M in SV per annum (general rates) was a penalty upon the ratepayers as victims for the poor state management and audit and OLG oversight by the State government. You have shown no Restraint in your discretionary decisions to our minds. What is really important is

- In submissions, being 7 documents, I made then (2021) to the IPART regarding the CCC application for +15% at that time I argued that IPART should be aware that if approved, and you did, that granting would see a significant increase in the deposit of ratepayer monies into the Councils Investment Portfolio (at little to no interest earnt, not to mention the $33.2M invested in Chinese communist controlled banks in Australia being unethical investment and grows more so). In 2020/1 the total CCC Portfolio was about $450M as I alluded to back in 2020/1. Well in 2022 that amount in deposits is close to $620M! – I told you so and we ratepayers are pretty unhappy about that. Councils are a public utility, and only that! – it is a utility of primary purpose of "roads and rubbish and planning" and in the case of CCC "water" too. Nothing else by way of community support to any amount and type is held as primary in purpose. It is down-right misappropriation to sprinkle ratepayer monies around to the benefit of population transients in your Population in Peg methodology. And the $620 M in the Investment Portfolio is also our money, not the governments. Towards $800M by 2023/4.

- Councils are not investment banks, balance sheet growth or maximisation is not a mandated goal, unless the Council wants to show a quarterly interest credit as an offset on ratepayer bill notices. Perhaps it must. Hmmm, Interest return of 3% pa on $800M, that's $24M, wow the same as his SV ($25M pa increase you granted) <u>do you IPART see what is in reality, what your granting has done!</u> Let's wind back the IPART decision of 2021 and his extension for ten years as amended was totally disproportionate and unnecessary (supports the argument to maintain the low peg rate including population as a form of justifiable claw back) And if that means more SV submissions upon IPART then good, you have new productivity goals too and if you don't start sticking to your criteria in assessment, well you could see the public come at you and your ministers with the full weight of the law. No man is above the law. The CCCouncil in application to you, under administration was misconduct, it was based on his deceit and you fell for it – CCC's application was simply not needed, nor affordable nor willingness-to -pay as evidenced by the 20,000 plus petitioners in complaint to the Minister and 4,000 in complaint to IPART, and for all that you ignored it. Serves you both right. Stop sending our GST to Queensland too!

- You are so preoccupied in your drive to increase the burden on ratepayers that you have completely and deliberately set aside Ratepayer Needs, by your repeated focus on council need.

- In 2021 I submitted to you: "*22. Why is the Respondent* (CCCouncil) *having* ***borrowed $150M from a big four bank*** *to meet "the crisis" then turn around and* ***spends $115 M in***

***investment securities**? And plans for the next 7 years **to buy $75M in additional securities each and every year**? This all raises the tempo to claims of **lack of veracity, transparency, proportionality and most of all there is no need for this poultry SV** ($25M). Goes to the issue of Transparency and Proportionality*. – well, that happened!

- AND PUBLIC TRUST IN THE IPART to deliver justice IS eroded further. There is little evidence of your independency and objectivity nor fairness in judgement.

- In April 2021 I wrote to the OLG Minister saying:

  *“39. The CCC say in its PART-B application to IPART “Council has proactively identified Federal and State funding opportunities to deliver capital infrastructure. $14.5M was obtained in 2019-20 **with an additional election promise of $90M**” Given the fact that $61M of the restricted funds (mischief) was spent on the Mardi Water Pipeline. This fact alone whether it is fully realised or even 66% successful, being +$60M, that would negate this $25M SRV Application in total. Goes to the issue of Transparency and Potential Sources of funds”* – and IPART apparently ignored this fact. <u>Goes to failure in diligent assessment</u>.

- Remediation costs from 4 floods in 3 years to my property, damage not covered by insurances. Need I go on?
- Here is the situation in a selection of Councils at 2019 before the Plague. Note CC Council at 2,549 heads! The “structural change”,

<u>The merger, has ended.</u>

The following table compares the population to FTE levels for Central Coast Council compared to neighbouring Councils, and Councils in the same OLG category or group. IN all instances Central Coast Council has the highest ratio supporting the structural changes being implemented.

Council The councils listed are those that continued operations and reported for the financial year 1 July 2018 to 30 June 2019	Full Time Equivalent Staff	Population/Equivalent Full Time Staff
Hills	518	333
Hornsby	499	302
Campbelltown	625	269
Hawkesbury	314	214
Wollondilly	247	211
Camden	453	208
Lake Macquarie	1104	186
Penrith	1067	196
Cessnock	310	191
Blue Mountains	537	148
Central Coast	**2549**	**134**

IPART.NSW.GOV.AU 125

SPECIAL VARIATION APPLICATION FORM PART B FOR 2021-22

- **Have Councils met their obligation to cost reduction in staffing overheads?**
- In your IPART Determination Document of July 2022 you stated the Central Coast Council had submitted the following stating at page 30 of that document:
- :4.5.3 The council's assessment of efficiency gains achieved

  The council submitted it has achieved $46.7 million in annual, ongoing *efficiency savings, including $5.4 million from consolidating services over the two former council areas*[33] *and $26.1 million from a staff restructure. We asked the council to provide further evidence of its productivity improvements, and the council provided a costed list of its past, ongoing, and future initiatives. Some specific examples of the initiatives it has already implemented:*

• A restructure during 2020-21 which reduced the number of full-time equivalent staff (FTEs) ***from 2,719 to 2,183***
— Executive roles reduced from 9 to 5
— Unit manager roles reduced from 39 to 26
— Employee costs reduced by $26.1m per annum from the general fund”

