



Proposed Special Rate Rise Information Session
3 September 2022

Proposed Rating Structure SRV 43% x 2 years with weekly increase data

Rate Code	Rate Category	% Yield per Category 2022/2023	Average Rates per Assessment 2022/2023	Average Rates per Assessment 2023/2024	Average increase from 2022/2023 to 2023/2024	Average increase weekly from 2022/2023 to 2023/2024	Average Rates per Assessment 2024/2025	Average increase from 2023/2024 to 2024/2025	Average increase weekly from 2023/2024 to 2024/2025	Total average increase of Rates over the 2 years	Cumulative increase weekly 2023/2024 & 2024/2025
1	Residential Tenterfield	21.91%	\$ 664.75	\$ 946.21	\$ 281.46	\$ 5.41	\$ 1,354.13	\$ 407.92	\$ 7.84	\$ 689.38	\$ 13.26
4	Residential Tenterfield (Urban)	0.23%	\$ 1,388.48	\$ 1,980.06	\$ 591.58	\$ 11.38	\$ 2,832.53	\$ 852.48	\$ 16.39	\$ 1,444.05	\$ 27.77
5	Residential Other	17.98%	\$ 599.52	\$ 853.48	\$ 253.96	\$ 4.88	\$ 1,221.88	\$ 368.40	\$ 7.08	\$ 622.36	\$ 11.97
6	Residential Urbenville	1.62%	\$ 603.57	\$ 859.69	\$ 256.12	\$ 4.93	\$ 1,229.04	\$ 369.36	\$ 7.10	\$ 625.47	\$ 12.03
7	Residential Jennings	1.31%	\$ 597.51	\$ 853.79	\$ 256.28	\$ 4.93	\$ 1,220.60	\$ 366.82	\$ 7.05	\$ 623.10	\$ 11.98
8	Residential Drake	0.99%	\$ 598.28	\$ 849.16	\$ 250.88	\$ 4.82	\$ 1,213.98	\$ 364.83	\$ 7.02	\$ 615.70	\$ 11.84
9	Farmland General	48.89%	\$ 1,616.40	\$ 2,309.75	\$ 693.34	\$ 13.33	\$ 3,300.08	\$ 990.33	\$ 19.04	\$ 1,683.68	\$ 32.38
10	Business Tenterfield	6.21%	\$ 1,556.65	\$ 2,217.57	\$ 660.92	\$ 12.71	\$ 3,173.55	\$ 955.98	\$ 18.38	\$ 1,616.90	\$ 31.09
11	Business Other	0.37%	\$ 1,131.02	\$ 1,614.52	\$ 483.50	\$ 9.30	\$ 2,309.90	\$ 695.37	\$ 13.37	\$ 1,178.87	\$ 22.67
12	Business Urbenville	0.16%	\$ 564.58	\$ 803.25	\$ 238.67	\$ 4.59	\$ 1,150.38	\$ 347.14	\$ 6.68	\$ 585.80	\$ 11.27
13	Business Jennings	0.02%	\$ 580.38	\$ 825.85	\$ 245.47	\$ 4.72	\$ 1,182.70	\$ 356.86	\$ 6.86	\$ 602.32	\$ 11.58
14	Business Drake	0.09%	\$ 555.40	\$ 790.12	\$ 234.72	\$ 4.51	\$ 1,131.61	\$ 341.49	\$ 6.57	\$ 576.21	\$ 11.08
15	Mining	0.21%	\$ 1,018.20	\$ 1,451.65	\$ 433.45	\$ 8.34	\$ 2,076.50	\$ 624.85	\$ 12.02	\$ 1,058.30	\$ 20.35

Q1: Peter Robinson

What is the current total debt owed by Council and how has it arisen?

Q2: Peter Robinson

How much have council rates increased over the last 5 years?

