

Milson Precinct Meeting - MINUTES

Thursday 5 Dec. 2024, 7.30 pm @ Church by the Bridge

1. Chair Welcomes

- a. Community – contributions and presence
- b. Acknowledgement of Indigenous Traditional Custodianship of Country
- c. Welcome Mayor Zoe Baker

2. Thanks, and Apologies

- a. MB thanked all contributors to submissions to North Sydney Council (NSC) on the Patton's Slipway DA and 'Temporary' Long-term Closure of the Alfred Street Off-Ramp
- b. MB thanked community who supported letter box drops of Precinct Meeting flyers and asked all present to encourage friends and neighbours within the Precinct area to become involved.
- c. Present (41) – WL, SG, ER, AR, CF, SM, NO, KHY, MS, D & M K, M O'L, KS, W & P B, DL, L & A P, IH, DB, GG, T & P G, CL, JN, BC, MC FL, DH, DW, JC, AH, JD, PB, VB, TD, KS, MB, JC, ZB
- d. Apologies (9) – FH, RR, GW, MG, SC CM, MS, PH, EB

3. Last Meeting Minutes Confirmation – 4th October 2024

Proposed: DB Seconded: GG

4. Proposed Special Rate Variance (SRV)

Mayor Zoe Baker addressed Milson Precinct on the SRV proposal.

Key points made by Mayor were:

- i. Historically – Rate moratorium under Ted Mack; then Rate Pegging introduced in 1990's;
- ii. NSC has the lowest rates with 77% of owners currently paying the minimum rates of \$715 pa.
- iii. It is proposed that this minimum rate go to \$877 inclusive of levies.
- iv. NSC CEO has changed management structure – now 3 directors (was 6) and 23 Management level (reduced from 34), saving significant salary costs.
- v. NSC had undertaken detailed Strategic Planning to identify what and where priority resources would be allocated
- vi. It was clear from this process that to provide the basic services, undertake appropriate repair and maintenance of Council (Public) assets the requirement for a Supplementary Rate Variance (naming convention from State Legislation) would be required
- vii. NSC is unique in depending on some 43% of revenue to be derived from non-rate income (Parking, Fines, Fees, Property rents)
- viii. The blowout in costs associated with the redevelopment of the North Sydney Olympic Pool (NSOP), together with declining non-rate revenues had compounded the deteriorating financial position of NSC
- ix. Council has taken on \$51m of external borrowings to fund the pool redevelopment

- x. NSC is not currently contemplating selling Assets to improve financial viability
- xi. Council has circa \$1.5bn in assets, the majority are land and buildings
- xii. Buildings are in poor condition – leaking roofs, deteriorating services
- xiii. NSC is seeking Community input to the SRV options – to be received by 10 January 2025 - for consideration by Council prior to a final submission to State Government by the end of January 2025
- xiv. Mayor Baker emphasised the importance of Community input to this proposal and **encouraged everyone to make submissions through the “HAVE YOUR SAY” page on the NSC Website by 10.01.25**
- xv. Mayor also highlighted the importance of community input to the 8 Informing Strategies developed by NSC following Community Engagement sessions conducted over 2024 (see next section for further information)
- xvi. Mayor also outlined that the proposal includes the ‘rolling up of existing levies’ to a total rates calculation that will then have any increase applied – this effectively increasing the levies by any percentage increase of rates

MB outlined key points from a presentation to the Combined Precinct Committee (CPC) by the NSC CEO (Therese Cole) regarding the SRV proposal:

- a. NSC is in a liquidity crisis – having been in an operating deficit for over 10 years
- b. Effectively, NSC have used capital reserves to operate, effectively leaving the NSC balance sheet with no effective capital reserves for asset maintenance, let alone new asset investment
- c. NSC assets have deteriorated significantly – require +\$365m to bring them back to a ‘satisfactory’ standard
- d. NSC IT-Information System is effectively redundant, driving inefficiency and duplication of work.
- e. The major priority for NSC is to “repair the finances’ of Council
- f. The Operating Plan for NSOP is to achieve operating break-even within 3 years – albeit this fails to cover any debt finance costs.

From the Floor:

- Request for a simple rates calculator be considered by Council so rate payers can effectively calculate what the SRV impact will be. Mayor advised this is challenging due to the many variables that come into play in calculating rates. However, Council would seek to consider how this might be done to assist community.
- Question the rationale for the Operating Plan for NSOP – given a large proportion of users of the facility come from outside the LGA. The plan to achieve operating breakeven does not cover the cost of capital and effectively risks NSOP being a financial drain on rate payers into the future
- There are a number of written submissions on the SRV – MB advised these will be included as addendums (preserving anonymity) to the minutes of the meeting
- The lack of rates paid by the educational institutions and others (hospitals and churches), who buy adjacent properties / lands, that were rated but are now exempt from rates – these institutions are some of the largest land holdings in the LGA.