- Well, well, there you go, a couple of executives and managers were paid out for early retirement with a golden hand-shake, I’m sure. Plus, a hiring headcount freeze for aging managers– what a pathetic restructuring of a merger (after 7years!) the OLG Minister should be disgraced with the lack or performance of her administrator/s. Oh yeh, the OLG Minister, the previous one, she was about to be disgraced but she decided to jump ship when her mate Gladys went, realising she may not be protected from Perrottet and Tuckerman or her constituents next March – oh yeh too, she was from the South Coast, so she did not care what happens on the Central Coast. Her karma will come.
- **If 2,183 being a reduction of 556 heads for $26 Million – I don’t think so**
- By my calculation that would mean an average payout of $47,315 Ave / Head/pa saving. Plus, or less, $7,100 pa super saving plus leave loading and other public service benefits I can only dream of. But $60k/head sounds right to me.
- The Council uses comparable LGA rates to support its reasoning for SV, so how about the IPART equally use the same justification with headcount. The right number is about 500 ideally – so the Administrator still has 1500 applicable upon which the Wonderland Queen of Hearts tactic still needs to be rolled out and soon (refer to enclosed play)
- This is the expectation of Community. But the Determination conveniently made no comment, except wishy washy statements like:
- *“We found that the council has taken a number of practical steps to identify and implement cost savings since we assessed its last application for an SV. We have concluded that it largely demonstrated that it has met this criterion”.*
- *“The council submitted it has achieved $46.7 million in annual, ongoing efficiency savings, including $5.4 million from consolidating services over the two former council areas[33] and $26.1 million from a*

staff restructure. We asked the council to provide further evidence of its productivity improvements, and the council provided a costed list of its past, ongoing, and future initiatives. Some <u>specific examples of the initiatives it has already implemented:</u> (where is his full explanation you received?)
• *A restructure during 2020-21 which reduced* ***the number of full-time equivalent staff (FTEs)*** ***<u>from 2,719 to 2,183</u>***
— Executive roles reduced from 9 to 5
— Unit manager roles reduced from 39 to 26
— Employee costs reduced by $26.1m per annum from the general fund

- What! he has retired or retrenched a couple of hundred from two pre merged councils? – fat cats.
- Given in his Application PART -A the Administrator Perssons said he had **<u>2,500 headcount</u>** – <u>goes to the lack of truth in his IPART submission</u>. And you fell for it.
- **Or was it truly 2,500 down to 2183? Being a lower 317 reduction for $26M – meaning an average of $82,000 per average in payout.**
- **But hold on** (see below) assuming these employees are all local to the CCC LGA and your own Determination says at page **26 that average household LGA household income is <u>$65,596</u> and that includes say 30% of households as pensioners who don't get much beyond $26,000 pa to say $28,000 max** (generous 2% interest after tax on say 100K cash investment – if applicable and that is a big IF**) and a household may well be two or 1 and ½ earners per household supports this calculation.**
- **Based on 2,500 -Means that CCC employees may well have closer to the $82,000 in payout on average per head retrenchment or FTE. Well above the community average – lucky public servants. How many of the FTE were actually contractors? How many unionised?**
- So, if the Administrator lied on the number 2,717 being not what was portrayed to Community being 2,500 then he has fudged the figures to IPART again, <u>to make his productivity look more significant</u>. – <u>goes to the lack of truth in his IPART submission</u>. And you fell for it.

Council	Central Coast	Lake Macquarie	Newcastle	Wollongong	OLG Group 7
Average residential rate[a] ($)	1,101	1,452	1,566	1,504	1,246
Average business rate ($)	3,074	4,800	11,607	11,874	4,258
Average farmland rate ($)	1,799	2,054	2,444	2,612	2,877
Average mining rate ($)	188,600	55,889	-	78,167	138,714
Median annual household income ($)[b]	65,596	68,464	71,331	69,819	92,174
Ratio of average rates to median income (%)	1.7	2.1	2.2	2.2	1.4
Outstanding rates ratio (%)	6.8	3.9	4.4	6.7	5.0
SEIFA Index NSW rank[c]	86	89	96	94	-

The average residential rate (ordinary and special) is calculated by dividing total Ordinary Rates revenue by the number of assessments the category.
Median annual household income is based on 2016 ABS Census data.
The highest possible ranking is 128 which denotes a council that is least disadvantaged in NSW.
ource: OLG, Time Series Data 2019-20; ABS, Socio-economic Indexes for Areas (SEIFA) 2016, March 2020; ABS, 2016 Census DataPacks, eneral Community Profile, Local Government Areas, NSW, Median Weekly Household Income and IPART calculations.

- **Ratepayers Demand more Productivity in the post Covid era**
- **The merger financials included $50M for new IT,** so where is the productivity for that expenditure. IPART did make mention in determination, where is your pragmatism in assessment? Where was your judicial restraint? Where is your due diligence?
- *"Consolidating various services and business systems under the Productivity Improvement Plan and Corporate Plan e.g., the council estimates consolidation of IT will save >$1.5m annually"*
- So, it had an annual saving of $1.5M for $50M expenditure, a 3% annual return on capital that makes a payback of 33.3 years! – BS called here!
- goes to the lack of truth in his IPART submission and you fell for it!

POPULATION IN PEG (PIP)

Well, Domi (rhymes with Oly)– what a fine pickle you have us in!

Terms of Reference Statement 1

I am requesting IPART to deliver a report recommending a rate peg methodology that allows the general income of councils to be varied annually that is reflective, as far as possible, of changes in inflation and costs incurred by the local government sector and that continues to include a population growth factor.

Specifically, I am requesting IPART to investigate and make recommendations to the Minister on:

1. Possible approaches to set the rate peg methodology to ensure it is reflective of inflation and costs of providing local government goods and services;
2. Possible approaches to stabilising volatility in the rate peg, and options for better capturing more timely changes in both councils' costs and inflation movements;
3. Alternate data sources to measure changes in councils' costs;
4. Options for capturing external changes, outside of councils' control, which are reflected in councils' costs;
5. The effectiveness of the current LGCI approach;
6. Whether the population growth factor is achieving its intended purpose.

Who wrote this rubbish? – Kean where are you!

Terms of Reference Statement 2

In undertaking the review, IPART should have regard to:

- The Government's commitment to protect ratepayers from excessive rate increases and to independently set a rate peg that is reflective of inflation and cost and enabling financial sustainability for councils.
- The differing needs and circumstances of councils and communities in metropolitan, regional and rural areas of the State.
- Ensuring the rate peg is simple to understand and administer.

Forget Councils! How can Ratepayers budget when you want a fixed and known increase now to be a variable?

(READER REST REQUIRED)

Shhhhhhhhhhhh ! – quieeeeet !

