

Author name: A. McKay

Date of submission: Friday, 7 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Submission to IPART: Opposition to Shoalhaven City Councils Proposed 12% Rate Increase To the Independent Pricing and Regulatory Tribunal (IPART), I am writing to strongly oppose Shoalhaven City Councils proposed 12% rate increase. This increase is excessive and unfair, particularly given the current financial strain on many households. The cost of living is already at crisis levels, with rising mortgage rates, rent, groceries, and energy bills making it increasingly difficult for residents to make ends meet. Many in our community simply cannot afford to pay more. Rather than imposing additional financial burdens on ratepayers, Shoalhaven City Council must focus on better managing its existing revenue. Ratepayers should not be expected to compensate for poor financial planning or inefficiencies. Before any increase is considered, the council must demonstrate significant cost-saving measures and responsible budget management. I urge IPART to reject this proposed rate hike and require the council to explore alternative solutions that do not place further pressure on struggling households. A 12% increase is simply unacceptable. Sincerely, Alison McKay Ulladulla NSW

Author name: C. Watson

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We understand the council is in debt. We also understand that this debt was generated by previous governments. Having discussed with the local independents directly, we believed they were the best of the available options, and thus, voted them in. We are aware of the cost cutting measures already implemented. However, this is a large rate rise for no change in the services we receive. We want our council out of debt. But it is also unfair that the local residents should have to shoulder the burden for mistakes and negligence they had no hand in. As such, we believe the best compromise is for the rate rise to go ahead on the explicit, legally binding condition that the council be completely barred from taking any kind of loan for the 50 years. It is unfair, unrealistic and counter productive for the residents to bail out the council with extra rates, only for the cycle to repeat again with the next government change. If we as residents of the Shoalhaven are granted a legally binding guarantee that the council cannot take out ANY loans for ANY reason for the next 50 years, we will support the special variation for the purposes of getting the council out of debt and keeping them out of debt.

Submission to IPART – Shoalhaven SRV increase

This submission argues that there should be no special rate variation recommendation made to the Minister (through IPART), at this stage. Shoalhaven City Council (SCC) should instead aim to cut its cloth to suit our straitened economic circumstances.

This is the second SRV in virtually as many years. As a ratepayer, the SRV invites ratepayers to be punished twice for an offence they haven't committed. They did not cause the financial problem but now they are being expected to bail out the council, again. When will this gouging stop?

How did past administrations not notice SCC had run up a deficit of thirty-five million dollars (\$35,000,000.00)? That is not a big oversight, it is an enormous failure of will on the part of the past administration and a breach of trust with the community. I don't recall that the community ever put its hand up to buy that outcome.

I, and so many other Shoalhaven ratepayers, have dutifully paid rates to council for many years. In return, council appears to have mismanaged its affairs so as to bring about a dire financial situation entirely of its own making. Being, presumably, unable to secure a bailout from the government, council now seeks from me, and all residential, rural and business ratepayers, an additional contribution, one which is not temporary but will be permanent, to get council out of its financial predicament. That is simply not fair, and it won't solve the problem of the administration, as it simply saves it from making the really hard decisions which should have been made if the council was acting as a good steward.

I am aware of the rivers of government funding the council has had access to, especially since and following the 2019 bushfires, 2020 floods and then during the pandemic. I am also aware that the *Local Government Act 1993* (the LG Act) expressly provides in Chapter 3 that under the principles of sound financial management, council spending should be responsible and sustainable, aligning general revenue and expenses.

What is absent from the SRV application is an explanation as to how we have got into this situation, and who is responsible for it, given it is not the fault of the community. Slugging the ratepayers to fill the hole left by past poor administrative decisions does not seem consistent with the principles of sound financial management. While a permanent rate increase may address the council's predicament, it doesn't solve the structural problem that the deficit signals is hard baked into the accounts of the council.

I tend to agree with comments made by a consultant to the local government sector that while councils can provide environmental, economic and social services, it is arguable that the primary purpose of local government is to maintain and renew infrastructure and other community assets, for which taxes (rates, annual charges) are levied on properties.

Somehow, looking at the size of the deficit, the council has managed to move quite some distance from this remit.

In terms of income, structurally, not much has changed over the years in relation to the council's sources of revenue. A council's revenue stream is still made up largely of rate income, fees and charges, grants and investments. What has changed however, is the opportunity under the LG Act for council to incur expenditure. A council has virtually no limits on its ambitions. But having the power to provide local government goods or services does not mean that every desire of the community needs to be satisfied. These goods and services are not free to the residents and ratepayers. To the extent that council eschews full fee recovery for services, then a disproportionate share of the burden is necessarily passed on to the ratepayers.

Reconciling the divergence between income and expenditure expectations of the community is the task of each council, who are the stewards for the ratepayers. Council's financial sustainability is wholly dependent on the success of this endeavour. In that regard I note that Shoalhaven City Council has deteriorated from being in the top 30% of councils in NSW assessed by TCorp as being in a good long term sustainable position, to now being one of the laggards.

I see reference to a new draft Long Term Financial Plan (LTFP). Past administrations ought to have been keenly aware that cl 196A of the *Local Government (General) Regulation 2021* (the Regulation) mandates that a council comply with the IP&R Guidelines (the framework). The LTFP is not an ambit offer of what the council would like to provide to the community. It is to be framed with reference to the Guiding Principles in chapter 3 of the LG Act. As council acknowledges in its draft document, the LTFP is meant to '*deliver cost-effective services to our community with a focus on financial sustainability.*' This means that there is a positive statutory obligation on council to develop an IP&R Framework specifically tailored for the Shoalhaven LGA which aligns expenditure to revenue. The starting point should be to focus on determining how much income the council is likely to receive. It is a finite resource.

In theory, the framework then requires the council planning for expenditure in terms of what the community wants to do *through* local government, rather than have a service provided through the private sector. This necessarily requires council to know its financial limits and understand the core tasks that the council must undertake. It is all well and good to have so many swimming pools, but if you can't drive on the road or cross the bridge to get to the pool then the facility is not of much use. Such examples are endless, and I haven't even mentioned the decision to retain the historic Shoalhaven bridge, which is pure expense and no financial return, but you will get my point.

Could IPART enquire of council whether, when preparing the 2024 draft resourcing strategy, the administration had regard to the excellent submission made to the 2023 SRV

proposal by Mr [REDACTED] (which I understand was resubmitted for this SRV)? Mr [REDACTED] is an experienced past senior manager at the Council from a time when it was a financially successful council. If council cannot show it has addressed that submission, then could IPART invite Council to respond to Mr [REDACTED]'s 18 questions and then consult with the community on its answers? The answers and subsequent discourse about council's finances will surely benefit councillors elected in September newly approaching this strategic exercise.

Looking at the council's draft IP&R document on the website, I can see no reference to this subject matter. I respectfully suggest that if every one of Mr [REDACTED]'s questions were addressed, before formulating a community consultation document, then councillors and the community would have a keener understanding of why council is in its current predicament, and why slugging the ratepayer is not the solution.

Given our parlous financial situation, it is clear that the draft LTFP, and the cascading documents flowing from it, need to be revisited and drastically revised. In that revised document proper consideration needs to be given to exposing for the benefit of the community what the cost (and savings) in other alternatives. A council does not have to fill every 'gap' in the local government market for its area. It should look after its roads, bridges, stormwater and waste as a priority. Assets need maintenance, but do we need all of those assets referred to in the Asset Maintenance Plan? Do we really need to take back ownership of the Shoalhaven Bridge if the State Government won't fund its on-going maintenance.

