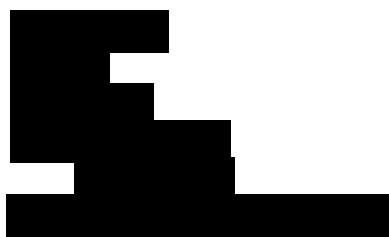


Attention-
Dennis Mahoney



23/2/14

IPART
PO Box Q290
QVB Post Office
NSW 1230

Dear Sirs

Glen Innes Severn Council have passed a motion allowing an unaffordable increase over 3 years to Shire rates, being 10% increase each year over 2 years and 5% in a 3rd year plus 2.3% rate variation on top included in the first 2 years, totalling over 30% for the 3 years.

An extraordinary council meeting was held on Thursday 20th February at 5pm and attended by 6 of the 7 councillors, which included the mayor. Two councillors voted against this original proposal opting for one rise of 10% in the 1st year and one rise of 5% in the 2nd year. Whilst it didn't pass, this option although still too large is far more acceptable.

This area is currently drought declared and has had well below average rainfall since May 2013. Many farm incomes will fall from 30% to 50% from now and into next couple of years due to this. The 1st proposal will within 3 years make our rate bill very close to our own cost of shearing 5000 sheep, approximately \$22,000.

This council has been badly managed and we rarely get our 1 kilometre road graded or repaired, in fact around once every 5 years if we are lucky. With one of the neighbours personally repairing the nearby culvert himself.

Over the last 5 years the same lack of repair applies to the other roads in the district. Whilst, we can live with bad roads, untrafficable bridges are simply not acceptable. One bridge 8 km away, which did carry semi livestock trailers and fuel trucks servicing 10 farmers, had load limits cut to approximately 4 tonnes. This particular bridge is supposedly going to cost \$600,000 to rebuild, but other bridges built in the district with 100 tonne road limit have been built for \$60,000. Also, a quote from a private engineer puts the absolute maximum for the specific bridge at \$200,000. On the other hand the council is currently happily proceeding with a 'Grand Plan' for the main street of Glen Innes, borrowing 2.4 million dollars, which most of the town and rural people do not support while rural roads and bridges are being neglected.

Adding more salt to the wound is a plan for a 5.3 million dollar council administration building where 1.2 million was to be taken out of a 14 million dollar investment fund. This plan maybe scrapped. Interesting to note that this council has this amount of money stashed away in an investment fund but will not use any of this investment for rural roads and bridges. Glen Innes municipal council also plans to borrow an

additional 4 million dollars for roads and bridges and this will take the council debts to around 17 million.

A Flying school at Glen Innes airport which should be very good for the town with 200 students projected to go to 600 plus staff, when it proceeds' its rates will be \$14,000 a year which are only a little more than most average farmers rates, also a very cheap lease of their site, a sweetheart deal.

To make badly required savings council will have to prune indoor staff and make better use of expensive capital equipment to stop costs badly getting out of hand. Indoor staff numbers are approximately 31. With income of 4.5 million dollars stated in the publication on page 9 from rates plus other income of nearly 20 million, rate payers would have great difficulty working out where this additional 20 million came from.

In saying this, 2 million did come from local state member Adam Marshall in the last 6 months.

As a matter of interest, in this district we have a major business, Rangers Valley Station Feedlot, which employs 45 full time people. Nearly the whole district benefits financially from this feedlot. It pays nearly 100,000 dollars a year to the council for the use of 15 km's of council road from the feedlot to the New England highway. Very interesting Rangers Valley Feedlot in comparison to the Glen Innes Severn Council, its indoor staff numbers are 4, with a turn over of 90 million, and its indoor staff is an eighth the size of the council staff numbers.

A quarry was purchased for many millions to solve Glen Innes's water supply problems. Glen Innes is currently on level 4 water restrictions, but so far this quarry does not seem to be solving the problem. Also, sales of gravel are very poor because the cost of the gravel is very expensive compared to the previous owners gravel product, this business is now running at a loss.

To press their case Glen Innes Severn Council put out a glossy brochure 'Special Rates Variation'. Many farmers got 4 and some up to 10 of these brochures in the mail, a terrible waste. This brochure has inconsistencies, and the economic case for rate increases is poorly explained and doubtful.

On page 2, the Grants and Contributions are poorly explained. Other than the approximate 2 million dollars since May 2014 from the local state member, Adam Marshall, the rest is not explained.

Page 3 shows costs of 7.9 million dollars, but no mention of additional salaries and wages which must exist.

Noxious weeds is mentioned at \$150 000, but Local Land Services Board also supply this service and farmers pay a considerable rate amount to them every year.

Queensland farmers do not have Local Land Services rates apply to them.

The council has 3 graders and there claims they are only used for 9 hours .per week. So where does the money allocated to roads bridges car parks go? As mentioned before the 24 million dollars in revenue is not properly explained.

The community survey on page 15 is lacking and has failed to add another column allowing maintaining services.

There are arguably other shortcomings and data on pages 4 and 5 that a good accountant would be tested in interpreting.

One of the council's major arguments for the increase in farmland rates is that 1,138 farmers are paying an average of 1,875 dollars per year totalling approx 2.1 million dollars in a year. The 1,138 number could be disputed as there are actually only around 500 farming families in this council area, if this was the case, the farm rate payers in Glen Innes would be averaging over 4,000 dollars in rate payments each per year.

This comes about as some farmers own 2 or 3 separately assessed blocks of land.

Also Council have not given enough time for rate payers to fully analyse their special rate variation publication and intentions.

The special rates document was dated 10th Jan 2014 but farming and residential rate payers did not receive the document till Friday 17th January. Community forums were then held from 20th January at Glencoe, Red Range, Deepwater, Emmaville and lastly at Glen Innes town hall 3rd February.

This council decision and motion was passed on 20th February 2014 leaving barely any time to make an informed decision on this most important matter.

Yours faithfully
WA James Burridge