

Blue Mountains City Council Special Variation.

Submission by Rob Thompson,

**23Rd February 2014
PO box 129,**



1- Concerns about the Need for the Variation:

(i) BMCC has not contained administrative waste and inefficiencies.

Governance and Administration at BMCC is a very high 24% of expenditure. \$292 per capita as opposed to the group average of \$168.

BMCC compares extremely poorly to Hawkesbury Council who spends \$70.27 per capita (8%) on Governance and administration. Hawkesbury is a similarly populated Council which is also geographically spread out....from Bilpin and National Park in the west to Wisemans Ferry in the north.

Attached are the Office of Local Government 2014 statistics for BMCC and Hawkesbury.(Annex "C").

BMCC should analyse and decrease administrative inefficiencies to at least bring costs in line with the group average before applying for increased rates.

(ii) BMCC has not improved the standards of work they provide:

BMCC is renowned for poor quality workmanship. There has been no improvement over the years. Annex "A" shows the extremely poor quality workmanship at our "new" \$705,000 roundabout in Katoomba as well as an example of sub standard kerb and guttering.

(iii) BMCC Community Satisfaction

In the IPART application BMCC has used data from the University of Wollongong IRIS Research Paper from May 2014. In September 2014 two Councillors, [REDACTED],

[REDACTED], resigned [REDACTED]. Subsequently there were two by-elections and a great deal more community awareness and anger grew as the poor state of BMCC's finances was revealed. As the IRIS report pre-dates these events, I believe it has little relevance to the current community satisfaction levels.

(iv) BMCC Emergency preparedness and response.

BMCC, RFS and SES already receives significant funding in this area from State and Federal Government. If BMCC believes this is not funded sufficiently they should first present a case to the State and Federal Governments jointly with the RFS and SES. To ask for rates increases to fund bushfire preparedness without having first applied to increase the current funding is not satisfactory.

2- Concerns about the Impact on Residents, Ratepayers & Businesses.

The Lower Mountains and Upper Mountains are two very different socio-economic areas. The Lower Mountains is a reasonably comfortable middle class area whereas the Upper Mountains has significant low socio economic indicators including poverty, shortages of rental and seniors accommodation as well as a significant rate of homelessness. No attempt has been made by BMCC to assess how the rates increases will effect these areas differently. No statistics have been provided by BMCC as to how differently the upper and lower mountains responded to the consultation process.

In the main street of Katoomba, on the 22nd February there were 16 vacant shops. This is just a 400 metre stretch of commercial shopping. In it's application, BMCC has done little to address and analyse the effects of rates rises on our local businesses.

3- Concerns about claimed Productivity Improvements

I refer to BMCC's application *Section 7.2 Estimated Costs savings 2011/12 – 2014/15*.

Why are these **past** figures just estimates? Why has BMCC not presented actual figures to show what the improvements have been? With a well managed accounting system it is not difficult to list all significant cost areas on a year by year basis with actual figures.

BMCC should be required to provide actual past figures not estimates.

BMCC has avoided listing any cost areas that have deteriorated

4- Concerns about Community engagement:

(i) Community Survey

Throughout the whole application to IPART, BMCC neglects to mention that 35,738 survey forms were sent to every ratepayer. Only 4300 (12%) responses were returned. Of these, just over half ticked the option that BMCC is applying for....about 7% of total ratepayers.

BMCC has made no attempt to analyse or explain why there was such a low percentage of survey forms returned and why such a small percentage of total ratepayers favour their application option. This is particularly relevant considering the proposed rates rises is a very big issue in the Blue Mountains.

There is a standing joke in the Blue Mountains community as to why people did not return their forms.... there were no options worth ticking! The only options were “**rates rises, more rates rises and even higher rates rises.**” The community has never been presented with any other options to deal with the systemic problems at BMCC.

Concerns about community engagement (continued)

(i) Telephone Survey:

I believe the telephone poll undertaken by BMCC (their Attachment 6b) could be flawed. The question at section 4.1 of the BMCC attachment seems to emphasise “Service Levels” not how they would be funded.