The provision of services is a discretionary matter. There is no obligation under the LG Act on a council to provide a service. Services are unlike a capital expenditure. When we construct a bridge the capital cost becomes sunk in the asset. The on-going cost is the maintenance. It is a fraction of the capital cost. In contrast, every service provided by a council will have an on-going administrative cost to the council to keep supplying the service to the community year in year out. There are no sunk costs, the full cost is incurred annually together with the bureaucracy to support it, and the cost of providing the service increases every year. This cost must be passed on to the community.

If the gap in service offering is not filled by the council the market may provide the goods and services, and perhaps at a lesser cost. If the market doesn't elect to fill the gap, that may, and usually would, signal that the provision of the service by the council is an uneconomic proposition. A council can only carry a limited number of 'loss leading' services before it begins to fail of its economic purpose. Is that what has happened here?

Past administrations must have known that structurally, the system of local government has not been established to guarantee that all councils have access to the same level of financial resourcing. This structural deficit in the system means that not all councils will

have the fiscal capacity to aspire to let alone meet, the expectations of their community. If only we were in the fortunate position of the City of Sydney Council. Alas, we are not.

Trying to attribute the blame for our predicament to ‘cost shifting’ (as council does in its online information) is not only dishonest, but it is also just an excuse for not wanting to cut our cloth to suit. The reality for the Shoalhaven is that just because the State Government does not want to fund something, this does not mean that the council must take on the responsibility. It does not mean that council doesn’t have choices as to whether it should take on the obligation. This is what cutting one’s cloth to suit means.

A well-tailored LTFP for the Shoalhaven, and the cascading IP&R documents flowing from it, would clearly expose the fiscal limitations of the council ‘up front’ so as to manage the expectations of the community, some of whom will expect to receive local government goods and services that they are not, strictly, paying for. Not every resident is a ratepayer. It is the bulk of ratepayers who carry the obligation to provide the necessary funding for the LTFP.

Savings of \$3.2 million is a good start but not if it doesn’t trim on-going service offerings and the administrative costs. Out of the savings the council identified in its recent consultation, I suggest that the community may as well ‘buy’ ourselves another twelve months in interest while we do a proper job on understanding the costs we are up for, what can be excised from the expense side of the budget, and what are the alternatives.

I have searched in vain on the website to find a succinct summary of the full extent of the council’s service offerings (both front of office and back office). Does it exist? A well-constructed consultation document on the 2025 LTFP for the Shoalhaven would first identify what the service offerings are. It would then identify the service offerings that we cannot presently afford (because of no, or inadequate, fee recovery) while we pay down our debts and pay for the essential maintenance responsibilities such as roads, bridges, stormwater and waste, including sewer.

Identifying those matters seems to be the urgent strategic task to complete. Council knows this information. It should not be expecting the community to guess at what the situation is. In that regard, staff expectations that the council can ‘compete’ with the market and realise a profit on its activities is, I must say, a forlorn hope. Any such expectations should be abandoned by councillors unless there is a rigorous business plan which has the discipline of business plans submitted to the NSW State Government, see: <https://www.treasury.nsw.gov.au/information-public-entities/nsw-business-case-policy-and-guidelines> . Even with such a business case, the question still needs to be asked whether we need to incur this expenditure.

Obviously, there should be greater reliance on cost recovery through sensible pricing in relation to services that can be provided, and on a user pay basis. Clearly, any suggestion there is capacity to ‘cross-subsidise’ needs to be met with a firm ‘really’? Every

opportunity to scale back the cost of administering council needs to be explored, given the army of people that it currently requires.

Every option will have its consequences. Not making the hard decisions will have both an economic and political cost, especially as ratepayers will remember promises made. Is it unreasonable to expect councillors and senior management to take the hard decisions?

It is a concern that councils around the state seem to be approaching the SRV process as if it is the solution to bad financial management. Councils seem to assume it is a given that by making the SRV, the council should receive some increase above the rate cap. SRV increases should not be a routine feature of the system of local government. If such a process becomes embedded in the system, then the purpose of the rate cap is rendered nugatory. So too is the Guiding Principle on financial sustainability. If the cap is not the proper reference point, with councils aligning their expenses to income, then where is the incentive or obligation on a council to act as a good steward of public money?

It is manifest that past administrations of SCC have failed to act as a good steward. Please don't reward the council with a rate increase above the cap.

In closing, and for the reasons above, I submit that no special rate variation recommendation should be made to the Minister through IPART at this stage.

Thank you for the opportunity to make a submission. I would be happy to elaborate further if required.

Dated: 6 March 2025

Grant Gleeson

Resident and ratepayer, Nowra

Author name: G. Seehagen

Date of submission: Wednesday, 5 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This is a disgrace to be even having to write this submission. I reside in Bawley Point. We receive zero dollars from our rates! The council obviously cannot manage the current income let alone an increase in their kiddie. How about an audit on the monies they currently receive before they are given more. How this is even on the table for consideration is bewildering. Shame on them

Author name: J. Hoffmann

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I object to the rate increase on the grounds that I see little evidence of Council making structural or organisational change to improve the financial situation. Yes roads, services and infrastructure sre expensive, however Council has far too much ratepayer money tied up in inefficient management, fleet assets, wasteful spending and a one off increase will not cover future costs.

Author name: J. Murray

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Really, another application for a Special Rates Rise Variation by Shoalhaven Council. 12% this year, wonderful. How many Special Variations for rate rises have the Rate Payers of the Shoalhaven LGA been subject to over the last 10 years. It seems that they are granted a rate Rise Variation every year, if not granted, Shoalhaven City Council are certainly applying for them every year. Only last year, we held Council elections and the Shoalhaven Region finally rid ourselves of the previous inept 'Green Party' councillors who had mismanaged Rate Payers funds for the entire period they held power. Some 2 million dollars lost to a shelf company that was supposed to deliver a new state of the art Recycling Facility. There wasn't much due diligence conducted in relation to that decision, was there. An Entertainment Centre that is currently running at a loss of 2 - 2.5 million dollars a year. Other council owned facilities with massive amounts of rate payers money spent on refurbishments, all of which are running at substantial losses and being propped up with rate payers money. Yet, while the previous council wasted rate payers money on 'Green' and 'Community' initiatives, road infrastructure within the region was being neglected, as were walkways, parks and playgrounds. the list goes on. Aren't these the core business areas of councils. Then the Shoalhaven Region also has the distinction of a previous Mayor, [REDACTED] spending 2 million dollars to acquire a water front block of land at Huskinson, to appease a minority group of Huskinson residents. This being done by Gash at a time when Shoalhaven Council were already in a dire financial situation and while roads and infrastructure throughout the Shoalhaven LGA were falling to pieces. One would hope that with the arrival of new council (not controlled by the Greens) at the last election that things would be looking up in the Shoalhaven Region. Certainly that is what was promised by the elected candidates. Unfortunately, that is not the case, with infighting within the elected councillors being common knowledge with the region. Councillors [REDACTED] walking out. Voting at council meetings being conducted along 'party lines' (I believe that the Labor party is running the show), bummer what is best for the Shoalhaven Region and its Rate payers, lets vote for what the Labor Party thinks will best serve it. A CEO that was only appointed last February 2024, already submitting her resignation. How much has that resignation cost the rate Payers? I'm not saying that a 12% Rate Rise Variation isn't justified. I understand that the Shoalhaven Region covers a large geographical area, one that is best described as sparsely populated. I would further describe the population of the Shoalhaven Region as a general aged population, with a majority in receipt of an Aged Pension or being Self Funded. A population that is already struggling under the cost of living pressures, which Australia as a whole is experiencing. A population which has had to bear the cost of the mismanagement of the region by Shoalhaven Council for at least the last 10 years, with continued approval by IPART of Special Rate Rise variations during this period of time. IPART needs to ask itself if Shoalhaven Council at any time has been able to provide proof of proper management of the additional funds that have been provided by the previous Special Rate Rise Variations that have been approved. I would submit that it is blatantly obviously that the funding provided by previous Special Variation Rate Rises has not been properly managed, If it had been properly managed by council, they wouldn't be continually going back before IPART seeking a further extravagant increase of 12%. As a Self Funded Retiree, I wish somebody would hand me a 12% increase in income, unfortunately that's not going to happen, I have to be more prudent and responsible with the funds I have at my disposal and make my budget work. Which is exactly what Shoalhaven Council should be doing, hard decisions need to be made and it is apparent that the current and previous councils aren't prepared to make those decisions. They continually take the easy approach and are continually going back to the well looking for a top up, a top up, which if given by IPART, is only going to continue the rot, continue to support the mismanagement of this Local government Area which has been going on for too long. To be quiet honest, expressing the views of many rate payers, what is needed right now is for the state government to sack Shoalhaven Councillors and appoint an administrator, as both the previous council and the one currently in office doesn't have the skill set, knowledge, experience or will power to provide proper governance to this region. John Murray

