



Community Engagement Plan

Financially Sustainable Council

Proposed Special Rate Variation

Executive Summary

Clarence Valley Council is considering making an application to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation in 2017/18 to secure funding to address the financial sustainability of the Council's General Fund, while concurrently improving the Council's capacity to address the General Fund infrastructure renewal gap and General Fund infrastructure maintenance gap.

Clarence Valley Council is committed to delivering quality services to the community. In order to address initially the financial sustainability of Council's General Fund and subsequently our needs for General Fund infrastructure maintenance and General Fund infrastructure renewal, Clarence Valley Council is proposing a rate increase of 8% (inclusive of the assumed 2.5% rate pegged limit) a year for three years (cumulative total of 25.97%) commencing from July 1, 2018. The rate rise would be retained permanently in Council's rate base which is known as a Section 508 (A) Special Rate Variation.

The Special Rate Variation will provide Council with an additional \$10.122 million above the assumed rate peg over the three (3) years to 2020/21. If the actual rate peg for 2018/19 is below the 2.5% assumed rate peg the additional income above the rate peg will be greater than \$10.122 million over the three (3) years to 2020/21 then Council will allocate the increase in the SRV income above the rate peg proportionally over the capital and maintenance expenditure items already identified in the table on:

- Page 17 of Council's Revised 2017/18 to 2026/27 Long Term Financial Plan
- Page 15 of Council's Revised Asset Management Strategy 2017-2027

After extensive community consultation, Council has also introduced a range of savings and efficiency measures commencing in 2017/18 that will result in estimated savings of \$8.6million for the 2020/21 financial year.

This engagement plan is based on Council's Community Engagement Strategy, which uses best practice guidelines from the International Association for Public Participation (IAP2) values of engagement. It identifies stakeholder groups, outlines key communications and messages to be released throughout the engagement period and key consultation tools for engaging with the community.

At the end of the consultation period Council will be able to make an informed decision based on feedback from the community about whether to proceed with an application for a Special Rate Variation.

Consultation on a possible application for a Special Rates Variation started on April 21, 2017, when Councillors manned pop-up information stands at Grafton Shoppingworld. Similar pop-up stands were held in the main street of Yamba (Yamba Street) on April 28, in the

South Grafton CBD on May 5, the Iluka CBD on May 12, Maclean CBD on May 19, Grafton Shoppingworld again on May 26 and Yamba Shopping Fair on June 2. These consultation sessions were promoted by media releases, paid newspaper advertising and social media posts.

Further face-to-face consultations, involving councillors and senior staff, were held as per the table below.

Drop-in centres

Location	Date	Time
Maclean (Council Chambers) and Iluka (Library)	Wednesday, May 31	10am-2pm
Grafton (Community and Function Centre), South Grafton (New School of Arts)	Thursday, June 1	10am-2pm
Yamba (Yamba Shopping Fair)	Friday, June 2	Noon-3pm

Roundtables

Location	Date	Time
Iluka (Library)	Thursday, June 1	5:30-7:30pm
Maclean (Council Chambers)	Friday, June 2	5:30-7:30pm
South Grafton (New School of Arts)	Saturday, June 3	4-6pm
Yamba	Sunday, June 4	11am-1pm

Purpose

This plan provides a framework for further consultation activities to be undertaken for the purpose of informing a Council decision regarding whether to proceed with a Special Rate Variation to the Independent Pricing and Regulatory Tribunal (IPART).

Objectives

Council's primary objective has been and continues to be to achieve broad community awareness of and feedback on this proposal to inform Council's decision making.

Council's strategy will be to:

1. Inform the Community

Council will use a range of communication mechanisms in order to inform the community of its intention to apply for a Special Rate Variation, the reasons why Council believes it necessary, the impact that this will have on ratepayers, and how residents can provide feedback on the proposal.