BMCC does not state what was told to participants, it just says they were provided with “*background information on financial challenges*”. We do not know how the rates rises were presented to participants in this question. We do not know if these “challenges” were presented in a fair and balanced manner.

To interpret this question's result, it is vital to know what was told to the participants about the “financial challenges”.

As to be expected most people approved of “*Service Levels Maintained*” or “*Service Levels Improved*”... but do they really prefer the funding to be via rates rises or other options such as reform, partial amalgamation and/or privatisation of services etc?

It is also worth noting that all the surveys were conducted prior to the two Councillors resigning and the true state of affairs at BMCC being made public. Prior to the Councillors resigning, BMCC was trying to present themselves as a well run Council being squeezed by State and Federal funding cuts.

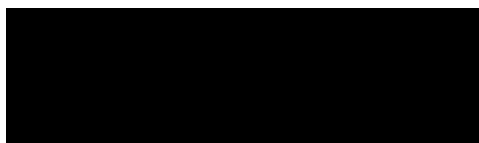
(iii) BMCC by-elections as an indicator of the mood of the community:

I stood in the November 15th 2014 BMCC Council by election as an Independent for Ward 2. I campaigned on a platform of “***Reform – not Rates Rises***”. I was an unknown candidate, on a shoestring budget and with no campaign experience. Even with all the political parties directing preferences away from me I came second by a few hundred votes... 3424 voters in Ward 2 (of 4) voted for “***Reform not Rates Rises***”. See Annex “B” for election information.

I received a lot of feedback from the community about BMCC. I am completely convinced that if there was an options box in the survey marked “***A complete overhaul and reform of your Council***”, BMCC would have been swamped with responses.

I thank you for reviewing my submission.

Yours Faithfully

A large black rectangular box used to redact the signature of Rob Thompson.

Rob Thompson

Annex A - Submission to IPART by Rob Thompson on BMCC Rates Increases.

Examples of Poor workmanship by Blue Mountains Council

This roundabout in Katoomba Street was completed by BMCC at a cost of \$705,000 in May 2014. These photos were taken only 6 months later in December 2014. It is almost impossible to believe that the photos below are of a recently completed job.



Annex “A” continued



Annex “A” continued

Below is an example from Sayers Street Lawson of the sub standard kerb and guttering by BMCC. The work was completed in July 2014. These photos of the work were taken 7 months later in early January 2015. Approximately two thirds of the street has degraded to this extent.



Annex "B"

Election material for my campaign for **"Reform - not Rates Rises"**

I was an unknown candidate, on a shoestring budget and with no campaign experience. Even with all the political parties directing preferences away from me I came second by a few hundred votes. 3424 voters in Ward 2 (out of 4) voted for **"Reform not Rates Rises"**

Rob Thompson
Independent
REFORM
OUR COUNCIL
GET PARTY POLITICS
OUT OF BMCC

RT4BMCC.com

Authorised and printed by Rob Thompson
PO Box 129 Lawson NSW 2783

Rob Thompson - Independent
OUR COUNCIL NEEDS REFORM - NOT RATES RISES THAT WILL FUEL MORE WASTE

IT'S TIME TO GET PARTY POLITICS OUT OF BMCC

- The Parties treat OUR Council as a school for trainee career politicians.
- \$58.7 million in debt... Up \$8 million in just the past year.
- Assessed by the NSW Government as:
 "...not able to incorporate any further loan funding..."
- \$6.7 million average annual losses since 2008.

Please vote for these Independents - Real people with real concern for your community.

Blue Mountains City Council Ward 2

Authorised by Rob Thompson PO Box 129 Lawson 2783
Printed by BullPrint Aust. 5/175 Briens Road Northmead 2152

3	DE LIMA Joaquim Independent
2	LOUGHEED Angela Independent
	BECKETT James Liberal
1	THOMPSON Rob Independent
4	ARNEY Victoria Independent
	BENNETT Annette Labor
	O'GRADY Kerrin The Greens

Annex “B” Continued – Ward 2 Election results.
A clearly strong result for “**Reform – Not Rates Rises**”

