
Community and Stakeholder Engagement Report

2021/22 Financial Statements

Notification period: 7 October 2022 to 25 October 2022

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1. Summary

This report outlines the outcomes of community and stakeholder engagement as part of Council's presentation of the 2021/22 audited Financial Statements and Auditor's Reports

The feedback collected during consultation indicated a desire for a different approach to be used to calculate rates

1.1. Key outcomes

 Total unique responses	1	
 How responses were received	Submission/Comment form	Completions: 1
 Feedback themes	Land valuations as basis for rate calculations	

1.2. How we engaged

 Have Your Say: visitation stats	Visitors: 98	Visits: 82	Average time onsite: 1 min 9 secs
 Print media and collateral	Collateral availability: Customer Service Centres & Libraries		Number: 10
 Electronic direct mail (EDM)	Community Engagement (fortnightly) newsletter: 2 editions Council (weekly) e-News: 1 edition		Distribution: 22,000 subscribers Distribution: 180,000 subscribers

1.3. Who responded

No demographic data was provided by the respondent.

2. Background

The 2021/22 Financial Statements provide information in relation to Council's financial performance and position and comprise of the General Purpose Financial Statements and Special Schedules. They are independently audited by the Auditor General, reviewed by Council's Audit, Risk and Improvement Committee and then reported to Council.

In accordance with Section 418 (3) of the Local Government Act 1993, a presentation of the audited Financial Statements and the Auditor's Reports for the financial year ended 30 June 2022 was provided to Council at its meeting held Tuesday 18 October 2022. These reports were subsequently placed on public exhibition between 7 October and 25 October 2022. In accordance with Section 420 of the Local Government Act 1993, submissions must be received within seven days of the reports being presented to Council. During this period we received one (1) submission.

3. Engagement objectives

Community and stakeholder engagement aimed to:

- provide the public with equal opportunity(ies) to be involved
- build community and stakeholder awareness of participation activities (inform)
- provide accessible information so community and stakeholders can participate in a meaningful way (inform).

4. Engagement approach

Community and stakeholder engagement for the 2021/22 Financial Statements was conducted between 7 to 25 October 2022.

The engagement was planned, implemented and reported in accordance with Council's [Community Engagement Matrix](#) (2017).

A project page¹ was established on our have your say platform with information provided in an accessible and easy to read format.

The project was primarily promoted through our regular email newsletter (EDM) channels.

Feedback was captured through an online submission form embedded onto the have your say project page. Level of support on the proposal was gauged by a qualitative analysis of the response.

An open-field comments box provided community members a space to explain or elaborate on their support, not support or neutral sentiment as well as any other feedback they wished to contribute.

Email and written comments were also invited.

Printed copies of the financial statements were available for viewing at our Customer Service Centres and Libraries.

¹ <https://yoursay.northernbeaches.nsw.gov.au/202122-financial-statements>

5. Findings

Only one submission was received, and the matters raised were regarding the basis for which rates are calculated, which is outside the scope of the presentation of Financial Statements.

Council has replied to the respondent (see Table 1 below), and a copy of the submission and response will be forwarded to the Audit Office, in accordance with legislation.

Table 1: Issues, change requests and other considerations

Theme	Issues, change requests and other considerations raised	Council's response
Basis of rate calculation	Calculating rates based on land value is unfair	<p>Council must comply with the requirements of the Local Government Act 1993 (the Act) when setting rates and/or when determining its rating structure. Council has done so by utilising a minimum amount of the rate where appropriate to which an ad valorem amount is added.</p> <p>A rate - whether ordinary or special - may, at Council's discretion, consist of an ad valorem amount (section 497), which may, in accordance with section 548, be subject to a minimum amount of the rate or a base amount to which an ad valorem amount is added (section 497).</p> <p>While the Act makes provision for "base amounts", the overriding characteristic of local government rating is that the assessments that are produced will be primarily and predominantly determined via the ad valorem method whereby the incidence of any rate burden is split differentially according to the value of rateable property. To further highlight this, section 500 of the Act limits the amount of revenue that a council may raise from a base amount and where a council includes a base amount in its rating structure, section 497(b) of the Act requires that an ad valorem rate must be added to the base amount.</p> <p>Council must rate each individual property on the land valuation provided by the Valuer General in accordance with section 61 of the Valuation of Land Act 1916. Land values are determined in line with the Valuation of Land Act 1916 and the Valuer General's policies.</p> <p>It should be noted that the Australian Government's comprehensive 'root and branch' review of Australia's tax system chaired by Dr Ken Henry AC (Secretary to the Treasury) and the report produced, which is commonly known as the Henry Report, found that local rates were the most efficient of all current taxes used by any level of government because changes in behaviour from rate taxes are small.</p> <p>Thank you again for taking the time to write to us and express your interest in the 2021/22 Financial Statements. We will also forward your submission and our response to our auditor, Karen Taylor, at the Audit Office of NSW.</p>

Appendix 1 Verbatim community and stakeholder responses*

Number	Comment/submission
1	<p>The revenue from rates is a major problem for many families in our community.</p> <p>Using land valuations to calculate rates is totally unfair. Please charge a increased base fee for all households.</p> <p>Submission 2 from same respondent:</p> <p>The rate money council collects to fund its activities , is a serious problem. Members of the Manly community are hurting due to high valuations placed on our land. A lot of us have modest , and dropping, incomes .</p> <p>A flat fee for for everyone is needed as part of the financial plan is needed now!</p>

**Personal details and inappropriate language have been redacted where possible. Spelling and grammatical errors have been amended only where misinterpretation or offence may be caused.*

Document administration	
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Notes	Community and stakeholder views contained in this report do not necessarily reflect the views of the Northern Beaches Council or indicate a commitment to a particular course of action.