

21/03/2014

NSW Farmers Blayney District Council
Michael Rutherford, Chairman

Independent Pricing And Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Sir

Re: Submission opposing the SRV application by Blayney Shire Council.

The Blayney District Council of NSW Farmers makes this submission in opposition to the SRV application by Blayney Shire Council noting the following points.

- Blayney Shire currently has a SRV for 8.19 % in place, which still has some years to run. Council admits, in its own documents, that it was not well received.
- Own source revenue (Rates) for Blayney Shire is around 60%, ie. Much higher than other Councils in the group.
- Council's infrastructure backlog is much lower than other Councils in the group.
- Council spends far more on governance and administration, and far less on roads , bridges and footpaths, both on a percentage of their budget basis, and per capita, than other Councils in the group.
- Farmland rates in Blayney Shire are considerably higher than surrounding shires.
- Council intends to push for further SRV increases over the next four years, after this application has expired, of 6% each year for farmland rates.

Community consultation regarding proposed rate increases was incredibly poorly managed, as evidenced by the extremely low turnout at community meetings conducted across the Shire. At meetings organized by Council, around 100 people or less than 1.4 % of residents attended. The meetings were very poorly advertised, held at times most ratepayers would be unable to attend, and most ratepayers were blissfully unaware that such large rate increases were being sought.

I attended the largest community meeting in Blayney where around 18 to 20 people were present. It appeared to me that the largest contingent present, were pensioners concerned at the proposed increases, and as to whether their rebates would remain. Importantly, Council did not ask people who filled out the secret ballot whether or not they were in fact ratepayers. After all it's all very well to vote for better services, and therefore, higher rates if you're not the one footing the bill.

One scenario put to community meetings by Council was for the "Reduced Services Model" (Sticking to the rate pegging limit set by IPART). Council's handouts suggested, " it will not allow Council to fund any future works or upgrades to roads, bridges etc." and "The level of funding will eventually require Council to reduce staff numbers and this means that roads will not be maintained, that parks and gardens will receive less maintenance and Councillors will need to make decisions less favourable to ratepayers." I believe this could have been misleading to those present as IPART sets the rate peg using the Local Govt Cost Index (LGCI), and is designed to ensure Councils are able to maintain their current operations.

At the conclusion of that meeting it was obvious to me that the farming community had not been adequately represented at the meetings held up to that time, and that the vast majority were totally unaware of the proposed rate increases. I approached the Mayor and asked if he would mind if I organized a meeting for rural ratepayers to allow Council to put their case forward to the farming community. The Mayor agreed this would be very desirable, as he was also aware that the meetings, to date, had been poorly attended and were, possibly, not representative of the bulk of ratepayers.

One week later, on 31st of October 2013, ninety to one hundred farmers attended Blayney Community Centre to hear Councils case for a SRV. The Mayor and General Manager gave essentially the same

address they had given to the previous meetings and, at the end of the night, following very extensive discussions, the meeting was asked to vote, by show of hands, for the three options Council had put forward.(Note , at that stage Council was seeking a much higher SRV than currently)

The results of the vote were as follows;

15 % cumulative over six years (130 % increase) zero votes.
10 % cumulative over four years (50 % increase) three votes.
3.3 % rate cap (since set by IPART at 2.3 %) everyone else.

The indications are, that when combined with the votes from the other community meetings, Council does not have the support of the community for a SRV application of any size.

The farming community represents around 10 to 15 % of ratepayers, so to gather 100 of us at a community meeting shows the depth of feeling regarding this SRV application. Farmers contribute around 29% of total rate revenue, and if mining rates are ignored, farmers pay around 47% of total rate revenue. Most farmers are paying in the order of \$4000 to \$8000 in rates, not a small amount in anybody's book. Any rate increase costs farmers five to ten times as much as residential ratepayers. Farm household income does not justify this.

Are farmers paying above their weight? Take a look at many farms around the district and you will find an infrastructure backlog far larger than that of Blayney Council. Aged and unsafe machinery, livestock handling facilities, fences, buildings etc are common. Weeds have not been controlled in many instances due to lack of funds. Permanent employees have almost totally disappeared from farms over the last twenty years. At least one farming partner will almost certainly be working off farm in order to survive. Four or five major droughts over the last twenty years have sapped the profits from farming.

Farmers of the Blayney Shire have made it clear to Council that they can not afford large rate increases and have implored Council to make further efficiencies in their operations, as they themselves have had to do. At a public meeting on the 18th of Dec 2013 Blayney Farmers resolved to make a submission to IPART opposing the application by Blayney Shire Council for a SRV of 6% for two years.

Yours Sincerely

Michael Rutherford

Chairman, Blayney District Council NSW Farmers