

Council happenings . . .

with Mayor
Glenn Wall

Special Rate Rise.

Last week, Council adopted the Draft Management Plan 2007/10 and resolved to apply to the Minister for Local Government for a special rate rise of 6.55% above the permissible limit of 3.4 % under the NSW Government's rate pegging policy, for a total rise of 9.95%.

Also, Council flagged its intention of seeking further total rate rises of 8.5% in 2008/09 and 7.5% in 2009/10 (inclusive of the rate pegging allowance). The rises above the rate pegging limit are necessary because every year Council is forced to reduce expenditure on essential maintenance works by about \$500,000 in order to balance its budget.

Last month, I sent a letter to each ratepayer outlining the intended use of the extra funding and explaining that unless we address this situation, the condition of our infrastructure would continue to deteriorate.

A total of 22 submissions were received during the exhibition period, of which 16 were opposed to the increase, five were in favour and one offered no opinion. These 22 submissions represent less than 0.01% of Dungog Shire's total ratepayer base.

In determining whether to seek the proposed rate increase, Councillors took into consideration the submissions received from ratepayers, and I will respond to these people regarding their issues of concern. Very briefly, I would like to clarify some of the points raised.

Rates and Charges – The proposed rate increase will only affect general property rates (Base Rate & Ad Valorem components) and not other charges such as water, sewerage, and waste management, which have not been increased to the same extent.

Property Valuations – Property valuations are used in determining the Ad Valorem component of general property rates, but the recently updated property valuations will not result in a greater total of general rates income being collected by Council. The only way a Council can increase its general rates income from year to year is according to the increases approved by the NSW Government, or through creation of new rating assessments, i.e. subdivision of properties.

Developer 'Section 94' Contributions – These funds can only be used in accordance with the Section 94 Plan (new infrastructure or enhancements due to increased population resulting from development), and cannot be utilised for maintenance or repair purposes.

Council Staff Wages – The wages of council staff are paid in accordance with the Industrial Award determined by the NSW Industrial Relations Commission. This Award applies to the majority of Councils in NSW. Salaries paid in the private sector tend to exceed those of local government, which is why we have some difficulties in retaining and attracting qualified staff.

Issues Relating to Drought & Flood - These natural disasters are always foremost in our minds when deliberating such matters as rate increases. Due to past decisions of this council against taking up rate increases as approved by the Department of Local Government under such circumstances, we are a long way behind our neighbours in terms of revenue yielded from property rates. For instance, Gloucester Shire has a total of 2953 rating assessments yielding \$ 2,992,478 in general rates, whereas Dungog has 4438 assessments yielding general rates of \$3,307,038.

Whilst Council is cognisant of the difficulties primary producers face, matters relating to financial assistance during "Hard Times" have to be the responsibility of those that have the capacity to assist, namely the Federal and State Governments.

In the near future we expect to be advised whether our application for the special rate rise has been approved. Council is very grateful to staff for all the extra work in preparing our submission to the Department of Local Government.

Also, we thank the community for supporting this important initiative, which would not diminish Council's efforts to secure reasonable funding from the State for our main roads and a fair share of taxation returned by the Commonwealth for the provision of local services.

4 July 2007