Fox/Central/												
	Count 1	Count 2		Count 3		Count 4		Count 5		Count 6		
		ARNEY Victoria Excluded Candidate		DE LIMA Joaquim Excluded Candidate		LOUGHEED Angela Excluded Candidate		O'GRADY Kerrin Excluded Candidate		BECKETT James Excluded Candidate		
		104	Votes	151	Votes	1021	Votes	1797	Votes	2176	Votes	
Candidates	Candidate Votes	Votes Distributed	Progressive Totals	Votes Distributed	Progressive Totals	Votes Distributed	Progressive Totals	Votes Distributed	Progressive Totals	Votes Distributed	Progressive Totals	
DE LIMA Joaquim (Independent)	141	10	151									
LOUGHEED Angela (Independent)	973	8	981	40	1021							
BECKETT James (LP)	2049	7	2056	17	2073	81	2154	22	2176			
THOMPSON Rob (Independent)	2258	17	2275	21	2296	421	2717	239	2956	468	3424	
ARNEY Victoria (Independent)	104											
BENNETT Annette (ALP)	2693	6	2699	3	2702	84	2786	947	3733	129	3862	ELECTED
O'GRADY Kerrin (GNS)	1726	4	1730	10	1740	57	1797					
Total Formal Votes	9944	52	9892	91	9832	643	9454	1208	8865	597	7286	
Exhausted Votes		52	52	60	112	378	490	589	1079	1579	2658	
Total Informal Votes	390		390		390		390		390		390	
Total Votes	10334	104	10334	151	10334	1021	10334	1797	10334	2176	10334	
Absolute Majority	4973		4947		4917		4728		4433		3644	

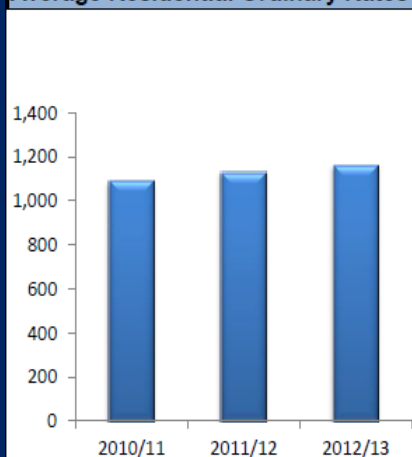
Blue Mountains City Council



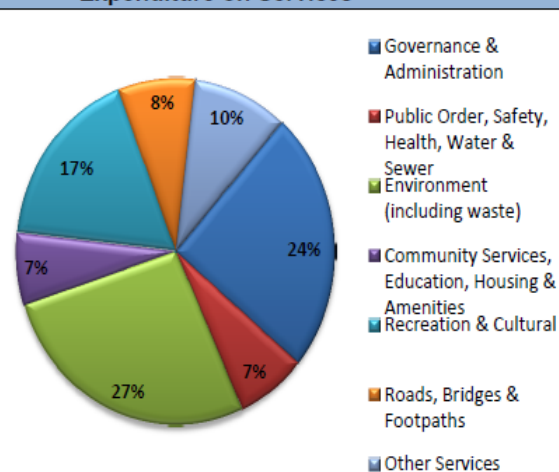
Blue Mountains City is approximately 1432km² with a population of 78,691 and comprises of 27 character-filled towns and villages spread along 100km of mountainous terrain. The Blue Mountains is a nationally and internationally significant World Heritage environmental area and unique tourist destination, with seventy per cent comprising World Heritage National Park and only eleven per cent available for settlement. The Great Western Highway and Blue Mountains railway line, traverse their way through the City providing an important transport link.

