Author name: N. Dillon

Date of submission: Saturday, 16 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Impact on Affected Ratepayers -Capacity to Pay and affordability . 1. Individual Impact The Goulburn Mulwaree area is NOT a wealthy area with almost 40% of Households having no external wages source of Income (Aust Bureau of Stat 2021 Census) relying on fixed income such as Pensions, Unemployment Benefits and Self Funded Savings and Superannuation Pensions, Morrison Low Capacity to Pay Report to GMC shows the residents of the area are considerably LESS Financially secure then their immediate neighbours in the Highlands (Wingecaribee) and ACT Queanbeyan Areas. In this Capacity to Pay Report- Page 15- Morrison Low concede that on the Index of Relative Socio- Economic Disadvantage (IRSD)- Goulburn Mulwaree Council LGA ranks at the 27% percentile MEANING 73% of Australian Suburbs are BETTER OFF then our local Area. We rank similarly on the Index of Relative Socio- Economic Advantage and Disadvantage (IRSAD) where GMC ranks in the 28% - meaning 72% of Australian suburbs are BETTER off then Goulburn Mulwaree. The Cost of living crisis is biting hard with the local Goulburn Post newspaper reporting this week that rents have risen 40% across the region over the last 5 years (Goulburn Post 6/3/24 page 5) with medium rental now at $527 per week. The Morrison Low Capacity to Pay Report prepared for GMC SRV page 20- indicates medium weekly rents of $320.00 per week . These figures were based on 2020-1 data and are almost 3 years OUT OF DATE. People with mortgages have faced 13 interest rate rises since May 22 -raising the cash rate by 4.10% over that time . (RBA interest rate schedule May 22-February 2024) This is particularly hard on Goulburn Mulwaree young families , who have entered the market with an average home costing over $650,000 . In May 22 when variable loans were at 2% - repayment on a 25 year $600,000 loan WERE $2705.00 per month . To-day on the variable rate interest of 6.84% - repayments on that $600,000 loan are NOW $4180.00 per month. Source : NAB Mortgage repayment calculator Grocery costs have risen at least 15 % over the last 12 months , Fuel prices are up , insurance is up on house and car and business -by average 25 -30% , Electricity is up over 20% and so to is goes Where does this end ???? 2 Lets not forget our Goulburn Mulwaree Primary Producers either . On top of all the normal increases in expenditure , they are doing it harder then many others in our community , as they have no control at all over their livestock and produce prices OR the weather! 3 Business Rates Affordability GMC has a relatively small business ratepayer base - with less then 950 premises . at this time . A comparison on the "NSW Compare my Council "website shows that GMC Council Average Business Rates are among the highest in the State . In 2021/2 GMC Av Business Rates amounted to $5294 , whereas our more affluent neighbors in Queanbeyan -Palarang Rates Av was $4981, and in Wingecarribee - with a larger customer base and ""richer " clientele " Av rates were only $4573. Bathurst - a regional City more closely aligned with GMC Size and Demographics - Average rates were $4396. Across ALL NSW LGS's Av Business Rates for 2021/2 are shown as $3633 - so our GMC Business Av rates are already a STAGGERING 46% ABOVE the STATE average. Group 4 Council Av Business Rates were $4038- so this means GMC is 31% ABOVE the Group 4 (Similar Council) Av Within the last few months - the discussion relating to the proposed massive increase in rates have seen many business's close . One business had been established for over 20 years - but the worry of declining sales due to financial constraints caused by the cost of living crisis and the worry of rising rates and rents - have seen at least 10 business's decide to close in the last 6 months. This is NOT good for a regional city of roughly 30,000 people - as essential business's have left town . It is unlikely a business would want to relocate to Goulburn- with our high rates causing the area to be less viable -compared to many other locations . For our residents - it means services and stores which they have relied on , are no longer here , and if you want a similar service you will have the cost and inconvenience of having to travel south 100 km to Canberra - Queanbeyan or 100km or more north to Bowral/ Campbeltown, We recently instigated our own information awareness campaign in GMC - and were shocked that 25-30% of the residents and shoppers at our information desk had NO IDEA that Council had even applied for the SRV . Further - in a separate submission to Parliament we have achieved over 8000 residents signatures against the SRV in only 3 weeks. We are aware that IPART cannot take into account the Petition - but raise it simply to show the community overwhelming concern with the severe Financial cost of the proposed SRV on this community We are happy to answer further questions

IPART REVIEW OF GOULBURN MULWAREE COUNCIL SRV APPLICATION
SUBMISSION BY GOULBURN CHAMBER OF COMMERCE

The Goulburn Chamber of Commerce is adamant that it is incomprehensible that an application by ANY Council for a Special Rate Variation is to be considered and approved BEFORE the NSW Government has implemented the recommendations for improvements in IPART's yet-to-be completed Report on the NSW Council Financial Model.

Councils, and businesses, in NSW need more reliable funding streams, instead of Councils trying to win grant-writing competitions. It is no secret that an increasing component of some Council's cost base is the staffing costs of one or more Grants Officers.

To illustrate the uncertain environment in which business must operate stemming from the uncertainty of Council's funding streams, of which, on average, an estimated one third comes from rates, it is informative to consider the below timeline.

Timeline

03/2022	IPART announces Review of its Rate Peg Methodology
08/2023	some 15 months later, IPART releases Review of Rate Peg Methodology Final Report
19/09/2023	Goulburn Mulwaree Council (GMC) votes to start a conversation with the community about a potential special rate variation, taking two special rate variations options to the community (a one-off increase of 43.5%, and an increase over two years totalling 51.2%), plus the status quo or base case relying on the rate peg set by IPART each year.
11/10/2023	Council representatives address Goulburn Chamber of Commerce (Chamber) meeting on proposed SRV.
31/10/2023	Chamber writes to Council putting a number of queries seeking clarification.
10/11/2023	Council responds to Chamber's enquiries.
21/11/2023	IPART sets Council rate pegs, before adjusting for population growth, for the 2024-25 financial year, ranging from 4.5% to 5.5%. Independently, on the same day Council approves application to IPART for an SRV cumulative increase of 51.2% over the three-year period:

A) 2024/25 – 22.5% (including the rate peg);
B) 2025/26 - 16.0% (including the rate peg);
C) 2026/27 - 6.4% (rate peg not applicable).

Of particular note is that Council approved the increase to be a **permanent increase retained within the rate base**.

30/01/2024 IPART releases draft Terms of Reference received from NSW Government to investigate and make recommendations on the NSW council financial model.

13/02/2024 Chamber writes to Council enquiring whether Council has lodged it application, and if so requesting a copy.

14/02/2024 Council responds advising it lodged its submission with IPART in the first week of February. No copy of Council's submission is made available, nor is an explanation given as to why not.

Council confirms that IPART reviews the application and seeks additional feedback from the community. Further, that this process generally commences in late February and includes the publishing of Council's SRV application and associated documentation on their (IPART's) website.

29/02/2024 Goulburn Mulwaree Council posts to its Facebook page information about making submissions to IPART regarding the SRV. No copy of Council's application is forwarded nor formal advice given to the Chamber as to the application's availability.

15/03/2024 Last day for submissions to IPART's on draft Terms of Reference on the NSW council financial model.

18/3/2024 Last day for submissions to IPART on any Council's SRV application.

From the above, the last six dates specifically, it is apparent that IPART considers Council's application for a SRV of 51.2% over the three years with that increase to be a permanent increase retained with the rate base, **while it undertakes** at the request of the NSW Government a review of the NSW council financial model. From the first two dates above it will be noted that IPART took some 15 months to undertake a review of its own Rate Peg Methodology.

IPART is required to report back to Government within 12 months of the Inquiry's Terms of Reference for the Investigation of the NSW Council Financial Model being finalised. Potentially, this timing sees the ratepayers in the Goulburn Mulwaree LGA already having borne the brunt of the 16.0% increase programmed for introduction on 1 July 2025. Certainly, any recommendation for improvements to the model submitted by IPART to Government will not have been implemented by 1 July 2025, indeed they may not have been implemented by 1 July 2026, on which date the third and final year's increase (6.4%) is due to be introduced.

An analysis of the tables/spreadsheets submitted by Council to IPART in support of its SRV identifies that the Cashflow Base Case (ie; no SRV) – the fourth Spreadsheet Table in Part A – shows Cash at the end of each year steadily increasing from $33,742,882 in 2023/24 to $97,804,085 in 2033/34.

With such existing amounts of cash, and their predicted growth over the coming years, the Chamber submits that delay of any SRV Application for one year or two, if indeed one is necessary after Release of IPART's recommendations to Government for improvements to the Council Financial Model, will not impact Council such that it should fear "failing" the Long Term Financial Plan sustainability criteria.

The Chamber is perplexed that certain Council's have elected not to proceed with SRV Applications on the basis of adverse rate-payer reaction. On the other hand, Goulburn Mulwaree Council, along with other Councils, is persevering with its application, notwithstanding considerable and vocal adverse rate-payer action. Just how real are the consequences of "failing" the Long Term Financial Plan sustainability criteria.

In its email of 31 October 2023 to Council seeking clarification on certain matters set out in Council's supporting documentation released as part of the community consultation process, the Chamber noted that cash reserves have increased from $88.842m in 2018 to $130.128m in 2023. The Chamber acknowledged that some of these reserves are restricted for use on specific projects as designated by State or Federal Government, and that some funds have been earmarked for projects WITHIN Council. Other funds are, however, restricted and can be used for any project or expenditure. The Chamber enquired whether Morrison Low had been requested to advise what amount, if any, of the unrestricted funds could be used to offset the need for/size of an SRV. If not, why not.

For the sake of transparency, the exchange of correspondence with Council is attached to this submission. Council's letter dated 10 November 2023 sets out each of the Chamber's query immediately above Council's response. It is submitted that Council did not answer the Chamber's particular question at paragraph 4 as to what was asked of Morrison Low.

Also of concern is that Council in its response to the Chamber's query at paragraph 4 advises that part of internal reserves of $19.298m over which Council has some discretion includes a Financial Assistance Grant reserve of $6.487m. Further, that this amount is being kept in reserve to cover the eventuality of the advanced payment being stopped in which year Council will be left with a multi-million-dollar hole in its budget.

The Chamber would submit that this evidences Council having to "war-chest" funds to deal with the unpredictability of funding streams which, in turn, directly impacts businesses, and other rate payers, in the LGA.

Rather than considering any applications for SRV's at this time, IPART should be recommending to Government, or vice versa, that all SRV applications should be held in abeyance until:

1) Feedback on the Terms of Reference for IPART's inquiry into the Council Financial Model is in.
2) The Terms of Reference are finalised.
3) The Report to the Government on the NSW council financial model is submitted.
4) Government announces what improvements to the model have been recommended and which are to be implemented.

5) IPART, based on the improved model, announces the revised rate peg for, at the earliest, the 2025-26 Financial Year.

6) IPART only then considers SRV's for the 2025-26 Financial Year based on the new, improved rate peg; SRV's may not be necessary.

****

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OFFICE OF THE CHIEF EXECUTIVE OFFICER

10 November 2023

The President
Mr Darrell Weekes
Goulburn Chamber of Commerce
president@goulburnchamber.com.au

Dear Mr Weekes,

Subject: Goulburn Mulwaree Council Special Rate Variation

Thank you for your email dated 31 October 2023. Please find below responses to the questions raised in the attachment to your email.

1. Ordinary Council Meeting Agenda Papers for the 19 September 2023 Meeting, Under Item 16.4 – Special Rate Variation:

   A) In the Long-Term Financial Plan (LTFP) section on p38 it states that the outcome of the Morrison Low modelling and refinement of the LTFP is an ongoing deficit averaging $10.7M per annum. However, nowhere in Item 16.4 (pp37-41) does it state that the ongoing deficit is in very large part based on Grants & Contributions – Operating Purposes commencing in 2024 (Budget) at the amount of $11.878M, when in 2023 (Actual) the amount was $18.231M. Why was this crucial information, a seemingly arbitrary reduction of some $6.5M, not included in this Item for the benefit of Councillors?

      The reduction in the operating grants is anything but "arbitrary". The 2023 actual amount includes $7.815M in non-recurrent grants which are not guaranteed to be received in 2024 and beyond. It should be noted that, as a result of these grants not being budgeted for, the associated expenditure from these grants has also not been budgeted for resulting in the Materials and Contracts budget reducing from $22.114M in 2023 to $17.055M in 2024.

      There is also an expected reduction in the Financial Assistance Grant received from the Federal Government of approximately $1M due to the timing of the "advanced" portion of the grant. In 2023, 99.3% of the 2024 grant was advanced (increasing from 75.12% of the 2023 grant being advanced in 2022). Due to there being nothing extra to advance in the current year, it is anticipated that the amount of grant that will be received in 2023/24 will be around the $7M mark.

B) At the top of p39 it states that both the one-off Option and the 2-year SRV Option include an allowance for additional service and infrastructure improvements. The amount of $6M per annum from 2024/25 and onwards is given for increased asset renewal spends, and $1.25M for the funding of the future rehabilitation of Councils Waste Management Centres.

i) Does the Waste Management Centre have its own fund?

No. The Waste Management Centres are operated through the General Fund. The Domestic Waste Management fund (DWM) exists to fund the kerbside collection of domestic waste (green, yellow and red bins). The DWM pays a disposal charge to the General fund based on the tonnage of domestic waste collected and disposed of at the Waste Management Centre (WMC). The charge per tonne is based on the commercial per tonne charge.

ii) No amounts are given for increased resources for the maintenance of Council's facilities, **nor** additional staff resources to meet the demands of a growing community. What are these two respective amounts?

With the exception of the $1.25M annually for the WMC rehabilitation, the other figures are interchangeable. The LTFP states that approximately $6M will be spent on asset renewals however this may be slightly higher should the final asset condition assessment show the need to spend more. The remainder will be spent in the areas most needed as far as maintenance goes and will give Council the ability to react when the assets handed over from developments are added to our maintenance burden.

2. Another foundation stone of the SRV application is the Depreciation & Amortisation amount used in the Morrison Low refinement of the LTFP. The conclusion to Council's Resourcing Strategy 2022 – 2026 states that Council has completed two revaluations of assets at fair value for certain asset classes, which in turn has led to Council more than doubling its depreciation expenses recorded annually. Of note is that in 2022, the relevant amount was $22.667M, the second highest of all categories of Expenditure. In 2023, Depreciation was the highest category of Expenditure - $28.969M.

Did Council request Morrison Low to model less aggressive revaluation and less aggressive depreciation regimes to lessen the significant impact of these processes on the bottom line. If not, why not?

Revaluations are undertaken by independent valuation experts and each class of assets has to be fully revalued on a cyclical 5 year basis. In between the full revaluations there is now an expectation from the Office of Local Government and NSW Audit Office that an annual desktop "indexation" revaluation will take place. The indexed valuation will unfortunately see an increase in depreciation each year dependent upon the index used.

Council has been relatively conservative in its projections for depreciation with annual increases of 2.5% from 2025/26 onwards.

3. In the Morrison Low refinement of the LTFP, Grants & Contributions – Operating Purposes commence in 2024 Budget at $11.878M. They then increase by a relatively small amount each year through to 2034 - $15,205M. Grants & Contributions for Capital Purposes, on the other hand, fluctuate widely - $26.024M in 2024 down to $8.689M in 2027, jumping to $19.204M in 2028 at which amount they remain for 2029 but then decline to $9.232M in 2033.

i) Why are these two different categories of grants treated differently?

Operating Grants contains a mix of recurrent funding and non-recurrent funding. As mentioned in the response to 1(A) above, the recurrent funding is carried through the LTFP while the non-recurrent grants are not as they are not guaranteed. Should Council receive any of these non-recurrent grants in the future, an equivalent amount of expenditure (Operating or Capital) will need to be added to the budget to enable the conditions of the grant funding to be met.

Capital Grants are largely non-recurrent and will therefore be prone to fluctuations. Council does not traditionally budget for Capital Grants if they are not confirmed. It does however include grant funding for future essential projects which will require grant funding to proceed. In this example 2028 and 2029 includes grant funding for the potential replacement of the outdoor pool. This project, while needed, will not go ahead if grant funding is not received. The amounts are included to flag the need for the work – it does not necessarily mean the funding will be received, nor the work go ahead.

ii) Why is not the same degree of expectation that sees Capital Grants soar to highs of in excess of $19m in each of 2028 and 2029 (more than double the amount in each of 2026 and 2027) applied to Operating Grants?

Answered above

4 Council's cash reserves have increased from $88.842m in 2018 to $130.128m in 2023. It is acknowledged that some of these reserves are restricted for use on specific projects as designated by State or Federal Government, and that some funds have been earmarked for projects WITHIN Council itself. However, other funds are unrestricted and can be used for any project or expenditure. Was Morrison Low requested to advise what amount, if any, of the unrestricted funds could be used to offset the need for/size of an SRV? If not, why not?

Details of cash reserves at 30 June 2023 are as follows:

	($,000)				
	General Fund	DWM	Water	Sewer	Total
Unexpended Grants - External	8,929			12,641	21,570
Unexpended Loans - External	248		137		385
ELE - External		229	632	346	1,207
Developer Contributions - External	4,239		9,486	9,906	23,631
Internal Reserves	19,298	117	3,969	24,142	47,526
Unrestricted funds*	3,892	2,871	17,803	11,243	35,809
Total Cash & Investments	36,606	3,217	32,027	58,278	130,128

The unrestricted cash for the General Fund was $3.892M.

Internal reserves ($19.298), over which Council has some discretion includes a Financial Assistance Grant reserve of $6.487M (the equivalent of the 2023/24 Grant advanced to Council in June 2023). This amount is being kept in reserve to cover the eventuality of the advanced payment being stopped in which year Council will be left with a multi-million-dollar hole in its budget. This amount also includes $1.066M to cover employee leave entitlements and $1.926 in the plant replacement reserve.

Also, in this amount is $5.355M in works carried over from the 2022/23 budget. These amounts were placed in reserve in 2022/23 to enable the works to be completed in the 2023/24 budget funded via a transfer from their respective reserves.

5. External influences and legislative restrictions are identified as leading to a gradual decline in Council's sustainability. In terms of legislative restrictions, the Morrison Low refinement of the LTFP makes use of IPART's present rate peg structure (3.5% and then 2.5% and a subsequent 2.5% cap).

   A) The rate peg for introduction 1/7/2024 has just been released at 3.7%. Can the 0.2% difference be immediately introduced, ie; for example only, the one-off increase be reduced to 39.8%. If not, why not?

      The 3.7% rate peg actually relates to the current financial year (ie commencing 1 July 2023). To my knowledge there has been no announcement in relation to the 2024/25 rate peg.

      Any increase in the rate peg above the 3.5% will be absorbed into the 40%.

      For example, in option 1 presently the proposed increase in year 1 is 40% plus 3.5% rate peg (total 43.5%). Should rate peg come in at 5%, the increase will still be 43.5% made up of 38.5% SRV plus 5% rate peg.

      In option 2 presently the proposed increase in year 1 is 22% plus 3.5% rate peg (total 25.5%). Should rate peg come in at 5%, the increase will still be 25.5% made up of 20.5% SRV plus 5% rate peg.

   B) It is understood that release of the recently completed review by IPART into rate pegging is imminent. Informed "guesstimates" are that the revised peg for introduction 1/7/2025 may be in the order of 6-7%, perhaps as high as 9%. The present Options for SRV rely on existing caps of 3.5%, 2.5% and then another 2.5%. Whilst it is understood that in order for any of the three proposed Options, whichever is decided on, to be built into Council's budgets over the coming three years, the cap on rates needs to be known, and acknowledging the time value of money, why cannot the results of the IPART review be awaited and then built into future projections? If not, why not? If the new cap is in the order of 7-8%, this would decrease the required size of any SRV be it a one-off or over a two-year period. Further, a 7-8% increase may allow a three-year Option to be considered.

      Currently the IPART website has instructions for Council to assume a rate peg of 2.5% from 2025-26. It is anticipated that the 2024/25 rate peg will be announced later this month. As mentioned in the response above, any increase above the estimated 3.5% will be absorbed into the projected increases in the first year of the 2 options. Should the increase in rate peg for 2025-26 be higher than the estimate, the same will happen in year 2 of option 2.

      Further the assumptions for income and expenses increases allowed in the financial forecasting aims to cater for the expected increase in costs and thus the amount of revenue required, including estimated rate increases.

6 Suggestions to alleviate the pressure on rate payers by introducing a SRV of say 7% over each of the next 7 years have been dismissed as not viable due to the" future cost of money". If 7 x 7 does not work, did Council request Morrison Low to provide each of 3, 4, 5, and 6 years options. If not, why not?

> *Unfortunately, the condition of our assets, particularly our road assets means that the need for additional revenue is required in the short term to avoid further degradation of our asset base. The longer it takes for our cash flows to increase, the asset renewal "gap" will continue to grow, and it is unlikely that a long-term option would result in obtaining the outcome needed in terms of asset management.*
>
> *Further, the longer the SRV period the higher the rates increase will be for ratepayers.*

7 With a view to making any increase in general rates through the mechanism of an SRV, if approved by IPART, more affordable for rate payers, is it possible for Council to consider the introduction of a special levy similar to that put in place for a period of 10 years to fund the water pipeline to Goulburn from Wingecarribee Shire. Could such clearly identified levies be introduced to fund the Waste Management Centre rehabilitation and another to assist fund General Revenue? If not, why not?

> *Unfortunately, this is not an option and would still need to be done through a special variation application. The levy for the Highlands Source Pipeline was permissible due to it being a water fund function and the water fund is not subject to the rate pegging provisions. As mentioned, the Waste Management Centres are a part of the General Fund and any attempt to raise additional revenue through a "special rate" or would need to go through IPART.*

8. Is there any scope for applying no increase(s) at all to water rates to off-set any SRV? If not, why not?

> *In deciding to do this Council would need to consider the upcoming Capital Works program in the water and sewer funds. At present there is major upgrades planned for the water treatment plant in Marulan, the wastewater treatment plant in Marulan as well as the expansion of the wastewater treatment plant in Goulburn. Until the final costings of these projects are known, it would be unlikely that Council would be in a position to consider such a decision in the short term. It should be noted that in recent years, increases to the annual charges for water and sewer have been kept at a minimum:*

Year	Water	Sewer
2017/18	0.00%	0.00%
2018/19	0.00%	0.00%
2019/20	0.25%	0.25%
2020/21	0.25%	0.25%
2021/22	3.00%	3.00%
2022/23	3.00%	1.50%

I trust the above responses clarifies the issues raised

[redacted]

Aaron Johansson
Chief Executive Officer

[redacted]

Email council@goulburn.nsw.gov.au

Submission on Goulburn Mulwaree Council Special Rate Variation Application

Overview

My name is Adrian Beresford-Wylie and I am a resident and rate payer in the Goulburn Mulwaree Local Government Area. I appreciate the opportunity to make this submission to the Independent Pricing and Regulatory Tribunal (IPART) and I am calling on IPART to reject the application by Goulburn Mulwaree Council (GMC).

I submit that GMC has not substantiated its case for a Special Variation (SV) and has not satisfied the criteria established by the NSW Office of Local Government (OLG). In particular, GMC has not established the financial need for its proposed rate increase of 51.2% over three years, GMC has not ensured that the community has been sufficiently engaged and made aware of the proposed SV and persuaded of the need for it, GMC has ignored feedback regarding the impact on rate payers and GMC's application does not satisfy the requirement to provide sufficient evidence of productivity improvements and cost containment which would justify the proposed SV. For these reasons I urge IPART to reject the GMC application.

OLG SV Criterion 1 – Financial Need

Council seeks to establish financial need by citing strategic objectives from its Community Strategic Plan 2042 (CSP). In particular, on page 5 of Part B of the GMC SV Application Form, the Council states that the SV will respond to the CSP's position that

"the Council needs to be effective, financially sustainable and responsible by managing resources in a responsible manner that supports the ongoing viability of Council. In particular, improving the infrastructure network, namely roads and parking that was identified by the community as the most important. The community also identified the main challenge as supporting a growing population."

In making these statements the Council is asserting that it has a remit from the community to do 'what is necessary' in terms of additional revenue raising to achieve financial sustainability as well as suggesting that the community gave priority above all else to improving the infrastructure network, against a background of a growing population. This is simply not true. The responsible management of resources was the key commitment Council made to the community in the Community Strategic Plan – and that includes living within its means, finding efficiencies and savings, ensuring expenditure is prioritised to achieve sustainability (including new capital investments based on whole of life costing) and avoiding irresponsible cost blow-outs in projects, overspends in areas such as employee costs and losses on asset sales. In each of these areas GMC has spectacularly failed to meet its commitment to the community and has now resorted to an application for an SV which has been overwhelmingly, indeed almost universally, rejected by the community.

Council should also be condemned for misrepresenting the community's concerns about population growth included in the CSP. Rather than focusing on the need to prioritise infrastructure to support a growing population, the No. 1 challenge identified by community representatives (according to GMC's own submission) was jobs and employment to support a growing population and attract and retain staff. Retaining and supporting young people through the local provision of employment opportunities for young people was a close second. Raising additional revenue for infrastructure (or Council's resourcing) was not a priority nor does it seem to have been considered by the community at the time.

Council's most recent Audited Financial Statements and financial need.

Council asserts its Long Term Financial Plan (LTFP) proves the financial need for the SV, highlighting that the Plan forecasts an operating deficit each year from 2023/24 to 2031/32 averaging $6.2m per year. This is a claim which needs to be treated with caution and the most recent audited financial statements for the year 2022/23 illustrate issues which are either ignored or glossed over.

The GMC financial statements for 2022/23 reveal a sudden decline in Council's financial position (a reversal of $13.2m) from an operating surplus of $9.4m in 2021/22 to an operating loss of $3.8m in 2022/23, (the first of many according to the LTFP). This is attributable to three main issues, none of which were appropriately budgeted for and all of which point strongly to a council NOT managing its resources responsibly:

- A very substantial net loss from asset sales of $5.65m which council attributes to an overestimate in the book value of the assets;

- An unbudgeted overspend of $3m (12%) in employee costs; and

- An unbudgeted and dramatic increase in depreciation which came in at $6.302m (27.8%) above budget apparently due to revaluation of GMC assets. This sudden increase seems inconsistent with a fair value approach.

Each of these issues should have been addressed and proactively managed by Council prior to and during the financial year in question to avoid the outcome which eventuated. Council's reactive solution to seek the SV to address future cost pressures rather than seek to address management and oversight issues should be rejected.

The LTFP was prepared following an assessment of financial sustainability by Morrison Low. That assessment identified a number of reasons why Council had become unsustainable, including rate capping, cost shifting, new assets and service level improvements. These reasons apparently justify an increase of 51.2% in rates over the next three years.

It is important to note that rate capping has been in place in New South Wales for 45 years and is something which all councils (including previous Goulburn Mulwaree councils) have had to live with and accommodate. Similarly, cost shifting is a decades old problem which reflects the vertical fiscal imbalance in our Federation and is hardly unexpected. There are clear examples of the NSW State Government cost shifting onto councils (eg libraries) but the claim about federal Government cost shifting onto councils is greatly overblown, with the inadequately funded transfer of ownership of regional airports from the Commonwealth to councils in the 1990s being the only verified instance of cost shifting. It should be noted that GMC sold the Goulburn Airport in 2011.

The issue regarding new assets is well known and it has long been acknowledged that councils (including GMC) need to exercise discretion in developing new assets (such as aquatic centres, entertainment/performance venues and sports facilities), recognising that capital grants funding from other levels of government will assist in meeting construction costs but does not cover whole of life costs for assets (with maintenance costs often far exceeding construction). Goulburn has acquired such assets in recent years but the community was not advised that the need for a Special Rate Variation might be the consequence of such acquisitions.

Finally, service level improvements demanded by communities (or other levels of government without compensating revenue increases such as food regulation and inspection) has also long been a problem, especially since the move to more responsible and accountable local government in the 1990s which permitted councils to extend the range of services they provide to communities but also led to greater community pressure for human services. Evidence is cited by Morrison Low that this affects all 128 councils in NSW and it has been and continues to be incumbent on GMC to manage this issue rather than resorting to the proposed SV to "tax its way out of the problem."

The above comments relate mostly to expenditure issues. With regard to income measures, the LTFP submitted by GMC excises capital grants from its consideration of financial sustainability, declaring them to be unreliable and discretionary. Nevertheless, GMC's audited financial statements for the past five years reveal that Council has, without fail, received capital grants each year varying in value from around $12m to $30m. Similarly, the LTFP, while completely discounting capital grants, includes estimates of such grants for each of the next 10 years and the Council continues to incur staffing expenditures through grants officers (several) with the objective of maximising grant revenue. Perhaps staffing resources should be reduced and a saving recognised for this unreliable and discretionary revenue stream. On a minor point, GMC's revenue includes operating grants provided by the Commonwealth, through the NSW Treasury, as Financial Assistance Grants (FAGs). The grants to NSW are increased annually by the Commonwealth in line with population and CPI growth in NSW. Commonwealth Government Budget papers indicate that the expected indexation over the current and next three years at the national level are 6.8%, 4.8%, 4.2%and 3.5%. Council has decided to assume an annual indexation rate of 2% for this grant which means an underestimate in revenue of around $150,000, noting that GMC's actual grant allocation depends on Goulburn Mulwaree's population growth relative to other NSW Local Government Areas. Council seems to have adopted an approach which minimises revenue forecasts and maximises expenditure forecasts with the inevitable result of large and ongoing operational deficits.

OLG SV Criterion 2 – Community Awareness and Engagement

The GMC submission provided evidence that the community was aware of the NEED FOR and extent of Council's SV proposal by stating that 1,867 submissions were received and 3,459 people accessed the SV information page on Council's website. However, GMC admits that 92.5% of submissions were overwhelmingly opposed to the SV. This is concrete evidence that the community was NOT aware of the NEED for the SV. The Council has simply not been able to persuade the community of the need for the SV and indeed the Council also acknowledges that many respondents wanted Council to more fully explore cost savings (and presumably efficiencies) in preference to the SV. It should be noted that 3 of 9 GMC councillors also hold this view.

There is currently a petition being circulated seeking support from the community to oppose the GMC SV proposal. It will be forwarded to the NSW Parliament shortly. As at 15 March 2024 that petition has more that 7,000 signatures and clearly undermines Council's claim to any effective consultation and engagement with the community on the issue.

OLG SV Criterion 3 – Impact on Ratepayers

GMC's application includes detailed modelling of the financial impact on various classes of ratepayers. It also commissioned (another) report from Morrison Low on capacity to pay asserting that historical figures relating to outstanding rates conclusively confirm both capacity and willingness to pay.

IPART should reject these assertions as self serving and not substantiated. The 7,000 signatures on a petition opposing the SV are irrefutable evidence of an unwillingness to pay and the current cost of living crisis and economic fragility which has emerged over the past 18 months has clearly affected capacity to pay among residential, business and agricultural ratepayers. It may be that Council believes that capacity to pay additional annual residential rates of $579 will be strengthened by the increased annual benefit many federal income taxpayers will receive as a result of the amended Stage 3 Tax Cuts (with annual tax cuts of $654 for taxpayers earning up to $120,000 pa). If this is the case the Council should say so.

OLG SV Criterion 5 – Productivity Improvements and Cost Containment

As previously noted, employee costs at GMC increased by 12% ($3m) over budget in 2022-23. This outcome is strongly indicative of a Council not focused on cost containment despite assertions to the contrary in the GMC SV application. At least 3 out of 9 councillors believe that further productivity improvements and cost savings need to be explored before pursuing the SV. Council asserts it has already realised $0.639m in annual savings and one-off revenue of $5.2m. This contrasts with the $3m staff overspend in 2022-23 (presumably an ongoing level of expenditure) and the one-off net loss of $5.6m from asset disposal!

GMC notes that it developed a Resourcing Strategy 2022-26 which acknowledged that it was not possible to predict what would happen to staffing levels by 2026. It did however state that "The current organisational structure adopted by Council is broadly capable of executing the Delivery Program and this Workforce Plan has been developed on this basis". With regard to Strategies to Address Key Challenges in that 2022 Resourcing Strategy GMC stated, in relation to rising employment costs, that "There is unlikely to be additional funding for the Local Government Sector in the short to medium term. The focus is therefore going to be on continuing to work within our means".

Subsequently, in its August 2023 Organisational Sustainability Review and Improvement Plan, Council stated that it now needs additional staff to address growing service demand at a cost of $2.5m over 3 years. As the report states, there is a need for additional staff resources to meet the demands of a growing community.

Council in fact compares poorly with similar councils in NSW (Group 4 councils) when considering the productivity of staff. GMC's submission includes a graph comparing the number of residents per staff Full Time Equivalent (FTE). The graph reveals that over the past five years the rate of increase in staff numbers in GMC has been faster than the average of like councils although the growth rate of the population in the Goulburn Mulwaree LGA has been slower than average, resulting in a significant increase in the ratio of staff to population. Goulburn, which in 2017 had fewer FTE staff per head of population than the average Group 4 council, now has more staff per head of population, a sign of declining productivity. This is a strong argument against continued growth of Council staff numbers and suggests opportunities for productivity gains and savings.

The LTFP, however, shows a significant growth in employee salary costs (and numbers) over the next 10 years (along with growth in depreciation) and includes an assumption that these resources will be necessary to meet population growth (estimated at just 1% pa, well below the national average). In 1931 Goulburn's population was around 12,000 out of a national population of 5.5m. The national population has since increased five-fold but Goulburn's population has only doubled. The case for additional staff going forward is not persuasive with many federal and state public authorities subject to efficiency dividends of around 1% based primarily on expected productivity from regulatory reform and Information technology initiatives.

Conclusion

The Goulburn Mulwaree Council SV application fails to substantiate the case for its proposed SV and should be unsuccessful. There is clear evidence that the financial need for the increase has not been established and that the community has not been effectively engaged or informed about the SV. There are opportunities to pursue efficiencies and cost containment/savings which GMC should explore before any consideration is given to the potential for a Special Variation.

Adrian Beresford-Wylie
15 March 2024

Author name: A. Croker

Date of submission: Thursday, 7 March 2024

Please write your submission below:
This council has been reckless spending over the past 5 years on major projects throughout the region. Although they are great projects (aquatic centre, performing arts centre etc) the community has repeatedly warned of concern regarding overspend. These projects were heavily funded through grants programs and budgets were blown every time. It is not fair to push this problem onto ratepayers, especially during a cost of living crisis. A neighbouring council has recently backed away from seeking an IPART variation because they realised the impact on a struggling regional community. Goulburn Mulwaree Council should be doing the same, but due to poor financial management in recent years, the community is being asked to fix the problem. Its not fair, its tone deaf and will have a huge negative impact on the community.

Author name: A. Ellson

Date of submission: Sunday, 17 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
A personal submission against the proposed special variation to rates and proposed permanent increase to rates is attached. This is not my finest work, having suffered medical incident on 9th February 2024, which is still affecting me, and my capacity for detailed analyses and articulation of thoughts, observations and opinions in writing and verbally. Hopefully you can look past any weakness in wording to grasp the concepts that I am trying to articulate. While IPART cannot comment or take into account any poor decision making by councils contributing towards its financial sustainability, I do believe that IPART can consider poor considerations and decision making leading and contributing to a request for financial relief via the use of a special variation. A significant portion of the Goulburn Mulwaree LGA population are not in a position to financially absorb Council's proposed 51% special variation being sought. Council needs to develop a better plan for trading out of its current predicament with the view to minimising any rate increases to the current rate peg or at most 2.5% above, which would be equivalent to the last special variation approved. regards Adrian Ellson

Adrian Ellson
[redacted]

18th March 2024

Independent Pricing and Regulatory Tribunal
PO Box K35,
Haymarket Post Shop, NSW, 1240

To whom it concerns,

RE: GOULBURN MULWAREE COUNCIL'S SPECIAL VARIATION AND NEW MINIMUM RATE APPLICATION

> ***The application and approval of a special variation to rates, is not and should not be a 'get-out-of-jail' card for ill informed and/or poorly communicated decision making by local governments.***

References:

A. IPART **(**Nadja Daellenbach) Email: Have you say on Goulburn Mulwaree Council's special variation application of 27th February 2024
B. Goulburn Mulwaree Council: IPART Special Variation Application Form 2024-2025 (Application and all Appendices & Attachments) dated 1st February 2024
C. IPART Engaging with IPART about special variation applications for 2024-25 dated 23rd October 2023
D. IPART Rate peg for the 2024-25 financial year dated 21st November 2023

Preamble

This Submission is the work of Adrian Ellson, it represents Adrian's ideas, thoughts and opinions based on public available facts. Notwithstanding some ideas, thoughts and opinions have been shared with others from within the Goulburn Mulwaree Local Government Area (Goulburn Mulwaree LGA), and beyond, for their review, feedback and comment; the work and views contained within this Submission are those of Adrian Ellson.

IPART Rate Peg for 2024-25

IPART has identified a Core Rate Peg of 4.5% for the Goulburn Mulwaree LGA (Reference D, Table 3, page 16). This in itself is offensive in that the private sector has and continues to work hard at constraining wage increases to 2.5% and below, people on pensions and low income are financially disadvantaged before any Council applications for a 51% special varions and subsequent permanent increases in minimum rates are considered.

Adrian Ellson
[redacted]

18th March 2024

Overall Position with respect to Goulburn Mulwaree Council's proposed Special Variation to Rates and proposed new Minimum Rates

Summarily stated; Council's proposed Special Variation to Rates is excessive and not financially sustainable by the populace (individual residents and local businesses) of and within the Goulburn Mulwaree LGA.

Notwithstanding that the Council's need for some additional monetary input to enable Council to meet existing obligations and to fulfil promised infrastructure and services which has come about in part because of inflationary pressure, my main objections to the proposed special variation and increased minimum rates are:

- The proposed special variation and increased minimum rates are invalid because:
  - This proposal is off the back of a 2.5% special variation in rates that should have informed and guided Council to undertake a review of capital expenditure with the view to minimising future and ongoing increased operational, maintenance and renewal costs; and
  - The long term financial planning documents presented to IPART do not include an future new assets within the proposed 10 year planning horizon, which is unreasonable and that in all likelihood will result in the next elected council having to seek additional special variations and other increases in rates and charges to fund the building and operation of necessary new essential assets;
- Councillors and Senior Officers have not exercised financial prudence whilst Council was in receipt of or just after receiving an additional 2.5% special variation, the use of subsequent additional special variations in rates is inappropriate and **not** reflect of good sustainability practices to address lack of financial prudence;
- If this requested special variation and permanent increase to rates is approved as is, IPART is exposing future Goulburn Mulwaree Councils to fiscal instability and need for additional financial assistance through special variations to rates and charges;
- The residents and local businesses within the Goulburn Mulwaree LGA cannot afford the proposed 51% special variation of rates and permanent increase in minimum rates.

In moving forward, there is a general recognition that the current and past Goulburn Mulwaree Council have dug themselves into a financial hole through a lack financial prudence at a time when the exercise of financial prudence was essential for the long-term sustainability of the Goulburn Mulwaree LGA; IPART in approving any special variation of rates and permanent increase of rates, should ensure that the Goulburn Mulwaree Council includes in the way forward:

- a proper, and intergenerational (in terms of council useful lives), analysis of current and future (long term) **needs** for essential services and assets only, and the identification of those services and assets built or planned to meet the **wants** of some residents and businesses that should be disposed of or mothballed until Council is fiscally stable and self-sustaining without the need and assistance of special variations in rates (pre-approval requirement for this application);
- Council should be promoting a regional and rural lifestyle for the Goulburn Mulwaree LGA, and avoid being drawn into promoting and building an expensive urbanised city that is contrary to the resident's requested lifestyle;
- Council should be setting and planning for a sustainable growth path based on a regional and rural lifestyle, where emphasis is on restricting the rapid growth of the City of Goulburn, and promotion of growth (through infilling and minor town extensions) of the local towns and hamlets within the Goulburn Mulwaree LGA[1];
- any approved special variation in rates and permanent increases in rates should be limited to the outcome of the above, less the annual productivity improvements (annually and cumulatively over the long term planning horizon (pre-approval requirement for this application);
- Council should be prohibited for accepting grants or taking out loans for capital and/or renewal of wanted assets, where there is no in-house zero cost increase to operating,maintenance, renewal and disposal costs outside the rate pegs set by IPART for the next 10 years;
- Councillor and Senior Officer remuneration should be frozen for the duration of the period of the special variation in rates being in place, and then annually increased or decreased based on Council performance (achievement of productivity gains identified, and annual financial surpluses and losses) including loss of remuneration where productivity and performance has not been achieved[2].