Q2

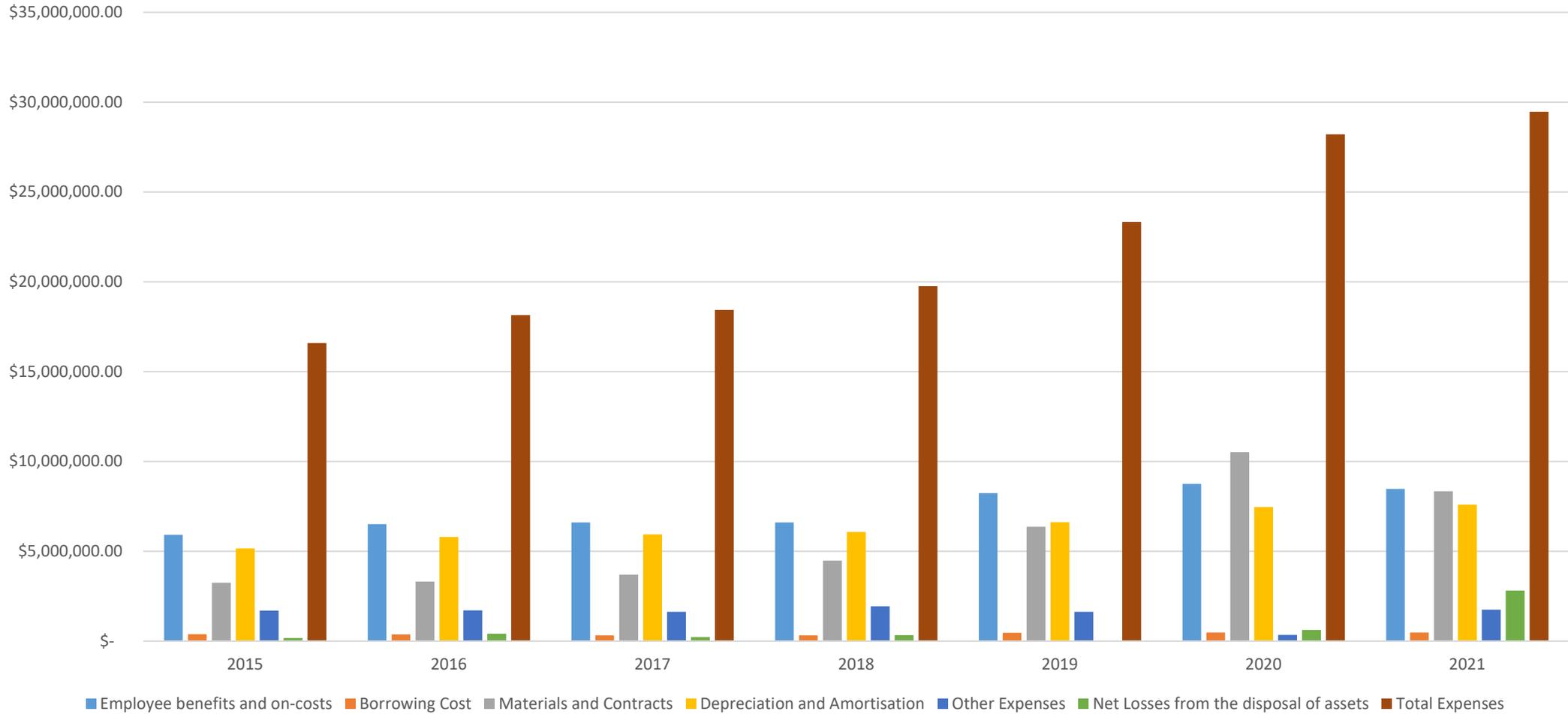
Year	Rate Peg	SRV	Total
2022/2023	0.7%		0.7%
2021/2022	2.0%		2.0%
2020/2021	2.6%		2.6%
2019/2020	2.7%		2.7%
2018/2019	2.3%		2.3%

Q3: Peter Robinson

How much have Council's
operational expenses
increased over the past 5
years?

