

Dear Mr Madden,

I object to the North Sydney Council Special Rate Variation for 2019. It is unjustified and unsupported by the community. My concerns are as follows:

Consideration of well-documented council efficiency improvements is lacking in this submission.

The apparent haste in which this scheme has been prepared is of concern. It seems that the council objective (a rate increase to bring NSC rates up to a level charged by some other councils) has been set first, and the justification then developed to suit. It would appear that the usual first step of seeking efficiency improvements has not occurred, and, by all reports the line by line item scrutiny by councillors has been bypassed. An IPART review of documentation at NSC would be able to verify this.

Community awareness of the plans is limited and community support is lacking. The community survey itself was flawed. It is all about tweaking three alternatives put forward by council on basis of a fundamentally flawed proposal. Fundamental questions remain unasked, and hence unanswered. What revenue improvements would be expected from efficiency improvements? What about the alternative of a temporary levy?

The presentations to public meetings (with late or lack of advertising and in the pre-Christmas rush and over summer holidays) was also flawed.

The community was presented with 3 alternatives which have been documented to IPART. General Community support was for scenario 1. A random representative survey separately supported scenario 2, with scenario 1 being second favoured. It is an absurd claim that community has been consulted only to then totally ignore the community response and pursue a course of action for scenario 3 in defiance of community expressed view.

The realistic alternative of a temporary rate levy was not canvassed.

There is no demonstrated need for higher increases to charges. Why would services need to be reduced under scenario 1? The documentation provides no evidence of any attempt or estimation of efficiency improvements. It seems that an efficiency improvement of as little as 1.3% per annum would provide for continuing services at the current level. This after all is part of the intent of rate capping, to incentivise efficiency rather than allow the easy 'grab' of rate increases. This efficiency seeking has worked in previous years, why not this time? This is the responsibility of council staff and councillors.

Additional efficiencies can then go to capital pool. Only then, to the extent required should additional funds be sought. The mechanism for these capital funds has usually been via short term levy. One such levy has just concluded, to catch up on previously deferred capital works. On what basis is it justified that we be levied again apparently for the same works? **A sustainable financial strategy is achievable without an SRV.**

The impact on residents is unreasonable. Assertions such as

- residents can afford it because some of us are on higher income than average of some other suburbs, and
- NSC has lower rates than some other councils,

Not all residents can afford it. Many are self-funded retirees. Some of these are in properties rated much higher than average, maybe three times average. Not that whether residents can find the money to pay should be a justification for a rate increase.

Since when should it be an objective to reduce efficiency by emulating less efficient councils with higher rates? Most companies strive to be better (ie lower charges) rather than get to average.

In the past, Council had a surplus resulting from operations as normal, diminished only by incentive to spend it rather than have it squandered by other surrounding councils in event of amalgamation.

It is ironic and perverse that NSC chooses to threaten to implement 2 issues that NSC including councillors, staff and residents, railed against in arguments against amalgamation.

- Decreased services to bring us back to level of some other councils, and
- increased rates to bring us up to level of some other councils.

Resident - North Sydney Council LGA