



# OUR FINANCIAL FUTURE

Engagement and  
Communication Plan  
2023 – 2024



## Introduction

Since the 2019 adoption of the Financial Sustainability Strategy and Roadmap, Kempsey Shire Council has indicated significant long-term financial sustainability challenges. The Long-Term Financial Plan, within the Integrated Planning and Reporting (IP&R) document suite, has modelled multiple years of ongoing operating deficit budgets in the General Fund when capital grants and contributions are excluded.

Alternative budget scenarios, with and without a special rate variation (SRV) have been published throughout this time, aiming at raising awareness and reflecting the challenge in obtaining a sustainable budget position.

Council's financial results have fluctuated over the last five years due to implementing significant organisational and systems change, injections of sizeable grant funding following natural disasters and the COVID-19 pandemic and increased expenditure to address legacy organisational issues.

Consistently achieving a positive operating performance result is negatively impacted by the current sources of income, reliance on grant funding and level of asset maintenance and improvement required.

The challenge of managing rising costs, meeting community expectations and having government restrictions on generating income from rates is not a new issue for this Council or any across NSW. Financial results have deteriorated across the sector over the past three years with 38% of Council's across NSW reporting deficits in the 2021-22 financial year.

In April 2023 Council resolved to commence a formal investigation of the need for a SRV as represented in the 2023-24 Operating Plan. Resources were dedicated to reviewing detailed financial modelling, asset management planning and levels of capital spending. The investigation required significant community education and engagement so that the community was informed and had a say on the difficult decisions required.

This Engagement and Communications Plan reflects the approach and actions required for Phase 1: Our Financial Future - Investigation into Financial Sustainability and Phase 2: Applying to IPART for a Special Rate Variation (to be implemented pending the outcome of Phase 1)

The Plan has been developed in accordance with Kempsey Shire Council (KSC) Community Engagement Strategy 2022 to ensure compliance with the Local Government Act 1993 and the Environmental Planning and Assessment Act 1979.

## Engagement Principles

The diagram below depicts the engagement principles as per Council's adopted Engagement Strategy that are reflected in this Plan.



## Project Objectives

- Increase community awareness of Council's financial position and implementation of the Financial Sustainability Strategy to date.
- Inform the community about the possible rate increase scenarios.
- Seek community feedback on options for Council's financial sustainability.
- Inform the community of steps in decision making process.

## Decision Process

Neither Council nor the community are the decision makers as to whether the rates can be increased beyond the rate peg level. But once a determination is received from IPART Council still ultimately decide whether to implement the approved level of rates.

## Engagement Approach and Decision Statement

### Phase 1: Our Financial Future - Investigation into Financial Sustainability

Ensure community understand the need for and impact of a proposed SRV and can provide feedback prior to Council's decision on whether to make an application to IPART for a SRV.

### Phase 2: Applying to IPART for a Special Rate Variation *(pending outcome of Phase 1)*

If Council resolve to make an application, the related Integrated Planning and Reporting documents and Hardship Procedures will be publicly exhibited and require adoption before an application can be submitted.

## Engagement Level

Engagement Level	Phase 1	Phase 2
<b>Level 1 – Inform</b> Provide the public with information to assist them in understanding the problems, alternatives and/or solutions.	✓	✓
<b>Level 2 – Consult</b> Obtain public feedback on analysis, alternatives and/or decisions.	✓	✓
<b>Level 3 – Involve</b> Work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	✓	

## Key Messages



- As part of the adopted Financial Sustainability Strategy significant measures have been taken over the last five years to address Council's financial sustainability.
- A false security has been created by delivering millions of dollars in grant funded projects, through increased natural disaster and COVID-19 recovery funding.
- Community surveys show there is an expectation Council should deliver higher levels of service in the most expensive asset classes of transport infrastructure followed by stormwater and drainage.
- Rising costs of materials, labour and interest rates have all negatively impacted the long-term financial forecasts.
- Council will conduct an investigation into financial sustainability including seeking community feedback on options for increasing revenue and reducing expenses.
- Council will review the investigation findings and decide on the parameters for an application for a Special Rate Variation.
- The community will continue to be informed of opportunities for feedback relevant to the application assessment and IP&R cycle.

## Stakeholder Influence

<p><b>PRIMARY STAKEHOLDERS</b> High Interest / High Influence</p> <p>Engagement Methodology: Immediate and direct Tailored approach</p>	<p><b>SECONDARY STAKEHOLDERS</b> High Interest / Low Influence</p> <p>Engagement Methodology: Immediate Tailored approach</p>
<p><b>PRIMARY / SECONDARY STAKEHOLDERS</b> Low interest / High Influence</p> <p>Engagement Methodology: Tailored approach</p>	<p><b>TERTIARY STAKEHOLDERS</b> Low Interest / Low influence</p> <p>Engagement Methodology: General approach</p>

# Stakeholder Matrix

Stakeholder Category	Interest	Influence
<b>External</b>		
Rate payers and residents (Community)	High	High
Community Leaders (Community)	High	High
Business Leaders (Community)	High	High
Service Providers (Community)	High	Medium
Local MPs	High	Medium
Media	High	Low
Independent Pricing and Regulatory Tribunal (IPART)	Medium	High

Stakeholder Category	Interest	Influence
<b>Internal</b>		
Councillors/elected representatives	High	High
Executive Leadership Team (ELT)	High	High
Senior Leadership Team (SLT)	High	Medium
Leaders Forum	Medium	Medium
Staff	Medium	Low

