

**Cardinia Ratepayers & Residents Association Inc.
Submission regarding the 2009/10 Council Budget and Four Year Plan**

On behalf of the Cardinia Ratepayers & Residents Association, this submission presents comment and raises a number of questions that have arisen after discussing the Council budget for 2009/10.

Rates and Charges

The proposed 5.8% rates increase for 2009/10 is considered to be excessive in the current financial climate. The means by which Council arrives at the annual rating charges, i.e. calculating the amount of forecast expenditure to be undertaken, the revenue required, and the consequent charges to be levied on ratepayers according to the value of properties, is a general financial practice that should be open to question. Rates are increased in every annual budget and there is never a year when the charge remains adequate. The Municipal Association of Victoria calculates a CPI for Councils as a guide to the basic costs of providing services. In 2008/09, that CPI was 4.4%, and the current forecast figure for 2009/10 is 3%, due to the general economic downturn. Has Cardinia Shire Council considered the Council CPI as a basis for calculating a fairer rating system? It is recognised that the status of Cardinia Shire as a high growth area is what is driving the level of spending on which Council budgets are formed and note that a lower and incremental rate of population growth would result in less pressure on Council revenue and resources. However, ratepayers should not have to carry the cost of what is essentially State government policy and responsibility which results in ratepayers being taxed via municipal rates. We draw specific attention to the situation of property owners affected by the Urban Growth Boundary re-alignment wherein the value of many properties has been inflated to the extent that unmanageable Council rates charges could force residents to sell, many years ahead of any actual realisation of the growth potential values being currently quoted. Several examples of skyrocketing rates charges are provided. The options provided for rates payment are noted, particularly the \$50 reduction for persons who have become unemployed. It is considered that an arranged monthly payment option should be included in the available options for rates payment.

Council Debt

The history of the current Council debt must not be overlooked as it existed in 2004/05 at approximately \$49.7 million. Over four years it has fluctuated slightly but with continued borrowing in order to carry out major projects, it remains at \$44 million and will go to \$48 million in the 2009/10 budget year. What is the content of the current debt e.g. the Cardinia Cultural Centre building, Cardinia Life Recreation Centre, the \$15 million Roads project, buy-back of the current Shire Office building, and which other major projects are included the debt repayment program? Ratepayers have a right to know what they are paying for, in addition to the basic services.

Allocation of Funding

The allocation of funding through the four wards of the Shire shows a marked imbalance, i.e. Central Ward 69.4%, Bunyip Ward 24.9%, Port Ward 2.5%, Ranges Ward 0.2%. Some explanation of the rationale on which these allocations are based is necessary, particularly for the residents of Ranges Ward who comprise a significant area of the Shire. As mentioned above, major spending is directed into the Central Ward due to its growth status which is driven by State government policy. Council commitment should be evenly directed across the four Wards of the Shire to meet the needs and expectations of all existing ratepayers. Funding projects to provide for anticipated future growth should not deprive existing contributing ratepayers and residents of adequate facilities and services.

General Services

The following queries are raised:
Is the Pedestrian and Bicycle Strategy program proceeding and is continued funding being allocated when many residents may be making use of alternatives to motor vehicles?
Regarding the voluntary 4C's Emergency Relief service, what assistance will Council provide in the coming financial year, when it is anticipated there will be greater need for the provision of this and other welfare services?
What allocation if any is available for Parks and Gardens including any new community projects that may be beneficial to the community?
The Garbage Charge has increased from \$157 in 2005/06 to \$182 in 2008/09, and 2009/10 Budget proposed \$193. Is this a break-even service or does Council collect revenue by adding a service charge?
With regard to the Pakenham Library, could cost saving be achieved by building the new library before the need to relocate arises?

Administration

If Council employs trained, capable and well paid professional staff, why is it necessary to fund such a high level of expenditure on consultant services? Could savings be achieved in this area?
What savings, if any, can be achieved in the use of motorised vehicles and/or purchase of economical replacement vehicles?
Is there any monitoring of catering service provision to Council and will there be any areas likely to achieve economies in the coming financial year?
What specific initiatives if any are being undertaken to identify cost savings throughout the administrative organisation and Council service areas?
What specific initiatives if any can be identified by Councillors as cost saving measures?

Conclusion

The rates increase should be lower than 5.8% proposed, especially in this financial year. We cannot have confidence in the proposed debt reduction strategy as it has not been effective over past budgets. A cautionary spending program should be adopted during the coming financial year, and the welfare of the current residents and ratepayers given first priority ahead of infrastructure for future growth.

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