

Criterion 2 Community Engagement Annexures

Attachment 2.d.v

- **Phase two community information session presentation**

FUNDING OUR FUTURE

Community presentation

TODAY WE WILL DISCUSS

- The challenge
- Why has it happened?
- Can't Council solve it?
- What's it got to do with me?
- Where do we want to go?
- How will we get there?
- Can we afford it?
- Is it the right mix for me?
- What are the next steps?

THE CHALLENGE

- Council will face a funding shortfall of \$92 million over the next 10 years.
- The shortfall is operational – that is, the costs associated with delivering the full range of services (eg. road works, sportsground maintenance, libraries, pools, community buildings, footpaths etc.).
- Costs are increasing far more quickly than revenue is increasing.
- Council will need to stop spending, or start generating more money.

Council will have to make significant changes if a balanced budget is to be delivered in 2014/15 ...

The solution needs community input.

WHY HAS IT HAPPENED?

Many Councils across NSW are facing similar issues. There are many reasons including:

- Rate pegging

Intended to ensure Councils contained expenditure and pursued efficiencies however many costs have risen drastically and communities have changed significantly.

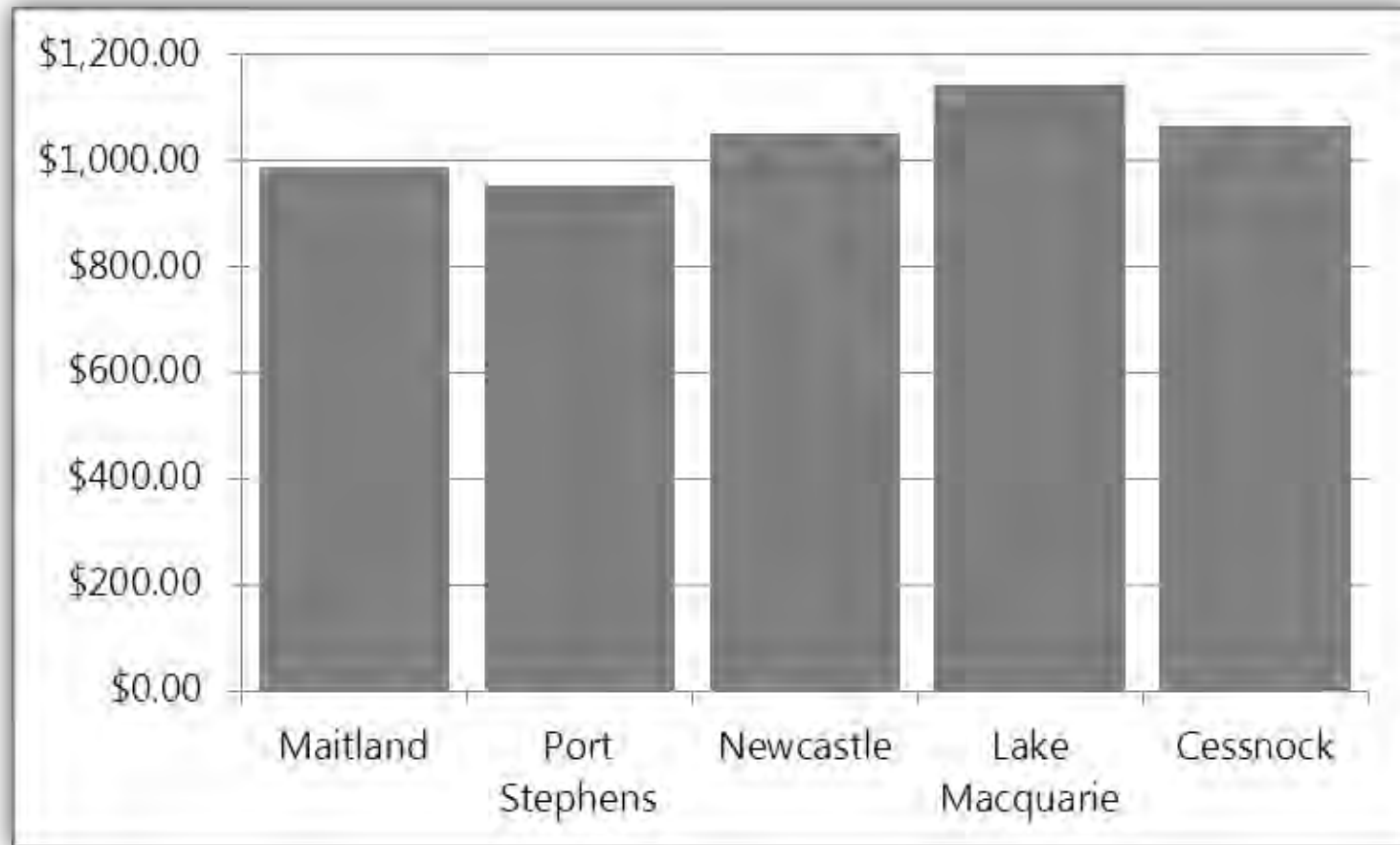
- Cost shifting

State government has 'shifted' many costs to local government – changes to compliance, development funding, emergency services, planning and more.

City growth and changing expectations

- Compounded by change from rural town to fast growth regional city (started from low rates base).
- Expectations of services in a 21st century city of 70,000 plus far greater than in a rural town of 1970s.
- Rates revenue funds less than half cost of Council services.
- By 2030, up to 120,000 residents expected ... how will we deliver services to more people?

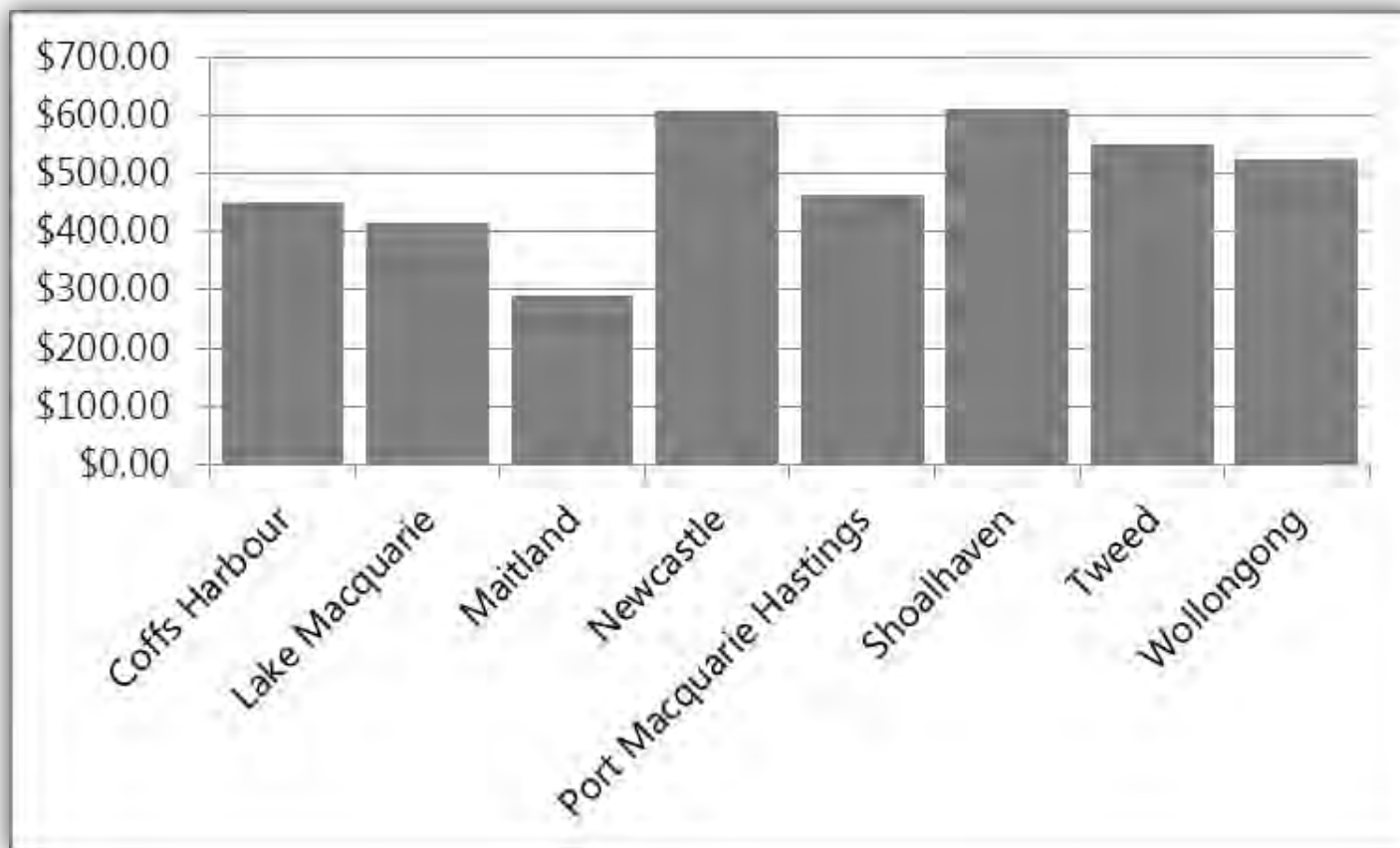
Comparatively low rating - \$986 average residential rate per assessment