[1] This approach to LGA growth is consistent with residents' expectations and expressed views, but also minimises the need for costly water, sewer, power, etc. infrastructure development costs and ongoing fiscal obligations.

[2] Councillor and Senior Officer remuneration during the period of special variation of rates should be linked to proposed productivity gains, and where not achieved Councillors and Senior Officer remunerations should be reduced accordingly in-line with any non-achievements. Ordinary officers/employees of Council remunerations should not be linked to productivity gains in the same way as Councillor and Senior Officers, as Council's current fiscal position is a product of management and decision making rather than the execution of work.

Goulburn Mulwaree Demographics

In order to better understand this Submission and the populace of the Goulburn Mulwaree LGA (those affected by the proposed special variation and increase to minimum rates) - a snapshot of the key statistics from the Australian Bureau of Statistics (2021 Census as updated and published June 2022) is provided below in Figure 1. Based on the 2021 Census, the population of the Goulburn Mulwaree LGA is 38,786 (all ages) and in all likelihood this number has increased.

There are three key statistics within Figure 1 that needs further explanation in relation to the application by Goulburn Mulwaree Council for the inclusion of a special variation in rates for the next three years and an overall increase to minimum rates, these are:

- Number of Jobs;
- Working age population (aged 15-64 years) (%);
- Median total income (excl. Government pensions and allowances) ($).

In 2021/22, the estimated number of jobs available within the Goulburn Mulwaree LGA was 29,230. This figure is interesting in that Goulburn is often referred to as having zero unemployment. Notwithstanding any upward movement in job numbers since 2021/22, Goulburn still retains ownership of the concept of zero unemployment, and this is reflective in that Tradelink closed its store within Goulburn in 2023 because it was unable to recruit and retain staff.

The other observation is that a reasonable proportion of the population of the Goulburn Mulwaree LGA commute to Canberra/Queanbeyan and to Moss Vale/Bowral/Mittagong regions for work. This creates two issues within job numbers and median income. First, the working age populace within the Goulburn Mulwaree LGA is insufficient to fill all the positions available; and second, the median income is artificially inflated by employment outside of the LGA.

The working age population by number of the LGA is 23,504 (60.6% of 38,786); and of this figure a reasonable proportion of people travel outside of the LGA for work. Thus there is a shortfall in local employees of more than 5,725 (jobs 29,230 - working age population 23,504). This shortfall is made up of elderly people having to work, mostly casual to part-time on minimum wages, to meet existing financial obligations that have been exacerbated by recent (last 18 - 24 months) inflationary enablers outside the control of local individuals and businesses. The primary area of work is within the private sector, where annual wage increases are only between 0% to 2.5% on average, and where Australia’s CPI has been running at more than 5% and is currently around 3.4%. These elderly people live week to week, and in some cases day to day, and not every day includes a meal.

The Bureau of Statistics has identified 4,983 age pensioners, but if you subtract the Working Age Population from the total Population for the Goulburn Mulwaree LGA (38,786 - 23,504), there is in theory 15,282 elderly people (age pensioners and self funded retirees) and children under the age of 15, and in addition to this, there is based on the numerous NDIS businesses in Goulburn, a significant number of people on disability pensions too that are not identified within the statistics. Most important to note, is that these people’s (elderly and disability) income is not included in the LGA Medium Total Income published by the Bureau of Statistics, and that this income per person is less than the Median Total Income published - the median income on a LGA total population basis is over stated by the Bureau of Statistics.

Another piece of evidence supporting the over statement of median income within the LGA, is when the population is divided into those living within the City of Goulburn and those living outside the City limits. For those living outside of the City of Goulburn limits, the Median Total Income is only $45,692[3], compared to the LGA Median Total income of $49,863 (see below) - a difference of $4,171 per annum.

[3] https://dbr.abs.gov.au/region.html?lyr=sa2&rgn=101051540 downloaded 5th March 2024

Key statistics

Description	Year	Region	Australia
Estimated resident population (no.)	2022	38 786	26 005 540
Working age population (aged 15-64 years) (%)	2022	60.6	64.6
Estimated resident Aboriginal and Torres Strait Islander population (no.)	2021	2 257	983 709
Speakers of an Aboriginal or Torres Strait Islander language who identify as Aboriginal and/or Torres Strait Islander (%)	2021	1.5	10
Persons born overseas (no.)	2021	3 939	7 029 262
Children enrolled in a preschool or preschool program (no.)	2021	518	339 015
Age pension (no.)	2023	4 983	2 598 190
Median total income (excl. Government pensions and allowances) ($)	2020	49 863	52 338
Total number of businesses	2022	3 735	2 569 900
Number of jobs	2020	29 230	19 990 090
Median weekly household rental payment ($)	2021	310	375
Median monthly household mortgage payment ($)	2021	1 694	1 863
Land area (ha)	2021	909 990.9	768 809 493.8
Total protected land area (ha)	2022	68 529	169 668 198

[4]

Figure 1 - Key Statistics Goulburn Mulwaree Local Government Area

The actual income of many individuals within the Goulburn Mulwaree LGA is well below the published individual Median Total Income. A rough estimate, based on the Pareto Principle, is that at best 20% of the population of the Goulburn Mulwaree LGA has some form of disposable

[4] Source: https://dbr.abs.gov.au/region.html?lyr=sa3&rgn=10105 downloaded 5th March 2024

income[5], with the remainder surviving week to week. It is therefore surprising to note within Goulburn Mulwaree Council's application for Special Variation to Rates and increase to minimum rates that there is zero hardship cases and funding assistance (see below) within the past, especially the last 18 - 24 months, which is reflective of:

- a lack of communication that such a policy exists;
- it is overtly difficult to obtain hardship assistance; or
- simply not practical to pursue.

55	**HARDSHIP POLICY**						
57	**Number of hardship applications**						
58	Residential	No.	0	0	0	0	0
59	Business	No.	0	0	0	0	0
60	Farmland	No.	0	0	0	0	0
61	Mining	No.	0	0	0	0	0
62	Total number of hardship applications		0	0	0	0	0
65	**Ratepayers on hardship policy**						
66	Number of ratepayers on hardship policy						
67	Residential	No.	0	0	0	0	0
68	Business	No.	0	0	0	0	0
69	Farmland	No.	0	0	0	0	0
70	Mining	No.	0	0	0	0	0
71	Total ratepayers on hardship policy		0	0	0	0	0
73	**Total debt owed by ratepayers on hardship policy @ 30 June**						
74	Residential	$' nominal	0	0	0	0	0
75	Business	$' nominal	0	0	0	0	0
76	Farmland	$' nominal	0	0	0	0	0
77	Mining	$' nominal	0	0	0	0	0
78	Total debt owed by ratepayers on hardship policy @ 30 June		0	0	0	0	0
79							
80							

[6,7]

Figure 2 - Hardship Policy - Approvals

The following statement by IPART is noted within Reference C, Section 3.2 'Spending priorities' (page 5):

> *"While we consider whether a council has found and implemented efficiencies and cost containment strategies, **as well as the financial impact on a council and ratepayers of the council's proposed SV**, we do not assess the merits of council spending decisions."*

In terms of financial impact on the populace of the Goulburn Mulwaree LGA, the stark reality is that up to 80% of the population does not have the capacity to absorb Council's proposed special variation and increased minimum rates, without enduring extreme financial and personal hardships. This simple fact demonstrates that Council in applying for a special variation and increased minimum rates has become aloof and detached from the residents and businesses that there are supposedly supporting and servicing.

[5] This is an important concept to grasp because the infrastructure built by the Goulburn Mulwaree Council has had a focus on servicing the possible wants of those residents (20%) with some form or level of disposable income, for example, the building of the new Performing Arts Centre.
[6] Goulburn Mulwaree Council - Application Part A, Sheet 'WS12 - Other' within Reference B
[7] Goulburn Mulwaree Council Hardship Policy 2022/261 dated 2nd August 2022 does not provide real hardship relief for pensioners and low income earners - the policy enables some deferment of payment of rates, water and annual charges; which, in the medium to long term, has potential to cause compounding financial and personal health stresses.

Adrian Ellson
[redacted]

18th March 2024

Demonstrate the need for the Additional Income

The Goulburn Mulwaree Council makes the following statement within its Special Variation Application Form Part B (page 5):

> "*The purpose of the proposed Special Variation (SV) is to cover the increasing costs which are currently outpacing revenue growth, and to continue providing services and assets to meet the growing demand of a* ***regional city****, as expected by the community into the future.*"[8]
>
> [Comment: Within the Strategic Asset Management Plan - Goulburn Mulwaree Regional Council dated November 2023, 6.1 Demand Forecast (Table 12 page 30): The preferred future lifestyle is predominantly a rural lifestyle (See Figure 3 below) not a city based lifestyle as suggested above. And with this in mind, where did the concept of renaming Council to a Regional Council come from? The infrastructure and service levels being pursued by Council appear to be inconsistent with the preferred lifestyle being sought by those residing in or moving to the Goulburn Mulwaree LGA. Council's and senior officers' views and aspirations should not form the basis of a special variation and permanent increase in minimum rates.]

[8] Ote the wording "and to continue providing services and assets to meet the growing demand …", this is discussed elsewhere in this Submission, but there are no new services and assets included in Council's long term financial plan.

Table 12 Future demand impacts

Demand Drivers	Present Position	Projection	Impact on Services
Population Growth and Residential Development	Current estimated population is 32,428 which reside in approximately 14,663 private dwellings (86.2% are separate houses).	There has been an average annual growth of 1.2% in the region primarily driven by Net internal Migration.	Population growth will place an increased demand on assets, especially roads, stormwater assets and community centres.
Demographics	Around 27% of the population was over the age of 60 in the 2021 Census. Currently there is net migration into GMC in all age Groups except for 18 – 24year olds.	The population is expected to continue to age.	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and recreation assets.
Lifestyle	Predominantly Rural Lifestyle.	Community engagement identified that the community wishes to maintain its rural lifestyle.	N/A
Commercial Industrial Demand	GMC is currently well established to benefit from globalisation. Its situated close to arterial highway/Rail Line and is close to Canberra's 24 hours Air Freight.		

Figure 3 - Future Demands/Expectations of the Residents of Goulburn Mulwaree LGA

If the intent of this proposed special variation and increase to minimum rates is to provide a long-term financial model to enable and support Goulburn Mulwaree morphing into regional city of the ilk of Queanbeyan/Googong - than I strongly oppose the application for the special variations and increase rates on the basis that the LGA communities and individuals have not been consulted or have endorsed such a mid to long term development.

Council supports its above assertion in its Attachment - Other Attachment - Attachment 7 GMC SV Background Paper (pages 2-3), where it states:

> *There are a number of contributors to this growing financial sustainability gap, some of which are outside of Council's control and others which Council has some influence over.*
> ***Rate capping is a contributor****. The Independent Pricing and Regulatory Tribunal (IPART) has set the rate peg for NSW councils by taking the increase in*

the Local Government Cost Index (LGCI) and applying productivity gains or allowances for one-off events. The LGCI does not recognise some cost increases councils experience, nor does it provide that some councils will experience cost increases higher than the average due to location or other events. Over time small shortfalls accumulate, and councils generally respond by spending less on asset renewals and maintenance and services until they reach a point approaching failure.
[Comment: This last sentence is an incorrect statement and reflective of Council not correctly banking depreciation cost in interest bearing accounts, and then using that money to undertake renewal / upgrades of existing assets. Maintenance is an operational cost that should be covered and included in the calculation of any Rate Peg.[9]]
***Cost shifting**. Cost shifting comes in two main forms, the transfer of responsibilities and increased compliance costs and responsibilities imposed on local government by state government. Over the last decade, the NSW State Government, and to a lesser extent, the Australian Government, have transferred costs to local government without sufficient recompense. Major types of cost shifting include the withdrawal of financial support once a program is established, the transfer of assets without appropriate funding support, the requirement to provide concessions and rebates without compensation payments, increased regulatory and compliance arrangements and failure to provide for indexation of fees and charges for services prescribed under state legislation or regulation.*
Key impacts on Council have included:
• ARIC – internal audit program using external/internal resources
• Emergency Service Levy increases and withdrawal of the subsidy Morrison Low 3
• Crown Land, Plans of Management, Compliance reporting
• Cyber security.
[Comment: Noted but the Rate Peg should have had minor permanent adjustments to cater for and offset increased operating costs associated with Cost (Scope) Shifting, either initiated by the State Government or affected local governments. This issue does not really apply to the current proposed special variations being sought. See below for further observation]
***New assets** are important for any community, especially when provided through federal and state government grant programs and developer contributions.*

[9] See below for further comment, but in the short time available to review and comment on Goulburn Mulwaree Council's submission, I have not been able to adequately track the movement of money into and out of the Depreciation Account within the annual financial Statements, which is important in establishing the correct financial position of Council.

Grants are often discretionary as Council is generally not compelled to apply for, or accept, grant funding even though it means valuable community infrastructure is funded by government. All new infrastructure generally carries hidden costs. The rate cap does not allow for the new costs associated with the operation, maintenance, renewal and depreciation of new assets, and Council has to fund these additional costs through its existing budget. Over time these costs eat into Council's sustainability as it funds more and more new asset costs from its existing budget.

[Comment: New assets do not contain hidden costs if proper whole of life analysis and costings are undertaken as part of the planning, scoping and budgeting phases of the acquisition process. Good governance within a sustainable local government includes the ability of senior officers and Councillors undertaking such studies, and where long-term operational/maintenance and disposal financial sustainability is not possible, saying no to the proposed acquisition. See below for further observation.]

***Service level improvements** or higher service levels also contribute to the decline of financial sustainability. Over time service levels have increased, and while some service level changes have delivered net benefit, the great majority have imposed additional costs.*

[Comment: The comment immediately above equally applies to the provision of services.]

In the six years to 2021/22, the average operating performance ratio of NSW councils has steadily declined from 9.8% in 2016/17, to 1.5% in 2021/22. On top of this steady decline, the economic climate has changed post COVID-19. The high level of inflation is impacting the cost of materials and contracts that Council purchases to deliver services. This means that Council can no longer keep expenditure contained within the levels forecast in the LTFP without significant impact on service delivery to the community.

With costs out-stripping revenue, resulting in operating deficits, Council has reduced infrastructure renewal and maintenance to ensure a balanced budget. In some areas, Council has been able to utilise state and federal grants, as well as loans, to fund infrastructure renewal and operations. However, these sources of funds are unreliable and unsustainable. Serving and paying back loans is

becoming more costly[10]*. Council must now consider increasing rates revenue to adequately fund its current services and infrastructure needs."*
[Comment: Council's observations are essentially correct, but flawed in thinking that the residents and businesses of the LGA have the income and financial resources to absorb these increases in cost that Council is trying to pass through.]

The arguments presented by the Council demonstrating the need for additional income are vague at best. [redacted]

It is noted that Council has not attached as an attachment the audited Goulburn Mulwaree Council Financial Statement, and the following three Auditor observations are noted:

- "*Rates and annual charges revenue of $41.2 million increased by $1.6 million (4.0 per cent) in 2022–23, mainly due to an Additional Special Variation to ordinary rates of 2.5 per cent.*" (page 90)
- "*The Council's operating result from continuing operations of $17.4 million (including depreciation, amortisation and impairment expense of $29.0 million) was $23.8 million lower than the 2021–22 result. This was due to the decrease in grants and contributions revenue as noted above, as well as an increase of $15.8 million in total expenses.*" (page 90) and
- "*Council renewed $19.7 million of infrastructure, property, plant and equipment during the 2022–23 financial year. A further $26.9 million was spent on new asset additions. These additions were mainly spent capital work in progress, buildings, roads and swimming pools.*" (page 93)

My observation from these are that Council:

- has used minor special variations in the past to offset Cost (Scope) Shifting;
- the depreciation, amortisation and impairment expense of $29.0 million (an accrued expense over a number of years), is incorrect given that $19.7 million was expended on renewals - the depreciation expense should be in the order $9 - $10 million; and

[10] This sentence "*Serving and paying back loans is becoming more costly*" needs to be explained better if the loan repayment increase is due to inflationary effects, then IPART considerations and recommended rate pegs should have addressed and included these costs; however, if the comment is directly related to increased repayments due to additional loans being taken out, then the comment is reflective of poor decision making and lack of communication with the residents and local businesses as to how proposed loans would be repaid.

- Council expended $26.9 million on new capital expenditure for which it has not budgeted in the ongoing costs for operations, maintenance, upgrades (/renewals) and disposal, and that this is the most likely primary reason for Council seeking approval for a special variation and permanent increase to minimum rates; and
- most importantly, if Council was mid period or shortly after the period of an additional special variation of rates being in place, than it should have been more prudent in approving excessive new asset expenditure without prior consent from the residents for applying for and taking out monetary loans to cover builds but not operating, maintenance and renewal costs - and thus it is inappropriate to now seek special variation in rates and increased minimum rates to offset a lack of Council prudence.

A review of Goulburn Mulwaree Council - Application Part A, in particular Sheets 'WS8 - Expenditure Program' and 'WS10 - LTFP' within Reference B confirm the above observation and are of concern. Within Sheet 'WS8 - Expenditure Program', there are no new services or assets planned for the next 10 years - this is unrealistic. And, on the surface of things, there does not appear to be a good alignment between Sheets 'WS8 - Expenditure Program' and 'WS10 - LTFP'; however, this is hard to properly quantify because I am not privy to all the assumptions and modelling parameters.

More work is required by Council to prove that it truly needs to introduce some special variations to rates and as permanent increases. Depreciation expense needs to be revisited because if $19 million of this has been used to renew existing assets, then it is possible that Council is significantly better off than it believes based on reduced accumulated depreciation cost and revalued assets post renewal.

I am not convinced that an argument has been established for the introduction of a special variation and permanent increased minimum rates. I am also concerned that the proposed model for calculating future expenditure needs is based on developing Goulburn into a 'regional city' of the ilk of Queanbeyan/Googong, although this is not clear. And lastly, I am concerned that the lack of future new assets within the ten (10) year planning cycle is indicative of future need for additional special variations.

Provide Evidence that the Community is Aware of the need for and extent of a Rate Rise

Most of the ratepayers within the Goulburn Mulwaree LGA are generally aware of this submission for special variation in rates but of this number a much fewer number are aware that the application includes a request for a permanent increase in rates, or of the actual implication in terms of direct and indirect financial impacts for themselves and for the wider community and local businesses as a whole.

Being aware of Council submission for a special variation in rates and requested permanent increase in rates, is not a replacement for Council's increased capital expenditure without community consultation on the long term fiscal capacity of Council to operate, maintain and renewing of the new assets acquired, especially in light of Council's current challenges in maintaining and renewing existing essential services and assets, such as replacing the waste hook truck required for moving waste bins around the LGA.

This lack of community consultation during the planning processes for acquiring new assets, is in my opinion, part of the considerations leading up to any decision seeking financial relief through a special variation in rates. This part of the application and approval for a special variation in rates has not occurred and the ratepayers were never aware of any impending requirement for a special variation in rates to cover the funding, operation, maintenance, renewal and disposal of new assets and services.

Council has acquired new assets through the use of fiscal borrowings whilst in receipt of a special variation and/or shortly afterwards. Council should have exercised fiscal prudence and not sought to acquire and/or approve new 'wanted' assets and services. This unsustainable decision making should not be the cause or basis of applying for any special variation. Council should be expected to manage and fund all services and assets within the rate peg guidelines, and where new services are introduced, old redundant services should be retired to fund the new operating and maintenance costs.

Establish that the impact on Affected Ratepayers is Reasonable

Council has not established that the impact on affected residential and business ratepayers is reasonable, as discussed above, there is within the Goulburn Mulwaree LGA a significant portion of age, self-funded and disability pensioners who do not have the means of generating additional income to offset the proposed increases in rates, and/or any indirect cost increases, such as rent, generated by the proposed increases in rates.

Exhibit, approve and adopt relevant planning documents

As discussed above, Council has not discussed or informed its ratepayers that its proposed additional capital expenditures would require increased rates to sustain and operate the new assets. This non-disclosure should not be justification now for an additional special variation in rates and permanent increase in rates beyond the approved rate peg.

The long term financial plan does not include any provision for new assets despite Council's ambitions to grow the population and business base within the Goulburn Mulwaree LGA. This lack of future planning is a significant weakness within Council's application of a special variation and a permanent increase in rates beyond the approved rate peg.

Any request and subsequent approval of any special variation in rates and any permanent increases must support the delivery of essential needs for this and all future councils and future ratepayers, this application does not meet that requirement. This application for a special variation and proposed permanent increase in rates only meets the needs of the current Council and the first couple of years of the next elected Council.

Future ratepayers ability to pay the increased rates and any future applications for special variations have not been addressed.

Explain and quantify the council's productivity improvements and cost containment

These have not been well explained, and the achievement or otherwise of the identified productivity improvements need to be directly linked to Councillor and senior officer remunerations. Council is currently in a non-sustainable fiscal predicament due to some poor non-prudent decision making, its plan for remediating this situation, other through the use of special variation in rates and permanent increases in rates needs to be better explained because at the moment the long term planning for the Goulburn Mulwaree LGA is lite on future needs and funding.

Strategies.

Council needs to develop a clear strategy based on future needs (not wants), and annual / cumulative productivity improvements and disposal / mothballing of non-essential assets and services for the next 10 years. This has not been identified. Any special variation in rates should be based on the next three years leading to self-sustainability by year three and thereafter with a clear commitment to no further special variations and rate increases beyond the rate peg thereafter for the next 10 years. The special variation should be limited to the cost of delivering essential services and asset renewals less the productivity returns.

Adrian Ellson
[redacted]

18th March 2024

The above said, I do not support any special variations to rates or permanent increases to rates at this time, as I cannot afford these increases without some hurt, and in the full knowledge that other ratepayers are going to suffer financially more than myself. Council needs a plan to trade out of the current unsustainable situation where it absorbs the costs for doing so - this may mean reduced number of senior officers, reduced salaries, salary bonus linked to financial savings and improvements, mothballing some assets, leasing mothballed assets, etc. None of which I have observed in the application submitted to IPART.

Kind regards

Adrian Ellson
0456 497 575
adrian.ellson@gmail.com

Author name: A. Grooters

Date of submission: Thursday, 29 February 2024

Please write your submission below:
We have decided to sell up and move. Council seems to be stuck in the 60s. I have been here for 20 years and not much has changed. I have been shopping for everything we need apart from groceries in Canberra as there is very few options here in Goulburn. Most of the businesses or properties belong to elected councillors or their families. Now they want to take our hard earned cash to pay for an extortionate rate rise with no real vision of where or what that money will go to. I cant afford that sizeable increase when it wont put food on my table or pay my bills, so time to move on to what hopefully will be a more understanding council with more usable infrastructure within the city I choose to live in.

Author name: A. Smith

Date of submission: Tuesday, 12 March 2024

Please write your submission below:
Having just become a pensioner there is no way I can afford a 51% increase in my rates without cutting back on spending in other areas which would mean instead of enjoying small benefits I would be giving my money to the council for reasons I do not believe is necessary. In my past experiences I have seen a lot of supposed temporary increases in a variety of situations which turn into permanent one's. Also for as long as I can remember the council has survived on the present rate structure which poses the question, why does this need to happen now?

Author name: A. Taylor

Date of submission: Friday, 15 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Please find submission attached below.

Author name: B. Ellis

Date of submission: Saturday, 9 March 2024

Please write your submission below:
Want to express my displeasure at the proposed rates increases as the council at the present time seem to be wasting money on stupid things like removing Main Street parking spots and planting trees there also erecting metal animal statues and new roundabouts where there not really required now as there are more important things that the money can be spent on in my opinion

Author name: B. Evans

Date of submission: Tuesday, 5 March 2024

Please write your submission below:
We are objecting to this massive rate increase, nothing has changed since we bought this property 34yrs ago, no kurb & gutter, no foot path & no sewage. We just last year had a massive increase of Council rates for 2022-2023 were $2829.36 to $9001.10 for 2023-2024. Being on a fixed income & in our late seventies we feel as we are being forced out of our own home of 34yrs. This would appear to be a case of bad management by council or price gouging or maybe both.

GOULBURN MULWAREE COUNCIL
SPECIAL RATE VARIATION PROPOSAL
SUBMISSION TO THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL (IPART)

I don't agree with the excessive rate increase proposed by Goulburn Mulwaree Council (GMC) with the Special Rate Variation (SRV) from the 2024/2025 and subsequent financial years (and maintained thereafter).

How did we get here?

The reasons the Council has provided are a one sided explanation based on the assumption the Council will continue its current operations and activities with no guarantee of real improvements or changes, so it is seeking the SRV to cover the increased ongoing costs. Why hasn't the growing rate base from expanded residential areas covered the costs of servicing these areas and other Council activities?

Over the past decade the Council has undertaken several major capital projects which are now functioning but has not made provision for the operating costs to be covered by sufficient income generated. This has left annual deficits which need to be recovered to at least break-even – especially projects like the new Goulburn Performing Arts Centre (GPAC) which is estimated to have a current annual operating deficit of approximately $650,000. I acknowledge really good projects like the river walking tracks require maintenance and upkeep but have little opportunity for revenue income.

The 'Base Case' scenarios for Rate Peg appear to be understated at 3.5% yr1 and 2.5% yr2. The CPI for year ended 30 June 2023 was 6.6%. That figure (or close to it) would be a reasonable rate peg for yr1 (2024-25). So Council will be in a better position financially if the CPI index figure is applied.

Improvements to consider:

The Council's 93 page Long Term Financial Plan (LTFP) lists several issues to undertake to achieve financial stability but it would appear few have been implemented to date and at present it is not clear what other changes will be implemented. Most of these matters **DO NOT** require a SRV to implement. The Council can simply endorse changes if it wishes.

A review of staffing levels in all areas should also be undertaken. Everyone has forgotten the irony of the 2003 amalgamation of Goulburn City and Mulwaree Shire Councils which **increased** total staffing levels that have been maintained ever since.

P7 of the LTFP mentions adoption of the User Pays principle being applied to cost recovery. OK, then implement it where practical!

Some examples are:

- The Tourism Centre is currently funded by Council (Ratepayers) but the tourism industry benefits from it. Why doesn't the Tourism industry fund its operations like it does next door in Wingecarribee Shire Council? They have been operating successfully like this for decades at nil or negligible cost to its Council (and ratepayers).
- Also, charge Tesla commercial rental for the 8 EV car recharging bays it operates at the Tourism Centre. Say $10,000 per year per charging bay (or higher if the current market rate dictates). Council and Ratepayers should **NOT** be subsidising the growing wealth of Elon Musk – he can afford to rent the charging bay spaces (he's rich enough!).
- I note the Council's Art Gallery has now charged an entry fee for the annual Archibald Prize exhibition and they should go further and start charging artists to display their works instead of paying artists for displays. Ratepayers should **NOT** be subsidising the incomes of artists.

Also, matters like the current infrastructure improvement works Council is carrying out at Common Street raises the question - why is it being done? I am not aware of any demand for industrial land in Common Street but the Council seems to be taking a *"build it and they will come"* attitude. A proposal in recent years for a chicken processing plant in that area has not proceeded. The Bradfordville Industrial area still has vacant serviced land and so does the Lillkar Road area to the south adjacent to the Hume Motorway – decades after these areas were established.

Surplus Properties:

Council should demonstrate it is actually trying to achieve a better financial position by selling off surplus properties it is no longer using or requires.

The former Mulwaree Shire Council building in Clinton Street (currently leased) and the former Council depot in Combermere Street (currently vacant apart from a community group using a small area) are clear examples of this. Past excuses for not selling these buildings don't stack up (current economic climate not good, etc).

The offer by the NSW Police to buy the former depot in Combermere Street for $millions a few years ago to redevelop as the new Police Station was a good opportunity to dispose of this building and have a new modern Police Station but Council's refusal to sell was a wasted opportunity.

Land Zonings:

In recent years several rural zoned areas of Goulburn Mulwaree LGA and neighbouring LGAs have been chosen as locations for investment in electricity generating wind towers and solar energy electricity generation but a "loophole" in planning legislation allows these properties to retain their rural zoning for Council rating assessments. Some of these locations generate (or will generate) in excess of 100Mw of electricity spread over substantial land areas.

This needs to be rectified and such sites should be rezoned industrial because of their power generation and income from such which their owners financially benefit from. It is not rural farming.

Council Grants:

The Council should immediately cease grant funding to CBD landlords and property owners to improve the appearance of their buildings. Ratepayers should **NOT** be subsidising CBD property owners for any reason. It is ironic hypocrisy these latest grants were announced at the September 2023 Council meeting – the same meeting the Council decided to initiate seeking a SRV because of forecast shortfalls in future cash income.

The same also applies to heritage grants Council approves. Why should ratepayers be subsidising owners of heritage properties who chose to buy them as such?

Unnecessary Council Services:

In January 2024 it was reported the Council is seeking a grant to establish electric vehicle (EV) charging bays in the Goulburn CBD area. This is **NOT** an essential core service activity of local Government and should be abandoned. The energy and automotive service sectors should be providing these services.

20 November 2023 Council meeting:

At the 20 November Council meeting the Council decided 6:3 to proceed with a case for the SRV to IPART. At that meeting 6 people presented cases against the SRV including myself and were met with negative responses from some Councillors. *"What services would you like Council to cease providing?", "If we sell properties they are gone"* are 2 examples.

That meeting also saw some Councillors engaging in some "[redacted]" nonsense with the General Manager comparing the Council with Central Coast Council (investigated by ICAC and under Administration) and the likelihood of an administrator being appointed if the rate increase is not approved and substantial job losses resulting.

In Summary:

- For the reasons I have stated above I don’t support the SRV as presented by the Council. The Council can make numerous cost saving changes which **DON’T** require an SRV to implement.
- I have no issue with rates increasing annually in line with the CPI where the Council can demonstrate necessity to maintain essential services.
- Council should sell off surplus properties it no longer requires to demonstrate it is serious about its financial situation.
- Introduce User Pays principle where practical – the Tourism Centre, Tesla Charging bays (at Tourism Centre carpark), Art Gallery, GPAC, etc. A SRV is **NOT** required to implement this.
- A review needed to prioritise essential Council works, rather than being involved in unnecessary activities – like EV charging bays in the CBD. A review of staffing levels in all areas should also be undertaken.
- Rezone properties involved in energy generation (wind and solar) to industrial instead of the current loophole of keeping rural zoning and minimal rates for the areas they occupy.
- All households have experienced sharply rising utility and living costs over the past year and the Council should demonstrate restraint from joining this bandwagon – unlike the energy generators and retailers who are profiteering due to the State and Federal Governments losing control of the energy industry. This would be appreciated by all ratepayers and households.

sent electronically
Barry McDonald
15 March 2024

Author name: C. Hurley

Date of submission: Saturday, 9 March 2024

Please write your submission below:
My name is Chloe Hurley and I have been running a petition against these exorbitant rate rises after receiving the letter in the mail which was quite unbelievable to myself and many others. Our community cannot afford councils proposal for an unsustainable 40-51.2% Special Rate Variation. As at 9/03/2024 we have 2,155 signatures to our online petition plus another 100 or so on paper. To view this petition please visit: https://chng.it/yqprv5rvg8 1. The letters informing the residents of the community drop in sessions were received by myself and many every other resident Ive spoken to a day after 4 of the drop in sessions had already been held. All of the community drop in sessions were scheduled during business hours when the vast majority of people would be at work and unable to attend. How can council pretend to be fulfilling the IPART requirement for community consultation when they cant even send out the letter in time for residents to attend or hold these meetings at a time of day when working people are likely to be able to come?councils mission states that they want to serve the community but this is disrespectful of our community and an attempt to circumvent the requirements set by IPART for community consultation and support of the SRV. I was also told by Councillor Ruddell that many state responsibilities have been passed off to local council and that this is costing much more. If this is the case then surely council needs to serve the communitys best interest and appeal to the state government to fully fund these transferred responsibilities that were previously paid for by the state instead of coming after ratepayers to foot the bill. At a time costs of living have increased to breaking point with fuel costs at record highs, interest rates 5 times higher than 2 years ago, electricity bills skyrocketing, and food prices rising 7.5% in the last year we cannot sustain a rate rise of 40-51.2% over the next year. As a business owner here in town to charge 51% more for our services we would need to have a very good case for this increase. We would also need to communicate in detail the reason for the increase and how the extra money was going to be spent to achieve vastly improved services. Real wages are not keeping pace with all these increases and this rate rise will hit many households hard who are already struggling with cost of living. As an example my own family are already paying $2,000 a year rates on a single income with two young children. We moved here two years ago as it is a nice country town where we thought we could afford to buy a house. However, our rates here are already amongst the highest in the state! Under the first option we would be paying $906 extra per year putting our total rates up to almost $3000 a year at $2,906 per year. The second option would see us paying $2,767 a year in rates and these will be permanent increases. My own household is are already financially stretched with our mortgage repayment already increased by $725 extra per month thanks to the blunt economic instrument used by the reserve bank to control inflation by curbing spending. This is unfairly punishing households like ours who dont have anything extra in our budget after paying over $100 for a tank of petrol and up to almost $400 a week just to feed our young family and thats not to mention the sky high electricity, gas and other bills. Rather than increasing the rates the council should look at how they can run things more efficiently. Im not sure where they expect us to find this extra cash in our budgets. Council says rates do not cover the increased running costs they are claiming as the reason for the rate hike but rates were never intended to cover all these costs. GMC regularly receives grants from state government to cover various projects and as Nina Dillon has mentioned the council received an extra $20.16 million awards operation costs last year to cover the increased running cost they are facing. Many households are also forced to live on one income due to the lack of childcare in the town. At the end of the month we are struggling to make ends meet and in the middle of a housing supply crisis the council is going to make the situation worse by forcing rents to go up even higher and causing mortgage defaults. For many this could be the last straw that means deciding between paying the rates or the mortgage to keep a roof over our heads.

Author name: C. O'Mahony

Date of submission: Friday, 15 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
[Please note that this amends and supersedes my submission made on 14th March 2024, now including a link to Council's LTFP.] -------------------------------- It was with deep dismay that I received and read the open letter from Mayor Peter Walker that arrived in my letterbox in September 2023. I have closely studied Council's Long Term Financial Plan (LTFP) and the Morrison Low background paper, and my conclusion is - Whats the problem? Here is a link to the LTFP, since the 14mb file is too large to attach: https://www.goulburn.nsw.gov.au/files/assets/public/v/1/templateimages/ltfp-22-23-to-33-34-inc-capacity-to-pay.pdf The following points stand out. In the background paper produced by Morrison Low: On page 3, Morrison Low note that In the six years to 2021/22, the average operating performance ratio of NSW councils has steadily declined from 9.8% in 2016/17, to 1.5% in 2021/22. However what they do NOT report is that the operating performance ratio for Goulburn Mulwaree for that same period has remained healthy. In Councils Long Term Financial Plan, page 8, the table clearly shows a healthy OPR, year on year for that same period. Whats the problem? The open letter suggested that the SRV is necessary because the General Fund (GF) must achieve break-even year on year, separate to the Water Fund (WF) , Sewer Fund (SF), and Domestic Waste Fund (DWF). Indeed, the Morrison Low background paper states on page 11 Under the base case, Council will experience deficits every year of the forecast period. But this is not strictly true, and the Morrison Low tables and charts are misleading. For the GF only, theres a deficit in the Operating Result Excluding Capital only, but the bottom line figure for the GF is in SURPLUS EVERY YEAR. (LTFP page 30 Total Comprehensive Income). So whats the problem? Furthermore, according to the LTFP, Accumulated Surplus on all funds (Consolidated page 28, GF page 31, WF page 34, SF page 37, and DWF page 40) are all very healthy indeed. So whats the problem! One recalls the famous Old Testament dream of Joseph, who advised Pharaoh to hoard in surplus years, so that Egypt could avoid famine in deficit years (Genesis 41). So Council has the opportunity to easily use its accumulated surplus to tide over the next few lean years. In fact, according to the tables on pages 28 and 31 of the LTFP, the Accumulated Surplus is forecast to GROW over the next ten years, according to the consolidated base case (and remain fairly steady-state for GF), without the need for an SRV. This can easily absorb the additional cost of Initiative Expenses described in Scenario 1 and Scenario 2. No problem. Council makes various expenditure forecasts for WF, SF and DWF (page 13 of the LTFP). They forecast steady-state increases of around 3% per annum. Assuming that WF, SF and DWF are subject to the same economic conditions as GF, why is it only the GF that is forecasting a huge increase in costs and an alleged deficit? A note on cost of borrowing (LTFP pages 21-23). It is disingenuous to claim that cost of borrowing is a factor in increased costs. Many projects nominated by Council in the Long Term Financial Plan were commenced and completed a few years ago (Eg GPAC, Aquatic Centre, Walking Track are three examples, completed in either 2020/21 or 2021/22). Cost of borrowing in those years was quite low, and indeed the LTFP states Historically Council loans have been for fixed term periods and fixed interest rates to reduce the risk of exposure to variable repayment amounts (LTFP page 21). I am fairly sure that a prudent Council would have locked in a low fixed rate at the time. Notwithstanding the evidence presented in the LTFP and the Morrison Low report, IPART must also surely consider the current cost of living crisis that affects so many Australians, including Goulburn residents. To suggest a huge SRV now is seriously ill-timed, and can only lead to many residents experiencing unnecessary financial hardship. Please note that the "capacity to pay" assertions tabled by Morrison Low are based on pre-pandemic data, when times were good. As part of its community consultation in late 2023, Goulburn Mulwaree Council invited community responses via an online survey. It received 1900 submissions. By its own admission, Council reported that 98% of responses were "no thank you" to the SRV proposal. At the time of writing (15th March 2024), a community-led petition against the proposed SRV has currently collected over 7000 signatures AGAINST the proposal - a significant proportion of Goulburn's population. The community is genuinely mobilised against Council's SRV application. In 2024 NSW will hold both State and Local Government elections. We will elect individuals who, on the basis of a democratic society, are meant to represent the views of those who have voted for them. SO PLEASE LISTEN TO THE COMMUNITY, AND MAKE YOUR DECISION BASED ON THE WISHES OF THOSE REPRESENTED!

Goulburn Mulwaree Council
Background Paper: The Special Rate Variation

Introduction

Morrison Low Consultants has been engaged by Goulburn Mulwaree Council ('Council') to clarify the need for, and to develop, a Special Rate Variation (SRV) application. Council operates four separate business or funds, namely General, Water, Sewer and Domestic Waste. The proposed special rate variation can **only** apply to the General Fund and does not impact the other funds.

The Local Government Act requires councils to apply sound financial management principles where councils should:

- spend responsibility and sustainably align general revenue and expenses
- invest in responsible and sustainable infrastructure
- have effective financial and asset management
- regard to achieving intergenerational equity.

These principles are the foundation for sound financial management and a financially sustainable council that has the financial capacity to deliver the services to its community over the long term.

This background paper addresses and relates to the General Fund operations of Council.

Current situation

The Goulburn Mulwaree Council ('Council') financial position is unsustainable at the current levels of expenditure and income. This has occurred for a number of reasons discussed in this background paper.