Your Local Population	LGA	Group Avg	Your Council	LGA	Group Avg
Five year population change (%)	3.3	6.1	Councillors (No.)	12	12
Population aged 19 or less (%)	25.5	27.3	Population per Councillor (No.)	6,558	13,830
Population aged between 20 & 59 (%)	51.0	53.2	Equivalent Full Time Staff (EFT) (No.)	528	746
Population aged above 60 (%)	23.5	19.5	2012/13 Revenue (\$'000)	95,876	181,041
Aboriginal & Torres Strait Islanders (%)	1.7	2.0	2012/13 Expenses (\$'000)	97,679	162,074
Language Spoken Other than English (%)	6.4	16.5	Residential Pensioner Rebates (%)	18	17
Socio-Economic Index Rank (1 low, 152 high)	125	n/a	Population Density (residents per km ²)	54.96	353.65
Your Local Economy	LGA	Group Avg	Your Public Facilities	LGA	Group Avg
SALM Unemployment Rate (%)	4.6	5.8	Public Swimming Pool Complexes (incl rock pools) (No.)	5	4
Avg Taxable Income (\$)	45,821	45,506	Public Halls (No.)	17	36
Avg Household Family Size (No.)	3.0	3.2	Public Libraries (No.)	6	5
Largest Industry Employer	Education and training		Open Public Space (ha)	6,556	5,972
Value of DAs determined (\$'000)	96,598	395,065	Total Road Length (km)	739.9	892.1
Active Businesses in LGA (No.)	5,593	12,277	Access to Internet at Home (%)	78.4	76.9

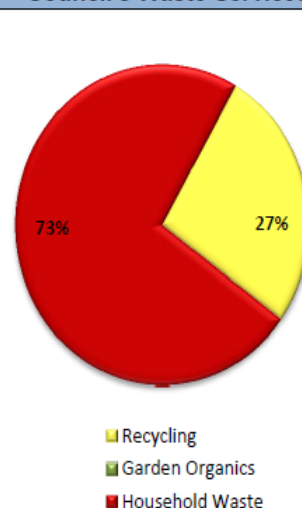
Average Residential Ordinary Rates



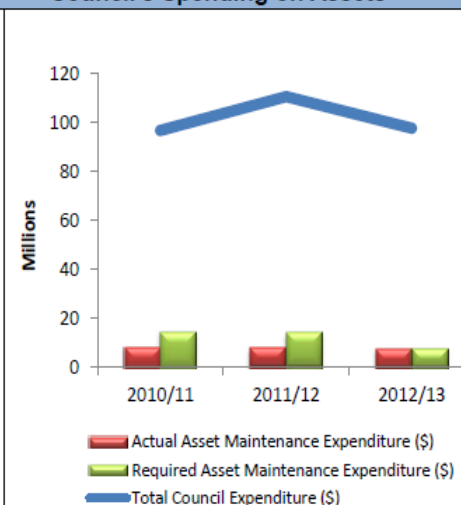
Expenditure on Services



Council's Waste Services




Council's Spending on Assets

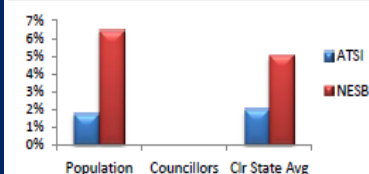
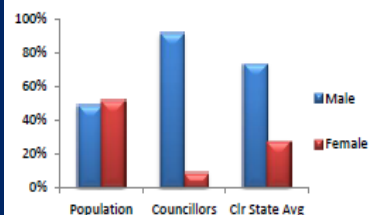
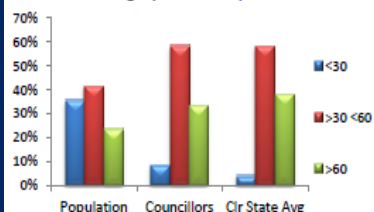


In 2013 TCorp assessed your Council's current Financial Sustainability Rating as Weak with a Neutral outlook.

In 2013 the Infrastructure Audit assessed Council's infrastructure management to be Moderate.

