ATTACHMENT 21 -

Community Engagement Materials

Stage 1 –

Listening to Our Community

February/March 2018

A. INITIAL NOTIFICATIONS

- Newspaper Notices
- Village publications notices
- Letter Invitations mailed to all ratepayers
- Mayoral Column in Chronicle
- Mayoral Updates distributed through email mail list and also hardcopies available in local businesses throughout the Shire.
- Website Information

Example: Newspaper notice placed in the local Chronicle Newspaper and village newsletters prior to and during the consultation.

<u>"SECURING OUR FUTURE"</u> COMMUNITY STRATEGIC PLAN AND PROPOSED SPECIAL RATE VARIATION

Council is enthusiastic about securing Dungog Shire's future and would like to progress this objective by developing an engaging partnership with the community. All Councils are required to develop and endorse a Community Strategic Plan that identifies the community's main priorities and aspirations for the future within twelve months of an election.

A review of the current Community Strategic Plan with your input will assist Council in making some important decisions to ensure we are able to provide essential services and facilities in the long term. We know that our community places a high value on our road and bridge network and in their current state are continually deteriorating and need significant investment.

We need to explore ways to expand our revenue sources to ensure we are able to provide essential services and facilities in the long term. While we understand that a rate rise is never welcome, we believe it is an important conversation we need to have with our community. We are also seeking your input on a proposal to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a special variation.

You are invited to attend any of the venues listed below where you will be given an opportunity to ask questions and have discussions regarding the Community Strategic Plan and the proposed special variation with Councillors and Council staff.

- Monday 12 March Gresford School of Arts 6pm to 9pm
- Tuesday 13 March Vacy School of Arts, 10am to 1pm
- Tuesday 13 March Paterson School of Arts, 6pm to 9pm
- Wednesday 14 March Doug Walters Pavilion, Dungog, 10am to 1pm
- Wednesday 14 March Doug Walters Pavilion, Dungog, 6pm to 9pm
- Thursday 15 March Clarence Town School of Arts 6pm to 9pm

If you would like to attend one of the forums listed above please contact Council on 4995 7777 or email us at shirecouncil@dungog.nsw.gov.au to reserve your place. Please RSVP by **Friday 9 March, 2018**.

We look forward to your participation in these important discussions. Further information can be found in the Mayoral Matters column or on Council's website at www.dungog.nsw.gov.au.

DUNGOG SHIRE COUNCIL



All Communications to be addressed to:

The General Manager Telephone: (02) 4995 7777

Dungog Shire Council Facsimile: (02) 4995 7750

PO Box 95 Email: shirecouncil@dungog.nsw.gov.au

DUNGOG NSW 2420 Website: www.dungog.nsw.gov.au

ABN 62 610 350 056

Ref: EF14/107

21 February 2018

«Name 2»

«Address_1»

«Address 2»

«Address 3»

Dear Resident

FIT FOR THE FUTURE COMMUNITY STRATEGIC PLAN AND PROPOSED SPECIAL RATE VARIATION

It's time to review the Dungog Shire Community Strategic Plan (CSP), which came into effect in 2012, to make sure we're still heading in the right direction. Please remember that the CSP is your plan. It describes how you want to see your Shire over the coming years. We think the CSP is in pretty good shape. The community's involvement to develop the current plan was strong, with residents attending a series of workshops held throughout the Shire.

Now, six years after the development of the first CSP, we need to make sure that the plan still reflects your goals and aspirations for your local area and for the Shire as a whole. We invite you to join us at an upcoming community engagement session to let us know what you think. Does the document reflect your aspirations for the Shire you want to see? If not, what should be altered or changed to better guide us at Council? Your input is absolutely vital so that Council can make good decisions that are in your interest going forward.

In addition to discussing the CSP, we also want to take some time with you to consider a Special Rate Variation (SRV). The SRV is always an issue that challenges every Council and its communities alike there is never a good time to have this conversation. However, we believe it is essential to address this proposal with our communities as a means to enable us to make improvements to our public assets, in particular our roads and bridges.

We need to strive toward sustainability, to improve our resilience, to deliver services in line with community expectations and financial responsibility. We have to show the State Government that we are acting positively to improve Dungog Shire's position. Councillor's need and want to take the community on this journey, to help us make the right decisions about a special rates variation. What level of service do you want from Council and what are you prepared to pay to get that level of service?

What is Fit for the Future?

On 10 September 2014, the NSW Premier and Minister for Local Government announced the NSW Government's proposed reform package for all councils throughout NSW. The package titled "Fit for the Future" provides a roadmap/blueprint of the Government's expectations, approach and assistance to ensuring that councils are able to deliver on the expectations of their communities into the future.

The package is largely based on the findings and recommendations identified by the Independent Local Government Review Panel (ILGRP), which over the past three years has carried out extensive research and consultation on the priorities and required reforms identified by the sector.

Based on the work carried out by NSW Treasury Corp (TCorp), the Independent Local Government Review Panel (ILGRP) and the subsequent review by the Independent Pricing and Regulatory



COUNCIL'S VISION:

A vibrant, united community, with a sustainable economy. An area where rural character, community safety and lifestyle are preserved.

Tribunal (IPART), the Office of Local Government (OLG) has set certain criteria and benchmarks as a basis for assessing each council's ability to becoming "Fit for the Future".

Dungog Shire Council was identified as "not fit" under the ILGRP preferred options, Council has been invited to lodge a Reassessment Proposal which addresses how Council will meet the seven key performance measures which have been established for councils to demonstrate how they are achieving the key criteria or working towards achieving them into the future. A council does not need to meet all performance measures now to be determined Fit for the Future but they must develop an Improvement Proposal to show how they will work towards meeting them.

Why does Council need to apply for a rate rise?

Our community has consistently told us that assets like roads, bridges and community assets are important to them, but we need to improve their condition. In addition to this, in 2014 the NSW State Government initiated its Fit for the Future local government reform program that required all NSW councils to submit a proposal demonstrating plans to achieve long term financial sustainability and meet seven asset and financial benchmarks.

The proposed Special Rate Variation is an important step to help maintain and manage our current assets and ensure we deliver services in line with community expectations and remain financially sustainable.

What is a special rate variation?

After IPART announces the rate peg for the upcoming year, councils can then have a conversation with the community as to whether the increase is sufficient to continue to deliver the existing range and standard of services available, whilst also ensuring there is sufficient funds to maintain and renew infrastructure. If they feel the increase is insufficient, Council can request an increase above the rate peg limit. These increases are known as a Special Rate Variation (SRV).

Applications for increases above the rate peg limit are assessed by IPART. IPART has stringent criteria which a council must meet before approving any application.

How can you have your say?

You are invited to attend any of the venues listed below where you will be given an opportunity to ask questions and have discussions regarding the Community Strategic Plan and the proposed special variation with Councillors and Council staff.

Monday 12 March	6pm to 9pm	Gresford School of Arts
Tuesday 13 March	10am to 1pm	Vacy School of Arts
Tuesday13 March	6pm to 9pm	Paterson School of Arts
Wednesday 14 March	10am to 1pm	Doug Walters Pavilion, Dungog
Wednesday 14 March	6pm to 9pm	Doug Walters Pavilion, Dungog
Thursday 15 March	6pm to 9pm	Clarence Town School of Arts

We look forward to meeting and engaging with our residents and receiving community feedback to assist us in updating the Community Strategic Plan and making decisions concerning the proposed special rate variation.

If you would like to attend one of the forums listed above please contact Council on 4995 7777, or email us at shirecouncil@dungog.nsw.gov.au to reserve your place. Please RSVP by Friday 9 March, 2018.

We look forward to your participation in these important discussions.

Yours faithfully

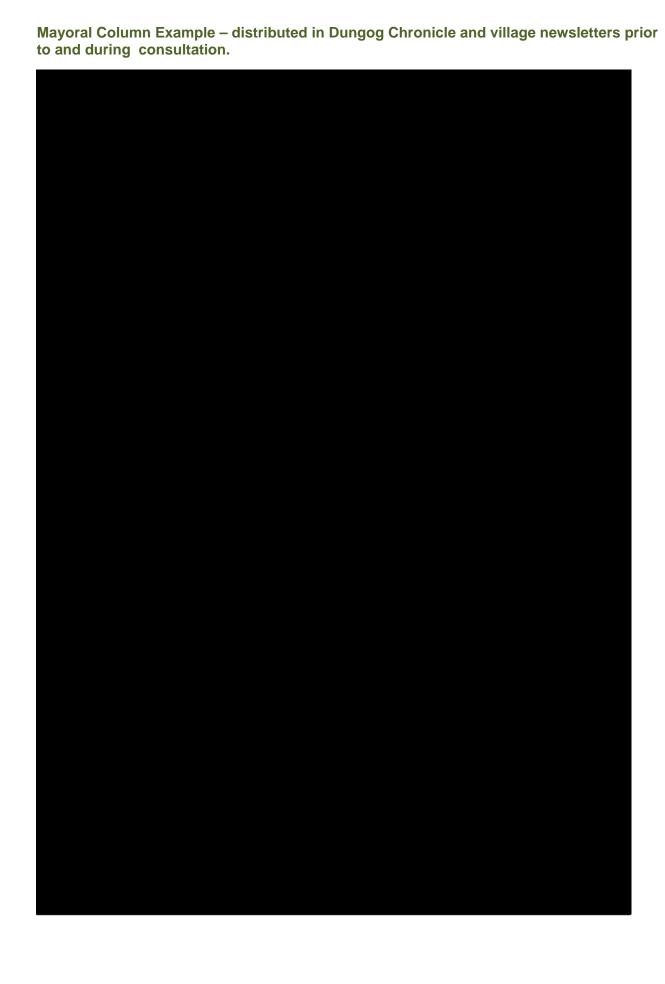
Tracy Norman

Mayor

Yours faithfully

Shaun Chandler

A/General Manager



Mayoral Updates distributed through Council's website, email and hardcopies through local businesses prior to and during consultation.

Mayoral Update



March 2018

Community Engagement

Councillors are currently putting the final touches on our community engagement program that will involve both a review of the Community Strategic Plan and a proposed Special Rates Variation. The engagement program will be conducted around the three wards of the Shire.

The Community Strategic Plan is your document reflecting your aspirations for the Shire. It was adopted in 2012 and now is the time to review it. Come along and make sure this plan still reflects your aspirations for the Shire.

Council is also looking for your input on the proposed Special Rates Variation. The rates you pay are used to provide services such as bridges and roads maintenance, rubbish collection, library services, swimming pools, and the insurance and maintenance of parks & gardens and of sports fields. Simply put, Council's rates have not kept up with the costs involved in providing these services. We need to know what services and levels of service we should be prioritising for you, and at what cost.

We are running some day sessions and some night sessions to make it as convenient as possible for as many of our residents and rate-payers to attend. All the sessions are open to all residents and rate-payers, regardless of which ward you live in.

Sessions are as follows:

Monday 12 March – Gresford School of Arts, 6pm to 9pm
 Tuesday 13 March – Vacy School of Arts, 10am to 1pm
 Tuesday 13 March – Paterson School of Arts, 6pm to 9pm
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 Thursday 15 March – Clarence Town School of Arts, 6pm to 9pm

Friends of Rotary

Members of the Dungog Rotary Club and their friends met at the Tinshed Brewery last week for an informal gathering. We heard from past District Governor, about the great work that Rotary does on major projects such as the world-wide program to eradicate Polio, as well as many domestic projects. spoke on the many youth programs available through Rotary, including many education and student exchange programs. Royce Burns talked about Rotary at home and also the idea behind the Friends of Rotary initiative. He stressed the importance of community and

Mayoral Update

the contributions we can all make. For those of us that are time-poor, we can still make time to help out once in a while. He asked that we consider making some time to help Rotary, Lions, the CWA, or the other many and varied volunteer organisations that help our community to function. Rotary is having a fund-raising barn dance at Wallarobba Hall on 24 March.

Fixing Country Roads - Bridge Tenders

A pre-tender meeting was held on the 15 February for Wheelabout and Bullockys Bridges, which was attended by eight (8) contractors and two (2) bridge design companies. Council staff are pleased with this level of interest and we are hoping for competitive tendering and innovative designs to work around the access issue that each of these sites have.

The tenders will close on 12 March and will be assessed as soon as practicable. A special Council meeting will be called (if required) to appoint a contractor for the construction to ensure works can commence as soon as practical.

Documents are currently being prepared for the tender and contacts for Coulston and Spooner Bridges.

Other News on Bridges

Council is on track for bridge replacement works for James Bridge to commence in March.

A side track was installed to bypass Ryans Bridge in January 2018 to permit heavy vehicle access as the bridge has a 5 tonne limit.

Council is in the process of upgrading the signage surrounding the bridges that have been load limited. Council has taken on the feedback received and is upgrading the signage.

For more information on bridges, or to sign up for the Bridges newsletter, please contact Council's Infrastructure and Assets Department on 4995 7777.

From Local State Member, Michael Johnsen: Diploma of Events Management

The NSW Government has announced a partnership with Australia's peak industry body for business events, Meetings and Events Australia (MEA), to help aspiring event managers living in the Upper Hunter electorate get a head start in their career.

The NSW Government and MEA will be offering a regional scholarship program with a Diploma of Event Management available across NSW.

This is a fantastic opportunity for those wanting to achieve their career goals within the events industry. The course will be delivered via an online learning tool allowing students to complete the tasks at their own pace and in their own time.

For further information and to apply, please visit www.meetinnsw.com.au/scholarships

Gresford Show

Saturday 10 March is Gresford Show day. See you at this great community event.

Regards

Tracy Norman, Dungog Shire Mayor

B. COMMUNITY ENGAGEMENT

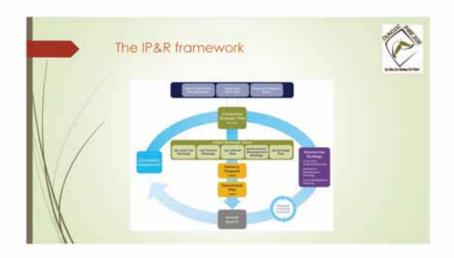
Information displayed and distributed at Community Meetings:

- Powerpoint demonstration
- Information package

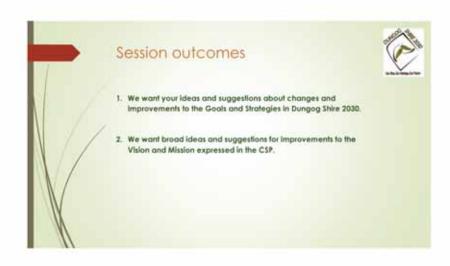
























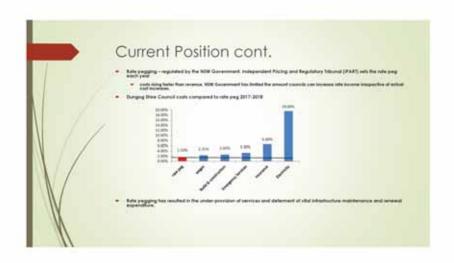




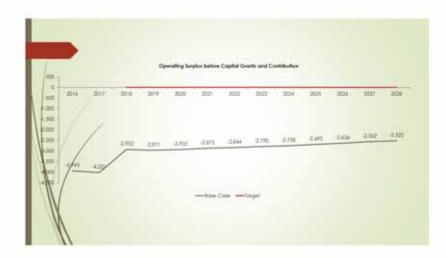






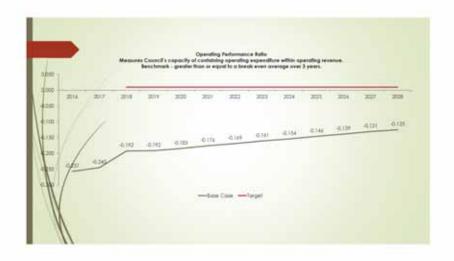


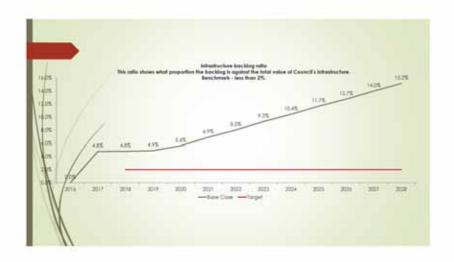


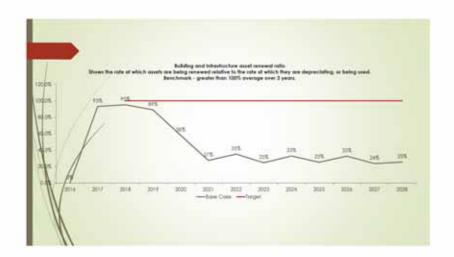


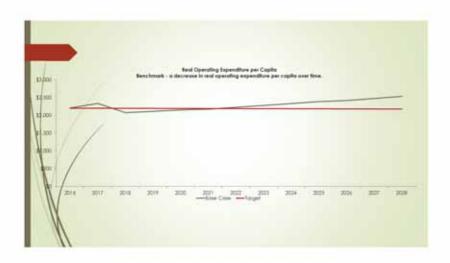


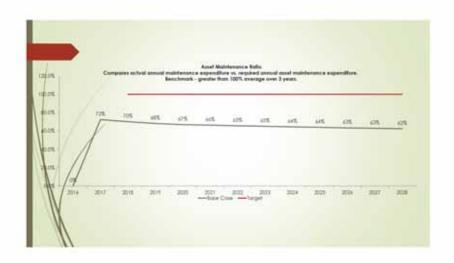










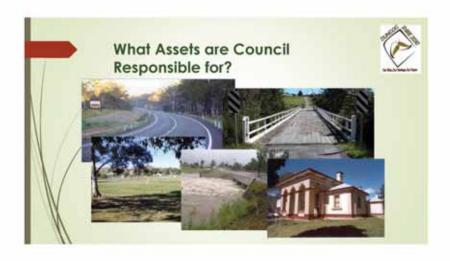






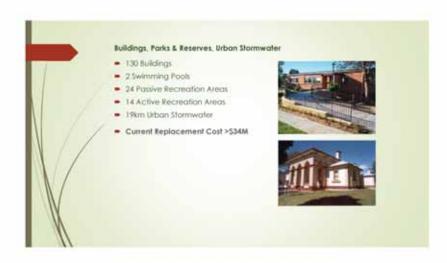








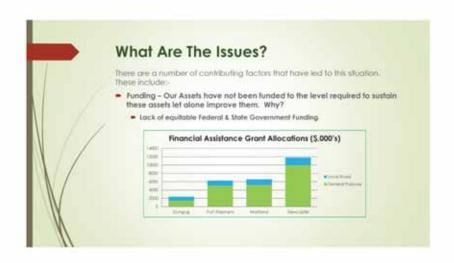


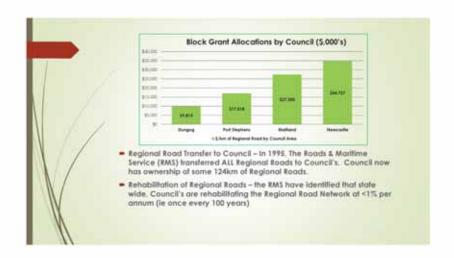




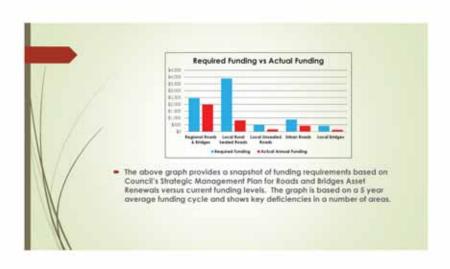


















What Do We Need To Do?