Author name: L. Murray

Date of submission: Saturday, 15 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I disagree with the rate variation as the SCC should fix up their mismanagement practices first, sell off some assets to recoup funds eg 2 blocks of land at Depot Beach which are currently vacant and not used for anything except driveway access by two adjoining neighbours who should have planned the houses to accommodate parking access from the street, reduce middle management staff to reduce wages costs, clean up the work practices of road workers to stop the waste of money by having efficient staff that can do jobs in a time appropriate way. I would also like to point out that we are self funded retirees living on a fixed income, that reduces when bank interest reduces as it did over covid. Please remember that we are living in a cost of living crisis and we cannot keep having to find and pay more and more for Rates to make up the shortfall of funds because the council cant manage a budget that kept them in credit. Add their increase to the increases in Electricity, Insurance and Groceries, bank loans and living becomes more and more difficult for all of us. It is NOT sustainable for the ratepayers.

Author name: M. Pennisi

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

While I don't doubt that Council requires additional income, I submit that 1. Council has not demonstrated a history of responsible management following previously approved SVs 2. The data used to justify the latest SV increase is not consistent and selective 3. The purpose of the current SV application is not consistent with Council's stated aims and the objectives communicated to the community 4. The SV application is being lodged in the absence of vital information about Council's medium- to long-term intent to lodge further SV applications (for example, a future SV will be needed as early as FY2026/27 [see Shoalhaven City Council - Application Part B, p 7]; N.B., further increases are premised on asset condition inspections, and asset management plan updates throughout 2025 rather than addressing structural financial deficits). The history of SV applications at Shoalhaven City Council demonstrates that they are driven by declining operating results and shortfalls in asset renewal and maintenance. The current proposal is no exception. Each time, the response by Council is to try to achieve savings and increase the rates revenue base. While there may be external influences that impact Council, the cycle suggests that: savings initiatives may not be embedded and systemic, and there needs to be heightened financial responsibility and accountability at Council. Given the nature of the proposed SV, in the context of the AEC report, I think it's important for Council to demonstrate its bona fides by implementing operating efficiency measures and demonstrating their sustainability before any consideration be given to a rate increase to fix issues that seem to be the result of governance and management issues, as much as being the result of acts of God and inflation pressures. The proposed rate increase will not effectively address Council's financial circumstances and will be followed by another, much larger rate increase proposal in the next year or so. While much has been made of Council's financial challenges, the primary concern of the SV application is to increase spending on asset renewals, rather than help address systemic issues with recurrent expenditure. The purpose of the current SV application is not consistent with Council's stated aims and the objectives communicated to the community. Furthermore, the data used to justify the present increase is not consistent and selective; differing financial data appears in different financial models, optimistic assumptions have been adopted regarding future rate increases and one of the key indicators (unrestricted cash flow) is not consistently disclosed. I do not believe that a cogent case has been made to support Council's SV application to IPART and it should not be approved. Failing that, the application should be partly or fully approved but with specific conditions and performance expectations. Any future applications should be assessed against Council's ability to demonstrate fiscal discipline and to meet any imposed conditions and expectations.

Submission regarding:

Shoalhaven City Council's Special Variation application for 2025-26

I've reviewed the various documents submitted by Shoalhaven City Council ('Council') to the Independent Pricing and Regulatory Tribunal of New South Wales ('IPART') for their Special Variation ('SV') Application for 2025-26. I understand that Council is applying for a permanent SV of 12% (inclusive of the rate peg) under Section 508(2) for 2025/26 and that IPART will assess the application against specific criteria from the Office of Local Government (OLG).

I do not believe that Council's submission adequately addresses the IPART criteria and have summarised my concerns below:

IPART Criterion		Comment
1	Need for the variation	Not adequately established due to: <ul style="list-style-type: none">• Historical performance following previous approved SVs• Selective presentation of reasons for Council's financial performance following the last substantial SV• Lack of consistency between the stated use for the variation and its intended use
2	Community awareness and engagement	Demonstrated, though <ul style="list-style-type: none">• Lack of consistency between the stated use for the variation and its intended use• The community is not aware of the overall increase ultimately being pursued by Council
3	Impact on ratepayers	Demonstrated for 2025-26
4	IP&R documents	Limited by: <ul style="list-style-type: none">• Data issues and inconsistencies in supporting analyses and documents• Lack of evidence of proposed SV effectiveness
5	Productivity improvements and cost containment strategies	Not adequate: <ul style="list-style-type: none">• Apart from asset sales, most of the cost containment, to date, has been achieved via temporary actions; viz., pausing capital expenditure projects (deferral of \$90m projects), recruitment freeze (\$3.5m); freeze on discretionary spending and overtime• Success of <i>Sustainable Financial Futures Plan 2024 – 2029</i> depends on the result of service reviews, both core and non-core, together with the alignment of Council's strategy, structure, technology, management processes and individual roles and skills; many initiatives are, however, not part of an integrated change

IPART Criterion		Comment
6	Other relevant matters	N/A

The key issues identified are expanded below.

On these grounds, I believe that the current application should not be approved or, failing that, partly or fully approved with specific conditions and performance expectations. Any future applications should be assessed against Council's ability to demonstrate fiscal discipline and to meet conditions and expectations.

Historical performance following previous approved SVs

In 2012, a TCorp review found that Council was not financially sustainable, due to declining operating results, and identified a shortfall in asset renewal and maintenance. At the time, Council identified cost savings of \$6.4m and successfully applied to IPART for a Special Rate Variation ('SRV') to its general rates income of 4.6% for roads and paths in 2013/14.

In 2015, under the Fit for the Future program, Council was deemed fit for future, based on projections, but two lower than projected rate pegs – 1.8% and 1.5% - were set by IPART, resulting in a cumulative 3.3% increase over the two years, rather than the expected 5.1% (equivalent to a \$1.4m revenue reduction). In addition, the emergency services levy increased by up to \$817,000 and there were additional operating costs of \$434,000.

Council responded by applying to IPART in 2017 for 13.2% and 14% general rates income increases over next two years, including known and projected rate pegs. IPART announced its decision on Tuesday 9 May 2017 and allowed a one year 13.2% increase and left open the option to reapply.

Following feedback from the community and further Council discussion about its pathway to financial sustainability, Council applied successfully to IPART to retain the 13.2% special variation as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21 in order to retain existing services, allow **modest** (emphasis added) "new" asset spend and move towards meeting all Fit for the Future benchmarks.

Until 2018/19, these increases provided a credible pathway for Council to achieve financial sustainability (see *Shoalhaven City Council - Resourcing Strategy 2018/19*, pages 62 to 69 and pages 90 to 91).

Given the latest SV application and those proposed in the near future, a pattern emerges of a Council applying for additional funding every few years but unable to control its spending nor adequately mitigate risks.

Factors impacting pathway to financial sustainability

AEC's *Shoalhaven City Council Financial Sustainability Review 2023* emphasises the impact of the responses to COVID and natural disasters and those factors are mentioned first.

