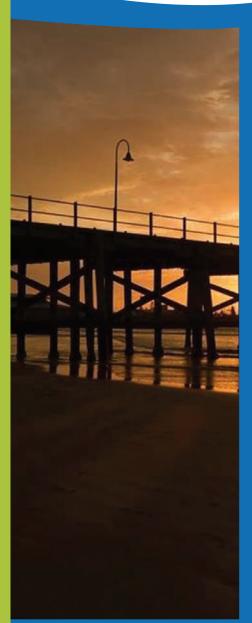
### Attachment 5A

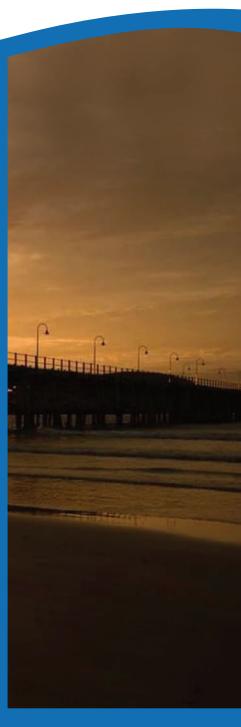
### Your Council - Your Community Funding our Future

COFFS HARBOUR
CITY COUNCIL

Important information about how you can have your say on Rates and Services for the Coffs Harbour Community











### **Attachment 13F**

### **Your Council - Your Community** Funding our Future

### A message from the General Manager and Mayor

Coffs Harbour is a wonderful place to live, work and play. However we are facing severe financial pressures to maintain the public assets, infrastructure and services at a level that the community wants.

Council is currently financially unsustainable. With our current and projected income, we cannot afford to continue to deliver the current levels of service that we provide to the community into the future.

Council looks after around \$2 billion worth of public assets. To give just a small example of what that means, we have to maintain over 800 kms of roads, 170 bridges, 250 kms of storm-water pipes, 300 buildings and 55 playgrounds. Over many years, funding for repair and renewal of this infrastructure has gradually been reduced so that those funds can be used for the day-to-day running of public services.

We still need to spend an additional \$4.2 million every year repairing and renewing those roads, bridges, pipe networks, playgrounds and buildings just to keep pace with deterioration so that they remain in a useable condition. The cost of the total backlog of repairs and renewals is currently estimated at over \$70 million.

This situation has been created over several decades, primarily as a result of:

- State Government 'Rate Pegging' legislation that has, over the last 30 years, meant increases in revenue have not kept pace with inflation or CPI.
- Cost Shifting. Council is now responsible for extra services that were previously the responsibility of State or Federal Government.
- Community Expectations. Council now delivers a much wider range of services than it did in the past.

Council has spent a number of years ensuring that the way we do business is as cost-effective as possible. We now also have a 'Transformation to Sustainability' (T2S) program in place, which aims to identify further savings, productivity and revenue options to help meet the shortfall of approximately \$1.8 million a year in operational expenditure.

The reality is that Council needs an extra \$6 million a year to become financially sustainable. This gap needs to be funded so that we can deal with the ongoing deficits in the day-to-day running of services - and to prevent our infrastructure backlog growing any further.

In a nutshell - we need to fill this gap so that we can continue to deliver the type and levels of service that you, the community, have made clear that you want.

Please take the time to read through and understand the information contained in this brochure. As we said earlier, Coffs Harbour is a wonderful place in which to live, work and play. We want to continue to work with you to make sure it remains the fantastic place that we all love.

Steve McGrath – General Managei





Ill ng'ld

### What we are asking you to do?

### 1 We're asking you to carefully read this brochure so you can find out:

- What Council has been doing to improve its financial situation and reduce the burden on ratepayers;
- Why we need your feedback on a proposed rate increase;
- The future financial challenges facing us all; and
- How our rates compare to other similar councils.

### 2 Understand the proposal:

- Read about the two options you are being asked to consider and why;
- Use our calculation tables to understand how these options will impact on your rates; and
- Contact Council on (02) 6648 4330 if you need help understanding this information.

### 3 Tell us your preferred option:

Your feedback is very important, so we are undertaking a three-month consultation period that will provide you with a variety of ways to get all the information you need to make an informed decision - through this brochure, information booths, council's website and a telephone hotline.

### There are three ways to submit your choice:

- 1. Return the postage-paid postcard questionnaire included with this brochure by 30 January 2015
- 2. Go online to www.coffsharbour.nsw.gov.au/fundingourfuture and complete our short survey by 30 January 2015
- 3. Attend one of our information booths to be held at community markets

### Our current situation

In February 2014, Council made an application to the Independent Pricing and Regulatory Tribunal (IPART), for a multi-year special rate variation (SRV) under Section 508A of the Local Government Act. We requested annual rate increases over three years of 7.9% (2014/2015), 8.14% (2015/2016) and 7.75% (2016/2017) - and to permanently incorporate this increase into our general ordinary rate income base.

