



Mr John Madden
Local Government Team
Independent Pricing and Regulatory Tribunal of NSW
PO Box K35
Haymarket Post Shop, NSW 1240

14 February, 2019

Dear Mr Madden,

**Willoughby Bay Precinct IPART Submission
Re: North Sydney Council Special Rate Variation**

Willoughby Bay Precinct (Precinct) is part of North Sydney Council's community precinct system and comprises 752 residences in the locality of North Cremorne.

Precinct made a submission to North Sydney Council (NSC) on the North Sydney Council Special Rate Variation (SRV) as part of the NSC community consultation process.

At the North Sydney Council meeting on 29 January 2019, the General Manager's Report recommended that Council adopt Scenario 3 (7% SRV increase for 5 years). This was contrary to the community's preference from the two community consultation surveys.

Online & Email Survey Results

This NSC survey indicated 51% support for Scenario 1 (annual increase by rate peg only):

	No. Responses	Percentage
Scenario 1	279	51%
Scenario 2	99	18%
Scenario 3	116	21%
Other	55	10%
Total	549	100%

Random Representative Survey Results

This NSC survey of residents and businesses indicated 42% support for Scenario 2 (5.5% SRV increase for 5 years):

	No. Responses	Percentage
Scenario 1	183	30%
Scenario 2	263	42%
Scenario 3	173	28%
Total	619	100%

SRV IPART Assessment Guidelines

The Office of Local Government (OLG) guidelines specify the criteria against which IPART is to assess each SRV application. Criteria 3, requires IPART to assess:

“3. The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing rate payer base and the proposed purpose of the variation. The Delivery Program and Long Term Financial Plan should:

- clearly show the impact of any rate rises upon the community,
- include the council’s consideration of the community’s capacity and willingness to pay rates, and
- establish that the proposed rate increases are affordable having regard to the community’s capacity to pay.”

Precinct notes that IPART is required to assess Council’s consideration of the community’s willingness to pay rates.

Council Explanation for Recommending Scenario 3

The General Manager’s Report (p11) provided the explanation for the recommendation that Council adopt Scenario 3:

“Notwithstanding the community preference for Scenario 2, consistent with Council’s previously resolved preference, this report recommends continuing to apply to IPART for a SRV and minimum rate increase under Scenario 3. While Council may wish to reconsider its previously resolved preferred scenario in light of community responses, the recommendation errs on the side of financial prudence and longer-term financial sustainability. Scenario 3 best enables Council to address ageing infrastructure and respond to demands for public space and community infrastructure, necessary to support the planned increased residential and commercial density.”

As evidenced by the results of the two Council community surveys, Precinct considers that Council has not given the required consideration of the community’s willingness to pay rates, as required under Assessment Criteria 3.

Precinct Motion (14 February 2019):

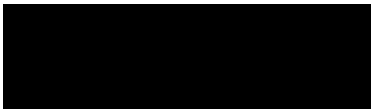
At the Willoughby Bay Precinct meeting held on 14 February 2019, Precinct passed the following motion with regard to the North Sydney Council Special Rate Variation (SRV):

Willoughby Bay Precinct should lodge this submission to IPART with regard to the North Sydney Council Special Rate Variation (SRV), advising IPART that:

- 1. Precinct considers that Council has not given the required consideration of the community's willingness to pay rates as required under Assessment Criteria 3.**
- 2. Precinct is not convinced that Council's funding cannot meet its declared requirements in the medium term without the withdrawal of existing services.**
- 3. Precinct does not support the Special Rate Variation (SRV) which will lock in the proposed rate increases in perpetuity.**
- 4. Precinct would support a special infrastructure levy to fund a specified list of backlog capital works.**
- 5. Precinct would propose the special infrastructure levy be set at 2% above the annual rate peg over a maximum period of 4 years.**

Motion Carried: 15 in favour, 0 against, 2 abstentions

Yours sincerely



**Peter Marshall
Chair
Willoughby Bay Precinct**