



Attachment J

**Media Releases Prepared by
Council**

Glen Innes Severn Council



MEDIA RELEASE

24 April 2013

COUNCIL'S FINANCIAL POSITION RATED AS SUSTAINABLE

A recent NSW Treasury Corporation (T Corp) review of Glen Innes Severn Council has found that it has an adequate capacity to meet its financial commitments.

The Division of Local Government (DLG) requested T Corp to report on the financial sustainability of all 152 NSW Councils. General Manager Hein Basson said Glen Innes Council had received a Financial Sustainability Rating (FSR) of Moderate. "This means we have an adequate capacity to meet financial commitments in the short or medium term and an acceptable capacity in the long term," he explained. "Council's Financial Outlook has been rated as Neutral, which means we can expect to maintain a Moderate FSR into the future."

Fifty-two percent of NSW Councils received a Moderate FSR, and 48.7% received a Neutral Financial Outlook. Mr Basson said Glen Innes Severn Council's results were the same as, or better than, many other councils in North West NSW. "Armidale Dumaresq, Inverell Shire, Moree Plains and Tamworth Regional councils received the same FSR and Financial Outlook Ratings as Glen Innes Severn Council," he said. "Other neighbouring councils received lower FSRs and/or Financial Outlook Ratings."

The results show that over the past three (3) years, Glen Innes Severn Council has performed relatively well in terms of financial sustainability. Mr Basson said the T Corp report highlighted some significant positive factors. "It recognised that Council has been effectively managed," he said. "The underlying cash result has been increasing, and Council has exceeded the key benchmarks T Corp use to measure financial sustainability."

The T Corp Report found that financial sustainability for NSW Councils is deteriorating, with majority of Councils unable to satisfactorily maintain key assets, such as roads. Joint President of Local Government NSW (LGNSW), Cr Ray Donald, said "The T Corp Report indicates that existing revenue restrictions, including rate pegging, severely hamper councils' ability to fund current and future levels of service."

Mr Basson said that while inadequate funding for Local Government continues, Glen Innes Severn Council needs to manage the community's money very carefully. "Under the current inadequate funding regime, Council needs to be very prudent indeed, and make some very difficult decisions. Although our financial ratings are satisfactory, we cannot afford to sustain

large deficits in any area of our operations. Significant further expenditure cuts and revenue increases are required to ensure that Council is remains sustainable and is able to address its infrastructure backlog of \$29.5 million.”

ENDS

Contact: Anna Watt (6730 2317), Catherine McBride (6730 2314), Hein Basson (6730 2315) or Colin Price (6733 6777)



MEDIA RELEASE

29 November 2013

COUNCIL SEEKS RESIDENTS' INPUT ON LONG TERM FINANCIAL PLAN

At Council's Ordinary Meeting on 28 November 2013, Councillors discussed the revised 10 year Draft Long Term Financial Plan (LTFP). As part of this revised plan, five (5) different scenarios were modelled for Council's review. In principle, Council adopted scenario five (5), which includes a Special Rates Variation (SRV) and applying for a further Local Infrastructure Renewal Scheme (LIRS) loan of four million dollars (\$4,000,000).

In determining the SRV percentages, Council has compared its rating categories with the average Division of Local Government (DLG) rating comparative information for comparable Councils, as well as averages of rates charged by Local Councils within the region. The rates paid by businesses in the Glen Innes Severn Local Government Area (LGA) are comparable with those across the region, so is not suggested for this category to be subject to a SRV. Residential rates are below the average, so a one-off increase of 10% above the rate peg is recommended for this category. The main disparity discovered has been farmland rating. The average Glen Innes farmland rate for 2011/12 was \$1,875.85, while the regional average was \$2,559.15. The proposed Farmland rate increase would be 10% per annum for each of three (3) years on top of the permitted Rate Cap increase.

Glen Innes Severn Council has recently participated in external reviews by NSW Treasury Corporation (TCorp) and the DLG Better Practice Review. General Manager Hein Basson said the TCorp report highlighted some significant positive factors. "It recognised that Council has been effectively managed," he said. "The underlying cash result has been increasing, and Council has exceeded the majority of key benchmarks TCorp use to measure financial sustainability."

Overall, the majority of Councils across NSW have received a big shock, resulting from the realisation across the industry that Councils are in a poor and deteriorating position. Mr Basson said that it has become clear that individual Councils will have to resolve their own problems, with regards to the proper maintenance and renewal of their infrastructure. "It would be unwise to continue to argue that the State or Commonwealth Governments should intervene, and make good the shortfalls," he said. "It is just not going to happen, as the financial resources of these Governments are inadequate".

