

From: David Watt [REDACTED]
Sent: Thursday, 14 February 2019 12:47 PM
To: IPART <ipart@ipart.nsw.gov.au>
Subject: IPART - North Sydney Council Special Rate Variation (SRV) Application

14 February 2019

Dear Sir/Madam,

I would like to take this opportunity to express my objection to North Sydney Council's proposed special rate variation (SRV).

North Sydney Council has not presented a valid case for such an extraordinary increase in our rates - effectively 40% over the five years starting on 1 July 2019. The 2012-2018 SRV that recently finished restored North Sydney Council to financial health and addressed the structural issues associated with historically low rates. The Council is running a surplus and projects surpluses in the years to come. It meets and exceeds Office of Local Government benchmarks. It has up to \$37 million in reserves. The backlog of capital works has been largely addressed, and proposed capital works would take many years to plan and deliver, spreading the costs over many years. Judging by the misinformation being provided by the Council, however, North Sydney residents would be excused for thinking that the Council had to pay for 100% of the future infrastructure costs in advance.

I am one of the few North Sydney residents who have seen the presentation made by the General Manager advocating the SRV. This is partly because the so-called consultation period was so rushed and the meetings scheduled during the school holiday period. More significantly, however, many of the residents who would normally have taken the time to attend a consultation despaired that they would not be presented with the true picture of the Council's financial position, but rather with a version that had been manipulated to suit the outcome sought. Consultations are of no value unless the principles of transparency and accountability are adhered to. The Council's information strategy could be summed up in the cynical proverb - [REDACTED]. The particular figure or figures presented could well be completely accurate, but unless full and frank disclosure of all relevant information is provided, as well as contextual information and information that is not fully supportive of the argument being made, then the information provided is worse than useless. Imagine if Centrelink assessed welfare applications on income alone and ignored applicants' assets, which is tantamount to the Council's position on the SRV! In the presentation I attended, no mention was made of:

- . current or projected surpluses;
- . investments or reserves;
- . interest on investments;
- . revenue from sources other than rates, such as grants, parking charges, existing and future s7.11 development contributions, and community benefits and infrastructure through Voluntary Planning Agreements; and
- . the impact of the Valuer-General's revaluations expected over coming years.

Further, there is no evidence of the Council's having explored alternatives to a rate increase such as alternative revenue streams and/or special levies tied to specific infrastructure projects such as the existing stormwater levy.

In an era in which our State and Commonwealth government departments have been subjected to so-called "efficiency dividends", which amount to a requirement for year-on-year internal efficiencies, it is disappointing that there has been no focus by the Council of how it can do its work more efficiently. The North Sydney Council is, in fact, in the enviable position of experiencing a significant increase in new rateable residential and business properties as a result of current construction activity. State government policies are set to deliver significant further increases in residential and worker populations, which will result in more rateable dwellings and commercial buildings. In other words, the Council will be responsible for a much larger, rate-paying population without any increase to its boundaries. In the business world, this would be seen as a competitive advantage due to the economies of scale that result from that, but there is no mention of these future windfalls in the Council's SRV position.

Mayor [REDACTED] makes much of the major projects such as 100 Mount Street and 1 Denison, as well as the new Metro station, as representing a revitalisation of the North Sydney CBD, and she goes so far as to write in her column in today's 'Mosman Daily' (14 February edition, page 8) that "these developments create a rare opportunity for our Council to leverage contributions towards creating new public spaces . . ." Such comments typify the Council's approach in that they trumpet the Council's ability to leverage opportunities in various fora yet plead ignorance of such opportunities when presenting an unrealistically bleak picture of what will happen to service delivery and infrastructure without the proposed SRV, suggesting that without the SRV there can be no new public spaces.

In conclusion, North Sydney Council has not come close to justifying the need for a further SRV. If the Council truly believed its rhetoric, surely there would have been at least one Councillor who flagged the need for a SRV in the relatively recent election, but there was none. What can have changed so significantly in such a short time? Despite the significant number of fixed-income ratepayers who are struggling with cost-of-living pressures, including large increases in the costs of utilities, the Council has embarked upon what it sees as the easy way of managing its finances, which is to slug ratepayers. And it has embarked upon a "consultation" in name only, designed to tick a box, exhibiting documents that provide little of the detailed required to make an informed view.

I trust that IPART will give the Council's application due consideration and reject it on its merits.

Yours sincerely

David Watt