

Community survey information

November 2016

Learn about the new MidCoast region, the condition of the sealed road network, gaps in funding for sealed roads and bridges, and our environmental program.

Help us understand your current levels of satisfaction with sealed roads and bridges, your views about funding maintenance and renewal of sealed roads and bridges, and your awareness of the Great Lakes and Manning regions' environmental levies and their purpose.

Have your say on a proposed special rate variation (SRV) to fund improvements to roads and bridges, whether you support the environmental levy, and your willingness and capacity to pay for a proposed SRV.

Thank you for agreeing to participate in our survey on assets and a proposed special rate variation.

Jetty Research will contact you in the next week or so to undertake the survey, and their questions will be based on the information in this brochure. We anticipate the phone survey will take around 15 minutes to complete.

Please review the enclosed information carefully, discuss your views with others, and consider the questions highlighted in the red panels under each section.

Since the merger we have integrated and reviewed asset data for sealed roads and bridges from the 3 former councils, with assistance of asset experts Morrison Low. This has helped us develop a proposed way forward which will be the focus of our survey.

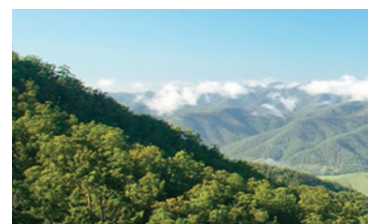
With roads and bridges representing 76% of the total value of our \$3.3 billion asset base, they are our greatest challenge. As a road user we want your perspective on how the MidCoast roads and bridges are being maintained, renewed and funded.

Our communities have also highlighted the environment as another key priority for the MidCoast region. Through the survey we'll also ask for your perspective on continued support for an environmental levy to fund programs that are currently in place in both Great Lakes and Manning regions. We'll also explore your views on including the Gloucester region in this environmental work, to support a healthy catchment across the entire region.

The information in this brochure provides a snapshot of our current position and a proposed way forward. Your views will be sought in the survey, which will help guide our future planning for the MidCoast area.

MidCoast Council was formed in May 2016 through the merger of the former Great Lakes, Greater Taree City and Gloucester Shire Councils.

Our new region has a population of over 90,000, covers more than 10,000 km², and includes 190 kms of coastline, 3,574 kms of roads and 542 bridges, 195 of which are timber.



Before you get started...

Become familiar with the following terms that will be used throughout the brochure and in the survey

Assets: Things like public buildings, roads, footpaths and bridges that are managed and maintained by Council on behalf of the community.

Renewals: Replacing a failed structure with a new structure that serves the same purpose - but not upgrading it. For example, taking a poor road back to a new condition, or placing a new surface over a worn surface to preserve the underlying pavement.

Maintenance: A temporary measure to prolong use. For example, filling potholes, or light patching of a road.

Enhancements: Replacing a structure with a new upgraded one. For example, replacing a single lane bridge with dual lanes. Enhancements are not backlog.

Backlog: The total amount of renewal works to bring a group of assets (eg. sealed roads) to an acceptable standard.



Road conditions

MidCoast assesses sealed roads on a scale of 1 (very good) to 5 (very poor).

The condition ratings of the MidCoast sealed road network are shown in the graph (see right), which indicates almost 50% are currently categorised as condition 3 (fair) to condition 5 (very poor).

Once roads slip into condition 4 and 5, the cost to bring them back to standard increases significantly. They become a renewal issue, as regular maintenance such as filling potholes becomes inadequate. If funding is not available for these renewal works, the backlog of works and community dissatisfaction with the road network increases.

Previous community research undertaken by the former councils indicates general satisfaction with condition 3 roads, and condition 4 for lesser used roads.

MidCoast road condition

1: very good		383km 21.5% \$201.6M
2: good		565km 31.7% \$297.2M
3: fair		510km 28.6% \$268.2M
4: poor		273km 15.3% \$143.8M
5: very poor		50km 2.8% \$26.1M

Around half of our 3,500km of roads are sealed. The graph above shows the proportion of our sealed road network by condition, indicating the length (km), percentage of total network, and value of roads in the current condition (\$M).

Q: Do you agree with our aim to maintain the majority of roads at condition 3?

Renewal and backlog



Our roads:

Recent assessment by asset experts Morrison Low found we currently have an annual shortfall in renewal funding for roads of \$5 million. We need an additional \$5 million per year to allow us to stop the decline of our road network by preventing roads falling from condition 3 to 4, and condition 4 to 5.



Our bridges:

At the time of the merger, the combined bridge backlog was estimated to be about \$4 million, however further assessment now indicates this will be significantly higher. Investigations continue and are expected to impact the total asset backlog figure.



Our total backlog:

The current asset backlog for roads and bridges is expected to be between \$150 million and \$180 million. We recognise that addressing the backlog is a generational issue, and funding this fully in the short term is not possible. However, if we can fund our required renewal works the backlog will not increase, and with efficiencies and savings, over time we will start to address the backlog.



Our strategy to address renewals and backlog

Our immediate goal is to increase funding to:

- Maximise the asset life of our roads, through an increase in our renewal program of \$5 million per year
- Prevent condition 3 roads slipping into condition 4, and condition 4 to 5, which is unacceptable from an asset management perspective
- Start to reduce the backlog

Without an increase in funding the condition of sealed roads will continue to deteriorate and our backlog of works will continue to increase.

Q: Do you support the above strategy?

