



Dear Councillors, Staff, and Community,

I have reviewed the reports of Sustainability, Capacity to Pay, Debt Capacity, and Efficiency for Federation Council.

It is evident, to me, that Federation is not sustainable and that it must urgently accelerate the procedures required for its journey to a sustainable state of affairs.

It is also abundantly clear that the community – as a whole – does have more-than-sufficient capacity to pay. The proper regression work confirms that the community has been paying far less than the average revenue effort of others in NSW, for some time. This is also confirmed by the study of revenue efforts in the report.

Federation already appears to have exceeded its liability capacity and this fact alone should compel people to see the urgency of this SRV.

Federation is close to the efficient frontier. What this means is that only marginal savings could be made from this area. Anyone claiming that the SRV could be reduced because of potential efficiencies is not thinking about the evidence.

In summary, I am extremely concerned about the situation in Federation Council. If you want the Council to continue to be able to provide adequate services in the future then this SRV must be approved, in full, and as a permanent increase to the taxation base. I strongly urge the community to accept the need to pay levels of local government taxation that are in-line with what other people in NSW pay – the failure to do so in the past (in combination with the amalgamation and unreasonable grant allocations) is a big part of the reason we find ourselves in this crisis today.

Your Sincerely,

