



BELLINGEN  
SHIRE COUNCIL

# Special Rate Variation

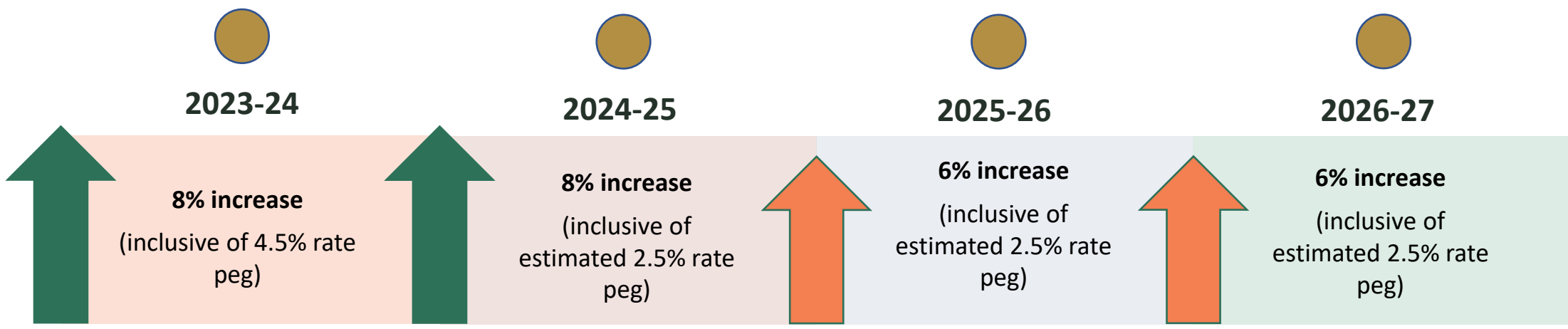
## Community Engagement Report



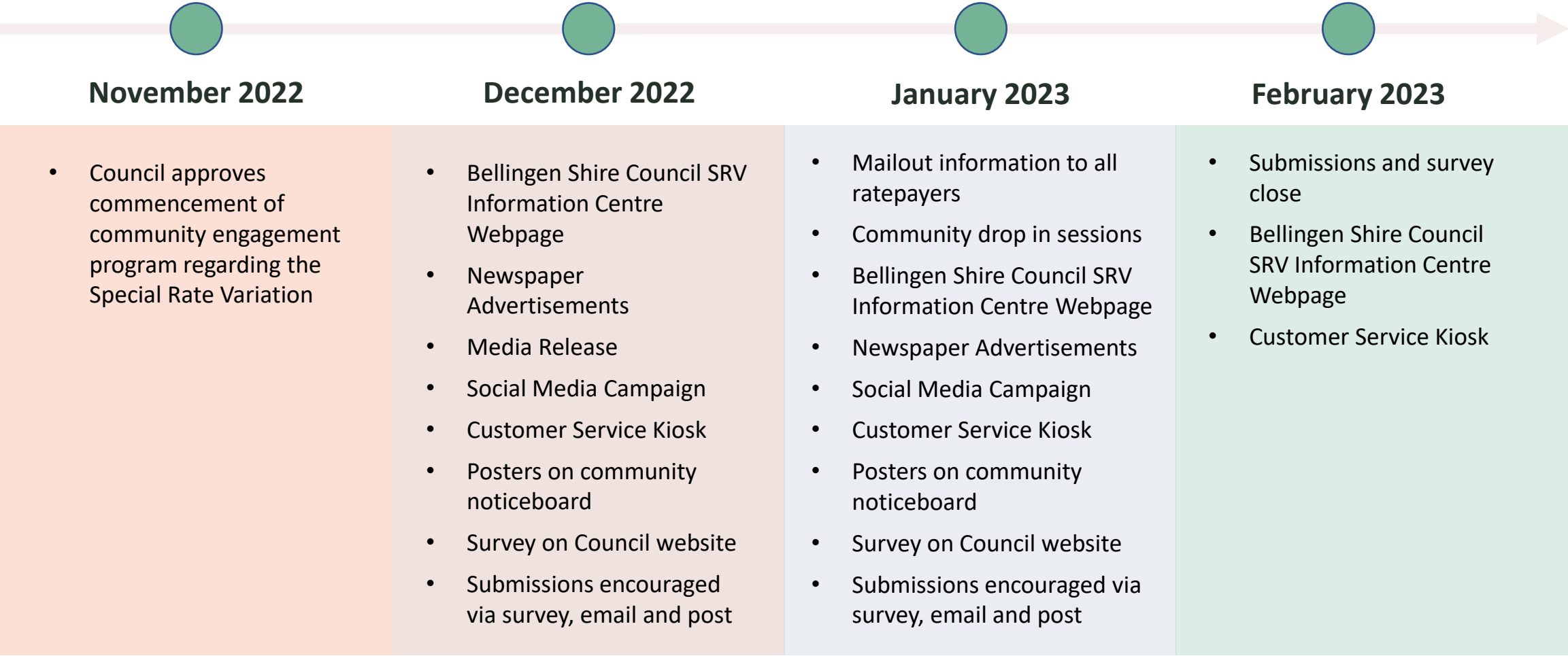
# The Special Rate Variation Proposal

As part of Long Term Financial Plan modelling, Council has undertaken an analysis of Council's operational expenditure including fuel, electricity, wages, superannuation, emergency services levy and insurance premiums to fully understand the inflationary impacts to Council.

