

DIRECTOR CORPORATE SERVICES' REPORT

7.1. SPECIAL RATE VARIATION & MINIMUM RATE APPLICATION

AUTHOR Director Corporate Services

MOTION Moved by Deputy Mayor McGrath
Seconded by Councillor Hooke

1.1/25 COUNCIL RESOLUTION:

That Council:

1. Acknowledges the feedback received during the community engagement period from Thursday, 7 November to Thursday, 19 December 2024 on the proposed permanent two-year 37.67% cumulative Special Rate Variation.
2. Adopts the following documents after the end of the public exhibition period on Thursday, 19 December 2024, noting no submissions were received:
 - a. Community Engagement Strategy
 - b. Amended Delivery Program 2022/23-2025/26
 - c. Amended Resourcing Strategy 2022/23-2025/26 (incorporating the Long Term Financial Plan)
 - d. Amended Operational Plan 2024/25
3. Note the inclusions in the amended Delivery Program 2022/23-2025/26, amended Resourcing Strategy 2022/23-2025/26 and amended Operational Plan 2024/25 following the resolution of Council to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent cumulative Special Rate Variation of 37.67% (including the rate peg) to be implemented over two (2) years commencing in the 2025-2026 financial year.
4. Note there were no submissions received for the Strategic Asset Management Plan or Asset Management Plans (Airport, Buildings, Open Space, Recreation, Saleyards, Stormwater and Transport) publicly exhibited from Thursday, 12 December 2024 to Thursday, 9 January 2025, and that these plans have subsequently been endorsed in accordance with Council resolution 7.12/24.
5. Makes the following application(s) to the Independent Pricing and Regulatory Tribunal (IPART):
 - a. **Special Rate Variation**
 - i. Under section 508(A) of the NSW *Local Government Act 1993* for increases to the ordinary rate income of 18.00% in 2025-2026 (including the rate peg) and 16.67% in 2026-2027 (including the rate peg), representing a total cumulative increase of 37.67% over the two-year period, with that increase to be a permanent increase retained within the rate base.

- ii. That the structure of the proposed Special Rate Variation ensures that Residential, Business and Farmland rating categories income do not increase more than 32.25% cumulative with the balance to be sourced from the Mining rating category with yearly increases to be applied as follows:

Category	Year 1 2025/26	Year 2 2026/27	Compounded increase % Change
Residential	15.00%	15.00%	32.25%
Business	15.00%	15.00%	32.25%
Farmland	15.00%	15.00%	32.25%
Mining	43.36%	28.87%	85.13%

b. Minimum Rates

- i. Under section 548 of the NSW *Local Government Act 1993* for the Maximum value of the Minimum ordinary rate for Residential, Business and Farmland categories to be set as follows to match the section 508(A) permanent Special Rate Variation application value, with that increase to be a permanent increase retained within the rate base:

Category	Year 1 2025/26*	Year 2 2026/27*
Residential – Ordinary	\$638.00	\$733.00
Residential – Rural		
Residential – Gunnedah		
Business – Gunnedah	\$625.00	\$718.00
Farmland	\$638.00	\$733.00
*Minimum Rate values include the rate peg.		

6. Includes the formal submissions received during the community engagement process, Community Engagement Report and supporting consultation materials relating to the proposed Special Rate Variation in the application to IPART.
7. Receive and note the following additional draft reports that will, with minor amendments as required, form part of the application to IPART:
- a. Application Form Part B Special Variation
 - b. Application Form Part B Minimum Rates
 - c. Capacity to Pay Report
 - d. Cost Containment and Productivity Report

Director Corporate Services' Report

ITEM 7.1	Special Rate Variation & Minimum Rate Application
MEETING	Extraordinary Meeting - 15 January 2025
DIRECTORATE	Corporate Services
AUTHOR	Director Corporate Services
POLICY	2024/25 Operational Plan
LEGAL	Local Government Act 1993 OLG Guidelines for preparation of an application for a special variation to general income
FINANCIAL	As outlined in the report
STRATEGIC LINK	Community Strategic Plan 1.2.4 Improve Council's financially sustainable position, delivering value-for-money services to the community. Delivery Program / Operational Plan 1.2.4.3 Deliver financial management services across the organisation, including systems and controls to communicate and manage Council's financial performance.
ATTACHMENTS	Attachment 1 - Formal Submissions and Responses Attachment 2 - Community Engagement Report - Nov-Dec Attachment 3 - Consultation Materials - Nov-Dec Engagement Attachment 4 - Application Form Part B Special Variation Attachment 5 - Application Form Part B Minimum Rates Attachment 6 - Capacity To Pay Report Attachment 7 - Cost Containment & Productivity Report Attachment 8 - Community Engagement Strategy Attachment 9 - Delivery Program 2022/23-2025/26 Attachment 10 - Resourcing Strategy 2022/23-2025/26 Attachment 11 - Operational Plan 2024-25

OFFICER'S RECOMMENDATIONS:

That Council:

1. Acknowledges the feedback received during the community engagement period from Thursday, 7 November to Thursday, 19 December 2024 on the proposed permanent two-year 37.67% cumulative Special Rate Variation.
2. Adopts the following documents after the end of the public exhibition period on Thursday, 19 December 2024, noting no submissions were received:
 - a. Community Engagement Strategy
 - b. Amended Delivery Program 2022/23-2025/26
 - c. Amended Resourcing Strategy 2022/23-2025/26 (incorporating the Long Term Financial Plan)
 - d. Amended Operational Plan 2024/25
3. Note the inclusions in the amended Delivery Program 2022/23-2025/26, amended Resourcing Strategy 2022/23-2025/26 and amended Operational Plan 2024/25 following the resolution of Council to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent cumulative Special Rate Variation of 37.67% (including the rate peg) to be implemented over two (2) years commencing in the 2025-2026 financial year.

4. Note there were no submissions received for the Strategic Asset Management Plan or Asset Management Plans (Airport, Buildings, Open Space, Recreation, Saleyards, Stormwater and Transport) publicly exhibited from Thursday, 12 December 2024 to Thursday, 9 January 2025, and that these plans have subsequently been endorsed in accordance with Council resolution 7.12/24.

5. Makes the following application(s) to the Independent Pricing and Regulatory Tribunal (IPART):

a. Special Rate Variation

i. Under section 508(A) of the NSW *Local Government Act 1993* for increases to the ordinary rate income of 18.00% in 2025-2026 (including the rate peg) and 16.67% in 2026-2027 (including the rate peg), representing a total cumulative increase of 37.67% over the two-year period, with that increase to be a permanent increase retained within the rate base.

ii. That the structure of the proposed Special Rate Variation ensures that Residential, Business and Farmland rating categories income do not increase more than 32.25% cumulative with the balance to be sourced from the Mining rating category with yearly increases to be applied as follows:

Category	Year 1 2025/26	Year 2 2026/27	Compounded increase % Change
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b. Minimum Rates

i. Under section 548 of the NSW *Local Government Act 1993* for the Maximum value of the Minimum ordinary rate for Residential, Business and Farmland categories to be set as follows to match the section 508(A) permanent Special Rate Variation application value, with that increase to be a permanent increase retained within the rate base:

Category	Year 1 2025/26*	Year 2 2026/27*
Residential – Ordinary		
Residential – Rural	\$638.00	\$733.00
Residential – Gunnedah		
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Farmland	\$638.00	\$733.00
*Minimum Rate values include the rate peg.		

6. Includes the formal submissions received during the community engagement process, Community Engagement Report and supporting consultation materials relating to the proposed Special Rate Variation in the application to IPART.

7. Receive and note the following additional draft reports that will, with minor amendments as required, form part of the application to IPART:

a. Application Form Part B Special Variation

b. Application Form Part B Minimum Rates

c. **Capacity to Pay Report**

d. **Cost Containment and Productivity Report**

PURPOSE

To present Council with the feedback provided by the community during the community engagement period on the revised proposed permanent two-year 37.67% cumulative Special Rate Variation and to obtain Council's approval to make Special Rate Variation and Minimum Rate applications to the Independent Pricing and Regulatory Tribunal (IPART).

BACKGROUND

Council is in a similar position to that of many NSW councils facing a poor financial outlook caused by a perfect storm of negative impacts resulting from natural disasters, high inflation and legislative 'cost-shifting' by the NSW and Australian governments. These impacts have resulted in a financial outlook that is not financially sustainable and action is necessary to ensure that a sustainable path can be determined to support Council's future.

Without additional funding, the current outlook will require cuts to services and a decline in the condition of infrastructure assets, such as roads, will be a consequence. The forecast for the General fund excluding Domestic Waste Management is for large operating deficits, and the following issues exist and need to be addressed:

- Forecast deterioration in the unrestricted cash position;
- Insufficient funding for the ongoing maintenance and renewal of assets;
- Inability to take on additional borrowings without creating further financial stress; and
- High reliance on grant funding for core asset renewal programs.

To maintain current service levels requires an increase in revenue. Alternatively, no increase in revenue will see the need for service levels to decrease. To address this challenge, Council has explored the available options and determined that a need for a for a Special Rate Variation (SRV) exists. As a result, at Council's Ordinary Meeting on 19 June 2024, Council endorsed the 2024/25 Operational Plan that included the action to start a conversation with the community about a potential SRV.

Following the adoption of the 2024/25 Operational Plan Council undertook community engagement on the following proposed permanent SRV:

	2025/2026	2026/2027	Total
Rate Peg	5.0% (estimated)	5.0% (estimated)	10.00%
SRV Above Rate Peg	19.00%	7.00%	26.00%
Total SRV	24.00%	12.00%	36.00%
Cumulative SRV over two years			38.88%

This SRV proposal was identified as being capable of addressing the following key aspects of Council's financial sustainability.

Year 1 (2025/2026):

- Address the significant ongoing operating deficit currently being forecast for the General fund excluding Domestic Waste Management over the life of the Long Term Financial Plan (ten years)
- Ensure Council's unrestricted cash does not move into a negative position (currently forecast to occur within three years)
- Enable Council to continue to deliver services, at existing levels, as outlined in the adopted Integrated Planning and Reporting documents
- Provide sufficient funding to meet asset/infrastructure renewal funding requirements

- Meet compliance obligations under the *Local Government Act 1993* and other legislation relevant to the local government sector

Year 2 (2026/2027):

- Generate financial capacity to commence addressing Council's infrastructure backlog of works

The above SRV proposal was forecast to generate approximately \$6.2 million over a two-year period, which included approximately \$1.7 million associated with general cost increases associated with ordinary increases in costs associated with employees, materials and contracts.