Council has made decisions on assets, services and rating options in the best interests of its communities. However, this, when combined with other external influences and legislative restrictions, has gradually led to declining financial sustainability. This is a problem which Council must now address as a matter of urgency.

Council's 2024-2034 Long Term Financial Plan (LTFP) forecasts consolidated operating deficits to 2034. The General Fund average operating deficit for the 10-year forecast period is estimated at $10.7 million per annum. Ongoing core costs and externally imposed obligations on local governments are outpacing revenue growth and placing council budgets under increasing pressure. Unless current levels of income are increased, Council will be unable to resource renewal of assets and maintain current services. Goulburn Mulwaree Council is not alone, with some 60 NSW councils reported operating deficits in their General Fund in 2021/22.

Why does Council need to be sustainable?

The Local Government Act requires councils to apply sound financial management principles and to develop long term financial plans that maintain financial sustainability into the future. The financial sustainability objectives that support service delivery are:

- achieving a fully funded operating position
- adequate/sustainable cash position and use of reserves and borrowings
- having an appropriately funded capital program
- maintaining its asset base 'fit for purpose'
- having adequate resources to meet ongoing compliance obligations
- explore options to improve financial sustainability
- responsible and sustainable spending.

These objectives are the foundation for sound financial management and are not negotiable. If a council fails to meet these principles, then the government may intervene in council operations. We only have to look at the recent government interventions of the Central Coast Council as an example, where there was a shortfall in cash for General Fund operations.

A financially sustainable council has the financial capacity to maintain assets and deliver services to its community over the long term.

Why has Council become unsustainable now?

All councils face financial sustainability challenges on a cyclic basis; this is caused by the constraints and influences on local government. Cost increases have exceeded rate increases, and typically councils reduce spending on key services like asset maintenance and renewals to keep services going and meet new costs.

There are a number of contributors to this growing financial sustainability gap, some of which are outside of Council's control and others which Council has some influence over.

Rate capping is a contributor. The Independent Pricing and Regulatory Tribunal (IPART) has set the rate peg for NSW councils by taking the increase in the Local Government Cost Index (LGCI) and applying productivity gains or allowances for one-off events. The LGCI does not recognise some cost increases councils experience, nor does it provide that some councils will experience cost increases higher than the average due to location or other events. Over time small shortfalls accumulate, and councils generally respond by spending less on asset renewals and maintenance and services until they reach a point approaching failure.

Cost shifting. Cost shifting comes in two main forms, the transfer of responsibilities and increased compliance costs and responsibilities imposed on local government by state government.

Over the last decade, the NSW State Government, and to a lesser extent, the Australian Government, have transferred costs to local government without sufficient recompense. Major types of cost shifting include the withdrawal of financial support once a program is established, the transfer of assets without appropriate funding support, the requirement to provide concessions and rebates without compensation payments, increased regulatory and compliance arrangements and failure to provide for indexation of fees and charges for services prescribed under state legislation or regulation. Key impacts on Council have included:

- ARIC – internal audit program using external/internal resources
- Emergency Service Levy increases and withdrawal of the subsidy

- Crown Land, Plans of Management, Compliance reporting
- Cyber security.

New assets are important for any community, especially when provided through federal and state government grant programs and developer contributions. Grants are often discretionary as Council is generally not compelled to apply for, or accept, grant funding even though it means valuable community infrastructure is funded by government. All new infrastructure generally carries hidden costs. The rate cap does not allow for the new costs associated with the operation, maintenance, renewal and depreciation of new assets, and Council has to fund these additional costs through its existing budget. Over time these costs eat into Council's sustainability as it funds more and more new asset costs from its existing budget.

Service level improvements or higher service levels also contribute to the decline of financial sustainability. Over time service levels have increased, and while some service level changes have delivered net benefit, the great majority have imposed additional costs.

In the six years to 2021/22, the average operating performance ratio of NSW councils has steadily declined from 9.8% in 2016/17, to 1.5% in 2021/22. On top of this steady decline, the economic climate has changed post COVID-19. The high level of inflation is impacting the cost of materials and contracts that Council purchases to deliver services. This means that Council can no longer keep expenditure contained within the levels forecast in the LTFP without significant impact on service delivery to the community.

With costs out-stripping revenue, resulting in operating deficits, Council has reduced infrastructure renewal and maintenance to ensure a balanced budget. In some areas, Council has been able to utilise state and federal grants, as well as loans, to fund infrastructure renewal and operations. However, these sources of funds are unreliable and unsustainable. Serving and paying back loans is becoming more costly. Council must now consider increasing rates revenue to adequately fund its current services and infrastructure needs.

In its 2022-26 Delivery Program, Council identified the need to consider a special variation for rates to ensure its ongoing financial sustainability. In the 2024-34 Long Term Financial Plan (LTFP), a draft of which will be exhibited in line with consultation on the SRV, Council commenced the process of modelling an SRV in its financial planning scenarios.

Looking forward, the financial sustainability challenge will only increase

The tight labour market means that Council must plan for an increase in wages, particularly to attract and retain staff. In addition, Council requires additional staff to deliver on the increased demand on current services, facilities and assets.

A high inflation environment, low rate increases and increased costs for materials and logistics will continue to impact financial sustainability.

Council's Community Strategic Plan and Delivery Program identify several actions to deliver community aspirations that will enhance the liveability of the Goulburn Mulwaree LGA.

Population has steadily grown from 28,363 in 2011 to 32,394 in 2022, with future estimates increasing to 40,204 by 2041[1]. Despite the growth Council does not have the revenue to provide for increased demand on services nor the associated demands on maintaining assets at the current levels.

Specifically, Council has some operational challenges that need to be address for long term sustainability. These include:

- additional resources to meet the growing demand on services, facilities and infrastructure assets
- updating the IT system to address operational and cyber security issues
- adequate funding to maintain current asset conditions
- sufficient financial provisions for future rehabilitation obligations.

What has Council done to address financial sustainability challenges?

Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains so that it is able to provide value for money to the community. Council has found savings to date of approximately $0.639 million per year in financial benefits, one-off land sales of $5.2 million, plus efficiency and productivity improvements. Some 44 initiatives were implemented, including review of electricity accounts, ceasing the mobile library service, using internal borrowings to reduce interest cost and increase returns, implementation of LED street lighting and a comprehensive review of s7.11 and s7.12 developer contributions.

Council also undertook a review of its Asset Management Strategy and Plans that identified a range of improvements. The overarching improvement plan and actions is detailed in Council's Strategic Asset Management Plans document.

Going forward, Council has identified a further 42 improvement initiatives that it will implement in the coming years, providing a further annual net benefit of $1.45 million. The one-off cost of implementation is $1.9 million. Council has also absorbed some key service expenditure items such as the Emergency Service Levy subsidy reduction. These improvements have been included in the updated LTFP. There are a further 19 improvement opportunities identified that need to be further assessed and costed before implementing, which are not included in the updated LTFP.

Council has also identified additional costs that it must incur to ensure its ongoing organisational sustainability, namely additional staff to address the growing service demand and asset usage. This will be implanted over three years at an estimated cost of $2.5 million.

Further details on these improvement initiatives and organisational sustainability requirements can be found in the Council's Organisational Sustainability Review and Improvement Plan report (August 2023).

While these changes will lead to an improvement in sustainability alone, they will not be sufficient for Council to be financially sustainable.

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[1] NSW Department of Planning and Environment. *Planning Portal: NSW Population Projections*. https://www.planningportal.nsw.gov.au/populations

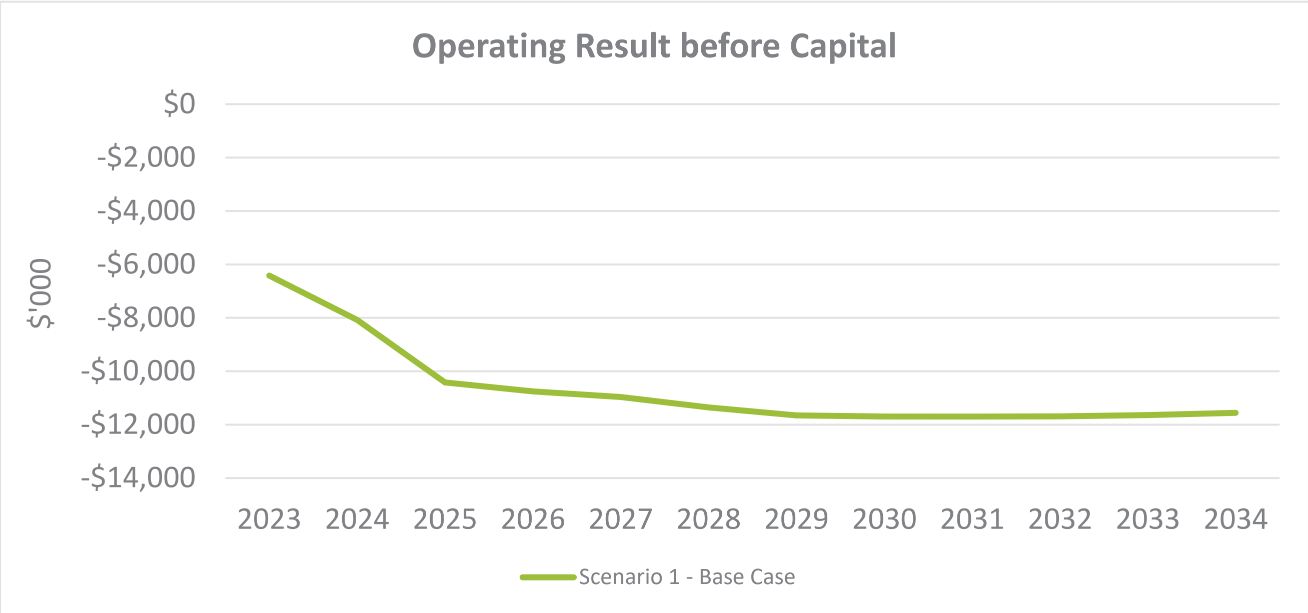
Council's current financial situation

The base case or status quo outlines what would happen if Council did nothing. This would mean Council would have:

- an average General Fund operating deficit for 10-year forecast period, estimated at $10.7 million pa and shown in Figure 1 below
- insufficient money to maintain current service levels and asset conditions
- inadequate funding for infrastructure renewal
- under funding for expected growth and expanded services.

The following graph illustrates ongoing estimated operating deficits culminating in 2033/34 with a $11.5 million annual operating deficit. Over the same period, General Fund unrestricted cash averages $990 thousand per year with a negative position for the first six years of the forecast period.

Figure 1 Ongoing estimated operating deficits (excluding capital)



It is clear that this situation is not sustainable, and Council would be negligent of its statutory obligations if it were to ignore this.

Proposed special rate variation

Council believes that a special rate variation (SRV) is the most viable solution to the Council's financial sustainability challenges, noting that prior to this Goulburn Mulwaree Council has ***never*** applied for an SRV.

What is a special rate variation?

With rate capping, almost all NSW councils will be faced with having to apply for a special rate variation at some point. Councils go through cycles of SRVs, largely for the reasons set out earlier in this paper.

There are two types of SRVs:

- A temporary SRV for a fixed amount over a fixed period of time.
- A permanent SRV for a fixed amount over a fixed period that remains in the rate base.

When a temporary SRV expires, rates return to the original level at the conclusion of the approval period and are usually approved to fund specific one-off projects like infrastructure renewal or reducing the infrastructure backlog. Goulburn Mulwaree Council's financial challenges are more general, and a temporary SRV would not solve the problem.

Permanent SRVs can be for a single year or every year for an approved period. Council intends to make application for a permanent SRV. Council must apply to IPART for approval to increase rates through an SRV.

What SRV is proposed for Goulburn Mulwaree Council?

To achieve financial sustainability and maintain fit for purpose infrastructure, Council requires a permanent cumulative rate increase from 1 July 2024, this includes the expected rate peg increases that Council would have otherwise increased rates by.

Having considered a number of options, Council's preferred option is – Option 1 a one-year SRV of 40.0% and including the rate peg it represents a 43.5% increase. The following table details the two options that Council considered and are for community consultation.

Table 1 Proposed SRV increases

SRV Options	2024-25	2025-26	Cumulative Increase over SRV period	Comparison Rate at Year 2
Option 1: One-year SRV including rate peg	43.5%	2.5%	43.5%	47.1%
Option 1: One-year SRV excluding rate peg	40.0%		40.0%	
Option2: Two-year SRV including rate peg	25.5%	20.5%	51.2%	51.2%
Option 2: Two-year SRV excluding rate peg	22.0%	18.0%	44.0%	
Forecasted rate peg	3.50%	2.5%		6.1%

Minimum rate special rate variation

Council has in place a minimum rate for Business category of $591. To maintain equity Council plans to apply the proposed SRV options evenly across the rating structure and will need to make an SRV minimum rate application in accordance with the IPART requirements. The proposed minimums are: one SRV option $848 for 2024/25; two-year option $724 for 2024/25 and $872 for 2025/26.

IPART determines the annual rate peg that councils receive each year, based on the increase in cost of a selection of goods and services that NSW councils purchase. This calculation looks back over the past year of cost increases and applies the rate peg to the next financial year. The 2024-25 rate peg will be based on cost increases experienced in 2022-23. The rate peg increases for 2024-25 and 2025-26 have been forecasted at 3.5%, and 2.5% respectively. Further details on these assumptions are outlined in Council's updated Long Term Financial Plan. It is noted that IPART is currently reviewing the rate peg methodology.

What do these proposed changes mean for ratepayers?

The impact on an individual's rates will be different depending on the unimproved land value of their property. The following table provides an indication of the annual rates increase likely to be experienced by the average land value for each rating category. The increases include the forecast rate peg.

Table 2 Estimated average rates to 2025/26

Rate Category	Average Rate 2023/24	Average Rate Cumulative 2024/25	Average Rate Cumulative 2025/26	Average Annual Increase Over One Year	Average Annual Increase Over Two Years
Residential	**2023/24**	**2024/25**	**2025/26**	**Annual Increase 2024/25**	**Annual Increase 2025/26**
No SRV – rate peg only	$1161	$1202	$1231	$41	$35
1 Year SRV	$1161	$1666	$1708	$505	$274
2 Year SRV	$1161	$1457	$1719	$296	$279
Business					
No SRV – rate peg only	$5300	$5486	$5623	$186	$162
1 Year SRV	$5300	$7606	$7796	$2,306	$1,248
2 Year SRV	$5300	$6652	$7849	$1,352	$1,275
Farmland					
No SRV – Rate peg only	$2543	$2632	$2698	$89	$78
1 Year SRV	$2543	$3649	$3740	$1,106	$599
2 Year SRV	$2543	$3191	$3766	$648	$612

How do my rates compare to other councils?

The Office of Local Government groups councils with other similar councils for comparison. Goulburn Mulwaree Council is in Group 4 with 25 other councils. This group of councils represents a diverse cross section of geographies and communities across New South Wales, including the neighbouring council of Upper Lachlan have also been included for comparative purposes.

Firstly, the below table reflects the average rates by category, paid by residents of similar councils in 2021/22. When you compare rates paid by other like-size councils, before the application of the proposed SRV, Goulburn Mulwaree Council average rates are one of the lowest for residential and farmland, however business are at the higher end. Farmland rates for Upper Lachlan and Goulburn Mulwaree are similar with Upper Lachlan slightly higher.

Table 3 2021/22 Average residential, business and farmland rates compared to other councils

LGA 2021/22 Average Rates Group 4 Councils	Average Residential Rate ($)	Average Business Rate ($)	Average Farmland Rate ($)
Albury	1,416	6,279	4,477
Armidale Regional	1,066	3,877	3,387
Ballina	1,137	3,567	1,784
Bathurst Regional	1,173	4,396	1,537
Bega Valley	1,159	2,664	2,335
Broken Hill	1,102	6,418	1,091
Byron	1,415	3,529	2,547
Cessnock	1,265	3,858	2,922
Clarence Valley	1,235	3,042	1,669
Dubbo Regional	1,091	4,863	3,720
Eurobodalla	1,116	3,746	1,676
Goulburn Mulwaree	**1,057**	**5,294**	**1,831**
Griffith	1,078	2,865	3,815
Kempsey	1,275	2,619	2,095
Kiama	N/A	N/A	N/A
Lismore	1,361	4,572	2,560
Lithgow	840	4,850	1,662
Mid-Western Regional	988	2,197	2,572
Orange	1,493	6,131	1,953
Queanbeyan-Palerang Regional	1,212	4,981	2,566
Richmond Valley	1,116	3,002	1,822
Singleton	1,181	2,438	2,424
Snowy Monaro Regional	948	1,510	1,987
Tamworth Regional	1,119	3,693	2,042
Wagga Wagga	1,127	5,999	2,845
Wingecarribee	1,872	4,573	3,983
Upper Lachlan	**575**	**1,450**	**1,910**
Average Group 4	***1,148***	***3,883***	***2,358***
Median Group 4	***1,137***	***3,858***	***2,335***

The following tables detail the estimated average for the rates to 2024/25 and 2025/26 with the application of Council's preferred one year option. Where any approved SRV has been included for other councils. Goulburn Mulwaree Council's average rates for all categories have increased above the group average and are toward the top end of the group.

Table 4 2024/25 Estimated average residential, business and farmland rates compared to other councils

Estimated average rates for 2024/25			
Average Rates Group 4 Councils	**Est. average residential ($)**	**Est. average farmland ($)**	**Est. average business ($)**
Albury	1,590	5,029	7,053
Armidale Regional	1,514	4,665	5,390
Ballina	1,277	2,004	4,007
Bathurst Regional	1,318	1,727	4,938
Bega Valley	1,791	3,279	4,255
Broken Hill	1,238	1,225	7,209
Byron	1,589	2,860	3,964
Cessnock	1,420	3,282	4,333
Clarence Valley	1,387	1,875	3,417
Dubbo Regional	1,226	4,179	5,462
Eurobodalla	1,254	1,883	4,208
Goulburn Mulwaree	**1,666**	**3,649**	**7,606**
Griffith	1,211	4,285	3,218
Kempsey	1,432	2,354	2,941
Kiama	N/a	N/A	N/A
Lismore	1,528	2,876	5,135
Lithgow	1,149	2,231	8,210
Mid-Western Regional	1,110	2,889	2,468
Orange	1,677	2,193	6,886
Queanbeyan-Palerang Regional	1,763	3,639	7,080
Richmond Valley	1,254	2,047	3,371
Singleton	1,327	2,722	2,738
Snowy Monaro Regional	1,268	2,507	1,457
Tamworth Regional	1,257	2,294	4,149
Wagga Wagga	1,266	3,195	6,738
Wingecarribee	2,103	4,473	5,137
Upper Lachlan	**633**	**2,101**	**1,595**
Average Group 4	1,370	2,822	4,668
Median Group 4	1,327	2,860	4,333

In the 2025/26 average rate table below, Goulburn Mulwaree Council's position in terms of comparison to other councils improves slightly for all rating categories.

Table 5 2025/26 Estimated average residential, business and farmland rates compared to other councils

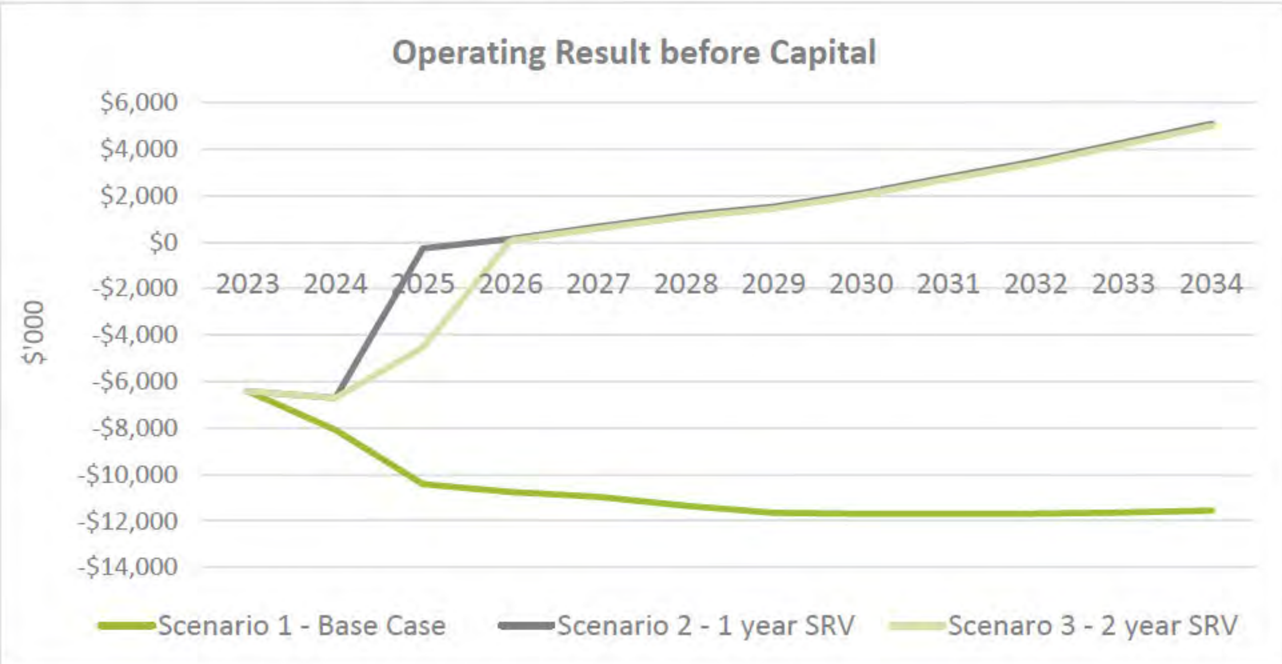
Estimated average rates for 2025/26			
Average Rates Group 4 Councils	**Est. average residential ($)**	**Est. average farmland ($)**	**Est. average business ($)**
Albury	1,630	5,155	7,229
Armidale Regional	1,963	5,509	6,303
Ballina	1,309	2,054	4,107
Bathurst Regional	1,351	1,770	5,061
Bega Valley	1,836	3,361	4,361
Broken Hill	1,269	1,256	7,389
Byron	1,629	2,932	4,063
Cessnock	1,456	3,364	4,441
Clarence Valley	1,422	1,922	3,502
Dubbo Regional	1,256	4,283	5,599
Eurobodalla	1,285	1,930	4,313
Goulburn Mulwaree	**1,708**	**3,740**	**7,796**
Griffith	1,241	4,392	3,298
Kempsey	1,468	2,413	3,015
Kiama	N/A	N/A	N/A
Lismore	1,567	2,947	5,264
Lithgow	1,178	2,287	8,415
Mid-Western Regional	1,137	2,961	2,530
Orange	1,719	2,248	7,058
Queanbeyan-Palerang Regional	2,080	4,293	8,355
Richmond Valley	1,285	2,098	3,456
Singleton	1,360	2,790	2,806
Snowy Monaro Regional	1,404	2,777	1,613
Tamworth Regional	1,289	2,351	4,252
Wagga Wagga	1,297	3,275	6,907
Wingecarribee	2,156	4,585	5,265
Upper Lachlan	**648**	**2,154**	**1,635**
Average Group 4	1,434	2,950	4,861
Median Group 4	1,404	2,932	4,441

For more information on ratepayer impact and capacity to pay, refer to Capacity to Pay report. The report finds that there is some degree of inequity within the Goulburn Mulwaree LGA. However, as average residential land values generally align to the levels of advantage and disadvantage across the LGA, the increases proposed under the SRV options are relatively proportionate. This indicates a level of capacity to pay additional rates across the Council area.

How does this improve Council's financial sustainability?

Under the base case, Council will experience deficits every year of the forecast period. There is a slight increase in the cash position, however this is due mainly to the under spending on asset renewal. This reduction in spending means that many of Council's assets will have deteriorated and will require additional work to bring back to a satisfactory condition. The proposed special rate variation arrests deficits seen in the base case and allows Council to maintain surpluses, that is revenues will fully cover expected operating expenditure and capital renewal.

Figure 2 General Fund forecast operating result



With a forecast modest surplus, Council will be in a position to invest in its asset upgrade and renewal and maintain the current backlog ratio, and therefore the infrastructure assets, in a satisfactory condition. Over the ten-year forecast, Council would be able to sustain an asset renewal rate averaging 100%, equivalent to the benchmark and fund the additional resource requirement to meet service demands across the LGA.

The following two figures show the forecast renewal and backlog ratios for Council assets. Scenarios two (2) and three (3) are exactly the same and therefore only one line shows on the graph.

Figure 3 Forecast asset renewal ratio.

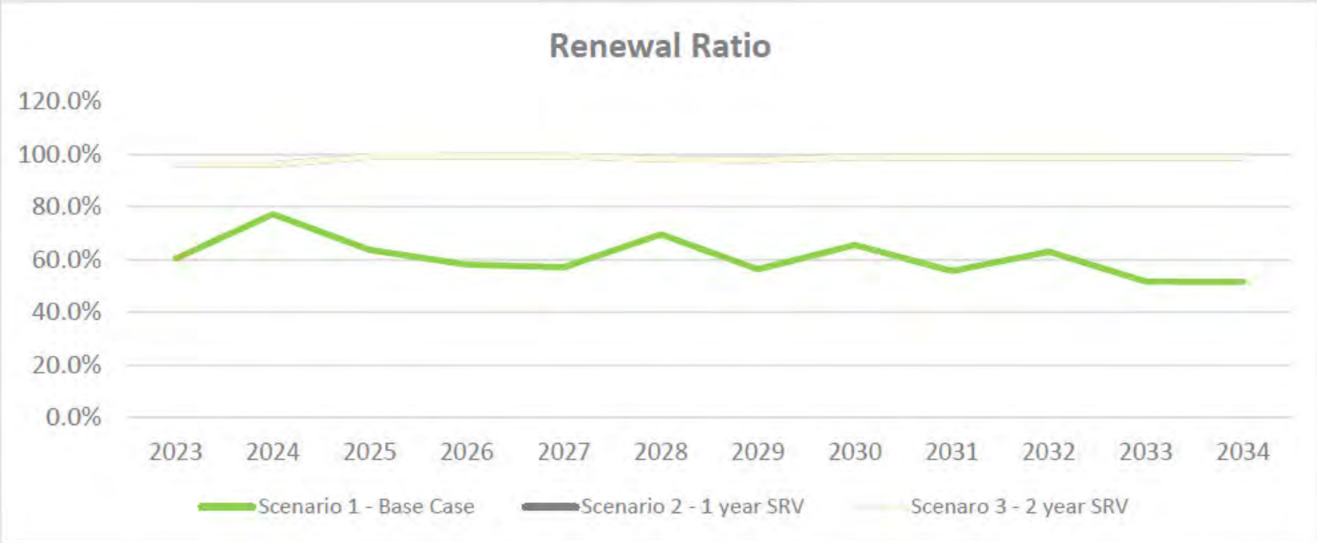
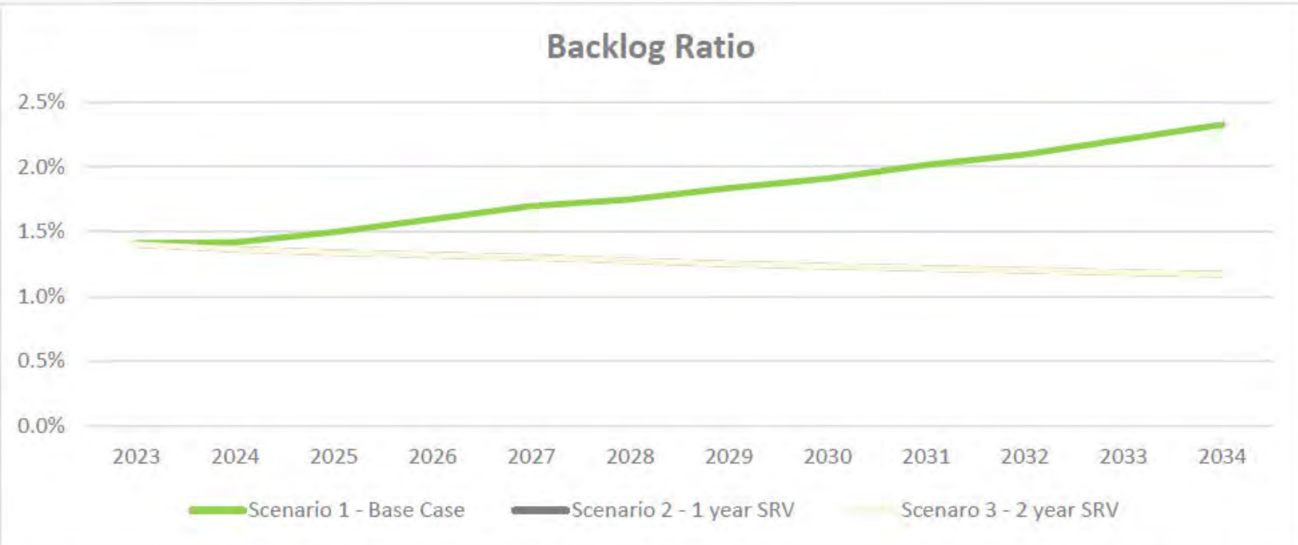
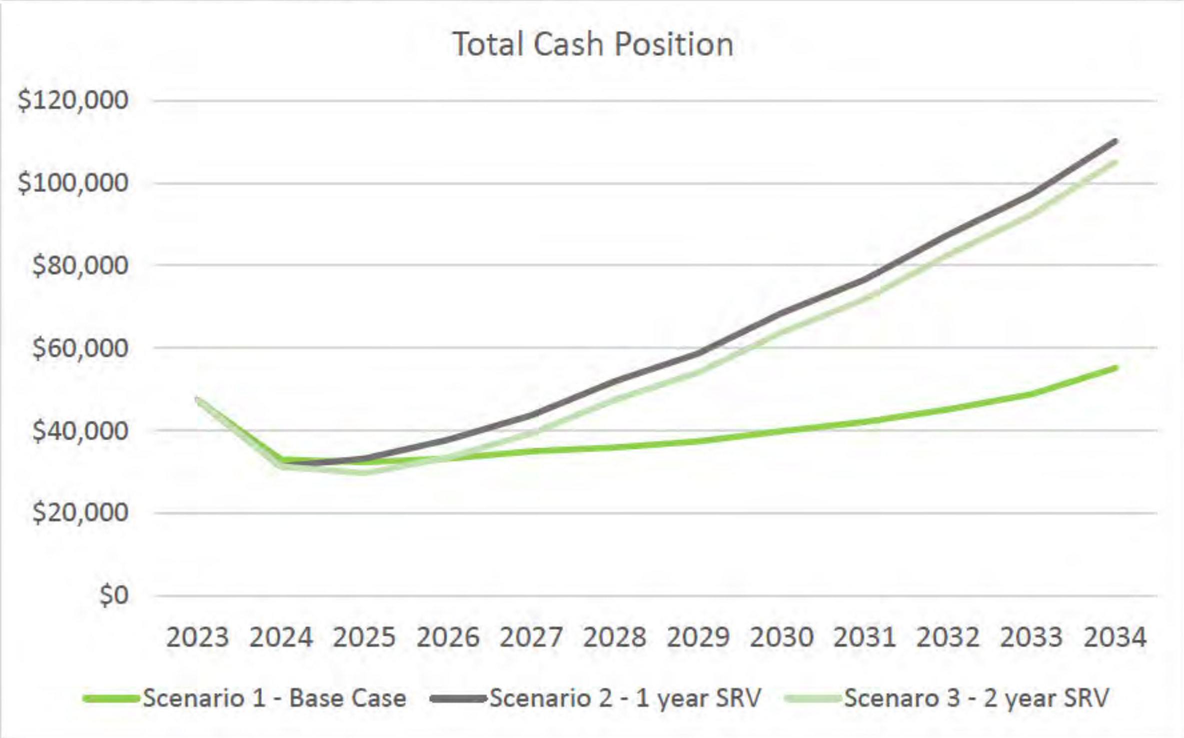


Figure 4 Forecast backlog ratio



Under the base case, Council is not able to spend sufficiently on assets, and, as a result, cash was growing. Under the SRV options, Council is making best use of its cash reserves to invest in its assets, while still ensuring positive unrestricted cash balances throughout the 10-year forecast period.

Figure 5 General Fund forecast total cash position.



Sound financial management encourages planning for modest operating surpluses and maintaining sufficient unrestricted cash reserves. This enables councils to respond to events that cannot be predicted or planned for in their long-term financial plan. Goulburn Mulwaree Council has experienced these events and, while what exactly will occur in the future is unpredictable, it is prudent that it plans for similar expenditure in the future.

The above forecast cash position Council has made provision for its compliance objections to rehabilitate the quarries and gravel pits toward the end of the ten-year forecast period. Allowing for the rehabilitation cash provisions, Council is expected to achieve an acceptable unrestricted position by 2030. Should Council build its cash balances as forecasted above, it will be able to transfer unrestricted cash for specific purposes to internal restrictions, including employee leave provisions, additional quarry and gravel pit provisions, etc, which will reduce its reported unrestricted cash.

Council has updated its long-term financial plan to show the impacts of both the base case (no SRV) and the proposed SRV case scenario. This will be out for exhibition during the SRV consultation period.

What would happen if Council does not increase its rates by the proposed amounts?

Council's current base case is not financially sustainable as it involves significant General Fund deficits over the ten-year forecast period. On its current path, Council is forecast to move into a negative unrestricted cash position for the first three years.

If Council could not increase its rates revenue through an SRV, it would need to cut its operating costs significantly, subsequently having insufficient funding for asset renewal requirements. Council would be faced with the decision to stop or significantly reduce discretionary services such as cultural or recreational services and facilities. Council's infrastructure would also continue to deteriorate due to in adequate funds to maintain them in a satisfactory condition fit for purpose.

What is the process for Council to apply for an SRV?

Council must apply to IPART for approval to increase rates through an SRV. Before doing so, Council must demonstrate that it has engaged the community about the possibility of an SRV and has considered its views. IPART will also seek community feedback.

More information on SRVs can be found on IPART's website:
https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Special-Variations

Where can I get more information?

More information on the proposed SRV is available from Council's SRV information and Feedback page:

https://www.goulburn.nsw.gov.au/Council/Public-Exhibition-Notices/Special-Rate-Variation

Council will also be including information on the proposed SRV in its regular newsletters and to the media. We will also be running public forums for community to find out more and to ask questions. Dates and locations will be advised shortly.

Council will seek feedback from the community on the SRV and its updated Long Term Financial Plan and Delivery Program. The community is encouraged to provide feedback to Council.

What happens after this?

Once the community consultation period concludes, Council will review the feedback received.

A report will then go to Council for their consideration of the feedback and any updates required to the LTFP. Council will decide whether to proceed with the SRV application.

If they decide to proceed with the SRV application, the application will be submitted to IPART in February 2024. IPART will conduct its own consultation, with public submissions likely to be sought in March 2024, before they make their determination in May 2024. If successful, the SRV will be included in rates from 1 July 2024.

Author name: D. Ausling

Date of submission: Thursday, 7 March 2024

Please write your submission below:
In September 2023, Goulburn Mulwaree Council advised it was going to make a submission to IPART for a Special Rates Variation (SRV). We obtained a copy of their proposal and were shocked at what was proposed. Council advertised the holding of various community discussion group meetings around the area. We attended one in Goulburn on Friday 6 October 2023. It involved small group discussions split between the few councillors who were there on the day. The councillor we had for our group, incidentally, was opposed to the excessive increases proposed in options 1 and 2. Throughout the community engagement process, we perceived Councils disinterest in actually meeting with and listening to the concerns of its ratepayers and its process of going through the motions of community engagement and putting a tick in the box but not really caring what the community had to say and being ready to go ahead and do what they always intended anyhow. The Council says in its submission to the IPART that it successfully carried out community engagement. This is not true as the Council disregarded the overwhelming number of ratepayers (92.5% - their own figure) who protested against the Councils proposed increases and have gone ahead anyhow with their lazy, ill-thought out and punitive proposal. We note that the final submission made by Council to the IPART is for a Special Variation (SV) to permanently increase rates by 22.5% in 2024/25, 16 % in 2025/26 and 6.4% in 2026/27 a cumulative increase of 44.9% over the 3 years (we also note an inconsistency in Councils submission to the IPART on pages 15 and 23 which mentions a 3 year SV of 51.2%? this is at odds with the cumulative 44.9% mentioned earlier in their submission, a 6.3% difference). We strongly oppose these proposed increases as most people would not be able to afford such large, lump sum jumps in their rates during these difficult high cost of living increase times. There are many other less severe options that could be considered. We understand that the expected Government-capped 3.5% rate increase may be inadequate but only presenting two options is restrictive and was counter-productive to perhaps getting a community consensus on what might have been an acceptable increase above the capped rate. We found the consultant's report and recommendations, while containing lots of pages, were superficial, restrictive and lacking in proper and pertinent detail. We understand that there is a problem possibly not having enough Council-generated income to pay for all of the Council's outgoings such as water, sewerage, rubbish, roads and other infrastructure maintenance, etc. The recent years of higher inflation and above normal deterioration to roads, has meant that the capped rate increases have now left a possible shortfall in Councils expected income. The consultant's report does not really properly identify this shortfall or how it was calculated. A 'pluck' of 40% is given by them. There is no detail on what the extra 40% is in dollars or specifically how it would be broken down and used to pay for Council's responsibilities. For example, what is the expected wages bill for all Council employees and what, if any, pay increases are being considered - especially with regard to the already high cost individual General Manager and Directors' salaries. Before the high inflation of the last few years took hold, the capped rate increases were adequate to allow Council to meet its obligations and as such, there has been no previous need for a SV submission. The previous Council managed successfully and it is only since the ruling junta of the new Council of the last few years has been in power that they have been unable to manage. This mismanagement and profligacy has been translated in to making this excessive SV to slug the ratepayers. Council also does not mention how it would manage such a large increase in revenue. Its current staffing levels only just manage now and the additional contractors and tradesmen needed to spend the additional funds would be very difficult to source in the already labour-strapped Goulburn district. Suggested Alternative to Councils Proposal. We understand that over the last few years the rate increase caps have been less than inflation, and are expected to continue to be so, leaving Council with a possible shortfall. Therefore, it is agreed that Council does have a case for asking the IPART to approve an increase above the normal rate increase cap. It is suggested that the IPART direct Council to re-do its request for a SV based on the difference between the rate increase caps of the last few years, and what the rate of inflation was over those years, and also ask that future rate increases over the long term be based on the rate of inflation. This would be fair and reasonable, not arbitrary, and not excessively punitive like the current 22.5%, 16%, 6.3% proposal, and be better able to be 'sold' to the majority of ratepayers.

Author name: D. Holder

Date of submission: Monday, 4 March 2024

Please write your submission below:
the increase sought by Council will badly effect rate payers in the economic time. Council needs to ensure that it budgets better. This increase is totally unacceptable to ratepayers within Goulburn Mulwaree council area.

Author name: E. Cox

Date of submission: Saturday, 9 March 2024

Please write your submission below:
I do not agree to the council's decision to raise the rates by such an unreasonable amount. This proposal will have a flow on effect to the whole community and create more inflation, thereby severely affecting the standard of living of those already struggling in our community.

