



Community Engagement Report

Balranald Shire Council

November 2017



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Introduction

Balranald has a very low rate base to anchor the various services required of a modern council. Lack of finance is a major issue. As a consequence there is the reality of Balranald Shire Council struggling with compliance and legislative obligations.

In NSW, local government annual rates income is subject to rate pegging with each year's percentage increase determined by the Independent Pricing and Regulatory Tribunal (IPART) under delegation of the Minister for Local Government. The rate peg also incorporates a productivity factor.

Council was issued with a Performance Improvement Order in April 2017 which included the appointment of a temporary advisor. Council has submitted a Performance Improvement Implementation Plan, which was further extended following the advisor's report to the Office of Local Government.

To become more sustainable, Council needs to

- increase its unrestricted cash
- create sufficient financial capacity to employ resources to deliver current services
- increase asset maintenance expenditure to achieve the NSW governments asset management ratio
- increase capital and renewal expenditure to achieve the NSW governments target infrastructure backlog ratio.

To achieve this, Council has reviewed all operating expenditure to ensure that Council is spending every dollar it receives wisely, coupled with exploring all opportunities to maximise non-rating income. After this process Council is left with two options to become sustainable. These being;

- reviewing its rating structure
- applying for a Special Rate Variation (SRV) to increase its annual rates income above the rate peg.

A Community Engagement Plan (Appendix A) was developed and implemented outlining the process Council undertook to consult with residents and seek their feedback on the proposed application for an SRV. The engagement process included the development and circulation of

- Information leaflet, including a "Have your say- Submission Form" – Appendix B
- Frequently Asked Question – Appendix C
- Community Survey on the SRV and results – Appendix D
- Presentation to the Focus Group Meetings – Appendix E

This report covers community feedback from the five community focus group sessions, facilitated by Morrison Low, a summary of the written submissions and report on the survey results. Council elected to use a facilitator for the focus groups to ensure that the engagement process was seen to be independent, transparent, community focused and more removed from any perception of direct Council influence.

Engagement Summary

Balranald Shire Council engaged with the community on its current financial situation and options to address the challenges facing Council and the Community. Council considered a range of reports at a number of Council meetings to determine its options for community consultation and engagement. The Community engagement program comprised of provision of information, focus group sessions, written submissions and a community survey.

The engagement involved the provision of information by direct mail to all residents and access to information on Council's website. This information included an information leaflet, including a "Have your say- Submission Form", Frequently Asked Questions and access to staff to respond to community questions.

Council conducted five focus group sessions with 153 individuals attending. These sessions provided an opportunity for community members to provide feedback, seek clarification and ask questions. Each focus group session received a presentation and was provided with the opportunity to respond to 4 key questions - sustainable Council, satisfaction with current services provided by Council, preference of the rating options and ideas to make Council more sustainable over the long term. Following is a summary of these sessions.

There was unanimous agreement from all focus group sessions that Council should be sustainable.

It was clear from the focus group sessions that there is a strong opposition to the proposed rate increase of 10% per year including the rate peg for seven years. A small number of participants suggested a lower rate increase subject to council making some savings and efficiency improvements. The question of affordability of the proposed rate increase, due to low wages, was raised in most sessions.

All focus group sessions were largely satisfied with current services provided by Council with the exception of roads. In some cases this was the only key service that participants received and in these cases, all focus groups were dissatisfied. Other comments suggested reviewing Council services, disposing of some of the road equipment and looking at using contractors to deliver some services.

A range of ideas were suggested for Council to become more sustainable over the long term. There was a consistent theme that Council needs to improve its operational performance. Other ideas include:

- Seek to increase grant income
- sell or outsource services eg. Caravan Park, Discovery Centre, Bidgee Haven Hostel, Swimming Pool
- Review the level of Council debt
- A major restructure of Councils in Western Division
- Council to provide efficiency improvements and lift their game.
- Council being more transparent and consult with community more often.
- A rating structure that reflects service benefits.

As part of the distribution of the information leaflet was the provision for community members to provide written submissions. 187 submissions were received. Of these 155 did not support increasing the rates above the rate peg limit and 14 supported the SRV with a further 9 respondents suggesting a lower SRV increase. 9 respondents had no preference.

It is clear from the written submissions, that the majority are dissatisfied with Councils transparency and performance which influenced their view of the need for a special rates increase. Respondents expressed concern at what they believe was poor governance and inefficient management, lack of services provided, particularly related to road maintenance, poor communication between council and community and lack of accountability.

