

## **Submission to IPART**

### **Byron Shire Council Special Rate Variation 2017-18**

I have been a resident of Byron Shire for 20 years and a ratepayer for longer still. Regrettably, my view is that, as a provider of essential local government services, Byron Shire Council has demonstrated a track record of poor administration, inefficiency and waste in its operations and financial management.

It is true that the condition of many physical assets managed by the Council is poor. The key question is why this has been allowed to occur.

The Council is certainly relatively small, and suffers from proportionally high administrative overheads. But, in addition, for many years now the functioning of the Council has too often been subject to the influence of minority activist groups running agendas that are of little benefit to the broader community. This continuously diverts the attention of the Council and its administration from its core responsibilities, as well as imposing substantial deadweight costs. Council's legal fees in entering ill-advised planning disputes is a good example. The proposition that gifting more money to the Council will alter this pattern of behaviour is optimistic at best. It may be more accurately described as delusional. The long experience of ratepayers in Byron Shire is that more money simply equals more waste.

In relation to OLG's guidelines and the criteria that will be used to assess the application, I make the following points.

#### **Criteria 1 and 2.**

The fact that Byron Shire Council can demonstrate a need for additional funding should be assessed in the context of its poor operational and administrative performance. If the local community considered that the Council had tried its best to maintain its assets and service delivery at an acceptable standard, but fell short due to external circumstances beyond its control, there would be understandable support for a relaxation of the rate cap. But this is not the case. There is widespread and deeply felt cynicism regarding the performance of the Council, and the reasons for this. A substantial majority in the community is firmly opposed to the application. The Council knows this and will confirm it if pressed. A telling factor is that none of the ruling majority on Council openly canvassed the proposed rate increase at the most recent elections, even though it was clearly an established component of their plans. This effectively denied the community an opportunity to express its view on the matter through the democratic process. [REDACTED].

It is not enough for the Council to say that it needs the additional funds. We could all use some extra cash. The key question is whether the Council has the capacity to use the funds wisely and efficiently. A special rate variation should not be a reward for poor behaviour and performance. I submit that most in the local community have little confidence, in the circumstances that exist here, that the promised improvement in performance will be forthcoming. The arguments for and against a rate increase of this magnitude should be tested at the ballot box.

### Criteria 3

Of all the applications submitted, Byron Shire Council is seeking the largest variation over four years, with a cumulative increase of 33.55%. In real terms, this is close to a 25% increase by year four, rolled forward annually thereafter. This is out of all proportion, particularly given the relatively low income levels in the Northern Rivers. It is certainly at odds with the NSW Premier's policy objective of improving housing affordability.

I would ask whether any other council has ever been offered such a substantial real increase in its revenue base, an increase that has not been earned through its own endeavours, but gifted exogenously, funded by existing ratepayers? On what grounds would IPART feel justified in establishing such a negative and unhelpful precedent?

Thank you for the opportunity to make this submission.

Philip Theaker

