

# **WOLLONDILLY RESIDENTS & RATEPAYERS ASSOCIATION**

**“For the People. By the People”**

[REDACTED]  
TAHMOOR 2573

16 February 2015  
[REDACTED]

Independent Pricing and Regulatory Tribunal  
Level 15, 2-24 Rawson Place  
SYDNEY NSW 2000

Email transmission: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Sir/Madam

## **RE: FORMAL OBJECTION TO WOLLONDILLY SHIRE COUNCIL APPLICATION TO IPART FOR 10.8% SPECIAL RATE VARIATION ON BEHALF OF RATEPAYERS**

On 17 March 2014 (without procedural fairness) Council resolved (R41/2014) to impose punitive sanctions against the Wollondilly Residents & Ratepayers Association for asking questions and seeking information on accountability issues. The campaign was led by former mayor Benn Banasik (age 30). Only one councillor with integrity objected to the restrictions, Cr Ray Law.

Council's conduct to stifle the voice of ratepayers followed a meeting with the General Manager and Governance Manager John Sproule with senior executives of the Office of Local Government on Thursday 27 February 2014 to discuss ways and means to block WRRRA from asking questions, including questions covering Council's expenditure in opposing the Federal Government initiative to build a Second Sydney Airport at Wilton without community consultation. In this regard, Council spent over \$85,000 of ratepayers money to oppose the Federal Government initiative in the drafting stages, including \$2000 spent on red t-shirts for staff to wear at rallies organised by Council.

In the last several years, Council has refused to be held accountable on its decision-making and expenditure. Council's refusal to release information on expenditure and other matters led WRRRA to file a number of applications in the New South Wales Civil and Administrative Decisions Tribunal (NCAT) for information including costs for building the Picton Sportsground (opened 2014) costing ratepayers \$8 million dollars over four stages. Stage One has cost ratepayers over \$2.25 million to April 2014, despite having a \$52 million infrastructure deficit dating from 2011.

In August/September 2014, Wollondilly Shire Council commenced a campaign calling for a 10.8% Special Rate Variation after spending exorbitant funds on legal fees in the Land and Environment Court to evict an elderly [REDACTED] from his Cawdor residence. Council's conduct made headlines across the country, in

addition to spending millions of ratepayers' money building yet another unwanted sportsground at the expense of the worsening state of Wollondilly roads, bridges and curb and guttering.

In October 2014, WRRRA made a submission to Council opposing the Special Rate Variation despite punitive sanctions being imposed against us at the March 2014 meeting limiting correspondence to one letter/question per month commencing from a backlog of unanswered correspondence dating from October 2013.

Attached is a copy of our Submission on behalf of members.

In December 2014, after WRRRA lodged an action in the Supreme Court for unlawful sanctions imposed against our Association, Council rescinded the sanctions at its December 2014 meeting. No apology has been provided by Council for its conduct in blocking the community from asking questions on its performance.

During the submission period on the rate variation, Council contracted an external research company to conduct a telephone survey of Wollondilly residents at a cost of over \$12,000, money straight down the drain. From the information gathered in the survey, Council prepared a report to the meeting on 9 February 2015 (p181-196) in which it stated that a total of "407" people were interviewed.

Of the "407" people interviewed (no indication of residency, age, or employment status was given) Council estimated that 70% of the "407" people interviewed selected Option 2 or 3 as their preferred option. "This," according to Council's subjective interpretation of the telephone survey (p194) "*indicates that the community is largely supportive of introducing a Special Rate Variation to rates in Wollondilly.*"

We submit that this information is not credible and should be dismissed by IPART in its evaluation of Council's application for a 10.8% rate variation.

Of the total 162 formal submissions made by ratepayers, Council prepared a spreadsheet in the rate variation report (p195) outlining the options preferred as follows:

Option 1:	36 submissions
Option 2:	14 submissions
Option 2 or 3:	6 submissions
Option 3:	13 submissions
Option not specified:	93 submissions
Total:	<u>162 submissions</u>

We request that IPART note that despite WRRRA representing the interests of our membership in our submission opposing any rate variation, Wollondilly Shire Council counted our submission as 1. It is apparent from the 93 submissions which did not select an option, that the 93 submissions opposed any rate variation as WRRRA did.

The Rate Variation Report went to Council on Monday 9 February 2015 at which time the current Mayor Col Mitchell moved the motion supporting the 10.8% per annum for four years, which will then be permanently built into the annual rate peg increase.