- Strategic Direction Strategically prioritise our Asset renewals
- Process Improvement Keep monitoring and improving our processes
- Joint Purchasing Look for new areas to partner with other Councils for economies in service and materials provision
- Capital Investment Increase Capital replacement with a view to reduce maintenance in the longer term
- Capital Renewal Ensure when we do invest in Capital works that renewals
 are undertaken at appropriate intervals to ensure Asset design lives are
 obtoined.
- Grant Applications Ensure we invest the necessary resources into investigating and submitting sound and well developed applications in the competitive grants areas

How Do We Do This?

- Service Levels We need to work with our communities to identify the service levels the community wants and needs.
- Critical Infrastructure Requirements Based on these service levels, we need to identify infrastructure replacement requirements and strategically plan for these works
- Funding The critical element to meet the community needs for our intrastructure is funding.

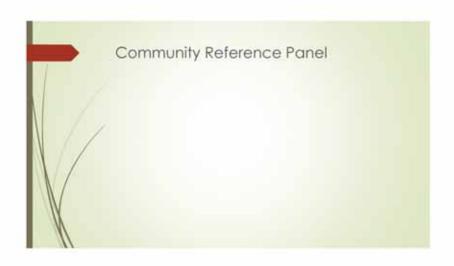
Council needs to identify and achieve a consistent source of funding for the agreed level of service to undertake the necessary works to renew and maintain our Assets at the required agreed service level.

Special Rate Variation

- What is a special rate variation (SRV) a special variation allows council to increase general income above the annual rate peg.
- Applies only to General Rates it does not impact offer charges such as waste, stormwater or government levies.
- Council must consult the community and demonstrate effective community engagement.
- Two forms of an SRV
- If can run from 1 year up to a maximum 7 years
- Impact on ratepayers
- Relative Integrated Planning & Reporting (IP&R) documents exhibited, approved and adopted by council.
- Productivity improvements and cost containment strategies.







Special Rate Variation Community Reference Panel



The purpose of the Reference Panel is to provide communities across the Shire with opportunities to partner with Council to:

- Consider Dungog Shire Council's current shuafon regarding its financial sustainability against State Government requirements for councils
- Assets the Council's capacity to defive essential services and facilities in the short and long term based on current budget and finance levels.
- Participate in consideration of an appropriate SRV level for application across the State
- Identify community priorities in Council's delivery of services and facilities
- Provide broad information and feedback to communities about the work and outcomes at the Panel.

Panel selection The Panel will be independently facilitated and will comprise 15 community representatives, councilion and council staff Selection of panel members will ensure the most equitable representation of communities across the Shire based on factors such as: Demographic profile Location within the Shire Community participation Local community representation and involvement Commitment to participate Panel selection will be conducted as an independent process based on information provided in the Expression of Interest submission All people who submit and Expression of Interest will receive a response from Council.









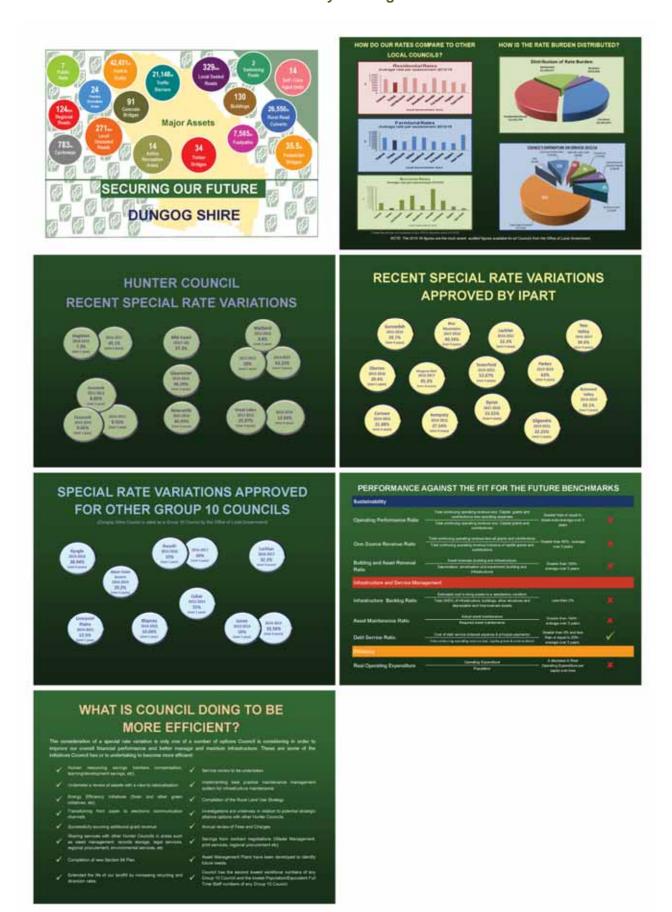




Community Meetings held at:

- Dungog
- Gresford
- Paterson
- Vacy
- Clarence Town

Information Sheets Distributed at Community Meetings:



Frequently Asked Questions (FAQs) | Special Rate Variation

What is Fit For The Future?

On 10 September 2014, the NSW Premier and Minister for Local Government announced the NSW Government's proposed reform package for all councils throughout NSW. The package titled "Fit for the Future" provides a roadmap/blueprint of the Government's expectations, approach and assistance to ensuring that councils are able to deliver on the expectations of their communities into the future.

The package is largely based on the findings and recommendations identified by the Independent Local Government Review Panel (ILGRP), which over the past three years has carried out extensive research and consultation on the priorities and required reforms identified by the sector.

Based on the work carried out by NSW TCorp, the ILGRP and subsequent review by the Independent Pricing and Regulatory Tribunal (IPART), the Office of Local Government (OLG) set certain criteria and benchmarks as a basis for assessing each council's ability to becoming "Fit for the Future.

Dungog Shire Council was identified as "not fit" under the ILGRP preferred options, Council has been invited to lodge a Reassessment Proposal which addresses how Council will meet the seven key performance measures which have been established for councils to demonstrate how they are achieving the key criteria or working towards achieving them into the future. A council does not need to meet all performance measures now to be determined FFF but they must develop an Improvement Proposal to show how they will work towards meeting them.

What are the seven performance benchmarks Council must meet or work towards meeting?

The seven measures are: operating performance ratio; own source revenue; building and infrastructure asset renewal ratio; infrastructure backlog; asset maintenance; debt service; and real operating expenditure.

Dungog Shire Council currently meets one of the benchmarks and based on Council's long term forecasting without additional rate income, Council will not be able to show significant progress towards meeting or meet the benchmarks by 2026/27 as specified by the government. If Council cannot meet the benchmark, it will remain "not fit" and will be subject to further considerations by the NSW Government.

What is Rate Pegging?

Council's rating revenue is regulated under the **NSW** Government's 'rate pegging'. The Independent Pricing and Regulatory Tribunal (IPART) sets a rate peg which limits the amount by which councils can increase their total rate revenue from one year to the next. For many years, the rate peg limit has not kept pace with the increases in costs for councils to deliver services. The rate peg amount for 2018/19 financial year has been set at 2.3 per cent.

What is a special rate variation?

After IPART announces the rate peg for the upcoming year, councils can then have a conversation with the community as to whether the increase is sufficient to continue to deliver the existing range and standard of services available, whilst also ensuring there is sufficient funds to maintain and renew infrastructure. If they feel the increase is insufficient, Council can request an increase above the rate peg limit. These increases are known as a Special Rate Variations (SRV).

Applications for increases above the rate peg limit are assessed by IPART. IPART has stringent criteria which a council must meet before approving any application.

Why do we need a special rate variation?

Our community has consistently told us that assets like roads, bridges and community assets are important to them, but we need to improve their condition. In addition to this, in 2014 the NSW State Government initiated its Fit for the Future local government reform program that required all NSW councils to submit a proposal demonstrating plans to achieve long term financial sustainability and meet seven asset and financial benchmarks.

The proposed Special Rate Variation is an important step to help maintain and manage our current assets and ensure we deliver services in line with community expectations and remain financially sustainable.

What will the SRV be spent on?

The income raised through a special rate variation can **ONLY** be used to fund the purpose which we detail in our application to **IPART**.

The additional revenue raised by the proposed special rate variation will not be spent on major projects or wish lists. The funds will be allocated towards financial sustainability and asset renewal works ensuring our infrastructure backlog is adequately funded and the annual required maintenance is reduced.

Council is required to report each year what the income from a special rate variation is spent on.

How much will my rates go up?

The increase in rates (in terms of dollars) will vary for residents across the shire. The reason for this is that Council uses the land value of properties throughout the shire to determine the level of rates each property owner should pay.

In other words, land value determines how Council's total rate income will be collected from each property owner. The variation would only apply to the general rate component and would not impact on other charges such as waste, stormwater or government levies.

You can calculate the impact of a special rate variation based on the land value of your property by using our online rates calculator.

 $\textbf{V} \textbf{isit our website} \ \underline{\textbf{www.dungog.nsw.gov.au}} \ \textbf{and click on the Special Rate Variation link for further details.}$

Dungog Shire Special Rate Variation - Frequently Asked Questions

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Can Council use grant funds to meet costs such as the infrastructure backlog?

There are substantial legislative restrictions over Council's funds. The Local Government Act 1993 (Section 409) states that funding granted to / collected by Council for one purpose cannot then be utilised for another purpose. In other words, a grant secured for sporting fields cannot be spent on roads. Only limited grant funding opportunities exist and are available for road asset renewal and upgrades and these generally have to compete on a State or Federal basis.

Could some areas of Council become more efficient?

We continue to look for organisational efficiencies and are committed to a long-term service review program to ensure we deliver services and facilities that meet our community's needs in the most efficient way.

In recent years, Council has focused on making significant savings and efficiencies, some of the initiatives Council has or is undertaking include:

- Sharing services with other Hunter Councils in areas such as weeds management, records storage, legal services, environmental services and regional procurement.
- Utilised loans to fund long term community infrastructure. As noted by Council's auditor, loan
 funds are not available to meet ongoing operational or maintenance needs and should only be
 considered for long life capital infrastructure assets;
- Installation of solar energy on major Council assets;
- Using technology and systems to improve productivity e.g. online mapping, DA tracking, online payments;
- Discussions are underway in relation to potential strategic alliance options with other Hunter Councils:
- Extending the life of our landfill by increasing recycling and diversion rates;
- Reviewing fees and charges income;
- Where possible, gained grant income to deliver new community infrastructure;
- Completing a Rural Land Use Strategy;
- Completion of a new Section 94 Plan;
- Undertaking a review of assets with a view to rationalisation;
- Focusing on Work Health and Safety to reduce incidences, return staff to work sooner and reduce insurance premiums. Council's Workers' Compensation Insurance premium is now 1.98% of total wages paid, compared to the Local Government average of 3.24, leading to a saving in excess of \$65,000 on insurance costs.

Despite these savings, we still do not have sufficient funds to meet the costs of providing the current service levels.

Is there an opportunity for Council to change its mind about a special rate variation?

Any council considering a rate increase must comply with the requirements set out in IPART guidelines, including a notification confirming their 'intention to apply' while they continue with consultation. The actual application (due in February 2019) cannot be submitted until Council makes a formal resolution to do so. Council will need to make this decision at a Council meeting before February 2019.

Dungog Shire Special Rate Variation - Frequently Asked Questions

How do our rates compare with others?

Many residents have asked us how we compare to other councils in terms of the average residential rate bill. Since 2011a number of Hunter councils have been granted special rate variations (SRV). Singleton Council has received a 7.3% SRV for one year commencing 2014-15 followed by a 45.1% SRV over four years commencing 2016-2017, Maitland Council received a 9.8% SRV in 2011-2012 for one year, a 10% SRV in 2012-2013 for one year and a 63.22% SRV in 2014-2015 over seven years. Others include Gloucester 44.29% over 3 years, Newcastle 46.93% over 5 years, Great Lakes 25.97% over 3 years & 13.92% for one year, Mid-Coast 27.3% over 4 years and Cessnock 8.85%, 9.45% & 9.55% each for one year, also received in this period.

While this is not necessarily always a good measure of "value" as the range and quality of services in each local government area varies, the following table provides a regional comparison:

	Farmland Rates	Residential Rates	Mining Rates	Business Rates
Cessnock City Council	2,684.98	1,054.15	182,500	3,022.14
Dungog Shire Council	2,159.67	794.03	-	866.49
Lake Macquarie City Council	1,893.62	1,194.26	43,944.44	4,378.04
Maitland City Council	2,969.25	1,130.64	174,500.00	6,218.19
Muswellbrook Shire Council	2,765.18	722.43	68,241.94	1,859.22
Newcastle City Council	1,888.89	1,135.16	-	9,091.96
Port Stephens Council	1,680.81	946.57	-	4,048.90
Singleton Council	1,500.52	797.22	110,959.18	1,546.16
Upper Hunter Shire Council	3,356.43	714.31	89,000.00	863.36

Note: The above 2015-16 figures are the most recent available audited figures for all the councils. All of the councils' rates have increased by at least the IPART determined Rate Peg and any approved SRV since 2015-16.

What happens if IPART doesn't approve a rate increase for Council?

Council is committed to implementing its Improvement Plan, which includes a proposed Special Rate Variation, and working towards meeting the benchmarks set by the NSW State Government under the Fit for the Future reform agenda.

If a special rate variation is not approved by IPART then Dungog Shire Council would not meet the criteria set by the NSW Government to be deemed 'fit for the future'. Council would need to seek guidance from the NSW Government as to how they wish us to proceed.

Why should I have to pay higher rates when I don't use many Council services?

A significant amount of Council's rate income is used to fund essential infrastructure services (maintenance and renewal) which are used by residents every day. This includes roads, bridges, drainage and community facilities. The majority of residents use these services every day.

In addition to these infrastructure services, Council provides many community based programs and services to a wide range of users across the shire. These services are funded either through user charges, general rate income, or in some cases a combination of both user charges and general rate income. Where services are subsidised through general rate income, it is on the basis that Council plays an important role in ensuring access and participation to ALL residents for the use of these community based programs and services.

Are there concessions for pensioners?

The mandatory \$250 rebate (set by the NSW State Government) is the level which Council currently offers. This rebate is not indexed in line with future rate increases.

Council has not factored in any additional increase in this rebate for pensioners within its proposed Special Rate Variation.

Is there any help for people who can't pay their rates?

Council acknowledges that any rate increase may adversely impact some community members. Council has a Hardship Policy to assist ratepayers should they incur difficulty in keeping up with their rates payments. Contact Council for further information on 02 4995 7777.

What is the timeline for what happens next?

The work of the Community Reference Panel will occur over three meetings on the following dates:

Tuesday April 3	4.00 pm - 10.00 pm	Doug Walters Pavilion, Dungog
► Thursday May 3	6.00pm - 10.00pm	Doug Walters Pavilion, Dungog
■ Thursday May 17	6.00pm - 10.00pm	Doug Walters Pavilion, Dungog

Further community briefings will be held at the conclusion of the panel process - dates to be determined.

What other factors could impact on how much rates I have to pay?

Council rates are calculated based on the value of your land, as determined by the **NSW** Valuer General. Updated land values are provided to Council at least every four years. Any significant fluctuation in your land valuations will also have an impact on the amount of rates you pay.

Dungog Shire Special Rate Variation - Frequently Asked Questions

What if I don't agree with my new land valuation?

You can find further Information about the NSW Valuer General valuation process and how to request a review at the following website www.valuergeneral.nsw.gov.au. As valuations are provided by NSW Land & Property Information on behalf of the NSW Valuer General, all enquiries should be directed to NSW Land & Property Information:

Phone: 1800 110 038

Website: www.lpi.nsw.gov.au/land valuation

If the value of my land increases does that mean Council's total rate income will also increase?

No it will not. Council's rate income in total can only increase by the percentage increase (known as the rate peg) which is set by The Independent Pricing and Regulatory Tribunal (IPART).

Council uses the land value of properties throughout the shire to determine the level of rates each property owner should pay. In other words, land value determines how Council's total rate income will be collected from each property owner.

Updated land valuations are provided to Council at least every four years. These valuations are determined by the NSW Valuer General. The valuation process is something Council cannot influence. Any significant fluctuation in your land valuation will impact on the amount of rates you pay.

However, it's important to remember this will not result in Council receiving any additional increase in income above the percentage increase approved by IPART.

If I lodge an objection to my land valuation and it is reduced, will that mean my rates will also decrease?

Once NSW Land & Property Information have advised Council of the adjustment to your land value, then yes, Council will amend your rates to reflect the new land value.

Dungog Shire Special Rate Variation Community Reference Panel



Expression of Interest - panel membership

NOTE - Please use print to ensure all details following can be read.

Name:				
Residential address:				
Contact details:	Email:			
	Telephone: Home: Mobile:			
Age (please circle)	16 - 24 25 - 34 35 - 44 45 - 54 55 - 64 65 - 74 75 - +			
Current status:	(please tick any of the following that apply):			
Property owner (home / business premises)				
Business owner				
Local employee				
Property lessee (hom	e / business premises)			
Association office bearer / member (please state)				
Please tell us a little about yourself and what you would contribute to the panel process				



In submitting this Expression of Interest, I agree to observe the following commitments regarding panel membership:

•	will attend	meetings of the S	RV Community	Reference	Panel to	be held on:
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- Tuesday April 3
 4.00pm 10.00pm, Doug Walters Pavilion, Dungog
- Thursday May 3 6.00pm 10.00pm, Doug Walters Pavilion, Dungog
- Thursday May 17 6.00pm 10.00pm, Doug Walters Pavilion, Dungog
- I will consider the needs and priorities of communities across the council area as a whole
 in all panel discussions and decision-making;
- I will participate in panel meetings with a spirit of fairness and co-operation;
- I will take opportunities to inform others (family, friends, colleagues, etc.) about the activities of the panel between meetings;
- I will participate in the presentation of community briefings at the conclusion of the panel's work.

Signature	Date	

Please return this completed submission:

1. By email to: shirecouncil@dungog.nsw.gov.au

2. By mail to: The General Manager

Dungog Shire Council

PO Box 95

DUNGOG NSW 2420

3. In person to: Councils Administration Offices at 198 Dowling Street, Dungog

Submissions must be received by Friday 23 March.