2. Consult and Involve the Community

Council has used and will continue to use a number of mechanisms for the community to be consulted and involved in the discussion about this proposal. The prime purpose of this ongoing consultation will be to make sure the community understands why there is a need for a Special Rates Variation and for ratepayers and residents to understand the potential impact such an application might have on them. In addition to the consultation already undertaken, Council intends to distribute an information pamphlet to all Clarence Valley residents explaining the need for a Special Rates Variation, how additional money from an SRV would be spent and estimates of the financial impact on ratepayers. The pamphlet will be distributed with an SRV-related survey and reply paid envelope.

3. Collaborate with the Community

Council is committed to providing opportunities for interested residents to engage in a more detailed conversation around this issue than can happen when completing a survey. Council has already conducted a number of focus groups that enabled a more in depth level of conversation and collaboration to take place. Council will also write to all residents with details of the proposal, ask for their views, produce a dedicated web page, launch an online rates calculator and provide information stands.

4. Collate Information to Empower the Council to Make an Informed Decision

Council will collate the information received through the surveys, focus groups and any formal submissions received and this will guide the decision of the elected council as to whether it will make the application to IPART.

In undertaking this community engagement, the council recognises the Bundjalung, Gumbaingirr and Yaegl people as the traditional owners and custodians of the Clarence Valley local government area.

Background

In 2015 Clarence Valley Council was deemed to be not fit by IPART as it did not satisfy the overall financial criteria for sustainability and infrastructure and service management. To improve its financial position, in 2016 Council applied for a Special Rates Variation of 6.5% inclusive of rate peg per year for five years commencing 1 July 2016. However, IPART

approved the 6.5% increase for one year only, with the amount above the rate-pegged limit to be removed after the end of the year. That increase was removed on June 30, 2017.

Council now needs to find \$15.3million in General Fund savings or revenue measures by 2020-21 in order to meet the Fit for the Future financial benchmarks. An SRV of 8% a year for three years (including an estimated rate pegged limit of 2.5% per year) is one of the measures under consideration. The cumulative impact would be a rise in the general rate of 25.97% (inclusive of assumed rate peg), which would be retained permanently in council's rate base. An SRV of that amount would add an estimated \$7.4million (inclusive of assumed 2.5% rate peg) into Councils finances in 2020/21 and, with other savings and efficiency measures of around \$8.6 million, would help Council reach a balanced operating result by 2020/21.

At its ordinary council meeting on June 27, 2017, the Delivery Program 2017-2021, 2017/18 Operational Plan including Revenue Policy and Budget, 2017/18 to 2026/27 Long Term Financial Plan (LTFP), and Asset Management Strategy 2017-2027 were adopted. These Integrated Planning and Reporting documents were based on an assumed rate peg of 2% p.a. from 2018/19 onwards. Recent discussions with representatives from the Independent Pricing and Regulatory Tribunal (IPART) has clarified that each of these documents needs to be revised to incorporate an assumed 2.5% rate peg from 2018/19 onwards to satisfy IPART requirements for the 2018/19 Special Rate Variation (SRV) application process.

While the guidelines for the preparation of an application for a special variation to general income for 2017-2018 will not be released until December 2017, we have used previous guidelines issued by the Office of Local Government to inform this Plan. That guideline requests council to provide:

*"Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur."*¹

Stakeholders

For the purposes of this plan, the stakeholder groups who would be most affected by a proposed Special Rate Variation are Clarence Valley Local Government Area ratepayers and other non-ratepaying residents who may be ratepayers in the future.

¹Page16 Guidelines for the preparation of an application for a special variation to general income for 2017/18. Office of Local Government

Timeframe

The timeframe proposed for this community engagement strategy is during September 2017.

Detailed Strategy

1. Inform the Community

Council will use a range of communication mechanisms in order to inform the community of its intention to apply for a Special Rate Variation, the reasons Council believes it necessary, how additional revenue would be used, the impact that this would have on ratepayers, and how residents can provide feedback on the proposal.