There was a number common themes for improvement namely, reduce Council staff and overheads, sell off assets to pay for services and be more transparent with the community.

Council developed an online community feedback survey for the SRV and it was accessible from Councils' website. Fifteen people responded to the survey with over 90% of respondents agreeing that it's important that Council is sustainable. 40% of the respondents were satisfied with the current services provided by Council and a further 40% somewhat satisfied.

In relation to the proposed SRV 11 of the 14 people who responded to this question indicated their preference as Option 2 - no increase in rates above the rate peg limit.

Focus Group Sessions

For each session a presentation detailing context, challenges, current financial status, proposed options for an SRV and mining rates was undertaken. Individuals were afforded the opportunity to ask questions and to seek clarification. During the sessions participants were asked to respond to the following four questions:

1. Should there be a sustainable Council?
2. Are you satisfied with the current services provided by Council?
3. What is your preferred option – a. SRV of 10% over 7 years or b. No rate increase?
4. How can Council become more sustainable over the long term?

Following are the outcomes and main issues raised for each of the five focus group sessions.

Kyalite Focus Group Session

Wednesday 8 November, 1pm to 2pm

Venue: Kyalite Hotel; Number in attendance - 4

1. Should there be a sustainable Council?

There was unanimous support for a sustainable Council.

2. Are you satisfied with the current services provided by Council?

The group was satisfied with all current services except for roads. Greater maintenance frequency required.

3. What is your preferred option – a. SRV of 10% p/a over 7 years or b. No rate increase?

The group questioned what will people get for the additional rates.

4. How can Council become more sustainable over the long term?

- Council should be working to increase its share of Financial Assistance Grants rather than looking for

additional rates income

- Council should look at options for changing rate categories to capture solar farms etc
- Council should make workers more accountable to eliminate waste, improve efficiencies
- Council should not use consultants
- There is a problem with the way Council is being run, could sort out bigger problems by starting with the smaller ones.
- Not enough work being done on roads
- Need to see better operations from Head Office – need more concrete planning so people know what they are getting for their money.

Balranald Focus Group Session 3-4pm

Wednesday 8 November, 3pm to 4.30pm

Venue: Theatre Royal; Number in Attendance - 45

Following are the outcomes and issues raised for each of the 4 questions

1. **Should there be a sustainable Council?**

There was unanimous support for a sustainable Council. The following comments/issues were raised:

- With the amount of money being paid out, Council should be able to do the job, Why have top of range new cars for staff to drive.
- Redundancy and sacking of staff, wouldn't that lead to retraining new staff (more money and time)

2. **Are you satisfied with the current services provided by Council?**

The majority were satisfied with current services. The following comments/issues were raised:

- When will ratepayers see the outcomes?
- Can Council cut any expenses, i.e. grader sits idle when raining and operator still gets paid.
- Council should review their services.
- Bring in private contractors instead of employing people.
- Wentworth Shire Council contract their road crew, why doesn't our council.
- Grader sat idle for 6 weeks when it was dry.
- Why put bitumen on top of bitumen, when nothing wrong underneath, i.e. town streets being sealed on top of seal
- Is council properly assessing roads?
- Mismanagement of Council funds, problem will still be there in 10 years if Council do nothing now.

- SRV won't solve the problem alone
- 39 recommendations from the Improvement Order reflects on the Councillors that we have now
- The Caravan Park issue was brought up at every meeting, it was explained by the General Manager that an extraordinary meeting was called and will be held on Friday.

3. What is your preferred option – a. SRV of 10% over 7 years or b. No rate increase?

The majority were against the SRV of 10% over seven years, however a number of participants would support some increase subject to Council improving its operations and performance.

The following questions were raised:

- If we vote NO to the SRV, what services will be cut?
- Where did 10% come from, why not start with 5 – 6% NOT 10%?
- How does Council expect pensioners to take on this 10% burden?

4. How can Council become more sustainable over the long term?

Following are the suggestions made by participants:

- Better Management – do more with the same, review council services.
- Administration, sell all services i.e. Caravan Park, Discovery Centre, Swimming Pool etc.
- Look at Councils debt levels
- Number of staff in office – could these numbers be reduced?
- Review organisation structure
- It was stated that after Administrator commenced in Central Darling, their services are still being delivered. Administrators sold all plant and equipment, call contractors to complete tasks.
- Where did Caltex money go, use that to pay off the debt, if it doesn't pay off the debt entirely it will certainly drop the interest rate significantly.
- What caused the 39 recommendations of the Improvement Plan – this should help
- Was suggested consultation with community more often
- Start a Rate Payers committee.

