

Ordinary Council

MAYORAL MINUTE

Business Paper

date of meeting: Thursday 20 June 2024

location: Council Chambers, 17 Burrawan Street, Port Macquarie

time: 10:00am

Community Vision	A sustainable high quality of life for all
Community Mission	Building the future together People Place Health Education Technology
Council's Corporate Values	<ul style="list-style-type: none"> ★ Sustainability ★ Excellence in Service Delivery ★ Consultation and Communication ★ Openness and Accountability ★ Community Advocacy
Community Themes	<ul style="list-style-type: none"> ★ Leadership and Governance ★ Your Community Life ★ Your Business and Industry ★ Your Natural and Built Environment

Under Clause 3.23 Statement of ethical Obligations in the Code of Meeting Practice as adopted by Council at the Extraordinary Meeting of Council held on 23 June 2022 (Item 6.04), business papers for all ordinary and extraordinary meetings of the council and committees of the council must contain a statement reminding councillors of their oath or affirmation of office made under section 233A of the Act and their obligations under the council's code of conduct to disclose and appropriately manage conflicts of interest.

Councillors are reminded of the oath or affirmation which was taken by each of them on 10 January 2022.

Oath Of Councillor

I swear that I will undertake the duties of the office of Councillor in the best interests of the people of Port Macquarie-Hastings local government area and the Port Macquarie-Hastings Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

Affirmation Of Councillor

I solemnly and sincerely declare and affirm that I will undertake the duties of the office of Councillor in the best interests of the people of Port Macquarie-Hastings local government area and the Port Macquarie-Hastings Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment.

Councillors have the opportunity to declare any interests in items on the agenda and inform the Council and public if they will be leaving the Chambers during the debate and voting on the item.

Ordinary Council Meeting

Thursday, 20 June 2024

LATE REPORTS

Items of Business

Item	Subject	Page
7.01	Correspondence From Office of Local Government - Impact of Council's Recent Rate Increase Decision on Current and Future Financial Sustainability	4

Item: 7.01

Subject: MAYORAL MINUTE - CORRESPONDENCE FROM OFFICE OF LOCAL GOVERNMENT - IMPACT OF COUNCIL'S RECENT RATE INCREASE DECISION ON CURRENT AND FUTURE FINANCIAL SUSTAINABILITY

Mayor, Peta Pinson

RECOMMENDATION

That Council note the information contained in the correspondence from Mr Brett Whitworth, Deputy Secretary, office of Local Government

Discussion

Council has received correspondence from Mr Brett Whitworth, Deputy Secretary, Office of Local Government on 20 June 2024 relating to Council's recent potential rate rise decision and asking that this correspondence be tabled for the information of Council.

This correspondence relates to two items on the June 2024 Ordinary Council meeting agenda being Item 10.09 2024-2025 Operational Plan - Results Of Public Exhibition and Item 10.10 Making Of Rates And Charges - Adoption of 2024-2025 Fees, Charges And Rating Maps.

This correspondence is attached as Attachment 1 to this Mayoral Minute and is provided for the information of Council.

Attachments

1   Correspondence from Office of Local Government

Department of Planning, Housing and Infrastructure
Office of Local Government



Ref: A904614
Contact: Jodie Turner
Phone: 02 4428 4196

Dr Clare Allen
Chief Executive Officer
Port Macquarie-Hastings Council
PO Box 84
PORT MACQUARIE NSW 2444

Via email: council@pmhc.nsw.gov.au

Re: Impact of Councils recent rate increase decision on current and future financial sustainability

Clare
Dear Dr Allen

I write to you to express my concern regarding the recent decision made by Council to set the 24-25 rate increase to zero.

I note the impact of the decision is reflected in the 24-25 Draft Operational Plan Budget with interim reductions being made across a range of maintenance and operational expenditure areas to meet the lost opportunity of \$2.7m rates revenue. The Operational Plan goes on to flag the long term impact of this decision with permanent ongoing reductions required from 2025-26 to match the reduced revenue. I understand that this decision and its subsequent impact on services has been made despite strong feedback received from the community opposing the plan.

I further note that the 2024-25 Draft Operational Plan forecasts a net deficit operating result of approximately \$8m, while the Quarterly Budget Review Statement (QBRS) for Q3 2023-24 forecasts a deficit operating result of approximately \$5m. This is a significant decline from the surplus of \$6.5m reported for FY23 and highlights the need to take necessary steps to reverse this trend. The proposed decision to not increase rates will further aggravate this decline over the short, medium and long term.

Council's current adopted Long Term Financial Plan (LTFP) has not been updated since 2022 and does not include the impact of the 24-25 zero rate increase, or the long term effect it will have on Councils financial viability. Council is reminded that the LTFP is to be reviewed and updated at least annually as part of the development of the Operational Plan.

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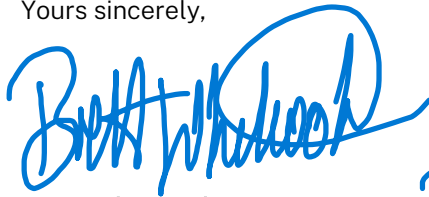
It is strongly recommended that the feedback received from the consultation with the community be seriously considered prior to finalising the draft Operation Plan for 2024-25.

I am also concerned that the decision to adopt a rate increase of zero will seriously hamper Council's ability to deliver against its housing and critical infrastructure programs which is a significant priority for all levels of Government.

I would like to remind Council that the responsibility of Councillors as governing body, outlined in S223 of the *Local Government Act 1993* (the Act), and as a Councillor outlined in S232 of the Act is to make considered and well-informed decisions for their communities, particularly around financial sustainability and strongly recommend that decisions are made keeping these in mind.

I request that a copy of this letter be tabled at the next meeting of Council.

Yours sincerely,



Brett Whitworth
Deputy Secretary
Office of Local Government

20 June 2024