

PO Box 6009, Kangaroo Valley NSW 2577

Mr Russ Pigg, General Manager

Shoalhaven City Council

Dear Mr Pigg

Re: Proposed Rates Increases

We strongly object to all 3 proposed scenarios for rate increases

The following are our concerns and justifications for same:

- 1) Businesses not appropriately rated in the Kangaroo Valley Village
- 2) Rural businesses not properly rated.
- 3) Farms not properly rated
 - 1) Businesses not appropriately rated in the Kangaroo Valley Village. Their rating status have never been updated when modified from a residential property to a business property even though a DA was approved by Council. Other businesses have slipped under the radar but have been functioning as a business for many years yet are readily discernible. This is a Council Management failure. (RATES IGNORED- 17 BUSINESSES+YEILDING APPROXIMATELY \$12000.00)
 - 2) Rural businesses not properly rated. These include general business and tourism businesses including wedding venues, cabins complexes, etc. This is either council policy or failure in council management. (RATES IGNORED WOULD BE 80 TO 100 BUSINESSES YEILDING APPROXIMATELY \$56000.00) for one year only.
 - 3) Farms not properly rated. Many farms should have revised ratings due to the closure of Dairy operations, major income received from tourism or general businesses or not meeting the criteria for primary industry.(RATES IGNORED UNDETERMINED)

Tourism is the Shoalhaven, Shoalhaven is Tourism. We must continue to protect and promote these businesses but they should meet their fair share of the rate base.

Some of the areas that tourism incurs additional costs to the Council :

- Road deterioration
- Council ranger costs
- complaints managing and enforcement.
- additional garbage pickup at holiday times
- additional beach supervision
- cleaning up the beaches after tourism influx
- many, many more

These costs are met by the average residential property owner. Shouldn't these costs be more appropriately applied.

It should be further noted:

- a) Tourism businesses operate as a business with income tax write-offs against their profits. Additional appropriate rates placed on businesses are mainly paid for by the federal government through taxation concessions. Isn't this a better method of improving our bottom line. Normal residential properties have no way of recuperating their rates.
- b) Many tourism properties are owned by out-of-Shoalhaven business people. With low Council rates and negative gearing how are they paying their share?
- c) Most tourism accommodations have a higher profit margin than a small shop in the village.

These anomalies were discussed with council staff in May 2015 and again with the Mayor in November 2016. To date although noted, there has been no evidence of an investigation or corrections. The excuses given that it is too complicated, staff are too busy or originally that they were working on the "Fit for the Future" do not hold up.

We have read the LGA 1993 Act and we feel this approach is feasible if there is a will on the part of the Council.

This study was carried out only in Kangaroo Valley but is more likely prevalent over the entire Shoalhaven. Using this tiny portion of the Shire (K V) as an example, the income that should be properly derived would be between 8 AND 10 MILLION DOLLARS.

IN CONCLUSION

- 1) The Shoalhaven rating system is drastically outdated (Council management)
- 2) An unfair burden is being placed on the Residential Landowner and the businesses that are paying the proper rates and further if the proposed rate increases are proceeded with.
- 3) If Council would do its job, only the state peg rate increase should be required.
- 4) A lot of roads could be repaired with an additional \$8 to 10 millions
- 5) No increases beyond the peg rate should be considered until this is resolved.
- 6) If a deadline for the submission to IPART is to be exceeded, a request for an extension should be initiated.
- 7) The small increase legitimately imposed per business would not decrease employment-a 30% rate increase would.
- 8) This Council is not "Fit for the Future". How much money has been lost over the last 25 years?

Keith Learn and Barbara Woodney

Please distribute to all Councillors and Department heads.