The following communication methods will be utilised:

- Deploy and promote an online rates calculator so ratepayers can determine what impact the proposed SRV would have on their property.
- Produce and distribute a pamphlet, survey and reply paid envelope to all residents of the Clarence Valley. This will be advertised as available on Council's website and in hard copy at Council's offices and libraries.
- Utilise local newspapers through media releases and paid advertising.
- Information will be displayed at council offices and the Grafton, Maclean and Yamba libraries.
- Radio advertising and regular talkback with the General Manager initially directing listeners to websites, with further information on the engagement plan activities as they occur.
- Councils Facebook page to be used to generate discussion and feedback.
- Key messages and frequently asked questions (FAQs) available on council's website, and are included in displays and available in hard copy.
- Dedicated web page utilising EngagementHQ (Bang the Table) providing background material, a downloadable version of the pamphlet, survey, FAQs and link to the rates calculator.

2. Collaborate with the Community

Council is committed to providing opportunities for interested residents to engage in a more detailed conversation around this issue than can happen when completing a survey. Council has conducted a number of focus groups and a community information session to enable this more in-depth level of conversation and collaboration to take place.

These started in April 2017 and continued until June.

Roundtable workshops were conducted through early June 2017 in Iluka, Maclean, South Grafton and Yamba where participants were invited to provide alternatives to a Special Rates Variation.

Five groupings were proposed for the focus groups, targeted in the following way:

1. Local business and industry and service group representatives (evening)
2. Community groups and committees, with representation across different target groups (daytime)
3. Village localities (daytime) – Yamba and Iluka
4. Young people (afternoon)
5. Seniors (morning)

Council intends to run further pop-up information hubs in shopping centres in Grafton, Maclean, Yamba and Iluka to answer any questions from the community and a community information session, to be held in the evening, will be advertised to the wider community.

3. Collate Information to Empower the Council to Make an Informed Decision

Council will collate the information received through the surveys, focus groups and any formal submissions received and this will guide the decision of the elected council as to whether it will make the application to IPART.

The results of the community engagement process will be available for the community to access at the time of the October Council meeting.

Reporting and Looking Forward

The results of the community engagement process will form part of Council's decision-making process about whether a formal application will be lodged with IPART for a Special Rate Variation. Council is required to formally advise IPART of its intention to apply for a Special Rates Variation by December 2017, with the final application to be made in February 2018.

Attachment 1 - Stakeholder Matrix

Core Groups	Sub Groups
Ratepayers & Residents (Urban & Rural)	<ul style="list-style-type: none"> • People who live or own property in the Clarence Valley LGA • Rural community • Public housing
Children/Youth/Students	<ul style="list-style-type: none"> • Primary school students • High school students • TAFE (& other training provider) students • Students attending university while living in Clarence Valley • Daycare Centres/Playgroups/Pre-schools
Media	<ul style="list-style-type: none"> • Local publications • Local radio • Local TV stations
Business & Industry	<ul style="list-style-type: none"> • Owners, operators and employees of all business as well as industry representatives. • Chamber of Commerce • Commercial – Small Business • Community services • Education • Health • Primary Industry/Agriculture • Professional services • Property market • Tourism/Hospitality
Infrastructure & Service Providers	<ul style="list-style-type: none"> • Catholic Schools Office • Roads and Maritime Services • Energy Australia • ARTC • Busways • Taxis • Telecommunication providers • Aged care facilities
Local Groups & Organisations	<ul style="list-style-type: none"> • Local Aboriginal groups • Local Landcare groups • Local sporting groups • Local volunteer groups & Not-for-profit organisations • Community action groups • Historical societies • Religious/church groups • Scouts • Guides • Rotary • Lions • Probus • Senior Citizens

Core Groups	Sub Groups
	<ul style="list-style-type: none">• Country Women’s Association
Local Councillors & Members of Parliament	<ul style="list-style-type: none">• Councillors & Mayor• Relevant Ministers• Member for Clarence
Clarence Valley Council Staff & Facilities	<ul style="list-style-type: none">• All staff including indoor and outdoor, full-time, part-time and casual staff.• Library• Individual Departments