Author name: G. Emerzidis

Date of submission: Thursday, 29 February 2024

Please write your submission below:
Its very disturbing that council wants our council rates to increase. They not leaving in the real world , Im opposing of any increases . We had COVID we had terrible weather ,groceries are so expensive and my Energy bill has risen by 85% . The council personnel need a wake up call or sack the whole of them or better off cut down their wages by 50% in my personal thought they no good

Author name: G. Mortensen

Date of submission: Monday, 11 March 2024

Please write your submission below:
My wife and I are joint landowners of our rural residential property on Faithfull Lane, Quialigo, a Crown Road. We wish to lodge our strongest objections to the Goulburn Mulwaree Council's (GMC) Special Rates Variation application. We consider the proposed increases to be absolutely unnecessary and that they will cause financial hardship to us and to many other people in this LGA. There are many, like us, who are surviving on part pensions and therefore cannot afford increases to our already substantial council rates. There are many others in GMC LGA who are either on the lower end of the wages spectrum or are unemployed and therefore cannot afford these SRV increases. We believe that GMC has substantial funds that it can use without any SRV increase. We believe that GMC rates are already high as compared to other similar Council areas. We believe that GMC has wasted millions in the construction of the Performance Art Centre. We suggest that GMC should lease the Performance Art Centre out to help offset the interest payments on loans it took out to partially fund the construction. An alternative is to mothball the Performance Art Centre. We believe that GMC can carry out its essential services without any SRV increase. We believe that GMC could act in a more economical manner without unduly affecting its provisions of services to the community. Being residents in a rural residential area, we find that we get little direct services and indeed have to pay a considerable amount for a service such as inspection of the septic system. This appears to be a highly profitable inspection as the inspector may inspect up to 13 properties in a day at a charge of some $180 per inspection. Highly profitable! With our property being on a Crown Road, we do not have any maintenance done by Council to our road. This is the same for the great number of kilometres of Crown Roads in the GMC. Crown Roads are effectively a great financial advantage to GMC as the land along the Crown Roads is valued the same as any equivalent landholding in the area and therefore landowners pay the same rates as those with equivalent properties on nearby Council and State owned roads that are properly maintained by Council. Any increase in our rates brought about by the SRV application adds further to the already large financial discrimination against all Crown Road landholders. It should be realised that these landholders are expected to pay directly for the maintenance of the Crown Roads or alternatively not have them maintained so they are in extremely bad condition as is Faithfull Lane, Quialigo. It is noted there are a number of other Councils in NSW that have listened to their ratepayers objections to the proposed SRV applications and have therefore abandoned the application for SRV. Goulburn Mulwaree Council needs to do the same ie abandon its proposed SRV application. We trust that if the GMC continues with its SRV application it will not be approved in whole or in part as any increase in the rates beyond the minimum allowed will be most detrimental to the ratepayers of this community.

Author name: I. Anderson

Date of submission: Monday, 4 March 2024

Please write your submission below:
Thank you for the opportunity to ad my voice to oppose this proposed rate rise I have a small farm and am a pensioner. Because of land value increases my rates have already increased by 26% this year! As property values increase in our LGA rates naturally increase. I dont understand why council needs to excessively increase rates in addition to those increases caused by land value increase, unless they are miss managing LGA resources. Perhaps an investigation into council administration might be more in order tgan a rate rise which will financially cripple me and others like me. Thank you for investigating and opposing this proposed rate increase. Ian Anderson

Author name: J. Brouwer

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Absolutely unaffordable! Council needs new management

Author name: J. Enright

Date of submission: Sunday, 10 March 2024

Please write your submission below:
Its pretty simple. An increase of this amount will devastate me and my family. Interest rates have increased, my mortgage has more than doubled. When i first purchased we had no children, now we have 2. With the cost of everything else going up, what will this increase actually achieve. You try and read the councils financial statements but guess what, you need a degree in accounting to actually make sense of the information. If the council has mismanaged funds so badly, they and the council ceo needs to be sacked, and bring in external administrators to solve the problem. There has been so much wasted money in the last 12 months its not really funny at all.

Author name: J. Hardman

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
To put a massive increase on us rate payers at this time when its extremely hard to make ends meet is in Australian The roads and infrastructure in our area are run down and the burden is left on us rate payers when the damage is being done but gavel trucks from our many quarries Raids are supposed to maintained by the quarry owners but they dont maintain them The mining companies make heaps of profit but dont fox our roads if they would maybe the council could spend funds they have in other areas in our great council area Its unfair to put all the burden on us rate payers

Author name: K. Daniel

Date of submission: Sunday, 10 March 2024

Please write your submission below:
I think it's appalling to raise the rates with the current economy people can barely afford groceries let alone a rate increase that ridiculous. Why does it have to be so high ? There are areas that don't even get a bin service that would be affected. The council doesn't even spend the last lot of rates wisely and it shows roads that are half done etc. If they are going to jack the prices up they should provide more services to the community to justify it . Not red tape rubbish that eats up the rate payers bills.

Author name: K. Gann

Date of submission: Tuesday, 27 February 2024

Please write your submission below:
I feel that the IPART process for decpreciation is wrong. Councils should not have allow to cost for future purchases for plant and roads. I feel if this process should be changed, even if roads were depreciated every 10 years. It would take the pressure off the local council. If our local council access a new grant there will be more depreciation to add to each year. There must be something wrong with the whole system if 75 councils in NSW were looking at increasing local rates. This is wrong and should be illegal for councils to increase rates so dramatically. The Goulburn Mayor made the statement at a local Chamber of Commerce meeting that "If we don't increase rates we will be put into administration". He also indicated that the councilors would be in trouble for not voting for the increase (if it were not voted in favour of). The NSW government should be taking more responsibility on costs associated with roads and take back the costs owing to the Emergency services. Myself and my husband own two commercial properties in the main street. We currently are the second highest CBD rates payers in Group 4 of NSW councils (before a new rate rise). Goulburn Business's can't afford more increases. Local tenants also can't afford more increases. Our increase will be over $8,000 for our two business's in the CBD per year. Bi-Rite Electrical and Goulburn Carpet Court. We purchased our buildings to be able to support our business's. One business would not have survived without it. We now have to look at making another $4000 in profit (not sales) for each business to be able to support them. There are older residents in town who will sell their properties due to more increases. Particularly those on pensions and single pensions. What is wrong with this Government and IPART who will allow these increases. I hope IPART will change the current model to allow local councils to survive on their current income. The NSW government needs to re-evaluate their own costs. They are a business and need to manage it much better.

Author name: K. Newton

Date of submission: Tuesday, 12 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 1: Need for additional income Goulburn Mulwaree Council (GMC) does not need a 51.2% SRV but GMC does need to rethink and redo their budget taking every measure available to them into consideration. GMC needs to undertake a comprehensive two-way consultation process with the local community and provide factual financial information in a clear and easy-to-read manner to ensure a fully informed decision can be made by the community and ultimately, the councillors because this current budget and SRV process has not delivered on this. Please refer to point (A) in the Attachment for details. Once the information is provided by GMC the community and councillors can use it to understand why and how GMC now purports to be financially unsustainable by $10.7 million per year to come up with a solution more palatable to the majority of stakeholders than this proposed 51.2% SRV provides for. Once the community and councillors are fully aware just how much a certain facility or service costs to run each year and if there is no capacity or willingness to increase revenue or no capacity to decrease costs then this may provide an opportunity for an informed decision to be reached in consultation to cease the operation of such a facility or service or even part thereof at least until GMC is financially viable again. Given this 51.2% SRV is going to impact all ratepayers to varying degrees if it comes to fruition and there isnt an opportunity for ratepayers to opt out of paying rates (without losing ones house after 5 years for unpaid rates) there needs to be serious consideration given to increasing the fees and charges associated with the new and upgraded facilities and services that have been created in the last 8 to 10 years so the burden is at least more fairly attributed to the users of such facilities and services that are obtaining the benefit. Please refer to point (B) for an example. Consideration needs to be given to the National Competition Policy in conjunction with facilities provided by GMC and the local community. Please refer to point (C) for an example. GMC and Morrison Low continue to use cost shifting as an excuse for the need for this SRV yet GMC has taken on state funded facilities without ongoing grant funding. Please refer to point (D) for an example. The correct application of accounting standards especially in relation to assets need to be applied. Please refer to point (E) for details. The required level of unrestricted cash verses the projected levels of unrestricted cash within GMCs proposed SRV and the Morrison Low recommendations. Please refer to point (F) for details. The reclassification of almost half of GMCs internally restricted reserves to unrestricted cash. Please refer to point (G) for details. Application of the provisions available within the Local Government Act 1993 need to be considered. Please refer to point (H) for details. A wholistic review of the Goulburn Waste Management Centre (Tip) Rehabilitation is required. Please refer to point (I) for details. It must be noted that in the base case budget put forward by GMC there has been no provision at all made for revenue initiatives. Please refer to point (J) for details. Likewise, consideration needs to be given to the discrepancy between the proposed SRV and the base case budget put forward by GMC in relation to the expenditure initiatives being $14.8 million less over the 10-year period within the base case budget. Any positive outcome reached from impending changes to the financial model and rate pegging methodology and potential future funding re cost shifting must also be considered here to prove GMC does not need a 51.2% SRV. Please refer to the attachment accompanying this submission alternatively I look forward to providing further information and insight when requested to do so.

Submission to Goulburn Mulwaree Councils (GMC) 2024/2025 51.2% SRV –

Criterion 1: Need for additional income

Attachment

(A) The following financial information needs to be disclosed to the community and councillors: -

- The upfront cost of all projects/facilities (new and upgraded assets) completed in the last 8 to 10 years (listed by date of completion) along with how they were funded,
- The ongoing running cost of all these above projects/facilities (new and upgraded assets) completed in the last 8 to 10 years broken down by operating expenditure (split up by employee costs, materials and contracts, electricity, insurance, plant, and other – with material items listed separately), maintenance expenditure (split up by employee costs, materials and contracts, electricity, insurance, plant and other – with material items listed separately) and depreciation expense,
- The annual income produced by each of these projects/facilities (new and upgraded assets) completed in the last 8 to 10 years split up by income type,
- The initial costs of all new or upgraded services implemented in the last 8 to 10 years listed in commencement date order,
- The ongoing running cost of all these above new or upgraded services commenced in the last 8 to 10 years broken down by employee costs, materials and contracts, electricity, insurance, plant, and other – with material items listed separately),
- The annual income produced by each of these new or upgraded services commenced in the last 8 to 10 years split up by income type,
- The list of all other services provided traditionally by council along with their ongoing running costs broken down by employee costs, materials and contracts, electricity, insurance, plant and other – with material items listed separately and the annual income produced by each of these split up by income type.

Provision of the above information would not be an impost on GMC's resources as this information already exists in the financial system.

(B) For example, the new amenities now provided at numerous sporting locations around the GMC LGA need to be costed and these costs recouped via the sports levies payable each year by the different sporting clubs to GMC so that these facilities break-even on GMCs bottom-line. This would allow for a fairer distribution of costs on the community as the bearer of the costs can either opt in or out by choosing to use or not to use the facilities i.e. by choosing to play sport or not to play sport. This also opens a better avenue for the community to support those in financial hardship as clubs can run fundraisers to raise funds to pay the fees for those that genuinely can't afford to play conversely, fundraisers aren't run to pay for a ratepayer's rates who is in financial hardship as this largely goes unnoticed and the consequence of which can lead to homelessness. This also takes into consideration intergenerational equity as users of the facilities will change over time hence the collection of fees will match the users at any given point in time.

(C) For example, the newly upgraded Aquatic and Leisure Centre which is projected by GMC to operate in the 2023/2024 financial year at a considerable loss of $2,187,996. This amount has been referred to in the Morrison Low report as the *"hidden costs"* associated with new and upgraded assets but now these amounts are known, as the facility is up and running, and are heavily impacting the financial sustainability of GMC the community should be entitled to have a say in ways to decrease this burden. In light of the *National Competition Policy* in the very least the gym facility should be leased out at a commercial rate, so it provides for a clear income only stream to GMC as does the café located within this facility. I am sure all gym owners within the GMC Local Government Area are not happy with the fact that their rates are going to go up to cover the increased costs now associated, at least partially, with operating a council funded and run gym that is in direct competition to their own business.

(D) Whilst GMC may have received some grant funding for the hydrotherapy pool to be built initially, and production of the information re point (A) above from GMC to the community and councillors will provide evidence if this was the case or not, it is now the ratepayers that must fund the ongoing operating, maintenance, and depreciation expense for this facility every year. One can only imagine how much it would cost just to heat this pool to its 35-degree daily average. It may therefore be decided by the community and councillors that if state government does not provide an ongoing operating grant to fully fund the operating, maintenance and future renewal cost of this portion of the facility then this pool needs to be emptied (hopefully by topping up the other pools within this facility so as not to waste water hence more money) and the doors locked at least until such time as GMC has sufficient excess income to fully fund its reopening.

(E) The correct application of accounting standards whereby assets that have been renewed during the year have a corresponding write off for the replaced/renewed asset still in the asset register to reduce the duplication of depreciation expenditure year on year needs to be reimplemented instead of waiting for the next formal asset revaluation which can take up to 5 years. As does the correct allocation of natural disaster damaged infrastructure expenditure as this has been expensed via the profit and loss statement according to the financial statements over the last few years which inevitably duplicates the expenditure going through the profit and loss statement as in future years after these assets are revalued, they will again be expensed via the profit and loss statement via depreciation expense.

(F) Another significant reason GMC does not need a cumulative 51.2% permanent rate rise is shown by the significant unrestricted cash levels being accumulated year on year within GMCs own projections. Within the presentation (available on GMCs website) provided to GMCs councillors prior to the September 2023 meeting by Morrison Low it is clearly stated by the presenter at approximately 4 minutes and 20 seconds in relation to the unrestricted cash amount *"as a bit of an indicator that number should be around about $16 million"* which under this exorbitant 51.2% permanent rate rise is achieved within 3 years by 2026/2027 and grows exponentially to just shy of $74 million by 2033/2034. This means GMC is planning to take in the very least an additional $58 million unnecessarily out of the pockets of ratepayers during a cost-of-living crisis over the ensuing 10 years to presumably just sit in their bank account accruing interest when it could be being used to pay ratepayers mortgages and to put food on their tables. A couple of years beyond this time frame this amount will rise by an additional $3 million per year once the 15-year $23.2 million worth of loans have been repaid that were taken out in 2021 to fund the Performing Arts Centre ($8.3 million) and Aquatic and Leisure Centre ($14.9 million) without consideration being given to intergenerational equity being a period of 30 years for large infrastructure facilities according to the Morrison Low presentation to councillors.

(G) Considering the unrestricted cash levels within GMCs budget projections in conjunction with the 2022/2023 and numerous prior years audited financial statements almost $10 million of the $19.3 million cash funds held within the internally restricted allocations (reserves) should be reclassified to unrestricted cash. This would still leave the unrestricted cash balance at an amount higher than it has been since 2016 within the base case budget.

(H) Application of the provisions available within the Local Government Act 1993 will provide a major avenue to recoup a significant amount of funds that will drastically reduce the loan principal and interest repayments currently in the budget's put forward by GMC and will discourage any further borrowings from being incurred by GMC at least until GMC is financially viable. This in turn will have the added benefit of also impacting significantly less ratepayers or members of the community which can only be viewed much more favourably for the community as a whole.

(I) GMC has also been making annual profits well in excess of $2 million from their waste management services (non-domestic) for a number of years now and this year being 2023/2024 the profit is projected to be $3.7 million. This profit has not been accounted for within the audited annual financial statements as required under the *National Competition Policy* which would have allowed for transparency to the community and councillors that this was and is occurring. First and foremost, these additional funds should have been allocated to future capital works pertaining to the waste management centres to eradicate the need for borrowings hence increased costs of facilities on ratepayers and the purported $1.25 million per year required to rehabilitate the tip should have been placed into the tip replacement reserve from these profits for when this expenditure falls due. Despite not having utilised these funds in the best interest of the local community there is another annual funding source to cover almost half of this required $1.25 million-dollar annual amount that is currently being paid by the Domestic Waste Management ratepayers of GMC and sitting in the cash reserves of this fund if only GMC staff would read and comprehend their own financial statements.

Kylie Newton

Author name: K. Newton

Date of submission: Wednesday, 13 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 2: Community awareness and engagement The community awareness and engagement process undertaken by GMC has left the community with more questions than answers. Please refer to point (A) for details. The recent history of GMCs communication with the community, media, councillors, government bodies, etc portrays a very contradictory position to this SRV. Please refer to point (B) for additional information. The information relied upon by GMC to inform the community in fact advises the community what GMC was obligated to do but didnt do resulting in why GMC is now purportedly financially unsustainable. Please refer to point (C) for additional information. GMC have blamed Rate Pegging as a reason why GMC is now financially unsustainable, but they have failed to inform the public what specific decisions GMC have made that render this to be true. Please refer to point (D) for additional information. Furthermore, GMC has failed to inform the community that GMC receives a substantial Financial Assistance Grant every year to counteract the impact of what the Rate Capping/Pegging legitimately does not cover. Please refer to point (E) for additional information. GMC provided 4 cost-shifting Key impacts on Council but failed to quantify the extent of these in dollar terms to justify the need for this SRV and failed to inform the community that these expenses are also covered by the Financial Assistance Grant. Please refer to point (F) for additional information. GMC failed to inform the community of the special submissions GMC has submitted regarding the cost-shifting expenses incurred to the NSW Local Government Grants Commission to seek additional funding. Please refer to point (G) for additional information. GMC has failed to inform the ratepayers where the money in the bank has gone. Please refer to point (H) for additional information. Mine and my husbands lived experience re this SRV process: - Please refer to point (I) for additional information re each of these experiences Read the information provided by GMC, Wrote a response requesting additional information to answer numerous questions relating to the information that had been provided by GMC, Attended the drop-in session at Towrang which was pointless, Added a comment on one of GMCs Facebook posts on 7 October 2023 to inform the community of the extent of the SRV in total dollar terms as the only information GMC had provided was individual category averages which is a tactic to hide the real impact this is going to have on certain rateable properties. Council responded by removing the whole post, Wrote a few posts containing pertinent information taken directly from GMCs website namely GMCs SRV documents, GMCs agendas and minutes, GMCs audited financial statements and annual report, and GMCs integrated planning and reporting suite of documents to properly inform the local ratepayers and to bring attention to the facts that have not been forthcoming from GMC throughout this process, Sent an email to GMC on 21 November 2023 querying the massive non-domestic waste management profits being made. The only response received in relation to all the above from GMC was an email from the [redacted] Please refer to point (J) for additional detail. Numerous complaints around town of how GMC are treating people and engaging in scaremongering tactics. Please refer to point (K) for additional information. Further to this I put in a submission to GMCs 2023 Audited Financial Statements on 29 January 2024 asking relevant questions to gain relevant information to write this submission when it became available. I received a response on the 5 March 2024 divulging no information will be provided. Please refer to point (L) for additional details. An abundance of generic and wrong information has been provided by GMC during the consultation period, and the Scenario 3 budget was not provided until it was released by IPART. Please refer to point (M) for additional information. Honestly, what chance did the ratepayers of GMC have of becoming fully informed about this SRV or being allowed to engage in the hope of being able to offer alternative opportunities to counteract GMCs financial situation that would be more feasible and more palatable to the ratepayers other than this SRV. I look forward to providing the balance of my information and insight to IPART when requested to do so.

Submission to Goulburn Mulwaree Councils 2024/2025 51.2% SRV –

Criterion 2: Community awareness and engagement

Attachment

I have read that it is not within the purview of IPART to *"assess the merits of council spending decisions"* nor is it within the purview of IPART to perform an *"audit"* of the council but it must be within the purview of IPART to ensure GMC has adequately communicated the reasons why they now need to apply for a special rate variation along with ensuring GMC has provided ample opportunity for the community to discuss and put forward alternate solutions other than just having this exorbitant 51.2% rate increase forced upon them.

(A) The information in the Morrison Low *"Special Rate Variation – Community Engagement Plan"* along with the presentation Morrison Low provided to GMC councillors was nothing more than a coaching exercise to ensure the bare minimum was done to "tick a box" to satisfy this criterion for GMC's SRV submission to IPART. This is evidenced within the *"Community Engagement Plan"* by Morrison Low as they provided the IAP2 Spectrum of Public Participation model which has 5 levels of engagement however, GMC was only required to, or alternatively, only chose to implement the first two i.e. *"inform"* (aka "TELL") and *"consult"* (aka "TELL") to supposedly comply with the requirements under IPART's submission process. Furthermore, prior to the council meeting in September 2023 a presentation (available on GMCs website) was provided to councillor's whereby towards the end of the presentation the presenter from Morrison Low advised in relation to community engagement *"it is about making the community aware of what council's proposing NOT really seeking approval. It's really a matter for council to make that decision"*. Just as it has been council's decision to increase GMC's asset base by at least $80m since being deemed *"Not Fit"* i.e. being deemed financially unsustainable as shown in the *"Fit for the Future"* review done back in 2013/14 (which was published on IPART's website on 20 October 2015) resulting in additional operating and maintenance expenditure of at least $10m per year ongoing.

(B) GMC had already planned, projected, even promised back in 2014/15 to make decisions and implement financially sustainable practices to fix councils then financial sustainability problems (which can be seen within the report on IPART's website) so it must be asked was this information provided at that point in time just to avoid amalgamation with no actual intention of implementation, inevitably leaving no alternative but to force a future special rate variation onto the local ratepayers?

Since 2014/15, the various mayors and previous General Manager have spruiked about how much money GMC had in the bank to all and sundry and at every opportunity they had despite their financially unsustainable status.

GMC provided business cases to the Office of Local Government and TCorp outlining how GMC could afford to build the Performing Arts Centre at an initial capital cost of $18.95m in approximately 2019 and the Aquatic and Leisure Centre at an initial capital cost of $29.8m in approximately 2020. These business cases were done as per the requirements of the Local Government Act 1993 for projects over $2m that aren't critical nor essential works and more importantly so as GMC could take out $6.3m worth of internal borrowings from GMC's water and sewer funds for the Performing Arts Centre with the Minister's Approval and to secure low cost borrowings of $14.9m from TCorp (something that wasn't allowed to happen unless a council was deemed financially sustainable) for the Aquatic and Leisure Centre along with a further $2m borrowed from TCorp for the Performing Arts Centre.

These above examples of information provided by GMC (in extremely recent times) to themselves and each other, government bodies and most importantly the local community and ratepayers must not be ignored and must be considered as part of the community awareness and engagement GMC has had with the public.

(C) Regarding the information provided by GMC to inform the community council provided a report from Morrisson Low. Within this report Morrison Low state *"The Goulburn Mulwaree Council ('Council') financial position is unsustainable at the current levels of expenditure and income"*. Morrison Low stated in their report that "Council *would* be negligent of its statutory obligations if it *were* to ignore this". They then go on to say *"Council has made decisions" … "in the best interests of"* trying to get the Ratepayers and Residents of Goulburn Mulwaree (Community) to believe Council has acted within the Local Government Acts sound financial management principles and objectives to date. Morrison Low points out these objectives "are not negotiable". Morrison Low offers the consequence for Councils that fail to meet these principles by stating *"the government may intervene in council operations"* and offers up the Central Coast as an example. In Morrison Lows report they deflect by blaming *"other external influences"* (aka cost-shifting, inflation, etc) and *"legislative restrictions"* (aka Rate Pegging) for GMC's financially unsustainable status. Morrison Low pointed out this has *"gradually led to declining financial sustainability"* hence providing our community with insight that this did not happen overnight but over a substantial amount of time. Morrison Low states *"Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains so that it is able to provide value for money to the community"*. So how, and why did council let the situation get so bad?

(D) What the Morrison Low report and GMC have relied upon but failed to inform the community on during this process is that Rate Capping/Pegging is nothing more than the equivalent of an individual's pay rise. Individuals must learn to live within their means and capacity (which means going without that what you cannot afford or suffering the consequences) as do other Businesses so why does Council think it is any different. The following provides the decisions GMC have made that have led to the "Rate Pegging" amount now being deficient: -

- New assets are allowed according to the Local Government Act if they are purchased/built, maintained, and operated (lifecycle costing) within the sound financial management principles and objectives which according to Morrison Low *"are not negotiable"*. According to the Morrison Low report *"All new infrastructure generally carries hidden costs. The rate cap does not allow for the new costs associated with the operation, maintenance, renewal and depreciation of new assets, and Council has to fund these additional costs through its existing budget. Over time these costs eat into Council's sustainability as it funds more and more new asset costs from its existing budget"*. These two statements by Morrison Low are completely contradictory because if GMC had of been procuring new and upgraded assets in line with the *"not negotiable"* Local Government Act 1993 sound financial management principles then they would not have been built rendering these *"hidden costs"* obsolete. Both GMC and Morrison Low have failed to inform the ratepayers of the extent of these hidden costs which include at a minimum the following: -
  - Loan repayments extra - $3m per year
  - Depreciation expense extra - $2m per year
  - Salaries and wages extra - $2m per year
  - Insurance premiums extra - $300k per year
  - Electricity and St Lighting extra - $1m per year
  - Maintenance extra - $1.2m per year

- Service level improvements have according to Morrison Low on behalf of Council increased overtime with some service level changes delivering a net benefit but the vast majority ultimately costing Council more. The above insight of Council re new assets can also be considered here as not costing the impact on Councils financial sustainability prior to implementing such changes is outside the “not negotiable” requirements of the Local Government Acts principles and objectives that provide the foundation for sound financial management. Again, the excuses put forward by Morrison Low re “the economic climate has changed post COVID-19. The high level of inflation is impacting the cost of materials and contracts”, “Serv(ic)ing and paying back loans is becoming more costly” these are not impacts specific to Council and all Businesses and even Ratepayers own households have had to come to terms with the changes now afoot and proactively adapt to ensure their own financial sustainability going forward.

(E) Furthermore, GMC and Morrison Low have failed to inform the community that to counteract the impact of what the Rate Capping/Pegging does not cover for individual Councils each Council is given an amount from the Federal Government via the State Government known as the Financial Assistance Grant. In 2023 – 2024 Goulburn Mulwaree Councils Financial Assistance Grant allocation is $6,825,005 and this amount increases year on year. Every Council in NSW has the opportunity to make a special submission to the NSW Local Government Grants Commission *“to present information on the financial impact of inherent expenditure disabilities beyond its control that are not generally recognised in the current methodology.*” This in turn *“allows the Commission to adequately consider all legitimate factors that affect councils’ capacity to deliver services.”* Morrison Low and GMC must not have this level of knowledge as the excuses they have put forward in relation to rate capping that it *“does not recognise some cost increases councils experience, nor does it provide that some councils will experience cost increases higher than the average due to location or other events.”* This is because to do so would result in double dipping as these factors are already provided for in the Financial Assistance Grant and subsequently, GMC receives funding for these already.

(F) The Morrison Low report provided the following Cost shifting expenses as *“Key impacts on Council have included:*

1. *ARIC – internal audit program using external/internal resources*
2. *Emergency Service Levy*
3. *Crown Land, Plans of Management, Compliance reporting*
4. *Cyber Security”*

However, Morrison Low and GMC failed to quantify any of these expenses to support the need for this SRV and failed to inform the public that these expenses are also funded by the Financial Assistance Grants received every year by Council.

(G) GMC failed to inform the public of the special submissions Goulburn Mulwaree Council have provided to the NSW Local Government Grants Commission in the past to seek additional funding as part of GMC’s share of the Financial Assistance Grant which presented information on the financial impact of inherent expenditure disabilities beyond Goulburn Mulwaree Councils control that were not recognised in that years’ allocation methodology. Obviously, the Ratepayers of Goulburn Mulwaree already know why the GMC did not make any submissions to the Commission for additional grant funding was because the *“financial impact of the inherent expenditure disabilities”* were well and truly within Goulburn Mulwaree Councils control i.e. the procurement of an additional at least $80m worth of new and upgraded assets that now need to be operated, maintained and depreciated (which equals renewed) at a cost of at least $10m per year instead of maintaining and renewing councils existing asset base at the most financially opportune time.

GMC and Morrison Low have failed to advise the ratepayers what the exponential impact has been due to the additional at least $80m worth of asset additions/upgrades eg loan repayments, operating and maintenance costs that GMC procured outside of the *"not negotiable"* requirements of the Local Government Acts principles and objectives that provide the foundation for sound financial management. Please refer to list of "hidden costs" estimated amounts above for this ongoing impact.

(H) Morrison Low and GMC also failed to inform the ratepayers that on top of these additional annual expenditure amounts the actual amount of cash GMC utilised to fund at least in part the capital acquisition of the additional at least $80m worth of assets since 2014/15 GMC has acquired. Funds that were planned to be utilised for the ongoing maintenance of and renewal of GMC's existing asset base as per GMC's annual financial statement projections within GMC's annual audited financial statements since 2014/15 and the projections provided to TCorp back in 2014/15 to overcome GMC's financially unsustainable position.

(I) Considering the very small timeframe GMC made available for *"community awareness and engagement"* specifically in relation to this SRV process the following was mine and my husband's lived experience: -

- Read the information provided by GMC,

- Wrote a response requesting additional information to answer numerous questions relating to said information provided by GMC titled *"GMC's Ratepayers & Residents Rebuttal to the following Morrison Low Report: - Goulburn Mulwaree Council Background Paper: The Special Rate Variation"*. Along with emailing it to GMC it was sent to councillors, the Goulburn Post, the Local Member particularly as the Shadow Minister for Local Government and Small Business, the Goulburn Chamber of Commerce, the Office of Local Government and to Morrison Low themselves. Responses from the Local Minister and the Office of Local Government both advised they could not intervene with the SRV process and recommended sending it to your local council and councillors,

- Attended the drop in session at Towrang and spoke with one of the councillors, asked the councillor some of the questions from the letter previously written to GMC as the councillor said he had read it, requested the councillor to write down some questions he could not answer to take back and obtain answers to which he replied *"I will not do that"*, my husband and I had to convince this councillor during our discussion that the proposed special rate variation was PERMANENT because he kept insisting it wasn't, I wrote down a summation of the outcomes of what we discussed with this councillor during our conversation and later read it to him. I asked if it was a true statement and he advised "Yes" I then asked him to sign it and the councillor said *"No, I won't sign that because you're not going to make a scapegoat out of me"*,

- I added a comment on one of GMC's Facebook posts on 7 October 2023 stating *"Yes, the huge increase equates to an additional $112.5 Million for the first 10 years under scenario 1 and $108.7 Million for the same period under scenario 2. Keeping rates increases on the current path will already provide Council with an additional $9.8 Million over the next 10 years. If the* *proposed special rate variation gets approved the actual increases could be considerably higher if Council has underestimated the future rate peg amounts within its 10 year long term financial plan calculations to date. I would be extremely surprised if they overestimated the increases."* I put this on GMC's Facebook post because GMC were not informing the community of the total actual impact this SRV was going to have on GMC ratepayers as the only information GMC had provided was individual category averages which is a tactic to hide the real impact this is going to have on certain rateable properties hence ratepayers and it will be too late once ratepayers receive their next annual rate notice with their new increased amount on it to do anything about it. Suffice to say council's response to this was to simply remove the entire post from their Facebook page and then proceed to choose the option of *"Goulburn Mulwaree Council limited who can comment on this post"* for all future Facebook posts. Funnily enough GMC's current *"Towards 2042! Have your say"* post even comes with this adage – consultation at its finest "NOT".

- Wrote a few posts containing pertinent information taken directly from GMC's website namely GMC's SRV documents, GMC's agendas and minutes, GMC's audited financial statements and annual report, and GMC's integrated planning and reporting suite of documents to properly inform the local ratepayers of Goulburn Mulwaree and to bring attention to the facts that have not been forthcoming from GMC throughout this process,
- Sent an email to GMC on 21 November 2023 asking, "Why does the gbn tip make $2 million profit per year" ... "after stating part of this SRV will be to cover the cost of the rehabilitation to the tune of $1.25 million per year...how many times does this community have to pay for the same thing?" Just for clarification purposes the 2023/2024 year has budgeted for a $3.7 million profit for its waste management centres (non-domestic waste) and GMC has not previously disclosed this information within their audited financial statements as per the requirement to do so under the *National Competition Policy*.

(J) Apart from the automatic replies the only response received in relation to all the above from GMC was an email from [redacted]

(K) From this reaction by the CEO it is not hard to believe the other experiences being discussed around town whereby business owners and their staff are too scared to come forward publicly and say anything against this SRV as they truly believe they will lose GMC as a customer, that GMC staff have been [redacted] with losing their jobs if they speak against this SRV or even sign the community's petition which has been made more real as the union has commenced holding meetings with GMC staff members to discuss impending service reviews and restructures, the scaremongering of what services will be cut (which have been touted without any consultation with ratepayers), the lack of responses being provided by GMC to community members, the interactions or indeed lack thereof from the councillors with the community in relation to this SRV even leaves one contemplating if they themselves are under some sort of duress.

(L) Further to this I also put in a submission to GMC's 2023 Audited Financial Statements on 29 January 2024 asking relevant questions to gain relevant information to write this submission when it became available. The information sought was to: -

- ensure the correctness of some parts of the financial statements that could potentially reduce the operating deficit considerably,
- request the addition of certain inclusions (required under the *National Competition Policy*),
- request certain changes to allow for greater understanding and insight for the intended readers,
- obtain the breakdown of certain expenditure items by fund to quantify expenses being relied upon by GMC to substantiate the necessity for this SRV.

I received no initial response from GMC, so I sent another email one month later being 29 February 2024 to request an expected timeframe for the requested information to which I received a response from the CEO on the 5 March 2024 with the following excuses as to why the information was not going to be provided: -

- *"My understanding is that Council's Governance Team has already provided a significant amount of financial information to you."* To this I state the information provided by governance was merely the past audited financial statements that are required to be made available to the public on each council's website, but it seems this requirement does not extend to GMC.

- *"The additional information you have requested is considered to be significant and would create an unreasonable burden on council resources."* However, most of the information requested would have been in the workpapers to the financial statements and could have just been emailed directly or at worst emailed after deleting one or two columns from the workpaper. In addition to this there would be workpapers within the budget package that could have been easily accessed and emailed. Alternatively, GMC stated as one of their cost saving strategies that they had reviewed the electricity accounts for all council premises so they could have emailed that to be referenced. This action taken by the CEO is just stonewalling [redacted] as they are not being open nor transparent with the community despite just advertising their "*2024 Customer Service Charter*". The following is two of the requests for additional information requested of GMC: -

1. *"I would like to request the breakup of Electricity expense by Fund (with supporting written evidence) as this expense is only disclosed within the financial statements as a consolidated figure. Given this expense item has been used by both councillors and executive staff members of council as being a main contributing factor for the need for council to apply for such a large SRV it is essential that actual figures pertaining to the General Fund are provided to the public to allow for complete transparency.*
   I have provided below a consolidated comparison of Electricity expenditure from 2008 to 2023. Without the provision of a breakup by Fund it is impossible to determine if the percentage increases are greater than or less than these consolidated percentages for the General Fund.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electricity (Consolidated)	791	882	986	1,070	1,224	1,316	1,230	1,119	966	1,087	1,050	1,413	1,419	1,302	1,354	2,214
		12%	12%	9%	14%	8%	-7%	-9%	-14%	13%	-3%	35%	0%	-8%	4%	64%

What can be seen from the above figures though is the significant increase in Electricity expense in 2019 (35% or $363,000) and 2023 (64% or $860,000). Coincidentally or not in 2019 this increase coincides with the opening of councils new Works Depot along with the new Stores and Archive Facilities, in Hetherington St Goulburn, without the proposed savings from the required and approved sale of the Bourke St Depot in Goulburn. Again, coincidence or not but the massive 64% increase realised in 2023 coincides with full year operations of both the Performing Arts Centre and the Upgraded Aquatic and Leisure Centre.
Further to this argument put forward by council there is a direct comparison within the financial statements pertaining to the cost of electricity. Street Lighting pertains to 100% electricity expense therefore if what the public are being told by councillors and executive staff one would expect this cost to have increased by this same 64% in 2023. Street Lighting is an expense of the General Fund so there is no need for these amounts to be broken up by Fund to analyse this expense item. In councils 2023 Financial Statements the Street Lighting expense for 2023 was $602,000 and the comparative figure for 2022 was $542,000 this being only an increase of 11% some 53% less than councils' electricity expense increase. Just using the consolidated data, we already have at hand to do a quick calculation this means approximately 11% of the $860,000 (being $94,600) relates to inflation/CPI and some $765,400 relates to increased services approved by councillors." Which is one of those *"hidden costs"* put forward by Morison Low in their report to justify the need for this SRV.

2. Can the missing information previously available in *Special Schedule 1 – Net Cost of Services* regarding *Emergency Services* please be provided. Again, given this expense item has been used by both councillors and executive staff members of council as being a main contributing factor for the need for council to apply for such a large SRV it is essential that actual figures are provided to the public to allow for complete transparency. As it currently sits with the information available via the financial statements it looks like council made a net profit from *Emergency Services* in 2023 and the net loss has been considerably less for the last 5 years.

Other Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emergency Services: -	285	466	372	196	597	383	337	271	235	389	287					
- ESL			30	32		41	41	42	49	53	17	41	41	44	46	85
- NSW Fire Brigade			91	99		98	100	100	104	106	110	103	109	99	124	141
- NSW RFS Levy		303	199	205		252	264	266	289	301	309	327	301	401	394	526
Less: Operating Grant	- 163	- 364	- 324	- 296	- 225	- 245	- 354	- 246	- 214	- 192	- 150	- 181	- 228	- 260	- 411	- 620
ESL Subsidy																- 225
	122	**405**	**368**	**236**	**372**	**529**	**388**	**433**	**463**	**657**	**573**	**290**	**223**	**284**	**153**	**- 93**

- Along with "If you require any further information from Council that is not open access under the GIPA Act an access application will be required."

(M) It must also be made abundantly clear that the vast majority of information provided by Morrison Low on behalf of GMC to support this SRV was generic industry wide information that may not even pertain to GMC or at least in any significant monetary fashion and there has been considerable discrepancies and errors provided by GMC throughout the consultation period. None more so than the reported depreciation expense provided to the community in GMCs base case and scenarios 1 and 2 of $17 million per year and growing compared to what has been provided within the financial data provided to IPART of $22 million per year and growing. This was a blatant attempt to hide from the community the real impact GMCs decisions over the past years have had on this now crippling depreciation expense.

Kylie Newton

Author name: K. Newton

Date of submission: Tuesday, 12 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 3: Impact on ratepayers Consideration needs to be given to GMCs historical social and community context as described by GMC in GMCs 2014/15 Fit for the Future Assessment Summary. Please refer to point (A) in the attachment for details. The facts and percentages provided and relied upon by GMC during the consultation process compared to the outcomes within their submission templates portrayed a more favourable position than is the reality as per below: 2018/19 2019/20 2020/21 2021/22 2022/23 % of overdue rates at 30 June 2.44% 3.28% 3.52% 2.83% 3.11% % of overdue rates notices at 30 June 8.40% 16.80% 15.80% 15% 16.90% Please refer to point (B) for additional information. The relevance of the data provided by Morrison Low and relied upon by GMC is out of date and cannot be considered. Please refer to point (C) for details. GMC did not consider or provide analysis for the impact this SRV is going to have on the increase on the number of rates notices unpaid as of 30 June each year or the amount of outstanding rates that are going to be unpaid. Please refer to point (D) for details. GMC failed to provide specific details relating to Business rates despite the large increases this rating category will encounter. Again, not allowing for a fully informed decision to be made by councillors. Please refer to point (E) for details. It is noted that GMC has reported no ratepayers currently have a payment plan under GMCs Hardship Policy within their submission, again within Application Part A Worksheet 12 Other Data. I would be surprised if this reported information is correct especially with respect to the last 5 years with no applications being approved given the increase in the number of reported properties with unpaid rates as of 30 June each year. Alternatively, this just could be due to no Hardship Applications being approved by GMC potentially to ensure this criterion looked more favourable for this submission. Applications under GMCs Hardship Policy are first assessed by a small committee and if it is deemed the ratepayer cannot afford to meet the proposed or required repayments under the policy then the committee members do not approve the application. The committee members then get their assessment signed off by the GM/CEO and inform the ratepayer. The ratepayer can then appeal the decision and have their application considered at the next available council meeting by the councillors within closed session or ultimately continue to be unable to pay and therefore, continue to accrue exorbitant amounts of interest and legal fees on an ever-increasing debt until GMC reaches the legal time frame of 5 years worth of unpaid rates and sells the ratepayers property out from under them. This reality is going to be even more unacceptable if GMCs councillors financially unsustainable decision-making practices ultimately result in more ratepayers losing their homes. It also needs to be highlighted here that GMC is playing with semantics with the information required to be presented within this part of the submission as GMC also has a Debt Recovery Policy and in the very least this information should have been provided within Application Part A Worksheet 12 Other Data Table 12.3: Optional blank table for council to use, if it shouldnt have indeed been required to be included within the Hardship section already. GMC and Morrison Low also failed to articulately inform the ratepayers whose rates increased considerably this year being 2023/2024 due to the valuer generals revaluations and the compounding impact of these significant increases were not considered in the report produced by Morrison Low. For example, my property is just a normal residential property in Goulburn but because I live in an area that is currently within a development phase (and with the highest mortgage repayments as per the information provided by Morrison Low to GMC and the community) that has a considerable amount of current sales data hence impacting the land valuation of my property the general rate went from $2,000 in 2022/2023 to $2,600 in 2023/2024 an increase of 30% which is now going to be the new base amount for which this proposed SRV will be calculated on. Suffice to say I cannot afford the $600 increase, so I have no chance of being able to afford an additional permanent 51.2% cumulative increase on top of this and Im sure I wont be alone hence the 16.9% (or 2,783 rateable properties) is set to become exponentially higher. I look forward to providing the balance of my information and insight to IPART when called upon to do so.