COVID

As part of the response to COVID, Shoalhaven ratepayers were provided \$300 per property as part of COVID-19 financial assistance measures. This relief was part of a package of measures estimated in the *Delivery Program Operational Plan 2020/21* at over \$22.5m.

Despite being included in the 2020/21 budget, producing a projected net operating deficit (for the year before grants and contributions provided for capital purposes) of \$3.6m, the reported result for the financial year was a deficit of \$15m due to substantially higher *Materials and services* and *Other* expenses (+\$13m) in the General Fund, with the largest apparent contributors being 'Other expenses' and 'Legal expenses: other' under *Materials and services* and 'Waste levy' and 'Other contributions/levies' under *Other expenses*.

Natural disasters

The *Draft Long Term Financial Plan 2025-2034* identifies the cost to Council of each natural disaster declaration at "... in excess of \$600k in unbudgeted works. Access to Disaster Recovery Funding (DRF) requires the payment of an 'Opt In Fee' which is not recoverable. This fee equates to 0.75% of rateable income and is capped at 2% per annum if 3 or more disasters are declared. In FY2023/24, Council had 3 disaster declarations, capping our opt in fees at 2% of rateable income totalling \$1.7m in non-reimbursable costs. This was compared to a 3.7% base rate peg applicable that year" (p 9). There is no reason to question these figures and I would hope that there is joint lobbying activity regarding the Opt In Fee.

However, the AEC Report tellingly discloses other factors (emphasis added):

The General Fund's net operating position has been in a deficit position over the past eight years, most notably impacted by accounting recognition of events such as losses on disposal of assets, asset revaluation decrements and the reversal of asset revaluation decrements. Such adjustments can be an indication that the asset management approach requires improvement. Losses on disposal of assets can indicate assets are being renewed or replaced before reaching their end of useful life, and therefore have carrying amount (fair value) that needs to be "disposed" when the asset is renewed or replaced. (p 33)

Through the acquisition of new and upgraded assets the Council has increased the annual cost of ownership, including operating costs, interest expense on borrowings, maintenance and depreciation expense. There has been \$149.5 million invested in new assets in the past 5 years. Investment in new roads (\$43.3 million), stormwater (\$5.9 million) and

waste management (\$26.9 million) would appear to be reasonable based on growth and service plans for waste management, the investment of \$43.1 million in new parks and sporting and recreation areas has impacted upon the operating position of the Council in the past five years. (p iii)

The building and infrastructure renewals ratio indicates that Council has not invested in asset renewals sufficiently to meet the 100% target as set by Office of Local Government. If considered at an asset class level, the indicator would highlight **not enough investment in transport assets and a high investment in recreational and community facilities**. (p iii-iv)

These extracts indicate that there are more significant factors impacting Council's financial performance, arising from relatively large spending on recreation and waste management, coupled with inadequate asset planning and management. However, I don't think the AEC review adequately identifies all the factors that have led to Council's current financial situation.

Before I left the position of Chief Financial Officer ('CFO') at Council in 2019, the then CEO pushed to delay the SRV increase for 2020/21, despite my advice, while pushing projects that increased Council's cost base, such as the salary system review, along with ignoring advice about the risks associated with the proposed Bioelektra project.

Delay of SRV increases

With the previous SRV, the final increase was put on hold in 2020/21 and not pursued in 2021/22, ostensibly due to the impact of COVID, according to Council's *Delivery Program Operational Plan 2020/21*. This was not the case for 2020/21 as the delay was discussed with me before I left Council in August 2019 and the "...first case of novel coronavirus in Australia (nCoV-19) was reported in Victoria on 25 January 2020" (according to a summary from the Australian Parliamentary Library). In 2022/23, the SRV catch-up was adopted and reflected in rate notices. The impact of delaying the SRV increase for two years would have an ongoing impact on Council's cash balance and on revenue and, potentially, on investment income for the years affected.

Increase in operational costs

The *Delivery Program Operational Plan 2019/20* announced that Council had undertaken a salary system review to "...ensure that Council remains competitive and in line with other similar organisations and ... [to] attract the best staff to provide efficient and effective infrastructure, services, governance and support to our community" (p 5). The impact of this initiative was an increase to General Fund employee costs of \$2.6m from August 2019 that was meant to be funded by no increase to non-salary items in 2019/20. I'm not sure if the benefits of the salary review changes have been evaluated by looking at measures of attraction and reduced turnover but I note that resourcing strategies documents show that the turnover rate at Shoalhaven increased from 11% in 2018/19 to 15.6% in 2022/23, while the percentage of the workforce aged 50 or older has remained almost the same. What is certain is that the additional cost is an ongoing burden on Council's

finances that was not anticipated in earlier long-term financial plans. The impact of this cost is exacerbated by being subject to annual employee cost increases.

In addition, the Office of Local Government's Comparative Council Information shows that 'Total Governance & Administration Expenditure' at Shoalhaven Council has grown by 186% from 2019/20 to 2022/23, by far the largest increase of any of the expenditure categories monitored. Over the same period, 'Full Time Equivalent Staff' has increased by 10.6%. While Council's Resourcing Strategy doesn't separate staff by Fund, a comparison of the *Resourcing Strategy 2018/19* and the *DRAFT Workforce Management Strategy 2022-26* shows that headcount increased from 1,224 to 1,556 and FTE from 911 to 1,103 from December 2016 to November 2023. I acknowledge that a portion of the FTE is associated with project-based work; unfortunately, Council doesn't separately disclose its project-based workforce though I note that \$8.5m of total employee costs of \$92.2m was capitalised in 2018/19 and \$9.1m of a total of \$121.9m in 2022/23. It should also be noted that Council's contractor and consultancy costs (part of Materials and services) increased from \$41.6m to \$63.2m over the same period.

This data suggests that Council's employee costs have risen because numbers have expanded and because of the increased salary rates introduced following the salary review undertaken in 2019.

Bioelektra

Despite the risks associated with the Bioelektra procurement process and arrangements, Council rejected the tenders it received from an open tender process and decided to enter negotiations with Bioelektra at its meeting in June 2018. The *Delivery Program Operational Plan 2021/22* shows that Council proposed to borrow \$7m in 2021/22 to progress the project. It should be noted that the total contract value was \$10m, subject to 7 payment milestones.

The contract with Bioelektra Australia was, subsequently, terminated on 14 August 2023. By that stage, the total payment to Bioelektra was \$2m for milestones 1 and 2 (excluding GST) from Council's Waste Reserve fund and loan funding. Council claims it has no other exposure to Bioelektra.

Apart from the financial cost associated with this failed project (I note that Council continues to recognise the site improvements that have been carried out to date as assets valued at \$2.7m at June 2023 and June 2024), there is an opportunity cost associated with the Council resources that could have been otherwise employed over the almost three years of the project and that have now been diverted to identifying options for an alternate waste solution.

TechnologyOne

TechnologyOne's enterprise software was introduced to replace Council's legacy systems. I note that Lánluas states on its website that the "...TechnologyOne implementation project had been progressing slowly for Shoalhaven City Council when Lánluas came onboard. Our consultants were tasked with making sense of a project that had made **little progress over several years** [emphasis added], and

which had been unsuccessfully worked on by multiple internal and external staff.” This was a project that blew out on both time and budget. While development costs are capitalised, it is again the opportunity cost of those resources working on this project, rather than delivering, or supporting the delivery, of core Council services that stresses Council’s financial (cash) position.

Council has been highly selective about the factors contributing to its current financial challenges. While AEC stressed COVID and natural disaster responses, the *Sustainable Financial Futures Plan 2024 – 2029* adds cost shifting, costs increasing faster than income, inadequate grant funding, lower than average rates, aging infrastructure, additional infrastructure and density challenges. However, apart from additional infrastructure (“\$149m from 2018 to 2023”), Council has not been transparent about other factors, within its control, that have contributed to its challenges.

