

FILE REFERENCE

DATE 9/02/2015

STAFF DISCLOSURE OF INTEREST Nil

IN BRIEF/ SUMMARY RECOMMENDATION

This report is to determine Council's position regarding moving forward with the application for the proposed Special Rate Variation.

The Independent Pricing and Regulatory Tribunal (IPART) require the Council's completed application for a Special Rate Variation by 16th February 2015.

Council resolved on the 19 November 2014 to advise IPART that it would be seeking a Special Rate Variation (inclusive of rate pegging) for 2015/2016 year and a 15% Special Rate Variation (inclusive of rate pegging) for 2016/2017 year.

Fit for the Future (Ref: 343/14)

THAT the general discussion is noted.

FURTHER that IPART be advised that Council will be seeking a 15% Special Rate Variation (inclusive of rate pegging) for 2015/2016 year and a 15% Special Rate Variation (inclusive of rate pegging) for 2016/2017 year (Ref: 344/14).

FURTHER that as far as possible the breakup of the rating categories be Business 4%, Residential 16% and Rural 80% (Ref: 345/14).

FURTHER that the Revised Fees and Charges be adopted and advertised for 28 Days (Ref: 346/14).

Council forwarded the notification of its intention to apply for special variation to IPART on 2nd December 2014.

2nd December 2014

The Director
Independent Pricing and Regulatory Tribunal
Local Government
PO Boc Q290
QVB Post Office NSW 1230

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SPECIAL RATE VARIATION APPLICATION

The Council is writing to advise that it will be applying for a Special Rate Variation on the following terms:

- Applicable commencing date 1st July 2015
- A permanent increase to the rating base under Section 508A
- Two x 15% annual increases, inclusive of the rate pegging allocation

The additional funding is to improve financial sustainability and to substantially improve the benchmark results as outlined in *Fit for the Future* requirements.

It is also confirmed this application is supported by a Council resolution that was passed at an Ordinary Meeting of the Council held on 19th November 2014:

FURTHER that IPART be advised that Council will be seeking a 15% Special Rate Variation (inclusive of rate pegging) for 2015/2016 year and a 15% Special Rate Variation (inclusive of rate pegging) for 2016/2017 year (Ref: 344/14).

Consultation

Council has consulted and engaged with the community to ensure that the community are aware of the reasons for the proposed Special Rate Variation, as well as the potential impact of the proposed increase in the various categories of ratepayers.

As well as traditional face-to-face consultation, Council sought to adopt communication technologies to make it possible to engage with our wider community including the towns and Villages of Bingara, Warialda, Coolatai, Upper Horton, Gravesend, North Star, Croppa Creek, Cobbadah, Crooble and Warialda Rail, and to ensure that our more remote and isolated communities could be reached.

The methods of engagement employed included shire wide focus groups, a community survey, media releases, interaction via Council's website and an online discussion forum made available via Council's Facebook page.

Focus Groups

Council conducted a series of Focus Group meetings inviting shire wide participation held during the week of the 17 – 21 November 2014. 129 community members were invited to attend. The Focus Group meetings were arranged by demographic and the categories included Young People, Older People, Women, Young Families, Business, Indigenous, Carers and Disability. These focus groups were aimed at determining the needs and

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views of the community regarding current service levels, service needs going forward, and the proposed special rate variation. Each participant was also asked to complete the Community Survey.

Focus Group Results

The results of the Focus Groups are outlined below and provide the main issues deemed important by the associated demographic areas surveyed, almost 50% of the community members invited attended the focus groups and many indicated that they were willing to participate in future meetings and encourage other members of the community to participate as well. The results from each of these meetings are as follows:

Youth - The Youth demographic expressed a need for more awareness on how to access council services available to them, there was an understanding that any Special Rate Variation would have a financial impact on their families, however there was acknowledgement the importance of current and future sustainability, and expressed that they did not want the shire to be amalgamated.

Older People - The Older demographic indicated that Information, Mobility, Transport and Communication were the main areas of concern. The aged care services in Gwydir were noted as currently being very good and this group would like to expand this by offering a telephone service for older people who live alone. This group also understood the need to enforce fees and charges and the necessity of a Special Rate Variation for the maintenance of current service levels.

