

ATTACHMENTS UNDER SEPARATE
COVER

ORDINARY COUNCIL MEETING
8 NOVEMBER 2022



PORT STEPHENS
C O U N C I L

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ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT
FINANCIAL ANALYSIS 2022.

Attachment 1



Consolidated Report

Independent Financial Analysis – 2022

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**ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT
FINANCIAL ANALYSIS 2022.****Background**

Port Stephens Council has engaged Professor Joseph Drew and Emeritus Professor Brian Dollery of the University of New England to commission four reports to aid in assessing Council's overall financial sustainability and a potential application for a special rate variation.

The Centre for Local Government at UNE is a multi-disciplinary centre for research, consultancy, and education activities to all sectors of Local Government. Of critical importance, Professor Drew has conducted similar reports for Cootamundra-Gundagai Council that were included in their successful 2021-22 SRV and was widely accepted by the community as an independent voice with a level of depth and insight beyond standard practices.

Report 1: Financial Sustainability

- Fifty metrics examined, rigorous empirical work including econometric modelling and data envelopment analysis, concludes that PSC is facing a financial crisis that needs to be addressed.
- While PSC has met its goal for operating ratio in the past, due to the ongoing impacts of COVID-19 this will not be possible in the short or long term. Stemming from the sudden drop-off in Holiday Park revenue, the absence of Airport dividends, and drastically reduced Children Services revenue.
- PSC has become exposed to commercial risks in its struggle to maintain sufficient revenues in addressing its inadequate rate base.
- A Special Rate Variation is recommended to address ongoing financial sustainability.

Report 2: Capacity to Pay

- The report details the insufficiency of rates revenue for PSC in the short to long term.
- Review of rate structure with suggestions to improve both distributive justice and capacity to pay. Concerns with lowering or abolishing base amounts.
- Recommended capacity for a double-digit SRV application size and 3-year length – refer to p105.

Report 3: Efficiency Report

- Results of Data Envelopment Analysis (DEA) show PSC performed close to the typical result being 0.75 (1 being perfectly efficient).
- Confirmation that ratepayers, Councillors and IPART can be assured that PSC provides good value for money.

ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT FINANCIAL ANALYSIS 2022.**Recommendations for further improved Efficiency**

1. Explicit Measures to Combat Fiscal Illusion – targeted campaign
2. Abolish Ward Structures – 3.4% increase in unit expenditure per additional ward
3. Review Corporate Structure – emphasis on the number of lower-level managers
4. Service Level Review – aligning the current process with a willingness to pay
5. Council Led Internal Efficiencies – deferral of discretionary projects, better procurement process, capture tourist revenue, more appropriate use of carefully tailored fees and charges

Report 4: Debt Capacity

- Previous debt is associated with discretionary projects which exacerbate fiscal illusion.
- Advice that PSC is already close to its debt capacity ceiling. \$5.3 million consolidated and special case view (excluding Airport) \$20 million.
- Commends prudent financial management exemplified through actions taken to continuously maintain debt at the lowest rates.
- Advice to defer any new debt liabilities until reduced risks and SRV approval. Discouraged financing costs of debt through reserves or the sale of land.

Definition

Fiscal illusion occurs when local ratepayers do not understand the financial circumstances of their local council and underestimate the true cost of current municipal service provision (p1., Financial Sustainability Report)

Port Stephens Council Financial Sustainability Report



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DISCLAIMER

This Report was prepared by Joseph Drew and Brian Dollery on behalf of New England Education and Research Proprietary Limited for the Port Stephens Council. This Report was produced for the Port Stephens Council as a strictly independent Report. The opinions expressed in the Report are thus exclusively the views of its authors and do not necessarily coincide with the views of the Port Stephens Council or any other body. The information provided in this Report may be reproduced in whole or in part for media review, quotation in literature, or non-commercial purposes, subject to the inclusion of acknowledgement of the source and provided no commercial use or sale of the material occurs.

**ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT
FINANCIAL ANALYSIS 2022.****EXECUTIVE SUMMARY**

This Financial Sustainability Report paints a rather grim picture of financial sustainability challenges facing Port Stephens Council. Indeed, matters could hardly be more serious. However, it is noteworthy that senior management – especially those involved in financial matters – have done a sterling job. There is thus good reason to believe that their efforts have been pivotal in averting a financial crisis thus far.

In this Report we recommend a number of measures that should be taken as soon as possible to assure financial sustainability. The consequences of the COVID public policy response are far from over and some of the worst effects, such as inflation, are only now starting to emerge.

Moreover, it is abundantly clear that a special rate variation (SRV) is essential moving forward. The matter is not simply about ensuring adequate revenue receipts (an immediate concern), but it is also a pre-requisite for ongoing financial sustainability and intergenerational equity, as well as a remedy for dispelling dangerous levels of fiscal illusion.

ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT FINANCIAL ANALYSIS 2022.**1. INTRODUCTION**

Financial sustainability in local government can be defined as the ability to meet the reasonable expectations of current residents in a way that does not put at risk the capacity of future generations to meet their own needs (Drew and Dollery, 2020).

This definition requires current municipal taxpayers to at least fund their share of the consumption of long-lived assets, in addition to the full costs of operational programs. Moreover, it emphasises reasonable expectations and thus cautions against allowing fiscal illusion to develop. Fiscal illusion occurs when local ratepayers do not understand the financial circumstances of their local council and underestimate the true cost of current municipal service provision (Drew, 2021).

At present two New South Wales (NSW) local governments are in administration as a result of their failure to demonstrate financial sustainability. Moreover, a number of other local councils find themselves in a precarious financial position, most notably rural and remote councils, high growth coastal communities, and many of the entities created in the 2016 forced amalgamation program (Drew, 2021). Indeed, past financial failures have not been predicted by regulatory authorities and they also came as an unexpected shock to elected councillors (Drew and Campbell, 2016).

Every local government in NSW ought to be concerned about financial sustainability. Moreover, because budget repair for failed councils involves significant increases to intergovernmental grants derived from a relatively fixed quantum of money, each new failure places additional pressure and risk onto the remainder of the jurisdictional cohort. Furthermore, COVID-19 policy responses have imposed additional costs on local authorities, raised the spectre of a lengthy period of high inflation and interrupted both the predictability and flow of revenue. It is thus prudent to exercise extreme caution with respect to finances at this time, especially in view of the continued uncertain outlook regarding both the problem and the policy response (see Appendix 1).

This Report examines fifty metrics and reflects a combined five decades of scholarly expertise in local government economics and finance. The authors have reviewed relevant council documentation and regulatory policies to inform their judgements. In addition, discussions have been held with key stakeholders and rigorous empirical work (including econometric modelling and data envelopment analysis) has also been conducted to ensure an accurate picture of Port Stephens's financial sustainability is established.

The most reliable comparison – for the purposes of evaluating local government financial sustainability – is Council itself at different time periods. This is because service levels, structures and policies tend to remain fairly constant within the single municipal entity. However, inevitably local government decision-makers wish to gain an understanding regarding how they compare to similar communities. We have thus

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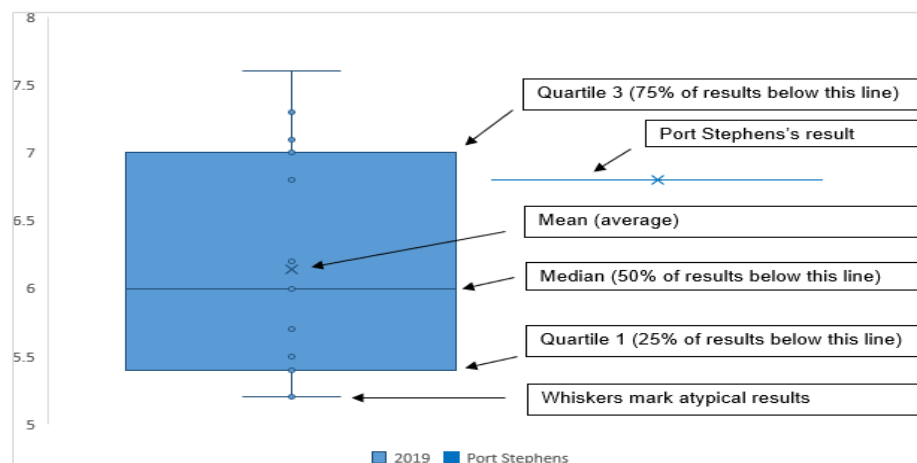
also compared Port Stephens' performance against a group of fourteen peer councils as detailed in Table 1. Peers have been drawn from multiple NSW Office of Local Government (OLG) categories as is appropriate when one wishes to have close comparisons and also acknowledges the chronic flaws in the extant classification system (Drew and Dollery, 2016).

TABLE 1. PEERS USED IN COMPARISONS

OLG 5 Councils	OLG 5 Councils	OLG 4 Councils	OLG 11 Councils
Coffs Harbour	Tweed	Cessnock	Muswellbrook
Newcastle	Maitland	Singleton	
Shoalhaven	Shellharbour	Tamworth	
Lake Macquarie	Wollongong	Wagga Wagga	
Port Macquarie			

Comparative data is presented in box and whisker plots which are the best way to illustrate a particular council's performance relative to its peer group. Figure 1 explains how best to interpret such a plot.

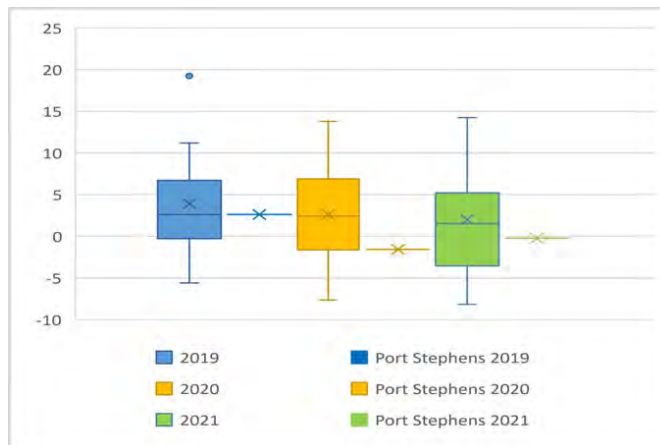
FIGURE 1. INTERPRETING BOX AND WHISKER PLOTS



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2. ANALYSIS

FIGURE 2. OPERATING PERFORMANCE RATIO



Perhaps the key ratio employed for decision making by councils and regulators alike is the operating ratio. Moreover, the Port Stephens Council's endeavours to keep this ratio above zero were prudent. However, it should be noted these prudent measures counted against it in its 2019-20 application for a Special Rate Variation (SRV)!

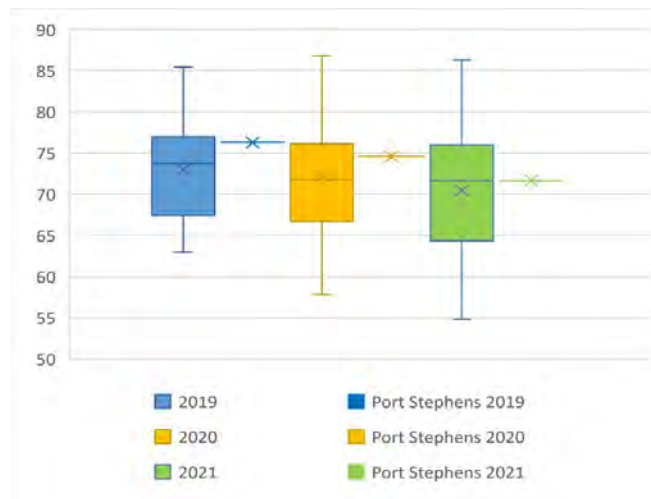
Unfortunately placing undue emphasis on a single ratio can tend to obscure important problems and risks associated with financial sustainability (which is why we survey some 49 other metrics in this Report). Historically, Port Stephens has tended to meet its goal of break-even on the operating ratio. However, since the advent of the COVID-19 policy responses, this has not been possible. The reason for this recent shortfall can be attributed largely to the sudden drop-off in commercial receipts, the absence of airport dividends, and drastically reduced services revenue¹. The results from the last few years highlight how exposed Port Stephens has become to commercial risk in its struggle to maintain sufficient revenues despite clearly inadequate taxation receipts.

¹ For 2021 the proportion of total fees and charges attributable to these non-core activities were: childcare (7.48%; \$2,671 – all figures provided in thousands of dollars), holiday parks (40.60%; \$14,506), and airport partnership (21.87%; \$7,816) – in 2019 this was childcare (4.58%; \$1,859), holiday parks (27.84%; \$11,306), and airport partnerships (41.98%; \$17,045).

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As we will argue throughout this Report, inadequate taxation receipts have forced Port Stephens Council to take on significant risk which threatens financial sustainability, especially in the face of economic shocks. It is highly likely that further shocks will occur in the future, either from COVID or some other unrelated problem. Moreover, it is by no means certain that Port Stephens will be able to withstand the impact of these potential imposts, unless significant action is undertaken to mitigate matters.

FIGURE 3. OWN SOURCE RATIO



In Figure 3 we present the own-source ratio which confirms our remarks about the operating results being associated with non-core local government revenues (and hence risk). Unfortunately, during the Fit for the Future program, a lot of uninformed commentary emerged regarding the need for local governments to grow their own-sourced revenue. Appropriate growth in own-source revenue – that is, for core local government services – is desirable because it improves the nexus between the cost of supply and the price paid and hence reduces fiscal illusion (see our observations with respect to the nexus ratio below). However, revenues obtained from non-core local government functions introduce heightened levels of risk and make communities more vulnerable in the face of economic shocks (as is clear from the 2021 financial year data in particular). Moreover, intergovernmental grants are critical for correcting

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vertical fiscal imbalance² and also promoting horizontal fiscal equity³, but also detract from the own-source revenue. Thus, it is sometimes the case that a high achievement in this metric may indeed be reflective, at least in part, of inadequate grant flows.

As Figure 4 demonstrates, financial assistance grants (FAGs) nominally allocated for the purposes of maintaining road infrastructure are inadequate for Port Stephens' needs. At present the council receives far less per kilometre than the typical peer group member (measured by either the median or the mean with the former being the more reliable statistic). For many years scholars have shown that the grant allocations in NSW – and indeed the whole country – are chaotic and indefensible as well as inconsistent with the clear intent of the enabling legislation (Drew and Dollery, 2014; Drew, 2021). It is notable that the most recent community satisfaction survey at Port Stephens pinpointed high levels of discontent with the road network (45% satisfaction with road maintenance; 68% satisfaction with roadside maintenance) and clearly insufficient grant flows are part of the problem. Moreover, if grant flows for roads remain insufficient, then it will be necessary and appropriate to significantly increase taxation receipts⁴ (that is to receive an SRV) to ensure that adequate and sustainable maintenance of roads can be assured. Notably the problem with the road component of the FAGs is compounded by real reductions foreshadowed to the Roads to Recovery grants.

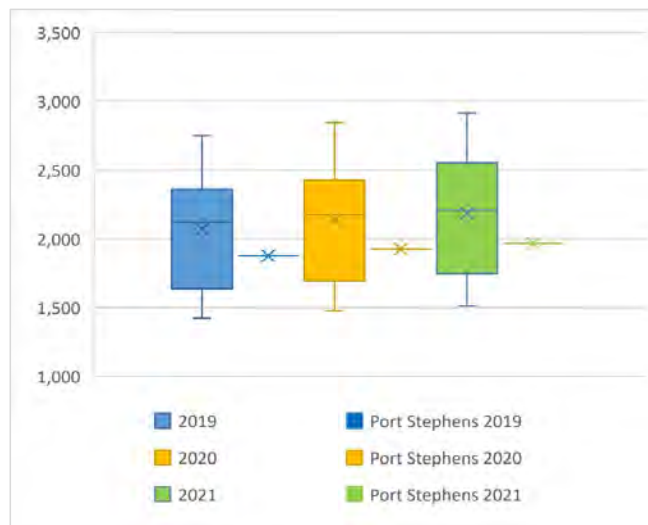
² Vertical fiscal imbalance refers to the fact that in most federal systems of government, the national government typically collects greater revenues than it requires to discharge its remit. In contrast, because local government has a narrow tax base the opposite is true.

³ This refers to the desirability of all local governments being able to provide a basic minimum level of local services. Because some regions are richer than others – and also because different communities exhibit varying levels of need – horizontal equity can rarely be achieved without a specific grant scheme.

⁴ Because local roads are public goods (non-excludable and non-rival) the appropriate source of funding is taxation: either direct taxation through levying of rates or increased allocation of tax receipts originating with higher tiers of government (intergovernmental grant allocations).

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FIGURE 4. ROAD GRANT PER KILOMETRE



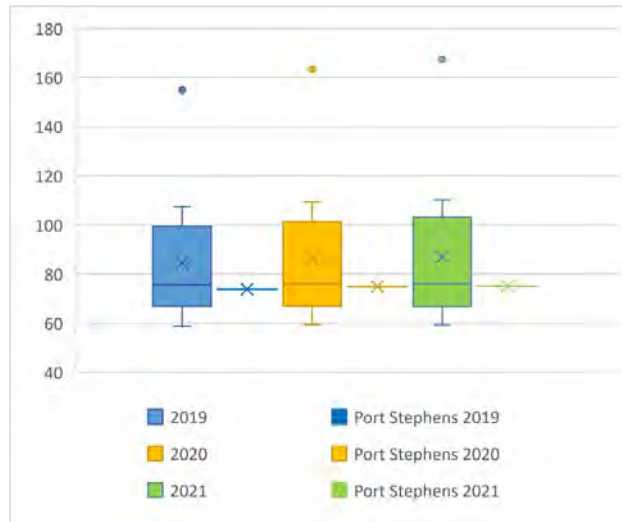
Matters are better for the general component of FAGs, at least in a relative sense. Here the median is the most appropriate comparative statistic because of the skewing associated with the extreme outlier (represented by the dot to the north of the graphs). However, it should be noted that in all likelihood the grants are still insufficient and not at the level that they ought to be set at due to both chaotic methodology and lack of commitment by the higher tier governments to the financial sustainability of rural and high-growth local governments (Drew, 2021).

Moreover, there is considerable uncertainty regarding the level of grant receipts moving forward, because of at least two factors. First, the federal budget is in deep deficit which will inevitably encourage politicians to look for cuts that generate minimum political costs (such as the FAG freeze implemented previously). Second, financial failures of other councils in NSW inevitably result in significant upwards 'adjustments' to FAGs for these councils. Because the total quantum is fixed, this means that the rest of the local authorities in the state jurisdiction receive less than what they would have otherwise received (Drew and Campbell, 2016). Given the risk of further local councils failing over the next few years, it would be optimistic to believe that FAG allocations to Port Stephens will continue to grow in future.

Once again, inadequate grants means that local councils need to respond by securing increased taxation receipts (through SRVs).

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FIGURE 5. GENERAL COMPONENT OF FINANCIAL ASSISTANCE GRANT PER PERSON

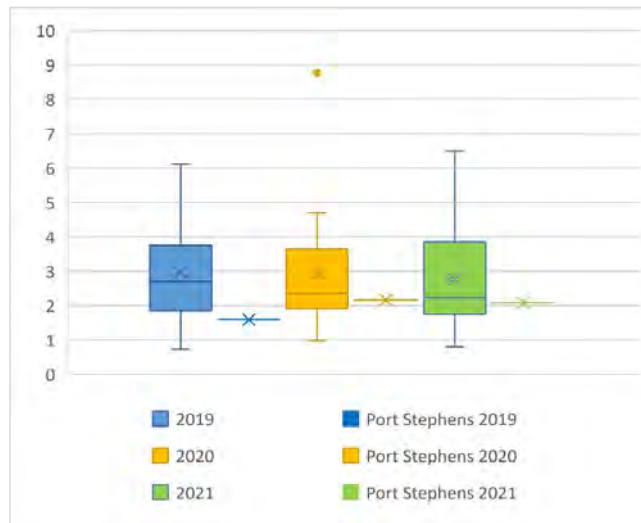


The unrestricted current ratio is a liquidity ratio commonly employed to measure the sustainability of commercial businesses. Unfortunately, regulators have adopted this metric without considering its appropriateness to the much more lumpy nature of municipal revenue. Unlike commercial businesses that are constantly accruing income from selling products, local government tends to receive most of its money according to quarterly invoices. Thus, meeting the benchmark of 1.50 should not be considered as reason for comfort. Indeed, most of the metrics used in NSW have arbitrary benchmarks and they are also insufficient to fully reflect the state of financial sustainability for a given council. In this regard, it is notable that the metrics did not predict the last municipal financial failure, which is an obvious cause for concern regarding their fitness for purpose. Put differently, no local government should feel that achieving the benchmark for the liquidity ratio or the other regulatory ratios means that they are necessarily financially sustainable.

Port Stephens has chronically low (and recently declining) liquidity in a relative sense. When combined with its higher risk profile and concomitant susceptibility to economic shock, it is by no means certain that it will be able to pay its bills when they fall due in the future. While we do not mean to induce unnecessary alarm, there should be no doubt that the situation is serious and warrants urgent attention.

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FIGURE 6. UNRESTRICTED CURRENT RATIO



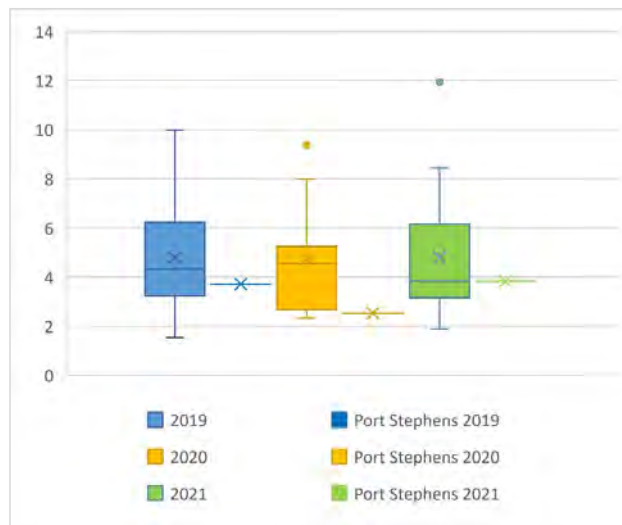
The debt service ratio suggests that Port Stephens has a relatively low capacity to take on additional debt. However, to fully understand this problem, debt capacity modelling will need to be undertaken (see Drew, 2021). We understand that Port Stephens plans to take on more debt to upgrade depots, council buildings and conduct public domain upgrades. We urge caution before doing so and do not consider this ratio (or its arbitrary benchmark) adequate for decision-making purposes. Nor should reliance be made on bank assessments because these institutions have demonstrated in the past that they are largely unconcerned about repayment capacity due to their belief in extant soft budget constraints⁵.

We also note that Port Stephens considers debt financing to be an important tool to assure intergenerational equity. However, as demonstrated by Drew (2020; 2021), intergenerational equity can only be achieved when certain strict criteria are observed, including a *quid pro quo* via increases to revenue (such as an SRV) or decreases in expenditure elsewhere in line with the expected consumption of the asset.

⁵ That is, commercial banks understand that there will be a bailout should the council fail (as in the case of Central Darling Shire) (Drew and Campbell, 2016).

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FIGURE 7. DEBT SERVICE RATIO

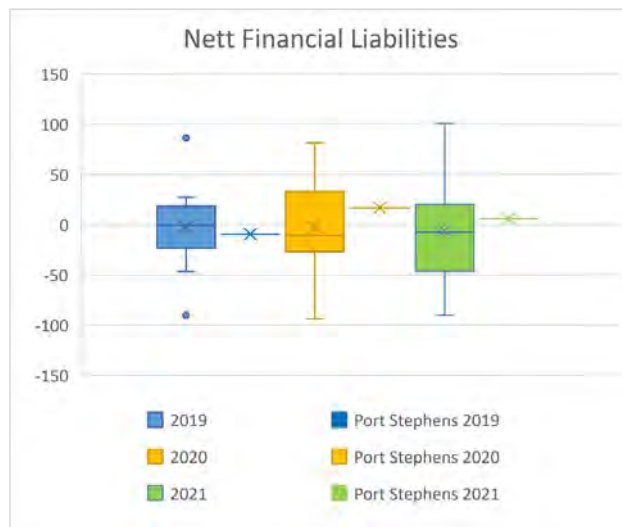


The nett financial liabilities ratio is much better (although still inadequate) at indicating debt capacity because it includes important liabilities (such as non-loan obligations related to staff) neglected by the former metric. This is probably the reason why versions of this metric are preferred by Queensland, South Australian and Western Australian regulatory authorities.

For this ratio a negative result is preferred (and generally expected) because this would mean that relevant assets exceed liabilities. The typical council in the peer group does have a near-zero or negative result as desired. However, the result for Port Stephens has been positive for the last two years. When considered in light of the ongoing risk posed by COVID-19 policy, as well as Port Stephens' proposed borrowings, this metric provides solid grounds for concern.

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FIGURE 8. NETT FINANCIAL LIABILITIES



Depreciation accruals have been a source of ongoing difficulties for all local governments in Australia. As noted in the scholarly literature, full accrual accounting is problematic for governments because an active market does not exist for most infrastructure assets (and hence there is no reasonable fair market benchmark to judge asset value (Drew, 2020)). Moreover, accurate depreciation accruals are critical to a number of other metrics (especially the asset ratios) and also play an important role in financial sustainability planning.

The aggregate rate of depreciation at Port Stephens is on the low side in a relative sense as indicated by Figure 9. However, we should not jump to the conclusion that depreciation is being under-expensed (because usage rates and climatic conditions are strong determinants for the accrual). Nonetheless, it does indicate the need for another look at the relevant schedules. If it transpires that depreciation has been under-expensed, then this would mean that the financial sustainability situation at Port Stephens is even more serious than it currently appears. Moreover, inaccuracies in depreciation tend to resolve as losses and gains on disposal which tend to result in unstable and unpredictable operating results.

To assist the process of potential problem identification, we have also disaggregated data even further according to the four major common classes of depreciable items. This more disaggregated data is presented in Figures 10 through to 13.

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FIGURE 9. TOTAL DEPRECIATION OF INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT DEFLATED BY CARRYING AMOUNT

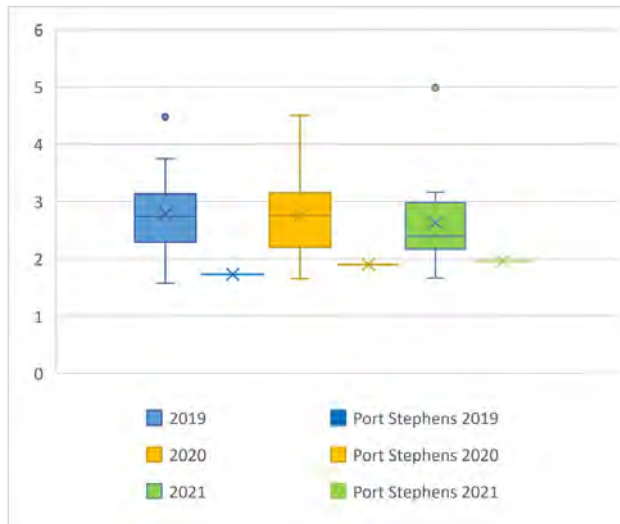
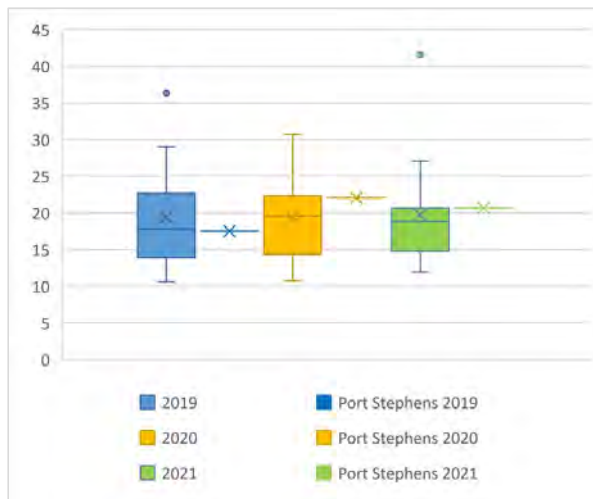


Figure 10 provides a comparison of the rate of depreciation for plant and equipment. It appears that Port Stephens is slightly more aggressive in its observation of this accrual than the peer group. This may mean that plant and equipment is being used more, not lasting as long as might be reasonably expected, or being depreciated too quickly.

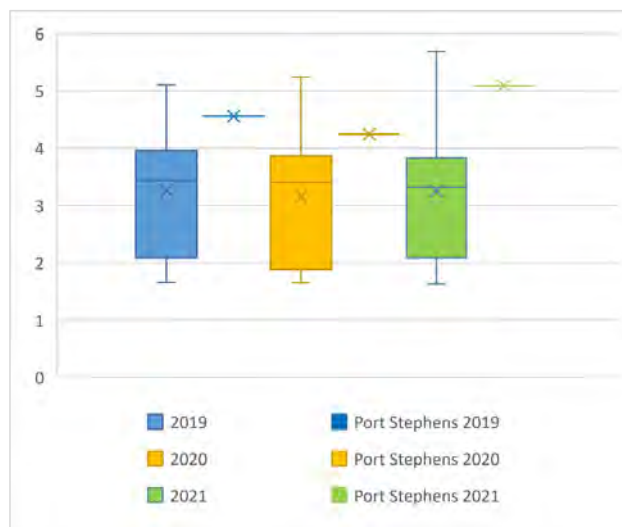
FIGURE 10. DEPRECIATION OF PLANT AND EQUIPMENT DEFLATED BY CARRYING AMOUNT



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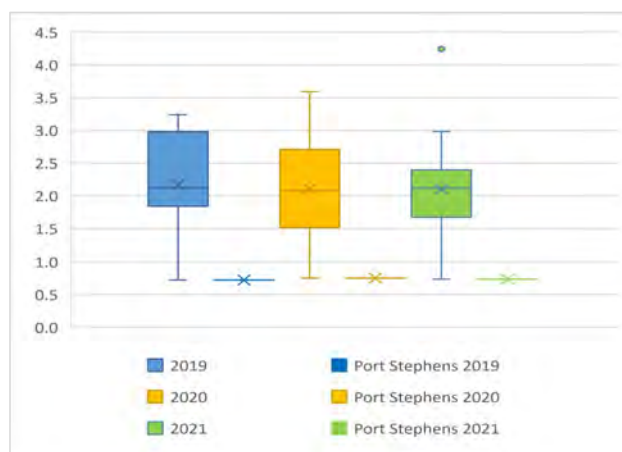
Similarly, Port Stephens is depreciating buildings much more aggressively than the rest of the peer group. As we have already noted, there could be good reasons for doing so, but the comparative data suggests the need for a review of the relevant schedules.

FIGURE 11. DEPRECIATION OF BUILDINGS DEFLATED BY CARRYING AMOUNT



Depreciation of transport infrastructure seems concerning in a relative sense. Moreover, when we also consider the citizen dissatisfaction with this class of assets, there could be good reason to review these accruals upwards.

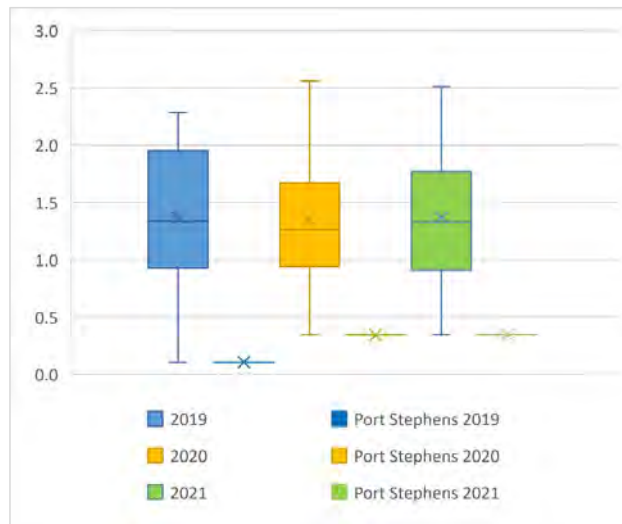
FIGURE 12. DEPRECIATION OF ROADS, BRIDGES AND FOOTPATHS DEFLATED BY CARRYING AMOUNT



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In a similar vein, accruals for stormwater seem lower than expected, although we offer some caution in interpreting this particular graph because some local governments do not adequately separate out non-depreciable earthworks. Nevertheless, drainage asset schedules might warrant some review.

FIGURE 13. DEPRECIATION OF STORMWATER DRAINAGE DEFLATED BY CARRYING AMOUNT



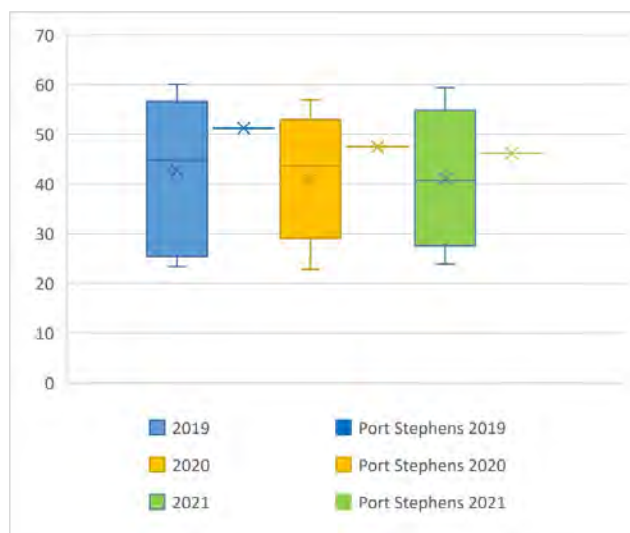
The nexus ratio is designed to measure how much of operational expenditure is covered by fees and charges. The nexus result for Port Stephens Council is quite high in both an absolute and comparative sense. Ordinarily this would be considered a good thing because it would indicate that the bulk of goods and services were funded by fees and charges as is appropriate for all non-public goods. However, because of the large revenue flows generally produced from Port Stephens' non-core businesses, the ratio seems to suggest cross-subsidisation of local residents by commercial operations of council. Whilst understandable in terms of the incredibly low taxation receipts received at Port Stephens (and the recent denial of an SRV), subsidisation of this kind exposes both local residents and council to significant risk, as demonstrated by the drop in the result for the last two years. Given the continued uncertainty surrounding the pandemic, policy responses to the pandemic and potential inflation, risk of this kind is problematic (see Appendix 1). Moreover, when councils aggressively pursue own-source revenue by operating non-core services this presents a number of other problems. First, it diverts organisational attention away from core functions. Second, it distorts local economies and eliminates much of the existential space for people and businesses. Third, it tends to create a better image of financial sustainability during good business conditions than might be warranted upon closer

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inspection (hence the previous rejection of the SRV application). Fourth, and most importantly, it fuels fiscal illusion.

Fiscal illusion occurs when citizens do not understand the true cost of goods and services consumed nor the financial predicament of council. It is clear from the IPART (2020) ruling that fiscal illusion is particularly rife at Port Stephens. This not only contributed to the rejection of the SRV application, but is also a major driver of expenditure moving forward. When people receive a discount price for municipal services – and also think that their local government is in a good financial position – then economic theory predicts that they will demand an excessive quantity and quality of local municipal services. Hence fiscal illusion places financial sustainability in jeopardy.

FIGURE 14. NEXUS



Our observation regarding cross-subsidisation is further illuminated by the rates and annual charges data presented in Figure 15. As can be seen, revenue per assessment is far lower than the typical council in the peer group and generally sits at the very bottom of the second quartile. Moreover, the rather flat progression in this metric over the last three years suggests that fees (as well as local taxes) are being increased according to an index number. This is not a financially sustainable practice.

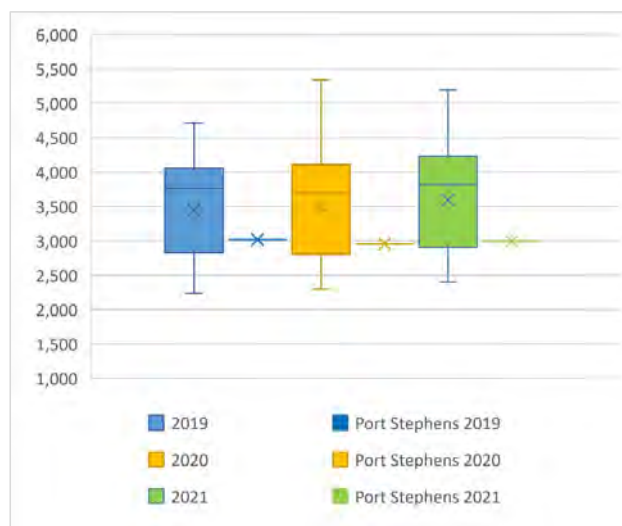
Fees and charges should generally be set according to supply-side methodology. This means that the fee should be equivalent to the long-run cost of producing one more unit (making provision for capital investment and the like). Clearly it is not possible to carefully review each and every fee each year. However, a schedule should be made so that each fee is reviewed at least once each political term with the emphasis being

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placed on ensuring full cost recovery, except for cases where a robust rationale can be articulated for providing a specified subsidy from the common tax pool. Drew (2021) provides detailed instructions for setting fees and annual charges in a sustainable manner.

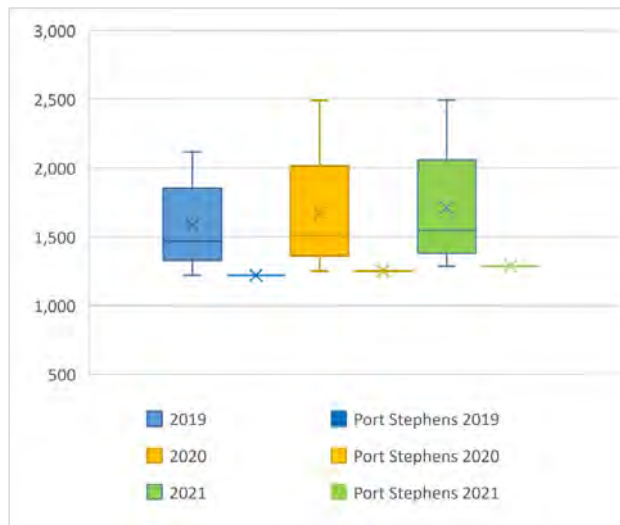
In view of the concerning threat to financial sustainability, as well as the delay to an SRV exacerbated by the COVID-postponed elections, we strongly recommend that Port Stephens reviews as many non-regulated fees and charges as possible for the upcoming operational plan. Other NSW councils we have worked with have been surprised by the discrepancy between extant fees and charges with respect to the actual costs of delivery. Failing to price local services at cost fuels fiscal illusion and also visits inequity on the broader cohort of local government taxpayers (who are effectively forced to subsidise the consumption of local services by some local residents (Drew, 2021)).

FIGURE 15. RATES, FEES AND ANNUAL CHARGES PER ASSESSMENT (\$)



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FIGURE 16. TOTAL RATES PER PROPERTY ASSESSMENT (\$)

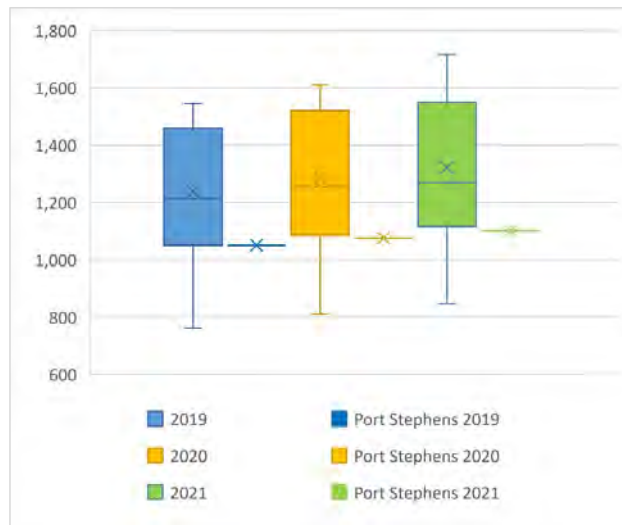


Residential rates in Port Stephens are extremely low on a comparative basis and generally sit in the bottom quartile of the peer group. This suggests that residents have not been paying the full price for the local public services that they consume. It thus fuels fiscal illusion which explains both the unwillingness to pay (noted by IPART, 2020), as well as the demands for higher levels of services noted in council documentation. It also means that residents are visiting inequity on future taxpayers (because the *quid pro quo* for recent debt has clearly not occurred), which by definition means that matters are not financially sustainable. Put differently, past and planned borrowings must be serviced through higher taxes or reductions to service levels for there to be any possibility of making the case that the current taxpayers have paid their fair share of long-lived assets consumed.

Only by canny financial management has Port Stephens managed to survive this long with such low residential property tax receipts. However, the risks taken to do so are now made plain.

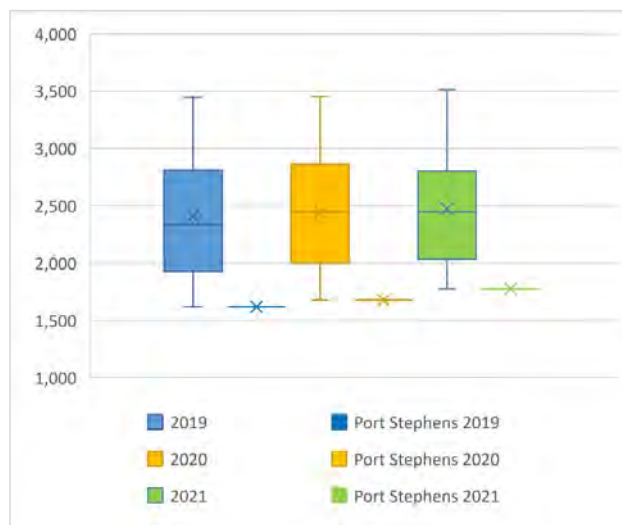
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FIGURE 17. RESIDENTIAL RATES PER ASSESSMENT (\$)



Farm rates are also at incredibly low levels but are mitigated in part by the relatively low numbers of this kind of assessment.

FIGURE 18. FARM RATES PER ASSESSMENT (\$)

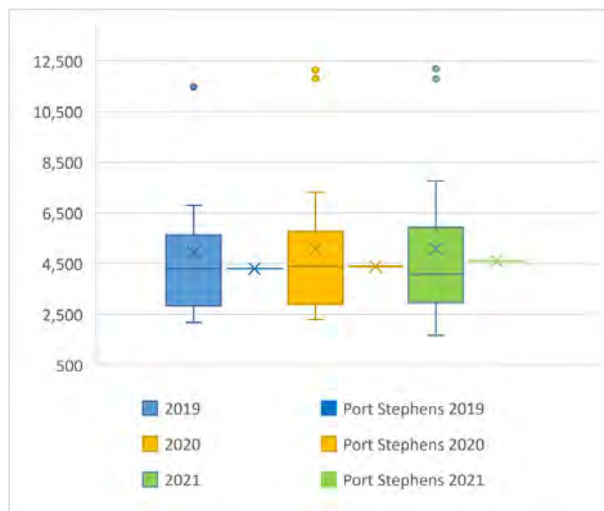


Interestingly, business rates on a per assessment basis at Port Stephens are typical of the cohort (as measured by the median). Given that the challenges of the COVID public policy response fall disproportionately on business, there is thus

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a *prima facie* strong case to be made for allocating most of any future SRV to the residential and farm taxpayers. This would exert less stress on the local economy and also serve to best address the fiscal illusion problem. Further commentary on this question will be provided in the Capacity to Pay report.

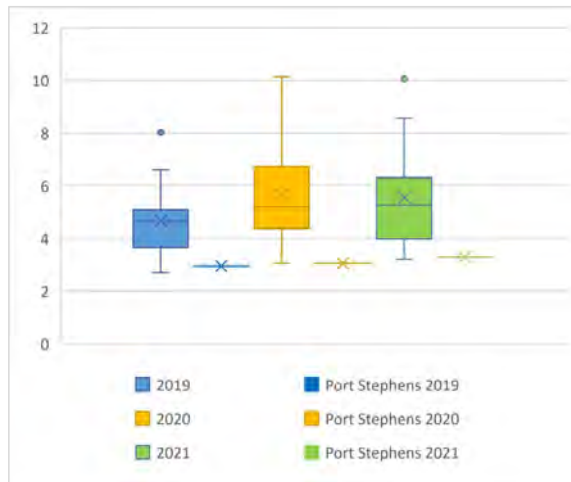
FIGURE 19. BUSINESS RATES PER ASSESSMENT (\$)



In Figure 20 we present the rates and charges outstanding data. Port Stephens has the best data in the peer group which is far from surprising given the extremely low rates of taxation levied in its local government area. This metric suggests strong capacity to pay a more adequate rate of taxation that is needed to assure financial sustainability, establish intergenerational equity, reduce risk and combat high levels of fiscal illusion. Further information will be provided in the Capacity to Pay report.

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FIGURE 20. RATES AND CHARGES OUTSTANDING



Empirical research into local government has demonstrated an important and oft-overlooked link between budget accuracy and technical efficiency (defined by economists as the conversion of inputs (staff and money) into outputs (local government goods and services)) (McQuestin, Noguchi and Drew, 2020). Essentially, higher budget accuracy translates into higher efficiency. In addition, budget accuracy has a clear association with financial sustainability and thus warrants some attention. Generally, council staff at Port Stephens have done a good job of predicting revenue, with the understandable exception of 2020 (COVID assistance). This is a further indication of the skill exercised by financial and senior management at the council that have clearly been crucial in surviving, despite significant obstacles (grant and taxation revenues, in particular). It might be noted that a positive result suggests council received more revenue than it had budgeted.

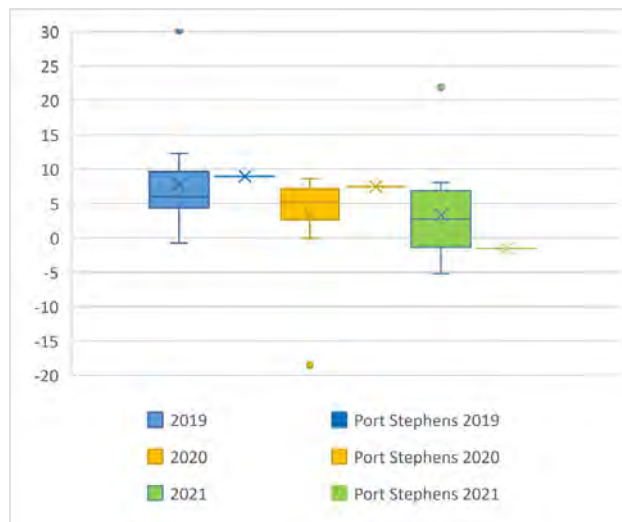
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FIGURE 21. DEVIATION FROM BUDGETED REVENUE



Matters were not quite as good on the expenditure side in 2019 and 2020, notwithstanding the understandable and unpredictable blowout in 2020. However, in 2021, senior staff have exercised extraordinary cost control. This will have to also be a feature in 2022 and 2023 (until such time as adequate additional revenue can be realised).

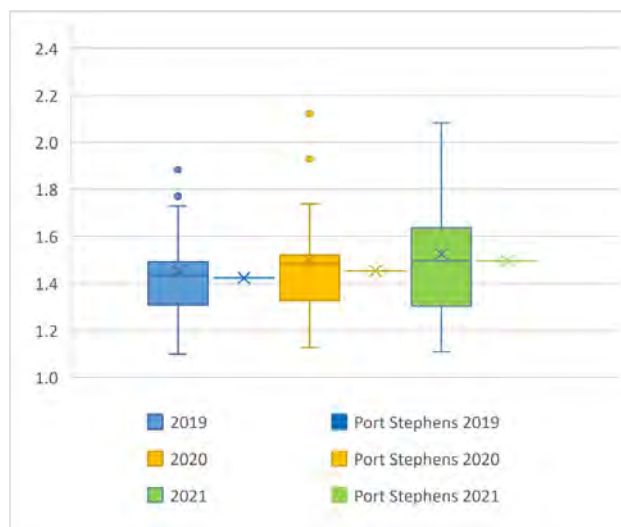
FIGURE 22. DEVIATION FROM BUDGETED EXPENDITURE



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Good cost control is also evident with regard to staff expenditure. In a comparative sense, Port Stephens spends slightly less on staff per assessment than its typical peer. We note from council documents that leave entitlements are carefully monitored and staff encouraged to regularly take leave. This practice exerts marginal downward pressure on staff costs and it should also be extended to long-service leave. It is noteworthy that the gap between typical staff expenditure in the peer group and Port Stephens has closed in the most recent year which suggests that attention should remain on controlling this cost item.

FIGURE 23. STAFF EXPENDITURE PER ASSESSMENT



In terms of the proportion of the budget spent on staff, Port Stephens has a much better outcome than its peer group. When we interpret this metric in terms of the average staff expenses per property, it clearly indicates lower than usual material, contract and other expenses. This is yet a further indication of excellent cost control, but it may have implications for service levels in future (especially with respect to maintenance of infrastructure assets as suggested by recent citizen survey results).

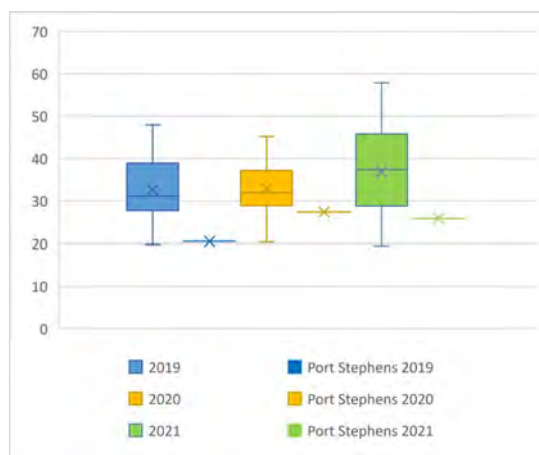
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FIGURE 24. PROPORTION OF EXPENDITURE ON STAFF



Cash flow is essential to the liquidity of a local government. Generally local governments in Australia have highly positive operating cash flow, very negative investing cash flows and near-to-zero cash flows for financing activities. Port Stephens has consistently recorded much lower operating cash flows than the typical member of its peer group. This should be considered to be a very concerning matter. Further investigation suggests that insufficient taxation receipts are the major cause of the problem. This is not a sustainable position going forward, especially when considered in relation to the relatively parlous state of cash holdings (see Figure 31 onwards).

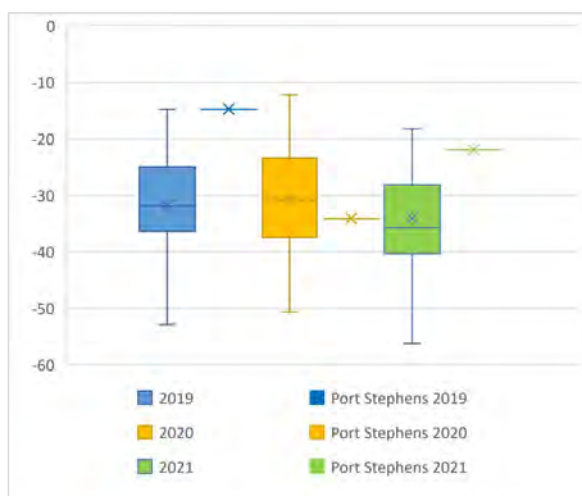
FIGURE 25. OPERATING CASH FLOWS (DEFLATED BY REVENUE)



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The investing cash flows are not as negative as the typical peer, which suggests that Port Stephens is likely to be under-investing in important community infrastructure. Moreover, we note that forthcoming investments in infrastructure appear to be planned to be funded through debt. As we noted earlier, it is by no means certain that Port Stephens has sufficient debt capacity and we recommend postponing the planned investments. Indeed, Council will need to exercise very careful expenditure controls until additional revenue can be obtained. Port Stephens is thus advised to defer discretionary spending until matters improve. In addition, unless there is either an increase in revenue or decrease in other expenditure, then it is quite unlikely that debt funding will be defensible in terms of intergenerational equity.

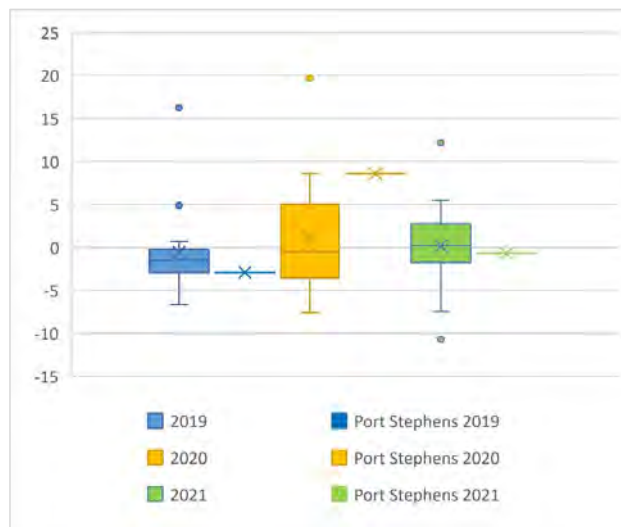
FIGURE 26. INVESTING CASH FLOWS (DEFLATED BY REVENUE)



Financing cash flows tend to be lumpy in nature. As we have discussed previously, debt levels are a concern as reflected by the strong inflows from borrowing in 2020.

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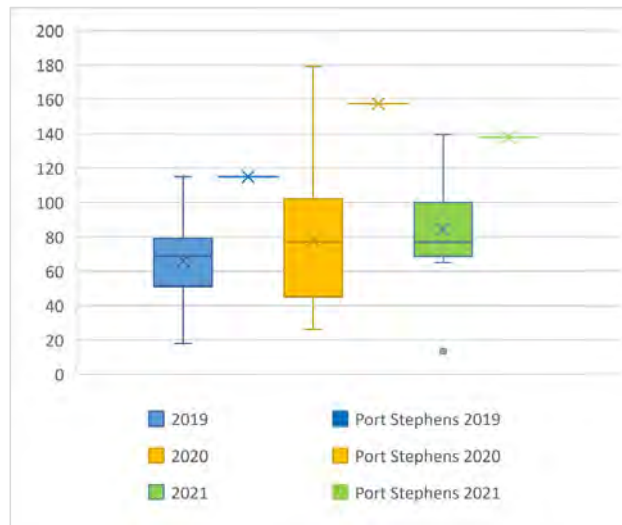
FIGURE 27. FINANCING CASH FLOWS (DEFLATED BY REVENUE)



A good deal of caution needs to be exercised with respect to the three asset ratios employed in NSW which (taken together) attempt to measure the hard aspects of financial sustainability. Indeed, there is significant scholarly evidence to suggest that the renewals and backlog ratios are extremely unreliable (Drew, 2017; Drew and Grant, 2017; Drew, 2020). Some of the problems stem from ongoing confusion with respect to depreciation. Other problems are caused by the difficulty experienced in defining variables such as 'satisfactory standard', or 'required maintenance'. In addition, definitional drift between years renders intertemporal comparisons also unreliable. Moreover, during *Fit for the Future* a number of the peer councils deliberately distorted data to meet state government benchmarks and this also makes comparisons to the peer group unreliable.

The buildings and infrastructure renewal ratio data presented in Figure 28 should be considered a case in point. The denominator uses unreliable depreciation data which is associated with a number of problems that we have previously alerted readers of this report to. Indeed, the depreciation rate at Port Stephens seems lower than expected in a relative sense and this will largely explain the results which *prima facie* suggest that Council is consistently spending more on renewals than is required. In view of the fact that IPART (2020) cited infrastructure renewal and backlogs in its decision to reject the previous SRV request it would be prudent to carefully review depreciation schedules as indicated earlier.

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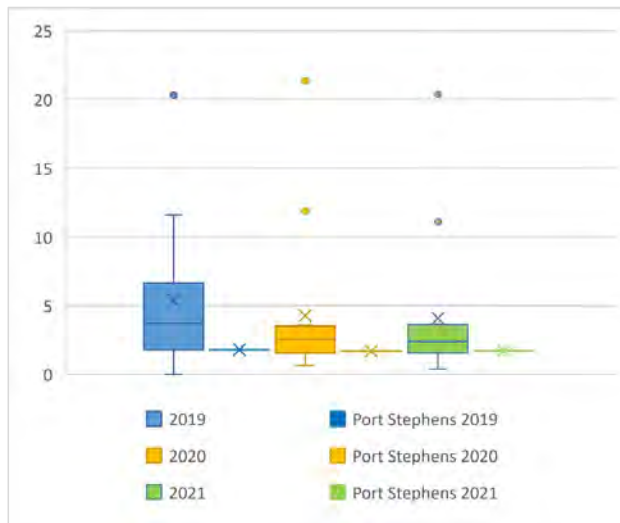
FIGURE 28. BUILDINGS AND INFRASTRUCTURE RENEWAL RATIO


The backlog ratio also looks good for Port Stephens Council in a relative sense and on the surface. Here the variable of concern is input as the numerator – estimated cost to bring assets to a satisfactory condition. Accurately recording this data is a problem for most local governments. We strongly suggest that Council construct a comprehensive definition of 'satisfactory', with photographic examples of the kinds of conditions that are deemed to be satisfactory or not, to mitigate the definitional vacuum that exists at a jurisdictional level and also combat definitional drift.

Moreover, in view of the recent citizen satisfaction survey results there might be a case for believing that the Council definition of satisfactory is at odds with the preferences of its citizens. We thus recommend that Port Stephens consider conducting some focus groups to review photographic evidence of infrastructure conditions in order to arrive at a shared understanding on this matter. We suspect that when this activity is completed, Council will be obliged to review this ratio upwards for the next set of financial statements.

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FIGURE 29. INFRASTRUCTURE BACKLOG RATIO



For the asset maintenance ratio the problem resides with the denominator – required asset maintenance – although matters tend to be on a firmer foundation for this input owing to a better evidential base. For this metric Port Stephens is pretty typical of the peer group and there is thus less likely to be a need for significant adjustments to this particular data moving forward.

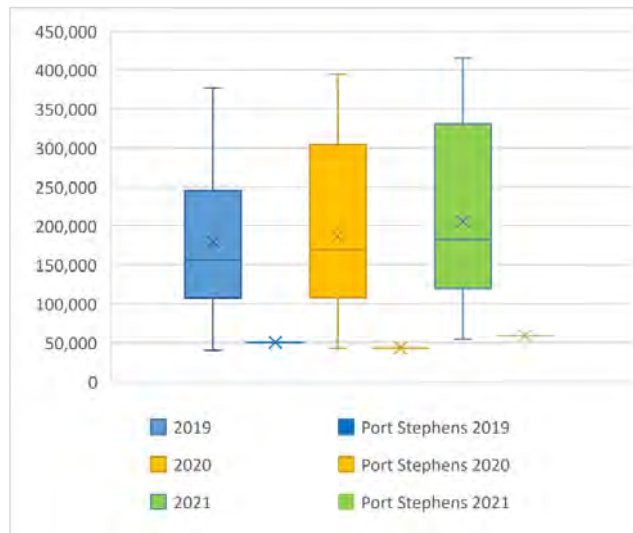
FIGURE 30. ASSET MAINTENANCE RATIO



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We now turn our attention from assets to cash holdings. Figure 31 presents total cash and equivalents data for Port Stephens and its peer group. It is painfully clear that cash holdings at Port Stephens are at very low levels in a relative sense. It is noteworthy that these figures include both restricted and unrestricted holdings.

FIGURE 31. TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS (\$000)

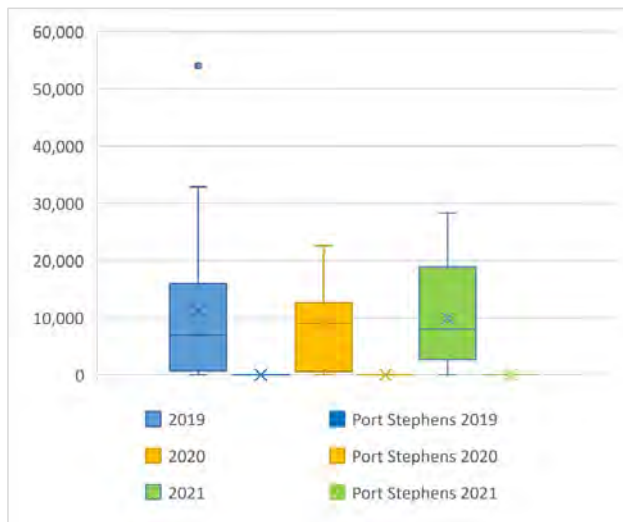


In Figure 32, we plot the crucial unrestricted cash position for Ports Stephens Council relative to the peer group. Matters could hardly be more serious in a financial sustainability sense and support our previous prescriptions: (i) the suspension of discretionary spending where practical, (ii) a thorough review of pricing for non-regulated fees and charges to be reflected in the 2022-23 Operational Plan, (iii) deferment of new debt drawdowns until capacity has been measured and (iv) a SRV. Hopefully the Council's non-core operations – such as holiday parks, after school care and the like – will pick up in the new calendar year. However, given the continued uncertainty surrounding the pandemic and attendant public policy responses, it would be prudent to take strong measures as soon as possible.

Moreover, the inflation outlook is not good and is compounded further by the disastrous new IPART rate cap methodology (IPART, 2021) which decrees a mere 1.3% increase to rates for next year when the best-case scenario for inflation is likely to be 3%. This means that the parlous state of unrestricted cash reserves at Port Stephens is even more serious than it might at first appear.

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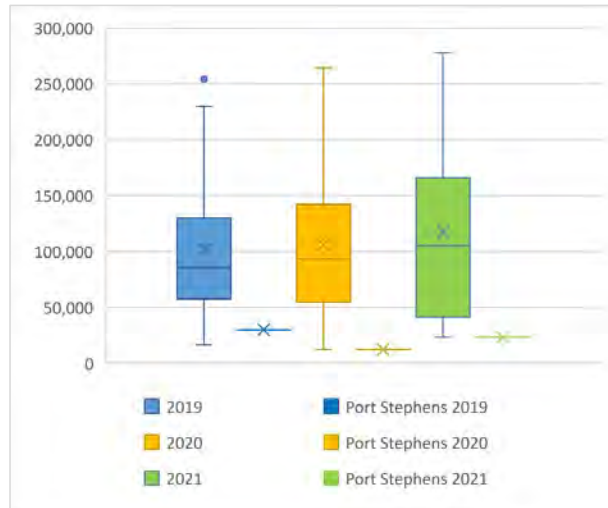
FIGURE 32. TOTAL UNRESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS (\$'000)



Externally restricted reserves are also at low levels in a relative sense. This does not play a direct part in meeting present liquidity needs, but is important to long-run financial sustainability. The most likely causes for low reserves could be: (i) comparatively low developer contributions, (ii) recent completions of developer fee related projects or (iii) relatively low rates of development. We recommend that developer contribution schedules be reviewed along with the review of fees and charges that Port Stephens needs to conduct early next calendar year.

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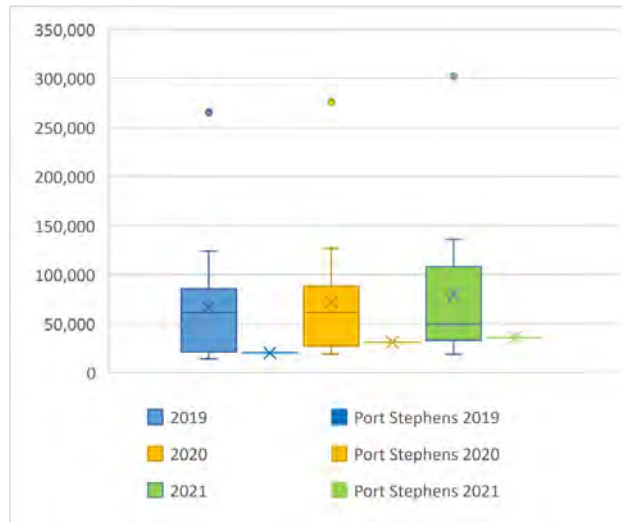
FIGURE 33. TOTAL EXTERNALLY RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS(\$000)



Internally restricted reserves provide a little comfort and could be used if the COVID pandemic and public policy conditions do not improve. It is noteworthy that internal reserves are lower than most of the peer group and are a reflection of low revenues, expanding infrastructure and a preference for debt as a means of funding infrastructure. We reiterate our comments regarding the need for current generations to contribute revenue or savings at least in proportion to the consumption of long-lived assets for intergenerational equity to be met. Moreover, the combined message that needs to be understood by councillors arising from our analysis of reserves is that there is simply no money available for any new discretionary programs and projects for some time (probably until at least September 2023 assuming IPART makes the prudent decision on an SRV application that is necessary to assure financial sustainability).

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FIGURE 34. TOTAL INTERNALLY RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS(\$000)



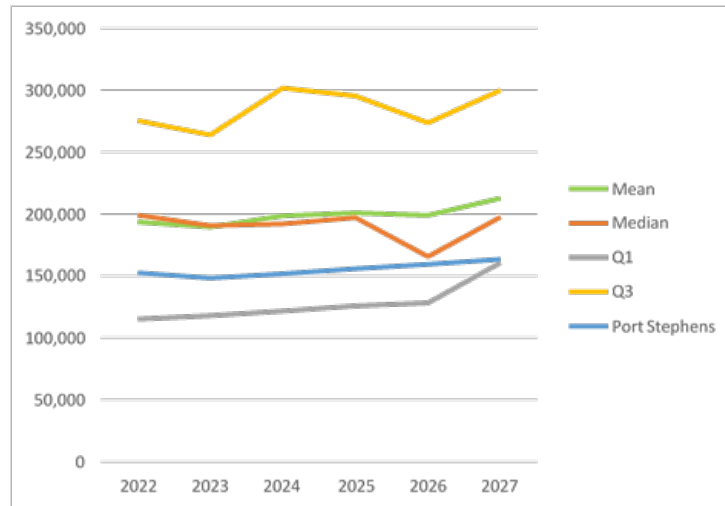
We now turn to a comparative analysis of Long-Term Financial Plans (LTFP). In order to facilitate the maximum number of comparisons we have had to restrict our analysis to the years up to and including 2027. Data cited is for standard scenarios. Moreover, we also note that the Cessnock data is missing from much of the following work.

LTFP are inherently unstable and inaccurate. They involve the making of a number of assumptions that might seem reasonable at the time when projections are first made, but can quickly appear rather incongruous with respect to facts on the ground. For example, Port Stephens reasonably assumed a 2% rate cap increase, but IPART (2021) recently advised that the increase for 2022-23 would be just 1.3 percent. In addition, Council predicted that grant revenue would continue to increase at 2.2% per annum, when the current budgetary plight of higher tier governments suggests the possibility of reductions to the quantum in real terms. Furthermore, the standard model assumes commercial receipts will not be adversely affected by new COVID policy responses, nor impacted by a likely slowing economy in the forward years. The income projections also assume that the airport dividend is reinstated in 2023, which we feel is an optimistic assumption.

Despite these assumptions – which now appear questionable – Port Stephens is expecting revenue to grow quite slowly and remain firmly in the lower half of the second quartile until 2027. This is a concern given what we have already had to say about reserves and proposed works.

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FIGURE 35. TOTAL INCOME (\$'000)

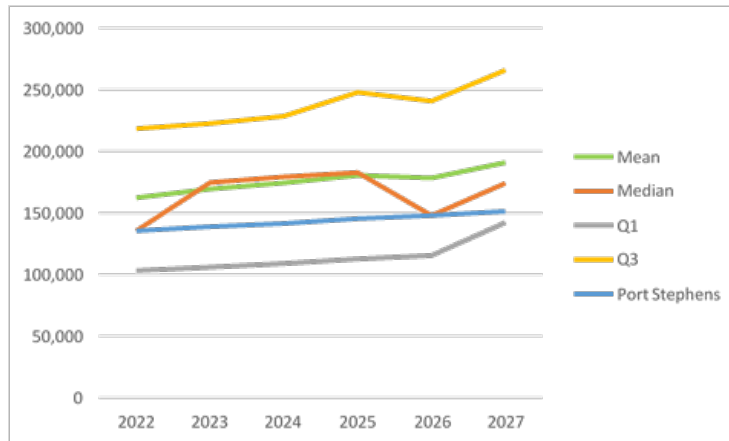


Expenditure assumptions probably also warrant revisiting in the wake of the COVID public policy responses. In particular, it is now clear to almost everyone – except perhaps the members of the Reserve Bank of Australia (RBA) Board – that we are entering a lengthy cycle of elevated inflation. Thus, most of the assumptions regarding increases to wages, contracts and materials look overly optimistic. At the very least these assumed rates of growth should be increased to the top of the RBA target band (3%⁶). However, this would likely prove insufficient given continuing high Producer Price Indices numbers in China and America that are approaching ten percent. In addition, the LTFP assumes no major new capital works in the next ten years which we believe will be difficult to comply with given high rates of development, an incoming new council with many new faces and extant levels of citizen satisfaction (arising from entrenched fiscal illusion). Indeed, the assumption of 150 new rateable properties per year is almost certainly an under-estimate and it must be remembered that on the whole growth in assessments is associated with nett additional expenditure (Drew, 2021).

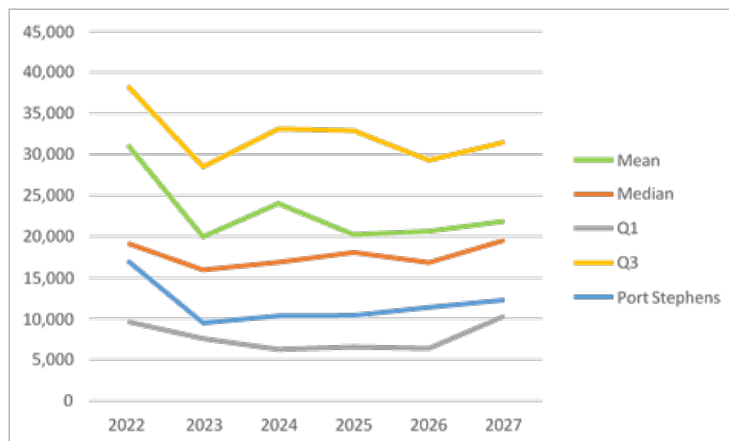
We thus expect expenditure to actually rise much more steeply than predicted, which is a problem given that it is already forecast to close in on the typical result for the peer group over the next six years or so.

⁶ Of course, the timing of the next EBA and expiry of existing contracts will need to be taken into account.

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FIGURE 36. TOTAL EXPENDITURE (\$'000)


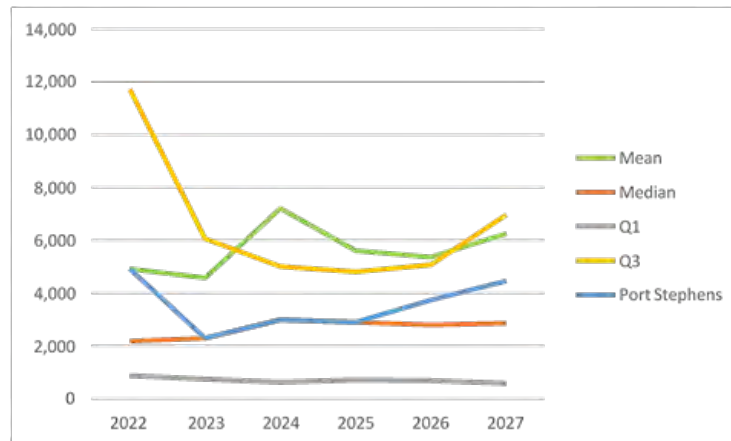
The nett operating result is predicted to improve over time. However, given our reservations regarding forecast predictions, we do not anticipate that this will actually occur unless significant changes to both revenue and expenditure are made. Given the current state of cash holdings – as well as the ongoing uncertainty regarding COVID and associated policy responses – changes that ought to be made to the LTFP are likely to paint a very concerning picture.

FIGURE 37. NETT OPERATING RESULT (\$'000)


The picture is a little better in a relative sense when capital grants are excluded. However, our reservations regarding the veracity of assumptions means that little comfort should be taken from Figure 38.

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FIGURE 38. NETT OPERATING RESULT WITHOUT CAPITAL GRANTS (\$000)



Growth in the number of rates assessments is an important determinant of financial sustainability. Because NSW councils operate under a rate cap regime, growth in assessment numbers contributes comparatively little to revenue (with the main contribution through fees and charges, some of which are regulated or must only be set at cost recovery⁷). Yet new residents bring new demands for services and exert additional pressure on current infrastructure. Growth in assessments thus generally represents a nett negative to financial sustainability in NSW local government (Drew, 2021).

Growth at Port Stephens is relatively typical of its peer group, but it should be remembered that the peer group encompasses a number of high growth areas. Moreover, since the advent of COVID more people have chosen to move out of capital cities in favour of regional communities. Furthermore, the population in Australia is ageing and people often desire to live in picturesque seaside communities in their retirement years (Drew, 2021).

All of this means that Port Stephens ought to expect even more development in the future, which will undoubtedly place more strain on its already stressed financial condition.

⁷ In view of the new IPART methodology population growth may act to increase the cap. However, given the proportion of aged persons moving to Port Stephens it is unlikely that population growth factors will keep pace with growth in expenditure terms (which is driven by both numbers of properties and socio-demographic need).

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FIGURE 39. GROWTH IN NUMBER OF ASSESSMENTS



Growth in residential assessments has been relatively strong and is likely to accelerate from 2021 levels.

FIGURE 40. GROWTH IN NUMBER OF RESIDENTIAL ASSESSMENTS

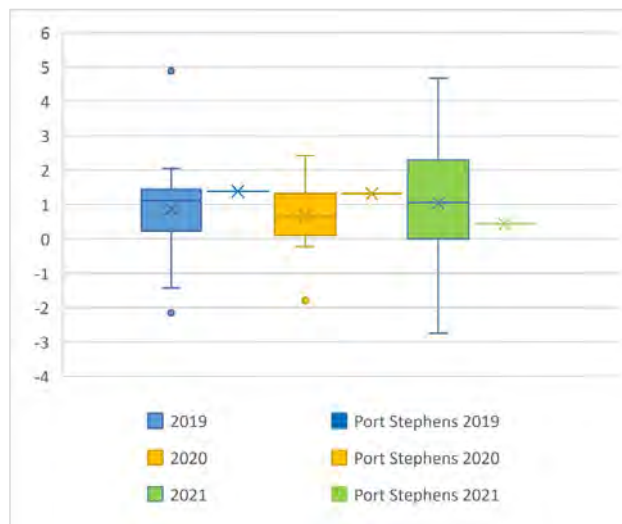


However, growth in business assessments has been much slower of late. Many of the businesses in the Port Stephens local government area revolve around the service industry which has been hit particularly hard. Because of continued policy uncertainty related to COVID, business investment is unlikely to grow as fast as

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residential investment for the next few years. Indeed, as the immediate post-COVID boom fades, many economists expect growth to revert back to lower-than-trend levels. This is not good for the local community, but it may relieve a little of the pressure for spending on Port Stephens Council.

FIGURE 41. GROWTH IN NUMBER OF BUSINESS ASSESSMENTS



Population growth is slightly above the typical result for the peer group. As a host of econometric studies show, expenditure need is most closely related to growth in assessments as well as socio-demographic factors (which we consider from Figure 44 onwards) (Drew, 2021). However, population growth has become more important as a result of recent ill-advised changes to the rate cap methodology (IPART, 2021) (see also the video on this topic on the YouTube site 'Professor Joseph Drew's World of Local Government'). Thus, the slightly higher level of growth means that Port Stephens received a slightly higher rate cap (1.3% compared to the 0.7% most councils received), notwithstanding the fact that it is clearly insufficient for the new higher inflation cycle.

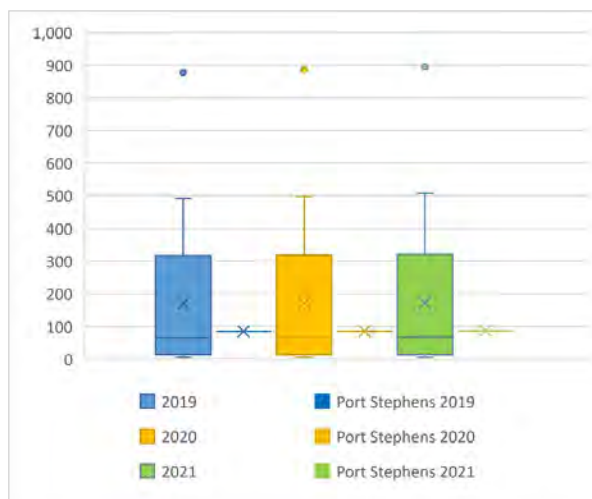
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FIGURE 42. POPULATION GROWTH



Population density is important because of the potential for economies of density (whereby costs are initially expected to decrease as population density increases). Port Stephens is more-or-less typical of the peer group (according to the median) which means that it is not disadvantaged in relative terms. However, to promote sustainability emphasis should be placed on encouraging in-fill and brownfield development over the much more expensive greenfield options.