Clare Focus Group Session

Wednesday 8 November, 5.30pm to 6.30pm

Venue: Clare Community Hall; Number in Attendance - 17

1. Should there be a sustainable Council?

There was unanimous support for a sustainable Council.

2. Are you satisfied with the current services provided by Council?

The group was satisfied with some services but weren't satisfied with roads maintenance. The following comments were made:

- Roads are a disgrace
- Mungo Road disgrace, residents refuse to travel on them
- Not happy with the state of roads, 70% deteriorated, some have not seen a grader for more than 3 years.
- Its time staff and councillors drove out to look at roads more closely.
- Why are council representatives not here at the meeting?
- Ramp has been damaged for 2 years, reported to Council, and nothing has been done
- Bad Management on Councils behalf
- Caravan Park management was bought up again at this meeting, with plenty of questions and comments

3. What is your preferred option – a. SRV of 10% p/a over 7 years or b. No rate increase?

The group were unanimous against the SRV, with the following comments and questions:

- Farmer's rates will be going up by thousands.
- If the rates go up now, when will it end?
- How far are we from Administration?
- Would we get anymore services if our rates increase?
- When mining commences, what will happen to the roads then?
- Rate rise in anyway is unsupported
- Have IPART ever given 10% increase.

4. How can Council become more sustainable over the long term?

- Should be major restructure of Councils in Western Division
- FAGS funding – what about trying to increase this?
- Representative for this area to seek additional funding.
- Put Council into administration

- Run the council more efficiently
- 4% cut of wages would solve everything
- Train staff that we have to do the job more efficiently
- How many new employees have council got, and why do we need so many?
- The community were concerned about lack of communication between management, councillors and community residents.

Balranald Focus Group Session 8-9pm

Wednesday 8 November, 8.30pm to 10.00pm

Venue: Theatre Royal; Number in Attendance - 53

Following are the outcomes and issues raised for each of the 4 questions

1. Should there be a sustainable Council?

There was unanimous support for a sustainable Council. The following comments/issues were raised:

- Mismanagement of Council
- Workers can't do their jobs and spend too much on Consultants
- Why has it taken 4 years for staff to consult with public.
- Where does responsibility of mismanagement of funds lie?
- Council running behind in services with more staff than 10 years ago.

2. Are you satisfied with the current services provided by Council?

The group was satisfied with most of current services. The following comments/issues were raised:

- Maintenance grades per year are not happening
- Councillors and mayor should be present at community meetings to listen to what we have to say.
- Wasting grant money on underground power poles, when community infrastructure needs repairing eg football sheds.
- Rocks Road, was graded in the rain 6 years ago, has not been graded since.
- We need common sense in the depot
- Public not getting value for money, i.e. Pool not being opened long enough hours

3. What is your preferred option – a. SRV of 10% p/a over 7 years or b. No rate increase?

The majority were against the SRV of 10% p/a over seven years, however a number of participants would

support some increase subject to Council improving its operations and performance.

The following comments were raised:

- Can council reapply for SRV after 7 years
- Does community have final say. It was advised “no” its Council.
- Why do 10% why not start with 6 or 7% and give and take a bit
- Once rates have risen they will never go back down
- How can we afford rates with this large increase?
- Very low paid employees in this town
- Very costly to live in this town
- 10% is outrageous, our wages are not as high as other regional places
- 10% over 7 years is outrageous, 10% for 4 years maybe?
- People want to live here, with rates rising this much makes it impossible

4. How can Council become more sustainable over the long term?

- Stop employing contractors and consultants, provide efficiency, and lift their game
- Shire should be more transparent and consult with community more often
- Bidgee Haven Hostel is in a financial mess
- Buy cheaper cars
- Council needs to live within its means
- Council needs to improve performance and productivity

Euston Focus Group Session

Wednesday 9 November, 8am to 9.30am

Venue: Euston Recreational Facility; Number in Attendance - 34

Following are the outcomes and issues raised for each of the 4 questions

1. Should there be a sustainable Council?

There was unanimous support for a sustainable Council. The following comments/issues were raised:

- Council not operating correctly
- What is the percentage of administration expenses incurred over the last 2 years?
- How much has been spent over the last 3 years on staff and consultants?