In response to community feedback, Council subsequently amended the SRV proposal at an Extraordinary Meeting held 6 November 2024 as follows:

	2025/2026	2026/2027	Total
Rate Peg	4.7% (actual)	3.5% (estimated)	8.20%
SRV Above Rate Peg	13.30%	13.17%	26.47%
Total SRV	18.00%	16.67%	34.67%
Cumulative SRV over two years			37.67%

The revised SRV proposal also included a condition that the structure of the revised proposed SRV ensured that Residential, Business and Farmland rating categories do not increase more than 32.25% cumulative with the balance of the revised proposed permanent SRV of 37.67% cumulative to be sourced from the Mining category. The yearly increases would be applied as follows:

Category	Year 1 2025/26	Year 2 2026/27	Compounded increase % Change
Residential	15.00%	15.00%	32.25%
Business	15.00%	15.00%	32.25%
Farmland	15.00%	15.00%	32.25%
Mining	43.36%	28.87%	85.13%

The following Council resolutions are background to this report:

2.11/24 COUNCIL RESOLUTION:

That:

1. Council commits to proceeding with a section 508(A) permanent Special Rate Variation (SRV) in order to address Gunnedah Shire Council's financial sustainability, and maintain essential community infrastructure and service levels.
2. Council acknowledges the feedback received during the community engagement period from Friday, 2 August to Friday, 6 September 2024 on the proposed permanent two-year 38.88% cumulative (26% above the estimated rate peg) SRV.
3. In response to the community feedback, Council determine a position on the SRV as follows:
 - a. An SRV application be made to IPART under section 508(A) be endorsed at 37.67% cumulative to be phased in over two (2) years and retained permanently commencing in 2025-2026.
 - b. Council note that the structure of the revised SRV ensures that Residential, Business and Farmland rating categories do not increase more than 32.25% cumulative with the balance to be sourced from the Mining category.
4. Make application to IPART under section 548 of the *Local Government Act 1993* for the Maximum value of the Minimum ordinary rate for Residential, Business and Farmland categories to be set as follows to match the section 508(A) permanent SRV application value:

Category	2025-2026	2026-2027
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Residential – Ordinary		
Residential – Rural	\$638.00	\$733.00
Residential – Gunnedah		
Business – Gunnedah	\$625.00	\$718.00
Farmland	\$638.00	\$733.00

5. Council, prior to 29 November 2024, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART), via a non-binding letter, that Council intends to submit a Special Rate Variation application for the 2025-2026 financial year.
6. Council undertake any required community engagement on the revised SRV proposal and associated minimum rate increases.
7. Council's Integrated Planning & Reporting (IP&R) documentation be updated, including the Delivery Program and Long-Term Financial Plan, to meet the SRV application requirements and the amended IP&R documents be presented to a future Council meeting for the purpose of being endorsed by Council for public exhibition.
8. Council convene an Extraordinary Council meeting in January 2025 for the purpose of receiving any submissions on the revised IP&R documentation and to endorse the SRV application, including Council's approach to continuous improvement, efficiency gains and operational savings, prior to submission to IPART by 3 February 2025.
9. Council strives to find \$930,000 through efficiency gains and operational savings over the 3 year period 2025 to 2028 with a report to Council by May 30th annually during this period.

7.11/24 COUNCIL RESOLUTION:

1. That Council endorse the following documents for public exhibition for a minimum of 28 days, pursuant to the requirements of the *NSW Local Government Act 1993*:
 - a. Draft Community Engagement Strategy
 - b. Amended Delivery Program 2022/23-2025/26
 - c. Amended Resourcing Strategy 2022/23-2025/26
 - d. Amended Operational Plan 2024/25
2. Note the inclusions in the amended Delivery Program 2022/23-2025/26, amended Resourcing Strategy 2022/23-2025/26 and amended Operational Plan 2024/25 following the resolution of Council to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent cumulative Special Rate Variation of 37.67% to be implemented over two (2) years commencing in the 2025-2026 financial year;
3. Note that the public exhibition period will be Thursday, 21 November 2024 to Thursday, 19 December 2024; and
4. Following the period of public exhibition, a report be presented to Council, which outlines the community feedback, along with the final suite of Integrated Planning and Reporting reports for adoption.

In accordance with Council resolution 2.11/24 Council provided IPART with Notice of Intention to Apply for Special Rate Variation and Minimum Rate applications on 12 November 2024.

COMMENTARY

Community Engagement

The community engagement period on the revised permanent two-year 37.67% cumulative SRV proposal was held from Thursday, 7 November 2024 through to Thursday, 19 December 2024. A comprehensive report outlining all engagement activities undertaken and feedback received from the community is contained at Attachment 2 with the report appendices at Attachment 3.

Council used the following methods to engage with the community during this period:

- A letter to all ratepayers outlining the revised SRV being proposed,
- Social media including Facebook,
- Council's website,
- Updated rates calculator accessible via Council's website,
- Radio,

- Newspaper, and
- Media releases.

Throughout the engagement process, Council achieved the following reach:

Type of Engagement	Reach
Direct letter to ratepayers	6,451 ratepayers (over 10,000 property owners including shared property owners)
Council SRV webpage	214 views by 100 visitors
Social Media	2,386 post reach
News articles	Multiple articles across radio, TV and print
Media releases and media calls	Significant community reach



The key feedback regarding the potential SRV of 37.67% implemented over two years was:

- The community does not want an increase in rates given the current cost of living challenges,
- The community wants/expects to see an improvement in Council services (roads in particular),
- Rural ratepayers, particularly farmers, and those living within the outlying villages, expressed concern, and in some cases anger, about paying higher rates with limited visible benefits, especially regarding road maintenance and other critical infrastructure, they suggested the increased rate burden associated with the special rate variation should be more highly attributed to ratepayers closer to or in the Gunnedah township e.g. residential ratepayers
- Council should tighten its belt and reduce its expense rather than just raising rates, and
- They want Council to ensure it has the right balance of indoor/outdoor staff and Council needs to ensure it is operating as efficiently as possible.

These points are in addition to those items raised in the initial engagement which included:

- The community wants to see increased engagement and transparency. It was also noted that there is lots of information available to the community that can be accessed,
- The community wants/expects to see an improvement in Council communications (response to customer requests in particular),
- The mining sector should be paying a larger portion of Council's rate base,
- Council needs to find other (non-rate) methods to raise revenue rather than just raising rates,

- Address the NSW local government sustainability root cause issues that have led to the SRV requirements and work with the community to address the ineffectiveness of the rate peg process and seek increased funding from the state and federal government, and
- Important to note only 26% of the 38.88% is above the rate peg that will occur regardless of SRV.

Formal Responses

The community had the ability to provide Council with submissions in writing to put their views forward during the community engagement period and Council received 27 submissions. The submissions are included in the community engagement report appendices (Attachment 3) and a summary of the submissions and Council's responses is included as Attachment 1.

It is noted that submissions were received from Whitehaven Coal and the NSW Minerals Council in response to the increased differential that would be placed on the mining industry from the revised SRV proposal.

Response to Community Feedback

While it is acknowledged that many of the respondents indicated that they did not want an SRV, there was also strong support for levels of service to at least be maintained or even improved, which will not be possible without an SRV.

Council also has compliance obligations under the NSW *Local Government Act 1993* (the Act) to ensure that Council is financial sustainable and also "to provide guidance to enable councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous" (section 8 of the Act).

However, Council is cognisant of the cost of living pressures facing the community and the impact that an increase in rates will have for ratepayers in the current economic climate. While there certainly are some positive indicators in the local economy including a low unemployment rate, relatively affordable housing costs compared to coastal and urban areas and strong construction and mining industry activity, it is recognised that Council's proposal for an SRV will be an added impost to any households or businesses that are already struggling financially.

This impost will be lower in the revised SRV proposal for Residential, Business and Farmland and higher for the Mining sector than the original SRV scenario. It will also be partly offset with Council's resolution 21.12/24 "That Council freezes increases to Waste Management and Sewerage Annual Charges during the proposed Special Rate Variation (SRV) implementation period, subject to the SRV being approved by IPART and those service areas maintaining a financially sustainable outlook."

The SRV Process

Applications for SRVs are made to the Independent Pricing and Regulatory Tribunal (IPART) and IPART review the applications based on the guidelines outlined on their website. Applications for the 2025-26 financial year are required to be submitted by 3 February 2025 and details on the process for SRV applications can be found at the following link - [Special Variations & Minimum Rates 2025-26 | IPART](#).

For Council to make a submission by 3 February 2025, it will need to undertake the following actions.

Timeframe	Actions
January 2025	<ul style="list-style-type: none"> • Adoption of updated IP&R documents at an extraordinary meeting of Council • Presentation and adoption of the draft SRV application • Finalise SRV application and supporting documents
February 2025	<ul style="list-style-type: none"> • Lodge SRV application (by 3 February 2025)
March/April 2025	<ul style="list-style-type: none"> • IPART undertake community consultation • Council prepares two 2025/26 budgets (one including SRV and one excluding SRV)

May/June 2025	<ul style="list-style-type: none"> • IPART provide SRV determination • Adoption of 2025/26 budget
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Special Variation and Minimum Rate Application

Due to the time needed to complete all necessary requirements, the Special Variation and Minimum Rate Applications have been largely drafted and are provided at Attachments 4 and 5 respectively.

To further support the applications, Council must provide information regarding Capacity to Pay (Attachment 6) and past and future Cost Containment and Productivity (Attachment 7). The Cost Containment and Productivity report will form the basis of future reporting to Council in accordance with Council resolution 2.11/24, being that *Council strives to find \$930,000 through efficiency gains and operational savings over the 3 year period 2025 to 2028 with a report to Council by May 30th annually during this period* and Council resolution 23.11/24, *That the Council request the General Manager to provide a report to the March 2025 Ordinary Meeting of Council that details potential areas that the cost savings and efficiency gains being targeted in accordance with the resolved position of at least \$930,000 may be derived from for the period associated with the SRV.*

IP&R Documents

Following Council's decision to apply for a Special Rate Variation as decided at the Extraordinary Council Meeting of 6 November 2024, the Integrated Planning & Reporting (IP&R) documents were updated and presented to Council to be endorsed for public exhibition. These documents included the revised:

- Community Engagement Strategy
- Delivery Program 2022/23-2025/26
- Resourcing Strategy 2022/23-2025/26 (including the overarching Resourcing Strategy, Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy)
- Operational Plan 2024/25

The draft revised IP&R documents were placed on public exhibition for 28 days from Thursday, 21 November 2024 to Thursday, 19 December 2024 with no submissions received.

Community Engagement Strategy (Attachment 8)

In accordance with Council resolution 7.11/24, this document is presented to Council for endorsement with no changes.

Delivery Program 2022/23-2025/26 (Attachment 9)

In accordance with Council resolution 7.11/24, this document is presented to Council for endorsement with the following changes:

1. General Fund Performance Ratios on pages 26-27 have been updated in line with updates to the Long Term Financial Plan (SRV Scenario) to incorporate Council's resolution 21.12/24: "That Council freezes increases to Waste Management and Sewerage Annual Charges during the proposed Special Rate Variation (SRV) implementation period, subject to the SRV being approved by IPART and those service areas maintaining a financially sustainable outlook."
2. Additional information has been included at Page 39 to provide an update in respect of activities undertaken following the second round of SRV engagement.

