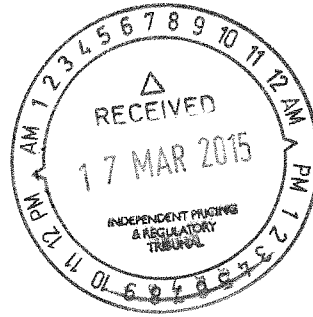


Attention IPART



Dear Narjia

**Application for Rate Variation 15 -3-
Eurobodalla Shire 2015**

It is requested that IPART take the following into consideration.

- 1.0 Changes to initial correspondence originally sent to all residential and Non -residential ratepayers. This was discussed with officers of your department and changes were recommended to the council by the Department. It is believed that many changes were made and these were not posted to all ratepayers. Revised copies may have been handed out at two other local meetings. This should have included the latest unsigned documentation partially distributed by the council to local ratepayers. Has your department been given a copy of this? No evidence has been found that this has been sent to all non- resident**

rate payers. The individual project costs were not disclosed at the first meeting in Narooma. The General Manager stated that this would be corrected. Questions were raised why some unrestricted funds couldn't be used in lieu of a rate rise. This remains unanswered by the council even after requested by the writer in public forum. It was taken on notice but never replied to the speaker. IPART should be in a position to ascertain the value at the time prior to the first public meetings and trace whether any of these have been "diverted" since that date. During question time at the first public meeting council officers were questioned concerning \$72m investment funds. The public was told it was all quarantined. Upon further questioning the amount of unrestricted funds stated went up from \$10m and then \$12 m. It has been reported on an internet site and the value in the latest Auditors report exceeded \$20 million. Would IPART ascertain the correct figure!

- 2.0 As there are a number of rating categories , Residential , Farmland and Business IPART should investigate all categories with respect to changes made after original Information was allegedly posted To all ratepayers. i.e. resident and non resident**
- 3.0 Reference is made to letter E14.8367 of the 10 the September which “apologised for any confusion “. This letter was posted to me after the first public meeting at Nerooma .After acknowledging receipt of this letter I received a call from the Director of Planning. I asked if all ratepayers, resident and non -resident, would be advised in writing or changes to the original documentation. The answer was a direct “No “. It Would be too expensive! I leave your Department to make an assessment of The impact of false information early In the process and all subsequent Changes to each rating category. Compliance with all transparency**

**Aspects laid down by IPART in order
To achieve public support for the
Proposals should be investigated**

4.0 You attention is drawn to all original documents in particular ‘ Funding our Future ‘ and compliance with its contents with respect to transparency or otherwise .I leave you to assess the presentation and its accuracy One major concern is what is described under “ What Would a Proposal to Increase Rates Look Like . ‘ I fail to comprehend what the terms “Average Residential Rate estimates only , Average Farmland rate estimates only and Average business rate Estimates only mean “ . How can these three different categories be based .as quoted as three “different average residential rates “as \$818.30, \$1279.72 and \$2932 -27.

This should not be brushed off as a minor error from organisation of this size. In an effort to understand this I include a copy of a letter from the council (reference E10.4493.52798.14: 269. 14)

If they are not mathematically correct the Councils case cannot not be substantiated. I refer you to Wikipedia with respect to the mathematics of obtaining a true average. Officers of the Valuer Generals Department could not tell me what the “ ,average , estimate ,only value, for residential , farmland and Business residential land value “ mean.

6.0 I should point out that the council did not request that the Valuer General to take into account 60 A of the Land and Valuation Act of 1916. This should have been requested as sea level rise and coastal hazards impediments have been placed on the 149 certificates of over 6000 properties in the Eurobodalla Shire .The council has quoted three different figures on what was sent to all residents and they are all based on Average annual RESIDENTIAL RATE (Estimates Only) of \$ 818.30 , \$1279.72 and \$2932.27 . Mistake, or not, it is extremely misleading

I apologise for the way for my submission has been presented. Being Blind in one eye, and like the majority of pensioners unable to effectively use the internet. With respect to this inadequacy the Submission by Council to IPART could not be found on Exhibition and Narooma and MOYURA libraries. Therefore many ratepayers unable to access the Internet t would not know what The final council submission contained .This may be due to a number of reasons – they don't understand the process, they do have one, they are in one of the many black spots or are to “Bloody “Old. Many others come to the conclusion that no matter what they say it will not be changed. Most of us are relying on IPART to fully adhere to its charter of responsibilities