- Mismanagement of Council
- How much money has been overspent on the budget for the last 4 years?
- Has council still got reserves for water & sewer infrastructure?

2. Are you satisfied with the current services provided by Council?

The group was satisfied with most of current services. The following comments/issues were raised:

- More services for Euston
- Currently limited services, with some rates for roads that are graded every 3 years.

3. What is your preferred option – a. SRV of 10% p/a over 7 years or b. No rate increase?

The majority were against the SRV of 10% p/a over seven years, however a number of participants would support some increase subject to Council improving its operations and performance.

The following questions were raised:

- Currently money is not being spent in Euston
- Consultants costing too much money
- Council have made some decisions in the past that have cost money, now are coming to ratepayers for help
- The increase is a lot of money for rate payers and pensioners especially
- Maybe over a longer period?
- Maybe a one-off fee from each household

4. How can Council become more sustainable over the long term?

- Ask Government to assist financially and look for grants available
- Council get their house in order first, and then come to ratepayers asking for help
- Rating structure should reflect services
- GM should have people skills, knowledge and accounting practice
- Ratepayers lobby with local member
- Review services including the aged care service
- More focus groups for the next phase
- Council should improve productivity and efficiencies

Written Submissions

As part of the community engagement process Council produced and mailed out an Information leaflet, with feedback opportunity to return the “Have your say- Submission Form”, refer Appendix B. Council received 185 written submissions. These submissions were reviewed with following results.

Overall summary of written submissions

The “Have your say- Submission Form” sought the responses feedback on two options, along with an opportunity to provide comments. 185 written submissions were received.

The two options were;

Option 1 - Rate increase of 10% per year including the rate peg for seven years to maintain services and assets at the current levels and to ensure the financial sustainability of Council

Option 2 - No increase above the rate peg which will lead to a reduction in service levels and an unsustainable Council.

Following are the results from the written submissions

| Rating Options | Option 1 | Option 2 | No Preference | Support Smaller Variation |
|-----------------------|----------|----------|---------------|---------------------------|
| Number of Respondents | 14 | 155 | 9 | 9 |

83% of the respondents were in favour of option 2 - No increase above the rate peg which will lead to a reduction in service levels and an unsustainable Council.

Following is an analysis of respondent comments in terms of main issues and themes.

- Poor and inefficient management
- Lack of services provided, particularly related to road maintenance.
- Poor communication between council and community
- Lack of accountability by Council for the current situation
- Council needs to improve budget management
- Sell machinery and hire contractors to undertake the work
- Reduce staff and Council overheads

- For those that supported some increase it is on the condition that it is clearly mapped out where the additional rates will be spent.
- Affordability of the proposed rate increase
- There is very strong support for a sustainable Council but do not understand why that can't be achieved using the rates that are currently in place.
- Community is generally dissatisfied with the services provided by Council. Many people see little to no services at all provided by Council.
- Suggestions from the community on how to become more sustainable
 - Reduce Council staff and overhead (particularly Councils' cars)
 - Sell off assets to pay for services
 - Merge with another Council
 - Fix the financial position of Bidgee House aged care operations
 - Be transparent with the community, allowing free flowing communication on both ends.
 - Be available to hear and address community issues when they arise.

Community Survey Results

Council developed an online community feedback survey for the SRV and it was accessible from Councils' website. Please refer to Appendix D for a copy of the survey.

15 people responded to the survey with over 90% of respondents agreeing that it's important that Council is sustainable. 40% of the respondents were satisfied with the current services provided by Council and a further 40% somewhat satisfied.

In response to the question of how should Council raise addition money to eliminate the operating deficit 33% indicated that this could be achieved by cutting spending and reducing service levels in some areas. A further 33% suggested other means and art detailed below:

- Councillors stop spending money on cars and stop getting consultants in
- combination of cutting/reducing service levels in some areas and being focused on user pays
- cut spending on consultants and middle management assistant staff by limiting the amount spent on unnecessary consultants
- Reduce spend on luxury cars for staff and expenses on staff accommodation. We footed the bill for security doors at the office at a very inflated price. Can the shire spend less money on non-essentials to get us back on track?

The survey sought feedback on the community's preference of 2 options in relation to rates. The two options were

Option 1 - Rate increase of 10% per year including the rate peg for seven years to maintain services and assets at the current levels and to ensure the financial sustainability of Council

Option 2 - No increase above the rate peg which will lead to a reduction in service levels and an unsustainable Council.

