

# Submission to IPart - Nick Collis-George 12 March 15

## Objection to Mosman Council's Special Rate Variation Application

In this submission I object to Mosman Council's Special Rate Variation Application on two grounds:

1. Mosman Council's public consultation was misleading and inaccurate
2. The majority of Mosman ratepayers do not support the Council's application.

### Mosman Council's public consultation was misleading and inaccurate

Mosman Council is making application for a Special Rate Variation under s508(2) of the *Local Government Act 1993*.

The terms of the application are:

- one-off, permanent increase in the rate base of 13%, including the rate peg, in 2015-16
- expiry of the current temporary Community Environmental Contract Levy of 5%
- Special Variation to apply from 1 July 2015.

This application was described in Mosman Council's communications with ratepayers as Option 3. This option as it was presented to ratepayers is shown in the following documents held on IPART's website.

[Attachment 5a - Community Engagement Materials Pt 1](#)

[Attachment 5b - Community Engagement Materials Pt 2](#)

The options in these community engagement materials were described as follows:

#### Option 1

No Special Rate Variation. Annual rate increases in 2015-16 limited to estimated rate peg of 3%.

#### Option 2

One off special variation in 2015-16 of 8% (5% plus estimated annual rate peg of 3%)

#### Option 3

One off special variation in 2015-16 of 13% (10% plus estimated annual rate peg of 3%).

The words used in options 2 and 3 'One off special variation in 2015-16' are misleading and flawed.

The proper explanation should have been 'a one off special variation in 2015/16 of xx% **that remains permanently in the rate base**'.

The effect of the inaccurate wording in the explanatory brochure (Attachment 5A) was to give the impression that the rate increase was a 'one off' in 2015/16 applying for one year only with the rates returning to normal in 2016/17. On receiving these documents, this was my initial understanding and only after studying the Guidelines for a Special Rate increase on the IPART website was I able to see the inaccuracy. This is not a task one would expect ratepayers to undertake to understand council communications.

The inaccurate and misleading information was referred to Mosman Council, it was acknowledged and they undertook to change the explanation on the website and future documents. They did not change the words in the printed materials that were mailed to ratepayers, with a feedback card. These materials formed the basis of most resident's understanding of the issues. There is a high probability that ratepayers responding to the survey misunderstood the nature of the increase.

There were three forms of engagement with Mosman ratepayers.

A feedback card, online submissions and email - which received 617 responses  
option 1 - 199 votes option 2 - 202 votes option 3 - 216 votes.

An online survey - which received 22 responses  
option 1- 7 votes option 2 - 4 votes option 3 - 11 votes

An intercept survey - which had 245 responses  
option 1 - 65 votes option 2 - 91 votes option 3 - 89 votes.

In total there were 884 responses.  
option 1 - 271( 31%) option 2 - 297 (33%) option 3 - 316 - (36%)

Option 3 received the highest number of votes from the group, which included the feedback card attached to the misleading brochure which was mailed to all ratepayers.

Mosman Council failed in its duty to properly explain and inform ratepayers.

### **The majority of Mosman ratepayers do not support the Council's application**

It is evident that Option 3 does not have majority support of Mosman ratepayers.

Unfortunately ratepayers were not given the opportunity to give a second preference.

It would be fair to say that those voting for option 1 would prefer option 2 over option 3 and those voting for option 3 would prefer option 2 over option 1.

The only conclusion to be drawn from this flawed process is that a majority of ratepayers would support option 2.

Mosman Council's application should be rejected because it does not have sufficient support from ratepayers.

## **Conclusion**

Mosman Council has not applied for Option 2. The temporary Community Environmental Contract Levy of 5% is in place until 2016- 17 and a rejection by IPART of Mosman Council's application will not result in a reduction of rates over the next 2 years and will not cause financial difficulty for the Council.

It is an option at a later date for Mosman Council or, following the 'Fit for the Future' process, a merged council to apply for a rate increase to replace the temporary Community Environment Levy.

Thank you for your consideration of this submission, I would like this to a public submission.

Nick Collis-George  
12 March 2015