7.0 I have sent copies of local media information and several letters for your determination .It is in no way a complete list of what the council should have forwarded to IPART relevant to the Rate

rise Issue .They may be of help. There have been quite a number of council meetings during the exhibition period. Did the council send copies of public presentations to IPART? IF not! Why not? Some of those presentations have not been answered by the council to persons that raised those questions. If you wish for further details do not hesitate to ask .If they have reported discussions in public forum and replied to speakers and councillors, would you please refer that information to me ?

8.0 Does IPART take into account all moneys given to the council with respect to grants. Being an election year election unbelievable millions has been promised over the last month to the Eurobodalla. The local Member is the Treasurer and may have something to do with this! The grants are quite substantial and exceed by far the amount of the rate increase sought. Many grants have been announced since approval of the rate peg. I believe all moneys should be taken into account prior to final IPART summation. They should include those that have not been included in the council final submission and those

after that decision. Has IPART been advised of the total amount of grants applied for and total amount already granted? After all rate income and grant income come from the same source – the public.

As you would be aware there are other sources of income available to council and some of these may not be regulated by IPART. After the council process of increasing rate income they decided to sell 35 odd blocks of community land .The General Manager has been given authority to sell these below market Value. Sold at average value of \$ 189, 000 per single residential block* a minium of over \$6.5 million dollars would be raised.

Approximately the amount of the total rate rise sought. I see no justification to increase rates above the rate peg set by the Government even if the council sell these below market value. Has the council advised IPART of this recent decision to sell these parcels and were they included in their submission?

Peter Bernard 14./3/2015

[REDACTED]

Note. Additional information has been sent by post and include

- 1. Some press clipping.**
- 2. Council Letter (E 14. 1387) to P Bernard of the 10th November.**

Note (a). It is not known whether corrections were made to information sheets for Business and Farm Land Ratepayers!

(b) Were all ratepayers informed of all correction after the first public meeting at Narooma?

**3. Letter Council E.35798.14
.52649.14**

4. Submission from Peter Bernard and Myself.

*** refer spread sheet No 2 to IPART**

*** refer Work sheet @ “calculation of
Notional General income**

E14.8367

10 November 2014

Peter Bernard
[REDACTED]
[REDACTED]

Residential rate impact comparisons

Dear Peter

Please find attached a revised residential rate impact comparison graph and table.

Council apologises for any confusion with the previous copy you received at the special rate variation information session at Narooma.

I hope you find this information of assistance.

Yours faithfully

[REDACTED]

Shannon Burt
Divisional Manager, Strategic Services

*PS I PART
cannot find any evidence
whether "revised" comparison
graphs were sent to all
resident & non-resident
ratepayers. All graphs (for
business & farmland would
need to be
changed*

d. Assumed rate peg amount of 3% (2015-16)

\$30.93
3% increase
\$1,061.75
new rate

\$818.30
average
residential rate
2014-15



Impact on Residential rates

The graphs and table show the impact the two different rate options being put forward by Council would have on an average residential rate.

Rate peg only

by 2017-18 the average annual residential rate would increase by **\$75.88** or an accumulation of **9.27%** which is **\$1.46** per week

Special rate variation

by 2017-18 the average annual residential rate would increase by **\$212.52** or an accumulation of **25.97%** which is **\$4.09** per week