"Curtain UP & Lights ON Parliament"
A short play by Hannibal Elector

(Act 1, Scene 1)

Scene opens - In the quiet afterhours of the Premiers Office in Sydney – just now

DP – "Call Captain Kean (CK) in here" (Premiers PA gets on the phone but CK was already lurking just outside the waiting room door with his ear pressed, then abruptly enters)

DP – "Come in Kean – sit down we need to talk" (he enters the inner PM office and sits down)

DP – "Did you write this rubbish? (Waving the IPART ToR doc)

CK - "Yes Sir" (sheepishly smiling with his tiny bald head bobbling like a stuck-on car dashboard doll)

DP – So Kean, last week we had a problem with declining population numbers and now you tell me we have a problem with spiralling inflation fuelled by Albo's wages growth in our Councils

CK – Yes Sir (more sheepishly with his head bobbling faster and now his eyes are blinking faster and faster and his hands, his hands they're writhing, no rinsing, like he is washing them – washing off Covid)

DP – Why can't we just do our Wonderland Queen of Hearts trick again?

CK – your mean cut of their heads Sir?

DP – it worked before, there is plenty of private sector jobs out there and besides the workers are all too old and sick from that Wu-Flu thing anyway

CK – well Sir my Union mates won't agree with that – but perhaps there is another way I'll contact McManus.

DP – Damn you man, who's running this State? – did you get some pork?

CK – No Sir I had lobster for lunch

DP – Mate I did not mean lunch; I meant some money for your electorate.

CK – Yes Sir I found $90M

DP – Where from?

CK – that red Council up the M1 road

DP – Did they complain?

CK- Yes Sir they squealed like a porker. They tried a 20,000 petition and 4,000 submissions to IPART, but that's all been buried, it's under control, they were in such a mess with their merger and their new financial system implementation was delayed and that misconduct with the CEO and CFO and all, they won't miss it, besides we have our men on it now, they have taken control, it has been in administration for three years.

DP – good, how's the finances looking now?

CK – great, we had IPART approve a 15% rate increase and we are paying back the banks and they are happy. Oh, and their Investment Portfolio also got increased from 450 to 600 MILLION DOLLARS! (His little pinkie figure goes to the crease in a corner of his mouth) - I'm working on getting our paws on it.

DP – Well that's what you get for backing team red.

CK – Sir, we also got IPART to approve a 37% water rate increase too.

DP – They won't be complaining about rates anytime soon now the coffins closing.

CK – Yes, it is Sir, well and truly nailed, he he he (chuckling)

DP – well don't get too sure. I have received a letter from party HQ. Referring to those confidential meetings you had with NSWAEC last December about the Federal Election mail out of Postal Vote Applications, remember those "grey" forms with no logo we used to collect more voter data for our marketing database. Well, it appears that some of those 20,000 from that Electorate up the road are getting out of their coffins. They have complained to the OAIC saying that when our branch staff and HQ opened those unauthorised forms and reply - paid envelopes we got back, our viewing and scanning of those forms by our branch staff was a disclosure breach of privacy under s7C of the Privacy Act.

CK – But the Privacy Act exempts us politicians from the Act

DP – yeh I have always thought so – but the OAIC are saying we don't have exemption when it comes to "disclosure of personal information" on those forms. So, they are now conducting an investigation on us and team red as they had the same campaign, you would have thought your mates at the AEC would know the Privacy Act. Suppose that goes for us too.

CK – that's not good, penalties in that Act include big fines and jail!

DP – and to make matters worse the fed Postal Ombudsman wants us to pay back $1M bucks to Aussie Post as that bloody form and our envelopes were not "electoral matter" Start finding an account to bury it. Talk to HQ if necessary.

CK – but they told us we could piggy back it to our Policy Letter in the pack. They told us in the meeting that it was all legal.

DP – well it appears now that was BS.

CK – I'll get our spin doctors ready if this goes public.

DP – While you are at it - going back to the Population in Peg rubbish. Whose team are you on? This report shows too many Teal Councils will pay less than our electorates. If they get a whiff of this report, they may use it against us next March. This Population in Peg plan of yours doesn't seem to be working. If the Teals start campaigning on this and proclaiming it was their doing by saving voters rate money, look at Mosman and Woollahra only 0.7% Peg! - they will take the credit and that means losing more votes.

CK – Yes Sir, I have IPART looking for other ways to jack up Council receipts but the models right now aren't giving us what we want.

DP – if you don't get the peg working for us quickly or find a better way, IPART will be complaining that too many Councils are applying for SV, they will be swamped.

CK – Yes Sir they will

DP – Well you have 3 months to get it fixed before next March.

CK (turning to leave) I'm on it

(CK moves towards door, opens it and closes behind him)

(CK turns to the audience and says)

– “I was lucky this time, he did not ask me will his beloved Willoughby get any pork – well it won’t, I’ll make sure of that – tomorrow I must try the oysters.”

(**Curtain close and lights out in Parliament**)

Quoting my 2021 submission in response to your issues paper – I said:

“The hypothesis raised herein with the new paradigm model may see the social justification of a rate increase from the current levels of 1.0% to 1.5% being the reasonable expectation from the current and limited; LGCI + productivity +other + zero population growth (for the reasons I outline above)

