

Ker:Ker/DF18092009

Friday 18 September 2009

IPART NSW
Po Box Q290
QVB Post Office
SYDNEY NSW 1230

Dear Sir,

RE: REVIEW OF THE REVENUE FRAMEWORK FOR LOCAL GOVERNMENT.

Council wishes to raise the following issues in its submission to you on the Review of the Revenue Framework for Local Government;

1. Council believes there needs to a greater transparency in the process for determination of any amount that we're allowed to increase, certainly any of the decision-making processes or thoughts that are behind a special variation need to be disclosed.

A number of councils have had increases rejected and really they don't know why. They have completed the required consultation, they have had the asset management plans completed and they have had the figures to support their rationale; they would seemingly have community support, although they may have had a minority object against the rate increase, and the government, it would appear, may have taken notice of that minority in making its decision.

2. The catch-up with rate pegging needs to be available over a longer period of time. The current legislation allows Council a further year to catch up, but when you have the situation of prolonged droughts, and associated issues, which the rural communities have to deal with, giving relief over one year or a couple of years is not adequate. Council needs to have the ability to give relief over a longer period of time and then get our house back in order to be able to catch up on that lost income.

3. Community consultation in principle is fine, but in practice, it is very difficult. Council undertakes a number of community consultation meetings when we do our management plan and LEP for example. Often, Council gets attendees that have very strong feelings and are certainly quite vocal. They are often people who have the ability to get up and speak in public and put their views forward, but most often, these are minority groups and they don't represent the silent majority. If you are in a community where you have a

large portion of Aboriginal people or people who are in a lower socioeconomic group, they are people who don't readily voice their opinions, and it is very hard to get their feelings and input. Certainly going to the relevant community agencies is one source of trying to get information from that area, but, again, Council feels that this is not particularly successful.

Council believes that the process of community consultation and the emphasis now being put on it, in essence, erodes the democratic process.

4. Council disagrees with the single cost index. It is chalk and cheese between rural, urban and metropolitan councils, just in the variation in the different functions they undertake.

The whole mix of activities can vary dramatically from council to council, but there is certainly quite a big difference between what happens with metropolitan councils, in particular, and with small rural councils, particularly western councils.

5. Council always struggles with using less debt than they may do., particularly as to what is a reasonable level of debt. Council works on a 10 per cent debt servicing ratio. We could go a lot higher. I think you have to bear in mind that we have come from a period where there were federally imposed global borrowing limits which restricted loan borrowings substantially, and now we're going back to a phase where those restrictions have been relaxed quite dramatically, compared to what they were. In addition, smaller councils are often expected to undertake the same administrative processes as the larger council's; this is more evident in what is happening with the integrated planning and reporting.

6. Council does not have the depth of administrative support that larger councils may have. This has been used as an argument for amalgamation. Council doesn't believe that reinforces that, but it is an issue for us to have those processes, because, in essence, we have to do the same processes with the same sort of resources, as what the bigger councils do, but we have a lesser base of staff to be able to do that, and, more often, a lack of finance available to be able to undertake that.

If you require any further assistance please do not hesitate to contact the undersigned on 68401706.

Yours faithfully

Karen Roberts
DIRECTOR OF CORPORATE SERVICES