Women - The Women demographic indicated that Drought, New Business, Mentoring, the Gwydir Learning Region (GLR), and communication were the main areas for them, indicating that they would like to explore the possibility of attracting new business and expanding on the tourism potential of the Shire. This group felt that Fees and charges needed to be explained fully and communicated to the community in a manner that they will understand. This group agreed that the rate rise is necessary for ongoing sustainability but felt that a rise would impact on those families struggling with drought issues.

Young Families - The Young Families demographic expressed that continued services, Education, Gwydir Learning Region (GLR), Child Care and Communication were issues important to them, and that they were happy with the current service levels across the shire. The Toy Library and Play Groups are essential services for this group as they have addressed the issues of isolation, depression and anxiety around sometimes experienced while bringing up a family in rural/remote Australia. The Preschool in Bingara is one of the only child care options and this group seemed to be happy to have the fees increased to ensure ongoing service.

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Business - The Business community see Entrepreneurship, Mentoring and Tourism as important and would like to see regular focus group meetings on these areas.

Indigenous - The indigenous demographic expressed that Shared History, Communication and Education were important and felt that more indigenous recognition is needed in schools and within the community.

Disability/Carer - The main areas of concern for the Disability/Carers demographic were Information, Access, Mobility and Mentoring.

Community Survey

Council complied a community survey to seek the views of the community regarding various aspects of Council's Service operations, and included information regarding the NSW Government's *Fit for the Future* reform, and suggested scenarios regarding the proposed Special Rate Variation.

The Council issued by direct mail a survey to all 3031 rateable assessments. The Council also had the same survey available online. The overall response was 790 returned surveys: 588 returned survey forms and 202 internet based returns. The preliminary results of this survey are found in a separate report on this agenda.

The survey was launched electronically via the Council's website and Facebook page on Tuesday 11th November 2014, Council also emailed a copy to all community members listed on Council's email register.

A copy of the Survey form was posted to each household in the shire in mid November 2014, and included with the survey was an information flyer advising residents that Council was seeking their views and feedback regarding various aspects of Council's Service operations.

Ratepayer Mail out

The Community Survey was also posted by direct mail to all 3031 rateable assessments in late November and included an information letter outlining the details of the proposed rate variation ratepayers seeking feedback and offered the following guidance regarding Council's strategies for financial sustainability.

The mail out provided each ratepayer with the Council's proposal for the rate variation, the reasoning behind the proposal, and subsequent impact. Each ratepayer was encouraged to phone a Council provided 'Hot Line' to allow for an individual assessment of the proposed rating variation on their rating

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assessments. Each ratepayer was also provided with their associated rating assessment number(s).

The queries received by Council regarding specific rateable assessment via the 'Hot Line' are provided below:

Response to Rate Variation Information Mail Out to all Rateable Assessments			
Name	Town	Comment	Response
Community Member A	Bingara	General comments regarding the effect on people with fixed incomes having more difficulty coping with the increase in rates. Commented on the survey suggesting that there were too many questions.	Community Member A was thanked for their comments and advised that they would be noted.
Community Member B	Gravesend	Rate Variation Increase query plus - requested Median income in the shire, will pensioners receive any further discounts if the rate variation goes ahead, is the rateable income based on recent house sales?	Community Member B was provided with the link to the Australian Bureau of Statistics (ABS) for Gwydir Shire, advised that pensioners eligible for the discount are already receiving the full discount, the last valuer General statements were released in 2012 and based on recent sales for rural and residential. The next valuation to be released will be in July 2015.
Community Member C	Coolatai	Individual Rate Variation Increase query	
Community Member D	Bingara	Individual Rate Variation Increase query	
Community Member E	Upper Horton	Why are the caravans allowed to camp on the side of the river banks for nothing?	Community Member E was advised that this was a Council decision that resolved to allow the camping back in 2009
Community Member F	Upper Horton	Question - After the two year rate variation - what happens next? Are we going to be hit with another special rate variation?	No additional rate variations are planned. The special rate variation is targeted for the long term financial sustainability of the Council. In addition to the special rate variation Council will be downsizing its operations, reducing services and selling assets to ensure that we are Fit for the Future and that we remain sustainable.
Community Member F	Upper Horton	Why can't council sell some of its assets?	Council is in the process of selling some if it is building and plant assets eg. some plant currently under utilised, additional plant will be available after planned redundancies and two Warialda Houses were auctioned last week. There are also plans to sell the vacant land earmarked for future development. This process has been slowed up due to planning requirements.