Lack of consistency between the stated use for the variation and its intended use

According to Council’s publications, the main driver for a SV is to address a structural financial deficit; for example:

According to the [AEC] financial report, the net cost of recovery from the disasters, including subsidies and waivers on fees and charges, reduced the available cash of Council by \$14.6 million. It also concludes that there is a current annual shortfall of between \$25 million and \$35 million in the General Fund that needs to be addressed through a number of recommended strategies.

From ‘Council review actions to improve financial sustainability’, SCC News published 16 November 2023

Since receiving its Financial Sustainability Review report from financial experts, AEC in November 2023, Council has been progressing with its 27 recommended actions to increase revenue and cut costs to reduce the projected annual \$25 million to \$35 million structural deficit.

From ‘Council vote to pause capital works projects’, SCC news published 26 March 2024

Since resolving to address its unsustainable financial position in January, Council has made efficiency savings in the General Fund of \$3.2 million through targeted efforts to increase revenue and minimise expenditure to reduce the annual projected operating deficit of up to \$35 million.

From ‘Proposed rate variation on agenda’, SCC news published 31 October 2024

Staff recommended the Council endorse an SRV following an independent review of the organisation's finances in November 2023 which identified an annual shortfall in the general fund of up to \$35 million dollars.

From 'Council to seek special rate increase', SCC news published 17 December 2024

There is an underlying structural deficit of \$25-\$35 million within the General Fund, whereby the recurrent revenue is not able to fund the recurrent expenditure. The impact of inflation and relatively flat revenue growth will only continue to increase this structural deficit.

From Shoalhaven City Council - Application Part B, p 5

In particular, the AEC Report, specifically, mentions Council's aspiration, "[w]ithin the 10-year forecast, ... to achieve and maintain an operating surplus of at least 4 percent (%)" or "...have at least \$10-15 million in unrestricted cash balance to create sufficient risk mitigation for unplanned events, such as natural disasters or unplanned failure of a major asset" (p v). The latter objective seems to be the one adopted by Council for its SV Application (see p 7), though it is meant to be achieved by year seven. The former continues to appear in Council's financial sustainability vision (*Sustainable Financial Futures Plan 2024 – 2029*, p 7).

It is stated that "...[t]he planned reduction to General Fund operating expenses, along with the land sales program and proposed 12% SRV for the 2026 financial year will reduce Council's structural deficit from \$31 million to less than \$10 million by 2028 financial year. (*Sustainable Financial Futures Plan*, p 9). Two things should be noted:

1. The 2023/24 base year is the only one in Council's Long Term Financial Plan ('LTFP') for the General Fund that does not include Internal Expenses. From the Delivery Program Operational Plan ('DPOP') for 2023/24, this was estimated at \$54.628m (p 104). Though it's not clear, Internal Revenue of about \$63.1m seems to be combined with Grants and Contributions provided for Capital Purposes. If Internal Expenses were included in the LTFP to allow a like-for-like comparison, then the improvement in Net Operating Result before grants and contributions provided for capital purposes would be from (89.826m) in 2023/24 to (16.478m) in 2027/28 for no SV and (8.242m) for the 12% case.
2. Council's financial situation worsens, under all scenarios, from 2028/29, due to relatively large growth in depreciation and amortisation (5.2% annualised), materials and contracts (3,3%), other expenses (3.0%) and internal expenses (3.0%).

Contrast these statements with Council's stated aim to "[i]ncrease Council investment in renewal of infrastructure assets" (*Shoalhaven City Council - Application Part B*, p 7) and the disclosure that "[t]he additional SRV income will be applied to begin addressing the underinvestment in renewing Shoalhaven City Council's asset base. Funds will be allocated in accordance with the Asset Management Plan (AMP) that is being prepared in accordance with Council's Asset Management Strategy (AMS)" (from Table 8.3: Capital Expenditure in WS8 - Expenditure Program, *Shoalhaven City Council - Application Part A*).

While it is stated on page 22 of *Shoalhaven City Council - Application Part B* that “...there was strong support for increased investment in urban and rural roads”, there is a disconnect between this conclusion and question 8 of Council’s online survey that only asked, without any context:

8. Which of the following assets do you think Council needs to invest in more? (tick all that apply) * required*

- ☐ Urban Roads
- ☐ Rural Roads
- ☐ Footpaths and Cycleways
- ☐ Stormwater/Drainage
- ☐ Community Buildings and Facilities
- ☐ Parks and Recreational Facilities
- ☐ Coastal Facilities (e.g. beach access and protection)
- ☐ None (Council does not need to invest any more in assets)
- ☐ Other (please specify)

From Appendix A - Copy of the online survey questions, *Community Engagement Report: Proposed Special Rate Variation 2024*

Data issues with the AEC Report and related Council documents

1. As part of the 2024 consultations about a much larger SV application, there are discrepancies in early Council documents provided to support such an application; for example, the General Fund income statement figures for the 2022/23 budget and forecast in the Long Term Financial Plan part of the *Resourcing Strategy 2022-26 - version 2024-25* (p 13 of the LTFP) don’t align with those in the *AEC Financial Sustainability Report* (pages 32 and 68; note that these Tables are also inconsistent vis-à-vis actuals). Given that this baseline is important for any forecasts used to justify changes to rate revenue, this puts into question one or both documents. Another example is the Capital Program Spend by Asset Class; for example. Table 5.16 Capital Program Spend – by Asset Class (Base Scenario) in the AEC Report is not consistent with Scenario One – Base Model on page 59 of the *Asset Management Strategy 2022-26*.
2. There is no justification for the 4% operating surplus and \$10-15 million in unrestricted cash balance suggested in the AEC report, other than to say that “...Council would like to achieve [this target and] ... to create sufficient risk mitigation for unplanned events, such as natural disasters or unplanned failure of a major asset”. However, the report then goes on to say that “...**Council needs capacity and flexibility to invest in growth and property development opportunities as they arise**” (emphasis added) which diminishes the possible risk mitigation benefits associated with the cash balance.
3. The AEC report notes that “...Council made a conscious decision to take borrowings when borrowings were offered at low interest rates to fund asset

renewals, however substantial borrowings have been used on new or upgraded assets that have deteriorated the operating position of the Council". This begs the question of the adequacy of Council governance and its financial and asset management capabilities.

4. The AEC report proposes decreases in operating costs. However, many of the specific measures in the Appendices involve greater upfront costs (for example, implementation of "an independent 5-year quality assurance and improvement program (QAIP)"; investment in data analytical tools such as Power BI etc." (by the way, a benefit that was meant to be realised with the implementation of TechnologyOne as Council's new financial system); "addition of 1 FTE Admin Officers to Business Support"; "\$45,000 net additional labor (sic) effort (based on 50 more volunteers, working once per month, factoring in additional Bushcare Field Officer staff costs)), while others are unlikely to progress, based on previous Council deliberations (closure of libraries and village pools). For those few opportunities that might impact Council's financial performance, the issue is one of systemic sustainability of the initiative; as in all change management, the change needs to be "sticky" and there's no indication that the initiatives have been formulated with sustainability and resistance to scope creep in mind. It also begs the question of why some recommendations have not already been implemented; for example, given the relative newness of the Asset Custodian Model with the implementation of TechnologyOne, it's hard to understand why there is a need to review "...the Asset Custodian Model in order to minimise duplication of functions, gaps in service delivery, ambiguity about asset responsibility and decrease response times for asset decision making" or why it wasn't addressed as part of any post-implementation review.
5. Page 6 of the LTFP 2025-2034 shows a comparison of Council's base rate peg, construction purchase price index, and the consumer price index over the past 5 years. The table shows the 5 year increase as the sum of the relevant indices over five years. This is not correct as the increases compound. The 5 year increases are 20.8%, 31.6% and 12.2%, respectively, for CPI, PPI and Base rate peg. I would note, however, that in 2022/23, the SRV catch-up was adopted and reflected in rate notices; this was 4.53% according to Council's DPOP, increasing the 5 year rate rise to the correct figure of 16.5%, not 12.2%.
6. Council has chosen to apply an assumed rate peg of 3.0% plus a 0.5% growth factor to its estimates for the years after 2025/26 to align "...with the assumed increase in materials and contracts over the life of the LTFP" (*Shoalhaven City Council - Application Part B*, p 4). This contrasts with the OLG recommended assumed rate peg of 2.5% and paints a rosier picture for the forward years than is warranted. It should also be noted that the LTFP discloses that "...the rates increase has been assumed to be the rate peg at 3.5% from 2026/27 onwards, plus growth of 0.5%" (p 20) in contrast to the disclosure made to IPART.
7. Council provides an Average Rate Comparison to the OLG Group 5 plus Kiama in its application to IPART, claiming it is difficult to compare levels of