Stage 2 -

Community Reference Panel

April/May 2018

A. PRESENTATIONS TO PANEL

Example of Presentations to Community Reference Panel Members:







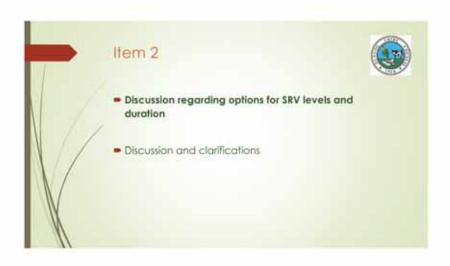


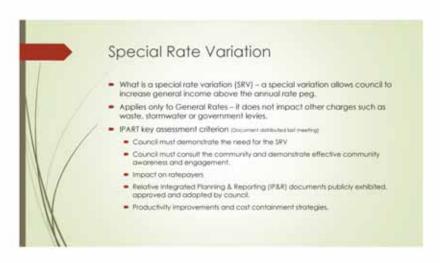






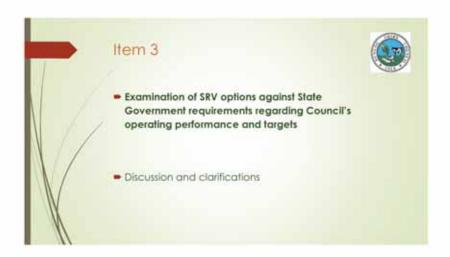


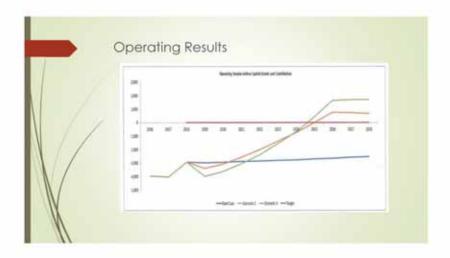


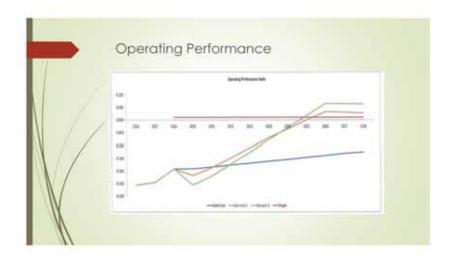


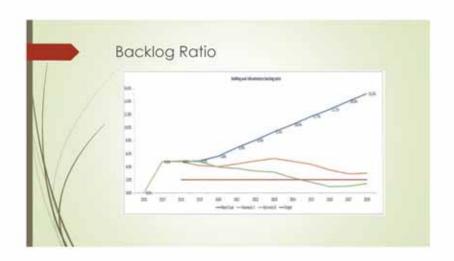


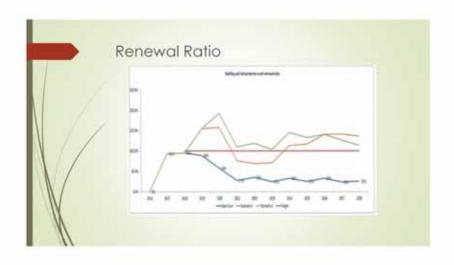


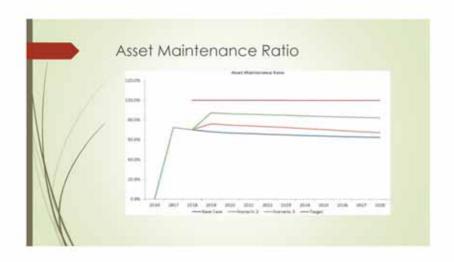




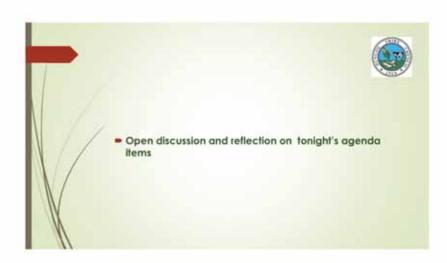


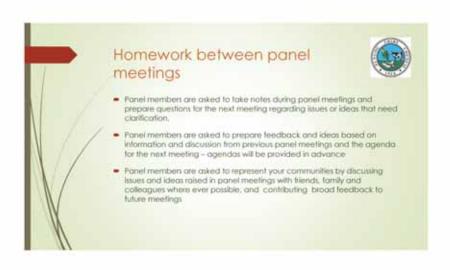












Agenda – third panel meeting



- Review of current operating environment, State Government requirements, infrastructure condition, and priorities and SRV options.
- Discussion to revisit community perspectives regarding local infrastructure and service priorities and potential impacts of SRV at varying levels and durations
- Discussion to identify most appropriate SRV level and duration

B. CONSULTATION PROCESS

Minutes from three (3) Community Reference Panel Meetings:

DUNGOG SHIRE COUNCIL SPECIAL RATE VARIATION COMMUNITY REFERENCE PANEL MEETING NO. 1

3 April 2018

Attendance:	
Community:	
Councillors:	
Staff:	
Presenter:	
Apology: Nil	

- Martin Bass thanked the membership of the SRV Community Reference Panel for agreeing to participate.
- SRV Panel members agreed on the purpose of the Panel.
- The need for the SRV was discussed.
- The process involved to apply to IPART for a SRV was discussed.
- The timing for the application to IPART was advised.
- The Panel received and discussed a presentation from Shaun Chandler regarding Council's current financial position and the need for a pathway/improvement plan, the Fit for the Future measures and efficiency initiatives.
- The Panel received and discussed a presentation from Steve Hitchens regarding Council current asset provision with a focus on Council's road and bridge network.
- The meeting discussed the use of percentages in determining the SRV amount.
- Three scenarios relating to a SRV were presented for discussion.
- There was conversation relating to Identified gaps between the renewals and maintenance funding requirements identified in the Asset Management Plans versus what Council can actually afford to do based on existing budgets;
- Inequity of funding from State and Federal Governments and the need for both levels of Government to provide more assistance to Local Government particularly in the timber bridge area was noted.

DUNGOG SHIRE COUNCIL SPECIAL RATE VARIATION

COMMUNITY REFERENCE PANEL MEETING NO. 2

3 May 2018

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Community:			
Councillors:			
Staff:] .		
Presenter:			
Apology:			

- Need to include scenario that achieves all required funding to get Shire 'fit'.
- Provide comparisons to the community on other services over a 7 year period and how much they have gone up. Eg. Electricity, private health insurance, fuel costs, etc.
- Rate rises will be unfair to larger landholders.
- Council has a hardship policy.
- What is Council doing to contribute to cost savings?
- Make the point that by spending on new infrastructure ratepayers will save money by not having to do continual maintenance on their vehicles.
- Can Council use the money in the early years of a SRV to borrow so that the ratepayers can see things happening sooner?
- What measures is Council taking to reduce electricity costs? Solar panels on Council buildings have been mentioned but are there plans for a larger solar program to address these costs?
- Staff wages are a substantial cost. What measures are being looked at to utilise the staff in the most efficient manner? Is there an option for sharing staff with other Councils?
- A heavy emphasis is put on addressing the condition of roads and bridges, we also feel it is important for the new council to address issues such as the pride citizens have for the natural environment, heritage values and community spirit and how these relate to council staff. It may be that a cultural change in the council can assist in building on all assets and not just those that can be added to a balance sheet or graph.
- When selling the SRV produce examples that are relevant to ratepayers so they are easy to understand.
- Should be sold with optimism.
- Selling investment in the Shire's future.
- Surveys should be distributed to get a more thorough view of opinion.
- Keep the message simple so that the community understand.
- What ideas does the new GM have? How will she improve pride in Dungog Shire?
- Community pride?
- Perception versus reality waste of money on new roundabout, Commonwealth Bank corner.
- Section 94 Plan why so much money locked up?
- Council need to complete projects beyond reproach so that no one can find fault.
- Special grant money being spent when people think they are wasting money.
- Eco-villages should allow subdivisions that have no gold plating, no kerb and guttering and no services. Cheaper land prices.

- Next round of community meetings need to be later in the evening to allow those who work away to get there.
- Increase in wages and profitability over the 7 years.
- What happens if land values increase over the time? The percentage of rate variation stays the same.
- Is there any way to make it fairer, those with bigger properties will pay more than residential houses but may not use the road anymore? Everyone should pay the same divided amongst ratepayers. Legislation dictates how the SRV can be set up.
- Rezone small pieces of rural land to allow for building entitlement so that the rates go up.
- What happens if we don't meet the criteria?
- Good luck selling 11% increase to someone who is already struggling.
- Acceptance for rate rise out in the community is there but not sure how much it will be.
- Go for increase over shorter period of time and then reapply.
- Increase only applies to general rates, not waste etc.
- Rate increases for larger rural properties is a business cost.
- Unfairness is in every Council area.
- Provisions in place in most Government organisations for people unable to pay.
- Too much emphasis on spending on roads and bridges and not enough on efficiency measures to save money at Council so that money can be spent on other things.
- Spending money on renewing infrastructure frees up the money spent on maintenance in the long term to be spent on other things.
- Jennifer Lewis sent detailed email to 100 people on her contact list and only received 1 reply. Also mentioned it in her column in the Chronicle with a couple of negative comments but generally positive. Examples of how much their rates will be is what they really want to know.
- A chance to change the dialogue post amalgamation talk and start to look at ways to look after ourselves.
- Distribute information thoroughly to give community no chance to complain.
- Selling increase in lifestyle and comfort.
- A lot of people don't understand the 7 year thing and think everything will happen in one year.
- Feedback from community forms part of submission to IPART.
- Most agricultural people won't be too bothered by rate rise if they can save money by having a bridge they can use and on maintenance costs for their cars.
- Tailor the message.
- If grant funding received, advertise that the projects are specially funded.

Positives

- Reduction in tyre, wheel and suspension costs could offset the cost of rate increases.
- Improved access for farms.
- Tourism car clubs etc won't come because of the roads.

Negatives

- Hardship.
- Go too far and will lose support. You have to back up any argument with facts and information.
- Trouble informing the community. Communication is difficult.

DUNGOG SHIRE COUNCIL SPECIAL RATE VARIATION

COMMUNITY REFERENCE PANEL MEETING NO. 3

17 May 2018

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Community:.		
Councillors:		
Staff:		
Presenter:		
Apology:		

- Introduction by the new GM been in the role for 5 weeks.
- Welcomed the Panel to tonight's meeting
- Acknowledged the expressed concern amongst the Panel as to why three meetings were necessary – the staff tonight will be succinct thus allowing the Panel to have an informed view to advise Council in relation to the way forward.
- GS from M/L recapped on the past meetings and presented three scenarios to the Panel that showed impacts on ratepayers for discussion. Acknowledged the revised scaled/tapered approach to rate variation.
- GS advised the M/L had further reviewed Council's asset condition and were able to form a view on what it will take make community assets fit over the next 10 years.
- Current position based on long term \$3m deficit each year. Over 10 years is \$30m and is not sustainable. Asset backlog ratio is 4% in poor condition by the time 10 years will be 15% poor condition as there is not enough money spent on renewing assets eg fixing up current assets. The target is 2%.
- GS in terms of asset maintenance there is a current shortfall of \$1.7m of what is required and currently spent. Noted that it is better to spend money on renewals this will result in maintenance costs/levels coming down.
- Renewal Expenditure In current base case long term financial plan currently \$33.5m over 10 years.
- CN raised the point that as timber bridges are replaced with concrete bridges more money
 for maintenance can go into other areas as they don't require the level of maintenance as
 timber bridges.
- Two options for SRV discussed by the Panel
 - Tapered base rate: Years 1 & 2 @ 15%, Years 3, 4 & 5 @ 10%, Years 6 & 7 @ 6% including rate cap; OR
 - Rates increase 10% each year for 7 years.
- SH briefly recapped on revising actuals and where holes are in areas of roads and bridges from the last meeting. Gap in maintenance and persuaded by special grants. He gave breakdown of monies spent and presented a view of future rate bills.
- Questions were asked from the floor regarding rating on large residential properties and funding and grant programs.
- Panel members advised that the community needs to see where their money is being spent if there is a SRV increase - more community consultation needed.
- Could projects be chosen from the community for the various towns within the Shire?

- Panel member proposed that RMS be contacted about increasing funding for roads as the Shire's roads are old and there is increased traffic particularly an increase in truck movement on our roads and they are giving our roads a battering.
- CN advised that Council would develop a SRV factsheet or a series of Q&As and identified a need to develop a comprehensive communications plan.
- The Panel gave in-principle agreement membership unanimously agreed that a SRV was needed to ensure the future sustainability of Dungog Shire Council. They were also supportive of Scenario 2 that was outlined to the Panel by Morrison and Low and Dungog Shire Council staff, however they raised concerns regarding affordability for some (particularly those on pensions) and how Council's Hardship Policy would assist people that fell into that category.
- Panel members advised that they would make themselves available to attend future community SRV meetings.
- Timings regarding community meetings and finalisation of an application for a SRV were discussed.
- CN advised that this whole process has been educative for Councillors and the staff. She again thanked the Panel for their input, the Councillors and staff for attending and GS from M/L for his presentation.

Stage 3 -

Consulting With Our Community

June/July 2018

A. INITIAL NOTIFICATIONS

- Newspaper Notices in the Dungog Chronicle and Maitland Mercury
- Village publications notices
- Mayoral Column in Dungog Chronicle
- Mayoral Updates distributed through email mail list, Council's website and also hardcopies available in local businesses throughout the Shire.
- Website Information
- Posters displayed in strategic positions around Shire
- Letters sent to Community Leader Groups inviting participation in SRV process.

Example: Newspaper notice placed in the local Chronicle Newspaper and village newsletters prior to and during the consultation.

PROPOSED SPECIAL RATE VARIATION INFORMATION SESSIONS

In February 2018 Council invited all members of the Dungog Shire community to attend a series of meetings developed to inform ratepayers of Council's current financial position and the need for Council to consider applying for a Special Rate Variation.

At these public meetings, members of the community were given the opportunity to participate on a Special Rate Variation Reference Panel. The applicants were provided with further, more in depth information and were given the opportunity to ask questions and provide input into the process of Council's consideration of the application to IPART for a Special Rate Variation.

As a result of these Reference Panel meetings and the input received from the Panel members, the Councillors and staff, Council will now present to the community the proposed way forward.

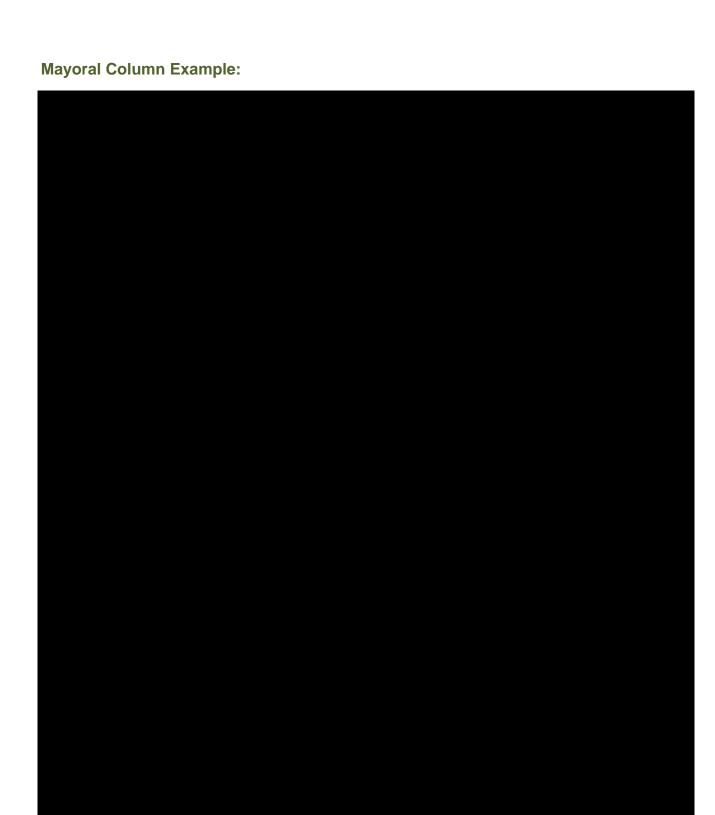
Council needs to explore ways to expand our revenue sources to ensure we are able to provide essential services and facilities to the community in the long term. While we understand that a rate rise is never welcome, we believe it is an important conversation we need to have with our community.

You are invited to attend any of the venues listed below where you will be given the opportunity to ask questions and have discussions regarding the proposed Special Rate Variation with Councillors, SRV Reference Panel members and Council staff.

Tuesday 3 July	6pm	Doug Walters Pavilion, Dungog
Thursday 5 July 6pm		Paterson School of Arts
Tuesday 10 July	6pm	Clarence Town School of Arts
Thursday 12 July	6pm	Gresford School of Arts
Saturday 14 July	2pm	Doug Walters Pavilion, Dungog
Thursday 19 July	6pm	Vacy School of Arts

If you are intending to come along please RSVP to Council's Strategic Projects Officer on can send you out an information package prior to the meeting.

We look forward to your participation in these important discussions. Further information can be found in the Mayoral Matters column or on Council's website at www.dungog.nsw.gov.au. Light refreshments will be provided.



Mayoral Update Example:





25 June 2018

June 2018 Ordinary Meeting of Council

The June Ordinary meeting of Council was held last Wednesday. Among the resolutions passed were changes to several chapters of Council's Development Control Plan No 1 (DCP), a decision to endorse two sub-divisions, and the provision of financial support from Council to help with the Special Children's Christmas Party and activities at the Bandon Grove School of Arts Hall. Council also provided in-principle support for two new races as part of Pedelafest 2018, an exciting event for the Shire in September.

Councillors and Council staff have identified a need to review a number of Council policies, as well as the DCP, to reflect changes to the Local Government Act 1993, NSW planning legislation and advances in technology. The community can expect to see these policies and DCP chapters being reviewed at Council meetings between now and December and I encourage you to also have your say on these changes if they are of interest to you. The first of these updated chapters of the DCP have just been on public exhibition and, as there were no submissions, have been adopted as they stand. These reviews will result in improved processes that will simplify matters for residents and consultants when dealings with Council.

Following the April 2015 superstorm, in which Torryburn Bridge was washed away, Council established an access route through several properties. A key recommendation made in the review after the storm was to keep this access open in case of future emergencies. Councillors and Council staff have been investigating the best solution that will be acceptable both to residents who may need access during an emergency, and to the affected landholders. Council resolved the following:

- Write to the four (4) affected landowners advising of the intention to create an easement in gross for emergency use only and seeking their support in principle for this process;
- If support in principle is provided, Council engage further legal advice for the wording of an easement in gross and have this ratified by our insurers;
- 3. If support in principle is not provided, a further report be provided to Council.

Integrated Planning and Reporting (IP&R) Documents

There is still time to have your say on Dungog Shire's Community Strategic Plan, the Delivery Plan and the Operations Plan. Submissions close at 4pm, this Wednesday 27 June. An extraordinary meeting has been called, to consider the submissions and adopt these documents, on Thursday 28 June. You are welcome to attend this meeting.

Dungog District Chamber of Commerce (DDCC) Dinner

The DDCC hold a monthly networking dinner, usually on the third Thursday of the month. This is a great way for business people to interact and share thoughts and ideas. If you want to promote anything your business is doing, then there is always the opportunity to present to the crowd. There are always a few councillors present, so it could be an opportunity to catch one of us to

discuss anything shire related, or just to say hello. I would like to congratulate the young people who presented at the June meeting regarding their business ventures to be based in Dungog. It shows what a bright future we have, that our young citizens are willing to stay and invest in the Shire.

Hunter Councils Joint Organisation (JO)

The inaugural meeting of the JO will take place this week and the Strategic Plan will be ratified. This Plan puts regional advocacy front and centre.

Community Conversations on the Special Rates Variation (SRV)

Council has completed the second phase of its community engagement process around the SRV and we are now ready to go back out to the community with a second round of conversations.

These sessions will take place as follows:

6 pm, Tuesday 3 July at Doug Walters Pavilion, Dungog

6 pm, Thursday 5th July at Paterson School of Arts, Paterson

6pm, Tuesday 10 July at Clarence Town School of Arts, Clarence Town

6 pm, Thursday 12 July at Gresford School of Arts, Gresford

2 pm, Saturday 14 July at Doug Walters Pavilion, Dungog

6pm, Thursday 19 July at Vacy School of Arts, Vacy

Please note that you are welcome at any of the sessions. We ask you to Please RSVP to so we can send you an information pack prior to the event. This pack will explain why Council is seeking a rate variation

and what this will mean for you.

Following the community reference panel discussions, Council is proposing the following tapered rates rise:

Years one and two: 15% (12.5% + 2.5% rate peg amount) Years three, four and five: 10% (7.5% + 2.5% rate peg amount) Years six and seven: 6% (3.5% + 2.5% rate peg amount)

Council is reviewing its hardship policy and is looking at running some workshops around household budgeting.

Please come along to these sessions and share your thoughts with us.