Facebook on-line Forum

Comments received via the Gwydir Shire Council's Facebook on-line forum are included below. Council responded to the concerns submitted by Meg Ross via email, attached to this report.

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Community Consultation - Gwydir Shire Council Facebook Page			
Date	Name	Comment	Response by Gwydir
14-Jan-14	Community Member No. 1	How can the Council talk about rate rises when the results of the survey are yet to be released?	The Council had to advise the Independent Pricing Tribunal (IPART) of a likely request from the Council to increase its rates above the rate pegging limit during December 2014. This was done in line with IPART's requirements. The final decision about whether to submit a final application to IPART will be made by the Council after it has the opportunity to consider any submissions received plus the results from the survey. The final IPART submission must be made in mid-February. There has not been any final decision as yet.
16-Jan-15	Community Member No. 2	Queried the Council's breakdown of raterise averaged at \$0.78 cents per week	It's not 15% of the land value. The 15% relates to the Council's total notional rates' income. After the total notional rates' income is established an ad valorem rate in the dollar is determined together with a base amount. The rate is the dollar of land value is a fraction of a cent in the dollar. As stated earlier the average increase in the Warialda Residential area rates is \$0.78 per week.
16-Jan-15	Community Member No. 1	Council should take into account the thoughts of the community before making a final decision	That, of course, is exactly why the plans are on exhibition for submissions and the the survey was undertaken. The projected 15% rates' increase for the average Warialda Residential land valuation of \$20,298 is \$0.78 per week.
18-Jan-15	Community Member No. 1	Unsure of how the \$0.78 cents per week is worked out and asked where the Council's plans are on display	The increase was quoted on the average valuation. The 15% only applies the rates' component of your notice, not water, sewerage or waste charges. The documents are available at the Council's offices and libraries.
18-Jan-15	Community Member No. 1	Council need to keep explanations simple when communicating to lay people	Rating is a complex matter and difficult to explain. That is why the average weekly increase was stated for residential properties in the town area of Warialda. This was an attempt to keep it simple.
20-Jan-15	Community Member No. 1	Increasing the rates by 30% will destroy the Warialda and Bingara community, makes reference to the rates of Murray Shire being lower at \$1200 per annum with more services	In both Warialda and Bingara the actual rates' component, excluding water, sewerage and waste charges, of the yearly charge is significantly less than \$1200
22-Jan-15	Community Member No. 1	How much do we pay the Ambassadors to come to our towns for Australia Day, and is this necessary	The Ambassadors are not paid but there are some minor hosting costs. Warialda Rotary host the Warialda Ambassador and the Council hosts the Bingara Ambassador.

Advertising

The community survey, proposed special rate variation, and integrated planning and reporting documents were all advertised through various media including Newspaper, Radio, Community Notice Boards, email notification, Council's Website, and Council's Facebook page as per the advertising schedule below.

Included in this schedule is a Mayoral Column published on the 21st January 2015 which provides a follow-up overview of the proposed rate variation and reiterates to the community the need to re-evaluate current service levels.

Council published an additional advertisement on the 28th January 2015 offering clarification to residents highlighting the associated rate notice line

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items that would be affected by the rates increase, this advertisement is attached.

