



[REDACTED]  
Nelson Bay  
NSW 2315

IPART  
PO Box K35  
Haymarket Post Shop  
NSW 1240

12 February 2019

Dear Sir or Madam,

**PORT STEPHENS COUNCIL SPECIAL RATE VARIATION – PERSONAL SUBMISSION**

I wish to lodge an objection to the Port Stephens Council proposed Special Rate Variation (SRV) submission, which seeks to increase the rates for householders in the Port Stephens area by 7.5% per annum for a 7 year period. A total increase in basic rates of 66% but also an ongoing cost to ratepayers when the NSW Government approved rises are applied annually thereafter to significantly inflated household rates. It is worth remembering at the start of this submission that the key principle for councils' seeking a SRV, is 'does council require additional rates income to deliver services'?<sup>1</sup> By their own admission, the council has stated that 'the community has consistently provided feedback that it is generally happy with council's delivery of infrastructure, maintenance and services'. Therefore, why is there a need to increase rates? You will see from the Port Stephens Council proposal that the increase they are seeking is almost exclusively to fund improvements to the local area, not to improve services which are already at an acceptable level.

It should be noted that the results of the two council SRV surveys conducted last year, showed that 72% of those residents which responded supported Option 1, No rate rise above the NSW Government rate peg. According to the combined survey results, only 14% supported Option 3, for a 7.5% increase, yet this is the Option put forward to IPART by Port Stephens Council. As an aside, the survey was heavily weighted towards a result which showed at least some interest in an increase of some level. This was because those surveyed were required to list their preferences in numerical order for all the various options (ie. Nil, 2.5%, 6.5%, 7.5% etc). I understand those like me, who chose to ignore this requirement and selected only one option (in my case Option 1), had their input discounted and not included in the survey results. Hence, the survey results which showed that a small proportion of those surveyed would be happy with some increase, was based on a totally incorrect data and subsequent assumption. Nevertheless, Port Stephens council stated justification for seeking an increase, 'is that a reasonable proportion of residents have shown an acceptance of an increase of some kind', and thus despite the majority of residents not wanting any increase, the council has continued with

their submission for the SRV to IPART. They might as well have not bothered with the survey if they were obviously going to ignore the majority response.

If approved the annual revenue generated by rates to Port Stephens council will increase from its current income of \$57m<sup>ii</sup> to \$94m at the end of the 7 years, and generating an additional \$133m<sup>iii</sup> over 10 years. This is despite that in 2018 Port Stephens council made a profit from Continuing Operations of \$20.4m and \$22.7m<sup>iv</sup> the year before. Council states it is seeking a rate increase to 'fund projects that will stimulate the local economy, drive business growth, attract visitors, fill empty streets and enhance the region for the benefit of all'<sup>v</sup>. Yet the major project listed is the Town Centre and Neighbourhood Revitalisation Programme, which includes footpaths for pedestrian access, town signage, formalised parking, gardens on road blisters and footpaths. The council commissioned Business Case report states that 'improvements to the public domain will facilitate and encourage an expansion of existing businesses and sectors within town centres. The broader economic benefit is expected to arise from an additional number of tourists to the region per year. Port Stephens currently enjoys 1,437,000 visitors a year (hardly empty streets), who stay a total of 2.276 million nights and spend \$540 million each year'. Does the council seriously think that the Revitalisation Programme of footpaths and gardens etc, at a total cost of \$43m<sup>vi</sup>, is really going to attract more visitors? Seriously? Even so, the council sponsored Business Case report suggests that 'with enhanced public facilities and infrastructure, a 2% annual growth could be achieved if the revitalisation works go ahead, resulting in annual benefit of around \$880,000 to the Port Stephens LGA'. A mere \$880,000 despite the collection of millions of dollars from the SRV and the proposed expenditure of \$43m. The results of the council SRV surveys noted that 'there was a feeling of mistrust that council could not deliver the proposed projects, based on past performance'. Realistically they might as well just share the \$43m between all the businesses in the LGA for all the good the revitalisation works will achieve. Better still, why not use some of the profit from Continuing Operations to fund a few of the more essential projects.

A 7.5% annual rates increase for 7 years, totalling 66%, plus the ongoing costs, will have a serious impact on the finances of most households in the Port Stephens area where the average income per family is \$300 less per week than the average for NSW, yet average mortgage repayments are very similar for households in Port Stephens and NSW. Additionally, out of the 70,000 people in Port Stephens, 23% are over the age of 60 and thus less equipped to absorb such an impost on their often, limited pensions and savings<sup>vii</sup>. The findings of the council surveys showed 'the main issues of concern were lack of affordability for low or fixed income families (particularly pensioners)'. From my perspective, as a retiree on a pension, I am already struggling to meet the increasing household costs such as insurances, energy, repairs etc. The submission to increase my household rates significantly more than the NSW rate peg, will have a serious impact on my ability to pay my rates or other bills.

Port Stephens council has stated that the 'community has consistently provided feedback that it aspires for more major community projects to enhance the local area'. They have yet to provide any evidence that this is true. Even if it were, why have they decided to listen to this feedback from the community, yet have ignored the results of their consultative surveys which overwhelmingly rejected any suggestion of a rate rise. Council is supposed to support their people, yet they are prepared to proceed with this

submission and refuse to acknowledge the impact it will have on many of their residents. This is just unconscionable conduct on their behalf. I seriously doubt that there will be any positive impact on local businesses and development, but I also note that all of the councilors who voted for the SRV are business owners or developers and would personally benefit from any positive effects of the investments. I believe that if businesses and developer wish to benefit from improvements to the local area, then maybe they should pay for those improvements, not hard-up residents. Finally, I would like to quote yet other results from the SRV surveys. 'There is a need for council to be more efficient and live within its means', and 'The identified projects are definitely not the best use of rate payers funds'.

I ask you to refuse the SRV of 7.5% over 7 years tabled by Port Stephens Council and ensure that their annual rate rises are within the NSW Government rate peg.



Rosemary Campbell

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<sup>i</sup> NSW Office of Local Government Guidelines for the Preparation of an Application for a Special Variation to General Income.

<sup>ii</sup> Port Stephens General Purpose Financial Statements for the year ended 30 June 2018.

<sup>iii</sup> Port Stephens Council SRV Information Booklet 2019.

<sup>iv</sup> Port Stephens General Purpose Financial Statements for the year ended 30 June 2018.

<sup>v</sup> Port Stephens Council SRV Information Booklet 2019 - Proposed SRV funds expenditure.

<sup>vi</sup> Port Stephens Council commissioned SRV Business Case report.

<sup>vii</sup> Australian Bureau of Statistics Census QuickStats 2016.