

**Submission  
No 54**

**INQUIRY INTO ABILITY OF LOCAL GOVERNMENTS TO  
FUND INFRASTRUCTURE AND SERVICES**

**Name:** Mr Roger Anderson

**Date Received:** 26 April 2024

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Dear Chair Person,

Much distress has been caused by the Snowy Valleys Council to rate payers in the SVC Local Government Area with the proposed Special Rate Variation of 42.38% application to IPART.

I own a 200 hectare beef cattle farm in the south of SVC LGA at Mannus.

For the financial year 2020 my rates were \$2744.

For the financial year 2024 my rates were \$7040 a 256.56% increase due to a SRV of 33.2% including 4 years of rate pegging and rate harmonization with the amalgamation of Tumut and Tumbarumba councils to form SVC.

SVC has proposed a SRV to IPART of 42.38%.

The proposed SRV would increase our rates since 2020 to \$10,023.55, an increase of 365.26% in 5 years.

Many business including shops and a hotel in The Parade, Tumbarumba have closed. One of the reasons for closure is the huge cost of council rates and services.

Tumbarumba has a large employment base supported by the Hyne Timber Mill (largest softwood mill in the Southern Hemisphere). Brookfield Prison Camp and Snowy 2.0 contractors including UGL and Lumea.

Land valuations are inconsistent.

My property at Mannus unimproved capital value is \$1,9788.00 per Hectare.

The adjoining property of 95 hectares, which was a grazing property, now planted to pine trees, unimproved capital value is \$3,02.00 per hectare.

(a) SVC has proposed a SRV of 42.38% to remain financially sustainable and provide basic services, ie roads, water sewage and waste.

SVC also manages the Carcoola and Tumboosh child care services and the Multi Service Outlet, which provides community transport, aged care services and Puggles.

These services are Federal and State funded and are income positive for SVC.

(b) Rate pegging has a very negative effect on Local Government as the rate peg is often lower than the rate of inflation. Politically rate pegging make the State Government appear to contain rate increases while forcing Local Government to go through the costly process of a SRV application to IPART to increase rates.

(c) SVC also manages ovals, sporting facilities and community halls, however the cost of hiring these facilities have increased disproportionately to the actual cost of maintaining these facilities.

The State Government has shifted Rural Fire Assets onto SVC for the purpose of moving the depreciation from State Government accounts.

This has the effect of making the financial position of local government worse.

(d) As Stated above rate pegging makes the State Government look good but forces Local Government to look incompetent when they apply to IPART for a SRV.

(e) If councils are permitted to set their own rates as was the practice before rate pegging was introduced, if councils increased rates exponentially councilors would be voted out at the next election.