Workshops and Webcasts for Tourism Operators

The NSW Government's tourism and major events body, Destination NSW is offering those in the tourism industry access to free workshops and webcasts to help them develop, promote and sell their products. Please see www.destinationnsw.com.au/workshops.

Swap for Change

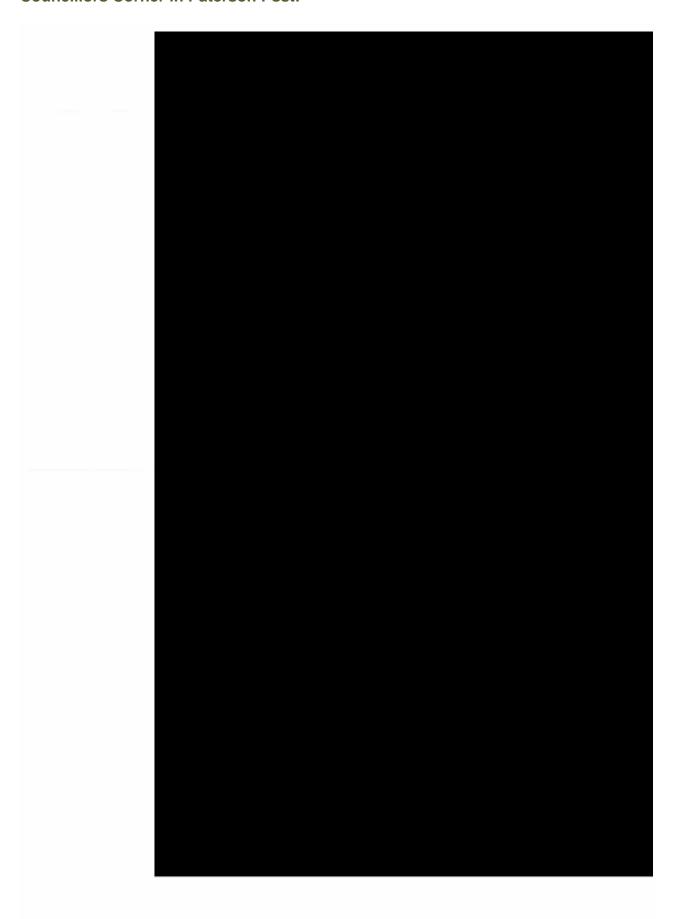
The Chances Program has been running through the Dungog District Community Centre since 2015 and has helped more than 40 children access sport, dance and music opportunities. This assists in building self-esteem and skills extension and promotes inclusion. Chances is running a clothes, shoes and accessories swap night at 23 Alison School Road, Dungog on Thursday 9 August from 6pm to 9pm. Cost is \$25 and a light supper will be provided. Please RSVP to Tina Overton on: 0448749989

Dungog Festival's Long Lazy Lunch

Tickets are now available and selling fast. Details can be found at: www.dungogfestival.com.au

Regards, Tracy Norman, Dungog Shire Mayor

Councillors Corner in Paterson Psst:



Securing Our Future Posters:



DUNGOG SHIRE COUNCIL

PROPOSED SPECIAL RATE VARIATION COMMUNITY INFORMATION SESSIONS

DON'T MISS THE OPPORTUNITY TO HAVE YOUR SAY!!

Council needs to explore ways to expand our revenue sources to ensure we are able to provide essential services and facilities to the community in the long term. While we understand that a rate rise is never welcome, we believe it is an important conversation we need to have with our community.

You are invited to attend any of the venues listed below where you will be given the opportunity to ask questions and have discussions regarding the proposed Special Rate Variation with Councillors, SRV Reference Panel members and Council staff.

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Thursday 19 July	6pm	Vacy School of Arts

If you are intending to come along please RSVP to Council's Strategic Projects Officer on and

We look forward to your participation in these important discussions. Further information can be found in the Mayoral Matters column or on Council's website at www.dungog.nsw.gov.au. Light refreshments will be provided.

Example of invitation to Community Leader Groups:



DUNGOG SHIRE COUNCIL

All Communications to be addressed to:

The General Manager Dungog Shire Council PO Box 95 DUNGOG NSW 2420 Telephone: (02) 4995 7777 Facsimile: (02) 4995 77750 Email: shirecouncil@d

Website:

ABN

(02) 4995 7750 shirecouncil@dungog.nsw.gov.au

www.dungog.nsw.gov.au 62 610 350 056

Ref: EF12/85

18 June 2018



Dear

I am writing to you in your role as President of the Gresford Community Group. Council is keen to engage you and your membership on two important matters, those being the public exhibition for feedback of Council's Corporate documents (the amended Community Plan 2030, the draft Operational Plan 2018-2019 and the draft Delivery Plan 2018-2022) and the Special Rate Variation (SRV) conversation.

Firstly, given your role in furthering the interests of businesses in the Dungog Shire, I thought the Council's 2018-2019 budget as part of our Operational Plan would be of interest to you. This financial year, Dungog Shire Council is projecting a deficit of \$104,297. This is an improvement on the previous financial year of \$263,479. The improvement in the 2018-2019 budget has been derived via the following actions:-

- Improved return on investments (\$147,048);
- The wages and salaries budget of Council has been projected to have a 3% vacancy. This reflects periods in the financial year when positions are vacant due to resignation/retirement (a saving of approximately \$140K);
- Workers compensation and public liability claims excess have been retained at previous levels with savings transferred to an insurance equalization reserve to spread the burden of future claims from past events;
- \$5.3M grants/loans will be secured to undertake capital works on four bridges in the Shire (Spooners, Wheelabout, Bullockeys and Coulston Bridges)
- The 2018-2019 budget does not include a provision for the upgrade of cabins at the Williams River Holiday Park in Clarence Town in this financial year. The Clarence Town Caravan Park will be subject to a business case review to ascertain the appropriate level of asset investment into the site;
- General Rates have been budgeted to increase by 2.3%, generating \$5.67M in revenue for Council to provide assets/facilities and services to the community.

Further details of the draft 2018-2019 budget and draft Operational Plan can be found on Council's webpage at www.dungog.nsw.gov.au. Council's amended Community Plan 2030 and the draft Delivery Plan 2018-2022 are also on Council's webpage and it would be terrific to get feedback from you in relation to these documents.

Dungogshire

COUNCIL'S VISION:

A vibrant, united community, with a sustainable economy. An area where rural character, community safety and lifestyle are preserved.

The 2018-2019 budget deficit requires continual fiscal constraint and in fact has resulted in a current situation whereby additional savings can only be found by cutting services. The need to service additional statutory requirements, growing community expectations and the increased costs associated with the continued maintenance requirements of Council's existing operations, leave no room to move within the existing revenue structures.

General rate income which provides the majority of operating revenues is insufficient to meet the current and future needs of the community, and generally, any increases under rate capping are not sufficient to cover the increased costs associated with road and bridge maintenance.

Council's financial situation has led to the Special Rate Variation conversation. In February 2018 Council invited all members of the Dungog Shire community to attend a series of meetings developed to inform ratepayers of Council's current financial position and the need for Council to consider applying for a Special Rate Variation. At these public meetings, members of the community were given the opportunity to participate on a Special Rate Variation Reference Panel. The applicants were provided with further, more in depth information and were given the opportunity to ask questions and provide input into the process of Council's consideration of the application to IPART for a Special Rate Variation. As a result of these Reference Panel meetings and the input received from the Panel members, the Councillors and staff, Council will now present to the community the proposed way forward.

This is a matter which Council seeks to engage with you closely and listen to your views and expertise. Council is currently contemplating a tapered Special Rate Variation for Dungog Shire residents and businesses as follows:-

- Year 1 & 2 = 15% (2.5% rate cap plus 12.5% SRV)
- Years 3, 4 & 5 = 10% (2.5% rate cap plus 7.5% SRV)
- Years 6 & 7 = 6% (2.5% rate cap plus 3.5% SRV)

The tapered approach to a SRV is designed to assist with increasing revenue to Council so that Council has the necessary cash flow to match grants and deliver much needed facilities and services across the Shire. It is noted that the majority of the SRV is to fund improvements to Dungog Shire's roads and bridge network.

In addition to considering a Special Rates Variation, Council is also reviewing potential new grant opportunities, shared strategic services with neighbouring councils, reviewing our approach to depreciation of our assets, reviewing Council owned assets with a view to rationalisation and undertaking a further whole of organisation service review. This is a multifaceted approach by Council aimed at improving Council's financial sustainability.

The Council will be inviting the community to the following Special Rate Variation consultation sessions:-

- Tuesday 3 July in Dungog @ 6pm (Doug Walters Pavilion)
- Thursday 5 July in Paterson @ 6pm (Paterson School of Arts Hall)
- Tuesday 10 July in Clarence Town @ 6pm (Clarence Town School of Arts Hall)
- Thursday 12 July in Gresford @ 6pm (Gresford School of Arts Hall)
- Saturday 14 July in Dungog @ 2pm (Doug Walters Pavilion)
- Thursday 19 July in Vacy @ 6pm (Vacy School of Arts Hall)

As the General Manager, I will facilitate each of these sessions, the Mayor will address the meetings, technical presentations will be provided by Council staff and Councillors will be in attendance in their respective Wards and will form part of the Q&A Panel fielding questions from the community.

Information packages will be prepared for the evening and provided in advance for participants so that all those who attend the meetings will have the information they need at hand to engage in an informed debate on the matter. Members of the SRV Community Reference Panel will also be in attendance at these meetings.

I hold the view that Council is taking bold steps towards a positive future as a stand alone Council that is financially sustainable and responsive to the needs of the community. Council needs to ensure that this approach is well informed by the community and is looking to the community for support and feedback. Clearly, strong strategic alliances and partnerships with the community and business are key to the Council and Shire's future success and I look forward to dialogue with you on these matters.

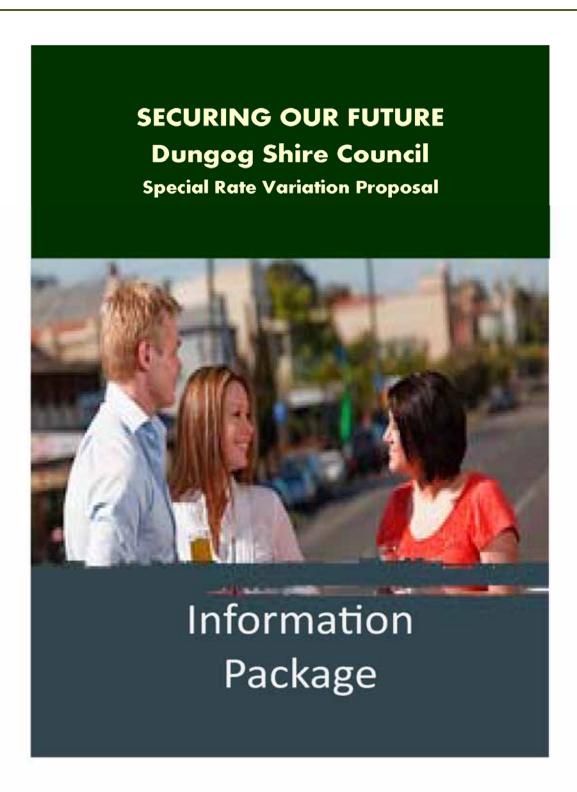
Yours sincerely

CORALIE NICHOLS General Manger

B. COMMUNITY ENGAGEMENT

Information displayed and distributed at Community Meetings:

- Powerpoint demonstration
- Information Package and survey (distributed prior to and at the Community Meetings.
- Information package available on Council's website.





DUNGOG SHIRE AT A GLANCE



8,975 PEOPLE RESIDE IN THE DUNGOG SHIRE 4,496 MEN 4,479 WOMEN 2,218 PEOPLE AGED BETWEEN 0-19 YRS 1,796 PEOPLE AGED OVER 65 YRS MEDIAN AGE 45 YEARS





93% OF PEOPLE IN THE DUNGOG SHIRE TRAVEL TO WORK VIA PRIVATE VEHICLE

40% OF COUPLES IN THE DUNGOG SHIRE HAVE CHILDREN 44% OF COUPLES HAVE NO CHILDREN



200,000 VISTORS CAME TO THE DUNGOG SHIRE IN 2016

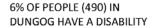


86.7% OF THE DUNGOG SHIRE WERE BORN IN AUSTRALIA 13.3% OF THE DUNGOG SHIRE WERE BORN OVERSEAS 92% OF THE DUNGOG SHIRE SPEAK ENGLISH ONLY 454 (5%) PEOPLE IN THE DUNGOG SHIRE IDENTIFY AS ABORIGINAL/TORRES STRAIT ISLANDER



12 % OF PEOPLE IN DUNGOG SHIRE HAVE A BACHELOR DEGREE 26% OF PEOPLE COMPLETED YEAR 12

AGRICULTURE, FORESTRY & FISHING INDUSTRY IS DUNGOG SHIRE'S TOP INDUSTRY OF EMPLOYMENT WITH AN ANNUAL OUTPUT OF \$105M





TON



72% PEOPLE IN DUNGOG SHIRE IDENTIFY AS HAVING A CHRISTIAN FAITH



43% OF PEOPLE IN DUNGOG SHIRE OWN THEIR OWN HOMES 38 % PEOPLE HAVE A MORTGAGE 18% PEOPLE RENT—MEDIAN RENT IS \$245 P/W 96% OF HOUSING STOCK ARE SEPARATE HOUSES



MEDIAN TOTAL PERSON INCOME IS \$578 P/W MEDIAN TOTAL FAMILY INCOME \$1,474 P/W UNEMPLOYMENT RATE IS 5.5%



77% OF PEOPLE HAVE ACCESS TO THE INTERNET FROM THEIR DWELLING

DUNGOG SHIRE COUNCIL

SECURING OUR FUTURE

Special Rate Variation Proposal 2018/2019

A message from Council's Mayor and General Manager

As a community it is important for us to discuss the long term financial sustainability of Dungog Shire Council in response to the NSW Government's Fit for the Future (FFF) reform package. Part of this conversation needs to focus on the potential for a Special Rate Variation (SRV).

We acknowledge that a SRV is never popular and there are few people who would say they want to pay more in rates. However, it is important to understand why a SRV is being considered and what it could achieve for the Dungog Shire.

As part of the reform agenda all NSW councils are required to meet or be working towards achieving the seven indicators that measure financial sustainability.

Dungog Shire Council was identified as "not fit" under the Independent Local Government Review Panels (ILGRP) process and as a result has now been invited to lodge a Reassessment Proposal addressing how Council intends to meet the seven key performance measures. Council is responding to this task by reviewing and implementing an Improvement Proposal. There are a number of reasons why we have a funding shortfall, dating back to the introduction of the state government's rate pegging policy in the early 1970's and rate relief that was provided by Dungog Shire Council in the 1980's.

While the cost of delivering services to our community has increased significantly, the rate peg (estimated at 2.5%) has capped Council's ability to raise enough revenue in line with increasing expenses. Some of these costs have come about as a normal part of running a business, such as electricity and insurance increases and maintenance and equipment costs. However, some of these are a result of the state government shifting responsibility for particular services onto local government,

such as the Swimming Pool Register and inspection program and the historical transferal of roads considered to be of "secondary importance" to local councils. Further, the age and condition of some Council's assets, such as our timber bridges, is also problematic and is resulting in considerable annual maintenance costs for Council.

We are restricted as to how we can raise revenue to operate and with rising costs, and with limited state and federal funding, significant pressure is now being placed on our bottom line.

Council is committed to implementing its Improvement Plan, which includes a proposed SRV, and working towards meeting the benchmarks set by the NSW State Government under the Fit for the Future reform agenda. Council is working on productivity improvements and cost containment strategies. Examples of this work include sharing services with neighbouring councils (eg: our library service is provided in partnership with Newcastle City Council), a reduction in Council staff numbers (reduction of 3.6 staff over 3 years), a review of nonperforming assets for disposal, seeking external grants to assist with service provision (eg: \$3.8M in grant funding for our bridges), implementing new processes to re-use road material to reduce the importation of quarry materials, and improved procurement approaches (eg: tendering in conjunction with neighbouring councils to achieve better cost outcomes for electricity provision)

In February 2018 Council invited all members of the Dungog Shire community to attend a series of meetings developed to inform ratepayers of Council's current financial position and the need for Council to consider applying for a SRV.

At these public meetings, members of the community were given the opportunity to participate on a Special Rate Variation

Reference Panel. The Panel applicants were provided with further, more in depth information and were given the opportunity to ask Councillors and staff questions and provide input into the process of Council's consideration of the application to IPART for a Special Rate Variation.

As a result of our community meetings and feedback from Reference Panel meetings, the Councillors and staff, Council is now considering the preferred tapered scenario in relation to the SRV as follows:

- Year 1 & 2 = 15% (2.5% rate cap plus 12.5% SRV)
- Years 3, 4 & 5 = 10% (2.5% rate cap plus 7.5% SRV)
- Years 6 & 7 = 6% (2.5% rate cap plus 3.5% SRV).

A SRV over 7 years as outlined above would result in the following outcomes being delivered to the community by Dungog Council:-

- Regional Roads 65% of required renewals or rehabilitation every 47 years.
- Local Sealed Roads 60% of required renewals or rehab every 51 years.
- Road Maintenance 40% increase in service levels for sealed and unsealed roads.
- Timber Bridges Renewal program funded.
- Buildings 80% of required funding and some capacity to fund upgrade requirements.
- Urban Stormwater 45% of required
 renewals
- Parks & Reserves 65% of required renewals and maintained service levels and minor loss of amenity.

Tracy Norman Coralie Nichols Mayor General Manager

What are the challenges we face?

- ⇒ Small population base with large road network greater than 720km.
- ⇒ Inequities in FAG and Block Grant allocations for smaller councils
- ⇒ Many grants required \$ for \$ matched funding
- ⇒ Disadvantaged in many road grants because they are based on traffic volumes and population, struggle to compete with larger councils.
- ⇒ No State Roads
- ⇒ Ageing Timber bridge network not designed to withstand modern heavy vehicle loadings.
- ⇒ Currently unable to fund depreciation
- ⇒ We currently don't meet the Office of Local Government financial and asset management

Performance Against the Fit for the Future Benchmarks

Government Indicator	Definition	Benchmark to meet	Now	2026				
Sustainability								
Operating	Total continuing operating revenue (exc. Capital grants and contributions) less operating expenses	Greater than or equal to break-even-average over 3 years	×	√				
Performance Ratio	Total continuing operating revenue (exc. Capital grants and contributions	-						
Own Source	Total continuing operating revenue less all grants and contributions	- Greater than 60% -	*	1				
Revenue Ratio	Total continuing operating revenue inclusive of capital grants and contributions	average over 3 years	•	•				
5.77	Asset renewals (building and infrastructure)		6	_/				
Building and Asset Renewal Ratio	Depreciation, amortisation and impairment (building and infrastructure)	Greater than 100% - average over 3 years.	^	V				
Infrastructure an	d Service Management							
lufacetureture	Estimated cost to bring assets to a satisfactory condition		6					
Infrastructure Backlog Ratio	Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets	- Less than 2%	•					
Asset Maintenance	Actual asset maintenance	- Greater than 100% -		<u></u>				
Ratio	Required asset maintenance	average over 3 years		(V				
	Cost of debt service (interest expense & principal payments)	Greater than 0% and						
Debt Service Ratio	Total continuing operating revenue (exc. Capital grants & contributions)	less than or equal to 20% - average over	V	V				
Efficiency	Efficiency							
Real Operating	Operating Expenditure	A decrease in Real	4					
Expenditure	Population	Operating Expenditure per capita over time						
★ = Doe	s not meet indicator	= Trending to m	eet indica	itor				

What have we done to be more efficient?