The proposed SV will allow Council to continue to maintain services and progress its infrastructure renewal program.



# Engagement Timelines



# Engagement Tools



Mail out to all ratepayers



Newspaper advertisements



Media Release



Factsheets



Social media campaign



Website 'information centre' page



Video resources, including a message from Mayor Steve Allan and instructions on using the Rates Calculator resource



Rates Calculator to assist residents in understanding individual impacts



Customer Service Kiosk – with Rates Calculator and additional information



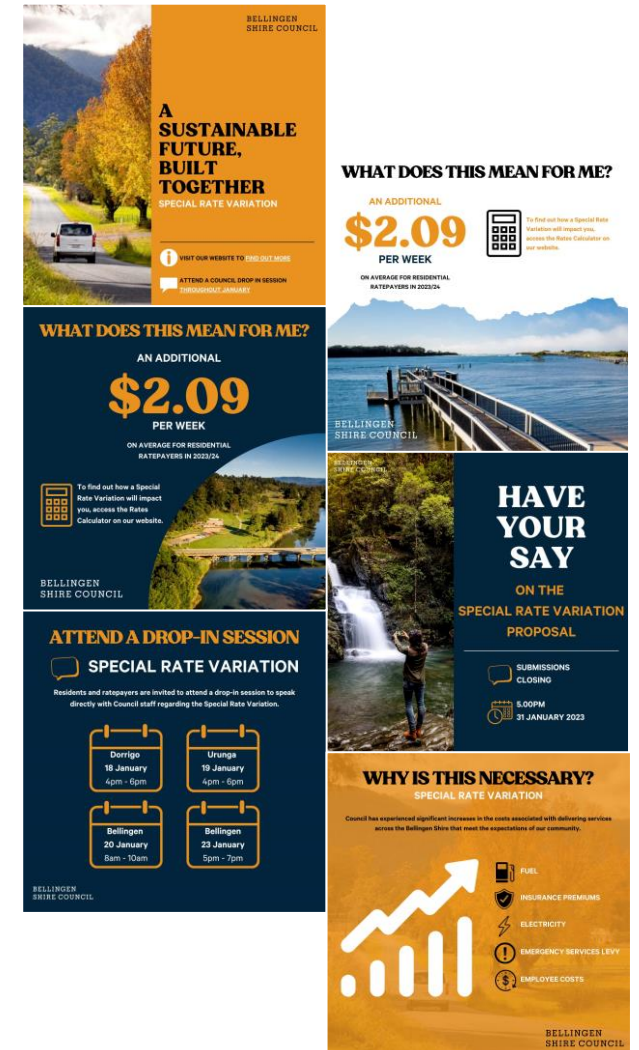
Promotional A4 posters distributed on community noticeboards



Banners displaying key information relating to the SRV including individual impacts and what the SRV would be used for



A-Frame to assist ratepayers with awareness and access of community drop-in sessions



# Drop In Sessions

Location	Date	Time	Attendees
Dorrigo	18 January 2023	4pm – 6pm	50
Urunga	19 January 2023	4pm – 6pm	35
Bellingen	20 January 2023	8am – 10am	30
Bellingen	23 January 2023	5pm – 7pm	4
TOTAL			119



# Submissions

In total, 107 submissions were made to Bellingen Shire Council regarding the Special Rate Variation.



# Key Themes

Feedback from all submissions provided a number of views with respect to the proposed SV.

Of the submissions received opposing the SV, many reflected factors outside of Council's control, including:

- Cost of living
- The impact the rate variation will have on the housing crisis
- The inadequacy of funding from State Government for Councils
- The need for State Forestry to pay rates
- The need to increase the pension concession
- Timing of engagement regarding the Special Rate Variation



## Key Themes (cont.)

Comments were received regarding Council internal costs and administration and claimed that:

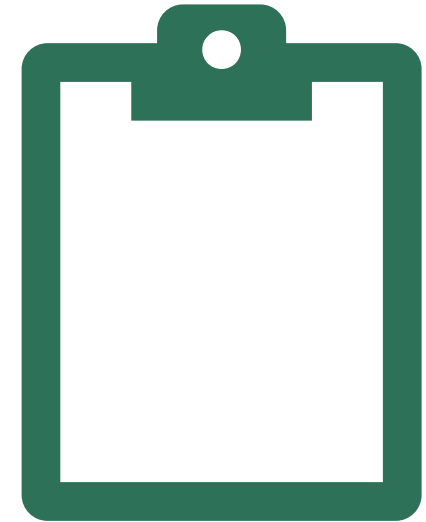
- Council is overstaffed compared with other Councils
- Staff are paid too much
- Council needs to reduce its expenditure and has mismanaged funds
- Residents are receiving a poor level of service from Council
- The rates are already too high in Bellingen Shire
- Council should focus on core services only (i.e. waste and roads)
- Council should introduce other revenue measures to offset increasing costs
- Council has wasted funds on recruitment agencies
- An independent audit of Council's finances should be undertaken