Submission to Goulburn Mulwaree Council's (GMC) 2024/2025 51.2% Permanent SRV –

Criterion 3: Impact on ratepayers

Attachment

(A) On IPARTs own website there is a link to the results from the "Fit for the Future Assessment Summary" for Goulburn Mulwaree Council which was published on IPART's website on 20 October 2015 where the overall result for GMC was *"NOT FIT"* meaning they were deemed financially unsustainable. One of the reasons put forward by GMC at this time to avoid amalgamation despite being financially unsustainable was the fact that in a *"Social and community context"* GMC noted *"It has an aging population, with 12% of the community over 70 years old. The council has highlighted high welfare dependency, limited local education opportunities and lower socio-economic demographic as challenges for the LGA" and n*othing considerable has changed in this regard since 2014/15 to now. This information has been provided as evidence that GMC's senior staff and councillors have had fair warning and more importantly an enlightened opportunity to change the fate of GMC ratepayers but subsequently chose not to which can be seen from the balance of financial information provided by GMC within their submission and the sheer fact they believe they need to apply for a 51.2% SRV only quantifies the extent of the wrong financial decisions they have made or intend to make on behalf of GMC ratepayers.

(B) The details provided by GMC in their submission within Application Part A – Worksheet 12 – Other Data (as shown in Table 12.1 below) allows for far greater insight into the actual ability of ratepayers to pay their rates going forward than the information that was provided by and relied upon by GMC and Morrison Low within their consultation period process to inform the ratepayers. Morrison Low's report attempted to justify GMC's ratepayers' ability to pay (which they termed as "willingness" to pay) based on the percentage of unpaid rates as of 30 June each year as reported in the annual audited financial statements in total $ terms. However, these figures are consolidated dollar amounts hence not broken down by category and number of assessments which results in skewing the breadth of the impact on the number of individual ratepayers who are having difficulty in paying.

Table 12.1: Overdue notices, rebate and hardship

	Units	Hist yr -5 2018-19	Hist yr -4 2019-20	Hist yr -3 2020-21	Hist yr -2 2021-22	Hist yr -1 2022-23
Overdue Notices						
Number of rate notices issued by council						
Residential	No.	13,148	13,380	13,758	14,114	14,262
Business	No.	883	899	910	908	915
Farmland	No.	1,450	1,453	1,351	1,305	1,311
Mining	No.	0	0	0	0	0
Total number of rate notices issued	No.	15,481	15732	16019	16327	16488
Number of rate notices overdue @ 30 June						
Residential	No.	1,071	2,177	2,098	2,043	2,327
Business	No.	110	187	180	164	163
Farmland	No.	126	280	250	248	293
Mining	No.					
Total number of rate notices overdue @ 30 June	No.	1,307	2644	2528	2455	2783
% of rate notices overdue	%	8.4%	16.8%	15.8%	15.0%	16.9%

The figures relied upon by GMC and Morrison Low paint a significantly rosier picture than the stark reality that exists for many ratepayers of GMC. The percentages reported by GMC and Morrison Low either strategically or alternatively naively included were as follows: -

- 2018-19 **2.44%**
- 2019-20 **3.28%**
- 2020-21 **3.52%**
- 2021-22 **2.83%**
- 2022-23 **3.11%**

(C) Furthermore, the analysis and information provided by GMC and Morrison Low in relation to the capacity of ratepayers to pay (even if the statistics provided were correct the analysis/interpretation of which is somewhat questionable) must be rendered obsolete as the impact from COVID-19 and the ensuing cost of living crisis has occurred since this data was captured. Table 12.1 above shows quite clearly the impact on and the current plight of ratepayers has more than doubled going from 8.4% (or 1,307 rateable properties) having difficulty paying their rates in 2018/19 (pre COVID-19) to 16.9% (or 2,783 rateable properties) having difficulty paying their rates in 2022/2023.

(D) It must be noted this is before considering adding in the impact this proposed SRV will have on current and future ratepayers' ability, or capacity, or "willingness" to pay. This again is something GMC and Morrison Low failed to consider and therefore, failed to provide statistical data for as part of their analysis to not only inform the community of their fellow ratepayer's struggles but to also inform the councillors who ultimately had to make the decision to approve the application for this SRV.

(E) It must be highlighted that the rates payable by the business community of GMC are already at the higher end for all group 4 councils even without factoring in this SRV. The results showing the impact of this can also be more adequately portrayed in Table 12.1 above, than by the information provided thus far by GMC and Morrison Low during their consultation period with the ratepayers, whereby in 2018/19 almost 12.5% of local businesses were unable to pay their rates on time and this has increased to 17.8% in 2022/2023. The increase in rates on businesses from this proposed SRV are significant even in average terms by which GMC has only released information to the public on and thus has the real potential to force some businesses to close.

It is noted that GMC has reported no ratepayers currently have a payment plan under GMC's Hardship Policy within their submission, again within Application Part A – Worksheet 12 – Other Data. I would be surprised if this reported information is correct especially with respect to the last 5 years with no applications being approved given the increase in the number of reported properties with unpaid rates as of 30 June each year. Alternatively, this just could be due to no Hardship Applications being approved by GMC potentially to ensure this criterion looked more favourable for this submission. Applications under GMC's Hardship Policy are first assessed by a small committee and if it is deemed the ratepayer cannot afford to meet the proposed or required repayments under the policy then the committee members do not approve the application. The committee members then get their assessment signed off by the GM/CEO and inform the ratepayer. The ratepayer can then appeal the decision and have their application considered at the next available council meeting by the councillors within closed session or ultimately continue to be unable to pay and therefore, continue to accrue exorbitant amounts of interest and legal fees on an ever increasing debt until GMC reaches the legal time frame of 5 years' worth of unpaid rates and sells the ratepayers property out from under them. This reality is going to be even more unacceptable if GMC's councillor's financially unsustainable decision-making practices ultimately result in more ratepayers losing their homes.

It also needs to be highlighted here that GMC is playing with semantics with the information required to be presented within this part of the submission as GMC also has a Debt Recovery Policy and in the very least this information should have been provided within Application Part A – Worksheet 12 – Other Data Table 12.3: Optional blank table for council to use, if it shouldn't have indeed been required to be included within the Hardship section already.

GMC and Morrison Low also failed to articulately inform the ratepayers whose rates increased considerably this year being 2023/2024 due to the valuer general's revaluations and the compounding impact of these significant increases were not considered in the report produced by Morrison Low. For example, my property is just a normal residential property in Goulburn but because I live in an area that is currently within a development phase (and with the highest mortgage repayments as per the information provided by Morrison Low to GMC and the community) that has a considerable amount of current sales data hence impacting the land valuation of my property the general rate went from $2,000 in 2022/2023 to $2,600 in 2023/2024 an increase of 30% which is now going to be the new base amount for which this proposed SRV will be calculated on. Suffice to say I cannot afford the $600 increase, so I have no chance of being able to afford an additional permanent 51.2% cumulative increase on top of this and I'm sure I won't be alone hence the 16.9% (or 2,783 rateable properties) is set to become exponentially higher.

Kylie Newton

Author name: K. Newton

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 5: Productivity improvements and cost containment strategies Within the report utilised by GMC to inform the community Morrison Low advised Council has made decisions in the best interests of the ratepayers and residents of Goulburn Mulwaree. Morrison Low stated Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains so that it is able to provide value for money to the community which implies GMC has acted within the LGAs sound financial management principles and objectives to date which Morrison Low pointed out are not negotiable. In Morrison Lows report they deflect by blaming other external influences (cost-shifting) and legislative restrictions (Rate Pegging) for GMCs now financially unsustainable status but failed to quantify these amounts, they also failed to inform the community that cost-shifting is also offset by an ever increasing financial assistance grant provided by the state government every year, and also failed to inform the community that this grant funding also covers factors that rate pegging does not. Morrison Low pointed out this has gradually led to declining financial sustainability. In order for IPART to adequately assess this criterion, keeping in mind all of the information provided above by Morrison Low, the outcome of GMCs Fit for the Future (FFTF) review (available on IPARTs website) should be used as the base line for assessing the effectiveness of GMCs actual productivity improvements and cost containment strategies that have been implemented by GMC up to GMCs latest financial statements being 30 June 2023 refer to point (A) in the Attachment for a summarised version of the (FFTF) review. Having GMCs figures run through the TCorp model for each year from 2014/15 to 2022/23 would provide for an even better analysis as IPART will also be able to confirm if what GMC projected, planned, even promised to do back in 2014/15 by 2019/20 came to fruition or not. This analysis would provide conclusive evidence for which IPART can base a fully informed decision on as opposed to the inadequate list of savings put forward by GMC especially in relation to the specific efficiency criterion which is based on a decrease in real operating expenditure per capita and was assessed as being $1,220 in 2014-15 and GMC projected, planned, even promised this would be $1,040 in 2019-20. Unfortunately, this model is not available to the public so this could not be done on IPARTs behalf. From IPARTs analysis of the TCorp models results it will also become evident that the list of savings to date put forward by GMC were not for the benefit of productivity improvements or cost containment strategies but rather came about because the project/service was implemented outside of the sound financial management principles and objectives eg the mobile library bus which happens to be the same thing as the Big Read Bus and Vickie the mobile visitors bus and/or for the reallocation to fund overspends in projects that GMC has undertaken outside their not negotiable financial obligations refer to point (B) in the attachment for a list containing some of these projects. A look at GMCs Quarterly Reviews will provide further evidence of the occurrence of these savings being reallocated to other projects/services as opposed to being placed into the Tip Replacement reserve or being reallocated to asset maintenance or renewal as GMC are now stating is why there is a need for this SRV. Again, despite prioritising asset maintenance and renewal and promising to do this back in 2014/15 re the summary in Attachment at point (A). Please refer to point (C) in the Attachment for the movements within the Tip Replacement reserve along with evidence that this is not a new phenomenon but has essentially been ignored as a priority by GMC at the expense of at least $80M worth of other projects/facilities and services. Furthermore, the waste management centres have been run by GMC to make a profit since 2014 which in the current 2023/24 financial year is projected to be $3.7M, yet GMC failed to put the required provisions aside for rehabilitation from funds directly generated from the users of this facility and who are now being required to pay for this again. As with the future initiatives put forward by GMC these should be just happening as part of Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains so that it is able to provide value for money to the community or should have happened already eg GMC has used Technology One since 2006 it really should not take an organisation nearly 20 years to utilise something it has been paying handsomely for all this time. Likewise, it should not be using the sale of land or assets that have already been earmarked for sale in the past to fund some of the $80M worth of projects as per point (B) in the Attachment.

Submission to Goulburn Mulwaree Councils 2024/2025 51.2% SRV –

Criterion 5: Productivity improvements and cost containment strategies

Attachment

(A) Back in 2014/15 the overall result for Goulburn Mulwaree Council was "*NOT FIT*" predominantly because *"We consider a council's operating performance ratio is a key measure of financial sustainability that all Fit for the Future (FFTF) councils should meet"* and further based on the assessment summary as follows: -

"Sustainability – Does not satisfy overall" due to GMC's current and forecasted "operating performance ratio" not meeting the benchmark along with GMC's "building and infrastructure asset renewal ratio was 41.4% in 2014-15 and is forecast to improve to 70.4% by 2019-20, which remains below the benchmark", the benchmark being 100%. Interestingly, council knew well prior to 20 October 2015 that it would be required to apply for an SRV as "The council has indicated it is not sure when the proposed special variation would commence although this will be included as part of the 2016-17 budget preparations. It has indicated a preference to **see the benefits of its other reforms** before proceeding with an application."

***"Infrastructure and service management – Satisfies"* based on financial projections provided by GMC** to show it *"satisfies the criterion for infrastructure and service management based on meeting the benchmarks for the infrastructure backlog, asset maintenance and debt service ratios by 2019-20."* Along with *"Improvements in these ratios reflect the council's updated approach to asset maintenance and renewal, in which the council plans to increase its expenditure on asset maintenance in line with risks, revenue and community expectations of service levels."*

"Efficiency – Satisfies" Again based on financial projections provided by GMC they showed *"The Council meets the efficiency criterion based on a decrease in real operating expenditure per capita from $1,220 in 2014-15 to $1,040 in 2019-20.*

(B) The following provides for what GMC has actually done since being deemed financially unsustainable but chose to omit from their "productivity improvements" and "cost containment strategies" analysis as provided in their submission to IPART. However, the implications of which are evidenced in the balance of GMCs financial data and the resultant ratios.

New assets are allowed according to the Local Government Act if they are purchased/built, **maintained and operated** (lifecycle costing) within the sound financial management principles and objectives which according to Morrison Low (in the report they wrote on behalf of GMC specifically for this SRV process) **"are not negotiable**". A quick tour around the Goulburn Mulwaree Local Government Area (LGA) identifies some of the new and/or upgraded assets associated with GMC's General Fund which have a conservative estimated cost of $80 million now adding to the ongoing running costs of Council even after being assessed as "Not Fit" aka "Not Financially Sustainable": -

- The Performing Arts Centre including the Old Town Hall Restoration Works – Opened in May 2021
- The Goulburn Aquatic and Leisure Centre (massive) upgrade – Opened in April 2022
- The 14.5+ kilometres of Walking Track network alongside Goulburn rivers – Commenced 2015
- Wollondilly River Walkway Bridge – Opened in December 2019
- The Adventure Playground in Victoria Park – Opened in May 2018
- The Riverside Park – Opened in May 2021

- The Japanese Garden in Victoria Park – Commenced 2019
- The St Clair Restoration Works (even though the building is still closed)
- The Rocky Hill War Memorial Museum – Opened in June 2020
- The Big Read Bus – Opened in October 2016 – Subsequently ceased operations
- 'Vickie' Mobile Visitors Bus – Opened in January 2017 – Subsequently ceased operations
- The Veolia Centre – Opened in March 2014
- The Grace Milsom Centre – Opened in February 2014
- The Cricket Club at Seiffert Oval – Opened in October 2019
- The Soccer Amenities at Cookbundoon – Opened in October 2021
- The Football Amenities at North Park – Opened in June 2023
- The Lighting Upgrade at Seiffert Oval (visible from space) – Opened in July 2016
- The Goulburn Regional Hockey Fields (massive) Upgrade – Opened in March 2022
- The CBD Paving – Commenced 2015 (estimated)
- The replaced Median Strip and Fake Grass in Auburn St – Completed March 2021
- The Council Workshop Upgrade – Commenced 2020/2021 (estimated)
- The New Council Stores and Archive Facility – Opened 2017/18 (estimated)
- The New Council Hetherington St Depot (that was **supposed** to be funded by the sale of the Bourke St Depot) – Opened 2018/19
- The numerous Toilet Blocks
- The numerous Gym Parks
- The numerous Dog Parks
- The numerous Waste Management Centre/s Upgrade Works
- The numerous New Footpaths
- The May St Bridge Upgrade – Opened October 2020
- The New Pump Track – Opened September 2023
- The BMX Track Upgrade – August 2023

According to the Morrison Low report **"**All new infrastructure generally carries **hidden costs.** The rate cap does not allow for the new costs associated with the operation, maintenance, renewal and depreciation of new assets, and Council has to fund these additional costs through its existing budget. Over time these costs eat into Council's sustainability as it funds more and more new asset costs from its **existing budget".** This comment was provided by Morrison Low despite Morrison Low also pointing out *"The Local Government Act sets out the following principles which are the foundation for sound financial management: -*

- *Spend **responsibly** and **sustainably,***
- *Invest in **responsible** and **sustainable** infrastructure,*
- *Have **effective financial** and **asset management,***
- *Have regard to achieving **intergenerational equity."***

GMC also failed to quantify the impact of these now known *"hidden costs"* which are estimated to be at a minimum as follows: -

- Loan repayments extra - $3m per year
- Depreciation expense extra - $2m per year
- Salaries and wages extra - $2m per year
- Insurance premiums extra - $300k per year
- Electricity and St Lighting extra - $1m per year

- Maintenance extra - $1.2m per year

(C) Despite GMC being aware of its obligation to fund the rehabilitation of its waste management centres more than likely from their inception no concerted effort has been made to adequately prioritise funding the eventual rehabilitation. As can be seen below the requirements have been reported within the annual financial statements each year even though the amounts have varied along with the year the rehabilitation is likely to occur. The provision for this essential expenditure has come at the cost of the projects/facilities listed above.

Asset remediation -	Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip															
Tip Provisions	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Goulburn Tip	1,634	1,795	4,545	4,607	7,005	6,132	6,275	5,293	5,386	5,467	5,549		5,687	11,702	11,878	12,074
- Estimated year of restoration	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2032***	***2035***	***2034***	***2035***
Marulan Tip	139	621	664	639	681	526	537	756	769	780	792		818	1,822	1,850	1,883
- Estimated year of restoration	***2011***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2050***	***2041***	***2052***	***2041***
Tip Replacement Reserve balance	-	-	-	-	-	-	130	243	243	188	188	263	263	263	200	131

Author name: K. Shaw

Date of submission: Tuesday, 5 March 2024

Please write your submission below:
As a Goulburn resident I cannot afford the rate rise & see absolutely no need for it. This is just pure greed by the council. I strongly plead with you not to approve it. Thankyou.

Author name: k. smith

Date of submission: Friday, 8 March 2024

Please write your submission below:
we just simply cant afford it and council continue to make stupid financial decisions , i truly believe they are out of their depth with decisions being made ,and dont care what the people of the town needs are there is a small percentage that use the facilities and every major build has been over budget , but just stumble along to the next one and want more money , an administrator would be better till the next election takes place ,

Author name: L. Divall

Date of submission: Tuesday, 27 February 2024

Please write your submission below:
I dont believe that GMC requires such a drastic rates increase when they hold nearly $100 million in cash investments. Is this amount of holdings standard for a Council of this size? Have they attempted any type of cost savings before slugging rate payers? They have a very large office staff & not enough outdoor workers, are there productivity savings to be made there now Councils are pushing on line contact & the DA lodgement Portal? The previous GM spent vast amounts of money on infrastructure in Goulburn such as the Performing Arts Centre & Swimming Complex at the expense of the villages in the Shire, and in Marulan where I live all development has been halted till 2025 at the earliest as the water & sewage systems are at capacity so we are already paying rates on substandard services. Everyone accepts that there must be rate rises annually to maintain services but the amount GMC is asking for seems extortionate.

Author name: L. Howarth

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Not happy with the council decisions. Your decision will force our family into bankruptcy, we are already struggling with everyday bills and daycare and before school n after school and vacation care fees and now you go and do this on top. No wonder people decide they have had enough and cant see a way out of life and take their life its sad cause I see a lot of people that do this type of stuff and Its cause of decisions you guys put forward. Not all of us are graced with a good paying job.

Author name: L. Miller

Date of submission: Wednesday, 13 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
I am concerned about the financial accounting, reporting and management of Council funds, as the following example shows confusion and mis-information being provided to Councillors and ratepayers. On 14 December 2023, the Director Corporate & Community Services Goulburn Mulwaree Council presented the Draft Financial Statement for 2023 to the Mayor, Councillors and the CEO. The Director provided a Summary which included a definition of the Cash Expense Cover Ratio as (presented to Councillors at 22:05 minute into the Goulburn Mulwaree Council meeting of 14 December 2023) is quote: Cash Expense Cover Ratio basically means that if we didnt get any more income in how long would our cash cover our expenses? His PowerPoint slide indicates that Goulburn Mulwaree Council is in a strong financial position where it could operate for more than 2 years (26.47 months) without the need for any increase revenue generated by the SRV. However, in his reply to a ratepayer who asked for clarification, the Director wrote While the Cash Expense Cover Ratio is above the 3-month benchmark, it still stands at less than 12 months. If the Director responsible for the financial management of all Goulburn Mulwaree Council's finances and contradicts himself when explaining the Cash Expense Cover Ratio, one would have to assume that there are other 'errors or false information being supplied to IPART as part of the Goulburn Mulwaree Council's SRV submission. I am happy to provide IPART with the Director's response to me when I asked for clarification.

Author name: L. Miller

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
It was with deep dismay that I received and read the open letter from Mayor Peter Walker that arrived in my letterbox in September 2023. I have closely studied Council's Long Term Financial Plan (LTFP) and the Morrison Low background paper, and my conclusion is - Whats the problem? I would attach the relevant documents, but they exceed your attachment file size limit (the LTFP file is 14mb). Still - IPART has them as part of Council's SRV application. The following points stand out. In the background paper produced by Morrison Low: On page 3, Morrison Low note that In the six years to 2021/22, the average operating performance ratio of NSW councils has steadily declined from 9.8% in 2016/17, to 1.5% in 2021/22. However what they do NOT report is that the operating performance ratio for Goulburn Mulwaree for that same period has remained healthy. In Councils Long Term Financial Plan, page 8, the table clearly shows a healthy OPR, year on year for that same period. Whats the problem? The open letter suggests that the SRV is necessary because the General Fund (GF) must achieve break-even year on year, separate to the Water Fund (WF) , Sewer Fund (SF), and Domestic Waste Fund (DWF). Indeed, the Morrison Low background paper states on page 11 Under the base case, Council will experience deficits every year of the forecast period. But this is not strictly true, and the Morrison Low tables and charts are misleading. For the GF only, theres a deficit in the Operating Result Excluding Capital only, but the bottom line figure for the GF is in SURPLUS EVERY YEAR. (LTFP page 30 Total Comprehensive Income). So whats the problem? Furthermore, according to the LTFP, Accumulated Surplus on all funds (Consolidated page 28, GF page 31, WF page 34, SF page 37, and DWF page 40) are all very healthy indeed. So whats the problem! One recalls the famous Old Testament dream of Joseph, who advised Pharaoh to hoard in surplus years, so that Egypt could avoid famine in deficit years (Genesis 41). So Council has the opportunity to easily use its accumulated surplus to tide over the next few lean years. In fact, according to the tables on pages 28 and 31 of the LTFP, the Accumulated Surplus is forecast to GROW over the next ten years, according to the consolidated base case (and remain fairly steady-state for GF), without the need for an SRV. This can easily absorb the additional cost of Initiative Expenses described in Scenario 1 and Scenario 2. No problem. Council makes various expenditure forecasts for WF, SF and DWF (page 13 of the LTFP). They forecast steady-state increases of around 3% per annum. Assuming that WF, SF and DWF are subject to the same economic conditions as GF, why is it only the GF that is forecasting a huge increase in costs and an alleged deficit? A note on cost of borrowing (LTFP pages 21-23). It is disingenuous to claim that cost of borrowing is a factor in increased costs. Many projects nominated by Council in the Long Term Financial Plan were commenced and completed a few years ago (Eg GPAC, Aquatic Centre, Walking Track are three examples, completed in either 2020/21 or 2021/22). Cost of borrowing in those years was quite low, and indeed the LTFP states Historically Council loans have been for fixed term periods and fixed interest rates to reduce the risk of exposure to variable repayment amounts (LTFP page 21). I am fairly sure that a prudent Council would have locked in a low fixed rate at the time. Notwithstanding the evidence presented in the LTFP and the Morrison Low report, IPART must also surely consider the current cost of living crisis that affects so many Australians, including Goulburn residents. To suggest a huge SRV now is seriously ill-timed, and can only lead to many residents experiencing unnecessary financial hardship. The proposal set out in the open letter circulated to all residents suggests that Council will consider three scenarios Option 1 One Year SRV, Option 2 Two Year SRV or Status Quo Maintain Rate Peg. My vote? Status Quo! I would challenge Council to produce any resident response that is in favour of either Option 1 or Option 2. As part of its community consultation in late 2023, Goulburn Mulwaree Council invited community responses via an online survey. It received 1900 submissions. By its own admission, Council reported that 98% of responses were "no thank you" to the SRV proposal. At the time of writing (14th March 2023), a community-led petition against the proposed SRV has currently collected almost 7000 signatures AGAINST the proposal - a significant proportion of Goulburn's population. In 2024 NSW will hold both State and Local Government elections. We will elect individuals who, on the basis of a democratic society, are meant to represent the views of those who have voted for them. SO PLEASE LISTEN TO THE COMMUNITY, AND MAKE YOUR DECISION BASED ON THE WISHES OF THOSE REPRESENTED!

Author name: L. Miller

Date of submission: Sunday, 17 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
In September 2023, Goulburn Mulwaree Council advised it was going to make a submission to IPART for a Special Rates Variation (SRV). I obtained a copy of their proposal and were shocked. Council advertised the holding of various community discussion group meetings around the area. I attended one in Goulburn. It involved small group discussions split between the few councillors who were there on the day. The councillor I met with incidentally was opposed to the excessive increases proposed in options 1 and 2. Throughout the community engagement process, I perceived Councils disinterest in actually meeting with and listening to the concerns of its ratepayers and its process of going through the motions of community engagement and putting a tick in the box but not really caring what the community had to say and being ready to go ahead and do what they always intended anyhow. The Council says in its submission to IPART that it successfully carried out community engagement. This is not true as the Council disregarded the overwhelming number of ratepayers (92.5% - their own figure) who protested against the Councils proposed increases and have gone ahead anyhow with their lazy, ill-thought out and punitive proposal. I note that the final submission made by Council to the IPART is for a Special Variation (SV) to permanently increase rates by 22.5% in 2024/25, 16 % in 2025/26 and 6.4% in 2026/27. These figures add up to 44.9% over the 3 years but cumulatively, to 51.2%. Council confuses the reader by not explaining this cumulative effect but uses the figure of 51.2%, without explanation, in its submission to the IPART on pages 15 and 23. I strongly oppose these proposed increases as most people would not be able to afford such large, lump sum jump in their rates during these difficult high cost of living increase times. There are many other less severe options that could be considered. I also note that in the group of Council submissions on the IPART website, Goulburn Mulwaree seeks the highest variations and by some margin. I understand that the expected Government-capped 3.5% rate increase may be inadequate but only presenting two options is restrictive and was counter-productive to perhaps getting a community consensus on what might have been an acceptable increase above the capped rate. I found the consultant's report and recommendations, while containing lots of pages, were superficial, restrictive and lacking in proper and pertinent detail. I understand that there is a problem possibly not having enough Council-generated income to pay for all of the Council's outgoings such as water, sewerage, rubbish, roads and other infrastructure maintenance, etc. The recent years of higher inflation and above normal deterioration to roads, has meant that the capped rate increases have now left a possible shortfall in Councils expected income. The consultant's report does not really properly identify this shortfall or how it was calculated. A 'pluck' of 40% is given by them. There is no detail on what the extra 40% is in dollars or specifically how it would be broken down and used to pay for Council's responsibilities. For example, what is the expected wages bill for all Council employees and what, if any, pay increases are being considered - especially with regard to the already high-cost individual General Manager and Directors' salaries. Before the high inflation of the last few years took hold, the capped rate increases were adequate to allow Council to meet its obligations and as such, there has been no previous need for a SV submission. The previous Council managed successfully and it is only since the ruling junta of the new Council of the last few years has been in power that they have been unable to manage. This mismanagement and profligacy has been translated in to making this excessive SRV to slug the ratepayers. Council also does not mention how it would manage such a large increase in revenue. Its current staffing levels only just manage now and the additional contractors and tradesmen needed to spend the additional funds would be very difficult to source in the already labour-strapped Goulburn district. Suggested Alternative to Councils Proposal. I recommend that IPART direct Council to apply a rate increase that is fair and reasonable such as annual CPI and/or Rate Peg increase whichever is higher, and not their arbitrary and excessively punitive proposed rate hike and Council must improve their 'community engagement' with the majority of ratepayers.

Author name: L. Miller

Date of submission: Sunday, 17 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
I do not want IPART to approve the Goulburn Mulwaree Council's application for a 51.2% rate increase over 3 years. I have attached a file outlining my objections based on the lack of Community Engagement and transparency relating to the: 1. information in Council's Application 2. late notification and random distribution of community engagement meetings prior to councillors voting on the SRV application 3. lack of transparency and communication from Council relating to the IPART review and approval process, including the opportunity for Ratepayers and residents to provide feedback. Council did not listen to 92% of ratepayers feedback prior to submitting their application and continue to not listen to the impact the SRV (no matter what level the increase) will have on the local community (residential, commercial and rural). The common narrative from Council is that if the SRV application is rejected, up to 28 council staff will lose their jobs. NEVER have they thought about or published a community impact statement should their application be approved. NEVER!

IPART SUBMISSION – COMMUNITY ENGAGEMENT

I am a Goulburn ratepayer and resident and fervently object to the Goulburn Mulwaree Council's Special Rate Variation submission to IPART. My reasons for objecting to council's SRV application specifically relate to their lack of Community Engagement. The facts are listed below:

- Council's notification of their Community Engagement meetings was sent to some but not all ratepayers and was dated after 2 of the early meetings had been scheduled and conducted.
- The late notification of meetings, combined with the random distribution of letters resulted in only a small percentage of all ratepayers being informed of Goulburn Mulwaree Council's Community Engagement schedule.
- Council changed the location of one or more of their Community Engagement meetings, BUT FAILED TO INFORM RATEPAYERS OF THE CHANGE! One ratepayer had to call the Council office to find out why the Mayor, Councillors, CEO and non-elected council leaders were not in attendance at the published venue. She was told the venue and the times had been changed earlier that day.
- Council's own records show that they received 1,900 ratepayer feedback submissions from their community engagement meetings. Over 1,700 were advising Council to limit their rate increase to the base rate. Council have ignored the collective voice of over 92% of ratepayer concerns and objections.
- The Goulburn Ratepayers Action Group are petitioning to the NSW Legislative Assembly to reject our Council's SRV Application. To date they have collected the signatures from 7,821 petitioners. They have also been joined by over 110 business throughout the Goulburn Mulwaree district who are also collecting signatures for the petition.
- The Mayor, CR Peter Walker has spoken on local radio stations:
    - Initially informing listeners that signing the petition is futile
    - THEN changing his story by stating that everyone has the right to their own opinion.

  THEN in a public display of anger in a Goulburn Café, he wrote on the petition form …'DO NOT SIGN – LET THE PROCESS RUN IT'S COURSE!' and [redacted]

- While collecting signatures, I and a number of other volunteers were told by approximately 20 people identifying themselves as Council employees that "we want to sign your petition but have been informed that it is a breach of our Code of Conduct'.
- On March 11, I sent an email to the Goulburn Mulwaree Council's CEO (Mr Aaron Johansson) requesting he confirm that Council workers have been 'gagged', or forward a copy to me of an internal communication informing council workers that they have the right to express their own opinion without any detriment to their careers.
  To date I have not received any reply from the CEO.
- Goulburn Mulwaree Council pulled all references to their SRV application from their website immediately after they voted to submit the SRV application on November 22, 2023. Since then, there has been no mention of the SRV, or IPART's process for public feedback UNTIL the Ratepayers Action Group shared (on their website and through Facebook) what Kempsey Council had published on their website to keep their ratepayers and residents in-the-loop about the approval process. They also provided an 'SRV Calculator' so that Kempsey people could calculate the impact of their SRV and start to budget accordingly.

From the above, it is obvious that the Goulburn Mulwaree Mayor, Councillors, CEO and non-elected leaders of Council do not listen or represent the views, concerns or issues raised by ratepayers and residents. They have been totally unprofessional in the in the notification and broadcasting of their community engagement activities, as well as being negligent in not providing any communications about the SRV Application and approval process. The lack of Community Engagement and transparency throughout the entire SRV process should be enough for IPART to reject the Goulburn Mulwaree Council's SRV application for a 51.2% rate increase, and limit any increase to annual CPI or Rate Peg increases (whichever is the highest) for the next 3 years.

Author name: L. Miller

Date of submission: Wednesday, 13 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 1: Need for additional income Goulburn Mulwaree Council (GMC) does not need a 51.2% SRV but GMC does need to rethink and redo their budget taking every measure available to them into consideration. GMC needs to undertake a comprehensive two-way consultation process with the local community and provide factual financial information in a clear and easy-to-read manner to ensure a fully informed decision can be made by the community and ultimately, the councillors because this current budget and SRV process has not delivered on this. Please refer to point (A) in the Attachment for details. Once the information is provided by GMC the community and councillors can use it to understand why and how GMC now purports to be financially unsustainable by $10.7 million per year to come up with a solution more palatable to the majority of stakeholders than this proposed 51.2% SRV provides for. Once the community and councillors are fully aware just how much a certain facility or service costs to run each year and if there is no capacity or willingness to increase revenue or no capacity to decrease costs then this may provide an opportunity for an informed decision to be reached in consultation to cease the operation of such a facility or service or even part thereof at least until GMC is financially viable again. Given this 51.2% SRV is going to impact all ratepayers to varying degrees if it comes to fruition and there isnt an opportunity for ratepayers to opt out of paying rates (without losing ones house after 5 years for unpaid rates) there needs to be serious consideration given to increasing the fees and charges associated with the new and upgraded facilities and services that have been created in the last 8 to 10 years so the burden is at least more fairly attributed to the users of such facilities and services that are obtaining the benefit. Please refer to point (B) for an example. Consideration needs to be given to the National Competition Policy in conjunction with facilities provided by GMC and the local community. Please refer to point (C) for an example. GMC and Morrison Low continue to use cost shifting as an excuse for the need for this SRV yet GMC has taken on state funded facilities without ongoing grant funding. Please refer to point (D) for an example. The correct application of accounting standards especially in relation to assets need to be applied. Please refer to point (E) for details. The required level of unrestricted cash verses the projected levels of unrestricted cash within GMCs proposed SRV and the Morrison Low recommendations. Please refer to point (F) for details. The reclassification of almost half of GMCs internally restricted reserves to unrestricted cash. Please refer to point (G) for details. Application of the provisions available within the Local Government Act 1993 need to be considered. Please refer to point (H) for details. A wholistic review of the Goulburn Waste Management Centre (Tip) Rehabilitation is required. Please refer to point (I) for details. It must be noted that in the base case budget put forward by GMC there has been no provision at all made for revenue initiatives. Please refer to point (J) for details. Likewise, consideration needs to be given to the discrepancy between the proposed SRV and the base case budget put forward by GMC in relation to the expenditure initiatives being $14.8 million less over the 10-year period within the base case budget. Any positive outcome reached from impending changes to the financial model and rate pegging methodology and potential future funding re cost shifting must also be considered here to prove GMC does not need a 51.2% SRV. Please refer to the attachment accompanying this submission alternatively I look forward to providing further information and insight when requested to do so. Linden Miller

Submission to Goulburn Mulwaree Councils (GMC) 2024/2025 51.2% SRV –

Criterion 1: Need for additional income

Attachment

(A) The following financial information needs to be disclosed to the community and councillors: -

- The upfront cost of all projects/facilities (new and upgraded assets) completed in the last 8 to 10 years (listed by date of completion) along with how they were funded,
- The ongoing running cost of all these above projects/facilities (new and upgraded assets) completed in the last 8 to 10 years broken down by operating expenditure (split up by employee costs, materials and contracts, electricity, insurance, plant, and other – with material items listed separately), maintenance expenditure (split up by employee costs, materials and contracts, electricity, insurance, plant and other – with material items listed separately) and depreciation expense,
- The annual income produced by each of these projects/facilities (new and upgraded assets) completed in the last 8 to 10 years split up by income type,
- The initial costs of all new or upgraded services implemented in the last 8 to 10 years listed in commencement date order,
- The ongoing running cost of all these above new or upgraded services commenced in the last 8 to 10 years broken down by employee costs, materials and contracts, electricity, insurance, plant, and other – with material items listed separately),
- The annual income produced by each of these new or upgraded services commenced in the last 8 to 10 years split up by income type,
- The list of all other services provided traditionally by council along with their ongoing running costs broken down by employee costs, materials and contracts, electricity, insurance, plant and other – with material items listed separately and the annual income produced by each of these split up by income type.

Provision of the above information would not be an impost on GMC's resources as this information already exists in the financial system.

(B) For example, the new amenities now provided at numerous sporting locations around the GMC LGA need to be costed and these costs recouped via the sports levies payable each year by the different sporting clubs to GMC so that these facilities break-even on GMCs bottom-line. This would allow for a fairer distribution of costs on the community as the bearer of the costs can either opt in or out by choosing to use or not to use the facilities i.e. by choosing to play sport or not to play sport. This also opens a better avenue for the community to support those in financial hardship as clubs can run fundraisers to raise funds to pay the fees for those that genuinely can't afford to play conversely, fundraisers aren't run to pay for a ratepayer's rates who is in financial hardship as this largely goes unnoticed and the consequence of which can lead to homelessness. This also takes into consideration intergenerational equity as users of the facilities will change over time hence the collection of fees will match the users at any given point in time.

(C) For example, the newly upgraded Aquatic and Leisure Centre which is projected by GMC to operate in the 2023/2024 financial year at a considerable loss of $2,187,996. This amount has been referred to in the Morrison Low report as the *"hidden costs"* associated with new and upgraded assets but now these amounts are known, as the facility is up and running, and are heavily impacting the financial sustainability of GMC the community should be entitled to have a say in ways to decrease this burden. In light of the *National Competition Policy* in the very least the gym facility should be leased out at a commercial rate, so it provides for a clear income only stream to GMC as does the café located within this facility. I am sure all gym owners within the GMC Local Government Area are not happy with the fact that their rates are going to go up to cover the increased costs now associated, at least partially, with operating a council funded and run gym that is in direct competition to their own business.

(D) Whilst GMC may have received some grant funding for the hydrotherapy pool to be built initially, and production of the information re point (A) above from GMC to the community and councillors will provide evidence if this was the case or not, it is now the ratepayers that must fund the ongoing operating, maintenance, and depreciation expense for this facility every year. One can only imagine how much it would cost just to heat this pool to its 35-degree daily average. It may therefore be decided by the community and councillors that if state government does not provide an ongoing operating grant to fully fund the operating, maintenance and future renewal cost of this portion of the facility then this pool needs to be emptied (hopefully by topping up the other pools within this facility so as not to waste water hence more money) and the doors locked at least until such time as GMC has sufficient excess income to fully fund its reopening.

(E) The correct application of accounting standards whereby assets that have been renewed during the year have a corresponding write off for the replaced/renewed asset still in the asset register to reduce the duplication of depreciation expenditure year on year needs to be reimplemented instead of waiting for the next formal asset revaluation which can take up to 5 years. As does the correct allocation of natural disaster damaged infrastructure expenditure as this has been expensed via the profit and loss statement according to the financial statements over the last few years which inevitably duplicates the expenditure going through the profit and loss statement as in future years after these assets are revalued, they will again be expensed via the profit and loss statement via depreciation expense.

