

NORTH SYDNEY COUNCIL – SPECIAL RATE VARIATION

I make this submission as an individual ratepayer and a former Councillor from 2012 to 2017 and Deputy Mayor of North Sydney.

I was the Councillor who moved the motion to complete the Coal Loader parkland during that term of council at a cost of \$16 million. My logic and that of the majority of Councillors, was that as we were under threat of forcible amalgamation with Willoughby Council which had debt of \$50 million, it was better to expend our surplus funds on something worthwhile, in North Sydney, than leave our cash to be used to pay off the debt of a merged council.

This was also part of the logic that drove the decision to completely clear our longstanding infrastructure backlog over 2015-2017: spend some of our plentiful surplus funds on something worthwhile in North Sydney as a hedge against our legal action against the forcible merger being unsuccessful.

Beyond that, for the previous 10 to 15 years before 2012, North Sydney Council had a habit of hoarding money by deferring expenditure and a majority of Councillors that served during 2012-2017 were determined to deliver and expend surplus funds on the purposes for which it had been raised.

Thus 2012-2017 represented an extraordinary period of catch up expenditure.

The simplistic analysis carried out by Council to support this application is fatally flawed in that it assumes that this extraordinary one-off period of capital spending is a trend that will continue.

Despite all the capital spending that we undertook a cash surplus of \$37 million remains today. A further surplus of approximately \$100 million is held in discretionary, realisable real estate assets ie not including core assets such as the Council Chambers and Works Depot.

Given the traditional massive uplift in rates pegged to VG increases in an area like North Sydney, the enormous amount of development activity currently underway and infrastructure expenditure inevitably reverting to trend, this application is completely unjustified.

Jeff Morris