



Dear IPART,

22<sup>nd</sup> March 2014

We write in protest at the proposed Special Rates Variation (SRV) requested by Tenterfield Shire Council for the following reasons.

### 1. BELOW POVERTY LINE

The median weekly income in the shire is \$377 (Australian Bureau of Statistics, 2011) making the median annual income \$19 604. This means almost half the Shire's population of ~ 6800 do not fall within the lowest tax bracket of \$18 200. This also means more than half the Shire lives below the poverty line (ACOSS, 2012) and therefore rate increases above the rate peg (RP) will cause considerable hardship.

The NSW Valuer General has figures that show property values within the Shire have fallen by almost \$200 million (21%) in the past three years. The Valuer General states the fall is largely due to decreased demand for rural and commercial property and 'higher subdivision costs' in residential areas. That Council would attempt to arrest this decline by increasing rates defies logic. Rates, in principle are dependent on property values. Raising rates in a weakening market will merely accelerate this downturn.

### 2. COMMUNITY CONSULTATION

The community consultation consisted of a series of meetings at the end of both 2012 and 2013. The 2012 meetings were accompanied by a questionnaire which Council has attached to their application. These 2012 meetings were merely a new council acquainting themselves with the wishes and desires of residents. At no stage was the intention to apply for an SRV mentioned which was not decided upon until the following year. When people did become aware of Council's SRV plans, the mood of the 2013 meetings was decidedly antagonistic towards them. Council take great store in the 2012 questionnaire but no similar exercise has been undertaken since the SRV application has been announced. All the meetings were held according to Council's strict rules which heavily favoured evasive answers. Attendees were allowed only one question each with no follow up.

### 3. COUNCIL EXPENDITURE AND EFFICIENCY

The Treasury Corporation of NSW completed an audit of Tenterfield Shire Council in 2011 and directed Council to either reduce expenses or increase revenue. For the available budget years (2009 - 2013), Council spent more on Employment Benefits and Salaries (\$5.8m) than it collected in rates (\$5.3m). As a community organisation, we find such figures alarming and requested from Council a full list of positions and salaries (but not names). Council refused and only when forced by way of a GIPA did they state there were 95 full time equivalent employees plus the overall salary position.

### 4. NEW REVENUE OPPORTUNITIES (Part B, page 27, SRV)

This is an extremely misleading heading as it consists basically of asset sales plus increases in charges for leases and licences. Selling properties is merely exchanging one asset (property) for another (cash) and does not increase revenue as Council have no plan to plug the financial hole left once the sale money has been spent. Increasing charges for leases and licences may have a short term beneficial effect on Council's bottom line, but in the medium/long term will lead to a decrease in business activity resulting in lower income for Council.

In conclusion, please take the following observations into account. Our CEO currently has sufficient income to manage Council if she did it efficiently. However, she seems to think that spending millions on beautification projects and hiring senior full time staff and the latest software and using unnecessary consultants will somehow pull us out of the doldrums. If the SRV is approved and our CEO is still in charge, within 3 years we will need another rate rise to pay for extravagances.

Yours Faithfully'  
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