



WEDDIN SHIRE COUNCIL

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17 September 2009

Mr James Cox
Chief Executive Officer
Review of Revenue Framework of
Local Government – Draft Report
IPART
PO Pox Q290
QVB POST OFFICE NSW 1230

Dear Mr Cox

SUBJECT: REVENUE FRAMEWORK FOR LOCAL GOVERNMENT – DRAFT REPORT

Five representatives of Weddin Shire Council attended the public workshop at Dubbo on 11 September 2009, to witness IPART's presentation on its draft report on the Revenue Framework for Local Government.

The following comments are offered in response to the draft report and the presentation:-

- in Council's experience as a small rural shire, community surveys have a poor response rate and tend to attract minority viewpoints,
- a new four year financial plan is proposed to substantiate applications for rate increases. It would be preferable to make use of the financial plans to be prepared under the pending Integrated Planning process, rather than require unnecessary duplication,
- the major part of a rural council's expenditure is on roads whereas metropolitan councils tend to spend a higher proportion on community facilities. It is considered unlikely that a single Cost Index will accurately reflect increases for all types of councils,
- the restrictive definition of cost – shifting proposed by IPART will be meaningless if it does not reflect all increases imposed on councils, including those as a consequence of new regulations or departmental requirements,
- the inclusion of a Productivity factor in the Cost Index will penalise those councils which already run a tight ship as they will have less opportunity to improve their performance,
- smaller councils will have difficulty allocating resources in-house to prepare good quality submissions for rate increases,

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- Option B would require sitting councillors to go to an election supporting a higher rate increase: in practice, this would create an immediate focus for opponents to campaign against, and a community vote would be difficult to win,
- the role of staff in preparing the case for Option B needs to be separated from supporting a group in the election process.

As stated at the Dubbo workshop, the case for Option B parallels the work for Integrated Planning, and the proposal for a community vote parallels the election process. The simpler, cheaper and equivalent option appears to be to do away with rate pegging and let the community express its opinion at the ballot box. If this is considered unlikely to succeed in metropolitan councils, then rate pegging could be retained for them under specific conditions. The Department of Local Government or IPART should continue to publish a recommended rates increase for the benefit of the community and to provide a benchmark for all councils.

Yours consideration of these comments would be appreciated.

Yours faithfully



T V LOBB
GENERAL MANAGER