service but suggesting that a comparable lifestyle is provided from a lower rate base. Without a comparison of services and their effectiveness, however, the rates comparison has limited utility. As one example of service provision, a food organics and garden organics (FOGO) waste collection service is provided in all the comparison councils, except for Shoalhaven and Maitland, with the latter commencing a service from Port Stephens from 30 June 2025.

Effectiveness of the options provided

While Council emphasises financial sustainability, it's important to remember there are more dimensions to accountability:

1. Sustainability
 - Ability to generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities
2. Effectiveness
 - Managing infrastructure
 - Delivering services for communities
3. Efficiency
 - Deliver value for money for existing and future ratepayers

These dimensions broadly align with Fit for the Future benchmarks:

Sustainability	
Operating Performance Ratio	Break even over 3 years
Own Source Revenue	≥60%
Building and Infrastructure Asset Renewal	≥100% (3 year average)
Infrastructure and service management	
Infrastructure Backlog Ratio	≤2%
Asset Maintenance Ratio	≥100% (3 year average)
Debt Service Ratio	≥0% and ≤20% (3 year average))
Efficiency	
Real operating expenditure per capita	Decrease over time

As a first pass, the effectiveness of the options for the General Fund can be assessed against these benchmarks over their 10-year horizon:

Key Performance Indicator	Base Case	12% Rate Increase
Operating Performance Ratio	✗	✗
Own Source Ratio	✓	✓
Building and Infrastructure Asset Renewal	✗	✗
Infrastructure Backlog Ratio	✗	✗
Asset Maintenance Ratio	✗	✗
Debt Service Ratio	✓	✓
Real operating expenditure per capita*	✗	✗

* Assumes annual CPI of 2.5% and population growth of 0.9% (per SCC's Statement of revenue policy [DPOP, p 58]).

Neither the Base case nor the 12% SV scenarios perform well against the benchmarks, with the 12% option best at addressing some of the gap in asset renewals. However, even under the 12% scenario, Council's poor operating performance becomes worse from 2028/29 and that includes an unwarranted assumption of a 3.5% rate peg increase in the forward years.

On page 7 of the *Shoalhaven City Council - Application Part B*, is the following disclosure:

Council has acknowledged in its business papers, and throughout the community engagement process, that a future SV will be needed as early as FY2026/27. The volume of this future SV will be more accurately determined once Council completes its asset condition inspections, and asset management plan updates throughout 2025. Based on current depreciation figures, a Special Rate Variation (SRV) of 29.5% is required (in conjunction with the \$10 million efficiency target and land sales strategy) for Council to achieve an Infrastructure Renewal Ratio of 85% only, with no additional funds being available to address Council's significant infrastructure backlog issues.

While Council notes its actions on operational savings (for example, \$7m in 2025/26 and \$1m in each of the next three financial years) and its asset sales program (\$17m in 2024/25, \$11m in 2025/26 and \$23m over the following three years), the focus of its SV application is additional asset renewal funding while claiming that further work needs to be done on asset condition inspections and asset management plan updates.

Concluding remarks

While I don't doubt that Council requires additional income, I submit that

1. Council has not demonstrated a history of responsible management following previously approved SVs
2. The data used to justify the latest SV increase is not consistent and selective
3. The purpose of the current SV application is not consistent with Council's stated aims and the objectives communicated to the community
4. The SV application is being lodged in the absence of vital information about Council's medium- to long-term intent to lodge further SV applications (for example, "...a future SV will be needed as early as FY2026/27" [see *Shoalhaven City Council - Application Part B*, p 7]; N.B., further increases are premised on "...asset condition inspections, and asset management plan updates throughout 2025" rather than addressing structural financial deficits).

The history of SV applications at Shoalhaven City Council demonstrates that they are driven by declining operating results and shortfalls in asset renewal and maintenance. The current proposal is no exception. Each time, the response by

Council is to try to achieve savings and increase the rates revenue base. While there may be external influences that impact Council, the cycle suggests that:

- savings initiatives may not be embedded and systemic, and
- there needs to be heightened financial responsibility and accountability at Council.

Given the nature of the proposed SV, in the context of the AEC report, I think it's important for Council to demonstrate its *bona fides* by implementing operating efficiency measures and demonstrating their sustainability before any consideration be given to a rate increase to fix issues that seem to be the result of governance and management issues, as much as being the result of "acts of God" and inflation pressures.

The proposed rate increase will not effectively address Council's financial circumstances and will be followed by another, much larger rate increase proposal in the next year or so. While much has been made of Council's financial challenges, the primary concern of the SV application is to increase spending on asset renewals, rather than help address systemic issues with recurrent expenditure. The purpose of the current SV application is not consistent with Council's stated aims and the objectives communicated to the community

Furthermore, the data used to justify the present increase is not consistent and selective – differing financial data appears in different financial models, optimistic assumptions have been adopted regarding future rate increases and one of the key indicators (unrestricted cash flow) is not consistently disclosed.

I do not believe that a cogent case has been made to support Council's SV application to IPART and it should not be approved. Failing that, the application should be partly or fully approved but with specific conditions and performance expectations. Any future applications should be assessed against Council's ability to demonstrate fiscal discipline and to meet any imposed conditions and expectations.

Author name: P. Murray

Date of submission: Saturday, 15 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Its about time Shoalhaven Council took responsibility for their mismanagement of their budgets themselves instead of raising the council rates to cover the stuff up of their Budget. We are all living in a cost of living crisis at the moment and I personally am a self funded retiree on a fixed income with not many dollars left each month to cover the councils price gouging. Also if you agree to the council gouging price increase it should be a Flat Fee charged for every rate payer not on the Value of your land for rating purposes Regards Peter Murray

Author name: Name suppressed

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Council has no money through their own financial mismanagement and the rate payers should not bail them out. They should cull non customer facing staff by 25% and cull all contract mgmt positions pay by 25% who presided over the failure. They have introduced rules like needing to apply to get a tree cut down over your house which you could always do, we pay for this and who is going to knock back chopping down a tree that could crush a house. They also gave money to the voice, a Federal initiative . They repaired the shore line at Calla Bay and it just washed back into the bay very next high tide, just a waste of money. They put seats on grass for people to sit on to look at a lake at Tabourie Lake ruining the natural environment that were not needed. Just a waste of money. They really should just reduce their non customer facing roles by 25%, even 30% if they can get there and show some leadership to the people.

Author name: Name suppressed

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am strongly opposed to Councils decision to increase rates. A survey was put out to ask who was in agreement and it was voted no, by local residents. They still went ahead. Council want a rate rise because they are financially stressed through bad management. Yet ask the rate payers to pay for their mistakes. Council own many caravan parks, they would be better served selling some of these assets to improve their financial position rather than take it from the rate payer. Council use contractors to do almost everything.... surely council could employ more people in parks and gardens as i am sick of seeing the 2' long grass in my local park owned by council. SCC is an absolute disgrace and should be charged for mismanagement.