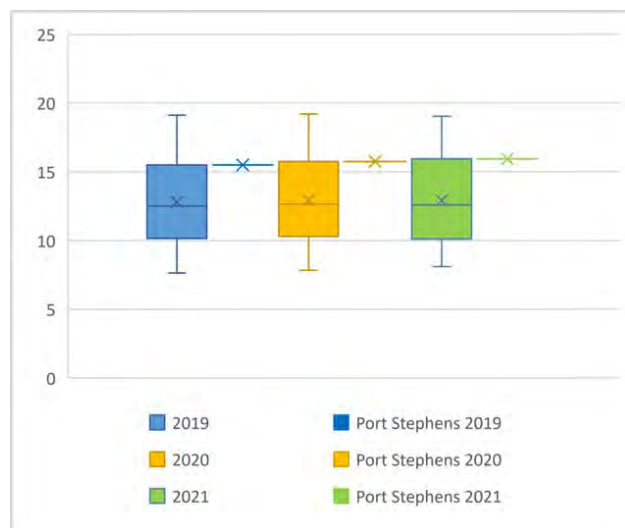
FIGURE 43. POPULATION DENSITY



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In Figure 44 we plot comparative data for aged pensioners over time. Port Stephens has relatively high levels of aged pensioners even when compared to its peer group which includes a lot of desirable retirement destinations. This is extremely problematic because the mandated pensioner discount is only partially funded by the NSW Government. Moreover, a host of scholarly work shows that pensioners are positively correlated with increased expenditure demand (Drew, 2021). Indeed, the proportion of pensioners should be considered to be a significant threat to financial sustainability (notwithstanding that COVID has left most pensioners in a far better economic position relative to many workers).

FIGURE 44. AGED PENSION



Moreover, matters are only likely to get worse over coming years. Figure 45 shows the proportion of people likely to retire in the next five years. The numbers are very high for Port Stephens and suggest that even without the large numbers of expected internal migrant retirees financial sustainability will get rather more difficult in the near future.

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FIGURE 45. PERCENTAGE OF POPULATION AGED 60-64

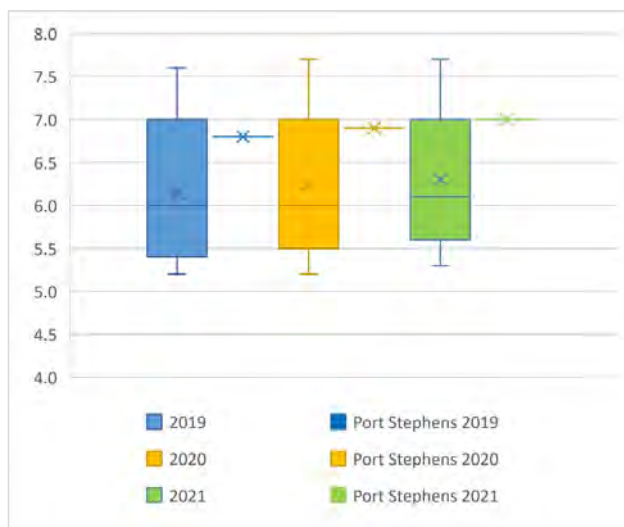
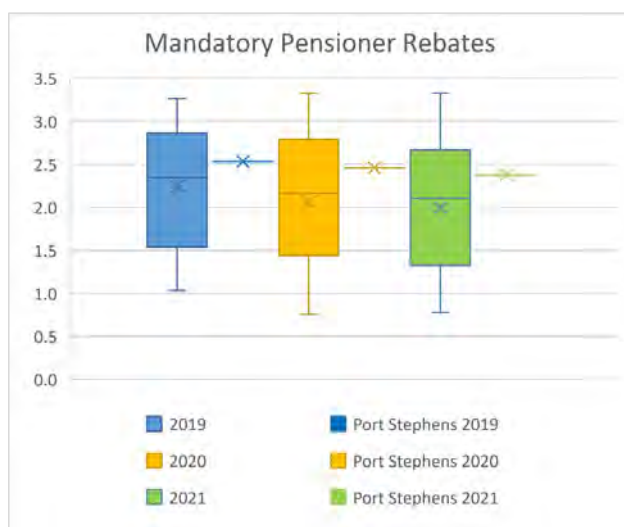


Figure 46 provides a comparative analysis of the effect of pensioner rebates expressed as a proportion of total collectible rate revenue. As can be seen, this is a weighty problem for Council and yet another reason why a SRV is imperative.

FIGURE 46. PENSIONER REBATE (AS A PROPORTION OF RATE REVENUE)



Figures 47 to 49 inclusive present some other data regarding the relative rate of receipt of various welfare payments. Generally Port Stephens is pretty typical of the

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peer group and it is thus not under a particular relative disadvantage. However, it is interesting to note the large increase in Newstart and Jobseeker allowance in 2021 (a one year lag applies to this ABS data) which confirms the susceptibility of Port Stephens to shocks to its service industries. This has important implications for revenue receipts, as we have already discussed.

FIGURE 47. DISABILITY SUPPORT PENSION

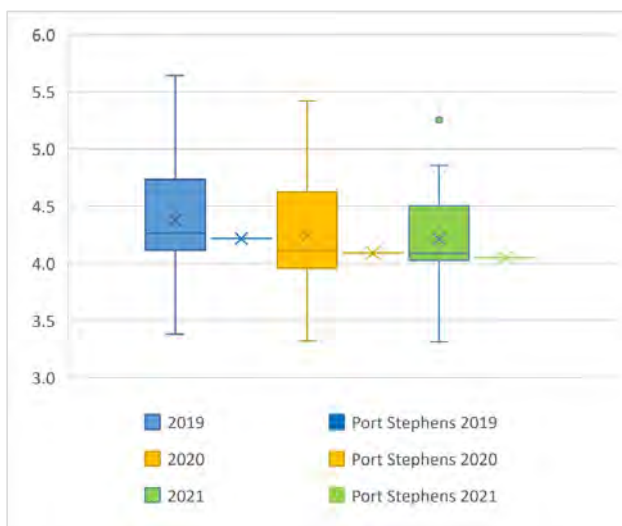
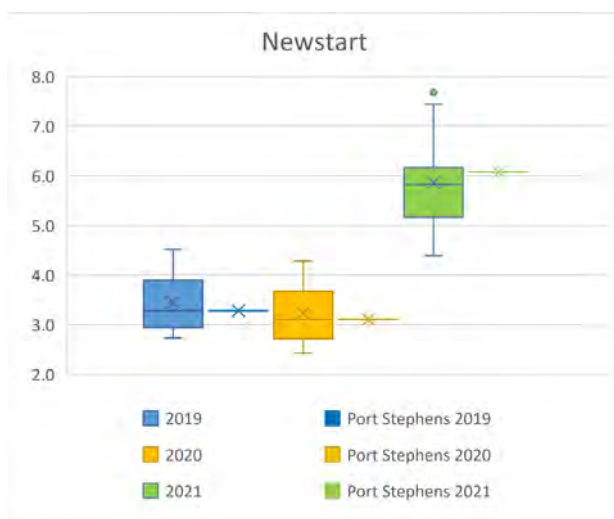


FIGURE 48. NEWSTART ALLOWANCE/ JOBSEEKER



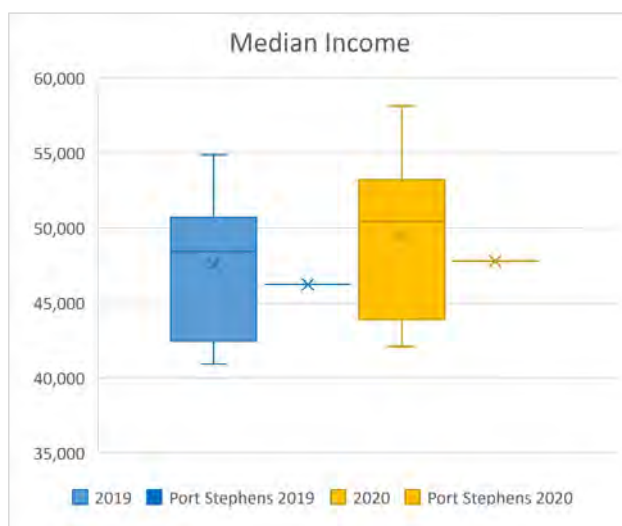
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FIGURE 49. SINGLE PARENT PENSION



The median employee income is also important because along with other socio-demographic factors (such as the proportion of persons on an aged pension) it is known to drive expenditure higher. Fortunately, in this particular area Port Stephens has not scored highly in a relative sense. This means that the Council will have relatively less pressure (from income earners) for higher expenditure than some of its peers.

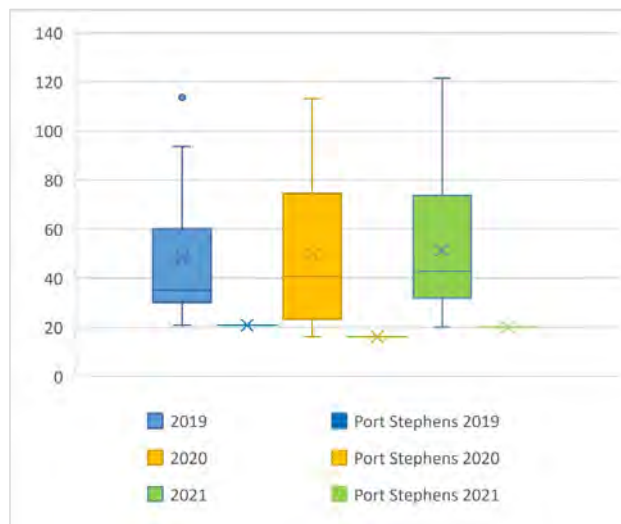
FIGURE 50. MEDIAN EMPLOYEE INCOME



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The final data that we look at is the cash expense cover ratio (expressed in weeks). Both in a relative and absolute sense matters are very serious. It is thus imperative that an SRV is approved.

FIGURE 51. CASH EXPENSE COVER RATIO (WEEKS)



3. CONCLUSION

As we have stressed throughout this Report, considerable work must be done to ensure ongoing financial sustainability, especially given the significant risks on the horizon. In particular, a SRV is absolutely essential to (i) ensure financial sustainability, (ii) meet intergenerational equity, (iii) dispel fiscal illusion and (iv) collect adequate revenue in a legitimate manner. In our Capacity to Pay Report, we will deal with this matter in detail. Moreover, our Efficiency Report will look at relative technical efficiency and cast further light on where efforts should be concentrated moving forward. Accordingly, the Financial Sustainability Report must be read in concert with the Port Stephens Capacity to Pay Report, the Port Stephens Efficiency Report and the Port Stephens Debt Report.

ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT FINANCIAL ANALYSIS 2022.**APPENDIX 1: INFLATION AND ECONOMIC GROWTH**

Over the past two years, market economists across the developed world have carefully considered the economic impact of COVID fiscal stimulus packages and associated monetary easing by central banks. During this period, billions of dollars have been injected into the economies of advanced economies by way of fiscal intervention accompanied by substantial quantitative monetary expansion. To date, the net result has been historically low interest rates, promising increases in economic activity and rising Consumer Price Indexes (CPI) and Producer Price Indexes (PPI) across the developed world.

In general, central banks in most advanced countries, including the Reserve Bank of Australia (RBA), have ascribed the observed increases in their CPIs and PPIs to various supply shortages arising from COVID lockdowns, constraints on international trade and changes in consumer demand. However, over the past month continued price inflation has seen some major central banks express concern over rising inflation, such as 6.8% in the US, 6% in Germany and 5.1% in the UK in November 2021. This has led several central banks to reduce their stimulatory policies.

For instance, in the UK continued strong aggregate demand, engendered by massive government expenditure financed through borrowing from the Bank of England, has seen an ongoing increase in British inflation. While inflation was 0.7% in early 2021, by November it stood at 5.1%. As a consequence, the Bank of England finally felt obliged to lift interest rates from a record low of 0.1% to 0.25% in early December. However, this still meant real rates are negative by almost 5%.

Other central banks are also beginning to unwind their COVID stimulus programs and raise interest rates. For example, both the US Federal Reserve and the European Central Bank have moved to tighten monetary policy in response to concerns over inflation. Consumer prices in the US increased by 6.8% in November 2021 over November 2020, the largest increase in almost four decades. In Australia, RBA governor Philip Lowe announced in December that its \$4 billion per week bond buying program would probably end in February 2022, with inflation edging towards 3%. The RBA now anticipates inflation in 2022 will approximate 3%.

Alongside rising inflation, we have seen most developed economies bounce back in terms of economic growth after the initial depressing effects of lockdowns and other COVID measures. In Australia, the RBA forecasts economic growth of about 3% in 2021, 5.5% in 2022 and 2.5% in 2023.

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Port Stephens Council Financial Efficiency Report



**ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT
FINANCIAL ANALYSIS 2022.**

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**ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT
FINANCIAL ANALYSIS 2022.****EXECUTIVE SUMMARY**

This Port Stephens Council Efficiency Report examines various measures of efficiency by which Port Stephens Council is compared with its respective peer group of NSW local councils. Using the standard total expenditure per capita ratio frequently employed by NSW regulatory authorities, we show that Port Stephens compares well with a narrow fourteen-member peer group. However, we argue that this result is misleading due to several problems associated with using the total expenditure per capita ratio as a measure of relative efficiency.

We then employ the operational expenditure per property assessment ratio, which is used in Victorian local government, to assess the relative efficiency of Port Stephens. Port Stephens performs quite well compared to the fourteen-member peer group. However, this ratio is also problematic because it employs a single input and a single output.

To overcome this problem, we use data envelopment analysis (DEA) since it accommodates multiple inputs and outputs, which can be weighted. Given IPART's concern with 'value for money', in our first DEA we employed tax take as a single input and proxied local government output using five variables. Port Stephens performed close to the median outcome of an expanded sixty-six member peer group.

Given the view by NSW regulatory authorities that efficiency is related to financial sustainability in local government, we conducted an additional DEA using staff and operational expenditure as inputs with the same five outputs over a much longer time period. Compared to its peer group, Port Stephens did not perform well, although its efficiency has improved through time.

We then examine the impact of the various determinants of relative technical efficiency. Population density, the proportion of aged pensioners and increases in unincorporated business income – none of which can be controlled by Council – are all negatively associated with technical efficiency.

The Report concludes by offering five recommendations for improving the relative technical efficiency of Port Stephens Council.

ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT FINANCIAL ANALYSIS 2022.**1. INTRODUCTION**

The Independent Pricing and Regulatory Tribunal (IPART) requires New South Wales (NSW) local governments to carefully evaluate their efficiency as part of a Special Rate Variation (SRV) application. Moreover, 'efficiency' played a major role in the recent *Fit for the Future* reforms and formed a major justification for its forced amalgamation program. It is thus clear that NSW local government regulators desire local governments to focus on improving this aspect of municipal performance.

In economics, efficiency deals with the relation between inputs (like labour, capital and land) and either intermediate outputs (such as municipal equipment maintenance) or final outcomes (like local roads resurfaced). Economists have defined three main types of efficiency. Firstly, allocative or economic efficiency occurs when resources are allocated between alternative uses so that community wellbeing is maximised. For example, if a given local council produces the quality and mix of local public goods and services desired by its local community, then it achieves allocative efficiency (Ferguson, 1972). In the local government realm, allocative efficiency is determined by the political process and it falls largely outside the direct control of municipal managers.

Secondly, dynamic or intertemporal efficiency can be defined as the achievement of allocative efficiency over time (Ferguson, 1972). In common with allocative efficiency, dynamic efficiency cannot be directly controlled by municipal managers due to exogenous factors, like regulatory burdens and legislative mandates, which are largely determined by state governments.

Thirdly, productive or technical efficiency (sometimes termed x-efficiency) refers to the proficiency by which inputs are converted into outputs (Ferguson, 1972). In local government, inputs include buildings, machinery and staff whereas outputs are specified in terms of proxies due to the extraordinary range of local goods and services produced by local authorities. In this context, a proxy is a variable that attempts to capture the essence of the local service in question. Economists routinely employ proxies because even the most sophisticated modelling cannot include every municipal good and service. Technical efficiency is largely synonymous with value for money. Indeed, in an input orientated¹ consideration of technical efficiency, it is reflective of the reduction in inputs that might be expected for a set level of outputs. Value for money forms the focus of any rate cap regime. It is clear that this is the type of efficiency that IPART is most concerned about.

It is also probable that efficiency might bear a statistical association with financial sustainability. In this sense, efficiency represents a means through which councils might be expected to improve their financial sustainability (Drew, 2021). Thus, regulatory authorities, such as IPART, will be keen to ensure that municipal operations are as efficient as possible since it is associated with financial sustainability.

¹ There are two orientations that can be used to assess efficiency. An output orientation refers to the additional outputs that might be expected from a given fixed set of inputs. By contrast, an input orientation focusses on the reduction in inputs that might be expected given a fixed set of outputs. In the

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local government context, scholars have long recognised that the input orientation is the most appropriate because outputs are largely driven by community need and thus fall outside council control.

However, both drivers of the regulatory agency concern for technical efficiency are far from being considered by scholars as apodictic. Indeed, whereas efficiency may be a crude measure of value for money, there is little reason to assume that value for money ought to be the sole consideration in local government decision-making (Drew, Razin and Andrews, 2018). Economists have long argued that competitive markets are the most efficient mechanism for delivering goods and services. However, because most people value public goods and services, which cannot be provided through markets, democratic governmental entities exist to provide these services (Drew, 2021).

Moreover, the proposition that greater technical efficiency might generate superior financial sustainability is only tenuously supported by the empirical literature (Drew, Kortt and Dollery, 2015a). This is not surprising when one contemplates the comparatively marginal differences in relative technical efficiency in a single year against the substantial impact of debt, asset and management decisions over the lifetime of a local government. Accordingly, even radical improvements to technical efficiency are unlikely to materially affect financial sustainability over the short-term.

Not only is the regulatory concern for technical efficiency likely to be over-emphasised relative to its actual importance, but it is also no simple matter to accurately evaluate the association between inputs and outputs. Generally regulatory authorities resort to crude ratios that often mislead end users. As we will show later in this Report, only sophisticated techniques such as intertemporal data envelopment analysis (DEA) can hope to accurately assess relative² technical efficiency. Secondly, the absence of a suitable proxy for quality control means that differences in relative technical efficiency can be equally attributed to either (a) lower proficiency with respect to the deployment of inputs or (b) differences in the levels or quality of municipal goods and services.

The remainder of this report is divided into five main parts. In section 2, we present the crude ratio evaluations of efficiency typically used in regulatory contexts. This is done with respect to the fourteen peer local councils of Port Stephens Council used throughout our reports and we explain the problems in relying only on these comparisons. In section 3, we conduct a globally intertemporal data envelopment analysis of tax efficiency; that is, we assess technical efficiency in the way most closely related to value for (tax) money. In section 4, we conduct the standard scholarly local intertemporal analysis of relative technical efficiency. Section 5 focuses on an econometric analysis conducted to identify the determinants of relative technical efficiency and we discuss our results with respect to the particular characteristics of the Port Stephens local government area. We conclude our Report in section 6 with a series of recommendations aimed at improving the matters that form the principal locus of regulatory concern.

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² Efficiency must be assessed in relative terms – that is, the most defensible approach is to assess efficiency with respect to other similar local governments. Thus we will henceforth refer to relative technical efficiency in this report.

2. RATIO ANALYSIS OF EFFICIENCY

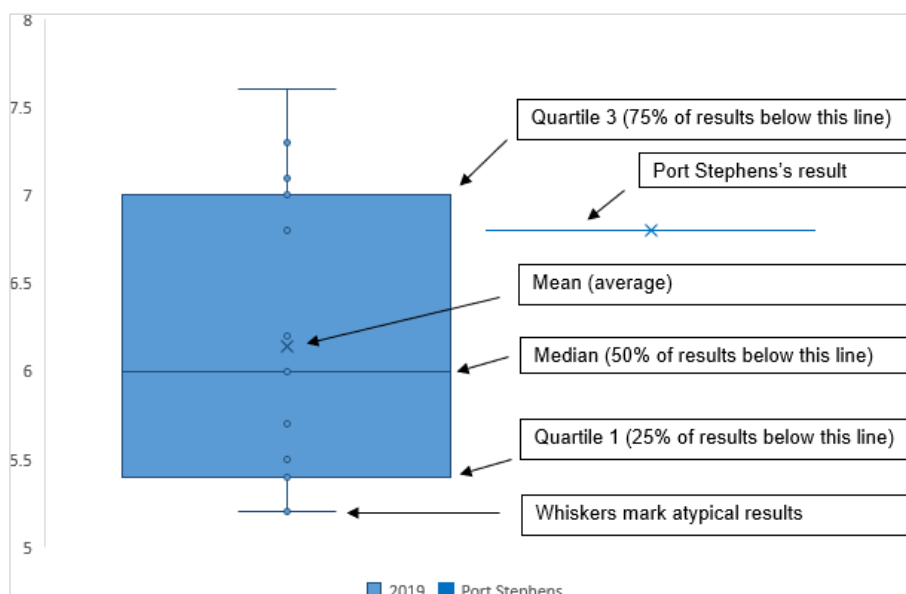
In section 2, we first present comparative data for total expenditure per capita, which is a ratio that has been used in NSW to evaluate efficiency. Data is presented relative to the fourteen-member council peer group, as used in our other reports and also detailed in Table 1:

TABLE 1. PEERS USED IN COMPARISONS

OLG 5 Councils	OLG 5 Councils	OLG 4 Councils	OLG 11 Councils
Coffs Harbour	Tweed	Cessnock	Muswellbrook
Newcastle	Maitland	Singleton	
Shoalhaven	Shellharbour	Tamworth	
Lake Macquarie	Wollongong	Wagga Wagga	
Port Macquarie			

The most efficient way of comparing Port Stephens to the peer group is to chart a box and whisker plot. Figure 1 provides details regarding how to interpret these plots:

FIGURE 1. INTERPRETING BOX AND WHISKER PLOTS



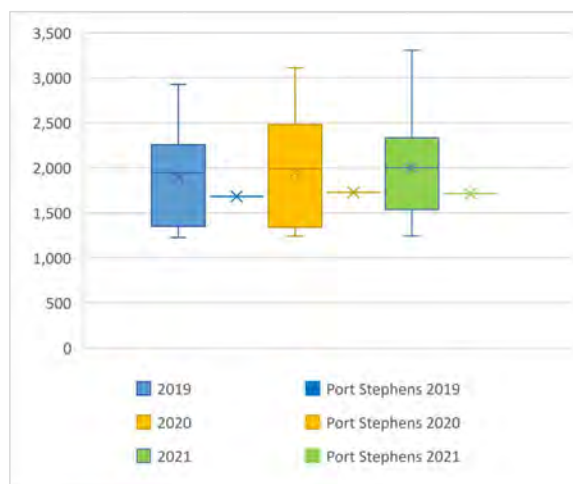
At face value, Figure 2 Operational Expenditure per Capita suggests that the efficiency of Port Stephens relative to the peer group is good; Port Stephens sits at a level significantly lower than the typical result (as measured by either the mean or the median). In the most recent year it is close to the bottom of the second

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quartile.

However, there are a number of problems associated with relying on expenditure per capita data. First, the Australian Bureau of Statistic (ABS) population data is no more than an estimate in intercensal years with expected errors of 2.4 through to 15.6 percent (Drew and Dollery, 2014). Second, the ratio implicitly asks us to accept that most municipal services are delivered to people rather than to properties. Whilst all Australian local government systems have steadily increased 'services to people' relative to 'services to property' over recent decades, this assumption is still not reasonable³ (Dollery, Wallis and Allan, 2006; Drew, 2021). Indeed, operational expenditure per capita completely ignores outputs associated with the single largest component of Australian local government expenditure (i.e. roads). Moreover, roads are in fact negatively correlated with population size (the relevant Pearson correlation coefficient is negative⁴ and equals -0.2531 on a state-wide basis). Third, the ratio implicitly asserts that the cost of providing services to people on farmland is the same as the cost of providing the same services to residential citizens in suburbs⁵. Fourth, operational expenditure per capita ignores the demands of business entirely, which is particularly concerning in local government areas that attract large numbers of tourists (and thus have a relative high number of businesses per capita as in Port Stephens). For all these reasons the operational expenditure per capita data is not a reliable metric by which to measure relative technical efficiency.

FIGURE 2 OPERATIONAL EXPENDITURE PER CAPITA (\$)



³ In order to defend this assumption it must be demonstrated that the cost of delivering services, such as domestic waste disposal, are closely correlated with the number of occupants in a house. Put differently, it must be shown that the cost of collecting and disposing of solid waste for a household of five is precisely five times more than a household of one person.

⁴ This means that as population increases, road length tends to decrease on an interjurisdictional basis.

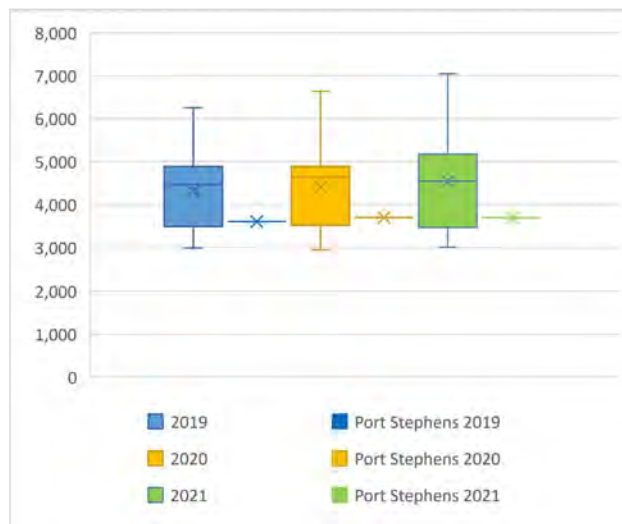
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⁵ It also boldly assumes that these different kinds of people require and receive the same kinds of services.

Operational expenditure per property assessment (Figure 3) – as used in jurisdictions such as Victoria – is a much more defensible metric. However, it is still not adequate for important decision making because it also (a) neglects outputs associated with the single largest item of local government expenditure (roads) and (b) implicitly asserts that the cost of servicing residential properties is somehow comparable to the cost of servicing farms or businesses.

It is noteworthy that in a relative sense Port Stephens performs even better with respect to its peer group for the ratio measured on a per assessment basis. The comparative improvement (with respect to the earlier per capita results) is principally driven by the number of persons who inhabit each household, which is lower at Port Stephens than it is for many of the peer councils. In addition, recognising the relatively higher number of generally smaller tourist-orientated businesses at Port Stephens compared to many of its peers also improves its relative performance.

FIGURE 3. OPERATIONAL EXPENDITURE PER PROPERTY ASSESSMENT (\$)



The main problem associated with these ratio approaches to measuring relative technical efficiency relates to the limitations implied by using just a single input and single output. The solution to this problem is to employ DEA. DEA is able to accommodate *multiple* inputs *and* outputs and it applies variable weightings to the respective elements to construct an efficient frontier against which the weighted performance of relatively less efficient councils might be compared.

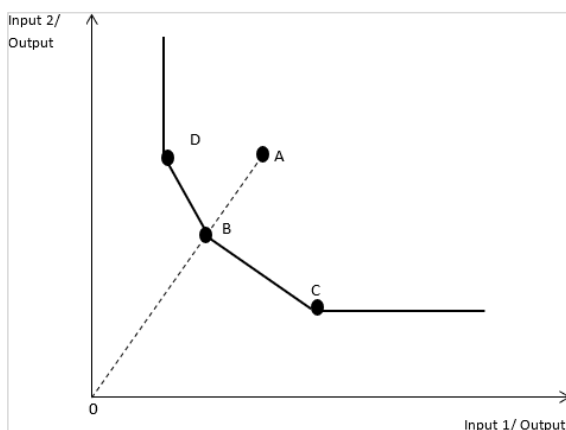
The best way to understand DEA is to consider a graphical illustration. Figure 4 presents a simplified version of an input-orientated DEA where the most efficient councils (D, B and C) envelop the production frontier. Council A is relatively less efficient and lies to the interior of the frontier curve. By measuring the ratio of the radial

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distance with respect to the frontier and interior points respectively, it is possible to calculate relative technical efficiency whereby a score of 0 would represent complete relative inefficiency and 1 perfect efficiency (that is the council would lie on the curve like C, B or D).

Readers requiring further information are referred to the seminal works of Coelli *et al.* (2005) or Cooper, Seiford and Tone (2007).

FIGURE 4. INPUT-ORIENTATED DEA



In section 3, we present a DEA of tax-efficiency. This seems to be the concept that best aligns with IPART's SRV concerns.

3. TAX EFFICIENCY

The value for money proposition that seems to be at the heart of the IPART concern for efficiency is best assessed by a DEA of tax efficiency. In order to undertake this exercise, we used the total tax take as a single input and proxied local government output according to five variables (the number of each type of the three major disaggregated property assessments as well as the length of sealed and unsealed roads respectively⁶). The DEA thus measured the efficiency of the conversion of local property tax funds collected from landowners in Port Stephens with respect to the major outputs of the Port Stephens Council. As we shall see, this specification deals with all of the principal criticisms of the crude ratios that we examined earlier. It also recognises the very different cost structures associated with maintaining sealed and unsealed roads respectively⁷. Consistent with our other work, we consider the broadest classification of NSW local governments, which numbers some sixty-sevencouncils.

⁶ Because of its underlying ratio conception, DEA allows scholars to combine quantities measured in different units.

⁷ Nunamaker's rule means that the total number of inputs and outputs considered by a given DEA cannot be allowed to exceed one third of the total number of decision-making units (councils) (see Cooper *et al.*, 2007).

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A summary of the DEA specification is:

Total taxation take (\$'000) → residential (no.) + farm (no.) + business (no.) + sealed roads (km) + unsealed roads (km).

Moreover, it should be noted that the DEA was conducted as a globally intertemporal analysis because we only had four years of data with which to work. Global intertemporal DEAs are suitable for comparisons over time when it can be reasonably assumed that there have been no changes to dynamic efficiency over the period of analysis. In addition, it is important for end-users of this Report to understand that we employed a variable returns to scale (VRS) DEA. This means that we controlled for potential size effects on efficiency.

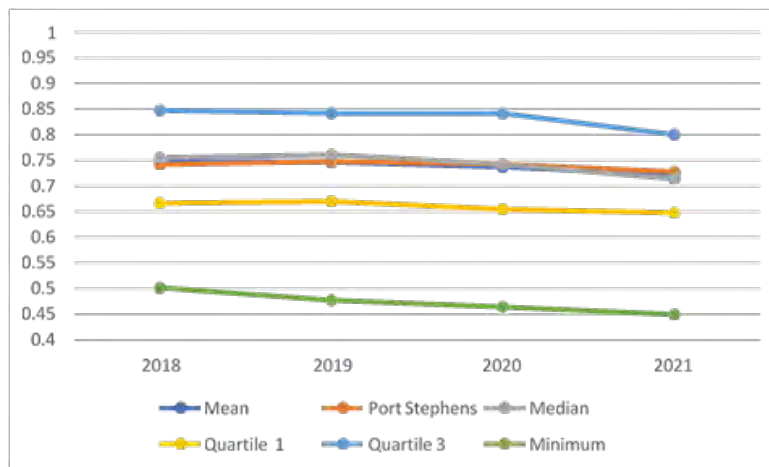
To ensure that our analysis was as robust as possible we bootstrapped results at 2,000 replications. Bootstrapping is essentially a probabilistic procedure that provides greater assurance, especially where input data might have gaps.

In Figure 5, we plot the DEA scores for Port Stephens Council for each of the four years, along with suitable measures of central tendency for the sixty-seven councils under analysis. As we shall see, the performance of Port Stephens is close to the typical (both median and mean) result. Moreover, the score attained was consistently at or about 0.75; that is, the efficiency of Port Stephens Council is far closer to perfectly efficient (1) than it is to perfectly inefficient (0).

This robust DEA evidence should provide both the IPART and Port Stephens Council ratepayers with strong assurance that they are indeed getting good value for money. However, there is always room for improvement and we will discuss some changes that could increase efficiency in the conclusion to this Report. In this regard it should be noted that because there is no consistent state-wide control for quality – such as the citizen satisfaction survey conducted annually for each local council in the Victorian local government system – that it is thus not possible to precisely identify the cause of apparent extant relative inefficiency. One possibility is that what appears to be inefficiency is indeed a reflection of relatively higher service levels at a particular local government area. This seems to be probable given the entrenched fiscal illusion at Port Stephens that we have considered in our other reports. A second possibility is that the Council is spending more to produce certain goods and services than its peers, which would be more consistent with a strict understanding of technical efficiency.

FIGURE 5. TAXATION EFFICIENCY, GLOBAL INTERTEMPORAL 2018-2021

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This DEA has been useful for the purposes of demonstrating sound value for (property tax) funds at Port Stephens Council. However, as we discussed earlier, regulators are also keen for local governments to attain efficiency because they believe it might be translated into stronger financial sustainability over time. To evaluate this proposition it is necessary to conduct an additional DEA with a more standard input specification.

4. STANDARD RELATIVE TECHNICAL EFFICIENCY

The 'standard' DEA specification replaces the single input (total tax take) with two inputs to reflect the specific elements that a local government combines in the production process; staff and operational expenditure (all of the outputs remained unchanged from our earlier specification). Moreover, to ensure that we recognise differences in experience, capacity and productivity of staff, we followed the scholarly precedent of expressing staff as 'staff expenditure' rather than full-time equivalent numbers (FTE) (Drew, Kortt and Dollery, 2015b).

We were able to re-run our DEA over a much longer panel spanning the period 2009 to 2021 inclusive. Because of the longer time involved – whereby it no longer seemed reasonable to assume no changes to dynamic efficiency – we elected to run a locally intertemporal analysis with a two-year window. Local intertemporal analysis is a particular kind of sequential technique that provides much more accurate results for the non-boundary years⁸ (albeit at the cost of considerable additional time from the analyst). It should be noted that we used a variable returns to scale (VRS) DEA model to control for the potential effects of size on efficiency.

⁸ Because boundary years are only analysed once – rather than twice – relatively less certainty can be placed on the 2009 and 2021 data points.

In Figure 6, we plot the DEA scores for Port Stephens for each of the thirteen years, along with suitable measures of central tendency for the sixty-seven councils under

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analysis. As can be seen, for a regular DEA aimed at evaluating relative technical efficiency in the production process, Port Stephens does not perform very well.

Overall, the Council had efficiency slightly lower than the first quartile boundary (that is, its relative performance was in the bottom twenty-five percent of local governments).

There are several reasons why Port Stephens Council appears to have done worse in a comparative sense for the DEA than it did in the earlier simple ratio analysis.

Firstly, the DEA has a much larger cohort than the earlier ratio analysis (sixty-six peers rather than fourteen). Second, Port Stephens has a relatively low ratio of roads per assessment compared to the earlier peer group (which means that a proper analysis of outputs, that includes roads, will be relatively disadvantageous for Port Stephens). Third, the ratio of businesses to residential assessments is relatively higher for Port Stephens Council consistent with its status as a tourist destination.

This is also relatively disadvantageous if more money is spent on business assessments than on residential assessments. For all of these reasons, while the DEA results are disappointing, they are not entirely unexpected.

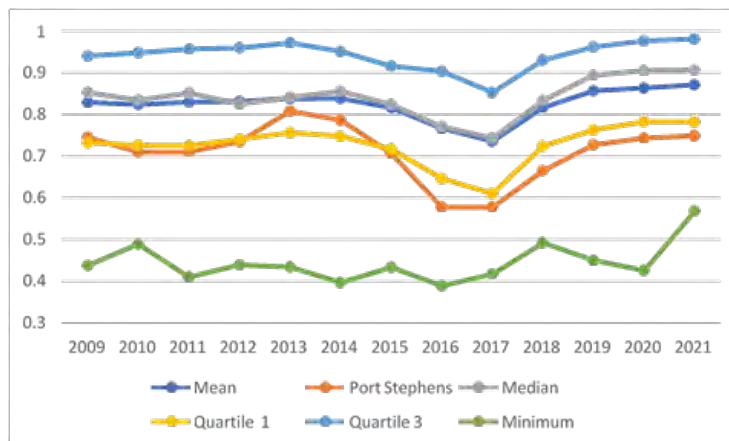
We also note that the standard relative technical efficiency is lower than the previously presented tax efficiency. This is mostly the result of the relatively low tax receipts that Port Stephens Council receives, although the mix of production factors (i.e. relative combinations of staff and money) is also important.

It should be noted that relative technical efficiency at Port Stephens Council has been improving in recent years reaching a score higher than 0.74 for the past two years. This trend is pleasing and it provides assurance to both the local community and IPART that Council understands the need to improve its efficiency.

There are two possible explanations for the relative technical efficiency outcomes at Port Stephens; either they represent relatively higher levels of goods or services (see our earlier explanation of the tax efficiency results), or alternatively, it is costing Council more to provide services. In the conclusion of this Report, we suggest a number of measures that could improve matters.

FIGURE 6. RELATIVE TECHNICAL EFFICIENCY, LOCAL INTERTEMPORAL, 2009-2021

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In section 5, we briefly review the determinants of relative technical efficiency with a view to applying it to the circumstances faced by Port Stephens Council.

5. THE DETERMINANTS OF EFFICIENCY

It is important to understand the determinants of efficiency in order to appreciate how much control a council has over its predicament. To investigate this question, scholars generally conduct a secondary regression, using constant returns DEA scores as the regress and. A constant returns DEA is employed (rather than the variable returns employed for our other exercises) because we wish to also test the effect of size on efficiency (and a variable returns to scale (VRS) DEA would confound matters because it already controls for scale effects).

Regression analysis allows econometricians to determine the mean response in a dependent variable with respect to changes to multiple independent variables. We employed an OLS regression model with year dummies because a fixed effects panel regression was not deemed suitable given the results from diagnostic tests.

The econometric analysis that follows can be specified as:

$$T = \alpha + \beta_1 P + \beta_2 X + \mu.$$

In this specification **T** (the dependent variable) is the constant returns to scale technical efficiency score for each council in each year, **P** is a vector of relevant population data and **X** is a vector of socio-demographic and local government characteristics. μ (μ) is an independent identically distributed random error term. It should be noted that natural log transformations were executed where required to correct for skewed distributions, as detailed in Table 2. All standard econometric tests were conducted and the residuals were confirmed to be near-normal in distribution (a critical assumption for valid statistical reasoning). The regression includes the sixty-seven councils that comprise the extended category cohort for NSW for the years 2018 to 2021 inclusive.

TABLE 2. DEFINITIONS AND MEANS OF VARIABLES, 2018-2021

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Variable	Definition	Similar Councils
Rates		
CRS TE	Relative technical efficiency, constant returns to scale	0.849
Population		
Lnpop	Natural log of the population for each local government area	11.184
Lnpop2	The square of the logged population	125.741
Lndense	Natural log of population density data for each local government area	5.081
Controls		
Median employee income	Median employee income (lagged), divided by 1,000	50.363
Median unincorporated business income	Median unincorporated business income (lagged), divided by 1,000	12.159
Aged (ln)	Proportion of people on an aged pension	2.275
Under 15	Proportion of people under the age of 15	18.23
DSP	Proportion of people on a Disability Support pension	3.286
Newstart (ln)	Proportion of people on a Newstart allowance, logged	0.954
Single (ln)	Proportion of people on a Single Parent pension, logged	-0.329
IPPE (ln)	Natural log of the carrying value of infrastructure in (\$'000)	14.148
Year	A dummy variable to control for the effect of different years	
Amalgamation	A dummy variable to control for whether or not a council was amalgamated in 2016	

In Table 3, we detail the coefficients and standard errors yielded by our regression analysis. We have not listed the results for coefficients that were not statistically significant or included merely as control variables.

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TABLE 3. MULTIPLE REGRESSION RESULTS, 2018-2021 INCLUSIVE

	Extended Cohort
Population (ln)	-0.2366 (0.2415)
Population squared (ln)	0.0125 (0.0108)
Population density (ln)	-0.0189* (0.0077)
Aged (ln)	-0.1229** (0.0368)
Median employee income	-0.0013 (0.0018)
Median unincorporated income	-0.0124** (0.0035)
Additional Controls?	Yes
N	263
Coefficient of Determination	0.2384

+p < 0.10, *p < 0.05, **p < 0.01. Standard errors in parentheses

It is noteworthy that population size was not statistically significant which suggests that scale effects are not as important as many regulatory agencies seem to believe. However, population density is important. Our model suggests that a one percent increase in population density results in a reduction to technical efficiency of approximately 0.0002 units (where technical efficiency lies on a scale between zero and one). This suggests that highly built-up areas tend to cost more to service, probably because of well-known congestion effects.

The proportion of people on an aged pension is also statistically significant (this time at the highest level). The model suggests that a one percent increase to the aged variable is associated with a reduction to technical efficiency in the order of 0.0012 units. This is an important finding given the high proportion of aged pensioners in Port Stephens, as well as projections of likely growth to this demographic in future. It is also important to recall from our Financial Sustainability Report and Capacity to Pay Report that the pensioner demographic is provided with a partially funded discount on their rates which appears to have entrenched fiscal illusion within this cohort.

Increases in unincorporated business income also appear to be detrimental to technical efficiency. Here the model can be interpreted to suggest that a one percent increase in business income is associated with a 0.00012 reduction to relative technical efficiency.

All three variables that are negatively associated with technical efficiency are largely outside of the control of Council in the short term. However, the size of the associations is relatively modest and should thus mean that measures suggested in

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section 6 could still exert a positive and material impact on the efficiency of Port Stephens Council in future.

6. RECOMMENDATIONS

There are at least five measures that could be taken to improve relative technical efficiency at Port Stephens Council in response to this Report, which we set out in order of relative importance:

(1) EXPLICIT MEASURES TO COMBAT FISCAL ILLUSION

A targeted campaign should be implemented to combat entrenched fiscal illusion at Port Stephens Council. Community education is critical, as is the correct pricing of fees and charges, as well as ensuring that adequate taxation is levied in a manner that respects principles of distributive justice and sends appropriate price signals (especially with respect to the level of subsidies provided for merit goods). In addition, reducing informational asymmetries by providing carefully constructed financial sustainability information with rates and charges notices will assist significantly. *Saving Local Government* (Drew, 2021) outlines what is required in considerable detail.

(2) ABOLISH WARD STRUCTURES

The scholarly literature has demonstrated beyond dispute that each additional ward results in significantly lower technical efficiency. Indeed, in a recent study Drew and Dollery (2017) showed that each additional municipal ward was associated with a 3.4% increase in unit expenditure. Moreover, ward structures tend to make planning more complex, complicate the political process and obscure matters with respect to citizen identification with Council. In fact, Place-scores and Place-plans make ward structures rather redundant. We strongly suggest that Council consider removing this obstacle to future efficiency according to the process outlined in the relevant legislation. Indeed, we recommend that Council establish a working group on this matter and that IPART is duly informed of this initiative as part of the SRV process.

(3) REVIEW OF CORPORATE STRUCTURE

As we noted in our Financial Sustainability Report, Council has done a good job of containing staff costs. However, there may be opportunities for further savings. Accordingly, the next regular organisational review should place particular emphasis on both the number of lower level managers and also ensuring a sufficient span of control.

(4) SERVICE LEVEL REVIEW

As we have argued, there is good reason to believe that fiscal illusion is a significant problem at Port Stephens. Council thus needs to re-establish a nexus between the price paid in taxation and the level of local services that it funds. We note that Port Stephens documentation refers to the Best Value approach to service level reviews that seeks to match service levels to community willingness to pay. Given the discordance that persists at present, in our view it is important at the next regular service level review to pay even greater attention on conveying to local residents the importance of paying adequate rates, fees and charges for the standard of services

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desired. Moreover, the necessity of doing so to ensure intergenerational equity should also be emphasised. Thus, emphasis should be orientated less on what residents would like and more on what they are willing to pay for.

(5) COUNCIL LED INTERNAL EFFICIENCIES

Council management should continue to pursue other efficiencies associated with a range of internal activities. This may include matters such as the deferral of discretionary projects, better procurement practices, a review of community grant schemes, better capture of tourist revenues and more appropriate use of carefully tailored fees and charges. In his *Saving Local Government*, Drew (2021) provides considerable detail as to how to approach these matters.

In conclusion, ratepayers at Port Stephens Council, as well as IPART, can be assured that Council provides good value for money. Moreover, by vigorously pursuing the above recommendations, it should be possible for Council to improve its efficiency even further, notwithstanding the challenges posed by its disadvantageous socio-demographic profile.

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Port Stephens Council

Capacity to Pay Report



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**ITEM 1 - ATTACHMENT 1 CONSOLIDATED REPORT - INDEPENDENT
FINANCIAL ANALYSIS 2022.****EXECUTIVE SUMMARY**

This report details the insufficiency of local government taxation revenue for the port stephens local government area. We also review the extant rate structure used by port stephens council and offer suggestions to improve both the distributive justice and capacity to pay aspects of its municipal tax. The centrepiece of this report is a sophisticated multiple regression analysis over a long panel of data that precisely quantifies the extant shortfall in receipts. We conclude the report with an enumeration of the changes to existing tax arrangements that are important to ensure ongoing financial sustainability for port stephens council.

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1. INTRODUCTION

Taxation is a critical source of funding to support the provision of local public goods and services as well as subsidise merit goods and goods with positive externalities. Public goods and services are both non-excludable¹ and non-rival² in consumption. These items contribute to the common good and it is not practical to levy a fee or charge for their use. They must thus be funded through taxation. By contrast, merit goods embody various desirable attributes and thus may warrant some level of subsidy from the common tax pool to elicit higher levels of consumption (Drew, 2021). Similarly, goods with positive externalities provide benefits to the wider society (beyond those internalised by the user) and may thus be considered worthy of subsidy. The main point to grasp is that taxation is a moral responsibility accruing as a result of one's membership in a community – it is definitely not a fee for service (a common misapprehension that leads to inefficient taxation structures that are difficult to defend in a moral sense; see Drew (2020)).

In Australian local government systems, the tax base is narrow and focussed on land value (Dollery, Crase and Johnstone, 2006). Use of unimproved land value has a number of qualities to recommend it, including: (i) relative ease of calculation; (ii) efficiency³; (iii) clear liability⁴; and (iv) nexus⁵. In addition, the property tax has a strong moral foundation since it is largely based on unearned wealth created by others (George, 2010). Put differently, the increase in unimproved land value captures just a small fraction of the wealth created for an individual through the efforts of others (for example, through migration, the establishment of new industries or the construction of new infrastructure). Thus, by paying a land tax one is really returning to the wider community some of the wealth that they have created. In this sense, a land tax is often seen as a tax on unrealised capital gains (Drew, 2020; 2021).

In addition, failure to levy sufficient taxation can lead local governments to participate in risky activities, such as attempting to generate commercial revenues to subsidise taxation insufficiency or neglecting to conduct adequate maintenance on local infrastructure. Indeed, excessively low taxation can also encourage the levying of inappropriately high fees and charges for municipal services that are inequitable⁷.

¹ It is neither reasonable nor practical to prevent someone from using the good or service, such as local roads.

² One person's use of the good or service does not materially affect the capacity of others to use it, as in street lighting.

³ In the sense that an unimproved land tax tends not to distort economic decision-making.

⁴ It is clear who is liable for the tax and it is very difficult for one to avoid one's responsibility (for example, the objective of the tax cannot be moved to a tax haven).

⁵ Services at the local government level are still most closely associated with property rather than with people (although in Australian local government the mix is changing over time (Dollery *et al.* 2006)).

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⁶ Drew (2021) uses the powerful personal budget metaphor to explicate these matters further. In our personal finances, we expect to make sacrifices when we take out debt. We have either to earn more or cut back on costs in other areas.

⁷ In this case, users of services are essentially forced to subsidise the moral obligation of taxpayers who do not consume the fee-attracting item in question.

Moreover, inappropriately low levels of taxation fuel deleterious fiscal illusion. Fiscal illusion occurs when local residents do not understand the true cost of the local government goods and services they consume (Drew, 2020). It tends to result in excessively high levels of consumption as well as high demand for the expansion of local programs and local infrastructure. Fiscal illusion is also likely to result in strong community opposition to perfectly reasonable requests to pay financially sustainable rates of taxation (IPART, 2020). In these instances, careful and clear communication to local residents is essential.

Taxation at Port Stephens Council is organised around three principal categories consistent with the Local Government Act (1993, NSW): residential, farm business and (non-farm) business. In addition, special consideration has been given to ratepayers affected by the Williamstown contamination. Table 1 – extracted from the most recent Operational Plan – details the rate structure at Port Stephens Council:

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Category	Sub-Category	Ad Valorem Rate c in \$	Base Amount \$	Base Amount Yield %	Estimated Rate Yield '000s
Residential	n/a	0.2796	394.00	35	\$35,789
Residential	Williamstown Primary Zone	0.1398	197.00	39	12
Residential	Williamstown Secondary Zone	0.2097	295.50	41	112
Residential	Williamstown Broader Zone	0.2516	354.60	40	223
Farmland	n/a	0.2796	394.00	21	\$840
Farmland	Williamstown Primary Zone	0.1398	197.00	30	6
Farmland	Williamstown Secondary Zone	0.2097	295.50	27	19
Farmland	Williamstown Broader Zone	0.2516	354.60	26	21
Business	n/a	0.7727	1,684.00	35	\$9,046
Mining	n/a	0.7727	n/a	n/a	Nil
				Total	\$46,068

TABLE 1. ORDINARY RATE STRUCTURE

It is noteworthy that the farm business rate has been set at the same level as the residential rate of local government taxation notwithstanding the fact that most farm businesses can export at least some of the tax to the federal government as part of their usual tax affairs. This means that farm businesses in Port Stephens are not paying the same effective rate of taxation as most residential ratepayers (that is, they are receiving an effective discount and hence a subsidy).

Moreover, the rate levied on other (non-farm) business is 2.76 times higher than that paid by farm businesses. It would seem difficult to justify this disparity without resorting to an inappropriate fee-for-service kind of argument. However, it is noteworthy that non-farm businesses also generally have the capacity to export some of their local government taxation burden to the federal government.

Port Stephens makes use of a base rate. The main arguments for using base rates are: (i) that they flatten the disparity between rate assessment notices; (ii) that they ensure that owners of strata title properties or high-density dwellings make a reasonable contribution to the tax pool⁸; and (iii) that they reduce some of the volatility that can arise from revised property valuations. All of these claims are largely correct, but they come at a high cost to the most disadvantaged landowners in the community.

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In essence, a base rate has the effect of reducing the size of the *ad valorem* factor. This means that people retain a relatively larger share of the unearned wealth reflected in unimproved land values. Thus, those who enjoy relatively higher increases to their land value will benefit far more, in absolute terms, than those who do not. Indeed, those who have their land value fall are guaranteed in a base rate environment to be the most disadvantaged. A decision must thus be made regarding whether it is reasonable to effectively place more of the burden on the relatively disadvantaged (and hence disturb distributive justice) in order to reduce rate volatility or ensure strata title and high-density property owners pay a reasonable contribution. If indeed a base rate is retained, then it would be best to link the proportion funded by the base rate to the governance costs of the Council (Drew, 2021), which would probably see it fall considerably.

We have taken the trouble to outline some of the complexity of a land-based taxation system because it seems an opportune time to reflect on the equity and efficiency of these matters as part of the current review of capacity to pay.

The remainder of this Report is set out as follows. In section 2, we conduct a broad overview of Port Stephens taxation rates relative to a peer group of fourteen councils. In section 3, we conduct a more detailed review of residential rates. Section 4 considers business income variables. In section 5, we present robust econometric modelling of the total tax capacity for the Port Stephens local government area. We conclude the Report in section 6 with our recommendations for Council moving forward.

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⁸ The objective here is to improve distributive justice by ensuring that strata title and high density owners pay more than what they otherwise would. However, in so doing it is inevitable that distributive justice will be eroded for owners of low value property. The best solution would probably be a separate category for high-density dwellings and strata holders, but the legislation does not appear to facilitate this potential remedy.

2. OVERVIEW OF RATES AT PORT STEPHENS COUNCIL AND ITS PEERS

In section 2, we provide a comparative perspective on local government taxes at Port Stephens relative to the fourteen-member peer group also used in our Financial Sustainability Report.

To provide a synoptic relative overview the best option is a box and whisker plot. Figure 1 provides information on how to read the graphs that follow.

FIGURE 1. INTERPRETING BOX AND WHISKER PLOTS

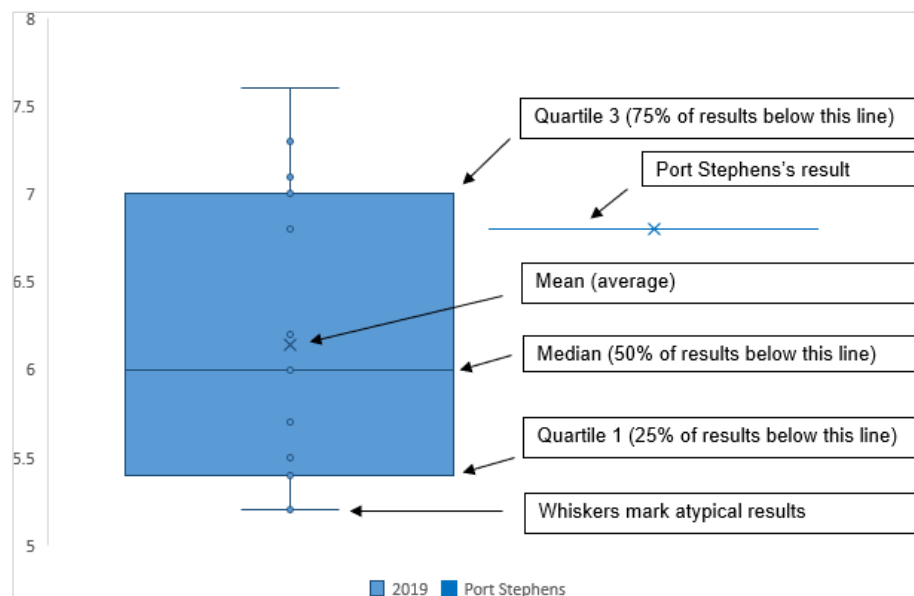
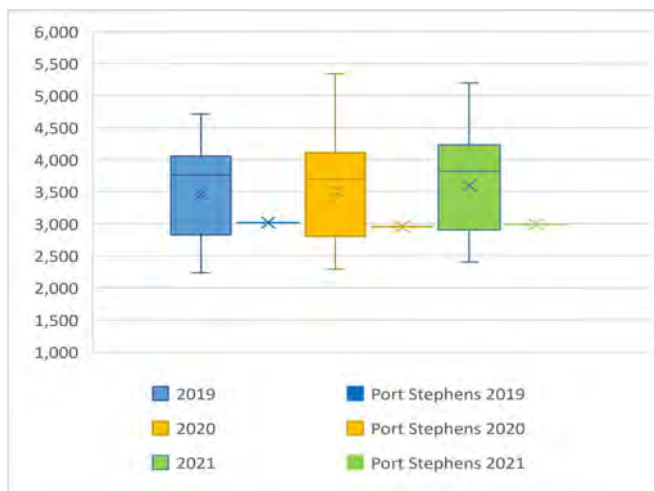


Figure 2 provides details of rates and annual charges on a per assessment basis to allow for reasonable comparisons. As can be seen, Port Stephens has scored close to the bottom of the second quartile in recent years. This does not bode well for revenue sufficiency.

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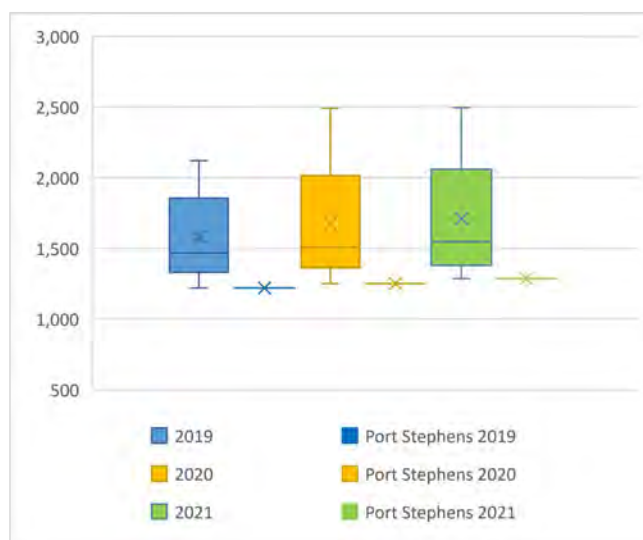
FIGURE 2. RATES, FEES AND ANNUAL CHARGES PER ASSESSMENT (\$)



Moreover, in Figure 3 we find that total rates on a per property basis are in fact the lowest in the peer group and have been for at least three years. This result seems to support our early suggestion in this Report that taxation insufficiency tends to result in higher fees and annual charges that may both distort price signals and lead to inequities.

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FIGURE 3. TOTAL RATES PER PROPERTY ASSESSMENT (\$)



Given our brief review of the actual tax rates levied by Port Stephens Council (see Table 1), it is reasonable to suspect that the insufficiency might be centred mainly upon residential and farm tax rates. In Table 2, we provide details of the average tax take (by category) as required by IPART for the purpose of demonstrating capacity for a Special Rate Variation (SRV). It certainly seems that the rate of taxation levied at Port Stephens is well below the typical level for the peer group in both the residential and farm categories, but comparable for business. We will further illustrate the comparative levels in Figure 4, Figure 5 and Figure 6 below.

TABLE 2. COMPARISON OF AVERAGE RATES, 2020-21.

Council	Residential	Farm	Business
Port Stephens	\$1,100.75	\$1,774.59	\$4,602.47
Coffs Harbour	\$1,230.47	\$2,105.26	\$4,101.04
Lake Macquarie	\$1,504.59	\$2,216.22	\$5,022.19
Maitland	\$1,715.98	\$3,510.67	\$7,763.30
Newcastle	\$1,597.40	\$2,444.44	\$12,200.16
Port Macquarie-Hastings	\$1,248.97	\$2,032.26	\$3,817.97
Shellharbour	\$1,615.63	\$3,324.32	\$5,040.24
Shoalhaven	\$1,294.17	\$2,547.01	\$2,169.00
Tweed	\$1,473.68	\$2,177.05	\$2,967.38

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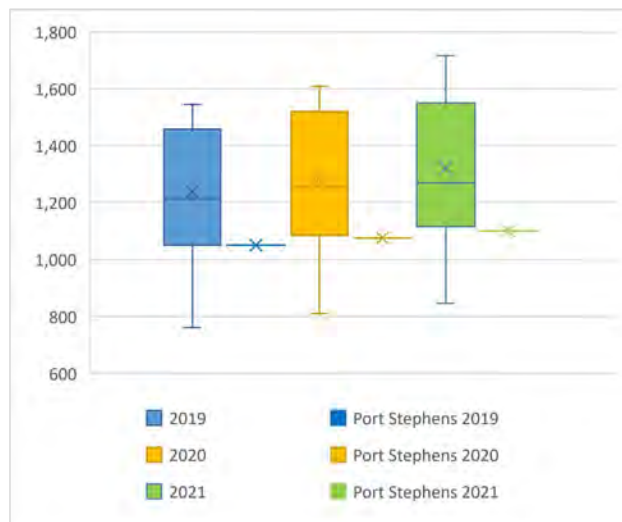
Wollongong	\$1,549.68	\$2,677.69	\$11,782.60
Cessnock	\$1,269.31	\$2,905.26	\$3,613.29
Muswellbrook	\$846.75	\$2,624.45	\$1,683.79
Singleton	\$1,181.84	\$1,992.38	\$2,448.12
Tamworth	\$1,089.78	\$1,968.22	\$3,306.11
Wagga Wagga	\$1,115.63	\$2,802.98	\$5,940.43
AVERAGE	\$1,322.31	\$2,473.52	\$5,097.21
STANDARD DEVIATION	244.03	508.85	3196.40
MEDIAN	\$1,269.31	\$2,444.44	\$4,101.04
QUARTILE 1	\$1,148.74	\$2,068.76	\$3,136.75
QUARTILE 3	\$1,527.14	\$2,740.33	\$5,490.33
INTERQUARTILE RANGE	378.40	671.57	2353.59
PORT STEPHENS	\$1,100.75	\$1,774.59	\$4,602.47

Figure 4 further illustrates that the residential rates (on a per assessment basis) applied in Port Stephens are consistently in the lowest quartile in a relative sense. If we assume that current residential ratepayers in the peer group are able to manage their taxation obligations, then the Figure 4 box and whisker plots suggest adequate scope for upward revision.

It is noteworthy that relatively low rates of taxation are particularly threatening in the residential category because this is where most of the demand for municipal services manates. It is also where most of the political power resides in the local government area. Given the grim state of affairs painted in our Report on the financial sustainability of Council, it would be prudent to strike a more appropriate level of taxation for this category.

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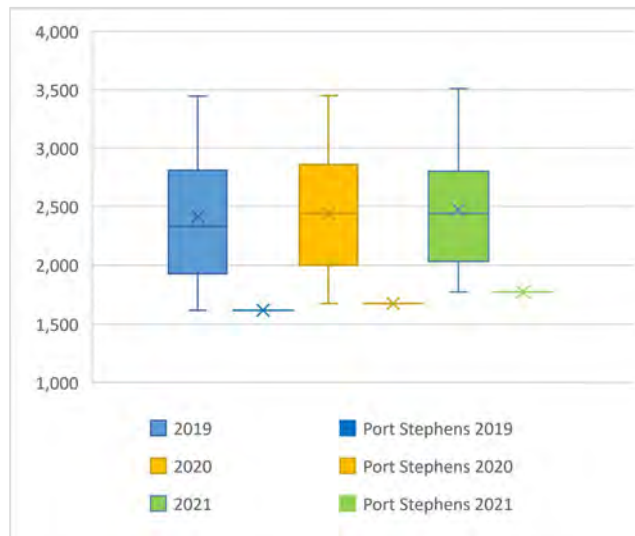
FIGURE 4. RESIDENTIAL RATES PER ASSESSMENT (\$)



For farm rates, matters are even worse in a relative sense. Not only is this an important problem for ongoing financial sustainability (albeit mitigated in part by the relatively lower numbers of farm assessments), but it echoes the potential inequity that we noted earlier: most farm businesses have the capacity to export at least some of their local government rates as a tax deduction. This effectively means that there is a failure to observe distributive justice with respect to the comparative burden of farm businesses relative to most residential properties.

FIGURE 5. FARM RATES PER ASSESSMENT (\$)

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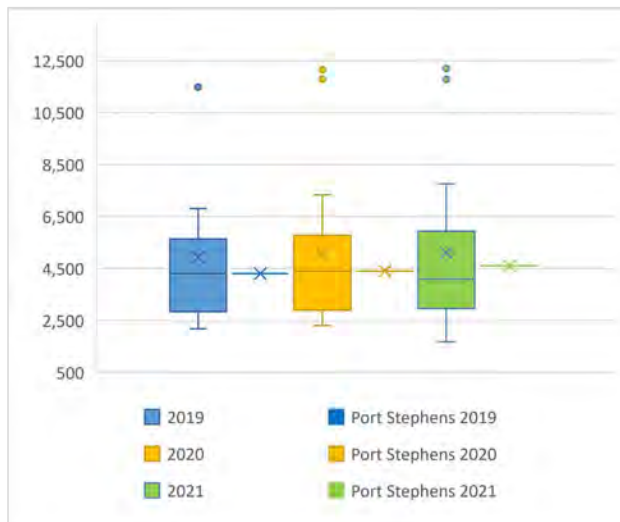


Moreover, other (non-farm) business rates per assessment generally reside at or above the typical result for the peer group, as represented by the median. It is curious that other businesses have not received the generous discounts on an appropriate tax rate that the farm businesses have received. This preferential treatment for farm businesses is mostly an artefact of the historical development of Australian local government and cannot be justified without resorting to either historical precedent or to an erroneous services argument (Grant and Drew, 2017).

It might be noted that the relatively typical taxes levied on business at Port Stephens Council means that this category is likely to contribute less to the financial sustainability pressure points (not just with respect to revenue, but also broader matters of intergenerational equity and fiscal illusion).

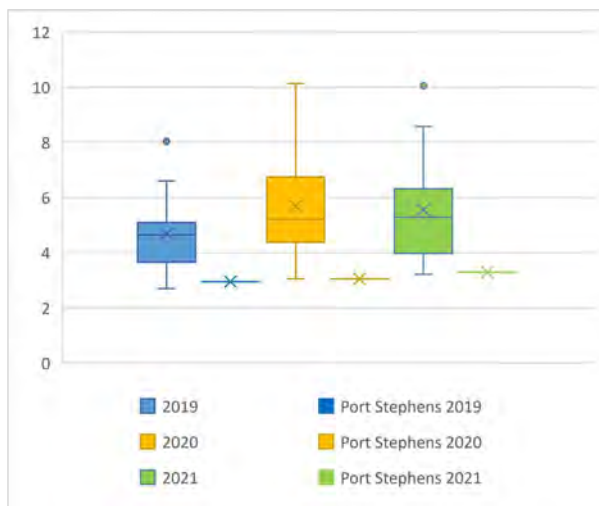
FIGURE 6. BUSINESS RATES PER ASSESSMENT (\$)

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Rates and charges outstanding provide an excellent indication of the capacity of various categories of ratepayer to meet their extant obligations. Unsurprisingly, Port Stephens Council consistently has the lowest outstanding rates and charges in the entire peer group. This result confirms that ratepayers are able to meet their obligations as matters stand. If an SRV is indeed approved – and if Council takes the opportunity to reform its rate structure – then it will be important to monitor this ratio in a relative sense in future.

FIGURE 7. RATES AND CHARGES OUTSTANDING



We do not think that average rate levels alone represent a sound basis for assessing capacity. The aforementioned data neglect a broad range of socio-demographic

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variables that are clearly salient to the capacity of residential ratepayers to make more adequate contributions to revenue. In the next section, we review some of the important available data from the Australian Bureau of Statistics (ABS) that has particular relevance to the capacity of the largest part of the rate base (residential assessments).

3. RESIDENTIAL RATE VARIABLES

Office of Local Government Guidelines (2020) require IPART to pay regard to the Socio-Economic Index for Areas (SEIFA). As readers may be aware, while there are four SEIFA indexes produced by the ABS, the NSW Office of Local Government (OLG) focuses on the Index of Relative Socio-Economic Disadvantage.

Indexes are not useful guides for important decision making because the mathematical techniques required to construct them result in important information being conflated. For instance, the relative contributions of the input variables is dependent on the weighting applied to the index. For this reason, we present data for each of the important variables from Figure 9 onwards.

Port Stephens Council has a SEIFA of 6 on both a national and state-wide basis, which is precisely typical (as measured by the median). When the SEIFA scores a higher number it means that the community is relatively less disadvantaged. The most recent census data available at time of writing was 2016.

TABLE 3. 2016 CENSUS DATA SOCIO-ECONOMIC INDEXES FOR AREAS (SEIFA)

Council	SEIFAIRSD AustraliaDecile	SEIFAIRSD State Decile
Cessnock	2	3
Coffs Harbour	5	5
Lake Macquarie	8	7
Maitland	7	6
Muswellbrook	3	3
Newcastle	8	7
Port Macquarie	6	6
Port Stephens	6	6
Shellharbour	6	5
Shoalhaven	5	5
Singleton	7	7
Tamworth	5	5
Tweed	6	5
Wagga Wagga	7	7
Wollongong	7	6
Average	5.9	5.5
Standard Deviation	1.6	1.3
Median	6.0	6.0
Quartile 1	5.0	5.0
Quartile 3	7.0	6.5

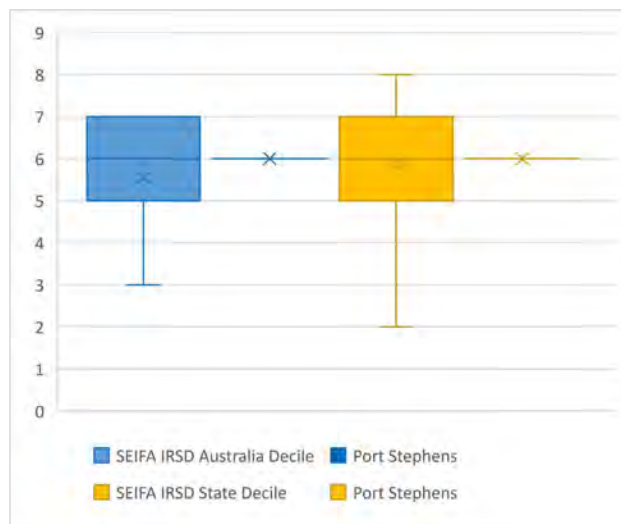
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Interquartile Range	2.0	1.5
Port Stephens	6.0	6.0

In Figure 8, we plot the SEIFA as a visual representation of the data for the peer group presented in Table 6.

FIGURE 8. SEIFA SCORES, 2016 CENSUS



One of the problems faced by Port Stephens is the high proportion of residents in receipt of an aged pension. As we described in the Financial Sustainability Report, pensioners exert various pressures on financial sustainability. First, the mandated local government tax discount for pensioners is only partly funded by the NSW state government. Second, pensioners are statistically associated with higher levels of local service usage as well as local infrastructure (Drew, 2021). This latter point is reflective of both need (such as footpaths and ramps) and likely fiscal illusion (because pensioners do not pay the full tax price due to their rates discount). In addition, pensioners will almost certainly have a debt bias (a rational preference to fund new infrastructure through debt because they are unlikely to remain taxpayers for the entire term of the outstanding debt), which can erode both financial sustainability and intergenerational equity (Buchanan, 1997).

Moreover, as we explained in the Financial Sustainability Report, matters are likely to deteriorate further in the future due to both internal migration (especially in the wake of COVID-19) and internal demographics (since Port Stephens has a similarly high proportion of persons aged 60-64 and 55-59).

The theory of fiscal federalism deals with financial relations between the different levels of government in a federal system, such as the Australian federation (Oates, 1972; 1999). The decentralisation theorem holds that different governmental functions should be located at different levels of government depending on their characteristics. For example, local governments should provide local public goods

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and services, like garbage collection, local roads and local parks, since the optimal provision of this genre of public goods depends on local preferences. By contrast, higher tiers of government, especially the national government, should run those functions of government with a much larger benefit region. For example, income distribution objectives should be pursued by national government given they are based on equity principles that are not spatially constrained.

Under the Australian Constitution, local government falls under state government jurisdictional control. Thus, if state governments oblige local councils to pursue equity objectives, such as offering rate rebates to aged pensioners in NSW local government, then they should pay the full costs involved (Dollery *et al.*, 2006).

However, in practice, NSW Government compensation to NSW local government does not cover the full costs of the pensioner rate rebate scheme (Dollery, Johnson and Byrnes, 2008). Given its relatively large aged pension cohort, this adversely affects Port Stephens Council.

It should be noted that aged pensions are a relatively reliable income in some contrast to the wages of people in the services industry, casual work or the gig economy. Moreover, aged pensioners were the recipients of multiple stimulus payments as part of the federal government response to COVID. They are thus in a position better than some to absorb potential increases to local government taxes.

FIGURE 9. AGED PENSION

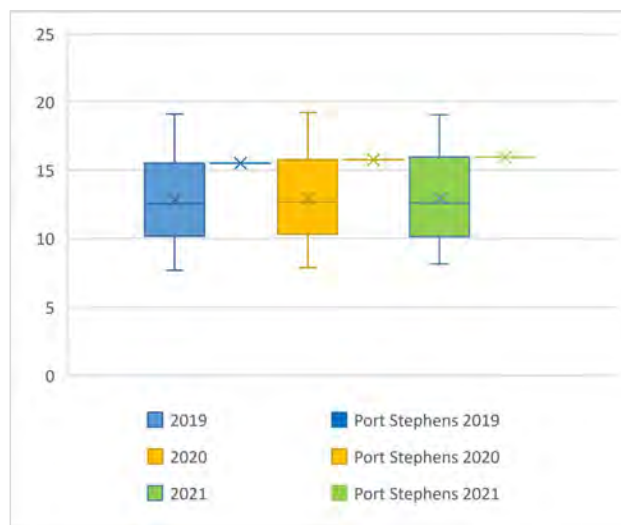


Figure 10 illustrates the number of people on Newstart or Jobseeker in Port Stephens. It is clear that the economic shock arising from COVID-19 public policy responses was particularly acute in Port Stephens. Recent policy commentary from the NSW Government suggests that lockdowns may be past and thus that the jobs lost in 2021 may be recovered. However, it is a matter that decision-makers should remain mindful of and it warrants a review of extant hardship policies to ensure that they meet the

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needs of people whose livelihoods have been adversely affected by COVID policies. It should be noted that a one-year lag applies to this data.

FIGURE 10. NEWSTART ALLOWANCE/JOBSEEKER



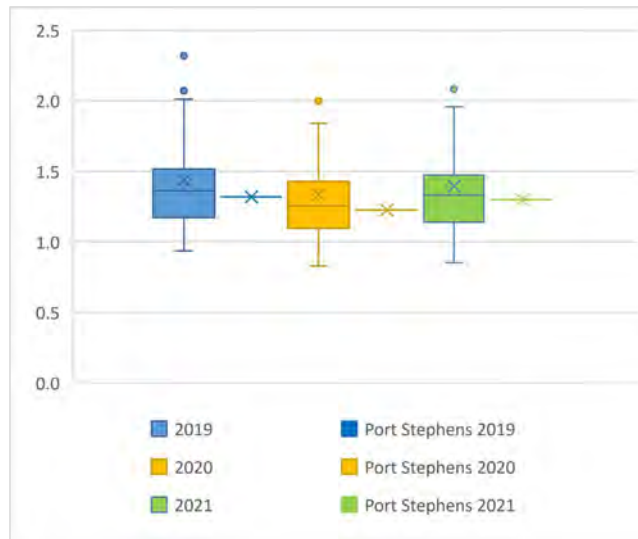
Figure 11 and Figure 12 refer to the proportion of people on disability support and single parent pensions respectively. As can be seen, results for Port Stephens are typical of the peer group and thus do not warrant any particular additional local government policy response.

FIGURE 11. DISABILITY SUPPORT PENSION



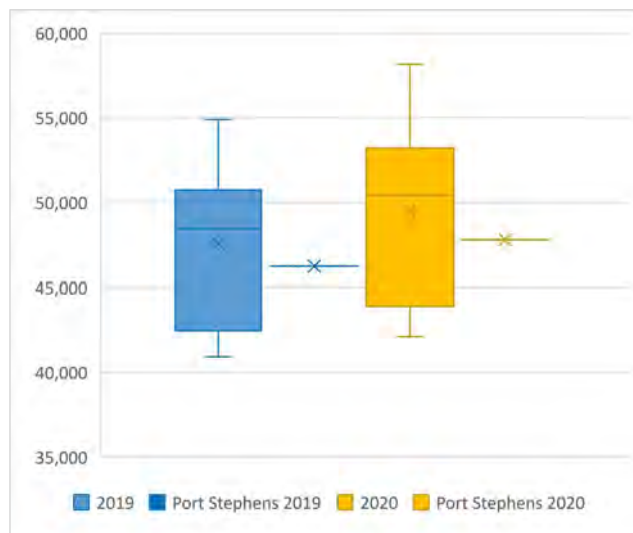
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FIGURE 12. SINGLE PARENT PENSION



The median wage earned in Port Stephens is relatively low compared to the peer group. This could have implications for capacity to pay, although matters are far from simple (as we will detail in the subsequent four graphs).

