

From: Gail Ballantyne [REDACTED]
Sent: Monday, 11 February 2019 2:58 PM
To: Local Government Mailbox <localgovernment@ipart.nsw.gov.au>
Subject: Re: Special Rate Variation Proposal by Port Stephens Council

Please find attached my submission against Port Stephen's Council request for a Special Rate Variation, lodged on 11th February,2019
M G Ballantyne
[REDACTED]
[REDACTED]
[REDACTED]

To: **Independent Pricing and Regulatory Tribunal (IPART)**

PO Box K35
Haymarket Post Shop
NSW 1240

Re: Special Rate Variation Proposal by Port Stephens Council

I am a private citizen with no political affiliations. I do not support PSC request for this SRV and believe we should only be charged the normal CPI increase. I am on a pension and would find the cost a burden within the 7 year period and onwards as a permanent increase.

The cumulative percentage increase, including rate peg, of this proposal is 65.9% over the seven years. Council is proposing that the increase be retained permanently in its rates general income base. This means that the rate levels in 2025-2026 will increase by the rate peg in 2026-2027 and subsequent years and rates will not be reduced to pre-SRV levels. The SRV is proposed to commence in the financial year starting on 1 July 2019. The purpose of the SRV would be to fund a range of infrastructure, facilities and services to meet community expectations as outlined in Council's Community Strategic Plan 2018-2028 (CSP).

I believe the projects listed below are not urgent, are not needed and a want rather than a need.

For example I do not accept the outrageous costs listed below for projects that are not needed. The Town centre and neighbourhood revitalisation

\$40m Road resealing and rehabilitation

\$35.150m Paths and cycleway

\$9.7m New and improved community amenities

s \$8m Sports facilities upgrades

\$6.8m Depot relocation and rehabilitation

\$5m Foreshore improvements

\$3m Shoal Bay drainage

\$2m Street lighting upgrade

\$2m Soldiers Point car park \$0.500m \$112.150m

None of the above are a need and council cannot place financial hardship on many of it's residents for these wants. There have been several grants from State government this year that will ease the burden on council.

I have read through the information o the council request for a Special Rate Variation.

I feel the council past and present has been lacking in management, planning and consultation.

There have been some plans in the life of this council that are very costly, not a priority and not meeting the needs of the majority of residents. It seems council has focused on developing Nelson Bay to support local business and tourists. Neither should be the ratepayers' financial responsibility. The tourists I spoke to while on a stand last year love the town, were horrified at the ideas of high rise and keep returning because they love what is here. As long term rate payer of 20 years and 4 year as a permanent resident I don't believe there is anything wrong with the town centre. It might be improved with colour and plants but overall it is not a priority to have us pay more rates to see the town centre rejuvenated for the benefit of business owners.

For instance the \$65 Million Sports Complex, I feel this is definitely not a priority. As almost 44% of the population are over 65 years of age and there are already very generous sports space how this can be a need. There is a difference between a need and a want. If he amenities are in need than renovate. Don't ask us the residents 44% who do not use the complex to expect to be happy with \$65M being spent.

The statistics from 2016 census shows that a large part of Nelson Bay population is over 65 years of age and a \$64 Million sports complex. Is not a dire need.

Extract from census ;Nelson Bay is located on a bay of the same name on the southern shore of Port Stephens about 60 kilometres (37 mi) by road north-east of Newcastle, its nearest rail link. At the 2011 census, Nelson Bay had a population of 5,396.

*The median age of people in Nelson Bay (NSW) (State Suburbs) was 48 years. **Children aged 0 - 14 years made up 15.4% of the population and people aged 65 years and over made up 25.5% of the population.***

Please read this extract from the Port Stephens Examiner to understand the

[REDACTED]

The PSE article reads;

[REDACTED]

Proof Port Stephens Council has not managed finances well in the past;

The previous council had borrowed \$6 Million; we have been told 1.7 M was spent on the Yaccaba extension. This was not a priority, it is approximately 500 meters of road that will take traffic from the town centre, in holiday peak season all it will do is cause a bottle neck. That money would have been better spent on kerbs, gutters, sealing dirt roads etc.

Considerable money was spent on consultant fees to create a report on how to improve the foreshore of Nelson Bay. This is not a priority as tourists flock to the area and return often enjoying what is already there. If council wanted to know how we, the residents might like to see improvements made, or if

indeed we felt they needed improvements they could have asked us and implemented our ideas, much cheaper than consultants.

During a council meeting in July, I heard Councillor [REDACTED] ask why the Medowie Sports Club (that council is funding) budget has blown out by \$1.5 Million, not one staff member at that meeting could explain why. Even more worrying was the fact the other councillors were willing to pass that budget with that huge blow out.

I had read in the Newcastle Herald in February this year, that the Lagoons estate court case has been ongoing for many years in costing Millions. This case was due to be heard in May 2018. Council has not updated the residents on the progress or outcome of this costly lawsuit. If this has been settled out of court and the rates are being increased to pay for the costly drainage repairs council will have to provide, don't we deserve to know?

The main reason I do not agree is the fact the majority of the population is on a fixed budget, including me and an annual increase to 65.9%. Is going to place enormous financial stress on us the residents. One lady wrote she is on a pension, already paying \$50 a fortnight council rates and has no more to give. This is not an isolated case.

