

6 July 2023

Ms Carmel Donnelly PSM, Chair

Via email: [REDACTED]

Dear Ms Donnelly,

RE: Review of the Rate Peg Methodology

As part of addressing the questions posed in the Review of the rate peg methodology Draft Report June 2023, our Association has actively participated in the public consultations and offers the following comments for consideration:

Regarding setting salary or wage levels for council's staff, it is evident that such issues do not enter the community's awareness. The matter is complicated by the extensive use of outsourcing – we learn that matters as diverse as fixing plumbing needs in public toilets and undertaking planning in our council involves use of contractors rather than permanent staff. No explanation is given whether this approach is taken to contain employee costs, or a failure to attract qualified planning staff, or a temporary measure to reduce operational costs.

Releasing indicative rate peg information, and then updating that rate peg with further information of a levy or another cost from the State Government or the council, will be fraught with political involvement should there be an upcoming local council or state government election. From 2019 to 2021, when Georges River Council was consulting with the local community about rates harmonisation, concerned ratepayers wanted to believe in the promise from the then Premier that cost savings would guide the process. What actually unfolded, however, was that approximately half the population had their rates increased by 64% in 2021, plus a special rate variation approved by IPART.

Regarding the Emergency Services Levy, we understand that it was previously subsidised by the State Government, but now falls on councils to collect from residents and ratepayers. In our view the commonly stated position by the Office of Local Government that ratepayers can vote at their next local election to change their elected councillors is a false argument, with Government simply shifting costs from their budget to councils.

On another matter, the proposal for a process to develop adjustment factors for groups of councils to increase the rate peg to cover specific external costs seems counter to the use of the special rates variation (SRV). Because the matters for further consideration (number 4) appears to suggest another mechanism should be developed to enable councils found to have

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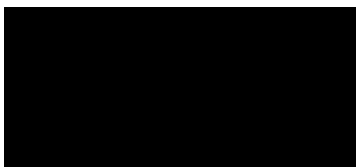
insufficient base rates income to achieve financial sustainability. The more such mechanisms are introduced, the more opportunity there is for councils to extract ever more income from ratepayers.

Without undertaking a survey of a wider population in the Georges River Council LGA, our enquiries suggest that 'supplementary residential valuations' are being used for residential and commercial premises. If the 'supplementary residential valuations' process to 'account for the population factor' has been introduced, when was this explained to ratepayers in GRC? What process will be used to change the zonings in the GRC and in turn the valuations on these properties? For example, by changing the zoning from single storey residential to high-rise residential buildings, next change zonings for residential on main roads and suburban roads, next change car parking access, the process would be unstoppable and open to abuse.

Councils have a process for residents to apply for car parking permits on suburban streets, and in turn improve their income. Yet, in areas where there is a high-density of employees – such as the precinct at Kogarah encompassing St George Hospital, the headquarters of the St George Bank, the shopping, local schools and TAFE - there is a profitable 'business' in selling these car parking permits to workers in the vicinity.

Related to this, evidence clearly shows to be false the argument that residential units and boarding houses close to public transport do not require off-street car parking because residents will preferably use public transport. It is plain to see that many residents in high-rise residential areas use on-street car parking for their small business vehicle, for their second family car, for their work vehicle. The situation is evident, for example, in Gladstone Street Kogarah where there are only walk-up residential buildings and on-street car parking, yet daytime and night-time there is no parking for teachers working at the two schools in Gladstone Street. This will worsen dramatically when the 13-level residential high-rise buildings in nearby Regent, Stanley, Palmerston and Victor Streets are completed and fully occupied. At the same time, the State Government has proposed to build 19 levels of high-rise residential building above Kogarah Station with minimal off-street car parking for the residents.

Yours faithfully,



Kogarah Bay Progress Association Inc



Addendum: Regarding the questions from the Draft Report which asked participants and associations to address:

1. The eligibility of current rate exemptions could be better targeted to improve outcomes for ratepayers and councils.
2. The use of the Capital Improved Valuation method to levy local council rates could improve the efficiency and equity of rates.
3. There could be merit in considering whether to introduce an additional constraint (i.e. conditions) on the rate peg to provide confidence to ratepayers that increases are reasonable.
4. A mechanism is needed to enable councils found to have insufficient base rates income to achieve financial sustainability.
5. Statutory charges for services provided by councils are not believed to be recovering the full cost of service provision, such as for development approval fees and stormwater management service charges.