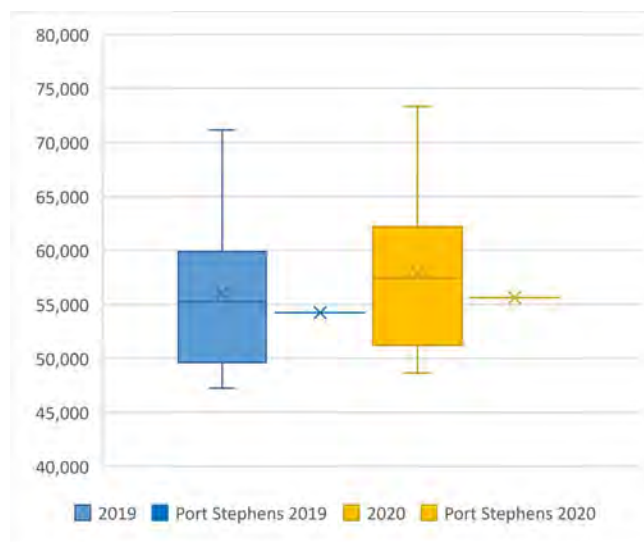
FIGURE 13. MEDIAN WAGE-EARNER INCOME



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Indeed, when we compare the relative position of mean (average) wage earnings (which improves significantly with respect to the earlier median numbers), it is clear that incomes are skewed to the right. That is, there are clearly a number of high income earners who have pulled the average up.

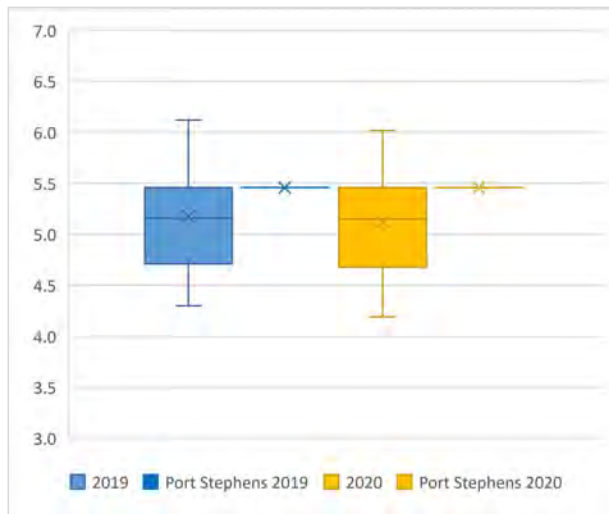
FIGURE 14. MEAN WAGE-EARNER INCOME



This skewing of income data is reflected in the P80/20 income inequality ratio. This commonly used metric divides the 80th percentile by the 20th percentile and it provides a useful perspective on the spread of incomes in a given local government area. As can be seen in Figure 15, wage inequality is a substantial problem for Port Stephens

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FIGURE 15. P80/20 INCOME INEQUALITY RATIO

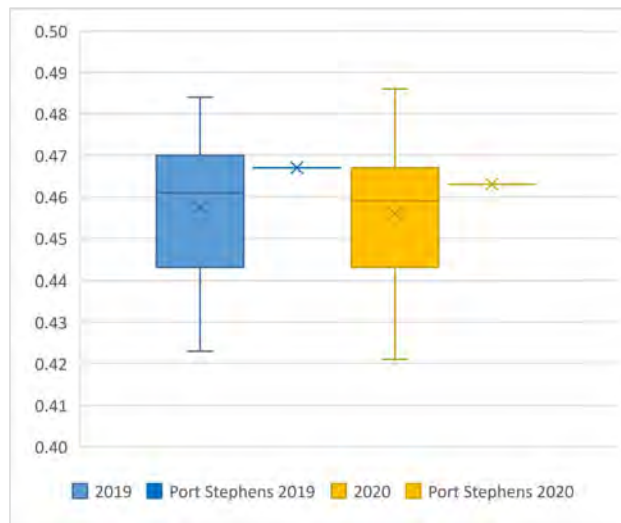


Indeed, inequality is further illustrated by Figure 16 that plots the relative results for the Gini coefficient. Once again, the data clearly indicates high levels of relative income inequality.

In economic analysis, the Gini coefficient is the most common measure of income inequality or wealth inequality within a given spatial area or a defined social group (Baum *et al.*, 2018; Drew and Miyazaki, 2020). The Gini coefficient measures the inequality among values of a frequency distribution, such as levels of income or household wealth. The value of the Gini coefficient thus tells us about the nature of income or wealth distribution. For instance, a Gini coefficient of zero indicates perfect income equality, where everyone has the same income. At the other extreme, a Gini coefficient of one denotes maximum income inequality, where one person accrues all income and the remainder have no income. In practice, Gini coefficients always fall somewhere between zero and one. The higher the absolute value of the Gini coefficient, the greater the degree of income or wealth inequality.

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FIGURE 16. GINI COEFFICIENT INCOME INEQUALITY METRIC



These widely disparate incomes in Port Stephens could be an obstacle to a residential tax increase *if* taxes were distributed evenly. However, under a land tax regime the obligation allocated to each person is instead a reflection of the unimproved land value that they own.

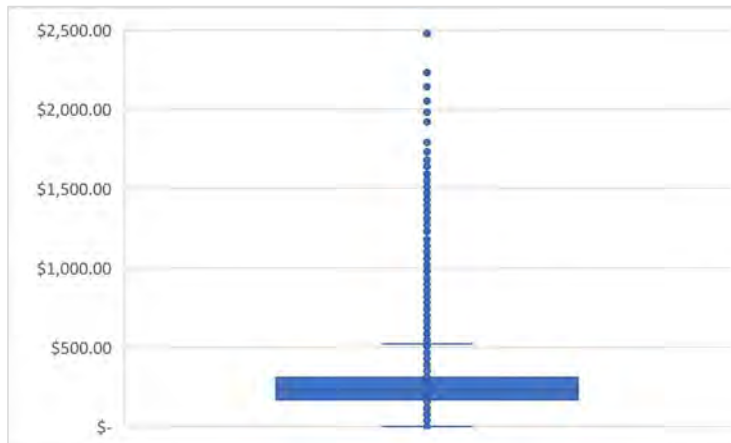
As it turns out, land values in Port Stephens are also extremely skewed (to the right) in distribution. Indeed, to get all of the values onto the same graph we had to truncate land values above \$2.5 million. It is reasonable to assume that those who have purchased properties at the higher end of unimproved land values would mostly hail from the high-income cohort (or previously enjoyed high incomes prior to retirement). If this is the case – as seems likely – then the people who will receive the largest local government tax assessments will also generally be the people with the greatest capacity to pay.

Indeed, the high level of skewing in unimproved residential land values provides further argument against the practice of levying a base rate. A base rate in the order of thirty-five percent reduces the *ad valorem* and hence effectively provides taxation relief to the people who own the most valuable property in the local government area. Put differently, municipal ratepayers towards the bottom of the distribution in Figure 17 are being asked to pay a higher effective rate of tax (relative to their land value and probably capacity to pay) than those at the top of the distribution (the longtail of dots in Figure 17 in particular).

Thus, one way Council could mitigate the effect of a SRV for the lowest capacity to pay residential landowners would be to reduce or eliminate the base rate. This would also better respect principles of distributive justice.

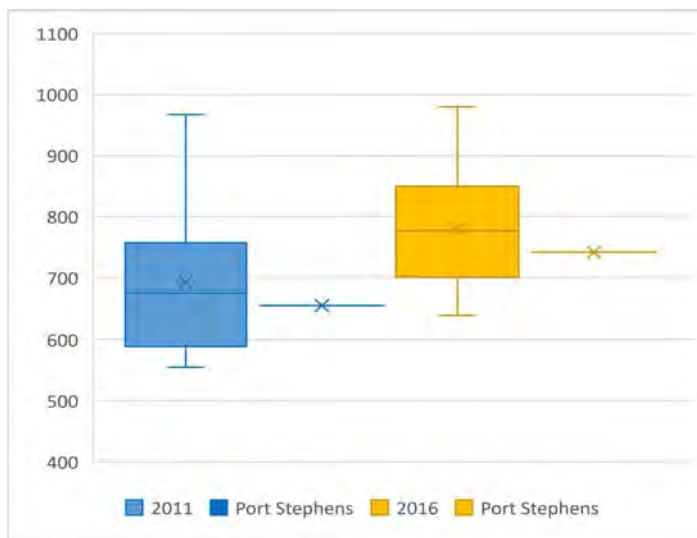
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FIGURE 17. DISTRIBUTION OF RESIDENTIAL LAND VALUES (THOUSANDS OF DOLLARS AND TRUNCATED AT \$2,500,000)



A helpful statistic generated by the ABS is the median equivalised household income. This data is adjusted to allow for fair comparisons between households of differing size. Indeed, a comparison with Figure 13 shows a relative convergence on the measures of central tendency, which suggests that there might be more multiple income (including welfare such as aged pensions) households in Port Stephens compared to the peer group. This is important because higher household income is clearly closely associated with improved capacity to pay. It is noteworthy that this data is only provided in census years and the most recent figures have been used in this Report.

FIGURE 18. MEDIAN EQUIVALISED HOUSEHOLD INCOME

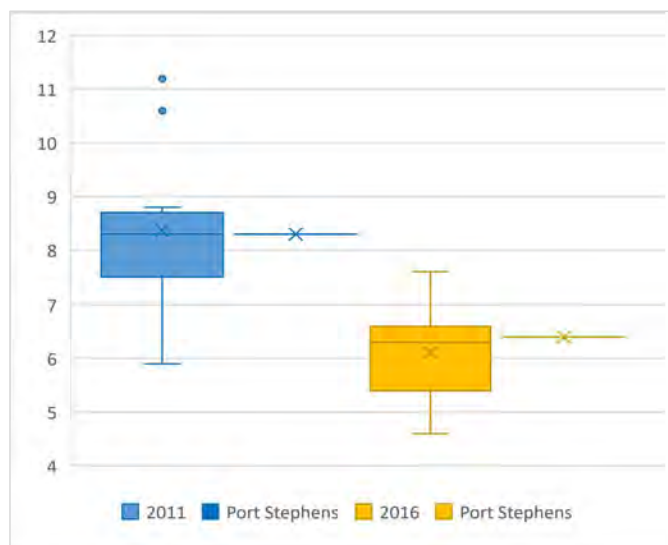


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Household stress data is also only available in census years. Households are considered stressed when their mortgage repayments exceed thirty percent of household income.

The results for Port Stephens Council are consistent with the stress experienced in the typical peer group council. This suggests that no particular vulnerability exists for people with mortgages in the Port Stephens local government area. Moreover, when interpreting Figure 19 we should be mindful of the relatively low extant local government tax burden, as well as the outstanding rate and fee data (which is the best for the entire peer group).

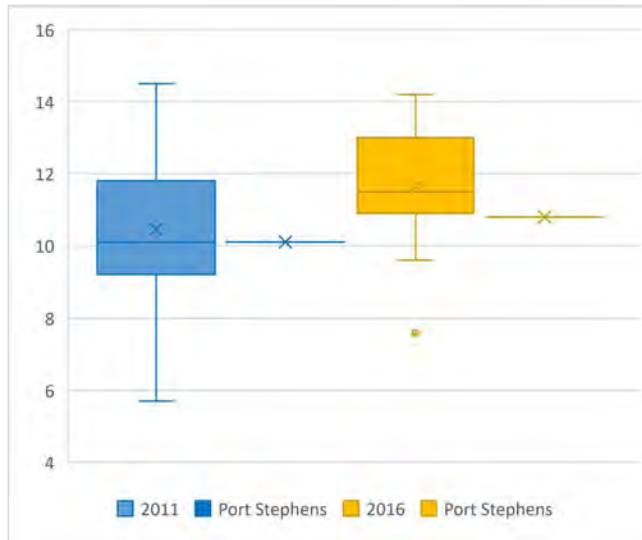
FIGURE 19. HOUSEHOLD STRESS (MORTGAGE GREATER THAN OR EQUAL TO 30% OF HOUSEHOLD INCOME)



It is also important to consider household stress for those who rent their dwelling. These people do not pay local government taxes directly. However, the rates are likely to be at least partially factored into weekly rental payments by property owners. Household stress for this group was low in a relative sense for the 2016 census and thus does not suggest a need for special arrangements at Port Stephens. Moreover, it should be remembered that a portion of the rate increases for residential rental properties will probably be exported as a deduction on federal taxes. Accordingly, only a portion of the rate increase could be justifiably passed on in new rental agreements.

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FIGURE 20. HOUSEHOLD STRESS (RENT GREATER THAN OR EQUAL TO 30% OF HOUSEHOLD INCOME)

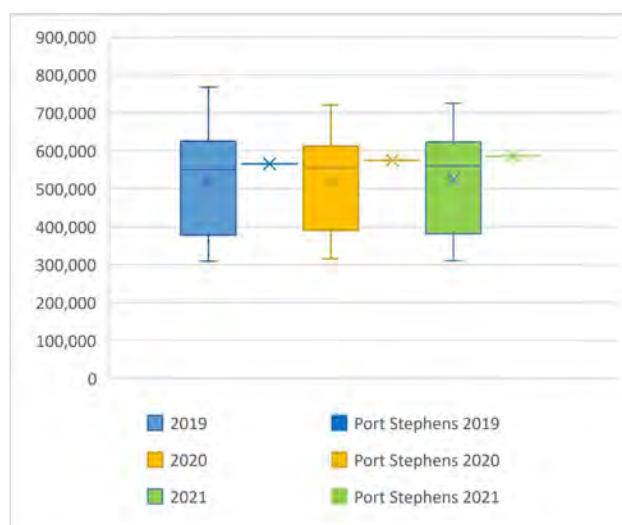


The underlying determinant of both kinds of household stress is the increase in house prices. In Figure 21, we provide a comparison of the median sales price for Port Stephens relative to the peer group. Prices are slightly elevated compared to the typical council suggesting that stress rates are unlikely to fall in the next census.

Increases to house prices are also a good indication of the size of the unrealised capital gains (or unearned wealth) which the unimproved land tax tries to capture (Drew, 2021). It is clear from Figure 1 that residents are experiencing strong and consistent increases in wealth through the appreciation of their real estate assets (in 2018 median house prices increased by \$55,000 on previous levels and were followed up by increases of over \$10,000 per annum in the next two years). The local government tax regime is designed to claw back a little of this unearned wealth and thus is a particularly morally defensible tax (Drew, 2021). From the figures provided by the ABS, it is clear that only a tiny fraction of unearned wealth is indeed being captured. Indeed, far less is captured than the rate of capital gains tax that applies to non-residential assets.

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FIGURE 21. HOUSES (MEDIAN SALES PRICE)



In sum, it is clear that residential ratepayers have the capacity to pay more appropriate levels of taxation. Moreover, capacity to pay could be improved further by reducing the base rate. In Section 5, we will conduct robust modelling to empirically estimate the total tax take that should be expected from a local government that has the demographic and business characteristics of Port Stephens Council. However, prior to this, we will briefly examine some of the relevant data with respect to the other major group of local government taxpayers in the area – the non-farm business cohort.

4. BUSINESS INCOME VARIABLES

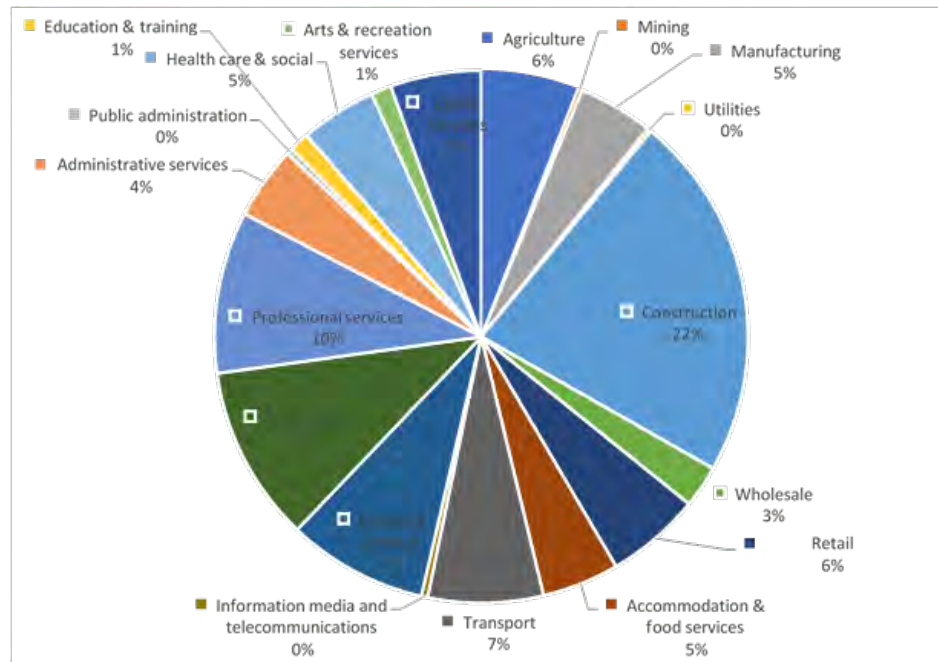
The public policy response to COVID-19 has placed immense demands on certain kinds of business. Small retailers, food and hospitality, as well as tourist and recreation operators were especially hard hit. However, some other business segments were only marginally affected, including most agriculture except for fruit growing and other labour intensive enterprises. Moreover, some categories of business enterprise even benefitted from COVID policies, such as health and social care.

Figure 22 presents the ABS statistics by business category for 2020. The largest number of enterprises relates to construction (which benefitted from the federal stimulus package), professional services (which probably experienced mixed outcomes depending on the profession) and real estate (that has been the beneficiary of strong demand for non-capital-city assets as well as rental investments). Somewhat surprisingly, accommodation and food services, retail, arts and recreation only represent a relatively small proportion of the Port Stephens business cohort. These businesses experienced significant disruptions and still face further potential obstacles. However, they represent only a small part of the taxpayer category cohort.⁹ This suggests that it would be appropriate to develop targeted hardship policies for

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the relatively small proportion of affected businesses rather than make concessions to the whole ratepayer category.

FIGURE 22. CATEGORIES OF BUSINESS (2020)



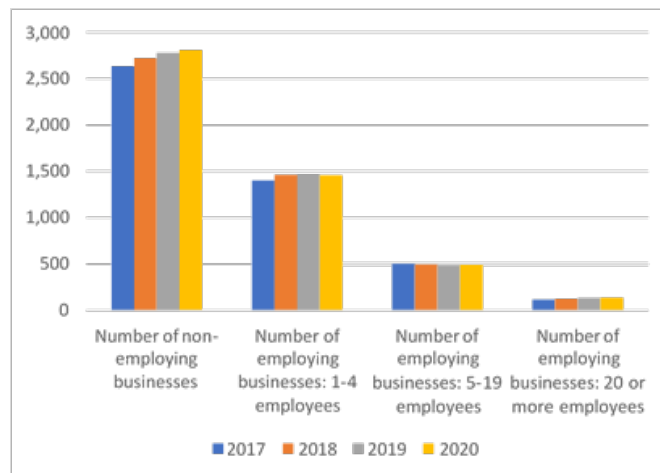
⁹ Retail also includes large grocery chains and the like that experienced a boom during the COVID lockdowns.

Indeed, Figure 23 demonstrates that business numbers were largely unaffected by the

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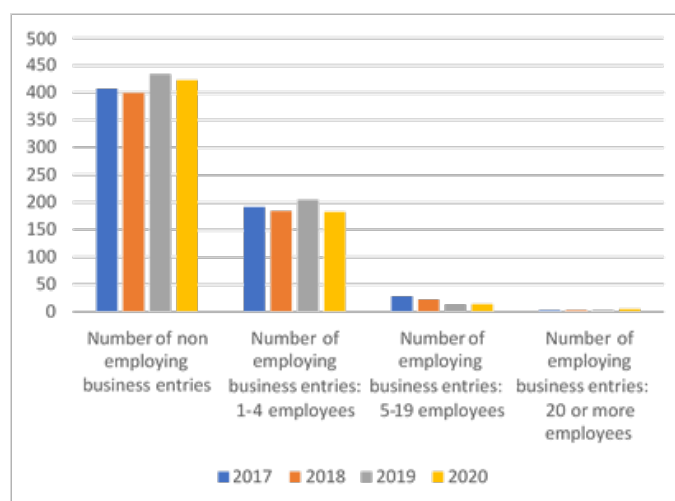
early COVID-19 policy response (although matters might appear to be worse when the 2021 data comes to hand).

FIGURE 23. NUMBER OF BUSINESSES



Moreover, business entries were only marginally reduced in 2020 and were broadly consistent with 2018 numbers.

FIGURE 24. BUSINESS ENTRIES

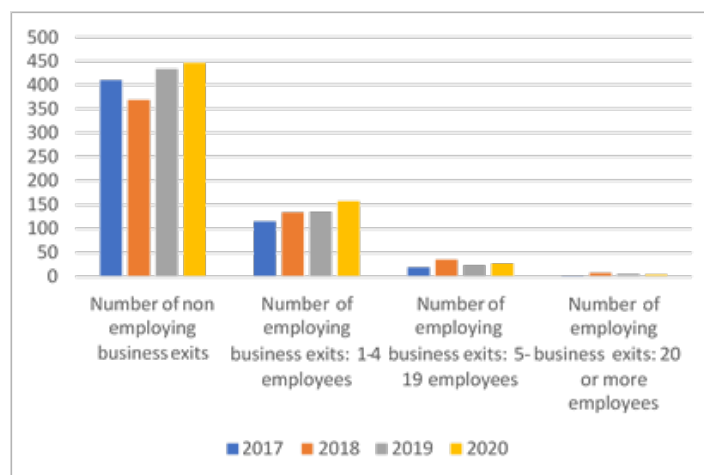


However, business exits were higher in 2020 and were particularly noticeable amongst small businesses (self-employed and those employing fewer than four people). In fact, the bulk of the exits occurred in businesses with a turnover of less than \$200,000 (ABS, 2020). Indeed, this data can be used to make an argument

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against the extant practice of Port Stephens Council that stipulates a base rate for business. A regime of this kind places a disproportionate burden on small enterprises that are struggling. It would thus be difficult to defend on either moral or economic grounds. Moreover, the increase in exits is likely to be located in the industries most exposed to the policy decision-making of the federal and state governments. It would thus be prudent to develop hardship policies to address the specific needs of this category of ratepayer.

FIGURE 25. BUSINESS EXITS



Unfortunately, data are not available for incorporated income associated with large businesses, such as national and multinational enterprises. However, the ABS does provide data on unincorporated business income that can provide us with a sense of relative business conditions. In Table 4, we tabulate the most recent data available (2018). Comparison reveals that Port Stephens' unincorporated business income is typical of the peer group (as measured by the median) and better than average. This further supports arguments against any atypical taxation response for the business category.

TABLE 4. UNINCORPORATED BUSINESS INCOME, 2018

Council	Median Unincorporated Business Income	Mean Unincorporated Business Income
Port Stephens	12165	23008
Coffs Harbour	12188	24483
Lake Macquarie	12849	27614
Maitland	8902	21616
Newcastle	12725	39021
Port Macquarie-Hastings	11630	24414
Shellharbour	12905	22882

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Shoalhaven	14064	24180
Tweed	11827	21128
Wollongong	12212	27621
Cessnock	7992	13945
Muswellbrook	1592	6367
Singleton	435	-68
Tamworth	6064	14863
Wagga Wagga	13443	28734
Average	10066.2	21320.53
Standard Deviation	4127.645	9157.521
Median	12165	23008
Quartile 1	8447	17995.5
Quartile 3	12787	26048.5
Interquartile Range	4340	8053
Port Stephens	12165	23008

In sum, we find that the ABS data indicates that business stress is concentrated in a relatively small number of enterprises that have been most exposed to the COVID public policy response. It would thus be appropriate to have tailored hardship provisions designed for this group. Moreover, business conditions appear to be typical in a relative sense and this suggests that typical taxation policies ought to be appropriate. However, we remind readers of the comparatively low rates of taxation paid by residential and farm business landowners in Port Stephens. When considered with respect to the relatively higher than typical (in terms of the median for 2021) local government taxes paid by non-farm businesses, a case could be made to direct most of a potential SRV burden on to the residential and farm business cohorts. This would reduce the gap somewhat, improve distributive justice and introduce less stress to the local economy. Moreover, we note that a base rate applies to business and strongly urge Council to reconsider this aspect of its tax structure since it effectively requires small businesses, who have mostly struggled under COVID, to subsidise the reasonable tax obligations of national and multinational enterprises. Removing this base rate would ensure that the businesses with the strongest capacity to pay must pay their share and hence meet long- established principles of distributive justice (Messner, 1952; Drew, 2021).

The decision around how the taxation burden should be distributed amongst categories of ratepayer is ultimately a political decision. However, the total tax take expected of a local government area with the general characteristics of Port Stephens can be accurately measured using the empirically sophisticated multiple regression analysis. Multiple regression analysis allows us to control for a much broader array of variables known to affect capacity to pay than any financial ratio. Moreover, by using a panel of data (over multiple years) we are able to produce more accurate estimates that take into account changes over time. Indeed, by employing a special technique called fixed-effects multiple regression, we can even control for important time invariant unobserved effects. These latter factors cover those characteristics of the local government area that do not change over time, such as distance to desirable beaches.

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5. ECONOMETRIC ANALYSIS OF TOTAL RATE CAPACITY

Regression analysis is the most sophisticated statistical approach available to understand the required tax take of a given local authority. Specifically, regression analysis allows econometricians to determine the mean response of a dependent variable with respect to changes to multiple independent variables. The authors of this Report are experienced applied econometricians with an extensive publication record of work of this kind in all the leading academic journals on local government. Moreover, the body of scholarly work underpinning the theory and practice of econometrics is voluminous. Interested readers are referred to Kennedy (2003) for a synoptic account.

The final model specification that we employ in our analysis can be expressed as follows:

$$T_{it} = \alpha_i + \beta_1 A_{it} + \beta_2 I_{it} + \mu_{it} \quad t = 1..4$$

Where **T** is the total tax take (that is the sum of all categories of taxation) expected of a local government, **A** is the disaggregated assessment data, **I** is a vector of relevant income data for particular local government areas at specific times and μ is an idiosyncratic error term. The subscript *it* refers to the *i*th council entity and the *t*th year. Here we included all sixty-seven councils categorised as broadly similar under the extant federal government classification system¹⁰. Log transformations were employed to counter skewness when econometric diagnostics tests revealed the need to do so. We also conducted and satisfied all other relevant diagnostic tests. Table 5 provides the definition for each variable as well as summary data.

¹⁰ 2021 financial year data was missing for two of the councils hence the disparity in the *n* figure presented in Table 6. We used appropriate regression techniques to mitigate the very small number of missing data points.

TABLE 5. DEFINITIONS AND MEANS OF VARIABLES, 2018-2021

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Variable	Definition	Similar Councils
Rates		
Rates (ln)	Total taxation (rate) take, logged	10.736
Assessments		
Residential (ln)	Number of residential assessments, logged	10.278
Farm	Number of farm assessments, divided by 100	6.729
Business (ln)	Number of business assessments, logged	7.504
Income Controls		
Median employee income	Median employee income (lagged), divided by 1,000	50.363
Median unincorporated business income	Median unincorporated business income (lagged), divided by 1,000	12.159
Aged (ln)	Proportion of people on an aged pension, logged	2.275
DSP	Proportion of people on a disability support pension	3.286
Newstart (ln)	Proportion of people on a Newstart allowance, logged	0.954
Carer	Proportion of people on a carers' pension	1.198
Single (ln)	Proportion of people on a single parent pension, logged	-0.329

In Table 6, we detail the coefficients and standard errors yielded by our fixed-effects regression. These results were used in subsequent calculations to predict the average total tax expected of a council with Port Stephens' characteristics.

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TABLE 6. MULTIPLE REGRESSION RESULTS, 2018-2021 INCLUSIVE

	Extended Cohort
Number of residential assessments (ln)	0.889** (0.164)
Number of farm assessments	0.004 (0.012)
Number of business assessments (ln)	0.0082* (0.035)
Median employee income	0.016** (0.005)
Median unincorporated income	0.011** (0.004)
Welfare receipts	Yes**
<i>n</i>	278
Coefficient of Determination	0.8574

+p < 0.10, *p < 0.05, **p < 0.01. Standard errors in parentheses

In Table 7, we present the shortfall in total tax take (i.e. the difference between the average tax take predicted by the regression and actual total tax take as stated in the relevant audited financial statements). It is noteworthy that the shortfall over the four financial years analysed exceeded \$36 million that explains the acute fiscal stress currently experienced by Port Stephens Council. We also provide details of the percentage increase that would have been required for each particular year to ensure that the property taxes levied at Port Stephens were consistent with expectations relative to the wide cohort of similar NSW local governments. The differences between the predictions of the model and the deficiency (suggested in Figure 2 through to Figure 6 inclusive) are reflective of both the broader and more inclusive cohort used for the regression, as well as an additional year of data. This is why scholars tend to use methods, such as regression analysis, which allow for larger cohorts, longer data panels and more input variables. It also explains why we assert that greater reliance should be placed on this econometric evidence.

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TABLE 7 EXPECTED TOTAL TAX TAKE PREDICTED BY THE FIXED-EFFECTS REGRESSION, 2018-2021 INCLUSIVE

Council	Year	Total Tax Take Shortfall	Suggested Increase
Port Stephens	2018	\$ 7,725.48	19.21%
Port Stephens	2019	\$ 8,828.92	21.32%
Port Stephens	2020	\$ 9,492.72	22.14%
Port Stephens	2021	\$10,325.70	23.25%

If the objective was simply to ensure that a satisfactory level of taxation was levied, then the model would suggest permanent increases of *at least* seven percent per annum (above the rate cap) for each of three years. Making these changes over at least three years is unavoidable, given the size of the deficiency. However, doing so means that we will continue to add to the gross shortfall during the transition phase. In addition, the picture for financial sustainability at Port Stephens Council is grim and there is already some repair work to undertake arising from the chronic deficiency in tax receipts over many years.

Accordingly, it is recommended that council apply for an increase at least equivalent to eight percent (8%) above the cap for each of three (3) years.

It should be noted that community engagement may well result in a change to the timing, size and duration of the annual rate increases.

6. RECOMMENDATIONS FOR ALLOCATING RATE INCREASES

The empirical evidence that we have presented in this Report clearly demonstrates that existing levels of taxation receipts at Port Stephens are inadequate. This has obvious implications for financial sustainability. It also makes it unlikely that future generations of local taxpayers have been treated fairly. Indeed, residential and farm-business ratepayers have been paying a discount rate of taxation on a broad basket of local public goods and services over an extensive time period. This has clearly led to high levels of fiscal illusion, as evidenced by the community response to the last Port Stephens SRV proposal. This must be addressed in order to ensure the financial capacity of Council to meet local resident expectations.

We recommend an increase to taxation that is equivalent to a permanent increase of eight percent above the rate cap for each of at least three years. The cumulative effect of increases of this nature would pull Council up to around the average level of taxation expected of a local government area that exhibits the income characteristics of Port Stephens Council. It would also assist in recouping some of the \$36 million intaxation

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receipt shortfall experienced in the last four years alone.

In addition, we recommend that any SRV approved is weighted so that it improves distributive justice between rateable categories. In essence, most of the SRV should fall on residential and farm ratepayers. In particular, farm businesses receive an effective discount on the real tax liability actually realised when compared to residential landowners. Farm businesses also receive a much more substantial tax discount relative to non-farm business.

To improve capacity to pay, base rates should either be eliminated or reduced substantially¹¹. We understand the reservations about reducing or eliminating the base rate with respect to strata title and high-density dwellings. However, we also believe that it is important to ensure distributive justice for owners of residential land that has relatively low valuations. Furthermore, the matter is important for capacity to pay reasons, as we have already set out. Matters are much simpler for farmland and business assessments where there are far fewer good reasons to cling to a base rate. We acknowledge that changes to the local government taxation system has political risks and requires community engagement and considerable deliberation.

We thus suggest that Port Stephens Council establishes a working group to consider the matter in detail and that this is duly conveyed to IPART in any SRV application.

It is vital that a SRV is approved in the next round of applications (from November 2022). Indeed, in view of the gravity of the situation it is unfortunate that Council was not able to apply for a SRV in the previous round. Failure to secure a SRV in the next round of applications will place Council's finances in grave jeopardy and visit financial problems on both current and future Port Stephens ratepayers.

¹¹ Indeed if base rates are retained then they must be based on the actual costs of providing a council structure as discussed in Drew (2021) and not on an apparently arbitrary number.

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Port Stephens Council

Debt Capacity Report



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FINANCIAL ANALYSIS 2022.****EXECUTIVE SUMMARY**

This Debt Capacity Report paints a bleak picture of the financial sustainability challenges facing Port Stephens Council and the concomitant dangers of exposing Council to further debt. Three analyses of Port Stephens Council debt are presented in this Report: the standard debt service ratio, the nett financial liabilities ratio and more sophisticated econometric modelling results.

We show that the debt servicing capacity ratio is flawed in many respects and represents an unsatisfactory metric. The more robust nett financial liabilities ratio calculated over three financial years demonstrates the parlous debt capacity of Port Stephens Council.

Our econometric model embraces a host of factors impinging on financial sustainability and debt capacity covering four financial years for Port Stephens Council and an expanded cohort of peer councils. The model predicts that Port Stephens Council is already perilously close to its debt capacity ceiling.

The Report concludes by offering several recommendations regarding new and existing debt over the current political term of office for elected councillors.

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Debt is undoubtedly the most misunderstood aspect of local government finance (Dollery, Crase and Johnson, 2006). In the first place, considerable misapprehension relates to the nature of debt; indeed, many think of it as a source of revenue when it is nothing of the kind (Drew, 2020). Debt is simply a way of bringing forward future revenues and this comes at a cost. For instance, establishing the debt facility will cost money, including interest charges. In addition, bringing forward future revenues means that there is a cost of constrained choices for future generations of local taxpayers arising from the fact that some future revenue has already been committed by earlier generations of taxpayers.

Considerable misunderstanding also surrounds how debt might be used to establish intergenerational equity. The central pillar of intergenerational equity is that it is reasonable for future residents to contribute towards the costs of long-lived assets because they will ultimately yield some benefit from these assets. However, it is not essential that debt be employed for this purpose. Moreover, if debt is used for intergenerational equity purposes, then it is imperative that this be done with the utmost of care, as we shall see.

Attitudes to public debt have altered remarkably since the 1960s. Prior to this time it was generally held that to 'spend borrowed funds on ordinary items for public consumption was, quite simply, beyond the pale of acceptable political behaviour' (Buchanan, 1997, p. 119). Testament to this is a local government handbook from the 1940s that holds that overdrafts and other forms of debt must be fully repaid within a single fiscal year (Selby, 1941).

In large part, local politicians of former times practiced strict moral discipline regarding public debt because they recognised the danger that debt could be misused for political capitalisation purposes and thereby distort democracy. In essence, there was an unwritten agreement between politicians that they would not open the debt bottle and hence risk letting the debt genie out.

A second reason why politicians were reluctant to take on public debt was because they applied the same kind of prudence to public finance as what was then commonly employed with respect to personal finance. For example, President Roosevelt famously remarked that 'any family can for a year spend a little more than it earns...but you and I know that a continuation of that habit means the poorhouse' (cited in Borna and Mantriprgada, 1989). Thus, it was an established principle that public debt should be approached in a manner consistent with how a prudent person could be expected to deal with their personal budget.

Indeed, the personal finance metaphor has much to recommend it to contemporary decision-makers. Attitudes to debt have changed over the last half-century and people are often now more willing to take on loans for both items of enduring benefit as well

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as consumption purposes. However, when debt is used to finance consumption, such as holidays, people do expect immediate and significant consequences. For instance, we expect to have to make repayments on the loan almost immediately. It is widely understood that this will require sacrifice, such as reduced spending in other areas.

Drew (2021) has employed this personal budget metaphor, as well as natural law concepts, to establish six rules that should be observed for public debt to be considered morally defensible:

1. Debt must be only taken out for capital expenditure and not operational expenditure.
2. The asset financed through debt must have a long and predictable life.
3. The asset must constitute something that future generations are likely to value
4. Debt must be assumed for good moral reasons.
5. Repayments must at least be equal to the rate of consumption of the asset and be quarantined in future budgets.
6. Repayments must involve sacrifice so that a quid pro quo is established.

Even if these rules are observed, a number of problems persist. These problems include: (i) debt capacity must be precisely known; (ii) often there is no access to suitable debt products where the life of the loan is consistent with the expected life of the asset, such as buildings that might be expected to survive a century or more; (iii) all tiers of government are notoriously inaccurate in forecasting the useful lives of public assets (see, for example, Drew and Dollery, 2015).

The present Report focuses squarely on determining the debt capacity of Port Stephens Council, which is essential for it to remain financially sustainable. The Report is divided into three main parts. In section 2, we extend the personal budget metaphor to demonstrate why existing debt ratios are unsuited to the task of establishing debt capacity. In section 3, we conduct sophisticated econometric modelling to establish the capacity of the Port Stephens Council to sustainably service additional debt. We conclude the Report in section 4 with some brief recommendations to guide decision-makers over the current political term of office for elected councillors.

2. DEBT CAPACITY AND DEBT RATIOS

In New South Wales (NSW) local government, as well as other municipal systems, it is common practice for regulatory authorities to stipulate one or more debt ratios that

¹ Political capitalisation is the conversion of hard capital (money) into votes (Drew, 2021).

¹ By definition, operational expenditure comprises items that are expected to be fully consumed within twelve months. It is not morally defensible to obligate future taxpayers to debt for items that are fully consumed well before they are paid for.

¹ Because we are obligating future citizens to pay for the asset, it must be something that they are likely to want. For example, it would not be reasonable to make them pay for some kind of technology that is likely to become rapidly redundant.

¹ Examples of reasons that are not sound include debt bias (i.e. the rational preference of older decision-makers for debt because they are unlikely to be taxpayers long enough to fully pay it off) and fiscal stimulus (a measure best assigned to central governments that have the requisite tax capacity).

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¹ That is, repayments should at least equal the annual accrual of depreciation.

must be reported by local governments. The ratios are usually accompanied by an (apparently) arbitrary benchmark and decision-makers are given to believe that achievement of the benchmark confers some sort of assurance regarding financial sustainability.

Unfortunately, the ratios employed are often not fit for purpose and thus present a real risk of misleading both decision-makers and the local communities they serve. Indeed, the ratios have failed to predict past instances of local government financial failure.

The debt service ratio employed in NSW is an especially poor choice of metric. It has been transplanted from the world of corporate finance with little thought given to its consistency with respect to how local government services public debt. The benchmark is entirely arbitrary and has also been grafted from the corporate world where debt bears a nexus to income generation. For instance, a commercial company might invest in factory equipment that produces goods that sell at a price determined by the market. However, for most local government, the price paid by residents is not associated with market forces and it is constrained by political considerations such as rate caps in NSW. Indeed, if the revenue is not set at an appropriate level – such as when a Special Rate Variation is warranted – then the numerator is invalid and the ratio is near to useless.

In addition, the debt service ratio is negatively correlated to the making of additional repayments that is both counterintuitive and often counterproductive. Furthermore, the debt service ratio is constrained to just one input and two outputs. Moreover, it is

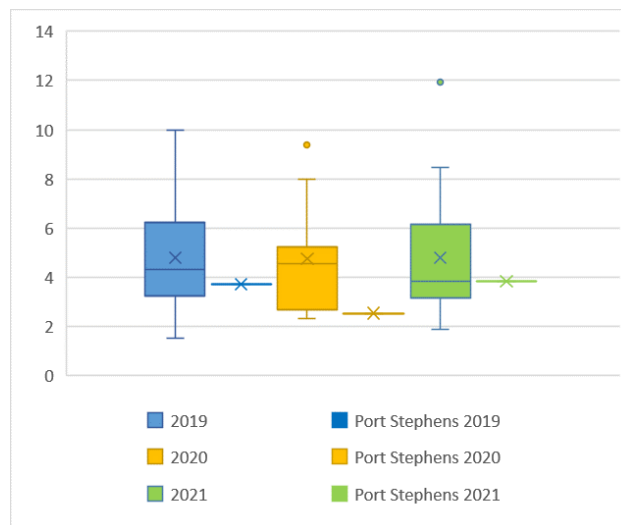
also exclusively rearward looking and based on just a single year of data (that might be atypical) and thus can only provide shaky guidance at best on what could have occurred over the previous financial year. This is also of little relevance to decision making directed to the future.

In Figure 1, we plot the debt service ratio for Port Stephens Council and its fourteen peer councils (detailed in our earlier reports). As we can see, Port Stephens Council usually performs at a level lower than the typical council in its cohort (but well above the benchmark in most years). However, given our serious concerns regarding the deficiencies in this metric, it would be unwise to place any reliance on Figure 1.

⁷ The absence of a suitable debt vehicle means that a local government may be exposed to rate risk at regular intervals when a new loan needs to be negotiated.

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FIGURE 1: DEBT SERVICE RATIO

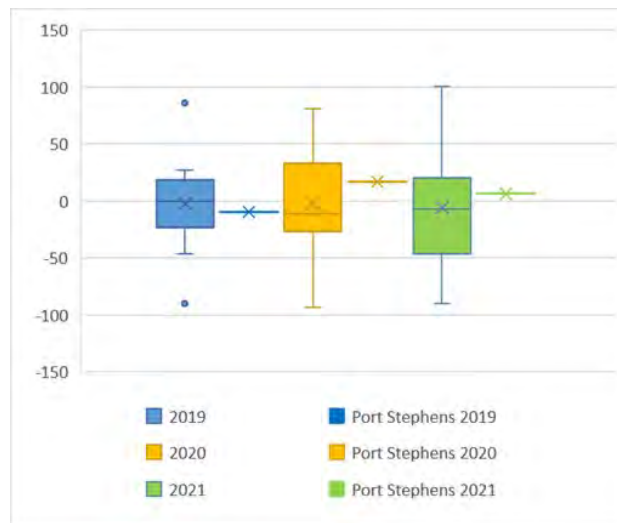


The nett financial liabilities ratio is a far superior metric. It is widely employed in other local government systems, including in Queensland, South Australia and Western Australia. The nett financial liabilities ratio is better because it includes additional data (total liabilities offset by current assets). However, it is still rearward facing and only reports on a single year of data (that might have been atypical and hence a poor guide to future decision-making).

In Figure 2, we plot Port Stephens Council against its peer group for the last three financial years. For the nett financial liabilities ratio a negative result is the preferred (and typical) outcome. There is thus much reason for concern regarding whether Port Stephens Council has any further capacity for debt (or indeed whether it can comfortably service extant debt) according to its nett financial liabilities ratio.

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FIGURE 2: NETT FINANCIAL LIABILITIES



The personal finance metaphor discussed earlier provides a useful guide to the kind of alternative approach that should be adopted to perform a more satisfactory evaluation of debt capacity. If one applies for a loan, two types of information will form the focus of bank deliberations: (i) the number of parties to the loan and (ii) the incomes of the various parties. It follows that similar considerations should also form the focus of a robust empirical investigation of debt capacity. Moreover, to ensure that decision-making is not distorted by data from a single potentially atypical year, it is essential to employ a panel of multi-year data on a broad cohort of local governments.

Accordingly, in section 3 we conduct a random effects econometric analysis of sixty-seven local governments that form the most accommodative relevant category currently in use by regulatory authorities.

3. DEBT CAPACITY MODELLING

Regression analysis is the most sophisticated statistical approach available to understand the debt capacity of a given council (Levine et al., 2013; Ramsay et al., 1988). Specifically, regression analysis allows econometricians to determine the mean response of a dependent variable with respect to changes to multiple independent variables. For the regression that follows, we employed the random effects panel technique (this is the most efficient estimator and it is thus ideal when diagnostic tests allow its use).

The final model specification that we employ in our analysis can be expressed as follows:

$$B_{it} = \alpha_i + \beta_1 A_{it} + \beta_2 X_{it} + \mu_{it} \quad t = 1..4$$

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Where **B** is the total explicit borrowings, **A** is the disaggregated assessment data, **X** is a vector of relevant economic and demographic data for particular local government areas at specific times and **μ** is an idiosyncratic error term. The subscript *it* refers to the *i*th council entity and the *t*th year. Here we included all sixty-seven councils categorised as broadly similar under the current Commonwealth Government classification system. Log transformations were employed to counter skewness when econometric diagnostics tests revealed the need to do so. We also conducted and satisfied all other relevant diagnostic tests. Table 1 provides the definition for each variable as well as summary data.

TABLE 1: DEFINITIONS AND MEANS OF VARIABLES, 2018-2021

Variable	Definition	Similar Councils
Debt		
Borrowings	Total explicit borrowings (\$'000)	40,785.12
Assessments		
Residential (ln)	Number of residential assessments, logged	10.278
Farm	Number of farm assessments, divided by 100	6.729
Business (ln)	Number of business assessments, logged	7.504
Controls		
Median employee income	Median employee income (lagged), divided by 1,000	50.363
Median unincorporated business income	Median unincorporated business income (lagged), divided by 1,000	12.159
Aged (ln)	Proportion of people on an aged pension, logged	2.275
DSP	Proportion of people on a disability support pension	3.286
Newstart (ln)	Proportion of people on a Newstart allowance, logged	0.954
Carer	Proportion of people on a carers' pension	1.198
Single (ln)	Proportion of people on a single parent pension, logged	-0.329
Total Grants (ln)	The total value of grants, logged	15.521

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In Table 2, we present the results of our econometric analysis for the main variables of interest. It is important to remember when interpreting coefficients that the *ceteris paribus* claim is implicit; that is, the variables refer to the mean response holding all other factors constant. As anticipated, the numbers of assessments are key determinants of debt capacity and two of the disaggregated assessment variables were statistically significant at the highest level. This confirms our earlier assertion that a failure to account for the number of borrowers party to a loan is a critical oversight in existing ratio methods.

TABLE 2: MULTIPLE REGRESSION RESULTS, 2018-2021 INCLUSIVE.

	Cohort
Number of residential assessments (ln)	43,541.15** (16,092.22)
Number of farm assessments	2,188.51** (631.97)
Number of business assessments (ln)	-9,566.89 (10,764.16)
Income variables	Yes**
Welfare receipts	Yes**
N	275
Coefficient of determination	0.4535

Standard errors in parentheses.

+ p<0.10, * p<0.05, ** p<0.01

Indeed, we can see that holding all other variables constant, a one percent increase to the number of residential assessments is expected to result in an increase of \$435,000 in borrowing capacity. The response predicted by increasing the number of farm assessments is potentially larger, although it must be remembered that the coefficient here has had significant power imputed to it because of the relatively small number of farm assessments typically found in this urban category of local government.

The results from our econometric analysis show that the number of business assessments is negatively associated with debt capacity, *ceteris paribus*. In this regard, it is important to be mindful of several factors. Firstly, the association between business assessments and debt capacity is not statistically significant. Secondly, the relative size of the effect is small: a one percent increase in business

¹ It should be noted that the typical size of the residential cohort is large. Hence, a one percent increase to residential numbers would generally represent a sizable change.

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assessments is associated with just a \$96,000 reduction to debt capacity. Thirdly, the *ceteris paribus* assumption is essential to making sense of the *prima facie* contrariwise effect; that is, if we hold all other factors constant but increase the number of business assessments significantly, then it is not surprising that there might be a small negative response, because the ratio of businesses to residential assessments will have increased. This is suggestive of a local government area with tourist characteristics. In our other reports on Port Stephens Council, we have already shown that this has important deleterious effects on financial sustainability.

It should also be noted that a number of the control variables were also highly statistically significant. This effect also confirms the importance of taking cognisance of the incomes of the parties to the loan (as detailed in section 2 of this Report).

The main reason for conducting our econometric estimation was to use the coefficients thus determined from four years of panel data to predict the expected capacity to service the debt of a council exhibiting the relevant characteristics of the Port Stephens local government area. It should be noted that the validity of the prediction is based, in part, on the assumption that no major changes occur with respect to important determinants, such as the relative socio-demographic profile of the area. In our Financial Sustainability Report, we have shown that the relative socio-demographic profile of Port Stephens Council may well deteriorate. Should this change, then the predicted capacity of our model would need to be altered (downwards) accordingly.

As it stands, the model predicts that Port Stephens Council is already close to its debt capacity ceiling. Indeed, if we were to rely entirely on the model, then this would suggest that only \$5.3 million of additional borrowings could be prudently contemplated. However, there are special considerations that arise from the airport business that warrant further exploration.

In section 4, we explore these considerations further and set out our recommendations in relation to debt for Port Stephens Council over the next councillor term of office.

4. CONCLUSION AND RECOMMENDATIONS

Both the nett financial liabilities ratio and the much more sophisticated econometric analysis suggest that Port Stephens Council has very little additional debt capacity. Because the econometric model considers a broader peer group over a longer panel, as well as including all of the important variables associated with capacity to service debt, greater emphasis should be placed on this latter result. *Prima facie* this suggests that only an additional \$5.3 million of debt could be prudently contemplated. However, debt associated with the Newcastle airport partnership could be considered a special case. If we adopted the special case view, then it suggests debt capacity of just over \$20 million.

Given the current COVID-19 situation, future risks (such as increased inflation) and Council's already concerning financial sustainability position, it would be safest to take out no more debt at all, at least until an SRV has been approved. However, we understand that the Port Stephens Council has already adopted resolutions for proposed borrowings of \$10 million (for depot and administration building refurbishment) and \$5 million (for Nelson Bay) respectively. In view of the special

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circumstances associated with the airport partnership – and the apparent imperative to progress with these projects – Council may feel that it is reasonable to proceed according to resolutions already adopted. Nevertheless, we urge extreme caution. Moreover, it is essential to secure a SRV in the order of the magnitude proposed in our Capacity to Pay Report as part of the means for servicing the debt, ensuring intergenerational equity, and also combatting fiscal illusion.

We note that tapping into existing reserves – as a means of avoiding further debt – is not a reasonable option for Port Stephens. Reserves are already at dangerously low levels.

Matters regarding debt capacity should be reassessed shortly after January 2025. We note that commercial banks may well lend even larger sums of money to Port Stephens Council irrespective of its problematic situation. However, this would be an example of soft budget constraints in action that have often preceded other financial sustainability crises (Drew and Campbell, 2016; Drew, 2021). We thus strongly advise Port Stephens Council to resist commercial bank accommodation of excessive debt and instead adhere to the recommendations laid out above. We also make note of Council's prudent financial management exemplified by recent action to fix outstanding debts at present historically low rates. This is further evidence of the professionalism of the finance team that has allowed Council to survive given its very challenging conditions. We note further that several additional loans have been identified for conversion to fixed rates. We urge Council management to progress these matters as rapidly as practicable. In addition, it may be prudent to consider whether longer fixed terms – if available – are a better long-term proposition, given empirical evidence that inflation tends to be sticky downwards¹⁰.

In our review of existing debt, we noted that much of the debt finance was associated with projects of a discretionary nature. Funding discretionary projects through debt exacerbates fiscal illusion because the local community receives municipal services that they do not fully pay for (Drew, 2021). Moreover, funding discretionary projects through debt also poses particular risks for intergenerational equity because there can be no certainty that the preferences of existing ratepayers will be the same as the preferences of the future ratepayers asked to service the debt in question. Indeed, in the absence of a SRV – or alternatively cuts to

⁹ However, even after this passage of time – and assuming that the SRV has been approved and risks mitigated – accumulating greater debt would still involve risk because it reinforces extant problematic levels of fiscal illusion amongst the local community, as established in the Financial Sustainability Report.

¹⁰ There is a small risk that a longer term fixed rate might prove regrettable in the outer years (if rates were to drop again). However, the benefit of making servicing costs more predictable over the near-term – when financial sustainability is being challenged – seems worth the small risk. However, Council is still urged to seriously consider the wider evidence about future likely interest rate movements as part of its decision-making process.

discretionary expenditure elsewhere – it is hard to see how a quid pro quo has been achieved.

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As we have noted in our other reports on Port Stephens Council, there is already solid evidence of fiscal illusion, which is a sound reason for applying for a SRV. Secondly, it is imperative to address the declining financial position of Council. We thus urge Council to defer further discretionary projects (especially where debt is contemplated) until an SRV application has been approved and some of the imposing outstanding risks have been mitigated.

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ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.**Attachment 3**Executive Summary

Council received in total 138 submissions from the period of the 13th of September 2022 to the 12th of October 2022 relating to the Rate Rise Options engagement and the draft Integrated Planning and Reporting documents revised for a Special Rate Variation. Of the submissions, 58 were from individuals, 1 from a community association group and 78 were petition style submission in which an individual put their name and address to. Most of the submissions were emailed directly to the generic council information address however some were in response to direct emails sent as per the engagement plan to raise awareness.

The common themes from the submissions included concerns around the affordability of a rate increase, Council's efficiency and cost containment measures, Council's expenditure on capital projects and not focussing on core maintenance services, as well as suggestions for raising revenue through other measures, such as separately rating over 55's lifestyle villages and increasing fees for developers. Noting that there were some submissions that acknowledged Council's need for raising rates, its efforts in raising awareness and engaging with the community as well a few submission suggested a smaller increase would be more tolerable.

A summary of each submission and a Council response has been provided with the Council Report – Special Rate Variation – revised Integrated Planning and reporting Documents – Rate Rise Options Engagement – 25 October 2022.

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Integrated Planning and Reporting Documents 2023 to 2033 Revised for a Special Rate Variation
Public exhibition submissions

No.	Author of submission	Comment	Council Response
Council values the community's detailed responses to the draft 2023-2033 Integrated Planning and Reporting (IPR) documents. Whilst Council has attempted to capture the key issues raised, not every comment has been addressed directly in the summary.			
1	Individual EDRMS 22/253560	Requested location of results from the previous engagement. Objection to any rate rise. Concerns raised regarding the affordability during extremely tough financial times with inflation growing, interest rates, strata levies, and cost of living. Preference to reduce services or put in place user pays.	Location of previous engagement results given. In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
2	Individual 22/256050	Objection to rate increase over the standard capped figure. Concerns raised regarding the cost of living, home loan interest rates. Preference to re-adjust council expenditure and Council only providing traditional core services and functions rather than being involved in responsibilities of other levels of government or private enterprise.	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
3	Individual 22/256615	Objection to the proposed rate rises in particular survey design. Concerns raised regarding the extent of the proposed rate rises with the rising cost of living, increased mortgage rates, electricity, groceries, petrol, and the current number of homeless people. Concerns around the increase in rates due to new land valuations soon to be issued.	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation. Whilst changes within the individual rates income may occur depending on the variation in land value changes across the LGA, Council's total income does not increase with a general revaluation. Council has published a video to help assist in understanding the rating legislation and the land revaluations.

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			Council had not yet received the new land values from the Valuer General at the time of the public exhibition phase and as such put a disclaimer on the rates calculator to inform ratepayers of this timing matter.
4	Individual 22/257984	Support for Council to learn to live within its means with no SRV rate increase as the election promised no return to SRV consideration.	Council to consider feedback in relation to the proposed special rate variation.
5	Individual 22/257985	Objection to the proposed rate rise. Concerns with tough times and budget mismanagement.	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
6	Individual 22/257994	Views raised that all local governments should return to the core business (roads, drains, and garbage). Raised issues on the decline in customer service over the years and seeks more concentration on needs and not wants of the community.	Council to consider feedback in relation to the proposed special rate variation. Council's Customer Service Charter clearly defines the standards that community members can expect when dealing with Council to ensure a positive customer experience.
7	Individual 22/258183	Support for not allowing any increase in rates and concern for financial mismanagement.	Council to consider feedback in relation to the proposed special rate variation.
8	Individual 22/258447	Proposed increases are not reasonable and will add financial hardship to ratepayers, particularly aged pensioners.	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. This includes pensioners. Council to consider feedback in relation to the proposed special rate variation.
9	Individual 22/258456	Unwanted additional financial burden for ratepayers, particularly aged pensioners	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Additional measures include aged pensioners.

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			Council to consider feedback in relation to the proposed special rate variation.
10	Individual 22/259891	Strongly opposed to any rate rise. Concerns were raised over the survey format, past SRV application, and its non-approved determination. Proposed to spend less on social programs and fleet vehicles.	Whilst the previous SRV application's key purpose was to enhance current services and provide new infrastructure to the community, given the ongoing impacts of Covid-19 and other global matters the environment in which we operate and our financial forecasting has significantly changed since IPART's determination. Should an application to put to IPART Council would need to satisfy the criteria issued by the OLG and IPART. Council to consider feedback in relation to the proposed special rate variation.
11	Individual 22/261725	No intention of paying one cent more to an incompetent council.	Council to consider feedback in relation to the proposed special rate variation.
12	Individual 22/261741	Pointless survey with the only options being massive rate hikes that people cannot afford	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
13	Individual 22/261460	Objection to any rate increase over the rate cap. Concerns raised about the survey format, and the increase in the cost of living. Preference for Council is re-adjust their expenditure and only provide core services.	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
14	Individual 22/262285	View held that the increase in land values in 2022/2023 should provide a significant increase to Council's ongoing revenue, without the need to impose additional Special Rate variation. Suggestion made to extend smart parking to all boat ramps and surrounding streets, with keeping Individuals exemptions and	Whilst changes within individual rate notices may occur depending on the variation in land value changes across the LGA, Council's total income does not increase with a general revaluation. Council has published a video to help assist in understanding the rating legislation and the land revaluations. Council had not yet received the new land values from the Valuer General at the time of the public exhibition phase and as

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		impose a special charge on all holiday rentals.	<p>such put a disclaimer on the rates calculator to inform ratepayers of this timing matter.</p> <p>Council currently has a rollout plan for paid parking in a number of locations. These locations are currently being investigated and undergoing community consultation. This has been focused on main town centres. It may be possible to further extend to other locations once this town centre rollout is underway.</p> <p>Council is unable to impose a special charge on all holiday rentals as the current rating regulation and legislation does not provide an avenue for this type of structure. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p>
15	Individual 22/265558	<p>Objection to the proposed SRV in any shape or form. Considers that the 4.4% rate cap announcement is far more than is deserved.</p> <p>Concerns raised about the survey format and limited options, poor fiscal management and excess extravagance on projects, and affordability for pensioners and low-income earners.</p>	<p>IPART announced the rate cap for Port Stephens at 4.4 for 2023-2024 financial in which they indicated is lower than current inflation.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
16	Individual 22/266196	<p>Comparison made to competitive/private sector business models to find a range of different means to increase profitability. Suggest Council run more like a proper business.</p> <p>Request details in relation to cost savings, efficiencies, productivity, investments and cosmetic projects.</p> <p>Raises concerns around the economic outlook and affordability on a size of the proposed rate increases.</p>	<p>Council has sections of our organisation that work on a commercial basis such as Holiday Parks and Childcare however, this is not available to all parts of our organisation as we provide either statutorily required service or community desired service.</p> <p>Council has included details of our service review program which focuses on cost saving, efficiencies, and productivity within our Integrated Planning and Reporting documents and our Annual Report. Details of our financial investments, are included in the annual financial statements and details of the</p>

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			<p>capital works program included in the Strategic Asset Management Plan.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
17	Individual 22/266214	<p>Raised that the repairing of roads should be conducted in a more cost-effective manner and that sand movement work is a waste of money and resources.</p>	<p>Council has 700kms of roads that it proactively maintains and manages to increase the safety and quality of the road network. Council uses Statewide Mutual Best Practice and The Austroads Standards/Guides to assess and manage its assets, including roads. It is noted that the increase in rain has deteriorated our road pavements faster than usual and the funds available to undertake road maintenance is less than the increase in the cost of works. The majority of 'additional funds' raised from an approved special rate will target road maintenance.</p> <p>Council regularly completes routine maintenance on all outlets on foreshore areas in effort to avoid upstream flooding, especially if rain is predicted.</p>
18	Individual 22/266226	<p>Raised that the issue of financial sustainability appeared before Covid-19 and that Council needs a much more comprehensive and long-term approach to ensure financial sustainability. Approach to include, changes to the rated revenue base, increase to development fees, selective reduction in some services, more 'user pay' services that reflect the true cost of the services, liquidation of underperforming assets and exiting partnership with Newcastle Airport and investment properties.</p>	<p>Council suffered a financial impact from the Covid-19 pandemic however Council had forecasted this period of time to be financially difficult through its Long Term Financial Plan Modelling.</p> <p>Council has considered and implemented a range of approaches to improve its financial sustainability long term, such as the sale of underperforming assets, increasing fees and charges, further rollout of paid parking and continuing its service review program.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to</p>

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		Protest against Council's intention to raise individual rates due to cost of living increases, increase costs to renters and business owners resulting in a reduction in their staff or having to close their doors, wage increases generally around 3 percent,	mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
19	Individual 22/266231	Objection to the rate rise due to rising inflation and cost of living while wages are generally remaining static putting considerable pressure on families after an already difficult few years with Covid. Impact on local businesses after still trying to recover their losses of Covid pandemic and rate increase will also lead to staff reductions as businesses struggle to keep afloat. Landlords will pass the rate rise on to tenants further contributing to the inflationary cycle.	In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase. Council to consider feedback in relation to the proposed special rate variation.
20	Individual 22/268669	Strong objection to the proposed increase in domestic rates. Statements made around 'Fit for the Future' and Council's previous SRV application determinations towards current financial outlook. Council has little ability to work within its rates revenue and should live within its means. Raised issues on Council expenditure on unnecessary structures and consequential removal parking spaces in William Street, refusal on significant development in Nelson Bay reducing the income available from completed development, no communication of financial situation before the election, and lack of services received for rates paid.	Since 2012 Council has consistently delivered a strong, stable or 'fit' financial position achieving an annual budget surplus of 1%. The Fit for the Future reports were designed solely to investigate the potential of merging local government areas. Whilst the previous SRV application's key purpose was to enhance current services and provide new infrastructure to the community. Our Long Term Financial Plan for some time highlighted that 2022/2023 would be difficult years for our budgets. Given the ongoing impacts of Covid-19 and other global matters the environment which we operate in and our financial forecasting has significantly changed since the reports and IPART's determination. Council's capital projects of this nature are predominately funded through grant funds.

			<p>In accordance with Council's 'Planning Matters to be Reported to Council Policy', Councillors are provided with the opportunity for input into the determination of development applications. When acting as the delegated consent authority, the elected Council has discretion to either support or refuse development applications, notwithstanding Council staff recommendations. Council is susceptible to Land and Environment Court proceedings as part of any development application, not only those reported to Council for determination.</p> <p>Council's published Long Term Financial Plan has highlighted that this period would be difficult years for our budgets. In addition, Council adopted the Financial Sustainability and Prosperity Fund (later renamed resilience fund) in October 2021 to set the key strategic direction for a financially sustainable organisation.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
21	Individual 22/268720	Issues raised with the survey only providing 2 options, the timing of the land revaluation, the previously approved drainage levy - special rate variation and cash and investment portfolio	<p>The rate rise options survey was narrowed down to two options built on from the previous survey in July/August in which five options were presented to the community.</p> <p>Council's drainage levy was introduced as a \$500,000 permanent special rate variation in 1997-1998. It is retained in the ordinary rate income base. Since introduction 26 years ago the drainage levy has increased annually by the rate peg percentage applicable to Council and it currently raises in the order of \$1.15 million per annum (or an average of \$32.80 per rate assessment). These funds are set aside to be used for various drainage works that are included in the Strategic Asset Management Plan each year.</p> <p>As per IPART's guidelines Council is required to communicate the total amount</p>

			<p>of the proposed special rate variation and not past approved special rate variations. Unlike most other NSW Councils, Port Stephens does not charge a stormwater management charge due to this drainage special rate variation.</p> <p>Whilst changes within individual rate notices may occur depending on the variation in land value changes across the LGA, Council's total income does not increase with a general revaluation. Council has published a video to help assist in understanding the rating legislation and the land revaluations. Council had not yet received the new land values from the Valuer General at the time of the public exhibition phase and as such put a disclaimer on the rates calculator to inform ratepayers of this timing matter.</p> <p>Council benchmarks yields and vacancy rates each quarter to industry data to ensure targets continue to be met. It also undertakes an annual independent review of the portfolio to ensure each property is fit for purpose and continuing to perform in line with expectations, and any that are no longer deemed fit for purpose may be recommended for divestment as a result.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
22	Individual 22/271974	<p>Cannot consider a rate rise when there is wasted money on the construction in the main street and roads are in such a bad condition with repairs not lasting.</p> <p>Requested to see what Council has done for ratepayers excluding waste management</p>	<p>Council's capital projects of this nature are predominately funded through grant funds.</p> <p>The majority of additional funds raised through a special rate variation will be targeted toward road maintenance.</p> <p>Individual received the link to Council's draft Delivery Program and Operational Plan which outlines council's commitment to delivering on key directions/goals into activities and actions.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>

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23	Individual 22/269316	Raised concerns on survey format. Council's proposal for a rate rise shows lack of regard for its Individuals, preference to no extra rate rise and reduce services and fix potholes properly and drainage issues.	Council proposes to use the majority of additional funds raised to target road maintenance. Council to consider feedback in relation to the proposed special rate variation.
24	Individual 22/269784	<p>Raised concerns over the cost of living pressures and that the proposed large increase has come from left-field and is a complete surprise.</p> <p>Questions raised in relation to Council's past financial performance. Suggestions put forward of Council merger, selling Council-owned properties to pay down debt, and redirecting funds away from strategic planning towards maintenance work.</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Direction to current draft IP&R documents as well as Annual Report and Annual Financial Statements for past performance.</p> <p>Council fought against the previously proposed merger with the surrounding Council's in line with community feedback.</p> <p>Council is investigating the sale of underperforming assets as part of the approach to addressing financial sustainability.</p> <p>The majority of additional funds raised by a Special Variation would be targeted to road maintenance.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
25	Individual 22/273330	Strongly opposed to the special rate rise due to inadequate budgeting, out-of-control contract employment, lack of asset utilisation, development in LTFP in particular, and planning opportunity for more high rise. Suggested housing provisions for a cheaper option for staff retention and if Council is unable to trade its way out then a forced amalgamation.	<p>Council operates within a treasury model and a strict procurement contracts process. Council was commended on its budgetary control within the Independent Financial Sustainability Report.</p> <p>Council is currently investigating a range of underperforming land sites for sale, with the process involving community consultation.</p> <p>Council has a range of strategies and plans that guide where additional housing can be provided. We are also working on a project to demonstrate how and where housing can occur over the next 20 years</p>

			<p>to ensure that we are meeting the forecasted demand for housing. In respect to Lemon Tree Passage, we will start preparing a Place Plan in early 2023. This has the potential to look at housing opportunities if this is something the local community is supportive of.</p> <p>High-rise development is permissible in a number of our zones and existing town centres. We are seeing an increase in the uptake of these opportunities in areas such as Nelson Bay in particular. These will become an increasingly important form of housing to help meet the demand for housing and as such, it is something that we will continue to look to support and facilitate in the future.</p> <p>Council provides a staff retention allowance which is currently more cost-effective than housing provisions.</p> <p>Council fought against the previously proposed merger with the surrounding Councils in line with community feedback.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
26	Individual 22/271143	<p>Opposed to both options being put forward. Understanding that Council has identified that its will not be able to deliver the services it is currently providing and encourages Council to implement all of the recommendations held in the Independent Reports. If after all recommendations have been undertaken if there is a shortfall then that amount will be able to determine the application of a special rate variation.</p>	<p>Council has thoroughly examined all recommendations held in the Independent reports, many of which have already been implemented and modelled into the Long Term Financial Plan, such as increasing fees and charges, continuous service level reviews, and increased tourist revenue.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
27	Individual 22/271812	<p>No support for any rate rise at all. Council needs to learn to live within its means like every ratepayer has to. Issues raised around affordability, current economic times, wasteful money on street beautification projects,</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p>

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		no guarantee that income raised by a rate increase would be spent where promised, and survey format and two options only.	<p>Street beautification projects are generally funded by State or Federal grants.</p> <p>Any income raised by a special rate variation would be spent in accordance with Council's application to IPART and would be required to report back evidence of such to IPART and the community.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
28	Individual 22/271851	No support for either of the two special rate variations being proposed as Council is not equitable when investing in my ward. Question raised if the information supplied for Fit for the Future and Professor Drew Report was accurate. Unsure of how an increase of either option is necessary given health orders for the Covid pandemic have been removed and if so then Council to consider amalgamation.	<p>The information provided for both reports was accurate and financial data was audited independently as per legislative requirements for Council's annual financial statements.</p> <p>Whilst income from some of the Council's income-generating sections of the organisation has returned, others such as the airport dividend have not. The Covid-19 pandemic and the Independent report highlighted Council's reliance on and risk of these commercial revenues.</p> <p>Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams.</p> <p>Council fought against the previously proposed merger with the surrounding Councils in line with community feedback.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
29.	Individual 22/271957	Raised scepticism over Long Term Financial Plan modelling and expenditure assumptions. Raised issues of affordability with a high increase.	<p>As part of the Long Term Financial Plan Council is required to make assumptions for the next ten years. The key assumptions are reported in the Long Term Financial Plan publicly exhibited and are based on current and forecasted economic factors. Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of</p>

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			<p>additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
30.	Individual 22/271899	<p>Opposed to either option for the proposed increase in Council rates. Raised issues of increased costs of living and many households on fixed incomes.</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
31.	Individual 22/272072	<p>Raise strong objection to the proposal to seek a special rate variation at all as considers the rate peg sufficient to meet incremental costs of operations. Preference that the maintenance of current expenditure levels is concentrated on select services, specifically on road maintenance and reduction in other non-core services, delay any capital expenditure, disposal of real estate holdings of non-operational land, and examination of income-generating assets with alternative income sources pursued vigorously.</p>	<p>The rate-pegging regime is calculated by using prior years' costs indexes and as a result, it lags and ultimately does not keep pace with Council's expenses. Inflation has been in recent years and is forecasted into the short-to-medium term future as being above the rate peg.</p> <p>Where available Council during the Covid-19 period has delayed capital expenditure.</p> <p>Council is currently investigating a range of underperforming land sites for sale, with the process involving community consultation. Investment assets where Council expects to receive a reoccurring income stream have not been considered for sale.</p> <p>Council currently has a rollout plan for paid parking in a number of locations. These locations are currently being investigated and undergoing community consultation. This alternative source of income has been modelled into the Long Term Financial Plan.</p>
32.	Individual 22/272073	<p>Does not want or can afford either amount shown in the survey. Cost of living increases and that rates will go up with the land revaluation.</p>	<p>Whilst changes within individual rate notices may occur depending on the variation in land value changes across the LGA, Council's total income does not increase with a general revaluation. Council has published a video to help assist in understanding the rating legislation and the land revaluations.</p>

			<p>Council had not yet received the new land values from the Valuer General at the time of the public exhibition phase and as such put a disclaimer on the rates calculator to inform ratepayers of this timing matter.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
33.	Individual 22/272272	Does not prefer either rate increase option and would rather see rates increase at the 2.5% rate cap. There is no reason for such a proposed increase amount, especially with the rising cost of living, inflationary pressure, the current level of service provided, and ongoing wage stagnation. Also, note that Council's past SRV application was rejected by IPART.	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>The key purpose of this proposed SRV is financial sustainability, whilst the previous SRV application's key purpose was to enhance current services and provide new infrastructure to the community.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
34.	Individual 22/272747	I do not support any Special Rate Variation that Council may wish to seek. Concerns raised around the inflation rate of 6.1% with further increases predicted, cost of living, and self-funded retiree on a limited income. It is the time for Council to reduce unnecessary spending while continuing to provide basic services such as roads, waste collection and public space maintenance.	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
35.	Individual 22/273059	Rejection of the rate rise options as the rate cap of 4.4% is a significant increase. An organisation cannot predict its budget needs over 10 years as most companies have annual budgets they review and adjust	<p>IPART announced the rate cap for Port Stephens at 4.4% for the 2023-2024 financial in which they indicated is lower than current inflation.</p> <p>Council is required by the Office of Local Government to model a 10 year budget known as the Long Term Financial Plan.</p>

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		<p>accordingly. Council should not operate in areas that should be left to private enterprises such as holiday parks and rather focus on rubbish collection, footpaths, and roads. Council needs to reign in its spending on unnecessary costs and live within its means.</p>	<p>Council also reviews the annual budget quarterly and reports any significant adjustments to Council.</p> <p>Council has over the years engaged in commercial-based operations as a strategy to raise income through non-rate revenue sources. Whilst balancing our responsibilities of the maintenance of our community assets.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
36.	Individual 22/273132	<p>No support for the proposed options but would consider a lower rate rise and some increases in service cost to meet the Council's budget deficit.</p> <p>Reasons and alternative options include,</p> <ul style="list-style-type: none"> - The financial situation is not just Covid-19 impacts - Previous drainage levy not included in the total amount - Condition of roads - Increased transport/road levies payable by developers of extra-large houses/multi-Individual & commercial/industrial developments - Charge commercial rates for rental & Air BnB properties. - Lack of rates paid by relocatable accommodation - Increase charge for development services & Section 94 payments - Service reductions restrictions - Increase user pay options - Asset reduction of the investment portfolio 	<p>Whilst most of our income streams have returned after the Covid-19 pandemic some are yet to return. Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams. The Covid-19 pandemic and the Independent report highlighted Council's reliance and risk of these commercial revenues.</p> <p>Council's drainage levy was introduced as a \$500,000 permanent special rate variation in 1997-1998. It is retained in the ordinary rate income base. Since introduction 26 years ago the drainage levy has increased annually by the rate peg percentage applicable to Council and it currently raises in the order of \$1.15 million per annum (or an average of \$32.80 per rate assessment). These funds are set aside to be used for various drainage works that are included in the Strategic Asset Management Plan each year.</p> <p>As per IPART's guidelines Council is required to communicate the total amount of the proposed special rate variation and not past approved special rate variations. Unlike most other NSW Councils, Port Stephens does not charge a stormwater management charge due to this drainage special rate variation.</p> <p>Council has 700kms of roads that it proactively maintains and manages to increase the safety and quality of the road</p>

			<p>network. Council uses Statewide Mutual Best Practice and The Austroads Standards/Guides to assess and manage its assets, including roads. It is noted that the increase in rain has deteriorated our road pavements faster than usual and the funds available to undertake road maintenance is less than the increase in the cost of works. The majority of 'additional funds' raised from an approved special rate will target road maintenance.</p> <p>Registered vehicles for example trucks used to carry building materials to construct residential dwellings are legally able to use our roads. Council does gain funds from local quarries for trucking movements and funds from the State Government that originates from fuel and vehicle tax which contributes towards the increasing cost of maintaining our road network.</p> <p>Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council applies Section 7.12 contributions for commercial developments which are calculated as a percentage of the cost of works of development. Council applies the maximum allowable levy that is set out by the Environmental Planning and Assessment Regulation 2021. Council applies Section 7.11 contributions for individual developments within catchments, these individual developments under current legislation are capped at \$20,000 for each dwelling or lot, except for greenfield areas, where the cap is \$30,000.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is</p>
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			<p>currently working with the NSW Department of Planning on this in combination with other councils such as Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in zones where this type of development is considered inappropriate, with recent approval relying on existing use rights.</p> <p>Council would not look to reduce services in areas where it makes money for Council, there is a legislative requirement, or in a matter of safety. Any specific reduction in services would involve community consultation.</p> <p>Council has committed to the further rollout of paid parking to increase income from user pay options which has been modelled into the Long Term Financial Plan.</p> <p>Council benchmarks yields and vacancy rates each quarter to industry data to ensure targets continue to be met. It also undertakes an annual independent review of the portfolio to ensure each property is fit for purpose and continuing to perform in line with expectations, and any that are no longer deemed fit for purpose may be recommended for divestment as a result.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
37.	Individual 22/273208	<p>No support for the proposed options but would consider a lower rate rise and some increases in service cost to meet the Council's budget deficit.</p> <p>Reasons and alternative options include,</p> <ul style="list-style-type: none"> - The financial situation is not just Covid-19 impacts - Previous drainage levy not included in the total amount - Condition of roads - Charge commercial rates for rental & Air BnB properties. 	<p>Whilst most of our income streams have returned after the Covid-19 pandemic some are yet to return. Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams. The Covid-19 pandemic and the Independent report highlighted Council's reliance and risk of these commercial revenues.</p> <p>Council's drainage levy was introduced as a \$500,000 permanent special rate variation in 1997-1998. It is retained in the ordinary rate income base. Since introduction 26 years ago the drainage levy has increased annually by the rate</p>