Q3

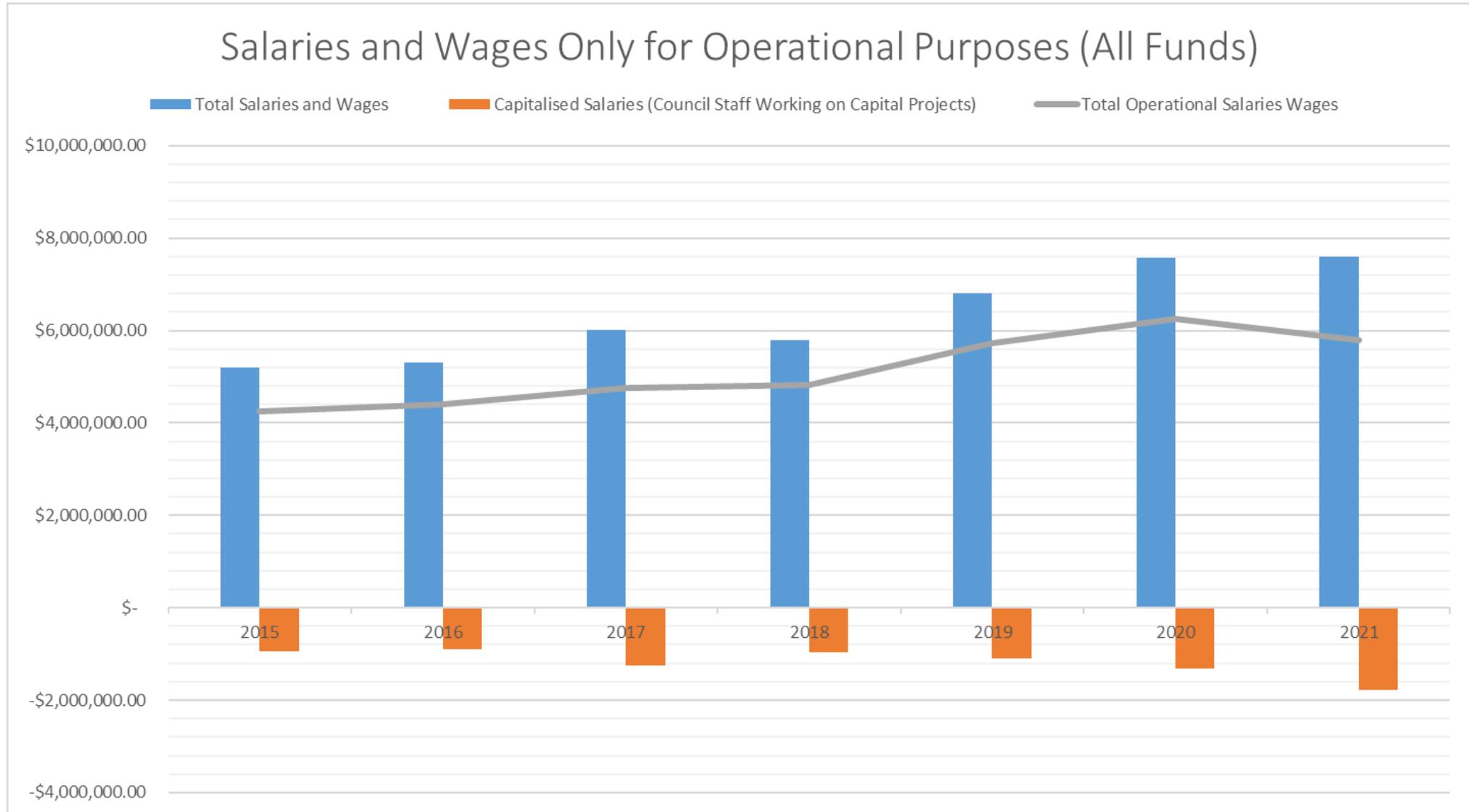
Expenses From Continuing Operations All Funds



Q4: Peter Robinson

What has been Council's
total wages bill over the
past 5 years?

Q4



Q5: Peter Robinson

What unforeseen major increases in expenses have occurred recently?

Q5

Revenue from Rates Vs Assets Maintenance and Renewal (Excluding Water, Sewer, Waste and Stormwater)

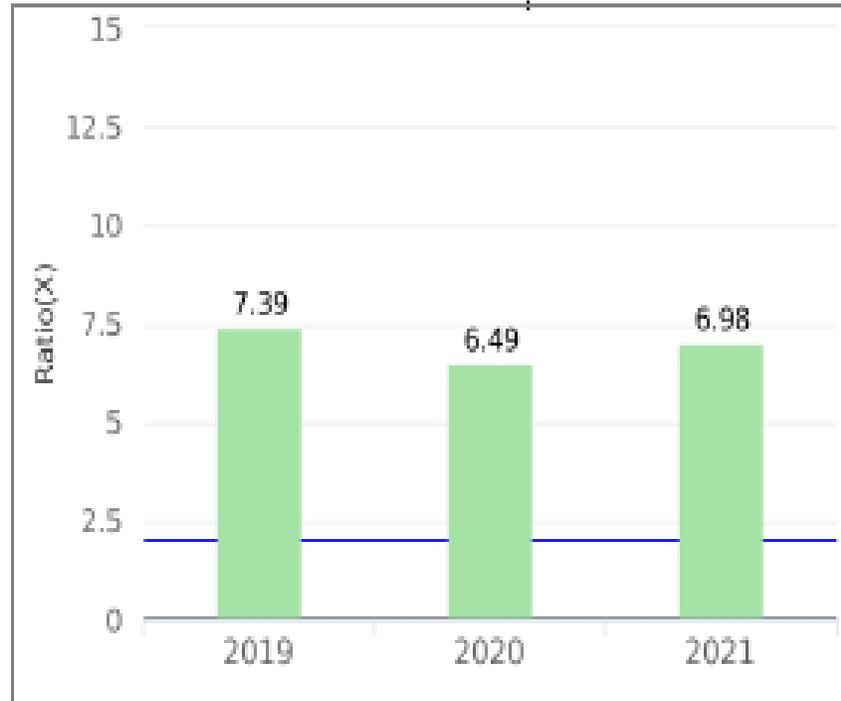


Q6: Peter Robinson

What are any realistic proposals to repay this debt and return to credit?