Resourcing Strategy 2022/23-2025/26 (Attachment 10)

In accordance with Council resolution 7.11/24, this document is presented to Council for endorsement with the following changes to the Long Term Financial Plan only. No other documents in the Resourcing Strategy have been amended.

Table of Adjustments to LTFP

Page	Adjustment
3	Alter the dates from ending Financial Year 2033/34 to 2034/35
8	Remove the wording "draft Delivery Program" to "Delivery Program"
8	Change dates from "2025/26 - 2029/30" to "2022/23 - 2025/26"

12	Added the following paragraph. "At the Council meeting on the 11 th December 2024 it was resolved "That Council freezes increases to Waste Management and Sewerage Annual Charges during the proposed Special Rate Variation (SRV) implementation period, subject to the SRV being approved by IPART and those service areas maintaining a financially sustainable outlook." The freezing of these charges have been incorporated into this SRV Scenario of the LTFP.
13	Added "per year" in twice \$810,000 per year and \$1m per year across all funds
14	New table to reflect the decision to freeze Domestic Waste and Sewer charges for the first 2 years of the SRV
14	Added the words "over the duration of this scenario in first paragraph under table
15	Removed the words "is also in the process of" and replaced by "recently"
15	Remove words "and early indications"
15	New table to reflect the decision to freeze Domestic Waste and Sewer charges for the first 2 years of the SRV
16	New graph to reflect the decision to freeze Domestic Waste and Sewer charges for the first 2 years of the SRV
18	New tables to reflect the decision to freeze Domestic Waste and Sewer charges for the first 2 years of the SRV
19	Change \$3 to \$3m - missing "m" to denote millions
23	Planning Assumptions - added to SRV scenario "Waste and Sewer Annual Charges have been frozen for the duration of the SRV (2 Years)
26	Added wording Line 1 Waste Management - "in the Base Case Scenario"
26	Added wording Line 2 and 3 Waste Management - "However, due to the Council Resolution of the 11th December 2024, it was resolved to freeze the DWM annual charges for the 2 years of the SRV. The SRV scenario reflects this decision."
26	Added wording Sewerage Services - "in the Base Case Scenario"
26	Added wording Sewerage Services - "However, due to the Council Resolution of the 11th December 2024, it was resolved to freeze the DWM annual charges for the 2 years of the SRV. The SRV scenario reflects this decision."
30	Remove the word "below" and replace with "to the right"
32	Alter to year from "2034/25" to "2034/35"
35	Remove wording "in Figure 9" and replace with "in the graph below"
38	New graph to reflect the decision to freeze Domestic Waste and Sewer charges for the first 2 years of the SRV
52	Adjust the split of Cash breakup between External, Internal and Unrestricted in 2024/25
62	Adjust Cash, Cash Equivalents and Investments and External Restrictions to agree to total cash in the Balance Sheet
63 - 67	Financial Statements - SRV - Consolidated - New tables to reflect the decision to freeze Domestic Waste and Sewer Annual Charges for the first 2 years of the SRV
68 - 72	Financial Statements - General Fund - New tables to reflect the decision to freeze Domestic Waste Annual Charge for the first 2 years of the SRV
72	Adjust the split of Cash breakup between External, Internal and Unrestricted in 2024/25
78 - 82	Financial Statements - Sewer Fund - New tables to reflect the decision to freeze Sewerage Annual Charges for the first 2 years of the SRV
82	Adjust Cash, Cash Equivalents and Investments and External Restrictions to agree to total cash in the Balance Sheet
102	Adjust Cash, Cash Equivalents and Investments and External Restrictions to agree to total cash in the Balance Sheet

Operational Plan 2024/25 (Attachment 11)

In accordance with Council resolution 7.11/24, this document is presented to Council for endorsement with no changes.

Asset Management Plans

To support the application for a Special Rate Variation, Council updated the following asset

management plans and endorsed them for public exhibition at the Ordinary Council Meeting of 11 December 2024:

- Strategic Asset Management Plan
- Transport
- Buildings
- Stormwater
- Open Space
- Recreation
- Airport
- Saleyards

The public exhibition period ran from Thursday, 12 December 2024 to Thursday, 9 January 2025 with no submissions received.

FINANCIAL IMPLICATIONS

Local Government Act Requirements

Section 8b of the Act requires Council to apply principles of sound financial management including:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services.

All NSW councils are required under the Act to apply these principles in order to ultimately achieve a financially sustainable position. Application of these principles means:

- Council must achieve a fully funded operating position.
- Council must maintain sufficient cash reserves.
- Council must have an appropriately funded capital program.
- Council must maintain its asset base 'fit for purpose'.
- Council must have adequate resources to meet ongoing compliance obligations.

Gunnedah Shire Council's Financial Position

Council is currently in a similar position to that of many NSW councils facing a poor financial outlook caused by a perfect storm of negative impacts resulting from natural disasters, high inflation and legislative 'cost-shifting' by the NSW and Australian governments. The current financial outlook is not financially sustainable and action is necessary to ensure that a sustainable path can be determined to support Council's future.

Without additional funding, the current outlook will require cuts to services and a decline in the condition of infrastructure assets, such as roads, will be a consequence. The forecast for the General fund is for large operating deficits, and the following issues exist and need to be addressed:

- Forecast deterioration in the unrestricted cash position;
- Insufficient funding for the ongoing maintenance and renewal of assets;
- Inability to take on additional borrowings without creating further financial stress; and
- High reliance on grant funding for core asset renewal programs.

In Council's 2024/25 Operational Plan, the following financial projections were shown that are

relevant to this issue.

Operating Result

The operating result is the net result after operating expenses are deducted from total income or revenue (excluding all capital amounts). An operating deficit occurs when total expenses are greater than operating revenue and an operating surplus occurs when total expenses are less than operating revenue. Councils are encouraged to budget for a breakeven result or an operating surplus.

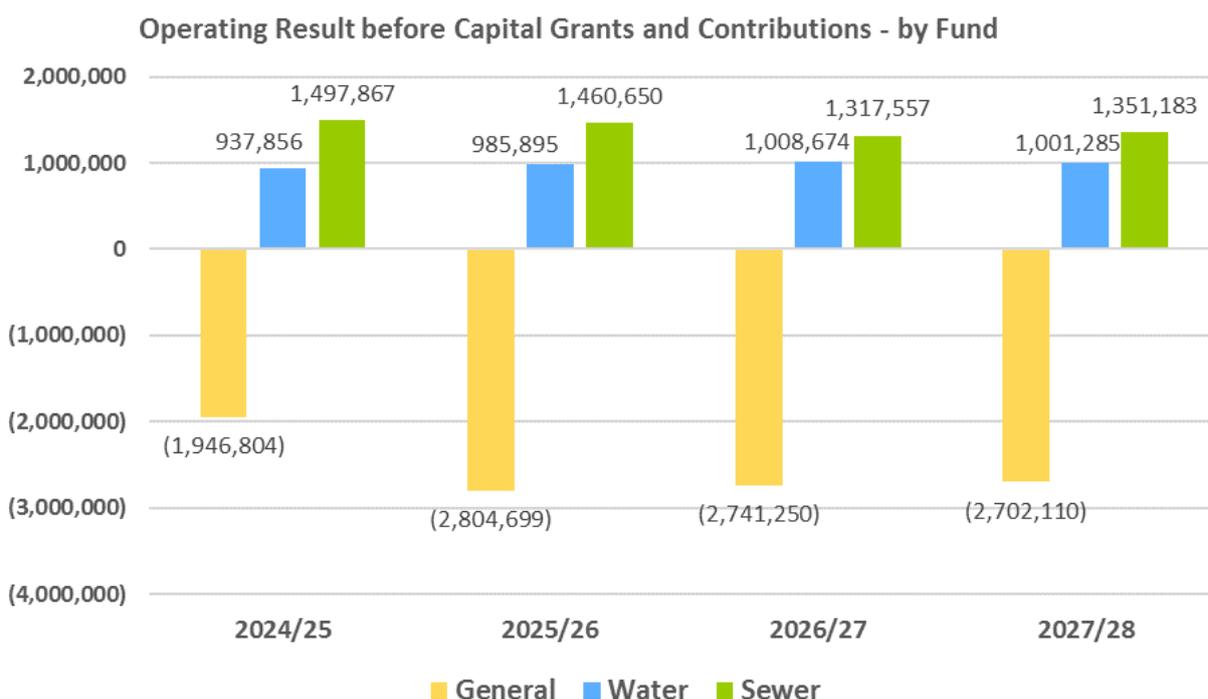
In the table below is a breakdown of the Consolidated operating result categorised by fund: General, Water and Sewer. This breakdown enhances clarity in assessing each fund's performance. The results shown in (brackets) below represent operating deficits.

Operating Result before Capital Grants and Contributions - by Fund 2024/25 – 2027/28				
Fund	Budget	Projected Years		
	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$
General	(1,946,804)	(2,804,699)	(2,741,250)	(2,702,110)
Water	937,856	985,895	1,008,674	1,001,285
Sewer	1,497,867	1,460,650	1,317,557	1,351,183
Total	488,919	(358,154)	(415,019)	(349,642)

This analysis is important as funding generated by Water and Sewer activities are restricted by law for the purpose the funds have been raised for. This means that Council cannot use these funds for any other purpose.

The General fund represents funding for all of Council's services other than Water and Sewer. This includes roads, buildings, parks, sporting grounds, swimming pools, footpaths, stormwater and many other services, which are supported by infrastructure that Council must maintain and renew.

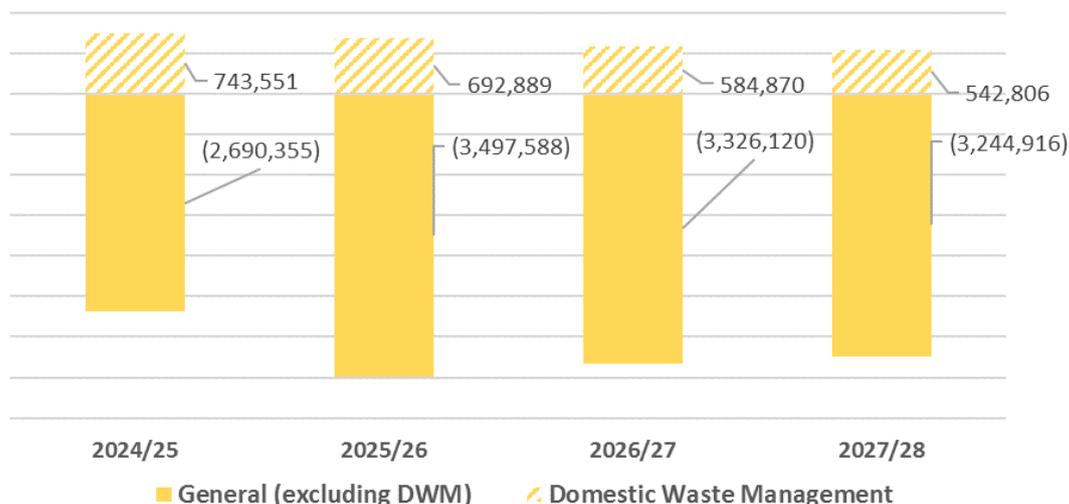
The graph below shows that the General fund is recording large operating deficits once operating surpluses relating to Water and Sewer funds are excluded from the Consolidated operating result.