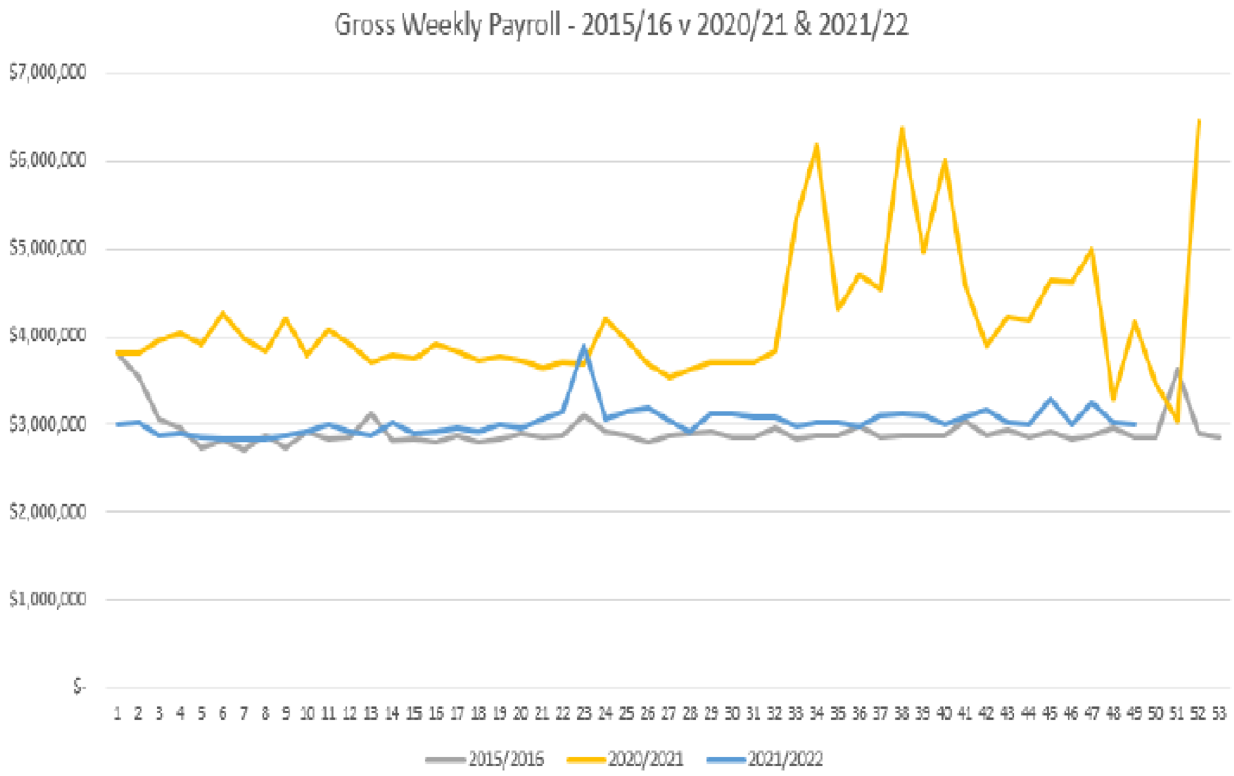
What could be the reasonably expected of the NEW model?
As highlighted herein, your current and proposed in your Issues Paper model in the short to medium terms (2021-2031) falls short. The proposed herein may see a better SOCIALLY JUSTIFIED 3% PEG level far in excess of the current 1-1.5% as I have illuminated herein.

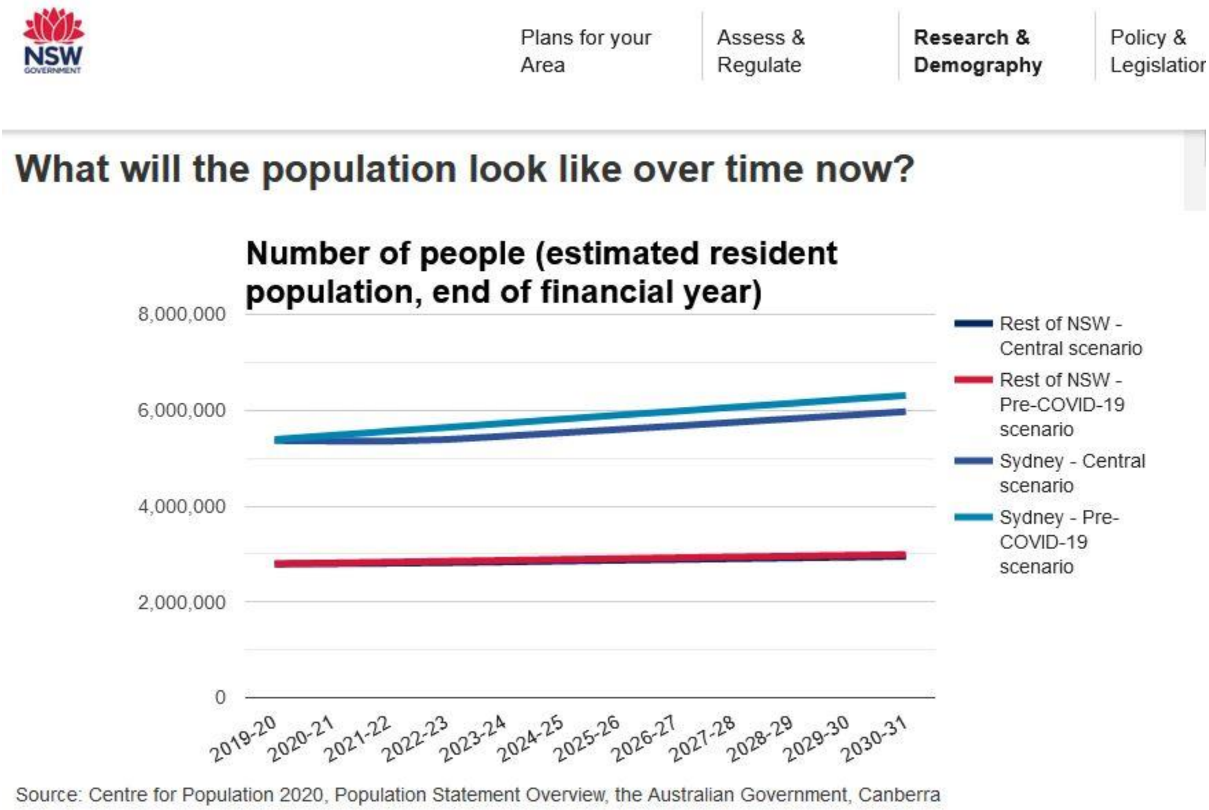
The question then is:
What is the revenue worth of an extra 1.5% in PEG, annually over ten years? = $hundreds of millions.

