

"PART"

1 PART

PO Box K35

HAYMARKET POST SHOP NSW 1240

G. C. HANSEN

DEAR SIR,

## REVIEW OF LGA RATING PROVISIONS FOR MERGED COUNCILS

WYONG COUNCIL WAS APPROVED FOR A 6.9% SPECIAL VARIATION (INCLUDING THE RATE PEG) FOR THE FINANCIAL YEARS 2013-2014 UNTIL 2016-2017.

DURING THIS TIME THE INFLATION RATE HAS FALLEN. IN FACT, FOR ONE QUARTER EARLY THIS YEAR THERE WAS A PERIOD OF DEFLATION. INTEREST RATES ARE LOW AND THE "SET RATE PEG" HAS FALLEN TO 1.8%. THE CASH RATE SITS AT 1.5%.

IT IS AN INSULT TO WYONG RATEPAYERS THAT THEY ARE DISALLOWED ANY FAVOURABLE ADJUSTMENT FOR THE "RATE PEG COMPONENT" (YOUR LETTER 14/436 26/9/16 REFERS).

FOR SOME PRIVILEGE IN RESPECT OF THE "SET RATE PEG" TO BE ENJOYED BY WYONG RATEPAYERS "1 PART" SHOULD BE PRUDENT AND REASONABLE IN ITS ASSESSMENT FOR THE WYONG COMPONENT OF THE NEWLY MERGED "CENTRAL COAST COUNCIL".

THE METHOD OF BULK STRAIGHT LINE COMPOUNDING OF ONE HIGH SRV PERCENTAGE OF 6.9% SURELY LACKS UNDERSTANDING. SUCH COMPOUNDING CONTRIBUTES TO ADVERSE BRACKET CREEP AND BASICALLY COSTS THE RATEPAYER MORE. "1 PART" SHOULD BE MORE FLEXIBLE IN ITS ASSESSMENT, EVALUATE THE EXTRA COST COMPONENT RELATIVE TO COMPOUNDING WITHOUT ANY RELIEF AT ALL FOR THE "SET RATE PEG", AND BE MINDFUL OF THE GREATER FLEXIBILITY AND PRECEDENT EXERCISED AT PARRAMATTA COUNCIL. YOU MUST KNOW WHY PARRAMATTA COMPOUNDS ONLY THE "SET RATE PEG" AND APPLIES SIMPLE INTEREST ON ITS SPECIAL LEVIES. "1 PART" MUST HAVE APPROVED THIS SO WHATS THE SCORE AT PARRAMATTA. OR IS IT ONLY BECAUSE PARRAMATTA IS AUTONOMOUS AND MORE RATIONAL, AND FLEXIBLE AND INTELLIGENT.

MY ATTACHED WORKSHEET SHOWS THE LEVEL OF OVERCHARGE I HAVE HAD TO ENDURE DUE TO THE TUNNEL VISION OF ALL AND SUNDRY AT CITY HALL. IT SHOWS THAT THE IMPACT OF THE 6.9% SRV DOESN'T END AT 2016/2017. THE CARRY FORWARD FIGURE IS \$120 HIGHER THAN IT SHOULD BE FOR 2017/18. AND IT DOESN'T END THERE. WHY DON'T YOU SUPPOSED PRICING EXPERTS RECOGNISE THIS, NOW AND HAVE ANTICIPATED SAME FROM THE BUDGET.

MY WORKSHEET SHOWS HOW NOMINAL BOTH ORDINARY

AND SPECIAL RATE INCREASES SHOULD HAVE BEEN.

" IN WYONG'S NEWSLETTER JULY 16 WE WERE ADVISED THAT PROPERTIES IN THE FORMER WYONG LGA ARE SUBJECT TO A UNIFORM INCREASE OF 6.9% THIS YEAR (INCLUDING THE RATE PEG OF 1.8%) UNDER THE FOURTH AND FINAL YEAR OF THE "1 PART" APPROVED SPECIAL RATE VARIATION (SRV). "

THIS PRESS RELEASE FAILS TO INDICATE THAT NO CONCESSION IS AVAILABLE IN RELATION TO THE SET RATE PEG NOR ANY PROHIBITION FOR SAME VIA THE LOCAL GOVT ACT.