The General fund operating deficit can be analysed in more detail in the table below, by excluding the

Domestic Waste Management (DWM) operating result. Similar to Water and Sewer, funding generated by DWM activities are restricted for the purpose the funds have been raised for i.e. waste management activities. This exclusion highlights a greater underlying deficit in the General fund. The graph below illustrates the breakdown of the total General Fund deficit between DWM and other business units.

Underlying General Fund Operating Result before Capital Grants and Contributions - Domestic Waste Management Eliminated



A break-even operating result indicates that a council can fund asset maintenance and renewals required by the consumption of assets i.e. as measured by depreciation. Sustained operating deficits are not financially sustainable and indicate that Council is not able to generate sufficient funding to undertake adequate investment in the maintenance and renewal of infrastructure.

This is important as Council is responsible for a vast network of infrastructure assets and maintenance and renewal of the infrastructure is necessary to ensure that it remains in a fit-for-purpose condition for use by the community. Under investment in asset maintenance and renewal will lead to a greater financial liability being incurred that future generations of ratepayers will need to pay for.

Cash Result

Another important result for Council is the cash position of each fund. As can be seen from the table below, Council’s unrestricted cash position is forecast to deteriorate to a cash deficit by 2026/27.

Cash Balances 2024/25 – 2027/28				
	Budget	Projected Years		
	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$
Externally Restricted Cash	44,873,707	44,578,633	47,612,422	48,083,006
Internally Restricted Cash	24,133,453	24,661,798	25,131,931	25,432,897
Unrestricted Cash	1,412,739	477,131	(208,194)	(520,634)
Total General	70,419,899	69,717,563	72,536,158	72,995,269

Unrestricted Cash

Unrestricted cash represents the residual funds once allocations have been made to external and internal reserves. These are funds which are available to be used to cover unforeseen budget shock, where expenses are not provided for in the annual budget and not covered by the external and internal restricted reserves. An example of this would be a natural disaster. These funds are also available to:

- boost Council’s financial liquidity in paying suppliers, providing services and retaining staff;
- meet short term cash flow requirements to fund capital works projects; and

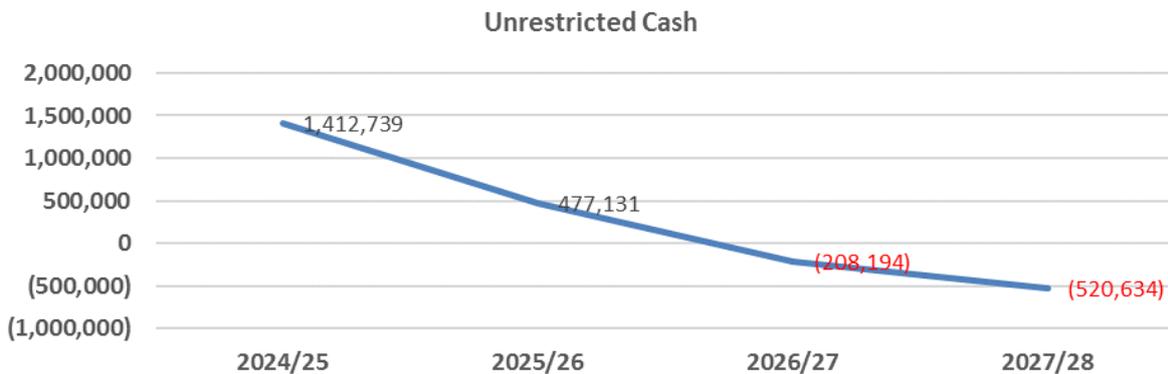
- support Council's long-term financial sustainability.

Council is forecasting an unrestricted cash position of around \$1.4 million by 30 June 2025. This would only cover Council’s operational expenses for approximately 2 weeks if a situation occurred where Council was unable to receive payments.

A negative unrestricted cash balance means that Council cannot afford to fully fund the allocations to be made to external and internal reserves.

The projected reduction of unrestricted cash is due to an unsustainable level of forecast expenditure. This forecast outcome will require intervention in the short term to either reduce the level of forecast expenditure or increase revenue, or a combination of both.

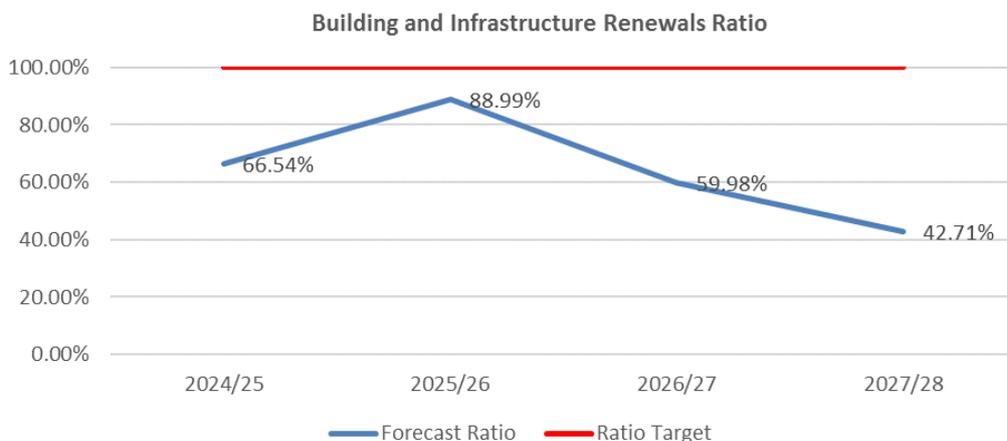
The graph below illustrates the deterioration in the unrestricted cash position.



Infrastructure Renewal

As part of the annual reporting compliance process, Council is required to report a Building and Infrastructure Renewals Ratio. This ratio is an assessment of the rate that these assets are being renewed relative to the rate at which they are depreciating. It is important to note that “renewals” represent the replacement and/or refurbishment of existing assets to an equivalent capacity as opposed to the acquisition of new assets.

The Building and Infrastructure Renewals Ratio is calculated by dividing the estimated spend on asset renewals by depreciation. A result of greater than 100% is considered satisfactory and the renewal ratio may fluctuate based on council priorities. Council is forecasting the Building and Infrastructure Renewals Ratio outcomes below, which demonstrates a consistent under investment in the renewal of infrastructure.



Contributors to Decline in Financial Position

Council's General Fund financial performance has been trending downwards for several years.

However, a proposal for an SRV is significant with obvious impacts on the community. Council has been cognisant of the need for additional funding for some time and has been proactively lobbying State and Federal Government through various mechanisms for an increase in funding. Up until this point Council has been able to manage within the available funding as it has had access to significant levels of non-recurrent grant funding and had built up internal cash reserves for infrastructure renewal and replacement. However, the point has come where grant funding has significantly declined and the internal cash reserves have been utilised and are not able to be replenished. These factors have been exacerbated by:

- Low historic rate pegs being set by IPART in previous years that do not cover the increase in Council's costs. As an example, the 2022/23 base rate peg was set at a historic low of 0.7%, with permission to apply for up to 2.5% against a consumer price index (CPI) increase of 6.6% (Sydney CPI) in the 12 months to June 2023.
- Council has experienced significant costs increases of a greater rate than CPI particularly in relation to the cost of construction materials, including gravel and bitumen. Electricity and insurance costs have also increased significantly.
- The market for construction contractors has been squeezed due to the high volume of disaster recovery works across the state and the limited availability of materials, driving up project costs.
- Multiple extreme weather events impacting on infrastructure.
- A low population density relative to the asset base to be maintained.
- Cost-shifting from the State Government to local councils. In 2021-22 Council had an estimated \$2.4 million in additional costs just relating to cost shifting. Subsequently, additional costs have been incurred from a range of increased regulation on activities including the local government election (was previously run in-house but Council is now required to use contractors), audit costs have significantly increased, the emergency services levy has increased, cyber security, asset management and Council now has increased crown land management and native title assessment responsibilities.
- Declining levels of grant funding from other levels of government, in particular, financial assistance grant funding, provided by the Federal Government and administered by the NSW Government, has fallen from 1% of Commonwealth taxation revenue to 0.53% and many of NSW council fees and charges are also now regulated by NSW government legislation, particularly in areas like planning and development. In real terms, all NSW council major funding sources have been declining over time as compared to the cost of providing services.

Efficiency and Productivity

Council has implemented a range of efficiency and productivity measures resulting in direct savings in insurance and electricity costs, and improved productivity in areas such as unsealed roads maintenance, parks and gardens, IT and library services.

Council is also running a service review program, which commenced in the 2023/24 financial year and has completed service reviews on Parks and Gardens and Unsealed Roads. Council has not made any changes to the level of service following these reviews and is currently in the process of evaluating feedback from community survey processes to determine if any change to service levels is warranted. Certainly, no increase in service levels would be possible without an increase in the level of funding available. A service review framework has also been developed to help prioritise areas to be subjected to a service review. The overall program contains 25 distinct review areas further comprised of a number of functions, which is an indication of the diversity of Council's service delivery and the complexity of the local government industry.

Apart from the above, a range of projects are underway to improve Council's operations and efficiency including an asset management transformation project, customer request system upgrade, website upgrade and enterprise risk management framework review. Council is also overseen by the Audit, Risk & Improvement Committee (ARIC) who have responsibility for oversight of Council's strategic planning, service reviews and business improvement.

Impact of Property Valuations

Council is due to receive new property valuations from the NSW Valuer General which are to be used

in conjunction with Council's adopted rate structure for calculating the rates payable by individual property owners from 1 July 2025. Revaluations may result in the value of some land in the Shire increasing or decreasing more than other land. When this occurs the rate burden between individual rate assessments shifts, meaning that rates payable on some land may increase and some may not change very much, or even decrease. The total rate income to Council doesn't change, but how it is allocated to residents changes based on valuation changes within each rate category.

