



7 March 2019

Submission to IPART on Port Stephens Council Proposal for Special Rate Variation (SRV)

Port Stephens Council's (PSC) option for a 7.5% rate increase over 7 years is excessive and will have a detrimental effect on many ratepayers ability to meet other financial commitments.

PSC is proposing to use the special rate variation to increase their external borrowing capacity to fund projects of their choosing meaning that the interest and repayments will extend past their term of office. This is wrong. Councils should not be increasing the financial burden on Councils elected in the future.

PSC next election is due to be held in September 2020 so funding commitments will be made by a Council that will only be in office for a further 18 months restricting future elected Councils ability to make funding decisions.

Port Stephens has an infrastructure backlog of maintenance and upgrades requirements, such as stormwater systems, roads, footpaths and toilet facilities. These are the type of projects that a rate increase should be allocated to first and not the construction of new facilities.

Due to this PSC short tenure I would recommend that a rate increase be restricted to three years at 5% with the proviso that the Council should not be allowed to borrow more funds than the rate increase will generate.

Yours sincerely,

Tim Meharg