In June 2014, IPART formally advised Council that it had approved only a one-year permanent rate increase of 7.9% for 2014/2015. In dollar terms this 'rate rise' represents an increase in our general income of approximately \$2 million per year (above the State Government's rate pegging allowance of 2.3%).

While the approved 'rate rise' for 2014/2015 is a positive step towards Council closing its annual \$8 million 'funding gap' to become financially sustainable – a gap of approximately \$6 million per annum remains. This shortfall needs to be funded to close the deficits that exist so that we can provide day-to-day community services and prevent further growth of our infrastructure backlog. In other words, to enable us to continue to deliver the type and levels of service desired by the community.

While opportunities to improve efficiencies and reduce operating expenditure will continue to be explored through a number of other initiatives, this cannot alone bridge our annual 'funding gap'.

Therefore we are considering making an application again to IPART for a special rate variation (SRV) - representing the two unapproved years of Council's previous SRV application.



Woolgoolga Pool

### What are we proposing?

The proposed rate increase (Special Rate Variation) for 2015/2016 (Year 1) will be an increase of approximately 8.14% in 'general income' (income from ordinary and special rates) with this permanent increase including an anticipated State Government rate pegging increase of 3% for 2015/2016.

The proposed rate increase for 2016/2017 (Year 2) will see a further increase of approximately 7.75% in 'general income' (income from ordinary and special rates) with this permanent increase also including an anticipated rate pegging increase of 3% for 2016/2017.

Overall, a cumulative increase over two years of approximately 16.5% in general income.

These rises are calculated to yield an approximate additional \$4.2 million (above the rate pegging allowances) in rate revenue by the second year, which will permanently remain in Council's 'general income' and be indexed by rate pegging increases after 2016/2017.

### So what has Council been doing to address the problem and reduce the burden on ratepayers?

For a number of years, we have been taking a hard look at the way we do things to try and find cost savings - and we have made some significant changes. Our view is that, we couldn't ask the community to contribute more without first looking at ourselves to see if we are operating as cost-effectively as possible. That's what we have been doing for several years now, but we felt there was more we could do.

### We asked the community about services.

In October 2013 a 'Level of Service' - community engagement process was undertaken. The objective of this process was to seek community feedback on preferred levels of service and proposed funding solutions to meet those service levels. This feedback was received through community responses and comments made via a 'Budget Allocator' tool.

Feedback from this engagement made clear that the community values the services Council currently delivers and was willing to pay more to maintain these rather than see levels of service reduced.

The full results of this engagement process can be found at: www.coffsharbour.nsw.gov.au/fundingourfuture

### Further improvement and efficiencies.

In addition to our previous review of service levels we have recently implemented a 'Transformation to Sustainability' (T2S) project using independent consultants (LKS Quaero) to look at further cost-efficiency improvements in the way we operate.

In July 2014, the consultants delivered three documents - an Organisation Diagnostic, a Business Case and an Indicative Program Plan - that outline further improvements and changes in management practices that could ultimately yield savings within Council of \$3.2 million a year.

The Organisation Diagnostic makes it clear that Council faces a lot of challenges and changes. It contains 32 recommendations on where Council can make improvements in efficiencies, the way Council works and its internal culture.

Further details on the Organisation Diagnostic and Business Case can also be viewed at: www.coffsharbour.nsw.gov.au/fundingourfuture



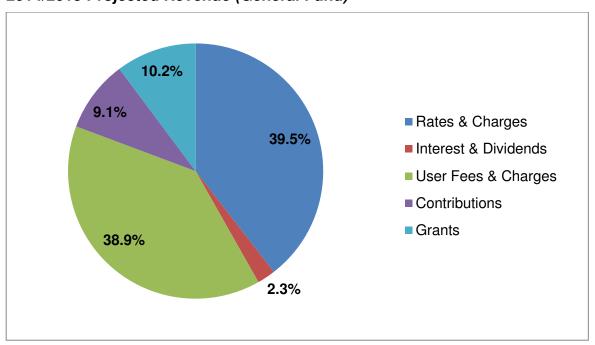
Arrawarra Boat Ramp

### Our General Fund Budget

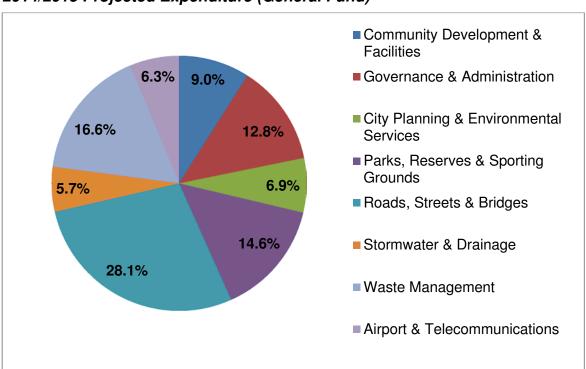
Where does Council get its General Fund revenue and where is it spent?

(General Fund revenue excludes revenue generated from water and sewer functions)

2014/2015 Projected Revenue (General Fund)



### 2014/2015 Projected Expenditure (General Fund)



### Why does Council need to increase general ordinary rates?

To achieve financial sustainability so that we can continue to provide the services the community wants, we need to increase our income.