I feel council needs stick to their capital works list and not prioritise work that is not needed. For instance the \$90 toilet block at Tanilba Bay, that could have been improved at less cost. At Tanilba Bay the residents don't even have footpaths, the kids have to walk through mud and puddles to walk to school!!

It has become obvious to me that the residents come second here, business and tourists first.

The irony is if the council increase rates the local residents will not have any of their already limited budget to spend, this will affect local business. I will end with this following information provided by Port Stephens Council in 2016 as another reason against a merger with Newcastle;

Port Stephens has demonstrated in its forecast that it will meet the infrastructure benchmarks by 2019-2022

The KPMG model does not include the impact of harmonisation of rates, which would occur after the proposed four-year moratorium. NCC has had approval for a cumulative SRV of 31.68% above rate pegging, or 46.93% including the rate peg over a five year period from 2015-2016. The effect on residential ratepayers Port Stephens Council would result in an increase of an average of \$500 per annum in a harmonisation but businesses in Port Stephens will see rate increases between 33% and 61%.

Port Stephens Council does not have a Special Rate Variation in place and nor does Council propose one the life of the current Long Term Financial Plan (2015-2025).

Both NCC and Port Stephens Council were declared to be financially sustainable across the seven government criteria and this proposed merger – due to its cost – will materially affect that sustainability.

I urge IPART to reject this outrageous proposal on the basis it is not meeting the requirements of IPART. **“Council requests for Special Variations are often in order to develop or maintain essential community services or regional projects.” (IPART SRV Web Site)**

There are no essential community services in Port Stephens that are either in jeopardy or that require the proposed level of SRV that has been specified by the council’s public information booklet. There are also no regional projects at risk or even listed in the council’s information booklet. In fact a recent council survey indicated that residents were reasonably happy with all the services that the council provides.

Councils need to show IPART there is: (IPART SRV Web Site)

- **community awareness of their plans**

The information provided to justify this increase to the community is, in the current version, entirely web based and is misleading and contradictory. (Examples in Appendix 1 below). In a letter to all residents the council has claimed “over 20 community meetings” when in fact there were only 9 council organised community meetings, all others being merely poorly attended “drop-in booths”. The letter also claims “strong support” for infrastructure (un-quantified and evidence free) but does not claim support for the rate rise. Whereas the proposal has been put forward as a series of “options” for the community to indicate their preference for, the council has itself chosen “option3” (66% cumulative rise) without collecting, showing or referring to the community’s indicated preferences.

I regard all this as being a failed community collaboration at best and an attempt to falsify community feelings at worst.

- **a demonstrated need for higher increases to charges**

With no essential community services in jeopardy and no regional projects indicated there can be no demonstration of need for higher increases to charges.

- **a reasonable impact on ratepayers**

*A 66% cumulative increase in council rates in a council precinct with such a high percentage of fixed income residents **is not** a reasonable impact on ratepayers! An initial 40% of the respondents objecting to the SRV, which numbered 60% of total respondents, with more submissions to come, (see appendix 2) have claimed financial hardship as their reason for rejecting the proposal.*

- **a sustainable financing strategy**

Both the mayor and the services manager have previously stated publicly that grants will be needed to finance the stated plans.

- **a history of well-documented council productivity improvements**

These have been claimed but not widely documented and, to my knowledge, no evidence has been published.

In addition to the non compliance of the above conditions the council, throughout its community consultation process, has spoken only about what I would call "nice to have" benefits such as street beautification, "gateways", parks and cycle ways etc. So it is reasonable to assume that the council itself sees no threat to "essential community services" and therefore the premise of its request is false.

Appendix 1

Example a)

An example confusion over actual expenditure and therefore cost to residents and rate payers springs from the apparent contradictory figures quoted for "sports facilities upgrades" as exemplified below....

- Council web site information booklet (on line): \$3m "one off cost"
- November 18 pdf booklet Delivery Program and Operational Plans: \$6.8m
- Same document as above; "Loan 'draw down' \$40m over 4 years".
- No matter how these figures are read or interpreted, together they represent 49% of the entire SRV over the next 7 years and *must* be a consideration in the circumstances of an extraordinary rate rise!

The sports complex issue is further clouded by the planned relocation of the Tomaree council depot at a cost of \$5m who's current location is where a part of the sports complex is proposed on drawings. The reasons for this relocation have been offered as efficiency based but the "new" location is further from Nelson Bay and no closer to Raymond Terrace!

Example b)

The openly discussed potential legal cost of \$20m (Fairfax media) is neither acknowledged nor denied by council but must be a consideration in the circumstance of an extraordinary rate increase.

Example c)

The multiple sourcing and confusing nature and complexity of the public information provided by the council draws a justifiable suspicion of the duplicity or incompetence of this council.

Appendix 2

Council's report on submissions received from residents regarding the SRV proposal:

Council received 90 submissions, according to its report.

"Of the 57 long written submissions received 58 per cent were not supportive of the proposed SRV; 32 per cent made no comment; and 10 per cent were supportive. Of the 33 short submissions received, the majority did not support the proposed SRV and felt that the council was ignoring results of earlier community consultation."

This report was said to be rejected by the mayor as not representative of the feelings of the community. Three of our local councillors have also rejected this SRV.

Regards,
M G Ballantyne,

[REDACTED]
[REDACTED]