(F) Another significant reason GMC does not need a cumulative 51.2% permanent rate rise is shown by the significant unrestricted cash levels being accumulated year on year within GMCs own projections. Within the presentation (available on GMCs website) provided to GMCs councillors prior to the September 2023 meeting by Morrison Low it is clearly stated by the presenter at approximately 4 minutes and 20 seconds in relation to the unrestricted cash amount *"as a bit of an indicator that number should be around about $16 million"* which under this exorbitant 51.2% permanent rate rise is achieved within 3 years by 2026/2027 and grows exponentially to just shy of $74 million by 2033/2034. This means GMC is planning to take in the very least an additional $58 million unnecessarily out of the pockets of ratepayers during a cost-of-living crisis over the ensuing 10 years to presumably just sit in their bank account accruing interest when it could be being used to pay ratepayers mortgages and to put food on their tables. A couple of years beyond this time frame this amount will rise by an additional $3 million per year once the 15-year $23.2 million worth of loans have been repaid that were taken out in 2021 to fund the Performing Arts Centre ($8.3 million) and Aquatic and Leisure Centre ($14.9 million) without consideration being given to intergenerational equity being a period of 30 years for large infrastructure facilities according to the Morrison Low presentation to councillors.

(G) Considering the unrestricted cash levels within GMCs budget projections in conjunction with the 2022/2023 and numerous prior years audited financial statements almost $10 million of the $19.3 million cash funds held within the internally restricted allocations (reserves) should be reclassified to unrestricted cash. This would still leave the unrestricted cash balance at an amount higher than it has been since 2016 within the base case budget.

(H) Application of the provisions available within the Local Government Act 1993 will provide a major avenue to recoup a significant amount of funds that will drastically reduce the loan principal and interest repayments currently in the budget's put forward by GMC and will discourage any further borrowings from being incurred by GMC at least until GMC is financially viable. This in turn will have the added benefit of also impacting significantly less ratepayers or members of the community which can only be viewed much more favourably for the community as a whole.

(I) GMC has also been making annual profits well in excess of $2 million from their waste management services (non-domestic) for a number of years now and this year being 2023/2024 the profit is projected to be $3.7 million. This profit has not been accounted for within the audited annual financial statements as required under the *National Competition Policy* which would have allowed for transparency to the community and councillors that this was and is occurring. First and foremost, these additional funds should have been allocated to future capital works pertaining to the waste management centres to eradicate the need for borrowings hence increased costs of facilities on ratepayers and the purported $1.25 million per year required to rehabilitate the tip should have been placed into the tip replacement reserve from these profits for when this expenditure falls due. Despite not having utilised these funds in the best interest of the local community there is another annual funding source to cover almost half of this required $1.25 million-dollar annual amount that is currently being paid by the Domestic Waste Management ratepayers of GMC and sitting in the cash reserves of this fund if only GMC staff would read and comprehend their own financial statements.

Kylie Newton

Author name: L. Miller

Date of submission: Wednesday, 13 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 2: Community awareness and engagement The community awareness and engagement process undertaken by GMC has left the community with more questions than answers. Please refer to point (A) for details. The recent history of GMCs communication with the community, media, councillors, government bodies, etc portrays a very contradictory position to this SRV. Please refer to point (B) for additional information. The information relied upon by GMC to inform the community in fact advises the community what GMC was obligated to do but didnt do resulting in why GMC is now purportedly financially unsustainable. Please refer to point (C) for additional information. GMC have blamed Rate Pegging as a reason why GMC is now financially unsustainable, but they have failed to inform the public what specific decisions GMC have made that render this to be true. Please refer to point (D) for additional information. Furthermore, GMC has failed to inform the community that GMC receives a substantial Financial Assistance Grant every year to counteract the impact of what the Rate Capping/Pegging legitimately does not cover. Please refer to point (E) for additional information. GMC provided 4 cost-shifting Key impacts on Council but failed to quantify the extent of these in dollar terms to justify the need for this SRV and failed to inform the community that these expenses are also covered by the Financial Assistance Grant. Please refer to point (F) for additional information. GMC failed to inform the community of the special submissions GMC has submitted regarding the cost-shifting expenses incurred to the NSW Local Government Grants Commission to seek additional funding. Please refer to point (G) for additional information. GMC has failed to inform the ratepayers where the money in the bank has gone. Please refer to point (H) for additional information. Mine and my husbands lived experience re this SRV process: - Please refer to point (I) for additional information re each of these experiences Read the information provided by GMC, Wrote a response requesting additional information to answer numerous questions relating to the information that had been provided by GMC, Attended the drop-in session at Towrang which was pointless, Added a comment on one of GMCs Facebook posts on 7 October 2023 to inform the community of the extent of the SRV in total dollar terms as the only information GMC had provided was individual category averages which is a tactic to hide the real impact this is going to have on certain rateable properties. Council responded by removing the whole post, Wrote a few posts containing pertinent information taken directly from GMCs website namely GMCs SRV documents, GMCs agendas and minutes, GMCs audited financial statements and annual report, and GMCs integrated planning and reporting suite of documents to properly inform the local ratepayers and to bring attention to the facts that have not been forthcoming from GMC throughout this process, Sent an email to GMC on 21 November 2023 querying the massive non-domestic waste management profits being made. The only response received in relation to all the above from GMC was an email from the [redacted] Numerous complaints around town of how GMC are treating people and GMC are engaging in scaremongering practices. Please refer to point (K) for additional information. Further to this I put in a submission to GMCs 2023 Audited Financial Statements on 29 January 2024 asking relevant questions to gain relevant information to write this submission when it became available. I received a response on the 5 March 2024 divulging no information will be provided. Please refer to point (L) for additional details. An abundance of generic and wrong information has been provided by GMC during the consultation period, and the Scenario 3 budget was not provided until it was released by IPART. Please refer to point (M) for additional information. Honestly, what chance did the ratepayers of GMC have of becoming fully informed about this SRV or being allowed to engage in the hope of being able to offer alternative opportunities to counteract GMCs financial situation that would be more feasible and more palatable to the ratepayers other than this SRV. I look forward to providing the balance of my information and insight to IPART when requested to do so.

Submission to Goulburn Mulwaree Councils 2024/2025 51.2% SRV –

Criterion 2: Community awareness and engagement

Attachment

I have read that it is not within the purview of IPART to *"assess the merits of council spending decisions"* nor is it within the purview of IPART to perform an *"audit"* of the council but it must be within the purview of IPART to ensure GMC has adequately communicated the reasons why they now need to apply for a special rate variation along with ensuring GMC has provided ample opportunity for the community to discuss and put forward alternate solutions other than just having this exorbitant 51.2% rate increase forced upon them.

(A) The information in the Morrison Low *"Special Rate Variation – Community Engagement Plan"* along with the presentation Morrison Low provided to GMC councillors was nothing more than a coaching exercise to ensure the bare minimum was done to "tick a box" to satisfy this criterion for GMC's SRV submission to IPART. This is evidenced within the *"Community Engagement Plan"* by Morrison Low as they provided the IAP2 Spectrum of Public Participation model which has 5 levels of engagement however, GMC was only required to, or alternatively, only chose to implement the first two i.e. *"inform"* (aka "TELL") and *"consult"* (aka "TELL") to supposedly comply with the requirements under IPART's submission process. Furthermore, prior to the council meeting in September 2023 a presentation (available on GMCs website) was provided to councillor's whereby towards the end of the presentation the presenter from Morrison Low advised in relation to community engagement *"it is about making the community aware of what council's proposing NOT really seeking approval. It's really a matter for council to make that decision"*. Just as it has been council's decision to increase GMC's asset base by at least $80m since being deemed *"Not Fit"* i.e. being deemed financially unsustainable as shown in the *"Fit for the Future"* review done back in 2013/14 (which was published on IPART's website on 20 October 2015) resulting in additional operating and maintenance expenditure of at least $10m per year ongoing.

(B) GMC had already planned, projected, even promised back in 2014/15 to make decisions and implement financially sustainable practices to fix councils then financial sustainability problems (which can be seen within the report on IPART's website) so it must be asked was this information provided at that point in time just to avoid amalgamation with no actual intention of implementation, inevitably leaving no alternative but to force a future special rate variation onto the local ratepayers?

Since 2014/15, the various mayors and previous General Manager have spruiked about how much money GMC had in the bank to all and sundry and at every opportunity they had despite their financially unsustainable status.

GMC provided business cases to the Office of Local Government and TCorp outlining how GMC could afford to build the Performing Arts Centre at an initial capital cost of $18.95m in approximately 2019 and the Aquatic and Leisure Centre at an initial capital cost of $29.8m in approximately 2020. These business cases were done as per the requirements of the Local Government Act 1993 for projects over $2m that aren't critical nor essential works and more importantly so as GMC could take out $6.3m worth of internal borrowings from GMC's water and sewer funds for the Performing Arts Centre with the Minister's Approval and to secure low cost borrowings of $14.9m from TCorp (something that wasn't allowed to happen unless a council was deemed financially sustainable) for the Aquatic and Leisure Centre along with a further $2m borrowed from TCorp for the Performing Arts Centre.

These above examples of information provided by GMC (in extremely recent times) to themselves and each other, government bodies and most importantly the local community and ratepayers must not be ignored and must be considered as part of the community awareness and engagement GMC has had with the public.

(C) Regarding the information provided by GMC to inform the community council provided a report from Morrisson Low. Within this report Morrison Low state *"The Goulburn Mulwaree Council ('Council') financial position is unsustainable at the current levels of expenditure and income"*. Morrison Low stated in their report that "Council *would* be negligent of its statutory obligations if it *were* to ignore this". They then go on to say *"Council has made decisions" … "in the best interests of"* trying to get the Ratepayers and Residents of Goulburn Mulwaree (Community) to believe Council has acted within the Local Government Acts sound financial management principles and objectives to date. Morrison Low points out these objectives "are not negotiable". Morrison Low offers the consequence for Councils that fail to meet these principles by stating *"the government may intervene in council operations"* and offers up the Central Coast as an example. In Morrison Lows report they deflect by blaming *"other external influences"* (aka cost-shifting, inflation, etc) and *"legislative restrictions"* (aka Rate Pegging) for GMC's financially unsustainable status. Morrison Low pointed out this has *"gradually led to declining financial sustainability"* hence providing our community with insight that this did not happen overnight but over a substantial amount of time. Morrison Low states *"Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains so that it is able to provide value for money to the community"*. So how, and why did council let the situation get so bad?

(D) What the Morrison Low report and GMC have relied upon but failed to inform the community on during this process is that Rate Capping/Pegging is nothing more than the equivalent of an individual's pay rise. Individuals must learn to live within their means and capacity (which means going without that what you cannot afford or suffering the consequences) as do other Businesses so why does Council think it is any different. The following provides the decisions GMC have made that have led to the "Rate Pegging" amount now being deficient: -

- New assets are allowed according to the Local Government Act if they are purchased/built, maintained, and operated (lifecycle costing) within the sound financial management principles and objectives which according to Morrison Low *"are not negotiable"*. According to the Morrison Low report *"All new infrastructure generally carries hidden costs. The rate cap does not allow for the new costs associated with the operation, maintenance, renewal and depreciation of new assets, and Council has to fund these additional costs through its existing budget. Over time these costs eat into Council's sustainability as it funds more and more new asset costs from its existing budget"*. These two statements by Morrison Low are completely contradictory because if GMC had of been procuring new and upgraded assets in line with the *"not negotiable"* Local Government Act 1993 sound financial management principles then they would not have been built rendering these *"hidden costs"* obsolete. Both GMC and Morrison Low have failed to inform the ratepayers of the extent of these hidden costs which include at a minimum the following: -
  - Loan repayments extra - $3m per year
  - Depreciation expense extra - $2m per year
  - Salaries and wages extra - $2m per year
  - Insurance premiums extra - $300k per year
  - Electricity and St Lighting extra - $1m per year
  - Maintenance extra - $1.2m per year

- Service level improvements have according to Morrison Low on behalf of Council increased overtime with some service level changes delivering a net benefit but the vast majority ultimately costing Council more. The above insight of Council re new assets can also be considered here as not costing the impact on Councils financial sustainability prior to implementing such changes is outside the "not negotiable" requirements of the Local Government Acts principles and objectives that provide the foundation for sound financial management. Again, the excuses put forward by Morrison Low re "the economic climate has changed post COVID-19. The high level of inflation is impacting the cost of materials and contracts", "Serv(ic)ing and paying back loans is becoming more costly" these are not impacts specific to Council and all Businesses and even Ratepayers own households have had to come to terms with the changes now afoot and proactively adapt to ensure their own financial sustainability going forward.

(E) Furthermore, GMC and Morrison Low have failed to inform the community that to counteract the impact of what the Rate Capping/Pegging does not cover for individual Councils each Council is given an amount from the Federal Government via the State Government known as the Financial Assistance Grant. In 2023 – 2024 Goulburn Mulwaree Councils Financial Assistance Grant allocation is $6,825,005 and this amount increases year on year. Every Council in NSW has the opportunity to make a special submission to the NSW Local Government Grants Commission *"to present information on the financial impact of inherent expenditure disabilities beyond its control that are not generally recognised in the current methodology.*" This in turn *"allows the Commission to adequately consider all legitimate factors that affect councils' capacity to deliver services."* Morrison Low and GMC must not have this level of knowledge as the excuses they have put forward in relation to rate capping that it *"does not recognise some cost increases councils experience, nor does it provide that some councils will experience cost increases higher than the average due to location or other events."* This is because to do so would result in double dipping as these factors are already provided for in the Financial Assistance Grant and subsequently, GMC receives funding for these already.

(F) The Morrison Low report provided the following Cost shifting expenses as *"Key impacts on Council have included:*

1. *ARIC – internal audit program using external/internal resources*
2. *Emergency Service Levy*
3. *Crown Land, Plans of Management, Compliance reporting*
4. *Cyber Security"*

However, Morrison Low and GMC failed to quantify any of these expenses to support the need for this SRV and failed to inform the public that these expenses are also funded by the Financial Assistance Grants received every year by Council.

(G) GMC failed to inform the public of the special submissions Goulburn Mulwaree Council have provided to the NSW Local Government Grants Commission in the past to seek additional funding as part of GMC's share of the Financial Assistance Grant which presented information on the financial impact of inherent expenditure disabilities beyond Goulburn Mulwaree Councils control that were not recognised in that years' allocation methodology. Obviously, the Ratepayers of Goulburn Mulwaree already know why the GMC did not make any submissions to the Commission for additional grant funding was because the *"financial impact of the inherent expenditure disabilities"* were well and truly within Goulburn Mulwaree Councils control i.e. the procurement of an additional at least $80m worth of new and upgraded assets that now need to be operated, maintained and depreciated (which equals renewed) at a cost of at least $10m per year instead of maintaining and renewing councils existing asset base at the most financially opportune time.

GMC and Morrison Low have failed to advise the ratepayers what the exponential impact has been due to the additional at least $80m worth of asset additions/upgrades eg loan repayments, operating and maintenance costs that GMC procured outside of the *"not negotiable"* requirements of the Local Government Acts principles and objectives that provide the foundation for sound financial management. Please refer to list of "hidden costs" estimated amounts above for this ongoing impact.

(H) Morrison Low and GMC also failed to inform the ratepayers that on top of these additional annual expenditure amounts the actual amount of cash GMC utilised to fund at least in part the capital acquisition of the additional at least $80m worth of assets since 2014/15 GMC has acquired. Funds that were planned to be utilised for the ongoing maintenance of and renewal of GMC's existing asset base as per GMC's annual financial statement projections within GMC's annual audited financial statements since 2014/15 and the projections provided to TCorp back in 2014/15 to overcome GMC's financially unsustainable position.

(I) Considering the very small timeframe GMC made available for *"community awareness and engagement"* specifically in relation to this SRV process the following was mine and my husband's lived experience: -

- Read the information provided by GMC,

- Wrote a response requesting additional information to answer numerous questions relating to said information provided by GMC titled *"GMC's Ratepayers & Residents Rebuttal to the following Morrison Low Report: - Goulburn Mulwaree Council Background Paper: The Special Rate Variation"*. Along with emailing it to GMC it was sent to councillors, the Goulburn Post, the Local Member particularly as the Shadow Minister for Local Government and Small Business, the Goulburn Chamber of Commerce, the Office of Local Government and to Morrison Low themselves. Responses from the Local Minister and the Office of Local Government both advised they could not intervene with the SRV process and recommended sending it to your local council and councillors,

- Attended the drop in session at Towrang and spoke with one of the councillors, asked the councillor some of the questions from the letter previously written to GMC as the councillor said he had read it, requested the councillor to write down some questions he could not answer to take back and obtain answers to which he replied *"I will not do that"*, my husband and I had to convince this councillor during our discussion that the proposed special rate variation was PERMANENT because he kept insisting it wasn't, I wrote down a summation of the outcomes of what we discussed with this councillor during our conversation and later read it to him. I asked if it was a true statement and he advised "Yes" I then asked him to sign it and the councillor said *"No, I won't sign that because you're not going to make a scapegoat out of me"*,

- I added a comment on one of GMC's Facebook posts on 7 October 2023 stating *"Yes, the huge increase equates to an additional $112.5 Million for the first 10 years under scenario 1 and $108.7 Million for the same period under scenario 2. Keeping rates increases on the current path will already provide Council with an additional $9.8 Million over the next 10 years. If the* *proposed special rate variation gets approved the actual increases could be considerably higher if Council has underestimated the future rate peg amounts within its 10 year long term financial plan calculations to date. I would be extremely surprised if they overestimated the increases."* I put this on GMC's Facebook post because GMC were not informing the community of the total actual impact this SRV was going to have on GMC ratepayers as the only information GMC had provided was individual category averages which is a tactic to hide the real impact this is going to have on certain rateable properties hence ratepayers and it will be too late once ratepayers receive their next annual rate notice with their new increased amount on it to do anything about it. Suffice to say council's response to this was to simply remove the entire post from their Facebook page and then proceed to choose the option of *"Goulburn Mulwaree Council limited who can comment on this post"* for all future Facebook posts. Funnily enough GMC's current *"Towards 2042! Have your say"* post even comes with this adage – consultation at its finest "NOT".

- Wrote a few posts containing pertinent information taken directly from GMC's website namely GMC's SRV documents, GMC's agendas and minutes, GMC's audited financial statements and annual report, and GMC's integrated planning and reporting suite of documents to properly inform the local ratepayers of Goulburn Mulwaree and to bring attention to the facts that have not been forthcoming from GMC throughout this process,

- Sent an email to GMC on 21 November 2023 asking, "Why does the gbn tip make $2 million profit per year" … "after stating part of this SRV will be to cover the cost of the rehabilitation to the tune of $1.25 million per year…how many times does this community have to pay for the same thing?" Just for clarification purposes the 2023/2024 year has budgeted for a $3.7 million profit for its waste management centres (non-domestic waste) and GMC has not previously disclosed this information within their audited financial statements as per the requirement to do so under the *National Competition Policy*.

(J) Apart from the automatic replies the only response received in relation to all the above from GMC was an email from the [redacted]

(K) From this reaction by the CEO it is not hard to believe the other experiences being discussed around town whereby business owners and their staff are too scared to come forward publicly and say anything against this SRV as they truly believe they will lose GMC as a customer, that GMC staff have been [redacted] with losing their jobs if they speak against this SRV or even sign the community's petition which has been made more real as the union has commenced holding meetings with GMC staff members to discuss impending service reviews and restructures, the scaremongering of what services will be cut (which have been touted without any consultation with ratepayers), the lack of responses being provided by GMC to community members, the interactions or indeed lack thereof from the councillors with the community in relation to this SRV even leaves one contemplating if they themselves are under some sort of duress.

(L) Further to this I also put in a submission to GMC's 2023 Audited Financial Statements on 29 January 2024 asking relevant questions to gain relevant information to write this submission when it became available. The information sought was to: -

- ensure the correctness of some parts of the financial statements that could potentially reduce the operating deficit considerably,
- request the addition of certain inclusions (required under the *National Competition Policy*),
- request certain changes to allow for greater understanding and insight for the intended readers,
- obtain the breakdown of certain expenditure items by fund to quantify expenses being relied upon by GMC to substantiate the necessity for this SRV.

I received no initial response from GMC, so I sent another email one month later being 29 February 2024 to request an expected timeframe for the requested information to which I received a response from the CEO on the 5 March 2024 with the following excuses as to why the information was not going to be provided: -

- *"My understanding is that Council's Governance Team has already provided a significant amount of financial information to you."* To this I state the information provided by governance was merely the past audited financial statements that are required to be made available to the public on each council's website, but it seems this requirement does not extend to GMC.

- *"The additional information you have requested is considered to be significant and would create an unreasonable burden on council resources."* However, most of the information requested would have been in the workpapers to the financial statements and could have just been emailed directly or at worst emailed after deleting one or two columns from the workpaper. In addition to this there would be workpapers within the budget package that could have been easily accessed and emailed. Alternatively, GMC stated as one of their cost saving strategies that they had reviewed the electricity accounts for all council premises so they could have emailed that to be referenced. This action taken by the CEO is just stonewalling [redacted] as they are not being open nor transparent with the community despite just advertising their "*2024 Customer Service Charter*". The following is two of the requests for additional information requested of GMC: -

1. *"I would like to request the breakup of Electricity expense by Fund (with supporting written evidence) as this expense is only disclosed within the financial statements as a consolidated figure. Given this expense item has been used by both councillors and executive staff members of council as being a main contributing factor for the need for council to apply for such a large SRV it is essential that actual figures pertaining to the General Fund are provided to the public to allow for complete transparency.*
   I have provided below a consolidated comparison of Electricity expenditure from 2008 to 2023. Without the provision of a breakup by Fund it is impossible to determine if the percentage increases are greater than or less than these consolidated percentages for the General Fund.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electricity (Consolidated)	791	882	986	1,070	1,224	1,316	1,230	1,119	966	1,087	1,050	1,413	1,419	1,302	1,354	2,214
		12%	12%	9%	14%	8%	-7%	-9%	-14%	13%	-3%	35%	0%	-8%	4%	64%

What can be seen from the above figures though is the significant increase in Electricity expense in 2019 (35% or $363,000) and 2023 (64% or $860,000). Coincidentally or not in 2019 this increase coincides with the opening of councils new Works Depot along with the new Stores and Archive Facilities, in Hetherington St Goulburn, without the proposed savings from the required and approved sale of the Bourke St Depot in Goulburn. Again, coincidence or not but the massive 64% increase realised in 2023 coincides with full year operations of both the Performing Arts Centre and the Upgraded Aquatic and Leisure Centre.

Further to this argument put forward by council there is a direct comparison within the financial statements pertaining to the cost of electricity. Street Lighting pertains to 100% electricity expense therefore if what the public are being told by councillors and executive staff one would expect this cost to have increased by this same 64% in 2023. Street Lighting is an expense of the General Fund so there is no need for these amounts to be broken up by Fund to analyse this expense item. In councils 2023 Financial Statements the Street Lighting expense for 2023 was $602,000 and the comparative figure for 2022 was $542,000 this being only an increase of 11% some 53% less than councils' electricity expense increase. Just using the consolidated data, we already have at hand to do a quick calculation this means approximately 11% of the $860,000 (being $94,600) relates to inflation/CPI and some $765,400 relates to increased services approved by councillors." Which is one of those *"hidden costs"* put forward by Morison Low in their report to justify the need for this SRV.

2. Can the missing information previously available in *Special Schedule 1 – Net Cost of Services* regarding *Emergency Services* please be provided. Again, given this expense item has been used by both councillors and executive staff members of council as being a main contributing factor for the need for council to apply for such a large SRV it is essential that actual figures are provided to the public to allow for complete transparency. As it currently sits with the information available via the financial statements it looks like council made a net profit from *Emergency Services* in 2023 and the net loss has been considerably less for the last 5 years.

Other Expenses	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Emergency Services: -	285	466	372	196	597	383	337	271	235	389	287					
- ESL			30	32		41	41	42	49	53	17	41	41	44	46	85
- NSW Fire Brigade			91	99		98	100	100	104	106	110	103	109	99	124	141
- NSW RFS Levy		303	199	205		252	264	266	289	301	309	327	301	401	394	526
Less: Operating Grant	- 163	- 364	- 324	- 296	- 225	- 245	- 354	- 246	- 214	- 192	- 150	- 181	- 228	- 260	- 411	- 620
ESL Subsidy																- 225
	122	**405**	**368**	**236**	**372**	**529**	**388**	**433**	**463**	**657**	**573**	**290**	**223**	**284**	**153**	**- 93**

- Along with "If you require any further information from Council that is not open access under the GIPA Act an access application will be required."

(M) It must also be made abundantly clear that the vast majority of information provided by Morrison Low on behalf of GMC to support this SRV was generic industry wide information that may not even pertain to GMC or at least in any significant monetary fashion and there has been considerable discrepancies and errors provided by GMC throughout the consultation period. None more so than the reported depreciation expense provided to the community in GMCs base case and scenarios 1 and 2 of $17 million per year and growing compared to what has been provided within the financial data provided to IPART of $22 million per year and growing. This was a blatant attempt to hide from the community the real impact GMCs decisions over the past years have had on this now crippling depreciation expense.

Kylie Newton

Author name: L. Miller

Date of submission: Wednesday, 13 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criterion 3: Impact on ratepayers Consideration needs to be given to GMCs historical social and community context as described by GMC in GMCs 2014/15 Fit for the Future Assessment Summary. Please refer to point (A) in the attachment for details. The facts and percentages provided and relied upon by GMC during the consultation process compared to the outcomes within their submission templates portrayed a more favourable position than is the reality as per below: 2018/19 2019/20 2020/21 2021/22 2022/23 % of overdue rates at 30 June 2.44% 3.28% 3.52% 2.83% 3.11% % of overdue rates notices at 30 June 8.40% 16.80% 15.80% 15% 16.90% Please refer to point (B) for additional information. The relevance of the data provided by Morrison Low and relied upon by GMC is out of date and cannot be considered. Please refer to point (C) for details. GMC did not consider or provide analysis for the impact this SRV is going to have on the increase on the number of rates notices unpaid as of 30 June each year or the amount of outstanding rates that are going to be unpaid. Please refer to point (D) for details. GMC failed to provide specific details relating to Business rates despite the large increases this rating category will encounter. Again, not allowing for a fully informed decision to be made by councillors. Please refer to point (E) for details. It is noted that GMC has reported no ratepayers currently have a payment plan under GMCs Hardship Policy within their submission, again within Application Part A Worksheet 12 Other Data. I would be surprised if this reported information is correct especially with respect to the last 5 years with no applications being approved given the increase in the number of reported properties with unpaid rates as of 30 June each year. Alternatively, this just could be due to no Hardship Applications being approved by GMC potentially to ensure this criterion looked more favourable for this submission. Applications under GMCs Hardship Policy are first assessed by a small committee and if it is deemed the ratepayer cannot afford to meet the proposed or required repayments under the policy then the committee members do not approve the application. The committee members then get their assessment signed off by the GM/CEO and inform the ratepayer. The ratepayer can then appeal the decision and have their application considered at the next available council meeting by the councillors within closed session or ultimately continue to be unable to pay and therefore, continue to accrue exorbitant amounts of interest and legal fees on an ever increasing debt until GMC reaches the legal time frame of 5 years worth of unpaid rates and sells the ratepayers property out from under them. This reality is going to be even more unacceptable if GMCs councillors financially unsustainable decision-making practices ultimately result in more ratepayers losing their homes. It also needs to be highlighted here that GMC is playing with semantics with the information required to be presented within this part of the submission as GMC also has a Debt Recovery Policy and in the very least this information should have been provided within Application Part A Worksheet 12 Other Data Table 12.3: Optional blank table for council to use, if it shouldnt have indeed been required to be included within the Hardship section already. GMC and Morrison Low also failed to articulately inform the ratepayers whose rates increased considerably this year being 2023/2024 due to the valuer generals revaluations and the compounding impact of these significant increases were not considered in the report produced by Morrison Low. For example, my property is just a normal residential property in Goulburn but because I live in an area that is currently within a development phase (and with the highest mortgage repayments as per the information provided by Morrison Low to GMC and the community) that has a considerable amount of current sales data hence impacting the land valuation of my property the general rate went from $2,000 in 2022/2023 to $2,600 in 2023/2024 an increase of 30% which is now going to be the new base amount for which this proposed SRV will be calculated on. Suffice to say I cannot afford the $600 increase, so I have no chance of being able to afford an additional permanent 51.2% cumulative increase on top of this and Im sure I wont be alone hence the 16.9% (or 2,783 rateable properties) is set to become exponentially higher. I look forward to providing the balance of my information and insight to IPART when called upon to do so.

Submission to Goulburn Mulwaree Council's (GMC) 2024/2025 51.2% Permanent SRV –

Criterion 3: Impact on ratepayers

Attachment

(A) On IPARTs own website there is a link to the results from the "Fit for the Future Assessment Summary" for Goulburn Mulwaree Council which was published on IPART's website on 20 October 2015 where the overall result for GMC was *"NOT FIT"* meaning they were deemed financially unsustainable. One of the reasons put forward by GMC at this time to avoid amalgamation despite being financially unsustainable was the fact that in a *"Social and community context"* GMC noted *"It has an aging population, with 12% of the community over 70 years old. The council has highlighted high welfare dependency, limited local education opportunities and lower socio-economic demographic as challenges for the LGA" and n*othing considerable has changed in this regard since 2014/15 to now. This information has been provided as evidence that GMC's senior staff and councillors have had fair warning and more importantly an enlightened opportunity to change the fate of GMC ratepayers but subsequently chose not to which can be seen from the balance of financial information provided by GMC within their submission and the sheer fact they believe they need to apply for a 51.2% SRV only quantifies the extent of the wrong financial decisions they have made or intend to make on behalf of GMC ratepayers.

(B) The details provided by GMC in their submission within Application Part A – Worksheet 12 – Other Data (as shown in Table 12.1 below) allows for far greater insight into the actual ability of ratepayers to pay their rates going forward than the information that was provided by and relied upon by GMC and Morrison Low within their consultation period process to inform the ratepayers. Morrison Low's report attempted to justify GMC's ratepayers' ability to pay (which they termed as "willingness" to pay) based on the percentage of unpaid rates as of 30 June each year as reported in the annual audited financial statements in total $ terms. However, these figures are consolidated dollar amounts hence not broken down by category and number of assessments which results in skewing the breadth of the impact on the number of individual ratepayers who are having difficulty in paying.

Table 12.1: Overdue notices, rebate and hardship

	Units	Hist yr -5 **2018-19**	Hist yr -4 **2019-20**	Hist yr -3 **2020-21**	Hist yr -2 **2021-22**	Hist yr -1 **2022-23**
Overdue Notices						
Number of rate notices issued by council						
Residential	No.	13,148	13,380	13,758	14,114	14,262
Business	No.	883	899	910	908	915
Farmland	No.	1,450	1,453	1,351	1,305	1,311
Mining	No.	0	0	0	0	0
Total number of rate notices issued	No.	15,481	15732	16019	16327	16488
Number of rate notices overdue @ 30 June						
Residential	No.	1,071	2,177	2,098	2,043	2,327
Business	No.	110	187	180	164	163
Farmland	No.	126	280	250	248	293
Mining	No.					
Total number of rate notices overdue @ 30 June	No.	1,307	2644	2528	2455	2783
% of rate notices overdue	%	8.4%	16.8%	15.8%	15.0%	16.9%

The figures relied upon by GMC and Morrison Low paint a significantly rosier picture than the stark reality that exists for many ratepayers of GMC. The percentages reported by GMC and Morrison Low either strategically or alternatively naively included were as follows: -

- 2018-19 **2.44%**
- 2019-20 **3.28%**
- 2020-21 **3.52%**
- 2021-22 **2.83%**
- 2022-23 **3.11%**

(C) Furthermore, the analysis and information provided by GMC and Morrison Low in relation to the capacity of ratepayers to pay (even if the statistics provided were correct the analysis/interpretation of which is somewhat questionable) must be rendered obsolete as the impact from COVID-19 and the ensuing cost of living crisis has occurred since this data was captured. Table 12.1 above shows quite clearly the impact on and the current plight of ratepayers has more than doubled going from 8.4% (or 1,307 rateable properties) having difficulty paying their rates in 2018/19 (pre COVID-19) to 16.9% (or 2,783 rateable properties) having difficulty paying their rates in 2022/2023.

(D) It must be noted this is before considering adding in the impact this proposed SRV will have on current and future ratepayers' ability, or capacity, or "willingness" to pay. This again is something GMC and Morrison Low failed to consider and therefore, failed to provide statistical data for as part of their analysis to not only inform the community of their fellow ratepayer's struggles but to also inform the councillors who ultimately had to make the decision to approve the application for this SRV.

(E) It must be highlighted that the rates payable by the business community of GMC are already at the higher end for all group 4 councils even without factoring in this SRV. The results showing the impact of this can also be more adequately portrayed in Table 12.1 above, than by the information provided thus far by GMC and Morrison Low during their consultation period with the ratepayers, whereby in 2018/19 almost 12.5% of local businesses were unable to pay their rates on time and this has increased to 17.8% in 2022/2023. The increase in rates on businesses from this proposed SRV are significant even in average terms by which GMC has only released information to the public on and thus has the real potential to force some businesses to close.

It is noted that GMC has reported no ratepayers currently have a payment plan under GMC's Hardship Policy within their submission, again within Application Part A – Worksheet 12 – Other Data. I would be surprised if this reported information is correct especially with respect to the last 5 years with no applications being approved given the increase in the number of reported properties with unpaid rates as of 30 June each year. Alternatively, this just could be due to no Hardship Applications being approved by GMC potentially to ensure this criterion looked more favourable for this submission. Applications under GMC's Hardship Policy are first assessed by a small committee and if it is deemed the ratepayer cannot afford to meet the proposed or required repayments under the policy then the committee members do not approve the application. The committee members then get their assessment signed off by the GM/CEO and inform the ratepayer. The ratepayer can then appeal the decision and have their application considered at the next available council meeting by the councillors within closed session or ultimately continue to be unable to pay and therefore, continue to accrue exorbitant amounts of interest and legal fees on an ever increasing debt until GMC reaches the legal time frame of 5 years' worth of unpaid rates and sells the ratepayers property out from under them. This reality is going to be even more unacceptable if GMC's councillor's financially unsustainable decision-making practices ultimately result in more ratepayers losing their homes.

It also needs to be highlighted here that GMC is playing with semantics with the information required to be presented within this part of the submission as GMC also has a Debt Recovery Policy and in the very least this information should have been provided within Application Part A – Worksheet 12 – Other Data Table 12.3: Optional blank table for council to use, if it shouldn't have indeed been required to be included within the Hardship section already.

GMC and Morrison Low also failed to articulately inform the ratepayers whose rates increased considerably this year being 2023/2024 due to the valuer general's revaluations and the compounding impact of these significant increases were not considered in the report produced by Morrison Low. For example, my property is just a normal residential property in Goulburn but because I live in an area that is currently within a development phase (and with the highest mortgage repayments as per the information provided by Morrison Low to GMC and the community) that has a considerable amount of current sales data hence impacting the land valuation of my property the general rate went from $2,000 in 2022/2023 to $2,600 in 2023/2024 an increase of 30% which is now going to be the new base amount for which this proposed SRV will be calculated on. Suffice to say I cannot afford the $600 increase, so I have no chance of being able to afford an additional permanent 51.2% cumulative increase on top of this and I'm sure I won't be alone hence the 16.9% (or 2,783 rateable properties) is set to become exponentially higher.

Kylie Newton

Author name: L. Varga

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
I understand that sensible rate rises need to occur in a high inflation environment along with a council that is investing into making our community a better place to live. It is refreshing to a see a branch of Australian government (including federal and state) that appreciate that the day to day operations have to be financially balanced

Author name: M. Michelmore

Date of submission: Saturday, 9 March 2024

Please write your submission below:
GMC has previously been found to be not completely financially fit for the future. Council was advised to find savings and consider a rate increase. There have been some savings. With extra funds council could participate in partnerships with neighbouring councils, matched grants, respond better to programs from State and Commonwealth governments and from industry. People may complain about current cost of living, and the affordability of a rate rise. However, at any time there will be some with genuine challenges, and some with capacity to pay but reluctance to pass another dollar to their community's council and the common need. Without a rate increase, GMC will stagnate and progressively become completely unfit for the future. The rate variation for GMC is an imperative.

