

SUBMISSION TO IPART – NORTH SYDNEY COUNCIL SPECIAL RATE VARIATION

My submission is to oppose North Sydney Council's proposed 7% rate increase. A rate increase of this size; 40% over five (5) years for residents living in detached, semi-detached and terrace houses is beyond reasonable.

I believe the proposed increase is unwarranted and should not be supported by IPART. North Sydney Council should be allowed a modest increase to offset CPI rises and enable projects to be progressively undertaken.

During community information sessions North Sydney Council has refused to listen to residents suggestions on how savings can be made or services adjusted without serious impact to ratepayers that would provide Council addition funds together with a lower rates increase. This would still see projects completed. It has been proposed that Council prioritise projects based on urgency. Council has, however, ignored all input from ratepayers.

There is agreement that an increase is necessary. What is not agreed is the size of the increase. From the below table (Council's own figures) it can be seen that the support is significantly for Scenario 2. From the table below Scenario 3 has the least support.

Councils three scenarios:

- Scenario 1 A rate Rise based on the Rate Peg
- Scenario 2 A Special rate variation of 5.5% over 5 Years inclusive of the rate Peg
- Scenario 3 A Special Rate Variation of 7% over 5 Years inclusive of the rate Peg

	Scenario 1	Scenario 2	Scenario 3	Total	Scenario 2 + 3
Residents	104 24.8%	187 44.6%	128 30.5%	419 100%	315 75.1%
Business	79 39.5%	76 38%	45 22.5%	200 100%	121 60.5%
TOTAL	183 29.6%	263 42.5%	173 27.9%	619 100%	436 70.4%

42.5% of all ratepayer respondents preferred Scenario 2, followed by Scenario 1 29.6% then Scenario 3 27.9%. Business ratepayers preferred Scenario 1 39.5% then Scenario 2 38.0%, followed by Scenario 3 22.5%. Residential ratepayers preferred Scenario 2 44.6% followed by Scenario 3 30.5% then Scenario 1 24.8%.

Further analysis of the residential respondents found that respondents living in detached, terrace or semi-detached houses were more likely to support Scenario 1 (at 31%, against 22% of those living in apartments/high density). 49% of apartments dwellers preferred Scenario 2 (against 40% of those living in detached or semi-detached houses); and the proportion choosing Scenario 3

was the same across both high and low/medium density housing, at around 30%. This is because under the current rating structure respondents living in detached, terrace or semi-detached houses will be hit with a much higher increase than those living in apartments. A person living in a \$1 million house pays a much higher rate than a person living in a \$1 million apartment.

The table below (from North Sydney Council) details the total general submissions received by format and nominated preferred financial scenario. Again it can be seen that Scenario 3 does not have support. Under this breakup Scenario 1 has the greatest support.

	Scenario 1	Scenario 2	Scenario 3	Other	Total
Online Feedback Form (EHQ)	257	91	104	n/a	452
Email (registered in ECM)	18	5	9	35	67
Letter (registered in ECM)	0	1	0	6	7
CRM	1	0	0	2	3
Verbal	0	1	0	6	7
Precinct Committees	1	0	0	5	6
Amended IPR Plans	2	1	3	1	7
TOTAL	279 51%	99 18%	116 21%	55 10%	549 100%

During the 2015/2016 council amalgamation debate North Sydney Council stated it was “Financially Sound” and fully met “Fit for the Future” criteria. The following Table was produced by North Sydney Council to highlight how well positioned it is in respect to the categories listed.

How North Sydney Council meets criteria

Indicator	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Sustainability						
Operating Performance	√	√	√	√	√	√
Own Source Revenue	√	√	√	√	√	√
Building & Asset Renewal	√	√	√	√	√	√
Effective Infrastructure & Service Management						
Infrastructure Backlog	√	√	√	√	√	√
Asset Maintenance	√	√	√	√	√	√
Debt Service Cover	√	√	√	√	√	√

It is disturbing that North Sydney Council is now not as “Fit for the Future” as it was. It is difficult to accept that there has been such a dramatic change over just two years. The above Table produced by North Sydney Council shows no infrastructure backlog and asset maintenance under control.

To me it is wrong for the Council to seek ratepayer input on what is needed in the LGA and then completely ignore that input. That is not in accordance with having local government for local communities.

IPART is requested to make a decision based on the views expressed by the ratepayers of North Sydney. North Sydney Council is misrepresenting the views of ratepayers when it says there is support for the 7% (Scenario 3) rate rise.