What might we see? “
a) Reduction in SRV Applications for increases in general revenue and the administrative cost savings to IPART and Council submission costs associated with that. You reject applications on the basis of insufficient Council work.
b) A more stable financial planning basis for Council LTF plans.
c) A more Socially Just Rating System aligned to the market, as customers.
d) Identify new revenue streams and more tailored/targeted Council services
e) Leveraging the new digital post-COVID era for growth. “

Ratepayers Demand more Productivity in the post Covid era

Ratepayers demand a reduction in Council Staffing Numbers and increased customer service levels in Roads, Rubbish, (Water) and Planning being core functions of all Councils being a reduction in overheads and improvement in service levels thereby contributing to an improvement in productivity, especially in light if government employees have had the secure benefit of consistent employment and payment during the 2 and ½ years of Covid they did and do enjoy 15.5% superannuation being 6.5% above the private sector and the maintenance of those secure public servant conditions as benefits more than compensate for Ratepayers demand for productivity improvement.





So Covid had a reduction to your forecast estimate for Sydney Central, but not the rest of NSW. Sounds like a City problem, not the "Rest" of us. So, increase the PEG and SV rates for Sydney Central, it should not be subsidised by Regional and Rural areas. Sydney Central Councils have had years of benefit of "noodle box and crumbling" unit over-development and the developer contributions that has derived. It has benefited from excessive Toll taxes on residents for many years now, go get more revenue from Transurban or Toll Holdings Ltd. Or stop sending our GST to Queensland too! (The LP has a lot of policy improvements to get out to the electorates across the State) which reminds me, sell more natural gas and get modular nuclear fired up!

In my 2021 submission I said:

"Putting natural general population growth aside.
The impact of COVID alone means that net migration of 3/5 of 399,100 stated above (See my 2021 Appendix C below) *is now unrealistic."*

Yep, your graph above in 2022 shows that for Sydney, as I said to you in my 2021 submission.

So, now you have no justification for Sydney Central in peg increase in suburbs (now Teal Territory) I detail below by way of example found within your 2022 data. I further said in 2021:

The actual in the 2021 and 2022 and 2023 will not happen as a minimum. In a best case that at least 30% of the extra net overseas migration might only see an expected NSW net migration population growth for 2021 – 2026 period of +200,000 for 2025 and 2026.

- *In the 2021-2031 period, the "Net intra-state" migration for Sydney and Regional are both trending in short and long-term* ***as declining****.*
- *The "Net inter-state" migration for Sydney and Regional are both trending in short and long-term* ***as declining****.*
- *The "Net overseas" migration for Sydney and Regional are both trending in short and long-term* ***as declining***

What does your 2022 data show?

A re-sort of your 2022 provided data shows why and where you have a problem – why the population peg as a bolt-on has failed you/us. Having lived in Sydney and environs for 50 years before moving to the Central Coast for reasons of affordability, I have intimate knowledge of a few suburbs and so have made brief comment against some suburbs with my personal interpretation/experience about affordability next to them and make subjective judgement where real property has what I consider a disproportionate amount of foreign and resident investment in real estate. Generally, being reasonably held that high valued property correlates with high net-worth of ratepayers and where relatively high levels of real estate being owned by foreign investors (especially Chinese investors, including Hong-Kongese) and especially investment properties owned by Australian Residents. It is by no means complete nor concise.

Perhaps you should have a higher rate tax for Investors (rates tax is a deductable expense- get the Tax Act permitted leveraging working to fund rates decline in Sydney Central) and much lower one for Residents or perhaps you even consider going back to a VG land assessment and council productivity and cost control only model of the past. Although property values may well decline from time to time, which they have done.

- Property values are on the decline due to increasing borrowing rates, so the Valuer General indices will give you relief if you move fast but probably not in the medium term
- Wages and costs spiral is fuelling inflation may give you some short-term public CPI a boost.

- Council Productivity improvement may take time, but strong shedding of Council staffing numbers is a hard task but must be accelerated. (Please no more too highly remunerated woke positions for Director of Inclusivity positions et al and no funding for frogs in Avoca – pleeeese…croak)
- Population in Peg has proven inappropriate and led to inequality – remove it – your own 2002 data does NOT show +1.5%
- So, what's left you ask?
- **"Need", "Affordability" and "Willingness-to-Pay" – correct!**

[Hint] Perhaps a Tax office anonymised report by suburb within an LGA would show the average gross income split by age grouping and be one of many variables with a high correlation to Affordability along with net assets average by suburb would also illuminate a degree of Affordability. Those anonymised ratepayers on Centrelink within a suburb would be another worth considering. (No more ideas given here). Anyway, so why is the IPART and OLG so afraid of Need, Affordability and Willingness?

And why does IPART have it in for the LGA of Camden anyway? (See re-sorted table following)

In 2021 I submitted:

*The **"Need", "Willingness" and "Capacity-To-Pay"** or **"Affordability**" being just three key criteria* (of 6 in all) *of great importance within your own IPART assessment criteria, is presently not scientifically known, nor included as a variable within the prescribed PEG nor do you have a new method to quantify. The difficulties for individual councils to establish these in* (SV) *application for assessment, points to **the need for a LGA based market research system**, as proposed herein.*

*Given your current inability to include these three important factors as variables, will ensure they remain discretionary and the risk of **wrongful consequential damage** by Tribunal decisions that comes with **wide discretionary powers, is a risk**, without the data to support their inclusion"*
That has been proved and happened.

Well, you apparently did not heed my direction in submission, so you have damaged, as I said you would. Your past 2% and 2.5% peg is now down the toilet by your ill-advised and misguided fiddling.

Back to Population in Peg. The re-sorted table below shows that by your misguided use of the population bolt-on in peg, has resulted in many premium suburbs being entitled to less than 1.0% Rate peg including population in the

<u>last column shown below.</u> In 2021, I warned it would skew and that inequitable skewing is clear in just a small selection of example suburbs;

< or = 1.0% Rate Peg including population; **Waverly, Willoughby, North Sydney, Burwood, Georges River, Hornsby, Hunters Hill, Lane Cove (incl Longueville), Mosman, Wentworth, Woollahra (including Double Bay, Vaucluse, Potts Point, Rose Bay) and many more, I don’t need to go on but you see my point about inequality.** (Many well to do “Teal” seats)

It is understandable that the Premier by adopting your IPART Population in Peg has now given Teal Constituents, a much-reduced rate peg increase, well I’m not paying for it! - forget it Perrottet and Tuckerman, no, nup, nah, no way!