ON SEPT 15 2015 A "NOTICE OF MOTION" <sup>AT WYONG</sup> INDICATED ELECTED REPRESENTATIVES SUPPORTED CESSATION OF THE SRV 6.9% FOR 2016/2017 DUE TO A \$10.6m SURPLUS REFLECTING A \$41m TOTAL TURNAROUND IN 5 YEARS. COPY ATTACHED.

ADMINISTRATOR REYNOLDS VETOED THIS MIDWAY 2016. HE WASN'T HAPPY TO REVERT TO THE RATE PEG. APPARENTLY NEW AND MORE INFRASTRUCTURE BACKLOG HAS BEEN INVENTED AT WYONG.

THEN IN BUSINESS PAPERS REYNOLDS AND NOBLE (28/9/16) INDICATED THAT "NORTHERN RATEPAYERS (I.E. WYONG) ARE HAVING TO COMPENSATE EXPENDITURE ON SOUTHERN (I.E. GOSFORD) CAPITAL WORKS." MORE QUOTES ARE AVAILABLE IN MY MEMORANDUM 1/10/16 (COPY ATTACHED) TO LOCAL PROGRESS ASSOCIATIONS.

WYONG RATEPAYERS CAN THEREFORE BE NO LONGER LEAD UP THE GARDEN PATH DUE TO ALL THESE CONTRADICTIONS.

"1 PART" SHOULD ACT INDEPENDENTLY OF POLITICAL INFLUENCE.

THE SNOWBALLING "INFRASTRUCTURE BACKLOG" REVEALS AN APPREHENSION OF BIAS ON THE PART OF KEY OPERATIVES AT WYONG H.Q.

WYONG RATEPAYERS ARE REALLY IN CREDIT FOR AT LEAST ANOTHER 5 YEARS BASED ON MY ASSESSMENT. NO RATES INCREASES, NOT EVEN SET RATE PEG INCREASES, ARE WARRANTED.

WITH 1800 STAFF NUMBERS AT C.L.L. AND A RATE OF DECAPITATION AT ABOUT 40% <sup>OVERDUE,</sup> WITH COST SAVINGS TO GREATLY ACCRUE, RATE INCREASES ARE CERTAINLY NOT WARRANTED.

IT IS NOT SUSTAINABLE FOR NORTHERN (WYONG?) RATEPAYERS TO ENDURE FURTHER RATE RISES WHILST THEY ARE COMPENSATING GOSFORD WHEN GOSFORD RATEPAYERS PAY LESS IN RATES BECAUSE THEY DID NOT HAVE AN SRV TO CONTEND WITH.

YOURS FAITHFULLY,



2012

ORD 594-87  
BASE 168-  
762-87

LINE 1  
Rates Notice

GEN

WORKSHEET

12 ROSEMOUNT L.M.

2013

25.93 /  
= ORD 788.80  
SPEC. 26.70

2014

18.14  
= ORD 806.94  
SPEC 36.28

2015

19.37  
= ORD 826.31  
SPEC 36.31

2016

14.87  
= ORD 841.18  
SPEC 42.14

( 883.32 )

EFFECTIVE SRV COMPONENT		TOTAL SRV WYONG
STD RATE PEGGING INCREASE	EFFECTIVE SRV	
3.4%	3.5%	6.9%
2013/14		
2.3%	4.6%	6.9%
2014/15		
2.4%	4.5%	6.9%
2015/16		
1.8%	5.1%	6.9%
2016/17		

TABLE AS PER WYONG LETTER 13/9/16  
D.T. LFER.

PRECEDENT AS PER PARRAMATTA COUNCIL

BUT RATE NOTICE NOW

\$943.94 =

FOR 2016 ORD RATE SHOULD BE \$841.18 NOT \$943.94  
AND FINAL SPECIAL RATE ITEMISED AT \$42.19

OVERCHARGE

=  $\frac{943.94}{883.32} - 1$  TO DATE \$60-62.

