

5 March 2018

The Secretariat
Independent Pricing and Regulatory Tribunal
Email: localgovernment@ipart.nsw.gov.au

Submission: Randwick City Council Rate Increase Proposal

As long term [REDACTED] residential rate payers, we are amazed and concerned that Randwick City Council has lodged a rate variation application with the Independent Pricing & Regulatory Tribunal seeking an increase in Council rates of 19.85% over the next 3 years based upon the outcome of a community survey undertaken over the Christmas holiday period. We are also concerned that the Council is seeking to borrow \$27 million to fast track a number of projects identified as significant priorities in the survey reading material.

There is widespread concern about the manner in which this survey was conducted by Council, its timing and the Council's interpretation of the survey outcomes.

Based on what information has been released by Council it would seem that the number of responses for the survey, which entailed both a written and independent phone survey, was just under 6000. Of these responses it has been stated that only 49% of the written survey respondents and 57% of the phone survey supported the 19.85% rate increase. Given that Randwick has a population of 140000 of which some 70000 are understood to be rate payers, a decision based on a sample of only 6000 is not truly representative and it is cavalier of the Council to state that the majority of residents have voted for the cumulative 19.85% rate increase based on this sample and also where the outcome of the survey responses is so closely divided.

At the February 2018 meeting of the Maroubra Beach Precinct Committee the majority of those present expressed concern and amazement with the manner in which the survey was undertaken and the decision by Council to opt for a 19.85% rate increase. Some of these concerns raised were -

- Not every residential ratepayer received the paperwork from Council concerning the proposed survey and therefore did not vote.

- Timing of the survey over the busy Christmas holiday period was ill considered with many residents being too busy to participate.
- How was the existing average annual residential rate of \$1159 arrived at given most residents present at the Precinct meeting indicated they were currently paying annual residential rates of between \$2000 and \$3000?
- The cumulative impact of the proposed rate increase for these ratepayers will be circa \$1200 - \$1800 over the 3 years or an average annual increase of \$400 - \$600. This is substantially more than the \$203 cumulative or \$71 average annual rate increase cited in the Council's survey material.
- Such a high level of rate increase will present a financial burden for many older rate payers on fixed incomes - especially for those where their rates are already a multiple of the average residential rate.
- That any future residential rate increase not only continue to be capped by a CPI % index but also that a realistic and affordable annual \$ cap be imposed on all residential property rate increases. This measure will offer some level of financial relief for those older ratepayers fortunate to own higher value properties and on fixed incomes.
- In terms of the phone survey was this confined to only bona fide rate payers or was this survey directed to the Randwick community generally?
- What consideration was given to the rate impact of high density /high rise residential development which continues to grow exponentially in Randwick at the expense of single residential dwelling development? With the ever growing number of Randwick residents residing in high density / high rise development and requiring an ever increasing array and level of Council services perhaps these homeowners could be compelled to make a more equitable contribution towards Council services.
- Given the very large component of public housing within Randwick it is also reasonable that the State government make a more equitable contribution to the provision of Council services rather than leaving the burden to local rate payers.

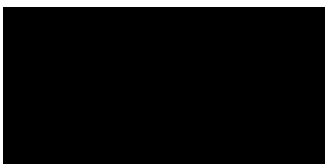
- Of the residents who attended the Maroubra Beach Precinct Committee meeting only two, on a show of hands, indicated that they had supported the 19.85% rate increase as proposed as option 3 in the survey.

Recommendations.

Members of the Independent Pricing and Regulatory Tribunal are respectfully urged to -

1. Reject outright the Council's proposal for a 19.85% cumulative rate increase over 3 years
2. Require Council to revisit and or undertake a more transparent and objective assessment of ratepayer attitudes on rate increases.
3. If a rate increase is to be approved by IPART in excess of CPI, then such increase is to be limited by a cap of \$100 annually for residential property rate payers over the next 3 years.

Yours faithfully



John and Rhonda Burgess