## Key Themes (cont.)

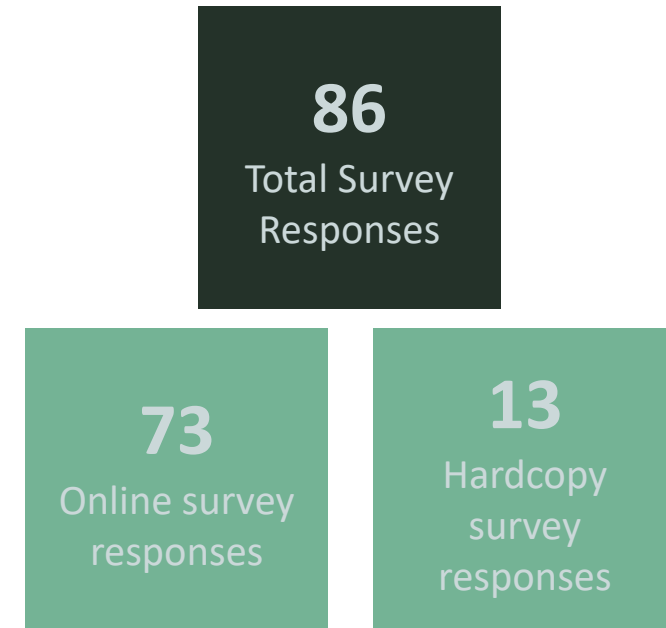
Other general comments claimed:

- Council needs to stop promoting tourism in the area as it has detrimental impacts to roads and other assets
- The survey did not allow for an adequate opportunity to provide feedback
- Council does not listen to the community
- Council has broken promises regarding rates
- Unsure of how other services will be increasing i.e. waste and sewer
- Increase is above inflation rates



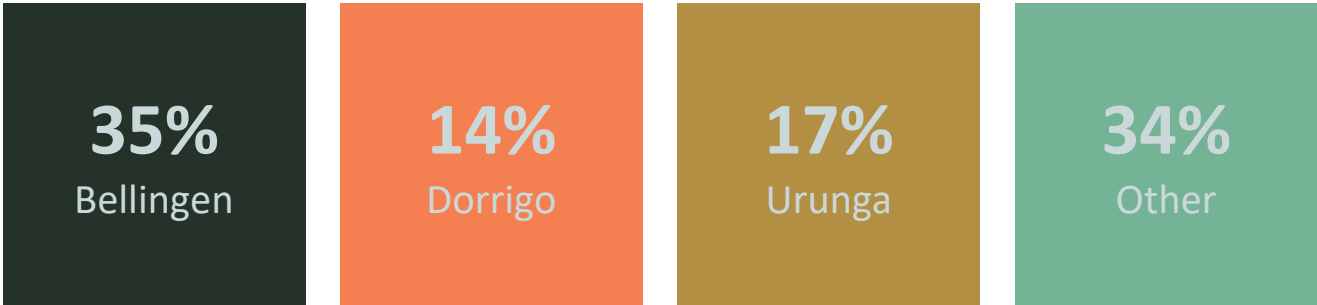
# Survey Responses

This survey was available to **complete online** and via a **hardcopy version**, which was distributed at Drop In sessions, community libraries and at the Bellinghen Shire Customer Service Centre. This method ensured that the survey was accessible for the varied demographics within the community who may or may not have strong digital literacy skills.