The consideration of a special rate variation is only one of a number of options Council is considering in order to improve our overall financial performance and better manage and maintain infrastructure. These are some of the initiatives Council has or is undertaking to become more efficient:

- Human resourcing savings (Councillors only accept the minimum State
 ✓ Government mandated remuneration allowance, reductions in the Council workforce, saving in workers compensation & staff learning/development)
- ✓ Undertake a review of assets with a view to rationalisation.
- ✓ Energy Efficiency Initiatives (Solar and other green initiatives, etc)
- ✓ Transitioning from paper to electronic communication channels.
- ✓ Successfully sourcing additional grant revenue
- Sharing services with other Hunter Councils in areas such as weed management, records storage, legal services, regional procurement, environmental services, etc.
- ✓ Completion of new Section 94 Plan
- Extended the life of our landfill by increasing recycling and diversion rates.
- Service review to be undertaken.
- Implementing best practice maintenance management system for infrastructure maintenance.
- ✓ Completion of the Rural Land Use Strategy
- Investigations are underway in relation to potential strategic alliance options with other Hunter Councils.
- ✓ Annual review of Fees and Charges
- Savings from contract negotiations (Waste Management, print services, regional procurement etc)
- Asset Management Plans have been developed to identify future needs.
- Council has the second lowest workforce numbers of any Group 10 Council and the lowest Population/Equivalent Full Time Staff numbers of any Group 10 Council.



What's the difference between general rates and other rates?

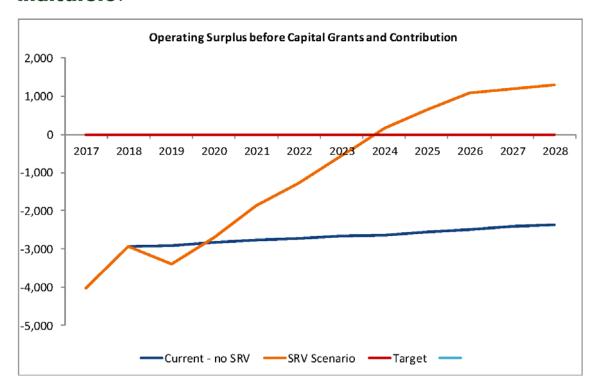
Council's main source of income is from rates levied on rateable land in the local government area. Council rates are a local tax levied on the land value of rateable properties, as assessed by the Valuer General.

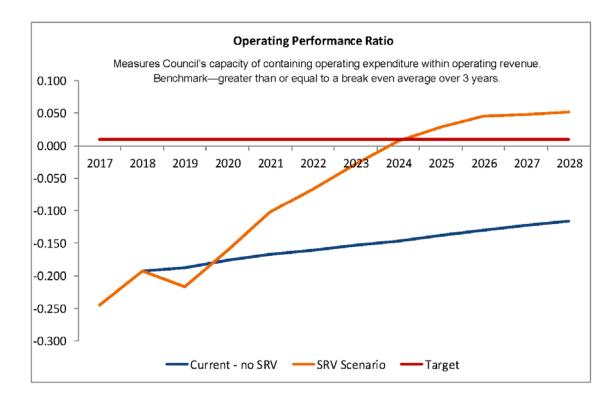
The proposed Special Rate Variation would be applied to the general rates component of Council's Rates income only and does not include annual fixed charges for services such as stormwater, waste services and government levies.

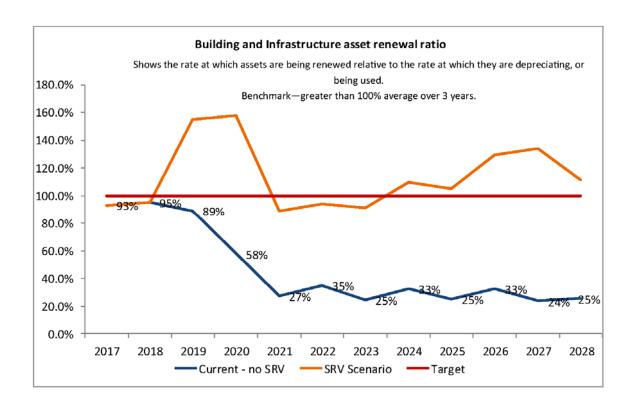
What impact would a SRV have on me?

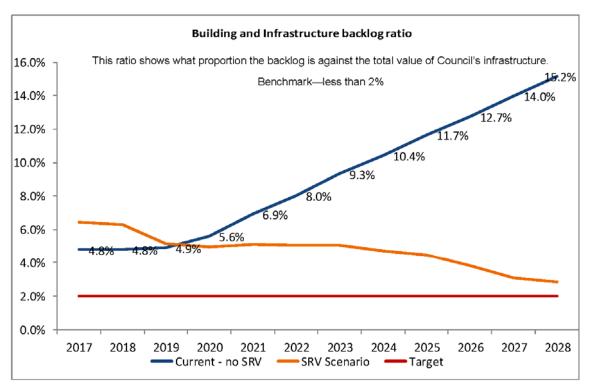
Projection Total Rates (including 2.5% rate pegging)									
	Increase ir Rate con		15%	15%	10%	10%	10%	6%	6%
	Land Value	Current	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Residential — Ordinary	\$100,000	\$1,007	\$1,098	\$1,202	\$1,282	\$1,370	\$1,466	\$1,530	\$1,598
Rate	\$200,000	\$1,279	\$1,410	\$1,562	\$1,677	\$1,805	\$1,945	\$2,037	\$2,136
Basidantial Dungas	\$100,000	\$1,126	\$1,234	\$1,359	\$1,455	\$1,560	\$1,676	\$1,752	\$1,833
Residential—Dungog	\$200,000	\$1,861	\$2,080	\$2,080	\$2,248	\$2,432	\$2,635	\$2,769	\$2,911
Residential—Clarence	\$100,000	\$1,043	\$1,139	\$1,249	\$1,334	\$1,427	\$1,530	\$1,597	\$1,669
Town	\$200,000	\$1,399	\$1,548	\$1,720	\$1,852	\$1,997	\$2,156	\$2,261	\$2,373
Residential—Village	\$100,000	\$956	\$1,039	\$1,134	\$1,207	\$1,288	\$1,376	\$1,435	\$1,497
Residential—Village	\$200,000	\$1,224	\$1,347	\$1,489	\$1,597	\$1,717	\$1,848	\$1,935	\$2,027
Business—Rural	\$100,000	\$1,288	\$1,421	\$1,573	\$1,690	\$1,819	\$1,961	\$2,054	\$2,153
Dusiness—Kurai	\$200,000	\$1,724	\$1,922	\$2,150	\$2,325	\$2,517	\$2,728	\$2,868	\$3,016
Business—Clarence	\$100,000	\$1,232	\$1,356	\$1,499	\$1,609	\$1,730	\$1,862	\$1,950	\$2,043
Town	\$200,000	\$1,656	\$1,844	\$2,060	\$2,226	\$2,408	\$2,609	\$2,741	\$2,881
Business—Dungog	\$100,000	\$1,305	\$1,440	\$1,596	\$1,715	\$1,846	\$1,991	\$2,086	\$2,187
Business—Dungog	\$200,000	\$1,809	\$2,020	\$2,262	\$2,448	\$2,653	\$2,878	\$3,026	\$3,184
Business—Village	\$100,000	\$1,108	\$1,214	\$1,335	\$1,429	\$1,531	\$1,644	\$1,718	\$1,797
- Justiness Village	\$200,000	\$1,458	\$1,616	\$1,798	\$1,938	\$2,091	\$2,260	\$2,371	\$2,490
Farmland	\$500,000	\$2,333	\$2,623	\$2,955	\$3,211	\$3,491	\$3,800	\$4,004	\$4,220
Tarriaria	\$1,000,000	\$3,938	\$4,468	\$5,078	\$5,546	\$6,060	\$6,625	\$6,999	\$7,395

How would a SRV help us meet the Fit for the Future indicators?









How would a SRV help us meet our infrastructure obligations?

Scenario without SRV	Target	Possible scenario with proposed SRV						
	Regional Roads							
Rehabilitation every 111 years	Rehabilitation every 30 years							
	Local Sealed Roads							
Rehabilitation every 115 years								
	Timber Bridges							
50 year replacement program reliant on grants								
	Buildings							
 63% of required funding and reliant on grant funding for upgrades 	 100% of required funding to maintain and upgrade requirements also funded 	 80% of required funding and some capacity to fund upgrade requirements 						
	Urban Stormwater							
19% of required renewals and infrastructure failure	 100% of required funding to maintain and upgrade requirements also funded 	45% of required renewals but no funding for upgrades						
	Parks and Reserves							
 50% of required renewals and loss of service and amenity 	 100% of required funding to maintain and upgrade requirements also funded 	 65% of required renewals and maintained service levels and minor loss of amenity 						

What is the difference between Maintenance and Capital Rehabilitation/Reconstruction?

Maintenance

Expenditure on an asset which maintains the asset in use but does not increase its service potential or life, e.g. repairing a pothole in a road, repairing the decking on a timber bridge, repairing a single pipe in a drainage network, repair work to prevent early failure of an asset.

Capital Rehabilitation or Reconstruction

Expenditure on renewing an existing asset or a portion of an infrastructure network which returns the service potential or the life of the asset up to which it had originally, e.g. rebuilding a section of road, road pavement stabilisation, renewing a section of a drainage system, major works to the structure of a bridge, etc.



FAST FINANCE FACTS

INCOME/REVENUE

- 1. What does Council collect annually in rates?
 - The Notional General Yield for 2018/2019 in general rates is \$5,670,327
 TOTAL: \$5,670,327
- 2. What fees does Council expect to receive in 2018/2019?
 - Development Application fees: \$95,000
 - Building Inspection fees: \$46,000
 - TOTAL: \$141,000
- 3. What does Council expect to receive annually in grants?
 - Federal Assistance Grant General for 2018/2019: \$1,523,000
 - Federal Assistance Grant Local Roads 2018/2019: \$507,000
 - Federal Assistance Grant Regional Roads 2018/2019: \$360,000
 - Roads to Recovery Funding for 2018/2019: \$802,000
 - Regional Roads Capital Funding for 2018/2019: \$3,859,000
 - Library Grant for 2018/2019: \$43,000

TOTAL: \$7,094,000

COSTS/EXPENDITURE

- 4. What fees/levies does Council have to pay?
 - · Annual membership to Local Government NSW as a peak body: \$26,000
 - Annual membership to Hunter Councils Inc: \$24,000
 - Lower Hunter Rural Fire Service Zone payment: \$287,342
 - SES Contribution: \$22.000
 - Valuer General Fees: \$39,000
 - Annual Auditor Fees: \$43,000

TOTAL: \$441,342

- 5. What is the annual cost of insurance for Council?
 - Workers Compensation Insurance: \$100,000
 - Council's insurance fee for fleet, buildings, risk etc.: \$390,000

TOTAL: \$490,000

- 6. What are Council's 2018/2019 loan repayments?
 - Council currently has loans with the National Australia Bank that are payable at \$330,000 p/a

TOTAL: \$330,000

7. What is the annual cost for Council to purchase and maintain plant (i.e. graders, rollers, excavators, tip trucks)?

• Plant purchases: \$1,002,000

Fuel and oil: \$332,000
 TOTAL: \$1,334,000

Page 1 of 2

1. What does Council pay for street lighting?

• Street lighting expenditure in the last financial year (2017/2018) was \$95,574 payable to ERM Business Energy.

TOTAL: \$95.574

2. What does the up-keep of roads and bridges cost Council each year?

 In 2018/2019 Council will spend \$2,803,000 on roads and bridge maintenance

TOTAL: <u>\$2.803.000</u>

Outdoor Staff	Salaries P/A	Notes
Operations	\$1,980,000	
Landfill	\$192,000	
Depot (outside)	\$233,000	Stores/Workshop
Depot (inside)	\$602,000	Prof/Admin
TOTAL	\$3,007,000	
Indoor Staff		
Corporate	\$1,468,000	Prof/Admin
Town Planning & Building Insp.	\$561,000	
Community	\$40,000	
Tourism/Ec Dev	\$147,000	
Library	\$43,000	
Env Health	\$132,000	
TOTAL	\$2,391,000	
TOTAL BUDGET	\$5,398,000	

3. What does Council spend on sport and recreation?(Note: figures include depreciation, but not wages)

- Council spends \$320,000 on park maintenance per annum
- Council spends \$388,000 on sporting grounds per annum
- Council spends \$390,000 on pools per annum
- Council spends \$125,000 on the library service per annum
- Council spends \$45,000 on cemetery maintenance per annum
- Council spends \$165,000 on caravan parks per annum **TOTAL:** \$1.433.000

4. How many staff does Council have and what are the staff costs?

Dungog Shire Council employs the full time equivalent of 61.2 staff



FREQUENTLY ASKED QUESTIONS - RATES AND CHARGES

WHY DO YOU HAVE TO PAY COUNCIL RATES?

Dungog Shire Council administers various laws and regulations to help maintain and improve services and facilities for the community. These services may include sporting and recreation services, environmental planning, public health, environmental protection and waste collection, treatment and disposal. The rates you pay allows Council to fund these services.

HOW DOES COUNCIL DECIDE HOW MUCH YOU HAVE TO PAY IN RATES AND CHARGES?

Dungog Shire Council is required to determine the combination of rates, charges, fees and pricing policies needed to fund the services it provides to the community. This is called a revenue policy. The revenue policy contains a rating structure that determines which rates and charges you will have to pay and how they will be calculated. Charges are generally determined on an annual basis or according to usage.

Council chooses how they calculate and distribute rates among categories of rateable properties in the Dungog Shire. For each category or sub-category, rates can be calculated in one of three ways. They can be based:

- entirely on the land value of the property
- on a combination of the land value of the property and a fixed amount per property
- entirely on the land value, but subject to a minimum amount.

The land value is determined by the Land and Property Information Division of the Department of Finance and Services on behalf of the NSW Valuer General.

HOW DOES COUNCIL DECIDE WHICH CATEGORY YOUR PROPERTY IS

Categories are important, because rates differ depending on the category of the land. So if your land is, for example, categorised as residential you may pay a lower rate per dollar of land value than if your land is categorised as business.

If you are not satisfied with the category given to your property, you may apply to Council for the category to be reviewed. If you do this, Council must notify you of their decision and the reasons for that decision. If you still do not agree with the category given to your property, you may appeal to the Land and Environment Court. You must do this within 30 days of receiving Council's review decision.

CAN COUNCIL CHANGE THE CATEGORY OF YOUR LAND?

Yes. However, Council must notify you of this change and advise that you can seek a review by the Council if you don't agree with the category. This notice must also explain your appeal rights to the Land and Environment Court.

WHAT IF YOU DON'T AGREE WITH THE LAND VALUE OF YOUR PROPERTY?

Council doesn't determine your land value for rating purposes. Land is valued by the Valuer General under the *Valuation of Land Act 1916* (as amended). These evaluations are carried out approximately every three years and you should get a valuation notice after it is done.

If you don't agree with the land value, you have 60 days to object. Property NSW will give you an objection form free of charge by calling 1800 110 038 or you can fill out an objection online at http://www.valuation.property.nsw.gov.au/. Even if you lodge an objection, you must still pay your rates while your objection is being considered.

Whatever Property NSW decides about your objection, they must advise you in writing. If you still don't agree with the valuation, you have limited time to appeal to the Land and Environment Court. The response sent by the Valuer General will explain the final date for an appeal.

IS THERE ANY WAY OF KNOWING WHAT YOUR RATES AND CHARGES WILL BE BEFORE RECEIVING YOUR RATE NOTICE?

Every year, before the final amounts are fixed, Dungog Shire Council prepares a draft Operational Plan that includes our proposed revenue policy for the following year.

This policy must include details of all rates and charges that Council is proposing to levy on ratepayers. The draft Operational Plan must be made available to the public.

CAN YOU OBJECT TO WHAT COUNCIL IS PROPOSING?

The draft Operational Plan must be put on exhibition to give members of the public an opportunity to comment. Council must consider any submissions by the public before adopting the Plan.

This is your opportunity to raise any issues about the rates and charges for the following year. Once the rates and charges have been adopted for a particular year, they cannot be changed until the next year.

WHAT IS RATE PEGGING?

Under the *Local Government Act 1993*, the total amount of income that Dungog Shire Council can raise from certain rates and charges is limited. This is called the rate peg percentage. The rate peg is determined on an annual basis.

Because of rate pegging, Council's overall rates revenue cannot increase by more than the approved percentage increase. If overall land values rise, Councils may have to reduce or otherwise adjust the amount of rates levied per dollar so that total income does not grow by more than the approved percentage increase.

WHO DETERMINES THE RATE PEG?

The Independent Pricing and Regulatory Tribunal of New South Wales (IPART) determines the rate peg that applies to Dungog Shire Councils' general income.

IPART is the independent economic regulator for NSW. IPART oversees regulation in the electricity, gas, water and transport industries and undertakes other tasks referred to it by the NSW Government.

HOW IS THE RATE PEG DETERMINED?

IPART determines the rate peg that will apply to all councils for the year using a Local Government Cost Index. The Index assists in calculating the operational costs of councils in New South Wales.

The rate peg percentage is calculated by subtracting a determined productivity factor for councils from the Local Government Cost Index.

Further details about the methodology IPART uses to determine the rate peg can be found on IPART's website at www.ipart.nsw.gov.au

HOW LONG HAS RATE PEGGING BEEN IN PLACE?

Rate pegging has been in place since 1977.

DOES A COUNCIL HAVE TO APPLY THE FULL RATE PEG INCREASE?

Council may apply the full rate peg percentage, a portion of the rate peg percentage, or it may determine not to apply the rate peg increase at all.

WHY DID MY RATES GO UP BY MORE THAN THE RATE PEG PERCENTAGE?

Within rate-pegging, it is possible for some rates to increase by more than the ratepeg limit while others may increase by less than the rate-peg limit. In some cases, rates may decrease from the previous year.

Council's rating structure and valuation changes are the main factors that will determine what happens to rates on an individual property. A general revaluation by the Valuer-General may result in the value of some land in a council area increasing or decreasing by more than other land. Where this happens the rates burden will shift. Councils may decide to vary rating structures from year to year to compensate for this.

ARE ALL RATES AND CHARGES LIMITED BY RATE-PEGGING?

No. Only ordinary rates are subject to rate pegging. Rates and charges for waste management, onsite sewage management and stormwater are not subject to rate pegging.

IS THERE ANY WAY THAT COUNCILS CAN INCREASE THEIR INCOME BY MORE THAN THE RATE-PEG LIMIT?

Under the *Local Government Act 1993* (Act), Dungog Shire Council is able to apply for additional increases in general income beyond the annual rate peg amount. This is referred to as a 'special rate variation'.

Under the Act, Council may apply for a single year increase under section 508(2), or a multi-year increase (of between two and seven years) under section 508A.

IPART has been delegated responsibility for assessing and determining special rate variations, however the NSW Government has retained responsibility for setting the policy framework under which applications will be assessed. This is reflected in the Government's Special Rate Variation Application Guidelines, which sets out the assessment criteria that IPART must use when assessing applications.

Council may seek a special rate variation in order to undertake environmental works, fund town improvements, redevelop community and civic facilities, address maintenance backlogs and maintain or improve existing service provision.

Local councils that are seeking special variations to general income above the rate peg amount are required to submit applications to IPART for review and assessment. Council must include details of its intention to apply for a special variation in its draft Delivery Program and Operational Plan and must consider any submissions received from the public. If Council's application is approved, IPART will specify the percentage by which the Council may increase its general income.

