

10<sup>th</sup> March 2019

Local Government Team  
NSW IPART  
PO Box K35  
Haymarket Post Shop, 1240

Dear Sirs,

**Re: Port Stephens Council Special Rate Variation Application**

I wish to lodge an objection to the Special Rate Variation proposed by Port Stephens Council.

In pursuing this proposal the Council has ignored the overwhelming negative response from ratepayers delivered through their own consultation mechanisms. Whilst many ratepayers may have indicated they would like improved services and upgraded council infrastructure, they have not endorsed that this should be achieved at any cost. In their Application the Council appears to have selectively promoted ratepayer support expressed for various improvements and projects without recognising the clear opposing messages from ratepayers that they do not wish to achieve these through imposition of significant increases to their land rates.

The level of increase proposed at 7.5% year on year over seven years, totalling 65.9%, which is then also proposed to be retained within the new rate base after the 7 year period, is totally excessive in my opinion. The Council in the past have promoted themselves as financially stable and sound, fit to deliver services and infrastructure over the Port Stephens LGA. This historic state of financial stability has periodically been supported by many residents in their responses to surveys and the like. This historic financial soundness is in fact the overriding reason residents have provided positive support for Council's activities. The Council has again misrepresented this past support as reason for now justifying a huge increase in rates. Such a significant increase as now proposed is in total contradiction to their past claims.

The current Council members were not elected on a platform of increasing rates as a means of improving council services and infrastructure. What is now proposed has not had any notion of voter endorsement and I submit that any significant rating proposal like the SRV should be delayed until it can be judged by voters at the next Local Government elections.

The range of projects and expanded services proposed to be funded by the SRV is essentially a wishlist devised by those Councillors and Council Staff responsible for developing unfunded "Integrated Plans" of various sorts. Another day, and another Council cohort, could easily develop a completely different wishlist. Whilst long term planning is important, it does not in any way justify an ad hoc attempt to hike up the rate

base to fund the plan elements. It is now often said by informed ratepayers that “Council needs to learn to operate within its means”. I fully support this position.

By its nature, the Port Stephens LGA has attracted a large number of retirees as residents. In the modern age of superannuation a significant number of these retirees are Self-funded Retirees.

The proposed SRV fails to recognise the impact of the additional annual cost impact on Self-funded Retirees who receive a fixed income through superannuation based Allocated Pensions. The level of a superannuation based allocated pension is the result of long term financial planning which, in arguably all cases, fails to predict the significant impact on living costs arising from the random introduction of a Council rates initiative such as the proposed SRV.

Within Council’s SRV proposal (and proposed Rates Assistance Program and revised Hardship Policy) self-funded retirees will not receive any financial assistance (i.e. rate concessions) as an offset against the significant increase to their rates, whilst “eligible pensioners” (meaning those receiving Centrelink pensions of various types – primarily Old Age Pensions) are eligible for annual rate reductions and payment hardship considerations. This appears to discriminate against those who have sought to work hard to fund their own retirement and be self-sufficient. It is unreasonable that the Council should seek to continue to discriminate in this way.

Obviously there are many other groups of rate payers (e.g young families) who will also be financially stressed to meet a 65.9% increase in council rates. It is not sufficient that Council seek to address this additional financial stress through a Hardship policy. Other than “pensioner“ concessions, the policy elements are directed towards *delaying* the impact of rate stress, not eliminating it. The best form of support the Council can provide to the many groups who will be financially stressed by their actions is to not seek to introduce the SRV in the first place.

As a final point, I note that within the Council SRV application they have failed to explore the age-old ratepayer concern about efficiency of delivering services and projects. There is no attempt by Council to find or communicate alternative ways of funding their wishlist through seeking improvements in efficiencies. Prior to any attempt to increase rates, let alone a 65.9% SRV increase, the Council must be obliged by IPART’s assessment of the Application to examine and communicate what efficiencies they could deliver (even if this may turn out to be another wishlist !! ) to help offset the full rate increase they are seeking.

Perhaps if the Council were to seek a more modest increase in rates such an option may be more palatable to ratepayers. However, little was done in the development of the SRV Application to explore this possibility.

Thankyou for the opportunity to make this submission.

Warren Brooks