# Survey Analysis

## Suburb



## Age Category

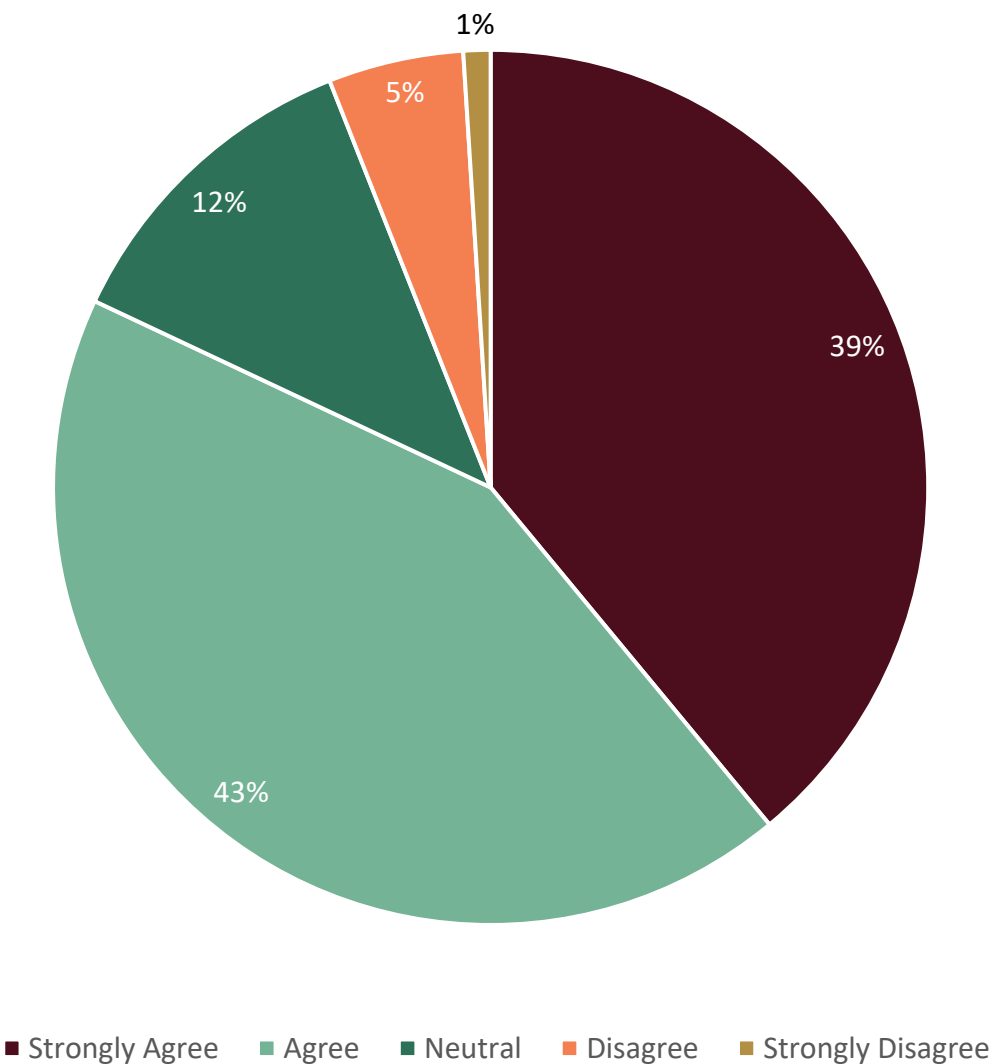


## Residential Status



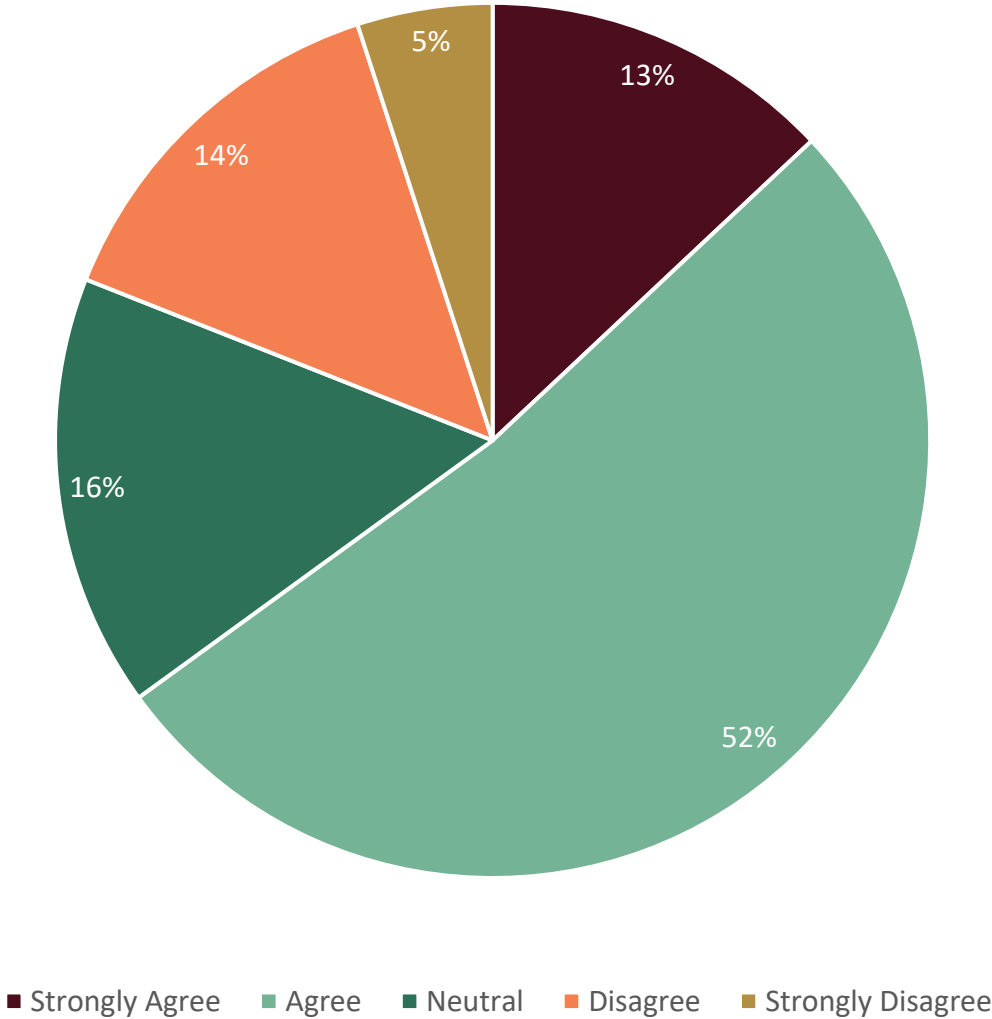
# Survey Analysis

It is important that Council provides quality services to the community and maintains a broad range of assets in the Shire



