



# Important Notice for Ratepayers

As you will be aware, these are challenging economic times for everyone, world wide. Great Lakes Council is facing the toughest budget preparation period in its history. Councils across NSW have been confronted with financial challenges for many years in maintaining ageing infrastructure such as roads, footpaths and community halls. Over recent years, Great Lakes Council has been proactive in putting in place measures to secure the financial future of Council operations, such as commissioning the Financial Sustainability Review by Professor Percy Allen.

The global financial crisis and broader economic issues have had a significant impact on Council's 2009 / 10 budget due to the following:

- a large increase in our costs (water and sewerage up 12%, bitumen up 9%, electricity up 20%, to name a few);
- a loss of the interest on our investments (down from \$3 million in 2007 / 08 to an estimated \$1.4 million in 2009 / 10);
- Development Application income down from a high of \$1.2 million in 2003 (at the peak of the property boom) to an estimated \$480,000 in 2009 / 10;
- an additional superannuation bill of \$660,000 per year for the next 10 years (levied on all NSW councils in varying degrees by superannuation fund managers).

As Council understands that many of its ratepayers are also facing financial difficulties, it was determined this year to avoid a general rate increase over the rate pegging limit (other than a small increase in the Environmental Rate). The initial budget preparation involved cutting some \$3.2 million from the draft budget. This resulted in Council having a deficit budget for the first time of \$500,000. Council will be endeavouring over the coming year to make further savings where possible to fund this deficit. Obviously this is a measure Council can only afford to take for this financial year. Further tough decisions will need to be made for the next financial year and beyond and Council intends to consult with you later this year on those.

Council will be seeking a special rate increase to renew the Environmental Rate and seek an increase to the Business Rate. The next few pages outline these special rate increases that Council will seek from the NSW Government for this year. Council will provide opportunities for you to comment and provide us with feedback on our plans, see page 3.

Council hopes you will work with us to build a strong effective local Council for now and for the future. Thank you for taking the time to read this newsletter.

***We are all facing  
challenging  
economic times***

***We have some  
decisions to make***

***How you can have  
your say***

## The business rate increase

Council is reluctant to increase costs on our businesses in difficult times, but the prospect of slashing the budget for Tourism would have a far greater impact on our local businesses over the next few years. Tourism contributes more than \$245 million to the Great Lakes economy (*Tourism Research Australia - TRA - 2007 LGSA Report*). Every Great Lakes business benefits from the economic activity that tourism generates. Every resident benefits through increased provision of services and injection of funds into our local economy. Due to the global economic crisis, there are currently significant opportunities in domestic tourism, with an increase in visitors already to our area. To cut the Tourism budget now would simply allow other local areas to gain in tourism (and visitors) at our expense and prove devastating for many local businesses.

The most recently published information from the Department of Local Government shows that in 2006 / 07 the average business rate for the Great Lakes was \$1,850. The average for all other similar sized councils in NSW was \$2,620. Some councils also have an additional Tourism Levy. Great Lakes businesses enjoy a rate that is some 40% below the average.

Council is proposing a 12% increase in the business rate which will produce \$250,000 to be allocated to the annual Tourism budget. Forster Tuncurry businesses will contribute 75% of this amount, with the remaining 25% to be contributed by businesses over the rest of the Local Government area. Council has tried to ensure that local businesses can still enjoy a significantly lower than average business rate (about 28% lower than other similar sized local Council areas) while continuing to support businesses through our Tourism function.

It is proposed that \$189,000 of the extra income will be used to help offset the \$630,000 current net costs of the Tourism function. The remaining \$61,000 will fund the provision of new events (\$50,000) and provide increased support to existing events (\$11,000) to ensure that the significant boost to the local economy from events continues.

## The environmental rate increase

Eight years ago, Council was granted approval for a 3.89% Environmental Special Rate (ESR). The initial approval was for a three year period and at its conclusion a further five year approval was granted. Council now needs to apply to continue this special rate, which has delivered significant environmental improvements.

The ESR Rate provided approximately \$3.3 million in rate revenue over the last five years and this has been used to attract over \$8.8 million of external funding into the Great Lakes to manage our unique natural assets. The ESR has allowed Council to forge close links with State and Federal agencies, and other partnering agencies and groups to gain this significant boost in funding for our local area.

Over the last eight years, Council has implemented sustainable management practices for the natural resources of the Great Lakes. Our lakes systems are recognised as being amongst the cleanest in NSW and results have been significant for industry, tourism and the enjoyment of local people alike. Council has received recognition through environmental awards at Federal and State level for achievements due to the ESR. Council considers it essential to continue this good work through the continuation of the ESR rate. Without the extension, the improvements already made to our natural resources cannot be sustained.