Author name: N. Dillon

Date of submission: Saturday, 16 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Criteria 1: Need for , and Purpose of , a different revenue path for Councils GENERAL FUND- as requested via the SRV is CLEARLY articulated and Identified in the Councils IP& R documentation The Goulburn Mulwaree Council Revised Delivery Program 2022-2026 , Asset Management Plans and Long Term Financial Plan DO NOT reflect any GENUINE need for this SRV As a community we do not believe that Council undertook any REAL engagement or analysis to canvas ALTERNATIVES to the SRV rate rise It is suggested the course of action GMC need to take is to engage with ,and undertake a proper consultation with the community and examine services and projects which the COMMUNITY identifies as lower in priority which could be deferred until a later date when funds are available OR even set aside completely Council should immediately review the fees & charges and other revenue sources OUTSIDE of increasing every ratepayers land rates via a SRV. This may be by identifying Service Fees which more accurately reflect the ACTUAL COST of providing a specific service for example the Swimming Pool , the Hydrotherapy Pool and the Gymnasium at the new Aquatic Centre. The Goulburn Performing Arts Centre , the Showground and Sport Grounds & Facilities- are all other suggestions where a ser Pays fee adequately reflecting actual cost should be implemented . All of these facilities seem to be well used by the community , and a Fee for Service model for each facility - which adequately reflects the ongoing cost to Council- would generate substantial revenue . Whilst this may result in certain members of the community having increased fees for services they choose to use the members of the community who do NOT utilise these facilities are not subsidising services that they do not require via the Proposed Special Variation and Minimum Rate Increase It may even mean looking for new sources of revenue - in areas which have previously not been explored to any great degree- such as introducing car parking fees , hire of Council building or gardens etc for private events - such as weddings , and hosting events which have not traditionally been explored- such as Picnic races or major sporting events . It is not suggested Council should necessarily implement these specific example, but they should explore additional revenue opportunities which have not been considered previously . THE GMC LTFP WORKSHEET 10 -- lodged as PART A SRV Application, Income Statement BASE CASE SCENARIO (pg 3) - clearly shows that with some innovative thinking , utilising the SAME Initiative Revenues , INCLUDING the same Gains on selling Assets, and using initiatives savings to reduce expenditure to the SAME LEVEL as the figures used in the PROPOSED SRV SCENARIO (pg 1) -the result would see Goulburn Mulwaree Council having a very viable & sustainable future- WITHOUT a SRV. . The True test of any business long term viability is always its Cashflow position When you look at the CASHFLOW Statement BASE CASE (Pg 4) it shows Significant levels of Unrestricted Cash of $9.2 million in 2024 raising to $40.9 million in 2034. More so again if you take into account Internally Restricted Cash being about $14 million in 2024 and raising to $24.4 million in 2034.. Keeping in mind that some of the Internally Restricted Cash Reserves could be reassigned to UNRESTRICTED cash if the need arose and/ or a specific project no longer progresses. Some "internally restricted" project funds have remained unused for upwards of 3-4 years . This would only require Councillor to pass a Motion to release the relevant Internally Restricted Cash funds , back to Unrestricted Cash. We FURTHER do not believe that the Community would consider that the proposed SRV should be FUNDING A MASSIVE rise in CASH RESERVES to be held in the GF by Council According to Council Proposed SRV Cashflow (pg 2-3) Council Unrestricted Cash reserves would rise from $4.6 million in 2023 to staggering $73.97 million in 2034. If this is the Case it CLEARLY shows that GMC DO NOT require a SRV as normal rate peg increases , other revenues , initiatives and assets sales would adequately fund any additional expenditure that has been proposed. The additional rates raised by the proposed SRV are clearly NOT being used on operational costs such as insurance and the emergency services levy, or even on road maintenance or footpath replacements as Council would have us believe . NO , the additional rates raised by the SRV are primarily just being put into a bank to boost the Unrestricted Cash Levels to truly exuberant amounts. This is both difficult and unfathomable to comprehend , at a time when more then a few members of our local community can hardly make day to day ends meet. Thanking You Nina Dillon Bachelor of Business (Accounting) Dip Financial Planning and Former Councillor GMC

Author name: N. Dillon

Date of submission: Sunday, 17 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
2. Evidence that the community is aware of the NEED for and extent of a Rate Rise To be truthful, the Council Community Awareness Process has been nothing short of a sham From the moment MorrisonLow presented their "Special Rate Variation - Community Engagement Plan" - to GM Council on September 23 stating " It is about making the community aware NOT seeking approval " Council and most Councillors made little (if any) attempt to actually ENGAGE in genuine Community CONSULTATION . Council were very aware that they did not need to take the residents VIEWS and PREFERENCES into account at all In the end , our Council (and most Councillors) gave the entire Community Consultation process JUST the level of attention that was necessary to meet the Dept of Local Government criteria - ie that the community had been INFORMED Council WOULD be applying for a SRV. To say that Council made the Community AWARE of the REASONS, NEED and EXTENT of any proposed Special RATE RISE - during community consultation - is DEFINITELY NOT TRUE. The level of two way Communication afforded to the wider community by the Council, and the degree with which they took the process seriously , is shown by the fact that ALL Community Consultation Meetings took place in the two weeks between 27 Sept and 11 October . This coincided with the Sept/Oct SCHOOL HOLIDAY. It also centered around the OCTOBER LONG WEEKEND . It was also during the time of the Federal Govt "Indigenous Voice to Parliament Referendum" - with the vote taking place on 14 October A sceptical person may interpret that Council had deliberately chosen this time - in the hope that as few people as possible turned up to ask any questions at all ! The confusion continued when Council opted to post ratepayers a letter outlining WHEN the Community face to face meeting would be held . Many residents letter arrived days AFTER the Drop In session for their community had already been held. Some residents never received a letter at all . Councils 1st Written Advertisement letting the Community know of the Community meeting was printed in the Goulburn Post on 27 /9/23 Windellama - a rural community 64.5 km from Goulburn - meeting was run from 4-6pm on Wed 27 Sept - the same day GMC placed their first advertisement. My own meeting was scheduled for 12-3 pm on Wednesday 28 Thursday . My letter had NOT arrived . Most Parkesbourne residents work during the day - so the midday time was not convenient - even if residents knew about the meeting . The 2 meetings for the Goulburn Community - 25,000+ people - were scheduled to take place in the WALKWAY of a local SHOPPING CENTRE - one on Friday 29 Sept between 2-5pm immediately before the LONG weekend , and the other on Friday 6 Oct 2-5 pm . The initial SRV Proposal - provided at my drop in sessions is attached . It had obviously been prepared in a hurry - as Council omitted to advise that the SRV would be Permanent . I note that the SRV Proposal document submitted with this GMC SRV application has been UPDATED on page 1 -above the Scenarios " If endorsed this increase will be permanent ."" I am unsure when the document was updated - but many in the wider community were unaware that the SRV Application would be permanent . Council DID NOT , and still HAS not -explained THE NEED FOR THE SRV to the Community. Instead we have been told the same well worn "Reasons " that were rolled out by the consultants in earlier SRV Applications they had successfully prepared We are told this SRV is required due to Volatile inflation , The Covid Pandemic , weather events , Emergency Service Levy and other State Government Cost shifting ... a vague list that looks like Propaganda GMC Financial Statements , Cash flow Statements , Infrastructure Backlog Ratio and even the actual reports GF Reports designed to explain the SRV - all showed a viable Council in a Healthy Financial Position Councillors nderstanding of the reason s for the SRV- At my meeting - the resident in front of me asked a Councillor what had happened , why had the Council had gone broke? - the Councillor stated - "Its because the former Mayor &CEO spent all the Council Money Obviously - this Councillor had NO IDEA why the SRV was being applied for! At the Towrang Meeting - a Councillor told residents all to "Go Home - its a done deal and you are wasting your time" A third Councillor said he was unaware of any SRV need until Sept 23 meeting - and still cannot make sense of it When Council encouraged Residents to lodge submissions to tell Council their preference on the SRV - MOST interpreted this to mean they had some control and SAY in the SRV application . When the Results were published - advising 92.50% of the respondents opted for NO SRV - to retain the Base Case Rate Peg Scenario - most residents assumed the matter was finished and Council would not apply. Most Residents still have no idea WHY

GOULBURN MULWAREE COUNCIL

Special Rate Variation Proposal

How did we get here?

Under the rate peg set by the State Government, Goulburn Mulwaree Council is delivering infrastructure and services to meet the demands of a growing population. This has, however, become increasingly challenging in recent years. A truly volatile inflationary environment, the COVID pandemic, and recent weather events have increased Council's costs faster than revenue growth, causing extreme budgetary pressure. Costs are out-stripping revenue, resulting in Operating Deficits. Council has used cash reserves and reduced infrastructure renewal and maintenance to ensure balanced budgets, and sourced other income opportunities. Goulburn Mulwaree Council's ('Council') Long-Term Financial Plan (LTFP), adopted in November 2022 indicated the need for Council to consider a permanent special rate variation (SRV) to ensure its ongoing financial sustainability. Council has now committed to exploring the option of an SRV application. Council has not previously sought an SRV.

Where we are up to in the process?

As part of the process to clarify the need for an SRV Council engaged Morrison Low to undertake an independent financial review. Those findings are available on Council's website. At the Council Meeting held on Tuesday 19 September 2023, Council voted to start a conversation with the community about a potential special rate variation.

What is being proposed?

Council voted to take 2 special rate variation options to the community, plus the status quo, or base case which relies on the rate peg set by IPART each year.

Scenarios	2024-25	2025-26	Cumulative
Base Case - Rate Peg*	3.5%	2.5%	6.1% (over two years)
Option 1 - One - year SRV (including rate peg)	43.5%	2.5%	47.1% (over two years)
Option 2 - Two - year SRV (including rate peg)	25.5%	20.5%	51.2% (over two years)

Note: Cumulative amounts are expressed as required by IPART and only go the end year of the SRV. Black excludes rate peg percentage.
* % increase assumed as yet to be announced.

(No – Never was)

What will change on my rates notice?

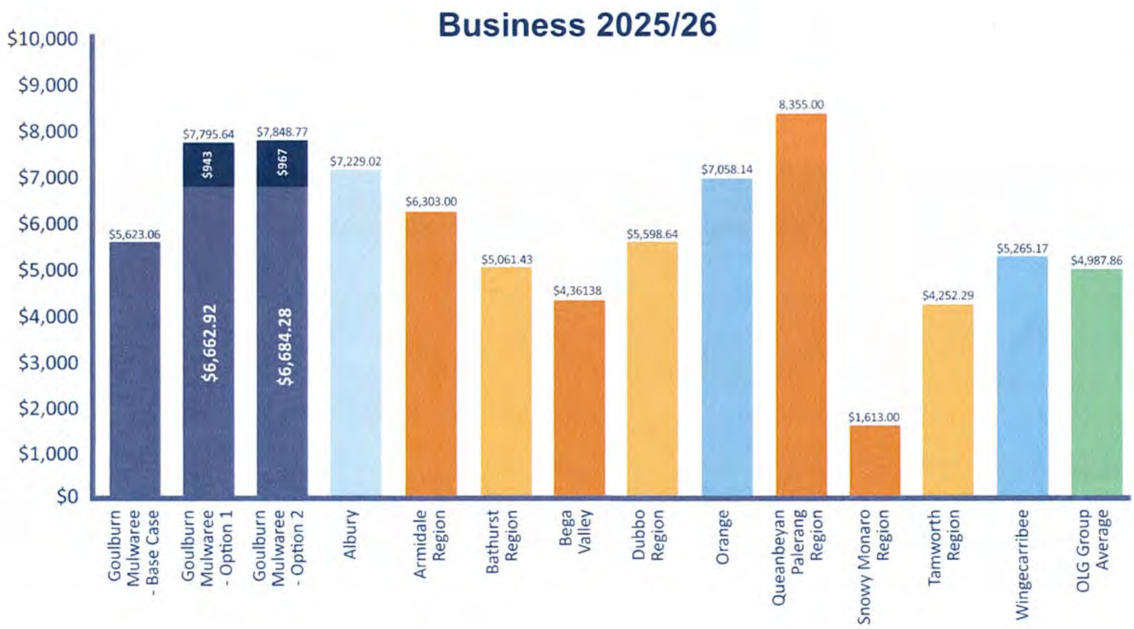
The SRV applies to the general rate charge. This is the base rate and land value (or ad valorem) charge on your rates notice. It does not apply to garbage or general waste, sewerage, stormwater, or water charges.

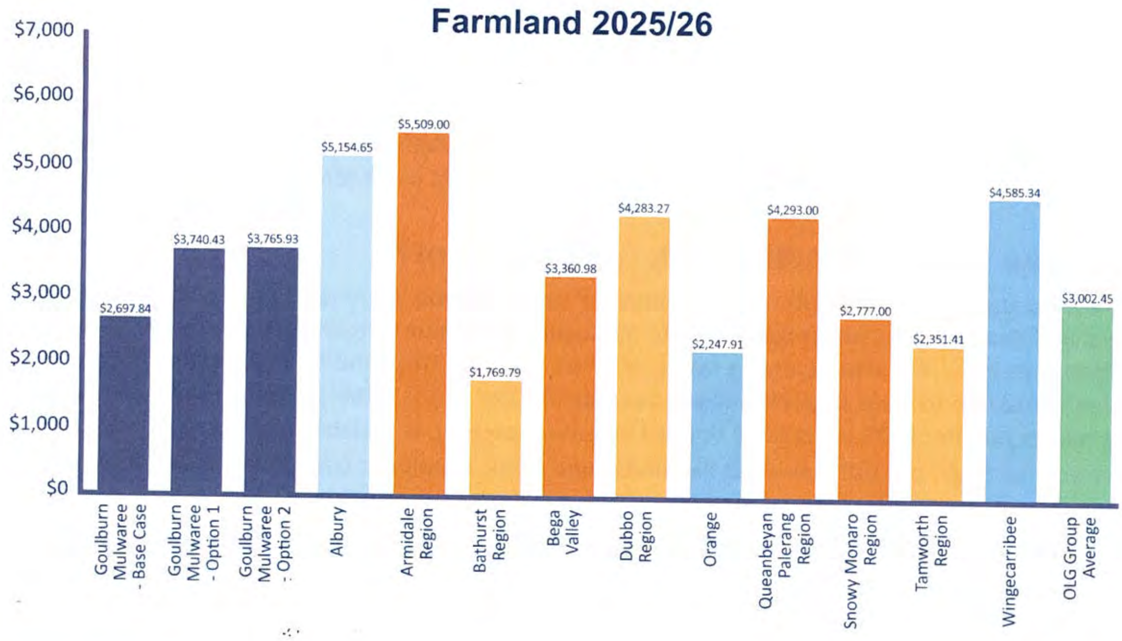
The impact on an individual's rates will be different depending on the unimproved land value of their property.

How do our rates compare with similar Councils?

The Office of Local Government groups similar Councils for comparison purposes. Goulburn Mulwaree Council is in Group 4 with 25 other Regional Town or City Councils. This group of Councils represents a diverse cross section of geographies and communities across New South Wales, including Albury, Dubbo, Bathurst, Orange and Queanbeyan-Palerang, as well as coastal Councils including Byron, Ballina and Eurobodalla.

FIGURE 1





What will the Goulburn Mulwaree SRV be spent on?

Council relies on what the residents of the Goulburn Mulwaree Local Government Area want it to spend money on in terms of services and infrastructure.

The proposed special rate variation will enable Council to:

- Increase maintenance of Council's Road network
- Invest in cyber security upgrades for Council's technology systems
- Adequately resource the Community Facilities team to maintain and manage Council's parks and open spaces
- Deliver current services and maintain assets to the community
- Ensuring financial sustainability in the longer-term
- Fast-track renewals to improve infrastructure.

What has Council already done to save money?

Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains, so that it can provide value for money to its community. Council has found savings of approximately $1.179 million per year through implementing 44 initiatives, including the introduction of LED lighting, energy audit savings, haulage route reviews, and improved administration and operational processes. Going forward, Council has identified further improvement initiatives that it will implement as soon as practical providing a further annual net benefit of $1.4 million per year, with one-off implementation costs of $1.7 million. Some of these initiatives include review of strategic asset management, continual review of lighting emissions, ongoing audit of energy commitments, and use of technology to its full capacity.

Council will continue to investigate cost saving opportunities; however, cost savings alone will not be sufficient to ensure Councils future financial sustainability

If your rates don't go up what will happen

Council will need to consider options like decreasing spending in some areas or reducing levels of service provisions. This could mean mowing a park less often, less road maintenance or changing hours of operation at some facilities. If Council cannot increase its rates revenue through an SRV, it will need to cut its operating costs by around $10.7 million per year and not adequately fund its asset renewal.

Where else does Council get its funding from?

Rates make up approximately 40 percent of Council's current income. Around 25 percent of our income comes from fees and charges (e.g., water usage, waste management, venue hire fees, inspection fees, development application fees etc.); We also receive a range of grant funding. This funding is often linked to projects like upgrading a road or to help Council build a new facility like the Goulburn Performing Arts Centre. Grant funding makes up almost 35 percent of Council income, however, is variable and is project specific. Council also receives funding from other sources like fines, land sales, developer contributions and interest.

How will the special rate rise affect you?

Goulburn Mulwaree Council has 9 rating categories, so the effect will depend on where you live and the value of your property. The proposed rate rise only applies to the general rate charge. It does not apply to garbage or general waste, sewerage, stormwater, or water charges.

The diagrams below show the impact of each option on the average residential rate. All rate increase figures include the rate peg and are permanent.

SRV impact on average rates

Residential SRV Options	2023-24	2024-25	2025-26	Two-year increase (including rate peg)	Weekly increase (including rate peg)
Base Case	$1,161.45	$1,202.10	$1,232.15	$70.70	$1.36
Option 1	$1,161.45	$1,666.03	$1,707.68	$546.23	$10.50
Option 2	$1,161.45	$1,445.05	$1,719.32	$557.87	$10.73

Business SRV Options	2023-24	2024-25	2025-26	Two-year increase (including rate peg)	Weekly increase (including rate peg)
Base Case	$5,300.40	$5,485.91	$5,623.06	$322.66	$6.20
Option 1	$5,300.40	$7,605.50	$7,795.64	$2,495.24	$47.99
Option 2	$5,300.40	$6,651.50	$7,848.77	$2,548.37	$49.00

Farmland SRV Options	2023-24	2024-25	2025-26	Two-year increase (including rate peg)	Weekly increase (including rate peg)
Base Case	$2,543.03	$2,632.04	$2,697.84	$154.81	$2.98
Option 1	$2,543.03	$3,649.21	$3,740.43	$1,197.40	$23.03
Option 2	$2,543.03	$3,191.46	$3,765.93	$1,222.90	$23.52

What is a Special Rate Variation?

The Independent Pricing and Regulatory Tribunal (IPART) sets the amount Councils can increase rates by each year, which is called the rate peg. A special rate variation is a request by a Council to IPART to increase rates by more than the rate peg amount. A special rate variation can be for a single or multiple years. It can also be temporary or permanently retained in the rates base. To apply for a special rate variation Council needs to follow a process set out by IPART and formally apply for the variation and show how Council has met all of the criteria in the application guidelines

What if I cannot afford for rates to increase?

In assessing Council's application, IPART will consider the ability of ratepayers to pay their rates. Council has a Hardship Policy in place which provides a framework for ratepayers experiencing genuine hardship for assistance with the payment of their rates and charges. More information about Council's hardship assistance can be found on Council's website: https://www.goulburn.nsw.gov.au/Council/Policies?dlv_OC%20CL%20Public%20DocLib%20Global=(pageindex=3) Council also has pensioner concessions in place if you are eligible. More information is available from Council's Rates team or on its website: https://www.goulburn.nsw.gov.au/Council/Policies?dlv_OC%20CL%20Public%20DocLib%20Global=(pageindex=5)

How can I find out more and provide feedback?

Council is seeking the community's view on the proposed SRV. More information on the proposal is available on Council's website or we encourage you to attend one of the community drop-in information sessions. Send us your views by completing the online submission form, complete a form available in Council's Customer Service area and Library, or email srvfeedback@goulburn.nsw.gov.au Keep an eye on Council's website, its social media page and in local media for more details about these drop-in sessions. Feedback from the community will be gathered up until 5pm on 27 October 2023.

What happens next?

After Council has considered the community feedback it will meet again to consider whether or not to advise IPART that an application will be prepared and submitted to request a special rate variation. This meeting will be held on 21 November 2023. IPART will conduct its own consultation, with public submissions likely to be sought in March 2024, before they make their determination in May 2024.

If approved, the SRV will be included in rates from 1 July 2024. IPART has not announced the timelines for this year's application process, so some dates are approximate, based on previous years.

Goulburn Mulwaree Council

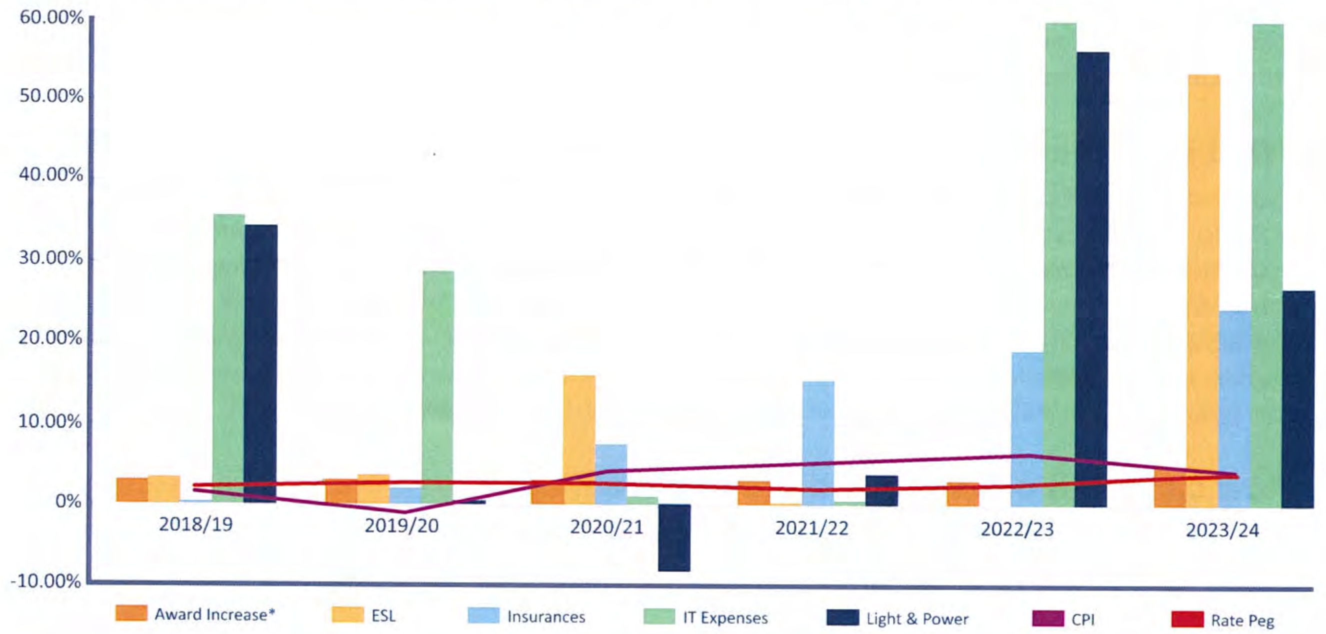
For every $100 Council spends*, on average it is allocated to:

- Almost **$55** to infrastructure
- **$16** to our Parks, Gardens and Sporting facilities
- **$14** to governance and administration
- **$7** to arts, culture, tourism and events
- **$2** to building and development control
- **$1** to heritage and strategic planning
- Remaining **$5** to a range of other services such as: emergency services levy, economic development, community services, compliance and community enforcement, community engagement and information, land and property management and cemeteries.

*Water, sewer and waste costs are not included

Rate pegging has not matched Council's operating expenses over the last six years. This can be demonstrated by the visual below.

Percentage increase in expenses v Rate Pegging 2018/19 – 2023/24



Rates comparison v 5 Major Expenditure Categories 2018/19 - 2023/24

	Increase ($'000)	Increase (%)	Average Increase ($'000)	Average Increase (%)
ESL	404	92.66%	67	15.44%
Insurances	1,002	89.46%	167	14.91%
IT Expenses	985	569.36%	164	94.89%
Light & Power	1,641	156.29%	274	26.05%
Depreciation	13,884	114.59%	2,314	19.10%
Increase in expenses	**17,916**	**120.28%**	**2,986**	**20.05%**
Rates	4,710	24.76%	785	4.13%

Author name: N. Penning

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Dear IPART, Thank you for the opportunity to make a submission on the Goulburn Mulwaree Council SRV. I've lived in Goulburn most of my life, being born here and sustaining a family and career here for my 65 years. Two of our children have recently purchased homes here, to continue their careers and hopefully families. Basically, suddenly, after many years of being 'fit for the future', GMC last year (along with a vague hint in late 2022) made ratepayers aware that they/we are not financially fit for the future. They therefore half ticked (no reasonable prior warning) the OLG criteria community awareness box. However, the need for the SRV, was based on way to many creative assumptions, on the part of the consultants, who constructed the proposal. So, I think any reasonable test would conclude this very ordinary attempt to tick this OLG criteria box, failed. The proposal also failed to establish an impact that would be reasonable on ratepayers, because the consultants based this test on dated data. No where in the real world can any customer reasonably sustain a 51% increase in any rate or fee or charge, even over 3 years. No where in this proposal, could I see the current cost of living crisis considered. Even though Local Government has been my weird hobby for a long time (and obsession for one term on Council), I have no idea if Council successfully ticked the relevant planning documentation box. But, so far they're not scoring very well, so maybe a mercy tick for this. Productivity improvements we're told have been discussed by Council, but no details have been forthcoming. I think the proposal is worthy of a 1.5 out of 5 on the OLG criteria score sheet. Of course, this SRV is more complicated than this. Local Government, particularly in regional areas, with such small ratepayer bases, is simply not financially sustainable. Local Government only survives on the goodwill of State and Federal governments. It's also important to note State and Federal governments also recognize their financial responsibilities to return some of their extensive tax revenue to their relatively poor Local Government constituent Councils. And here's 'the rub', this ongoing begging by Local Government continually demeans Local Government and annoys the [redacted] out of State and Federal government. So, I refer IPART to the online record of the Ordinary Meeting of Goulburn Mulwaree, on the 21st of November 2023, at which the SRV was adopted by GMC. Apart from the mumbo jumbo debate, on both sides of the argument, the one thing that became finally clear, was the real reason for the SRV. The State government suddenly cost shifting, back to Local Government. The school bully taking your lunch money, might be a good reason to ask your mate for some lunch money in the school playground. But this should fail every reasonable IPART test. And please IPART, or whoever is watching, thanks to rate pegging, then SRVs , surely, it's clear that ratepayers don't need this. Ratepayers need a sustainable, civilized, respected financial model for their low rate-based Regional Councils. Cheers.

Author name: N. Pidoulas

Date of submission: Monday, 11 March 2024

Please write your submission below:
Goulburn Mulware council applying for a special rate variation of 52 percent is an unspeakable outrage given the current economic climate, people are hurting financially, jobs have been lost, rents have risen, cost of living is soaring, the council has spent thousands of dollars on ridiculous projects such as a recycled sewerage irrigation system for flood plains, thousands of dollars on bicycle pathways, thousands of dollars on a new sporting complex in the flood plains of Eastgrove just to name a few. The spending cannot continue the way it is, council needs to trim the fat to be inline with community expectations given the current economic climate. Expecting rate payers to have a rate hike like this is a slap in the face of all the rate payers of Goulburn. Proper fiscal economic policies are required in future to prevent such a budget blowout in future. The disgraced head councilor responsible for the current economic woes of this council needs to be held responsible for the current debacle. i came to the realization this council does not care about its constituents a long time ago. I live in a 1 in 100 flood zone, a simple flood l levy accross the playing fields behind out properties would stop most of the annoying frloods from coming in and the nuisance they creat, when we contacted council they said it was not economically viable, but it is viable to irrigite the same playing fields with recycle sewerage effluent, and to build sporting complexes o nthe same fields, and bicycle tracks etc,etc just to name a few. No more woke idiots in council ! No more diversity and inclusivity hires, person with the most qualifications suitable for the job. When you go woke you go broke ! Sack the lot of them, install a new panel, start agaiin

Author name: P. Kemp

Date of submission: Sunday, 3 March 2024

Please write your submission below:
I believe the Goulburn Mulwaree Council has behaved in a very secretive and deceptive manner over this application for a special rates variation, which clearly does NOT have the support of the majority of residents. I received a letter dated 20th of September 2023, signed by the Mayor Peter Walker, notifying me of the application and a list of dates for "drop in centres" to discuss the matter with council members. This letter was not received until the 4th of October, when there were just 2 meetings left, one of which I was unable to attend because it was approximately 30kms away, the other seemed to have been mysteriously cancelled by council as many people were waiting at the venue, but no one from the council bothered to turn up. The options given in the letter were later rejected by the council who decided on an option "D" which had never been discussed with residents, meaning the previous 'information' meetings were largely irrelevant. Furthermore, information about the SRV has disappeared from the council's website and Facebook page, effectively hiding the fact that the council was still applying for the increase. There has already been a rate increase due to the Valuer General's recent assessment of property values, and with a cost of living crisis causing extreme hardship to local people the council should NEVER have considered this application. Almost 40% of residents do not have an external wage earner in their household, these households are made up of age pensioners, self funded retirees, single parents, and disabled persons. The average individual income for Goulburn residents (2021 Census) is lower than adjoining LGAs and most of the state at $749 (before tax) per week. The pensioners and many rural residents live on significantly less than this amount. In terms of mortgage stress Goulburn has one of the highest percentages of borrowers with negative cash flow at 90%. In an article from the Goulburn Post the local Labor Party branch labelled the SRV for what it is, "an economic abuse" and called for an independent inquiry into the reasons for the SRV. The people in the Goulburn Mulwaree Council area are already struggling to make ends meet, nevertheless the council is intent on pushing through this unecessary SRV. Council needs to re assess it's spending and focus on need, we do not need a rate increase we need the council to listen to residents and act in a responsible way during these challenging times.

Author name: P. Smith

Date of submission: Tuesday, 12 March 2024

Please write your submission below:
It is my opinion council would do better if they were to streamline their own practices. Our council has long had a reputation of wastage of Human Resources and mismanagement of projects. I would rather see a business consultation process investigating how our council could be practicing effective resource management rather than saying we want more money from an already financially stretched ratepayer that will then trickle down to rent payers thus affecting everyone who lives in this council region. There appears to be no real plans for the extra rates.

Author name: R. Bone

Date of submission: Friday, 8 March 2024

Please write your submission below:
Clearly the community speaks loud enough. Under all the extreme pressure of increases in every sector we can not afford a 53% increase in our rates. We live rural and apart from a rough and rocky dirt track we live on, have no assistance from our council whatsoever. We as a family of four all say NO to rate increase

Author name: R. Merry

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Goulburn Council is a small council with only 24,000 ratepayers. Yet it already has a $100M+ budget and claims to require 50% more to maintain services. The services it currently provides are fine and do not need a great influx of funding. The roads are OK, the new pool is good and there is nothing of major upgrade that is required. I suspect the Council's poor financial management under the new mayor and CEO, including the waste and delays for minor improvements at the rubbish tip, plus the bloated council structure is the cause. They seem to want a budget of $160M which is equivalent to the budget for cities such as Parramatta, Liverpool and Perth (where I worked for a time). Goulburn Council seems to rely a lot on extracting developer contributions and wasting money chasing landholders for minor planning issues, such as construction that falls under exempt planning rules (ie simple sheds, low retaining walls), wasting time and money (and sometimes lawyers) simply to show it's a "tough council" - a change in attitude after the 2019 -20 bushfires. And yet they seem to have one of the lowest DA approval rates in the state. A bloated planing and compliance team seemingly driven to find extra revenue is wasting more money and not a good financial strategy. The current CEO feels differently. Goulburn Council doesn't need such a large increase and certainly has not explained this to the community. A couple of brief "consultations" at the main Goulurn shopping centres - on the Friday afternoon of the long weekend and then school holidays no less - were very vocal and even dangerous at times such was the communities feeling. Yet, they ignore this response, failed to explain WHY and made the submission in any case. I suspect they expect you team will simply accept their point of view and grant the increase. I, and thousands of other ratepayers up here, hope you take a realstic look as to whether they truly need the extra funding and that it would be spent wisely for the community (not on "strategic vision" to bolster the Mayor's [redacted] and DO NOT grant the variation. Rates are hard enough out here to pay. A 50% jump over 2 or 3 years is almost unbearable for many.

Author name: R. Robertson

Date of submission: Saturday, 9 March 2024

Please write your submission below:
I strongly object to Goulburn Mulwaree Councils proposed special rate variation. From all accounts I have read Goulburn Mulwaree Council would appear to be in a healthy financial position and increases of this magnitude would be severely unjust in the current economic climate A modest increase could be justified but not what they are proposing. I would like to see Council look harder at cost cutting measures and prepare a more modest budget for the next 2 years and see what impact this has This may be a harder approach for council but would help look after their ratepayers in difficult financial Times which is one of the main reasons they were elected. I am responsible for managing a large grazing operation and in the past 12 months our beef cattle returns have decreased between 60 and 70 percent . We have simply had to adjust our spending or tighten our belts and have looked closely at our cost structure ,an approach I would like to see Council pursue. We really will see no benefit in a rural area outside of the Goulburn town limits , our roads are very average, weeds are never all sprayed on time leading to a further spread of noxious weeds for local landholders and we have a very average rubbish disposal program . Personally we will also be affected by such a large rate increase which the average ratepayer simply cannot afford with increasing cost of living pressures in regard to fuel, groceries and most consumables and interest rate increases. I feel this will drive younger homebuyers and businesses away from Goulburn as they will not be able to afford to survive with the proposed special rate variation (increased rate costs) and consumers will simply not be able to afford any costs passed on so many businesses will fold All leading to a shortsighted drop in prosperity in the local community due to Goulburn Mulwaree Council exploring more cost cutting measures. In ending my special rate variation objection I would sincerely hope IPART will look very closely at all the objections put forward and please consider it is not all about numbers of objections. Many people particularly some of the older residents may not have the computer skills or access to computers to register an objection. I have not met one resident who is in favour of a rate rise of this magnitude and also feel the consultation process with the community was flawed and rushed not giving residents time to look at all the facts properly and was merely a box ticking exercise from Council . Please look very hard at this process IPART Yours sincerely Roger Robertson

Author name: R. Saville

Date of submission: Friday, 8 March 2024

Please write your submission below:
As a former councillor on Goulburn Mulwaree Council I am astounded at the excessive nature of the submission. I do not believe that cuts to current council budgets have been adequately considered and nor do I have confidence that councillors fully understand and can actively participate in budget discussions.

Author name: S. Arcus

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Dear IPART. As a primary producer, I already struggle with the cost of running my farm. My property used to supported two families. Forward to now and my husband and I both have to work part time off farm to makes ends meet and we are now just one family on this farm. This is due to the increased cost of running our farm. Rates, fees, insurances, electricity, food, education, fuel, clothing, footwear, machinery, vehicle maintenance, human and animal health care has skyrocketed. BUT ONE THING THAT HAS NOT increased is the prices I get for my livestock! The price I get is governed by the market. I cannot demand a price for my produce. I cannot give myself a pay rise to cover the increased price of living. Primary producers already pay HIGHER amounts of rates than those who live within the city limits. Primary producers are not supplied with sewage, water or garbage services. They do not have street lights or curbing. They are not supplied with water. Road maintenance is a joke in rural areas. For example, my road might get a pathetic attempt at being graded once every three years. And thats a maybe!(Meanwhile, within the town limits, lawns, roads, parks, pathways, recreational facilities, roadsides, art studios, art works, exercise equipment and the like are all supplied and maintained for the townsfolk) My point is, we pay more and get less. MUCH less! Most primary producers do not use recreational facilities with the town limits. Farming is a physical and time consuming occupation. Farmers dont have time to linger along concrete pathways and use exercise equipment in parks while admiring ugly and expensive art works! They are busy producing food to feed those people within the town. Yes, they can use the facilities within the town limits, but so can (and they do) tourists and people who do not come from this area. There is absolutely no reason why primary produces should be paying more in the first place. If the Goulburn Mulwaree Council increase the rates by the proposed 52%, I believe this will push me and many other primary producers and small businesses in this area to go bust! The financial and mental strain will be just to much. Rural suicide is already rife and statistics say this is mostly due to financial strain. I believe this unnecessary rates hike will increase the number of rural suicide! Business in Goulburn and the surrounding area will have to put up prices to cover the increase in rates. This will decrease public spending as the general population will not be able to afford to buy their products. Rents will also increase in an already outrageously expensive market to cover the increase in the rates the house owner will have to pay. People in the Goulburn Mulwaree are already pay one of the highest amounts of rates in NSW, yet we have some of the lowest incomes and are a farming community. There is no way of increasing the local communities income to pay for a rates increase. It has been proven that the Goulburn Mulwaree Council DOES already have an appropriate budget to operate their shire if managed appropriately. They do not need to increase the rates with a special rates variation. The Goulburn Mulwaree Council need to manage their spending and work within the appropriate budget that they already have. I implore IPART to consider the well-being of our community. Consider the financial impact and the mental health impact that a 52% rates rise will have on our low income community. Please encourage our local council to manage their money better. You cant get blood out of a stone. Our community does not have the money to be able to pay more! Sincerely Sue Arcus

Author name: S. Chapman

Date of submission: Sunday, 17 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
To Whom It May Concern, I am a very concerned resident of Goulburn. I wish to address some of the points given from the IPART assessment criteria. Firstly, I do not believe that the Goulburn community has been properly informed of the rate rise, or the need of the rate rise. My husband and I went to attend the notified public consultation in the Market Place at Goulburn. When we turned up we could not find any council representatives. My husband then phoned the council to find out what was going on, and was told the meeting place for the consultation had been changed without notice. If he had not contacted the council we would have missed out on attending the meeting. It is likely that many people missed out on attending the public consultation process as there was no information from the council to redirect the public to the new the location. When we found the location for the community consultation we were asked to vote and give our opinions. As we walked out of the meeting we were approached by some people, who were clearly distressed and appalled at the 53% rate rise. Other concerned residents of Goulburn who I spoke to about whether they would attend the public consultation or not said that council will do what they want anyway, our opinion does not matter to them, this is just a formality, and why bother going. No-one had anything good to say about this rate rise. This shows the council is not reaching the people and they have become despondent, such is the council's relationship with the public. Secondly, at the consultation we were not informed about what council wanted the extra money rate increase for. My husband and I were only told by a councillor that it was for the extra expenses that council now has. I have to say that I do not believe the council has adequatedly informed both us or the public both about the rate rise, or to the reasons for such as dramatic rise. Thirdly, as for the impact on rate payers, as someone who has lived here over 20 years I dread to think of what this rate rise will mean to the financial security of the residents. Goulburn has been known to be a lower income community, and this sudden increase will be bound to bring hardship. It is unreasonable to assume that with everthing going up right now eg food, fuel, rental, morgages, etc, that a rate rise will be some how easily absorbed by the residents. Goulburn Council has also majorly increased our water rates. My first water bill when I moved to Goulburn in 1998 was $13.00. I just paid a quarterly water bill for $424.00, and this amount is equal to quarterly land rates. This may not sound like much to people with high incomes and stable jobs, but it means alot to those of us struggling. Many of us here are still suffering from the aftermath of covid, have lost jobs, businesses, or become homeless. In summing up, I understand that you need to consider all factors, and that council wants wads of easy money, but I implore you to please look more deeply into the financial impact on our community. The council may say it is fine to increase our rates, but I am telling you that such a large increase will further devastate many of us here who are already desperately struggling. I thank you for listening. With Kind Regards Sherree Chapman

Author name: S. Chapman

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
After examining 'Worksheet 10: Long Term Financial Plan' submitted by Goulburn Mulwaree Council to IPART a number of financial questions are raised. These are as follows: 1. In Table 10.1(a): Income Statement - General Fund - PROPOSED Special Variation and Minimum Rate Increase: (i) The increase in 'Rates' for each year from Year 3 to Year 10 is 3.94%. On what basis was the 3.94 percentage increase based? (ii) The 'Cash and Cash Equivalents' for the first four years are lower amounts than for Table 10.2(a) Income Statement - General Fund - BASE case scenario'. Why would this be so? (iii) Why does 'Table 10.4: Income Statement - General Fund - Hybrid case scenario' not have any amounts recorded for 'Initiative Revenue' whereas amounts are shown in Table 10.1(a) for this item? Also, there does not seem to be any 'Initiatives Revenue' on the Base Case Model Table 10.2a Therefore it is Nil on both the Base Case and Hybrid models. However, the amount of 'Initiative Revenue' in the SVR model is $3,817,937. (iv) There are 'Initial Expenses' - negative expenses (presumably cost savings) indicated on the SRV model of $29,284,177. On the Base Case this decreases to only $14,497,487. Why would this be so? Additionally, the SRV model Table 10.1(a) includes $4,219,000 in net gains from 'Disposal of Assets'. This is NOT included in either the Base or Hybrid models (10.2a and 10.3a). What is the reason for this? (iv) In Table 10.2(a) 'Initiative revenue' is not even included but the words '' used instead and no amounts are shown. Is this an oversight? (v) In all three models the 'Operating result from continuing operations' is shown as a surplus the only difference being in the amount between the three models. Does this indicate that a special variation of such a magnitude is not warranted? 2. In regards to the 'Special Variation Application Form Part B Goulburn Mulwaree Council Application Form 2024-25' report in Table 1 'Type of special variation' the 'Permanent' box is ticked. However in Table 2 'The Council's proposed special variation' only three years are indicated as having the special variation applied: 2024/25 - 2026/27. Why would the 'Permanent' box be ticked if it only applies to the three years indicated? Is this not a 'Semi-permanent' increase? However, in the SRV which is considered a special case, the increases occur over the three years: 22% from Year 0 to Year 1; an additional 15.82% extra on the Year 1 rate for Year2; and another 6..36% increase on the Year 2 rate for Year 3. Consequently, these increases are retained 'permanently' in the base rate each year going forward. The new base rate for Year 4 is the amount the rates are at the end of the Year 3 SRV. Ongoing the rate peg will apply. Is this what was meant when the 'Permanent' box was ticked? 3. In the Cash Flow Statement General Fund 'Cash and Cash Equivalents' at the end of the year for each model is: (a) SRV $29,126,744 at the end of 2024 rising to $130,893,293 in 2034 (b) Base Case model $33,742,882 at the end of 2024 rising to $97,804,085 in 2034. Why are two amounts at for 2024 identical as these figures are prior to the SRV being implemented? I wish to have full confidence in the financial information provided by Goulburn Mulwaree Council.

