

MEDIA RELEASE

Thursday 17 October 2013 – For Immediate Release

KEMPSEY COUNCIL DECIDES TO INVEST FOR THE FUTURE

Setting the Macleay Valley up so that future generations can benefit from the same services and infrastructure as the current people enjoy was one of the top items for consideration at this month's Council meeting.

Council previously applied for a four year increase but only had one year of that approved. Additional information was required, including developing a new Community Strategic Plan, and the work has now been done.

Kempsey Council has known for some time that local government across the state is facing a financial crisis and has moved onto the next stage of its solution for our situation by approving an application for a rate increase on the general rates over multiple years to go to IPART for consideration.

"We know we need to do something," said mayor, Liz Campbell. "We have to start looking at this as investing in our future. We cannot expect others to come to the area, invest, set up factories and industry to provide jobs. It will not be possible to have a healthy, wealthy, safe and sociable environment if we are not willing ourselves to invest in our own community."

The Council's infrastructure has been deteriorating and not being replaced and Council believes that has to stop if we want to keep and attract people to the area. "We pride ourselves on being an area with a great lifestyle. The wonderful lifestyle we enjoy also relies on good public infrastructure and facilities," continued the mayor. "But we need to make sure what we use is replaced."

Council's General Manager, who has to manage the infrastructure for the community says that if council does not continue with the previously sought general rate increases he sees that there will be a lot of harm to the community.

"If we are not facing up to the problem we are simply passing it onto the next generation. The problem is that there is a mounting backlog of assets that are wearing out. At some stage someone has to pay for the replacement. If we leave it all up to future generations we are going to be saddling them with a great cost," said the General Manager

The focus in the immediate term will be to continue to ramp up the investment into roads, but the increase is designed to allow council to then move onto community buildings, swimming pools, flood mitigation and all the other assets that the Council provides.

"It is a long term solution, but we have to solve it and we have to start solving it now" said the Mayor.

Additional Background Information

The increase is over a four year period, with a 7% increase above the pegged rate increase over the next three years (2014/15, 2015/16, 2016/17) and a 1% increase over the pegged rate in the fourth year 2017/18.

These increases will net

- 2014/2015 \$985,781
- 2015/2016 \$1,111,009
- 2016/2017 \$1,252,481
- 2017/2018 \$287,412

A total of \$3,636,683 in funding to address asset maintenance requirements.

COMMUNITY SERVICE ANNOUNCEMENT

Wednesday 27 November 2013 – For Immediate Release

COMMUNITY CONSULTATIONS

Council will be holding two Community Consultation mornings to discuss with the community the proposed special rate variation.

These consultations will be held at:

Friday 29 November – South West Rocks Shopping Complex from 9am

Thursday 5 December – Kempsey Central from 9am

Council invites interested community members to attend to discuss the proposed rate rise.

MEDIA INFORMATION

Kempsey Shire Council

Media Unit 0478 318 770



The impact of the recommended rate variation proposal will result in an increase of \$4.15 per week for the average residential rate over the full four year period.

Council has \$1.1 billion worth of community assets that it manages for the community.

The Council currently has a funding shortfall of around \$14.7 million per annum.

Operational efficiency savings have been made to provide just under \$2million dollars per annum back into services and asset management. The Council's strategies require another \$800,000 per year in efficiency savings to be found.

Council currently has the third lowest average rates of councils in the same local government grouping.

MEDIA INFORMATION

[Kempsey Shire Council](#)

[Media Unit 0478 318 770](#)



MEDIA RELEASE

Tuesday 11 February 2014 – For Immediate Release

What does the community really want?

Council will be considering the submissions that have been received about the rate variation, "We consider all feedback from the community, but where submissions have opposed the rate increase, they do not provide a solution to the problem that there is not enough money to continue to provide good services into the future." said Kempsey Shire Council's Mayor Liz Campbell.

While she realises that increasing costs has an impact on people, and that there have been many other cost increases, the damage to not acting will have on the community is seen as very high as well. "We live here for a variety of reasons; high on the list is lifestyle. We also need to have jobs and to have a productive area. For this we need good services and assets. How are we going to get business people to invest in the area, which is what creates jobs, if we are run down and worn out? Is that the message we want to send to investors and visitors?" she said.

"But equally, how can we continue to pass the problem on to our children and grandchildren. Things have already been run down and debt has been run up to the point that the NSW Treasury has assessed that we should not take out new loans."

The Mayor believes there was a large change in councillors at the last election because the majority of people recognised that there was a need to move away from the downward path Council seemed to be on before. "Most people want Kempsey and the surrounding area to thrive. They value their homes and want them to remain valuable. We have to keep putting money back into our homes to keep their value with painting and repairs, and so on. The public spaces and buildings are the same. We can be proud of our area and keep it well, but it will take an effort to get it there.

"I have asked the General Manger to review what services the Council would be able to achieve if it does not act now." Mayor Campbell advised, "Everyone needs to know the impacts of such an approach." I am concerned that people may not be fully informed of the facts that council has been providing for some time and are simply a reacting to not wanting to pay for the services that we provide to the community", said Mayor Liz Campbell.