***Great Lakes businesses have paid significantly lower average business rates than similar sized NSW councils***

***We need to continue the strong promotion of the Great Lakes as a tourist destination, for the benefit of all our local businesses***

***The ESR provides essential funding to keep our waterways clean and provide flow-on benefits for our regional economy, businesses and local community***

***Council will apply for the ESR to increase by around 2.45%***

Council is now applying for an increase of around 2.45% to the ESR, extending it to 6% of the General Rate. Council will use 5% to continue to fund environmental and sustainability projects, to ensure the continued benefits to the environment and flow-on benefits to our regional economy, businesses and local community. The remaining 1% will provide around \$220,000 each year to be used for essential dredging works in our three major waterways. Our waterways require regular navigational dredging, and State funds are offered for this on a 50/50 contribution basis. Without this increase, Council will have no way of matching the available State funding, and our local waterways and economy will suffer. By increasing the ESR, funding for essential dredging will be available each year.

In Council's recent voluntary Community Survey, 1,425 participants rated protection of waterways, planning for the future of the community and protection of the natural environment as the top three areas of importance for Council to manage. Council believes that the increase in the ESR is essential to allow it to achieve these community expectations.

## Tell us what you think

Great Lakes Council values the relationship with its ratepayers and welcomes the opportunity to consult with ratepayers on issues of importance to our local region. Council invites your participation in our budget decision-making process and provides the following opportunities for you to consult with Council on these issues that will affect us all now and in the future.

### Meet with Council at one of the Rates Information Forums

Council staff and councillors will attend the following Forums to outline the budget proposals in greater detail and to listen to community concerns regarding the proposal. You are most welcome to attend any of these Forums. From 4pm until 6pm, residents will be able to discuss specific issues with individual Council staff or councillors. From 7pm a public meeting will be held to outline Council's proposal. Residents can choose whether to attend the 4pm - 6pm individual session, or the public meeting, and are also welcome to attend both.

Tea Gardens / Hawks Nest:	Wednesday 13 May at Tea Gardens Baptist Hall from 4pm
Stroud:	Thursday 14 May at Stroud RSL Hall from 4pm
Forster:	Tuesday 19 May at Council Chambers from 4pm
Bulahdelah:	Wednesday 20 May at Bulahdelah School of Arts from 4pm

### For more detail on the proposals: Draft Management Plan

Great Lakes Council's Draft Management Plan is on public exhibition from Wednesday 29 April until Tuesday 26 May 2009. It can be viewed at all Council offices, most Libraries and Council's website ([www.greatlakes.nsw.gov.au](http://www.greatlakes.nsw.gov.au)).

You are invited to review the document and make any comments in writing by Tuesday 26 May 2009. Your comments should be addressed to:

The General Manager  
Great Lakes Council  
PO Box 450  
Forster NSW 2428

### Attend the Ordinary Meeting of Council

Council will consider all comments and submissions at its Extra Ordinary Meeting scheduled for Tuesday 9 June 2009, commencing at 9.30am in the Council Chambers, Breese Parade Forster. As with all of Council's Meetings, the public is most welcome to attend.

***With the proposed increase, around \$220,000 will be available for essential dredging works in our Lakes systems.***

***Come and have your say - discuss specific issues from 4pm - 6pm, attend a public meeting from 7pm***

***Written comments are invited***

## Looking further into the future

Of course it would be remiss of Great Lakes Council to plan financially only for the near future. To ensure all the needs of residents can be met, sound long term financial planning is necessary. Council has been striving for some time now to manage the needs of a growing population and maintain ageing infrastructure, such as roads, drainage, bridges and buildings.

***Council will be consulting with ratepayers later this year to make plans for our long term financial sustainability***

In February 2008, Council published the Financial Sustainability Review it had commissioned Professor Percy Allen to conduct. The critical outcome of the Review was that Council now has an infrastructure backlog of \$26 million and should be spending an additional \$6.4 million per year on maintenance and renewal works. The Review made recommendations on how Council could address these demands, all of them requiring a significant increase in rates over a ten year period. Preparation of Asset Management Plans was initiated for all Council assets, to better manage the maintenance and renewal of Council assets. These will be completed by December 2009. Council is also preparing a Long Term Financial Strategy, which is on schedule to be released by June 2009.

While Council has planned to avoid a General Rate increase for 2009 / 10, this is not a sustainable option and cannot continue after this year. Council will be consulting with ratepayers later this year to canvass the options and ask for support of plans to ensure infrastructure can be maintained and services can continue to be provided at the level expected by the community.

## A final note - rates calculations

Ratepayers need to be aware that other events will make it difficult for them to assess the impact of the above decisions on their individual rates notices. This is due to:

- the Valuer-General having revalued all properties for rating purposes from 2009 / 10 which changes the rates payable on each property, according to whether its value has increased or decreased by more than the average for the particular area concerned.
- Council changing its rating system to a Base Rate, as opposed to the current Minimum Rate system. The Department of Local Government strongly discourages Councils from having more than 50% of its rate assessments subject to the minimum rate. The new valuation changes meant this was the case for Great Lakes, so a change had to be made.

These changes mean that some ratepayers will experience increases to their rates, while others receive decreases. Council's total rates income does not increase as a result of the change to property valuations or base amount rating structure. Council will have Rates staff available at the Rates Information Forums to provide ratepayers with information on their rating levels for next year.

## Contact us

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