This consideration is not taken lightly as Council knows that increasing rates is never a popular decision especially when households and businesses have many other bills to pay.

As stated earlier, Council is committed to finding cost savings through improved efficiencies and additional funding sources.

If a rate increase over a two-year period is applied for, Council will, before the end of the first year, evaluate whether or not to continue with year two of the rate rise or, alternatively, increase general rate income by a lesser amount than the proposed 7.75% increase for the second year.

### Our 'General Fund' Assets, Infrastructure and Services

### Council is responsible for maintaining around \$2 billion worth of public assets including:

- over 800 kms of roads
- over 170 bridges
- around 140 kms of footpaths and cycle ways
- 250 kms of storm-water pipes
- 300 community buildings
- 55 playgrounds
- other structures such as bus shelters and detention basins
- around 2,500 hectares of reserves, parks and sporting fields

### And providing public services such as:

**Economic Development** 

**Sporting Facilities** 

Libraries

Cultural Facilities (Jetty Theatre, Gallery, Museum, Bunker)

Coffs Coast Marketing

Community Events

**Environmental Management** 

Parking, Dogs, Buildings and other Regulatory Issues

**Community Services** 

Public Toilets, Street Cleaning & Litter Bins

Sustainable Planning

Development Assessment

Flooding & Coastline Management

Parks, Reserves & Cemetery

Lifeguards

**Swimming Pools** 

Public Health

Roads & Bridges

Footpaths & Cycle ways

Storm-water networks



### How Council measures the Condition of Ageing Assets

The age of our roads, bridges etc. and their regular and growing use means we need to increase our investment in repairs and renewal to continue to meet community needs and expectations. If we do not start this investment now - it will cost even more money in the future to maintain or renew these assets as they age even further. The money spent today on asset maintenance and renewal will greatly reduce the cost to completely replace our assets in years to come.

Council's assets are graded 1 to 5, with the condition 1 'as new' through to condition 5 which is 'considered unsafe to the community'.

In 2013/2014 Council spent approximately \$10.7 million on General Fund asset maintenance (i.e. not including water and sewer assets) when it should have spent \$12.8 million. This shortfall of approximately \$2.1 million means community assets are not being maintained at the required level - and are deteriorating as a result. The total cost, as at 30 June 2014, to bring our General Fund community assets to a satisfactory condition was over \$70 million. These assets include public buildings, roads, bridges, footpaths, cycle ways, storm-water infrastructure and recreational assets like swimming pools and playgrounds.



### The Options

In our previous engagement with the community on service levels, the message that came across most strongly was that Coffs Harbour residents want to keep Council services at their current levels. With that in mind, at this time there are two options for you to consider:

### **Option A:**

### The Further Deterioration of Public Assets

Approximate 3% rate peg increase - for general ordinary rate income.

Option A would be no additional rate increase to general ordinary rates for the next two years other than the estimated rate peg increase of 3% each year. This would mean no additional investment in public asset maintenance and renewal which will result in the further deterioration of these assets and a corresponding reduction in the level of service they provide.

### **Option B:**

### Increase the Investment for Maintenance and Renewal of Public Assets

Approximate 8.14% rate increase for 2015/16 and a 7.75% increase for 2016/17 (including rate peg) - for general ordinary rate income.

Option B would be an approximate 8.14% increase in general ordinary rates for 2015/16 with another increase of 7.75% for 2016/17 (including the annual rate peg increase of around 3%). Overall, it would mean a cumulative increase over two years of 16.5% on ordinary general rates. All additional funds above the rate pegging increase will be used to fund the shortfall in Council's current asset maintenance and renewal expenditure. These additional funds will be sufficient to prevent the further deterioration of public assets.



Coffs Harbour War Memorial Olympic Pool



Amenities at Frances Street Park to be upgraded

# The Impact of the Proposed Rate Increase - For the Average Residential Property

### Option A - Rate Peg Only

Projected Rate Increase for the next 2 Years (with a 3% Rate Peg Increase Only) Average Residential Property (Based on a land valuation of \$183,700)

	CURRENT	Year 1			Year 2	/		2 Year (	2 Year Compound
Rates & Charges	2014/15	2015/16	Increas	Increase Year 1	2016/17	Increase	ncrease Year 2	Increases f	Increases from 2014/201
	(\$)	(\$)	Amount (\$)	7 %	(\$)	Amount (\$)	%	Amount (\$)	%
Residential Ordinary Rate	1,006.03	1,036.21	30.18	** 3.0%	1,067.30	31.09	** 3.0%	61.27	6.1%
Environmental Levy	39.22	40.41	1.19	3.0%	41.62	1.21	3.0%	2.40	6.1%
Sewerage, Water, Waste & Stormwater Charges	2,197.50	2,280.00	82.50	3.8%	2,365.00	85.00	3.7%	167.50	%9'.
Totals	3,242.75	3,356.62	113.87	3.5%	3,473.92	117.30	3.5%	231.17	7.1%
Increase per Week			2.19			2.26		4.45	

014/2015

The Rate Peg % does not apply to Sewerage, Water, Waste or Stormwater charges. Water charges include 250 KL of water usage for a year.

