

Local Government Team  
Independent Pricing and Regulatory Tribunal  
Electronic Submission

12 March 2014

Re- Blayney Shire Council Application Special Rate Variation

On 31 January 2014 we forwarded to IPART a copy of our submission to Blayney Shire Council. As this was prior to 24 February 2014 we are re-submitting with further relevant information.

Using the numbers attending community meetings as listed on page 26 of Council's submission the results are as below. The result of the community meeting on 31/10/13 needs to be included because of the 90 people attending, 87 opted for rate pegging and 3 for 10%. We witnessed the vote.

SVR Option	No. Responses	Response Percent
15%	49	24.5
10%	42	20.5
3%(Rate Peg)	110	55.0

There is a clear majority voting for rate pegging. Six percent was never offered as an option.

In our submission of 28 January we questioned the expenditure of the extra SRV income on the lower priority projects. The table on page 7 of the Long Term Financial Plan submitted with the Council's application to IPART has changed from that exhibited and now does not identify any specific expenditure projects except village enhancements. In addition, the income amounts are significantly different to those placed on exhibition for community comment. A notation states this is necessary to align with the LTFP. However the income listed for 2015/16 of \$433,000 is the cumulative figure for the two years. It should be 286,000. On worksheet 6 in 2015/16 Council is planning capital expenditure based on the cumulative income of \$433,000.

The total additional income for the two years in the exhibited table is \$620,000 (Refer page 7 below). In the application to IPART, it is \$433,000 – a difference of \$147,000. The Budgeted Income spreadsheet does not appear to have been adjusted accordingly.

The above changes have not been resolved by Council.

We also mention that our SRV submission has never been tabled, or responded to, by Council. When we complained to the Mayor about its omission from 10 February meeting business papers, his explanation on 10 February was "a late submission". This is not credible. We lodged two submissions with Council staff on 28 January in the one envelope. The one relating to Council's Strategic Plan secured a response. Our SRV did not. Council is required to consider all submissions and the responses before adopting the draft plans. In this case they could not do so.

Yours faithfully

Mr P. Menzies and Miss K. Menzies

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- Village Enhancement program
- Local Roads Rehabilitation program

	2014/15 (\$'000)	2015/16 (\$'000)
<b>Income</b>		
Special Rate variation permanent 6%p.a. 2 years	239	381
<b>Expenditure (Capital)</b>		
Village Enhancement program	239	320
Local Roads Rehabilitation program	-	61

*Note: This Special Rate Variation is part of a longer term funding model for asset renewals. Council's Long Term Financial Plan shows more detail of this 10 year strategy. In the event that Council must deliver services under the Reduced Services model a review of loan borrowings, funding from reserves in conjunction with a service delivery review will be required.*

## CONCLUSION

Financial Sustainability is a key focus for local government reform. Council has recognised the need to address our long term financial outlook through implementing a number of measures in the past, including a Financial Sustainability Strategy. Actions in addition to our savings program are needed to achieve long term financial sustainability, to ensure that the standard of Councils public assets are fit for purpose over the medium to long term.


Council has sought to address this challenge in the short term with an approach that balances community affordability with financial sustainability for service delivery and maintenance of community assets. The following approach to financial sustainability has been proposed:

- 2 year permanent Special Rate Variation of 6% across all rate categories, excluding existing special rate variations in place.

These additional funds will assist Council to ramp up its asset renewal programs with a view to addressing the funding gap and provide for village enhancement.

Council will also seek to commence work on the next phase of its path to financial sustainability with a community engagement program consulting the community on funding and services in the medium to long term.



Mr P. Menzies & Miss K. Menzies  


General Manager  
Blayney Shire Council  
91 Adelaide Street  
Blayney NSW 2799

28<sup>th</sup> January 2014

Dear General Manager,

Re: Blayney Shire Council Special Rate Variation (SRV)  
Application to IPART.

We make the following submission in relation to the above subject.

There has been no community consultation in regard to a special rate variation of 6% for two years. The decision was made solely by Council. Its inclusion in the IP&R documents released for comment over the Christmas/New Year period is not consultation. For many ratepayers their vacation plans will coincide with much of the time allowed for comment.

The outcome of the three options presented at community meetings provide no basis for the 6% decision. To imply community endorsement is not correct.

Without knowing the numbers attending the community meetings it is not possible to determine the significance of the percentages voting for each option. The fact that the percentages total 105 makes the data suspect. The times for most of these meetings would have limited community participation. One was at 1pm, two at 3.30pm and four at 5.30pm. That meant seven of the nine meetings would have precluded people in employment and business and farm operators.

In contrast the meeting organised by the local Farmers' Federation at 7.30pm was attended by about 100 people. That meeting gave a clear message to Council with some 97% voting for the rate pegging option (then 3.3%).

We believe if anything can be drawn from community involvement it is for continuation of rate pegging.

The theoretical conclusion by the Western Research Institute that shire ratepayers (except farming) can afford a 15% SRV defies reality. Cost of living pressures are foremost in everyone's mind. Council should not base its analysis of the affordability of any SRV on that report.

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It should also be recognised that local businesses will try to pass on any cost increase to their customers.

Council consistently emphasises that the priority for expenditure is maintenance of infrastructure especially bridges and roads. Now Council is proposing that 90% of the extra income generated by the 6% SRV will be spent on Village Enhancement Programmes. Since these cannot be considered a priority, Council has demonstrated no Special Rate Variation is required.

We are opposed to any SRV and support increases based on the rate pegging formula

Yours faithfully

P. Menzies

K.Menzies

Re: Blayney Shire Council Special Rate Variation (SRV)  
Application to IPRAT

We make the following submission in relation to the above subject.

There has been no community consultation in regard to a special rate variation of 6% for two years. The decision was made solely by Council. Its inclusion in the IPRAT documents released for comment over the Christmas/New Year period is not consultation. For many ratepayers their vacation plans will coincide with much of the time allowed for comment.

The outcome of the three options presented at community meetings provide no basis for the 6% decision. To imply community endorsement is not correct.

Without knowing the numbers attending the community meetings it is not possible to determine the significance of the percentages voting for each option. The fact that the percentages total 105 makes the data suspect. The times for most of these meetings would have limited community participation. One was at 1pm, two at 3.30pm and four at 5.30pm. That meant seven of the nine meetings would have precluded people in employment and business and farm operators.

At least the meeting organised by the local Farmers' Federation at 7.30pm was attended by about 100 people. That meeting gave a clear message to Council with some 97% voting for the rate pegging option (then 3.3%).

We believe if anything can be drawn from community involvement it is for continuation of rate pegging.

The theoretical conclusion by the Western Research Institute that some ratepayers (except farming) can afford a 15% SRV defies reality. Cost of living pressures are foremost in everyone's mind. Council should not have its analysis of the affordability of any SRV on that report.