In the meantime the Mayor is asking people who have been talking to her and fellow councillors about the positives they see in the rate increase to put their comments into Council. "It is easy to get people objecting to paying more taxes. But we also need those who see the value in investing on our future to speak up. In assessing our submission the Independent Pricing and Regulatory Tribunal (IPART) can only consider what the community want if they see it in writing. If you want a positive future you need to say so."

MEDIA INFORMATION

Kempsey Shire Council,

Media Unit 0478 318 770



MEDIA RELEASE

Friday 14 February, 2014 – For Immediate Release

Council's General Manager paints no-rate increase picture

Council provides over 230 different services to the community and without an increase in rates these will have to be reduced. Without additional revenue services will have to be reduced or withdrawn completely.

Parks, sporting fields, swimming pools, library, street sweeping, street lights and other services would be gone if a rate increase is not supported by IPART and Council resolves not to pursue seeking more funds.

Service levels will have to be reduced, but the quality and level of infrastructure plays an important role in attracting investment into a place, either as a place to set up business or a place to live. Council's General Manager, David Rawlings, undertook an assessment of just what it would mean to live with just the services the current level of rates can fund.

"We start by looking at how much money we have for maintenance of assets. Based on that we can afford to maintain around \$421million of assets. But we have \$759million of assets on hand." He outlined. "The community has said that the roads are their most important asset, so you get rid of the other things, parks, playgrounds, swimming pools, saleyards, airports, toilets, drainage, footpaths, etc. This still leaves you with \$243million of assets to still cut, he said." He noted that a number of these assets would likely be handed to the community, if they chose to continue to fund them directly, but there are high costs to cover.

From here, he said, it becomes a bit of a balancing act. "We look at the services and the roads at the same time. First to go will be the various community service roles that councils have taken on. Crime and safety, economic development, tourism support, youth support, arts support and Graffiti Busters. Following from this you would reduce other services level of service. Library services would only be out of one location, with limited services. Street lighting would be turned off for most of the night and the areas covered would be reduced. Litter clean up around the CBD, such as street sweeping, would be reduced greatly. For example you would look at weekly cleans instead of daily, and probably remove things like litter bins." He outlined. Council would also no longer be part of regional or state organisations and would be left filling its regulatory roles and maintaining roads and some flood mitigation infrastructure.

There would be an impact on roads as well. "We still have to do our regulatory roles, so we still have to pay for development control, building control, public health, but some savings can come from reductions such as only having rangers operate 9-5 during the week." This will not have a significant impact, he said, so the focus turns back to roads. "The first step is to convert all sealed road segments where there are less than 100 vehicles per day back to gravel. Gravel roads are much cheaper than sealed roads. " 137 kilometres of road will turn back to gravel, including most urban streets that only serve the residents on that block.

"But we still have a shortfall, so we have to stop maintaining some road sections. 396 kilometres of our road network no longer will get any maintenance. Mainly this is rural roads, but also some urban roads. These are the roads with less than 50 vehicles per day traffic."

"I know is sound bad, but take into account we pay the lowest average rates in the region and the region has been identified as financially unsound." said Mr Rawlings. "The types of things we provide as expensive and people don't want to pay for them, that is why we provide them. But if the ratepayers value all these services so lowly, they can only have what they are willing to pay."

So at the end of the day, for the current level of rates, you get lower road service for anyone on a road that has less than 100 vehicles per day. Footpaths will be torn up once they deteriorate and kerb and guttering will over time stop working. Drainage of stormwater through underground pipes, will only exist in the CBD areas, with water pooling up and going over the ground everywhere else.

You still get the regulatory control, such as public health, building control and development control, but we don't plan for the future, we just stay stagnant. You get a minimal ranger service and minimal library service. You get services that pay for themselves, such as the Community Care Services and the community houses. You get environmental improvement projects until the special levy runs out.

You will still get limited contact with the Council, but you will have to wait on the line for a while. There will not be any communication of what is on, but Council will really not be putting anything on anyway.

There is not much we can properly do at the current level of funding."

MEDIA INFORMATION

Kempsey Shire Council,

Media Unit 0478 318 770



MEDIA RELEASE

Tuesday 18 February 2014 – For Immediate Release

Kempsey Shire Council votes for Special Rate Increase

Kempsey Shire Council at its meeting today voted to proceed with its application for a multiple year special rate variation. "Councillors voted to invest in the Macleay Valley, for our lifestyles and for our future. We have reviewed the alternatives, including going backwards and that's not what we want for our community." Mayor Liz Campbell said.

"We are here as a result of hard decisions that have not been made in the past, which means we have not been looking after our community assets. We cannot keep borrowing money to pay for maintenance of roads and bridges and we cannot reduce costs to the extent needed without reducing services. Many people in the community do not want a reduction in services" said the Mayor.

"In working out what the cost of providing the current service level is I have looked to base and compare our financial needs on these external benchmarks." said Council's General Manager, Mr Rawlings. "Roads cost much the same, irrespective of whether the community that uses them has higher or lower income. The fact is there is a certain costs that have to be funded if you want a road, sports ground or park. We are simply looking to move our available funds to the level needed to provide the level of services the community tells us they want."

Council will now be forwarding an application to IPART for rate increases over the next four years.

MEDIA INFORMATION

David Rawlings

Mobile: 0427 269 445