## Option B - Special Rate Variation (SRV) for 2 Years

Projected Rate Increase for the next 2 Years (with Proposed Ordinary Rate Increases)

Average Residential Property (Based on a land valuation of \$183,700)

	CURRENT	Year 1			Year 2			2 Year	2 Year Compound
Rates & Charges	2014/15	2015/16	Increase	Increase Year 1	/2016/17	Increase	Increase Year 2	Increases f	Increases from 2014/2015
	(\$)	(\$)	Amount (\$)	7 %	(\$)	Amount (\$)	%	Amount (\$)	%
Residential Ordinary Rate	1,006.03	1,087.93	81.90	++ 8.14%	1,172.25	84.32	++ 7.75%	166.22	16.5%
Environmental Levy	39.22	40.41	1.19	3.0%	41.62	1.21	3.0%	2.40	6.1%
Sewerage, Water, Waste & Stormwater Charges	2,197.50	2,280.00	82.50	3.8%	2,365.00	85.00	3.7%	167.50	7.6%
Totals	3,242.75	3,408.34	165.59	5.1%	3,578.87	170.53	2.0%	336.12	10.4%
Increase per Week			3.18			3.28		6.46	

The proposed Special Rate Variation (SRV) is not applied to Sewerage, Water, Waste or Stormwater charges. Water charges include 250 KL of water usage for a year.

With an 8.14% rate variation for 2015/16 and 7.75% for 2016/17 (Option B), a typical residential ratepayer can expect a total compounded rate increase (including annual and usage charges) of approximately \$336.12 (or \$6.46 per week).

With an estimated rate pegging increase of 3% for 2015/16 and 2016/17 (Option A), a typical residential ratepayer can expect a total compounded rate increase (including annual and usage charges) of approximately \$231.17 (or \$4.45 per week)

<sup>\*\*</sup> Please Note: An estimated Rate Peg increase of 3% has been used for 2015/16 & 2016/17 projections.

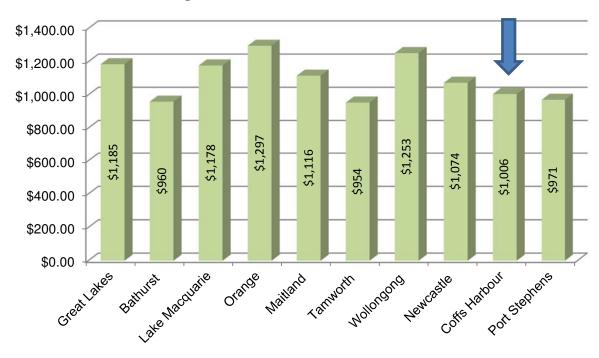
<sup>++</sup> Please Note: The proposed Rate increases (SRV) include an estimated Rate Peg increase of 3% for 2015/16 & 2016/17.

### How we Compare

### How do our Ordinary (General) Rates compare to other Councils?

The graph below shows how our average residential rate compares to similar sized Councils within NSW.

### **Average Annual Residential Rate 2014/2015**



### Did you know?

Council offers a number of payment options that allow you to pay your rates in more manageable amounts on a regular basis.

Ratepayers can also apply for a 'Hardship Arrangement' if they experience financial difficulties in paying their rates.

For more information on these matters please contact Council's Rates Section on (02) 6648 4444.



Amenities at Macauleys Headland that need upgrading

### Where will the money be spent?

All additional revenue (above rate pegging) generated from the previously approved Special Rate Variation (SRV) from 2014/2015 and the proposed rate increases for 2015/2016 and 2016/2017 will fund public asset maintenance and renewal works.

The following table shows how additional rate funds would be spent.

### Allocation of Additional Rate Funds for Asset Expenditure

	Approved SRV	Approved + P	roposed SRV
	2014/2015	2015/2016	2016/2017
Asset Expenditure	(\$)	(\$)	(\$)
Road Pavements and Surfacing (renew up to 6-7 km of road pavements each year)	679,924	1,341,999	2,004,633
Road Maintenance (efficient response to pothole patching, line marking and sign replacement)	190,000	390,000	600,000
Other Transport Assets (replace up to approx. 750m of broken kerb & gutter and footpath each year)	190,000	390,000	600,000
Building Renewals (refurbish several buildings each year including public toilets, halls, community buildings e.g. new roof, floor, and fittings etc.)	480,000	980,000	1,500,000
Building Maintenance (carry out essential maintenance and repairs e.g. painting, lighting, fire safety etc.)	160,000	330,000	500,000
Recreation Services Renewals (renew playground equipment, BBQs, park shelters, jetties etc.)	260,000	520,000	800,000
Asset Management (asset management system and life cycle minimisation modelling)	60,000	130,000	200,000
Totals	2,019,924	4,081,999	6,204,633