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		<ul style="list-style-type: none"> - Lack of rates paid by relocatable accommodation - Increase charge for development services & Section 94 payments - Asset reduction of the investment portfolio 	<p>peg percentage applicable to Council and it currently raises in the order of \$1.15 million per annum (or an average of \$32.80 per rate assessment). These funds are set aside to be used for various drainage works that are included in the Strategic Asset Management Plan each year.</p> <p>As per IPART's guidelines Council is required to communicate the total amount of the proposed special rate variation and not past approved special rate variations. Unlike most other NSW Councils, Port Stephens does not charge a stormwater management charge due to this drainage special rate variation. Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council applies Section 7.12 contributions for commercial developments which are calculated as a percentage of the cost of works of development. Council applies the maximum allowable levy that is set out by the Environmental Planning and Assessment Regulation 2021. Council applies Section 7.11 contributions for individual developments within catchments, these individual developments under current legislation are capped at \$20,000 for each dwelling or lot, except for greenfield areas, where the cap is \$30,000.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is currently working with the NSW Department of Planning on this in combination with other councils such as Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in zones where this type of development is</p>
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			<p>considered inappropriate, with recent approval relying on existing use rights.</p> <p>Council benchmarks yields and vacancy rates each quarter to industry data to ensure targets continue to be met. It also undertakes an annual independent review of the portfolio to ensure each property is fit for purpose and continuing to perform in line with expectations, and any that are no longer deemed fit for purpose may be recommended for divestment as a result.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
38.	Individual 22/273254	<p>Raised issue with survey format and does not want to select either of the options as there is no guarantee that the rate rise won't continue in subsequent years as CPI indexation. Requested information around productivity and waste measures as well as how the rate revenue is applied across the LGA.</p>	<p>As per the NSW rating legislation Council can only increase its rates income by either the annual rate cap or an approved special rate variation.</p> <p>Council provided link to the draft Integrated Planning and Reporting revised for a Special Rate Variation which contains information requested.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
39.	Individual 22/273764	<p>Objection to the two rate rise options, however, felt strong support for a 10-15% one-off increase. Understanding that Council has not had an increase for many years but the amount asking for is too much. A smaller increase even if it does not cover expenses for the ten-year period, will give Individuals the opportunity to see what extra rates will fund and get the roads repaired.</p> <p>Council is not looking at other avenues to raise funds, only hitting the ratepayers.</p>	<p>One option of the five rate rise options considered was a short-term solution but was not supported by the community. Council would only have additional funds for roads maintenance after the budget is repaired and as such the options proposed provide that level of additional funds.</p> <p>Council has investigated all areas of revenue prior to considering a special rate variation. These include increasing non-statutory fees and charges, the further rollout of paid parking, and investigating the sale of underperforming land.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
40.	Individual 22/274701	<p>Council should tighten its belts in the economic climate just like ratepayers. Preference to reduce</p>	<p>Council has been tightening its belts for the past few years with the impacts of the Covid-19 pandemic.</p>

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		<p>employees from the top. Raised concerns over the deterioration of infrastructures such as potholes in the roads and footpaths but yet Council has funds for sporting fields and tourism. Self-funded retirees may have to sell and move away from this area as new land valuations are becoming unaffordable to pay the rate increase.</p> <p>A lower rate rise may be more acceptable if ratepayers could see some value for a rates dollar.</p>	<p>Through the independent assessment recently conducted, it was confirmed that Council spends less on staff per assessment than its typical peer does.</p> <p>Council is committed to maintaining our infrastructure across the LGA, this can be seen through our declining infrastructure backlog trend since 2009. The NSW Valuer General issues land valuation every three years, whilst Council is not responsible for this determination it using the land value when calculating rates. Whilst change within the rates income may occur depending on the variation in land value changes across the LGA, Council's total income does not increase with a general revaluation. Council has published a video to help assist in understanding the rating legislation and the land revaluations.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase, which include self-funded retiree.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
41.	Individual 22/274578	<p>Opposed rate hike. Council should stay with the 4.4% rate cap suggested by IPART and manage its funding better with projects not being mismanaged. The previous attempt was overwhelmingly rejected by an independent umpire. Many Individuals who do not have the internet or receive the local newspaper would not be aware of the council intention to increase rates.</p>	<p>The ongoing impacts of Covid-19 and other global matters of the environment which we operate in and our financial forecasting, in particular inflation, have significantly changed since the IPART's determination. IPART announced the rate cap for Port Stephens at 4.4% for the 2023-2024 financial in which they indicated is lower than current inflation.</p> <p>Whilst the previous SRV application's key purpose was to enhance current services and provide new infrastructure to the community, this proposed SRV is to ensure financial sustainability.</p> <p>Council has a corporate Project Management Framework based on the best practice 'Project Management body</p>

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			<p>of knowledge' principles. Our processes and projects are regularly reviewed and audited to ensure compliance and facilitate continuous improvement. Infrastructure projects are impacted by a range of external factors. Council's annual capital works program as a whole is delivered within budget, with all variations (changes) to individual project time, cost or scope acknowledged reported and justified.</p> <p>Council has undertaken an extensive community engagement program over several weeks using a range of communication and engagement methods, one of which was a double-sided A4 letter included within the Rate Notice issued in July during the first phase on engagement.</p>
42.	Individual 22/274815	<p>It is the wrong time to propose a rate increase after covid-19, rising interest rates/cost of living and council mismanagement of funds.</p> <p>Potholes and lack of road maintenance have been a constant issue that Council does not seem to be able to get on top of.</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase, which include self-funded retiree.</p> <p>Potholes occur through a number of ways – sometimes due to general wear and tear, sometimes due to faults in the pavement surface but more often than not, it's a weather event. Council, as with most Council's in NSW have experienced increased rainfall which has deteriorated our road pavement faster than usual. Council's takes a risk mitigation approach when addressing potholes. For Council to be able to get on top of the increased potholes we would require funds to conduct rehabilitation road maintenance works. The majority of 'additional funds' raised from an approved special rate will target this type of road maintenance.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
43.	Individual 22/274818	<p>Objection to the proposed rate increases. The 4.4% rate increase for 2023-2024 is a terrible</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to</p>

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		hardship in itself for the average ratepayer. Council financial situation is not the fault of the ratepayers it is the mismanagement of ratepayers' money by Council over the years.	mitigate any financial hardship caused by a rate increase, which include self-funded retiree. Council to consider feedback in relation to the proposed special rate variation.
44.	Soldiers Point Community Group Inc. 22/275192	<p>No support for either of the rate rise options and no support for no increase. It was explicitly and implicitly suggested by some members that a lower rate rise would be supported.</p> <p>Issues raised include</p> <ul style="list-style-type: none"> - The financial situation is not just Covid-19 impacts - Previous drainage levy not included in the total amount - Condition of roads - Increased transport/road levies payable by developers of extra-large houses/multi-individual & commercial/industrial developments, - Charge commercial rates for rental & Air BnB properties. - Lack of rates paid by relocatable accommodation - Increase charge for development services & Section 94 payments - Service reductions restrictions - Increase user pay options - Asset reduction of the investment portfolio 	<p>Whilst most of our income streams have returned after the Covid-19 pandemic some are yet to return. Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams. The Covid-19 pandemic and the Independent report highlighted Council's reliance and risk of these commercial revenues.</p> <p>Council's drainage levy was introduced as a \$500,000 permanent special rate variation in 1997-1998. It is retained in the ordinary rate income base. Since introduction 26 years ago the drainage levy has increased annually by the rate peg percentage applicable to Council and it currently raises in the order of \$1.15 million per annum (or an average of \$32.80 per rate assessment). These funds are set aside to be used for various drainage works that are included in the Strategic Asset Management Plan each year.</p> <p>As per IPART's guidelines Council is required to communicate the total amount of the proposed special rate variation and not past approved special rate variations. Unlike most other NSW Councils, Port Stephens does not charge a stormwater management charge due to this drainage special rate variation.</p> <p>Council has 700kms of roads that it proactively maintains and manages to increase the safety and quality of the road network. Council uses Statewide Mutual Best Practice and The Austroads Standards/Guides to assess and manage its assets, including roads. It is noted that the increase in rain has deteriorated our</p>

			<p>road pavements faster than usual and the funds available to undertake road maintenance is less than the increase in the cost of works. The majority of 'additional funds' raised from an approved special rate will target road maintenance.</p> <p>Registered vehicles for example trucks used to carry building materials to construct residential dwellings are legally able to use our roads. Council does gain funds from local quarries for trucking movements and funds from the State Government that originates from fuel and vehicle tax which contributes towards the increasing cost of maintaining our road network.</p> <p>Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council applies Section 7.12 contributions for commercial developments which are calculated as a percentage of the cost of works of development. Council applies the maximum allowable levy that is set out by the Environmental Planning and Assessment Regulation 2021. Council applies Section 7.11 contributions for individual developments within catchments, these individual developments under current legislation are capped at \$20,000 for each dwelling or lot, except for greenfield areas, where the cap is \$30,000.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is currently working with the NSW Department of Planning on this in combination with other councils such as Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in</p>
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			<p>zones where this type of development is considered inappropriate, with recent approval relying on existing use rights.</p> <p>Council would not look to reduce services in areas where it makes money for Council, there is a legislative requirement, or in a matter of safety. Any specific reduction in services would involve community consultation.</p> <p>Council has committed to the further rollout of paid parking to increase income from user pay options which has been modelled into the Long Term Financial Plan.</p> <p>Council benchmarks yields and vacancy rates each quarter to industry data to ensure targets continue to be met. It also undertakes an annual independent review of the portfolio to ensure each property is fit for purpose and continuing to perform in line with expectations, and any that are no longer deemed fit for purpose may be recommended for divestment as a result.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
45.	Individual 22/275367	Council should live within their budget and cut back on unnecessary waste such as street beautification projects. Council should "up their game" and stick with the normal rate rises set out by State Government. Every household is facing financial pressure at the moment and it is unaffordable.	<p>IPART announced the rate cap for Port Stephens at 4.4% for the 2023-2024 financial in which they indicated is lower than current inflation.</p> <p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
46.	Individual 22/275386	No support for either option. Taking into consideration that while some wages have increased 3% some have not and everyone is experiencing increased living expenses. The rate cap of 4.4% and will get increased rates based on increase in land valuations.	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

		<p>I acknowledge Council has increased costs due to increased road repairs caused by wet weather damage and increased costs for maintenance of council properties, materials, transportation costs, and fuel.</p> <p>Concerns raised on 'lifestyle/over 55's villages' and requested Council lobby with other Council's to change the legislation.</p> <p>A rate increase more closely aligned to the cap already approved by IPART would be more acceptable to ratepayers.</p>	<p>current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is currently working with the NSW Department of Planning on this in combination with other councils such as Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in zones where this type of development is considered inappropriate, with recent approval relying on existing use rights.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
47.	Individual 22/275402	<p>Opposition for all three scenarios. The two rate rise options are a huge increase for the average household, it is over the top extravagant and way too steep a rise.</p> <p>Raises issues of affordability with the pandemic, fires, floods, and current rising cost of living.</p> <p>There is plenty of funding available from State and Federal governments for a diverse range to contribute to and service community needs, in particular roads.</p> <p>Unsatisfied with the community consultation about this rate rise, it is an animated, emotional, dramatic and unsubstantiated forecast of future costs. Can not recall an ounce of information from Council.</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council has a dedicated grants officer to pursue and manage all grant funding available. The majority of grants that Council receives are for capital expenditure. Council's key purpose of the proposed rate increase is to address its operating budget. Council will continue to seek grant funding across all areas including road funding.</p> <p>Council has undertaken an extensive community engagement program over several weeks using a range of communication and engagement methods both print and digital.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

48.	Individual 22/275430	<p>Welcomes the level and modes of consultation over the two stages to date, which have been significantly better than in the past. Acknowledgment and commended given for the extreme difficulty of communicating clearly and engaging effectively with the community on the complex subject of Council finances.</p> <p>Disappointment raised that a hybrid approach (cut some services and a lesser rate rise) was not presented. Also, other revenue-raising options (incl. fees and charges and asset sales) were not included in the survey.</p> <p>Suggestion that the survey include indicates their broad income/wealth levels (in bands) to be able to correlate preferences against income/wealth levels.</p> <p>The rating system is not fit for purpose, being fundamentally inequitable. Acknowledge the responsibility is with State and Federal government, but urge Council to become active in lobbying for fundamental reforms.</p> <p>It is essential that Council continues to be both more transparent and more accountable for expenditure, making an objective to more clearly explain the way Council finances 'work', in particular the differences between capital and operating budget.</p>	<p>Council has undertaken an extensive community engagement program over several weeks using a range of communication and engagement methods with Local Government finances and NSW Rating legislation a complex topic.</p> <p>The two options proposed were modelled upon feedback gained in earlier phases of the engagement however, Council takes under consideration of a hybrid approach. Council has included in the revised Long Term Financial Plan the inclusion of other revenue income streams such as increases to fees and charges and the further rollout of paid parking. Council is currently investigating a range of underperforming land sites for sale, with the process involving community consultation.</p> <p>Through the independent reports a Capacity to Pay assessment of the Port Stephens Council area was undertaken this included a range of ABS financial factors such as income levels.</p> <p>Council is in agreement that the rate capping legislation is not fit for purpose during long periods of high inflation and is intending to submit a submission to IPART's upcoming review.</p> <p>During community information sessions, short videos and FAQs Council sought to explain the technical detail of Council's finances and budgets and the key purpose and need for the proposed special rate variation.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
49.	Individual 22/275527	<p>Objection to future rate increases above the rate cap. The proposed rate increases are above CPI and is unsustainable for the average and fixed income household.</p> <p>It is Council's responsibility to ensure its accounts are kept within budget, rein in its spending</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council has a history of maintaining a small budget surplus each year prior to the covid-19 pandemic and global</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

		and re-examine the way they conduct future endeavours to reduce its costs and waste.	<p>economic change. Council runs a whole suite of strategies to help save money and run efficiently. These include our Service Review Program, Business Improvement Ideas, and our Problem/Opportunity 'Plan Do Study Act' program.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
50.	Individual 22/275588	<p>Objection to the two proposed rate increase options, but would consider a much lower amount. The total amount does not include drainage levy. It is unsustainable for myself as a fixed pensioner and don't have additional money. Council should instead of looking to ratepayers for income, sell investments and land which is not being used for recreational or environmental purposes.</p>	<p>In addition to its current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council's drainage levy was introduced as a \$500,000 permanent special rate variation in 1997-1998. It is retained in the ordinary rate income base. Since introduction 26 years ago the drainage levy has increased annually by the rate peg percentage applicable to Council and it currently raises in the order of \$1.15 million per annum (or an average of \$32.80 per rate assessment). These funds are set aside to be used for various drainage works that are included in the Strategic Asset Management Plan each year.</p> <p>As per IPART's guidelines Council is required to communicate the total amount of the proposed special rate variation and not past approved special rate variations. Unlike most other NSW Councils, Port Stephens does not charge a stormwater management charge due to this drainage special rate variation.</p> <p>Council is currently investigating a range of underperforming land sites for sale, with the process involving community consultation.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
51.	Individual 22/275628	No support for the proposed options but would consider a mix of a lower rate rise and some	There are various factors that have contributed to Council's forecasted financial position. Since 2012 Council has

		<p>increases in service cost to meet the Council's budget deficit.</p> <p>Understanding there is a difference of opinion as to the cause of the Council's financial position, being Covid-19 related or failed past SRV related.</p> <p>Other issues raised during community meetings includes road condition, over 55's housing, user pay options, and developer contributions.</p> <p>Thank you given to the Council representatives and ward elects for their efforts in engaging with the community. A vast improvement from the previous application.</p>	<p>consistently delivered a strong, stable or 'fit' financial position achieving an annual budget surplus of 1%. Our Long Term Financial Plan for some time highlighted that 2022/2023 would be difficult years for our budgets. Given the ongoing impacts of Covid-19 and other global matters the environment which we operate in and our financial forecasting has significantly changed. Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams.</p> <p>Whilst the previous SRV application's key purpose was to enhance current services and provide new infrastructure to the community.</p> <p>Council has 700kms of roads that it proactively maintains and manages to increase the safety and quality of the road network. Council uses Statewide Mutual Best Practice and The Austroads Standards/Guides to assess and manage its assets, including roads. It is noted that the increase in rain has deteriorated our road pavements faster than usual and the funds available to undertake road maintenance is less than the increase in the cost of works. The majority of 'additional funds' raised from an approved special rate will target road maintenance.</p> <p>Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is currently working with the NSW Department of Planning on this in combination with other councils such as</p>
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			<p>Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in zones where this type of development is considered inappropriate, with recent approval relying on existing use rights.</p> <p>Council currently has a rollout plan for paid parking in a number of locations. These locations are currently being investigated and undergoing community consultation. This alternative source of income has been modelled into the Long Term Financial Plan.</p> <p>Council applies Section 7.12 contributions for commercial developments which are calculated as a percentage of the cost of works of development. Council applies the maximum allowable levy that is set out by the Environmental Planning and Assessment Regulation 2021. Council applies Section 7.11 contributions for individual developments within catchments, these individual developments under current legislation are capped at \$20,000 for each dwelling or lot, except for greenfield areas, where the cap is \$30,000.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
52.	Individual 22/275677	Peruse all the Individuals of all the retirement village houses for more rates.	<p>Council is unable to impose a special charge separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
53.	Individual 22/275699	<p>Opposition to a rate rise. Expressed concerns for hardship and financial stress on Individuals and business owners due to rising cost of living.</p> <p>Council needs to wait for the economy to stabilise, prioritise</p>	<p>In addition to our current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council is currently investigating a range of underperforming land sites for sale,</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

		and cut unnecessary spending, better manage projects, ensure only projects that benefit the whole community be completed in a cost-effective and timely manner, and liquidate underperforming assets.	<p>with the process involving community consultation.</p> <p>Council has a corporate Project Management Framework based on the best practice 'Project Management body of knowledge' principles. Our processes and projects are regularly reviewed and audited to ensure compliance and facilitate continuous improvement. Infrastructure projects are impacted by a range of external factors. Council's annual capital works program as a whole is delivered within budget, with all variations (changes) to individual project time, cost or scope acknowledged reported and justified.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
54.	Individual 22/275700	Strongly objecting to both proposed scenarios. There has been poor fiscal management and no budget constraints. There is no transparent accountability for ratepayers' dollars. Either proposal is unjustifiable.	<p>Council operates within a treasury model with strict budgetary control. Council was commended on its budgetary control within the Independent Financial Sustainability Report.</p> <p>Council publishes each year the Integrated Planning and Reporting documents along with the Annual Report and Annual Financial Statements that outlines all financial information relating to rating income that is received by Council.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
55.	Individual 22/275701	Management should work within the 4.4% rate cap more diligently and not be so wasteful. Do not want to vote for either option, agrees with the need of a rate rise but not to this extent. Requested a current set of financial statements.	<p>IPART announced the rate cap for Port Stephens at 4.4% for the 2023-2024 financial in which they indicated is lower than current inflation.</p> <p>Financial Statements forwarded.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
56.	Individual 22/278699	Not accepting of either rate rise option. Council should tighten its own belt and live within its means. All householders have a budget and if it means cutting back that's	<p>In addition to our current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

		what you do. Individuals are overwhelmed with their own bills. Council is known for the wastage of ratepayers' money.	<p>Council operates within a treasury model with strict budgetary control and runs a whole suite of strategies to help save money and run efficiently, known as our Service Review Program and working within the Business Excellence Framework.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
57.	Individual 22/278669	Strongly object and reject all the proposed rate rise options. The rate cap of 4.4% has been granted and no further increase should be approved. Ratepayers should not be responsible for Council's inefficiencies and neither of these proposals is a solution for Council not directing funds where needed.	<p>IPART announced the rate cap for Port Stephens at 4.4% for the 2023-2024 financial in which they indicated is lower than current inflation.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
58.	Individual 22/278670	<p>No support for either option of a rate rise. Council will not need a rate rise given the increase in land values.</p> <p>Council should raise revenue by charging business rates to AirBnBs and rein in over 55 villages or lobby to state government. Stop delivering the extras and get down to the core of their business.</p>	<p>Whilst changes within individual rate notices may occur depending on the variation in land value changes across the LGA, Council's total income does not increase with a general revaluation. Council has published a video to help assist in understanding the rating legislation and the land revaluations.</p> <p>Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is currently working with the NSW Department of Planning on this in combination with other councils such as Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in zones where this type of development is</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

			considered inappropriate, with recent approval relying on existing use rights. Council to consider feedback in relation to the proposed special rate variation.
59.	Individual 22/278681	<p>No support for either option but would consider a mix of a lower rate rise and some increases in service cost to meet the Council's budget deficit.</p> <p>Issues raised include</p> <ul style="list-style-type: none"> - The financial situation is not just Covid-19 impacts - Previous drainage levy not included in the total amount - Condition of roads - Increased transport/road levies payable by developers of extra-large houses/multi-Individualial & commercial/industrial developments, - Charge commercial rates for rental & Air BnB properties. - Lack of rates paid by relocatable accommodation - Increase charge for development services & Section 94 payments - Service reductions restrictions - Increase user pay options <p>Asset reduction of the investment portfolio</p>	<p>Whilst most of our income streams have returned after the Covid-19 pandemic some are yet to return. Council is currently facing and will continue to face in the short-to-medium term high inflation and cost pressures which are greater than our income streams. The Covid-19 pandemic and the Independent report highlighted Council's reliance and risk of these commercial revenues.</p> <p>Council's drainage levy was introduced as a \$500,000 permanent special rate variation in 1997-1998. It is retained in the ordinary rate income base. Since introduction 26 years ago the drainage levy has increased annually by the rate peg percentage applicable to Council and it currently raises in the order of \$1.15 million per annum (or an average of \$32.80 per rate assessment). These funds are set aside to be used for various drainage works that are included in the Strategic Asset Management Plan each year.</p> <p>As per IPART's guidelines Council is required to communicate the total amount of the proposed special rate variation and not past approved special rate variations. Unlike most other NSW Councils, Port Stephens does not charge a stormwater management charge due to this drainage special rate variation.</p> <p>Council has 700kms of roads that it proactively maintains and manages to increase the safety and quality of the road network. Council uses Statewide Mutual Best Practice and The Austroads Standards/Guides to assess and manage its assets, including roads. It is noted that the increase in rain has deteriorated our road pavements faster than usual and the funds available to undertake road</p>

			<p>maintenance is less than the increase in the cost of works. The majority of 'additional funds' raised from an approved special rate will target road maintenance.</p> <p>Registered vehicles for example trucks used to carry building materials to construct residential dwellings are legally able to use our roads. Council does gain funds from local quarries for trucking movements and funds from the State Government that originates from fuel and vehicle tax which contributes towards the increasing cost of maintaining our road network.</p> <p>Council is unable to impose a special charge on all holiday rentals or separately rate relocatable accommodation as the current rating and planning regulation and legislation does not allow for this to occur. Council has made and will continue to make representations to State Governments for rating reform on this matter.</p> <p>Council applies Section 7.12 contributions for commercial developments which are calculated as a percentage of the cost of works of development. Council applies the maximum allowable levy that is set out by the Environmental Planning and Assessment Regulation 2021. Council applies Section 7.11 contributions for Individual developments within catchments, these Individual developments under current legislation are capped at \$20,000 for each dwelling or lot, except for greenfield areas, where the cap is \$30,000.</p> <p>Council has an active program of advocating to the State for reform concerning lifestyle villages, and is currently working with the NSW Department of Planning on this in combination with other councils such as Mid-Coast Council. Council has removed 'caravan parks' as a permissible use in zones where this type of development is</p>
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ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

			<p>considered inappropriate, with recent approval relying on existing use rights.</p> <p>Council would not look to reduce services in areas where it makes money for Council, there is a legislative requirement, or in a matter of safety. Any specific reduction in services would involve community consultation.</p> <p>Council has committed to the further rollout of paid parking to increase income from user pay options which has been modelled into the Long Term Financial Plan.</p> <p>Council benchmarks yields and vacancy rates each quarter to industry data to ensure targets continue to be met. It also undertakes an annual independent review of the portfolio to ensure each property is fit for purpose and continuing to perform in line with expectations, and any that are no longer deemed fit for purpose may be recommended for divestment as a result.</p> <p>Council to consider feedback in relation to the proposed special rate variation.</p>
60-138	Individuals X 78	<p>Objection to the rate rise under</p> <ul style="list-style-type: none"> - Severe cost of living increases - Impact on homeowners, businesses, and renters - Wage strikes are generally only increasing wages at three percent - Inflation has impacted business turnover resulting in a reduction in staff and many small businesses having to close <p>Alternative solutions raised</p> <ul style="list-style-type: none"> - Selling non-environmental or culturally significant properties to cover debt - Ensure all projects undertaken are in the interest of all the 	<p>In addition to our current Hardship Policy, Council is proposing a number of additional affordability measures to mitigate any financial hardship caused by a rate increase.</p> <p>Council is currently investigating a range of underperforming land sites for sale, with the process involving community consultation.</p> <p>Council has a corporate Project Management Framework based on the best practice 'Project Management body of knowledge' principles. Our processes and projects are regularly reviewed and audited to ensure compliance and facilitate continuous improvement. Infrastructure projects are impacted by a range of external factors. Council's annual capital works program as a whole is delivered within budget, with all variations (changes) to individual project time, cost</p>

ITEM 1 - ATTACHMENT 3 SUMMARY OF SUBMISSIONS.

		community and not specific individuals/organisations - Further contract negotiations to obtain better pricing and reduce unexpected costs - Improve project management to ensure projects are completed on time and within budget	or scope acknowledged reported and justified. Council to consider feedback in relation to the proposed special rate variation.
Total Submissions Count: 138			

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

Attachment 4

Communications and Engagement Report

Rate Rise Options
September 2022



Phase 2



ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

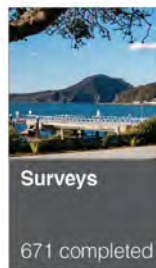


Rate Rise Options

Engagement snapshot - Phase 2

At its meeting on 13 September 2022 Council agreed to move forward with the community discussion around financial sustainability. This included placing the draft Integrated Planning and Reporting documents on public exhibition to further discuss the community's views on the three narrowed down scenarios: the base rate cap scenario and two rate increase options.

What we've been up to



Survey Results



Preferred a Single Year increase over a Multi-year Increase



Were in favour of the proposed distribution of extra funds



Were in favour of a rate rise over reduced services



The typical survey respondent was a:

male (48%)
resident and ratepayer (92%)
aged 56 that heard about the survey from social media (53%)



ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND



Both sides of the conversation

"A single year adjustment makes the most sense to me as improvements to services should be seen quickly and will be easily observable. Also paying less overall to achieve a faster result is more efficient."

"I don't believe a rate rise to either level is reasonable as cost of living increases have already put pressure on families."

What's in a name?

Our Funded Future
Rate Rise Options

Following the Council meeting on 23rd August 2022 Council resolved to change the name of the Special Rate Variation application strategy from 'Our Funded Future'. 'Rate Rise Options' was chosen, with the aim to be as direct about the intentions as possible. As planned, Phase 2 would focus clearly on rate rise options.

Rate Cap Change

4.4%

During public exhibition IPART announced a change to the rate cap raising from 2.5% to 4.4%. This does not change the overall rate for the Special Rate Variation application but only that the rate cap will make up a larger proportion of the overall special rate..

Phase 2 - Project timeline

PORT STEPHENS
COUNCIL

PORTSTEPHENS.NSW.GOV.AU



Contents



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Communication and Engagement Methodology

- Phase 2 Communication Methods
- Phase 2 Engagement Methods

Key Findings

- Key themes
- Short survey
- Community drop in sessions and special interest group meetings
- Interactions
- Submissions

Appendices

- Appendix A: Communication Methods – Phase 2
- Appendix B: Engagement Methods – Phase 2
- Appendix C: Survey Report – Phase 2
- Appendix D: Survey Comments – Phase 2
- Appendix E: Submissions
- Appendix F: Rate Cap Announcement

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Introduction

At its meeting on 13 September 2022 Council agreed to move forward with the community discussion around financial sustainability. This included placing the draft Integrated Planning and Reporting documents on public exhibition to further discuss the community's views on the three narrowed down scenarios: the base rate cap scenario and two rate increase options.

A comprehensive communications and engagement plan was developed at the commencement of the financial sustainability discussion. It included a three phase approach:

- Phase 0 – Community education
To inform the community on Council's financial situation and the current and short-term mitigation strategies that have been implemented to date.
- Phase 1 – Financial sustainability options
To provide non-rate increase and rate increase options to the community that creates a financially sustainable Council.
- Phase 2 – Public exhibition
To publically exhibit preferred options within the Integrated Planning & Reporting documents (This phase is dependent on the outcome of Phase 1).

Following the completion of first two phases Phase 0 and Phase 1, Phase 2 was renamed 'Rate Rise Options', making sure the purpose of the engagement was clear to the community. The objectives of Phase 2 were to:

- Continue to increase community awareness of Council's financial situation and its journey to date
- Inform the community about the preferred rate increase options for Council's financial sustainability
- Seek community feedback on the preferred rate increase options for Council's financial sustainability
- Identify the community's view on the preferred rate increase scenarios

This report provides a summary of the community conversation including key findings and an analysis of the engagement for the Phase 2 period.

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.


Communication and Engagement Methodology

The communication and engagement program was designed based on the demographic analysis or audience profile for the Port Stephens community.




Phase 2 – Rate rise options (14 September to 12 October)

A diverse range of communication methods were used throughout Phase 2 to further raise community awareness of Council's financial position and the narrowed down options for the community feedback. Table 1 outlines a description and the reach for each communication method used. Further details and examples of all methods are included in Appendix A. Table 2 is an outline of engagement methods, as well as the community participation for each method. Further details on engagement are included in Appendices B to E.



Table 1: Phase 2 Communication methods

ACTIVITY	DESCRIPTION	REACH
 Project webpage	Rate rise options dedicated website page www.portstephens.nsw.gov.au/council/rate-rise-options	1090 visits
	Site included the link to short survey; various information including increased FAQs; videos; webinar from independent experts and a rates calculator.	
	Rates calculator usage (download requests only)	52 downloads
	Independent Expert Webinar	58 visits 44 video views
	Rate Cap Announcement Video	932 visits* 28 video views
	Revaluation Explanation Video	171 visits 72 video views
	Fact Sheet	932 visits*
	Rate Rise Options Webinar	932 visits* 354 video views
	Integrated Planning & Reporting Documents (downloads)	57 downloads
	* these resources are hosted on the same page	



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

ACTIVITY	DESCRIPTION	REACH
 Media	Media releases 14 September 2022, Rate rise options proposed for Port Stephens https://www.portstephens.nsw.gov.au/council/news/2022/rate-rise-options-proposed-for-port-stephens	
	Media related via Media Monitors 30 September 2022, IPART hands Port Stephens a 4.4 per cent rate rise as Councils battle inflation. Port Stephens examiner, online edition https://www.portstephensexaminer.com.au/story/7924791/srv-aside-port-stephens-rates-set-to-almost-double/	25,000 distribution
	12 October 2022, Port Stephens Council 2023 rate rise proposals: two options on public exhibition until October 12. Port Stephens Examiner, online edition https://www.portstephensexaminer.com.au/story/7939049/port-stephens-rate-rise-last-day-to-have-your-say/	
	14 September 2022, Rate rise options proposed for Port Stephens. What's on in Our Backyard, online edition https://www.whatsoninourbackyard.com.au/rate-rise-options-proposed-for-port-stephens/	
 Paid print advertising	1 print advertisement 22 September 2022, Port Stephens Examiner, p. 9	25,000 distribution
 Radio	4 radio stories <ul style="list-style-type: none"> 14 September 2022, ABC Newcastle , 7:37AM and 7:55AM, 8:00AM, 8:32AM, 9:00AM 14 September 2022, ABC Upper Hunter, 8:35AM, 4:30PM, 5:00PM 14 September 2022, NEWFM, 5:56PM 15 September 2022, 2NURFM, 11:41PM 	

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.



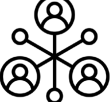

ACTIVITY	DESCRIPTION	REACH
 Social Media	Facebook posts (organic) - 8	
	14 September 2022 'Striking a balance between the needs of our community and Council's funded future.'	12071 reach; 2342 clicks
	27 September 2022 'Community engagement sessions'	5102 reach; 319 clicks
	28 September 2022 'Community engagement session – Boyd Oval, Medowie'	4324 reach; 168 clicks
	29 September 2022 'Outdoor Sunset Cinema Medowie'	1416 reach; 43 clicks
	4 October 2022 'Rate rise options – Have your say'	2605 reach; 350 clicks
	5 October 2022 'Rate rise options – Have your say'	3758 reach; 442 clicks
	7 October 2022 'IPART rate cap announcement' (Video included)	3423 reach; 651 clicks
	10 October 2022 'Rate rise options – last chance to have your say' (Video included)	2619 reach; 586 clicks
	Facebook posts (paid ads) - 1	
	Posts focusing on 'Rate rise options' asking the community for help to identify which of the narrowed down options they would prefer.	16596 reach; 991 clicks
 Direct emails	Special Interest Groups	13 groups
	<p>19 September 2022 a group email to key community groups was sent to offer placeholder time at their next meeting pending 13 September 2022 Council Meeting.</p> <p>All Rate Rise Options material has been emailed directly to the community groups below throughout the public exhibition period.</p> <ul style="list-style-type: none"> • Tomaree Ratepayers & Residents Association • South Tomaree Community Association • Fern Bay Fullerton Cove Community Association • Karuah Progress Association • Medowie Progress Association • Business Port Stephens • Voices of Wallalong/Woodville • Shoal Bay Community Association Inc. • Soldiers Point Community Group • Tilligerry Community Association • Karuah LALC • Wahrenonga Aboriginal Corporation • Worimi LALC 	

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

ACTIVITY	DESCRIPTION	REACH
 Bulk e- newsletters	E-newsletters distribution	3913 total
	<i>Article included in e-newsletters</i>	
	19 September 2022 'Have Your Say' subscribers	1521 recipients
	5 October 2022 'Your Port' subscribers	2392 recipients
 Phone messaging	On hold messaging	3159 customer service calls
	Throughout the public exhibition period Council has a "Rate Rise Options" announcement within its hold messaging. All customers who called Council heard the announcement	

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Table 2: Phase 2 Engagement methods

DATE	METHOD	PARTICIPATION
 Online Survey	Survey Monkey https://www.surveymonkey.com/r/rateriseoptions Open 14 September – 12 October 2022	671 surveys completed 883 comments
 Community drop in sessions	Sunset Cinema <ul style="list-style-type: none"> Raymond Terrace 27 September 2022 Medowie 29 September 2022 Nelson Bay 1 October 2022 	17 total attendees <ul style="list-style-type: none"> 5 attended 7 attended 5 attended
	Port Stephens Visitor Information Centre <ul style="list-style-type: none"> 4 October 2022 	<ul style="list-style-type: none"> 12 attended
	Shopping Centres <ul style="list-style-type: none"> Salamander Bay 4 October 2022 Raymond Terrace 6 October 2022 Medowie 6 October 2022 	26 total attendees <ul style="list-style-type: none"> 10 attended 4 attended 12 attended
	Special Interest Groups <ul style="list-style-type: none"> Wahroonga Aboriginal Corporation 12 September 2022 Tilligerry Community Association 28 September 2022 Karuah LALC 4 October 2022* <i>*emergency cancellation, reschedule attempted</i> Soldiers Point Community Association 4 October 2022 Voices Of Wallalong/Woodville 5 October 2022 Shoal Bay Community Association 10 October 2022 Tomaree Ratepayers and Residents Association 10 October 2022 	95 total attendees <ul style="list-style-type: none"> 3 attended 12 attended Cancelled 19 attended 14 attended 21 attended 26 attended
 Key stakeholder meetings		
 Interactions	Interactions include counter enquiries, phone calls, or emails where a ratepayer has requested more information.	16 interactions

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Key findings – Phase 2

The Rate rise options communication and engagement program had a community awareness reach of 83999 and participation of 7819. Participation is any time people have actively done something to be part of the engagement. This can be completing the online survey, visiting the website for more information, clicking or liking a social media post, attending a community information session or contacting Council to ask questions or find out more.

Key Themes

A number of key themes came out of community input across all engagement opportunities including the online survey comments, community drop in sessions, special interest group presentations and Council interactions. As the engagement for Phase 2 is tied to the fiscal relationship between the community and Council, being that landowners in the LGA pay rates and then Council uses those rates to provide services, the key themes were also a reflection of this. The themes encompassed the community's understanding of the Special Rate Variation application process and ratepaying in general, as well as the affordability of a proposed rate rise during a time where the cost of living is also rising. They also explored Council's financial accountability and the service levels that were currently provided and how this should change should a SRV be approved. The key themes include:

1. Level of understanding

Initially this theme was tied solely to the understanding of complex local government financial matters, but during the exhibition period, it grew to also include the community's understanding of the engagement process, specifically looking at the short survey and how it was structured. From a financial point of view, this included the understanding of rates in general, rating inequities, rate valuations and the 'rate pie', developer contributions and grant funding and how that differs from rating income, and state legislation. With regards to the survey, this theme encompassed understanding around the questions being asked, how they were being asked and the order they were being asked in.

Some participants expressed concern with the directness of the rate option questions. Some voiced their displeasure that there weren't more options to choose from or that there wasn't an option to choose 'No rate rise' in Question 1. A 'No rate rise' option was part of a later question (Question 3) and the survey was designed this way to give participants understanding of the rate rise options up front.

2. Efficiency and cost containment

Efficiency and cost containment relates to directly to Council spending. This included cutting costs and looking at internal savings and efficiency measures. It covered the lack of trust in Council financial management and modelling and the community asking for accountability for perceived economic mismanagement. Often participants were asking Council to 'live within their means', cut staff or salaries or to sell the Mayor's car.

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3. **Affordability**

This theme focused on the community themselves and whether or not they could afford a rate rise on top of the growing cost of living. It included financial hardship and economic factors, especially for fixed income rate payers. It also demonstrated that there was a lack of awareness around the options for ratepayers who were experiencing financial difficulties.

4. **Service levels**

Service levels has been a key theme across all recent engagements with our community, not just during Phase 2, 'Rate Rise Options'. Within Phase 2 participants were opposing service level priorities, wanting more services but being unwilling to pay for them, sections of the community feeling that their locality is ignored or that services are always provided elsewhere; and explaining their preference for the allocation of surplus funds should a rate increase be applied. During the exhibition period, 'Roads' was identified as a subset of this theme. Many members of the community across the short survey, social media and community sessions identified this as a priority.

5. **SRV option preference explanation**

This theme was tied to positive responses from the community and where they could identify the benefit of a rate rise and the impact it would have on the service levels provided by the council. This included explanations for their choice of SRV (single year vs multi-year), as well as justification for the division of surplus and their decision to support a rate increase.

All comments from questions 1- 3 in the short survey were coded using the themes above. When coding the comments there were a number deemed as 'Miscellaneous'. This was because the comments were inappropriate or of a personal nature, were singular and non-repetitive, they didn't make sense or didn't offer an explanation for their decision that aligned with the key themes (e.g. 'No rate rise' or 'I agree').

Short survey

After using the more extensive survey during Phase 1, a short survey was created in SurveyMonkey to clarify participants' views on the narrowed down scenarios by streamlining the process to just three questions (excluding demographic questions). Each question provide the opportunity for the respondent to also leave a comment. Paper copies of the survey were made available at Council libraries and the Council administration building for those without online access.

The survey had a total of 671 responses with 883 comments provided. Of those that completed the survey, 48% were male and 47% were female. The majority of participants were ratepayers living in Port Stephens (92%), while ratepayers living outside the LGA were the second-highest polling group at 4%. 53% of respondents found out about the survey from social media, with direct email (27%) and media such as papers and radio (17%) other popular methods of communication.

The full survey report and survey comments can be viewed in Appendices C and D.

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Question 1 – Rate rise option preference

The first question in the survey sought to understand the community's preference between two different rate rise scenarios that had been streamlined from five original options during the Phase 1 survey process. Respondents were asked to choose between a Single Year Scenario of 26% or a Multi-Year Scenario of 10.5% per year (34.92% cumulatively), with results showing a preference for the Single Year Scenario, with 61% in favour. (Figure 1.)

Drawing on the comments, there seemed to be a misunderstanding about the purpose of the question and how it fit into the survey as a whole. There was an underlying sentiment that the question was leading and did not provide the option to say no to a rate rise, or that by answering the question the respondent was in favour of raising rates. This was not the intention, but instead the two options were laid out in the initial stages to provide greater understanding to aid in answering Question 3, where respondents could choose between a rate rise or reduced services. The language stated "IF" Council was to apply for a Special Rate Variation and not when, seeking preference rather than level of support. The number of comments per theme can be viewed in Table 3 below.

Table 3: Question 1 comments

Key Themes from 327 comments*					
Level of Understanding	Efficiency and Cost Containment	Affordability	Service Levels	Roads	SRV preference explanation
77	100	61	63	46	43

*comments can include more than 1 theme

Figure 1: Short Survey – Question 1 results



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Question 2 – Distribution of funds

Question 2 was a Likert scale that asked respondents about how supportive they were of the proposed distribution of extra funds, should a rate rise occur. The community was generally in favour of the financial disbursement (54%) with 22% 'very supportive' and 32% 'supportive' of the split. (Figure 2) Conversely, 26% were against the proposal, 9% being 'opposed' and 17% 'very opposed'. 19% of respondents were unsure of how they felt about it.

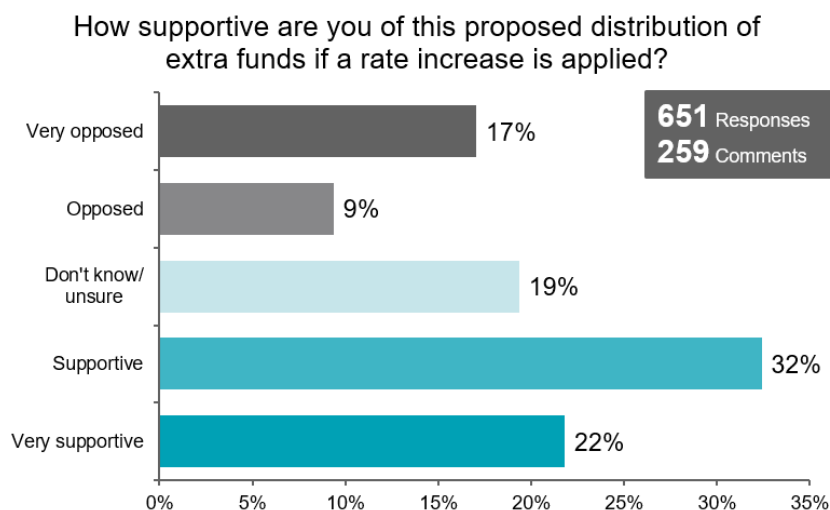
Because of the nature of this question, the comments were heavily weighted towards service levels and what the Council was providing for the rates that were paid. The comments regarding service levels were generally around two main themes. Either the community were critical of the services in their local area (or comparing their locality to other parts of the LGA) or they were critical of the roads and road maintenance. Those that didn't identify roads as our main priority listed the natural environment as their biggest concern. The number of comments per theme can be viewed in Table 4 below.

Table 4: Question 2 comments

Key Themes from 259 comments*					
Level of Understanding	Efficiency and Cost Containment	Affordability	Service Levels	Roads	SRV preference explanation
35	50	10	139	111	10

*comments can include more than 1 theme

Figure 2: Short Survey – Question 2 results



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Question 3 – Rate rise or reduced services

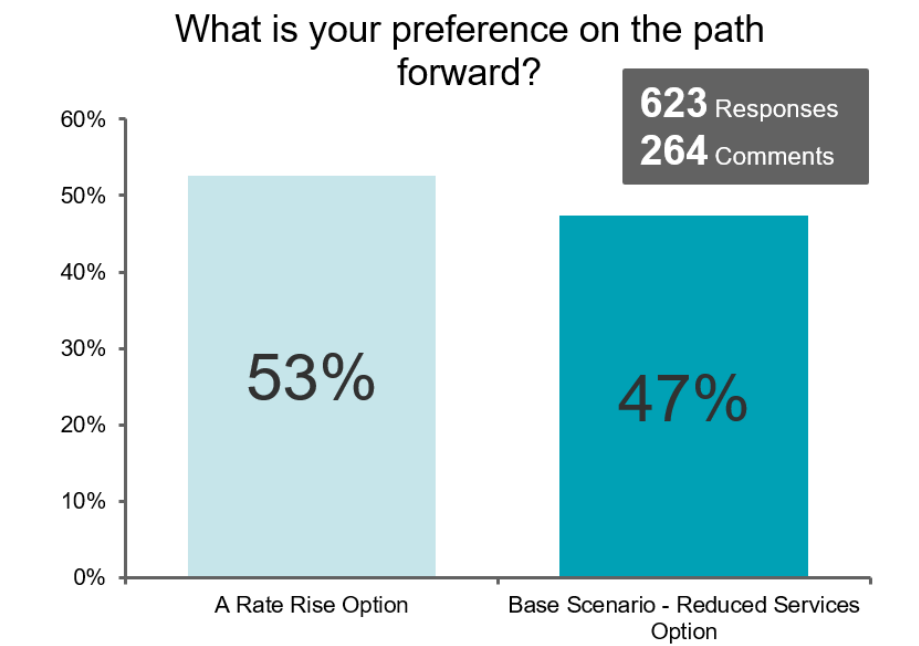
Question 3 was the most direct about the financial future of Council. It asked whether the community wanted to pursue a rate rise option or a reduced services option. Over half of all respondents (53%) were in favour of a rate rise and the benefits that increased income would bring. (Figure 3) Analysis of the comments revealed that respondents who were against the rate rise (47% of responses) were almost twice as likely (1.75x) to comment, resulting in the written sentiment trending towards the negative.

Table 5: Question 3 comments

Key Themes from 264 comments*					
Level of Understanding	Efficiency and Cost Containment	Affordability	Service Levels	Roads	SRV preference explanation
71	106	19	59	42	24

*comments can include more than 1 theme

Figure 3: Short Survey – Question 3 results



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Community drop in sessions and special interest group meetings

Table 6 and 7 below show participant numbers at both drop in sessions and group meetings.

Table 6: Community drop in sessions

Location	Date	Attendance
Sunset Cinema – Raymond Terrace	27 th September 2022	5
Sunset Cinema – Medowie	29 th September 2022	7
Sunset Cinema – Nelson Bay	1 st October 2022	5
Shopping Centre – Salamander Bay	4 th October 2022	10
Shopping Centre – Medowie	6 th October 2022	12
Shopping Centre – Raymond Terrace	6 th October 2022	4
Visitor Information Centre – Nelson Bay	4 th October 2022	12

Table 7: Special interest group meetings

Location	Date	Attendance
Wahroonga Aboriginal Corporation	12 th September 2022	3
Tilligerry Community Association	28 th September 2022	12
Karuah Local Aboriginal Land Council	Cancelled due to emergency	
Soldiers Point Community Association	4 th October 2022	19
Voice of Wallalong/Woodville	5 th October 2022	14
Shoal Bay Community Association	10 th October 2022	21
Tomaree Ratepayers and Residents Association	10 th October 2022	26

Across both the community drop-in sessions and the meetings with special interest groups, found a lot of feedback focused more on how services provided by Council would be affected by the proposed rate rise rather than the actual rate rise itself. Issues that arose were locally focused, specific to the location and residents where the face-to-face session was being held. Some of the specific issues to be raised included Air BnBs, Place Plans, Brandy Hill Quarry, Little Beach amenities, tourism, boatramps and Smart Parking. There were also broader questions across the community that were raised at a number of meetings. These ranged from climate change and the natural environment, over-development, over 55s living and land revaluations.

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.**Interactions**

Council received 16 interactions representing every instance a community member contacted Council, regarding Rate rise options. This includes interactions such as phone calls acknowledging the receipt of the Rate rise options direct email, request to view the hard copy IP&R documents, and information requests regarding the engagement methods. Interactions are classified separately from formal submissions.

With survey respondents being able to comment on each financial sustainability question, we did find some overlap between the issues to be raised by the community in face-to-face meetings and the issues raised by the community who took part in the survey. The strongest correlation between these two engagement methods occurred around the natural environment in Port Stephens, as well as development (or over-development) and how rates are assessed for Over 55s living.

Across all forms of engagement the most discussed topic was roads and potholes. Whether it was a drop-in session, a community meeting or the survey, it was clear that the community's biggest concern was the state of the road network in the Port Stephens LGA. Professional discourse with colleagues from Communications and Engagement teams within nearby councils reveals a similar story, with unprecedented weather events causing widespread damage and making repairs for Council teams difficult.

It is important to note that the Rate Rise Options communications and engagement program remained agile and responsive to community needs throughout phase 2, as it had during phases 0 and 1. Comments and questions raised in the community information sessions, social media posts and online survey comments were monitored and responded to publically through a number of channels. These included updating factsheets, creating videos and answering questions and comments on Rate Rise Option posts on Facebook.

On top of this, IPART announced a change to the rate cap from 2.5% to 4.4% during public exhibition, which wouldn't change the overall rate for the Special Rate Variation application but would mean the rate cap will make up a larger proportion of the overall special rate. We moved quickly to create a video featuring the General Manager to explain this change and that it would not impact the total amount that Council was applying for.

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Council received in total 138 submission from the period of the 13th of September 2022 to the 12th of October 2022 relating to the Rate Rise Options engagement and the draft Integrated Planning and Reporting documents revised for a Special Rate Variation. Of the submissions, 58 were from individuals, 1 from a community association group and 78 were petition style submission in which an individual put their name and address to. Most of the submissions were emailed directly to the generic council information address however some were in response to direct emails sent as per the engagement plan to raise awareness.

The common themes from the submissions included concerns around the affordability of a rate increase, Council's efficiency and cost containment measures, council's expenditure on capital projects and not focussing on core maintenance services, as well as suggestions for raising revenue through other measures, such as separately rating over 55's lifestyle villages and increasing fees for developers. Noting that there were some submissions that acknowledged Council's need for raising rates, its efforts in raising awareness and engaging with the community as well a few submission suggested a smaller increase would be more tolerable.

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Appendix A

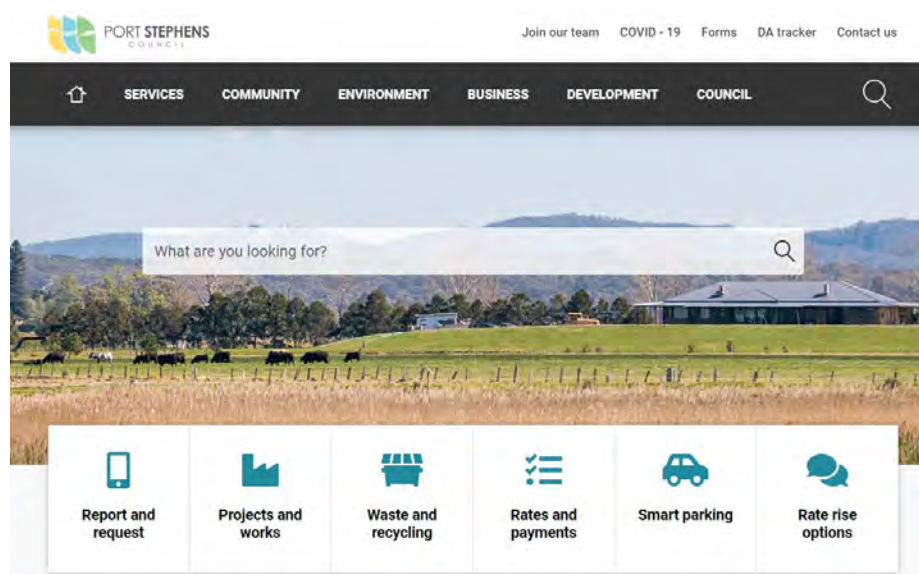
Communication Methods – Phase 2

Project webpage

Rate rise options dedicated website page

www.portstephens.nsw.gov.au/council/rate-rise-options

Rate rise options page promoted to home page via quick access bar

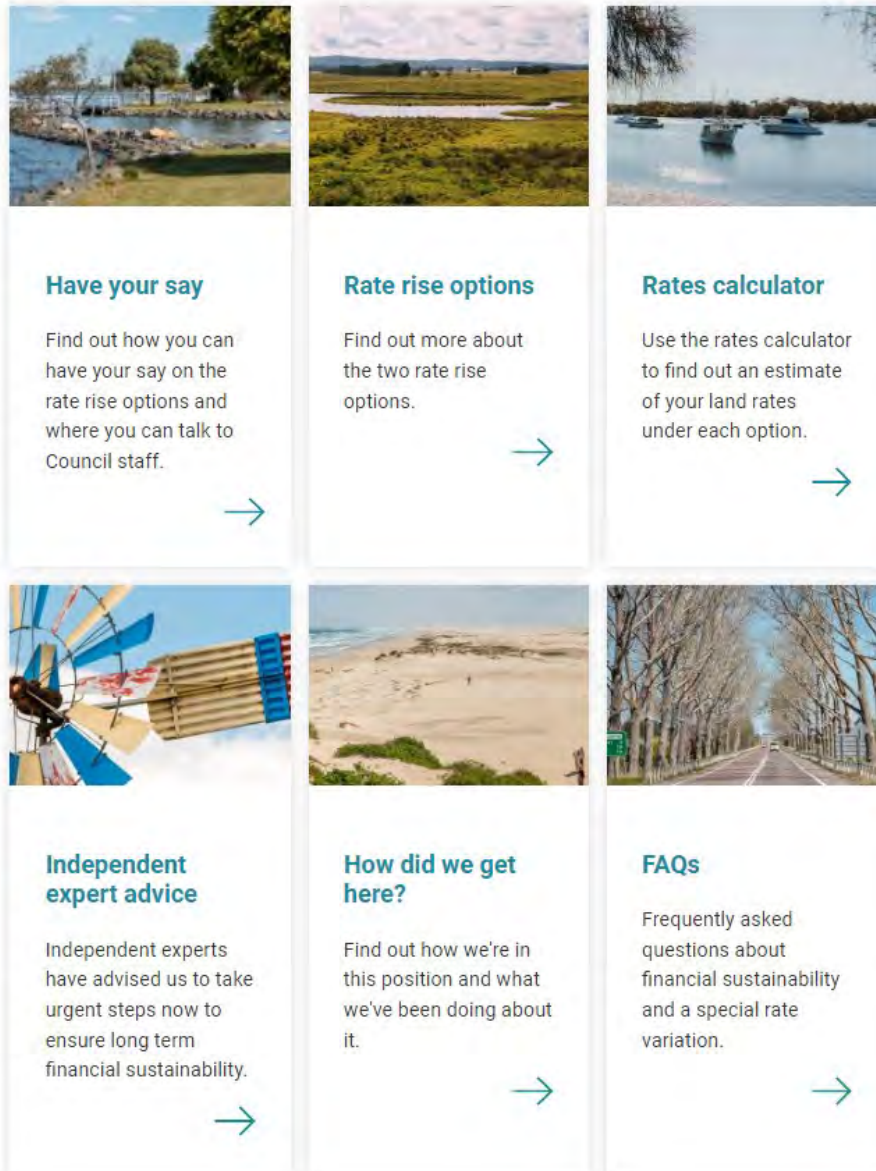


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Website page included:

Introduction, general information, media release, webinar from Chief Financial Officer, webinar from independent experts, FAQs, details of community drop in sessions.



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Rates calculator

<https://forms.portstephens.nsw.gov.au/RunForm.aspx?formId=2654>

PORT STEPHENS COUNCIL

Rate Rise Options - Rates Calculator

IMPORTANT: The Rates Calculator works best with a Desktop/Laptop Computer OR Tablet.
For Mobiles, enter the required information, scroll to the bottom and follow the instructions to download a PDF copy of the results.

This tool has been designed to show you the impact of each of the proposed Special Rate Variation Options based on your individual land value. All you need to do is select your rating category and enter your land value, both of which are located on your rates notice (example provided below) or please call Council for assistance.

Land Category:

Land Value:

RATE NOTICE EXAMPLE

Assessment No: 01/07/2022 to 30/06/2023
Rating Year: 13/07/2022
Issue Date: RESIDENTIAL
Land Category: 278000
Land Value: 1/07/2019
Value Rise Date:
Description and Location of Property Rated

1ST INSTALMENT	
Amount Payable:	
Due Date:	31/08/2022

No further notice will be sent for 1st instalment

LEVY DETAILS	VALUE/NO	RATE/CHARGE	LEVY
Residential Rate	278,000.00	0.00296800	\$797.30
Residential Base Amount	1.00	400.00	\$400.00
Waste Management Charge	1.00	110.00	\$110.00
Domestic Waste Management Service Charge	1.00	500.00	\$500.00
Hunter Catchment Contribution	278,000.00	0.00000770	\$21.16
On-Site Sewage Management Renewal Fee	1.00	140.00	\$140.00
Totals			\$1,877.46

DISCLAIMER
The above estimate is for ordinary rates and does not include domestic waste/waste management or waste service charges, on-site sewage management renewal fees or Hunter Local Land Services catchment contributions. The land value shown on your 2022-2023 rate notice has a base date of 01/07/2019. Rates will be calculated for Year 1 (2023-2024), Year 2 (2024-2025) and Year 3 (2025-2026) using 01/07/2022 base date land values. The NSW Valuer General has not yet provided 01/07/2022 land values to Council. Rates will be calculated for Year 4 (2026-2027) using 01/07/2025 base date land values that are also unavailable at this time. For this reason the rates calculations are an estimate only using the best information currently available to Council and rates levied may vary from this estimate depending upon changes in your land value compared to your Rate Category average. General revaluations performed by the NSW Valuer General do not result in any increase to Council rate income. Total rate income increases are pegged by (PART) Council is required to reduce the rate in the dollar if general revaluation total land value increases would result in a total rate income increase exceeding the rate peg.

PERMANENT IN NATURE
The proposed SRV options are to be retained permanently in the rate base.
In the year following the end of the SRV and in future years, the rate peg percentage increase will apply to the increased rate level from the SRV, and not return to the rate level with the rate peg only.
This means rates will stay at the increased level and then only increase by the rate peg percentage after the SRV period finishes.

WOULD YOU LIKE A COPY OF THIS INFORMATION?
1. Click the 'I am not a robot' box
2. Press 'Submit'
3. Download a PDF copy of this information on the next page.

☐ I'm not a robot

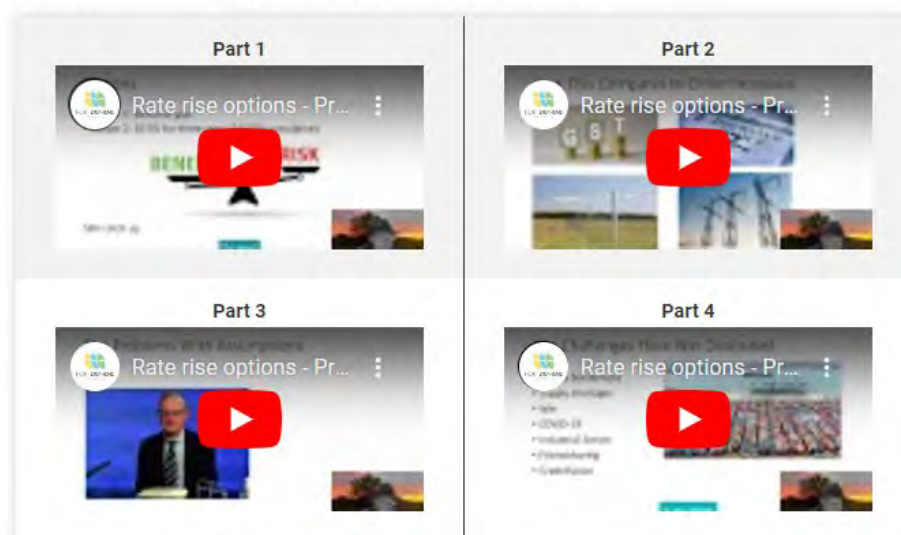
ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.**Independent Expert Advice**

<https://www.portstephens.nsw.gov.au/council/rate-rise-options/independent-advice>

To help us best understand our financial situation, Council appointed independent experts to analyse our long term financial position. Through a number of reports Professor Brian Dollery and Professor Joseph Drew identified that Council is not financially sustainable. Council needs to urgently take steps now to ensure it's financially sustainable in the long term.

The independent reports were presented to Councillors in March 2022, leading them to a number of workshops, taking an in depth look at Council's finances.

[View the independent experts' summary webinar and recommendations.](#) →

Independent expert information videos

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Summary Report	+
Report 1: Financial Sustainability	+
Report 2: Capacity to Pay	+
Report 3: Efficiency Report	+
Report 4: Debt Capacity	+

You can view a number of other webinars by Professor Joseph Drew on financial sustainability and local government [here](#).

This is a really important decision for our community. Let us know your thoughts through the [online survey](#).

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Land Revaluations Explanation Video

<https://www.portstephens.nsw.gov.au/council/rate-rise-options/faqs>

The Frequently Asked Questions (FAQs) page was updated to reflect the changes in Phase 2

FAQs



Land revaluations and the rate cap



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Fact Sheet

<https://www.portstephens.nsw.gov.au/trim/other?RecordNumber=22%2F255853>

The fact sheet was updated after the Phase 0 and 1 engagement and to reflect the name change following the council resolution. It was available on the Rate Rise Options webpage, as well as internally on the MyPort SharePoint page.



Rate rise options
Striking a balance between the needs of our community and Council's funded future

Base scenario	Single year scenario	Independent scenario
standard 2.5% unsustainable	rate increase 26% one year	rate increase 10.5% for 3 years

For the past month, we have been talking to residents across Port Stephens about Council's financial position and how we can turn this around. We have presented five rate rise options and asked for feedback on how best to move forward. This has helped us drill down to two options which we have incorporated into our statutory planning documents. At its meeting on 13 September 2022, Council agreed to place the draft Integrated Planning and Reporting documents on public exhibition which includes modelling of two potential rate rise options. This gives our community further opportunity to give feedback on how to strike the balance between increasing costs and decreasing revenue.

What are the scenerios?

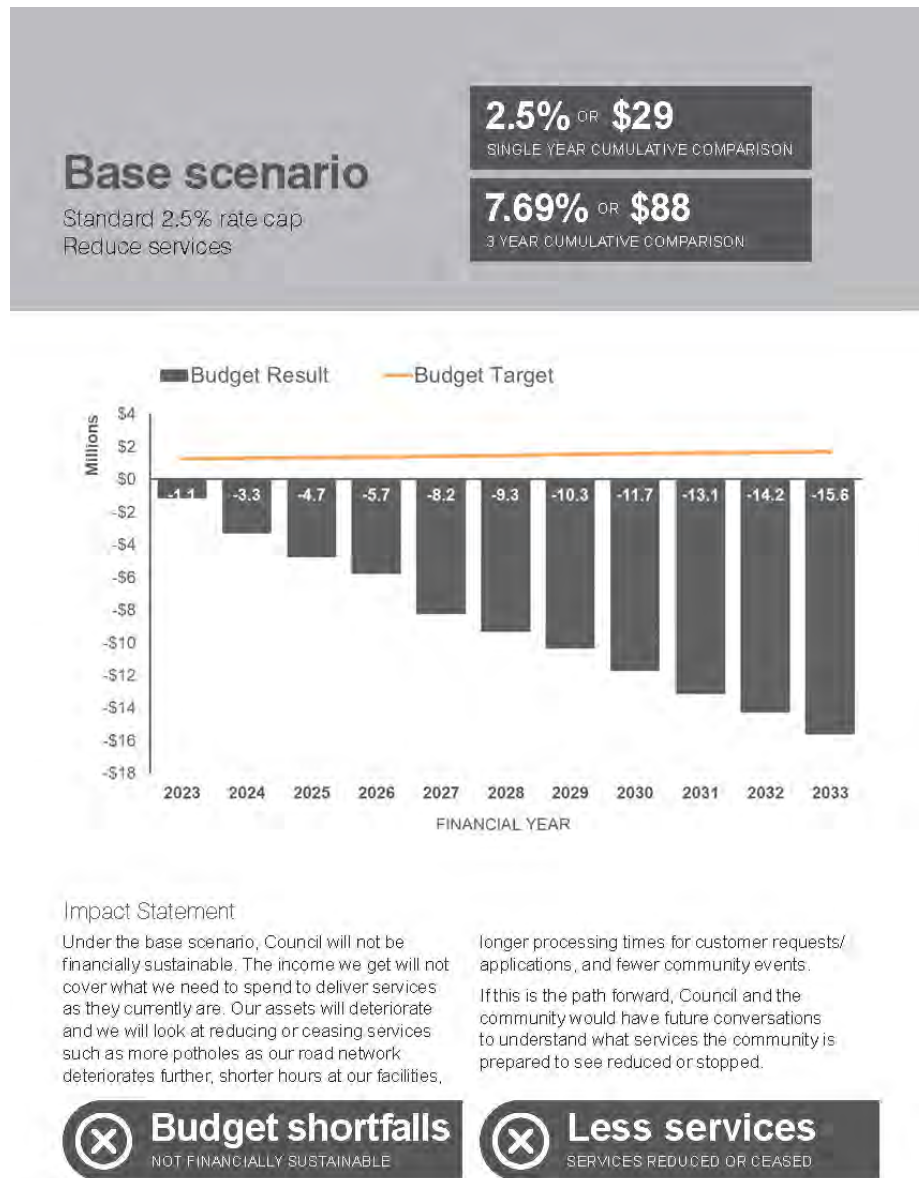
In recent months we have been talking with our community about Councils financial position and how we can turn this around. The feedback received showed support for both a rate increase with enhanced services and reduced services. Council is seeking feedback on three scenarios

- Base scenario – a rate rise only in line with the rate cap (2.5%) and reduced service levels across a range of council services.
- Single Year Scenario – a 26% increase for a single year, being 2023 to 2024 only.
- Independent Recommendation Scenario – a cumulative increase of 34.92%, being a 10.5% increase for 3 consecutive years 2023 to 2024 and 2025 to 2026.

Port Stephens Council | Rate rise options - Fact Sheet 1

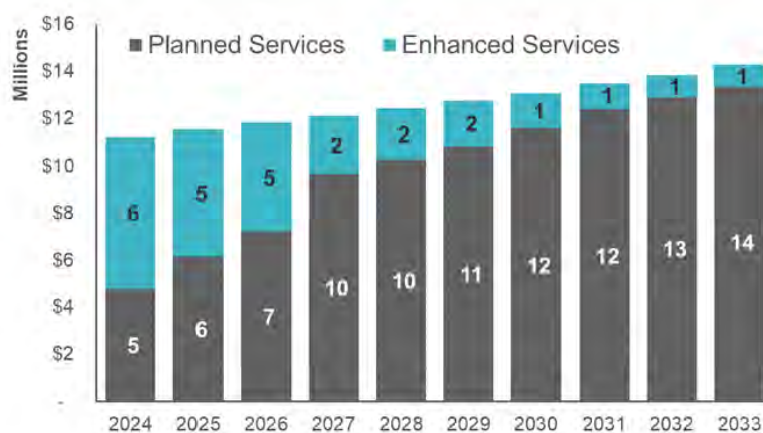
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Impact Statement

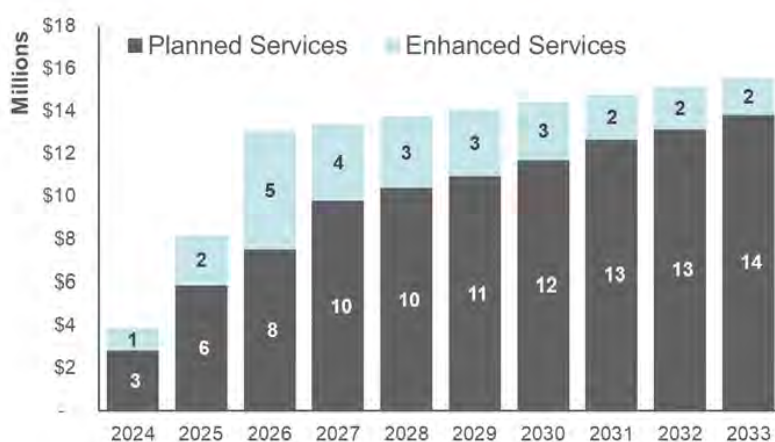
Under the Single Year scenario, ratepayers would pay more up front but less over time. Council would achieve a balanced budget in one year. The majority of the income generated from the rate rise will be used to fund existing services at current levels, ensuring Council remains financially sustainable.

We would be able to immediately deliver improvements to our services. Income generated above a balanced budget would be proposed to be spread across fixing our roads, looking after our public space and protecting our nature environment, waterways and foreshores.



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Impact Statement

Under the Independent Recommendation scenario, ratepayers pay less each year but more over time. Council would reach its target budget in 3 years. The majority of the income generated from the rate rise will be used to fund existing services at current levels, ensuring Council remains financially sustainable.

The community would see a gradual enhancement of services. Income generated above a balanced budget would be proposed to be spread across fixing our roads, looking after our public space and protecting our nature environment, waterways and foreshores.



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Independent scenario

Funds



Fixing the budget, delivering planned services

\$99 million over 10 years

Current levels of services to stay
Delivering planned services as outlined in the CSP



Below enhancements gradual as SRV funds builds up



Fixing our roads

\$14 million over 10 years

Targeting roads with a high number of reoccurring potholes



Protecting our natural environment

\$5 million over 10 years + continued funding

Dedicated recurrent works focused on protecting and enhancing our natural environment



Looking after our waterways and foreshores

\$5 million over 10 years + continued funding

Dedicated recurrent maintenance works focused on proactively looking after our waterways and foreshores across Port Stephens



Looking after our public space

\$3 million over 10 years

Fixing defects throughout our community buildings, and replacing lighting with more energy-efficient LED globes

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How do I have a say?

You can have your say from 14 September to 12 October 2022.

- Complete the short survey on our website or in person at your local library or Council administration building
- Provide a written submission (including email) to the General Manager

Attend one of our community drop in sessions:

Date	Time	Where
Tue 27 Sep 2022	From 5pm	Sunset Cinema Series – Riverside Park, Raymond Terrace
Thur 29 Sep 2022	From 5pm	Sunset Cinema Series – Boyd Oval, Medowie
Sat 1 Oct 2022	From 5pm	Sunset Cinema Series – Apex Pak, Nelson Bay
Tue 4 Oct 2022	3pm to 4pm	Port Stephens Visitor Information Centre
Tue 4 Oct 2022	4:30pm to 5:30pm	Salamander Bay Shopping Centre
Thur 6 Oct 2022	9am to 10am	Raymond Terrace MarketPlace
Thur 6 Oct 2022	11am to 12pm	Medowie - Shopping Village



portstephens.nsw.gov.au/rate-rise-options
 Visit your local library or Council administration building
 02 4988 0255
rateriseoptions@portstephens.nsw.gov.au



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Base - Rate Cap 2.5%

Year 1	Year 2	Year 3	Cumulative Increase
2.5%	2.5%	2.5%	7.7%

Council assumes and applies a regular 2.5% increase to rates under the current rate capping regime.

Average Residential Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average residential rate under assumed rate peg of 2.5% pa	\$1,148	\$1,177	\$1,206	\$1,236	\$88
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%

Average Farmland Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average farmland rate under assumed rate peg of 2.5% pa	\$1,934	\$1,982	\$2,032	\$2,083	\$149
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%

Average Business Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average business rate under assumed rate peg of 2.5% pa	\$4,889	\$5,011	\$5,136	\$5,264	\$375
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%

Average Residential Williamstown Primary Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average residential WP rate under assumed rate peg of 2.5% pa	\$690	\$707	\$725	\$743	\$53
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%

Average Residential Williamstown Secondary Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average residential WS rate under assumed rate peg of 2.5% pa	\$740	\$759	\$778	\$797	\$57
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%

Average Residential Williamstown Broader Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average residential WB rate under assumed rate peg of 2.5% pa	\$906	\$929	\$952	\$976	\$70
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Single Year

Year

1

26%

The proposed SRV is to be retained permanently in the rate base. In the year following the end of the SRV and future years, the rate peg percentage increase will apply to rate levels with the SRV, and not to the rate level with the rate peg only. This means rates will stay at the increased level and only increase by the rate peg percentage after the end of the SRV period.

Average Residential Rate	Base Year	Year 1	Cumulative Increase
Average residential rate under assumed rate peg of 2.5% pa	\$1,148	\$1,177	\$29
Average residential rate with an SV of 26% in first year	\$1,148	\$1,446	\$298
Difference between SV and rate-peg-only scenarios			\$269

Average Farmland Rate	Base Year	Year 1	Cumulative Increase
Average farmland rate under assumed rate peg of 2.5% pa	\$1,934	\$1,982	\$48
Average farmland rate with an SV of 26% in first year	\$1,934	\$2,437	\$503
Difference between SV and rate-peg-only scenarios			\$455

Average Business Rate	Base Year	Year 1	Cumulative Increase
Average business rate under assumed rate peg of 2.5% pa	\$4,889	\$5,011	\$122
Average business rate with an SV of 26% in first year	\$4,889	\$6,160	\$1,271
Difference between SV and rate-peg-only scenarios			\$1,149

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Independent Recommendation

Year 1	Year 2	Year 3	Cumulative Increase
10.5%	10.5%	10.5%	34.9%

The proposed SRV is to be retained permanently in the rate base.

In the year following the end of the SRV and future years, the rate peg percentage increase will apply to rate levels with the SRV, and not to the rate level with the rate peg only. This means rates will stay at the increased level and only increase by the rate peg percentage after the end of the SRV period.

Average Residential Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average residential rate under assumed rate peg of 2.5% pa	\$1,148	\$1,177	\$1,206	\$1,236	\$88
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%
Average residential rate with an SV of 10.5% p.a. for 3 years	\$1,148	\$1,269	\$1,402	\$1,549	\$401
Annual increase with SV (%)		10.5%	10.5%	10.5%	34.9%
Cumulative impact of SV above base year levels		\$121	\$254	\$401	
Cumulative difference between SV and rate peg-only scenarios		\$92	\$196	\$313	

Average Farmland Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average farmland rate under assumed rate peg of 2.5% pa	\$1,934	\$1,982	\$2,032	\$2,083	\$149
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%
Average farmland rate with an SV of 10.5% p.a. for 3 years	\$1,934	\$2,137	\$2,361	\$2,609	\$675
Annual increase with SV (%)		10.5%	10.5%	10.5%	34.9%
Cumulative impact of SV above base year levels		\$203	\$427	\$675	
Cumulative difference between SV and rate peg-only scenarios		\$155	\$329	\$526	

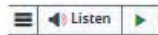
Average Business Rate	Base Year	Year 1	Year 2	Year 3	Cumulative Increase
Average business rate under assumed rate peg of 2.5% pa	\$4,889	\$5,011	\$5,136	\$5,264	\$375
Annual increase rate peg (%)		2.5%	2.5%	2.5%	7.7%
Average business rate with an SV of 10.5% p.a. for 3 years	\$4,889	\$5,402	\$5,969	\$6,596	\$1,707
Annual increase with SV (%)		10.5%	10.5%	10.5%	34.9%
Cumulative impact of SV above base year levels		\$513	\$1,080	\$1,707	
Cumulative difference between SV and rate peg-only scenarios		\$391	\$833	\$1,332	

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND
ENGAGEMENT REPORT.

Rate Rise Options Webinar

<https://www.portstephens.nsw.gov.au/council/rate-rise-options/rate-rise-options>

Rate rise options



What are the rate rise options?

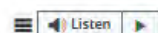


ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.**Integrated Planning & Reporting Documents**

<https://www.portstephens.nsw.gov.au/council/public-exhibitions/current-public-exhibitions>

Current public exhibitions

There are many ways to have your say on issues that affect you. Provide feedback on formal public exhibitions and have your say on community consultation projects below.



These are policies, strategies and plans that are available for comment by the public:

Code of Conduct**Draft Revised Integrated Planning and Reporting Documents – Revised for a Special Rate Variation**

At its meeting on 13 September 2022, Council endorse to place the draft revised Integrated Planning and Reporting documents on public exhibition for a period of 28 days. The draft documents have been revised for 2 options for a Special Rate Variation.

The documents will be on exhibition from **14 September 2022 to 12 October 2022**.

Submissions are invited and can be lodged, in writing (including email) with the General Manager up until 5.00pm on 12 October 2022 quoting file number PSC2021-02359-002

Please note, submissions may be made in any format, which is able to be sent via email and is less than 10mb in size.

This may include a video file or audio voice recording in addition to more traditional written format.

- [Draft Port Stephens Delivery Program 2022 to 2026 and Operational Plans 2022 to 2023 \(PDF 34 MB\)](#)
- [Draft Port Stephens Resourcing Strategy 2023 to 2033 \(PDF 26 MB\)](#)

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND
ENGAGEMENT REPORT.

