



John Ballantyne
[REDACTED]
Nelson Bay NSW 2315
[REDACTED]
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To: Independent Pricing and Regulatory Tribunal (IPART)

PO Box K35
Haymarket Post Shop
NSW 1240

Re: Special Rate Variation Proposal by Port Stephens Council

Dear Sirs,

I am a private citizen retired and living in Nelson Bay.
I have never donated money to any political organisation.
I am writing to express my serious concerns over the special rate variation proposed by the Port Stephens Council.

As well as being adversely affected by this proposal I also believe that it meets none of the requirements set out in the IPART website. Below I have listed those requirements and added my concerns in italics to each of them.

"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**

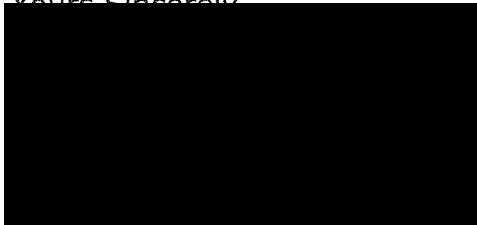
The information provided to justify this increase to the community is, in the current version, entirely web based and is misleading and contradictory. (Examples in Appendix 1 below). In a letter to all residents the council has claimed "over 20 community meetings" when in fact there were only 9 council 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.

Yours Sincerely,



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.