ATTACHMENT 1 – FORMAL SUBMISSIONS AND COUNCIL’S RESPONSE

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
1	21/11/2024	Hartley, Ken	2305351	Not Stated	<ul style="list-style-type: none"> SRV position unanimously supported by Councillors Concerned that cost cutting ideas have not been fully investigated or pursued 	<ul style="list-style-type: none"> Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. Council’s progress in relation to cost savings and efficiencies will be outlined in the SRV application. As part of approving the SRV, Council has also resolved to strive to achieve \$930,000 of savings and efficiency gains over the next three years along with a report to Council each May to outline progress.
2	3/12/2024	Roden, Brett	2312172	Not Stated	Concerned about budget blowout and timeline for saleyards upgrade project and Ag Quip financial support	<ul style="list-style-type: none"> There has been no budget blowout on the saleyards upgrade project. The full scope of the original project was unable to be achieved due to the significant escalations in the cost of materials and contract labour through Covid and the following period, however; Council has always worked to keep the revised project scope within the available funding. The timeline for the project has been largely adhered to. Some delays have been experienced; however, these have been managed with key stakeholders and have allowed for additional external funding from the NSW Government and associated delivery of infrastructure to be achieved. The Ag Quip financial support consists of Council successfully undertaking the road closures for the event and a sponsorship agreement is in place that sees Gunnedah Shire Council as a gold sponsor for this important event that recognises Gunnedah as vitally important in the agricultural sector and brings many visitors and tourists to the region.
3	3/12/2024	Rochfort, Lisa	2311645	Not Stated	Concerned that a lack of a flood mitigation strategy is resulting in increased maintenance costs in Gunnedah and suggested a levy bank should be considered	<ul style="list-style-type: none"> In relation to flood mitigation measures whilst Council does not currently have any plans to construct a levee bank to control riverine flooding from the Namoi River, it does have a current EMPLAN, and has a range of other administrative flood mitigation measures which centre around land use planning. The existence of a mitigation strategy alone would not assist with reducing maintenance costs unless there was funding available to implement actions from the strategy. Without an SRV Council will not have sufficient funding to maintain existing services and would not have capacity to undertake flood studies, strategies or any associated works.
4	3/12/2024	Roberts, David	2311646	Not Stated	Suggested Council should employ less event coordinators in order to make savings	<ul style="list-style-type: none"> Council employs one Events Officer for the whole of Council activities. Further reductions of staffing in this area would result in Council not being able to coordinate or support events of any type.
5	8/12/2024	Torrens, Roger & Anne	2314623	No	Concerned that farmland ratepayers pay higher rates due to land value/size yet get less services than the majority of ratepayers	<ul style="list-style-type: none"> While there may a perception that farmland ratepayers do not receive as many services for their rates as other ratepayers, it should be noted that rates are not a fee for service but are a tax on land value that is a contribution towards the overall cost of running the Council. All ratepayers could argue that they don’t utilise some of Council’s services yet, as a community, we all benefit from those services being available if not directly, indirectly through their presence assisting to attract essential workers such as teachers, health and other professionals. Roads are also a particularly large proportion of Council’s annual expenditure and so there is a direct benefit derived by rural ratepayers from the large network of rural roads under Council’s management that provides access to their properties and facilitates the transport of workers, contractors and agricultural produce across the region.
6	9/12/2024	Lyle, John & Susan	2314638	Not Stated	Concerned that savings can be made in many areas before an SRV is considered	<ul style="list-style-type: none"> Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. Council’s progress in relation to cost savings and efficiencies will be outlined in the SRV application. As part of approving the SRV, Council has also resolved to strive to achieve \$930,000 of savings and efficiency gains over the next three years along with a report to Council each May to outline progress.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
7	5/12/2024	Speirs, Mark	2315393	Not Stated	<ul style="list-style-type: none"> Concerned about cost of living and Council inadequately handling money Advised Council does not always spend wisely in respect of new infrastructure being built and maintenance of existing infrastructure, and should look to improve this prior to a rate rise being considered Advised would like to see more value if expected to pay more rates 	<ul style="list-style-type: none"> Management of money is overseen by Council's auditors and there are strict controls in place to ensure that the management of public funds is undertaken with due care and probity. Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels.
8	6/12/2024	Cross, Shaun	2313852	Not Stated	Advised Council should manage projects better	<ul style="list-style-type: none"> Council has a project management framework in place and employs appropriately qualified and experienced staff to manage projects. All high-risk projects are overseen internally by a steering committee and are reported to Council's Audit, Risk & Improvement Committee at each meeting.
9	13/12/2024	Mansini, Ross	2318580	No	<ul style="list-style-type: none"> Advised Council should consider contracting out most services, similar to waste collection services, rather than delivering services directly Suggested that Council postpone the SRV and implement broad-based productivity improvements and then measure impact 	<ul style="list-style-type: none"> Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. Contracting out of waste collection services is effective as there are large established businesses that specialise in waste collection and they bring economies of scale; however, the same is not true for most other services that Council delivers. Council's recent experience on road construction projects is that internal delivery is significantly cheaper than outsourcing work to contractors. Contractors must make money in order to stay in business and are often not a cheaper option. Council's progress in relation to cost savings and efficiencies will be outlined in the SRV application. As part of approving the SRV, Council has also resolved to strive to achieve \$930,000 of savings and efficiency gains over the next three years along with a report to Council each May to outline progress.
10	13/12/2024	Broughton, Rosalie	2318082	No	<ul style="list-style-type: none"> Concerned about rates affordability and the burden placed on farmland ratepayers Advised farmland ratepayers would not receive a benefit if water, sewerage and waste charges were not increased 	<ul style="list-style-type: none"> The revised SRV proposal will see a drop in the burden placed on farmland ratepayers from 38.88% to 32.25%. The comments relating to water, sewerage and waste charges are noted.
11	16/12/2024	Tadik, Fatmana	2318824	No	<ul style="list-style-type: none"> Advised owns a rental property in Gunnedah Shire and that if the SRV proceeds, will be forced to increase the rent to an unacceptable amount and consider selling the property Concerned about the cost of living, rental crisis and rates affordability Advised that Council should limit its scope of services to roads, rates and rubbish Suggested Council needed to look for other ways to resolve the cash flow without significantly reducing services 	<ul style="list-style-type: none"> The proposed SRV would increase rates on the rental property by \$1.60 per week in Year 1 and \$1.84 per week in Year 2. In total rates would increase from \$555 per annum to approx. \$734 under the SRV proposal. Council's scope has increased significantly from the days of being described as 'roads, rates and rubbish' and now covers a broad range of services. Some of these services are regulatory and Council has no choice but to provide them and others enhance the liveability and enjoyment of people who reside in the community. Either way, all of services that Council provides are important to the community. Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels.
12	19/12/2024	Eassie, Kerrie	2321860	No	<ul style="list-style-type: none"> Advised that consulting fees and services expenditure should be reviewed in detail and put forward as part of the SRV indicating where reductions in this expenditure are possible Advised the SRV proposal does not contain a well-researched and detailed plan identifying reductions in expenditure and this should occur prior to consideration of an SRV 	<ul style="list-style-type: none"> Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. Council's progress in relation to cost savings and efficiencies will be outlined in the SRV application. As part of approving the SRV, Council has also resolved to strive to achieve \$930,000 of savings and efficiency gains over the next three years along with a report to Council each May to outline progress.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response												
13	17/12/2024	Barker, Geoff	2319491	Not Stated	<ul style="list-style-type: none"> Advised Council is overstaffed and should consider multi-skilling in order to reduce the workforce through natural attrition to around half the existing level Advised that rates on farmland property are 4-5 times higher than residential rates, but farmland properties do not have access to or use the same services as residential ratepayers and that roads were the only service provided for farmland rates paid Advised that gravel road maintenance has decreased in the last 1-2 years and road condition has also decreased (Voca Road) Advised that farmland rates should be exempt from the SRV due to diminishing benefit received 	<ul style="list-style-type: none"> A reduction of staff in the order of 50% as suggested would result in Council not being able to deliver essential services and the inability to meet compliance levels. The only practical way that staffing levels could be reduced is to review what services are delivered and then determine which services can be reduced or removed. Council is running a service review program, which commenced in the 2023/24 financial year and has completed service reviews on Parks and Gardens and Unsealed Roads. Council has not made any changes to the level of service following these reviews. A service review framework has also been developed to help prioritise areas to be subjected to a service review. The overall program contains 25 distinct review areas further comprised of a number of functions, which is an indication of the diversity of Council's service delivery and the complexity of the local government industry. While there may be a perception that farmland ratepayers only receive "roads" as a service for their rates, it should be noted that rates are not a fee for service but are a tax on land value that is a contribution towards the overall cost of running the Council. All ratepayers could argue that they don't utilise some of Council's services yet, as a community, we all benefit from those services being available if not directly, indirectly through their presence assisting to attract essential workers such as teachers, health and other professionals. Roads are also a particularly large proportion of Council's annual expenditure and so there is a direct benefit derived by rural ratepayers from the large network of rural roads under Council's management that provides access to their properties and facilitates the transport of workers, contractors and agricultural produce across the region. The changes to unsealed road maintenance referred to involved a transition from five dry grading crews to three grader, roller and water cart crews which deliver a more effective compaction service and will assist with the road condition being maintained at a higher level for a longer period of time. However, this was only introduced in 2021 and as Council has 879kms of unsealed roads to maintain, it will take some time for the benefits this new methodology will deliver to be realised on all Council roads. Since 2021, a large number of natural disaster events across the region have occurred and this has also impacted on the condition of unsealed roads and has necessitated an extensive roads restoration program be implemented. Where roads have been impacted by flooding, Disaster Recovery Funding Arrangements will only allow Council to reinstate damaged roads to their previous condition. Council has recently secured Betterment funding that will allow it to target more resilient solutions for roads that frequently flood. 												
14	16/12/2024	Mirow, Don & Elaine	2319822	No	Concerned about cost of living, excessive costs on projects like the airport and saleyards upgrades and impact of the proposed rating distribution on the mining sector	<ul style="list-style-type: none"> Comments regarding the cost of living and impact on the mining sector are noted. In relation to the impact on residential, business and farmland ratepayers, Council has reduced the proposed SRV impact from 38.88% cumulative over two years to 32.25% cumulative over two years. Council's contribution to the specified projects is: <table border="1" data-bbox="1128 1023 2125 1134"> <thead> <tr> <th>Project</th> <th>Grant/Other Funding</th> <th>Council Contribution</th> <th>Estimated Total Project Cost</th> </tr> </thead> <tbody> <tr> <td>Airport Tarmac Upgrade</td> <td>\$3,858,500</td> <td>\$4,020,320</td> <td>\$7,878,820</td> </tr> <tr> <td>Saleyards Upgrade</td> <td>\$24,208,927</td> <td>\$3,710,833</td> <td>\$27,919,760</td> </tr> </tbody> </table> These projects have been largely funded by Federal and NSW State Government and the scope of these projects has been managed within the available funding. 	Project	Grant/Other Funding	Council Contribution	Estimated Total Project Cost	Airport Tarmac Upgrade	\$3,858,500	\$4,020,320	\$7,878,820	Saleyards Upgrade	\$24,208,927	\$3,710,833	\$27,919,760
Project	Grant/Other Funding	Council Contribution	Estimated Total Project Cost															
Airport Tarmac Upgrade	\$3,858,500	\$4,020,320	\$7,878,820															
Saleyards Upgrade	\$24,208,927	\$3,710,833	\$27,919,760															