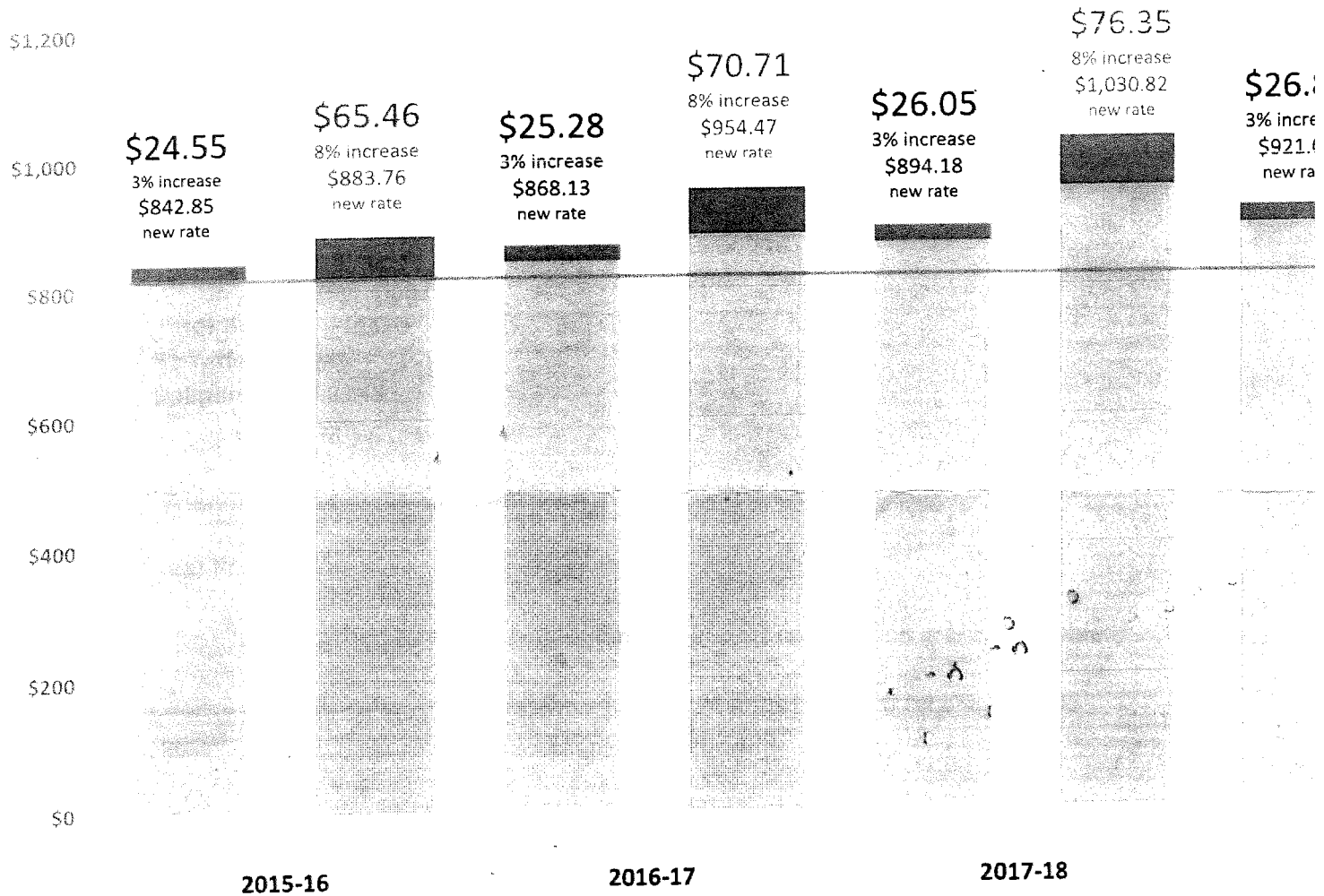
3-19

-19) the increase remain in the rate and rates would be rate peg

| total increase three years | 2018-19 Rate peg 3% |
|-------------------------------|------------------------|
| \$75.88 | increase \$26.82 |
| 9.27% | new rate \$921.00 |
| \$212.52 | increase \$30.93 |
| 25.97% | new rate \$1,061.75 |
| 136.64 | |

Residential rate impact comparison

based on average annual residential rate of \$818.30 for the current year. **General rate only**, environmental levy, water, sewer and waste charges not included. Rate peg to be released in December 2014 by IPART).