WHAT DOES IPART TAKE INTO ACCOUNT WHEN IT ASSESSES A SPECIAL VARIATION APPLICATION?

In accordance with the Special Variation Guidelines, IPART must assess special variation applications against criteria set out in the Special Variation Guidelines.

IS THERE ANY WAY TO CONTROL THE INCREASES ON RATES AND CHARGES THAT ARE NOT SUBJECT TO RATE-PEGGING?

Even though certain rates and charges are not subject to rate pegging, Council is still required to provide details in their draft Operational Plan and related draft revenue policy of what they are proposing to charge. Council must consider submissions from the public before adopting the proposed rates and charges.

Annual charges for domestic waste management services and stormwater must be calculated to reflect the reasonable cost of providing those services to the community.

DO YOU HAVE TO PAY A DOMESTIC WASTE MANAGEMENT SERVICE CHARGE IF YOU DON'T USE THE SERVICE?

Yes. The *Local Government Act 1993* requires councils to levy an annual charge for providing domestic waste management services on all parcels of rateable land for which the service is available, whether or not it is actually used. It is considered that all property owners should contribute to the current and future provisions of waste services.

<u>IF YOU DON'T USE THE SERVICE, DO YOU HAVE TO PAY THE SAME AMOUNT AS THOSE WHO DO USE IT?</u>

Council can charge properties that do not use the service a different amount from those that do use it.

WHY IS COUNCIL LEVYING A STORMWATER MANAGEMENT SERVICE CHARGE?

Urbanisation has resulted in increases in impervious surfaces and has significantly increased the volume of and pollutant load in stormwater flowing into urban waterways. These flows lead to waterway pollution as well as flooding in some areas.

To help Council better fulfil its role in managing these stormwater issues, the *Local Government Act 1993* was amended in 2005 to allow Council the option of levying an annual stormwater management service charge. The purpose of the charge is to help Council fund new or additional stormwater management activities. These activities may include stormwater pollution prevention, flood mitigation, rainwater and stormwater harvesting, community education programs and stormwater drainage systems operations and maintenance.

Councils that choose to levy the charge have to meet certain requirements, including consulting with their community through their annual planning process prior to levying the charge. The maximum amount that Council can charge is \$25 for an average residential block, and the charge can only be levied on properties where council provides a stormwater management service.

AS A PENSIONER, ARE YOU ELIGIBLE FOR A CONCESSION/REBATE ON YOUR RATES?

Concessions are available for eligible pensioners. To be an eligible pensioner you must receive a pension from either Centrelink or the Department of Veterans' Affairs, and be entitled to a pensioner concession card issued by the Commonwealth Government. You can only claim a concession on the property if it is the sole or principal place you live.

HOW DO YOU APPLY FOR A PENSIONER CONCESSION?

You need to complete a pensioner concession application form. You can obtain these forms from Council.

IF YOU ARE ELIGIBLE, WHAT CONCESSIONS ARE YOU ENTITLED TO?

Half of the total of your ordinary rates and domestic waste management service charge, up to a maximum of \$250.

<u>DOES THE AMOUNT OF THE CONCESSION INCREASE WITH INFLATION OR IN</u> LINE WITH RATE INCREASES?

No. The amounts are fixed by the State Government.

IS THERE ANY PLAN TO INCREASE THE CONCESSION AMOUNTS?

Although expanding the current concession may be desirable, the NSW Government has to take into account the budgetary implications of any change to current funding arrangements. The cost of providing mandatory concessions is met by both state and local government. Any increase would affect the capacity of the NSW Government and councils to provide other programs and services to the community.

CAN COUNCIL OFFER ADDITIONAL CONCESSIONS FOR PENSIONERS?

Yes, although the cost of providing additional concessions must be met entirely by Council. It is up to Council to decide whether to grant additional concessions.

WHAT IF YOU CANNOT AFFORD TO PAY YOUR RATES?

You may be eligible for a concession on the grounds of hardship. Dungog Shire Council may also be able to assist by agreeing to alternative payment plans or writing off interest on unpaid rates. If you are having difficulty in paying your rates, you should contact Council as soon as possible to discuss the options available.

CAN YOU BE EXEMPT FROM PAYING COUNCIL RATES?

There are some parcels of land that are exempt from rates and charges. These include parcels of land within a National Park and land that belongs to, for example, a religious body or school. Unless you meet the exemption criteria outlined in the *Local Government Act 1993*, you cannot be exempt from paying rates.

POLICY NO C2:11

POLICY TITLE HARDSHIP POLICY

VERSION I: 11 May 2015

Last reviewed: -

OBJECTIVES

To establish guidelines for the assessment of applications from ratepayers who are experiencing genuine financial hardship with the payment of rates and charges by applying the following principles:

- Social justice, fairness and integrity
- Compliance with relevant statutory requirements
- Appropriate confidentiality

POLICY STATEMENT

Council recognises that ratepayers may experience hardship in some circumstances in paying rates and charges. The Local Government Act 1993 provides for the following assistance to ratepayers:

- Periodical payment arrangements for overdue rates and charges (Section 564):
- Writing off or reducing interest accrued on rates and charges (Section 564 & 567);
- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the Local Government Area (Section 601);
- Waiving, or reducing rates, charges and interest of eligible pensioners (Section 575 & 582)

A ratepayer may be eligible for consideration for hardship assistance in the payment of overdue rates, charges and interest where:

- The person is unable to pay rates or accrued interest when due and payable for reasons beyond the person's control; or
- Payment when due would cause the person hardship

Council will consider applications for assistance on merit and in accordance with the following principles:

- Council will individually assess cases of financial hardship;
- Council will not reduce rates or charges, but will consider alternative available approaches to dealing with financial hardship;
- Council will consider a scheme of periodical payment outside the due dates in cases of hardship or extenuating circumstances.

Dungog Shire Council Policy No C2:11

Applications for Hardship must be made in writing on the appropriate Hardship Rate Relief Application Form. Council may also request the ratepayer attend an interview to assist Council in the understanding of the issues causing hardship.

- The applicant must be the owner/spouse or part owner of the property and be liable for the payment of rates and charges on the property.
- The property to which the hardship application applies must be categorised as residential or farmland for rating purposes.
- The property to which the hardship application applies must be the principal place of residence of the applicant.
- The application for hardship must be accompanied with supporting documentation which may include but is not limited to:-
 - Reasons as to why the person was unable to pay the rates and charges when they became due and payable;
 - Copy of recent bank statements for all accounts;
 - Details of income and expenditure
 - Letter from a recognised financial counsellor or financial planner confirming financial hardship.

Assistance to Eligible Pensioners

- Council will provide a rebate of rates to eligible pensioners who are granted a mandatory pension concession under Section 575 of the Local Government Act 1993.
- Council will provide assistance to eligible pensioners who are experiencing financial difficulties by offering alternative payment arrangements for due and payable rates and charges. All payment arrangements must be paid within a reasonable time frame, not exceeding one year from the date of arrangement being made, and should include future rates and charges which will be levied during the arrangement period.

Hardship Assistance by Periodical Payment Arrangements

- Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payment arrangement for due and payable rates and charges. Council or the ratepayer may initiate a proposal for a periodical payment agreement. In accordance with Section 568 of the Act, payments will be applied towards the payment of rates and charges in the order in which they become due.
- All payment arrangements must be paid within a reasonable time frame, not exceeding one year from the date of arrangement being made, and should include future rates and charges which will be levied during the arrangement period.
- Council may also write off or reduce the accrued interest and charges if the person complies with the agreement (Section 564(2)).
- If the ratepayer fails to make the periodical payment in accordance with the agreement, the payment plan may be cancelled. Full payment of the amount outstanding will be due immediately.

Hardship Assistance by Writing off Accrued Interest and Costs

Council applies interest rates to the maximum allowable under Section 566 of the Act. However Council may write off accrued interest and costs on rates and charges payable by a person under Section 567 of the Act and the Local Government (General) Regulation 2005 where:

- (1) The person was unable to pay the rates and charges when they become due for reasons beyond the person's control, or
- (2) The person is unable to pay accrued interest for reasons beyond the person's control, or
- (3) Payment of the accrued interest would cause the person hardship.

Assistance due to General Revaluation of the Local Government Area

With respect to Section 601 of the Local Government Act 1993 (valuation changes), Council will not consider hardship applications under this provision as valuations are independently determined by the NSW Valuer General. Council will encourage aggrieved ratepayers to make appropriate application under the appeal provisions of the NSW Valuation Act 1916 or may provide assistance by offering alternative payment arrangements. All arrangements must pay the balance owing within a reasonable time frame, not exceeding one year from the date of the arrangement being made and should include future rates and charges which will be levied during the arrangement period.

Hardship Concession Termination

The concessions granted may be withdrawn for any of the following reasons:

- The ratepayer no longer owns the land;
- The ratepayer advises Council that the hardship no longer applies;
- The ratepayer defaults on a payment arrangement if a payment arrangement has been entered into:
- Council receives information that proves the hardship no longer exists.

Where the property ownership changes on any assessment with a deferred payment agreement in place, all rates and charges must be fully paid at the point of this change. Hardship concessions are not transferable.

Writing off of Rates, Charges and Interest

In the cases where Council determines to write off rates, charges or interest, the General Manager shall write off debts to the maximum amount allowable under Council delegation register. Any amount above that may only be approved by Council resolution.

Date Policy Adopted	Minute No	Authority
25 June 2015	36763	Council resolution

DUNGOG SHIRE COUNCIL

SECURING OUR FUTURE

Special Rate Variation Proposal — Have your Say!!

ge: Postcode: Gender:	If you prefer the Base Case, what services or projects would you like to see reduced or no longer delivered? 1)
) Base Case - increase rates by the NSW Government's	
ate peg of approximately 2.5% per year and reduce or no	2)
onger deliver certain services	27
<u>OR</u>	3)
) A Special Rate Variation - a rate increase over 7 years	
which increases rates in Year 1 & 2 by 15% (2.5% rate ap plus 12.5% SRV), Years 3, 4 & 5 by 10% (2.5% rate cap	4)
olus 7.5% SRV) and Years 6 & 7 by 6% (2.5% rate cap plus	
3.5% SRV) and meet our asset maintenance renewal re-	5)
uirements and retain existing service levels.	

Thank you for your feedback!

Powerpoint Presentation to Community Meetings July 2018



Coralle Nichols - General Manager Phr. 4995 7777 Email: SW/ghdungog.now.gov.au



Welcome

- Thanks to each an every one of you for your attendance tonight.
- Acknowledge the traditional custodians of the land that we are meeting on.
- · Acknowledgement of Mayor and Councillors
- Acknowledgement of SRV Community Panel Members

3 Presenters

- 1. Cr Tracy Norman Mayor
- 2. Shaun Chandler Executive Manager Corporate Services
- Steve Hitchens Executive Manager Infrastructure and Assets

Tonight's PowerPoint presentations will be uploaded onto Council's webpage

Handouts/Feedback

- · Rates FAQ Sheet
- · Fast Finance Facts
- . Securing Our Future Brochure
- Council's adopted Financial Hardship Policy
- SRV/Base Rate Survey
- Updated SRV Rates Calculator <u>www.dungog.nsw.gov.au</u>
- · Look out for the survey in the Rates Notice
- SRV@dungog_nsw.gov.au

Meeting Protocol

- · It is important to listen to each other
- · No one is right or wrong
- · All opinions are welcome
- · One person speaks at a time
- · We commit to respecting each other
- · We commit to meaningful engagement
- · All input will be considered
- · Stay focussed on the topic
- Feel free to move around the room for comfort and coffee

Recording your feedback

- · Please fill in the attendance sheet
- Council staff will be taking notes from the Meeting which will be made publically available
- Butchers paper around the room to record your comments
- · A5 Feedback sheet on your table
- · Surveys in the Information Kit

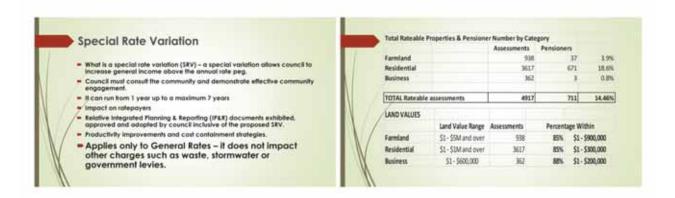


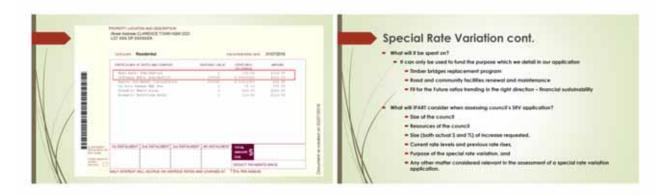


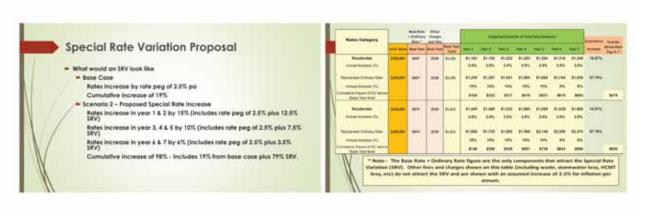
















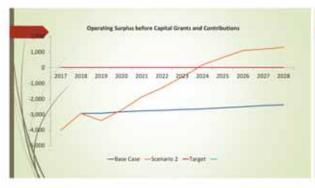


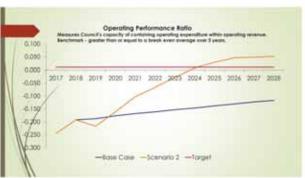


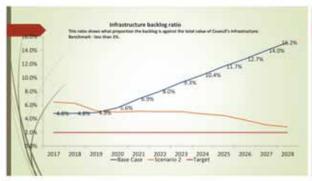
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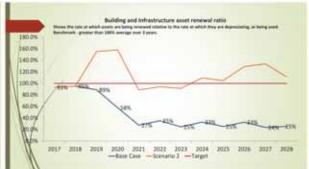














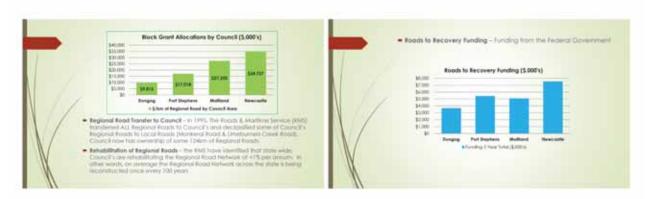






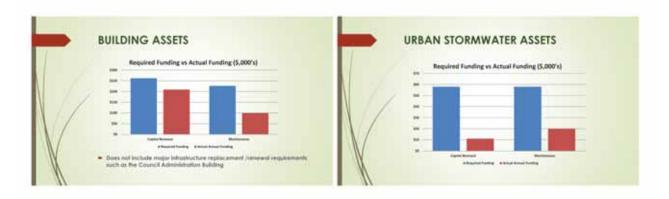


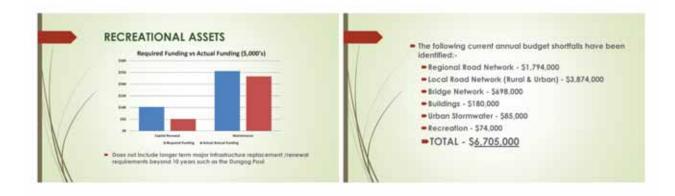










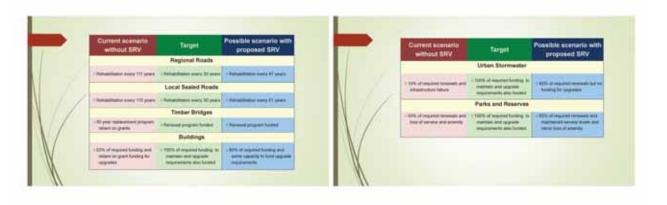


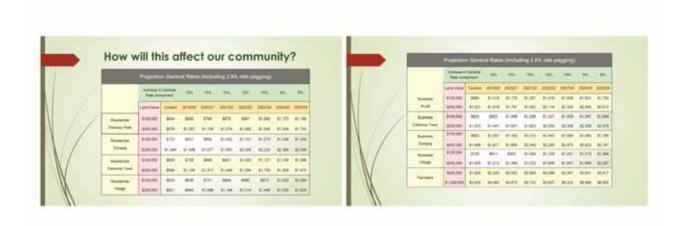












C. MINUTES FROM COMMUNITY MEETINGS

DUNGOG SHIRE COUNCIL SPECIAL RATE VARIATION

COMMUNITY MEETING - DUNGOG

3 July 2018

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А	π	er	10	ıa	n	ce	:

Community:		
Councillors:		
Staff:		

- Introduction and welcome by the GM been in the role for 12 weeks.
- Presentation Securing Our Future –
- Presentation Managing Our Assets –

Comments:

 Administration Building and community swimming pools not included in assets to be funded by SRV? How will they be replaced?

Administration Building identified in 10yr Financial Plan but swimming pools will last beyond 10 years but will need to be considered in the following ten year financial plan. Both will need to be funded partly from grant funding.

- Council has long term plans for increased revenue.
- A member of the SRV Community Reference Panel Have been investigating the reason for the
 inequities between regional road funding between different LGA's. No reasonable response from
 NSW Government. Urges residents to complain and apply pressure to State and Federal
 Governments regarding anomalies in road funding.
- GM advises that any money borrowed by Council will be at a higher rate because we are considered not fit for the future and not able to borrow from TCorp.
- Dungog's situation is not an isolated instance, most regional Councils are struggling with the same inequities and issues. This is why organisations such as the Country Mayors Association, LGNSW and Hunter Councils are so important.
- Larger Councils are reluctant to advocate for a more even distribution of funds to smaller Council because it will mean they miss out.
- A member of the SRV Community Reference Panel although the increase will be difficult it is necessary and if a lesser amount was adopted the danger is nothing of value will be achieved.

- A quick calculation means rates will increase by \$1400 over 7 years and will not be able to afford this and will probably move out of the area.
- GM Realise that some families will struggle with the rise but Council has a Hardship Policy in place and also access to financial counselling is being looked at.
- Huge range of initiatives being looked at to increase business outcomes in the Shire.
- Local businesses are not being supported because so many of the Shire work outside and spend where they work.
- How will a rate increase bring businesses to town?
- Road and bridge infrastructure critical for agricultural businesses.
- HWC takes water out of the Shire and does not pay one cent in rates.
- Farmers have been struggling with drought and now the rates are likely to be increased.
- SRV will not fix everything, many other initiatives are being considered and investigated.
- How do we bring in more ratepayers?
- The goal is to make Dungog Shire Council sustainable.
- What are the comparisons with other Councils rates?
- Has Council looked into broadening revenue base?
- Council not helpful to new start-up businesses.
- Council needs to be more efficient with LED lights and smarter with how they use fuel and electricity.

COMMUNITY MEETING - PATERSON

5 July 2018

Atten	dance:		
Comm	nunity:		
<u>Counc</u>	illors:		
Staff:		I	
•	Introduction and welcome by the GM		
•	Presentation – Securing Our Future –		
•	Presentation – Managing Our Assets –		

Comments:

- How and where do we apply pressure to get the best result from grants supplied by Government?
- GM one of the problems with the Fit for the Future scenario is that most grants need to be resourced 50:50 and because Council is considered unfit our loan borrowings have to be through financial institutions so we pay a higher rate than those Councils that are considered 'Fit' who are able to access better rates for their loan borrowings through NSW Treasury.
- Mayor LGNSW, Country Mayors Association, Hunter Councils are fighting the 50:50 funding for small Councils. Election coming up so pressure Infrastructure Minister, Minister for Roads, Deputy Premier. Funding is more valuable than intermittent grants.
- Community pressure is invaluable.
- Is there anyway to get funding from State Forests, National Parks, Hunter Water for roads because they use the roads?
- Mayor There is a push from other Councils areas for these Departments to help pay for roads and bridges.
- Disappointed with roll up to meeting and thank Council for presentation.
- Mayor will be spending more time in other Wards with mobile office, should be in the area every couple of weeks.
- Residents are unaware of who their Councillors are in B and C Wards.
- Question about Martins Creek Quarry case.

