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(name and address are not for publication)

11th March 2019

IPART

localgovernment@ipart.nsw.gov.au

To whom it may concern,

RE: Standard Rate Variation for residents of Port Stephens.

I wish to submit my opposition to Port Stephen's Council's proposal to induce a standard rate variation (SRV) of 7.5% over the next seven years which will accumulate to an increase of 66% by 2025. This increase will remain after this date.

I believe the proposed rate increase is excessive in that it aims to fund many unnecessary projects at the expense of many rate payers who will be financially disadvantaged by this especially given the high cost of living. Port Stephens Council has acknowledged that the rate rise will create a strain on the budgets of pensioners and therefore it will provide an annual reduction for domestic waste services to pensioners, however, there is no provision for an annual reduction for other low-income groups such as self-funded residents who may live on incomes lower than pensioners. Non-pensioners on low incomes will suffer the greatest financial impact of the SRV but this important fact has not been given serious consideration by Council who have suggested that people who are unable to afford their increased rates can go through the humiliating process of attending a charity to obtain financial assistance to pay their rates or leave a portion of their estate to the Council to pay for these unnecessary projects rather than their dependents.

Port Stephens Council has reported that it is more financially viable than other Councils in the State. For example, in approximately 2016 Port Stephens Council claimed that it was 'financially fit for the future' as there would be no need for the Council to introduce any rate rise over the next ten years. Furthermore, this Council claimed that it had sufficient funds to share with the Dungog Council by amalgamating with them to assist in funding the upgrades of its roads and bridges.

Port Stephens Council has significant income from the Williamstown Sand Mine, its half share in Newcastle Air Port, holiday parks, proceeds from selling community land and other commercial property portfolios. It has also been very successful in gaining large grants for projects. The increasing population has led to an expansion in local residential development which means there will be more Section 7.11 contributions from developers and more rates. It is not necessary that Port Stephens Council achieves \$113M increase from a rate rise over the next twenty years.

From 2012 to 2018 over 80% of residents gave Council a score of being satisfied with Council's facilities and services. Given this good result one would question why Council requires an additional \$113 M from rates and another \$60 M from loans to improve and expand services and facilities.

Responsible financial management doesn't involve overspending so that large loans are required. Some of the outstanding loans are a result of poor decision making by Council causing legal expenses to be paid by loans. Port Stephens Council has stated that it will use funds from the SRV to pay off outstanding loans and in addition new loans to the value of \$60M for sports facilities. The community should not have to pay for Council's legal expenses. Sporting clubs should be able to find sponsors, grants and fund raise without putting financial pressure on ratepayers to pay for facilities when most ratepayers will not utilise these establishments.

Given the high level of customer satisfaction over the past six years I do not believe Council needs to impose a 7.5% rate increase on its residents. Improvements need to be prioritized on a needs based formula and calculated on Council's ability to pay without loans and substantial rate increases.

Some of the projects proposed by Council are extravagant and are not needed to promote the safety and welfare of the community. For example, improvement to the Town Center of Raymond Terrace for \$15M is an outrageous amount and this may not achieve a shopping center which the community and businesses will benefit from. Given the road in the main street is in poor condition it is necessary to reseal it and to promote some civic pride by funding some minor cosmetic upgrades to gardens, street furniture and increasing shade for pedestrians. The cost of this would be far less than \$15M. Glorification of the town center of Raymond Terrace is a luxury that the majority of the community can't afford and we can live without this development.

There are several projects such as funding events and events coordinators from rates which I strongly oppose as these activities should be paid by grants and sponsorships.

I understand there are projects which are needed to enhance Council's ability to function and to create a safer and healthier environment for the community. I support a sustainable approach to the adequate funding of addressing unsafe roads and relocation and rehabilitation of the Council Depot site at Raymond Terrace.

Given Council's ability to fund large projects in the past from other sources, its existing income from investments and rates, I believe that Council can continue to provide its customers with satisfactory services and facilities without a standard rate increase of 7.5% over the next seven years.

Thank you for considering my concerns.

Yours faithfully,

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