The re-sorted table is now below:

Population factors and final Rate Peg for 2022-23

Rate peg before population factoı 0.7%
Rate peg from 1 July 2022

$$\textit{Rate peg} = \textit{change in LGCI} - \textit{productivity factor} + \textit{other adjustments} + \textit{population factor}$$

$$\textit{Population factor} = \max(0, \textit{change in population} - \textit{supplementary valuations percentage})$$

$$\textit{Change in population} = \max\left(0, \frac{ERP\ 2020}{ERP\ 2019} - 1\right)$$

Supplementary valuations percentage in 2019-20= *max(0,supplementary valuations/notional general income yield)*

Org. Id	Council	Change in populati	Supplementary valuations percenta	Population fac	Rate Peg (including population fact	HELD AFFORDABLE	Taxable Relief % Ratepayers as Investors
78	Camden	6.3%	2.0%	4.3%	5.0%	YES	
104	Dungog	2.6%	0.9%	1.7%	2.4%		
2035	Upper Lachlan	2.7%	1.0%	1.7%	2.4%		
76	Byron	2.0%	0.4%	1.6%	2.3%		
72	Bourke	1.4%	0.0%	1.4%	2.1%		
188	Shellharbour	1.9%	0.5%	1.4%	2.1%		
105	Eurobodalla	1.3%	0.3%	1.0%	1.7%		
124	Port Macquarie-Hastings	1.7%	0.7%	1.0%	1.7%		
189	Shoalhaven	1.5%	0.5%	1.0%	1.7%		
202	Tweed	1.4%	0.4%	1.0%	1.7%		
2099	Bayside	1.7%	0.9%	0.9%	1.6%		
2092	Federation	1.3%	0.4%	0.9%	1.6%		
2092	Federation	1.3%	0.4%	0.9%	1.6%		
137	Kiama	1.3%	0.4%	0.9%	1.6%		
59	Hills	3.3%	2.4%	0.9%	1.6%	YES	20%
2085	Murray River	1.7%	0.9%	0.8%	1.5%		
176	Penrith	1.6%	0.8%	0.7%	1.4%		
2029	Sydney	1.1%	0.5%	0.7%	1.4%		
61	Bellingen	1.1%	0.5%	0.6%	1.3%		
2083	Inner West	0.6%	0.0%	0.6%	1.3%		
178	Port Stephens	1.4%	0.8%	0.6%	1.3%		
181	Randwick	0.7%	0.1%	0.6%	1.3%		
210	Warren	0.7%	0.1%	0.6%	1.3%		
219	Wollondilly	1.6%	1.1%	0.6%	1.3%		
2036	Yass Valley	1.4%	0.8%	0.6%	1.3%		
79	Campbelltown	1.9%	1.3%	0.5%	1.2%		
1989	Canada Bay	0.6%	0.1%	0.5%	1.2%		
2090	Cumberland	0.5%	0.0%	0.5%	1.2%		
167	Newcastle	1.1%	0.6%	0.5%	1.2%		
218	Wingecarribee	1.2%	0.8%	0.5%	1.2%		
2047	Albury	1.3%	0.9%	0.4%	1.1%		
193	Strathfield	1.9%	1.4%	0.4%	1.1%		
2088	Central Coast	0.5%	0.3%	0.3%	1.0%	NO Wyong	20% Avoca/Terrigal etc
147	Liverpool	1.6%	1.4%	0.3%	1.0%		
220	Wollongong	0.8%	0.5%	0.3%	1.0%		
2043	Bathurst Regional	0.9%	0.7%	0.2%	0.9%		
62	Berrigan	0.4%	0.2%	0.2%	0.9%		
77	Cabonne	0.3%	0.1%	0.2%	0.9%		
2084	Mid-Coast	0.6%	0.4%	0.2%	0.9%		
168	North Sydney	0.2%	0.0%	0.2%	0.9%	YES	10% Foreign Investment
67	Blue Mountains	0.1%	0.0%	0.1%	0.8%		
2080	Canterbury-Bankstown	0.7%	0.6%	0.1%	0.8%		

