

I wish to raise concerns over Port Stephens Council's proposed Special Rate Variation (SRV) application and provide the following information as to why the proposed option should not proceed.

- 1. Financial Impact.** The majority of Residence that made comment did not support this action but the Council refused to acknowledge this or comprehend the serious impact it will have on the finances of most households. Every other cost of living (electricity, water etc) is going up but wages are not keeping pace. This is unconscionable behaviour of Council to impose such a financial burden on retirees or young families trying to service a mortgage.
- 2. Fit for the Future.** Port Stephens Council's Fit for the Future submission was assessed by IPART in late 2015 and found the Council was Fit for the Future. I attended a number of community meetings during the NSW disastrous proposal to merge Councils and throughout all these meetings the Council continued to emphasis Port Stephens Council was Fit for the Future, can stand alone without requirement for assistance or variations (other than CPI) to rates. I feel that something has gone significantly wrong for Council to now be making an application to IPART for an SRV in such a short time since it lodged its Fit for the Future submission. Council needs to reconsider its position and certainly question senior management about what has happened since late 2015 when all things appeared to be on-track for a steady future for the area. Was it all a ruse supported by IPART? If the previous assessment by IPART was legitimate then IPART must seriously question Port Stephens Councils reasoning for an SRV. If things have gone that bad since being assessed as Fit for the Future then this Council can not be trusted with even more public funds.
- 3. Long Term Financial Plan to 2025.** Management of Port Stephens Council requested a review of the Long-Term Financial Plan (LTFP) as part of the 2016 budgeting process. PKF Lawler Partners were engaged during 2015 to complete the agreed upon procedures. The Plan is underwritten by a series of modelling and associated analyses (e.g. Fit for Future ratios), which took into account known events at the time of its preparation, but also made assumptions with respect to future events. It was identified that rigorous fiscal discipline allowed for a modest surplus going forward which Council had determined would be applied to reduction in the asset backlog (with consequent reduction in the asset maintenance required over time). This would be achieved without the need to apply for an SRV. Under this fiscally conservative Long-Term Financial Plan to 2025 Council had the scope to undertake new projects provided that there is alignment with the Community Strategic Plan; and value to the community and Council that outweighs other priorities. Alternatively, Council would have a cushion to absorb unplanned events that negatively impact on its budget. Why has this plan now derailed and deemed not achievable? Perhaps Council has not displayed the fiscal discipline as detailed above and should not be entrusted with additional community funds.
- 4. Consultation.** I believe throughout the consultation period, Councillors were behaving more like [REDACTED] than elected representatives having the best interest of residence at heart. If you asked me, would I like a mansion overlooking Sydney Harbour, I would say YES. If you asked would I like a multimillion-dollar mortgage that I'll struggle to service, I would say NO. This is exactly how Council has conducted the consultation and presented the result. Totally misleading and inappropriate. The average rate payer will not be able to absorb the significant SRV's proposed and I'm sure if given the opportunity to revisit their desired level of service compared with the cost to deliver, would reconsider their answer quite quickly.

5. **Projects.** Are some of the projects identified (and not necessarily currently identified in any strategic masterplan) the best use of Council's funds? Personally, the current standard of town centres and neighbourhoods across Port Stephens is more than adequate. I am sure the thousands of tourists who flock to our beautiful region each year are not here for the streetscapes and pedestrian friendly areas. Our Sporting facilities are already fantastic and are the envy of most away teams that visit to play.

6. **Employment.** The majority of the proposed projects will not lead to long term employment stability in Port Stephens and like the majority of the projects being undertaken in Port Stephens like the upgrade to Defence, the majority of the workers are external to Port Stephens. The employment conditions in Port Stephens are already outstanding and there are numerous businesses that cannot find staff. Spending money on pipe dream projects will do nothing to support ongoing sustainable employment.

The application by the current Port Stephens Council should by no means be supported by IPART. The current Council should revisit their long-term plan, adopt the fiscal discipline required of them and prove they can be trusted with residence hard earn dollar before it is handed to them on a silver platter. IPART has an obligation to seriously question the Port Stephens Council submission and if there is one that should be reject it is this submission.