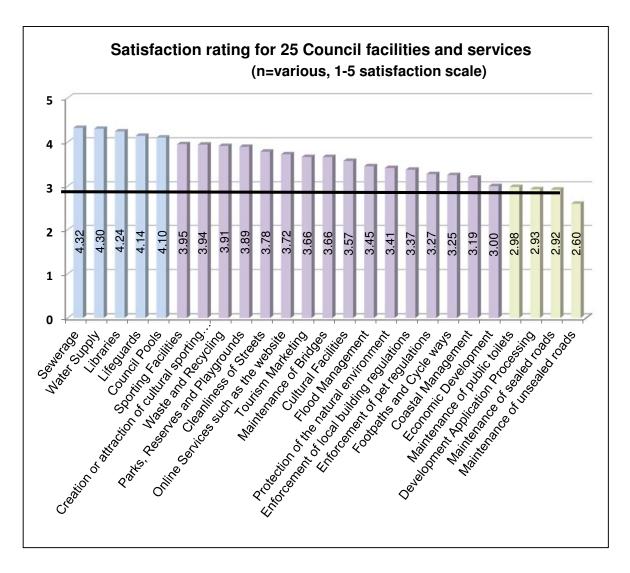


Houlahans Bridge – Dairyville Road

### **Customer Satisfaction Survey**

The choice of where the money would be spent has been led by the results of community feedback received via our independent '2014 Customer Satisfaction Survey'.

That survey, a follow-on to the '2012 Customer Satisfaction Survey', asked local residents to rate their satisfaction with 25 different Council facilities and services. A rating scale of 1-5 was used, with 1 being very poor and 5 being excellent. The results from the survey are shown on the next graph.



This graph shows that of the 25 services measured, five scored in the "very high satisfaction" region (where average rating is >4 out of a possible 5.) These were sewage, water supply, library, lifeguard services and swimming pools.

A further 16 services measured a result of "good", with mean scores of between 3 and 4.

Only four rated "poor" (i.e. mean <3): these comprised maintenance of public toilets, development application processing, and maintenance of sealed and unsealed roads.

Council is currently working on improvements to the development application process - through new software applications. Further investment in the maintenance of public toilets and roads will require additional rate funding from the proposed rate increases put forward in this brochure.

### **Rate Calculators**

### How much will the proposed ordinary rate increase cost me?

This will vary depending on the value of your land and your rating category (both found on your annual rate notice). The calculators shown here only apply to Ordinary (General) Rate - they do not include charges for water, sewerage, waste or stormwater.

### Please Note:

- The calculations below are an estimated increase and may vary slightly once the final rating structure is determined.
- In early 2015, Council will receive new land valuations from the Valuer-General of NSW for all properties within the Coffs Harbour Local Government Area. The new land valuations (with base date 1 July 2014) will be used for rating purposes for 3 years from 2015/2016 - meaning that your current land valuation may change from the one we currently use for rating.

### (Option A) - Ordinary Residential Rates - with 3% rate peg increases only for 2015/16 & 2016/17

			Ordi	nary Residential R	ates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	5,454	\$50,000	\$514.01	\$529.43	\$545.31
\$100,000 to \$199,999	14,707	\$150,000	\$882.02	\$908.48	\$935.74
\$200,000 to \$299,999	5,337	\$250,000	\$1,250.03	\$1,287.53	\$1,326.16
\$300,000 to \$399,999	1,783	\$350,000	\$1,618.04	\$1,666.58	\$1,716.58
\$400,000 to \$499,999	576	\$450,000	\$1,986.05	\$2,045.63	\$2,107.00
\$500,000 to \$599,999	231	\$550,000	\$2,354.06	\$2,424.68	\$2,497.42
\$600,000 to \$699,999	174	\$650,000	\$2,722.07	\$2,803.73	\$2,887.84
\$700,000 to \$799,999	76	\$750,000	\$3,090.08	\$3,182.78	\$3,278.27
\$800,000 to \$899,999	51	\$850,000	\$3,458.09	\$3,561.83	\$3,668.69
\$900,000 to \$999,999	48	\$950,000	\$3,826.10	\$3,940.88	\$4,059.11
\$1,000,000 and greater	84	\$1,250,000	\$4,930.13	\$5,078.03	\$5,230.37

### (Option B) - Ordinary Residential Rates - with proposed rate increases of 8.14% (2015/16) & 7.75% (2016/17)

			Ordi	nary Residential R	ates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	5,454	\$50,000	\$514.01	\$555.85	\$598.93
\$100,000 to \$199,999	14,707	\$150,000	\$882.02	\$953.82	\$1,027.74
\$200,000 to \$299,999	5,337	\$250,000	\$1,250.03	\$1,351.78	\$1,456.55
\$300,000 to \$399,999	1,783	\$350,000	\$1,618.04	\$1,749.75	\$1,885.35
\$400,000 to \$499,999	576	\$450,000	\$1,986.05	\$2,147.71	\$2,314.16
\$500,000 to \$599,999	231	\$550,000	\$2,354.06	\$2,545.68	\$2,742.97
\$600,000 to \$699,999	174	\$650,000	\$2,722.07	\$2,943.65	\$3,171.78
\$700,000 to \$799,999	76	\$750,000	\$3,090.08	\$3,341.61	\$3,600.59
\$800,000 to \$899,999	51	\$850,000	\$3,458.09	\$3,739.58	\$4,029.40
\$900,000 to \$999,999	48	\$950,000	\$3,826.10	\$4,137.54	\$4,458.20
\$1,000,000 and greater	84	\$1,250,000	\$4,930.13	\$5,331.44	\$5,744.63