Council failed to listen to the voice of the people on the issue which has now led to a community petition opposing the rate variation which is supported by the Wollondilly Residents & Ratepayers Association.

The community is of the consensus that Wollondilly Shire Council has failed to meet the needs of the community and mismanaged the public purse to pay for projects the community has not supported at the expense of essential services such as the worsening state of infrastructure, particularly roads. Wollondilly Shire Council has failed to manage its budget over the last 10 years due to poor decision-making, incompetent management, excessive legal expenses and a failure to communicate with ratepayers.

Any increase in the current economic climate will disadvantage residents who are already disadvantaged by the high cost of living, unemployment and over taxing.

As an independent regulatory body, we call on IPART to thoroughly investigate Council's request for a 10.8% rate variation which will not be spent on infrastructure backlog, but will be wasted on unnecessary excesses and undeserved pay increases for senior executives. As it is, four executives, including the general manager earn approximately \$1 million annually.

We call on IPART to decline any rate increases until the economic situation improves or Wollondilly Shire Council addresses its poor management and inability to manage its budget.

Should you require further information, please do not hesitate to contact us.

Yours faithfully

Lynette Styles

Secretary

WOLLONDILLY RESIDENTS & RATEPAYERS ASSOCIATION INC

Encl: (1) Submission

**WOLLONDILLY RESIDENTS &  
RATEPAYERS ASSOCIATION INC**

**“For the People. By the People”**

**SUBMISSION**

**SPECIAL RATE VARIATION 2014**

**TO**

**WOLLONDILLY SHIRE COUNCIL**

# **OCTOBER 2014**

## **WOLLONDILLY RESIDENTS & RATEPAYERS SUBMISSION**

### **“SPECIAL RATE VARIATION 2014”**

#### **1. Introduction**

Picton Municipal Council was incorporated in 1895. At that time, nine community members were elected to represent the voice of the people.

The First Council was united in their civic approach to borrow money to pave the way for future infrastructure in building roads, bridges, and a Shire Hall to reflect the affluence of a rural community.

A sister council operated at The Oaks under the name Wollondilly until the Picton Municipal Council agreed to amalgamate with Wollondilly Shire Council in 1940. There was strong argument for and against the proposal, but amalgamation proved to be the best solution for economic sustainability and growth.

The new Shire incorporated Warragamba/Bents Basin in the north, Appin in the East, Nattai/Burrangorang in the West and Yanderra in the South, covering an area of 2,557 sq kilometres.

Wollondilly is made up of 17 towns and has a population of approximately 50,000 people with a revenue base heading towards \$50 million per annum. Council is the caretaker of more than half a billion dollars in assets paid for by rates revenue, government grants, bequests and developer contributions over the last hundred years.

In the recent two decades, Council has been successful in achieving frequent rate rises. In 2011, Council received a further rate variation of 6% over 3 years to reduce the infrastructure backlog of approximately \$52 million, in addition to borrowing approximately \$3 million under the State Government LIRS scheme in 2013 for bridge repairs and curb and guttering.

In 2014, Council is offering the community three rate rise options before applying to the Independent Pricing and Regulatory Tribunal (IPART) to vary the rate increase from the pegged 3% annual increase.

The first option is for no special rate variation.

The second option is for a further rate rise of 8.5% per annum over 4 years to stabilise infrastructure, which will be built into the rate base at the end of that 4-year period.

The third option is for a 10.8% rise per annum over 4 years to improve infrastructure which will also be built into the rate base at the end of the 4-year period.

## **2. Submission**

The Wollondilly Residents & Ratepayers Association Inc (WRRRA) resolved at our monthly meeting on Wednesday 15 October 2014 to prepare a Submission in response to Council's newsletter seeking a Special Rate Variation.

Since incorporating in early 2012, WRRRA has orchestrated a campaign for a popularly elected mayor which will now be addressed by Council by way of referendum at the next Local Government election in 2016.

Additionally, we initiated a campaign calling for amalgamation/boundary variation with neighbouring councils based on our argument that the Shire of Wollondilly is too big for Council to manage efficiently in today's financial climate. We made a Submission to the Local Government Independent Review Panel calling for the democratic right of the electorate to vote for the mayor. Our call was taken up by the LGIRP.

Further, we initiated a campaign in opposition to Council spending ratepayers' money without consultation with the community to oppose the Federal Government's proposal for a second Sydney Airport at Wilton, prior to Government studies being prepared which ultimately discarded Wilton as an appropriate site.