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
15	18/12/2024	Dawson, D A	2320296	No	<ul style="list-style-type: none"> Stated Council was deceitful in regards to Council money being spent on the saleyards upgrade at the Gunnedah Town Hall meeting and not a burden on ratepayers Stated Council staffing numbers have increased and that Council staff were inefficient Concerned about use and efficiency of Council vehicles SRV position unanimously supported by Councillors Stated that rates collected cover employee salaries only leaving no surplus for works Stated that if all ratepayers delayed payments Council would have a cashflow issue that would prevent salary payments 	<ul style="list-style-type: none"> The information presented at the Gunnedah Town Hall meeting regarding the saleyards upgrade project was simply a breakdown of the project funding shown above, in response to a number of questions already fielded at previous SRV community briefings where a lack of awareness that the project was largely funded by the NSW State Government was evident. It was clearly stated that the information was only being presented for this reason at the meeting by the presenter. Council's contribution to the saleyards upgrade was funded by a \$3 million loan and \$700,000 contribution from saleyards cash reserves. While the loan is being repaid through saleyards proceeds, this consists of revenue generated from the entire saleyards facility through fees associated with stock sales and other services e.g. truck wash. It was not stated at any time at the meeting that the contribution was being funded by rates but rather that it was a contribution made using "Council" funds. Council staffing numbers have increased over time in line with the expanded number of Council services provided, increased regulatory requirements and growth in GoCo's area of operation. Council's progress in relation to cost savings and efficiencies will be outlined in the SRV application. Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. Rates are only one source of Council's funding, which also includes grants and contributions, fees and charges, interest on investments and other revenues. The combination of all of these funding sources is directed towards the cost of providing all services, including employee costs. The comments regarding delayed payments are noted; however, Council has debt recovery processes in place that are activated in the event ratepayers default on payments.
16	19/12/2024	Swain, Barbara	2320397	Not at proposed level	<ul style="list-style-type: none"> Stated that the proposed SRV is too high as Council is over staffed, a service is not received for the waste charge paid, the condition of the road is not great and more bitumen is needed on Orange Grove Road. Queried why Council brings in staff from other areas including Sydney to carry out council work. Stated the rate increase is simply to pay wages and the rates should not just cover the councils staff wages. Concerned about cost of living and level of proposed SRV. 	<ul style="list-style-type: none"> Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. Additional funding raised by way of the SRV is intended to be largely allocated to expenditure to support the rural road network. Since 2021, a large number of natural disaster events across the region have occurred and this has also impacted on the condition of unsealed roads and has necessitated an extensive roads restoration program be implemented. Where roads have been impacted by flooding, Disaster Recovery Funding Arrangements will only allow Council to reinstate damaged roads to their previous condition. Council has recently secured Betterment funding that will allow it to target more resilient solutions for roads that frequently flood. The waste charge referred to in the submission is the Waste Management Facility Fee of \$86.90, which is charge levied on all properties and is a contribution towards the current and future provisions of waste management. It is considered that all property owners should contribute to the current and future provisions of waste management. A separate waste collection charge applies to properties that are in the waste collection area to cover the costs of waste collection services. Rates are only one source of Council's funding, which also includes grants and contributions, fees and charges, interest on investments and other revenues. The combination of all of these funding sources is directed towards the cost of providing all services, including employee costs. The revised SRV proposal will see a drop in the burden placed on farmland ratepayers from 38.88% to 32.25%.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response																																																																																																																		
17	18/12/2024	Whitehaven Coal	2320887	Not at proposed level	<ul style="list-style-type: none"> Stated that Whitehaven, and mining more broadly, significantly contributes to the economic wellbeing of the region by creating jobs, buying locally, supporting community organisations, and funding community infrastructure through mechanisms like planning agreements Concerned that the revised SRV proposal will see a disproportionate burden of cumulative rates increases of 85.13% based on the assumption that the mining sector has the capacity to bear this additional cost, and it will not have any unintended consequences Stated that mining also contributes to the revenues of Council indirectly through royalties via State grants, and directly through rates and Planning Agreements Stated that while coal mining is a major contributor in the region, it represents a very small geographic 'footprint' of the LGA and use of Council infrastructure is disproportionately small Stated that approval was recently granted for the Vickery Extension Project, which will create a significant amount of local jobs over the next 25 years and that a decision around further investment and commencement of full-scale operations at Vickery is yet to be considered by the Board Stated that the mining industry already pays a higher rate in the dollar than most other ratepayers in the Shire, which would increase further following the proposed SRV Stated that Whitehaven is still paying mining rates on properties that are no longer in operation, the number of operating mines has reduced from 3 to 2 and that the rationale for increasing the proportion of total revenue from the mining category is unclear in circumstances where there are fewer operating mines, increasing the burden to be borne by each individual mine Stated that of the proposed \$1.4m increase in rates payable – from \$1.77m to \$3.17m – by Whitehaven in Gunnedah Shire, \$1.25m of that increase would come from a single mine, the Vickery Extension Project, before full scale mining occurs Stated that while they are opposed to the proposed increase, they recognise the important role they play in the region and 	<ul style="list-style-type: none"> The comments regarding the significant contribution made by the mining sector to the local economy and community are acknowledged. It is acknowledged that the mining sector contributes significant revenues to the NSW State Government by way of royalties; however, these revenues no longer provide any direct benefit to Council. Up until 2022, Council was able to access funding under the Resources for Regions grant funding program that saw some of the financial contribution from the mining sector to the NSW State Government directed back to affected local government areas, however, this program has since been discontinued with nothing to replace it. While the mining category does attract a higher rate in the dollar than most other rating categories, it is not appropriate to compare the ad valorem rate in the dollar when comparing rate structures between councils as the ad valorem rate in the dollar is a product of the calculation of the rate yield after determining the income required from each rate category, which includes the base amount or minimum rate and the combined land value of each rating category. For the 2024/25 rating year Narrabri Shire Council (NSC) has 4 mining assessments with a total rateable land value of \$1,092,135,600 generating \$1.127m or 7.31% of the council's General Rate Income. Whereas, Gunnedah Shire Council has 5 mining assessments with a total rateable land value of \$70,753,000 generating \$1.583m or 9.88% of council's General Rate Income. As NSC's mining rateable land value is \$1,021,382,600 (1,444%) higher than GSC their ad valorem rate in the dollar of 0.00094790 is 21 times lower than that of GSC. The tables below show the 2023/24 rate structures for GSC and NSC, (being the most current available full rating information publicly available) which shows that GSC mining rate contributes 9.88% of its rate yield to NSC 7.12% and it shows that GSC average mining rate is approximately \$30k (10.95%) higher than that of NSC. <table border="1"> <thead> <tr> <th>Council</th> <th>Ordinary Categories</th> <th>Number of sub-categories</th> <th>Number of Assessments</th> <th>No of Assessment % Split</th> <th>Land Value as at 01/07/23</th> <th>Land Value % Split</th> <th>Notional Income Yield</th> <th>Income Yield % Split</th> <th>Average Rate per category</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Gunnedah Shire Council</td> <td>Farmland</td> <td>0</td> <td>1,137.00</td> <td>17.64%</td> <td>2,836,702,311</td> <td>79.97%</td> <td>5,779,720</td> <td>38.08%</td> <td>\$ 5,083.31</td> </tr> <tr> <td>Residential</td> <td>4</td> <td>4,786.82</td> <td>74.28%</td> <td>522,909,088</td> <td>14.74%</td> <td>5,029,718</td> <td>33.13%</td> <td>\$ 1,050.74</td> </tr> <tr> <td>Mining</td> <td>0</td> <td>5.00</td> <td>0.08%</td> <td>71,861,000</td> <td>2.03%</td> <td>1,499,557</td> <td>9.88%</td> <td>\$ 299,911.44</td> </tr> <tr> <td>Business</td> <td>3</td> <td>515.18</td> <td>7.99%</td> <td>115,846,802</td> <td>3.27%</td> <td>2,870,491</td> <td>18.91%</td> <td>\$ 5,571.82</td> </tr> <tr> <td></td> <td></td> <td>7</td> <td>6,444.00</td> <td>100.00%</td> <td>3,547,319,201</td> <td>100.00%</td> <td>15,179,486</td> <td>100.00%</td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Council</th> <th>Ordinary Categories</th> <th>Number of sub-categories</th> <th>Number of Assessments</th> <th>No of Assessment % Split</th> <th>Land Value as at 01/07/23</th> <th>Land Value % Split</th> <th>Notional Income Yield</th> <th>Income Yield % Split</th> <th>Average Rate per category</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Narrabri Shire Council</td> <td>Farmland</td> <td>1</td> <td>1,658.00</td> <td>25.73%</td> <td>3,942,041,950</td> <td>71.01%</td> <td>7,068,714</td> <td>46.57%</td> <td>\$ 4,263.40</td> </tr> <tr> <td>Residential</td> <td>4</td> <td>4,623.00</td> <td>71.74%</td> <td>423,654,516</td> <td>7.63%</td> <td>5,071,693</td> <td>33.41%</td> <td>\$ 1,097.06</td> </tr> <tr> <td>Mining</td> <td>1</td> <td>4.00</td> <td>0.06%</td> <td>1,092,135,600</td> <td>19.67%</td> <td>1,081,256</td> <td>7.12%</td> <td>\$ 270,314.00</td> </tr> <tr> <td>Business</td> <td>4</td> <td>562.00</td> <td>8.72%</td> <td>93,772,594</td> <td>1.69%</td> <td>1,572,659</td> <td>10.36%</td> <td>\$ 2,798.33</td> </tr> <tr> <td></td> <td></td> <td>10</td> <td>6,847.00</td> <td>106.25%</td> <td>5,551,604,660</td> <td>100.00%</td> <td>14,794,322</td> <td>97.46%</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> The increase in figures quotes for rates payable from \$1.77m to \$3.17m include the rate peg that would ordinarily apply and is the increase over 34 properties owned by Whitehaven including residential, business, farmland and mining. The overall increase for the four mining properties is \$1.33m but would have been \$0.13m under Council's rate peg assumption. Under the original SRV proposal, the increase on all properties owned by Whitehaven was approximately \$0.69m including the rate peg of approximately \$0.15m. Under the revised SRV proposal, the increase on all properties is approximately \$1.40m or \$0.72m higher. The comments regarding rates being paid on properties that are no longer active mines are noted; however, mining approvals still apply to those properties and there is a process for reclassification of properties that Whitehaven can apply under should it believe the properties should no longer be classified as mining. 	Council	Ordinary Categories	Number of sub-categories	Number of Assessments	No of Assessment % Split	Land Value as at 01/07/23	Land Value % Split	Notional Income Yield	Income Yield % Split	Average Rate per category	Gunnedah Shire Council	Farmland	0	1,137.00	17.64%	2,836,702,311	79.97%	5,779,720	38.08%	\$ 5,083.31	Residential	4	4,786.82	74.28%	522,909,088	14.74%	5,029,718	33.13%	\$ 1,050.74	Mining	0	5.00	0.08%	71,861,000	2.03%	1,499,557	9.88%	\$ 299,911.44	Business	3	515.18	7.99%	115,846,802	3.27%	2,870,491	18.91%	\$ 5,571.82			7	6,444.00	100.00%	3,547,319,201	100.00%	15,179,486	100.00%		Council	Ordinary Categories	Number of sub-categories	Number of Assessments	No of Assessment % Split	Land Value as at 01/07/23	Land Value % Split	Notional Income Yield	Income Yield % Split	Average Rate per category	Narrabri Shire Council	Farmland	1	1,658.00	25.73%	3,942,041,950	71.01%	7,068,714	46.57%	\$ 4,263.40	Residential	4	4,623.00	71.74%	423,654,516	7.63%	5,071,693	33.41%	\$ 1,097.06	Mining	1	4.00	0.06%	1,092,135,600	19.67%	1,081,256	7.12%	\$ 270,314.00	Business	4	562.00	8.72%	93,772,594	1.69%	1,572,659	10.36%	\$ 2,798.33			10	6,847.00	106.25%	5,551,604,660	100.00%	14,794,322	97.46%	
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					<p>have demonstrated over the last decade that they are willing to pay the current higher rates in order to support the communities in which they operate</p> <ul style="list-style-type: none"> • They request Council consider that while higher rates might deliver short-term revenue increases for the Shire, they will increase costs and have the potential to place additional pressure on future investment at a time where cost inflation is being felt across the board • Suggested Council reevaluate the proposed SRV to ensure the rates burden does not unduly impact on future investment in Gunnedah 	
18	19/12/2024	Mammen, Julie	2320956	No	<ul style="list-style-type: none"> • Concerned that costs on projects like the airport and saleyards upgrades have blown out and rates only cover employee costs • Objection to pay the waste management facility fee and the application of the fee on individual properties • Concerned that farmland ratepayers pay higher rates due to land value/size yet get less services than the majority of ratepayers 	<ul style="list-style-type: none"> • Costs associated with the airport and saleyards upgrade projects are addressed in above comments. • Rates are only one source of Council's funding, which also includes grants and contributions, fees and charges, interest on investments and other revenues. The combination of all of these funding sources is directed towards the cost of providing all services, including employee costs. • The waste charge referred to in the submission is the Waste Management Facility Fee of \$86.90, which is charge levied on all properties and is a contribution towards the current and future provisions of waste management. It is considered that all property owners should contribute to the current and future provisions of waste management. A separate waste collection charge applies to properties that are in the waste collection area to cover the costs of waste collection services. • While there may a perception that farmland ratepayers do not receive as many services for their rates as other ratepayers, it should be noted that rates are not a fee for service but are a tax on land value that is a contribution towards the overall cost of running the Council. All ratepayers could argue that they don't utilise some of Council's services yet, as a community, we all benefit from those services being available if not directly, indirectly through their presence assisting to attract essential workers such as teachers, health and other professionals. Roads are also a particularly large proportion of Council's annual expenditure and so there is a direct benefit derived by rural ratepayers from the large network of rural roads under Council's management that provides access to their properties and facilitates the transport of workers, contractors and agricultural produce across the region.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
19	19/12/2024	Broughton, Ellen	2320963	No	<ul style="list-style-type: none"> Concerned that community feedback was not taken into consideration in making a decision on the SRV and that consultants were used during the SRV community engagement process Objection to the sponsorship of the Jack Newton Junior Golf Tournament Concerned about the condition of Trinkey Forest Road and Box Forest Roads and that repairs to the roads will not improve their condition 	<ul style="list-style-type: none"> The revised SRV proposal will see a drop in the burden placed on residential, business and farmland ratepayers from 38.88% to 32.25%, and this was in response to feedback from the community. An SRV application represents a large project and for a small Council with limited resources, it becomes necessary to outsource some of the work associated with the SRV application due to this. Council is bound by the requirements of the Independent Regulatory & Pricing Tribunal (IPART) and the Office of Local Government in the SRV application process and this has largely driven the need for the use of consultants. Where possible, work has been completed by staff and a significant contribution has been made by staff who have worked on the SRV application and associated requirements. Council has advocated for the complex requirements surrounding the SRV application process to be reduced or eliminated as this would assist with not needing to outsource work, along with increased levels of funding from other levels of government that would alleviate the need to seek an increase in rates via an SRV application. The sponsorship for the Jack Newton Junior Golf Tournament was made on the basis of the benefit to the local economy and is capped at \$5,000 over three years subject to the meeting of satisfactory key performance indicators. Benefits to the Gunnedah Shire are expected to include a minimum of 200 visitors and an estimated 400 overnight stays in the area, delivering a significant economic and social boost to the area. With an average spend per person per day of \$192 (Tourism Research Australia) this event would generate an estimated \$153,600 each year, contributing \$460,800 over three years. Since 2021, a large number of natural disaster events across the region have occurred and this has also impacted on the condition of unsealed roads and has necessitated an extensive roads restoration program be implemented. Where roads have been impacted by flooding, Disaster Recovery Funding Arrangements will only allow Council to reinstate damaged roads to their previous condition. Council has recently secured Betterment funding that will allow it to target more resilient solutions for roads that frequently flood. Additional funding raised by way of the SRV is intended to be largely allocated to expenditure to support the rural road network.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
20	19/12/2024	Broughton, Luke	2320966	No	<ul style="list-style-type: none"> Concerned that poor management by Council has led to a distrust that the money will be spent in a way it is needed and effectively Concerned about employee numbers and ratio of indoor/outdoor staff Concerned about construction projects exceeding budget, including the saleyards upgrade, constant road patching on Black Stump Way and that the section of 'new road' around Mullaley mountain is already breaking through the surface Concerned about the length of time the road around Mullaley Mountain was open, condition of gravel roads generally and Trinkey Forest Road Concerned that farmland ratepayers pay higher rates due to land value/size yet get less services than the majority of ratepayers 	<ul style="list-style-type: none"> Council has advised the community as to where the funds raised from the proposed SRV will be spent and this will be reported back on via a public quarterly reporting process from 1 July 2025, should the SRV be approved. It will also be publicly reported in Council's Annual Report. Council's staffing levels are established in response to the range of services provided. Many of the indoor staff support the activities of outdoor staff and without them, work could not be planned, designed or approved. Indoor staff numbers also include Council's expanded GoCo aged care services. Costs associated with the saleyards upgrade project are addressed in above comments. Since 2021, a large number of natural disaster events across the region have occurred and this has also impacted on the condition of unsealed roads and has necessitated an extensive roads restoration program be implemented. Where roads have been impacted by flooding, Disaster Recovery Funding Arrangements will only allow Council to reinstate damaged roads to their previous condition. Council has recently secured Betterment funding that will allow it to target more resilient solutions for roads that frequently flood. The section of road on Black Stump Way referred to is subject pavement saturation when Cox's Creek rises in food events. A balance between affordable reconstruction and widening and resilience to inundation is considered before undertaking works. Even then, some sections of the subgrade are softer than others (McBernies Crossing - causeway) resulting in surface deformation occurring under traffic. It is cost effective (considering available funding) to treat these smaller sections differently on a case by case basis. Black Stump Way is a Regional Road (classified road) with maintenance funding provided by TfNSW. This was downgraded from a State Road to a Regional Road as a cost shifting exercise by the NSW Government. Recent attempts to hand back Regional Roads to TfNSW and the associated maintenance and renewals costs have been stonewalled because of the understanding how much this would cost. While there may a perception that farmland ratepayers do not receive as many services for their rates as other ratepayers, it should be noted that rates are not a fee for service but are a tax on land value that is a contribution towards the overall cost of running the Council. All ratepayers could argue that they don't utilise some of Council's services yet, as a community, we all benefit from those services being available if not directly, indirectly through their presence assisting to attract essential workers such as teachers, health and other professionals. Roads are also a particularly large proportion of Council's annual expenditure and so there is a direct benefit derived by rural ratepayers from the large network of rural roads under Council's management that provides access to their properties and facilitates the transport of workers, contractors and agricultural produce across the region. Additional funding raised by way of the SRV is intended to be largely allocated to expenditure to support the rural road network.