Delivery Program
2022 to 2026
and Operational Plan
2023 to 2024



DRAFT



Resourcing Strategy
2023 to 2033 DRAFT



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Media releases and associated media

Media releases from Port Stephens Council

14 September 2022

Rate rise options proposed for Port Stephens

<https://www.portstephens.nsw.gov.au/council/news/2022/rate-rise-options-proposed-for-port-stephens>

Article – Port Stephens Examiner Thursday 22 September page 3

portstephensexaminer.com.au Thursday September 22, 2022 PORT STEPHENS EXAMINER 3

NEWS

Two rate rise options tabled

OUR FUTURE
BY MATT CARR

A QUARTER now or a third later? It's the question facing Port Stephens ratepayers after the council narrowed down the options for its looming rate rise.

Ratepayers face either a one-off 26 per cent jump from July 1 next year, or three consecutive 10.5 per cent rises for a higher overall jump under the proposals detailed in documents now on public exhibition.

Port Stephens Council's new general manager, Tim Crossdale, said putting the documents on public display would allow ratepayers to provide feedback on how they want the council to balance decreasing revenue and rising costs.

"We know from our engagement to date that our community supports a financially sustainable council," he said. "We also know that there's a good understanding that our low residential rates can't continue to support the level of services we offer."

"For the past month, we've been talking to residents across Port Stephens. We've presented five rate options and asked for feedback on how best to move forward. This has helped to drill down to two options that we've incorporated into our statutory planning documents."

Councillors endorsed placing the draft Integrated Planning and Reporting documents, which include modelling of a potential rate rise, on public exhibition at the September 13 meeting of council.

The two options are a single-year scenario that would include a 26 per cent jump in rates, or an independent recommendation scenario that would deliver a 34.52 per cent rise spread out as 10.5 per cent annually over three years. Both options would kick in from July 1 next year, and include the standard annual rate cap which sits at 2.5 per cent.

The council's chief financial officer, Tim Hazell, said both options had merits.

"Under the Single Year Scenario, ratepayers would pay more up front but less over time. Council would achieve a balanced budget in one year," he said. "We'd be able to immediately deliver improvements to our services."

"Under the independent recommendation scenario ratepayers pay less each year but more over time. Council would reach its target in three years and the community would see a gradual enhancement of services."

"Both options see the predicted budget shortfall eliminated and provide additional funds for enhanced services," Mr Hazell said. The extra cash raised in the rate rise would allow spending on the community priorities the council had been hearing about such as "road maintenance, condition of our public spaces, and protecting our waterways and natural environment".

Mayor Ryan Palmer said the council was under no illusion that it would be easy for ratepayers to foot the bill.

"As part of the planning documents we've also proposed a range of additional affordability measures to support those most vulnerable," he said.

"The community can have their say from September 14 via a short survey, written submission or by attending one of the many face to face drop in sessions held across Port Stephens."

The draft Integrated Planning and Reporting documents went on exhibition on September 14 and will remain available to view until 5pm on October 22.

Residents can view the documents and complete a survey about the options at portstephens.nsw.gov.au/rate-rise-options.



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.**Article – Port Stephens Examiner online Wednesday 12 October**

<https://www.portstephensexaminer.com.au/story/7939049/port-stephens-rate-rise-last-day-to-have-your-say/>

Our Future

Port Stephens Council 2023 rate rise proposals: two options on public exhibition until October 12

By Ellie-Marie Watts, and Matt Carr

Updated October 12 2022 - 10:40am, first published 10:29am



Port Stephens mayor Ryan Palmer said the documents on public exhibition also include affordability measures for ratepayers to cope with the extra cost.

A quarter now or a third later? It's the question facing Port Stephens ratepayers after the council narrowed options for its looming rate rise.

Ratepayers face either a one-off 26 per cent jump from July 1 next year, or three consecutive 10.5 per cent rises for a higher overall jump under the proposals detailed in documents now on public exhibition.



A quarter now or a third later? It's the question facing Port Stephens ratepayers after the council narrowed options for its looming rate rise. Ratepayers face either a one-off 26 per cent jump from July 1 next year, or three consecutive 10.5 per cent rises for a higher overall jump under the proposals detailed in documents now on public exhibition.

The council's new general manager, Tim Crosdale, said putting documents including the options on public display would let ratepayers weigh in on how the council should balance decreasing revenue and rising costs.

"We know from our engagement to date that our community supports a financially sustainable council," he said.

"We also know that there's a good understanding that our low residential rates can't continue to support the level of services we offer.

"For the past month, we've been talking to residents across Port Stephens. We've presented five rate options and asked for feedback on how best to move forward.

"This has helped us drill down to two options that we've incorporated into our statutory planning documents."

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

The 10.5 per cent option was recommended by an external advisor. Both plans include the annual rate cap, which sits at 2.5 per cent and is under review.

The council's chief financial officer, Tim Hazell, said both options had merits.

"Under the single year scenario, ratepayers would pay more up front but less over time. Council would achieve a balanced budget in one year," he said.

"We'd be able to immediately deliver improvements to our services.

"Under the independent recommendation scenario, ratepayers pay less each year but more over time. Council would reach its target in three years and the community would see a gradual enhancement of services.

"Both options see the predicted budget shortfall eliminated and provide additional funds for enhanced services.

Mr Hazell said the extra cash reaped in the rate rises would allow spending on "the community priorities we've been hearing like road maintenance, condition of our public spaces, and protecting our waterways and natural environment".

Tomaree Ratepayers and Residents Association spokesman Geoff Washington said the group, which opposed the council's last bid for a rise, felt there was more justification behind this push but would consult with its members about the two specific options.

Mayor Ryan Palmer said the council was under no illusion that it would be easy for ratepayers to foot the bill.

"As part of the planning documents we've also proposed a range of additional affordability measures to support those most vulnerable," Mayor Palmer said.

"The community can have their say from 14 September via a short survey, written submission or by attending one of the many face to face drop in session held across Port Stephens."

The Integrated Planning and Reporting documents are on exhibition until 5pm on Wednesday, October 12.

Submissions can be lodged in writing (including email) with the General Manager quoting file number PSC2021-02359-002: council@portstephens.nsw.gov.au

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Paid advertisement

22 September 2022, Port Stephens Examiner, p. 9



PORT STEPHENS
COUNCIL



Subscribe to our community e-newsletters
Visit portstephens.nsw.gov.au/newsletters

RATE RISE OPTIONS HAVE YOUR SAY NOW

In recent months we've presented 5 rate rise options to our community and asked for feedback on how to turn our financial position around. This helped us drill down to 2 options which are modeled into our revised draft Integrated Planning and Reporting documents. These documents are on public exhibition until 5pm 12 October 2022. Have your say via:

- Short survey at pscouncil.info/rro-survey or in person at your local library or Council administration building
- Written submission (including email) to the General Manager
- Attending a community drop in session

DATE	TIME	WHERE
Tue 27 Sep 2022	From 5pm	Raymond Terrace
Thu 29 Sep 2022	From 5pm	Medowie
Sat 1 Oct 2022	From 5pm	Nelson Bay
Tue 4 Oct 2022	3pm to 4pm	Visitor Info Centre
Tue 4 Oct 2022	4:30pm to 5:30pm	Salamander Bay
Thu 6 Oct 2022	9am to 10am	Raymond Terrace
Thu 6 Oct 2022	11am to midday	Medowie

Learn more at: pscouncil.info/rateriseoptions

JOIN OUR TEAM

APPRENTICE CIVIL CONSTRUCTION AND APPRENTICE PARKS & GARDEN

Exciting opportunities starting in 2023 or ASAP.
Contact: Julie-Anne McDougall on 0439 582 536 or for recruitment process information Brooke Tisdell on 0428 574 614.
Applications close: Sunday 9 October 2022
Apply online: portstephens.nsw.gov.au

NOTICE OF TEMPORARY ROAD CLOSURES

RAYMOND TERRACE / NELSON BAY

Tue 27 Sep 2022, 8:30am to 10:15am – Port Stephens St and William St, Raymond Terrace, between Glenelg St and Adelaide St, will be closed to traffic for a NAIDOC march.

Fri 30 Sep 2022, 3pm to 8pm – Yacaaba St, Nelson Bay, between Magnus St and Victoria Pde will be closed to traffic for the Friday Flavours event.

Fri 7 Oct 2022, 3pm to 8pm – Sturgeon St and Library Lane, Raymond Terrace will be closed to traffic for the Friday Flavours event.

For further enquiries: NAIDOC 0432 611 302, Friday Flavours 0429 009 395 or Council's Civil Assets Section 4988 0255.

COUNCIL NOTICES | 02 4988 0255 | council@portstephens.nsw.gov.au | portstephens.nsw.gov.au

Please Note: Any submission or other correspondence received by Council may be released to any person making application to Council under the Government Information (Public Access) Act 2009. For further enquiries, please contact Council.

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Facebook posts (organic)

14 September 2022



Port Stephens Council
14 September at 13:05 · 🌐

Last night, Council endorsed the exhibition of its draft Integrated Planning and Reporting documents which include modelling of a potential rate rise.

In recent months we've been talking with you about our financial position, five rate rise options and how we can strike a balance between increasing costs and decreasing income.

Your feedback has helped us drill down to two rate rise options and we would like your feedback.

Find out more about the options and how you can have a say 🗨️
<https://pscouncil.info/rateriseoptions>

Rate rise options

Striking a balance between the needs of our community and Council's funded future

Performance for your post

12071 People reached

278 Likes, comments and shares

2342 Post clicks

54	448	1840
Photo views	Link clicks	Other Clicks

Distribution summary

+2.7x higher than your other posts within 21+ days of being published.

↑ 2.7x more ↑ 9.7x more ↑ 1.0x more

Post impressions Post clicks Reactions

[View More Details](#)

NEGATIVE FEEDBACK

2 Hide all posts 0 Hide post

0 Report as spam 0 Unlike Page

278 Likes, comments and shares

BRANDED

CONTENT

DISTRIBUTION

[View Breakdown](#)

12071	12071	0
Total reach	Organic reach	Paid reach

14211	14211	0
Total impressions	Organic impressions	Paid impressions

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

27 September 2022



Performance for your post

5102 People reached

37 Likes, comments and shares

319 Post clicks

7	45	267
Photo views	Link clicks	Other Clicks

Distribution summary

average performance as your other posts within 17 days of being published.

↓ 1.0x less	↑ 1.0x more	↓ 5.8x less
Post impressions	Post clicks	Reactions

View More Details

NEGATIVE FEEDBACK

0 Hide all posts	0 Hide post
0 Report as spam	0 Unlike Page

37 Likes, comments and shares

BRANDED CONTENT DISTRIBUTION

View Breakdown

5102	5102	0
Total reach	Organic reach	Paid reach
5102	5102	0
Total impressions	Organic impressions	Paid impressions

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND


28 September 2022

Port Stephens Council
28 September at 19:35 · 🌐

If you didn't catch us yesterday evening, our Community Engagement team will be out again tomorrow, at our Outdoor Sunset Cinema at Medowie.

From 5pm they'll be around to answer any questions about our rate rise options. We'll also have tablets on site for you to complete our survey if you haven't yet had a chance to!

We hope to see you at Boyd Oval, but if you can't make it, find other upcoming sessions and learn more at pscouncil.info/RRORHaveYourSay



Rate rise options
Community engagement session

Boyd Oval, Medowie

Performance for your post

4324 People reached

27 Likes, comments and shares

168 Post clicks

8 Photo views 17 Link clicks 143 Other Clicks

Distribution summary
average performance as your other posts within 15 days of being published.

↓ 1.2x less Post impressions ↓ 2.1x less Post clicks ↓ 4.6x less Reactions

[View More Details](#)

NEGATIVE FEEDBACK

0 Hide all posts 0 Hide post

0 Report as spam 0 Unlike Page

27 Likes, comments and shares

BRANDED CONTENT DISTRIBUTION

[View Breakdown](#)

4324 Total reach	4324 Organic reach	0 Paid reach
4481 Total impressions	4481 Organic impressions	0 Paid impressions

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

29 September 2022



Performance for your post

1416 People reached

3 Likes, comments and shares

43 Post clicks

0

Photo views

23

Link clicks

20

Other Clicks

Distribution summary

-3.5x lower than your other posts within 14 days of being published.

↓ 3.5x less

Post impressions

↓ 2.2x less

Post clicks

↓ 15.4x less

Reactions

[View More Details](#)

NEGATIVE FEEDBACK

0 Hide all posts

1 Hide post

0 Report as spam

0 Unlike Page

3 Likes, comments and shares

BRANDED
CONTENT
DISTRIBUTION[View Breakdown](#)1416
Total reach1416
Organic
reach0
Paid reach1491
Total
impressions1491
Organic
impressions0
Paid
impressions

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

4 October 2022

Port Stephens Council
4 October at 11:10 · 🌐

In recent months we've been talking with you about our financial position, rate rise options and how we can strike a balance between our increasing costs and capped income.

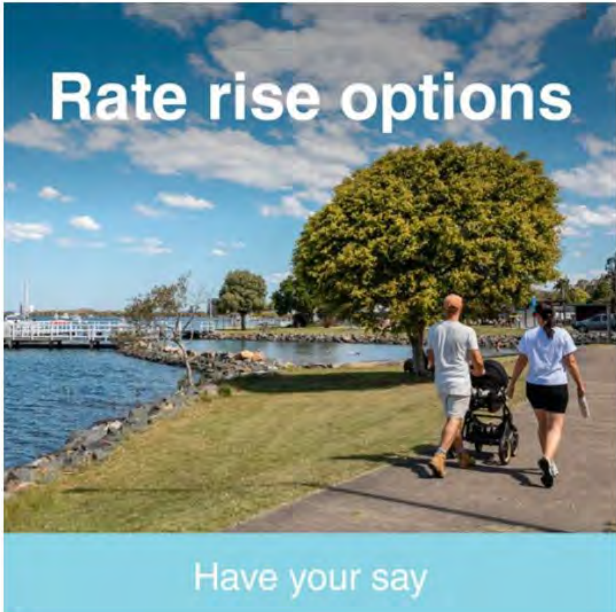
Your feedback has helped us drill down to two rate rise options and we'd like your feedback.

We have two engagement sessions this afternoon where you can come along, learn more, ask any questions, and have your say:

- 🕒 3 to 4pm at our Visitor Information Centre in Nelson Bay
- 🕒 4.30 to 5.30pm at Salamander Bay Shopping Centre

If you can't make it in person, take our online survey! 📄 pscouncil.info/RRO-Survey

To find out more about ALL the options on the table (including a base rate scenario with a reduction in services) visit pscouncil.info/rateriseoptions



Rate rise options

Have your say

Performance for your post

2605 People reached

93 Likes, comments and shares

350 Post clicks

5 Photo views 54 Link clicks 291 Other Clicks

Distribution summary
-2.0x lower than your other posts within 10 days of being published.

↓ 2.0x less ↑ 1.1x more ↓ 5.1x less
Post impressions Post clicks Reactions

[View More Details](#)

NEGATIVE FEEDBACK

0 Hide all posts 2 Hide post

0 Report as spam 0 Unlike Page

93 Likes, comments and shares

BRANDED CONTENT DISTRIBUTION [View Breakdown](#)

2605 Total reach	2605 Organic reach	0 Paid reach
2632 Total impressions	2632 Organic impressions	0 Paid impressions

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

5 October 2022

Port Stephens Council
5 October at 15:27 · 🌐


This is the last week to have your say on our proposed rate rise options.

Tomorrow, Thursday 6 October, we've got two in-person engagement sessions where you can come along to learn more, ask any questions, and have your say:

- 🕒 9am to 10am at [MarketPlace Raymond Terrace](#)
- 🕒 11am to 12pm at [Medowie Shopping Village](#)

If you can't make it in person, take our online survey! 📄 [pscouncil.info/RRO-Survey](#)

To find out more about ALL the options on the table (including a base rate scenario with a reduction in services) visit [pscouncil.info/rateriseoptions](#)



Rate rise options

Have your say

Performance for your post

3758	People reached	
62	Likes, comments and shares	
442	Post clicks	
10	62	370
Photo views	Link clicks	Other Clicks

Distribution summary

-1.4x lower than your other posts within 9 days of being published.

↓ 1.4x less ↑ 1.4x more ↓ 5.1x less

Post impressions Post clicks Reactions

[View More Details](#)

NEGATIVE FEEDBACK

0 Hide all posts 1 Hide post

0 Report as spam 0 Unlike Page

62 Likes, comments and shares

BRANDED CONTENT DISTRIBUTION

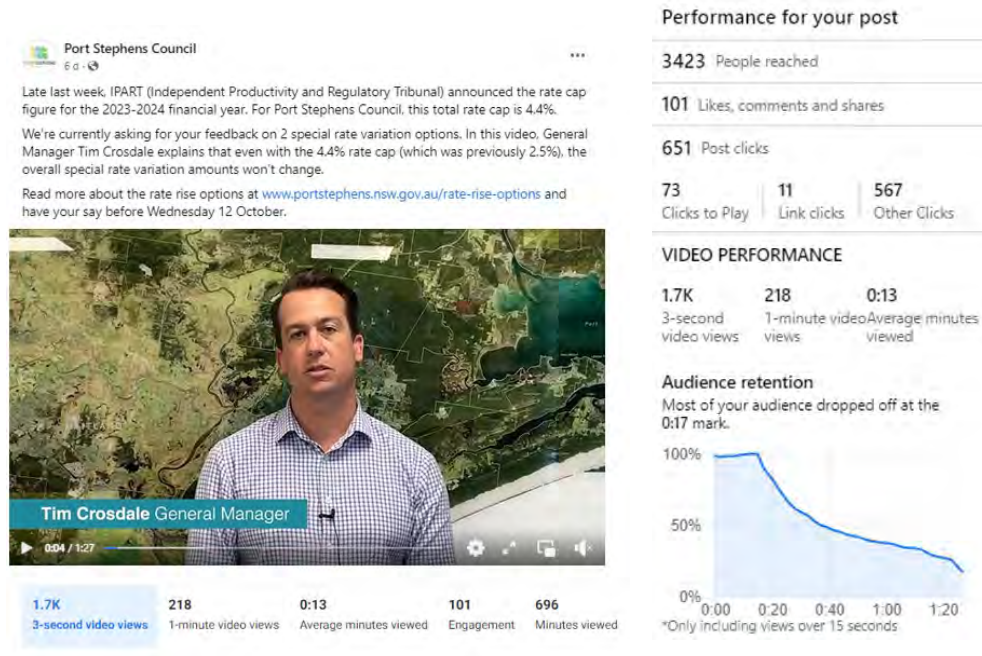
[View Breakdown](#)

3758	3758	0
Total reach	Organic reach	Paid reach
3758	3758	0
Total impressions	Organic impressions	Paid impressions

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

7 October 2022



ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

10 October 2022

Port Stephens Council
3.0

There are 3 days left to have your say on our proposed rate rise options.
Take our online survey before 11.59pm on 12 October! pscouncil.info/RRO-Survey
To find out more about ALL the options on the table (including a base rate scenario with a reduction in services) visit pscouncil.info/rateriseoptions

Rate Rise Options



Viewer activity

How the post has performed since being published.

1.2K	0	0:07	118	291
3-second video views	1-minute video views	Average minutes viewed	Engagement	Minutes viewed

Performance for your post

2619 People reached

118 Likes, comments and shares

586 Post clicks

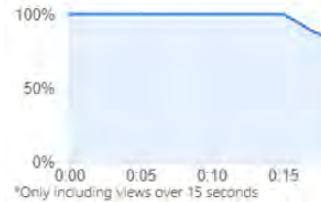
75 Clicks to Play 82 Link clicks 429 Other Clicks

VIDEO PERFORMANCE

1.2K 0 0:07
3-second video views 1-minute video views Average minutes viewed

Audience retention

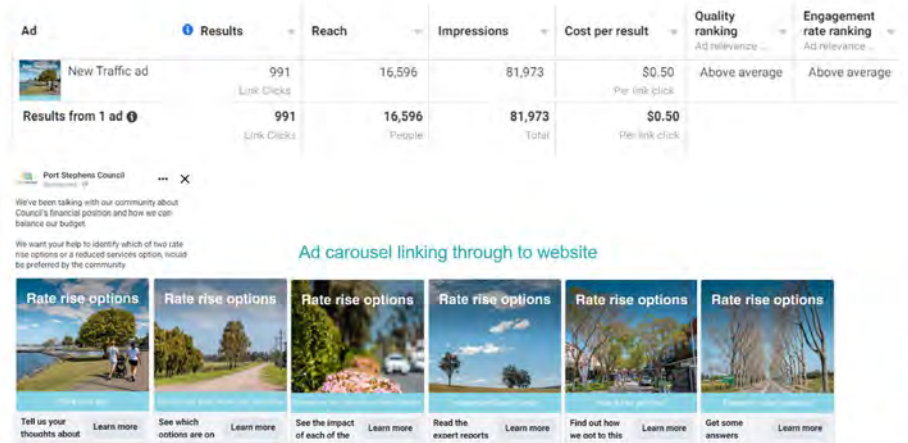
Most of your audience dropped off at the 0:17 mark.



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Facebook posts (paid ads)

21 September to 12 October



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Special Interest Groups

Throughout the public exhibition phase special interest groups were continually informed regarding the Special Rate Variation application process and how they could contribute to the conversation around rate rise options.

Email sent 7th September 2022

Hi

As discussed in August, Council is scheduled to decide on the next step forward in the Our Funded Future engagement at this upcoming Council Meeting Tuesday the 13th of September. If the next step proposed is agreed to, the draft integrated planning and reporting documents revised for a proposed special rate variation scenarios will be put on public exhibition for 28 days.

Whilst we still await Tuesday's meeting, I would like to offer to placeholder some time at your next scheduled meeting if you were interested. If so, could you please advise any suitable dates between the 15 September and the 12 October?

Alternatively, we will have some drop-in sessions and a recorded webinar, with a full list of engagement activities to still be finalised and promoted.

Please feel free to call me if that is easier for you.

Kind Regards

Email sent 21st September 2022

Rate Rise Options - Information material and how to have your say details

Hi

Following on from previous emails, at the Council meeting on 13 September 2022, Council agreed to move forward with the community discussion around financial sustainability. I now have attached material and links below for you to distribute to your members to ensure they are informed about the next phase of this project.

1. You can access the short survey by following this direct [link](#)
2. You can view the Webinar presented by our CFO Tim Hazell and the proposed additional affordability measures on our website located [here](#)
3. You can view the Webinar presented by Professor Drew on our website located [here](#)
4. You can access the Revised Integrated Planning & Reporting for an SRV documents located [here](#)

We currently have on public exhibition our revised draft Integrated Planning and Reporting documents. These draft documents show 3 scenarios.

- **Base Scenario** - 2.5% state imposed rate cap assumption
- **Single Year Scenario** - A 20% increase for a single year, being 2023-2024 only.
- **Independent Recommendation Scenario** - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years 2023-2024 to 2025-2026

Both of the rate rise options see the predicted budget shortfall eliminated and provide additional funds for enhanced services to fix our roads and public spaces as well as protect our waterways and natural environment.

The webpage has been updated, including the rates calculator <https://www.portstephens.nsw.gov.au/council/rate-rise-options>

There is also a number of drop-in sessions where you can talk with Council staff about the rate rise options.


Date	Time	Location
Tue 27 Sep 2022	From 9pm	Sunset Cinema Series - Riverside Park, Raymond Terrace
Thur 29 Sep 2022	From 9pm	Sunset Cinema Series - Royal Oval, Midville
Sat 1 Oct 2022	From 5pm	Sunset Cinema Series - Apex Oval, Asahi Bay
Tue 4 Oct 2022	3pm to 4pm	Port Stephens Visitor Information Centre
Tue 4 Oct 2022	4.30pm to 5.30pm	Southern Cross Shopping Centre
Thur 6 Oct 2022	5pm to 7pm	Raymond Terrace Markets
Thur 6 Oct 2022	11am to 2pm	Midville - Shopping Village

Please quote file number PSC2021-02359-002 on any submission lodged

Kind Regards

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Email sent Friday 7th October 2022

 Fri 7/10/2022 4:46 PM
rateriseoptions
Rate Rise Options - New Videos Uploaded - Rate Cap Announcement & Land revaluations

To: ...

Hi

Following on from IPART's announcement of the 2023-2024 rate cap and questions raised at our Special Interest Group meetings this week Council has uploaded the two following videos to assist the Community in understanding these two important matters.



If you could share these links with your members that would be much appreciated.


2023-2024 Rate Cap Announcement (bottom of the page)
<https://www.portstephens.nsw.gov.au/council/rate-rise-options/rate-rise-options>

Land Revaluations Webinar (top of the page)
<https://www.portstephens.nsw.gov.au/council/rate-rise-options/faqs>

Any questions please feel free to contact me.

Kind Regards

 PORT STEPHENS COUNCIL
p 02 4988 0312 | m 0431755072
w [portstephens.nsw.gov.au](https://www.portstephens.nsw.gov.au)




We acknowledge the Worimi people as the original Custodians and inhabitants of Port Stephens.
We acknowledge and pay respects to Worimi elders past and present. May we walk the road to tomorrow with mutual respect and admiration as we care for the beautiful land and waterways together.

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.**Direct email/E-newsletters**

Newsletter sent to subscribers of 'Have Your Say' and 'Your Port' e-newsletters

**Have your say on the Port Stephens Rate Rise Options**

At the Council meeting on 13 September 2022, Council agreed to move forward with the community discussion around financial sustainability. This is a really important decision for our community and we wanted to reach out to you and make sure that you know about the next phase of this project.

We currently have on public exhibition our revised draft Integrated Planning and Reporting documents. These draft documents show 2 rate rise options. The feedback collected during the public exhibition period, which is open until 12 October 2022, will help to identify which of these two rate rise options or a reduced services option would be preferred by the community.

The rate rise options are:

- Independent Recommendation Scenario – cumulative 34.92% rate (increase 10.5% increase each year, for 3 years)
- Single Year Scenario – 26% rate increase (26% increase for 1 year)

These rate increase amounts include the 2.5% rate cap and are permanent. This means rates will stay at the increased level and only increase by the rate cap percentage after the end of the SRV period.

Both of the rate rise options see the predicted budget shortfall eliminated and provide additional funds for enhanced services to fix our roads and public spaces as well as protect our waterways and natural environment.

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

You can have your say by completing:

- a short survey by following this [direct link](#)
- lodging a submission and please quote file number PSC2021-02359-002

You can also learn more at a number of drop in sessions where you can talk with Council staff about the rate rise options. See the factsheet on our website for more information here or visit our website for further details www.portstephens.nsw.gov.au/council/rate-rise-options

Date	Time	Where
Tue 27 Sep 2022	From 5pm	Sunset Cinema Series – Riverside Park, Raymond Terrace
Thur 29 Sep 2022	From 5pm	Sunset Cinema Series – Boyd Oval, Medowie
Sat 1 Oct 2022	From 5pm	Sunset Cinema Series – Apex Pak, Nelson Bay
Tue 4 Oct 2022	3pm to 4pm	Port Stephens Visitor Information Centre
Tue 4 Oct 2022	4:30pm to 5:30pm	Salamander Bay Shopping Centre
Thur 6 Oct 2022	9am to 10am	Raymond Terrace MarketPlace
Thur 6 Oct 2022	11am to 12pm	Medowie - Shopping Village

Who's listening?

Emily Livens, Coordinator Communications & Engagement, Port Stephens Council

Elizabeth Akerman, Team Leader Community Engagement, Port Stephens Council




Bulk newsletter print copy 'Your Port'

The printed copy of 'Your Port' was not used for Phase 2 as it would not have reached the community before the end of public exhibition

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

On-hold Messaging

Throughout the public exhibition period Council has a “Rate Rise Options” announcement within its hold messaging. All customers who call Council will hear the announcement.



TELECALL SCRIPT & PRODUCTION NOTES

CLIENT DETAILS		PROD/CHG DETAILS	
Name	Port Stephens Council – Customer Contact Centre	Prod #	Various

Notes / Additions:

CUSTOMER EXPERIENCE – Rate Rise

Rate Rise Announcement before Press 1 IVR: (audio recording separately)

V1: Did you know that Council has a dedicated webpage for the Rate Rise Options engagement in which you can access all information? Please visit (port) (stephens) dot (nsw) dot (gov) dot (au) forward-slash (rate) (rise) (options).

V2: Our rate rise option webpage will regularly be updated with new information and next steps as the conversation continues. Please visit (port) (stephens) dot (nsw) dot (gov) dot (au) forward-slash (rate) (rise) (options).

ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

Appendix B

Engagement Methods – Phase 2

Rate Rise Options – Short Survey



Rate rise options short survey

In recent months we've been talking with our community about Council's financial position and ways we can balance our budget. Council has implemented a range of financial sustainability measures, such as increasing fees and charges, seeking grant funding, identifying underperforming land for sale, pushing back non-essential projects and deferring debt. Despite these efforts, our financial forecast has shown that if we keep going this way, we'll spend more on our services than we can afford unless we make real change.

Learn more about our financial position, how we got here, and the conversations we've had with our community so far by visiting the Rate rise options page on our [website](#). You can also see the results from the previous survey [here](#).

The feedback the community provided shows support for both a rate increase option with enhanced services and an option for reduced services. Now, we want your help to identify which of these two options would be preferred by the community. To do this, the following short survey includes these questions:

1. If there was a rate rise - which option would you prefer?
2. How do you feel about the distribution of the extra funds if there was a rate rise?
3. Would you prefer Council to raise rates and enhance some services or keep the baseline and reduce service levels?
4. Demographic questions

We appreciate your time in completing this survey, which takes approximately 5 minutes.

**Please return your paper version to a Council site by the
12th of October 2021**

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ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.



Rate rise options short survey

We have presented 5 rate rise options and asked for feedback on how best to move forward. Your feedback helped us drill down to 2 options, we're now seeking feedback on. These options take into account our aim to achieve a financially sustainable future and the concerns we've heard from our community around affordability.

Single year scenario

CUMULATIVE	26%	YEAR 1	26%
ANNUAL	Higher		
OVERALL	Lower		
REACH BUDGET TARGET	Year 1		
ENHANCED SERVICES	Instant		
\$298 OR \$6 PER WEEK AVERAGE RESIDENTIAL			

Under the single year scenario, you pay more up front, but less over time.

Independent recommendation scenario

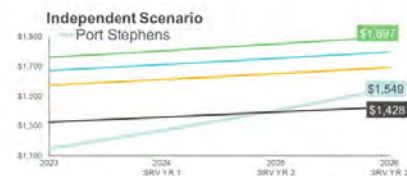
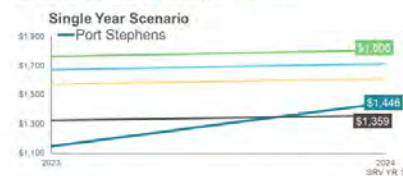
CUMULATIVE	34.92%	YEAR 1	10.5%
ANNUAL	Lower	YEAR 2	10.5%
OVERALL	Higher	YEAR 3	10.5%
REACH BUDGET TARGET	Year 3		
ENHANCED SERVICES	Gradual		
\$401 OR \$8 PER WEEK AVERAGE RESIDENTIAL			

Under the independent recommendation scenario, you pay less each year but more over time.

This option was recommended by an independent consultant - Professor of Local Government

Projected average residential rates

— Cessnock — Maitland — Lake Macquarie — Newcastle



* 1. If Council was to apply for a Special Rate Variation (SRV) which of the above options is your preference?

Please note: The rate increase amounts include the 2.5% rate cap and are permanent in nature. This means rates

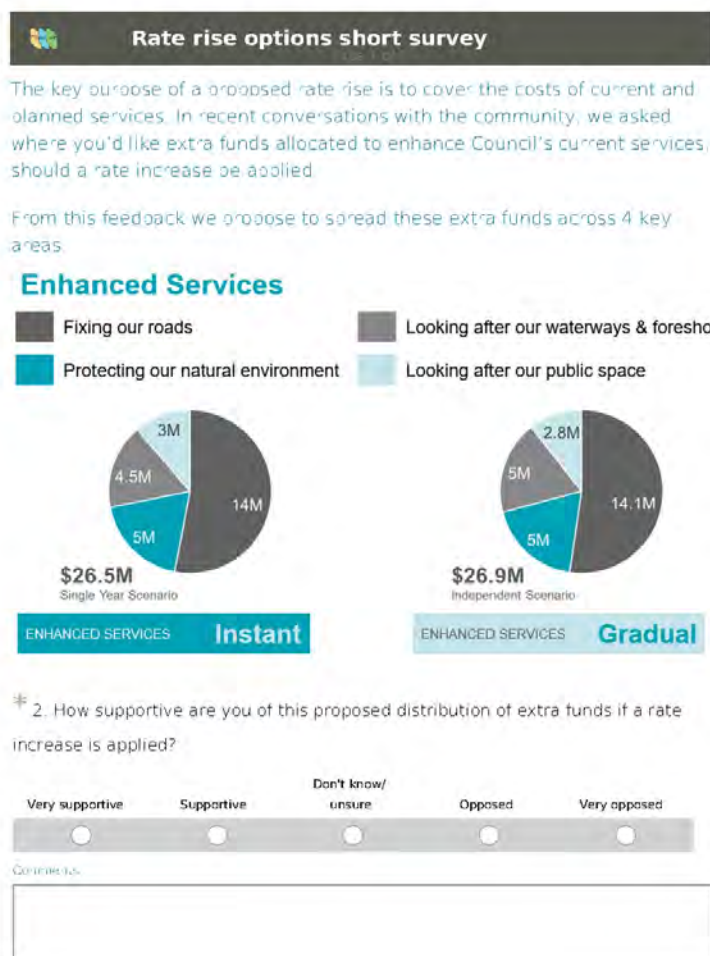
will stay at the increased level and only increase by the rate cap percentage after the end of the SRV period

- ☐ Single Year Scenario - A 26% increase for a single year, being 2023-2024 only
- ☐ Independent Recommendation Scenario - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years 2023-2024 to 2025-2026

Comments:

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ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.



ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.



Rate rise options short survey

Over the past 2 years, Council has been reducing its costs to balance our budget. We've saved \$7.4 million by reducing the level of service we deliver, and we've heard our community has felt it. To maintain a balanced budget this financial year, we'd need to follow the same approach, reducing our service delivery –but we can only do this for so long.

To be financially sustainable, we'll need to make a savings of \$8 million per year for the next 10 years. This level of saving would be a tough challenge and the community would see a significant and noticeable impact on the current services Council delivers.

If this is chosen as the path forward however, Council and the community will have future conversations to discuss what services you're prepared to see reduced or stopped.

You would see an overall reduction in services, in particular maintenance levels. For example, more potholes as our road network deteriorates further, shorter hours at our facilities, longer processing times for customer requests/applications and fewer community events.

The service areas that Council wouldn't reduce to contribute to savings are those that:

make money for council, for example our holiday parks and child care centres

we are required to provide by legislation, for example Development Application (DA) approvals

provide community safety, for example animal control or broken play equipment

*3. What is your preference on the path forward?

- ☐ Rate Rise Option - a rate increase **above** the rate cap (2.5%) known as a Special Rate Variation (SRV): a sustainable council, maintaining current services and enhancing some services
- ☐ Reduced Services Option (current path) - a rate rise only **in line** with the rate cap (2.5%): an unsustainable council, reducing service levels across a range of council services

Comments

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ITEM 1 - ATTACHMENT 4
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RATE RISE OPTIONS COMMUNICATIONS AND

Rate rise options short survey

* 4. Age:

<input type="radio"/> 19 years and under	<input type="radio"/> 60-69
<input type="radio"/> 20-29	<input type="radio"/> 70-79
<input type="radio"/> 30-39	<input type="radio"/> 80-89
<input type="radio"/> 40-49	<input type="radio"/> 90 years and over
<input type="radio"/> 50-59	<input type="radio"/> Prefer not to say

* 5. Gender:

<input type="radio"/> Male	<input type="radio"/> Other
<input type="radio"/> Female	<input type="radio"/> Prefer not to say
<input type="radio"/> Non-binary	

* 6. I am a:

<input type="radio"/> Ratepayer (living in Port Stephens)	<input type="radio"/> Work in Port Stephens (living outside Port Stephens)
<input type="radio"/> Ratepayer (living outside Port Stephens)	<input type="radio"/> Visitor to Port Stephens
<input type="radio"/> Resident (non ratepayer)	<input type="radio"/> Prefer not to say
<input type="radio"/> Business owner living outside Port Stephens	

* 7. How did you learn about this project? (tick all that apply)

<input type="checkbox"/> Social media (Facebook, Instagram, LinkedIn)	<input type="checkbox"/> Face to face at community information session/drop in
<input type="checkbox"/> Website	<input type="checkbox"/> Word of mouth
<input type="checkbox"/> Direct email	<input type="checkbox"/> Media including local papers and radio
<input type="checkbox"/> Councillor	<input type="checkbox"/> Council's phone message
<input type="checkbox"/> Other (please specify)	

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Rate rise options short survey

Thank you

We thank you for your time in completing this survey. Once the Public Exhibition period closes we'll collate all feedback received and prepare a report to Council to inform a way forward. We are committed to ensuring the community continues to be aware of how the conversation progresses and any outcomes as we move through the next steps.

Follow us on Facebook

[@PortStephensCouncil](#) and visit the [Rate Rise Options webpage](#) for future updates.



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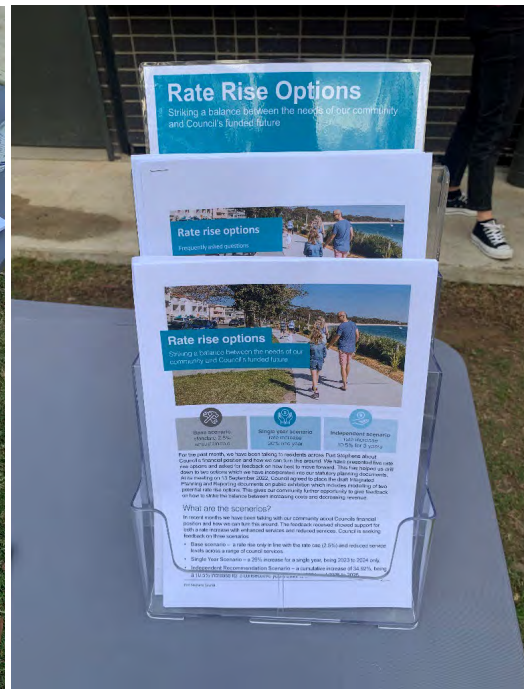
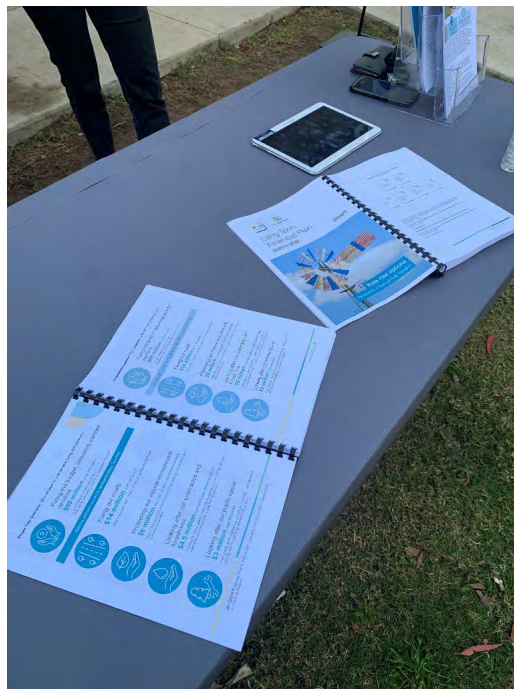
Community Drop-in Sessions

A selection of images from Sunset Cinema and shopping centre community drop-in sessions.



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Key Stakeholder Meetings – Special Interest Groups

A selection of images from special interest group meetings



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Communications and Engagement Report – Rate Rise Options 66

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Appendix C

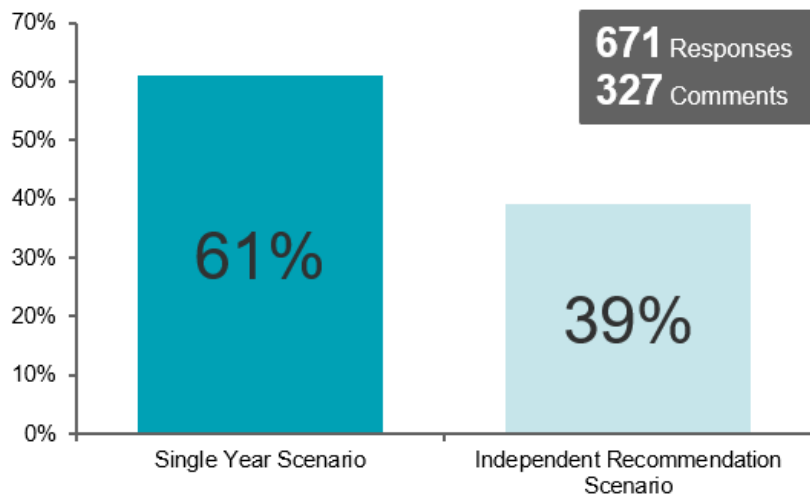
Survey Report – Phase 2

Question 1

If Council was to apply for a Special Rate Variation (SRV) which of the above options is your preference?

Answer Choices	Responses	
Single Year Scenario	61%	409
Independent Recommendation Scenario	39%	262
Comments		327
Answered		671
Skipped		0

If Council was to apply for a Special Rate Variation (SRV) which of the above options is your **preference**?



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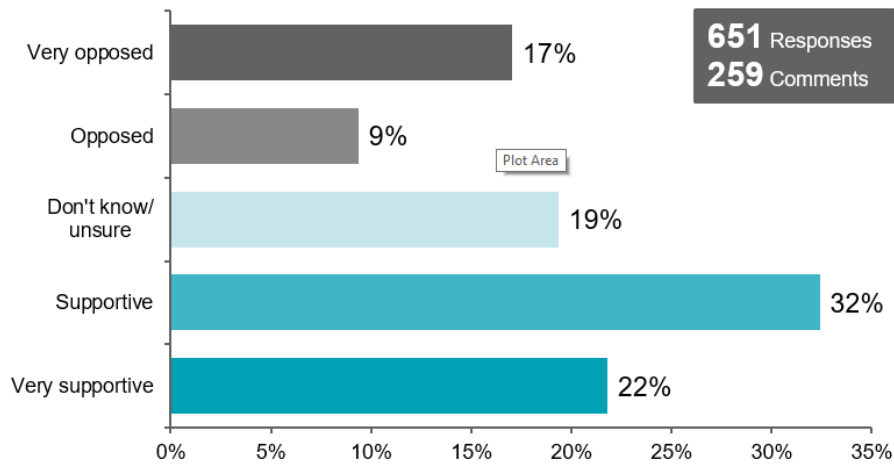
RATE RISE OPTIONS COMMUNICATIONS AND

Question 2

Rate rise options short survey

How supportive are you of this proposed distribution of extra funds if a rate increase is applied?

	Very supportive	Supportive	Don't know/ unsure	Opposed	Very opposed	Total	Weighted Average
1	21.81%	32.41%	19.35%	9.37%	17.05%	651	2.67
Comments	142	211	126	61	111	259	
						Answered	651
						Skipped	20

How supportive are you of this proposed distribution of
extra funds if a rate increase is applied?

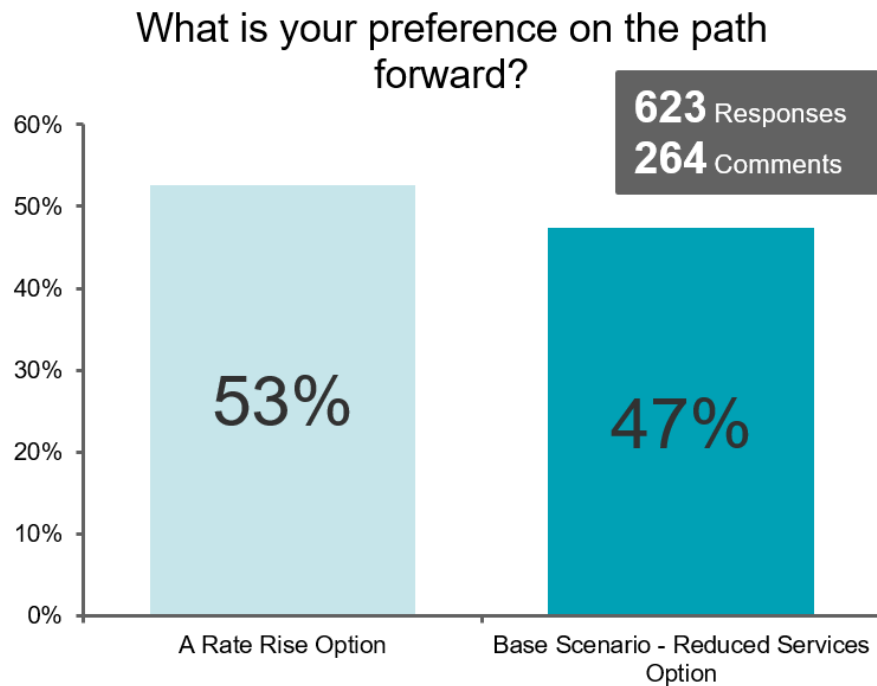
ITEM 1 - ATTACHMENT 4
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Question 3

What is your preference on the path forward?

Answer Choices	Responses	
A Rate Rise Option	52.65%	328
Base Scenario - Reduced Services Option	47.35%	295
Comments		264
Answered		623
Skipped		48



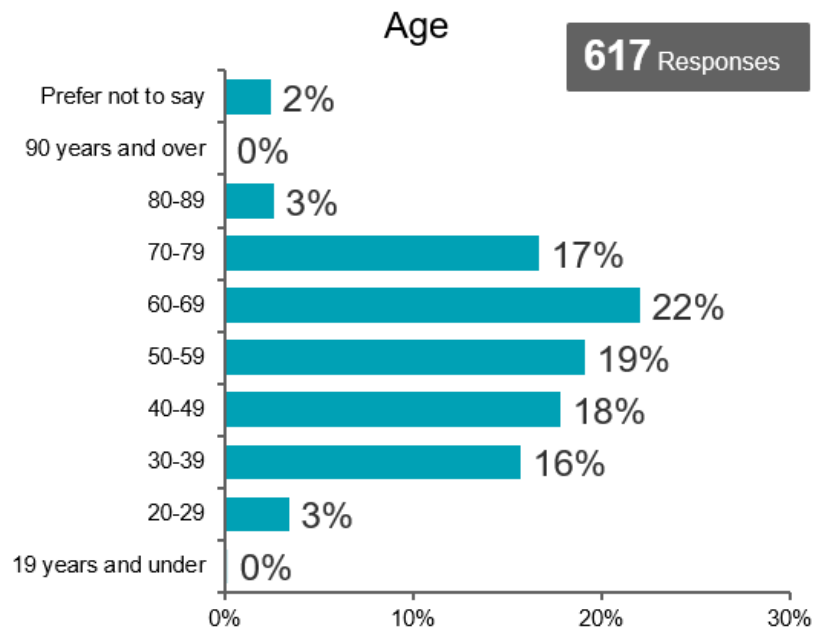
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Question 4

Age:

Answer Choices	Responses	
19 years and under	0.16%	1
20-29	3.40%	21
30-39	15.72%	97
40-49	17.83%	110
50-59	19.12%	118
60-69	22.04%	136
70-79	16.69%	103
80-89	2.59%	16
90 years and over	0.00%	0
Prefer not to say	2.43%	15
Answered		617
Skipped		54



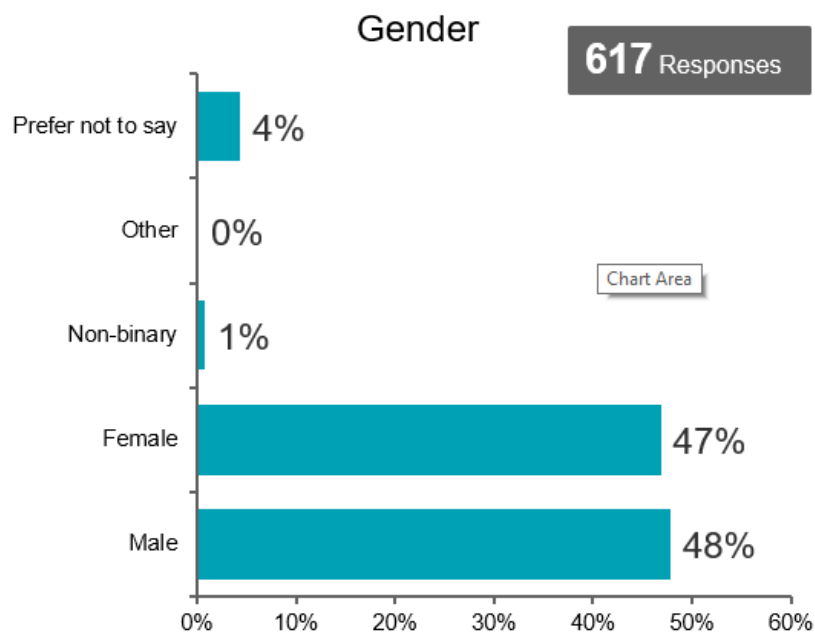
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Question 5

Gender:

Answer Choices	Responses	
Male	47.81%	295
Female	46.84%	289
Non-binary	0.81%	5
Other	0.16%	1
Prefer not to say	4.38%	27
Answered		617
Skipped		54



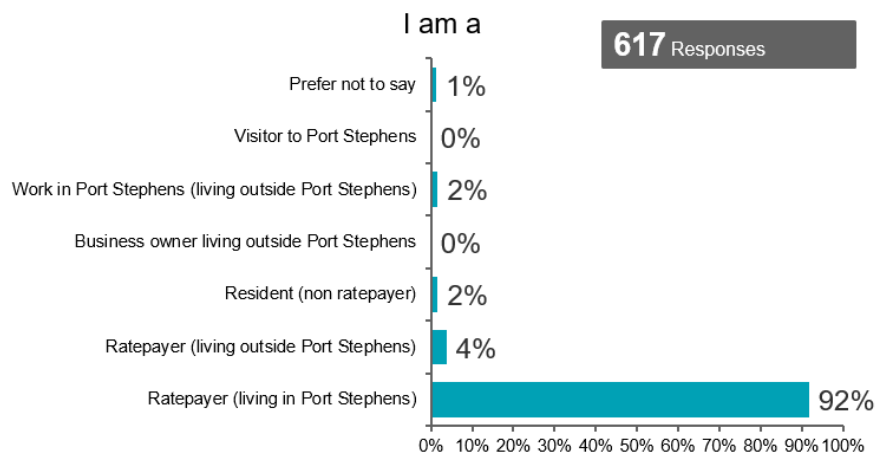
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Question 6

I am a:

Answer Choices	Responses	
Ratepayer (living in Port Stephens)	91.73%	566
Ratepayer (living outside Port Stephens)	3.73%	23
Resident (non ratepayer)	1.62%	10
Business owner living outside Port Stephens	0.00%	0
Work in Port Stephens (living outside Port Stephens)	1.62%	10
Visitor to Port Stephens	0.00%	0
Prefer not to say	1.30%	8
Answered		617
Skipped		54



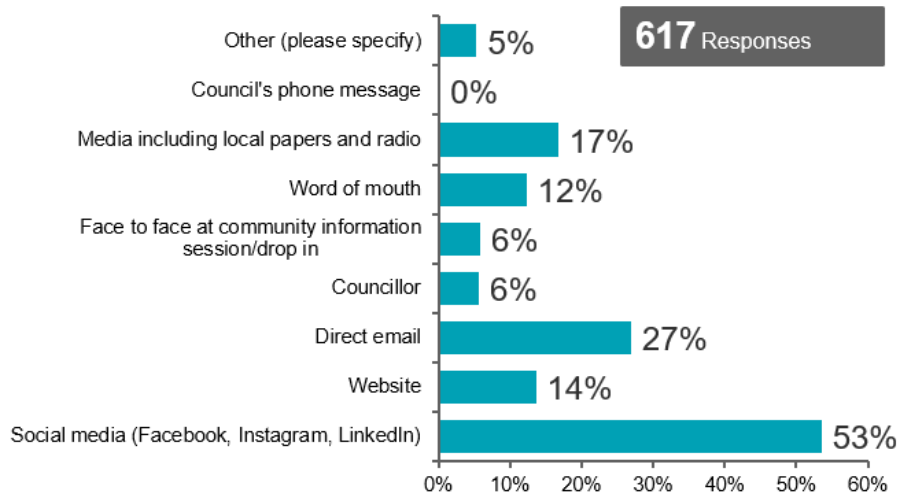
ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Question 7

How did you learn about this project? (tick all that apply)

Answer Choices	Responses	
Social media (Facebook, Instagram, LinkedIn)	53.48%	330
Website	13.61%	84
Direct email	26.90%	166
Councillor	5.67%	35
Face to face at community information session/drop in	5.83%	36
Word of mouth	12.32%	76
Media including local papers and radio	16.69%	103
Council's phone message	0.16%	1
Other (please specify)	5.35%	33
Answered		617
Skipped		54

How did you learn about this project?



Appendix D

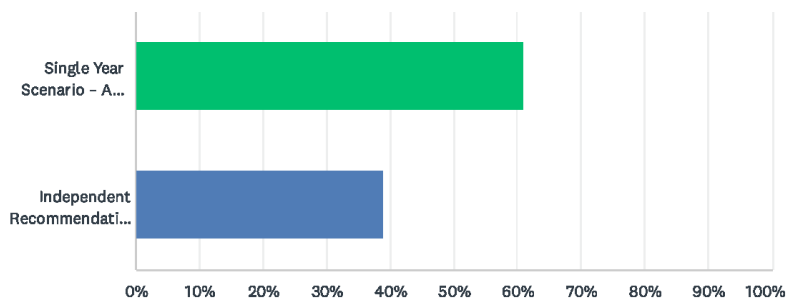
Survey Comments – Phase 2

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

Q1 If Council was to apply for a Special Rate Variation (SRV) which of the above options is your preference? Please note: The rate increase amounts include the 2.5% rate cap and are permanent in nature. This means rates will stay at the increased level and only increase by the rate cap percentage after the end of the SRV period

Answered: 671 Skipped: 0



ANSWER CHOICES	RESPONSES	
Single Year Scenario – A 26% increase for a single year, being 2023-2024 only	60.95%	409
Independent Recommendation Scenario - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years 2023-2024 to 2025-2026	39.05%	262
TOTAL		671

#	COMMENTS	DATE
1	Affordability Miscellaneous Service levels Are you [REDACTED] serious? I live in Fern Bay. All you do is collect my bins. The government have created the increase in costs. I also have an increase in costs. No increase in wages. This is another government tax. Go [REDACTED] yourself.	10/12/2022 10:05 PM
2	Affordability Miscellaneous The council needs to look into different zones and do what's needed urgently maybe something will be finished then . And ensure the patrol offices do there job instead of them saying they don't like to book people even if they are parked illegally in our street .. foot paths and speed humps in Anna Bay streets , instead of having to work on the road with the wheel chair before they raise anything they need a plan .. and that's not a pay rise for management!!!	10/12/2022 9:55 PM
3	Efficiency and cost containment Neither, choices are fair or equitable. Council really needs to be more accountable with ratepayers money	10/12/2022 9:43 PM
4	Efficiency and cost containment Miscellaneous I cannot see where there has been a cost reduction program proposed. The existing cost base needs to be "zero based" with a view to implement an efficient, streamlined and transparent services business. This is what is required as a starting point and what a management consultant should be recommending. Post zero basing the existing cost base, revenue opportunities will evolve with the correct team involved. An external view is required and is a process that is required for a business such as he Port Stephens Council. We would hate to see he same outcome as the the Central Coast Council going bankrupt. As a real published example I worked as [REDACTED], a legacy business that needed to be transformed to survive . I led a team to	10/12/2022 7:29 PM

1 / 54

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

zero based the business and removed \$M via a well known program called [REDACTED]. Post the zero basing, a new efficient, transparent and streamlined services model was produced, resulting in a modern, efficient, digital focused that made discussions on data, not here say. Post the review, a new \$million dollar revenue stream was enabled by utilising the new operating model, the review unblocked the frozen middle and immediately exposed opportunities. I would hope that the management team will investigate, I am more than happy to provide insight. Please look me up on LinkedIn, or call me on [REDACTED] or email [REDACTED]. Please ensure that your GM sees this message.

5	Answer explanation - positive	Best and cheapest scenario	10/12/2022 5:17 PM
6	Service levels	None of the above Stop increasing our rates when we get nothing back for paying them	10/12/2022 5:03 PM
7	Miscellaneous	Don't want either	10/12/2022 4:16 PM
8	Level of understanding	I think this is a waste of ratepayers money to distribute a survey without all three options. I agree to none of the above. I would agree to the IPart rate cap of 4.4% and no further rise.	10/12/2022 4:04 PM
9	Affordability	I feel with the current economic climate that a huge increase in the next year would put too much pressure on households and more importantly businesses that have struggled through the covid period without tourism.	10/12/2022 2:41 PM
10	Miscellaneous	Stay with the 4.4% recommended rate rise	10/12/2022 2:33 PM
11	Miscellaneous	I would prefer council NOT have an increase of this magnitude and instead focus on "left-field" ways of solving the problem: Merging with another council, asset sales, etc	10/12/2022 2:31 PM
12	Answer explanation - positive	Level of understanding Believe single increase is better option but now that now increased rate cap increased above 2.5 % expect total increase for 1 year will be a total of 26% not 26% plus IPART approved increase	10/12/2022 1:25 PM
13	Level of understanding	My first choice would be no SRV at all. What guarantee is there that if 2 or 3 years after getting 26% that you would not want more	10/12/2022 12:33 PM
14	Affordability	Answer explanation - positive We would personally prefer the single year option as we in the fortunate position of being able to afford it, but we can understand that many ratepayers would find a large single year rise unaffordable, so we would be content with the other option if it was chosen	10/12/2022 12:24 PM
15	Miscellaneous	Neither. Ive always admired PSC's ability to get the answers they want (or answers they dont want) by designing these leading questions, that then allow Council to say 'we have listened to you and you have told us your preference is...'. The questions are totally misleading because its not a 1 or 3 year only rise, we the community deserve to be treated and respected better than this. Come on PSC.....we arent idiots.	10/12/2022 12:15 PM
16	Affordability	Efficiency and cost containment I dont bieve either will benefit the public. It will cause more stress then we are previously seeing. You have been sloppy with spending, and it shows. People are struggling as it is, and you failed us previously, so who's to say all the extra money still won't be spend on what is critically needed in our area.	10/12/2022 11:52 AM
17	Level of understanding	Where is the option for the council to stick with the Ipart 4.4. limit? I suppose the council will use the result of the question to claim support for one or the other of these extreme increases.	10/12/2022 11:07 AM
18	Affordability	To spread the expense over 3 years would ease the financial stress that many ratepayers would occur that a single large increase would occur	10/12/2022 10:46 AM
19	Efficiency and cost containment	Raptor Both are unacceptable, given the perceived lack of care for some areas and the outrageously over supported perception of others. The mayoral vehicle is another issue which I can't seem to move away from. Council needs to be equitable with resources and frugal with purchases that seem overindulgent. You may get more people on side with the important issues if things were more equitable and reasonable. If you're going to do this, then the first option is my choice	10/12/2022 9:30 AM
20	Affordability	None , with interest rates the way they are we cannot afford a rate rise .	10/12/2022 9:08 AM
21	Efficiency and cost containment	Level of understanding As the increase cannot be translated into services "instantaneously" due to supply chain, labour market and global	10/12/2022 7:37 AM

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

conditions, I would expect savings from the interest Council will earn of keeping rates in the coffers to be distributed back to rate payers

22	Affordability I dont believe a rate rise to either level is reasonable as cost of living increases have already put pressure on families	10/12/2022 7:18 AM
23	Service levels Can you please advise what extras we receive as a local resident? What about a green bin for starters ? We should not have to continue to pay for tourism to to extend we do. I fully support tourism and growth to the area, but this is just ridiculous, we just moved from the Hunter, with many many tourist, bad roads, etc. Why not meet the locals in the middle and perhaps move to a 10-12% rise ? We are also being built out. Houses being approved to be built on blocks right on top of an existing house. We are turning into Sydney, and this is not an exaggeration, this the sad truth. Profit before People is never a good long term outcome, and people will never support their local members if they are not taken seriously. Thankyou. Hope a fair decision is made, and council take the residents seriously.	10/12/2022 7:18 AM
24	Affordability None, with the crunch on living expenses, we as a family are already drilling down on expenses, and a way to pay less for everything is almost becoming essential to survive. An option to work off the rates might be a suggestion.	10/11/2022 9:47 PM
25	Answer explanation - positive Level of understanding I am voting for this as I am able to afford it, however many people may not be able to. Council should GIVE PEOPLE THE CHOICE BETWEEN THE TWO OPTIONS.	10/11/2022 9:25 PM
26	Affordability I'm voting for this option as it suits me, however many people may not be able to afford it. Council should gi	10/11/2022 9:17 PM
27	Efficiency and cost containment I don't want either as I don't trust the council to deliver. However I need to tick a box	10/11/2022 7:59 PM
28	Service levels None of these work given the suburb I own a home in has life-threatening roads in and out of the town, no gutters or drains and not much evidence of council investment.	10/11/2022 6:55 PM
29	Service levels NO rise at all would be a better option. I don't believe I get any benefits from a rate rise	10/11/2022 5:20 PM
30	Affordability Answer explanation - positive This option is easier to budget for and it stops council from applying increases for the 2 subsequent years.	10/11/2022 12:48 PM
31	Affordability Answer explanation - positive Would support this if it is a 'once' only. As a retiree I could manage this once but not longer.	10/11/2022 7:14 AM
32	Service levels Would love to see some services in my community though, instead of all going to the Bay	10/11/2022 6:51 AM
33	Roads Service levels Fix our roads and fix our street drainage, can't see any reason why rates should be increased. No value for money	10/10/2022 9:25 PM
34	Miscellaneous Get rid of [REDACTED] off council	10/10/2022 8:15 PM
35	Level of understanding Where did you get that \$300 would equal 26% increase. My increase works be much closer to \$450 in one hit. Very unfair to use unrealistic figures in an example like this.	10/10/2022 8:09 PM
36	Efficiency and cost containment But ... don't really support either. Don't see Council spending wisely in areas, whether true or not it's perception, public accountability should be seen before these drastic costs are surveyed in apparent biased fashion	10/10/2022 8:07 PM
37	Miscellaneous No should co inside with cpi only	10/10/2022 8:05 PM
38	Level of understanding Not happy with such a large single rise.... But, will this be the norm from now on, or, do rate charges reduce back to current charge the following year.	10/10/2022 7:54 PM
39	Affordability Both options are unacceptable. Families are already doing it tough, this is exorbitant and residents will fight it through ipart	10/10/2022 7:36 PM
40	Roads Service levels Sad thing about it, is our current rates dont fix the rds now.	10/10/2022 7:10 PM
41	Level of understanding I am concerned that an awful lot of income (approx one third of all revenue) goes straight to staff salaries. What will be the result of choosing this SRV? In the	10/10/2022 6:45 PM

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areas listed under 'Enhanced Services', what exactly (ie what projects under the headings of 'environment', 'waterways/foreshores' and 'public spaces' are council proposing with the additional money? Given the choice between the 2 options provided, I would prefer to get the increase out of the way in the first year.

42	Miscellaneous	No rate rise	10/10/2022 5:59 PM
43	Affordability	Neither option. Both are unaffordable to many at this time with inflation and interest rates through the roof. But if I really had to say, 34.92% increase over 3 consecutive years. (Gives me time to sell my house in port Stephens)	10/10/2022 5:52 PM
44	Miscellaneous	None	10/10/2022 5:27 PM
45	Level of understanding	Why can't I vote for the 4.4% cap set by IPART	10/10/2022 4:43 PM
46	Service levels	I live at Fingal - the council spends NOTHING here. I am not in favour of any increases until council can assure me that at least some of the rates (as well as the increase) are spent at Fingal. If they can do that I am in favour of the increase.	10/10/2022 3:41 PM
47	Level of understanding	Only if left at that rate. Not another hike next year	10/10/2022 3:38 PM
48	Level of understanding	Neither but your bias survey doesn't allow for suitable answers these are too high	10/10/2022 3:28 PM
49	Level of understanding	As long as we don't get the 2.5% on the next two years. One big 26% and nothing for the next two years	10/10/2022 2:41 PM
50	Affordability	I do not agree with either as the increases are excessive and wasteful. This council has done little to overcome inefficiencies and needs to reprioritise to be more reasonable with the increases. Every household has been and will need to do this. Many of the population are on fixed incomes and with other essentials significantly increasing this is just a money grab using the current economic circumstances as an excuse.	10/10/2022 2:15 PM
51	Level of understanding	Raptor I wish there was an option for no rate rise maybe sell the mayors car would save money	10/10/2022 1:11 PM
52	Roads	Service levels Will this allow for the roads in Raymond terrace to be redone	10/10/2022 12:49 PM
53	Efficiency and cost containment	I would need an iron clad guarantee that it is only for 3 years and I figure of what the rate fee will return to in 2024 cause governments constantly lie.	10/10/2022 12:37 PM
54	Efficiency and cost containment	Miscellaneous Raptor If you didn't buy [REDACTED] like expensive cars for our [REDACTED] mayor council wouldn't be in this position! Do better with our money!!!	10/10/2022 3:59 AM
55	Level of understanding	Neither option	10/10/2022 12:04 AM
56	Level of understanding	Roads Service levels The answer I gave is only to be able to progress. How dare you even ask for a rate rise!!! Tilligerry Peninsula roads for one are appalling and a danger to drive on!! Park and recreation hedges and grass left to overgrow for too long before being attended, no body collects litter, not enough public bins, why are there no bins anymore? dog poo bag sites always empty, dogs of lead everywhere, no ranger in site! No police presence, only to catch people speeding on double demerit weekends and holidays, idiots doing burnouts everywhere n don't mention the trail bikes @@@ Please as well tell me why the mayor needs to drive a top of the range 4B with all the extras.....the cheek asking for more money in a rate rise, try doing the services you are supposed to be doing first, right, before asking for more!!	10/9/2022 10:23 PM
57	Efficiency and cost containment	Level of understanding This is a joke. There is no third option to say I do not support any rate rise as council needs to learn to stop recklessly spending rate payers money and live like everyone else does by living within their means and balancing their budget and not just expect that they can just ask for more money	10/9/2022 9:21 PM
58	Efficiency and cost containment	Raptor This increase should only be used for the reasons mentioned not for flippant ideas or expensive cars to get to work and back. Keep in mind that it is the ratepayers money not pocket money." why expensive cars anyway ?"	10/9/2022 4:12 PM
59	Affordability	Don't agree with either. Cost unfair to lower incomes. As have to click on one, disagree strongly as means many will go without food. If families have to budget your incompetence is unbelievable.	10/9/2022 3:52 PM

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60	Affordability The increase sought is excessive and places too much of a burden on residential rates rather than fees for services	10/9/2022 2:50 PM
61	Efficiency and cost containment Raptor Actually think both are outrageous but cannot proceed without a choice. Stop wasting the money you already make. Council workers playing cards for hours in parks, expensive cars for mayor/councillors, unnecessary roadworks.....	10/9/2022 4:59 AM
62	Affordability Neither after covid and now with increase in price of living no normal family can afford such increases. The is ridiculous to expect people to pay	10/8/2022 11:40 PM
63	Efficiency and cost containment What is the comparison between the cost of living indexation & the percentage rise offered here? Of course the indexation does not account for poor management of the councils dollars in the past. So now the current rate payers have to foot the bill for poor council management! Eg [REDACTED] times where a some of about \$18 million was needed to pay a developer, after the council ignored its' own legal representatives' advice. It seems to be repeating these mismanagement mistakes with the challenge to the height restricted development in Nelson Bay! So the bottom line is that we don't get a choice in what you want to charge us!!!!	10/8/2022 4:38 PM
64	Efficiency and cost containment Prefer this incompetent council was actually able to live within their means, do their job and balance the budget but if this ridiculousness is inevitable, get it out of the way in the first year (just don't come back cap in hand asking for more down the track!).	10/8/2022 2:48 PM
65	Level of understanding IMHO the above charts do not well represent the choice - would not have been better to present the "Single Year Scenario" through to 2026 - to match the "Independent Scenario" ????	10/8/2022 12:29 PM
66	Roads Service levels The council would need to demonstrate a targeted focus on increased services that matter to the average rate payer. Better roads would be the towards the top of that list.	10/8/2022 6:48 AM
67	Level of understanding If the one off 26% is chosen in year 1, I assume that the normal rate increase would follow in year 2/3 as do not see that there would be a freeze in the following two years. And something always develops that would require further funding whereas it perhaps could be incorporated in the 10.5%	10/8/2022 6:37 AM
68	Affordability We may be leaving the area so to pay the 26% increase would not be financially sound for us - just our particular circumstances.	10/7/2022 9:40 PM
69	Answer explanation - positive Big initially but cheaper in the long run for everyone	10/7/2022 3:37 PM
70	Answer explanation - positive Just do it. This is a small price to pay to see substantial improvement.	10/7/2022 2:58 PM
71	Affordability I don't like either of these options. Such an extreme increase would be difficult for many people. Is there some other mechanism - CPI? - to set rates. No doubt IPART will have the last say.	10/7/2022 8:05 AM
72	Roads Service levels I'm concerned with how this money will be distributed. In Taylors Beach we pay high rates already and don't have sewer or town water. Our roads are in terrible condition. The area is generally kept tidy by the residents! We are grateful to Council who mow the park.	10/7/2022 7:49 AM
73	Level of understanding Roads Service levels No rate rise until the roads are fixed	10/7/2022 7:30 AM
74	Miscellaneous Roads Service levels This fixes nothing. The economic woes will continue while disgraceful work practice of roads and council managed property workers remains. Every rate payer cringes at the lazy, slow, incompetent, over staffed maintenance of roads. Get rid of dead wood and use contractors. The hideous koala tunnel at Taylors beach is a case in point. Already potholes after 3 weeks. Potholes everywhere in the region. Never has such pathetic, lazy, incompetence been on display. Then there are the lies. Why did council hide the huge \$multi-million court rulings against the absolutely absurd drainage dispute in Nelson Bay. Not once, but twice costing rate payers millions. Then Council having the contempt to impose a levy for "drainage upgrades". There is a funding problem because of incompetence.	10/7/2022 7:08 AM
75	Roads Service levels My option would be not to increase rates, obviously. We seem to receive far less on the peninsula side of the council area yet we are expected to support tourist coming to the area. The potholes and damage on side roads and residential streets are	10/6/2022 9:41 PM

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plugged with inferior materials then seem to be forgotten, roundabout landscaping is non-existent, and there seems to be an overall lack of understanding or care for the environment. We, and others moved to the area to live in a pristine and comfortable environment but this environment seems to be eroding day by day all in the name of progress and commercial interests and greed.

76	Answer explanation - positive I feel that a smaller rise over three years, although finishing at a slightly higher overall level would give people a better chance to adjust to the increases.	10/6/2022 8:45 PM
77	Efficiency and cost containment A one off single year increase will not deal with the long term problems. It will be spent and then forgotten and we will find ourselves in the same position within a few years.	10/6/2022 8:27 PM
78	Efficiency and cost containment I'd rather no rate rise, focus on the important crucial things and let everything else go. Jettison some staff, get rid of the consultants and just get back to basics so the Council can live more appropriately within its means.	10/6/2022 7:24 PM
79	Miscellaneous If more money is needed how about exercising some balance on money wasted to comply with the woke culture!	10/6/2022 5:34 PM
80	Affordability Try to make sure we don't get in this position again. What happens to ratepayers who can't afford this one-off increase if such is adopted?	10/6/2022 2:23 PM
81	Answer explanation - positive Efficiency and cost containment While I accept that some increase is necessary I don't think a convincing case has been made to justify such a large increase.	10/6/2022 1:26 PM
82	Affordability Neither, both are unaffordable to me in the current circumstances. Your survey requires the box to be selected but I am absolutely not in favour of such huge increases to rates.	10/6/2022 12:56 PM
83	Service levels Need to ensure that all residents that benefit from additional services, including the significant numbers of residents living in retirement villages, contribute to increased rate requirements.	10/6/2022 12:49 PM
84	Answer explanation - positive A one off rise allows council to either invest money at a good rate or use it more wisely than if they have a funding shortfall	10/6/2022 11:16 AM
85	Answer explanation - positive I understand the need for a rate rise and consider the cumulative increase the preferred option	10/6/2022 10:47 AM
86	Affordability I think council dose not realise how many pensioners are in nelson bay area or are trying to force them out of the area by increasing costs that some cant afford	10/6/2022 10:18 AM
87	Level of understanding i do not support an additional % rate rise increase. If land values have increased dramatically over the last 5 years and council charge rates as a percentage of land values I do not understand how council income has massively increased over the last 5 years.	10/6/2022 7:49 AM
88	Efficiency and cost containment Raptor No rate rises. Stop unnecessary spending like expensive cars for execs. Cap execs pay.	10/6/2022 7:47 AM
89	Roads Service levels Neither would be my preference if available, as a Medowie resident I am still unable to see where our money goes in this community, our roads are no longer roads, my car has been damaged repeatedly as a result which you don't claim responsibility for, my windows have had pieces of these so called roads come through my front windows in which you won't claim responsibility for. So I have had my bank account depleted as a result and still you want more. I fail to see any results from this so called council who once upon a time was there to help residents instead of fleecing them for all their worth! Shame on you all!!!	10/6/2022 7:16 AM
90	Efficiency and cost containment * Personally I'm opposed to the whole thing. * Port Stephens was one of the few council with a positive balance. * The reasoning for a money grab defies credibility.	10/5/2022 8:48 PM
91	Service levels None , my rates have doubled since moving here 20 years ago , with no increase in services , aprt from a garbage service , what am I receiving	10/5/2022 8:11 PM
92	Affordability Level of understanding There is no certainty that a single increase means no more increases for the next years.	10/5/2022 8:05 PM

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93	Service levels	None, we pay for everything but get nothing in return in Salt ash. I'm not in pfas zone but my levels are as high as those in the zone, yet we still get nothing.	10/5/2022 7:51 PM
94	Affordability Miscellaneous	Better to allow residents with their cash flow. A big hike in one year under other option, with may not able to afford.	10/5/2022 7:29 PM
95	Miscellaneous	None	10/5/2022 7:20 PM
96	Efficiency and cost containment Roads Service levels	None of the above. As you have stated there is already a 4.7% increase in our rates not 2.5%. And the options you are suggesting are permanent increases, which I did not realise, and I am guessing a lot of other people do not realise this as well. Also your waste removal fees seem to go up 5% each year as well, so in my case that is a jump of \$500.00 per year (waste & rates). I suggest you start increasing prices for your developments and home improvements approvals. Someone spending \$100,000 plus on an home improvement can afford more than \$600 approval fee. And if you fixed the pot holes properly then the road would be fine for years. You can do it, I have seen it but you seem to run short on the repair for some reason. I have been in this area for years and the tanilba bay area is getting worse not better, becoming unsightly. Even dump of a building across from the Tanilba bay. How is that allowed to be still standing all these years? Sorry but this place used be okay to live but starting to take it's toll on me.	10/5/2022 5:52 PM
97	Level of understanding Roads	Until PS Council make an effort to properly fix roads up, I don't think we should be given a rate rise. The costs of fixing our vehicles are high because of pot holes!! If I opt for the single year scenario, how are we guaranteed no rate rises for the next 2 years?	10/5/2022 5:41 PM
98	Service levels	Improvements to services and infrastructure sooner, as long as trades and expertise is available to act immediately.	10/5/2022 5:13 PM
99	Efficiency and cost containment	The council structure is top heavy. Get rid of the dead wood in management and keep rate rises to a minimum.	10/5/2022 5:10 PM
100	Roads Service levels	I don't mind either way as long as the revenue gets spread evenly to all parts of Port Stephens and not wasted on things like the decking going in at Raymond Terrace. Nice roads would be great though	10/5/2022 5:05 PM
101	Efficiency and cost containment	No rate increase. This council wastes so much money. We have to live within our means so why can't the council?!	10/5/2022 5:03 PM
102	Level of understanding Miscellaneous	But no rise the following 2 years	10/5/2022 4:54 PM
103	Efficiency and cost containment	How about a live within your means option?	10/5/2022 4:53 PM
104	Efficiency and cost containment Roads Service levels	I would prefer the Council reduced its costs by focusing on roads, rubbish and rates. I voted for the mayor thinking he would provide pragmatic leadership but sadly he has been convinced by the vocal majority to spend our money on woke stuff.	10/5/2022 4:53 PM
105	Level of understanding	What is to stop council increasing rates after year 1 should they fall into a deficit? Nothing is guaranteed and I certainly don't trust the council to not increase again.	10/5/2022 4:43 PM
106	Affordability Level of understanding	Better to get it over and done with. However there must not be subsequent rises beyond this plan. My fear is as a self funded retiree that at some point my home will be too expensive to live in.	10/5/2022 4:37 PM
107	Level of understanding Service levels	Travelling to other areas I have seen how little this area for the huge rate already paid in our rates.	10/5/2022 4:35 PM
108	Efficiency and cost containment Level of understanding	None would be ideal maybe council need to manage there funding better and not rely on the community to pay for it	10/5/2022 4:20 PM
109	Service levels	Neither are reasonable especially if services don't reflect the increase	10/5/2022 4:11 PM
110	Efficiency and cost containment	Maybe a few cuts to expenditure would help.	10/5/2022 4:09 PM
111	Level of understanding	Stop council waste and workers having 1 hour lunches	10/5/2022 3:56 PM
112	Roads Service levels	Neither option is good. I live in Karuah and we rarely receive the benefits of these increases. Still waiting for our road to be sealed, almost every other town in	10/5/2022 3:47 PM

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Port Stephens has better community facilities and parks etc. Increase it in the towns where the majority of money is to be spent.

