

Submission re Warringah Council's application for a Four-year Special Rate Variation

I submit that IPART should reject Warringah Council's application for four consecutive annual special rate increases and allow only a single increase. This would satisfy Warringah's financial needs and is clearly what the residents of Warringah want. More detailed analysis to back my recommendation is given below.

In my opinion, while Warringah Council has complied with most of the technical aspects of the IPART Guidelines on community awareness and engagement, it has not complied with their spirit.

What the Special Rate Increase will Fund

One fundamental deficiency on the technical side is that Council has failed to clearly identify what the increased income is to be used for. In the consultation process it accounted for only about 20% of the increase, leaving a \$4.1 million excess over the first four years and \$32 million over the 10 year time frame of the Strategic Plan.

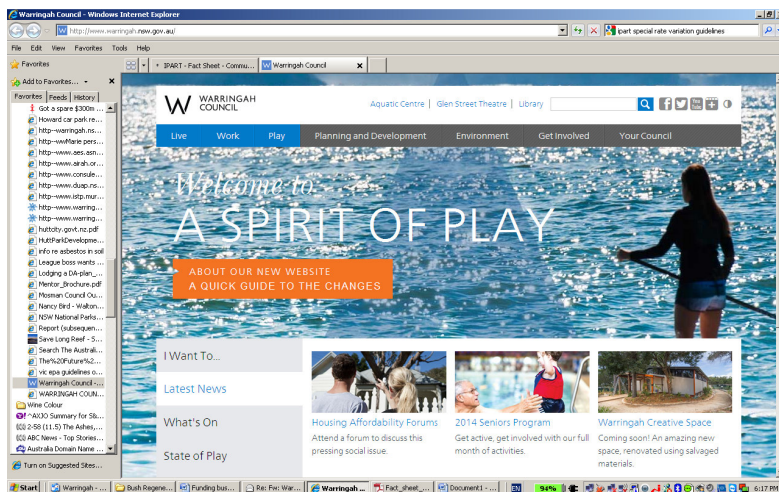
In order to quote these figures (prior to the formal application document being made public) I had to make my own calculations and use other data sources. The total revenue and expenditure figures were not presented in the community engagement process. In particular, the surplus funds for ongoing additional capital expenditure, *"to be prioritised in the next delivery plan"*, that are detailed in Schedule A of Council's application to IPART were not identified or discussed.

A further deficiency is that there is no firm evidence, just hearsay, that the community agrees with the expenditure priorities that Council proposes. In contrast, there is clear evidence that Council is not targeting the areas that the community has indicated to be its priorities.

In its response to the SRV submissions from its community Council states, under the heading "Theme 3 Council's Focus is Wrong" (p.160), that

The new Community Strategic Plan 2023 was produced by Council on behalf of the Warringah community based on input acquired over 12 months. The Plan identifies the community's aspirations for the future and has informed Council of the key priorities that need to be addressed. Council uses the Community Strategic Plan as its main point of reference for all decision making on priorities and resourcing, in order to ensure that best efforts are made to meet the aspirations of our community.

This claim is clearly not true. Warringah's Mayor and senior Council staff are focused on "a spirit of play", as is shown by Council's web site (www.warringah.nsw.gov.au)



In accord with this, the proposed increased expenditure is targeted at what Council calls “*Enhancing our Recreational Facilities*” (dredging of Narrabeen Lagoon for increased recreational use, upgrade of Aquatic Centre, etc.).

The community has never requested this strategic direction or suggested that recreation be a primary focus of its council. The Community Strategic Plan 2023, which Council claims is the basis for its priorities, makes it absolutely clear (p.5), that Civic Leadership is expected to primarily drive *Vibrant Communities, a Healthy Environment and Working Together*. No major civic leadership role is envisaged for *Lifestyle and Recreation*.

The contrast in view of the Council and its community is shown most graphically by the attitudes to the natural environment. The Community Strategic Plan 2023 states (p.13) that:

“Our natural environment is treasured by residents and visitors alike - for many it is the reason they live here. Reducing the impact of our activities on the natural environment is critical” and further “We strive to retain and improve the quality of our (natural) habitats to protect this biodiversity.”

This community priority is further demonstrated in the 400 sample telephone survey, conducted as part of the public consultation for the proposed SRV, where 92% of respondents rated protection and maintenance of Warringah’s natural environment as either Very Important (71%) or Important (21%). A miniscule 2% rated it as Not Very Important or Not At All Important.

However senior Council staff and Councillors, in accord with their Spirit of Play slogan, consider Warringah’s natural areas to be playgrounds, stating on the Council web site that *“Warringah has water and wilderness. The famous bush and the glittering beaches. We enjoy twice as much open space as the average Sydneysider to walk our dogs, ride our horses, cycle our trails, kick our footballs, fire up a beachfront barbie or just eat fish’n’ chips on the sand, salt supplied”* (my bold emphasis).

Ultimately, this difference in concern is reflected by Council’s expenditure priorities. In 1996, it was given permission to introduce an Environmental and Stormwater Special Rate of 6.9%. From 1996 through to 2010 the money raised by this rate was spent approximately 50:50 on environment and stormwater. However, this changed dramatically in 2010 under the current Mayor and General Manager. Expenditure on Bushland Operational – maintenance and enhancement of natural areas (bush regeneration) – was reduced by 52% (see table below, taken from the 2010/11 Warringah Community Strategic Plan). The money was diverted to stormwater capital-type projects. Council’s response to protests was first, to stop reporting the ESSR expenditure at a level of detail that allowed the community to monitor its allocation and then, this year, to absorb the ESSR income into general rate revenue and end all reporting of it, other than on a gross expenditure level.

ESSR Expenditure Budget

Area of expenditure	2010/11	2011/12	2012/13	2013/14
Natural Environment				
Capitalised Renewal Works	190			
21 Ryan Place Beacon Hill - stormwater works	370			
Collaroy Stormwater outlet		2200		
Dee Why CBD Stormwater capacity upgrade	430	1500	2500	
Emergency Stormwater Works	150	230	230	230
Stormwater Renewal Program		200	200	1000
Bushland - Operational	1867	1000	900	900

Reduction= 52%