We acknowledge that Council is responsible for the maintenance of 840 kms of roads, 90 parks and reserves, 78 bridges, 19 halls, 13 sports fields and 33 playgrounds, in addition to a huge area requiring weeds eradication, maintaining signage, fencing Council property and purchasing works equipment to undertake maintenance.

Council is responsible for managing its budget in a way that enhances public confidence. However, in the recent past, Council has spent two years and \$2 million building yet another sportsground at Abbotsford Road Picton in the first stage of a 4-stage project estimated to cost \$8 million to complete, at the expense of addressing the declining state of infrastructure.

The Council foyer has been refurbished at a cost of \$85,000 when the work was not required. It has purchased library vans that have proved to be a drain on the budget. It spends funds on maintaining Yerranderie roads that few people use. It has spent inestimable funds on legal expenses to expel an aged resident from his Cawdor property which proved unsuccessful in the Land and Environment Court. It has

wasted over \$43,000 instructing Sydney solicitors to write letters to community members threatening them with legal action for fair comment on a closed Facebook site regarding former mayor Cr Benn Banasik and the Deputy General Manager. It has spent over \$75,000 on consultancy fees to oppose the Federal Government's proposal to build a second airport at Wilton and paid over \$2,000 to purchase red T-shirts for Council staff to wear with no return to ratepayers. The former General Manager has spent unlimited funds on corporate credit card expenses and Council is wasting thousands of dollars in legal fees to block WRRRA from access to details of the credit card expenses. In addition to hidden wage increases, the elected Council recently voted for an undeserved increase in their fees and expenses, costing approximately \$250,000 annually to attend eleven Council meetings a year, informal meetings, site inspections, purchase of laptops, phones and the high cost of attending conferences for no return to ratepayers. The expenses cannot be justified.

The Wollondilly community places a high expectation on the maintenance of our roads, bridges, footpaths, and curb and guttering. Over recent times, motorists have reported the worsening deterioration of infrastructure and Council admits it is aware of the situation but has persistently maintained that there is no money in the budget for repairs and maintenance. Council's argument cannot be sustained when ratepayers pay rates in return for safe roads, footpaths, bridges and curb and guttering.

Council's brochure/newsletter (p1) states that: *"Without a Special Rate Variation we won't be able to maintain our essential infrastructure and services."*

Further, Council states that: *"Our long term financial modelling currently estimates that Council faces an \$80 million deficit at the end of 10 years unless there is a significant change to expenditure or revenue."*

We submit that Council's statements validate our argument that Wollondilly Shire Council cannot cope with the growing infrastructure backlog and should consider amalgamation or boundary variation to bring about efficiency of scale across local government boundaries.

Based on the existence of deteriorating infrastructure, and the requirement for more money to maintain future infrastructure, there is no evidence to support Council's argument that a Special Rate Variation will *"enable us to continue to deliver quality services in line with the expectations of our growing community."*

Faced with expected population growth in the Shire, Council must consider the benefits of amalgamation for future benefit to the community. It cannot continue to bury its head in the sand and rely on rate increases to do what it has already proved is beyond its capabilities. Council must be progressive and look to the past for a road into the future by emulating survival strategies. Council is doomed if it fails to reinvent itself.

### **3. Conclusion**

The Wollondilly Residents & Ratepayers Association is grateful to Council for providing the community with an opportunity to make submissions in response to the

Special Rate Variation. However, we challenge Council's claim that it is "*working hard*" to ensure efficiency and reviewing ways to reduce expenditure when there is no evidence to support the statement and pouring millions into another unnecessary sporting facility at the expense of priority needs calls for explanation.

Our Association is of the firm view that increasing rates will not resolve the existing infrastructure backlog over the next four years, noting that the last increase was premised on the same argument, only to be confronted with the realisation that the backlog has deteriorated further.

Our Association strongly opposes any further rate increase and calls on Council to consider privatisation of its half-billion dollar assets, resurrecting its former property portfolio from which profits would be returned to general revenue, or boundary variation/partial amalgamation of the outreach villages with Camden, Wingecarribee, Wollongong and Campbelltown in order to remain viability over coming decades.

WRRA believes that Council must move forward with the times and do what is necessary in corporate terms without further expense on the ratepayers' pocket during the lengthening economic downturn.

WOLLONDILLY RESIDENTS & RATEPAYERS ASSOCIATION  
28 OCTOBER 2014