



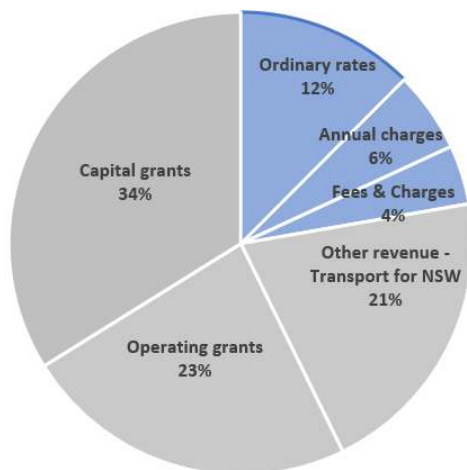
# We are Walcha

## Message from the Mayor and Councillors

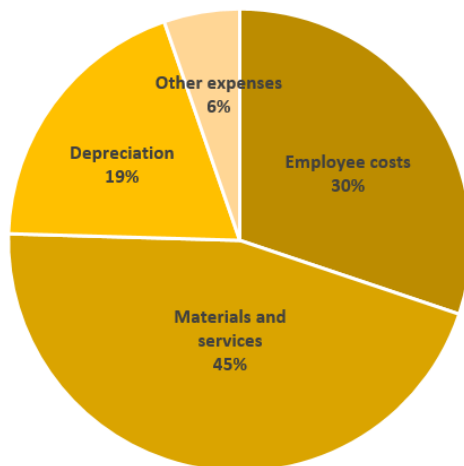
To maintain our identity as Walcha now and into the future, it is paramount that our community understands the business of Council. Our recently undertaken financial sustainability review has clearly highlighted our concern. Walcha Council is not financially sustainable. It is important to understand that Walcha Council is solvent with sufficient funds to sustain operations in the near term. We do not however have sufficient revenue growth to meet our ever-increasing costs and restore sufficient financial reserves to maintain and replace existing assets and to continue to provide levels of service expected of our community.

This brochure includes some key information to assist you in understanding the business of Council.

### WHERE DOES COUNCIL FUNDING COME FROM?



### WHERE ARE COUNCIL FUNDS SPENT (EXCLUDING CAPITAL)?



Information in the above charts taken from the audited 2020/21 Financial Statements

### WHERE DOES COUNCIL FUNDING COME FROM?

- Only 12% of Council revenue comes from land rates. These rates are adjusted by the Independent Pricing and Regulatory Tribunal (IPART) each year. In the 2022/23 financial year IPART increased the rate by 0.7%. The lowest increase on record. What you pay.
- Annual charges make up 6% and are levied to cover the cost of operating the water and sewer network and waste facilities. What you pay.
- Fees & Charges – is 4% and relates to user charges for water, sewer and waste. What you pay.
- Transport for NSW is 21% and is revenue received to maintain the Oxley Highway which is a state-owned asset and varies each year. Included is sundry revenue from fuel rebates and recycling income. What others pay.
- Operating grants form 23% with the primary grant being the Financial Assistance Grant which is provided each year. What others pay.
- Capital grants form 34% of council funding received. This varies significantly from year to year.

*Total funding you pay 22%*

*Total funding others pay 78%*



# We are Walcha

## What Council has and is doing to reduce costs & improve revenue?

- Council is currently completing an employee re-structure moving from essentially four directorates to two and several management positions have been made redundant;
- Significant reduction in use of contractors and consultants, making better use of talented staff;
- Cost sharing arrangements with Uralla Shire Council including a shared safety officer, animal control officer. Further cost sharing is being explored.
- Development options with are being considered with various Council owned land;
- Reviewing commercial and community lease fees.

## Did you know?

- Rates revenue does not increase because land values rise.
- Walcha Council manages \$426M in assets – that’s roads, bridges, water and wastewater etc.
- Council has \$2.9M in cash reserves for plant and equipment and asset replacement. That represents only 0.7% of Walcha Council's asset base.
- Councils recent re-valuation of water and sewer assets amounted to \$18.7M with only \$58,000 in water reserves and \$563,000 already committed in sewer reserves as per the audited 2021 financial statements.
- The allowable rate peg set by IPART for the 2022/23 financial year was 0.7%. Walcha Councils general rate revenue increased by around \$30,000 in total as a result. Within operations alone legislated employee costs increased by significantly more than the rate peg.
- Walcha’s unsealed road network (our gravel roads) are 617km in total length with an average of four (4) staff to maintain.
- Walcha Council employs 80 full time employees delivering services, including pre-school, library, gym, swimming pool, parks and gardens, sealed and unsealed road maintenance, animal control, Service NSW, planning and development, environmental services, engineering design and construction, visitor information, tourism & events, economic development, community care including meals on wheels, early intervention, support and management of Walcha’s extensive outdoor art network, youth programs, litter control, waste management, water and sewer, financial support to rural fire brigade and several community groups to name but a few services.