COMMUNITY MEETING – CLARENCE TOWN

10 July 2018

Attendance:

Community:			
Councillors:			
Staff:	I		

Starr.

- Introduction and welcome by the GM
- Presentation Securing Our Future –
- Presentation Managing Our Assets –

Comments:

- There is no doubt Council has no money and needs to raise money and if I was a ratepayer on a rural res blocks with the increase I would be happy to pay it as I don't want to see the Council go under but as a farmer who pays \$9,200 per year in rates now I will be facing a bill after 7 years of around \$20,000 and I am stressed about that figure. There should be a cap on the rise to protect genuine farmers.
- Riley Council not raising rates lightly and if we don't farmers may need to have deliveries made the long way around because the roads and bridges will be load limited.
- Congratulates Steve on managing on the limited budget he has had in recent years. Even with the
 rate rise not achieving a level of maintenance that is required. Affected as deliveries have to come
 through Dungog to get to Clarence Town because of bridge load limits. Rates will rise from
 \$15,600 to \$27,546 in seven years. Council needs to call in an Administrator and try to force the
 hand of the Government to amalgamate the Shire.
- Caravan Park Why is there a budget of \$165,000 for the Williams River Holiday Park when it is managed? Is there an income from the Park and does it equal \$165,000.
- GM This service is under review because it is not a profit making venture.
- Rayward the SRV is only one part of the puzzle.
- Riley If we don't things in place now we will need to come back in another 10 years and go through this process again. Full review of Rural Strategy (increase rate payer base), S94 Contribution review/improvements.
- Low if we had amalgamated rates would have gone up by 22%, I don't think the SRV is the answer. Farmers unable to get a pension due to asset base they will really struggle with this. We should have been paying more in rates over the last twenty years which would have raised a further \$40M which would have gone a long way to fixing the hole we are in now. 85% of Regional Roads unable to be funded. We should have amalgamated I don't agree with this at all.
- Why would IPART approve such a big rate rise when they have knocked back so many others and what happens if they do knock it back?
- GM It is easier for IPART to approve the SRV than for the State and Federal Governments to change their funding models. It is also necessary for Councils and their communities to increase pressure in this area. Have reviewed the reasons why other Councils have been knocked back.

- We are single income family and it will be hard but I am happy to come up with the extra but what the farmers have to come up with is too hard. They will go to the wall.
- Consultation business if we all state we don't want this rate rise it won't change anything. Council needs to listen not just talk.
- Connors sympathetic to plight of farmers. SRV doesn't help situation much. Lobby the NSW Government.
- Amalgamation debate is dead at present but other Councils are prepared to help. SRV application to be in by February 2019.
- You won't get the State Government to change its funding model because the larger Council's don't want to give up their share of the funding to the smaller Councils. Dungog is a dead duck.
- Rayward Opportunities with elections coming up.
- Does Council have a Plan B if we don't get the SRV?
- GM If we had to do an SRV application process every year it would kill us. Hope IPART consider a
 longer SRV IPART may negotiate we don't know. Advised Mayor of PSC not interested in
 amalgamation but do want to help. Other Council's assist us. Plan may/will require a reduction in
 services. This is our current best endeavours but we are listening and happy to consider all
 responses. Local Government only received 3% of tax \$.
- Mergers we told PSC we didn't want them and knocked back \$15M. Why are we asking other Councils for their help now? Councillors advised rates would not go up 100% - happy for 30% or 40% - not good for young families. Older farmers will have to sell their farms and move into town. This is an embarrassment and we shouldn't be here.
- Extra development does this rate base offset the increases in everyone else's rates can rates go down because of this?
- GM extremely unlikely any Council would reduce rates.
- High rates will be off-putting for anyone wanting to move to the Shire.
- Cynical about service levels. Base case we don't get services now what can be reduced? Parks not mowed, potholes not fixed.
- Rayward Not going cap in hand to PSC. Looking at new business model to improve the way we
 do things. Won't be obvious in the short-term. Need to turn the ship around. Understand the pain
 for the rural industry. We need to look at other business opportunities, increase our population,
 not going to be easy.
- No Government has changed the rules in last 15 years. Amalgamation would have increased our population and the funding we get. All other Shires have well maintained parks and roads. Government's are not going to change the way they fund small Council's. We're a dead horse.

COMMUNITY MEETING – GRESFORD

12 July 2018

Attendance:		
Community:		
Councillors:	I	
Staff:		
 Introduction and welcome by the GM Presentation – Securing Our Future – 		

Comments:

- How much have the legal fees been in the last few years? Council can't win against Daracon.
- Shaun \$500,000 in 2017/18

Presentation – Managing Our Assets –

- GM If Daracon wins and costs are awarded against Council that would be in the vicinity of above \$500,000.
- Why are new roads so full of holes and dips that hold the water?
- SWH New stabilisation methods designed to avoid this issue and to keep water off the roads. Happy to talk about individual instances where this may be happening.
- Where is the Council going to sit in 7 years? Spend all 2.5% on roads and in 7 years will be worse off than now.
- Mayor If it is only 2.5% there won't be any money spent on roads.
- SWH If we get the SRV not all the money will be going on roads, it will also be spent on stormwater, buildings, bridges etc.
- State Government not interested in what Council's say but more interested in what the community has to say. Opposition is saying Dungog is the victim of inequitable funding and Government needs to be made aware that we will not vote for them.
- If funding supplied by Government will the SRV scenario change?
- GM Council has been advised that the RMS are about to commence a process to
 reclassify
 NSW roads with a two year time frame. If Dungog Shire achieves State funded roads then the SRV
 funds will be redirected to other roads. Leading into election time to apply pressure.
- Mayor A whole new ball game if funding changes.
- SWH Council can choose to not impose the full SRV amount to ratepayers if situations change.
- Lyon Even if Council achieves extra funding we still need to aim for being Fit for the Future.
- What happens if you don't achieve SRV?
- GM Need to review services and consider what services need to be reduced or cut.
- What services can we cut in the future?
- FFF was a collaboration between State and Local Government.

COMMUNITY MEETING – DUNGOG

14 July 2018

Attendance:



- Introduction and welcome by the GM
- Presentation Securing Our Future –
- Presentation Managing Our Assets –

Comments:

- Lobbying of State Government by community.
- What happened to the big pot of money that was offered for amalgamation?
- Mayor Went back to general revenue, I have a feeling some of it may come back to us in the run up to the election.
- Grants not the answer, better funding required.
- Is Council compensated for the non-rateable land? No.
- Conversations have been had with Hunter Water on this subject.
- 300 lots were approved a few years ago, has this been progressed? Only the rezoning for the land has been done, it is up to the developer to take the next step.
- Agricultural mapping has commenced to identify valuable agricultural land.
- Nice to see new blood coming into the Shire. Encourage young people to stay in the Shire and develop new businesses.
- What percentage of properties don't pay rates? These are properties are operating as tourism businesses and have found a way not to pay rates.
- Would have liked to see a third alternative on the survey sheet. Comment or ideas section to be added to survey.
- Can you start with a smaller rate rise because you (GM/Mayor) are new and still reviewing everything?
- Need to be able to plan for workforce.
- Has an assessment been done on contracting out maintenance of assets?
- Contractors used often because of grant funding. Rates are checked against using Council staff and are comparable.
- Important to keep locals employed.
- Annually look at plant prices and usage internally and externally.

COMMUNITY MEETING - VACY

19 July 2018

Attend	lance:
<u>Comm</u> ı	unity:
<u>Counci</u>	llors:
Staff:	
•	Introduction and welcome by the GM
•	Presentation – Securing Our Future –
•	Presentation – Managing Our Assets –

Comments:

- What is the timeframe to put SRV to IPART?
- GM Councillors to consider input from community and decision made on amount of SRV with a report to Council in November/December 2018 and application to IPART middle of February 2019.
- Do IPART take community submissions on the application?
- SLC Not sure but will follow up.
- What has Council done to change the way road numbers are taken where types of vehicles are not taken into account?
- GM Multiple approaches to RMS and Premier and Cabinet. Pressure being applied prior to State
 election. Greater influence available from community members writing to State Member. Steve H
 on Regional Roads Review Panel which also reviews the way the funding is allocated. Hopeful a
 new process for the REPAIR programme will be in place for the next year allocations. Won't make
 the whole network viable but may improve the funding allocation.
- Questions why roads were given to Council but the RMS kept the bridge in the middle of the Regional Road?
- SWH Vacy, Cooreei and Brig O'Johnston bridges are timber truss heritage bridges and RMS had to keep care and control. Gostwyck and the bridge on Paterson Road are both steel framed bridges. A recent review of their bridges now means that Vacy and Cooreei Bridges are no longer heritage listed.
- The use of average traffic volumes across the Shire being used for 20 or 30 years is there any chance for change?
- SWH Seems more of an appetite at State level to look at this at the moment. Not sure if it will go anywhere.
- GM Applying constant and continual pressure to RMS in relation to Brig O'Johnston Bridge and the amount of money being spent there and also the review of the classification of the roads currently being undertaken.
- If we are spending more on rates it is necessary to trust the Council to do the right thing with the money raised. Following the presentations and speaking with Councillors and staff I have that trust and the SRV is a good investment. There is so much right in this application.
- Pensioners have been mentioned but there are a lot of retirees who are running farms and unable to afford the rate rise. Grants haven't been taken into account.
- Grants have been factored in up to a point but if grants are received it allows Council to divert the money to other areas covered by the SRV.

- Restructure the SRV so that it doesn't hit so hard at two years of 15% may have a better chance of getting it through. Cut throat process, may not consult.
- Connors This SRV is different to those occurring in neighbouring Councils in that other Councils
 are asking for extra rate money for new infrastructure projects where as Dungog is only interested
 in maintaining the old assets we already have.
- Everyone knows that Council is in a bad way and something needs to be done but it just seems
 that the ratepayers are being flogged for bad decisions by State, Federal or previous local Councils.
 It is a worry what happens to the agricultural properties when this comes in? A lot are already
 feeling pain and this may take them to the wall.
- Riley Looking very hard at a longer term strategy.
- Rayward It is getting that way that the price of land is making agriculture not sustainable. We
 have to think at a leadership level what we want Dungog Shire to look like in the future? Maybe it
 won't be traditional beef and dairy.
- GM Planning instruments are out of step with Councillors and community. If we don't increase
 the ratebase in the Shire that is a huge problem. We need to have funding to be business ready
 and shovel ready.
- Rayward some of these agricultural businesses are being run the same way they have been run for many years and if they aren't making money the business model may have to change.

D. FOLLOW UP CORRESPONDENCE

- Thank you letter to attendees
- Council Newsletter and surveys sent out with the rate notices to all ratepayers with replied paid envelope for return of surveys.
- Mayoral Column in Dungog Chronicle
- Mayoral Updates distributed through email mail list, Council's website and also hardcopies available in local businesses throughout the Shire.
- Website Information
- Media Release



Ref: EF08/367

26 July 2018

Dear

Council wishes to thank you for attending the recent community meetings held around the Shire on the proposed Special Rate Variation application to IPART. We appreciate you taking the time to contribute to the decision making process that Council is currently undertaking.

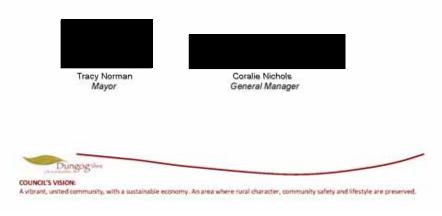
As you are aware no determination has currently been made as regards the final amount of the proposed increase and by listening to the input from the community it provides Council with valuable information on how this SRV may affect individual situations prior to making a decision later in the year.

It is proposed that the final Special Rate Variation scenario will be reported to Council at either the November or December 2018 Council meetings with the application being finalised and submitted to IPART during February 2019.

As an interested member of the community you will be notified as to which meeting the report will be submitted, to enable you to read the report on Council's website or attend the meeting if you so wish.

We encourage you to please take a moment to complete the survey that is being distributed with your 2018/2019 rates notice and return it in the reply paid envelope or alternatively provide further comment to the email address at SRV@dungog.nsw.gov.au.

Once again we thank you for your valuable contribution to this process.



DUNGOG SHIRE COUNCIL

SECURING OUR FUTURE

Special Rate Variation Proposal 2019/2020

A message from Council's Mayor and General Manager

As a community it is important for us to discuss the long term financial sustainability of Dungog Shire Council in response to the NSW State Government's Fit for the Future (FFF) reform package. Part of this conversation needs to focus on the potential for a Special Rate Variation (SRV).

We acknowledge that a SRV is never popular and there are few people who would say they want to pay more in rates. However, it is important to understand why a SRV is being considered and what it could achieve for the Dungog Shire.

As part of the reform agenda all NSW councils are required to meet or be working towards achieving the seven (7) indicators that measure financial sustainability.

Dungog Shire Council was identified as "not fit" under the Independent Local Government Review Panels (ILGRP) process and as a result has now been invited to lodge a Reassessment Proposal addressing how Council intends to meet the seven (7) key performance measures. Council is responding to this task by and implementing reviewing Improvement Proposal. There are a number of reasons why we have a funding shortfall, dating back to the introduction of the state government's rate pegging policy in the early 1970's and rate relief that was provided by Dungog Shire Council in the 1980's.

While the cost of delivering services to our community has increased significantly, the rate peg (estimated at 2.5%) has capped Council's ability to raise enough revenue in line with increasing expenses. Some of these costs have come about as a normal part of running a business, such as electricity and insurance cost increases through to increased material and equipment costs. However, some of these increased costs are a result of the State Government shifting responsibility for particular onto services Local Government, such as the Swimming Pool Register and inspection program and the historical transferal of roads considered to be of "secondary importance" from State Government to Council. Dungog Shire Council is unique in having no State Government classified roads. Further, the age and condition of some Council's assets, such as our timber bridges, is also problematic and is resulting in considerable annual maintenance costs for Council.

We are restricted as to how we can raise revenue to operate and with rising costs, and with limited and often at time inequitable State and Federal Government funding, significant pressure is now being placed on our bottom line.

Council is committed to implementing its Improvement Plan, which includes a proposed SRV, and working towards meeting the benchmarks set by the NSW State Government under the FFF reform agenda. Council is working on productivity improvements and cost containment strategies. Examples of this work include sharing services with neighbouring councils (eg: our library service is provided in partnership with Newcastle City Council), a review of non-performing assets for disposal, seeking external grants to assist with service provision (eg: \$3.8M in grant funding for our bridges), implementing new processes to re-use road material to reduce the importation of quarry materials, and improved procurement approaches (eg: tendering in conjunction with neighbouring councils to achieve better cost outcomes for electricity provision)

In February 2018 Council invited all members of the Dungog Shire community to attend a series of meetings developed to inform ratepayers of Council's current financial position and the need for Council to consider applying for a SRV.

At these public meetings, members of the community were given the opportunity to participate on a Special Rate Variation Reference Panel. The Panel applicants attended three (3) additional meetings and were provided with further, more in

depth information. The Panel's role was to work with Councillors and staff to develop a SRV proposal for further community consultation and to provide input into Council's application process to IPART for a SRV.

As a result of our community meetings, feedback from Reference Panel meetings, and input from Councillors and staff, Council is now considering the below tapered scenario in relation to the SRV:

- Year 1 & 2 = 15% (2.5% rate cap plus 12.5% SRV)
- Years 3, 4 & 5 = 10% (2.5% rate cap plus 7.5% SRV)
- Years 6 & 7 = 6% (2.5% rate cap plus 3.5% SRV).

Over the month of July Council held a further six (6) community meetings scenario. presenting the tapered Attendees at the meetings have been very engaging and a lot of useful feedback has been provided for Council to further consider. Any additional feedback would be most welcome via our email address SRV@dungog.nsw.gov.au. It would also be greatly appreciated if you could fill out the enclosed survey and get it back to Council in the replied paid envelope provided. Another opportunity to provide feedback will also be provided when Council places on public exhibition IPART corporate documents (Community Strategic Plan, Delivery Programme and Operational Plan). While Council has resolved to investigate a special rate variation to address Council's infrastructure backlog Council has not made a decision on the SRV increase and will not do so until towards the end of the year taking into account your feedback. Updates regarding the SRV proposal can be found on Council's webpage at www.dungog.nsw.gov.au. Thank you for considering this matter.

TRACY NORMAN CORALIE NICHOLS
Mayor General Manager

What impact would a SRV have on me?

A Special Rate Variation Estimator is available on Council's website at

www.dungog.nsw.gov.au/council/special-rate-variation.

This Estimator will provide you with your rates estimate for the seven (7) years of the SRV. Simply open the Estimator, input your Rateable value from your rates notice and follow the instructions.

How would a SRV help us meet our infrastructure obligations?

	Scenario without SRV		Target	Possible scenario with proposed SRV	
			Regional Roads		
♦	Rehabilitation every 111 years	<	Rehabilitation every 30 years	◊	Rehabilitation every 47 years
	Local Sealed Roads				
◊	Rehabilitation every 115 years	\langle	Rehabilitation every 30 years	◊	Rehabilitation every 51 years
	Timber Bridges				
♦	50 year replacement program reliant on grants	\langle	20 year renewal program funded	♦	20 year renewal program funded
			Buildings		
♦	63% of required funding and reliant on grant funding for upgrades	<	100% of required funding to maintain and upgrade requirements also funded	<	80% of required funding and some capacity to fund upgrade requirements
			Urban Stormwater		
◊	19% of required renewals and infrastructure failure	~	100% of required funding to maintain and upgrade requirements also funded	◊	45% of required renewals but no funding for upgrades
			Parks and Reserves		
◊	50% of required renewals and loss of service and amenity	\	100% of required funding to maintain and upgrade requirements also funded	\	65% of required renewals and maintained service levels and minor loss of amenity

What is the difference between Maintenance and Capital Rehabilitation/Reconstruction?

Maintenance

Expenditure on an asset which maintains the asset in use but does not increase its service potential or life, e.g. repairing a pothole in a road, repairing the decking on a timber bridge, repairing a single pipe in a drainage network, repair work to prevent early failure of an asset.

Capital Rehabilitation or Reconstruction

Expenditure on renewing an existing asset or a portion of an infrastructure network which increases the service potential or the life of the asset up to which it had originally, e.g. rebuilding a section of road, road pavement stabilisation, renewing a section of a drainage system, major works to the structure of a bridge, etc. When an asset is rehabilitated or reconstructed the maintenance costs for the asset reduce significantly.

What are the challenges we face?

- ⇒ Small population base with large road network greater than 720km.
- ⇒ Inequities in Financial Assistance Grant and Block Grant allocations for smaller councils.
- ⇒ Many grants required \$ for \$ matched funding
- Disadvantaged in many road grants because they are based on traffic volumes (<u>not</u> heavy vehicle movements) and population, we struggle to compete with larger councils.
- ⇒ We are the only Local Government area with no State Roads
- ⇒ Ageing Timber bridge network not designed to withstand modern heavy vehicle loadings.
- ⇒ Currently unable to fund depreciation
- ⇒ We currently don't meet the Office of Local Government financial and asset management criteria

What have we done to be more efficient?