Author name: Name suppressed

Date of submission: Sunday, 2 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Shoalhaven council do not know how to manage money and a rate increase will not fix that. They have continued to hire more and more people, increasing one of their biggest expenses, council employees wages, whilst not keeping to their core role. Why should the rate payers have to cop an increase of 12% to our rates when many people are already struggling with the cost of living. Council needs to look within at what cuts can be made before sticking the problem onto its ratepayers.

Author name: Name suppressed

Date of submission: Thursday, 6 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I live in kioloa. My land tax went Up by a million dollars. My rates are over 6 thousand dollars. And all I get for that is my rubbish picked up once a week. You talk about affordable housing. How are families going to pay this extra charge on top of interest rate rises, food, electricity, through the roof, and just struggling to live. This is constitutionally illegal. Councils have no Authority really. To even be charging any rates. We pay enough taxes on everything. You are employed. Y us, we pay your washes. Stop hiring and spending more of our money taking mom and pop to the land environment courts. Your broke. And you just keep spending. Then try and get more off of an already burden population. If this was businesses, you would file bankruptcy. But your trying to make the citizens of shoalhaven. Bankrupt.

Author name: Name suppressed

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I like many other households cannot afford anymore rate rises, with the cost of living so high I expect a lot of people are going to homeless, I dont feel we should pay for the mistakes of the last council, they wasted money, gave themselves a pay rise when they knew the council was in dire strait's! Please dont allow this to go through

Author name: Name suppressed

Date of submission: Saturday, 8 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Im in Culburra Beach and our curb and guttering and stormwater drainage is non existent in the majority of the suburb. The pot holes are unbelievable. Council is so mismanaged would be the only reason they need more money. Its a joke and we should all stop paying our rates until they do something for our area. I dont support the rise in rates. Appalling.

Author name: Name suppressed

Date of submission: Monday, 10 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Good morning / afternoon IPART Team, I would like to submit to you for your consideration my position (as a rate payer) on the Shoalhaven City Council (SCC) Rate Variation which is currently being discussed. I strongly disagree with the proposed rate increases and believe that the SCC should continue reviewing its operating processes, senior administrative staff levels and assets to streamline its operating costs before asking the community to accept a rate increase in excess of the recommended Independent Pricing and Regulatory Tribunal (IPART) rate peg levels. I am a self-funded retiree on a fixed income stream and like the other older workers, retirees, seniors & elderly residents of the Shoalhaven, fall into the category that represents almost 48% of the Shoalhaven Local Government Area population a lot of which would also most likely be on a fixed income. <https://profile.id.com.au/shoalhaven/service-age-groups?SeifaKey=40002> The Socio-Economic Indexes for Areas (SEIFA) Index of Advantage and Disadvantage for Shoalhaven City Council in 2021 was rated at 949, which puts the Shoalhaven well into the lower half of the scale. <https://profile.id.com.au/shoalhaven/seifa-disadvantage?SeifaKey=40002> The SCC conducted a community consultation and survey and the results were clear, 64.8% of the respondents did not want any increase other than the IPART recommended pegged increase; the attached link from the SCC web page has the results of their survey: https://doc.shoalhaven.nsw.gov.au/LinkGeneratorAPI/record/9502741/preview_latest_final_version_pdf I believe for these reasons the SRV proposal should be rejected. A rate rise in keeping with the IPART rate peg should be sufficient because (as stated on the IPART web page), the purpose of the IPART rate peg is to allow all councils to automatically increase their rates income each year to keep pace with the estimated change in the costs of providing their current services and service levels to households, businesses and the broader community and to limit the impact of these automatic increases on ratepayers. Given the current financial climate and the daily pressures of cost of living being experienced by many within the community, I believe that it is unacceptable to expect rate payers to supplement the SCC budget with the size of the increases as proposed; in my opinion - the SCC needs to review how it operates and how this can be achieved within its budget, including the IPART regulated increase. Thank you for your time. Regards, [REDACTED] - Shoalhaven City Resident [REDACTED]

Author name: Name suppressed

Date of submission: Thursday, 13 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am writing to object to the special variation to the rates at Shoalhaven City Council. I am the owner of a property at [REDACTED] Manyana, having owned it for the past five years. Over that time, rates have increased enormously and land tax even more. This, together with overall cost of living rises has meant that keeping the property is almost untenable. The house is available for holiday letting and the increase in taxes, rates et cetera has meant that the income we receive from holiday letting nowhere near covers the costs. This is a general problem which affects the whole economy. Whilst holiday letting of properties is seen by many as greedy and selfish, it supports an enormous range of other businesses from cleaning to maintenance, management, laundering and general tourist oriented businesses. The value added to the local economy is manyfold. Increasing council rates has a knock-on effect when visitation falls due to resultant excessively high accommodation rates. Many towns in the Shoalhaven depend on the tourist industry for their survival with most income received over the summer months and very little through the winter. Instead of increasing rates, council should be encouraging greater visitation and tourist developments. Yours respectfully, [REDACTED]

Author name: Name suppressed

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This Council is managed poorly and inefficiently. I have made submissions directly to them in person, via email and via their online complaint system. Promises are made but never kept. Action is rarely taken. They pay for contractors to do the work they should be doing - they have more than enough staff and resources to do this. It is a bureaucratic nightmare. They pass complaints up and down a chain of employees who actually do little. Why should the public have to pay for their inefficiencies when they would rather listen to consultants who do not know anything about the local environment and the people within? I waste my own time trying to interact with them. Thanks [REDACTED]

Author name: Name suppressed

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I fully oppose in every way of any rate increase being approved for SCC. SCC has been running on the edge of bankruptcy for nearly a decade through multiple different councils (mostly seated by "Shoalhaven Independents" members. The number of employees they have alone means wages cost almost 100% of their income and even after major backlash from the community they're still advertising more open positions. It's been brought to light recently that the current mayor has charged SCC nearly \$500,000 in car expenses. These charges are beyond excessive and that's before you realise she wasn't even using her personal vehicle. It's was a SCC owned vehicle she was driving around and pocketing vehicle expenses on. The people in this area aren't the best at following through but there was a major push for council to be thrown out and the books audited because of the excessive charges we're paying every year for next to no services. I'm legitimately having a mental blank thinking of what actually gets fixed, upgraded or at a minimum maintained. The Nowra CBD is all but collapsed, only held up by the sheer will of people trying to earn a income in a street with ever lowering foot traffic and ever increasing levels of theft, damage and violence. I have lived here for a decade and I can say for a fact that there's potholes and damaged sections of busy roads that have never been repaired or even a patch attempted while the road crews drive past them to many times a day to count. Grounds keeping crews are seen more often sitting in car parks near the beach chatting and eating than they are seen doing their actual job. I have seen dead tree fall onto the side of main roads partially covering a lane. These trees are left for months completely untouched while council trucks and councilors themselves drive past them hundreds of times every day. Most of the time if a tree gets cleared in under 3mths it's because a resident has done it themselves because they're fed up with watching council workers ignore it. There's a section of road at the top of wool Rd old erowal bay that's had to be stripped abd redone 3 times! The first time the road broke apart within literal hours of being opened and it's still breaking apart after 3 retries with a very large pothole that is damaging cars. The fact it falls apart is ridiculous enough but the work took 6mths and all they did was widen the lane slightly and move a power pole back for a centre turning lane to be added. I've seen road crews do 10x that work in a few weeks without it falling apart and having to be redone a 4th time. When the bridge over the very tiny 1m wide creek just down the hill from that still unfixed road was damaged by water the council blocked off the main access road to the shops and medical centre and said that they're keeping it closed for 12mths+ to fixed it. Locals lost it at the ridiculous time quoted and cost for 3 concrete forms used all over the country for small creeks to pass under a road then the fill, concrete set up and road fix. This council is a disaster and joke all in one and no funding increase should ever be approved for them, all it does is buy them more time before theyre forced to declare bankruptcy while emptying the residents bank accounts for zero services. SCC should be recommended over to be fully independently audited and the services and works to the area completed before they ever get another 1c out of us.