Annual increase Rate peg only

Annual increase Special rate variation

* in year following from an SRV base permit return to original amount or

| Residential Comparison | 2015-16 | 2016-17 | 2017-18 |
|--|-------------------|-------------------|---------------------|
| Rate peg only (3%) | increase \$24.55 | increase \$25.28 | increase \$26.05 |
| | new rate \$842.85 | new rate \$868.13 | new rate \$894.18 |
| Special rate variation (3% rate peg + 5% SRV) | increase \$65.46 | increase \$70.71 | increase \$76.35 |
| | new rate \$883.76 | new rate \$954.47 | new rate \$1,030.82 |
| Additional cost of special rate variation above the rate peg | \$40.91 | \$45.43 | \$50.30 |

9 December 2014

Mr Peter Bernard
[REDACTED]

Dear Mr Bernard

Thank you for your enquiries of 19 November 2014 and your email of the 27 November 2014 to myself and Dr Catherine Dale, General Manager who has asked me to respond. I provide the following answers as referenced by you (that is via numbers or letters) below:

19 November 2014 Queries

1) Number of properties in each zoning category, 2) Amount of annual rates collected for last financial year, and 3) Total amount in dollars collected from each group

Information relating to council's rating structure is publically available in our revenue policy contained in the Delivery Program/Operational plan at www.esc.nsw.gov.au/inside-council/community-and-future-planning/delivery-program-and-operational-plan

4) The mathematical method used to arrive at total annual increase stated in documents if 'a three year rate 3 and 8 percent increase is applied'?

The increase in revenue forecast for both 3 and 8 percent are based on Council's Notional General Fund revenue.

5) Whether the numbers arrived at were taken from the whole population of all individual property values or from bands within that population or data values?

The typical accounts used are based on the average land value for each category.

5) Will the Rates department begin isolating properties identified as having notations put on their 149 Certificates from the total of each group?

The Rates department has no discretion to isolate properties.

.../2

I have been informed that council did not forward all relevant details to responsible statutory authorities for determination of valuations for the year 2015 onwards. Is that correct?

No. On 29 May 2014, Council requested the Valuer General to provide revaluation of land within the shire. Rating values are independently supplied by the Office of the NSW Valuer General.

27 November 2014 Queries

1. Whether you and the Councillors considered the changes to Eurobodalla Shire Council Rates and Charges instalment Notice - 2nd instalment details for residential charges is whether you consider it is a legally valid document?

Yes, the rates notice is a legally valid document as per Section 562 (5) of the Local Government Act 1993 which states in part as follows:

'On or before 31 October, 31 January and 30 April, a council must send reminder notices (to be sent separately from the rates and charges notice) to each person whose rates and charges are being paid by quarterly instalments.'

2. Were the change(s) from previous notices approved by you and all Councillors?

The changes were approved by the General Manager.

3. Why were the changes made?

Previous notices were creating confusion for rate payers particularly in relation to water charges.

4. Do you consider that the changes will impact on the transparency of council?

No, details of rates and charges are clearly shown on the Rates and Charges Notice issued in July each year.

5. Of "reduced transparency" of the document by the council not itemising the charges as shown in previous years, reference should be made to:

- (a) My address to council of the 25/11/2014.

This has been passed to the General Manger for consideration.

.../3

- (b) Clause 127 of the Local Government (general) Regulations 2005 and Model Codes of Management Practices, your own code of conduct and relevant clause of the Local Government Act.

These references are noted.

- (d) Advice given by a council officer to the investigations group of the Office of Local Government.

You have not provided details of any 'advice' so no comment can be made.

Do you recommend that I (and others) not pay the amount showing on the Instalment Notice(s) until you resolve the issue?

No, Council has no discretionary power in relation to instalment due dates, therefore all amounts are required to be paid on time.

- (e) In the absence of a reply by the due date of payment will be charged interest which accrues daily at 8.5 per cent on all overdue amounts?

Yes, interest is charged on all accounts once they become overdue.

- (f) Does this include the amounts owing on the third and final instalments?

In accordance with Section 562 of the Local Government Act 1993 council must send separate instalment notices for each and every instalment.

- (g) Were changes of the above nature made to the Business and Farm Land Rate Instalment notices?

Yes.

- (g) Have you informed IPART and could I have evidence of that?

IPART has no jurisdiction over the issuing of rate notices and instalments and therefore there is no requirement to inform that body.

I trust these responses satisfy your enquiries.

Yours Sincerely



Anthony O'Reilly
Director Finance and Business Development