

Communications and Engagement Plan

Our Funded Future

June 2022



It's time to look at how we do business, where Council can improve revenue, find savings and strike a balance between the needs of our community and Council's funded future.



PORT STEPHENS
COUNCIL

A commitment to long term financial sustainability

Over the past 10 years, Council has maintained a strong and stable financial position achieving an underlying operating surplus of at least 1% of budget.

The key tool that Council uses to effectively plan for and deliver ongoing financial sustainability is the Long Term Financial Plan (LTFP). For some time the LTFP has identified the 2021/2022 and 2022/2023 financial years as being tough with the predicted underlying surplus lower than Council's target of 1% of budget. This prediction was based on Council's understanding of increasing operational costs including increasing insurance premiums and legislated changes in superannuation contributions.

Knowing this, Council has focused on streamlining services and reducing operational expenditure as well as growing sources of non-rate revenue. Central to this approach has been the implementation of our rolling Service Review program, which for over 10 years has provided a comprehensive process to reduce costs whilst still delivering services to meet community expectations.

Coupled with this, Council's approach has included increasing profits from non-rate sources including Council holiday parks, revenue from a diverse property and investment portfolio along with dividends from the operations of Newcastle Airport (of which Council is part owner).

This approach has allowed Council to reinvest funds into critical works and services, support opportunities to secure grant funds and deliver placed based programs which improve the liveability and wellbeing of the community.

At the same time, Council has reduced its asset backlog, achieved relevant financial reporting metrics with the Office of Local Government and slowly but surely, increased its capital work spend to a record \$26 million during 2020/2021.

However, 2020 came with a whole new set of unpredicted challenges with a major storm event and the COVID-19 pandemic impacting revenue streams and forcing Council to reassess capital projects and discretionary spending.

At the time of setting the 2020/2021 budget the impacts of COVID-19 were expected to result in an underlying deficit of \$4.4 million however, with careful planning and a commitment to further reducing expenditure a surplus of \$583,000 was achieved.

Despite Council's ability to implement effective short term strategies, the ongoing effects of COVID-19 and the lockdown periods through the first part of 2021/2022 have continued to negatively impact Council's financial position. Like most business the impacts of the past two years have forced Council to stop and reset.

With a new Council in place, it's time to look at how we do business, where Council can improve revenue, find savings and strike a balance between the needs of our community and Council's funded future.

This plan outlines Council's commitment to ensuring meaningful community engagement. This will ensure the community has an informed understanding of Council's current financial position and the ability to participate in decisions affecting financial sustainability for the residents of Port Stephens well into the future.



Objectives

-  **Increase community awareness** of Council's financial situation and its journey to date
-  **Inform the community** about Council's financial sustainability options
-  **Seek community feedback** on options for Council's financial sustainability
-  **Identify the community's views** on options for financial sustainability




Engagement approach

Engagement level

In the first instance, engagement will include 3 phases.

- **Phase 0** – inform the community on Council’s financial situation and the current and short term mitigation strategies that have been implemented to date.
- **Phase 1** – provide options to the community that creates a financially sustainable Council.
- **Phase 2** – publically exhibit the options within the Integrated Planning & Reporting documents or further discuss the community’s views on the preferred options if necessary (This phase is dependent on the outcome of Phase 1).

Further engagement phases are possible pending outcomes of Phases 1 and 2 and will be planned prior to commencement once the community’s desires are understood.

Engagement level	Phase 0	Phase 1	Phase 2
Level 1 – Inform Provide stakeholders with information to assist them in understanding the problems, alternatives and/or solutions.			
Level 2 – Consult Obtain stakeholder feedback on the project to aid decision making.			
Level 3 – Involve Work with stakeholders throughout the project, ensuring issues and concerns are understood and incorporated in decision making.			
Level 4 – Collaborate Partner with stakeholders throughout the project to develop alternatives and identify the preferred solution.			

Engagement methods

Phase	Engagement methods
Phase 0 Community education	Communications <ul style="list-style-type: none"> • Media release – Financial Sustainability Report Outcome • Media release – Independent financial reports • Media release – Save the Dates • Social media • Council website page with background and independent reports