Q6

Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2020/21 result

2020/21 ratio 6.98x

This ratio continues to be above the benchmark.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Q7: Anonymous

Is the rate rise being
applied for only temporary
rise?

Q8: Anonymous

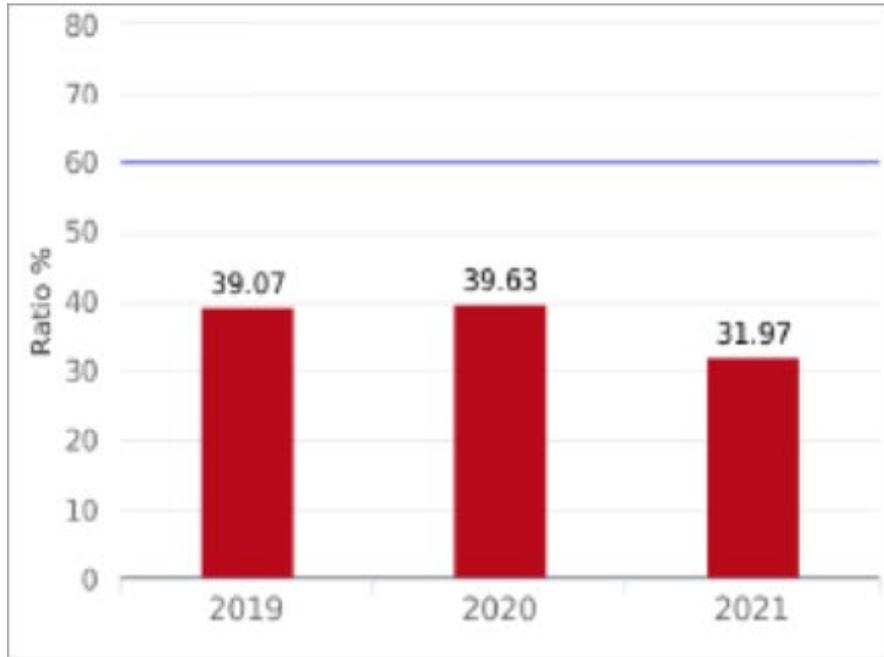
Is the statement on the OSOCl pamphlet 104.49% rate rise is permanent or false?

Q9: Anonymous

Is Council investigating ways of minimising general rate rises within the shire by assessing all avenues legally allowed on behalf of shire residents and ratepayers?

Q9

Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2020/21 result

2020/21 ratio	31.97%
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The deterioration in this ratio is an indicator that a Special Rate Variation is required to improve Council's income stream from non-grant funded sources.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Q10: Anonymous

Is the 10 year plan referred to in the OSOCI pamphlet flawed and does not reflect community needs and aspirations or does it simply not meet what a recently formed group want?

Q11: Anonymous

Is it true that the council are looking at selling the information centre, the airfield, community childcare building, community radio station, band hall, terminating the lease of the school of arts?

Q12: Anonymous

Is Council starting businesses to compete with existing businesses in the shire and if they make a loss then are the rate payers responsible for the losses?

Q13: Robyn Bell & Jan Evans

It was recently stated in a letter from the CEO that if the proposed SRV doesn't go ahead then services may be cut resulting in a loss of 30 employees which would have a roll on effect of 100 persons.

Out of those 30 employees
how many will simply move on
and obtain work elsewhere?

Q14: Robyn Bell & Jan Evans

Please refer to Shire overview provided by NSW Office of Local Government (OLG). Tenterfield Shire already pay more per capita (compared to the group average) for: Governance and administration, Public Order, Safety and Health, Water Services, Sewer Services, Environmental (ex footpaths) and Library Services. Less than average on: Recreation and culture and Community Services. To anyone who has ever run any business, large or small, indications are that this council is top heavy.

Why is this so? What is being done to rectify the situation?

What are the long term goals?