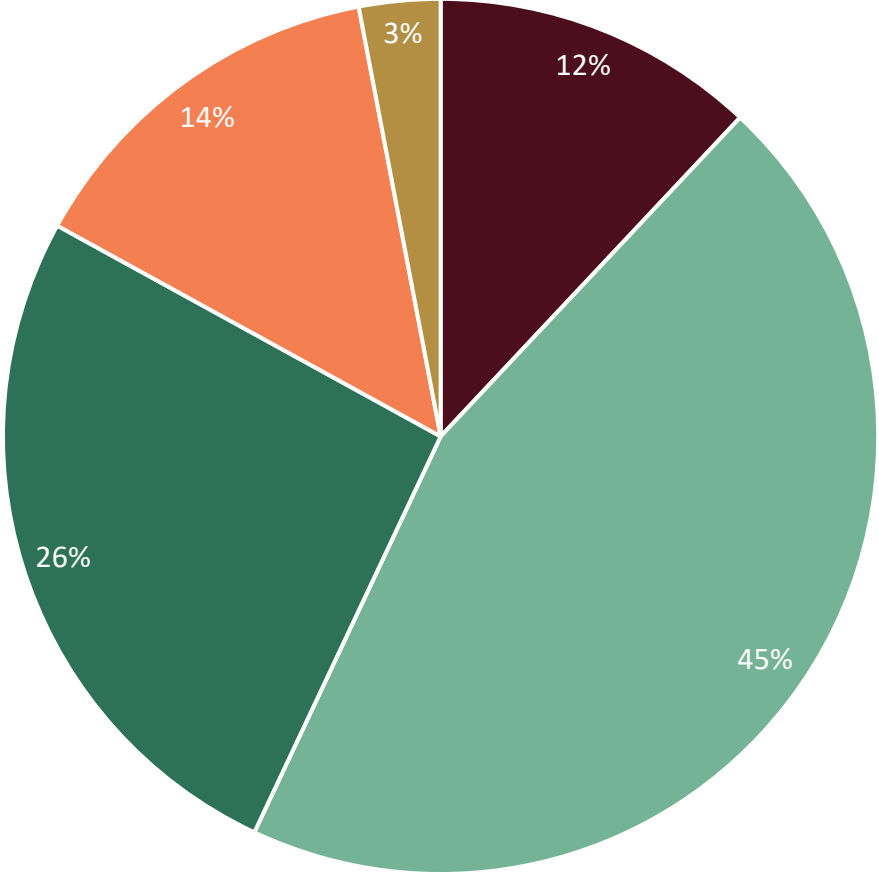
# Survey Analysis

I have access to adequate information regarding the Special Rate Variation proposal.



# Survey Analysis

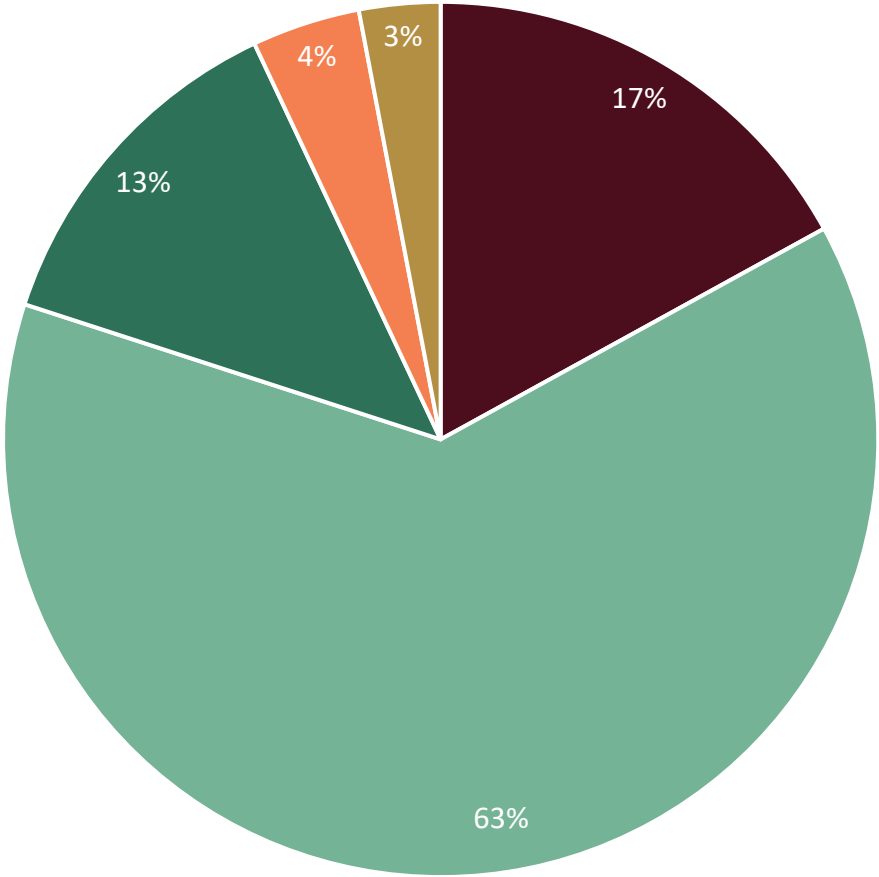
I am aware of the reasons why Council is considering an application for a Special Rate Variation.