FOR NEXT RATE NOTICE ORD RATE SHOULD BE  
ASSESSED ON \$841.18 (NOT \$943.94).

UNDOE PREMATURE INCREASE = 102.76, OVERCHARGE,

2017/2018. EQUALS ABOUT 4 YRS AVERAGE INCREASES  
PREMATURELY CHARGED. (5/8/16) 30/9/16

23 September 2015

To the Ordinary Council Meeting

## NOTICE OF MOTION

Councillor

### 8.2 Notice of Motion - \$10million Rate Relief

---

TRIM REFERENCE: F2010/00500 - D12083327

AUTHOR: Greg Best; Councillor

Councillor Best has given notice that at the Ordinary Council Meeting to be held on 23 September 2015 he will move the following Motion:

- "1 That Council congratulate all staff for their excellent team efforts in addressing the \$30million deficit.
- 2 That Council recognise that these efforts have now resulted in a \$10.6million surplus, this reflects a \$41million total turn around in just 5 years
- 3 That Council note the key initiatives deployed to achieve this extraordinary turn around are:
  - "Right-sizing" the organisation – aligning inputs to priority outputs
  - Service Delivery Review removing \$8m from the cost base
  - Using our own resource, not consultants
  - Benchmarking and testing alternate service delivery models
  - Better budgeting – focusing on community priorities
  - Better discipline in meeting budgets
  - More effective measurement. Closer monitoring of spend
  - Better procurement practices and outcomes.
- 4 That, as a consequence of this excellent financial management, Council now extinguish the last approved special rate variation (SRV) and revert to a maximum increase of 3% (the assumed standard rate pegging), thereby saving our rate payers \$10.7 million dollars.
- 5 That Council now continues to work through the identified infrastructure backlog using the current unallocated surplus of \$10.6million and future year surpluses.
- 6 That the Mayor, through the Council column, publically thank our community for their support, patience and understanding throughout this difficult period of restructure."

### RESOURCES

The matter will be actioned using existing resources.



**COUNCILLORS NOTE**

Councillors, I'm sure you will join me in recognising the Staff's excellent efforts in this extraordinary financial turnaround. Only 5 years ago this Council was hemorrhaging under a \$30million loss. However, under the stewardship of former General Manager Michael Whittaker, his new management team and the new Mayoral team, Council, through good management, has now delivered a \$10.6million surplus for its Ratepayers.

Also, I believe we should pass on our sincere thanks to our Ratepayers for their understanding and patience, as without their genuine support of the SRV over 4 years, we would have had little chance of arriving at such a sound economic position.

I would like to take this opportunity to thank Mayor Eaton, the Mayor of the day, who lead the difficult debate around the need for the SRV. As elected representatives we all appreciated the potential strain this decision may have on many of our residents.

Unfortunately at that time, the difficult decision to seek a SRV was not unanimous. As a Councillor of 20 years, I was extremely disappointed that there were those that chose the popularity path versus genuine leadership. Despite this, the Council has steered a fiscal responsible course that can now provide the opportunity to give back. ie: Through not levying the last State Government approved special rate variation 2016/17.

As outlined above, this initiative will relieve the Ratepayer purse to the tune of \$10.7million; with such success it is time to share.

Nevertheless, as responsible leaders, we must maintain a clear focus on dealing with the remaining infrastructure backlog. This I believe can be achieved through good governance, wisely using the \$10million surplus that we have generated over and above this year's proposed SRV levying.

As outlined in the recent comprehensive Fit For The Future audit, Wyong Council is now in an extraordinarily strong financial position with economic growth across the shire now at an all-time high boosting much needed local employment. Wyong is now financially the strongest LGA in the region. This is highlighted in the below CFO's briefing documents to Council.

Again I'd like to thank our staff, former General Manager and indeed our community for this tremendous outcome.

**8.2 Notice of Motion - \$10million Rate Relief**

Councillor Taylor left the meeting at 6.26pm and returned to the meeting at 6.27pm during consideration of this item.