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21	19/12/2024	NSW Minerals Council	2321194	Not at proposed level	<ul style="list-style-type: none"> Stated that mining significantly contributes to the economic wellbeing of the region by creating jobs, buying locally, supporting community organisations, and funding community infrastructure through mechanisms like planning agreements Stated that the rationale for increasing the proportion of total revenue from the mining category is unclear given the number of operating mines in the LGA has decreased Stated that the mining industry understands it has an important role to play supporting the local region and contributing to Council's revenues but that the disproportionate increase being imposed on mining categorised land will target the sector with higher costs in circumstances where there are fewer operating mines, increasing the burden on each individual mine 	<ul style="list-style-type: none"> The comments regarding the significant contribution made by the mining sector to the local economy and community are acknowledged.
22	19/12/2024	Broughton, Greg	2320964	No	<ul style="list-style-type: none"> Advised ratepayers have made it clear they are opposed to a rate rise and that while Council has reduced the proposed SRV impact on farmland ratepayers, it totals 37.67% due to the addition of the rate peg and there is negligible difference Stated that the off-leash dog park and koala sanctuary will return nothing to the community 	<ul style="list-style-type: none"> The revised SRV proposal reduces the impact on farmland ratepayers from 38.88% cumulative to 32.25% cumulative, including the rate peg. The rate peg is not added to this figure to arrive at 37.67%. While there was strong community support for no SRV, there was equally strong community feedback that the community does not want to see a reduction in service levels and wants to see an increase in some areas (especially in the condition of Council's roads). The construction and final design of the Off Leash Dog Park is a direct result of an extensive amount of community consultation that was undertaken as part of the project and is delivery broad benefits to pet owners who access the park to exercise and socialise their pets. The Gunnedah Koala Sanctuary is expected to realise the following positive community outcomes: <ul style="list-style-type: none"> Attract visitors to experience a contemporary tourism and accommodation in Gunnedah Provide a hospital and rehabilitation centre for wildlife, with a focus on koalas Create local jobs and opportunities for young people Support education and conservation of native wildlife, with a focus on koalas In the long-term, diversify the local economy away from reliance on mining by introducing a contemporary tourism and accommodation attraction to Gunnedah and surrounds