Protecting our environment

A critical component of the community strategic plans of each former Council region is the protection of our natural environment. This was reinforced recently when we engaged the community in defining our new region's identity. The unique natural assets that make up our area - the natural landscapes, bushland, rivers, lakes and coastline - were highlighted as key to setting MidCoast apart.

A significant environmental program aimed at protecting and improving our natural assets has been well-supported in both the Great Lakes and Manning regions. The program is funded through a long-standing Environmental Levy of 6% in Great Lakes, and more recently a 5% levy in the Manning region.

MidCoast is now seeking to continue the levy in the Great Lakes and Manning regions, and extend it to the Gloucester region at a consistent level of 6% across the entire local government area.

The levy funds a program of initiatives that benefits us all, as residents and business-owners, and to visitors to the area. The viability of many of our industries and the lifestyle we enjoy is impacted directly by the health of our natural environment. Our oysters need clean water, our farmlands benefit from a healthy catchment and sustainable farming practices, and our tourism industry thrives on our pristine water, coastline and valleys.



Aligning the environmental levy across the MidCoast region will:

- Deliver on community priorities of a healthy environment
- Allow for integration of strategic environmental protection across the region
- Attract additional environmental grant funding to deliver community outcomes

Examples of the types of projects that might be funded through the environmental levy include:

- Wallis Lake, Karuah and Manning catchment water quality improvement works
- Wallis Lake, Karuah and Manning estuary health assessment and reporting
- Biodiversity corridors, from tops to lakes
- Erosion management such as sealing creek crossings on gravel roads
- River management including weed control and bank stabilisation
- Fish passage (barrier removal)
- Urban stormwater improvement

If the existing environmental levies are allowed to expire and a new levy is not introduced in their place, the programs and services they provide may no longer be delivered. The alternative is that the funding for these programs would have to be taken from the general revenue of Council and away from other key priority areas like roads and bridges.

Without an environmental levy our proposal for extra renewal works on our roads would be impacted.

Q: Do you think maintaining our natural environment should remain a priority for the MidCoast region?

Case Study: Riverbank Restoration

A severely eroded section of riverbank along the foreshore at Harrington was targeted for restoration in February this year.

Through a NSW Department of Primary Industries Recreational Fishing Trust Habitat Action Grant, combined with the Manning region's Environmental Levy, rock fillets were installed, along with 1.2km of cattle exclusion fencing and planting of 1,000 trees.

The recolonisation of mangroves in spring is an early indication of success, and will assist in protecting the riverbank from further erosion.

Over time the rock fillets will also contribute to improved water quality and a healthier habitat for local fish and marine life.



Funding success

One of the benefits of the environmental levy is that it enables us to attract additional funding from the State and Federal Governments, as most grant programs require matching funding.

Special Rate Variation (SRV) proposal

We believe that by working in partnership we can find a constructive and fair way to deliver community priorities and a strong regional Council. Since May we've been working at achieving savings and efficiencies, and have already identified \$18 million in savings over 4 years, a great result that can be put towards community priorities like roads. Our proposal includes investment from Council through these savings, from the State Government, and from our community through a proposed special rate variation.

All three former Councils highlighted the need for a SRV to address asset renewal and backlog issues. As MidCoast, the need remains and we are proposing a modest SRV which encompasses:

- 5% each year for roads and bridges (including the 2.5% rate peg) for four years; and
- a 6% environmental levy across all three regions

This equates to a total SRV of 11% in year 1, then 5% [inclusive of the rate peg] for the following three years. The 11% includes the 2.5% rate peg, 2.5% for roads and bridges and a 6% environmental levy for the region. The 6% environmental levy would impact rates as follows:

- Great Lakes - replace the existing levy (no net increase in rates from environmental levy)
- Manning - replace the existing levy (1% net increase in rates from environmental levy)
- Gloucester - introduce the levy at 6%

What the SRV will fund

The income available from a successful SRV application would be used to address the condition of our roads and bridges. Specifically it will:

- Fund the \$5 million annual renewal gap
- Prevent the backlog of works on the sealed road and bridge network from increasing
- Assist in beginning to reduce our backlog
- Improve community satisfaction with the road network

In addition to SRV funding, savings made through efficiencies we're already seeing will be captured and applied to areas of high community priority, the immediate need being for roads and bridges.

How your rates will be impacted

The rating structure in the 3 former Council areas varies. This means average rates for various categories (eg. residential, business, and farmland) are different depending on where your property is located.

Once a new Council is elected, they will review the rating structure for the MidCoast area and adopt a new harmonised model. Until that occurs, the rates between the 3 former areas will reflect the pre-merger structure.

The current variance between areas means the impact of a SRV on rates will also vary by area.

Refer to the attachment to see how the average residential rate will be impacted in your region.

Q: Do you support the special rate variation proposal?

Affordability and impact on our ratepayers is key to our proposal

We've worked hard to balance the impact on our ratepayers while also responsibly addressing our key challenges.

To assist with this, we are proposing to freeze the waste charge for 3 years, providing rate-payers with a cumulative savings of \$120 over 3 years.



We have also worked hard to ensure the cumulative affect of the proposed SRV is similar to, or in some cases, significantly less than what was planned by each of the three former councils.

Thanks again for agreeing to take part in our survey.

A representative from Jetty Research will call you approximately one week from the day you received this brochure. If you're not home or the time they call doesn't suit you, they will be happy to phone back later.

If you have any questions about this information or the proposed SRV in the meantime, please contact us by emailing council@midcoast.nsw.gov.au or calling 6591 7222.