



RED HEAD VILLAGES ASSOCIATION (Inc)

North Bendalong, Bendalong, Berringer, Cunjurong, Manyana

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The Chief Executive Officer
Shoalhaven City Council
PO Box 42
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Re: Submission regarding proposed rates increase for financial sustainability

The Red Head Villages Association Inc (RHVA) understands the need for councils to be financially sustainable in order that they can deliver the range of services required by ratepayers and residents. However, the RHVA does not support the SRV as proposed, which will increase residential rates in the order of 30-40%, for the following reasons:

1. The need for such a dramatic rates increase has not been adequately consulted on, with residents only being made aware of the details of the proposal in the lead up to the Christmas/New Year holiday period. As a consequence, the RHVA has not been able to adequately consult its membership on the proposal, however is aware of significant local community dissent over the issue. This includes poorly understood rationale for the increase, in large part due to the inadequate and compressed consultation program.
2. As a result of significant land valuation increases in the Shoalhaven, residential rates have already significantly increased over recent years. Since 2015, Council annual rates have increased by 60%, compared to an inflation rate of 26%, generating an extra \$100m for Council to spend on services. Why does it now need such a huge additional rates hike?
3. The proposed rates increase comes at a time when ratepayers and residents are experiencing significant cost of living pressures. Many households in the Shoalhaven community are experiencing significant housing stress due to mortgage repayments or weekly rental payments. A rates increase of the magnitude proposed will significantly exacerbate this.
4. Most importantly, the work commissioned by Council to underpin its SRV application highlights a range of other initiatives which Council should undertake

to get its financial sustainability back on track, including service reviews, staffing reviews, productivity improvements and asset sales. While it is accepted that none of these are straightforward initiatives, a realistic (not conservative) estimate of the expected savings from such actions should be factored into any SRV application, in order that a more realistic rates increase is sought.

In summary, the RHVA does not support a rates increase of the magnitude proposed as it does not believe the community has been adequately consulted and considers there are a range of other measures which Council should explore and factor into its SRV application, as highlighted in the review undertaken by Council's consultant AEC. Councils should not fall back on rates increases as the easy solution to their financial difficulties; instead, they should develop an integrated package of measures. This would ensure that the rates increase sought is proportional and that cost of living pressures on Shoalhaven residents are not unreasonably exacerbated by Council.

Yours sincerely
Kerry Moore
Secretary RHVA