Contacting Council	Your Council's Finances	LGA	Group Avg	Your Council's Services	LGA	Group Avg		
<div>2 Civic Place</div> <div>Katoomba NSW 2780</div> <div>Postal Address:</div> <div>Locked Bag 1005, Katoomba NSW 2780</div> <div>Phone: 02 4780 5000</div> <div>Fax: 02 4780 5555</div> <div>Email:</div> <div>council@bmcc.nsw.gov.au</div> <div>Web:</div> <div>www.bmcc.nsw.gov.au</div> <div><div>Demographics of Population of LGA</div><div><div><div><div>Population</div><div>Councillors</div><div>Clr State Avg</div></div><div><div><div><div><30</div><div>>30 <60</div><div>>60</div></div><div><div>Male</div><div>Female</div></div></div><div><div>Population</div><div>Councillors</div><div>Clr State Avg</div></div><div><div><div><div>ATSI</div><div>NESB</div></div><div><div>Population</div><div>Councillors</div><div>Clr State Avg</div></div></div></div></div></div></div></div>	Avg Ordinary Residential Rate (\$)	1,163.62	943.24	Governance & Administration Expenditure per capita (\$)	292.69	168.19		
	Avg Ordinary Business Rate (\$)	2,615.44	3,723.22	Environmental Expenditure (including waste) per capita	322.32	190.90		
	Avg Ordinary Farmland Rate (\$)	2,000.00	2,542.92	Water & Sewer Services Expenditure per capita (\$)	n/a	347.47		
	Avg Ordinary Mining Rate (\$)	n/a	84,466.67	Community Services, Education, Housing, Amenities Expenditure per capita (\$)	86.36	147.58		
	Total Land Value / Total Rate Revenue (\$)	178.91	247.65	Recreational & Culture Expenditure per capita (\$) *	223.75	173.42		
	Typical Residential Water and Sewer Bill (including usage) (\$)	n/a	978	Public Order, Safety & Health Expenditure per capita (\$)	90.62	43.92		
	Avg Domestic Waste Charge (\$)	321.65	343.53	Other Services Expenditure per capita (\$)	124.56	74.54		
	Own Source Revenue (%) (TCorp Benchmark 60%)	73	69	Library Services Expenditure per capita (\$)	32.02	35.75		
	Grants & Contributions Revenue (%)	19	24	Library Circulation per capita (Items)	7	6		
	Operating Performance Ratio (%) (TCorp Benchmark >-4.0%)	-4.2	-2.7	Domestic waste not going to land fill (%)	42	56		
	Unrestricted Current Ratio	2.3	3.3	Development Applications (mean gross days)	80	74		
	Outstanding Rates & Annual Charges (%)	4.0	4.8	Development Applications determined (No.)	644	1,053		
	Debt Service Cover Ratio (TCorp Benchmark >2.0)	2.2	3.0	Companion Animals microchipped (No.)	31,798	51,105		
	Cash Expense Cover Ratio (Mths) (TCorp Benchmark > 3 mths)	1.9	3.9	Companion Animals microchipped and registered (%)	58	59		
	Your Council's Community Leadership				Your Council's Assets			
Development Applications determined by Councillors (%)				5	3	Roads, Bridges and Footpath expenditure per capita (\$)	100.99	107.70
Audited Financial Reports submitted by due date (Y/N)				Y	n/a	Building & Infrastructure Renewal Ratio (%)	47.7	76.6
Code of Conduct Complaints (No.)				1	1	Infrastructure Backlog Ratio (%) (TCorp Benchmark <20%)	1.0	5.8
Complaints investigated requiring action (No.)				0	1	Road Length per '000 capita (metre)	9.4	5.8
Cost of dealing with Code of Conduct Complaints (\$)				0	3,717	Asset Maintenance Ratio (TCorp Benchmark >1.0)	1.0	1.0
Population per EFT Staff (No.)				149	226	Comparative Information on NSW Local Government		
See Appendix 1 for definitions, calculations & benchmarks See Appendix 3 for Council Groups				Measuring Local Government Performance 2012-13				
				 Office of Local Government				