Phase	Engagement methods
Phase 1 Financial suitability options	Communications <ul style="list-style-type: none"> • Media release • Social media including paid social • Newspaper notice • Your Port issue • Videos for website and socials • Community newsletters/notice – Your Port Stephens, Bizlink, Mylink • Direct email to Port Stephens Interagency • ‘Have your Say’ membership email distribution • Council website page including alert and navigation icon on home page, FAQs, links etc. • Staff handout at programs and activities • Static displays at key events and satellite sites • QR code on all collateral • Communication material sent to schools • On hold messaging • Councillor social media toolkit
	Engagement <ul style="list-style-type: none"> • Ethelo as an online survey and deliberation tool • Interactive online rating calculator • Independent webinar – Professor Drew • 1 live Facebook Q&A (recorded) • 3 x drop in face to face sessions with allocated presentation time • 3 x drop in session online with allocated presentation time (various dates/times) • Meetings with special interest groups • Designated email address process • Officer call paths for direct calls to Customer Experience

Phase	Engagement methods
Phase 2 Public exhibition	Communications <ul style="list-style-type: none"> • Media release • Social media including paid social • Newspaper advertisements – existing notices • Videos for website and socials • Community newsletters/notice – Your Port Stephens, Bizlink, Mylink • Direct email to Port Stephens Interagency • ‘Have your Say’ membership panel email distribution • Council website page • On hold messaging • Councillor social media toolkit
	Engagement <ul style="list-style-type: none"> • 1 x live Facebook Q&A session • 1 x drop in face to face session • Interactive online rating calculator • Online and hardcopy submissions • Designated email • Officer call paths for direct calls to Customer Experience

Success criteria



Engagement methods target all Port Stephens demographics



Minimal negative feedback on engagement process



Minimal negative submissions received during Phase 2 of engagement
(pending phase 1 completion)



Community feedback reflected in direction taken by Council

Stakeholders

Key:

- **High interest, high influence** — immediate and direct, tailored approach
- **High interest, low influence** — immediate, tailored approach
- **Low interest, high influence** — tailored approach
- **Low interest, low influence** — general approach

Name and contact	Interest	Influence
External		
Rate payers and residents	High	High
General community	High	High
Special interest groups	High	Medium
Independent Planning & Reporting Tribunal (IPART)	High	High
Media	High	Low



Key risks

Risk	Mitigation strategy
Previous rate increase proposal not supported by parts of the community or IPART	<ul style="list-style-type: none"> • Community engagement campaign providing story and context. • FAQ on website.
Financial situation a surprise to the community	<ul style="list-style-type: none"> • Education and communication of financial sustainability. • Communication campaign providing story and context. • Communication campaign outlining strategies undertaken to reduce expenditure and create savings.
Community backlash	<ul style="list-style-type: none"> • Information and education of Council's financial position and financial sustainability workshops (including independent reports). • Status quo or no rate increase option available.
Engagement perceived as not genuine and transparent	<ul style="list-style-type: none"> • Clear messaging about how community feedback will be used. • Many engagement methods to be used and promotion of each. • Reporting back to the community on link between decisions and community feedback.
Phase 1 formal report not prepared within timeframe	Pre-planned days scheduled for Council staff to analyse data and prepare report.

Key milestones

Milestone	Date
Engagement plan approval	28 June 2022
Phase 0 – communication commence	29 June 2022
Phase 1 - engagement opens	18 July 2022
Phase 1 - engagement closes	8 August 2022
Phase 1 - engagement report completed	25 August 2022

Key milestones for Phase 2 will be determined pending the outcome of Phase 1.

Engagement approach

Phase 0 and Phase 1

Key messages for Phase 0 include:

- We have been talking with and listening to our community over the past 2 years to understand the needs, priorities and aspirations for Port Stephens. Our community feedback has informed the direction of the new Integrated Planning & Reporting documentation including the 10 year Community Strategic Plan 'Our Place, Our Plan, Our Future'.
- From 2013 to 2019 Council has been making a consistent small surplus each year. Doing more with less.
- Unfortunately, the last 2 years of COVID-19 impacts have taken their toll. Income from our holiday parks, childcare centres and the Newcastle Airport has been slashed, while at the same time the construction, transport and insurance costs have continued to increase. These impacts have also been further exacerbated by 2 major storm events.
- Council's current and forecast financial situation will make it very difficult to meet the community needs, priorities and aspirations shared with Council over the past 2 years to the same level unless we develop a new approach.
- In September 2021, Council's quarterly budget review predicted a deficit of \$2.5 million and Council sought independent financial advice and assistance in financial forecasting. In response Council focused on finding internal savings and curbing discretionary spending. Council also adopted the key directions and strategies for ongoing financial sustainability.
- Independent experts were commissioned to delve into the finances of Council and provide an analysis of the overall financial sustainability of the organisation.
- Reports identified that Council was not financially sustainable and needed to urgently consider a recovery plan to ensure the financial health of the organisation could be turned around. Report recommendations outline that Council needs to carefully consider its ability to raise revenue.