ALL OPTIONS HAVE BEEN EXPLORED

- Organisational efficiencies not enough to close the gap (would require more than 10% budget cut each year).
- Revenue increases from other areas (fees and charges) undertaken, but also insufficient.
- Asset sales examined – funding used for capital works rather than operational expenses.
- Loans used for significant capital works – spread repayments over time.

Rate revenue per resident \$290 (2010/11)



FINDING A SOLUTION

- While rating funds less than half of cost of providing services, it is the biggest single source of revenue.
- Rates are paid by households and businesses.
- Council wants to develop a solution that is understood and supported by residents.
- A need to ensure services and service levels are aligned to what the community wants to see.

MAITLAND + 10

We are a vibrant river city, with heritage in our heart.

Our people are caring and active, with access to services and facilities that meet the needs of all of our citizens.

We are focused on our environment, balancing conservation and development and enhancing where we can.

Our many leaders work together to see the city prosper and maximise benefits for our people.

We are a strong and proud community, celebrating together and embracing newcomers.

Together, we make Maitland.

COMMUNITY CONSULTATION

- Consultations undertaken by Council over recent years have established a framework for service delivery.
- Residents have told Council what they want, Council has now planned for its delivery.
- Focus areas include Central Maitland revitalisation, aquatic facilities, road and footpath maintenance, highway infrastructure, city appearance and pride, connecting 'old' and 'new' Maitland, engagement in decision making, long term planning.

WORKING TOWARD A SOLUTION

- A Special Rate Variation would allow increases above rate peg.
- Two primary options are being explored.
- Both presented over seven years – allows for more gradual percentage increase, gives certainty to ratepayers.
- Modest annual financial increases.
- Aligns to term of current Council (3 years) and Council following (4 years).
- Secures financial position of Council.

SERVICES AS PROGRAMMED

- Deliver as currently programmed - includes The Levee, indoor pool and Maitland Station Precinct.
- 7.25% rate increase per year for seven years.
- Equates to \$89 average annual increase for seven years - \$1.70 per week.
- Total increase over seven years of 50.75%, including rate peg estimate of 22.4% (ie. 28.35% would be Special Rate Variation).

ENHANCED OR IMPROVED SERVICES

- Enhance or improve services – more funding for infrastructure, city appearance, youth facilities, recreational cycleways and more.
- 8.95% rate increase per year for seven years.
- Equates to \$116 average annual increase for seven years - \$2.22 per week.
- Total increase over seven years of 62.65%, including rate peg estimate of 22.4% (ie. 40.25% would be Special Rate Variation).

DELIVERING A MIX A POSSIBILITY

- Developing an option that sees some services delivered as programmed and others enhanced a possibility.
- Would increase rates between 7.25% and 8.95% per year for seven years.
- Equates to \$89 to \$116 average annual increase for seven years – between \$1.70 and \$2.22 per week.

YOUR SAY

- Data suggests a community capacity to pay.
- But what do residents say?
- What services and levels of service are desired?
- How much are ratepayers prepared to contribute?
- If paying more is not supported, what would we reduce spending on?

YOUR SAY

Visit maitlandyoursay.com.au to find:

- 'Funding our future' publication
- Information sheets
- Rating calculator and rating tables
- Forums
- Detailed survey
- Register to stay informed

NEXT STEPS

- Consultation for this phase closes on 4 October.
- Feedback considered and preferred option developed.
- Preferred option released for community input in October/November.
- Council would need to signal its intention to apply for Special Rate Variation in December.
- Application due to IPART in February, supported by Council's revised Delivery Program and Operational Plan.
- IPART releases determination in June 2014.

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