### (Option A) – Ordinary <u>Business</u> Rates - with 3% rate peg increases only for 2015/16 & 2016/17

			Ordi	nary Business R	ates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	346	\$50,000	\$555.50	\$572.17	\$589.33
\$100,000 to \$199,999	290	\$150,000	\$1,286.18	\$1,324.77	\$1,364.51
\$200,000 to \$299,999	246	\$250,000	\$2,143.63	\$2,207.94	\$2,274.18
\$300,000 to \$399,999	176	\$350,000	\$3,001.08	\$3,091.11	\$3,183.85
\$400,000 to \$499,999	98	\$450,000	\$3,858.53	\$3,974.29	\$4,093.51
\$500,000 to \$599,999	60	\$550,000	\$4,715.98	\$4,857.46	\$5,003.18
\$600,000 to \$699,999	33	\$650,000	\$5,573.43	\$5,740.63	\$5,912.85
\$700,000 to \$799,999	32	\$750,000	\$6,430.88	\$6,623.81	\$6,822.52
\$800,000 to \$899,999	18	\$850,000	\$7,288.33	\$7,506.98	\$7,732.19
\$900,000 to \$999,999	22	\$950,000	\$8,145.78	\$8,390.15	\$8,641.86
\$1,000,000 and greater	106	\$1,250,000	\$10,718.13	\$11,039.67	\$11,370.86

### (Option B) - Ordinary <u>Business</u> Rates - with proposed rate increases of 8.14% (2015/16) & 7.75% (2016/17)

			Ordi	nary Business R	ates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	346	\$50,000	\$555.50	\$600.72	\$647.27
\$100,000 to \$199,999	290	\$150,000	\$1,286.18	\$1,390.88	\$1,498.67
\$200,000 to \$299,999	246	\$250,000	\$2,143.63	\$2,318.12	\$2,497.78
\$300,000 to \$399,999	176	\$350,000	\$3,001.08	\$3,245.37	\$3,496.88
\$400,000 to \$499,999	98	\$450,000	\$3,858.53	\$4,172.61	\$4,495.99
\$500,000 to \$599,999	60	\$550,000	\$4,715.98	\$5,099.86	\$5,495.10
\$600,000 to \$699,999	33	\$650,000	\$5,573.43	\$6,027.11	\$6,494.21
\$700,000 to \$799,999	32	\$750,000	\$6,430.88	\$6,954.35	\$7,493.32
\$800,000 to \$899,999	18	\$850,000	\$7,288.33	\$7,881.60	\$8,492.42
\$900,000 to \$999,999	22	\$950,000	\$8,145.78	\$8,808.85	\$9,491.53
\$1,000,000 and greater	106	\$1,250,000	\$10,718.13	\$11,590.59	\$12,488.86

### (Option A) – Ordinary <u>Business City Centre</u> Rates - with 3% rate peg increases only for 2015/16 & 2016/17

			Ordinary E	<b>Business City Cer</b>	ntre Rates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	32	\$50,000	\$591.18	\$608.91	\$627.18
\$100,000 to \$199,999	38	\$150,000	\$1,773.53	\$1,826.73	\$1,881.53
\$200,000 to \$299,999	25	\$250,000	\$2,955.88	\$3,044.55	\$3,135.89
\$300,000 to \$399,999	35	\$350,000	\$4,138.23	\$4,262.37	\$4,390.24
\$400,000 to \$499,999	40	\$450,000	\$5,320.58	\$5,480.19	\$5,644.60
\$500,000 to \$599,999	32	\$550,000	\$6,502.93	\$6,698.01	\$6,898.95
\$600,000 to \$699,999	30	\$650,000	\$7,685.28	\$7,915.83	\$8,153.31
\$700,000 to \$799,999	16	\$750,000	\$8,867.63	\$9,133.65	\$9,407.66
\$800,000 to \$899,999	12	\$850,000	\$10,049.98	\$10,351.47	\$10,662.02
\$900,000 to \$999,999	16	\$950,000	\$11,232.33	\$11,569.29	\$11,916.37
\$1,000,000 and greater	48	\$1,250,000	\$14,779.38	\$15,222.76	\$15,679.44

### (Option B) - Ordinary <u>Business City Centre</u> Rates - with proposed rate increases of 8.14% (2015/16) & 7.75% (2016/17)