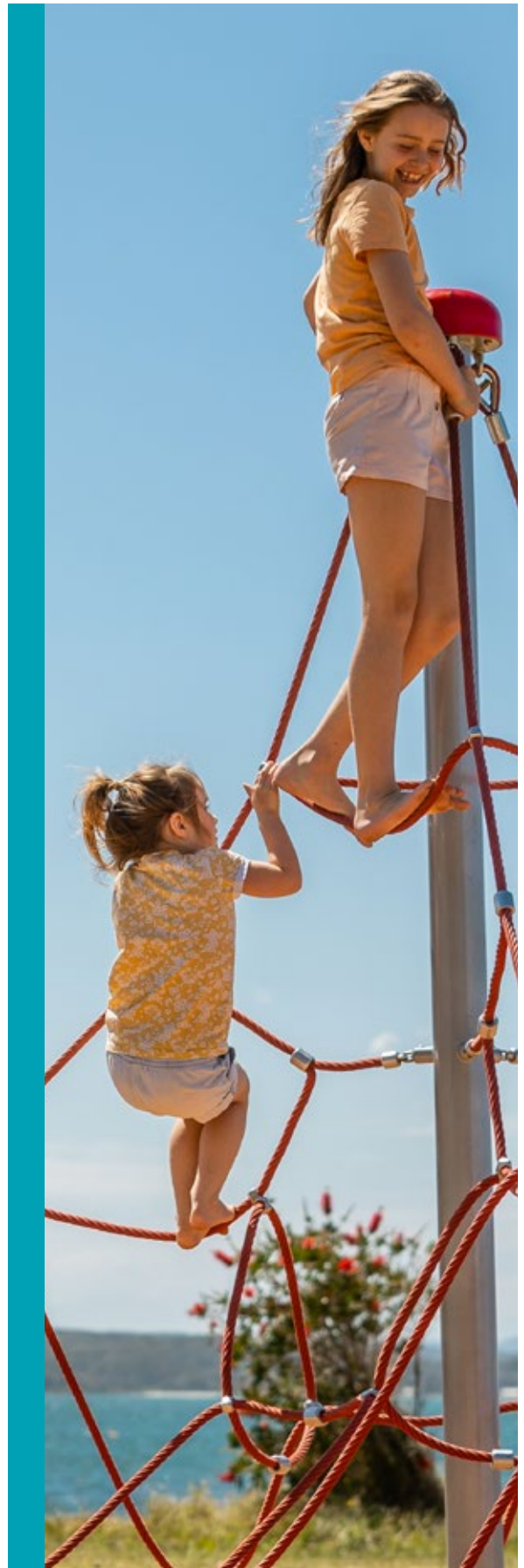
- The independent reports were presented to the Council in March 2022 and led to the Council committing to numerous workshops on financial sustainability to take an in depth look at Council's finances and consider all possible solutions to strike a balance between the needs of our community and Council's financial future.
- Council has been considering all options to improve Council's financial situation including reducing service delivery, increasing fees and charges, a rate variation or investigating new revenue streams or property sales.