Strongly Agree   Agree   Neutral   Disagree   Strongly Disagree

# Survey Analysis

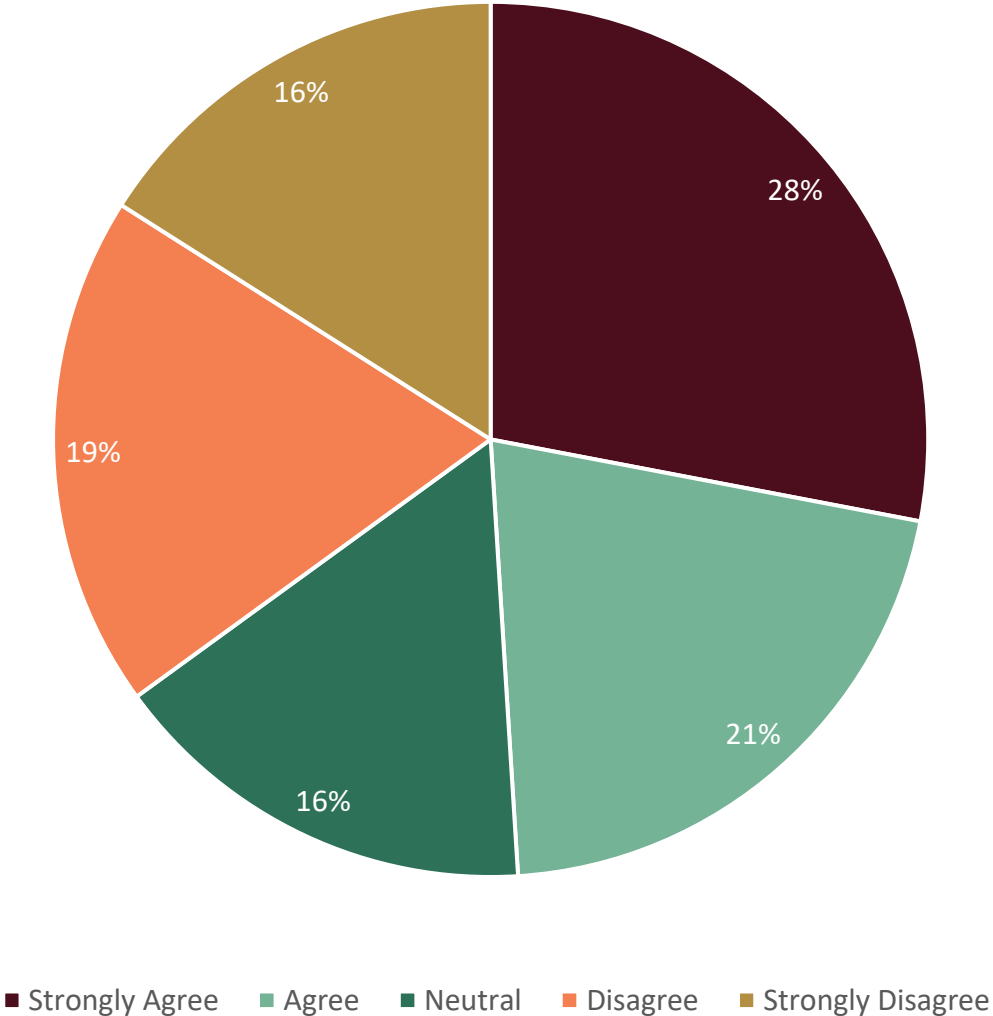
I understand how these changes will affect my own rate payments.



Strongly Agree   Agree   Neutral   Disagree   Strongly Disagree

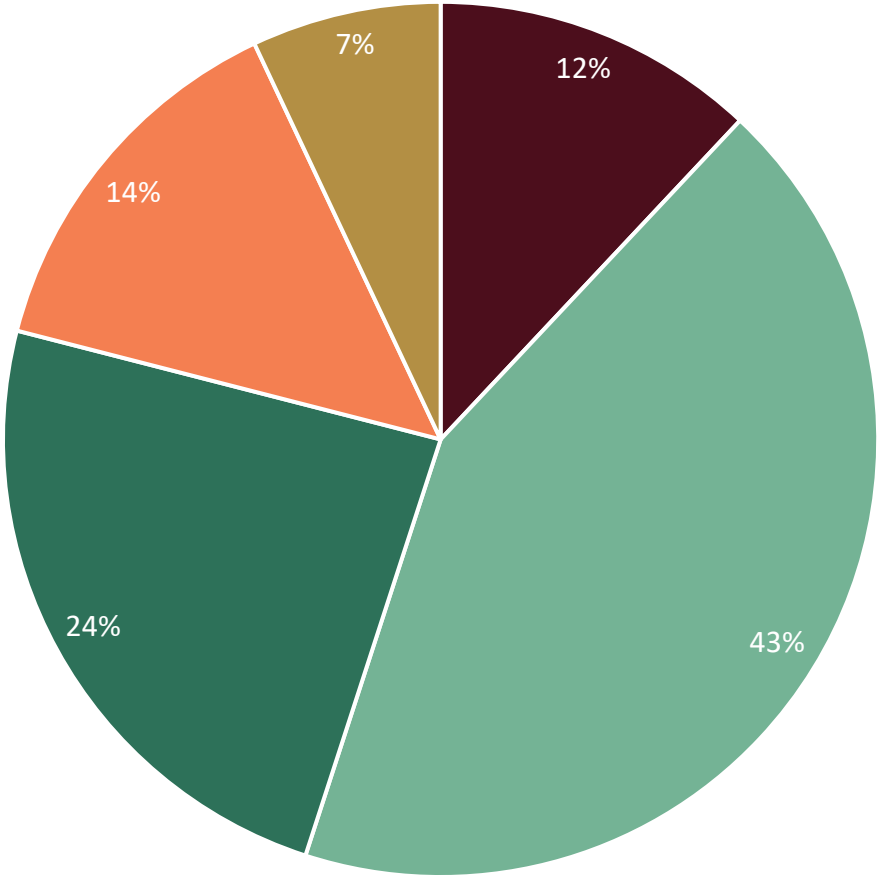
# Survey Analysis

I would be willing to accept a reduction in the current level of council services and the overall quality of community assets to avoid the proposed Special Rate Variation.



# Survey Analysis

As a community member, I have had the opportunity to provide feedback on the proposed Special Rate Variation application.