Author name: S. Chapman

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
General issues issues related to the SRV, Equity and the Morrison Low Report 1. Based on Australian Bureau of Statistics data for 2021, 40% of Goulburn Mulwaree households rely on welfare payments (fixed incomes). Thus, as highlighted in the Morrison Low Report (Capacity to Pay Report) the Goulburn Mulwaree LGA is not a wealthy area especially in relation to the surrounding LGAs of Wingecaribee and Queanbeyan . Therefore, as identified by the Council meeting of 21st November 2023 meeting, as well as in the Morrison Low report, special consideration must be given to the Hardship Policy and the Pensioner Concession Policy. (i) How will the Goulburn Mulwaree Council outline how these policies will be communicated to those affected? (ii) Will the amounts contained within these policies used to determine the offsets be indexed each year in line with either the (a) headline or (b) core Consumer Price Index? 2. The Morrison Low report ('Capacity to Pay') highlights that on the 'Index of Relative Socio-Economic Disadvantage' the Goulburn Mulwaree LGA is placed in the 27percentile band. Thus, approximately three quarters (75%) of all Australian suburbs are economically more affluent than the Goulburn Mulwaree LGA. Based on this compelling information how can a cumulative rise of 55% be justified? 3. In the Morrison Low report under the subheading of 'Willingness to Pay' a table shows the percentage of outstanding rates as a percentage of households for a number of LGAs over three year period. The figures provided for the Goulburn Mulwaree LGA are significantly lower (3% to 4%) than all the other LGAs. Is this a misprint? The table as is could be misleading in that it implies that because the Goulburn Mulwaree LGA has a very low percentage of non-paying households there is capacity in each household to pay significantly higher rates. Would you consider this interpretation could be made? 4. What was the rationale for the three different percentage increases in the proposed special valuation as opposed to spreading out the increases equally over the three year timeframe? Alternatively, why not have the smaller 6.4% increase in 2024-25 followed by the 16.0% for 2025-26 and 22.5% in 2026-27? By having the largest amount in the first year of implementation 2024-25 the subsequent increases are calculated on the highest rate increase. That is a 16% increase after a 22.5% increases the nominal rate payment as opposed to a 16.0% increase after an initial 6.4% increase. Was it determined that the first increase would be the largest in order to maximise the nominal rate revenue in Year 1? 5. Am I correct in assuming that consultants Morrison Low will be charging an implementation fee? If so: (i) what is the time period for full implementation? 6. What was the total cost of the Morrison Low report? 7. If the answer to question 5 above is 'commercial in confidence' then how does the cost of the Morrison Low report for Goulburn Mulwaree LGA compare to other LGAs? The SRV will have a significant impact on many of the residents and businesses of the Goulburn Mulwaree LGA. Judicious consideration needs to be given by all councillors to such a proposition. If the SRV sought by the Goulburn Mulwaree Council is approved I am most concerned about the impact on low income households. An unintended consequence is that levels of economic inequality may increase.

Author name: S. Hill

Date of submission: Thursday, 29 February 2024

Please write your submission below:
As a right payer already paying pretty good rates for this Council is this Council cant manage the funds or manage to sell off some of its assets. If its in trouble, why do we have to bail them out again? As far as I can see I voted no confidence in the whole Goulburn Council we only see them if we make enough complaints. Apart from that were just a little street in the town that no one cares. Then when you have a meeting about the rates certification and Council member tells you dont worry its going to happen no matter what anyway you tell me how this is meant to be fair for the Writer but however, I do think they need a full order of books, including the pay rises that they seem to be giving each other every time and how much they actually give into the community so therefore I say no on the variation if you think homeless people live on the streets bad now, what are you gonna do when people cant afford to pay the mortgages then we foreclose on properties hows that gonna make our economy work if the houses are foreclosed on doesnt look good for the future I think this is going to stuff up the whole of New South whiles since when does a council run and operate by itself I thought the whole idea of Council was to be representative of the people, not of what they think is best. This is why I think there needs to be enquiry into the work practices

Author name: T. Sadumiano

Date of submission: Saturday, 9 March 2024

Please write your submission below:
I do not agree with the proposed rate rise from Goulburn Mulwaree Council. Council have not provided enough incentive to those living in my local community of Lake Bathurst/Tarago for the rate rise. We have not been told how the proposed rate rise will benefit our town or what the extra money we pay will go towards to improve our local ammenities. I do not access the ammenities in Goulburn enough to justify a 50% rise in the rates I pay. I currently visit Goulburn once a week purely to shop for groceries, and believe that the rate rise will not benefit people in my situation. If the rate rise would improve services and infrastructure in Lake Bathurst/Tarago and other surrounding towns of Goulburn that people living in surrounding regional towns could more readily access, I would be more willing to consider a rate rise. With the general cost of living being almost unaffordable at the moment, a rate rise would be utterly devastating for many in our community. As a small agri-business owner, living and working in Lake Bathurst, a rate rise would stretch our finances and resources to the maximum, perhaps even further, deeming our business unviable. Feed for our livestock is increasing in price and fertiliser is basically unaffordable. A rate rise would show a complete lack of support from council for agri-businesses in the district and aspects of agriculture such as local food production would be unviable as farmers call into question their profit margins when faced with rising costs in every facet of running their business in the area, and with a rate rise, living and working in the Goulburn Mulwaree district. I firmly believe a rate rise is unnecessary and completely detrimental to those having to pay. Local business and agriculture would suffer as well as countless residents who rely on the Goulburn Mulwaree Council for support and representation.

Author name: Name suppressed

Date of submission: Wednesday, 6 March 2024

Please write your submission below:
Against submission of goulburn council. We currently get zero services provided from the council, no curbside, water or sewerage everything we have to manage on property , on top of council rates there is rural lands rates that apply to us. Council has said if we the rural rate payers don't accept the charges they will cut our services, I have asked & Angus Taylor what services are they talking they going to cut they couldn't advise. We both low income & now 1 meal a day just to pay bills rates, Vehicle's & work 40 hours each we have cut every thing there is nothing to cut, we have to manage our tight budget why is government exempt from & if they were made legally liable to stick to budget they be forced or legal proceedings would apply to those in council like private sector. 53% increase on zero services is totally unacceptable if part approve you be signing death to many that are just making ends meet.

Author name: Name suppressed

Date of submission: Wednesday, 6 March 2024

Please write your submission below:
Council's request for rate variation is excessive. It comes after almost a decade of poor financial management. This came in the form of: Excessive and improper drawing down of reserves for infrastructure development. Development of infrastructure without considering the future ongoing costs of management and maintenance. Developing a top heavy management structure with substantial pay increases, whilst failing to maintain an effective boots on the ground workforce. The Council needs to have an independent review of its spending over the last decade to understand why it has found itself in this position. Approving such a high rate variation does not fix the root cause of the problem.

Author name: Name suppressed

Date of submission: Wednesday, 6 March 2024

Please write your submission below:
As a NSW Govt employee I am aware of how funding occurs. We dont always get the funding we need from the State or Commonwealth to enhance public health services and we need to make do with what we can afford. I dont understand how our local council can justify the increase. We have lost so many private business opportunities due to poor decisions from the council, being too short sighted and not looking into the future in a holistic way at the benefits that could be created. Wakefield park is a prime example. I fully accept we need to pay rates. But what cost savings strategies has the council successfully implemented. How does our council compare to peers in comparison of their workforce FTE and cost? Are they too top heavy? If it is true what the council says that they dont get enough funding from the state, my two questions are: - there is a special inquiry into regional/rural healthcare funding at present. Why is there not a holistic inquiry into council funding? - what is the council going to do to increase revenue outside rate increases? Many councils have succeeded in improving tourism and business My last point, this council charges you to $15 to move money from water to land rates and vice versa. We get one free movement per year then the apply the charge. Its cost gouging at its worst. Its money we have paid!!!!

Author name: Name suppressed

Date of submission: Wednesday, 6 March 2024

Please write your submission below:
The increase will impact on all of Goulburn's population. I was a business owner for 10 years and did not renew my lease because of rising rents and costs. Goulburn is not a wealthy city due to a lack of industries and lost opportunities. A huge rise in rates will have a devastating impact on the community already struggling with the cost of living increases.

Author name: Name suppressed

Date of submission: Thursday, 7 March 2024

Please write your submission below:
I am a Farmer in the Goulburn Mulwaree Council Area and have read through all the dozens of documents supplied by the Council and firmly believe that the Council's Application for the Increase in Minimum Rate should NOT be approved. As a farmer I found out about this ONLY in the Goulburn Express Newspaper. Our farm is 40 Km from Goulburn and what we receive from Council is - (1) Graded dirt road a few times a year [redacted] Road is a dusty Health Hazard - I have written to Council as it should be sealed as it is each at end as a lot of cars and trucks drive on that road. (2) We take our Rubbish to the Goulburn Tip which is an 80Km round trip. Not much is it for the current Rates we pay? And to pay more, what for? With the hundred Costs of Living Rises, We Farmers do not have a Minimum Wage rise or any at all. Regards. [redacted]

Author name: Name suppressed

Date of submission: Thursday, 7 March 2024

Please write your submission below:
If this Special Rate Variation is to be approved for GMC residents and ratepayers will financially struggle, and a lot of businesses and private entities will be ruined financially. Funds have been wasted on infrastructure, particularly during Warwick Bennett's time as general manager, on big ticket items such as the Aquatic Centre and the Performing Arts Centre, and ratepayers are now being punished for those poor financial decisions. The Council needs to liaise with its ratepayers in regards to things that the town needs which will attract visitors and income. There is no point having places like GPAC when residents future rates will be hiked to the point that they can't afford to eat or keep a roof over their head. Businesses will suffer and even more stores will close, resulting in Goulburn disappearing and becoming a ghost town. Council needs to have someone independently come in and control financial funds and manage them properly, instead of punishing ratepayers who have done nothing wrong and haven't played any part in fund being wasted or mis-managed over the past 5-10 years.

Author name: Name suppressed

Date of submission: Friday, 8 March 2024

Please write your submission below:
After having our mortgage repayments increase time and time again and the exorbitant cost of feeding my family of 5 this past 12 months or so I honestly cannot begin to imagine how families within Goulburn Mulwaree will be able to absorb any further costs, particularly something this significant and life changing. I know my families circumstances are not AS dire as some but those struggling even more will be forced to make really impactful decisions. I think this needs some serious thought and given some of the information I've seen I dont understand how this is the ONLY solution that can argued as best for all parties?

Author name: Name suppressed

Date of submission: Friday, 8 March 2024

Please write your submission below:
I do not agree as we are all struggling to pay our bills and don't use any of the facilities in town as farmers. We have to take our rubbish to the tip and our roads are dirt. Every time they 'fix' it they get a contractor to do it as they sold all the council equipment. An accountant has run through the councils budgets and proved they don't need to up rates. They have all these ridiculous jobs that they pay people for but are not putting the money into where it needs to go. They keep holding ridiculous events in the community and spending our money but hardly any money spent on improvements. They knock back anything that isn't heritage so our town won't grow. I see this rate rise as a lazy way of throwing cash at ridiculous things. It's disgraceful that this will make farmers have to pay thousands more a year [redacted]. No one can afford this not even the shops in town. The shops are all closing down. No events draw crowds from outside of Goulburn that the council blows money on. No one wants trees in car spaces. Stop wasting our money.

Author name: Name suppressed

Date of submission: Friday, 8 March 2024

Please write your submission below:
This rate rise will put further residents, including myself, into financial crisis. We are already struggling with the cost of living, dont make us homeless as well.

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
I am not in agreement with Goulburn Mulwaree Council wanting an unreasonable and unrealistic increase in our council rates, they need to start considering what the people want in this town and stop wasting some of the money in their care, a lot of people not only pensioners are struggling with increasing costs that we have no control over. Our rates don't have to be increased by 51 percent over the next 3 years. They just need to manage the business a lot better than they are doing at the moment

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
Home owners in Goulburn have already suffered greatly with all the interest rate rises and are already barely making ends meet. This rate variation will destroy business and home owners. Another note is that Goulburn already fail to include thing in their Tates that other councils include and they neglect to spend money on the smaller towns in the council rather just Goulburn city itself. This rate variation will make locals move away to other councils that have already dismissed the same variation.

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
I do not support the rate rise

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
Very strongly opposed to this request from GMC. Over 90% of the community said NO however the council did not care. Salary cuts, new council members and better expense auditing should be made before this extreme measure.

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
It is disgraceful. People don't get 50% pay rise. Mulwaree council don't even provide proper service for Marulan where we live. They stopped even doing kerb side household items collection any more. They have stopped over 5 years ago. The water quality is very poor. Not portable. We have to rely on tank water or bottle water. When it rains the water is brown can't even wash clothes or have a bath. Where all the rate payers money has gone so far? Increasing the rate not going to achieve any more improvements to the local government area. People moved to regional and rural area because they can't afford to live in cities. It has to be affordable living. Mulwaree council should stop spend money on unnecessary findings and luxury projects. They have to learn to budget like every one else and stick with it. They had spend almost $400,000 refurbishing Marulan Tony onion Park. Nothing to show there. Very small minimal park. In our opinion they have wasted over $300,000 in tax payers fund. This increased has to be stopped and the mayor and the councillors need to be given disciplinary actions. They are not living in a real world. The mayor own a club/pub in town. His way of thinking business his priority. Please begging you not to give them the approval. They don't need this increased to provide the service. They have been wasting rate payers money and tax payers money for years. It has to be stopped.

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
As a small business owner of this town. I have talked to a number of other business owners. Many of whom are struggling already! Approving this rate variation will be highly irresponsible! Rates for main street occupied buildings especially, but also all other buildings around town. Will increase up to 10s of thousands of dollars. Where Are these struggling businesses meant to get this money from when there is alot of them already running at a loss at this point in time!! If ipart takes this submission from GMC seriously. I highly recommend boots on the ground here and interview some of these people. Because these rate rises are going to [redacted] alot of small family owned and run businesses. Not to mention the people who also work for them. The follow on effect will be catastrophic! GMC needs to look at the way it runs its operations first Before looking for more rates payers money! There are many times where council cars and trucks pull over on the side of the road and play on their phones and after a period of time they leave! Some of the people who are working for our council are not putting in an honest days work. And it appears no one is holding them accountable! I hope someone actually reads this and i haven't wasted my time! Thanks

Author name: Name suppressed

Date of submission: Saturday, 9 March 2024

Please write your submission below:
A 53% increase in rates is unaffordable and will drive my family out of Goulburn. The council needs to do a better job at managing their funds. This is disgraceful.

Author name: Name suppressed

Date of submission: Tuesday, 12 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
As an owner of two properties In Goulburn, this is of huge concern. Due to the interest rate increase we cannot raise our rent to help recover the repayments if this increase goes ahead. The tenants we have moved here because of the ease of living in a small country town. They bought their own business with them. However have stated if the need to increase rent they are better off to move back to Sydney suburbs. With this increase of rates you are not allowing small business the chance to financially grow and invest In our community. If this increase happens we will not be able to purchase further property and as business owners of two small local business I dont see us looking to viably grow our own business here. Which will in turn push many out of Goulburn to areas are that financially viable to live, raise children and continue to grow and invest our business back into our community. A full investigation into stagnant and inappropriate expenditure within the council should be started before any increases. The investment local council has put into certain activities that do not benefit the growth of the community should not be covered by this increase. If this council wants young families to invest their families and business here In Goulburn this is a huge mistake.

Author name: Name suppressed

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
This srv is unaffordable and unnecessary as the council is already viable. More than 92% of rate payers are against this srv but council went ahead any way! The low wages in this district can't afford this srv. We are in a cost of living crisis and farmers and businesses are already struggling.

Author name: Name suppressed

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
This srv is unaffordable and unnecessary as the council is already viable. More than 92% of rate payers are against this srv but council went ahead any way! The low wages in this district can't afford this srv. We are in a cost of living crisis and farmers and businesses are already struggling. This is just a council money grab. This srv will leave a lot of empty shops in the main street.

Author name: Name suppressed

Date of submission: Thursday, 14 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
This srv is unaffordable and unnecessary as the council is already viable. More than 92% of rate payers are against this srv but council went ahead any way! The low wages in this district can't afford this srv. We are in a cost of living crisis and farmers and businesses are already struggling. The people on this council are meant to be our voices but they have gone completely against what the community has said and what this community can afford. If this goes through Goulburn town will not survive!!!!

We strongly object to Goulburn Mulwaree Council's Special Rate Variation (SRV) proposal, i.e. 51.2% over three years, to be permanently retained within the rate base. We support the base case, which is the rate peg set by IPART each year.

Within our written submission to Goulburn Mulwaree Council (GMC), in response to the proposed rate increases, we outlined several reasons for our objection, which were echoed throughout the community in many other submissions and at public meetings. Some of our objections have been included in the overview of submissions in the Morrison Low report, dated 14 November 2023, *'Appendix G: Open-ended submission responses coding guide'*.

However, we also raised the following point surrounding s.64 and s.94 developer contributions:

> ***3. Council should not expect ratepayers to pick up any shortfall in income derivation from industries that attract imposts such as s64 or s94 contributions;***

We note that this point was not specifically covered off on within the Morrison Low report, other than in item ***1.2.1 Cost containment strategies and efficiency improvements***, where it is stated that Council has implemented some 44 initiatives including ***undertaking a comprehensive review of s7.11 and s7.12 developer contributions.***

The report goes on to state that *'Council has identified a further 42 improvement initiatives that will implement in the coming years, providing a further annual net benefit of **$1.45 million.'***

We believe that developer contribution variations have received ad hoc approval in the past and has resulted in a substantial loss of revenue for Council. One example of this was in 2018 when Council granted a ***$3.28 million*** reduction in water and sewer fees over three years as an incentive for Tribe Breweries to establish in Goulburn. It is reported that former Mayor of Goulburn Mulwaree Council, Geoff Kettle, lobbied for the s.64 contributions allocated to Tribe Breweries to be reduced by 50% due to an affirmation from the company that they would raise their staffing by a further 10 full-time employees. At the time, Geoff Kettle was employed by Tribe Breweries as their Community Liaison Officer. (See link to Goulburn Mulwaree Council media release dated 22 July 2020 below).

https://www.goulburn.nsw.gov.au/News-Articles/Tribe-Breweries-exceed-local-employment-quota

Unfortunately, Tribe Breweries went into administration in February 2023 owing around $72 million to unsecured creditors and $30 million to secured creditors, with the ATO owed about $8 million (Australian Financial Review, 3 April, 2023). In April 2023, it is reported that Goulburn Mulwaree Council would not say whether or not it was one of the unsecured creditors, however it can be safely assumed Council may be in a similar situation.

It is widely known that Councils will offer financial benefits to attract businesses to their LGAs however there needs to be thorough scrutiny as to the viability of the business before engaging in discounting rates, otherwise Councils are virtually gambling with ratepayers' money. We believe that in the case of Tribe Breweries, clearly, bigger was not necessarily better.

On the flip-side to the Tribe Breweries scenario is the Woodlands Ridge Poultry Pty Ltd processing plant application (NSW Dept Planning, Industry and Environment_SSD-9143), currently still under assessment. In the request for a response to submissions, the Department stated that Goulburn Mulwaree Council provided evidence that they had sufficient water supply to accommodate the water demand generated by the proposed development. However, Council had raised concerns regarding the water demands for the proposed development and the capacity of Council's water and wastewater treatment infrastructure to cater for the proposed development. It was understood significant sewer and water infrastructure upgrades were required to cater for the proposal.

In July 2020 it was reported that Goulburn Mulwaree Council had calculated $66 million was required for the applicant to buy into Council's water and waste water scheme that current ratepayers had already paid for. Council's (then) General Manager, Warwick Bennett stated the following:

"If this proposal succeeded, council would need to immediately increase our capacity at both the water and waste water plants, which would cost us multiple millions of dollars," he said. "We are willing to do this, but it should not all be funded by the existing ratepayers. Mr Wehbe's development would need to make a reasonable contribution if increasing the water usage for Goulburn by 18 per cent."

We support the user-pay approach to fees and developer contributions but are concerned that a hospitality industry such as Tribe Breweries was afforded a 50% reduction in contributions, amounting to a substantial discount, whereas an industry supplying a much needed food source appears, according to most recent public information, to have been given no such special dispensation. This is a huge disparity between the two industries in relation to fees required however it is noted that some negotiations may have taken place since between Council and the applicant.

Where else does Council get its funding from?

'Rates make up approximately 40 percent of Council's current income. Around 25 percent of our income comes from fees and charges (e.g., water usage, waste management, venue hire fees, inspection fees, development application fees etc.); We also receive a range of grant funding. This funding is often linked to projects like upgrading a road or to help Council build a new facility like the Goulburn Performing Arts Centre. Grant funding makes up almost 35 percent of Council income, however, is variable and is project specific. Council also receives funding from other sources like fines, land sales, ***developer contributions*** *and interest.' (Morrison Low report_page 68)*

S.94 contributions for the extractive industries in the Goulburn Mulwaree LGA are calculated on a per tonne/per kilometre basis. A Voluntary Planning Agreement can also be put in place but this is not readily available information for the public, therefore we are unable to form an opinion on their worth.

In October 2022, Goulburn Mulwaree Council advised the Department of Planning, Industry and Environment (DPIE) on the Gunlake Quarries Continuation Project application (SSD 12469087). The following statement was made in relation to the haulage route pavement assessment:

'Goulburn Mulwaree Council does not accept the falling weight deflectometer method as a reliable or accurate indicator of the remaining pavement life. This conclusion has been reached from previous experience with this method where a similar report indicated a pavement life of 15 years with the pavement to comprehensively fail only several years later. This method can avoid the multidimensional factors experienced along a haulage route. Further, pavement modifications over recent years will not be accurately reflected with this method.'

We believed this to be a satisfactory response from Council as the haulage route pavement had been in serious disrepair from the commencement of the quarry's operations (approx. 12 years at the time), and required rehabilitation which the s.94 contributions alone did not adequately cover. However, by December 2022, the following advice was provided to the DPIE:

'As a result of the continued and open dialogue with Gunlake, Council is now in a position to accept the pavement assessment methodology for the haulage route. Over the coming months Council and Gunlake will continue to refine the preferred way forward in terms of a continual pavement improvement program as well as an agreed scope of works and ongoing maintenance, however, for all intents and purposes, Council's previous concerns can now be discharged.
Similarly, both Council and Gunlake have generally accepted each other's terms in relation to haulage route development contributions.'

[redacted]

We believe that Council is in the best position to assess how much is required in s.94 contributions to cover ongoing maintenance of heavy vehicle haulage routes. The fact that yet another large business is able to negotiate Council fees, leaves sole trader ratepayers and those of small to medium businesses, at a distinct disadvantage.

In relation to the condition of the Gunlake Quarries haulage route, the overall state of the pavement has deteriorated so badly, likely due to inadequate funding for repairs, that damage to vehicles of residents and other road-users, such as blown tyres, cracked windscreens and wheel alignments, as well as noise impacts, are not only a possibility but a reality. This places a financial burden on ratepayers that would not normally be so acquired if Council had insisted on a more comprehensive assessment of the pavement condition and, in our opinion, the cost of upkeep was adequately covered by s.94 contributions.

The issue ratepayers now find themselves embroiled in is the fact that past practices by Council have led to this Special Rate Variation proposal and a 51.2% increase will permanently lie heavily on the shoulders of current and future ratepayers. We propose that along with Council's ***comprehensive review of s7.11 and s7.12 developer contributions***, that an initiative be explored and implemented that in the case where negotiated contributions are underestimated, that shortfalls can be recouped or that Council can be compensated accordingly.

The examples outlined above are what we are aware of via open source and Council's own publicly available information, however there may be more instances of fees and contributions that Council has negotiated with local businesses. In our opinion, none of these negotiations should ever have been at the expense of previous, current nor future ratepayers.

Author name: Name suppressed

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
As Goulburn Mulwaree continues to grow combined with the flexible work from home arrangements Brough in since Covid and as the greater Sydney area and Canberra become closer. Why are Goulburn residents not only being faced with a cost of living crisis but also an inflation in rates which questions justification when so many new housing developments should be paying for the councils increase in their budget. Residents of Goulburn should not be financially punished because Sydney and Canberra residents choose to relocate due to housing affordability and the ability to work from home. Regional towns should be preserved and promotion of employment for professions in these areas promoted. Such as veterinary surgeons and doctors. If housing affordability in the Goulburn Mulwaree area is the same as the capital cities, what entices these professions to support regional communities. The proposed increase will have a significant impact on our household and out town. I feel housing will no longer be affordable and residents will be forced to look for alternate accomodation elsewhere or become homeless. Please keep my identify confidential and do not publish my name or email address.

Author name: Name suppressed

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
Golburn Mulwaree council have not even looked at reducing there cost over the past 5 years , The Mayor has out right refused to look at reducing councils cost. I recommend that the office of local government review and audit their finances. Goulburn Mulwaree failed to inform the community with the Rate variation. This variation will devalue the Goulburn area and force people to buy or rent in surrounding Areas. If Rates go up, Rent will go up to cover the costs. This could slow down the growth in the Area.

Re: Goulburn Mulwaree Council Special Rate Variation (SRV) 2023

As representatives of Goulburn Mulwaree rate payers, we understand and appreciate that the role of Council is to work collaboratively and consultatively with the public for the benefit of the whole community including the underprivileged.

To restore this ethos, we wish to raise our concerns to you in relation to the flawed practices and inappropriate conduct of the Goulburn Mulwaree Council towards the public throughout the SRV introduction process. The concerns raised in this letter have been repeatedly brought to the attention of the Mayor and the CEO but have gone unheeded and indeed, been dismissed. Therefore, we bring our concerns to your awareness in the expectation that you will acknowledge and uphold the will of the people in this region. Below is a brief outline of our concerns:

SRV Community Engagement

- Council posted a letter dated 20 September, which many residents claimed they did not receive until 27 September or after the meetings had been held. Some did not receive the letter at all. The notice provided as little as 6 days to understand the implications of the SRV and present a response at one of the community drop-in sessions. These were inconveniently held during business hours and during school holidays with two scheduled on the Friday of a long weekend. In addition, meetings were held at the same time as the Voice to Parliament referendum which caused even further distraction and confusion. This reflected very poor planning.
- In one specific drop-in session (Friday 6 October 2023) the location was listed as Goulburn Marketplace between 2:00pm and 5:00pm. More than thirty rate payers congregated at the Marketplace at 2:00pm but there was no representative of Council and no notification at the Marketplace that indicated a change of venue. One ratepayer called the Council office only to be informed that the venue had changed to the Goulburn Community Centre, some 300 metres away. Some of the ratepayers were elderly and indicated quite strongly that they could not walk to the Community Centre and so missed an opportunity to meet with Council's representatives to discuss their concerns or offer suggestions.
- Notwithstanding this, the whole engagement process was presented by council representatives as 'fait accompli' and simply a 'tick-box' exercise to fulfil their requirements for the consultation aspect of the SRV submission. Of particular concern was the reluctance of Councillors and Council executives to engage with community members outside of the predetermined forums. This clearly contradicts section 2.3.1 of the Councillor Handbook 2021[1]. Subsequent feedback from the community agreed that the attitude of council was arrogant, that the SRV was 'a done deal' and that people's opinions did not matter at all.
- It has since been discovered that the IPART rules only require Council to make the community aware that it is seeking an SRV. It does not say Council has to consult or engage with the community. Council and Councillors were aware of this loophole prior to community engagement. Knowing this the Council still sought community feedback and votes, misleading the people into thinking that they could have a say.

[1] "The importance of community engagement"; "councillors should therefore spend time undertaking formal and informal community engagement" and "community engagement should not be viewed as box ticking exercise".

This explains the arrogant attitude displayed by Council of this being a 'done deal'. This whole process was conducted in a deceptive and unethical manner by Council and made a mockery of the whole consultation process. In this sense Council did not act honestly, transparently, or respectfully, breaching their Code of Conduct[2].

Impact of SRV

- The community has almost 40% of residents who do not have an external wage earner in their household. These householders comprise of age pensioners, self-funded retirees, single parents, and disabled persons. The average individual income for Goulburn residents (2021 Census) is lower than adjoining LGAs and most of the state at $749 (before tax) per week. The pensioners and many rural clients live on significantly less than this amount. In terms of mortgage stress Goulburn has one of the highest percentages of borrowers with negative cash flow at 90%.[3] Labor Party Branch has labelled the SRV as 'economic abuse' and called for an independent inquiry into the reasons for the SRV[4].
- The people within the Goulburn Mulwaree Council jurisdiction are already struggling under the financial burden of rising costs including fuel, mortgages, food, utilities, and insurances. The people are expected to manage their budgets and skimp on essentials, many not knowing whether to pay their mortgage or feed their family. The Australian Bureau of Statistics (ABS) in November 2023 indicated that our real household disposable income suffered its largest ever annual decline last financial year, plunging 5.1%. (Please see graph in Addendum 1). Nevertheless, the council is intent on pushing through with this unnecessary SRV, imposing further cost pressures on the community, despite the people's vigorous opposition. From Council's own reports, 92.5% of the people said a resounding "no" to the SRV, but this has been callously ignored by council.
- The increased economic pressures will have a consequential impact on the social and economic aspects of the community. The SRV rate rise will impact on the Goulburn property market as there has been a notable increase in residential, rural, and commercial property for lease/sale.[5] A walk around Goulburn CBD already realises many vacant premises, available for lease or sale and many businesses that are operating on reduced hours or days per week.
- A significant SRV will greatly impact local business through increased lease costs.[6] The SRV rise will considerably impact lessors and lessees. The viability of local business is important to Goulburn, as over 76% of Goulburn's district workforce works in local businesses whether their own or someone else's.[7] By contrast, they do not work in the ACT like 66% of Queanbeyan-Palerang Regional Council residents who are able to more easily sustain SRV rises, and it is fair to say Goulburn is much more reliant on local business viability.

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[2] Councillor Handbook 2021 Page 7: Conduct

[3] Mortgage Stress percentage of borrowers with negative cash flow by LGA prepared by Kos Samaras, Former Labor's Victorian Deputy Campaign Director, and Advisory Board member for the Jon Curtin Research Centre. See Addendum 3.

[4] Goulburn Post Wednesday November 15, 2023, Goulburn Mulwaree Council Rate Plan/News

[5] Realestate.com indicates there are currently 99 commercial properties for sale in Goulburn and 33 properties for lease.

[6] Lease rental increases normally based on annual CPI increase with a gap of 5% per annum.

[7] ABS Census 2021 by place of work/residence)

- Several local businesses including small retailers, hospitality and industrial operators have indicated that the SRV rate rise could force them to reduce staff by as much as 10%. This would introduce significant hardship into the local community and a loss of disposable income in the area.[8]

Poor Council Conduct at Meeting on 20 November 2023

- During the meeting, the Mayor and the CEO failed to observe council protocol when debating and upholding their strong positions on the SRV. The mayor's advocacy of the SRV made in a speech prior to voting, could only be described as barely concealed coercion. He should have stepped down and elected a new chairman instead of pushing his own agenda. The CEO discussed internal modelling around impacts on Council jobs and the flow-on effects should the SRV not proceed, but he failed to mention any corresponding modelling on community impacts or flow-on effects should the SRV go ahead. This demonstrated a lack of diligence, balance, and consideration for the community's position.
- During the meeting a couple of the speakers were spoken to in an intimidating manner, as too was a Councillor who proposed deferring the SRV. When one Councillor asked why Council was pushing for an SRV when Council is clearly viable, the CEO shut him down with confusing, diffusive arguments. Overall, highly inappropriate behaviours that bordered on bullying were displayed mainly by the Mayor and the CEO who clearly did not wish to entertain any opposition to their opinions. Even in the face of the speakers' impact statements and the overwhelming public opposition to the SRV, Council still voted to proceed with the proposal. One week prior to the meeting a Councillor was feted at a civic reception by the mayor. Events such as this are uncommon. This raises the question whether this was an attempt by the mayor to buy this Councillor's vote. The outcome of a majority vote for the SRV was unacceptable for the people of Goulburn Mulwaree, who were cautioned by the mayor to withhold their opinions and not speak up during the meeting.
- Link to Council Meeting: https://webcast1.goulburn.nsw.gov.au/archive/video23-1121.php

Misrepresentation of Council's Financial Position

- A review by an independent local accounting professional of the financial statements as submitted to Morrison Low raised several concerns. Morrison Low's report used pre-Covid census data to justify the financial capacity of ratepayers which they used to support their recommendation of the SRV. That data does not reflect the demographic in Goulburn in 2023, the sudden rise in costs of living, or ratepayers' capacity to absorb increased rates through the SRV. This was a misrepresentation of the current economic environment.
- Goulburn businessman [redacted] has pointed out that the CBD rate factor used to calculate business rates on commercial property is 2-3 times higher compared to

[8] Based on an average part time income of $35 per week and fulltime income of $1000 per week the resultant effect of the Goulburn District economy would be a loss of disposable income of $150 m.

other LGAs. [redacted] believes that when looking ahead, the proposed rate increase will be more than 50% which will make Goulburn uncompetitive and at risk of losing business opportunities to other regions[9].

- Goulburn is a rapidly developing region with a proposed number of 500-600 new households that will become an additional rate base for Council. These funds do not seem to have been considered in the Council's long term financial plans.
- It appears that Council is in a comfortable financial position and not 'struggling' as is claimed. As of 3 July 2023, Goulburn Mulwaree Council had total cash and investments of $130,513,152.77. Rather than jumping on the inflation and SRV bandwagon and unrealistically raising rates, Council needs to tighten its belt, as ratepayers are expected to do.
- A former [redacted] announced that the template and methodology used by Councils in assessing their Long-Term Financial Viability is NOT correct. He independently examined Ryde Council's financial reports and ascertained that the Audited Financial Statements are the real results that should be used in accessing the Council financial position. His comments could equally be applied to Goulburn Mulwaree and other LGAs. The current methodology is clearly flawed and is set to cause unnecessary detrimental effects on the local LGA communities.
- The Council appears to be indifferent to the economic pressures on the people and their capacity to pay the increase, although this was highlighted to Council through rallies, at consultations, through submissions and other interactions. Given Council's attitude and its vote to proceed with the SRV, it has demonstrated that it clearly does not have the best interests of the community in its sights. Council is not interested in representing the people of Goulburn Mulwaree which should be the key function of its existence.
- Council has overridden the people's feedback and has undemocratically placed itself above the people to impose its ill-conceived, implied authority. This is a grave mistake. The people are paying Council as their representatives to administer and maintain their public infrastructure and services. Therefore, the authority is and remains with the people.

Finally, with the assistance and goodwill of the Honourable Minister we require that the Goulburn Mulwaree Council repeal the proposed SRV and in its place, apply a CPI increase to the 23/24 year, which is only fair and reasonable. We would point out that many other LGAs have withdrawn their SRV proposals due to the negative social and economic impact on their local community. As a part of our case to repeal this SRV, we request a meeting at the Honourable Minister's discretion to provide more details and expand on our concerns about the SRV and other related Council practices that do not serve the community's or the Council's interests.

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[9] Business Rate comparison submitted by Mr. Paul O'Rourke from Upper Lachlan Shire Council SRV Proposal document. See Addendum 2.

[10] Sydney Morning Herald 28 November 2023. Comments in relation to Ryde Council but could apply equally to many other LGAs.

Author name: Name suppressed

Date of submission: Monday, 18 March 2024

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).
The Goulburn Mulwaree community is not a wealthy one and this rate rise would increase the financial pressure on so many, just to maintain the existing level of services. Council needs to examine its budget more closely, particularly salaries and expenditure, and reduce its spending instead.

Author name: Name suppressed

Date of submission: Wednesday, 28 February 2024

Please write your submission below:
When interest rates were on the rise, house prices were on the rise, grocery prices were increasing, fuel increased, our electricity has increased. All of these increases amounting to a large portion of our income, all necessities to keep a roof over our family or feed our family or keep our family warm. It appears that we have a council that cannot manage its budget and work productively to its income. We have great facilities but maybe council should have projected their future income and budgeted accordingly. Instead, we have seen building and increase in facilities being built that are not a priority. Self employed people buy a rental property to have as superannuation maybe they work extra hard and have two. They are now being penalized on their superannuation. It is not as easy as just increasing the rates by 51% and thinking everyone will soon forget. No they wont. They will be hit hard. What will these roses do to our community? There is going to be a significant impact on every family in our community. Those people who have worked hard enough and managed their income so they could purchase an investment property, the rent is going up. These people that are already doing it tough, they are going to be doing it tougher. Manage budgets, it is easy. You get paid the big bucks to do this. I can manage mine, council need to do the same. I dont ask anyone to pay my bills, I do not get help in the form of rebates, grants, discounts, I cop the increases and adjust my spending accordingly so I can survive. Anything to do with developments includes us having to jump through hoops and pay an absolute fortune for any development, no matter how small. Council need to go back to the drawing board and start from the bottom up, not work from the top down. I was unable to attend any forum due to working commitments. I feel that as per usual, a desk ion has been made and we are wasting our time submitting any feedback - the maser will be We considered all feedback but. Back luck Goulburnians,, brace yourself for some tough times and then what happens? Tourism starts to disappear. No increase - analyze and produce the results of the impact on our community and individuals. I look forward to outcome and a detailed reasoning applicable to this response. Thank you

Author name: Name suppressed

Date of submission: Wednesday, 28 February 2024

Please write your submission below:
As a ratepaying citizen of Goulburn I wish to strongly oppose the proposed rate rise being sought by the GMC as the community simply cannot afford such a big jump. The management of council are unwilling to listen to the concerns of the community during this process they conducted several community meetings and surveys to get feedback on this and they received a resounding no to the increases proposed. Other councils in the region also help communitu consultation in regards to raising rates in their areas and when the people said no they dropped the process. GMC do not listen to the community they seem to always just do what they like. They management of council need to tighten their belts and stop replacing their company cars every year as this is a waste of ratepayers monies also I don't see why all managemnt personel have a council owned vehicle that they are able to use for personal use as well as council buisness. Please do not allow this council to rob their residents by allowing this increase to go ahead there are many pensioners in this area and many of them are struggling to make ends meet with the increased cost of living as it is many of them will be forced to choose between buying food or paying the council. They could well lose their homes because of the financial hardship this increase will cause. Please consider the pockets of the folk who will have to foot the bill for this councils mismanagement of their finances and don't punish the community.

Author name: Name suppressed

Date of submission: Wednesday, 28 February 2024

Please write your submission below:
To whom it may concern, I strongly disagree with the specail rate rise. Everyone is on struggle street due everything costing more to just get by. Should you go ahead with this special rate rise then i think you will find a massive drop in your population as many families will be pushed too far and will have no choice to move to a cheap area where rates are more affordable. There is no reason to raise rates as high as they are, only for council's greed! So when people in the community can no longer afford there rates, and council slowly slips into the red, i hope you will all have a good hard look at yourselves and think how you got to that point. I hope people see what you council have done to already people on the knifes edge, this will make them fall off the knifes edge, and hopefully move to a better more afforable area!

Author name: Name suppressed

Date of submission: Thursday, 29 February 2024

Please write your submission below:
The council have mismanaged our rate funds spending frivolously on beautifying our main st however neglecting major infrastructure and road conditions. When pressed about these issues prior to their application to Ipart they were rude and refused to answer why their spending blew out and resorted to attacking ratepayers calling them keyboard warriors for putting in submissions calling for them to reign in their spending.

Author name: Name suppressed

Date of submission: Thursday, 29 February 2024

Please write your submission below:
The validity of figures used by council for this proposed rate increase is questionable. Many have questioned specific figures from within their documents as they do not line up with previously reported figures. Council's "information sessions" were a JOKE - rescheduled last minute, no answers provided to legitimate concerns from the public, just a bunch of redirection tactics. Zero evidence supplied of implemented budget cuts before asking for more money. Council employee's jobs threatened if they even had a thought about the proposed increase. Council blamed all the new infrastructure as the reason for the increase, yet two months before the submission those same new infrastructures were the best thing(s) Council had ever done for our community! Such a dramatic increase over such a short period of time is preposterous, and will cripple MANY households! The real estate and rental markets are already stressed, this rate increase will push that into ridiculous areas!

Author name: Name suppressed

Date of submission: Thursday, 29 February 2024

Please write your submission below:
I live on a property outside Goulburn I get little return on my rates, apart from any upkeep/repairs of the roads which are constantly damaged by trucks There is no garbage service for example, I pay to take garbage to the town tip, in my own vehicle and in my own time. We are not on town water, nor attached to the town septic system I use few of the council facilities, as I do not live in the town I do not think that it is reasonable for GMC to be increasing our rates for these imaginary usages