Demographics of Population of LGA



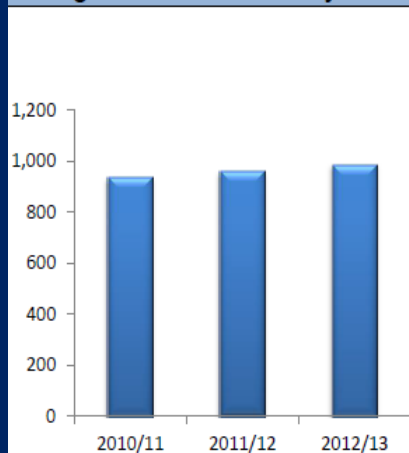
Hawkesbury City Council



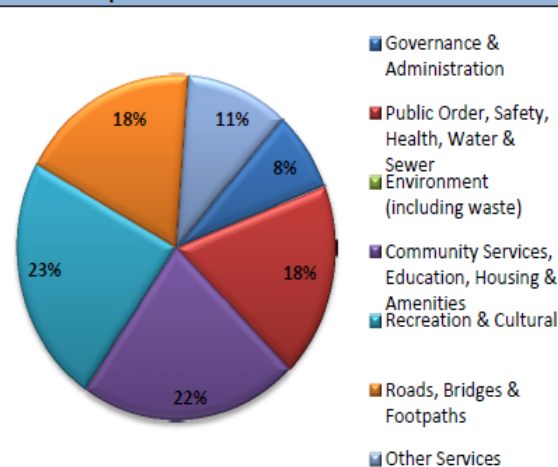
Hawkesbury City has an area of approximately 2,775.8 km² with a population of 64,592. Located in the Hawkesbury River Valley, the City is the largest local government area in the Sydney metropolitan region. It has a mix of rural, semi rural and medium density housing with population centres at Richmond and Windsor.

Your Local Population	LGA	Group Avg	Your Council	LGA	Group Avg
Five year population change (%)	3.7	9.6	Councillors (No.)	12	10
Population aged 19 or less (%)	28.4	29.8	Population per Councillor (No.)	5,383	5,715
Population aged between 20 & 59 (%)	54.4	54.0	Equivalent Full Time Staff (EFT) (No.)	273	262
Population aged above 60 (%)	17.3	16.2	2012/13 Revenue (\$'000)	75,995	83,811
Aboriginal & Torres Strait Islanders (%)	2.6	2.3	2012/13 Expenses (\$'000)	64,731	60,347
Language Spoken Other than English (%)	5.7	6.5	Residential Pensioner Rebates (%)	14	14
Socio-Economic Index Rank (1 low, 152 high)	118	n/a	Population Density (residents per km ²)	23.27	113.92
Your Local Economy	LGA	Group Avg	Your Public Facilities	LGA	Group Avg
SALM Unemployment Rate (%)	4.3	3.8	Public Swimming Pool Complexes (incl rock pools) (No.)	1	2
Avg Taxable Income (\$)	44,257	45,916	Public Halls (No.)	25	18
Avg Household Family Size (No.)	3.2	3.2	Public Libraries (No.)	2	2
Largest Industry Employer	Construction		Open Public Space (ha)	218	392
Value of DAs determined (\$'000)	106,810	231,964	Total Road Length (km)	1,030.1	782.9
Active Businesses in LGA (No.)	6,686	5,132	Access to Internet at Home (%)	75.4	78.1

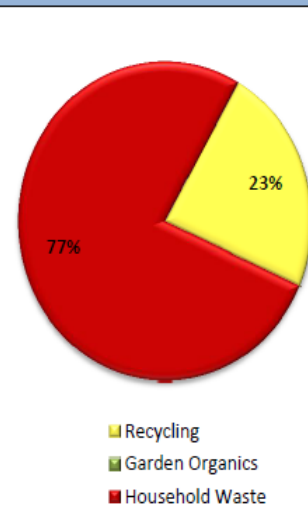
Average Residential Ordinary Rates



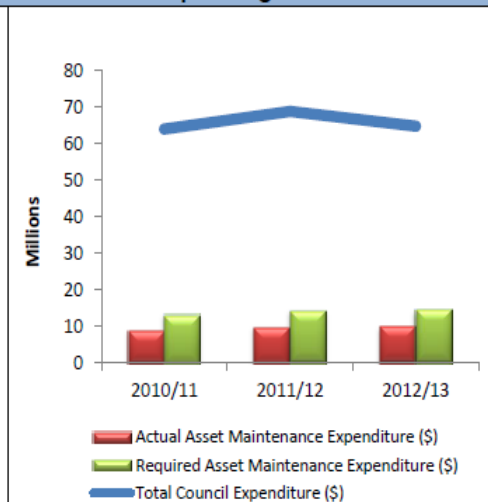
Expenditure on Services



Council's Waste Services

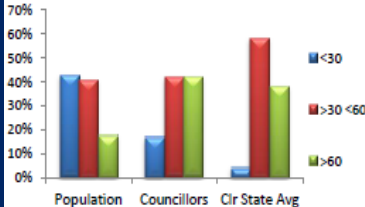



Council's Spending on Assets



In 2013 TCorp assessed your Council's current Financial Sustainability Rating as Moderate with a Negative outlook.