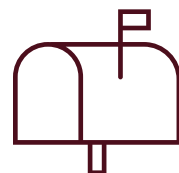


Strongly Agree   Agree   Neutral   Disagree   Strongly Disagree

# Survey Analysis

How were you informed of the Special Rate Variation?  
(respondents could select multiple options)

## Most common responses



46%

Mailout/Letter



29%

Social Media



8%

Council  
Website

# Community Capacity to Pay

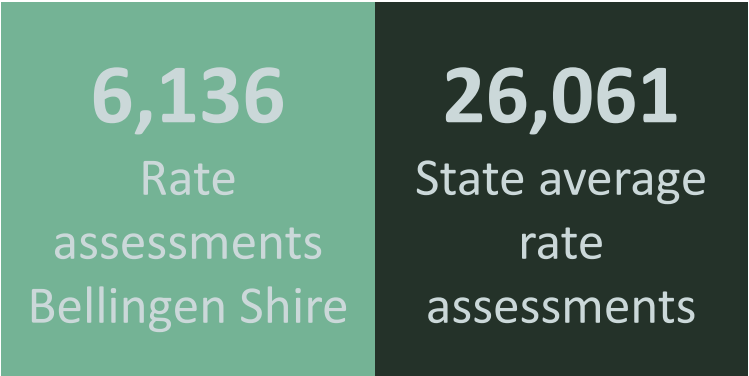
In consideration of making an application for a SV, Council has considered the community’s capacity to pay based on the SEIFA Index of Advantage and Disadvantage, level of proposed increase and other cost indices.

Given that many comparisons were made with neighbouring councils by respondents to the engagement process, the following information is provided.

Group 11 Council	SEIFA Index
Yass Valley	1,062
Cabonne	1,010
Greater Hume Shire	987
Upper Hunter Shire	976
Bellingen Shire	966
Federation	963
Gunnedah	956
Leeton	954
Narrabri	954
Snowy Valleys	951
Hilltops	949
Cootamundra-Gundagai	943
Parkes	940
Muswellbrook	930
Cowra	924
Moree Plains	917
Inverell	916
Nambucca	907

# Average Rate Comparison

When comparing rates by category across neighbouring councils, Bellingen Shire ratepayers pay similar residential rates, with the exception of Nambucca Valley Council. Bellingen’s business rate is well below the averages and whilst farmland is higher then neighbouring councils, it is well below that State average.

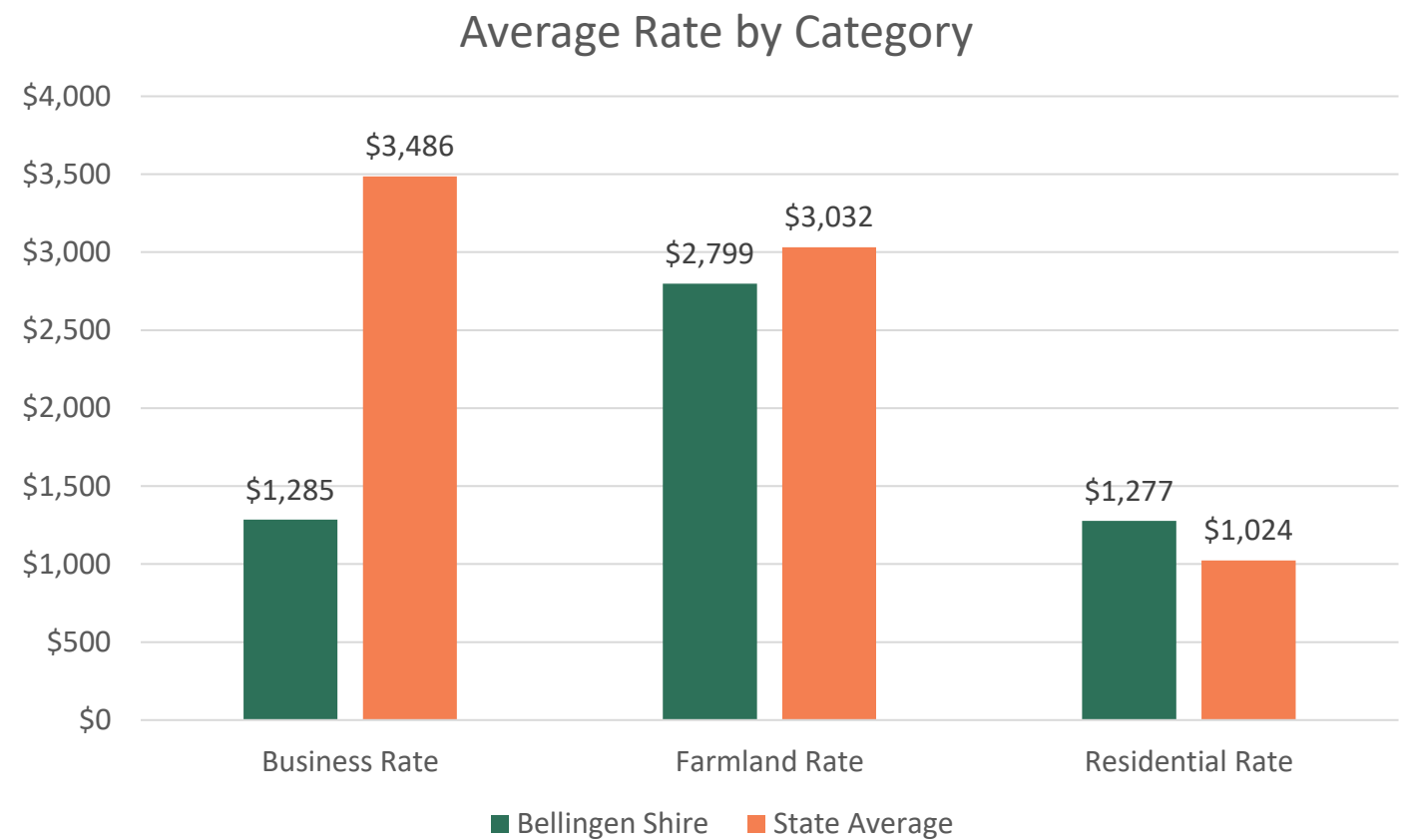


The following table outlines comparative rate averages across Bellingen, Nambucca, Coffs Harbour and Kempsey local government areas:

	Bellingen	Coffs Harbour	Kempsey	Nambucca	NSW Average
Average Residential Rate	\$1,277	\$1,276	\$1,273	\$1,070	\$1,024
Average Business Rate	\$1,285	\$4,101	\$2,634	\$1,880	\$3,486
Average Farmland Rate	\$2,799	\$2,105	\$2,108	\$2,030	\$3,032

# Average Rate Category Comparison

The graph below, shows the Bellingin's average rate per rating category compared to the State average:



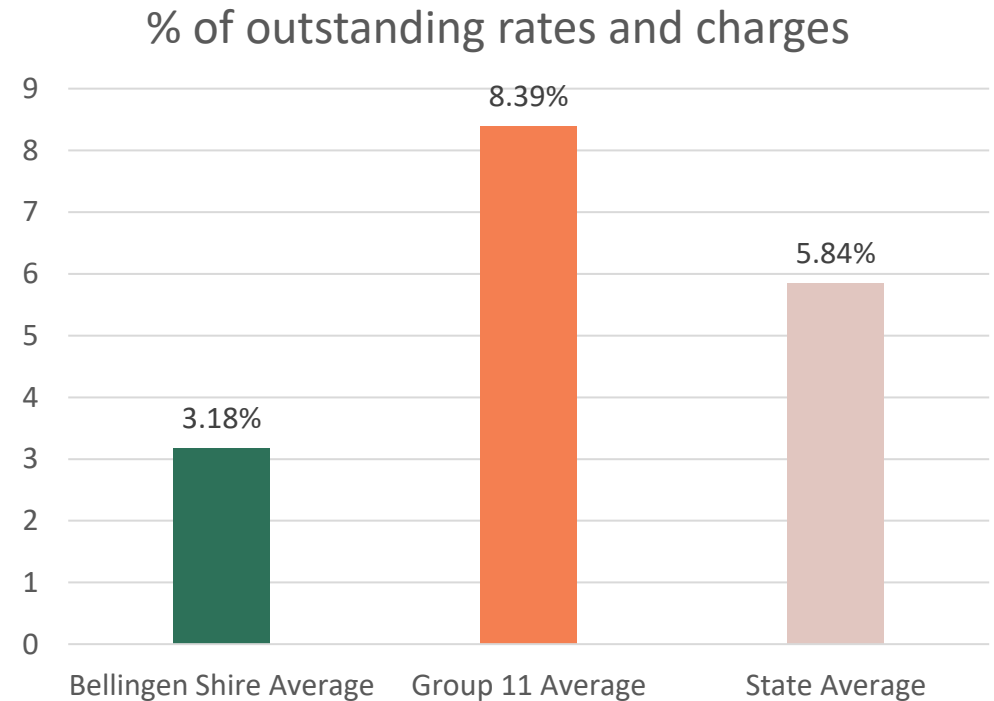
*\*Please note – 36 Councils also levy a mining rate. Average rate \$287,387.*

# Outstanding Rates and Annual Charges

A good economic indicator of a community capacity to pay is the percentage of rates and charges outstanding.

As at the 30 June 2022, Councils outstanding rates and annual charges sat at 3.18%, this is well below the benchmark of 10% set by the OLG and is well below the State average of 5.84% and Group 11 average of 8.39%.

This might suggest the community is experiencing less difficulty paying rates compared to other councils.



# Housing

Bellingen currently has a high home ownership rate, with 45.6% of households being fully owned (i.e. no mortgage). This compares favourably to the Regional NSW average of 36.3%.

Housing tenure is an important determinant of housing affordability. Those households with full home ownership (owned outright) are generally not subject to housing affordability issues.

Households by Tenure 2021	Bellingen	Regional NSW
Fully owned	45.6%	36.3%
Mortgage	24.6%	29.4%
Renting – Private	18.8%	21.7%
Renting – Social/Affordable housing	2.0%	3.8%

*\*Excludes life tenure schemes, squatting, and other forms of occupancy.*

# Recommendation

## That Council:

1. Make application to the NSW Independent Regulatory and Pricing Tribunal (IPART) for a permanent, four year Special Variation (SV) of two years of 8% SV's per year (including the rate peg) for 2023/24 and 2024/25 and two years of 6% SV's per year (including the rate peg) for 2025/26 and 2026/27 (compounding to 31.06% over the four year time period) under Section 508(A) of the NSW Local Government Act 1993, commencing in the 2023/24 financial year for the specific purpose of addressing the impact of the inflationary pressures on Councils finances. The SV is a platform of organisational sustainability initiatives aimed at ensuring the organisation is financially sustainable in the medium to long term, based on the contents of this report.
2. Acknowledge the feedback received from the community during the community engagement and public exhibition process and provide this to the NSW Independent Regulatory and Pricing Tribunal (IPART) as part of the Special Variation application by Bellingen Shire Council for the years 2023/24-2026/27

# Next Steps