Community Survey & Rate Variation Advertising		
Media	Subject	Date Published
Gwydir Shire Council Website	Community Survey - Have Your Say - Link to Survey	11th November 2014
Gwydir Shire Council Facebook Page	Community Survey - Have Your Say - Link to Survey	12th November 2014
Bingara Advocate	Ad - Community Survey - Have Your Say	19th November 2014
Warialda Standard	Ad - Community Survey - Have Your Say	20th November 2014
Barraba Gazette	Ad - Community Survey - Have Your Say	21st November 2014
Moree Champion	Ad - Community Survey - Have Your Say	20th November 2014, 27th November 2014
Goondiwindi Argus	Ad - Community Survey - Have Your Say	19th November 2014, 26th November 2014
Inverell Times	Ad - Community Survey - Have Your Say	28th November 2014
2VM Moree	Radio Community Notice Board - Community Survey	17th - 21st November 2014
2NZ Inverell	Radio Community Notice Board - Community Survey	17th - 21st November 2014
ABC Radio	Radio Community Notice Board - Community Survey	17th - 21st November 2014
Bingara Advocate	Mayoral Column - Special Rate Variation	21st January 2015
Warialda Standard	Mayoral Column - Special Rate Variation	21st January 2015
Barraba Gazette	Mayoral Column - Special Rate Variation	21st January 2015
Council's Email register	Survey emailed out to Council's email tree	11th November 2014
Council's Email register	Information sent regarding Display of IP&R plans and reminder of Council meeting held on the 18th December in North Star NSW	11th December 2014
Bingara Advocate	Copy of rate notice highlighting the associated sections applicable to the rate variation	28th January 2015
Warialda Standard	Copy of rate notice highlighting the associated sections applicable to the rate variation	28th January 2015
Gwydir Shire Council Website	Copy of rate notice highlighting the associated sections applicable to the rate variation	28th January 2015
Barraba Gazette	Copy of rate notice highlighting the associated sections applicable to the rate variation	28th January 2015
Bingara Advocate	Ad - Document Display IP&R Plans	17th December 2014, 21st January 2015
Warialda Standard	Ad - Document Display IP&R Plans	17th December 2014, 21st January 2015
Barraba Gazette,	Ad - Document Display IP&R Plans	17th December 2014, 21st January 2015
Moree Champion	Ad - Document Display IP&R Plans	18th December 2014, 22nd January 2015
Goondiwindi Argus	Ad - Document Display IP&R Plans	17th December 2014, 7th January 2015
Inverell Times	Ad - Document Display IP&R Plans	23th December 2014
Gwydir Shire Council Website	Document Display IP&R Plans	5th January - 2nd February 2015
Community Notice Boards	Bingara Council Chambers & Warialda Council Chambers	17th December - 2nd February 2015

If the Council resolves to make a Special Rate Variation submission to IPART the Council will advertise the examples of the impact upon the ratepayers within each category in next week's *Warialda Standard* and *Bingara Advocate*. Both these advertisements will be full page.

The draft IPART submission currently being prepared is in line with the Council's previously adopted position of:

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FURTHER that IPART be advised that Council will be seeking a 15% Special Rate Variation (inclusive of rate pegging) for 2015/2016 year and a 15% Special Rate Variation (inclusive of rate pegging) for 2016/2017 year (Ref: 344/14).

FURTHER that as far as possible the breakup of the rating categories be Business 4%, Residential 16% and Rural 80% (Ref: 345/14).

Finally there is a petition circulating expressing opposition to the proposed Special Rate Variation but this petition has not been forwarded to Council as yet.

OFFICER RECOMMENDATION

THAT the Council confirms its previous decision to submit to IPART a 15% Special Rate Variation (inclusive of rate pegging) for 2015/2016 year and a further 15% Special Rate Variation (inclusive of rate pegging) for 2016/2017 year with a cumulative effect of 32.25%.

FURTHER that the Special Rate Variation is for a permanent increase in the Council's notional rates' income.

FURTHER that as far as possible the breakup of the rating categories be Business 4%, Residential 16% and Rural 80% irrespective of the final determination of the Special Rate Variation submission.

ATTACHMENTS

There are no attachments for this report.

COUNCIL RESOLUTION: MINUTE 18/15

THAT the Council confirms its previous decision to submit to IPART a 15% Special Rate Variation (inclusive of rate pegging) for 2015/2016 year and a further 15% Special Rate Variation (inclusive of rate pegging) for 2016/2017 year with a cumulative effect of 32.25%.

FURTHER that the Special Rate Variation is for a permanent increase in the Council's notional rates' income.

FURTHER that as far as possible the breakup of the rating categories be Business 4%, Residential 16% and Rural 80% irrespective of the final determination of the Special Rate Variation submission.

(Moved Cr Egan, seconded Cr Smith)

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Upon being put to the meeting, the motion was declared carried.
For the Motion were Councillors Dick, McDonald, Egan, Doering,
Coulton and Smith Total (6).

Against the Motion was Councillor Pankhurst Total (1).