



Ray and Narelle Collins

29 February 2016

The Minister for Local Government and
The Commissioner of IPART NSW

**Reference: Wingecarribee Shire Council – Request for Special Rate Increase
2016/17 through 2019/20.**

Dear Minister and Chairman,

We are writing to you both to express our deep concern over the proposal by Wingecarribee Shire Council to seek a Special Rate Increase for the period 2016/17 through to 2019/20. This proposal has arisen from the NSW Government's "Fit for the Future" review of NSW Local Governments. Parts of this correspondence will be more relevant to one of you more than the other. However it seems appropriate that both of you should receive the same information.

Whilst we understand Council's concern over its financial position and the possible need for an additional rate increase over the proposed time frame, we do not accept that the proposed increase, or any increase, should automatically be granted. Our points for consideration by you both are as follows:

1 – we purchased our property here in 1999 and took up fulltime residence in 2003. For the period 1999 through to 2013 ratepayers in this shire have been subjected to "special" rate increases, **which has resulted in our rates increasing by some 99% over that period.** For the period 2013/2016 we have been, mercifully, subjected to only the normal pegged increases.

Council not only sought special rate increases but also implemented various levies over this period (1999/2013), namely: an Environmental levy, Domestic Waste charges (surely part of our normal rates?), Infrastructure M&R Special rate and a Residential Storm water levy. All of these add to the overall costs of our "Rates". It matters not what these items are called, but the overall impact on our hip pocket is what is significant.

The proposed increases for the period 2016/17 through 2019/20 means that our rates will increase by a further 35.63% compared to our 2015/16 rates. Refer to attached worksheet.

Unfortunately we do not have our rate notices prior to 2002/03, but if we compare the projected rates for 2019/20 with our actual 2002/03 rates, the increase is a staggering

172.69%. Our rates bill will be nearly three times that of 2002/03. How are any ratepayers, private or commercial, expected to maintain this rate of increase?

2 – As you are aware, once a special rate increase is granted it becomes part of the rating base. Thus the additional costs are with us forever. The Council has been collecting higher rates for many years and even though our rate increase during the period 2013/14 through 2015/16 was at the “pegged” rate, the “pegged” rate was based on the 99% increase since 1999. Council’s annual income was substantially increased. What has happened to these additional funds one might ask?

Some notable issues come to mind:

- a) Just before the GFC Council invested \$33 million dollars in Lehmann Brothers. Clearly these funds represented Council reserves and would have provided a further income stream over time. As at the present time the money (presumably sourced from private and commercial ratepayers and Developer contributions) appears lost although we understand that legal action is still being undertaken to try and recover the loss. Such recovery, if successful, might mean ten cents in the dollar or an overall loss of some \$30 million plus legal fees. How this appears in the Council P&L and Balance sheet is unclear. Additionally we are apparently still paying legal fees associated with the recovery action.
- b) In the recent past, Council spent a reported \$13 million dollars upgrading the Moss Vale swimming pool to a year round Aquatic Centre. Council must surely have known of their dire financial situation when this decision was taken. The Shire has one Aquatic Centre and three open-air pools, all heated to 24 degrees. There seems to be some scope here for making significant savings.
- c) It has been reported that the Council has spent significant sums of public monies on legal fees to settle internal disputes between Councillors over various matters. From media reports we understand that these amounts are quite significant. This smacks to us of a lack of good will amongst Councillors to do their best by the community. Such will must surely be a prerequisite if one is elected as a Councillor.

3 – the current request for a rate increase appears to have arisen because of the NSW Governments “Fit for the future” investigation. Wingecarribee was apparently classified as “Fit for the Future” but only met **TWO** of the seven criteria – surely this result is far from being “fit”. Once again the Council was found to be lacking in investment in asset renewals. The same old story that has led to previous rate hikes and levies being imposed on powerless long suffering rate payers.

Over the past few years and into the future, the Shire has experienced somewhat of a building boom with developments like Nattai Ponds, Retford Park and Renwick Estate coming on line. These developments basically Cost Council very little (the bills being footed by the developers and purchasers) and increase the number of ratepayers in the Shire. Such development means that Council’s rating base and rate

income will automatically increase over time. In the future it is mooted that some 1000 dwellings will be constructed at Wensley Dale, a further boost to Council coffers.

The infrastructure cost for these new undertakings is bourn by the Developer. The Developer also contributes to Council funds through developer contributions, over and above the infrastructure costs. Council gets a number of "cost free" years before any significant R&M costs are incurred. Accordingly the benefit of these new developments should be taken into account before any decision is made to increase rates.

4 – the Valuer General has recently updated his valuations for property in the Shire. Valuations have increased significantly and whilst the percentage increase in valuations will not be applied directly to rates, a small percentage will undoubtedly flow through to our "rates" bottom line and then into Council coffers.

Conclusion.

We feel that Council's actions have put us in an invidious position. On the one hand Council seems to be at least partly to blame for their current financial position through poor decision making i.e. the Lehmann Bros investment and the Aquatic Centre development. Seemingly Council has wasted some \$40 million dollars previously raised from ratepayers and developers. Thus creating, or at least exacerbating, the current impossible situation.

Rate Payers however, bear the financial penalties of these decisions.

On the other hand we do not want to see vital services and infrastructure deteriorate to an unsafe/unusable state. However, if we and yourselves were to support Council's proposal, what guarantees do we have that the same situation will not arise again whereby the increased revenue is basically wasted?

Our feeling is that the Council should remain as an unmerged entity. However, we also feel that a period in Administration may assist in getting the Shire back on track without the need for exorbitant ongoing rate increases.

Should any rate increases be granted then please limit the increase to a bearable level for we long suffering ratepayers.

Yours faithfully.

A large black rectangular redaction box covering the signature area.

Ray and Narelle Collins

WINGECARRIBEE SHIRE COUNCIL - PROPOSED RATE INCREASES 2016/17-2019/20.

The following table is intended to provide a visual appreciation of the impact upon us of W.S.C. proposed rate changes for the period 2016 through 2020.

The extrapolation takes the proposal through to 2019/2020.

Water and sewerage charges are not shown but should be recognised as additional "rate" charges collected by W.S.C.

	Current charges for 2015/16.	Anticipated rate Pegging 3.5%	Additional rate increase 5.05%	Anticipated rates for 2016/17	Anticipated rates for 2017/18	Anticipated rates for 2018/19	Anticipated rates for 2019/20	Anticipated 2019/20 increase over 2015/16 rate level	Rates 2002/2003.	Increase 2019/20 over 2002/03 rates.
Proposed increases, Environmental Levy. (1)	\$42.63	3.50%	5.05%		9.25%	9.25%	12.15%			
Residential Rate.	\$1,086.58	\$38.03	\$54.87	\$1,179.48	\$1,288.58	\$1,407.78	\$1,578.82	45.30%	\$488.04	223.50%
Garbage. (2)	\$310.00			\$326.65	\$344.19	\$362.67	\$382.15	23.27%	\$188.00	103.27%
Stormwater. (3)	\$25.00			\$25.00	\$25.00	\$25.00	\$25.00	0.00%	\$27.91	n/a
Total Yearly:	\$1,464.21			\$1,575.25	\$1,703.44	\$1,842.71	\$1,965.97	35.63%	\$728.30	172.69%

Notes:
(1) average
increase over
past four years
= varied
assume 3.5%

(2) average
increase
over past
four years =
5.37%

(3) \$25 p.a.

(Special
M&R
rate).