

## **IPART submission**

### **RE: Special rate Variation – Dungog Council.**

As you are aware Dungog Council has submitted an SRV which seeks approval for a cumulative increase in rates of 97.8% over 7 years

We are long standing residents and ratepayers in the shire and like many others are appalled at this attempt to extort a rate increase of this magnitude. This is especially so when the income base of rural ratepayers is based on grazing beef cattle on what was once relatively small dairy farms. The vagaries of weather and markets are such that no one in their wildest dreams could expect such an increase (97.8%) in their farm income.

Council meanwhile is adamant that only an increase of this order is sufficient to provide a sustained revenue base capable of supporting their maintenance budget on roads and bridges.

The situation however is not as straightforward as they may claim and there is absolutely no guarantee that even with this increase the infra structure backlog will not continue.

Complicating this is the fact that Council is burdened with road classifications which shift all maintenance responsibilities onto them. Rate increases are not the solution, this is a matter which can only be resolved by State politicians pushing for re-classification and changes to the road funding formula.

Then there remains the issue of Council's civil works efficiency. As a small council it has a low skill base in its civil works teams and the outcome is that is it notoriously inefficient. The operating principle is illustrated by the phrase: "no time or resources to do it right – but plenty of time to do it over and over" and we could provide numerous case studies of this. In the absence of more civil engineering expertise and the efficiency and completion benchmarks in use elsewhere, additional revenue will only serve to establish a sheltered workshop for an indulged group of employees and preferred contractors. This is hardly to be encouraged.

Council's tourism plan 2015-2108 proudly claims that visitors to the shire total around 200,000 per annum and contribute \$47m to Dungog shire. While the revenue figures are suspect and suggest that the shire is creating multiple millionaires, we can confirm that visitors, (day trippers) are overwhelming our roads in their desire to reach the forest and park areas at the head of the rivers. Further taxing rate payers to cross subsidise these visitors and the businesses who supposedly receive the \$47m is unfair and especially so as these Government forests and parks contribute no rate revenue. This is a matter for State funding so that both rate payers and visitors share the costs equitably.

In summary we submit that this attempt to extort rate payers will not solve the infra structure backlog. In our view it would be counter productive as it defers attention from the need to reclassify roads and for the State to step up and accept funding responsibility for the defacto main roads used increasingly by the 200,000 annual day tripper visitors to the shire. It also defers attention from the need for Dungog Council to acquire more professional civil works expertise and to implement the efficiency and completion benchmarks in use at other Councils. Lastly this proposed SRV discriminates against rural ratepayers in the shire, many of whom are in retirement phase on ex dairy farms being held as their only superannuation. For them taxing their super fund is especially galling when the State owned forests and parks which attract the day trippers contribute no rates at all.

For these reasons we would ask you to decline the application and fix a rate increase more in line with the rate of inflation.

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Also [REDACTED]