120	Gunnedah	0.1%	0.0%	0.1%	0.8%		
125	Hawkesbury	0.7%	0.6%	0.1%	0.8%		
136	Kempsey	0.6%	0.5%	0.1%	0.8%		
2096	Snowy Monaro Regional	1.0%	0.9%	0.1%	0.8%		
212	Waverley	0.1%	0.0%	0.1%	0.8%	YES	10% foreign Investment
216	Willoughby	0.1%	0.1%	0.1%	0.8%	YES	10% foreign Investment
2079	Armidale Regional	0.0%	0.1%	0.0%	0.7%		
54	Ballina	1.3%	2.0%	0.0%	0.7%		
55	Balranald	0.0%	0.8%	0.0%	0.7%		
60	Bega Valley	0.7%	0.9%	0.0%	0.7%		
64	Blacktown	2.3%	2.3%	0.0%	0.7%		
65	Bland	0.0%	0.1%	0.0%	0.7%		
66	Blayney	0.1%	0.0%	0.0%	0.7%		
68	Bogan	0.0%	2.8%	0.0%	0.7%		
73	Brewarrina	0.0%	0.0%	0.0%	0.7%		
74	Broken Hill	0.0%	0.6%	0.0%	0.7%		
75	Burwood	0.7%	3.6%	0.0%	0.7%		
81	Carrathool	0.0%	0.0%	0.0%	0.7%		
83	Central Darling	0.0%	0.0%	0.0%	0.7%		
84	Cessnock	2.1%	2.1%	0.0%	0.7%		
2037	Clarence Valley	0.1%	0.8%	0.0%	0.7%		
85	Cobar	0.0%	0.3%	0.0%	0.7%		
86	Coffs Harbour	0.5%	0.5%	0.0%	0.7%	YES	
90	Coolamon	0.0%	0.0%	0.0%	0.7%		
93	Coonamble	0.0%	0.0%	0.0%	0.7%		
2094	Cootamundra-Gundagai Regional	0.0%	0.0%	0.0%	0.7%		
97	Cowra	0.0%	0.2%	0.0%	0.7%	YES	
2098	Dubbo Regional	0.6%	0.6%	0.0%	0.7%		
2091	Edward River	0.0%	0.0%	0.0%	0.7%		
107	Fairfield	0.0%	0.4%	0.0%	0.7%		
108	Forbes	0.2%	0.3%	0.0%	0.7%		
2093	Georges River	0.5%	0.6%	0.0%	0.7%	YES	
109	Gilgandra	0.0%	0.1%	0.0%	0.7%		
2053	Glen Innes Severn	0.0%	0.4%	0.0%	0.7%		
2032	Goulburn Mulwaree	1.4%	1.4%	0.0%	0.7%		
2049	Greater Hume	0.7%	0.8%	0.0%	0.7%		
118	Griffith	0.5%	0.5%	0.0%	0.7%		
2039	Gwydir	0.0%	0.3%	0.0%	0.7%		
126	Hay	0.0%	0.3%	0.0%	0.7%		
2081	Hilltops	0.0%	0.0%	0.0%	0.7%		
129	Hornsby	0.3%	0.5%	0.0%	0.7%	YES	
131	Hunters Hill	0.0%	0.1%	0.0%	0.7%	YES 100% High net worth	
133	Inverell	0.0%	3.3%	0.0%	0.7%		
135	Junee	0.0%	0.5%	0.0%	0.7%		
139	Ku-ring-gai	0.4%	0.9%	0.0%	0.7%	YES 100% High net worth	
140	Kyogle	0.0%	0.7%	0.0%	0.7%		
141	Lachlan	0.0%	0.1%	0.0%	0.7%		
142	Lake Macquarie	0.9%	0.9%	0.0%	0.7%	YES	10% foreign Investment
143	Lane Cove	1.0%	2.4%	0.0%	0.7%		
144	Leeton	0.0%	0.1%	0.0%	0.7%		
146	Lismore	0.0%	0.3%	0.0%	0.7%		
2044	Lithgow	0.0%	0.0%	0.0%	0.7%		
2040	Liverpool Plains	0.0%	0.2%	0.0%	0.7%		
148	Lockhart	0.0%	0.0%	0.0%	0.7%		
150	Maitland	2.6%	3.1%	0.0%	0.7%		
2042	Mid-Western Regional	0.5%	0.5%	0.0%	0.7%		
155	Moree Plains	0.0%	0.0%	0.0%	0.7%		
156	Mosman	0.0%	0.0%	0.0%	0.7%	YES 100% High net worth	10% foreign Investment
2086	Murrumbidgee (new)	0.0%	0.0%	0.0%	0.7%		
162	Muswellbrook	0.0%	5.3%	0.0%	0.7%		
163	Nambucca	0.3%	0.7%	0.0%	0.7%		
163	Nambucca	0.3%	0.7%	0.0%	0.7%		
164	Narrabri	0.0%	0.0%	0.0%	0.7%		
165	Narrandera	0.0%	0.0%	0.0%	0.7%		
166	Narromine	0.0%	0.0%	0.0%	0.7%		
2087	Northern Beaches	0.2%	0.5%	0.0%	0.7%	YES 100% High net worth	
2045	Oberon	0.1%	0.4%	0.0%	0.7%		
172	Orange	0.1%	0.8%	0.0%	0.7%		
173	Parkes	0.0%	0.0%	0.0%	0.7%		
2089	Parramatta	1.2%	1.6%	0.0%	0.7%		
2095	Queanbeyan-Palerang Regional	1.9%	2.0%	0.0%	0.7%	YES 100% High net worth	
1981	Richmond Valley	0.1%	0.3%	0.0%	0.7%		
184	Ryde	1.6%	2.9%	0.0%	0.7%	YES 100% High net worth	10% foreign Investment
190	Singleton	0.0%	1.3%	0.0%	0.7%		
2097	Snowy Valleys	0.0%	0.1%	0.0%	0.7%		
194	Sutherland	0.8%	0.9%	0.0%	0.7%		
2038	Tamworth Regional	0.0%	0.6%	0.0%	0.7%	YES 100% High net worth	
198	Temora	0.0%	0.1%	0.0%	0.7%		
199	Tenterfield	0.0%	0.0%	0.0%	0.7%		
2046	Upper Hunter	0.0%	0.2%	0.0%	0.7%	YES 100% High net worth	
204	Uralla	0.0%	0.0%	0.0%	0.7%		
206	Wagga Wagga	0.8%	1.1%	0.0%	0.7%		
208	Walcha	0.0%	0.0%	0.0%	0.7%		
209	Walgett	0.0%	0.0%	0.0%	0.7%		
2050	Warrumbungle	0.0%	0.1%	0.0%	0.7%		
213	Weddin	0.0%	0.0%	0.0%	0.7%		
215	Wentworth	0.5%	1.0%	0.0%	0.7%	YES 100% High net worth	
221	Woollahra	0.1%	0.2%	0.0%	0.7%	YES 100% High net worth	

The use of population within the rate peg is clearly at best inappropriate and at worst preferential elitism.

And you now come at citizens; ratepayers, renters and transients in Non-Sydney Central LGAs, looking for remediation of your flawed inclusion of Population in the Rate Peg and I will pivot back to that, having said what I think needed to be said as to my mind the IPART resides in some sort of bureaucratic bubble run by city-based lawyers and accountants and politicians thus so disconnected in its judgements.

I make the following further updated comment to my 2021 submission and I attach that submission again for government reconsideration. You need now to take heed, your population in peg is not mandated by the ratepayers of NSW, your inclusion is not only impractical, it is unconstitutional. As I highlight elsewhere at s51(xxxi) of the Constitution and within Human Rights Article #17 whereby property transfer (rates) must be on “just terms” and for “good reasons.

Your population in peg offends both, it does not meet the Standards and Values of NSW Ratepayers - it is biased and preferential in favour of those who can afford it as shown herein, using your own figures and biased against those who can’t. Get rid of it, remove it!

May I suggest this time, you reread and take heed of my warnings in submission of 2021 and consider if you are serious about reform, you reconsider my proposed paradigm shift (in 2021) and test for the proposed alternative way, a better way, being a market-based method founded on Need, Affordability and Willingness-to-Pay model. A more bipartisan and socially responsible model.