113	Efficiency and cost containment Raptor As a squealing pig that has been backed in to a corner with little choice, my preference would be a straight up hit, however I would also like to see evidence of savings achieved within the council. An example would be asking the Mayor to take a standard size \$50k SUV instead of a crazy over-priced truck!	10/5/2022 3:44 PM
114	Affordability People are already hurting from cost of living increases. I have chosen the least cost option that will hurt the most!	10/5/2022 3:43 PM
115	Miscellaneous It may be easier for those financially challenged	10/5/2022 3:38 PM
116	Affordability A lot of people can't afford any rates ris	10/4/2022 10:55 PM
117	Level of understanding Pretty biased question, you have deliberately excluded a no additional rate rise option so you can later come out and say one of these two options is preferred. Pretty deceptive really	10/4/2022 8:04 PM
118	Efficiency and cost containment Service levels Neither option. As a rate payer, the justification of this is not visible. Council has not maintained areas for some time and we have put up with it, now you want to increase? Where we live in Corlette, our council maintained areas are poor, the state of our recreation facilities are in the worst state they have been for ages. We host big events and council charges local sporting organisations a bomb for this with some sub par facilities.	10/4/2022 7:10 PM
119	Level of understanding I think for the community to vote they need to be provided with clearer information. If we vote for the single year scenario, how do we know there won't be a rate rise immediately following? There needs to be a guarantee of this for the voting to be considered fair	10/4/2022 5:42 PM
120	Affordability Both options are way too high	10/4/2022 5:25 PM
121	Level of understanding Neither really. Your figures 26 and 34.92 are deliberately misleading. In NPV terms the Independent recommendation is cheaper for ratepayers. That is not how you depict the dotuation.	10/4/2022 5:09 PM
122	Level of understanding Service levels There should be a third option, we should not have to be forced to chose - this is a flawed process. Neither - stop wasting money on court cases, failed William Street projects and building works at the Council Depot to accommodate additional staff (doing what I would like to know - we can't get our road repaired and our roads are now in worse condition than Dungog Roads).	10/4/2022 4:26 PM
123	Efficiency and cost containment I'd honestly prefer choice C - a competent council who acts within their budget and prioritises what needs to be done.	10/4/2022 3:51 PM
124	Roads Service levels As long as you use it to fix the bloody roads. Seriously, spending just 1% of your income on roads and planning on resurfacing just 2% of roads per year (meaning it will take 50 years to do every road) is just a fail. Also, get different and better road contractors. The ones you are using build cheap roads that develop potholes just a few months later.	10/4/2022 3:46 PM
125	Miscellaneous None. This is a BS survey.	10/4/2022 2:47 PM
126	Answer explanation - positive We would appreciate visually seeing our money put to the purposes intended as per survey and webinar discussions. Thank you	10/4/2022 2:23 PM
127	Roads Service levels No increase the state of our roads is abysmal, my town Karuah has 3 new estates gone in or planned and no new infrastructure to accomodate the increased population. Cafes and business's have closed and not opened again, in the terrible weather the boat ramp is clogged with debris washed downstream but it's the users who clean it up not council, there was one huge stump left there in the 2016 storm and council ignored it totally blocking the ramp, a local pulled it out using his heavy equipment and it is still where he left it today, council still haven't cleaned it up. The suburbs on the other side of the bay have beautiful cycleways built along the waters edge, we get nothing. Karuah and Swan Bay should not have to pay rates in my opinion.	10/4/2022 1:33 PM
128	Level of understanding Roads Service levels Neither are appropriate, the increase in land value, and hence 2022-2023 rates, which has increased rates already should be more than	10/4/2022 12:58 PM

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sufficient. Certain areas are paying already excessive rates and have sub-par roads.

129	Efficiency and cost containment Level of understanding This question provides insufficient options - my belief is for Council to stick to the base increases, reduce some levels of service, and seek efficiencies through productivity increase/ jobs analysis/removal of some community "services" and compare productivity with real business, not the unrealistic, padded comparisons with other councils	10/4/2022 12:16 PM
130	Efficiency and cost containment Level of understanding Neither. Reduce your spending like everyone else has to. What a useless survey. You don't give us the option to say what we prefer, only what we prefer put of 2 options provided by you. Thus is not feedback or a balanced and representative survey.	10/4/2022 12:09 PM
131	Service levels Cut out some of the projects especially all the things planned for where councillors live ,eg the. Bay Area. We only have garbage services now and no new projects, so why must we pay? Raise rates in your more prestigious areas! I DONT want either option.	10/4/2022 10:45 AM
132	Answer explanation - positive Now there is planned to be as tilligerry place plan I agree.	10/4/2022 12:34 AM
133	Affordability Rates are high enough already. Families are struggling and you think it's ok to add more pressure to families already at breaking point	10/3/2022 5:48 PM
134	Service levels No rate rise,we pay our rates and get nothing in return!all the work around the bay is done by volunteers.	10/3/2022 5:08 PM
135	Answer explanation - positive The higher the rates the more we get done	10/3/2022 2:22 PM
136	Affordability We are a family trying to survive with children. Our rates are already \$500 a quarter. This is obscene!	10/2/2022 11:40 PM
137	Efficiency and cost containment Even if funds are "immediately" available, the works required will not be. Gradual funding will sustain the pipeline of tasks better, and demand better control of spending.	10/2/2022 9:19 AM
138	Affordability With all cost of living expenses rising - mortgages, petrol, electricity etc, I don't think an increase of 26% is viable for many people.	10/2/2022 12:25 AM
139	Efficiency and cost containment Now we pay for your inadequate management over the years hard to have one method for all why not an individual option	10/1/2022 6:32 AM
140	Level of understanding As long as there is a guarantee that this is a once off payment. What happens after 12 months, does it revert back.	10/1/2022 5:38 AM
141	Miscellaneous I note that you preface this question by the word if. Please note this is not an approval to do so it simply answers the question.	9/30/2022 3:00 PM
142	Level of understanding Neither really w as y too much. What happens when land get revalued. Dovthey get double bonus	9/30/2022 2:33 PM
143	Miscellaneous Not happy about any rate rise	9/30/2022 12:43 PM
144	Miscellaneous if PS council raises commercial rates will small business be able to function with the increase in rent? The region is already dominated by the characterless cheap Chinese junk sold by big business enterprises that soon will become landfill that costs the ratepayers.	9/30/2022 12:14 PM
145	Affordability Answer explanation - positive I agree that the Council needs more money but 26% in one go is too big a jump	9/30/2022 8:04 AM
146	Answer explanation - positive Roads I am not against a rate rise, it's how you use the money. I realise it's been a record wet year, but our roads are a disgrace, you need to do a much better job	9/30/2022 4:37 AM
147	Level of understanding I don't agree with either of these options. Why are these the only two options? I'm sure there are other options that aren't listed here.	9/29/2022 7:58 PM
148	Level of understanding As a fellow [REDACTED], the way this question is phrased and the lack of diverse options really is disgraceful. [REDACTED] Shame on you.	9/29/2022 5:31 PM
149	Answer explanation - positive Service levels Either is ok, but second option gives people time to budget. I think the increase should be much higher (at least 15% in the first year) and	9/29/2022 1:42 PM

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then 12% for the next 4 years if you are going to make an impact on the roads and facilities.

150	Efficiency and cost containment Raptor Roads Service levels no rate rise , our roads are stuffed and cars now stuffed you refuse to fix the roads so NO . You put up rates by 26% for a year and after that one year you don't put them back down .PSC can not be trusted with rate payers money .That's what happens when when you spend tax payers moneys on 4x4 and think its OK to do it .	9/29/2022 12:44 PM
151	Affordability As self-funded retirees we have suffered a similar or greater impact on your finances that the Council has experienced. However, we are not able to increase our income and have suffered a huge increase in the cost of living.	9/29/2022 12:37 PM
152	Efficiency and cost containment The first year of increase will be a real test for council to see if they can spend our rates wisely and efficiently and most of all be accountable!	9/29/2022 9:50 AM
153	Miscellaneous There should be no rate increase.	9/29/2022 9:01 AM
154	Level of understanding If the rates are increased as per the first option as a 1 off amount are they still increased by 2.5% a year?	9/29/2022 7:41 AM
155	Efficiency and cost containment Level of understanding Miscellaneous The council is broke. We see the deterioration in roads and upkeep of our area over the past 5 years. The mayor says he has delivered on promises but has stripped the coffers bare. There's nothing left. Apart from needing a new mayor we need to rebuild our council. At least it's making some sensible headway with changes made by some of the new councillors. And stop allowing buildings above height limits.	9/29/2022 6:55 AM
156	Efficiency and cost containment Level of understanding This is all wrong, you are comparing rates to councils with house values and average incomes over 50% more than Port Stephens's yet you are expecting us to afford similar rates collection without securing our home values by increasing the land values. Additionally the other councils are only indexing at a rate of less than 1% according to the graphs. Furthermore, I've not benefitted from ANY of these luxury projects that the council has funded over the last 3 years I've lived here and none of these projects appear to be any benefit to me as it's all going to the tourist and retirement areas that are heavily sheltered from the rate increases. I'm opposed to these increases regardless of the option.	9/28/2022 8:04 PM
157	Miscellaneous None, you lot made the mistakes that got us here. Stop blaming covid.	9/28/2022 6:32 PM
158	Affordability I am on a pension and any rate increase is not good, considering the council gets double land rates when you have two units on one lot of land come pair to one single house on a one lot. There are many units in Port Stephens area on one lot of land which means the council does very well per lot of land.	9/28/2022 5:41 PM
159	Roads Service levels we need increased services and spending on things like our terrible roads immediately, this will work better than a staged plan. The trick is ensuring the money is spent effectively and not just at nelson bay.	9/28/2022 5:27 PM
160	Answer explanation - positive A single year adjustment makes the most sense to me as improvements to services should be seen quickly and will be easily observable. Also paying less overall to achieve a faster result is more efficient	9/28/2022 5:23 PM
161	Efficiency and cost containment I have no faith in councils ability to allocate correctly that the rates we already pay. I have little faith that any further rates will be allocated accordingly.	9/28/2022 2:42 PM
162	Level of understanding Neither as there is so much wasted money . Eg the construction in the main st at Raymond terrace	9/28/2022 6:09 AM
163	Affordability Current state of the economy is killing general income, this includes an increase in fuel, electricity etc etc. A massive increase of 26% will just be a burden.	9/27/2022 11:05 PM
164	Roads Service levels Feel rate rise is not justified in my area we have no street light, no curb and guttering, no town water, no sewage and a road that has so many potholes i can not safely get my horse float around. so you basically want to charge me that amount of money to just collect my garbage than no thanks i will take it to the tip.	9/27/2022 9:16 PM
165	Efficiency and cost containment Roads Service levels As a Raymond Terrace resident, I am appalled that you can't even give us safe roads to drive on and now you are going to take	9/27/2022 6:07 PM

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more money from us at a time when everybody is struggling. Tighten your belts, stop buying yourself lavish "work perks" and do your job correctly!

166	Affordability I think both amounts are ridiculous - no one is getting a 26% pay rise. It exceeds inflation amounts, wage increases and shows an absolute disconnect with reality. Where do you expect people to get this money from?	9/27/2022 5:00 PM
167	Efficiency and cost containment Rate rise beyond core inflation should not be required. Money is being wasted somewhere.	9/27/2022 3:20 PM
168	Affordability none. A rate rise same as inflation say 5% is acceptable. My income does not rise 10% a year. It is basically flat. I have only ticked the box cause your survey requires it. Retirement village residents pay no rates but access council services. Not fair, make them pay a nominal amount.	9/27/2022 11:53 AM
169	Affordability Service levels To be fair to new home owners and families that are already struggling I think the best option is for a gradual increase BUT lets hope we see some well overdue monies spent in our shire	9/26/2022 9:52 PM
170	Level of understanding When using your rate calculator for my land value of \$247000 it showed the rate to be \$1111.40 this figure is \$403.00 more than that which was shown on my current rate notice. Can you please explain why?	9/26/2022 2:46 PM
171	Answer explanation - positive Roads Service levels While understandably no-one will want to pay a higher amount of rates, I support the SRV. For such a beautiful and well off area, it is quite jarring to have such poorly patched roads. It is a toil for us as permanent residents, and embarrassing for visitors when we area tourism area. Lets move past temporary filling of potholes (until it next rains) and set about proper repairs with professional patching	9/26/2022 12:28 PM
172	Efficiency and cost containment Miscellaneous Not sure i trust council . Seems like a lot of smoke and mirrors .Plain words are avoided and pollywaffle seems the go.	9/26/2022 11:47 AM
173	Miscellaneous I would not support any rate rise	9/26/2022 11:14 AM
174	Answer explanation - positive This will provide Council with a much needed injection of funds for urgent work. In addition, it is a less expensive option for a rate payer and I imagine most people may pay their rates on a quarterly basis like me then this option(single year option) is a rather small additional expense.	9/26/2022 9:09 AM
175	Affordability Raptor Roads None this increase percentage will cripple rate payers we are already hit with cost of living increase this amount is just greed maybe cut costs ie not purchasing 84000 car for a major instead of pothole continuous filling fix the road I vote no further increase except cpi	9/26/2022 8:44 AM
176	Level of understanding Wouldn't let me progress without selecting an option. I don't agree with any special rate rise. Council has attempted this previously and failed. Clearly the people don't want this.	9/25/2022 6:44 PM
177	Affordability The rates should only rise at the same rate as wages and consider the effect on low income families	9/25/2022 4:57 PM
178	Answer explanation - positive I prefer this option as only \$6 per week extra and it is done an over. Plus council can start immediately with the things that need to be done	9/25/2022 3:57 PM
179	Efficiency and cost containment Level of understanding Raptor Roads None of the above. You can't fix the roads but want to waste money beautifying parks or buying expensive car	9/25/2022 10:35 AM
180	Level of understanding Neither option acceptable. These ridiculous rate rise options have been rejected before; why are they being pressed onto our community again	9/24/2022 8:12 PM
181	Level of understanding Your graphs are misleading. What is the annual amount paid by the 2026. This amount is not shown nor is the cumulative amount paid over the increase period. Please place true and comparable data in front of us the rate payer. Also why exceed the cap. It is close to inflation. Why must I indicate an option when I don't have all the figures.	9/24/2022 1:00 PM
182	Efficiency and cost containment Level of understanding Why isn't there a button for no rise and live within your means?	9/24/2022 11:16 AM
183	Affordability Have increased inflation impacts been taken into account with either of these	9/24/2022 8:56 AM

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	increases?		
184	Efficiency and cost containment Don't have faith that this or further councillors will honour the single year scenario and that they will use money for intended purpose		9/23/2022 10:11 PM
185	Answer explanation - positive Service levels Do it! I agree to increase in rates AND focus on essential services. Pair back 'nice to have' projects. Get back to sorting basic services.		9/23/2022 9:03 PM
186	Roads Service levels Providing additional rates are distributed fairly per area. Eg. Tilligerry peninsula roads, kerb and guttering, shared pathways are very much sub par compared to other areas.		9/23/2022 7:20 PM
187	Affordability TBH by 2025-2026 we will probably be in for another rate rise anyway, so lessen the pain initially..		9/23/2022 1:52 PM
188	Service levels Maybe it could be spent on some areas that don't receive as much in upgrades as other areas ?		9/23/2022 11:57 AM
189	Miscellaneous Roads Service levels Neither how can you ask for rate increases when infrastructure is failing look at the roads in the [REDACTED] terrace		9/23/2022 9:54 AM
190	Level of understanding This will be a more permanent fix instead I think, the one year rate rise seems like a bit of a money grab.		9/23/2022 5:09 AM
191	Efficiency and cost containment Why don't you have a good hard look at council wasted moneys such as the vehicles purchased instead of once again slugging rate payers		9/22/2022 5:22 PM
192	Efficiency and cost containment Raptor Roads Service levels How about not wasting ratepayers money on wooden structures in the main street, fixing more urgent issues like road's, foot paths ect Less councillors, less council cars used for transport to and from work, more accountability for bad decisions.		9/22/2022 5:19 PM
193	Miscellaneous Neither should be an option		9/22/2022 4:49 PM
194	Answer explanation - positive Roads Service levels If you are using the money to properly repair roads and not just filling potholes then I am very happy to pay the increase in the first year to get things going. I hope that having extra money up front doesn't make council relax or spend it on expensive items for personal use. Thanks.		9/22/2022 3:53 PM
195	Service levels You want an increase on rates you do minimal work for in Fern Bay. We pay an extra \$1200 a year for lawns to be mowed and the estate parks to be maintained, all you do is collect rubbish. If you do what you do to the rest of the Port Stephens district I would be inclined to pay		9/22/2022 2:48 PM
196	Level of understanding The survey that I have responded to is very misleading. I first stopped at the very first question on the survey as I didn't agree with either option, I don't want any increase in rates as an SRV. I do not want my response to the first question as interpreted that I support either option., I don't!!!!		9/22/2022 11:35 AM
197	Efficiency and cost containment Service levels Stop wasting ratepayers money on non-essentials like town beautifications such as happened in Anna Bay. Decorating a bus stop that was demolished only a few months later, money spent on rope and bollards with fake sand at the pedestrian crossing, raising the road height at the crossroad in some sort of 4 way speed hump that doesn't impede speeding, rope and bollards in front of IGA that motorists have run into and demolished and timber seating things no-one uses on the grass areas. These are things you do when you have a huge surplus not when you are asking for a SRV and especially after having the previous 77% SRV Ryan Palmer wanted blocked.		9/22/2022 11:12 AM
198	Efficiency and cost containment I prefer the 2nd option only because I think Council has proven that they are poor managers of finance and no doubt if the 1st scenario doesn't work they will come back again in the future. Perhaps its time for an Administrator to be appointed to look at Councils costs. Why didn't Council borrow money at 0-1% while they had the opportunity and also hedge their existing borrowings?		9/22/2022 11:05 AM
199	Efficiency and cost containment Neither. Reduce service, manage finances better.		9/22/2022 10:59 AM
200	Answer explanation - positive Single increase for 23/24, then 5% for following years to 29/30.		9/22/2022 10:45 AM
201	Efficiency and cost containment Reluctantly alot of Port Stephens rate payers will be forced into accepting a rate increase inspite of a total lack of transparency by council regarding		9/22/2022 10:43 AM

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expenditure by all levels of staff within council and accountability .

202	Efficiency and cost containment	Seems there is potential that council can choose not to increase the full amount depending on inflation but, in reality that's not going to happen. While I understand and respect the increase is required, I have little faith that council will apply the funds appropriately without squandering and being back in the same position in ten years time	9/22/2022 9:23 AM
203	Answer explanation - positive Efficiency and cost containment Raptor	If we have to have an increase in rates I'm happy to pay it AS LONG AS ITS NOT FOR NEW CARS OR NATIONAL OR OVERSEAS "WORK" TRIPS by any councillor or mayor and it's for projects around Port Stephens.	9/22/2022 9:18 AM
204	Level of understanding	None, all properties should pay the same rates across Port Stephens. Why should a rate payer in Raymond Terrace only pay \$852 compared to \$1320 in Salamander Bay. Discrimination by Council	9/22/2022 9:12 AM
205	Miscellaneous	Neither	9/22/2022 8:43 AM
206	Miscellaneous	No rate rise as steep as you are saying	9/22/2022 7:08 AM
207	Miscellaneous Raptor	No rise really the lord mayor can buy a cheaper toy	9/22/2022 6:44 AM
208	Level of understanding Miscellaneous Raptor	The mayor has a rate payer funded \$85000 Ute. No rate rise. Very cute that we can't choose a no increase option	9/22/2022 6:22 AM
209	Service levels	Neither. I live in Tanilba Bay and have done so for more than 20years. I mow council strips and Foster Park as much as I can because they are poorly maintained by PSC. The condition of the roads around here are disgraceful and there are no other suburbs I travel through in the Port Stephens Council like them. It would seem that our beautiful peninsula has been neglected and I question why I am paying existing rates for such poor service. It would seem that if the neglect is not reported to council by many, there is a "nothing to see here" approach by PSS. Many locals I speak to feel the same way and yet you want more? Why isn't there a neither option above because you don't deserve our existing rate level for the poor management of our peninsula.	9/22/2022 2:16 AM
210	Affordability	I would prefer the non of these options with the current cost of living our family cannot afford this increase, we would thinking about moving	9/21/2022 7:48 PM
211	Answer explanation - positive Service levels	My preference as long as Council is able to enact the enhanced services immediately with the available resources and staff at hand. Heaven knows, the Nelson Bay area needs it!	9/21/2022 6:52 PM
212	Level of understanding Service levels	put the money to good use across the board of wards so everybody gets a share NOT just Nelson Bay	9/21/2022 4:20 PM
213	Affordability	Every home is feeling the impact of inflation, loan payment increases, oil and food price increases. A cumulative increase over 3 consecutive years would help people adjust to the new rate costs.	9/21/2022 3:50 PM
214	Efficiency and cost containment Level of understanding	Non. Stay at same level, the council spends way too much now on issues non related to its core responsibilities. If the council was fair dinkum there would have been a third choice of no change.	9/21/2022 2:52 PM
215	Answer explanation - positive	The increases for single year scenario after year one could be higher if the weather deteriorates further. Council should apply for SRV to apply continually.	9/21/2022 2:20 PM
216	Efficiency and cost containment	Neither, I believe you may need an external audit on your financial spending	9/21/2022 1:07 PM
217	Efficiency and cost containment	These options reflect fiscal mismanagement by PSSC over many years and justify the Council being sacked and replaced with an Administrator!	9/21/2022 10:45 AM
218	Answer explanation - positive Roads Service levels	I prefer the one off option so council can put it towards fixing our roads!	9/21/2022 10:08 AM
219	Level of understanding Roads	If we must have a temporary increase in our rates then we would prefer the single year option of a 26% increase just for one year. I cannot understand why councils are running out of money. Are they perhaps trying to do too much with too many fancy projects. why is it that in years gone by councils never had any financial problems that	9/21/2022 9:39 AM

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are present today is it perhaps because they are not sticking to their brief of rates, roads and rubbish.

220	Efficiency and cost containment It's great to get independent experts in to review how to achieve long term sustainability but did they also consider whether expenditure by Council was being effectively utilised.	9/21/2022 8:00 AM
221	Affordability Pensioners, unemployed, low income, disabled and special cases should be able to apply for substantial concession	9/21/2022 6:59 AM
222	Level of understanding Roads Service levels Not many options to chose from which is disappointing. It seems that your agenda is to give us quite a substantial increase yet our roads are terrible and so many streets in our area with no paths. So where does all the money go?	9/21/2022 6:27 AM
223	Efficiency and cost containment Neither I would prefer to see greater transparency on how our rates are being spent. Mayor's excessive spend on vehicle for example should perhaps be looked at before rate rise	9/21/2022 2:13 AM
224	Level of understanding Either option is not palatable. I question whether all options have been explored. Has an independent review been conducted on waste at Council. Are contracts, labour rates fair and reasonable and not bloated. Council has a duty of care to ratepayers to attest that a draconian rate increase through a SRV is unavoidable. Dont give us two options for this question as it skews the real feeling of ratepayers.	9/20/2022 8:40 PM
225	Roads Service levels The rate rise itself is insulting with the conditions of the roads, the parks and everywhere else that isn't central Nelson bay - Shoal Bay	9/20/2022 7:21 PM
226	Efficiency and cost containment Would not need a rise if the council didn't waste money	9/20/2022 7:07 PM
227	Roads Service levels Only if the money is used on our roads as the first priority. Get them right and then use any remaining money for other infrastructures	9/20/2022 6:00 PM
228	Answer explanation - positive everything else has increased so we cannot expect Local Government to be any different. Of course no one wants to pay more for anything but realistically thats life Hopefully Council will use this increase to benefit the community.	9/20/2022 4:30 PM
229	Miscellaneous Neither option is acceptable	9/20/2022 4:26 PM
230	Affordability Efficiency and cost containment 1. I don't like that the Single Year Scenario does not include a guarantee of no further increase for the next three years (ie the period of the Independent Recommendation Scenario). What happens when the Single Year increase funds are spent and more is needed to complete Council's budgeted works? I think it is safer to drip-feed the increased funding to ensure effective spending. 2. 26% increase in one year is too great an increase for many ratepayers to afford, especially during this time of COVID-recovery	9/20/2022 3:52 PM
231	Miscellaneous Neither our rates are high enough already	9/20/2022 3:34 PM
232	Affordability We personally absolutely cannot afford this level of rate increase. You are squeezing the very constituents that you are supposed to be supporting. Re-do your budget if you can't fit everything into it, that's what we all have to do.	9/20/2022 3:22 PM
233	Answer explanation - positive Roads We need roads fixed NOW - so get all the money NOW, and do it !!	9/20/2022 2:40 PM
234	Efficiency and cost containment Level of understanding Neither option is preferred if it simply to account for wasted funds. It might be prudent to show that is not the case if you want to go higher than the cap.	9/20/2022 2:10 PM
235	Efficiency and cost containment Raptor Increase rates using cpi figures as the NSW government requires. Get rid of the excess spending. For example only company cars to be pool cars. No executive or lower ranking peoples cars. The pool cars to be small eg Suzuki swift.	9/20/2022 1:39 PM
236	Efficiency and cost containment I think a blended option would Be better Maybe look at cutting some services and better managing funds then maybe 6 or 8% increases over 3 years might be necessary	9/20/2022 1:25 PM
237	Efficiency and cost containment None, Council should look to hiring independent contractors to alleviate wasted time and resources and also look internally to see where budget savings	9/20/2022 12:46 PM

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can be made before slogging taxpayers with huge increases. Neither of these choices are acceptable.

238	Efficiency and cost containment Raptor I don't think either are viable options. How about you actually look after your rate payers and stop our Mayor over indulging on unessential purchases. Show me where my money is going and then i will decide if I support this increase.	9/20/2022 12:41 PM
239	Efficiency and cost containment Miscellaneous Would prefer no rate rise at all. SP house rates are more than the house rates in Chatswood in Sydney.	9/20/2022 10:38 AM
240	Efficiency and cost containment Would sooner reduced services or better still a more efficient council with reduced money waste The council already gets more money than it should, the rate payer should have to pay more because the council just wastes it!	9/20/2022 10:25 AM
241	Answer explanation - positive Should give Council a longer flow of income plus 3 years gives Council more time to use the money wisely.	9/20/2022 10:06 AM
242	Miscellaneous This is a disappointing proposition to me no matter what you propose. I cant use a large portion of my land as a result of councils development approvals over recent years shedding their water to my property on one side and trapping it on the other. A great deal of money went to council as a result of these developments, I have been disadvantages so I have lost faith in councils ability to protect and do the right thing by me as a resident and my property.	9/20/2022 10:02 AM
243	Answer explanation - positive Roads Services need to be delivered immediately - particularly road reconstruction as ongoing minor repairs are inadequate and dangerous	9/20/2022 9:27 AM
244	Answer explanation - positive Short, sharp and it gives immediate relief and some extra cash to catch up on works backlog.	9/20/2022 8:21 AM
245	Miscellaneous NO RATE RISE	9/20/2022 7:52 AM
246	Answer explanation - positive I think the Council and residents of Port Stephens would be happy to put this issue behind them, and see immediate benefits of this increase.	9/20/2022 7:28 AM
247	Answer explanation - positive Roads We need to have action now as far as road improvements and other much needed works.	9/19/2022 11:36 PM
248	Answer explanation - positive Please raise rates so Council can maintain existing infrastructure.	9/19/2022 8:08 PM
249	Answer explanation - positive It suits us as pensioners to have the increase in one hit.	9/19/2022 7:46 PM
250	Miscellaneous No rate rise should be needed	9/19/2022 6:57 PM
251	Service levels I live in Karuah so we should receive a refund from council	9/19/2022 6:57 PM
252	Roads Service levels This rate rise is less than fair, we have no curb and guttering our road is atrocious, to the point of having to do 5 kilometres in several sections, the table drains surrounding us are in dire need of maintenance	9/19/2022 6:55 PM
253	Miscellaneous Neither option	9/19/2022 6:53 PM
254	Efficiency and cost containment In fact I support neither - there us waste in council spending that has not yet been addressed. Only after waste is addressed should consideration be given to rate rises	9/19/2022 6:46 PM
255	Efficiency and cost containment Raptor Neither, There is so much wasted monies spent like justifying car leases, wages, and poor management with government. Reduce the red tap, save money, get larger industry and corporations to pay more tax. Once again this is taking from those that work for it.	9/19/2022 6:22 PM
256	Miscellaneous I will go with the majority decision.	9/19/2022 6:16 PM
257	Efficiency and cost containment Hopefully the money collected will be used wisely by the Council.	9/19/2022 6:15 PM
258	Miscellaneous Just pull the band aid off	9/19/2022 6:13 PM
259	Roads Service levels I understand why rates must rise, I do not understand why you cannot successfully fix the roads, you successfully take our rates money. LS road was	9/19/2022 6:02 PM

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resurfaced by mm house less appears within a week, you wonder why we object to a rates rise?

260	Miscellaneous	These grubs should stop spending other peoples money so recklessly.... They are a disgrace	9/19/2022 5:58 PM
261	Affordability	I think both are unreasonable given the current economic climate	9/19/2022 5:43 PM
262	Efficiency and cost containment	Level of understanding But will you reduce the rates to their normal level after one year? Very suspicious it won't happen.	9/19/2022 5:31 PM
263	Miscellaneous	Why not cut councillors and then everyone wins	9/19/2022 5:26 PM
264	Efficiency and cost containment	Roads Service levels How do we know that the increased revenue will be used in an effective manner? As a [REDACTED] I see patchwork road repairs in our area that don't last as they should if done properly.	9/19/2022 5:21 PM
265	Efficiency and cost containment	Service levels WHAT DO YOU THINK YOU ARE DOING. Different Colours for Port S in the two diagrams. That is blind siding people. There is no reason for a rate rise, cut services, in Duns Creek other than holes in the road what else is provided, Garbage is a unique charge, So let's think - NOTHING. All sports fields need to be user pays and the parks just basic care every 12 weeks, they are not bowling/golf greens. STOP spending money that is NOT the Councils but the hard earnings of the RATE Payers.	9/19/2022 5:16 PM
266	Efficiency and cost containment	I do not agree with there being any rate rise above the 2.5% rate cap. The council needs to stop investing in real estate in the area and use the funds that are generated through it's standard rates collection process to do what needs to be done for the community.	9/19/2022 5:02 PM
267	Efficiency and cost containment	Service levels Council should be held accountable for the irresponsible management of our ratepayer dollars. Disgusting that they now want us to fund their ineptness	9/19/2022 5:02 PM
268	Answer explanation - positive	One off payment is preferable, rather than a prolonged rate rise.	9/19/2022 5:00 PM
269	Efficiency and cost containment	Raptor I am very disappointed that the newly elected council chose to spend an extortionate amount of rate payers' money on a new car for the Mayor and then ask for a rate rise! This should have been taken to the election.	9/19/2022 4:57 PM
270	Miscellaneous	I don't accept either option.	9/19/2022 4:53 PM
271	Affordability	Raptor My husband and I are pensioners. This year alone we have downgraded our Health Care Plan, stopped buying tickets from [REDACTED], changed our mobile phone plans, stopped Netflix and anything else we can do to save money we will do just to try and manage on our pensions and you want us to pay this increase? You ought to be ashamed of yourselves. It's a [REDACTED] disgrace. We don't support either of these rises. Where is the fairness in a rise of these magnitudes? Why doesn't the Lord Mayor sell his fancy new car and put that money back into council? Leave our rates alone. .	9/19/2022 4:47 PM
272	Affordability	I can't afford a big increase	9/19/2022 4:44 PM
273	Efficiency and cost containment	Either way we are paying the price for council incompetence in mismanagement of previous budgets, spending money on things that don't need doing, inadequate developer contributions, and poor allocation of developer contributions, including waiving their payment. So either way, it's a poor outcome for ratepayers and their needs to be greater transparency as to where previous incompetence lies and what council is doing about it moving forward (otherwise we will be seeing same poor council applying for another one of increase in 5 years time)	9/19/2022 4:27 PM
274	Efficiency and cost containment	I would prefer to not have a rate increase at all and ask why the council is in need of additional finances now, I wonder if the concil is being run correctly	9/19/2022 4:22 PM
275	Affordability	A large rate increase will put further stress on a lot of families already coping with cost of living rises	9/19/2022 4:05 PM
276	Answer explanation - positive	Our rates are too low. Council will never be able to fix things without more income.	9/19/2022 4:00 PM
277	Efficiency and cost containment	Council has not worked hard enough to make changes that	9/19/2022 3:58 PM

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reduce the burden on citizens. You get a poor mark for not trying harder to reduce costs of rate payers - people.

278	Affordability	I disagree with both options as neither are affordable for the pensioners who live in Port Stephens.	9/19/2022 3:48 PM
279	Miscellaneous Raptor	Neither you [REDACTED] sell the ranger Mayor Palmer you [REDACTED]	9/19/2022 3:48 PM
280	Efficiency and cost containment	Council needs to manage our money better. The reason council needs the money is well known. Unless it is better run it will end up like Gosford Council	9/19/2022 3:48 PM
281	Efficiency and cost containment	Not happy with either option how about something less and Council lives within its means	9/19/2022 1:14 PM
282	Miscellaneous	No SRV!	9/18/2022 10:42 PM
283	Level of understanding	Need ps to be a preference here for no rate rise. Whilst selecting an option, I previously made a submission about the options that Council needs to reduce service levels and services to accommodate its budget and asset renewal shortfall. For too long, Councillors have cost Council millions in going away from adopted plans and officer recommendations. PSC was "fit for the future" only a few years ago, and now appears to be insolvent based on data being reported and now requiring the rate payers to prop it up,	9/17/2022 8:12 PM
284	Miscellaneous Roads	Fix the roads don't blame the weather they were shit anyway and your [REDACTED] workers stand near a hole and throw the asphalt in then leave. Use a real company and delete the useless union workers	9/17/2022 7:47 PM
285	Efficiency and cost containment Level of understanding	Because we all no a once off rate will not be honoured!	9/17/2022 2:41 AM
286	Efficiency and cost containment	The independent experts are hardly that. They have well known views on this issue and the Council selected them accordingly. Hired guns in effect. How about looking at the inequity in rates - all of the retirement villages springing up paying a pittance of what equivalent rates for a unit or house. The occupants use the same services but contribute a fraction of what unit, business and home owners contribute. Putting those residents on par with even the lowest regular rates would go a long way to resolving the rate income problem. All a bit harder and less popular in some quarters than just jacking up rates for the rest of us. What did the experts say about that.....	9/16/2022 5:18 PM
287	Level of understanding Miscellaneous	This is not a fair survey, No Rate Rise and no SRV	9/16/2022 2:46 PM
288	Answer explanation - positive	The cost of living has risen so much that i feel if Council doesn't take on as many funded projects as they usually would like too this would be understandable and the aim to keep the costs down for all LGA residents would be the first priority for our community.	9/16/2022 10:03 AM
289	Efficiency and cost containment	I DON'T PREFER ANY OF THESE PREFERENCES. Council needs to "trim the fat" from their senior management. Council also needs to stop wasting money on unnecessary events such as local government day spending \$600 on cup cakes!!! As technology has improved and gone digital, Council could streamline library services to save money on wages.	9/16/2022 7:09 AM
290	Efficiency and cost containment Level of understanding	I am very sceptical about the meaning of permanent. I don't necessarily trust council to adhere to this in future	9/16/2022 2:32 AM
291	Level of understanding Raptor	Interesting that we must select one option or the other. A rate rise of any size is not supported by an increase in services, infrastructure or facilities. The state of the roads in PSC is a long standing joke; potholes are in evidence all around the council area. My bins are not emptied any more frequently, nor am I offered any more waste pickups. What justifies a rate rise, other than the Mayor's new car we pay for? Suggest you reconsider.	9/15/2022 11:41 PM
292	Efficiency and cost containment Level of understanding Service levels	Both are [REDACTED] You continually increase our costs because of YOUR financial mistakes, meanwhile funding so many unnecessary projects like a million dollar skate park that we now need a rate rose to pay for. POOR FORM	9/15/2022 11:09 PM

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293	Efficiency and cost containment	Neither. It should be no more than inflation at best. Council already does nothing with the rates it gets for anyone other than Nelson Bay!	9/15/2022 9:44 PM
294	Efficiency and cost containment Level of understanding	It's a disgrace having another rate rise, nothing is being done or maintained properly in medowie, to show value for money. The community is already paying the price in damaged to personal property.	9/15/2022 9:13 PM
295	Efficiency and cost containment	Maybe if three men dont need to watch a remote control lawn mower mow you could decrease the rate rise. Omg	9/15/2022 6:21 PM
296	Affordability	Neither option is very palatable, especially given the increasing rate of inflation coupled with a continuing decline in real wages and high level of home unaffordability. The single year option hits residents too hard, while the Independent Recommendation option will cost more in the long run but is more affordable annually.	9/15/2022 4:54 PM
297	Affordability Level of understanding	With inflation already impacting our everyday expenses I hardly doubt anyone could handle a 27% pay rise on top this and interest rate rises.	9/15/2022 3:43 PM
298	Answer explanation - positive	Less expensive option for rate payers but gives Council additional funds straight away	9/15/2022 2:52 PM
299	Efficiency and cost containment Level of understanding Roads	i object to any rate rise for improvements as you are not doing your jobs anyway - the roads are a mess, and you dont care about us locals	9/15/2022 1:45 PM
300	Affordability Level of understanding Raptor	This is extremely poor financial planning and very likely to impact older, self funded retirees and single income families badly. Why not a 5% increase per year for a period of 4 years and a reduction on rates at 2.5% for each of the next 5. Thus not impacting as heavily, and building a bad for major works. Poor form by the mayor buying a large 4wd at a time where Council clearly hasn't taken account of environmental impacts on the budget.	9/15/2022 1:43 PM
301	Affordability	I think it's disgusting t put rates up 26% in one year or even 10% over three years , homeowners are struggling with interest rate rises and cost of living rises as it is	9/15/2022 12:07 PM
302	Efficiency and cost containment	I feel council needs to focus more on the basics and less on luxuries and pay rises for councillors and executive during these difficult times	9/15/2022 11:59 AM
303	Efficiency and cost containment	Unfortunately I can't see any money being spent around the Raymond Terrace area to benefit the community as it is.	9/15/2022 11:09 AM
304	Efficiency and cost containment	None maybe stop wasting money on workers that stand around or 3 in a car to spray weeds from the window	9/15/2022 11:00 AM
305	Affordability	How do you expect residents to afford this? We haven't had a pay increase!!	9/15/2022 10:00 AM
306	Efficiency and cost containment	However we do not need a rate rise we pay high enough rates now	9/15/2022 9:44 AM
307	Affordability Efficiency and cost containment Miscellaneous	I do not agree with any rate rise - why is that not an option No rate rise - the previous survey clearly showed that people wanted to try any other way for council to fund initiatives without rate rise - people can not afford the increase in cost of living and increasing things again just makes the cycle worse. Live within budget, cut down on initiatives, user pays etc	9/15/2022 9:06 AM
308	Miscellaneous Roads	I only ordered this because there's no other option. Rates are already extortionate. I am not willing to pay ANY rise until you fix our roads *properly* and clean up graffiti and rubbish regularly.	9/15/2022 8:42 AM
309	Level of understanding	Wages are not increasing in line with the proposed changes... propose CPI increase and no higher...	9/15/2022 8:28 AM
310	Level of understanding Miscellaneous Roads	Should be neither, the roads are disgusting in Medowie! What are we actually paying for!	9/15/2022 7:54 AM
311	Miscellaneous Roads	Neither is an option. Start fixing our roads before you expect us to except a rate rise. All the money goes into the Bay not the outer suburbs	9/15/2022 7:54 AM
312	Miscellaneous	Council does absolutely nothing for me do the point my property is becoming unusable due to flooding yet council staff are happy to take developer handouts, I will be	9/15/2022 7:32 AM

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		seeking a refund not an increase from the scum we call a council	
313	Level of understanding	Miscellaneous no rate rise sell your new ford	9/15/2022 7:23 AM
314	Level of understanding	Miscellaneous I would prefer non as you already have put up rates this year	9/15/2022 6:59 AM
315	Level of understanding	Miscellaneous This is ridiculous a 34% increase??? Where are our rates going that we pay now?	9/15/2022 6:41 AM
316	Miscellaneous	Raptor No rate rise, sell the raptor	9/15/2022 6:32 AM
317	Miscellaneous	No increase at all	9/15/2022 6:27 AM
318	Efficiency and cost containment	I don't believe the Council should be asking for anything over or above the standard 2.5% annual variation. Council has continually mismanaged funds and now asking its ratepayers to bail them out again.	9/14/2022 10:28 PM
319	Miscellaneous	Neither!	9/14/2022 10:17 PM
320	Efficiency and cost containment	Whilst I don't have an issue with paying a fair amount for rates, I am still not seeing based on your draft plans that there is any improvement in real long term financial sustainability except the can being kicked down the road again by 10 years. Where and when are the cost reduction and productivity savings coming into play? The more money you have it seems the more money you are spending based on all scenarios given.	9/14/2022 9:08 PM
321	Efficiency and cost containment	Level of understanding Neither. Work within your budget. Unfortunately I have to choose an option, which will not give a real reflection, as you don't have a choice for just the standard peg rate.	9/14/2022 7:09 PM
322	Answer explanation - positive	A single year allows the council to catchup to the neighbouring councils and then we can forget it and put it behind us with just cpi increases after that. It looks like our rates are actually cheap compared with Newcastle and Maitland.	9/14/2022 6:53 PM
323	Affordability	Even an increase of \$6 a week is an amount many, myself included will find difficult. The rise in petrol, food and energy beyond ridiculous any increase leads to cut back in necessities such as food and medicine.	9/14/2022 4:14 PM
324	Efficiency and cost containment	none of the above manage money better that's what households are having to do. You can't be trusted with the current budget to spend wisely how can we trust you with more why we have to tighten our belts.	9/14/2022 4:09 PM
325	Affordability	26% is far too hard on the young families already struggling! I don't even like the second option - it will really hurt us.	9/14/2022 3:33 PM
326	Efficiency and cost containment	I still have not seen any actual commitment from councillors or staff to address clear financial knowledge lacking from councillors.	9/14/2022 3:12 PM
327	Efficiency and cost containment	Neither Why should I pay for councils total mismanagement	9/14/2022 2:51 PM

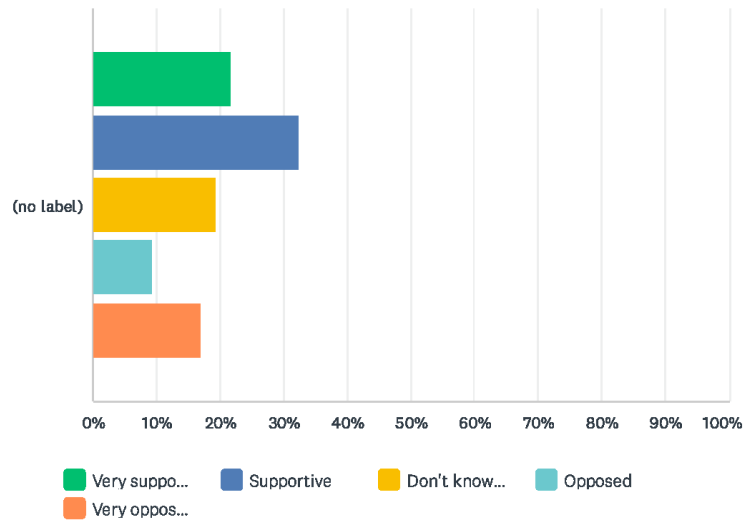
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Q2 How supportive are you of this proposed distribution of extra funds if a rate increase is applied?

Answered: 651 Skipped: 20



	VERY SUPPORTIVE	SUPPORTIVE	DON'T KNOW/ UNSURE	OPPOSED	VERY OPPOSED	TOTAL	WEIGHTED AVERAGE
(no label)	21.81% 142	32.41% 211	19.35% 126	9.37% 61	17.05% 111	651	2.67

#	COMMENTS	DATE
1	Miscellaneous Service levels Go yourself. Liars. Thieves. You only collect my bins. I'm better off dumping my rubbish and paying a fine if I get caught.	10/12/2022 10:06 PM
2	Service levels Not enough is being done to warrant a pay rise especially this much !!!	10/12/2022 9:56 PM
3	Level of understanding A very biased survey. Home rates are not councils only means of income	10/12/2022 9:45 PM
4	Efficiency and cost containment Services need to be zero based first.	10/12/2022 7:30 PM
5	SRV Option preference explanation - positive A good mix of distribution	10/12/2022 5:18 PM
6	Miscellaneous No for any increase	10/12/2022 4:19 PM
7	Service levels You haven't "looked after" the foreshore spaces. Your spending renovated these spaces. There is a major difference. Renovating these spaces contributed no further income to the community.	10/12/2022 4:07 PM
8	Service levels I think more should be spent on our public spaces. If you visit other seaside towns when tourism is a big factor their public spaces/parks are a lot better than ours are.	10/12/2022 2:43 PM
9	Miscellaneous I would prefer council NOT have an increase of this magnitude and focus on "left-field" ways to solve the problem and deliver the required services (eg merger with another council so as to realise economies of scale and reduce duplication, asset sales, etc)	10/12/2022 2:34 PM

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10	Roads Service levels The roads are in very bad condition, and the way you fix them is not working, so maybe finding a different way to fix them would help. If you are going to distribute 14M and fix the roads, in the same way, is a waste of money.	10/12/2022 2:12 PM
11	Roads Service levels We would prefer to see more spent on the natural environment and waterways (which are under stress and need urgent attention) and less on road maintenance (which is a bottomless pit!) - although around 40% should go to roads	10/12/2022 12:27 PM
12	Level of understanding Service levels Again, entirely misleading language. Since when was fixing roads or maintaining public spaces 'enhanced services'? This is Local Government basics. You arent doing us favours or providing anything additional to what you are legislatively required to provide with our money.	10/12/2022 12:17 PM
13	Roads Service levels You can't even fix the potholes now. I don't believe you will in the future. You have wasted plenty of money with the pathetic patch up jobs on our roads, which have now deteriorated further. No wonder the budget has failed thus far. How many more people need to die on our unroad worthy roads? A one day patch job only lasts about 24-48hrs, then they are worse than before. Look around Port Stephens and its clear where your willing to spend money, and where other parts miss out. Natural disasters of higher than average rain, and fire seasons can't be controlled by an increase in rates. That has been proven year after year.	10/12/2022 12:00 PM
14	Roads Service levels Where is the evidence that this spread is supported by the community? Anyway too much on roads . More needed on Protecting our natural environment. Especially enforcing development rules as was demanded by the local population.	10/12/2022 11:11 AM
15	Level of understanding Service levels Surely Looking after our waterways etc and natural environment are basically the same category?	10/12/2022 10:49 AM
16	Roads Service levels Although I have found council to pass the buck to others when I have reported issues on our foreshores. Fixing the roads needs to take precedence, should have been a priority before now.	10/12/2022 9:32 AM
17	Efficiency and cost containment Council does not spend funds in a sustainable way	10/12/2022 7:18 AM
18	Level of understanding Roads Is that per annum?? How much does a pothole cost to fix??	10/11/2022 9:49 PM
19	SRV Option preference explanation - positive If and only if this one time rate increase delivers on a timely and measurable community improvement.	10/11/2022 8:03 PM
20	Efficiency and cost containment Service levels I don't believe you. How can you destroy natural koala habitat and state you are looking after the environment	10/11/2022 8:01 PM
21	Service levels Only supportive if ALL towns get their roads fixed, not just the tourist towns and if all towns are treated equally in ALL areas.	10/11/2022 6:57 PM
22	Roads Service levels More of the funds should be directed towards permanently fixing the roads and not just putting a band-aid on them and also pedestrian/ cyclist safety. More of the pie to public spaces. Less of the pie to waterways and natural environment which are not utilised by all residents	10/11/2022 1:35 PM
23	Efficiency and cost containment Roads Service levels Think until you are under control of your budget and planning things you should leave out the Protecting our natural environment. Because of all the rain roads should have their allocation as there is so much road repairs in the Shire that need urgent attention. Also feel that at present, the Airport should cease to continue its extensions as that must be costing Council thousands if not millions to pay for.	10/11/2022 12:57 PM
24	Roads Service levels Roads in flood prone areas need fixing and need fixing now!!	10/11/2022 6:52 AM
25	Roads Service levels Our roads are a joke!! Come out to medowie and take a drive around and take a look for yourselves	10/11/2022 6:16 AM
26	Affordability Efficiency and cost containment If you continue to use poor practices, bad companies and waste our money then who cares how much you ask, because the out come is always going to be the same. Start showing better project management, structured approach to planning and execution and ethical spending of public resources and then maybe we might stop being so pissed at you. Maybe if you start from a place of thinking, this isn't money just to be wasted for the sake of "if we don't spend it we lose it," and start thinking your ripping	10/11/2022 12:55 AM

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money out of families struggle to put food on the table, then you might stop your piss poor, unethical mismanagement of projects in this area

27	Efficiency and cost containment	Not if council is going to continue with stupid projects like the platform in Main Street of Raymond terrace	10/10/2022 9:27 PM
28	Miscellaneous	Get rid of [REDACTED] - doesn't belong on council	10/10/2022 8:16 PM
29	Service levels SRV Option preference explanation - positive	So long as I/we see results happening soon there after. (obviously not next day). Also some time ago I saw an article in the Examiner, detailing an upgrade to Henderson Park at Lemon Tree passage. This is something that should be addressed as soon as possible, and, it goes without saying, urgent major upgrades and repairs to Lemon Tree Passage Road. (all sections)	10/10/2022 8:13 PM
30	Level of understanding	You have given no comparative values to work from in making this decision.	10/10/2022 8:11 PM
31	Roads Service levels	Needs more funding in roads and medical	10/10/2022 7:11 PM
32	Level of understanding Roads Service levels	In principal, I am supportive of the above categories and ratio of distribution of funds if a rate increase is applied. However, what I would really like to understand is what projects will be funded under this increase? ie, How is council proposing to 'Protect our natural environment' within a budget of \$5M? What specific projects are in mind? How exactly will council 'Look after our waterways and foreshores' and how will council prioritise which waterways/foreshores receive the funding? Which 'Public spaces' will get the allocation of approx \$3M? And what types of projects will it actually be spent on? Which Roads will get priority funding with the proposed \$14M? How will these roads be prioritised? Will the community be involved with these specific project decisions or will council just decide without community consultation?	10/10/2022 6:48 PM
33	Miscellaneous	No rate rise	10/10/2022 6:01 PM
34	Level of understanding	How are the supposed increase in costs effecting these different areas.	10/10/2022 5:22 PM
35	Level of understanding Roads	Why is roads maintenance an enhanced service, roads are basic service that Council should provide. The 3 R's of local Council are Roads, Rubbish & Rates.	10/10/2022 4:47 PM
36	Roads Service levels	Our roads are horrendous they need more than patch work fixes	10/10/2022 3:55 PM
37	Service levels	The council spends NOTHING at Fingal. Prove that my rates are going to be spent in Fingal and I may be supportive.	10/10/2022 3:42 PM
38	Efficiency and cost containment	To both these are too high and unwarranted	10/10/2022 3:29 PM
39	Roads Service levels	The total increase should be used on the roads.	10/10/2022 2:16 PM
40	Roads Service levels	It won't go to the roads the roads are crap	10/10/2022 1:12 PM
41	Roads Service levels	Fixing roads is very important.	10/10/2022 12:54 PM
42	Service levels	More money needs to be spent on looking after our public space. The pedestrian bridge is a prime example.	10/10/2022 12:38 PM
43	Miscellaneous	I see no real evidence that this extra money would go to the things listed and even if they do I can imagine that some would only be siphoned off to support less worthy things. I also do not see 5M worth of benefit to protecting our natural environment (What ever that means, it sounds like code for a way to hide money).	10/9/2022 9:39 PM
44	Service levels	You don't do anything properly, so doesn't matter what you put the budget towards. Beaches are in shocking conditions. If you aren't responsible, sort it out with who should. Fly Point so many are ashamed at the condition, not a good show to tourists.	10/9/2022 3:59 PM
45	Efficiency and cost containment Roads Service levels	The allocation to the environment should be increased to 35% with an incidental reduction of the roads budget. Fees for significant Development Applications (over \$2 mil) should be increased by 10% to help alleviate the budgetary burden of associated road development, runoff and environmental pollution.	10/9/2022 2:54 PM
46	Efficiency and cost containment Roads	It seems a waste of money to spend so much on	10/9/2022 7:56 AM

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	road repairs when the repairs themselves are such poor quality and need re- repairing so soon and often	
47	Miscellaneous Not much difference. Outside influences affect the outcome and timing anyway.	10/9/2022 5:02 AM
48	Affordability Efficiency and cost containment We don't and can't afford extra rates. Council needs to better manage it's funds, fix roads in a proper manner and seek other avenues	10/8/2022 11:42 PM
49	Level of understanding Roads As there is no break down of where the proposed "fixing our roads" or any other category, I am opposed just on that principle.	10/8/2022 4:40 PM
50	Roads Service levels There should be even more allocated to fixing the roads, they are utterly embarrassing!	10/8/2022 2:50 PM
51	Service levels I feel that the 5M for protecting the natural environment should be substantially reduced and re distributed. Nation Parks and State Government already have substantial budgets for this purpose? IF there is an identified NEED in this area - you should be communicating what works/projects are proposed.	10/8/2022 12:35 PM
52	Roads Fixing our roads should be a higher priority	10/8/2022 9:32 AM
53	Service levels Our public spaces and walkways need serious attention. I am Nelson bay.	10/8/2022 8:54 AM
54	Roads Roads, roads, roads, roads!	10/8/2022 6:49 AM
55	SRV Option preference explanation - positive All areas need more funds	10/7/2022 3:38 PM
56	Roads Service levels Providing council use contractors to do the roads, councils track record is appalling with road works. All roads should by done the same as the section of road near the old salt ash tennis courts, still ok with no pot holes were normal roads after completion start to break up within six months. How high do you have to keep lifting the roads before it sinks in that it is not the problem.	10/7/2022 9:29 AM
57	Roads Service levels Surely Waterways and Foreshores are included in protecting our natural environment. This should be our priority. The state of roads is an indictment of previous Councils, their negligence, and lack of control and oversight of extraction industry.	10/7/2022 8:21 AM
58	Roads Service levels Please fix our roads. Not only are they dangerous (full of pot holes) they are an embarrassment!!	10/7/2022 7:50 AM
59	Roads Service levels Get rid of the incompetent road crews and council property workers and engage private contractors. Save \$ millions, don't slug us.	10/7/2022 7:10 AM
60	Efficiency and cost containment It is important that Council doesn't suddenly decide that it is flush with money and start looking for "wish list" projects. Maintain the focus on applying for any available grants for the wish list.	10/6/2022 8:49 PM
61	Service levels I'd like to see substantial improvements to public spaces in the most popular beach areas to improve property values. The public toilets at Durchies, Bagnalls and Corlette are beyond vintage 1970s	10/6/2022 7:03 PM
62	Roads Service levels Would like the extra funds used to fix the roads as the top priority even if it cost more than \$14 mil	10/6/2022 6:01 PM
63	Level of understanding A break down of exactly what those costs cover is needed. Not the overarching title and spend.	10/6/2022 6:00 PM
64	Roads SRV Option preference explanation - positive Good to see focus on roads, waterways	10/6/2022 5:35 PM
65	Efficiency and cost containment The same proportions could also be applied to a smaller rate rise	10/6/2022 1:28 PM
66	Affordability The priorities, assuming Council ACTUALLY sticks with them seem OK. I reiterate that the proposed increase in rates is unacceptable to me.	10/6/2022 12:57 PM
67	Roads Service levels Roads are a major issue accords the electorate	10/6/2022 12:49 PM
68	SRV Option preference explanation - positive Council have a job to do and need up front funds. But please do not waste the money on pressure groups. These loud high profile groups	10/6/2022 11:19 AM

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		always want to spend other peoples money, not their own.	
69	Miscellaneous	As previous page	10/6/2022 10:19 AM
70	Level of understanding	i do not support an additional % rate rise increase. If land values have increased dramatically over the last 5 years and council charge rates as a percentage of land values I do not understand how council income has massively increased over the last 5 years.	10/6/2022 7:50 AM
71	Affordability	Most rate payers in this area are struggling. They're most elderly and not well off. Council needs to look at where they are so endi go and ask is it equitable.	10/6/2022 7:49 AM
72	Miscellaneous	Give me something concrete! This is just a proposal and we all know that means jack! Until I see evidence and complete transparency, no I do not support	10/6/2022 7:18 AM
73	Efficiency and cost containment	Level of understanding I have zero faith that council will actually deliver what is being promised. They delivered a PS2020 program worth 20 million in loans for non core items like sporting grounds whilst in the midst of a pandemic for their own ribbon cutting exercises. Councillors that are still on council from the last term should resign as a result of this financial mess. And why is it being left to staff to manage the process, yet again mayor palmer has pursued this just after an election without declaring it in his election campaign. Poor ethics on his part.	10/6/2022 7:08 AM
74	Roads	Service levels Roads ought to be more like 10% not 50%. Where do things like supporting childhood development, sports and recreational things fit? It is a good bet that the carbon reduction era will not see kids as keen motor heads	10/5/2022 8:55 PM
75	Service levels	We need a more fair assignment of money to those public spaces which bring tourist money to the region. Fingal Bay is receiving less than their share. The foreshore looks terrible.	10/5/2022 8:09 PM
76	Roads	Service levels Looking after our waterways needs a much bigger percentage than fixing the roads as we all know how much shit is being deliberately dumped in the ocean without proper treatment and how Port Stephens is going to collapse in a few years due to poor water/sewage treatment.	10/5/2022 8:06 PM
77	Roads	Service levels Just rebuild all our bloody roads properly & do your homework so we don't get ripped off by lame companies that overcharge for bad workmanship	10/5/2022 7:54 PM
78	Service levels	Funds need to be applied equally in all council areas, not just Nelson Bay	10/5/2022 6:20 PM
79	Roads	Service levels Permanent road repair not over time funded repairs. If you have the machines to do the work then do the work and not have half a dozen people standing around on their mobile phones. People will not mind if they can see you are trying to repair the road permanently. Example; going into salt ash from tanilba, you have kerbed a section awhile ago. No pot holes have resurfaced. This section didn't even need doing?	10/5/2022 5:58 PM
80	Roads	Service levels Our roads are appalling, fixing the roads should be a priority especially as our cars need to be roadworthy for roads which are dangerous!	10/5/2022 5:43 PM
81	Roads	Service levels Your doing something very wrong with how you build your roads if that is how much you have to keep spending on them.	10/5/2022 5:41 PM
82	Service levels	But it's not as simple as that. A lot of money is spent in satisfying the vocal minority issues	10/5/2022 4:54 PM
83	Roads	Service levels Can't you sell of some of the natural environment to fund the deficit you have? Every year you promise to fix our roads, you let us know how many pot holes are fixed every week but a day later they are wrecked again. I have no faith we will have better roads under any scenario.	10/5/2022 4:45 PM
84	Roads	Service levels The roads are appalling and need better finishing. Band aid solutions are embarrassing. Properly trained road repairers are needed. Proper engineering is mandatory. The environment is obviously very important, however we are a place to visit because of this but a deterrent is the state of our roads.	10/5/2022 4:42 PM
85	Roads	Service levels We pay registration to use the roads and rates to fix them how is this justified	10/5/2022 4:21 PM
86	Roads	Service levels You need to include ALL roads not just ones in Nelson bay	10/5/2022 4:12 PM

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87	Level of understanding	These calculations don't add up. Typical of council I guess.	10/5/2022 4:10 PM
88	Efficiency and cost containment	Stop council waste and workers 1 hour lunches	10/5/2022 3:58 PM
89	Service levels	I would like to see the distribution of funds based on Town	10/5/2022 3:48 PM
90	Roads Service levels	Our rates should be for the benefit of us ratepayers by improving the roads (potholes) kerb and gutters	10/5/2022 3:41 PM
91	Affordability	How has council shown impact of your current expenditure? This cost increase has a significant impact on our young family of 5 and we see very little benefit from this.	10/4/2022 7:12 PM
92	Efficiency and cost containment	I believe "extra funds" should live in the pockets of the people in the community	10/4/2022 5:42 PM
93	Roads Service levels	Roads should be the priority but how much would it cost to fix them and how much time would it take to do so - these graphs are not helpful as there is no context in relation to these questions	10/4/2022 4:30 PM
94	Efficiency and cost containment Roads Service levels	I'm opposed as the way I currently see council operating is just wasting money. You fix potholes, but with Band-Aid solutions that don't even last a week. I'm ashamed of Port Stephens Council and it's inadequate and incompetent nature. Take a lesson from Port Macquarie Council - having just visited there, I'm jealous of their roads, their facilities and their clear maintenance programme.	10/4/2022 3:54 PM
95	Roads Service levels	The roads are critical. It is embarrassing when visitors from outside our LGA see the sorry state of our roads. I have seen better roads in third world countries.	10/4/2022 3:48 PM
96	Miscellaneous	No rate rise	10/4/2022 2:48 PM
97	Miscellaneous	Provided the money is ACTUALLY used for the proposed items.	10/4/2022 1:39 PM
98	Efficiency and cost containment	Without measures of real productivity and time/motion studies any increases will include unacceptable levels of financial waste	10/4/2022 12:19 PM
99	Efficiency and cost containment Service levels	No rate rise required. Reduce your spending. Also, absolutely no funds should be directed towards any programs or projects related to reducing emissions or renewable energy until such time as these are affordable and cheaper than what is currently available.	10/4/2022 12:11 PM
100	Level of understanding Service levels	Depends on where this money is to be spent! List the areas!!	10/4/2022 10:47 AM
101	Roads SRV Option preference explanation - positive	The roads are goat tracks. Get them fixed even if you have to double the yearly rates	10/4/2022 8:45 AM
102	Miscellaneous	The most important help for the future is council works closer with the community which we hope a plac plan means.	10/4/2022 12:36 AM
103	Miscellaneous	if councils were serious about protecting our natural environment they would not be allowing developer after developer to literally bulldoze every tree in existence on estates.	10/3/2022 5:50 PM
104	Service levels	There should be more funds spent on public space. Footpaths and bicycle paths would be a start.	10/2/2022 11:41 PM
105	Roads Service levels	Too much focus on roads	10/2/2022 9:20 AM
106	Service levels	Maintaining infrastructure and environment are probably the two most important areas Council needs to focus on.	10/2/2022 12:27 AM
107	Miscellaneous	Bad management	10/1/2022 6:32 AM
108	Roads Service levels	Fixing roads should be only priority. What does protecting our natural environment look like, surely this would include the other two options.	10/1/2022 5:41 AM
109	Level of understanding Service levels	I would appreciate seeing some heirarcy of expenditure showing exactly what roads and what sort of environmental protection cotal protection or enhancement of public space	9/30/2022 3:02 PM
110	Roads	Roads probably won't get fixed	9/30/2022 2:34 PM

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

111	Miscellaneous	How many financial advantages are given by PS Council to Multinational Companies, that can use AI to reduce employment , that encourages these to proliferate here at the expense of the small business employers?	9/30/2022 12:25 PM			
112	Affordability	Efficiency and cost containment	During high living costs like we are seeing now, we should be rolling back council spending not increasing.	9/29/2022 9:27 PM		
113	Raptor		Only if it includes rangers for the whole team of course.	9/29/2022 5:32 PM		
114	Service levels		Rise needs to be no only sufficient to make council sustainable but to also fix and upgradethe rundown infrastructure.	9/29/2022 1:44 PM		
115	Efficiency and cost containment	Raptor	Roads	Service levels	no rate rise , our roads are stuffed and cars now stuffed you refuse to fix the roads so NO . You put up rates by 26% for a year and after that one year you don't put them back down .PSC can not be trusted with rate payers money .That's what happens when when you spend tax payers moneys on 4x4 and think its OK to do it .	9/29/2022 12:44 PM
116	Miscellaneous				The proof of the pudding	9/29/2022 9:53 AM
117	Efficiency and cost containment	Miscellaneous			Stop asking for more \$ & better manage the \$ & assets you have. From memory the CEO position at Council is paid a ridiculous amount. Plus ridiculous amounts are spent on things towns don't want or need. You redeveloped Karuah boat ramp & it's crap. It was better & safer before. You do not truly listen to Community you pretend to ask then don't listen & act.	9/29/2022 7:44 AM
118	Efficiency and cost containment				You are just wasting all these funds rather than investing in having a sustainable, low cost approach to maintaining the public spaces. Also, these projects appear to just be benefiting bays and further increasing their property values while making my home unsustainable.	9/28/2022 8:07 PM
119	Miscellaneous				You fix your stuff up out of your own pockets. Go back to being a council and stop all the unnecessary crap. You and your predecessors are responsible for this mess	9/28/2022 6:35 PM
120	Roads	Service levels			The standard of road repairs needs to be improved, as does productivity of Council's workforce.	9/28/2022 6:26 PM
121	Miscellaneous				I have made my comments in the last question.	9/28/2022 5:42 PM
122	SRV Option preference explanation - positive				The split up is similar and has good interests	9/28/2022 5:28 PM
123	Level of understanding				I would like to see more detail on the proposed projects before I would feel comfortable being "very supportive"	9/28/2022 5:24 PM
124	Efficiency and cost containment				Council should learn to live within it means like everybody else	9/28/2022 10:30 AM
125	Roads	Service levels			But make sure the roads are fixed properly so they don't have to be continually redone.	9/28/2022 6:48 AM
126	Service levels				We live at the top end of the council. We see no money spent on roads and we are forgotten	9/28/2022 6:11 AM
127	Roads	Service levels			More money needs to be spent on roads, they are damaging our cars and generally causing many issues. Protecting our environment is well, we only get one of these... Public space is really a non issue, we have some nice area but honestly we need more businesses and population to actually warrant more use. Waterways... see comment on environment.	9/27/2022 11:07 PM
128	Roads	Service levels			I think the roads crisis in the area is more important than waterways and foreshores that you want to spend more on than roads just shows why our roads are all crap.	9/27/2022 9:18 PM
129	Roads	Service levels			Roads need urgent attention. The state of our roads currently show that you have not been assigning resources responsibly.	9/27/2022 5:01 PM
130	Service levels				Consideration needs to be made for a longer term solution for the Lagoons Estate. Pumping water directly into the drain at Trafalgar Street doesn't seem permanent and the amenity and environmental impact, in particular to the marine park as I understand this drain flows directly to Fly Point, is unacceptable.	9/27/2022 4:27 PM

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Rate rise options short survey

131	Level of understanding	Not enough detail. How do we know PSC is not going to target improvements that benefit visitors more than residents? What is the distribution across wards/suburbs. A local example is that Soldiers Point does not have a single cycleway/shared path, despite same being on PSC plans for over seven years! How do we know that will be remedied with this rate rise? The other examples are numerous.	9/27/2022 3:48 PM
132	Efficiency and cost containment	Council needs to review their structure. Perhaps out source more functions to increase efficiency.	9/27/2022 11:55 AM
133	Service levels	Nelson Bay Foreshore from Cruise Inn to Fly Point Marine Park is in need of much needed upgrade	9/26/2022 9:54 PM
134	Service levels	I think the budget for public spaces needs to be higher (5M) and Roads less (1.1.8)	9/26/2022 4:49 PM
135	Roads Service levels	Supportive of the extra funds if use to fix our roads	9/26/2022 2:48 PM
136	Roads Service levels	I live in an area where locally I pay a body corporate. So the council does not upkeep our areas at all. We are at the verge of Newcastle council so not much roads are in my area either	9/26/2022 2:03 PM
137	Roads Service levels	My preference would be to see more of the allocation go towards our public spaces..between that & the road repairs, lets present well to the world.	9/26/2022 12:31 PM
138	Efficiency and cost containment	Again past performance suggest to me that these figures will change on balance to suit satisfying noisy minor groups	9/26/2022 11:49 AM
139	Level of understanding Service levels	Rates should be used to support residents that pay rates. Waistline money on Yuppie dwelling areas is not a step forward for the long term benefit of rate payers	9/25/2022 5:02 PM
140	Roads Service levels	All should be spent on fixing the roads	9/25/2022 10:36 AM
141	Roads Service levels	Unsure if western side of LGA will see any benefit from this rise. All upgrade/enhancements seem to go to Nelson Bay and surrounds. Western area (Wallalong/Hinton) etc are in DESPERATE need for roads to be fixed (potholes) and infrastructure (bike paths etc). The current situation is dangerous with combination of multiple bike riders on road, narrow potholes roads and heavy vehicles etc all using the same path.	9/25/2022 7:50 AM
142	Level of understanding	I don't support the rise with out all the true figures. So how can I compare why would be spent if the rise happens when I don't know how much is spent now.	9/24/2022 1:00 PM
143	Roads Service levels	Your engineers haven't got a clue as to how to fix the roads properly. More money to fill potholes isn't a solution.	9/24/2022 11:17 AM
144	Miscellaneous	none.	9/24/2022 8:57 AM
145	Miscellaneous	Would not be workforce for instant	9/23/2022 10:14 PM
146	SRV Option preference explanation - positive	Our region is growing, we need to maintain or increase our services to meet demand otherwise people will leave our region for areas with better services	9/23/2022 7:24 PM
147	Miscellaneous	Also refer to previous comments	9/23/2022 7:21 PM
148	Efficiency and cost containment	Dont trust council to use the rates as they say, due to past experience, so how do we trust council on this one	9/23/2022 4:21 PM
149	Level of understanding	Not enough info to actually tell me what i'm getting for each of these services..	9/23/2022 1:57 PM
150	Efficiency and cost containment Roads	I don't trust this council, Palmer should sell his new 4wd and fix the roads in the terrace [REDACTED]	9/23/2022 9:55 AM
151	Miscellaneous	-	9/23/2022 5:10 AM
152	Level of understanding	How can i comment/give judgments when i cant find the current allocation of funds at the moment	9/22/2022 5:24 PM
153	Efficiency and cost containment Miscellaneous	Read my comments above for paying a private company to do what you should be doing for your current rates	9/22/2022 2:49 PM

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Rate rise options short survey

154	Efficiency and cost containment Councillors must, absolutely must, live within Councils means, particularly in tough economic times like we are currently enduring. Refocus on what is necessary as opposed to a Wishlist of projects that can wait until they can be afforded	9/22/2022 11:35 AM
155	Roads Service levels Fix the roads! Roads in and around Port Stephens are a disgrace, potholed goat tracks leading into major centers do not present an favorable vista to visitors and just wrecks vehicles.	9/22/2022 11:15 AM
156	Miscellaneous Don't raise rates.	9/22/2022 11:00 AM
157	Level of understanding Port Stephens rate payers are taxed, tourists are not. There must be a "tourist tax" applied.	9/22/2022 10:49 AM
158	Service levels As a resident of Anna Bay it always appalls me to see the lack of infrastructure and maintenance that isn't carried out in our area in comparison to what is being done in Nelson Bay. Anna Bay has one of the highest volume of tourist visits yet attracts far less funding than Nelson Bay for the above mentioned areas. More revenue to the council will still continue to see a council that is Nelson Bay centric	9/22/2022 10:48 AM
159	Roads Service levels While roads are critical it Would be good to see a higher percentage applied to natural environment and waterways. Unsure what is meant by natural environment. Can only hope it applies to increasing resources applied to urban greening and reducing urban heat. Looking in from the outside, it appears this is an area which PSC requires significant change and improvement.	9/22/2022 9:30 AM
160	Level of understanding All rate payers should pay the same- Salamander Bay \$1320 compared to Raymond Terrace \$852 - Discrimination	9/22/2022 9:14 AM
161	Efficiency and cost containment The work can be done if the workers actually did some work. And i have watched them. Also get rid of consultants	9/22/2022 6:46 AM
162	Efficiency and cost containment Raptor The mayor has a rate payer funded \$85000 Ute. No rate rise. You councils have to live within your means like the rest of us.	9/22/2022 6:24 AM
163	Service levels Depends on the allocation to which suburbs. Clearly you have let Tanilba Bay, Lemon Tree Passage and Mallabula as the low priority to the point of neglect, so are you going to prioritise your funding to where it is most needed?	9/22/2022 2:25 AM
164	Affordability Family's cannot afford this increase	9/21/2022 7:49 PM
165	Service levels Natural environment should be somewhat public responsibility and stop causing damage to fauna and flora then less needs to be spent on that sector and a little more on others	9/21/2022 4:29 PM
166	Level of understanding I need to know more. When Council states Looking after public space, Protecting our natural environment and Looking after our waterways & foreshore - doing what, and how - explain more and provide examples	9/21/2022 4:25 PM
167	Efficiency and cost containment Reduce employee costs, get rid of unnecessary functions	9/21/2022 2:54 PM
168	Roads Service levels Enhanced Services should be a priority for Port Stephens at all times. Maybe roads need even more than 14.1M to do proper repairs which could last years instead of days	9/21/2022 2:24 PM
169	Affordability Efficiency and cost containment Our paychecks are not getting bigger, so we have to look at our spending habits. About the same situation as yourselves	9/21/2022 1:08 PM
170	Miscellaneous These proposed rate THEFTS are like being caught between a 'rock and a hard place'!	9/21/2022 10:54 AM
171	Roads Service levels I definitely support fixing our roads. This is a priority. I also think council needs to tend to the overgrown trees in our environment that pose a threat to people and property.	9/21/2022 10:09 AM
172	Roads Service levels I fully support fixing our roads as I don't even have a footpath to walk on where I live. As for the other three I'm not so sure what they mean, as when I walk around all I see are overgrown trees everywhere that have been planted decades ago and allowed to take over and impinge on people's private property, not to mention the damage they cause during storms.	9/21/2022 9:48 AM

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

173	Level of understanding Your budget for current and planned services is excessive. These four key areas you are proposing for 'extra funds' should indeed be core areas of spending - not added extras to a massively overpriced budget. Stick to what councils are supposed to do: service their community.	9/21/2022 9:30 AM
174	Efficiency and cost containment Supportive to the extent the vast majority of this windfall goes back into the community and only a small percentage on administration and personnel.	9/21/2022 7:03 AM
175	Level of understanding This does not tell me enough to make a real informed decision as you have not broken it down to areas within Port Stephens which might have more look at this in a better perspective.	9/21/2022 6:29 AM
176	Efficiency and cost containment Roads Service levels Only supportive if roads are fixed properly, what we have seen to date has been a waste of \$'s	9/21/2022 2:15 AM
177	Miscellaneous Neutral. I do not see any of it happening, honestly.	9/20/2022 7:22 PM
178	Efficiency and cost containment Does this assignment of funds align with funding shortfalls? Would be interested in seeing/understanding climate change considerations.	9/20/2022 4:54 PM
179	Roads Service levels Instant especially FIXING Our Roads	9/20/2022 4:46 PM
180	Miscellaneous No increase in rates!	9/20/2022 4:27 PM
181	Roads Service levels Local residents value our natural environment - flora and fauna on land and waterways. Visitors come to experience these same assets. Ongoing wet weather will see a continuation of road damage makin gthis a priority for all.	9/20/2022 4:06 PM
182	Roads Service levels I know fixing our roads is a priority, however I prefer a small redistribution. We must make sure that our waterways, foreshores and public spaces are maintained to a high level - they are why many of us moved here and it is what attracts visitors who then invest in the local economy.	9/20/2022 3:57 PM
183	Affordability Paying enough already	9/20/2022 3:35 PM
184	Efficiency and cost containment I would like to see a productivity study first which reflects actual costs versus presumed costs. Are we talking about increasing staffing here?	9/20/2022 2:13 PM
185	Efficiency and cost containment The level of rate increase is far in excess of that amount required to successfully achieve your few responsibilities.	9/20/2022 1:41 PM
186	Efficiency and cost containment Really this is the best you can come up with. Why not try some outsourcing and stop wasting our money.	9/20/2022 12:49 PM
187	Roads Service levels Take \$1M from Protecting the Natural environment and put it to Fixing Roads for the first 3 years. We have the worst road conditions in the Hunter.	9/20/2022 11:55 AM
188	Miscellaneous Complete waste!	9/20/2022 10:26 AM
189	Miscellaneous A gradual approach should include more thought rather than knee jerk reactions.	9/20/2022 10:08 AM
190	Service levels this needs to be far more be more specific, are we actually going to do something with the long overdue issue that is Medowie west and the water retention issues? raised level of the dam, development etc has drastically added to the issues we face.	9/20/2022 10:04 AM
191	Roads Service levels See previous question comment. Major and minor roads are in atrocious condition. Significant sections of roads need to be rebuilt/resurfaced. Potholes appear continually, are dangerous and damage vehicles. Vehicles have to swerve sharply as they move along the road. Continually filling potholes is inadequate (we often waiting weeks as they grow in size) and they break up again within weeks.	9/20/2022 9:36 AM
192	Roads Service levels Priorities need to be better defined - ie. fix the worst roads first and do it properly.	9/20/2022 9:31 AM
193	Roads Service levels All the money should go to our roads they are dangerous.	9/20/2022 7:53 AM
194	Roads Service levels I'd like to see more for the protection of our environment, and less for the roads.	9/20/2022 7:31 AM
195	SRV Option preference explanation - positive Its time we all did "our bit" to put Port	9/19/2022 7:47 PM

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

Stephens to "rights" again.