In 2013 the Infrastructure Audit assessed Council's infrastructure management to be Moderate.

Contacting Council	Your Council's Finances	LGA	Group Avg	Your Council's Services	LGA	Group Avg
366 George Street Windsor NSW 2756 Postal Address: PO Box 146, Windsor NSW 2756 Phone: 02 4560 4444 Fax: 02 4587 7740 Email: council@hawkesbury.nsw.gov.au Web: www.hawkesbury.nsw.gov.au	Avg Ordinary Residential Rate (\$)	984.86	1,102.36	Governance & Administration Expenditure per capita (\$)	70.27	152.17
	Avg Ordinary Business Rate (\$)	1,698.22	2,603.25	Environmental Expenditure (including waste) per capita	0.00	106.73
	Avg Ordinary Farmland Rate (\$)	2,227.34	2,324.66	Water & Sewer Services Expenditure per capita (\$)	113.84	113.84
	Avg Ordinary Mining Rate (\$)	n/a	19,808.51	Community Services, Education, Housing, Amenities Expenditure per capita (\$)	224.44	156.65
	Total Land Value / Total Rate Revenue (\$)	310.92	265.38	Recreational & Culture Expenditure per capita (\$) *	235.17	209.69
	Typical Residential Water and Sewer Bill (including usage) (\$)	570	570	Public Order, Safety & Health Expenditure per capita (\$)	70.15	56.87
	Avg Domestic Waste Charge (\$)	332.35	330.54	Other Services Expenditure per capita (\$)	105.14	81.57
	Own Source Revenue (%) (TCorp Benchmark 60%)	62	55	Library Services Expenditure per capita (\$)	40.31	34.76
	Grants & Contributions Revenue (%)	30	38	Library Circulation per capita (Items)	5	4
	Operating Performance Ratio (%) (TCorp Benchmark >4.0%)	-8.0	-10.5	Domestic waste not going to land fill (%)	28	54
Demographics of Population of LGA 	Unrestricted Current Ratio	4.6	3.4	Development Applications (mean gross days)	91	80
	Outstanding Rates & Annual Charges (%)	6.4	6.7	Development Applications determined (No.)	594	783
	Debt Service Cover Ratio (TCorp Benchmark >2.0)	22.1	9.3	Companion Animals microchipped (No.)	36,346	28,355
	Cash Expense Cover Ratio (Mths) (TCorp Benchmark > 3 mths)	1.8	1.0	Companion Animals microchipped and registered (%)	64	64
	Your Council's Community Leadership			Your Council's Assets		
	Development Applications determined by Councillors (%)	0	1	Roads, Bridges and Footpath expenditure per capita (\$)	183.15	255.80
	Audited Financial Reports submitted by due date (Y/N)	Y	n/a	Building & Infrastructure Renewal Ratio (%)	85.3	60.1
	Code of Conduct Complaints (No.)	13	7	Infrastructure Backlog Ratio (%) (TCorp Benchmark <20%)	14.0	10.7
	Complaints investigated requiring action (No.)	1	0	Road Length per '000 capita (metre)	15.9	14.1
	Cost of dealing with Code of Conduct Complaints (\$)	25,365	12,660	Asset Maintenance Ratio (TCorp Benchmark >1.0)	0.7	0.8
 	Population per EFT Staff (No.)	237	218	Comparative Information on NSW Local Government Measuring Local Government Performance 2012-13  		
	See Appendix 1 for definitions, calculations & benchmarks See Appendix 3 for Council Groups					