			Ordinary E	Business City Ce	ntre Rates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	32	\$50,000	\$591.18	\$639.30	\$688.84
\$100,000 to \$199,999	38	\$150,000	\$1,773.53	\$1,917.89	\$2,066.53
\$200,000 to \$299,999	25	\$250,000	\$2,955.88	\$3,196.48	\$3,444.21
\$300,000 to \$399,999	35	\$350,000	\$4,138.23	\$4,475.08	\$4,821.89
\$400,000 to \$499,999	40	\$450,000	\$5,320.58	\$5,753.67	\$6,199.58
\$500,000 to \$599,999	32	\$550,000	\$6,502.93	\$7,032.26	\$7,577.26
\$600,000 to \$699,999	30	\$650,000	\$7,685.28	\$8,310.86	\$8,954.95
\$700,000 to \$799,999	16	\$750,000	\$8,867.63	\$9,589.45	\$10,332.63
\$800,000 to \$899,999	12	\$850,000	\$10,049.98	\$10,868.04	\$11,710.32
\$900,000 to \$999,999	16	\$950,000	\$11,232.33	\$12,146.64	\$13,088.00
\$1,000,000 and greater	48	\$1,250,000	\$14,779.38	\$15,982.42	\$17,221.06

### (Option A) - Ordinary <u>Farmland</u> Rates - with 3% rate peg increases only for 2015/16 & 2016/17

			Ordi	nary Farmland R	ates
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	53	\$50,000	\$514.01	\$529.43	\$545.31
\$100,000 to \$199,999	49	\$150,000	\$882.02	\$908.48	\$935.74
\$200,000 to \$299,999	134	\$250,000	\$1,250.03	\$1,287.53	\$1,326.16
\$300,000 to \$399,999	190	\$350,000	\$1,618.04	\$1,666.58	\$1,716.58
\$400,000 to \$499,999	126	\$450,000	\$1,986.05	\$2,045.63	\$2,107.00
\$500,000 to \$599,999	60	\$550,000	\$2,354.06	\$2,424.68	\$2,497.42
\$600,000 to \$699,999	32	\$650,000	\$2,722.07	\$2,803.73	\$2,887.84
\$700,000 to \$799,999	22	\$750,000	\$3,090.08	\$3,182.78	\$3,278.27
\$800,000 to \$899,999	14	\$850,000	\$3,458.09	\$3,561.83	\$3,668.69
\$900,000 to \$999,999	12	\$950,000	\$3,826.10	\$3,940.88	\$4,059.11
\$1,000,000 and greater	24	\$1,250,000	\$4,930.13	\$5,078.03	\$5,230.37

### (Option B) - Ordinary <u>Farmland</u> Rates - with proposed rate increases of 8.14% (2015/16) & 7.75% (2016/17)

			Ordi	inary Farmland Rat	tes
Land Value	No of Properties	Land value (for calculation of rates)	Current Year 2014/2015	2015/2016	2016/2017
\$0 to \$99,999	53	\$50,000	\$514.01	\$555.85	\$598.93
\$100,000 to \$199,999	49	\$150,000	\$882.02	\$953.82	\$1,027.74
\$200,000 to \$299,999	134	\$250,000	\$1,250.03	\$1,351.78	\$1,456.55
\$300,000 to \$399,999	190	\$350,000	\$1,618.04	\$1,749.75	\$1,885.35
\$400,000 to \$499,999	126	\$450,000	\$1,986.05	\$2,147.71	\$2,314.16
\$500,000 to \$599,999	60	\$550,000	\$2,354.06	\$2,545.68	\$2,742.97
\$600,000 to \$699,999	32	\$650,000	\$2,722.07	\$2,943.65	\$3,171.78
\$700,000 to \$799,999	22	\$750,000	\$3,090.08	\$3,341.61	\$3,600.59
\$800,000 to \$899,999	14	\$850,000	\$3,458.09	\$3,739.58	\$4,029.40
\$900,000 to \$999,999	12	\$950,000	\$3,826.10	\$4,137.54	\$4,458.20
\$1,000,000 and greater	24	\$1,250,000	\$4,930.13	\$5,331.44	\$5,744.63

### What happens next?

The community engagement for this proposed rate increase will run for the next 3 months (until early February 2015).

As well as this survey, we will be hosting a series of information booths at local community markets. The details of where and on what dates are on the back page of this brochure.

At the end of the community engagement period, all the community feedback will be collated into a report for Council which is expected to be presented on 12 February 2015.

Following consideration of that report, Council will make a final decision on whether to proceed with an application to IPART for a 'rate rise' for 2015/2016 and 2016/2017.

### **Frequently Asked Questions**

### Will this rate rise be used to build new cultural facilities such as a performing arts centre?

NO, the additional rate funds from the proposals put forward in this brochure will only be invested in public asset maintenance and renewal as outlined in this brochure.

Council is undertaking a separate community engagement process in relation to new cultural facilities which is not related to these proposals.