11 of the 14 people who responded to this question indicated their preference as Option 2 - no increase in rates above the rate peg limit. Refer to Appendix D for a copy of the survey results.





Appendix A – Community Engagement Plan

Appendix B – Information Leaflet

Community Engagement



We need your help to make some important decisions in Balranald Shire Council. Like many other NSW councils, our infrastructure and assets like roads, footpaths and streetlights to name a few need constant maintenance and upkeep to ensure they meet the expected standards and work when we need them.

All council revenue is regulated under 'rate pegging', basically The Independent Pricing and Regulatory Tribunal sets a rate peg which limits the amount Councils can increase their rates from one year to the next. The current rate peg for does not allow Council the necessary means to keep up to date with our infrastructure and services provided to the community.

So what can we do about it? Luckily we can apply to IPART for a Special Rates Variation (SRV) which allows Council to increase their rates over the 'rate peg' in order to meet the needs of the community. After research and consultation we are proposing a Special Rate Variation of 10%, including the rate cap of 2.5%, per year for seven years commencing in 2018/19.

We understand that no one wants a rate rise, but to be a sustainable and productive community we believe that this is necessary. In the current rate base, the average rate payer is paying \$861 per year; given the 10% increase this community member will be paying an extra \$1.70 each week in the first year. This small increase may vary person to person but the overarching outcome will benefit everyone.

We are seeking your feedback in order to make this decision, and want to make sure you are as informed as possible on the change. So...

What do your rates pay for?

Assets, meaning roads, parks, bridges, recreation facilities, building and stormwater! It's important to keep these assets maintained as a deterioration of any of these assets will result in a huge cost to the Council and community.

What is the benefit?

On the basis of the Council's approach it can be calculated that we will receive the below increases in the farming and mining communities.

- Mineral Sands Balranald - \$605,000
- Mineral Sands Atlas-Campaspe - \$490,000
- Solar Farming - \$70,000

Given these increases Council will be able to invest back into the community for future sustainability and allow for innovation capital growth.

Applying the 10% SRV to Council's current rate base of \$1.33m will generate an estimated \$133,390 in 2018/19, rising to \$237,185 in the sixth year.

How do we compare?

| Category | Balranald | Hay Shire | Wentworth |
|-------------|-----------|-----------|-----------|
| Farmland | 438,314 | 354,710 | 201,615 |
| Residential | 41,238 | 22,804 | 100,989 |
| Business | 35,597 | 56,985 | 90,911 |

There is significant variability in land value for the residential properties where the value of an average Balranald residential property is less than half that of a property in Wentworth and double that of Hay Shire. The average value of

a business property is towards the bottom end of the range.

How can you reach out?

Council will be releasing all relevant and current information on their website, as well as up to date information on their social media platforms. In an effort to create as much awareness as possible we encourage discussion and communication around the change at social and community events. Council will engage through school newsletters, Council newsletters, survey forms and speaking engagements where we

can receive your feedback. We will involve community leaders and figures to champion the process and make themselves available to facilitate the communication between the community and Council.



USEFUL INFORMATION

- Since 2011, 128 councils in NSW have received a Special Rate Variation (SRV).
- The average SRV during this time is over 20%
- In the New England-North West, SRV levels include
- >Tamworth 20.6%
- >Glen Innes 26.8%

>Gwydir 30.0%

>Tenterdfeild 45.0%

>Armidale 12.36%

>Moree 27.75%

- *Local Government costs have increased 7.3% per year for the last 20 years (McKell Institute 2016)*

Appendix C – Frequently Asked Questions

Frequently Asked Questions (FAQs) | Special Rate Variation



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.

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.

Why do we need a special rate variation?

Following the issue of the Performance Improvement Order 39 actions have been identified to address this order. The major reasons for the SRV is to build unrestricted cash, as currently Council has very limited financial capacity to meet ongoing commitments, to have sufficient resources to deliver current services and to increase asset maintenance and capital renewal expenditure to ensure assets are fit for purpose.

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 Performance Improvement Order?

The Minister for Local Government has issued a Performance Improvement Order requiring Council to address a number of issues identified by the government. Details of the Order can be found on Council's website.

What will the SRV be spent on?