The consideration of a special rate variation is only one of a number of options Council is considering in order to improve our overall financial performance and better manage and maintain infrastructure. These are some of the initiatives Council has or is undertaking to become more efficient:

- Human resourcing savings (Councillors only accept the minimum State Government mandated remuneration allowance, reductions in the Council workforce, saving in workers compensation & staff learning/development)
- Undertake a review of assets with a view to rationalisation.
- Energy Efficiency Initiatives (Solar and other green initiatives, etc)
- Transitioning from paper to electronic communication channels
- Successfully sourcing additional grant revenue
- Sharing services with other Hunter Councils in areas such as library services, weed management, records storage, legal services, regional procurement, environmental
- ✓ Completion of new Section 94 Plan
- Extended the life of our landfill by increasing recycling and diversion rates.
- Service review to be undertaken.
- Implementing best practice maintenance management system for infrastructure maintenance.
- ✓ Completion of the Rural Land Use Strategy
- Investigations are underway in relation to potential strategic alliance options with other Hunter Councils.
- Annual review of Fees and Charges
- Savings from contract negotiations (Waste Management, print services, regional procurement etc)
- Asset Management Plans have been developed to identify future needs.
- Council has the second lowest workforce numbers of any Group 10 Council and the lowest Population/Equivalent Full Time Staff numbers of any Group 10 Council.

FAST FINANCE FACTS

INCOME/REVENUE

What does Council collect annually in rates?

The Notional General Yield for 2018/2019 in general rates is \$5,670,327

TOTAL: \$5,670,327

What fees does Council expect to receive in 2018/2019?

- Development Application fees: \$95,000
- Building Inspection fees: \$46,000

TOTAL: \$141,000

What does Council expect to receive annually in grants?

- Federal Assistance Grant General for 2018/2019: \$1,523,000
- * Federal Assistance Grant Local Roads 2018/2019: \$507,000
- Federal Assistance Grant Regional Roads 2018/2019: \$360,000
- * Roads to Recovery Funding for 2018/2019: \$802,000
- * Regional Roads Capital Funding for 2018/2019: \$3,859,000
- Library Grant for 2018/2019: \$43,000

TOTAL: \$7,094,000

COSTS/EXPENDITURE

What fees/levies does Council have to pay?

- Annual membership to Local Government NSW as a peak body: \$26,000
- * Annual membership to Hunter Councils Inc: \$24,000
- * Lower Hunter Rural Fire Service Zone payment: \$287,342
- SES Contribution: \$22,000
 Valuer General Fees: \$39,000
 Annual Auditor Fees: \$43,000
 - TOTAL: \$441,342

What is the annual cost for Council to purchase and maintain plant (i.e. graders, rollers, loaders, trucks, etc)?

Plant purchases: \$1,002,000Fuel and oil: \$332,000

TOTAL: \$1,334,000

What are Council's 2018/2019 loan repayments?

Council currently has loans with the National Australia Bank that are payable at \$330,000 p/a

TOTAL: \$330,000

What is the annual cost of insurance for Council?

- * Workers Compensation Insurance: \$100,000
- Council's insurance fee for fleet, buildings, risk etc: \$390,000

TOTAL: \$490,000

What does Council pay for street lighting?

Street lighting expenditure in the last financial year (2017/2018) was \$95,574 payable to ERM Business Energy.

TOTAL: \$95,574

What does the up-keep of roads and bridges cost Council each year?

In 2018/2019 Council will spend \$2,803,000 on roads and bridge maintenance

TOTAL: \$2,803,000

What does Council spend on sport and recreation? (Note: figures include depreciation, but not wages)

- Council spends \$320,000 on park maintenance per annum
- * Council spends \$390,000 on pools per annum
- * Council spends \$165,000 on caravan parks per annum
- Council spends \$388,000 on sporting grounds per annum
- Council spends \$125,000 on the library service per annum
- Council spends \$45,000 on cemetery maintenance per annum

TOTAL: \$1,433,000

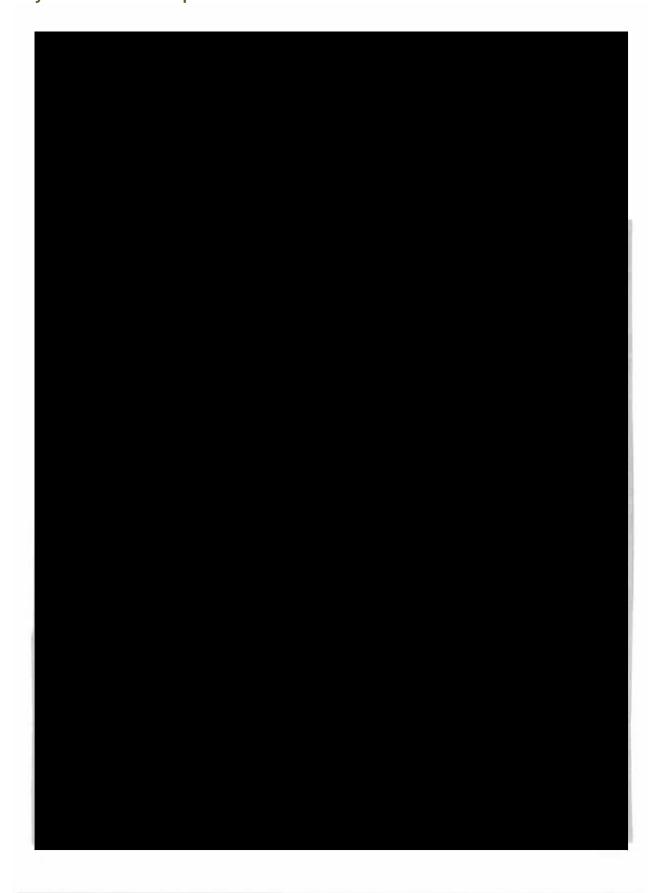
DUNGOG SHIRE COUNCIL

SECURING OUR FUTURE

Special Rate Variation Proposal 2019/2020 — Have your Say!!

Age: Postcode: Gender:
What is your preferred option to secure our future?
Base Case - increase rates by the NSW Government's rate peg of approximately 2.5% per year and reduce or no longer deliver certain services
<u>OR</u>
A Special Rate Variation - a rate increase over 7 years (which increases rates in Year 1 & 2 by 15% (2.5% rate cap plus 12.5% SRV), Years 3, 4 & 5 by 10% (2.5% rate cap plus 7.5% SRV) and Years 6 & 7 by 6% (2.5% rate cap plus 3.5% SRV) and meet our asset maintenance renewal requirements and retain existing service levels.
If you prefer the Base Case, what services or projects would you like to see reduced or no longer delivered?
1)
2)
3)
4)
5)
Other thoughts, ideas, suggestions, comments?
Thank you for taking the time to complete this survey.
Completed surveys can be returned:
In person to: Council's Administration Office, 198 Dowling Street or the Dungog Library, 17 Mackay Street, Dungog
By email to: srv@dungog.nsw.gov.au
By mail in the provided reply paid envelope.

Mayoral Column example:



Mayoral Update:

Mayoral Update



27 August 2018

Special Rates Variation (SRV) Survey

There has been a great response to the SRV survey, with hundreds of replies already received, so thanks to all of you who have participated and taken an interest in the future of your Shire. If you haven't already done so, it would be great if you could get your surveys back to Council by the end of August, as staff will be collating the results in September. The survey forms were sent out in the rates notice. I will share the results of this survey once they have been collated. If you don't have a copy of the survey, you can still have your say at SRV@dungog.nsw.gov.au.

Port Stephens-Hunter Local Area Command (LAC) Community Safety Precinct Meeting

I attended this meeting in Maitland this week. These meetings are held in Raymond Terrace and Maitland and given that we stretch across both parts of the command, I attend both meetings. The meetings are a chance to make the LAC aware of issues that our community is facing and to get feedback on what the police are targeting. I was asked by community members on the western side of the Shire to bring up the issue of speeding in the 50km local precincts and in the 40km school zones. This was also an issue raised at the recent Clarence Town community police meeting. Chief Inspector Glen Blain took note of this issue and will raise it with highway patrol. Again, the best thing that we can do as a community is make sure we are reporting the incidents to the police. This intelligence is used to target certain areas and times in which to place the police in these areas.

I have also invited the LAC to hold a community meeting on the western side of the Shire, as requested by the community. General Manager, Coralie Nichols, is following this up with Chief Inspector Blain.

Dungog District Chamber of Commerce (DDCC) Annual General Meeting

I attended the DDCC AGM and dinner last week. DDCC President, Jenny Lewis, gave an update of the year's activity for the Chamber, which has had a busy year. Highlights include the Dowling St Christmas Party, run in association with the Council, record entries in the DDCC Business Awards, the success of Dungog Boomerang Bags getting an honourable mention in the Sustainability Award at the Newcastle Business Chamber Awards, and the receipt of two grants, one for flag poles to advertise events and the other for a new sign for Dungog Township. Membership in the organisation remains strong. The executive committee members were all re-elected and a new ordinary member, Chris O'Hearn, replaces Allen Shrimpton on the committee.

Small Business Month

The DDCC, with assistance from Council staff, will run a *Shop Local* campaign in Small Business Month to be held in October 2018. The DDCC is finalising the details of this and is expecting to deliver a successful campaign similar to one run a few years ago that involved the Dungog Dollars concept. I encourage local businesses to get behind this Shop Local campaign and will provide more details in my next update. In the meantime feel free to contact the newly re-elected DDCC President, Jenny Lewis.

Train Timetables

I will be meeting with the Director Central and North of Trains NSW, Brad Dixon, within the next couple of weeks to discuss train timetables. Aaron Spadaro from Department of Premier and Cabinet will also attend. Parliamentary Secretary Scott MacDonald has also discussed this issue with the Deputy Premier, John Barilaro on Dungog's behalf.

Local Traffic Committee

Media Release:



DUNGOG SHIRE COUNCIL

All Communication to be addressed to: The General Manager Dungog Shire Council PO Box 95 DUNGOG NSW 2420

Telephone: (02) 4995 7777
Facsimile: (02) 4995 7750
Email: shirecouncil@dungog.nsw.gov.au
Website: www.dungog.nsw.gov.au
ABN: 62 610 350 056

DUNGOG SHIRE COUNCIL MEDIA RELEASE

DUNGOG SHIRE COUNCIL INTENDS TO APPLY FOR A SPECIAL RATE VARIATION.

Dungog Shire Council's General Manager Coralie Nichols has notified the NSW Independent Pricing and Regulatory Tribunal that Council intends to apply for a special rate variation to commence in July 2019.

A special rate variation would be a financially responsible direction for Council and the community who have clearly indicated that they want Council to maintain and improve the road and timber bridge network across the Shire. The proposed special rate variation is a tapered approach over 7 years resulting in a 79% increase, which when coupled with the NSW State Government rate peg of 19% over the same period results in an overall increase of 98%. For the average residential rate payer this would be an increase at the end of 7 years of \$710, for businesses in the Shire the average would be \$935 and for farmlands over the same period the average would be \$2186.

"Applying for a special rate variation is an important step towards meeting the NSW Government's financial and infrastructure criteria, increasing Council's long term financial sustainability and setting the Shire on the pathway to a brighter future. Importantly a special rate variation will make a real difference to the condition of our roads and the maintenance of our timber bridges, assets that are critical to us all both in terms of livelihood and lifestyle" Mayor Tracy Norman said.

"Council acknowledges that any rate increase may adversely impact some community members. As a result, Council is reviewing its Hardship Policy to assist any members of the community who may experience hardship as a result of a special rate variation. The Policy is currently on public exhibition and I encourage members of the community to provide Council with their feedback"

In considering a proposed rate variation Council will also need to show how it will be sustainable, efficient and able to manage and deliver the services and infrastructure required by the community. Community input on required service delivery has been provided via the Community Strategic Plan, a series of community meetings, a Community Reference Panel, surveys in the rates notice and a recent telephone survey of residents.

"Council is also continuing to actively explore funding options by applying for grant funding from all tiers of government, lobbying the NSW Government and Opposition for more funding to assist with the roads and bridges asset backlog, rationalising Council owned assets, developing strategic alliances with neighbouring councils, and implementing a program of service reviews. Council is also trying to deal with the issue of cost shifting from State Government to Local Government, particularly in the area of the Waste Levy whereby only

<u>Council's Vision</u> - A vibrant, unified community, with a sustainable economy. An area where rural character, community safety, and lifestyle are preserved.

18% of the Levy collected from Dungog Shire Council by the NSW State Government is returned to Council for community waste minimisation and recycling programs" said Deputy Mayor Digby Rayward.

"The impost of a special rate variation on the community must be matched by support from the State Government. The community have made it clear that they cannot shoulder this burden on their own and that the State Government must assist in lifting a heavy load".

Information regarding Council's current rating situation, the proposed special rate variation increase and long term financial plans, a special rate calculator and asset management implications are available for viewing on Council's webpage https://www.dungog.nsw.gov.au.

For immediate release.

Contact name:

Coralie Nichols, General Manager, Dungog Shire Council

Contact Phone number:

Date:

26 November 2018

<u>Council's Vision</u> - A vibrant, unified community, with a sustainable economy. An area where rural character, community safety, and lifestyle are preserved.

Letter to all ratepayers:

DUNGOG SHIRE COUNCIL



All Communications to be addressed to:

The General Manager Telephone: (02) 4995 7777

Dungog Shire Council Facsimile: (02) 4995 7750

PO Box 95 Email: shirecouncil@dungog.nsw.gov.au

DUNGOG NSW 2420 Website: www.dungog.nsw.gov.au

ABN 62 610 350 056

Ref. EF08/367

30 January 2019

«Name_1» «Name_2»

«Address_1»

«Address_2»

«Address_3»

Dear Ratepayer

SPECIAL RATE VARIATION - UPDATE FROM DUNGOG SHIRE COUNCIL

I write to update you on Dungog Shire Council's application for a Special Rate Variation.

Specifically, Council is seeking a rate increase in order to address Council's financial sustainability and maintain essential community infrastructure including Council's road network, timber bridges and community buildings.

At the December, 2018 Ordinary Meeting Council resolved to make an application for a permanent Special Rate Variation to the NSW Independent Pricing and Regulatory Tribunal (IPART). Council's application, which will be independently reviewed and assessed in accordance with the NSW Office of Local Government guidelines by three (3) IPART panel members appointed by the NSW Premier, will be as follows:-

- Year 1 & 2 15% (2.5% rate cap plus 12.5% SRV)
- Years 3, 4 & 5 10% (2.5% rate cap plus 7.5% SRV)
- Year 6 & 7 6% (2.5% rate cap plus 3.5% SRV)

NB: This represents a cumulative increase in rates of 97.8% over 7 years, including the cumulative increase of 18.9% from the rate peg increase.

With a Special Rate Variation Council will look to:-

- Increase the roads maintenance budget to reduce the gap between required annual maintenance and funded annual maintenance by 25%. The additional annual maintenance budget will be \$451,000 in the first year.
- Increase loan borrowings to leverage additional capital grants to address Council's infrastructure backlog – in particular to leverage capital grant funding from the State and Federal Governments that require a 50:50 co-contribution.
- Continue its program to renew its timber bridge infrastructure utilising loan borrowings. Council will renew timber bridges with new structures in either concrete or steel. The significant cost of maintenance associated with timber bridge assets will be reduced and the bridge infrastructure upgrades will address the need to have load limits, thereby providing economic benefit to the region's agriculture sector.



COUNCIL'S VISION

A vibrant, united community, with a sustainable economy. An area where rural character, community safety and lifestyle are preserved.

A Special Rate Variation is only one of Council's strategies aimed at enhancing the Council and the Shire's financial sustainability, albeit an essential component. The Mayor and Council are also committed to the following approaches to ensure a productive future;

- Lobbying State and Federal Government to assist with additional funding for the Shire's road and timber bridge network;
- Review of developer contribution plans (Section 94) to ensure that funding is put aside for the increased demands in public amenities and public services that are associated with future development;
- Preparing a Rural Lands Strategy to inform better decisions on highest and best land use for agriculture purposes and to assist with planning for the more marginal land for other uses, allowing an opportunity to increase council's rates base
- Review of fees and charges to identify any revenue stream opportunities to increase Council's revenue base;
- Exploring business opportunities that may result in additional revenue for Council;
- Continue the implementation and refinement of Council's asset management plans to better define asset conditions, service levels, useful lives and required annual maintenance, taking into account community expectations;
- Continue to explore strategic alliance and shared service opportunities with neighbouring Councils and the Hunter Joint Organisation;
- Implementation of a program of service reviews to improve efficiency and potential for transition of non-core services to external service providers;
- · Sale of Council owned assets that are surplus to need; and
- Lobbying and representations to Government regarding inequities in road funding, reclassification of Dungog Shire Council's road network and the impost of unrateable land under the tenure of State-owned corporations such as Hunter Water Corporation and Forestry NSW.

In considering a Special Rate Variation Council has reviewed its policy framework for the assessment of applications from ratepayers who are experiencing genuine financial hardship with the payment of Council rates and charges. Council acknowledges that there are cases of genuine financial hardship requiring respect and compassion in special circumstances. A circumstance that could be considered special is the potential adverse impact that a Special Rate Variation may have on some community members. If you are concerned about the impact of the Special Rate Variation and your capacity to pay, please pick up a copy of Council's adopted Financial Hardship Policy. It can be accessed on Council's website at https://www.dungog.nsw.gov.au/council/council-documents/council-policies/hardship-policy

Also available to view on Council's website https://www.dungog.nsw.gov.au/council/special-rate-variation are the following documents that contain information relating to Council's Special Rate Variation:-

- Community Strategic Plan 2030
- Resourcing Strategy 2018-2022
- Delivery Program 2018-2022
- Council's December 2018 Ordinary Meeting Agenda Special Rate Variation Report and Minutes
- Long Term Financial Plan
- Asset Management Plans
- Morrison Low Assessment of Capacity to Pay Report
- Micromex SRV Research Phone Survey results
- Special Rate Variation Estimator Calculator to assess the impact of the Special Rate Variation on your property.

Since the adoption of Council's IP&R documents in December 2018 new information such as the Morrison Low Assessment of Capacity to Pay Report has been added as an addendum to Council's Resourcing Strategy 2018-2022 and the Delivery Program 2018-2022 forward commentary has been updated to reflect the special rate variation cumulative increase.

While Council appreciates that rate rises are never welcome, unfortunately they are necessary to fund ongoing service delivery and the renewal and replacement of assets without imposing excessive debt or unplanned rate increases on future generations. We know from feedback received at Council during the consultation phase for the proposed Special Rate Variation, that the community places a very high level of importance on the repair and maintenance of roads and timber bridges. Dungog Shire Council's Special Rate Variation application does not put us out of step with our surrounding Council's rates and we are committed to ensuring that monies raised via the increase will also ensure that our roads, bridges and other community assets are maintained in a condition comparable to our neighbouring Councils.

Council will be submitting its Special Rate Variation application to IPART on 11 February, 2019. Determinations will be announced by IPART in May 2018, allowing for the proposed increases if approved to be built into Council's 2019/2020 budget.

The completed IPART application will be available on Council's website post 11 February, 2019. At this time the application can also be viewed on the IPART webpage which can be found at https://www.ipart.nsw.gov.au/Home/Industries/Local-Government.

As part of the application process, IPART will accept submissions from ratepayers from 11 February 2019 until 11 March 2019. IPART will accept submissions using the electronic submission facility located on IPART's website, www.ipart.nsw.gov.au.

You are also welcome to contact Council via email at shirecouncil@dungog.nsw.gov.au or via phone on 4995 7777 if you would like additional information regarding the Special Rate Variation application.

Yours sincerely

CORALIE NICHOLS General Manager