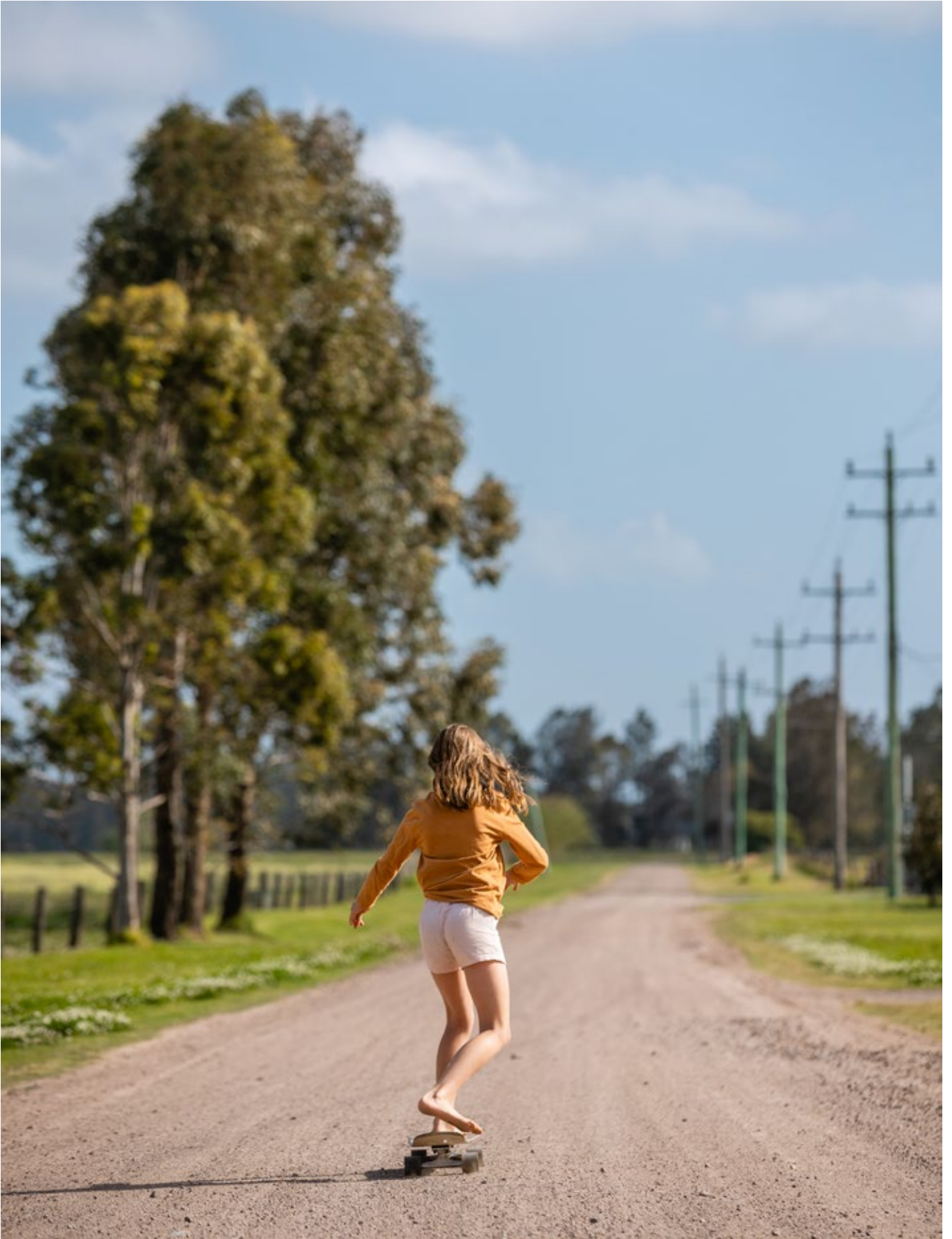
Phase 1

Additional key messages for phase 1 only.

- A strong financial future would mean a resilient underlying result.
- Changes to our rate revenue is definitely an option but if our community wants to keep rates low, we need to look at all other options as well to find other ways to fund services like our sports fields, infrastructure projects, libraries and events.
- Council has completed the initial investigations and Council is seeking community input on a number of options to shape our financial future.
- Find out more and review the options by visiting portstephens.nsw.gov.au/ourfundedfuture to watch the webinar by an independent expert, register to attend a community Q&A session or complete the online survey.
- The community can share their thoughts on the proposed options until Monday 8 August 2022.

Key messages for other phases to be developed post outcome of each previous phase.





Action Plan

Detailed action plan for Phase 0 and Phase 1.

Activity	Date
Financial Sustainability Report – Endorsement of engagement plan	28 June 2022
Media Release/Social post – Financial Sustainability Report Outcome	29 June 2022
Council website page goes live	29 June 2022
Content to printers for YourPort	29 June 2022
Direct emails to stakeholder groups	29 June 2022
Media Release/social post – Independent Financial Reports	6 July 2022
Newspaper notice content to newspaper	8 July 2022
Media release/social post – Save the date for engagement sessions	14 July 2022
Content to printers for Rates Notice	15 July 2022
Social media toolkit to Councillors	15 July 2022
Staff handouts for community distribution	15 July 2022
Media release/socials – Engagement commences	18 July 2022
Community newsletter notices distributed	18 July 2022
Webinar available	18 July 2022
Online calculator live	18 July 2022
Ethelo survey live	18 July 2022
On hold messaging live	18 July 2022
Communication material sent to schools	18 July 2022
Static displays at key events and satellite sites	18 July to 5 August 2022
PS Facebook Live Q&A	20 July 2022
Community drop in session – Central Ward	27 July 2022
Community drop in session – East Ward	28 July 2022
Community drop in Session – West Ward	1 August 2022
Community drop in Session – Online	18 July to 5 August 2022
Special interest group meetings	29 June to 5 August 2022
Engagement concludes and engagement tools close	8 August 2022
Phase 1 Engagement Report Completed	25 August 2022
Financial sustainability engagement results	25 August 2022

Further engagement with the community to occur after completion of Phase 1.



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