Author name: Name suppressed

Date of submission: Thursday, 20 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We cant afford it! You got staff earning mid 6 figures. A huge work force growing every year. Shoalhaven on average earns less than the rest of regional nsw. Raising rates was 1 part of what was suggested I see no plans to cut expenses. We have housing booming so more rate payers annually how are the figures still not balancing. Dodgy temp road fixes and 3 years to fix plumbing in worrigee so dont tell us its extra maintenance costs. State shifted costs shove them back to the state

Author name: Name suppressed

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We, as self funded retirees, would like to object to the proposal by Shoalhaven City Council to have a 12% rate increase. The Council has got itself into its current position by mismanaging its finances and by getting involved in matters that are not its core business. We believe that Shoalhaven City Council should only be allowed the 3.8% rate pegging increase. It should stick to its core activities, maintain its front line staff and look at cutting out non essential projects. Rate payers do not have an option of just increasing their income by charging somebody else. Neither should Council be able to fix its financial problems by just charging its rate payers. We are happy for our comments to be public but please keep our name and address confidential.

Author name: Name suppressed

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I would like Ipart to consider the amount of financial assistance whether by direct funding or grants provided to the Shoalhaven City Council during and following the bushfire and flood events since 2019 as shown on their annual reports . There has been considerable federal and State funding provided specifically for those recovery projects. This should not be a reason to increase rates for its residents. Further the Council should also show what their expenditure has been on non direct service delivery since this time. The Councils lack of performance should not come at an additional cost to rate payers. The consideration of the number of AirBnB should also be factored into the impact that has on community use and whether residents should be paying for the impacts of tourism on the conditions of our roads and infrastructure or whether the businesses that financially gain from it should pay for those. Currently AirBNB and tourism operators do not pay their fair share towards infrastructure maintenance in the Shoalhaven and they gain the most from it not the residents. The Council talks about how much tourism brings to the area but how much of that translates to maintenance of the local infrastructure that Council now wants to slug residents for. These are serious matters to be considered.

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I don't believe this rate variation increase is enough to get Shoalhaven City Council out of financial trouble. Once the financial problems were clearly evident - a result of poor economic management and numerous natural disasters - a plan was put in place. However the new council is ignoring this plan, seemingly thinking they can cut services, and cut staff so that they can continue to promise all kinds of new infrastructure to the community, and ignore the need to seriously get council finances sorted. For example, they have been wasting council resources by asking for reports on decisions already made. I have absolutely no faith that this council has the will to seriously resolve the financial problems. This is partly a problem of elected councillors wanting to keep the community 'on-side' versus taking on serious management role and looking at the big picture of management, which will occasionally mean saying 'no you need to wait' to the community.

Author name: Name suppressed

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

While I understand the need for council to increase rates, our councillors spend the most extraordinary amounts of money on allowances, far beyond what would pass the pub test. There appears to be no plan to curb spending and every council meeting seems to include more folly projects to increase spending beyond what is budgeted for. Until SCC can bring their spending in line with approved budgets, and take the lead to rein in their own personal spending, I do not support a special variation rate rise.

Author name: Name suppressed

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I would like to oppose the Shoalhaven City Council special variation on the basis that I have serious doubts about the financial capabilities and decision making practices of the majority of current councillors in SCC. As ratepayer I know that our councils financial situation is not great, and I am not against an increase to cover ongoing and rising costs but instead of careful budgeting and making good solid financial decisions and cutting unnecessary spending they seem to be spending money left right and centre on things like state roundabout beautification and proposing to build 6 new sporting fields. They have fired the CEO (who I am told was doing a good job and now needs to be paid for her contract). Also the travel expenses of particularly our Mayor Mrs White seem extremely high. I would like to draw Iparts attention to a Facebook group called eye on Shoalhaven city council which is a group of about 1000 concerned rate payers that are bringing to light some very interesting financial considerations that perhaps need to be looked at before deciding on the proposed special rates variation. Thank you for the opportunity to feedback on this.

Author name: Name suppressed

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The rate increase should be accepted , the roads are deteriorating , such that the council needs to spend more annually on maintenance . Also they need to pay down debt , reduce interest costs. The council is now acting more frugally , capital works agree on hold, whilst the financially reserves are restored. I support the proposed special rate variation .

Author name: Name suppressed

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Many thanks for the opportunity to give feedback to the IPART by lodging this submission. I have been a ratepayer in the Shoalhaven City Council area, residing at Callala Bay, for the past 20+ years. During this time and up until only fairly recently, I have agreed with the incremental rises in the cost of our yearly rates. This has always been in line with the current pricing conditions and has also reflected the figure provided by the Valuer General in regard to our land value. However, the most recent advice of an application by Council to IPART for the Proposed Special Rate Variation for rate increases of 12% in the 2025/2026 financial year, seems well above what most ratepayers would consider to be "reasonable". According to the minutes of Council's Ordinary Meeting on Tuesday 17 December 2024, it is stated under the heading "Outcomes of Community Engagement" (Page 5) that "Council received 1,966 survey responses and the stated preferences were: * 64.8% selected Option 1 (3.8% Rate Peg base case) * 17.3% selected Option 2 (8% inclusive of Rate Peg) * 17.9% selected Option 3 (12% inclusive of Rate Peg)" I find it difficult to understand that, if the majority of online survey responders chose Option 1, why did Councillors vote to go ahead with an application to IPART for an increase of 12%? As far as I can determine, it appears that council has not considered the financial impact on ratepayers and therefore does not demonstrate they have considered some of the OLG's criteria ("established that the impact on affected ratepayers is reasonable"). I think it is also reasonable for me to assume that Shoalhaven council would have sought and received additional funding from both the National government and the NSW State government when our council area was declared a Natural Disaster Area back in early March 2022. Perhaps a report back to ratepayers on how this additional funding was used would have been appropriate and given ratepayers assurance that council was doing all they could to meet the needs of their community. Thank you once again for the opportunity to prepare this submission. Regards [REDACTED]

Author name: Name suppressed

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The shoalhaven council was mismanaged for 8 years prior to this and now we are expected to foot the bill. How about previous councillors under our former mayor are held accountable. Not once did they have the ratepayers in consideration when they made terrible decisions.

Author name: Name suppressed

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

In the current climate with the cost of living out of control and our council wants us to cough up more money, maybe they need to look internally to see what cost savings can be made. We pay more for just about everything in the Shoalhaven. I feel that a rate increase may push people over the edge as most are already at breaking point.

Author name: Name suppressed

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Im against the Rate rise that Council is applying for. We as Ratepayers are doing it tough at the moment with rising costs and living expenses (food, petrol, bills & all insurance they you need to have everything protected). I agree to the normal rise in Rates but not to the amount that is being put in the table. Its not the Ratepayers fault that the previous administration mishandled the budget but trying to make us pay for that mistake is not on us.

Author name: Name suppressed

Date of submission: Friday, 28 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The government is pushing costs that should be federal onto local councils, resulting in rate payers footing a high bill than is fair. A 12% rate increase is exorbitant for residents of the Shoalhaven during a time when cost of living is making it difficult to keep your head above the water. The housing crisis is very real and affects many residents of the Shoalhaven - a rate increase of this much will affect both renters and home owners as the costs are passed on through rent increases. Please let common sense prevail and dont pass this awful variation!