A further report of significance was the Independent Local Government Review Panel's *Future Directions for NSW Local Government: Twenty Essential Steps Document (April 2013)*. It suggested for an amalgamation of the Glen Innes Severn and Tenterfield Shire Councils to be considered by 2020 if they are unable to demonstrate their long term financial sustainability by that time.

Mayor Colin Price said that, after meeting with the NSW Grant Commission last month, the Financial Assistance Grant (FAGs) Funding that Council relies upon looks set to deteriorate by approximately \$866,500, compared to that forecast in the current LTFP. "The Commission is encouraging Councils across NSW to investigate alternatives of revenue raising," he explained. "Our neighbours in Tenterfield and Armidale are also among the Councils applying for a SRV for the 2014/15 year. In the previous three (3) years over 60 Councils have applied for a SRV."

It is suggested for the additional funds raised to be aimed firstly at balancing the budget, and secondly at assisting Council in addressing the infrastructure backlog, especially with regards to roads. "If approved by Council, and if Council is successful in receiving the further subsidised LIRS loan of four million dollars, it will enable large projects that have previously been too costly to be approved, and other major road infrastructure projects that are scheduled into the future to be bought forward," Mayor Price said. "Council has 14 timber bridges that, subject to further investigation, could be included in these works."

In recognition of the recent TCorp review identifying that the industry as a whole is in a difficult position, the State Government has reviewed the SRV guidelines to encourage Councils to apply for a variation. "The process still includes an independent assessment of Council's long term financial modelling, capital works programs, and the overall need for a SRV," Mayor Price explained. "Evidence needs to be demonstrated of extensive Community Consultation for the variation to be approved."

The draft LTFP will be placed on public display in December, so residents can view it and provide written feedback. In late January and early February extensive Community Consultations will be held throughout the Local Government Area. An Extraordinary Meeting will be held on 20 February, for Council to consider the revised LTFP, including a SRV, in its final format.

ENDS

Contact: Anna Watt (6730 2317), Hein Basson (6730 2315) or Colin Price (6733 6777)

Glen Innes Severn Council



MEDIA RELEASE

24 January, 2014

COUNCIL CONSIDERS ALTERNATIVE DISTRIBUTION OF SPECIAL RATES VARIATION

Following feedback from local ratepayers, Council has released an alternative distribution of the Special Rates Variation (SRV), which will be discussed at the Community Consultation Session at the Town Hall on 3 February.

The alternative has been developed after residents attending Community Consultations expressed concern, primarily about the proposal to increase Farmland Rates by 10% per annum for each of three (3) years on top of the permitted Rate Cap increase. Mayor Colin Price said the general feeling of meetings was that the distribution between categories was inequitable with farmland rates bearing too large a burden. "In response to this, Council's Finance Manager has prepared an alternative distribution of the SRV," he explained. "This would involve residential ratepayers paying 10% above the rate peg next financial year, and 5% above the rate peg in the 2015/16 financial year. Farmland rates would increase by 10% per annum for each of two (2) years on top of the Rate Cap increase, and 5% above the rate peg in the third (3rd) year. The suggested re-distribution of the SRV will have little impact on the total revenue raised. It is simply a re-allocation between rating categories."

The original SRV distribution was based on the fact that Glen Innes Severn farmland rates are significantly below the regional average. However, it may be preferable to share the rate increases more evenly between residential ratepayers and farmers. There are many more residential ratepayers sharing their increased proportion of the SRV.

Both SRV proposals will be presented at the final Community Consultation Session at the Town Hall at 7.30pm on Monday, 3 February. Mayor Price said Council is seeking feedback on both suggestions. "I encourage ratepayers to attend the session, and hear details about both of them," he said. "Council will continue to accept submissions on the SRV proposals until Friday, 7 February. Staff will then collate all the survey and submission results, and Councillors will make their difficult decision on the proposals at an Extraordinary Council Meeting on Thursday, 20 February. Residents can be assured that Councillors are taking all feedback into consideration. That is what has prompted an alternative SRV distribution being prepared."

Further information on the alternative distribution can be viewed at Council's Town Hall Office, the Library/Learning Centre, at the village Post Offices, and on Council's website: www.gisc.nsw.gov.au

Media Contacts: Catherine McBride (6730 2314), Colin Price (6733 6777), Hein Basson (6730 2315) or Anna Watt (6730 2317)