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Independent Pricing & Regulatory Tribunal
Attention: Mr John Madden
Level 15
2-24 Rawson Place
SYDNEY NSW 2000

Via Email: john_madden@ipart.nsw.gov.au

13 March 2019

**SUBMISSION REGARDING NORTH SYDNEY COUNCIL'S
SRV AND MINIMUM RATE INCREASE APPLICATION 2019/20**

Dear Mr Madden,

It has come to my attention that a letter addressed to IPART is now being circulated to our local Precinct groups. The letter has been prepared by a minority group of Councillors who were noticeably absent from most of the detailed SRV workshops for Councillors.

While I would prefer not to respond to blatant politicking, I feel Council needs to correct the record on the errors and misrepresentations contained within their correspondence so that IPART has the full facts before it. As a matter of record, I personally support the Council's SRV application for the reasons outlined in the Council's application and if individual correspondence from Councillors is being considered, I would like this submission to be considered as a statement of support for the proposal.

I will keep the comments on the misrepresentations brief, but if you would like more details about any of the matters below, please do not hesitate to contact Jenny Gleeson, Council's Manager Integrated Planning and Special Projects for further details.

Here is a summary of the claims made and Council's response.

1. Council has more than \$37 million in reserve

This is not available cash, as implied in the letter. Council's forecast reserves balance as at 30 June 2019 is \$36.5m. Of this \$10.3m is externally restricted - \$6.4m developer contributions, \$3.4m unspent Domestic Waste Management Charge, and \$500,000 in unspent other levies. \$26.2m is internally restricted - \$8.1m for employee leave entitlements (funding 50% of the liability), \$2.2m for community housing and \$15.9m for other internal reserves (e.g. plant replacement).

2. Council's financial modelling is flawed

Council's long-term financial planning did allow for growth in our future revenue streams. It should be noted that while s7.11 contributions and voluntary planning agreements provide new and upgraded assets to the community, they increase Council's ongoing maintenance costs.

3. Council used the TCorp report to justify the rate rise

Council attached the TCorp report in response to Section 3.2 of the Part B application form which asked for any external assessment of our financial capability.

4. Council has reconstructed the Murdoch and Bannerman Street roundabout three times

The roundabout (on the corner of Murdoch and Bannerman Streets) was reconstructed last year as part of works to install a bike path that was identified in the adopted North Sydney Integrated Cycle Strategy and part of regional cycling plans. The community objected strongly to the loss of flowers from the roundabout, so it is being refined, at community request, to reinstall a garden bed.

5. Rate increases cannot be supported in the current economic climate

North Sydney has one of the highest household incomes of any LGA in Sydney while rates are among the lowest. Capacity to pay was considered alongside other factors such as demand for services and essential infrastructure maintenance.

6. Inadequate community consultation

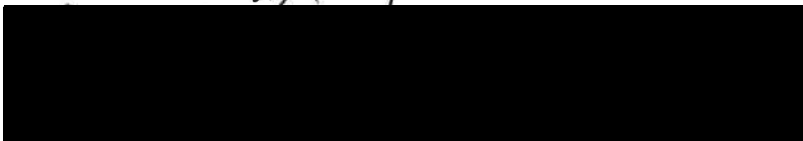
Council undertook extensive consultation during the window available within the application process, including writing to every ratepayer. In addition to public presentations, North Sydney Council staff provided presentations requested by interest groups; information displays/pop ups at community events/markets and extensive information via our website. I note that North Sydney's consultation period was longer than that of the other SRV applicants this year. The branding used was the same as that used for previous applications and the SRV was advertised widely in the Mosman Daily, which News Corp advises is distributed across the whole LGA.

I understand the minority Councillors have written to our active Precinct groups encouraging them to use the letter as a basis for a submission to IPART. While our Precinct groups are respected for their dedicated commitment to their local community, Council recognises that they generally represent a single demographic of older residents.

We would therefore urge IPART to place more weight on the random survey conducted by an independent survey firm as this represents the demographics of the broader North Sydney community and provide a statistically accurate reflection of the full community's view.

Again, if you would like more information about any aspect raised in this letter, please do not hesitate to contact Ms Gleeson.

Yours sincerely,



Jilly Gibson
MAYOR