## Key Milestones

Milestone	Date
Council resolve to conduct Financial Sustainability investigation	18 April 2023
Engagement plan approval and briefing with Councillors	June 2023
Phase 1 engagement conducted	August 2023 – October 2023
Council review Phase 1 and decide on parameters of SRV application	21 November 2023
Updated IP&R documents and Procedures for managing disadvantage on public exhibition	November 2023 – January 2024
Application (if proceeding) submitted to IPART	February 2024
Community updated and informed of 2024-25 Operating Plan engagement	March – June 2024

# Engagement and Communication Deliverables

## Internal Stakeholders Phase 1 and 2

			Feb 23	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan 24
Stakeholder	Engagement Objective	Tools and Techniques												
Councillors	Inform and involve with: <ul style="list-style-type: none"> <li>Project status</li> <li>Investigation findings</li> <li>Community sentiment</li> <li>Decision stages</li> </ul>	Presentation in GM Monthly briefing  Workshop reviews of community feedback  Articles and calendar bookings in weekly Councillor bulletin												
ELT	Inform and involve with: <ul style="list-style-type: none"> <li>Project status</li> <li>Investigation findings</li> <li>Community sentiment</li> <li>Decision stages</li> </ul>	Regular presentation to fortnightly ELT meeting												
SLT	Workshop productivity and cost saving	Session in quarterly planning meeting												
SLT	Review and analyse submissions	Session in quarterly planning meeting												
SLT	Inform of project updates and questions	Standing item in weekly meeting												
Leaders Forum	Workshop cost savings, staff and community questions	Session in quarterly meeting												



Leaders Forum	Inform of project status and community feedback	Session in quarterly meeting												
Staff	Inform on: <ul style="list-style-type: none"> <li>Key messages</li> <li>How to have a say</li> <li>Support managing community feedback</li> </ul>	Quarterly All staff BBQ Fortnightly Directorate updates Weekly staff e-newsletter Weekly GM video message												

## External Stakeholders Phase 1

			April 23	May	June	July	Aug	Sept	Oct	Nov 23
Stakeholder	Engagement Objective	Tools and Techniques								
Community	Inform on Financial Sustainability background	Project page KSC website Link to past business papers, related decisions and IP&R documents								
Community	Inform and consult through Your Say Macleay engagement portal.	Engagement dedicated website "Our Financial Future" hosting: <ul style="list-style-type: none"> <li>Project timeline</li> <li>Fact Sheets/Q&amp;A</li> <li>Rates calculator for all scenarios</li> <li>Ask a Question</li> <li>Rate Increase Options Survey</li> <li>Submissions tab</li> <li>Community Presentation</li> <li>Explainer videos</li> </ul> Posting stories to Council website Media release distribution Manage interview requests								
Community	Inform of opportunity to have a say and answer key questions identified through community briefings.	Advertorial Q&A series in print media Replicate content as social media posts and community E News stories								

Community	Inform and consult through Listening Posts at existing events.	'Chatterbox' engagement van and senior staff attend key markets and events across Shire. Personal explanations and information. Handout fact sheets, flyer and surveys.											
Media	Inform on opportunity to have a say through proactive and responsive media relations.	Posting stories to Council website Media release distribution Manage interview requests											
Local MPs	Inform on project status and advocacy opportunities.	Face to face briefings Written follow-up providing information and answering questions.											
Community	Inform and consult by presenting to existing community groups	Opportunity and booking link sent to targets database. Online booking form posted to Your Say Macleay Community newsletter stories Handout presentation copies, fact pages and information flyer											
Community	Inform with static information booths in Customer Service Centre and Libraries	Target high traffic areas to support direct distribution of information and hard copy surveys.											
Community	Inform on financial sustainability issues, options and how to have a say.	Direct mailout of information flyer to all ratepayers											
Community	Inform of opportunity to have a say through advertising.	Tile in Council notices in local newspaper. Strip ads in local newspaper. E Signature banner for all Council staff Digital billboards											

## External Stakeholders

### Phase 2 (Delivered pending outcome of Phase 1)

			Nov 23	Dec	Jan 24	Feb	Mar	April	May
Stakeholder	Engagement Objective	Tools and Techniques							
Community	Inform of Councils decision to proceed with application for a SRV	Website stories Media release and media relations E Newsletter							
Community	Inform and consult on public exhibition of updated IP&R documents and procedures supporting hardship.	Engagement dedicated website “Applying to IPART for a SRV” hosting: <ul style="list-style-type: none"> <li>Decision timeline</li> <li>Draft documents on exhibition</li> <li>Rates calculator for adopted SRV scenario</li> <li>Document quick comment survey</li> <li>Submissions tab</li> </ul> Website stories Media release and media relations E Newsletter Digital billboards Video story posted on website and social media							
Media	Inform on decision process through proactive and responsive media relations.	Posting stories to Council website Media release distribution Manage interview requests							
Community	Inform on how to make submissions to IPART	Website stories Media release and media relations E Newsletter Direct emails to engaged stakeholders and community leaders							
Community	Inform of determination and impact on 2024-25 Operating Plan and IP&R engagement.	Website stories Media release and media relations E Newsletter Direct emails to engaged stakeholders and community leaders							

## Success Measures

- Community informed of the Financial Sustainability focus, the need for a SRV and possible scenarios
- Capture and analysis of significant level of response and feedback from residents across the Shire
- Community feedback helps inform Council decision on whether to apply for a SRV and the impact on Financial Sustainability
- Community aware of the opportunities for further engagement with IPART if application is submitted
- Improved level of awareness and engagement in future Operational Plans and IP&R Framework.

## Acknowledgement

Kempsey Shire Council acknowledges the land of the Thunggutti/Dunghutti Nation. We pay respect to Elders past and present. We acknowledge the role of emerging leaders to continue to guide us in the future. We acknowledge the Stolen Generations and the need to change practices to be inclusive. This land always was and always will be Thunggutti/Dunghutti land.