196	Service levels	Protection of our natural environment, should be considered in each of the other 3	9/19/2022 6:59 PM
197	Service levels	I'm supposed because council hardly spend a cent in karuah	9/19/2022 6:58 PM
198	Level of understanding	You are talking marginal differences that most likely will be overrun with studies, decision making etc. If they were 50% different between proposals this question would be worth answering. The academics just don't get it.	9/19/2022 6:26 PM
199	Roads Service levels	Would prefer less on roads and more community place making	9/19/2022 6:15 PM
200	Roads Service levels	I am opposed if you cannot successfully fix our roads, your council team seem unskilled compared to professional road repairers. Holes in a completely resurfaced road appeared within the we, you can see through the tar to the subsurface, it w a terrible job with no final inspection.	9/19/2022 6:07 PM
201	Miscellaneous	Boarder line ridiculous. Extremely out of touch with the current needs	9/19/2022 5:44 PM
202	Efficiency and cost containment Level of understanding	Cut councillors pay	9/19/2022 5:26 PM
203	Roads Service levels	Public Space/Waterways/Foreshore/Natural environment (who are you kidding these are the same areas) is not a bowling green or a golf course 10 weeks between services. SUPPORT ROADS- Roads is what get you the economy for the area, it is wrong that Councils are required to maintain roads that every Australian Citizen can drive on. SPEND on ROADS.	9/19/2022 5:21 PM
204	Roads Service levels	roads should be the major focus for our council. Great to see it takes the lions share of the funds.	9/19/2022 5:19 PM
205	Roads Service levels	While improving our disasterous roads is a must, the state of our sporting complexes and playgrounds leaves a lot to be desired	9/19/2022 5:17 PM
206	Roads Service levels	I would like a larger % spent on roads but ONLY if they are getting fixed correctly and for the long term. The current method of having a crew there for 6-10 weeks and then top coating it weeks later does not work. They need to have hot mix to seal the road properly and to act as a leveller to that there are no dents for water to sit in and erode.	9/19/2022 5:14 PM
207	Roads Service levels	My thoughts are that the 5 Million for Protecting the natural environment be used to restore the road system. Once the roads are sorted then the council can start doing the non urgent projects.	9/19/2022 5:07 PM
208	Level of understanding	Very broad description of how the money is to be spent. How can you vote on such ambiguous terminology	9/19/2022 5:05 PM
209	Service levels	Somewhat concerned at the smallest piece of the pie being allocated to waterways and foreshores particularly given the current and future problems we face and will continue to face from erosion as a consequence of climate change.	9/19/2022 4:33 PM
210	Roads Service levels	More needs to be done about roads, and public space. Nto sure the budgets for those items are adequate	9/19/2022 4:29 PM
211	Roads Service levels	The council are unable to fix the roads, they don't know how to, patching potholes isn't a fix our local roads are a disgrace	9/19/2022 4:29 PM
212	Roads Service levels	Roads and public spaces are my main 2 areas I want to see money spent and not at the Bay - they seem to get most of our money spent on them	9/19/2022 4:27 PM
213	Service levels	We get minimum services at Fern Bay, all our rates go to other areas.	9/19/2022 4:25 PM
214	Level of understanding	There is so little variation - what a waste of time this question is: asking for a difference of 10% at the most - and no change for one category.	9/19/2022 3:59 PM
215	Roads Service levels	Prioritise fixing roads and current infrastructure. Defer new playgrounds, skate parks etc	9/19/2022 3:54 PM
216	Roads Service levels	Fix the [REDACTED] roads!!!! WAAAAHOOOO	9/19/2022 3:49 PM
217	Efficiency and cost containment	So long as council actually does this and doesn't find some other unexpected cost	9/19/2022 3:49 PM

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

218	Service levels	Think a little more could be put towards the maintenance of our public spaces (amenities and reserves)	9/19/2022 7:02 AM
219	Miscellaneous	I am opposed to any rate rise above the standard rate rises.	9/17/2022 8:13 PM
220	Efficiency and cost containment	Roads Service levels Our roads are pretty dismal, but again, it results from cost shifting from the state government to local councils without the matching funding. Solution, hit ratepayers.	9/16/2022 5:20 PM
221	Service levels	You fix LTP rd a few years for rising sea levels, the levels are not rising, you have stuffed the drainage and created a slope that needs a tractor and slasher running on diesel to mow, incompetent.	9/16/2022 2:50 PM
222	Roads Service levels	More focus on roads.	9/16/2022 12:42 PM
223	Roads Service levels	Very supportive, however "Fixing our roads" needs to be JUST THAT, ie. many of OUR patched roads now need total repair, not just the usual shovel of gravel and bitumen cap. This band-aid fix is no different to a pothole. Our cars suspension still gets hammered. You need to commit to this!	9/16/2022 10:25 AM
224	Level of understanding Roads	Roads rates and rubbish are a local Council domain and other policies are for state and federal government agencies to determine.	9/16/2022 7:11 AM
225	Efficiency and cost containment	Council is wasteful of my rates. I have nil respect for anything Council proposes as 'planning'.	9/15/2022 11:42 PM
226	Efficiency and cost containment Roads Service levels	You need to spend ALL of it fixing roads that you can't seem to fix now with the money you get already!	9/15/2022 9:46 PM
227	Roads Service levels	Would be good if money went into building roads properly, which would save more money in the future.	9/15/2022 9:31 PM
228	Efficiency and cost containment	This should have already been happening with current funds and not having to dig deeper into the pockets to fix the problems, communities shouldn't have to bare the cost of the councils poor diligence and incompetence.	9/15/2022 9:18 PM
229	Roads Service levels	As long as we actually see the changes we need. The roads and parks are terrible around PS.	9/15/2022 8:05 PM
230	Service levels	More funds should be allocated to public spaces such as fields, parks, reserves, libraries and community halls	9/15/2022 7:22 PM
231	Roads Service levels	It all depends on the individual projects and where they are - will my town get the decent roads and completed footpaths it's been crying out for for years, or will it mostly go elsewhere?	9/15/2022 4:55 PM
232	Roads Service levels	FIX THE ROADS!	9/15/2022 3:12 PM
233	Roads Service levels	Fixing roads is a high priority.	9/15/2022 2:54 PM
234	Miscellaneous Raptor	As I indicated the lack of real planning for issues has caused this situation to impact. Time to be fiscally appropriate- no more car or 4wd splurges!	9/15/2022 1:46 PM
235	Miscellaneous	IM OPPOSED FOR ALL OF IT	9/15/2022 1:45 PM
236	Level of understanding Roads	The roads are terrible and causing damage to cars and rate payers are bearing the cost of this , renters don't	9/15/2022 12:37 PM
237	Roads Service levels	Less on the environmental and foreshores until we have all roads upgraded to driveable standard.	9/15/2022 12:01 PM
238	Roads Service levels	Roads are a priority. Not just filling potholes, but resurfacing the road.	9/15/2022 11:11 AM
239	Efficiency and cost containment	You need someone to actually watch what you spend on stupidly	9/15/2022 11:01 AM
240	Affordability Efficiency and cost containment Level of understanding Roads	Council doesn't represent value for money. Roads are terrible. Palmer is MIA in his raptor. No ninja / exercise parks for teens and adults Wasting money on a stage at a pedestrian crossing No investment or protection for environment No plan to bring business, medical or industry to the	9/15/2022 10:02 AM

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

area to provide jobs We do not have disposable income to cover the increase... Where does it come from?

241	Service levels	Fembay needs more funding for local community infrastructure. Population has grown expedientially with zero community benefits	9/15/2022 9:59 AM
242	Roads Service levels	Roads are MOST important on the above they don't get looked after now	9/15/2022 9:45 AM
243	Efficiency and cost containment	Cut down other spend and spend money on a highest needs basis - work within the budget you have just like every households has to do. People will have to sell up or go without to pay for increased rate rises	9/15/2022 9:07 AM
244	Roads Service levels	Majority of the money needs to be used to fix the roads. They are currently "third world" condition and causing major damage to vehicles. Need to stop paying the pothole fillers every three months to refill the same hole. Apply to government for a minimum 100 million and fix the roads properly.	9/15/2022 8:44 AM
245	Miscellaneous	No rate rise!	9/15/2022 8:43 AM
246	Roads Service levels	Fixing our roads needs to be the number one priority. They are unsafe and people are likely to be injured or killed. Also, need paths around the acreage areas of Medowie for children and mothers with prams.	9/15/2022 8:29 AM
247	Roads Service levels	Fix our roads!	9/15/2022 7:54 AM
248	Roads Service levels	Upgrading the bay does not help me when I cannot drive Fien my street without damaging my car	9/15/2022 7:54 AM
249	Roads Service levels	Looks good on paper but it would be nice to see something done in Medowie. I have been here 10+ years and apart from filling holes that reappear days later, that's basically the extent of the practical things that have occurred. Our facilities are very basic opposed to our surrounding suburbs and our roads looks like we're auditioning for an upcoming scene in Jurassic Park.	9/15/2022 7:52 AM
250	Miscellaneous Raptor	If it is used for another new car for any it'd the members on council I will be very disappointed	9/15/2022 7:30 AM
251	Level of understanding	learn how to live within your means like everyone else	9/15/2022 7:24 AM
252	Efficiency and cost containment	I don't believe the council will spend the money as promised, they certainly haven't as yet!	9/15/2022 6:42 AM
253	Miscellaneous	No rate rise, sell the raptor	9/15/2022 6:32 AM
254	Miscellaneous	No rate rise	9/15/2022 6:27 AM
255	Level of understanding	Operate within your means. Audit the Council itself.	9/14/2022 10:18 PM
256	Roads Service levels	I would prefer to see a higher investment in roads. Your plans seem to show quite limit amount of roads are fixed with an large increase. Still not acceptable given the state of roads	9/14/2022 9:10 PM
257	Roads Service levels	These things are all very important and roads are a safety issue, so have to get the most money. if we have to cop pain in the hip pocket, it is good to see at least some improvements in maintenance of public areas and infrastructure.	9/14/2022 6:56 PM
258	Roads Service levels	roads are more important	9/14/2022 6:36 PM
259	Efficiency and cost containment Roads	The council should look at being more efficient with there \$. Like in the roads and infrastructure sector. I know there is people there fully milking the budget for personal gain. Poor planning and willingness to get the job done efficiently and right. They are more concerned about setting up a lunch room less than 1km from the main site yard hiring portable toilets when there are public toilets 10meters away!!!	9/14/2022 3:57 PM

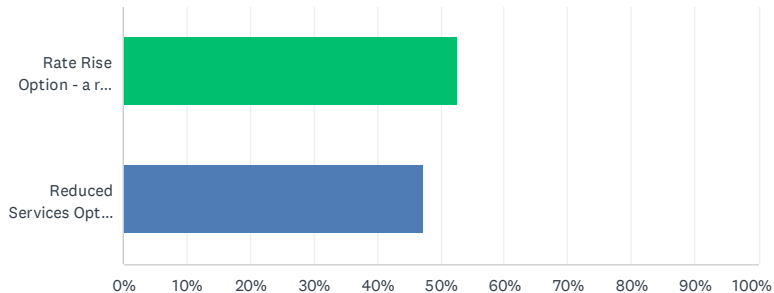
ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

Rate rise options short survey

Q3 What is your preference on the path forward?

Answered: 623 Skipped: 48



ANSWER CHOICES	RESPONSES	
Rate Rise Option - a rate increase above the rate cap (2.5%) known as a Special Rate Variation (SRV): a sustainable council, maintaining current services and enhancing some services	52.65%	328
Reduced Services Option (current path) - a rate rise only in line with the rate cap (2.5%): an unsustainable council, reducing service levels across a range of council services	47.35%	295
TOTAL		623

#	COMMENTS	DATE
1	Service levels I get no services anyway. Fern Bay only gets bin collection but we pay the same as everyone else	10/12/2022 10:08 PM
2	Service levels How can it possibly be any more reduced than the services are now !	10/12/2022 9:57 PM
3	Service levels If you zero base you will get the same services at a reduced rate. Cutting services is not the way forward.	10/12/2022 7:32 PM
4	Miscellaneous Only way to Go To grow the BAY	10/12/2022 5:19 PM
5	Efficiency and cost containment We don't need to change to electric vehicles for our fleet, I know this is a discussion at moment	10/12/2022 4:23 PM
6	Level of understanding Rate cap has already been raised to 4.4% by Ipart	10/12/2022 4:09 PM
7	Roads Service levels We need road repairs. Restructured and rebuilt, all the money that goes into holiday parks sell off or lease out to developers over a 10 year period. We have four from Fingal Bay to Soldiers Point. That money would go towards repairs to our roads, and then put back into Council funds. Tomaree Headland could be sold off and it could be anything within reason.	10/12/2022 3:46 PM
8	Miscellaneous A defeatist attitude flows strongly through the wording of "Reduced Services" option. I would prefer council NOT have an increase of this magnitude and instead focus on "left-field" ways to solve the problem and deliver the required services (eg merger with another council so as to realise economies of scale and reduce duplication, asset sales, etc).	10/12/2022 2:37 PM
9	Service levels You only really spend your money up the bay . Everyone else are nothings in councils book	10/12/2022 1:20 PM
10	Service levels A lot of council provided services are used by a minority of people actually living in Port Stephens. One suggestion would be to have a look at your planning department	10/12/2022 12:44 PM

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regarding DA's. Unless they start following the current zoning and building regulations of the council and stop pandering to the wishes of the greedy developers they are going to cost you a lot of money in legal fees.

11	Level of understanding We object to only being given this binary choice - we would favour a hybrid approach with some rate increase and some cuts to services, and suspect that many others would also prefer that option. Giving only the two options will inevitably lead to findings which are an unreliable indicator of survey respondents true views.	10/12/2022 12:31 PM
12	Efficiency and cost containment Level of understanding Again your questioning is misleading and insulting. What about if we would prefer PSC to manage its activities and finances responsibly and within its means? I imagine most ratepayers would prefer that option, as we are all managing our home and business budgets to what we can afford based on what we earn. You are no different and in fact have a higher threshold of responsibility as you are in public office utilising public funds. Nowhere in all this diatribe and misleading spin have you indicated where efforts are being directed to truly become financially sustainable which as above is to operate within your means. It is also alarming that Council needed an external opinion to relaise its operations were not viable. Wow. Mind you [REDACTED] has sat idle and watched [REDACTED] council spend without correctional for years. No surprise the region is now in this dilemma. Blame Covid all you like, this council has been herading in this direction for years and now its the good rate payer that gets to bail you out.	10/12/2022 12:22 PM
13	Affordability Efficiency and cost containment Level of understanding With the rise in cost of living due to the plandemic that you helped inforced, people can't afford another rate rise, I know I can't. You have been sloppy with spending, and put money into projects that could've waited or were unnecessary. Yet I bet your pay had either stayed the same (overpaid in my opinion) or had pay raises (in my opinion is disgusting for the lack of service we already recieve) Council needs a shake up and staff that are capable of doing their jobs. At present we don't have that.	10/12/2022 12:05 PM
14	Level of understanding Another trick question. Using any acceptance of the first question will be used as support for the council's preferred solution. No details as what services will be cut.	10/12/2022 11:14 AM
15	Efficiency and cost containment SRV option preference explanation - positive It is obvious in the current inflationary situation that the Council needs to increase revenue, however this should be born the the whole of Councils ratepayers and include realistic rates for those living in relocatable home sites, over 55 villages etc.	10/12/2022 10:54 AM
16	Efficiency and cost containment Raptor Service levels Perhaps reduce the cost of the mayoral vehicle and other blatant wastage. Council seems to favour high tourism areas, most of the accomodation funds generated never see this community anyway.	10/12/2022 9:33 AM
17	Efficiency and cost containment Outsourcing holiday parks will result in greater return, also child care services. Keep the properties, put them to the market and let the market decide the tenants/operators	10/12/2022 7:41 AM
18	Efficiency and cost containment Council continually wastes money and i dont believe this will change with a rate rise. I believe council is not financially responsible	10/12/2022 7:20 AM
19	Level of understanding I don't mean to sound rude, but I don't really even know what services council provide. I think saving is prudent, unless true real value can be shown.	10/11/2022 9:54 PM
20	Service levels Council delivers limited services to the rural area we live in outside of garbage and roads.	10/11/2022 8:07 PM
21	Efficiency and cost containment I am not seeing value in the council. In any private sector organisation currently decision makers and finance planners would be fired	10/11/2022 8:02 PM
22	Service levels The distribution of council funds MUST be fairly distributed across ALL towns.	10/11/2022 6:58 PM
23	Efficiency and cost containment Maybe the councillors should take a pay cut to help reduce costs	10/11/2022 5:22 PM
24	Efficiency and cost containment Level of understanding Raptor Service levels Council expecting residents to cope with a massive SRV, on top of an increase to rates due to massive increases in land values whilst also trying to cope with massive increases in the costs of living is completely insensitive, unrealistic and frankly endangers residents' physical and mental well-being. I would rather live without community events that very few residents actually need or are able to utilise, reduced service hours and less frequent lawn mowing/park	10/11/2022 1:59 PM

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maintenance as this would have less of a negative effect on [REDACTED] than not being able to financially provide for my children! I find it insulting that council expects its customers to fund its inadequacies. Council should not be pressuring its customers to fix its mistakes and should try finding solutions from within like all reputable and successful organisations do. Maybe a high end mayoral vehicle is not necessary for the effective functioning of council? Is council able to provide information on employees current salaries? Is it true that the General Manager is able to earn more than the Prime Minister of Australia?

25	Roads Service levels	It's false economy to keep filling potholes and very damaging to ratepayer cars and tyres. Do it once and do it properly. Tilligerry Peninsula is the forgotten area	10/11/2022 7:18 AM
26	Service levels SRV option preference explanation - positive	So long as the money came back to the communities who need it and not all spent in the more desirable locations	10/11/2022 6:54 AM
27	Affordability	I understand that costs are rising but our wages are still down as well so where do people find these rises u ask	10/11/2022 6:20 AM
28	Affordability Efficiency and cost containment	Refer to my last comment, start displaying you can be trusted with management of public funding then maybe we might start trusting you with more money. If you can't maintain the current service (which is already well below most other council areas) then only reason you want more money is to rip it out off struggle families and put it in your own back pocket. You already raised our rate claim you were going to introduce green bins, been three [REDACTED] years later, still can't even deliver on that.	10/11/2022 1:00 AM
29	Raptor Roads Service levels	Not that I will notice a reduction of services, limited services provided now. Poor roads, never fix drainage in our street despite people complaint. maybe the Mayor could save money by purchasing a cheaper car next time	10/10/2022 9:30 PM
30	Miscellaneous	Get rid of [REDACTED] - [REDACTED] is a [REDACTED] that is holding back the PTS electorate	10/10/2022 8:17 PM
31	SRV option preference explanation - positive	As in previous comments, so long as this does not become the "norm" and Rate charges reduce back to a current level next year. (I am a realist CPI raises are unfortunately a fact of life)	10/10/2022 8:15 PM
32	Level of understanding	Again poor information in a loaded question. You have made your decision and haven't given a fair scenario for us to evaluate.	10/10/2022 8:13 PM
33	Level of understanding Miscellaneous	Providing reduction is per capital resident not non resident	10/10/2022 8:10 PM
34	Level of understanding	A REASONABLE rate rise is acceptable, why so much!!	10/10/2022 7:39 PM
35	Level of understanding	Whilst I am not opposed to a modest rate rise for services and enhancements which the community would like to see, council needs to demonstrate just what projects will receive funding under the categories outlined in Qu 2. When it is all broken down, are the specific projects relating to the environment, the waterways and foreshores, the public spaces and the fixing of roads aligned with the thinking of the community? If not, then I believe council should only be approved for the rate cap of 2.5%.	10/10/2022 7:16 PM
36	Miscellaneous	No rate rise	10/10/2022 6:02 PM
37	Roads SRV option preference explanation - positive	Although I would support a rate rise, I would expect to get better services on our roads where potholes are filled with no preparation and then only stamped down by foot only to be back within short period of time.	10/10/2022 5:33 PM
38	Affordability	The 2 proposed options are far too high and very inflationary, why can't we have a rate rise of about 7%, which is about the rate of CPI currently, for one year and then back to the rate cap set by IPART.	10/10/2022 4:52 PM
39	Service levels	Not supportive for any increase until council PROVES they are going to spend some money at Fingal. at the moment they spend NOTHING.	10/10/2022 3:44 PM
40	Efficiency and cost containment	Only deliver on required services and cut overheads and all the fluff	10/10/2022 3:30 PM
41	Efficiency and cost containment	All councillors cars should be electric powered with no exception. Get rid of the bridge in Nelson bay for sure.	10/10/2022 2:48 PM
42	Efficiency and cost containment Raptor	How about No pay rises for any council workers and no more assets I mean over priced cars at all for anyone employed in councils and sell the	10/10/2022 1:14 PM

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	major's car		
43	Roads Service levels	Fix the roads	10/10/2022 12:59 PM
44	Miscellaneous	Get another council if you guys can't do it.	10/10/2022 12:39 PM
45	Level of understanding Roads	Councils have been getting additional state and federal funding for potholes. So put that money into pot holes and don't use elsewhere.	10/10/2022 12:06 AM
46	Efficiency and cost containment Raptor	I seriously doubt that its unsustainable. What a load of crap. More like this council can not manage to live within its budget. If you can't do this then move over and let some new council people in who can better manage. If you need to reduce lets start by not spending \$100,000 on a new over compensating car for the mayor	10/9/2022 9:43 PM
47	Level of understanding	What are the reduced services? Bad question with no real insight into what this means for rate payers	10/9/2022 8:20 PM
48	Affordability	Think 1st question on the survey is too big an increase, if it was more reasonable many wouldn't mind. If go ahead maybe consider a monthly payment. Every bill has gone up & everybody is finding it tougher to keep up with such large increases.	10/9/2022 4:06 PM
49	Miscellaneous	Neither is a viable option - see previous comments	10/9/2022 2:55 PM
50	Level of understanding	I would like to understand why the council is in this position when rates are not disproportionately lower in PS than in neighbouring areas. This suggests poor fiscal management or poor decisions (of one sort or another). Please explain.	10/9/2022 8:03 AM
51	Miscellaneous	If someone oversees the workers with consequences for poor performance, we probably would not need to reduce services or increase rates,	10/9/2022 5:05 AM
52	Level of understanding	It's interesting how the council is now calling itself unsustainable when IPART rejected the last SRV because the council was deemed to be viable! So where did the "loss get spent?"	10/8/2022 4:43 PM
53	Level of understanding Miscellaneous Raptor	Reduced services, but certainly not for essentials like roads. Prefer some of the nonsense be cut instead and wastage reduced (E.g. no more unnecessary cars for our [REDACTED] mayor!). Give independent accountants a look at the budget and I'm sure they'd have no problems 'trimming the fat' without impacting essential services. It's the incompetence of the current council that has gotten us to this point (we didn't have an issue with budgets/rate rises for decades [REDACTED] unlike the current entirely unimpressive mobil).	10/8/2022 2:56 PM
54	Efficiency and cost containment Level of understanding Raptor	The council needs to be more efficient and stop wasting money on unnecessary changes and development. A smaller and more suitable car for the mayor would be a start. I am all for parks for children but do not make changes for the sake of change. We should have a one increase of 10% and see how the council performs before three consecutive increases of 10%.	10/8/2022 9:45 AM
55	Affordability	We don't require financial assistance but with the funds we have we'd like to be able to not worry about future years & money. So many price increases now, this is why our preference is the Reduced Services Option - make the best of what we have.	10/7/2022 9:49 PM
56	Miscellaneous	Self evident	10/7/2022 3:39 PM
57	SRV option preference explanation - positive	We have to maintain high levels of all services in our region. If we are a tired region the holiday makers won't come and that is our bread & butter.	10/7/2022 7:53 AM
58	Efficiency and cost containment Level of understanding	Council will not improve services with the increased budget. Same as the slug for "upgrading drainage" was used to cover absurd legal failure.	10/7/2022 7:12 AM
59	Affordability	Carefully monitor the impact on families that are on the borderline with mortgage payments etc.	10/6/2022 8:52 PM
60	Service levels	We must meet the challenges and apply reasonable rate increases to at least maintain services.	10/6/2022 8:33 PM
61	Level of understanding Service levels	I'm happy to review the current services that Council	10/6/2022 7:29 PM

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provides and make some recommendations. Case in point, the stupid decks being built in the main street at RT. How long does it take for Council workers to make a couple of decks? it is a joke how long this takes, and it is right there for all to see, how clearly inept your staff are! This is an example of Council getting it wrong - 1. don't build them at all 2. just fix the main street so it is nice and neat and smooth, and 3. make your poor performing staff redundant immediately! Staff like the ones building this deck that will serve little purpose and get graffitied and damaged regularly, need to leave Council and just get contractors to build this stuff in half the time if really needed.

62	Affordability Raptor	At the end of the day, no one can afford a rate rise. Or a new car.	10/6/2022 6:03 PM
63	Efficiency and cost containment Service levels	Reduce staffing and hours of operation if insufficient money	10/6/2022 5:36 PM
64	Miscellaneous	But this doesn't mean that I support the level of increase proposed.	10/6/2022 1:29 PM
65	Affordability	In the current economic situation nobody can afford a huge rate increase to add to mortgages, fuel, electricity etc.	10/6/2022 12:58 PM
66	SRV option preference explanation - positive	To reduce services would be fraught with utter dissatisfaction within the community.	10/6/2022 10:50 AM
67	Efficiency and cost containment Level of understanding	This is a very passive aggressive proposal and I'm putting in a formal complaint to relevant authorities . Your money is wasted on over paying execs who serve their own interests not those of the Port Stephens community.	10/6/2022 7:52 AM
68	Level of understanding	i do not support an additional % rate rise increase. If land values have increased dramatically over the last 5 years and council charge rates as a percentage of land values I do not understand how council income has massively increased over the last 5 years.	10/6/2022 7:51 AM
69	Efficiency and cost containment Level of understanding	2nd for me as council does all now anyway, How about all councillors take pay cuts to reduce the costs, as most of us earn a lot less than them and we are the ones that pay. It's all well and good when you line your own pockets first then dish the rest out hey and places like us are forgotten about, there is more to Port Stephens than just the so called "Bay Area", the recent things that have been done to our area are only because of the hard working residents did the job them selves & companies donated materials and labour.	10/6/2022 7:30 AM
70	Level of understanding	This question amounts to a gun to peoples heads. And council has failed to account for the fact that IPart has actually awarded a 4.4% increase to rates this year.	10/6/2022 7:10 AM
71	Level of understanding Miscellaneous	You really don't frame it as much of a choice at all	10/6/2022 5:38 AM
72	Roads Service levels	For my rates I see a garbage collection and mediocre roads, with little on street parking for visitors. My rates do not now seem to cover foreshore grass cutting and this is disappointing for the high end of Francis Avenue in Lemon Tree Passage.	10/5/2022 10:47 PM
73	Efficiency and cost containment Raptor	Streamline middle management! Middle management is too heavily staffed, well known our council has too many and not enough Straight up our mayor should not be purchasing vehicles for \$50000! Equipment has been sold off and contractors engaged. We have seen this happen time and time again and ultimately costs companies and organisations more money in the long run. The management of contract services are difficult to regulate, unreliable and costly when abandoned because the company then has to repurchase sold off equipment. The cost of funding legal matters is another huge money sucker, how can this be better managed? Get the mayor out from behind his desk and take time to meet and talk to his constituents- visit people in their homes, ask them what they think the town needs or wants.	10/5/2022 10:01 PM
74	Efficiency and cost containment	* When I worked for a corporate organisation we were challenged to deliver with less; improve productivity. * Both options appear to be the "easy escape" to deal with issues by ignoring causes and processes behind them.	10/5/2022 8:58 PM
75	Service levels	Has already been happening , nothing will happen no matter how much revenue is collected	10/5/2022 8:14 PM
76	Efficiency and cost containment	This is a terrible question to ask. The option to raise the rate in line with the cap does not mean that the council falls over and has to reduce service levels. Every Organisation has to look at productivity and efficiency. Fewer expenses on	10/5/2022 8:13 PM

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recurring admin expenses such as salaries and more spend on capital expenses is a better mix

77	Efficiency and cost containment	Roads	Learn to stop spending and fix roads	10/5/2022 7:57 PM		
78	Roads	Service levels	Sorry but cut the unnecessary over time. If we got value for money people would not mind. but so far not close. And the rain has only been a problem for the last few years, the pot hole problem has been here for well over a decade.	10/5/2022 6:02 PM		
79	Efficiency and cost containment		Council should be better managing their money! We all know this is a result of your incompetent negligence.	10/5/2022 5:28 PM		
80	Efficiency and cost containment	Raptor	Roads	Service levels	How about you employ people who know how to do a job properly? Half the roads you built fall apart within weeks and are epic fails. Scrap the idea of building a Medowie community centre and wasting loads of money on making areas pretty like the main street of raymond terrace or Nelson bay. We just want our rubbish collected, decent roads to drive on and no huge rate rises! How hard is it. Why can't there be a limit on the maintenance of money spent on a mayors car also. That would fill a few potholes around Port Stephens I'm sure!!!!	10/5/2022 5:07 PM
81	Efficiency and cost containment		This option because I don't believe the Council has done enough to reduce its overheads.	10/5/2022 4:56 PM		
82	Efficiency and cost containment	Miscellaneous	Knock community engagement officers on the head for starters.	10/5/2022 4:54 PM		
83	Efficiency and cost containment	Raptor	Maybe reduce the amount of spending council members are paying for their work vehicles? That's unsustainable and unethical. Sell off the holiday parks to fund the deficit they have to be worth millions sitting on prime real estate.	10/5/2022 4:48 PM		
84	Service levels		IMMEDIATELY. Please don't let us down. We need to see things happening as you say	10/5/2022 4:44 PM		
85	Raptor	Service levels	Reduce services for example sell a few overpriced council cars	10/5/2022 4:12 PM		
86	Efficiency and cost containment	Level of understanding	Stop council waste and workers 1 hour lunches	10/5/2022 4:06 PM		
87	Efficiency and cost containment	Roads	This sounds very much like a veiled threat. You talk of recent savings through cutting services. - but no mention of efficiency levels within government. How did we reach this position? No evidence of overspending on roads and kerbing in recent years. It is reasonable for us residents to see a more detailed annual report outlining labour & subcontracting costs, staffing levels, salaries etc. Let's be more transparent if you want to milk the gravy train.	10/5/2022 3:55 PM		
88	Miscellaneous	SRV option preference explanation - positive	I would be happy with an increase if we had a different Mayor.	10/5/2022 3:52 PM		
89	Efficiency and cost containment		In reading the above, you are telling me you have ONLY saved money by REDUCING services offered to residents. Have you made any attempt to achieve cost savings within your organisation? I can't imagine any other organisation getting away with reducing services without losing customers! Again, using the squealing pig scenario, I feel I have little choice here based on the information available.	10/5/2022 3:51 PM		
90	Service levels		Karuah has always had reduced services, won't make a difference	10/5/2022 3:50 PM		
91	Miscellaneous		Employ more staff to process all applications faster	10/5/2022 3:43 PM		
92	Efficiency and cost containment		Council has wasted ridiculous amount's of tax payers money	10/4/2022 10:57 PM		
93	Efficiency and cost containment	Level of understanding	Raptor	Is it possible for you guys to word is survey in a more biased manner? Maybe you should manage the money you have more efficiently. You could probably get a good price for the mayors range that we paid for	10/4/2022 8:08 PM	
94	Level of understanding		More costs again - this survey is misleading as it doesn't give you alternative responses to one's you want to see in your data.	10/4/2022 7:13 PM		
95	Efficiency and cost containment		If other councils can manage their finances responsibly so	10/4/2022 5:43 PM		

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	should ours		
96	Affordability	Clearly some rise is required but not the big bight 26% proposed	10/4/2022 5:10 PM
97	Roads Service levels	Roads must have priority, would not support a rate rise if it does not improve rural roads - this is a safety issue. Have those reduced services resulted in a reduction in staffing levels and if so what money has been saved and where has it been spent. Why are new buildings being erected at the Raymond Terrace Depot is it to provide more offices? Why and what cost?	10/4/2022 4:39 PM
98	Efficiency and cost containment	The community events aren't community events - they are absolute rubbish that must cost a fortune. Bring on the cuts!	10/4/2022 3:55 PM
99	Roads Service levels	You have dropped the ball on basic stuff like road and footpath maintenance anyway so it's not likely that we will notice any further reduction of services anyway.	10/4/2022 3:50 PM
100	Miscellaneous Raptor	Sack [REDACTED] sell [REDACTED] car, no rate rise	10/4/2022 2:48 PM
101	SRV option preference explanation - positive	We feel living in a cared for environment is appreciated short and long term... for community, for our activity and mental health and for our future environmental sustainability.	10/4/2022 2:26 PM
102	Efficiency and cost containment Level of understanding	Too much emphasis on the scare tactic of service reduction, rather than genuine efforts to increase efficiency - a simple example, the analysis of red bin fill and weekly collection levels - consider collection fortnightly in rotation with yellow bins which in these days of recycling and composting should carry most refuse.	10/4/2022 12:27 PM
103	Efficiency and cost containment Roads	It is possible for organisations to reduce spending by removing unnecessary spending, without reducing service delivery. By the way, if council reduced the repair of potholes in Fingal Bay I doubt we would notice as they aren't fixed at the moment.	10/4/2022 12:14 PM
104	Efficiency and cost containment Level of understanding	Can't see it being much different to what we have now. Maybe cut some of the deadwood staff, less pay for general managers and councillors, fewer perks for staff	10/4/2022 10:51 AM
105	Roads Service levels	Proper Road maintenance is not existent anyway. In my opinion one of the busiest roads in medowie is now almost undriveable unless you have a 4wd. Council seem to think putting a warning sign up solves the problem. A similar situation is on the main road to Lemmon tee passage. I'd actually love a list of service or community activities the council provided in medowie	10/2/2022 11:01 AM
106	Efficiency and cost containment Raptor	Council needs to work within its budget and make cuts which do not affect essential services. An expensive new car for the Mayor was irresponsible.	10/2/2022 12:29 AM
107	Efficiency and cost containment Level of understanding	All ratepayers need to be advised that the financial problems current were largely due to previous poor management/policies. That COVID was not a huge contributor to our current state of financial woe.	10/1/2022 6:16 PM
108	Level of understanding	Looks like u have already decided by the wording of the question	10/1/2022 6:34 AM
109	Efficiency and cost containment Roads	I don't support another rate increase, how about you review operating efficiency. Potholes are nit addressed now, saying they will get worse is a disgrace. This question is appalling.	10/1/2022 5:45 AM
110	Roads Service levels	I feel like residents are subsidising short stay accommodation providers. We are paying for the roads and facilities that are used by tourists which generate profits for some but bring problems that others must suffer through (like littering!). Short stay accommodation providers should have an extra rate burden.	9/30/2022 7:50 PM
111	Level of understanding	Neither	9/30/2022 12:46 PM
112	Efficiency and cost containment Miscellaneous	What has prevented PS Council from reducing the expensive staff levels and waste at council by more effective use of AI technology?	9/30/2022 12:28 PM
113	SRV option preference explanation - positive	I'm all for the an increase above the cap, but I	9/30/2022 10:56 AM

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hope council has learnt where they can cut some cost the past couple of years and keep some of those adjustments in their routine. E.g certain times of the year lawns grow much slower so mowing can be much less frequent. Pruning when done can be a little more aggressive again to space out the frequency. Recently i saw the hole and jumps made by kids on bikes. This type of act takes time. Is there eg a neighbourhood watch/no to call so it could be reported and authorities could come?

114	Miscellaneous	The Reduced Services option is unacceptable	9/30/2022 8:06 AM
115	Level of understanding	Why not have other options that aren't as drastic as the two presented.	9/29/2022 8:01 PM
116	Efficiency and cost containment	There are plenty of ways you can cut costs at Council, again, don't phrase it like this.	9/29/2022 5:33 PM
117	Service levels	SRV option preference explanation - positive Both scenarios are not high enough. I want the roads, sports facilities and public areas not only maintained but upgraded to the standard of adjoining councils.	9/29/2022 1:47 PM
118	Efficiency and cost containment	Raptor Roads Service levels no rate rise , our roads are stuffed and cars now stuffed you refuse to fix the roads so NO . You put up rates by 26% for a year and after that one year you don't put them back down .PSC can not be trusted with rate payers money .That's what happens when when you spend tax payers moneys on 4x4 and think its OK to do it .	9/29/2022 12:45 PM
119	Efficiency and cost containment	Only if council performs correctly and transparently.	9/29/2022 9:59 AM
120	Efficiency and cost containment	Level of understanding If the council got its efficiency rating up above 90% where it should be there would be no need for a rate increase. Employ better managers that get productivity out of staff instead of being mates that allow poor work ethics.	9/29/2022 9:04 AM
121	Efficiency and cost containment	Level of understanding Raptor No this is mismanagement of funds & then asking us to fix it by paying more \$ instead get better financial advice & develop a long term sustainable plan. Prioritise obviously what needs to happen first & foremost like our roads & pull back on things that are not a necessity. Council get massive amounts of \$\$ via developer contributions like those from the developer that won't leave Karuah alone driving up land & house prices yet there is no voluntary agreement to better support services in our town like building much needed footpaths. Instead it goes into a 'slush' fund for all of Port Stephens with little or no milbenefir to our town. Change your systems it's not working. How about the Mayor gets a cheaper car & you stop the roting of council funds for vehicles & other areas I' m sure this will cut your budget by a fair whack.	9/29/2022 7:52 AM
122	Efficiency and cost containment	Roads Council needs to stop wasting money that it's getting from land developers and use it to do something other than increasing property values for the recently developed suburbs. Try purchasing a road resurfacing vehicle and operating it internally rather than paying 3rd parties to do substandard works for excessive cost.	9/28/2022 8:12 PM
123	Efficiency and cost containment	Miscellaneous You are making a mess of it, you and your predecessor's put us in this mess, you lot pay for it. And stop wasting money on unnecessary crap like main street in Terrace, how stupid is that, you are blocking view and adding distractions on both sides of the crossing, What's that 100k to your costs.	9/28/2022 6:38 PM
124	Miscellaneous	Combined with an employee productivity increase. There is definitely savings to be made in this area.	9/28/2022 6:28 PM
125	Efficiency and cost containment	Raptor Maybe the council should plan much better on how they spend there money. For example the mayor should of not brought a very expensive car.	9/28/2022 5:44 PM
126	Service levels	SRV option preference explanation - positive Council services are important and need to be funded, however, council needs to demonstrate in an open and transparent way how these funds are being spent throughout the electorate - not just in Nelson Bay	9/28/2022 5:27 PM
127	Level of understanding	2.5% + 2.5% + the 4% hidden Drainage Levy which has been there starting at 2.5% 30 years ago.	9/28/2022 2:27 PM
128	Miscellaneous	No rise	9/28/2022 10:30 AM
129	Roads	Service levels All services need to be accountable. Wasted money on roads not	9/28/2022 6:14 AM

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Rate rise options short survey

being fixed properly and efficiently the first time. Grader drivers don't even know how to grade a road properly

130	Efficiency and cost containment Raptor Seriously, you talk about saving \$7.4 million dollars, but the Mayor buys an 80k car? I would suggest automating applications and such thus allowing you to stop requiring human lead requests/reactions and make use of technology to issue/deal with trivial requests via internet website.	9/27/2022 11:13 PM
131	Service levels Council do very little in Karuah and I don't fancy funding council projects for Nelson bay	9/27/2022 10:39 PM
132	Service levels I dont recieve any services other than rubbish collection	9/27/2022 9:19 PM
133	Service levels I don't think the council do anything for the Raymond Terrace area anyway. This threat of reducing services will only bother the areas you actually take care of.	9/27/2022 6:10 PM
134	Miscellaneous Roads Why not ask for volunteers to support local park maintenance etc. there are gardening clubs that could support. Roads are a community safety issue.	9/27/2022 5:04 PM
135	Efficiency and cost containment Prefer to see an emphasis on PSC improving its productivity, and removing waste in its staffing. Capital improvement projects should be through grants, not rates. PSC access to grants (eg. during the Covid era) was abysmal compared to other neighbouring councils.	9/27/2022 3:51 PM
136	Efficiency and cost containment Have you considered reducing salaries for executives and senior staff? Do they get work provided vehicles for personal use? Shop around when conducting business, local government gets fleeced.	9/27/2022 3:25 PM
137	Level of understanding Rate rise of 2.5% is not sustainable. Keep rate rises in line with inflation only. Say 5%	9/27/2022 11:56 AM
138	SRV option preference explanation - positive Rates should always be increased to reflect the costs to maintain and improve our community.	9/26/2022 4:56 PM
139	Roads Service levels As long as the increase went to fixing our roads over the first 12 to 18 months	9/26/2022 2:50 PM
140	Service levels As previous, the only areas I find benefits in is a small amount of road and our garbage being collected	9/26/2022 2:06 PM
141	SRV option preference explanation - positive Having originally lived in South east Queensland, I am surprised at how low the rates notices are in Port Stephens. Our rates can increase if we all want a decent service.	9/26/2022 12:33 PM
142	Service levels If, and only if, there is a discernible increase in the level of council services.	9/26/2022 12:17 PM
143	Service levels You need to look at what your spending on I'm sure you can find savings we pay enough for very little return	9/26/2022 8:47 AM
144	Miscellaneous Not much of an option really	9/26/2022 12:00 AM
145	Efficiency and cost containment When rate payers see Ford Rangers being purchased for the private use of councillors it is rude to expect them to be happy about any rate rises	9/25/2022 5:04 PM
146	SRV option preference explanation - positive I favour the single 26% in one year - let's move forward	9/25/2022 4:00 PM
147	Roads Service levels Only if it is used to fix roads, improve infrastructure (bike paths) and not be spent on "pretty" projects around the bay area	9/25/2022 7:51 AM
148	Service levels The mowing of the grassed areas on traffic islands in the middle of the roads don't need to be done on Saturday's and Sundays on overtime!!	9/24/2022 11:44 PM
149	Level of understanding There are other options other than rates rises. Has the Council looked at a royalty levy on the Sand mining conducted throughout Port Stephens. This impacts our roads and natural resources. If there is already a levy on sand mining , increase it, If not, get the additional require funds from a levy on Sand Mining	9/24/2022 8:15 PM
150	Miscellaneous Don't sell out to developers just get money and destroy the bay village feel in the process	9/24/2022 6:31 PM

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151	Affordability	2.5% is closer to inflation than both suggested options. How will those on fixed incomes meet this increase.	9/24/2022 1:03 PM
152	Efficiency and cost containment Miscellaneous	Get rid of community engagement officers for a start. Every council employee has a responsibility to engage with its community.	9/24/2022 11:18 AM
153	Service levels	Need to carry out services correctly the first time and not have to redo	9/23/2022 10:17 PM
154	Service levels	I don't think council is being fair. Agree with increase rates of 26%...but council need to maintain services ... think broader than that! Decrease discretionary projects!	9/23/2022 9:08 PM
155	Service levels	Increase services, people are leaving Port Stephens or avoiding investing here because of our services - which will further exacerbate the situation.	9/23/2022 7:25 PM
156	Efficiency and cost containment	Council has shown consistence in poor performance over the years so even when this rate rise how do we know the council will be true to its word	9/23/2022 4:23 PM
157	Affordability	How are people supposed to afford this?	9/23/2022 11:59 AM
158	Efficiency and cost containment Miscellaneous Roads Service levels	You have let the roads in the terrace turn to [REDACTED] I don't trust more money is going to fix you guys not giving a [REDACTED]	9/23/2022 9:56 AM
159	Efficiency and cost containment	Alongside an increased rate rise, I'd like to see where my money is going. I'd like to see the items that are costing the council to break the budget identified and the measures taken to reduce costing using our money.	9/23/2022 5:17 AM
160	Service levels	How can you reduce the services when they are already [REDACTED] You should all step down and be ashamed of yourselves	9/22/2022 5:26 PM
161	Roads Service levels	Fix roads once with quality materials so we don't get a continual network of potholes which are dangerous and deadly for low profile tyres. They are also unsightly as it shows we don't care. Put more man hours into this and then you may save labour hours and dollars into future.	9/22/2022 4:00 PM
162	Service levels	You can't do much less than what you do for Fern Bay. If it was any other town, they would be [REDACTED] to say the least	9/22/2022 2:51 PM
163	Miscellaneous	Labor candidates for last Council Elections campaigned on a platform of no SRV, yet now seem to be supporting it. Is that the usual backflipping of politicians who promise much but deliver something quite different. We all know Palmer's views on increasing Council rates as an opportunity to Chest-beat about grandiose achievements, but keep in mind the electorates backlash at the last elections, that only gave him the slimmest of margins. Who can we trust at the next elections??	9/22/2022 11:36 AM
164	Service levels	Providing the money is spent to provide essential services and facilities. Non-essentials can be spent on if there is a surplus AND estimates show there will be a surplus in the following year. Do not spent money on non-essential just to use the budget up for the year.	9/22/2022 11:19 AM
165	Roads Service levels	Smarter choices in the repair of pot holes would mean better budgetting. Stop the use of tar and perhaps use concrete to fill pot holes or another product.	9/22/2022 11:09 AM
166	Level of understanding Miscellaneous	Councillors take a pay cut. Stop spending money on stupid shit.	9/22/2022 11:01 AM
167	Efficiency and cost containment	Penalizing rate payers with a rate hike will not solve this council's predicament-rather than streamline services,council should look at reducing Administrative staffing levels.	9/22/2022 10:54 AM
168	Roads Service levels	But change the way council does things such as priorities. A better planning engineer for our roads. Workers that work not the current crews that we have working on our roads now. There has to be a better solution to our roads.	9/22/2022 10:15 AM
169	Efficiency and cost containment Service levels	As previously mentioned a srv is inevitable. I just struggle to have confidence that funds will be applied appropriately. Council need to learn to say no to the exceptionally high levels of community expectation. A balance needs to be found between the wants and needs of the community. Increased resources should be applied to areas that have improved long term health benefits and outcomes for future generations, not the short term wants of current trends	9/22/2022 9:35 AM

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170	Efficiency and cost containment Raptor Once again, as long as the funds are not used to buy new cars or "work" trips for ANY of the councillors	9/22/2022 9:22 AM
171	Level of understanding All rate payers in Port Stephens to pay the same. Raise the rates in the west to the same as the east and your problem is fixed. User pays its not that hard if you have the Will and ability to lead the council.	9/22/2022 9:16 AM
172	Efficiency and cost containment Raptor Same as we all have to do only spend within our means. Look at what we spend on for better options eg Ranger Ute top of the line when a lower model would still carry the mayor around	9/22/2022 8:49 AM
173	Efficiency and cost containment You get enough learn how to use it	9/22/2022 6:47 AM
174	Efficiency and cost containment Roads Seriously your threatening us with more potholes. Council has to make do with the funds they get. We all do.	9/22/2022 6:31 AM
175	Efficiency and cost containment If I felt the current allocations were distributed to the suburbs fairly on a needs basis, I would be more than happy to pay more. But it is smackingly obvious that our suburbs of Tanilba, Lemon Tree Passage and Mallabula aren't being treated maintenance wise like other suburbs in the Port Stephens LGA. Maybe you've already let them down so much no matter how much we give you, you can't delivery a the standards other ratepayers in other LGA because you have to much neglect to catch up on.	9/22/2022 2:40 AM
176	Affordability Please we cannot afford this rate rise	9/21/2022 7:51 PM
177	Affordability Some wards are rapidly expanding Medowie , Karuah there a lot more rates coming in , not everybody in Port Stephens is RICH	9/21/2022 4:33 PM
178	Level of understanding I have ticked Rate rise option but if I had have gone for the other option, Council has not explained what would the fewer community events be for example	9/21/2022 4:32 PM
179	SRV option preference explanation - positive Local area need investment to attract visitors and future residents.	9/21/2022 2:25 PM
180	Efficiency and cost containment One way of saving money is to reduce the Mayoral allowance for the current Mayor whose sole function it appears to be involved in any and every photo opportunity!	9/21/2022 10:58 AM
181	Efficiency and cost containment I do not want to pay more, I know that if I agree to a rate rise above 2.5% this will be ongoing and will blow out to an unaffordable amount in future. Council needs to prioritise its spending .	9/21/2022 10:11 AM
182	Efficiency and cost containment Roads We feel that councils everywhere should learn to live within their means. We do not want to see a rate rise above 2.5% as all that will happen is council will completely waste this money and keep asking for more. We will soon find ourselves over the next few years in a situation where we cannot afford to pay our council rates. Where has all the money gone that council has collected in rates? If council concentrated on their core responsibilities and stuck to roads, rates and rubbish then we would not have this problem.	9/21/2022 9:58 AM
183	Level of understanding Your proposed rate rise options send families into the same (worse) financial stress that you're saying council will have to face. Find other ways to adjust your budget just like we all are having to.	9/21/2022 9:34 AM
184	Level of understanding Until an independent efficiency audit verifies that Council are on the right track and don't have excess 'Fat' that could be cut I would stay on the 2.5%. There needs to be independent auditing before such a huge rate increase is implemented.	9/21/2022 8:07 AM
185	Miscellaneous Clever strategy. A "no brainer" choice.	9/21/2022 7:06 AM
186	Level of understanding If you want more money from rate payers you need to give more information and definitive action showing how, when & where.	9/21/2022 6:31 AM
187	Affordability Given the situation for a lot of folk in our community I think some simply could not afford this rise now, why not tax tourists or those who can afford to have a holiday house sitting waiting for their visit	9/21/2022 2:25 AM
188	Level of understanding I am amused that Council reduces services in order to save money. Yes that it one approach. What about wastage in Council that can be tightened up and thus money saved. Look internal and not just external with subsequent service reduction. The	9/20/2022 8:45 PM

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options provided in this question are too limiting and the results will not reflect Ratepayer feeling. This survey should be abandoned and the results NOT used by Council to determine a way forward.

189	Miscellaneous Service levels I have not seen a difference in the last 10 years. Have not even noticed the service level change	9/20/2022 7:24 PM
190	SRV option preference explanation - positive I see that some additional services should be considered in the increased budget spend- eg contributions to facilities such as regional cultural, arts and museum centre, to facilitate state or federal grants which require local government contributions.	9/20/2022 4:58 PM
191	Affordability I do however have concerns for low income earners struggling to pay bills now.	9/20/2022 4:08 PM
192	SRV option preference explanation - positive Reducing service levels will only make the area unpleasant to live in, and will slowly deteriorate the visitor levels - subsequently reducing money that is spent in the local area.	9/20/2022 4:00 PM
193	Efficiency and cost containment None of the above is necessary! Poor management, too many people in office work judging by number of cars at chambers.	9/20/2022 3:57 PM
194	Efficiency and cost containment Roads Once again every employee from the top down needs to be included in a productivity review, especially but not only the road repair gangs.	9/20/2022 2:15 PM
195	Efficiency and cost containment This might force the council to better manage their funds then we can look at a rate rise once the spending is under control	9/20/2022 1:27 PM
196	Efficiency and cost containment Get rid of rid of the 9 day fortnight	9/20/2022 12:51 PM
197	Efficiency and cost containment Roads Out source the road maintenance (pot hole fixing), contract professionals in this area and get rid of the sheltered workshop that currently exists. Re-build roads that have had pot holes filled more that 5 times.	9/20/2022 11:59 AM
198	Efficiency and cost containment Reduced service would not impact me in anyway! How about reducing the amount of people council employs, instead of two people doing a one person job just employee one	9/20/2022 10:32 AM
199	SRV option preference explanation - positive The community needs services; the Council needs funds to provide these services. Those people who think that Council should pay for everything don't understand that the money has to come from a number of sources, one of which are ratepayers.	9/20/2022 10:10 AM
200	Level of understanding neither of these are a good option, and I don't believe these are the only 2 options available.	9/20/2022 10:05 AM
201	SRV option preference explanation - positive Services need to be maintained and increased as they are currently inadequate.	9/20/2022 9:37 AM
202	Efficiency and cost containment Council manage the existing funding poorly in my opinion. Reduce services and trim some dead wood in your employees.	9/20/2022 7:54 AM
203	SRV option preference explanation - positive If putting the rates up will solve most of the current problems (and there are a lot) then we support it.	9/19/2022 7:48 PM
204	Efficiency and cost containment We are family living within our means with raising costs hitting us left right and centre, I believe wages & allowances within council could have a major overhaul & take some cuts before port Stephens should suffer	9/19/2022 7:05 PM
205	Level of understanding Service levels Hahaha you couldn't possibly further reduce services to Karuah as you don't provide any	9/19/2022 7:00 PM
206	Level of understanding This got voted down years ago, why again?	9/19/2022 6:58 PM
207	Level of understanding Again, with all councils there is so much money poorly spent, bad management and over spending at the top. I have been self employed running a business for over 35 years, I get things done. Red tape, political correctness, corruptions, jobs for the boys, academics that don't get ground zero, is what stuff things up. With the amount of people moving to the area, the impact of population on the infrastructure that all of this will be useless. You will need a 100% rate rise	9/19/2022 6:31 PM
208	Service levels I consider environmental concerns if major importance.	9/19/2022 6:19 PM

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209	SRV option preference explanation - positive I know it will be difficult for some people but we really must not reduce services	9/19/2022 6:00 PM
210	Level of understanding If you had a decent management structure and experience in key positions, perhaps you could work within the current budget and get better services from them.	9/19/2022 5:46 PM
211	Roads Service levels Not much service now anyway, eg potholes for one example	9/19/2022 5:33 PM
212	Efficiency and cost containment Level of understanding Cut councillors pay	9/19/2022 5:28 PM
213	Efficiency and cost containment Raptor The 2nd option here isn't a option. Do you think we are all stupid and believe the an unsustainable council, reduced services etc is an option? Sell the mayor's car for a good start then start cutting down on workers not doing their jobs (plenty of them around) and start council cut backs on everything instead too many staff and too many perks	9/19/2022 5:28 PM
214	Efficiency and cost containment Level of understanding The service provided by Council only benefit the few, they are not inclusive, The legislated requirements is not negotiable, but community events do nothing more that for the few in that location. The relevance of a council is not to continually seek to make rates higher, if this was the case then the RATE CAP would be modified by the Government. Councils are becoming a burden on the family, where do you think that the family is going to get the 2.5% (more than the latest Public Service pay increase, let alone 26%. You want to support the natural environment, let the parks over grow and become NATURAL.	9/19/2022 5:28 PM
215	Level of understanding how can a one off rise make council sustainable??? As if having extra money this year is going to enable fiscal sustainability long term!!	9/19/2022 5:16 PM
216	Level of understanding This survey is full of loaded questions. I would support a rate rise but certainly not at the levels you are proposing	9/19/2022 5:00 PM
217	Affordability I don't see either of these options as being fair.	9/19/2022 4:59 PM
218	Efficiency and cost containment Roads The money we already pay, I can't really see what council does with it, roads are damaged, parks and walking tracks aren't cared for, community hall no maintenance	9/19/2022 4:34 PM
219	Efficiency and cost containment I choose this option because I don't trust the council to live up to there promise	9/19/2022 4:34 PM
220	Efficiency and cost containment Roads Council could not be doing a worse job at maintaining road than they currently are. Whilst council approach to roadworks is re applying 2 coat seals to road surfaces rather then asphalt (for heavily trafficked road), then potholes are inevitable. Do it right the first time, and stop scaring rate payers into agreeing to SRV by saying roads will get worse. A council that can't manage their budget, and can't construct roads the first time around, needs to have a good look at themselves. A SRV might be a solution now, but I can see PSC applying for another one soon if they don't sort themselves out	9/19/2022 4:33 PM
221	Level of understanding Why do the roads need to suffer to save money, surely there are other areas you can save money	9/19/2022 4:29 PM
222	Level of understanding Unless you have a plan to support my area	9/19/2022 4:27 PM
223	Level of understanding Take action - sell the airport! Council brings no beneficial benefit in owning it.	9/19/2022 4:00 PM
224	Level of understanding Miscellaneous Roads ■■■■■, stop buying expensive 4WD vehicles. You wouldn't need it if you fixed the roads	9/19/2022 3:51 PM
225	Efficiency and cost containment Level of understanding How about a lesser option for above the cap. Do it over longer years so doesn't impact so hard. Council lives within its means to make it work	9/19/2022 1:16 PM
226	Efficiency and cost containment Raptor How about capping the price the Mayor is able to spend on a vehicle \$85,000 is not reducing expenditure by the Council	9/17/2022 2:44 AM
227	Efficiency and cost containment No SRV reduce staff and get back to basics	9/16/2022 2:51 PM
228	Efficiency and cost containment Council could save money by ceasing the provision of	9/16/2022 10:52 AM

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community grants and events for a couple of years. These are 'nice to have' but are not 'essential functions'.

229	Level of understanding	Council could conduct senior management restructuring and redundancies.	9/16/2022 7:13 AM
230	Service levels	You don't deliver services currently; nil change to existing.	9/15/2022 11:43 PM
231	Level of understanding Service levels	Reduce staff hours, unnecessary projects, "art installations", unnecessary upgrades. You could even seek to reduce waste services. Port Stephens got rid of the green bin altogether. You could make yellow bins fortnightly.	9/15/2022 11:13 PM
232	Efficiency and cost containment	Pfft. Reduced service. I didn't know there was any service to start with. More potholes. Not possible.	9/15/2022 9:49 PM
233	Affordability Efficiency and cost containment	The SRV is not sustainable to many household budgets. For many services we have to travel out of Port Stephens, most notably a proper hospital. Therefore, petrol is a major cost to most households.	9/15/2022 9:41 PM
234	Efficiency and cost containment	If you did your job properly it wouldn't have been unsustainable to begin with.	9/15/2022 9:21 PM
235	SRV option preference explanation - positive	Reducing services will result in job losses. I don't want to see people lose their jobs. It needs to be pointed out to residents that Our rates are cheaper than other councils.	9/15/2022 8:23 PM
236	Efficiency and cost containment	Council should consider ways of managing their resources more efficiently and effectively. This includes maintaining their current assets and not letting them deteriorate.	9/15/2022 7:27 PM
237	Efficiency and cost containment	Try looking at your internal set up. To many bludgers	9/15/2022 6:22 PM
238	Efficiency and cost containment Roads	This question doesn't gel with the questions asking which of the two large rises we prefer, while you've now reverted to a question of no significant rise and cutting services! Council needs to ensure that it spends its money on quality (especially road building/repair) not the pathetic poor quality builds/fixes we see all the time. Isn't fixing potholes a part of "providing community safety"?	9/15/2022 5:00 PM
239	Roads SRV option preference explanation - positive	We need to continue to maintain our infrastructure & services. Unkept parks, buildings and roads will be to our detriment - community satisfaction will decrease. Community events bring much needed funds to our towns (there should be more of these - MCC example). I personally would like to see parks & gardens continuing to be maintained and paths improved.	9/15/2022 3:20 PM
240	Level of understanding Roads	You cant tell me in the question previous that you are going to allocate \$14million to roads then in this question ask me if I am ok with potholes because you don't have enough money??? What a load of rubbish, if you are allocating \$\$ to roads then actually fix them and allocate the money correctly to maintain them. Don't threaten potholes whilst asking for more money above the huge 26% you just asked for. Take the \$\$ from somewhere else. If you ask any single resident what their #1 issue with council is at the moment its ROADS. So maybe take a look at what else you can cut out of your budget and don't threaten more potholes.	9/15/2022 3:17 PM
241	Efficiency and cost containment Level of understanding	Money allocated on preferred works that answer the needs of residents and tourists alike! Fix the roads- no DA approvals for premises over three levels within three streets from any water front. And perhaps safe storage facilities to be developed by council for tourists to leave marine equipment at. Fee paying. No parking of caravans or boats on council roads or footpath without permits- \$500 per year for residents/ holiday period permits \$50 per week.	9/15/2022 1:55 PM
242	Efficiency and cost containment	SACK SOME OF THE INCOMPETENT STAFF YOU HAVE AND DECREASE YOUR SELF CONGRATULATORY MORNING TEAS THAT WE FUND - SELL OFF A HOLIDAY PARK AND WE CAN ALL BENEFIT FROM IT	9/15/2022 1:46 PM
243	Level of understanding	You only provide two options , reduced services or rate rise above the rate cap , you should provide a medium rate rise I would support a rise above the cap but not 26% in one year	9/15/2022 12:41 PM
244	Affordability Level of understanding	People cannot afford a rate rise. I don't see how a rise	9/15/2022 11:15 AM

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in line with the rate cap is unsustainable. A rise is a rise.

245	Efficiency and cost containment	Make it work, it amazes me how much budgets are for projects that could be done cheaper and still at great quality	9/15/2022 11:02 AM
246	Level of understanding	If you get rid of [REDACTED] and [REDACTED] mismanagement I would be for option 1 as I know it won't be wasted. How about a higher rate for holiday lets, or non primary residents rather than residents.	9/15/2022 10:04 AM
247	Level of understanding	Services need to be provided across all areas of port stephens. Not just Nelson bay	9/15/2022 10:01 AM
248	Efficiency and cost containment	Roads Reduce fixing roads? Surely it can't be reduced any more. Our roads are pathetic. Taking weeks and weeks to get things filled and then they only last a short time. Maybe don't have 5 people filling the holes, surely less people on one truck and use more trucks would be better for the roads	9/15/2022 9:42 AM
249	Efficiency and cost containment	Reduce services or have a user pays option. I live in an estate where we have to pay for our own parks and services as well as rates - it's not fair and not sustainable If people want services then have then contribute	9/15/2022 9:08 AM
250	Efficiency and cost containment	How about you do your job properly and stop wasting money.	9/15/2022 8:46 AM
251	Level of understanding	You're kidding about reduced services! So we in Medowie won't see any at all, then! NO RATE RISE!	9/15/2022 8:43 AM
252	Efficiency and cost containment	Raptor Reduce the mayor's ability to procure an expensive car with council funds!	9/15/2022 8:30 AM
253	Level of understanding	Given nothing has occurred in the past 10+ years I'm not hopeful a rate increase will make any difference as we've had plenty in that time.	9/15/2022 7:54 AM
254	Efficiency and cost containment	Roads Maybe just fix the roads correctly the first time and not take the Band-Aid approach	9/15/2022 7:33 AM
255	Miscellaneous	how are you so bad at managing money	9/15/2022 7:26 AM
256	Level of understanding	Roads Non of these. Fix the road. You have already put up the rates	9/15/2022 7:00 AM
257	Miscellaneous	Raptor No rate rise, sell the raptor	9/15/2022 6:32 AM
258	Miscellaneous	Raptor Ford raptor	9/15/2022 6:27 AM
259	Efficiency and cost containment	Audit the Council itself, reduce costs, reduce staff, reduce social services. It beggars belief that priorities are totally screwed up. This view is massively widespread throughout the community, far & wide. Council 'suits' are oblivious to this fact that they are indeed part of the problem.	9/14/2022 10:25 PM
260	Efficiency and cost containment	I have to say the way this is being communicated is like a knife is being held to ratepayers throats, akin to being held hostage at gun point. You are still requiring the rate payer to bear the brunt of the issue. Perhaps removing things like meditation etc or improving productivity from the operations would be beneficial. In your long term plans you openly say we cannot reduce staff, but just not fill vacancies as they occur. I'm sorry but as someone with a reasonable level of expertise in the area, there is options like redundancy available unless councils operate in a different IR system. If it is needed then it can be done.	9/14/2022 9:17 PM
261	Roads	SRV option preference explanation - positive I am not happy with the current maintenance of roadsides, parks, foreshore erosion with trees falling into the bay everywhere and weeds being ignored and spread by roadside mowing contractors. For this reason it is impossible to agree to reducing service levels given our rates are cheaper than our neighbours.	9/14/2022 7:00 PM
262	Efficiency and cost containment	Instead of cutting services why not cut some staff. drove past a worksite. 1 man in a digger and 5 others watching.	9/14/2022 6:37 PM
263	Efficiency and cost containment	Level of understanding Raptor If council learned to budget better any maybe not waste money on overpriced mayoral utes and silly decks in the middle of Raymond terrace that have taken up precious parking spaces then maybe they wouldn't be in this position!	9/14/2022 4:37 PM

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RATE RISE OPTIONS COMMUNICATIONS AND

Rate rise options short survey

264

Efficiency and cost containment
further

Cut the fat and run a more effective team to make the \$ go

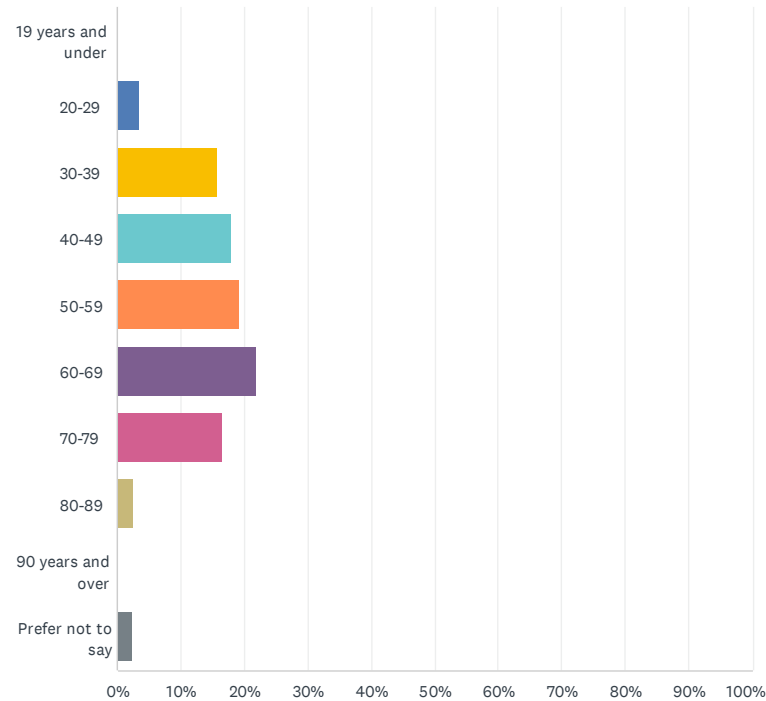
9/14/2022 3:58 PM

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Q4 Age:

Answered: 617 Skipped: 54



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ANSWER CHOICES	RESPONSES	
19 years and under	0.16%	1
20-29	3.40%	21
30-39	15.72%	97
40-49	17.83%	110
50-59	19.12%	118
60-69	22.04%	136
70-79	16.69%	103
80-89	2.59%	16
90 years and over	0.00%	0
Prefer not to say	2.43%	15
TOTAL		617

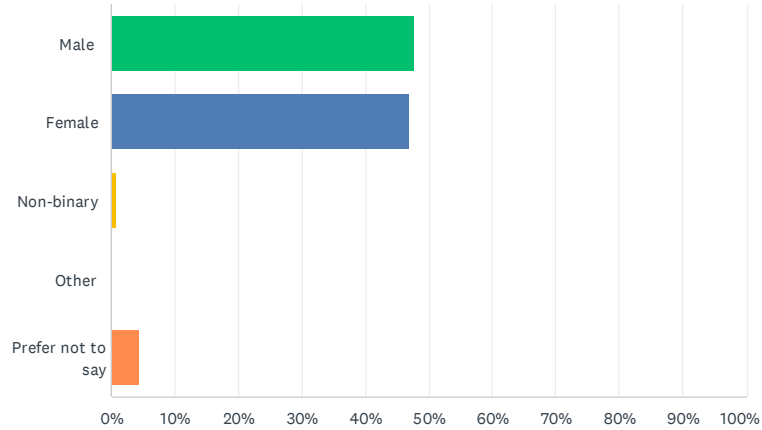
ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND

Rate rise options short survey

Q5 Gender:

Answered: 617 Skipped: 54



ANSWER CHOICES	RESPONSES	
Male	47.81%	295
Female	46.84%	289
Non-binary	0.81%	5
Other	0.16%	1
Prefer not to say	4.38%	27
TOTAL		617

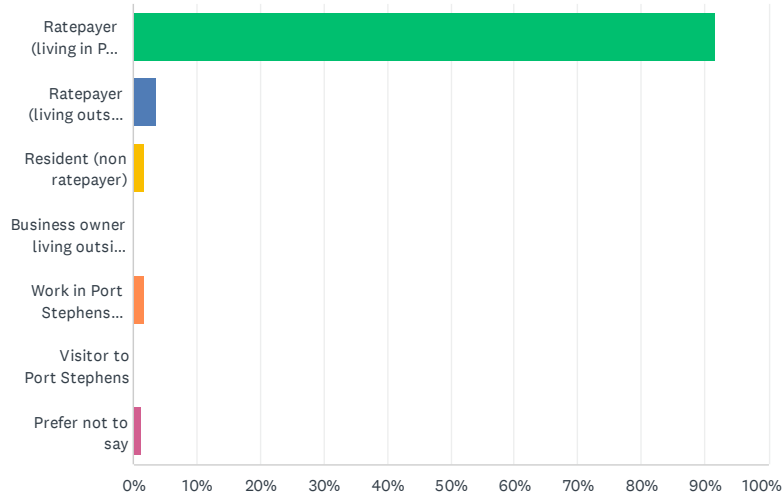
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Rate rise options short survey

Q6 I am a:

Answered: 617 Skipped: 54



ANSWER CHOICES	RESPONSES	
Ratepayer (living in Port Stephens)	91.73%	566
Ratepayer (living outside Port Stephens)	3.73%	23
Resident (non ratepayer)	1.62%	10
Business owner living outside Port Stephens	0.00%	0
Work in Port Stephens (living outside Port Stephens)	1.62%	10
Visitor to Port Stephens	0.00%	0
Prefer not to say	1.30%	8
TOTAL		617

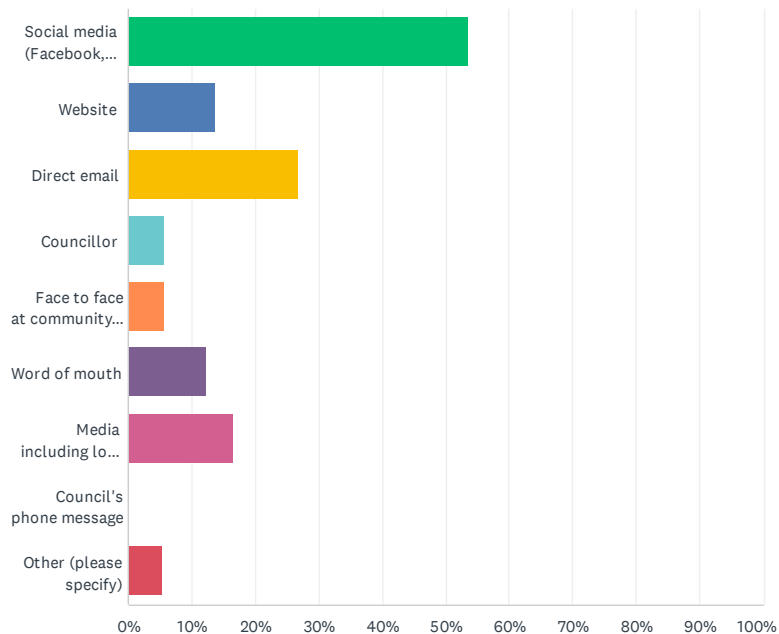
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RATE RISE OPTIONS COMMUNICATIONS AND

Rate rise options short survey

Q7 How did you learn about this project? (tick all that apply)

Answered: 617 Skipped: 54



ANSWER CHOICES		RESPONSES	
Social media (Facebook, Instagram, LinkedIn)		53.48%	330
Website		13.61%	84
Direct email		26.90%	166
Councillor		5.67%	35
Face to face at community information session/drop in		5.83%	36
Word of mouth		12.32%	76
Media including local papers and radio		16.69%	103
Council's phone message		0.16%	1
Other (please specify)		5.35%	33
Total Respondents: 617			

#	OTHER (PLEASE SPECIFY)	DATE
1	No info from council	10/12/2022 10:08 PM

53 / 54

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Rate rise options short survey

2	All the negative comments on how badly this council is run.	10/12/2022 5:04 PM
3	Living on the border of Port Stephens and mid coast council	10/12/2022 12:06 PM
4	Community Group TRRA AGM presentation by council officers.	10/12/2022 11:15 AM
5	Community Group TRRA	10/11/2022 9:27 PM
6	Miscellaneous No rate rise	10/10/2022 6:03 PM
7	Miscellaneous The previous consultation has been poorly distributed and I only became aware of this recently	10/10/2022 2:18 PM
8	A active good council member who listens to the community	10/10/2022 1:15 PM
9	Community Group through community organisation and email	10/9/2022 2:56 PM
10	Community Group TRRA	10/8/2022 12:38 PM
11	Email	10/6/2022 8:14 PM
12	Community Group TRRA	10/6/2022 1:31 PM
13	At libraries	10/6/2022 12:48 PM
14	A lot of your rate payers are elderly and have no idea about this proposal. I'm sure you are aware of that.	10/6/2022 7:53 AM
15	Carrier pigeon	10/4/2022 9:31 PM
16	I object to being asked if I'm non binary. What garbage. That's the first way to you could save money.	10/4/2022 12:15 PM
17	Family member	10/3/2022 2:25 PM
18	Family member who is an employee of Council.	9/26/2022 5:28 PM
19	Community Group Community association	9/26/2022 2:06 PM
20	Miscellaneous Local talking about whether we should be paying any rates at all for such poor service and priority to our area. The roads are disgusting in Tanilba, Lemon Tree Passage and Mallabula and like no other suburbs in the Port Stephens LGA.	9/22/2022 2:44 AM
21	Miscellaneous Why didn't I get an email from Council alerting me to this?	9/21/2022 8:08 AM
22	Miscellaneous You have rigged this survey to get your desired result. Get efficient. Reduce the number of staff cars and council vehicles. Learn to fix potholes properly etc etc	9/20/2022 4:02 PM
23	Miscellaneous I learned via this survey only.	9/20/2022 9:39 AM
24	Tim	9/20/2022 8:23 AM
25	Facebook	9/19/2022 5:46 PM
26	email from PSC	9/19/2022 5:18 PM
27	Miscellaneous PSC would have more luck convincing rate payers that they need a SRV if you provided benchmark data showing that the current rates are way below par. I have not seen this to date. Again, not very transparent from council	9/19/2022 4:35 PM
28	Employment at Council	9/19/2022 10:41 AM
29	work	9/19/2022 7:05 AM
30	NBN News	9/16/2022 9:49 AM
31	Miscellaneous how about bill the over 55 homes you seem to love so much	9/15/2022 7:27 AM
32	NBN news. 14.9.22. First we'd heard. Totally gobsmacked!	9/14/2022 10:25 PM
33	NBN news	9/14/2022 8:57 PM

Appendix E

Submissions

A summary of each submission and a Council response has been provided with the Council Report – Special Rate Variation – revised Integrated Planning and reporting Documents – Rate Rise Options Engagement – 25 October 2022.