The impact of the SRV on the Long Term Financial Plan of Balranald Shire Council will be an increase of \$950,000, excluding rate peg amount, after year 7, along with a \$14 million saving in depreciation that will be allocated to our assets backlog and maintenance issues and current service provision including:

- \$2.1 million on asset backlog;
- \$11.8 million to ensuring the General Fund remains in balance and all service levels across all Council's functions are maintained;
- \$1.05 million to additional maintenance of council infrastructure assets such as the road and drainage network

Visit our website www.balranald.nsw.gov.au and click on the Special Rate Variation link for further details.

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. To allow residents to understand the impact of the SRV the following table shows the proposed rate increases based on the average land value for each rating category and sub category.

Balranald Average Rates Table

| Category | Ave Land Value | Average Rates per Property | Average Rates Year1 SRV | Average Rates Year 4 SRV | Average Rates Year 7 ARV |
|--------------------------------|----------------|----------------------------|-------------------------|--------------------------|--------------------------|
| Farmland General | 700,174 | 2,838 | 3,122 | 4155 | 5531 |
| Farmland - Other Rural | 72,489 | 363 | 399 | 531 | 707 |
| Farmland - Intense | 123,369 | 1,183 | 1301 | 1732 | 2305 |
| Farmland - Average | 438,314 | 1,946 | 2140 | 2848 | 3791 |
| Residential - Balranald | 40,536 | 299 | 329 | 438 | 583 |
| Residential - Euston | 51,740 | 293 | 322 | 429 | 570 |
| Residential - General | 20,488 | 189 | 208 | 277 | 368 |
| Residential - Average | 41,238 | 283 | 311 | 414 | 551 |

| | | | | | |
|-----------------------------|----------------|------------|-------------|-------------|-------------|
| Business - Balranald | 44,059 | 1,395 | 1534 | 2042 | 2718 |
| Business - Euston | 113,600 | 2,352 | 2587 | 3443 | 4583 |
| Business - Mining | 41,473 | 470 | 517 | 688 | 916 |
| Business - Rural | 8,706 | 288 | 317 | 422 | 562 |
| Business – Average | 35,597 | 960 | 1056 | 1406 | 1871 |
| Total | 159,973 | 861 | 947 | 1260 | 1678 |

Visit our website www.balranald.nsw.gov.au and click on the Special Rate Variation link for further details.

Could some areas of Council become more efficient?

We continue to drive organisational efficiencies with the significant improvement being the reduction in depreciation costs as a result of the revaluation of council assets. This is currently saving ratepayers \$2million per year. We are committed to service review program to ensure we deliver services and facilities that meet our community's needs in the most efficient way. Council will also review its current rating structure, undertake service reviews and fees and charges income.

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

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.

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. Balranald Shire Council will consider whether to notify IPART after the community consultation has concluded in November 2017. The actual application (due in February 2018) cannot be submitted until Council makes a formal resolution to do so. Council will make this decision at a Council meeting in February 2018.

Why aren't the water and sewer services included in these documents?



The Local Government Act requires councils to fund water and sewer as separate functions. This is the reason why water and sewer rates and user charges are shown separately on your Council rates notice.

The proposed Special Rate Variation is for General Operations only. As this does not apply to water and sewer rates and user charges, they have been excluded from these documents.

How do our rates compare with others? Many residents have asked us how we compare to other councils in terms of the average rate bill. The table below illustrates this comparison.

| Category | Balranald | Hay Shire | Wentworth | Balranald Year 7 SRV |
|-------------|-----------|-----------|-----------|-------------------------|
| Farmland | 1,946 | 4,131 | 1,581 | 3791 |
| Residential | 283 | 597 | 747 | 551 |
| Business | 960 | 1,679 | 1,137 | 1871 |

The last column in the table above is the average category rate for Balranald ratepayers at the conclusion of the SRV increases.

What is happening with the two proposed mineral sands mines?

At this stage neither mine has commenced production and therefore Council is not able to charge rates. Council is preparing for when the mines commence operation by establishing a rationale to charge rates. It is also proposing to create a mineral sands mining rating category and make a rate for 2018/19. It should be noted that the mines have a defined life of 16 to 20 years and therefore the rates will only be charged for that period. The mineral sands rate burden will not be redistributed to ratepayers once the operations cease. Details of the rating rationale, costs to provide additional services and maintain assets and estimate rates can be found in the Long Term Financial Plan.



Appendix D – Community Survey and Results



Appendix E – Presentation to Focus Group