



**Summary of Questions from Public Meeting:  
Proposed Continuation of Environment and Infrastructure Levies  
Held 29 October 2011 in the Hutley Hall, North Sydney**

| Questions Raised  | Council's Reply   |
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| <b>1. Is Council proposing that if approval to continue the Environment and Infrastructure levies is granted, that they become part of the general rate base?</b>   | Yes. This is the process Council must go through to seek approval from IPART for continuation of existing levies. If successful Council will be directed to spend funding on the projects outlined in the proposed programs of work. Council is also required to report on this expenditure to IPART and the local community. Although funds will become part of the general rate base, each program will essentially be treated as a levy by Council, except that we won't have to reapply for them as they will no longer be time limited.  |
| <b>2. I own a flat and garage in separate properties (i.e. receive two rates notices). I am currently paying the Environment and Infrastructure levies for the flat but not the garage. If the SRV is approved will I have to pay them for the garage also?</b> | <p>The Environment and Infrastructure Levies are currently applicable to all rateable properties across the North Sydney local government area (LGA). Therefore you should already be paying these levies. Suggest double checking rates notice.</p> <p>The proposal to continue existing levies by rolling them into the rate base, means that ratepayers will essentially continue to pay the same rates as per 2011/12 as the Council already has approval to increase its general rates by 5.5% per annum over the 7 years (inclusive of the annual rate peg) i.e. until 30 June 2018.</p>  |
| <b>3. The information Council sent to all ratepayers show shows what happens over the next two years only. Why were the full programs of work not sent to ratepayers with the letter?</b>   | The letter sent to all ratepayers stated that further information was available from its website, this included fact sheets and the proposed programs of work per levy program. Extract from letter: "If you would like more information about Council's levies, please view the fact sheets on our website: <a href="http://www.northsydney.nsw.gov.au/levies">www.northsydney.nsw.gov.au/levies</a>   |
| <b>4. With all the work councils are required to do, why are North Sydney Council's rates so low?</b>   | <p>The reason North Sydney Council's rates have remained low is influenced by a number of factors including:</p> <ul style="list-style-type: none"> <li>• rate pegging - is in place in NSW. The State Government/IPART determine the percentage amount each year that councils can increase their rates by; any proposed rate increases above this percentage are subject to a special rate variation (SRV) application; and</li> <li>• direction/position of the Council - Since the 1980s, each term of Council has made a commitment to actively diversify its income stream through initiatives such as its commercial property portfolio and user fees and charges rather than imposing the increased cost of maintaining services and facilities on ratepayers.</li> </ul> |
| <b>5. Council shouldn't be raising its rates just because we have the lowest rates. Why wasn't a costed budget put in the documentation sent to all ratepayers?</b>   | Other than the four existing levies and the 5.5% increase granted from 1 July 2011, Council had not previously successfully applied for a SRV. Over the past twenty-five years the gap between the allowed rate peg percentage increase and the cost of goods and services has increased enormously. Council's Long Term Financial Plan (LTFP), first adopted in June 2010, and has determined that   |

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|  | <p>the delivery of current services and projects is not sustainable at the current level of service without a SRV.</p> <p>The proposed programs of works are available on the Council's website: <a href="http://www.northsydney.nsw.gov.au/levies">www.northsydney.nsw.gov.au/levies</a>. Council chose not to send include copies of these costed programs in the mail out due to cost. Census data informs us that most households in North Sydney have access to the internet and or could be requested from Council.</p> <p>However this information was provided to all potential participants in the Random Ratepayer Survey. Information packs containing the facts sheets and proposed programs of works were posted to all potential participants ahead of calls from the consultant employed on Council's behalf to conduct the survey. The purpose was to ensure that survey participants could make informed choices in their participation.</p>   |
| <p><b>6. Looking at the proposed programs of works I note that a lot of the works are for Harbourside localities. This may be selfish, but as ratepayer in Crows Nest, I would like to see more open space and urban canopy in this suburb too. Will such be funded by the levy programs if continued?</b></p> | <p>Yes. It is a requirement of the SRV application process that programs of works are submitted. The proposed programs of works detail the works to be undertaken by Council in the short-medium term.</p> <p>The prioritisation of the Environment and Infrastructure proposed levy programs has been determined by community consultation undertaken to date; including Council's 2011/12 SRV consultation program, consultations for the development of 2020 Vision and Delivery Program and the annual Operational and Budget planning process. The community has been given the opportunity to participate in all of these consultation programs and the draft plans, including budgets have been placed on public exhibition (for a minimum of 28 days) and feedback invited.</p> <p>If approval is granted for ongoing continuation of the levies then programs of works will need to be prepared for future periods and this will include consultation. The Crows Nest Planning Study currently underway will also help determine opportunities for increased open space and urban canopy cover within Crows Nest.</p> <p>To date the drainage works, road works and retaining wall works undertaken across the LGA, including in Crows Nest have been in part funded by the existing levies.</p> |
| <p><b>7. I am happy to pay the levies, but can program spending continue to be accounted for separately by Council, as it has done under the structure of the current levies?</b></p>  | <p>Yes. Although if approval is granted levy program funding will rolled into the general rate base, Council will internally restrict the funds raised per levy program and our financial reporting to both IPART and the community will account for the spending from each program.</p>  |
| <p><b>8. Is it possible that a future term of Council can apply for another rate increase i.e. above the approved 5.5% increase?</b></p>   | <p>Yes. A future term of Council can choose to apply for either an increase or decrease to rates. It would have to apply to IPART via the same process we are currently undertaking, which includes community consultation to determine the level of support for any proposed SRV.</p>  |
| <p><b>9. Will the existing Environment and Infrastructure levies be subject to a 5.5% per annum increase over the next 6 years?</b></p>  | <p>Yes, if IPART approves the proposed application to continue with both levies then Council's total rate income will increase by 5.5% p.a. for the next 6 years.</p>   |