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.

Appendix F

Rate Cap Announcement

IPART Media Release



Local Government >>

Media Release

29 September 2022

NSW council rates to rise

IPART has set the 2023-24 base rate peg for NSW councils at 3.7%. There is also an allowance for the level of population growth, meaning some councils will have rate pegs of up to 6.8%.

The rate peg varies from the base level of 3.7% for most councils, to 6.8% for Camden Council. Please see the Information Paper on IPART's website for the rate peg for every council across NSW.

The rate peg protects ratepayers from excessive increases in council rates by limiting the total amount by which councils can increase income from rates each year.

"Higher inflation means that councils are facing increased costs in delivering services to the communities they serve.

"We have taken these increased costs into consideration while also trying to limit the level of rate increases that ratepayers are facing," said IPART Chair Carmel Donnelly.

IPART does not set the actual rates that households and businesses pay, which is a decision for councils and their communities. However, councils must set those rates to ensure that the change in total rates income stays below the rate peg limit.

IPART is currently reviewing the methodology it will use to set the rate peg from 2024-25. We are now calling for public submissions to the Issues Paper which is available on IPART's website. Submissions will be open until 4 November 2022.

"We will be looking at new approaches to setting the rate peg that reflect, as far as possible, changes in inflation and local government costs, while continuing to protect ratepayers from excessive rate increases," said Ms Donnelly.

IPART will also be consulting with stakeholders during workshops to be held in November. A Draft Report will be released in February 2023 setting out our draft findings and recommendations. We will take further submissions on the Draft Report and hold a public hearing early next year, most likely in March 2023.

The Terms of Reference for this review are available [here](#).

Media Contact: Adrian Flood

0427 105 865

media@ipart.nsw.gov.au

ITEM 1 - ATTACHMENT 4 RATE RISE OPTIONS COMMUNICATIONS AND ENGAGEMENT REPORT.**Video Update**

As IPART announced the rate cap during public exhibition, Port Stephens Council published a message from the General Manager via Facebook to explain how this change would affect our application for a Special Rate Variation and what it meant for ratepayers. Video published Friday 7th October



ITEM 1 - ATTACHMENT 4
ENGAGEMENT REPORT.

RATE RISE OPTIONS COMMUNICATIONS AND



PORT STEPHENS
COUNCIL

council@portstephens.nsw.gov.au | 02 4988 0255 | PORTSTEPHENS.NSW.GOV.AU    

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Attachment 5

CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION

No. of change	Summarised key issues incorporated in the documents	Recommended changes to the documents
1.	Administrative correction - Formatting	Delete 'DRAFT' from document covers and footer of all Integrated Planning and Reporting documents.
2.	Administrative correction - Rate Cap Announcement The Independent Pricing and Regulatory Tribunal (IPART) announced the 2023-2024 rate cap for Port Stephens of 4.4% which is higher than the assumed 2.5%.	Replace '2.5%' with '4.4%' with the related commentary and forecasted financial modelling updated to reflect the rate cap announcement.
3.	Community feedback – Roads prioritisation In consideration of the Council's engagement with the community on the 'Rate Rise Options' with respect to enhanced services that would be funded by a Special Rate Variation. Council has modified the timing of expenditure to ensure that roads will be prioritised in the first three years of the ten-year financial plan. The percentage of distribution of 'additional funds' will remain the same across the four areas identified.	Modify the schedule of enhanced services works to prioritise road maintenance.
4.	Administrative correction / Community Feedback – Productivity and Cost Containment Council to provide further specific details of planned productivity and cost containment strategies that have been modelled into the Long Term Financial Plan.	Insert specific planned examples to the Productivity and Cost Containment Measures commentary. Council's current and ongoing strategies help Council save money and run efficiently. These practices are engrained in our culture and reviews are undertaken continuously and systematically. Scheduled for 2023, Council has planned productivity and cost containment initiatives such as Solar PV implementation, reduced contractor works and improved service delivery in our Holiday Parks and Cemeteries, and digitization projects that reduce printing costs. Council is committed to continual improvement and providing cost-effective and efficient services through Council's Service Review Program, Business Improvement Ideas, and our Problem/Opportunity 'Plan Do Study Act' program.

**ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS
REVISED FOR A SPECIAL RATE VARIATION.****Rate rise options additional affordability measures**

We understand that it may be difficult for some of our community to pay for an increase in rates. We have a range of current initiatives in place to assist ratepayers experiencing hardship, whether it be for a short or long time. These can be found in our existing Debt Recovery and Hardship Policy.

To ensure that there is ample assistance available to those who may experience financial stress as a result of an approved rate increase Council is proposing additional affordability measures that will be considered as part of the special rate variation. This would include,

- Include pensioners, and increase the amount of assistance for non-pensioners.
- Financial assistance to include waste charges reduction for koala carers and ratepayers with medical conditions that result in large amounts of waste.
- Include referral of financial hardship matters to Council in the event of a significant event affecting Port Stephens primary producers.
- Increase the debt balance threshold for commencement of legal action

We are asking our community to provide further feedback on these proposed additional affordability measures. Details of these proposed additional affordability measures can be found in appendix four in this document and on Council's website.

Productivity and Cost Containment Measures

Council runs a whole suite of strategies to help save money and run efficiently. These include our Service Review Program, Business Improvement Ideas, and our Problem/Opportunity 'Plan Do Study Act' program. All of these are designed to ensure business improvement and excellence. Since 2012 over \$7 million dollars in savings, (hard and reinvested efficiency savings) have been achieved.

These programs utilise the Australian Business Excellence Framework (ABEF), which ensures a consistent approach to continuous improvement across the whole organisation, while better managing scarce resources. PSC is one of the first councils in NSW to implement these types of regular efficiency reviews. Our focus on improving efficiency and finding productivity enhancements is supported by dedicated teams to do just that and we now average 30 reviews per annum and continually refine our process.

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS
REVISED FOR A SPECIAL RATE VARIATION.



To contain our costs council use a centralised treasury model approach to budgeting. This means that our Executive set the overall budget parameters and our financial services team then ensure control over council's budget. This ensures a uniform approach and transparency. Deviations from the budget are highly scrutinised through a rigorous approval process. This budgeting approach encourages business units within Council to coordinate and collaborate with each other so that resources are optimally pooled and programs appropriately targeted to inclusively service the needs of the community.

Independent experts Professor Dollery and Professor Drew looked into how efficiently we are operating when compared to other similar NSW local Councils. Our efficiency was close to the typical score when assessed against 67 Councils. In their reports, the Professors assured that Council is providing good value for money.

Council's current and ongoing strategies help Council save money and run efficiently. These practices are engrained in our culture and reviews are undertaken continuously and systematically. For 2023, Council has planned productivity and cost containment initiatives estimated to save approximately \$135,000 of hard savings and further reinvested efficiency savings. These include Solar PV Implementation, reduced contractor works and improved service delivery in our Holiday Parks and Cemeteries, and digitization projects that reduce printing costs. Council is committed to continual improvement and providing cost effective and efficient services through Council's Service Review Program, Business Improvement Ideas, and our Problem/Opportunity 'Plan Do Study Act' program.

It goes without saying that Council will continue to implement strict budget controls and pursue productivity efficiencies. But it is clear that the current financial position is unsustainable, and that significant change will need to be made.

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS
REVISED FOR A SPECIAL RATE VARIATION.



*Expenses out are for the period 2023-2024 to 2026-2027 under the base scenario and are rounded to the nearest million

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Single Year Scenario: 26% increase for a single year, being 2023-2024 only.



Fixing the budget, delivering planned services

\$99 million over ten years

Current levels of services to stay
Delivering planned services as outlined in the CSP

Below enhancements **immediately funded**



Fixing our roads

\$14 million over three years

Targeting roads with a high number of reoccurring potholes



Protecting our natural environment

\$5 million over eight years + continued funding

Dedicated recurrent works focused on protecting and enhancing our natural environment



Looking after our waterways and foreshores

\$4.5 million one-off 3-year target program

Funding for three years of targeted works focused on looking after our waterways and foreshores across Port Stephens



Looking after our public space

\$3 million over four years

Fixing defects throughout our community buildings, and replacing lighting with more energy-efficient LED globes

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

The LTFP 2023 to 2033 presents financial forecasts associated with the following scenarios.

INCOME	Base Scenario Rate Cap	Single Year 26% one year	Independent 34.92% Cumulative 10.5% for three years
Rates			
Pegging factor applied	4.40%	26.00%	10.50%
Ongoing peg factor beyond 2023/2024	2.50%	2.50%	10.50% until 2026 2.50% beyond 2027
New annual rates assessment	150	150	150
User fees and charges *5% one off increase for non-statutory 2023-2024	2.50%	2.50%	2.50%
Operating grants and Contributions Annual factor	1.00%	1.00%	1.00%
Other			
Cash investment returns	2.00%	2.50%	2.50%
Other income	1.00%	2.00%	2.50%
Rental income	1.00%	1.00%	1.00%
Airport dividend	Nil	Nil	Nil
*unknown return at this time. Any dividend received to be held in the financial sustainability & resilience fund.			

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

EXPENSES	Base Scenario	Single Year	Independent Recommendation
Salaries and allowances	2.25%	2.25%	2.25%
Materials and contracts			
2024	6.00%	6.00%	6.00%
2025	4.50%	4.50%	4.50%
2026 - beyond	3.50%	3.50%	3.50%
Other expenses	2.50%	2.50%	2.50%
Services levels	Reduction required	Maintain current service levels (subject to our rolling service review program) Some enhancements funded through additional SRV funding	Maintain current service levels (subject to our rolling service review program) Some enhancements funded through additional SRV funding

PROJECTED RESULT \$'000	Base Scenario	Single Year Scenario	Independent Recommendation
2022-2023			
(Current)	(1,122)	(1,122)	(1,122)
2023-2024	(1,981)	1,376	538
2024-2025	(3,361)	1,557	1,252
2025-2026	(4,303)	1,289	2,020
2026-2027	(6,721)	1,598	1,977
2027-2028	(7,735)	1,109	1,711
2028-2029	(8,697)	1,582	1,493
2029-2030	(9,982)	1,912	1,151
2030-2031	(11,365)	1,103	947
2031-2032	(12,421)	651	615
2032-2033	(13,686)	12	306

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS
REVISED FOR A SPECIAL RATE VARIATION.

Appendix two: Statement of revenue policy

Council is considering making an application to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation (SRV) to ordinary rates.

Two SRV scenarios are being considered and have been modelled in these Integrated Planning and Reporting documents. Both SRV scenarios are inclusive of the state imposed rate peg.

Council is proposing that the increase be retained permanently in the rates general income base. This means that rate levels in the first year after the SRV and subsequent years will only increase by the rate peg set by the State Government and rates will not be reduced to pre-SRV levels.

The following rates are proposed for 2023-2024, and key elements of Council's rating policy are:

- **Base Scenario** – 4.4% state imposed rate cap assumption;
Special Rate Variation Scenarios:
- **Single Year Scenario** – A 26% increase for a single year, being 2023-2024 only;
- **Independent Recommendation Scenario** - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years 2023-2024 to 2025-2026;
- All scenarios include continuation of sub-categories in the residential and farmland categories aligned with the Williamstown Management Area;
- It is proposed to continue to make the farmland rate the same as the residential rate;
- 35% base amounts are proposed to continue in the main residential rate category and business rate category

**ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS
REVISED FOR A SPECIAL RATE VARIATION.**

Base Scenario Rate Structure

4.4% - rate cap

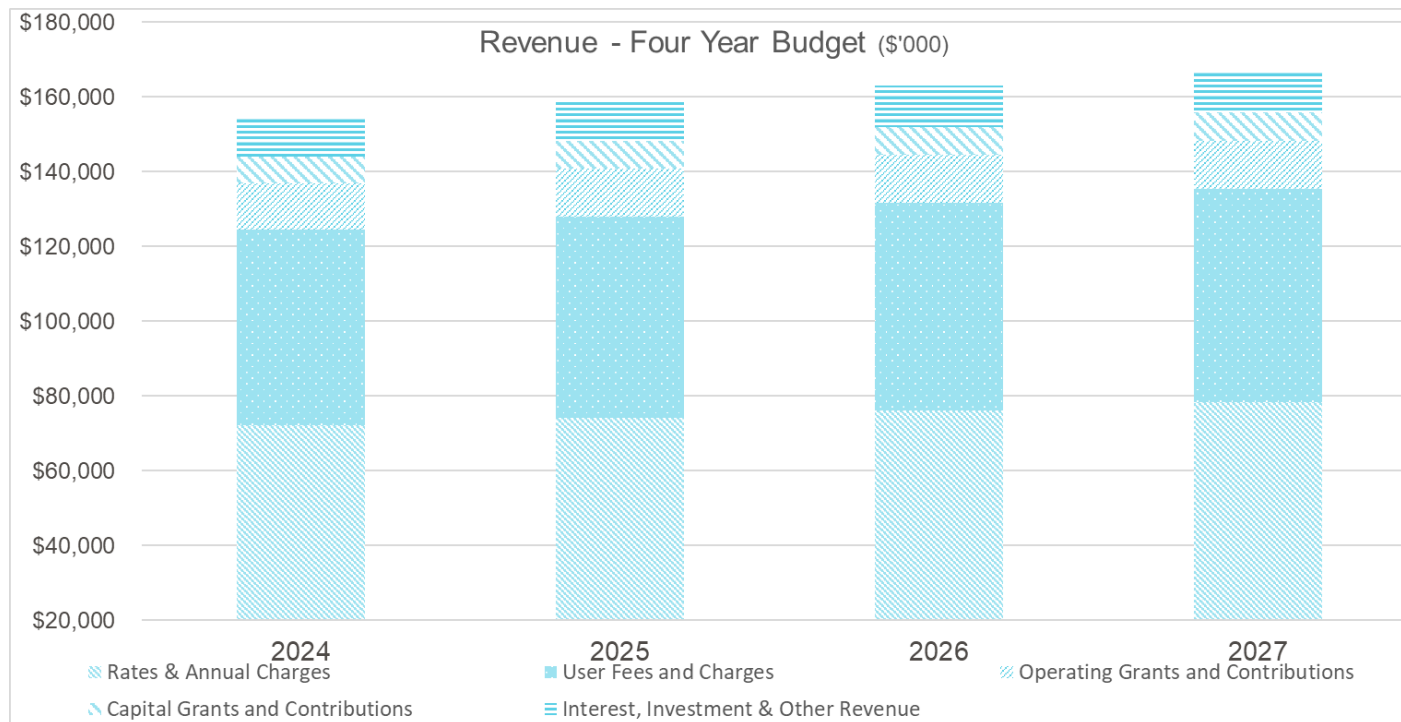
Category	Sub-Category	Ad Valorem Rate in \$	Base Amount \$	Base Amount Yield %	Estimated Rate Yield '000s
Residential	n/a	0.002994	420	35	\$38,819
Residential	Williamstown Primary Zone	0.001996	280	39	\$17
Residential	Williamstown Secondary Zone	0.002246	315	41	\$120
Residential	Williamstown Broader Zone	0.002695	378	40	\$238
Farmland	n/a	0.002994	420	21	\$898
Farmland	Williamstown Primary Zone	0.001996	280	30	\$8
Farmland	Williamstown Secondary Zone	0.002246	315	25	\$23
Farmland	Williamstown Broader Zone	0.002695	378	26	\$23
Business	n/a	0.008270	1,803	35	\$9,849
Mining	n/a	0.008270	0	n/a	Nil
Total					\$49,996

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Budget Summary – 4 year Budget Forecast

Revenue and Expenditure for 2023-2027 reflects the forecasted impacts of COVID-19 pandemic, however as the pandemic continues to evolve we will remain flexible and agile to respond as required, with financial impacts and adjustments reported to Council through the Quarterly Budget Review and Annual Reporting process.

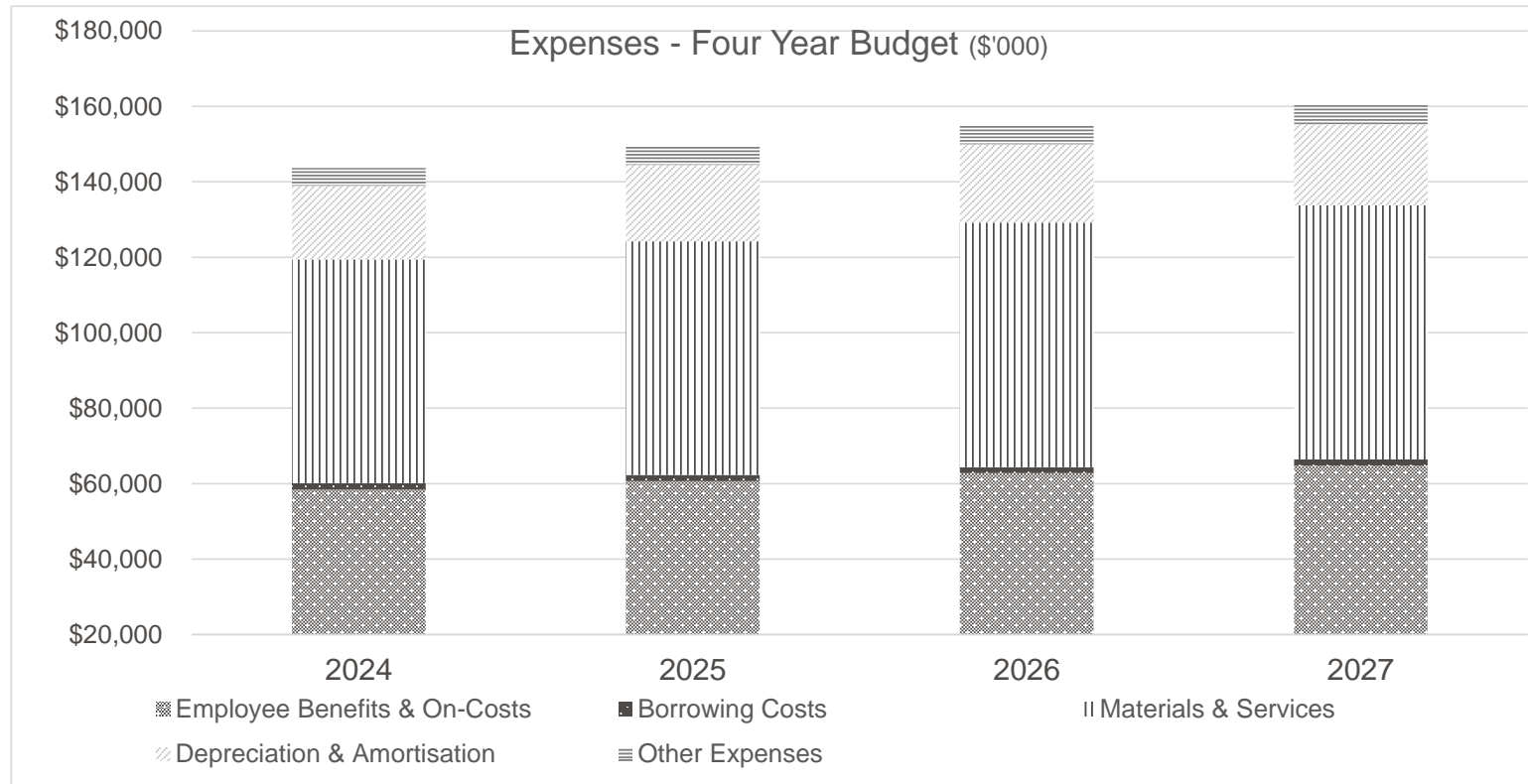
Revenue 2023-2024, 2024-2025, 2025-2026, 2026-2027 (\$'000s) - Base Scenario



ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Expenditure 2023-2024, 2024-2025, 2025-2026, 2026-2027 (\$000s) – Base Scenario

Refer to the Long Term Financial Plan 2023-2033 document for more details of the Budget Summary.



ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.**Executive Summary**

The Long Term Financial Plan 2022-2032 (LTFP) aligns the long term aspirations and goals of the Community Strategic Plan (CSP) with Council's financial ability to deliver these ambitions.

It provides a robust yet dynamic framework in which Council can review and assess its financial sustainability in conjunction with its core functions and responsibilities. The LTFP contains a set of long range financial projections based on a set of assumptions. It covers a 10 year period from 2023-2024 to 2032-2033.

At its meeting on the 13 September 2022, Council resolved to develop the revised integrated and planning documents including the LTFP. This iteration of the LTFP is to model and inform residents on the outcomes of the three financial scenarios based on the extensive engagement conducted surrounding financial sustainability. Two scenarios are inclusive of a special rate variation.

A special rate variation would see council submit an application to the Independent Pricing and Regulatory Tribunal IPART and if approved rate income would increase above the anticipated rate cap set by IPART. Council's key purpose for applying for a special rate variation would be financial sustainability. The increased income raised by a Special Rate Variation would be used to eliminate forecasted shortfalls, covering the rising costs associated with delivering planned services to our community. This would mean council will be able to fund and meet community expectations as outlined in the Community Strategic Plan (CSP), Delivery Program (DP) and Operational Plan (OP).

A summary of each scenario is as follows:

The future sustainability of Council is dependent upon generating sufficient funds to meet the costs of maintaining and renewing assets to deliver services.

Base Scenario - State imposed rate cap

In this scenario, income budget parameters are set at state imposed levels of the rate-capping regime. IPART announced the 2023-2024 rate cap for Port Stephens to be 4.4% and then to resume at 2.5% for the remainder of the plan. The outcome is that Council would not generate sufficient funds to continue providing current service levels or renew its assets when required. Council will not be financially sustainable and we will look at reducing or ceasing services. This scenario would result in annual operating shortfalls if no corrective action occurred.

Single year Scenario – Special Rate Variation - 26% for a single year (inclusive of the 2.5% rate cap)

Under this scenario, as a result, of an approved special rate variation for 26% for a single year. After which rate capping would be re-instated at 2.5%. Council would

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

The main assumptions used for each scenario is as follows:

INCOME	Base Scenario Rate Cap	Single Year 26% one year	Independent 34.92% Cumulative 10.5% for three years
Rates			
Pegging factor applied	4.40%	26.00%	10.50%
Ongoing peg factor beyond 2023/2024	2.50%	2.50%	10.50% until 2026 2.50% beyond 2027
New annual rates assessment	150	150	150
User fees and charges *5% 23/24 for non-statutory	2.50%	2.50%	2.50%
Operating grants and Contributions Annual factor	1.00%	1.00%	1.00%
Other			
Cash investment returns	2.00%	2.50%	2.50%
Other income	1.00%	2.00%	2.50%
Rental income	1.00%	1.00%	1.00%
Airport dividend – unknown return	Nil	Nil	Nil
Any dividend received to be held in the financial sustainability & resilience fund.			

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

EXPENSES	Base Scenario	Single Year	Independent Recommendation
Salaries and allowances	2.25%	2.25%	2.25%
Materials and contracts			
2024	6.00%	6.00%	6.00%
2025	4.50%	4.50%	4.50%
2026 - beyond	3.50%	3.50%	3.50%
Other expenses	2.50%	2.50%	2.50%
Services levels	Reduction required	Maintain current service levels (subject to our rolling service review program) Some enhancements funded through additional SRV funding	Maintain current service levels (subject to our rolling service review program) Some enhancements funded through additional SRV funding

PROJECTED RESULT \$'000	Base Scenario	Single Year Scenario	Independent Recommendation
2022-2023			
(Current)	(1,122)	(1,122)	(1,122)
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2031-2032	(12,421)	651	615
2032-2033	(13,686)	12	306

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

can have a major impact on future financial plans. The three scenarios within the LTFP allow Council to model the potential impact of various assumptions and is a critical management tool.

Quarterly Budget Reviews provide the ability to regularly monitor the LTFP forecasts against actual activity, update assumptions and make amendments that have a permanent impact on the Plan. Council also reviews and updates relevant sections and projections of the Long Term Financial Plan on an annual basis.

1.5 Key Assumptions

The LTFP and the financial models are based on a number of key assumptions.

Rate Increases

Council is subject to an annual rate-capping regime to be determined by The Independent Pricing and Regulatory Tribunal (IPART) each year and as such, **IPART has announced the 2023-2024 rate cap for Port Stephens is 4.4%. IPART continues to instruct** Councils to assume a rate cap increase of 2.5% when preparing their Long Term Financial Plan (LTFP) and upcoming financial year budgets.

This iteration of the LTFP incorporates two scenarios of SRV. Both SRV scenarios are inclusive of the **rate cap for Port Stephens**.

- **Single Year Scenario** – A 26% increase for a single year, being 2023-2024 only.
- **Independent Recommendation Scenario** - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years 2023-2024 to 2025-2026.

Council is proposing that the increase be retained permanently in the rates general income base. This means that rate levels in the first year after the SRV and subsequent years will only increase by the rate peg set by the State Government and rates will not be reduced to pre-SRV levels.

Certainty of Revenue Streams

Projections of revenue streams over the next ten years are based on historic trends, planned pricing methodologies, known and recurrent grants, current statutory prices and the assumption of the continuation of annual rate capping. Pricing methodologies are aimed to provide services in a sustainable manner, with the community's capacity to pay taken into consideration.

Due to the level of support received from the Financial Assistance Grant (FAG) program, any reduction in the overall available funds for distribution is likely to result in a diminished allocation to Council. This will have a direct impact on the level of works able to be delivered by Council.

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Council's rating strategy and structure is reviewed every year as part of the annual Operational Plan process. Council's proposed rating structure provides for three different categories of ordinary rates: residential, farmland and business. The rate type applicable to a particular property is determined on the basis of the property's rating categorisation. All properties are categorised in accordance with the provisions set out in the *Local Government Act 1993*.

5.1.2 Comparison of rates with other councils

Comparison of rating between councils is affected by the rating and charging strategies they have each adopted. Some councils rely solely on the ordinary rate for rate income while others levy special rates and annual charges for specific purposes that supplement ordinary rate income.

Income from ordinary rates, special rates and drainage services are subject to State government rate capping while domestic waste management service annual charges are limited to recovering the reasonable cost of providing those services.

Councils may choose a mix of ordinary and special rates and vary those from year to year, however the annual increase in total rate income from all rates is not to exceed the percentage specified by IPART each year. Council currently has no special rates.

The Office of Local Government (OLG) publishes annual comparative information on council rating, financial indicators, service costs and service performance. The information is separated into 11 groups of similar councils based on size and character. Port Stephens Council is placed within OLG's Group 5. The data published by the OLG indicates Councils ordinary rates are low compared with other Hunter Councils and other Group 5 Councils.

Rating assumptions

This LTFP includes three different rating assumptions

Base Scenario – 4.4% for the 2023-2024 year and then 2.5% state imposed rate cap assumption onwards;

Single Year Scenario – A 26% increase for a single year, being 2023-2024 only;

Independent Recommendation Scenario - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years 2023-2024 to 2025-2026;

Domestic Waste Charges

Council's Domestic Waste Management Program is self-funded by way of an externally restricted reserve. The *Local Government Act 1993* limits annual domestic waste management charges to an amount sufficient to recover the costs of providing the service. As such, revenue from Council's annual domestic waste charges included in this LTFP is based on the projected full cost to provide the waste service over the next ten years. For the 2023 and 2024 financial years the projected charge per household is as follows:

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

7. Financial Modelling Assumptions and Results

The LTFP is structured as a series of 'scenarios', each of which shows a specific financial outlook. Each of the scenarios relates to particular Council plans or policies. The scenarios are cumulative so that each scenario incorporates the assumptions and financial outcomes of the previous scenarios. The scenarios can also be looked at in isolation.

Base Scenario - State imposed rate cap

In this scenario, income budget parameters are set at state imposed levels of the rate-capping regime. IPART announced the 2023-2024 rate cap for Port Stephens to be 4.4% and then to resume at 2.5% for the remainder of the plan. The outcome is that Council would not generate sufficient funds to continue providing current service levels or renew its assets when required. Council will not be financially sustainable and we will look at reducing or ceasing services. This scenario would result in annual operating shortfalls if no corrective action occurred.

Single year Scenario – Special Rate Variation - 26% for a single year (inclusive of the 2.5% rate cap)

Under this scenario, as a result, of an approved special rate variation for 26% for a single year. After which rate capping would be re-instated at 2.5%. Council would repair the budget in the first year of the special rate variation and eliminate every year of forecasted shortfalls of the base scenario. Council would remain above the 1% resilience target for the majority of the life of the plan and would see a steep injection of additional funds in the first year of the SRV. Where additional funds are generated Council will be able to increase funding into community priorities being road maintenance, condition of our public spaces, and protecting our waterways and natural environment. An annual operating surplus is achieved under this scenario

Independent Recommendation Scenario – Special Rate Variation - A cumulative increase of 34.92%, being a 10.5% increase for three consecutive years (inclusive of the 2.5% rate cap)

Under this scenario, as a result, of an approved special rate variation for 10.5% for a three-year period, being a cumulative increase of 34.92%. After which rate capping would be re-instated at 2.5%. Council would break even in the first year of the special rate variation and eliminate every year of forecasted shortfalls of the base scenario. Council would remain above the 1% resilience target for the entirety of the plan. It would see a slow growth of additional funds over the three-year period of the SRV. Where additional funds are generated Council will be able to increase funding into community priorities being road maintenance, condition of our public spaces, and protecting our waterways and natural environment. An annual operating surplus is achieved under this scenario


ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Permanent in nature

Council is proposing that the special rate variations increases be retained permanently in the rates general income base. This means that rate levels in the first year after the SRV and subsequent years will only increase by the rate peg set by the state government and rates will not be reduced to pre-SRV levels.

INCOME	Base Scenario 2.5% Rate Cap	Single Year 26% one year	Independent 34.92% Cumulative 10.5% for three years
Rates			
Pegging factor applied	4.40%	26.00%	10.50%
Ongoing peg factor beyond 2024	2.50%	2.50%	10.50% until 2026 2.50% beyond 2027
New annual rates assessment	150	150	150
User fees and charges *5% one off for non-statutory	2.50%	2.50%	2.50%
Operating grants and Contributions Annual factor	1.00%	1.00%	1.00%
Other			
Cash investment returns	2.00%	2.50%	2.50%
Other income	1.00%	2.00%	2.50%
Rental income	1.00%	1.00%	1.00%
Airport dividend	Nil	Nil	Nil
*unknown return at this time. Any dividend received to be held in the financial sustainability & resilience fund.			

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.



EXPENSES	Base Scenario	Single Year	Independent Recommendation
Salaries and allowances	2.25%	2.25%	2.25%
Materials and contracts			
2024	6.00%	6.00%	6.00%
2025	4.50%	4.50%	4.50%
2026 - beyond	3.50%	3.50%	3.50%
Other expenses	2.50%	2.50%	2.50%
Services levels	Reduction required	Maintain current service levels (subject to our rolling service review program) Some enhancements funded through additional SRV funding	Maintain current service levels (subject to our rolling service review program) Some enhancements funded through additional SRV funding

PROJECTED RESULT \$'000	Base Scenario	Single Year Scenario	Independent Recommendation
2022-2023			
(Current)	(1,122)	(1,122)	(1,122)
2023-2024	(1,981)	1,376	538
2024-2025	(3,361)	1,557	1,252
2025-2026	(4,303)	1,289	2,020
2026-2027	(6,721)	1,598	1,977
2027-2028	(7,735)	1,109	1,711
2028-2029	(8,697)	1,582	1,493
2029-2030	(9,982)	1,912	1,151
2030-2031	(11,365)	1,103	947
2031-2032	(12,421)	651	615
2032-2033	(13,686)	12	306

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

8. Financial Statements – Base Scenario

Base Scenario – Income Statement

INCOME STATEMENT

For the period ended 30 June	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue											
Rates & Annual Charges	68,994	72,202	74,176	76,199	78,273	80,399	82,578	84,812	87,101	89,448	91,853
User Fees and Charges	47,079	52,272	53,916	55,469	57,061	58,692	60,365	62,079	63,836	65,637	67,483
Interest & Investment Revenue	1,063	1,460	1,635	1,696	1,623	1,648	1,649	1,640	1,614	1,566	1,463
Other Revenues	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,974	5,073	5,174	5,278
Operating Grants and Contributions	12,761	12,328	12,752	12,879	13,008	13,138	13,269	13,402	13,536	13,671	13,808
Capital Grants and Contributions	19,573	7,319	7,393	7,467	7,541	7,617	7,693	7,770	7,847	7,926	8,005
Gain on Sale of assets	250	250	250	250	250	250	250	250	250	250	250
Other Income - Rental Income	3,098	3,129	3,160	3,192	3,224	3,256	3,289	3,322	3,355	3,388	3,422
Other Income - Fair Value increment	843	1,237	1,274	1,312	1,351	1,392	1,434	1,477	1,521	1,567	1,614
Total Revenue	157,990	154,614	159,060	163,059	167,018	171,172	175,402	179,724	184,133	188,628	193,176
Operating Expenses											
Employee Benefits & On-Costs	56,552	58,373	60,652	62,803	64,789	66,843	68,979	71,197	73,487	75,868	78,330
Borrowing Costs	1,713	1,757	1,653	1,562	1,611	1,525	1,436	1,382	1,296	1,211	1,148
Materials & Services	55,916	59,270	61,938	64,805	67,399	69,758	72,200	75,477	77,342	80,049	82,851
Depreciation & Amortisation	18,999	19,528	20,267	20,748	21,386	21,784	22,037	22,479	22,974	23,035	23,157
Other Expenses	4,586	4,752	4,865	5,032	5,152	5,277	5,402	5,545	5,688	5,834	5,985
Total Operating Expenses	137,766	143,680	149,374	154,951	160,337	165,188	170,054	176,080	180,787	185,997	191,470
Operating Surplus / (Deficit)	20,224	10,933	9,686	8,108	6,681	5,985	5,349	3,644	3,347	2,630	1,706
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	1
Total Comprehensive Income	20,224	10,933	9,686	8,108	6,681	5,985	5,349	3,644	3,347	2,630	1,707
Net Operating Result before Capital Grants	651	3,614	2,293	641	(860)	(1,632)	(2,344)	(4,125)	(4,501)	(5,295)	(6,298)
Adjustments for Underlying Result											
Gain on Sale of assets	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Investment property fair value increases & royalties	(2,679)	(3,109)	(3,184)	(3,260)	(3,339)	(3,419)	(3,501)	(3,586)	(3,672)	(3,761)	(3,852)
NAP Profit	1,156	(2,235)	(2,220)	(2,134)	(2,272)	(2,434)	(2,601)	(2,771)	(2,943)	(3,115)	(3,286)
Local election costs	-	-	-	700	-	-	-	750	-	-	-
Underlying result	(1,122)	(1,981)	(3,361)	(4,303)	(6,721)	(7,735)	(8,697)	(9,982)	(11,365)	(12,421)	(13,686)

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

8.1 Base Scenario – Statement of Financial Position (Balance Sheet)

STATEMENT OF FINANCIAL POSITION

As at 30 June:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS											
Current Assets											
Cash and Cash Equivalents	14,043	21,037	23,491	20,560	21,554	21,598	21,237	20,205	18,301	14,161	10,130
Investments	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247
Receivables	11,027	11,864	12,289	12,677	13,076	13,484	13,902	14,331	14,770	15,219	15,680
Inventories & Other	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647
Total Current Assets	64,965	72,795	75,673	73,131	74,524	74,976	75,034	74,430	72,964	69,275	65,704
Non Current Assets											
Infrastructure, Property, Plant & Equipment	1,098,970	1,104,025	1,107,650	1,115,443	1,118,161	1,121,201	1,123,740	1,126,323	1,129,104	1,132,374	1,136,244
Right of Use Asset	2,031	1,776	993	3,405	3,185	2,428	2,071	1,850	1,093	3,504	3,285
Investments using Equity Method	431	431	431	431	431	431	431	431	431	431	431
Inventories & Other	7,427	8,437	9,457	10,487	11,528	12,579	13,641	14,713	15,796	16,889	17,994
Investment Properties	41,223	42,460	43,733	45,045	46,397	47,789	49,222	50,699	52,220	53,787	55,400
Intangibles	5,645	5,162	4,767	4,444	4,183	3,976	3,814	3,692	3,604	3,545	3,513
Total Non Current Assets	1,155,726	1,162,291	1,167,032	1,179,256	1,183,886	1,188,404	1,192,919	1,197,708	1,202,248	1,210,532	1,216,869
Total Assets	1,220,691	1,235,085	1,242,705	1,252,387	1,258,409	1,263,380	1,267,952	1,272,138	1,275,212	1,279,807	1,282,573
LIABILITIES											
Current Liabilities											
Trade & Other Payables	17,065	17,669	18,149	18,665	19,132	19,556	19,996	20,586	20,922	21,409	21,913
Lease liabilities	795	840	850	617	690	740	755	709	785	839	688
Borrowings	2,312	1,524	1,552	1,580	1,597	1,382	1,323	1,054	1,074	1,094	1,116
Provisions	16,624	17,146	17,008	17,306	17,742	18,212	18,285	19,331	20,081	19,762	22,350
Total Current Liabilities	36,795	37,179	37,559	38,168	39,161	39,890	40,360	41,680	42,862	43,106	46,071
Non Current Liabilities											
Trade & Other Payables	1,831	1,286	740	195	0	0	0	0	0	0	0
Lease liabilities	1,235	935	144	2,788	2,496	1,688	1,316	1,142	308	2,665	2,597
Borrowings	36,154	39,630	38,077	36,497	34,899	33,518	32,194	31,140	30,066	28,971	27,855
Provisions	1,294	1,741	2,185	2,632	3,063	3,509	3,959	4,410	4,862	5,320	4,599
Total Non Current Liabilities	40,514	43,591	41,146	42,110	40,458	38,715	37,469	36,691	35,235	36,957	35,053
Total Liabilities	77,309	80,770	78,704	80,278	79,620	78,605	77,829	78,371	78,098	80,063	81,124
Net Assets	1,143,382	1,154,315	1,164,001	1,172,108	1,178,790	1,184,775	1,190,123	1,193,768	1,197,114	1,199,744	1,201,450
EQUITY											
Accumulated Surplus	729,034	739,967	749,654	757,762	764,443	770,427	775,776	779,421	782,768	785,396	787,101
Asset Revaluation Reserves	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346
Total Equity	1,143,380	1,154,313	1,164,000	1,172,108	1,178,789	1,184,773	1,190,122	1,193,767	1,197,114	1,199,742	1,201,447

66 | Resourcing Strategy 2023 to 2033 – Revised for a Special Rate Variation

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

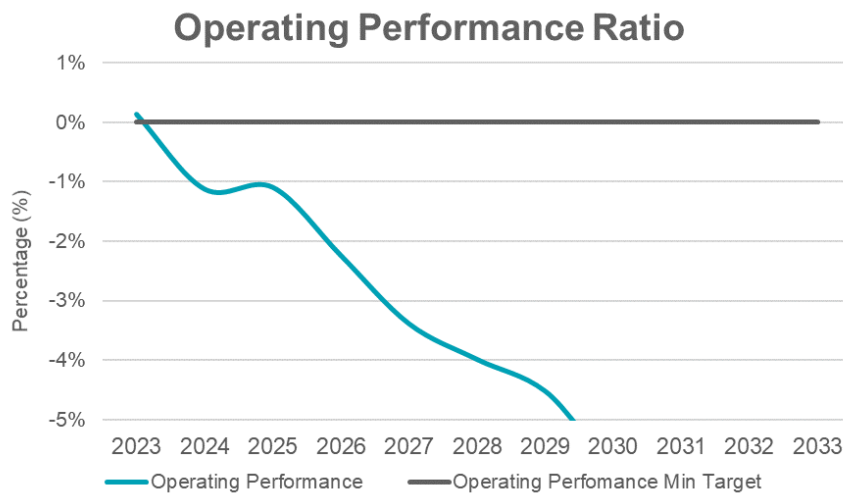
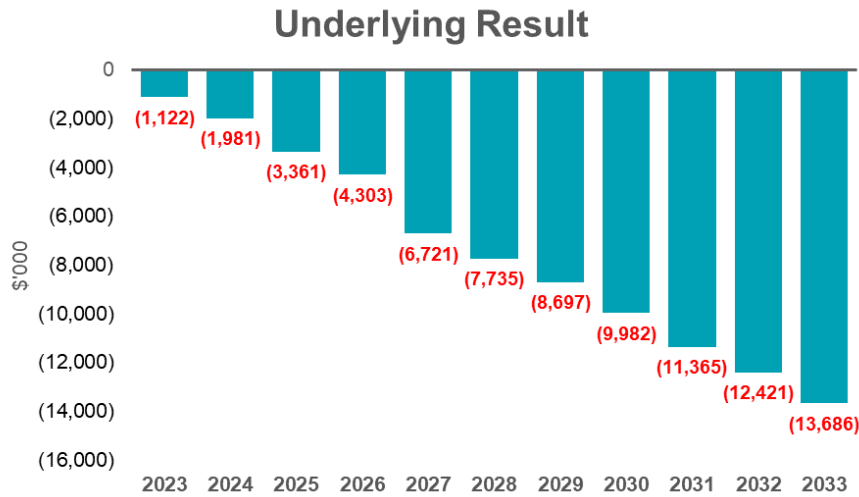
8.2 Base Scenario – Statement of Cash flows

CASHFLOW STATEMENT

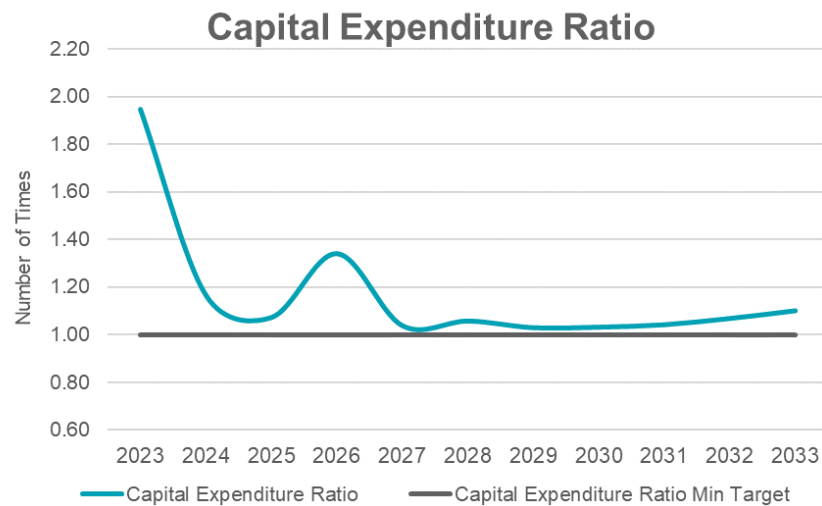
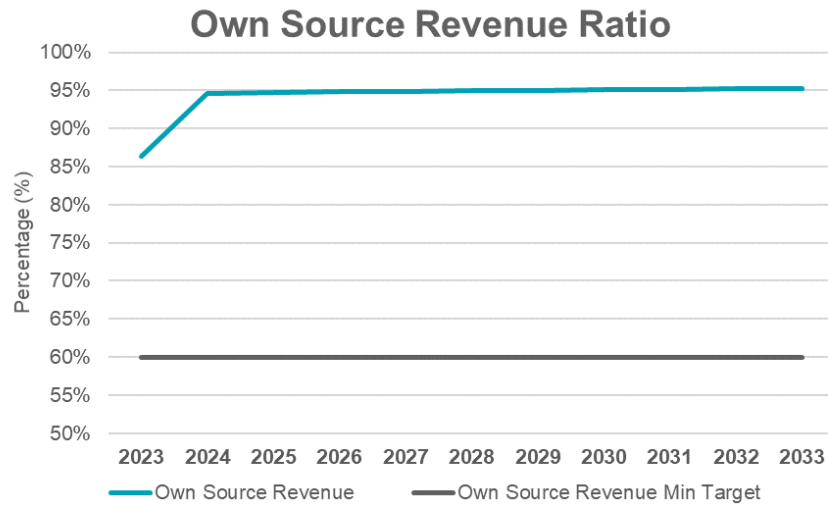
For the period ended 30 June	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Cash Flows from Operating Activities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receipts:											
Rates & Annual Charges	66,623	71,365	73,751	75,810	77,875	79,991	82,160	84,384	86,662	88,997	91,392
User Charges & Fees	47,079	52,272	53,916	55,469	57,061	58,692	60,365	62,079	63,836	65,637	67,483
Interest & Investment Revenue Received	1,063	1,460	1,635	1,696	1,623	1,648	1,649	1,640	1,614	1,566	1,463
Grants & Contributions	29,721	16,982	17,425	17,572	17,720	17,869	18,019	18,169	18,321	18,474	18,627
Other Income - Rental Income	3,098	3,129	3,160	3,192	3,224	3,256	3,289	3,322	3,355	3,388	3,422
Other	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,974	5,073	5,174	5,278
Payments:											
Employee Benefits & On-Costs	(57,259)	(59,342)	(60,958)	(63,547)	(65,657)	(67,759)	(69,503)	(72,693)	(74,690)	(76,007)	(80,197)
Materials & Contracts	(55,795)	(59,329)	(61,872)	(64,776)	(67,671)	(70,183)	(72,639)	(76,066)	(77,678)	(80,537)	(83,356)
Borrowing Costs	(1,713)	(1,757)	(1,653)	(1,562)	(1,611)	(1,525)	(1,436)	(1,382)	(1,296)	(1,211)	(1,148)
Other	(3,653)	(2,639)	(4,334)	(3,459)	(3,008)	(2,589)	(3,493)	(1,283)	(2,658)	(4,478)	(1,155)
Net Cash provided (or used in) Operating Activities	33,493	26,557	25,575	24,989	24,241	24,181	23,287	23,141	22,539	21,004	21,809
Cash Flows from Investing Activities											
Receipts:											
Sale of Infrastructure, Property, Plant & Equipment	250	250	250	250	250	250	250	250	250	250	250
Payments:											
Purchase of Real Estate Assets	(1,000)	(1,010)	(1,020)	(1,030)	(1,041)	(1,051)	(1,062)	(1,072)	(1,083)	(1,094)	(1,105)
Purchase of Infrastructure, Property, Plant & Equipment	(30,977)	(20,272)	(19,542)	(24,279)	(19,784)	(20,557)	(20,205)	(20,746)	(21,303)	(21,877)	(22,468)
Purchase of Intangible Assets	(400)	(424)	(443)	(459)	(475)	(491)	(508)	(526)	(545)	(564)	(583)
Net Cash provided (or used in) Investing Activities	(32,127)	(21,456)	(20,756)	(25,518)	(21,050)	(21,850)	(21,525)	(22,094)	(22,680)	(23,284)	(23,906)
Cash Flows from Financing Activities											
New Borrowings		5,000									
Repayment of leases principal	(606)	(795)	(840)	(850)	(617)	(690)	(740)	(755)	(709)	(785)	(839)
Repayment of Borrowings & Advances	(3,147)	(2,312)	(1,524)	(1,552)	(1,580)	(1,597)	(1,382)	(1,323)	(1,054)	(1,074)	(1,094)
Net Cash Flow provided (used in) Financing Activities	(3,753)	1,893	(2,365)	(2,402)	(2,198)	(2,287)	(2,122)	(2,079)	(1,763)	(1,859)	(1,934)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,387)	6,993	2,454	(2,931)	994	44	(360)	(1,032)	(1,905)	(4,139)	(4,031)
plus: Cash - beginning of year	16,430	14,043	21,037	23,491	20,560	21,554	21,598	21,237	20,205	18,301	14,161
Cash - end of the year	14,043	21,037	23,491	20,560	21,554	21,598	21,237	20,205	18,301	14,161	10,130
plus: Investments - end of the year	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247
Total Cash & Investments - end of the year	51,290	58,284	60,738	57,807	58,801	58,845	58,484	57,452	55,548	51,408	47,377

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

8.3 Base Scenario – Graphs

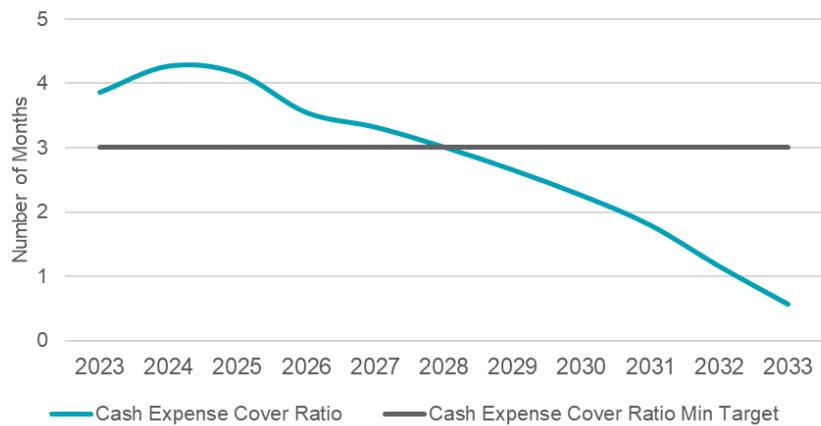


ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

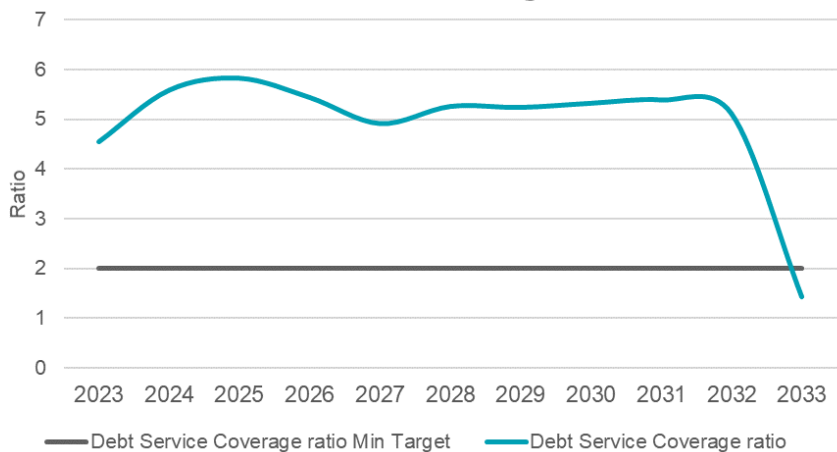


ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Cash Expense Cover Ratio



Debt Service Coverage Ratio



ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.**9. Financial Statements - Single Year Scenario****9.1 Introduction**

Single year Scenario – Special Rate Variation - 26% for a single year (inclusive of the 2.5% rate cap)

Under this scenario, as a result, of an approved special rate variation for 26% for a single year. After which rate capping would be re-instated at 2.5%. Council would repair the budget in the first year of the special rate variation and eliminate every year of forecasted shortfalls of the base scenario. Council would remain above the 1% resilience target for the majority of the life of the plan and would see a steep injection of additional funds in the first year of the SRV. An annual operating surplus is achieved under this scenario

Permanent in nature

Council is proposing that the special rate variations increases be retained permanently in the rates general income base. This means that rate levels in the first year after the SRV and subsequent years will only increase by the rate peg set by the state government and rates will not be reduced to pre-SRV levels.

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

9.2 Financial Statements – Single Year Scenario

Single Year Scenario – Income Statement

INCOME STATEMENT		SRV Yr 1										
For the period ended 30 June	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue												
Rates & Annual Charges	68,994	82,147	84,370	86,648	88,984	91,377	93,831	96,346	98,924	101,566	104,274	
User Fees and Charges	47,079	52,272	53,916	55,469	57,061	58,692	60,365	62,079	63,836	65,637	67,483	
Interest & Investment Revenue	1,063	1,460	1,725	1,906	1,977	2,204	2,432	2,683	2,959	3,233	3,468	
Other Revenues	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,974	5,073	5,174	5,278	
Operating Grants and Contributions	12,761	12,328	12,752	12,879	13,008	13,138	13,269	13,402	13,536	13,671	13,808	
Capital Grants and Contributions	19,573	7,319	7,393	7,467	7,541	7,617	7,693	7,770	7,847	7,926	8,005	
Gain on Sale of assets	250	250	250	250	250	250	250	250	250	250	250	
Other Income - Rental Income	3,098	3,129	3,160	3,192	3,224	3,256	3,289	3,322	3,355	3,388	3,422	
Other Income - Fair Value increment	843	1,237	1,274	1,312	1,351	1,392	1,434	1,477	1,521	1,567	1,614	
Total Revenue	157,990	164,559	169,344	173,718	178,082	182,707	187,438	192,302	197,300	202,412	207,602	
Operating Expenses												
Employee Benefits & On-Costs	56,552	58,373	60,652	63,428	65,432	67,507	69,662	71,901	74,212	76,615	79,099	
Borrowing Costs	1,713	1,757	1,653	1,562	1,611	1,525	1,436	1,382	1,296	1,211	1,148	
Materials & Services	55,916	65,859	67,306	69,252	69,507	71,796	73,289	75,477	77,342	80,049	82,851	
Depreciation & Amortisation	18,999	19,528	20,266	20,744	21,379	21,774	22,022	22,458	22,947	23,002	23,116	
Other Expenses	4,586	4,752	4,865	5,032	5,152	5,277	5,402	5,545	5,688	5,834	5,985	
Total Operating Expenses	137,766	150,269	154,741	160,018	163,082	167,878	171,811	176,763	181,485	186,710	192,197	
Operating Surplus / (Deficit)	20,224	14,290	14,603	13,700	15,001	14,829	15,627	15,539	15,815	15,702	15,404	
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	1	
Total Comprehensive Income	20,224	14,290	14,603	13,700	15,001	14,829	15,627	15,539	15,815	15,702	15,405	
Net Operating Result before Capital Grants	651	6,971	7,211	6,233	7,460	7,212	7,934	7,769	7,968	7,776	7,400	
Adjustments for Underlying Result												
Gain on Sale of assets	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	
Investment property fair value increases & royalties	(2,679)	(3,109)	(3,184)	(3,260)	(3,339)	(3,419)	(3,501)	(3,586)	(3,672)	(3,761)	(3,852)	
NAP Profit	1,156	(2,235)	(2,220)	(2,134)	(2,272)	(2,434)	(2,601)	(2,771)	(2,943)	(3,115)	(3,286)	
Local election costs	-	-	-	700	-	-	-	750	-	-	-	
Underlying result	(1,122)	1,376	1,557	1,289	1,598	1,109	1,582	1,912	1,103	651	12	

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Single Year Scenario – Statement of Financial Position (Balance Sheet)

STATEMENT OF FINANCIAL POSITION

As at 30 June:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS											
Current Assets											
Cash and Cash Equivalents	14,043	24,631	31,894	34,710	43,805	52,929	62,974	73,991	84,959	94,354	104,544
Investments	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247
Receivables	11,027	12,909	13,359	13,775	14,201	14,637	15,084	15,542	16,011	16,492	16,984
Inventories & Other	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647
Total Current Assets	64,965	77,434	85,147	88,379	97,899	107,459	117,952	129,426	140,864	150,740	161,422
Non Current Assets											
Infrastructure, Property, Plant & Equipment	1,098,970	1,103,929	1,107,417	1,115,031	1,117,525	1,120,293	1,122,510	1,124,720	1,127,071	1,129,854	1,133,175
Right of Use Asset	2,031	1,776	993	3,405	3,185	2,428	2,071	1,850	1,093	3,504	3,285
Investments using Equity Method	431	431	431	431	431	431	431	431	431	431	431
Inventories & Other	7,427	8,437	9,457	10,487	11,528	12,579	13,641	14,713	15,796	16,889	17,994
Investment Properties	41,223	42,460	43,733	45,045	46,397	47,789	49,222	50,699	52,220	53,787	55,400
Intangibles	5,645	5,162	4,767	4,444	4,183	3,976	3,814	3,692	3,604	3,545	3,513
Total Non Current Assets	1,155,726	1,162,195	1,166,799	1,178,844	1,183,249	1,187,496	1,191,689	1,196,105	1,200,215	1,208,012	1,213,800
Total Assets	1,220,691	1,239,628	1,251,946	1,267,222	1,281,148	1,294,955	1,309,641	1,325,531	1,341,079	1,358,751	1,375,223
LIABILITIES											
Current Liabilities											
Trade & Other Payables	17,065	18,855	19,115	19,465	19,511	19,923	20,192	20,586	20,922	21,409	21,913
Lease liabilities	795	840	850	617	690	740	755	709	785	839	688
Borrowings	2,312	1,524	1,552	1,580	1,597	1,382	1,323	1,054	1,074	1,094	1,116
Provisions	16,624	17,146	17,008	17,474	17,916	18,391	18,470	19,521	20,277	19,964	22,558
Total Current Liabilities	36,795	38,365	38,525	39,137	39,715	40,436	40,741	41,870	43,058	43,307	46,278
Non Current Liabilities											
Trade & Other Payables	1,831	1,286	740	195	0	0	0	0	0	0	0
Lease liabilities	1,235	935	144	2,788	2,496	1,688	1,316	1,142	308	2,665	2,597
Borrowings	36,154	39,630	38,077	36,497	34,899	33,518	32,194	31,140	30,066	28,971	27,855
Provisions	1,294	1,741	2,185	2,632	3,063	3,509	3,959	4,410	4,862	5,320	4,599
Total Non Current Liabilities	40,514	43,591	41,146	42,110	40,458	38,715	37,469	36,691	35,235	36,957	35,053
Total Liabilities	77,309	81,956	79,671	81,247	80,173	79,151	78,209	78,561	78,293	80,264	81,331
Net Assets	1,143,382	1,157,672	1,172,275	1,185,975	1,200,976	1,215,805	1,231,432	1,246,970	1,262,786	1,278,487	1,293,891
EQUITY											
Accumulated Surplus	729,034	743,324	757,929	771,628	786,629	801,457	817,084	832,624	848,439	864,139	879,543
Asset Revaluation Reserves	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346	414,346
Total Equity	1,143,380	1,157,670	1,172,275	1,185,974	1,200,975	1,215,803	1,231,430	1,246,970	1,262,785	1,278,485	1,293,889

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

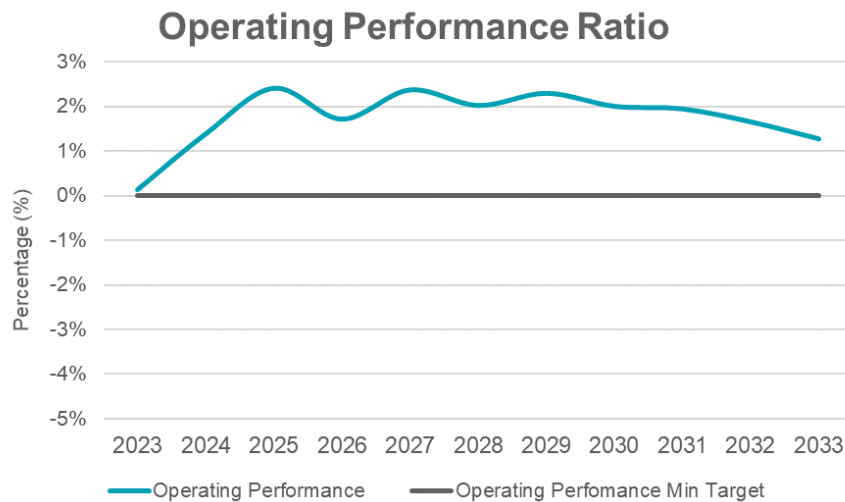
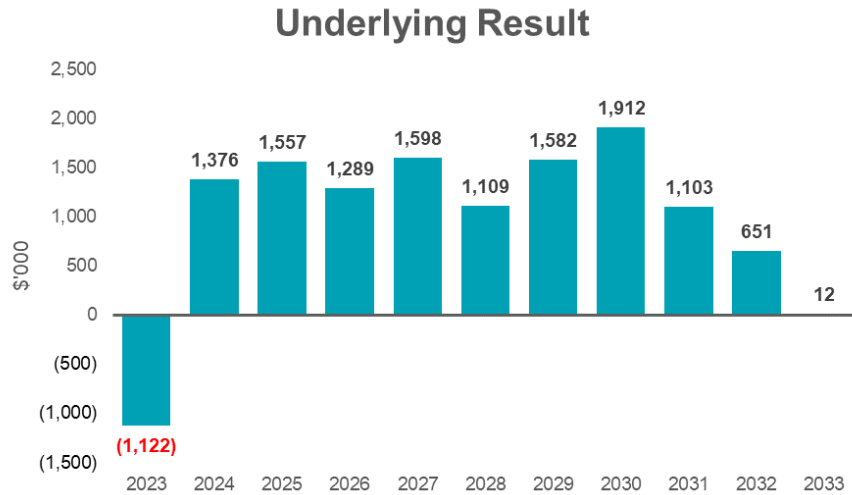
Single Year Scenario - Statement of Cash Flow

CASHFLOW STATEMENT

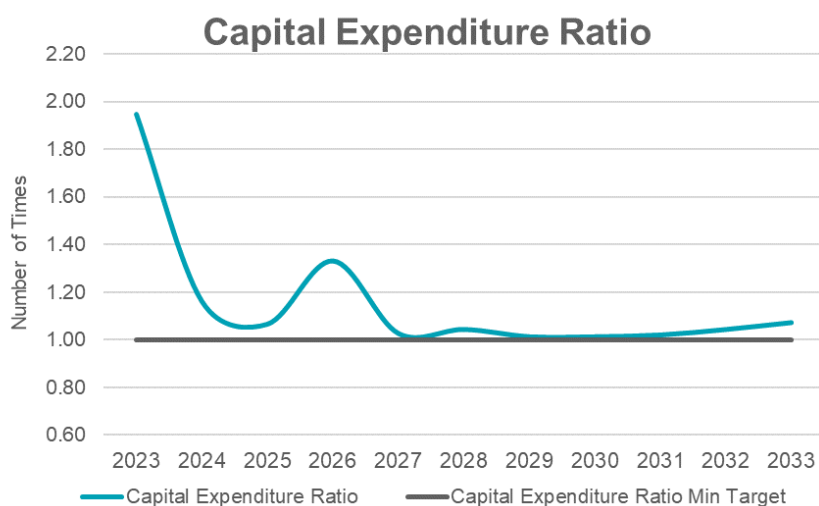
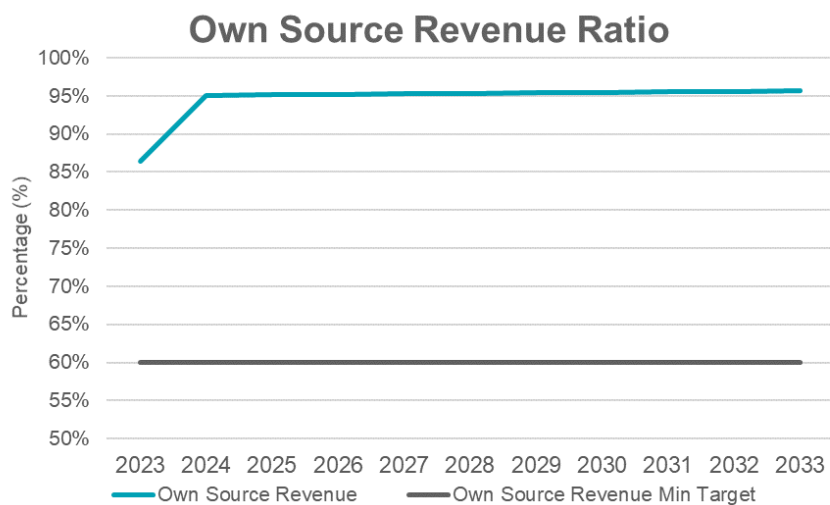
For the period ended 30 June	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Cash Flows from Operating Activities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receipts:											
Rates & Annual Charges	66,623	80,266	83,920	86,233	88,558	90,941	93,384	95,888	98,454	101,084	103,781
User Charges & Fees	47,079	52,272	53,916	55,469	57,061	58,692	60,365	62,079	63,836	65,637	67,483
Interest & Investment Revenue Received	1,063	1,460	1,725	1,906	1,977	2,204	2,432	2,683	2,959	3,233	3,468
Grants & Contributions	29,721	16,982	17,425	17,572	17,720	17,869	18,019	18,169	18,321	18,474	18,627
Other Income - Rental Income	3,098	3,129	3,160	3,192	3,224	3,256	3,289	3,322	3,355	3,388	3,422
Other	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,974	5,073	5,174	5,278
Payments:											
Employee Benefits & On-Costs	(57,259)	(59,342)	(60,958)	(64,341)	(66,306)	(68,427)	(70,191)	(73,402)	(75,421)	(76,759)	(80,972)
Materials & Contracts	(55,795)	(67,104)	(67,020)	(69,056)	(69,358)	(72,208)	(73,558)	(75,870)	(77,678)	(80,537)	(83,356)
Borrowing Costs	(1,713)	(1,757)	(1,653)	(1,562)	(1,611)	(1,525)	(1,436)	(1,382)	(1,296)	(1,211)	(1,148)
Other	(3,653)	(268)	(4,774)	(3,454)	(3,840)	(2,604)	(3,823)	(1,664)	(2,647)	(4,466)	(1,143)
Net Cash provided (or used in) Operating Activities	33,493	30,055	30,245	30,553	32,111	32,979	33,356	34,795	34,957	34,017	35,440
Cash Flows from Investing Activities											
Receipts:											
Sale of Infrastructure, Property, Plant & Equipment	250	250	250	250	250	250	250	250	250	250	250
Payments:											
Purchase of Real Estate Assets	(1,000)	(1,010)	(1,020)	(1,030)	(1,041)	(1,051)	(1,062)	(1,072)	(1,083)	(1,094)	(1,105)
Purchase of Infrastructure, Property, Plant & Equipment	(30,977)	(20,176)	(19,404)	(24,096)	(19,553)	(20,275)	(19,869)	(20,351)	(20,847)	(21,356)	(21,878)
Purchase of Intangible Assets	(400)	(424)	(443)	(459)	(475)	(491)	(508)	(526)	(545)	(564)	(583)
Net Cash provided (or used in) Investing Activities	(32,127)	(21,360)	(20,617)	(25,335)	(20,818)	(21,567)	(21,189)	(21,700)	(22,225)	(22,763)	(23,316)
Cash Flows from Financing Activities											
New Borrowings		5,000									
Repayment of leases principal	(606)	(795)	(840)	(850)	(617)	(690)	(740)	(755)	(709)	(785)	(839)
Repayment of Borrowings & Advances	(3,147)	(2,312)	(1,524)	(1,552)	(1,580)	(1,597)	(1,382)	(1,323)	(1,054)	(1,074)	(1,094)
Net Cash Flow provided (used in) Financing Activities	(3,753)	1,893	(2,365)	(2,402)	(2,198)	(2,287)	(2,122)	(2,079)	(1,763)	(1,859)	(1,934)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,387)	10,588	7,263	2,816	9,095	9,124	10,046	11,016	10,969	9,395	10,190
plus: Cash - beginning of year	16,430	14,043	24,631	31,894	34,710	43,805	52,929	62,974	73,991	84,959	94,354
Cash - end of the year	14,043	24,631	31,894	34,710	43,805	52,929	62,974	73,991	84,959	94,354	104,544
plus: Investments - end of the year	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247	37,247
Total Cash & Investments - end of the year	51,290	61,878	69,141	71,957	81,052	90,176	100,221	111,238	122,206	131,601	141,791
Less restricted Cash (NAL)	(14,234)	(16,228)	(18,127)	(20,216)	(22,493)	(24,959)	(27,613)	(30,452)	(33,475)	(36,681)	(40,066)
Cash, Cash Equivalents & Investments - end of the year	37,057	45,650	51,014	51,741	58,558	65,216	72,609	80,786	88,731	94,920	101,725

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

9.3 Single Year Scenario Graphs

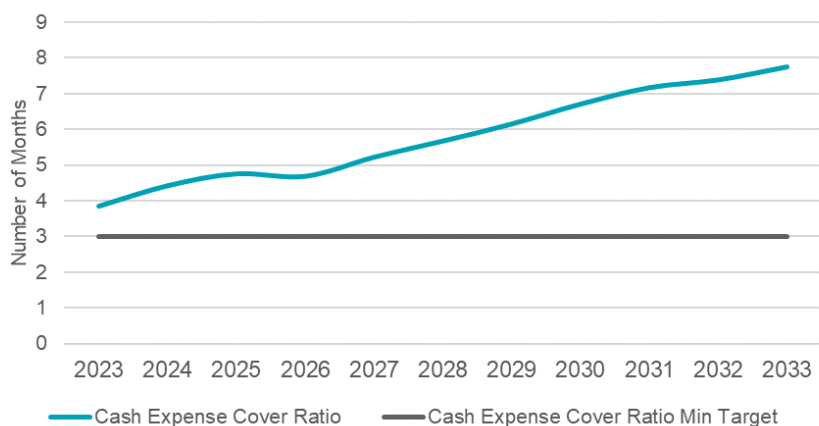


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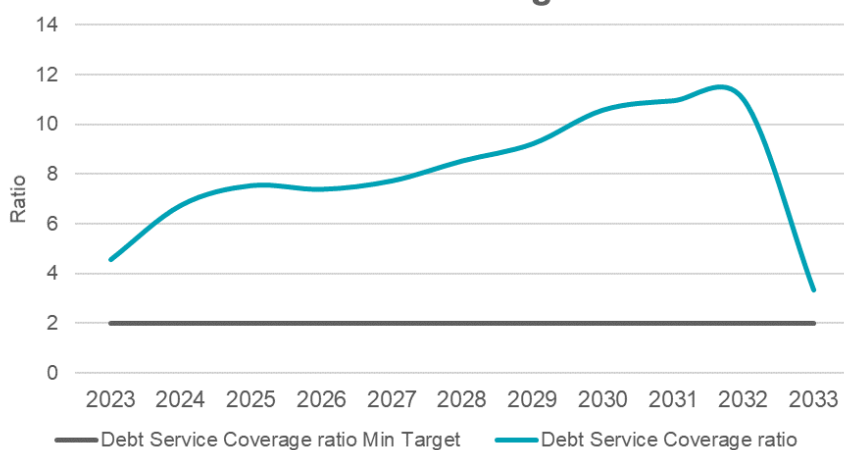


ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Cash Expense Cover Ratio



Debt Service Coverage Ratio




ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.


Single Year Scenario A 26% increase for a single year, being 2023-2024 only.

Priority Area	Detail
<p>Fixing our roads</p>  <p>\$14 million Over 3 years</p>	<p>Sections of roads have been identified for SRV funding based on current data, not limited to the condition rating, the number of potholes, re-occurring need for heavy patching, and sections of roads where we don't expect grant funding to be available. Under the single year scenario, enhanced road maintenance works would be prioritised in the first three years of the rate rise.</p> <hr/> <p>2024</p> <ul style="list-style-type: none"> • Clarencetown Road, Seaham • Italia Road, Balickera • Lewis Drive, Medowie • Marsh Road, Bobs Farm • Medowie Road, Campvale • Medowie Road, Williamtown • Phillip Street, Raymond Terrace • Taylors Beach Road, Taylors Beach <hr/> <p>2025</p> <ul style="list-style-type: none"> • East Seaham Road, East Seaham • Kindlebark Dr , Medowie • Kirrang Drive, Medowie • Lemon Tree Passage Road, Lemon Tree Passage • Lemon Tree Passage Road, Salt Ash • Links Drive, Raymond Terrace • Tarean Road, Karuah <hr/> <p>2026</p> <ul style="list-style-type: none"> • Corrie Parade, Corlette • Hinton Road, Nelsons Plains
CSP Strategy	P2.1 Deliver and maintain sustainable community infrastructure
Delivery Program 2022 to 2026 Activity	P2.1.4 Deliver the program for maintenance of Council's assets
Operational Plan 2023 to 2024 Action	P2.1.1.1 Provide, manage and maintain community assets

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Priority Area	Detail
<p>Protecting our natural environment</p>  <p>\$5 million Over 8 years + CONTINUED funding</p>	<p>Council would utilise SRV funds to enhance our current range of works that protect our natural environment. These funds would allow Council to undertake further works more frequently and in a proactive matter.</p> <p>Areas of focus for increased maintenance and ongoing programs would commence in the third year after the rate rise and include</p> <ul style="list-style-type: none"> • Bush regeneration • Environmental/cultural burn programs • Habitat improvements • Strengthening animal movement corridors
CSP Strategy	E1.1 Protect and enhance our local natural and built environment
Delivery Program 2022 to 2026 Activity	E1.1.1 Develop and deliver a program for Council to implement environmental strategies and policies E3.1.1 Develop and deliver a program for Council leading the way to a climate positive future and mitigating environmental risks
Operational Plan 2023 to 2024 Action	E1.1.1.2 Provide environmental impact assessment services and a range of nature conservation, biosecurity and rehabilitation programs E3.1.1.2 Implement Climate Change Adaptation Action Plan encompassing mitigation and adaptation for Council and Community

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Priority Area	Detail
<p>Looking after our waterways and foreshores</p>  <p>\$4.5 million one-off 3-year target program</p>	<p>Council would inject SRV funds to enhance our current range of waterways and foreshores initiatives. These funds would see a three-year targeted program starting in the third year after the rate rise. After the three-year program works would return to pre-SRV levels</p> <p>Areas of focus would align with unfunded works identified in the incoming Coastal Management Plan and would include works such as,</p> <ul style="list-style-type: none"> • Waterway, foreshore, and dune area restoration • Strengthening fencing • Access points improvements • Beach management activities • Seawalls, rock revetment, and larger scale revegetation stabilisation <p>The Coastal Management Plan is currently being finalised through community consultation.</p>
CSP Strategy	E3.1 Support community resilience to climate change including coastal and waterway hazards
Delivery Program 2022 to 2026 Activity	E3.1.1 Develop and deliver a program for Council leading the way to a climate positive future and mitigating environmental risks
Operational Plan 2023 to 2024 Action	E3.1.1.2 Implement Climate Change Adaptation Action Plan encompassing mitigation and adaptation for Council and Community

ITEM 1 - ATTACHMENT 5 CHANGES TO THE 2023 TO 2033 INTEGRATED PLANNING AND REPORTING DOCUMENTS REVISED FOR A SPECIAL RATE VARIATION.

Priority Area	Detail
<p>Looking after our public space</p>  <p>\$3 million Over 4 years</p>	<p>The proposed works would look at enhancing the condition of our public spaces and community amenities. Getting back to basics by fixing known defects as well as ensuring more energy-efficient lighting. These additional public space maintenance works would start in the third year after the rate rise.</p>
	<p>2024</p> <ul style="list-style-type: none"> • Beach fencing - Fingal Bay Foreshore • Boardwalk handrails/repairs - Pirrarea Gardens Boardwalk, Gula Park • Field lighting - fitting replacement - Ferodale Sports Complex, King Park Sports Complex, Tomaree Sports Complex • Building Renovation - e.g. fixing defects/painting - Boomerang Park Dog Club Amenities • Building Renovation - remove demountable - Williamtown Oval Amenities
	<p>2025</p> <ul style="list-style-type: none"> • Boardwalk repairs - Tanilba Bay Boardwalk • Field lighting - fitting replacement - Fingal Bay Oval, Lakeside Sports Complex • Building Renovation - e.g. fixing defects/painting - Karuah Tennis Clubhouse, Korora Oval Amenities
	<p>2026</p> <ul style="list-style-type: none"> • Field lighting - fitting replacement - Salamander Sports Complex • Shade Shelters - Tilligerry Aquatic Centre • Building Renovation - e.g. fixing defects/painting - Medowie Tennis Clubhouse, Raymond Terrace RFS Station
	<p>2027</p> <ul style="list-style-type: none"> • Beach fencing - Shoal Bay Foreshore • Field lighting - fitting replacement - Fern Bay Tennis Courts, Fingal Bay Tennis, Karuah Tennis, Lionel Morton Oval, Mallabula Sports Complex, Stuart Park, Stuart Park Tennis, Tomaree Aquatic Centre • Building Renovation - e.g. fixing defects/painting - Tanilba Bay Sailing Club Amenities, Soldiers Point Community Hall, Tilligerry Library, Tomaree Netball Clubhouse
CSP Strategy	P2.1 Deliver and maintain sustainable community infrastructure
Delivery Program 2022 to 2026 Activity	P2.1.4 Deliver the program for maintenance of Council's assets
Operational Plan 2023 to 2024 Action	P2.1.1.1 Provide, manage and maintain community assets