



14 March 2019

Independent Pricing and Regulatory Tribunal (IPART)
Level 15, 2-14 Rawson Place
SYDNEY NSW 2000

By email: localgovernment@ipart.nsw.gov.au, John.Madden@ipart.nsw.gov.au

Attention: Mr John Madden

Submission re North Sydney Council Special Rate Variation Application 2019

I strongly oppose the application from North Sydney Council (NSC) for a Special Rate Variation (SRV).

My opposition to the proposed increase by NSC is based on the following:

1. Current financial status of NSC

An IPART-approved SRV has been in place for the last six years, concluding on 30 June 2018. I am not aware of any evidence provided by NSC that this “one-off” rate increase has not delivered on its objective to address structural issues, nor any evidence to support that a further and even higher SRV is justified.

In fact, NSC’s financial health appears sound. The Council continues to run and project surpluses and has significant reserves of more than \$37 million even though there has been a policy over the last five years to reduce the infrastructure backlog by utilising reserves.

I understand that NSC meets and exceeds Office of Local Government financial benchmarks.

2. Flawed modelling to support increase

I understand that the planning assumptions set out in NSC’s Resourcing Strategy (apparently exhibited last May and December) do not include the following key components:

- the projected increase in new rateable residential and business properties as a result of current construction and State government policies which will deliver significant increases in residential and worker population;
- existing and future s7.11 development contributions and community benefits and infrastructure to be delivered via Voluntary Planning Agreements;
- detail on Council’s existing and projected investments and interest and actual grant revenue; and
- detail on Valuer-General’s revaluations expected over the next 10 years.

Additionally, I understand that NSC has not explored alternatives to a rate increase such as alternative revenue streams, service levels or internal efficiencies, nor considered the use of special levies tied to specific infrastructure projects such as the existing stormwater levy.

3. Inadequate community consultation

I was not aware until now of any attempts by NSC to engage in community consultation relating to its intention to apply for an SRV.

From the detailed submission to IPART from Councillors Zoe Baker, MaryAnn Beregi and Tony Carr, it is clear that there has been a lack of transparency and community consultation throughout the process leading to NSC's lodgement of their SRV application with IPART.

I therefore urge IPART to reject North Sydney Council's application for a Special Rate Variation.

Yours sincerely
Terry Wark