Remembering there is no silver bullet, there is no convenience here.

I am open to discuss further my submission of 2021 (attached) being the solution you seek, but you only have till March 23 to get started. Now regarding the proprietary Rate Increase Model (RIM) whereby I may lift my copyright and IP reservation (submissions 2021 and 2022) for fair consideration if necessary to further aid the NSW Government, the OLG and IPART on behalf of all NSW ratepayers.

Your faithfully,

(Original signed and redacted here)

[redacted]

[redacted]

BSc., M.Com., AGSM.

[redacted](private but available for initiating contact)

[redacted](private by consultative appointment)

Attached

1) *A New Rate Increase Model - RIM for NSW Local Government 2021 by* [redacted] *– Copyright©*
2) *Submission #5 and #7 against the CCCouncil SV Application in 2021 being 2% Peg + 13% SV*

APPENDIX - C of original submission of 2021 quoted:

Department of Primary Industry- **DPIE forecasted population growth 2016 – 2041**
https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections

NSW 2019 Population Projections

DPIE Planning Region Projections

Population Accounts (movement perspective)

New South Wales summary population accounts (movement perspective)	2016-21	2021-26	2026-31	2031-36	2036-41
Start-of-period population	7,732,858	8,414,978	9,011,010	9,560,567	10,077,964
Births	524,156	566,740	584,279	588,925	601,136
Deaths	266,136	284,808	306,222	334,127	365,404
Net interstate migration	-101,000	-85,000	-85,000	-85,000	-85,000
Net overseas migration	525,100	399,100	356,500	347,600	344,000
End-of-period population	**8,414,978**	**9,011,010**	**9,560,567**	**10,077,964**	**10,572,696**

Greater Sydney Region summary population accounts (movement perspective)	2016-21	2021-26	2026-31	2031-36	2036-41
Start-of-period population	4,688,255	5,252,611	5,746,821	6,211,970	6,661,720
Births	350,076	387,129	404,829	412,330	426,037
Deaths	124,425	135,741	148,052	164,174	183,263
Net intra-state migration	-63,352	-56,191	-53,410	-52,410	-52,260
Net interstate migration	-56,858	-49,784	-49,784	-49,784	-49,784
Net overseas migration	458,915	348,797	311,566	303,788	300,641
End-of-period population	**5,252,611**	**5,746,821**	**6,211,970**	**6,661,720**	**7,103,091**

Regional NSW summary population accounts (movement perspective)	2016-21	2021-26	2026-31	2031-36	2036-41
Start-of-period population	3,044,603	3,162,367	3,264,189	3,348,596	3,416,245
Births	174,080	179,611	179,449	176,595	175,099
Deaths	141,711	149,067	158,170	169,953	182,141
Net intra-state migration	63,352	56,191	53,410	52,410	52,260
Net interstate migration	-44,142	-35,216	-35,216	-35,216	-35,216
Net overseas migration	66,185	50,303	44,934	43,812	43,359
End-of-period population	**3,162,367**	**3,264,189**	**3,348,596**	**3,416,245**	**3,469,605**

NOTES ON 2021 CCC ANNUAL REPORT

PAGE 5 INCOME SUMMARY

INCREASE Total Income EXTRA $33m

Original unaudited budget 2021	$ '000	Notes	Actual 2021	Restated Actual 2020
	Income from continuing operations			
335,480	Rates and annual charges	B2-1	**331,727**	321,946
140,550	User charges and fees	B2-2	**141,034**	129,480
9,017	Other revenue	B2-3	**12,667**	9,293
47,512	Grants and contributions provided for operating purposes	B2-4	**42,408**	44,436
39,287	Grants and contributions provided for capital purposes	B2-4	**83,702**	66,901
10,340	Interest and investment income	B2-5	**5,893**	12,727
8,137	Other income	B2-6	**8,215**	7,724
590,323	**Total income from continuing operations**		**625,646**	592,507

EMPLOYEE EXPENSES MISSED BUDEGT BY $20M

DEPRECIATION UP $22M

TOTAL NET DOWN $22M OVER BUDGET

	Expenses from continuing operations			
200,862	Employee benefits and on-costs	B3-1	**222,616**	220,882
163,869	Materials and services	B3-2	**167,875**	178,589
15,038	Borrowing costs	B3-3	**16,708**	16,151
141,732	Depreciation, amortisation and impairment for non-financial assets	B3-4	**162,303**	155,066
42,932	Other expenses	B3-5	**36,081**	39,540
–	Net losses from the disposal of assets	B4-1	**7,052**	4,931
564,433	**Total expenses from continuing operations**		**612,635**	615,159
25,890	**Operating result from continuing operations**		**13,011**	(22,652)
25,890	Net operating result for the year attributable to Council		**13,011**	(22,652)

(13,397)	**Net operating result for the year before grants and contributions provided for capital purposes**	**(70,691)**	(89,553)

THE PLEDGE OF AUSTRALIANS

WE affirm:

We the People, being all Australian citizens whether born here or migrated acknowledge the traditional custodians of this our lands but not to the exclusion of our contemporary custodians being newer citizens

There can be only be but one voice to our Parliament – the voice of all people.

We pay respect to those of us that have given their lives in service past, present and future to the Southern Cross in our Blue Ensign flag which joins us all.

We acknowledge and respect the flag of our traditional custodians and what it represents for them, but it does not join us all.

We respect and are thankful to all our seniors past and present for their efforts to keep our democracy and freedoms.

We hold that no man is above the law and justice is dealt equally

Our Courts will not cause consequential injustice to any citizen, we uphold the rule of law.

We hold that a citizens' private property including sensitive personal data cannot be transferred to government without good and just reasons and terms known and agreed to us.

All Australians have a right to privacy from Government interference,

We all have a right to happiness without persecution, diminishment or condemnation for our beliefs of whatever nature.

We empower our Government at Commonwealth, State and Local levels so they act at all times for the benefit of our communities and that empowerment comes conditionally for performance in governing and protection from kinetic and non-kinetic warfare and any forces that may try and divide us in return.

We are one and free *END*