- Mayoral Minute to request 'Voluntary Rates' payment by institutions, similar to Reserve Bank's payment of voluntary rates for Kirribilli Ave property.
- Open Public Space – use of parks by schools / personal trainers / boot camps etc. for 'timetabled' use without bookings, or charges being paid vs sporting fields usage – needs policies in place to deal with current over-use, especially during the extensive building works progressing at schools, the already extended schools with little or
- no 'outdoor' space, as well as the new schools to open with NO open space for students.

5. Informing Strategies

Mayor Baker addressed Milson Precinct on the development of the 8 Informing Strategic currently on public exhibition via the NSC Website

Key points from the address were:

- Whilst NSC is focused on financial repair it recognised the importance of identifying and development of priorities that will shape the LGA for future generations
- Eight (8) Informing Strategies were developed following a program of community consultation over 2024
- Mayor emphasised the importance of community engagement and input to these proposed Informing Strategies as NSC will then take the final agreed Strategies into the NSC Community Strategic Plan
- Given the significant financial challenges faced by NSC and community, not all SRV proposal options would allow the Informing Strategies to process due to funding challenges
- Mayor Baker called out 2 Informing Strategies in particular – Social Inclusion, noting recent NSC surveys highlighted that a large part of the community does not feel connected or included / belonging; and Governance, recognizing the issues around the NSOP decision-making and need for improved systems, processes and information to operate more efficiently and deliver services to Community
- Mayor strongly encouraged Community to have input to these Informing Strategies by 10th January 2025
- Mayor Baker also highlighted the need to look at the scope of the Informing Strategies in the context of the SRV proposals.
- Mayor suggested people let NSC know what they are willing to fund and what they are willing to forego in the short and medium term.

From the Floor:

- MB – highlighted that the current 3-Year cash cost of delivery of the 8 Informing Strategies is \$56m (with the Housing Strategy currently uncosted) over the first 3 years and some \$140m over 10 years (no inflation included).

- MB – also highlighted the significant resource requirement for an organisational System upgrade noting that \$0.9m capital budget over 3-years looked insufficient. A systemic upgrade will require whole-of-council resources and the levels of resource, effort will be significant. North Sydney Council cannot afford another Pool episode.

6. Fitzroy Street Modifications

- Plans have been considered by NSC Traffic Committee to make changes to traffic conditions, including footpath widening, street narrowing and pedestrian crossings.
- Mayor advised this was being undertaken following a serious traffic incident, several traffic incidents involving pedestrians and the every-present risk of pedestrians not crossing Fitzroy Street at the marked traffic lights.
- Mayor advised the improvements were being paid for by Transport for NSW and commented that resident concerns and comments were considered carefully by the NSC Traffic Committee
- T4NSW currently reviewing design to incorporate traffic speed management devices – likely to be signage
- Question from the floor – will St Aloysius man the new pedestrian crossings during school hours? Mayor was not aware of such plans perse.
- Mayor welcomed the community to continue to liaise with NSC and consider the final design proposal when completed.

7. Precinct Submissions

- Chair thanked community for input to the submissions made by Precinct regarding the Pattons Slipway DA to NSC and the Temporary Long-Term Closure of the Alfred Street Off-Ramp to T4NSW.

8. General Business / Comments from the Floor

1. MB – circulation of North Sydney Council News - Welcomed by Audience
2. Question regarding location of Kirribilli Mens Shed. MB offered to share contact details upon enquiry
3. Comment regarding the uncommunicated changes to transport timetables, post opening of Metro, particularly buses, which are affecting travellers, particularly shift workers at hospitals.
4. MB asked community to spread the word about Milson Precinct to neighbours, friends.
5. Request equity of parking leniency by rangers (similar to NS markets) for Kirribilli Markets – both for stall holders and visitors on market days to ensure the continued viability of the markets going forward.
6. NSC to request possible use of TfNSW parking area at end of Ennis Road to be used by stall holders on market days.

Addendum:

SRV Written Submissions (Identity Suppressed)

I would like to suggest that a petition be organised to oppose the Rate (Increase) / Variation, at the time of this Meeting.

NSC has a obligation to make those accountable for the mistakes made on multiple levels. Planners, engineers, Architects, Council management team, financial team, Building companies etc...7

Why should rate payers be responsible for the council's incompetence, errors, mismanagement?

If anything, there should be an investigation into this whole fiasco.

We cannot set a precedence where the public is liable for the Councils mismanagement of funds. I believe this is not the first and only time this has happened.