Mr Stuart Durie, Secretary of the Lake Munmorah Progress Association, addressed the meeting at 6.26pm, answered questions and retired at 6.36pm.

**RESOLVED unanimously on the motion of Councillor BEST and seconded by Councillor TROY:**

**1043/15 That Council congratulate all staff for their excellent team efforts in addressing the \$30million deficit.**

**1044/15 That Council recognise that these efforts have now resulted in a \$10.6million surplus, this reflects a \$41million total turn around in just 5 years.**

**1045/15 That Council note the key initiatives deployed to achieve this extraordinary turn around are:**

- **"Right-sizing" the organisation – aligning inputs to priority outputs**
- **Service Delivery Review removing \$8m from the cost base**
- **Using our own resource, not consultants**
- **Benchmarking and testing alternate service delivery models**
- **Better budgeting – focusing on community priorities**
- **Better discipline in meeting budgets**
- **More effective measurement. Closer monitoring of spend**
- **Better procurement practices and outcomes.**

**1046/15 That, as a consequence of this excellent financial management, Council note that it does not intend to apply a special rate variation when it makes rates for the 2016/17 rating year and revert to a maximum increase of 3% (the assumed standard rate pegging), thereby saving our rate payers \$10.7 million dollars.**

**1047/15 That Council now continues to work through the identified infrastructure backlog using the current unallocated surplus of \$10.6million and future year surpluses.**

**1048/15 That the Mayor, through the Council column, publically thank our community for their support, patience and understanding throughout this difficult period of restructure.**

FOR: CRS GB BEST, DE EATON, B G GRAHAM, KG GREENWALD, LM MATTHEWS, LT TAYLOR, AT TROY, DV VINCENT AND LW WEBSTER

AGAINST: NIL



MEMORANDUM 1.10.16

Memorandum for : LMCC Lakeside Catchment Associations x3  
LM Prog, Wyong Ratepayers

1/10/16

"Northern ratepayers are having to compensate expenditure on southern capital works";

"Proposed savings or offsets identified so far have been from projects in the former Wyong LGA": WRC 27/9/16 p13 Reynolds and Noble 28/9

But a short time ago Reynolds overruled WSC resolution (about Sept 15) to pull the plug on the 6.9% Special Rate Variation at third year. In Oct 15 S Durie LM Prog reported aim was to revert to a 3% cap in light of a \$10.3 m surplus. Terminology apparently is "set rate peg" which is now 1.8%. Previously these were 3.4%, 2.3%, and 2.4%.

Without application of the "parramatta principle" in our rates calculations Wyong ratepayers are denied any privilege on a component relative to "set rate peg". The overcharge as a consequence of premeditated bracket creep does not stop at 2016/2017; the adverse affect carries on.

LM Prog seems to be full bottle as it recently tabled information on the rates compounding/ overcharging.. Their resolution is unclear, and it is unfortunate that any alert for the readership of the TCP END omitted any reference to the the rates anomaly in the monthly report.

No doubt they will pick up the tab on the "IPART" Submissions closing in October as any LMCC Lakeside Catchment Associations will, especially now that the capital works on the Summerland Point boat ramp \$0.9m is earmarked for commencement and also Mannering Park Precinct Inc, with its recent small windfall from Hely St.

No doubt the tireless community workers on our four associations in the north will relish in the forementioned contradictions now so apparent with the CCC administrator.

No more rate rises for at least 5 years because of a theoretical writing down of the cost overrun if the carry forward figure into 2016/2017 and overcharging to date, is not adjusted.

On the sale of the Terrace Towers airport lands said to be not at a loss a full return of capital to ratepayers is envisaged (less overheads) (\$18m?)

Northern ratepayers cannot continue to compensate the Brisbane Waters LGA. (Gosford)

gch 6132 lm 2259 43582313h 1/10/2016

WRC = Wyong Regional Catchment

WRC last para : "Savings already earmarked by CCC to offset the additional spending that has been transferred to the 2016/2017 budget have also, so far, come from the former Wyong Local Gov area."!!!!!!!