Include

- Office of the Mayor, chairperson and elected members of council.
- Physical amenities provided to the head of council, the elected members and their aides.
- Permanent or ad-hoc commissions and committees created by or acting on behalf of the council including Audit committee, Risk management committee etc.
- Management of public funds and public debt.
- Operation of financial management function, budgeting, accounting services and internal auditing.
- Dissemination of general information, technical documentation and statistics on financial and fiscal services.
- Council tasks such as registration of voters, holding of elections.
- Conduct of basic research and development activity and applied research related to general public services.
- Grants, loans and subsidies to support basic research and development undertaken by private bodies, community groups.
- Administration and implementation of Human Resource practices and policies.
- Operation of other general services such as centralised purchase and supply services, maintenance and storage of government records and archives, operation of government owned or occupied buildings, central motor vehicle pools.

Q15: Robyn Bell

Increase the rates and charges and more and more people will default or go without necessities. As our elected representatives do you consider this acceptable?

Q16: Jan Evans

Rates for our house in Brisbane, Karana Downs with water views and access to Brisbane River, are half what we pay for xxx Phelham St Tenterfield. If they are increased 104% we will be paying 4 times and so will deter people coming to live in Tenterfield?

Q17: Jan Evans

How did TSC get into this debt?

What documented plan does TSC have to get the finances back in balance? Where are the extra monies raised by the SRV going to be spent on?

Q18: Tony Carr

Why hasn't council gone
and asked state
government to bail them
out of the financial
situation?

Q19: Ian Garnham

Council did not pass the fit for the future test in 2014/2015, and still has not. When is council planning on meeting this obligation?

Q20: Ian Garnham

What changes to job procedures, and work practices has council implemented to become more efficient?

Q22: Ian Garnham

What action will council take if the rate rise is not approved by IPART?

Q23: Ian Garnham

In 2013, NSW Treasury Corporation (TCorp) observed that the council's financial position was 'weak', and considered its outlook to be 'negative'. TCorp noted that the council's LTFP forecast continuing operating deficits for the next 10 years. TCorp also highlighted the council's reliance on external funding from grants and contributions. What has council done to address this?

Questions from OSOCI

1. In light of Councils need to apply for an SRV is the current budget based on the 104.49% SRV being approved? If yes, what will Council do if the special rate variation of 104.49% is not approved?

2. In light of Councils need to apply for an SRV, it seems Council has spent the shire into an untenable financial position. There is no painless way out of this mess. Yet Council has decided to put all the pain onto the ratepayers with a 104.49% rate rise. Did Council consider alternative options? If so, what were they?

3. TSC proclaim that it has to go into administration if the Rates are NOT raised. What immediate actions will TSC take if the SRV of 104.49% is not approved by IPART?

4. In light of Councils need to apply for an SRV, why does TSC not reduce their internal spending to manage the budget they do have?

5. In light of Councils the need to apply for an SRV, what will happen to the community members who are unable to afford the 104.49% Rate Rise?

6. How does TSC justify the SRV raising the cost of living beyond the communities means, the CEO publicly announces that “if people can not afford to live in Tenterfield any longer and have to move away – that’s not a bad thing”.

7. In light of Councils need to apply for an SRV, it is understood that TSC was still spending millions of dollars they didn't have in 2021. There is little to no trust that better financial management will take place if the 104.49% SRV is approved. What personal consequences are Councillors and TSC Management Staff going to take in case they continue to operate a viable Council Corporation?

8. In light of Councils need to apply for an SRV, what was the impact of the total spend on the dam wall upgrade on the council's financial situation that leads to the SRV – what was in the budget for this project and what was the overrun?

9. Council claims to spend 75% of its budget on roads as a main driver for the SRV?

a) How much of that cost is repairs of roads?

b) What is the average time after building a road for council to come back to patch it?

c) What is the cost to patch one pothole of average 500mm diameter?

d) What is the time between council coming to patch the same pothole over and over and over?

10. Council claims that the SRV is needed to fund the increased cost to operate, what is the total annual Budget of council in say 2021 and what is the total non administrative component of that budget (capital works, maintenance, repairs, parks and gardens....) and how much of the budget is for 'administration' in % of capital spent.

We would like to thank all who put forward these questions Peter Robertson, Warwick Chapman, Robyn Bell, Jan Evans, Tony Carr, and OSOCI and late questions from Evelyn Dudgeon, Bob & Diane South, Jan Evans, Ian Garnham and Vic Wilson whose questions have been covered in the presentation. Thank you to these people for your feedback.