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
23	19/12/2024	Broughton, Kate	2321210	No	<ul style="list-style-type: none"> Concerned about the cost of living, large variations in commodity and input costs and climate change being a risk to businesses Advocates for Council to change, sell or downsize instead of an SRV States that essential services like roads, water and waste should be Council's priority States that rural ratepayers are disadvantaged if waste and water charges are not also increased and that farmland rates should be allocated to roads Concerned that Council will not allocate the proposed SRV funding to road maintenance and repair as stated 	<ul style="list-style-type: none"> Comments regarding the cost of living are noted. In relation to the impact on residential, business and farmland ratepayers, Council has reduced the proposed SRV impact from 38.88% cumulative over two years to 32.25% cumulative over two years. Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels. While there was strong community support for no SRV, there was equally strong community feedback that the community does not want to see a reduction in service levels and wants to see an increase in some areas (especially in the condition of Council's roads). Under the Local Government Act, Council must levy and charge separate fees and charges for Waste, Water and Sewerage and must account for these funds separately to everything else. This means that the determining of fees and charges for these areas must be performed in accordance with the appropriate regulatory frameworks, which is different to the framework that determines the setting of rates. Council levies approximately \$6.1 million in farmland rates per annum, being 38.13% of the total rate yield. Over the past three years Council has averaged a spend of \$11.2m per year on maintaining and renewing rural sealed and unsealed roads. This spend is not expected to be able to be maintained at this level as it includes external grants related to natural disasters that are unlikely to be continued and in recent years, Council has made large efforts to use external grants funds in lieu of Council funds to maximise the rates income. Additional funding raised by way of the SRV is intended to be largely allocated to expenditure to support the rural road network. Council has advised the community as to where the funds raised from the proposed SRV will be spent and this will be reported back on via a public quarterly reporting process from 1 July 2025, should the SRV be approved. It will also be publicly reported in Council's Annual Report.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response								
24	9/12/2024	Pryor, Grahame	2321848	No	<ul style="list-style-type: none"> Concerned that farmland ratepayers pay higher rates due to land value/size yet get less services than the majority of ratepayers Concerned about the condition of Trinkey Forest Road Concerned that community feedback has not been taken into account when determining a position on the SRV and the use of consultants and costs associated with the telephone survey Stated that backlog of works has not been addressed from the last SRV Objection to the sponsorship of the Jack Newton Junior Golf Tournament Concerned about the cost of the koala sanctuary and ongoing operations, funding for the saleyards upgrade and off-leash dog park and sign in Wolseley Park Concerned about productivity, accountability and transparency Concerned about use and efficiency of Council vehicles 	<ul style="list-style-type: none"> While there may a perception that farmland ratepayers do not receive as many services for their rates as other ratepayers, it should be noted that rates are not a fee for service but are a tax on land value that is a contribution towards the overall cost of running the Council. All ratepayers could argue that they don't utilise some of Council's services yet, as a community, we all benefit from those services being available if not directly, indirectly through their presence assisting to attract essential workers such as teachers, health and other professionals. Roads are also a particularly large proportion of Council's annual expenditure and so there is a direct benefit derived by rural ratepayers from the large network of rural roads under Council's management that provides access to their properties and facilitates the transport of workers, contractors and agricultural produce across the region. Where roads have been impacted by flooding, Disaster Recovery Funding Arrangements will only allow Council to reinstate damaged roads to their previous condition. Council has recently secured Betterment funding that will allow it to target more resilient solutions for roads that frequently flood. In relation to the impact on residential, business and farmland ratepayers, Council has reduced the proposed SRV impact from 38.88% cumulative over two years to 32.25% cumulative over two years. While there was strong community support for no SRV, there was equally strong community feedback that the community does not want to see a reduction in service levels and wants to see an increase in some areas (especially in the condition of Council's roads). An SRV application represents a large project and for a small Council with limited resources, it becomes necessary to outsource some of the work associated with the SRV application due to this. Council is bound by the requirements of the Independent Regulatory & Pricing Tribunal (IPART) and the Office of Local Government in the SRV application process and this has largely driven the need for the use of consultants. Where possible, work has been completed by staff and a significant contribution has been made by staff who have worked on the SRV application and associated requirements. Council has advocated for the complex requirements surrounding the SRV application process to be reduced or eliminated as this would assist with not needing to outsource work, along with increased levels of funding from other levels of government that would alleviate the need to seek an increase in rates via an SRV application. The sponsorship for the Jack Newton Junior Golf Tournament was made on the basis of the benefit to the local economy and is capped at \$5,000 over three years subject to the meeting of satisfactory key performance indicators. Benefits to the Gunnedah Shire are expected to include a minimum of 200 visitors and an estimated 400 overnight stays in the area, delivering a significant economic and social boost to the area. With an average spend per person per day of \$192 (Tourism Research Australia) this event would generate an estimated \$153,600 each year, contributing \$460,800 over three years. The Gunnedah Koala Sanctuary has been funded as follows: <table border="1" data-bbox="1128 1027 2128 1107"> <thead> <tr> <th>Project</th> <th>Grant/Other Funding</th> <th>Council Contribution</th> <th>Estimated Total Project Cost</th> </tr> </thead> <tbody> <tr> <td>Gunnedah Koala Sanctuary</td> <td>\$22,104,248</td> <td>\$559,752</td> <td>\$22,664,000</td> </tr> </tbody> </table> Council is working with a preferred specialist operator with the view of entering into a long-term lease arrangement for them to operate the Sanctuary. Costs associated with the saleyards upgrade project are addressed in above comments. The construction and final design of the Off Leash Dog Park is a direct result of an extensive amount of community consultation that was undertaken as part of the project and is delivery broad benefits to pet owners who access the park to exercise and socialise their pets. The project cost \$173,465 and was funded by Council. The cost of the LED sign was \$66,849.02 including the sign itself, installation of electricity and network connection and project management. The purpose of the 'V-shaped' sign is to allow drivers and pedestrians to see 'What's On' in Gunnedah – the sign is administered by Council's Visitor Information Centre team – and is a way for locals and visitors to see 24/7 what is on in the Shire from major events to the movies to other organisation's events. It is a way to welcome visitors and demonstrate our diverse range of activities and interests open to local and visitors. There is no cost for any local organisation to put details of their event or activity on the sign. 	Project	Grant/Other Funding	Council Contribution	Estimated Total Project Cost	Gunnedah Koala Sanctuary	\$22,104,248	\$559,752	\$22,664,000
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Gunnedah Koala Sanctuary	\$22,104,248	\$559,752	\$22,664,000											

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
						<ul style="list-style-type: none"> • Council's progress in relation to cost savings and efficiencies will be outlined in the SRV application. As part of approving the SRV, Council has also resolved to strive to achieve \$930,000 of savings and efficiency gains over the next three years along with a report to Council each May to outline progress. • Council has advised the community as to where the funds raised from the proposed SRV will be spent and this will be reported back on via a public quarterly reporting process from 1 July 2025, should the SRV be approved. It will also be publicly reported in Council's Annual Report.
25	19/12/2024	Strang, Helen	2321859	Not at proposed level	<ul style="list-style-type: none"> • States that reducing farmland rates from a cumulative 38.88% to 37.67% is a 1.26% reduction from the original proposal and is unacceptable • Proposed an alternative flat rate increase across all ratepayers instead of the SRV • Advised that Council should keep lobbying the NSW Government to review its funding model to ensure adequate funding and reduce or eliminate the requirement for SRVs • Stated that the Tambar Springs Rubbish Facility was recently staffed by a contractor and not an employee and this was an example of wasted funds • Stated that the town pool runs at a \$3.1m loss per annum and the airport is running at a \$300k deficit annually • Stated support increasing the rates for the mining sector to maintain infrastructure and services 	<ul style="list-style-type: none"> • Council has reduced the proposed SRV impact from 38.88% cumulative over two years to 32.25% cumulative over two years for residential, business and farmland ratepayers. • Council is restricted under <i>the Local Government Act 1993</i> in respect of how it can categorise properties for rating purposes and levy rates. Council is therefore unable to distribute the SRV on a flat rate basis. • Financial assistance grant funding has fallen from 1% of Commonwealth Taxation Revenue to approximately 0.5%. Council has been proactively lobbying State and Federal Government through various mechanisms for an increase in the financial assistance grant funding. Advocating for the restoration of this important source of funding to local government to previous levels remains a key priority for Council. • Council has on occasion utilised labour hire (rather than contractors) to cover staff shortages as the alternative would be closing waste facilities. Recruitment and retention of staff in Council's waste team is difficult and the use of labour hire has ensured that facilities remain open to community members. Further, the use of labour hire has provided a transition to permanent employment with Council for a number of members of our community who struggle to attain employment. • The Gunnedah Memorial Pool Complex has an annual net cost of approximately \$1.3 million per annum and the airport has an annual net cost of approximately \$185,000 per annum. • The comments regarding support for an increase for the mining sector are noted.
26	19/12/2024	Dawson, Geoff	2321999	Not Stated	<ul style="list-style-type: none"> • Concerned about cost of living and impact of the proposed rating distribution on the mining sector • Concerned about productivity and efficiency • Stated would not like to see the SRV used to increase staff numbers and Council should review use of contractors and consultants 	<ul style="list-style-type: none"> • Comments regarding the cost of living and impact on the mining sector are noted. In relation to the impact on residential, business and farmland ratepayers, Council has reduced the proposed SRV impact from 38.88% cumulative over two years to 32.25% cumulative over two years. • Council's progress in relation to cost savings and efficiencies will be outlined in the SRV application. As part of approving the SRV, Council has also resolved to strive to achieve \$930,000 of savings and efficiency gains over the next three years along with a report to Council each May to outline progress.

No	Date Received	Name	Doc ID	Supports SRV?	Matters Raised	Council Response
27	19/12/2024	Clark, Petrina	2321993	No	<ul style="list-style-type: none"> Concerns about the cost of living, koala sanctuary tenancy and opening, cost of the animal impound facility and proposed extra staff to run it and proposed Kitchener Park upgrade Believes there was a previous waste of money on various projects, including: <ul style="list-style-type: none"> Airport upgrade Chandos Street reconfiguration Council rebranding Off leash dog park Main street trees LED sign in Kitchener and Wolseley Parks Stated that Council should reduce overheads, including staffing, instead of an SRV 	<ul style="list-style-type: none"> Comments regarding the cost of living are noted. In relation to the impact on residential, business and farmland ratepayers, Council has reduced the proposed SRV impact from 38.88% cumulative over two years to 32.25% cumulative over two years. In relation to the Gunnedah Koala Sanctuary, this facility is not yet fully constructed and is largely funded by the NSW Government with a \$2 million contribution also from Whitehaven Coal Mining. Council is working with a preferred specialist operator with the view of entering into a long-term lease arrangement for them to operate the Sanctuary. The animal impound facility is largely funded through grants obtained under the Stronger Country Communities and Local Roads and Community Infrastructure funds. There is no proposal to employ additional staff to run the facility. There is no funded proposal to upgrade Kitchener Park. Kitchener Park was included in Council's Open Space Masterplans process. The requirement for development of these new Master Plans, being to ensure these spaces are future-proofed and meet contemporary user needs, was identified in Council's Open Space Strategy adopted by the Council in 2022. Following adoption of any Master Plans, Council will primarily be looking to external funding opportunities to fund resulting projects. Costs associated with the airport tarmac upgrade project and LED sign are addressed in above comments. The construction and final design of the Off Leash Dog Park is a direct result of an extensive amount of community consultation that was undertaken as part of the project and is delivery broad benefits to pet owners who access the park to exercise and socialise their pets. Council has considered alternatives to the SRV and a reduction in expenditure would only be achieved by way of a reduction in service levels.