### Does this mean Coffs Harbour City Council is in financial trouble?

Coffs Harbour City Council, like most other NSW councils, is facing tough choices. Exactly like any household budget, we need to live within our means. Council is currently financially unsustainable. Our current and projected income means we cannot afford to spend the required level of money needed to repair and renew assets. If these assets become unsafe as a result, we will not be able to provide the current levels of service into the future.

### If Council does not apply to IPART for a special rate variation (SRV) what will happen?

If we do not apply for this SRV, we will have to defer additional expenditure and a further review of 'levels of service' and funding options will be necessary to assist Council to meet its infrastructure maintenance and renewal needs and to achieve financial sustainability.

### Can you guarantee that the money from increased rates will not be spent elsewhere?

Council is required to provide a detailed report on the SRV rates received and what works were undertaken with the funds in each year's Annual Report to the Community. This report will also be made available to both the Office of Local Government and IPART.

### When would the proposed rate increase become effective?

1 July 2015

### How much extra rate revenue will the SRV raise for Council?

The approved 2014/2015 SRV raised an additional \$2.02 million (above rate pegging). The proposed rate increases would potentially provide additional total funds of \$4.08 million for 2015/2016 and \$6.2 million for 2016/2017.

### Will the rate increase be applied to all properties?

Yes, the proposed increases would be applied uniformly across all rateable properties (including vacant land) within the Coffs Harbour Local Government Area.

### Does this increase apply to all rates and charges on my rate notice?

No, the rate increase proposals put forward in this brochure only apply to the Ordinary (General) Rate component of your total rate bill. Council must seek approval from IPART to increase Ordinary Rates above the approved rate peg. Other applicable charges found on a rate notice – such as water, sewerage, waste and stormwater are not restricted by the rate peg – and are determined on recovering the cost of supplying those services.

### Why is the total annual rate bill for Coffs Harbour higher when compared to NSW metropolitan areas?

The total rate bill for Coffs Harbour City Council includes water, sewer and storm-water charges which are not generally levied by metropolitan councils, but separately billed by utility providers such as Sydney Water.

Over the past decade, Council has made substantial investments in the provision of new water and sewerage infrastructure including the construction of new treatment plants and a water supply dam.

These investments were necessary to secure the future growth of Coffs Harbour, ensuring expected levels of service to be delivered now and into the future. These decisions were supported by 30 year financial plans demonstrating that Council could repay the substantial loans required via water and sewerage charges. Unfortunately these loan borrowings have also contributed to an increase in the costs associated in Council supplying water and sewerage services. The water and sewer charges set by Council are necessary to generate the required funds to recover the cost of supplying these services. The operating results of Council's Water and Sewer Funds will improve significantly over the next three to five years, primarily due to reducing loan repayments which are likely to result in a reduction in these charges.

It is acknowledged however that, at the moment, our Council has relatively high water, sewer and waste charges when compared to other Council areas and these are major components of our total annual rate bill.

Council's waste charges have also increased significantly more than inflation over the past decade. Waste charges, like water and sewer charges, are based recovering of the costs associated with our state-of-theart waste management operations. Council's external auditor undertakes an annual review of the domestic waste charge to ensure it conforms to a fair pricing methodology.



**Brelsford Park** 

In addition, there are other reasons why Council's waste charges have increased in excess of inflation. These include increased regulation, compliance and reporting requirements - particularly relating to landfill. Increases in the level and extent of services over time have also increased costs, for example, in the implementation of a waste transfer station at Woolgoolga, the introduction of the original separate green waste bin, the composting of green waste rather than landfilling, free disposal of household hazardous chemicals, the introduction of the split waste and recycling bins and the construction of the Materials Recovery Facility.

A gas extraction system has also been fitted into the landfill to improve environmental performance. Since 2009, the State Government's Landfill Levy has also increased Council's waste processing costs. For 2013/2014 this levy added approximately \$1.77 million to the domestic waste budget program.

### Further Community Engagement Activities

If you would like to discuss these proposals in person - please come and see us at our information booth at the following community markets:

- Growers Community Market City Square (Thursday 27<sup>th</sup> November, 10.00am 1.00pm)
- Jetty Foreshore Market (Sunday 7<sup>th</sup> December, 10.00am 12.00pm)
- ➤ Growers Community Market City Square (Thursday 11th December, 10.00am 1.00pm)
- Jetty Foreshore Market (Sunday 11th January, 10.00am 12.00pm)

Find more information at: www.coffsharbour.nsw.gov.au/fundingourfuture

### **Contact Us**

### **Coffs Harbour City Council**

Central Administration Building cnr Coff and Castle Streets, Coffs Harbour

Email: coffs.council@chcc.nsw.gov.au

**Website:** www.coffsharbour.nsw.gov.au

**Telephone:** (02) 6648 4000

Fax: (02) 6648 4199

**Postal Address:** Locked Bag 155 Coffs Harbour NSW 2450

### Attachment 13F



COFFS HARBOUR CITY COUNCIL Locked Bag 155 COFFS HARBOUR NSW 2450 www.coffsharbour.nsw.gov.au