



FINANCIAL SUSTAINABILITY

As mentioned in last week's Mayoral Column we had our first of two workshops with Professor Drew last week with another planned for this week. While I knew we were not in the best position in terms of sustainability, after the workshop with Councillors it is undeniable that financially, our future is bleak at best. If we do not do anything. As Professor Drew states "...a SRV (*special rate variation*) was absolutely necessary back in 2016 to mitigate the negative outlook of TCorp evaluation of weak financial sustainability", so this has not happened overnight and in fact has been compounding for over a decade. We will be talking with you in the next few months to come, about what the financial sustainability review has informed us, and what we believe we should be doing to ensure Walcha's identity now and well into the future.

One pertinent point made by Professor Drew was that our operating environment was one of the worst, if not the worst in New South Wales. We have an extensive road network and a very small rate base. Many people I speak to from time to time believe the rates they pay cover Council costs to operate and as such should be directed on this road or that road, or having the waste facility operate 7 days a week and so on. Yet the money you and I pay each year in rates, fees and charges amounts to around five million dollars. Our staff costs are considerably more than that, even with the recent reductions in management. Your Council is a fifteen million dollar business, and what you and I pay covers about a third of the costs of the business of Council. This goes some way to explaining what Professor Drew means when he states the '*worst operating environment*', as you can see we are largely dependent at the moment, on grants from either the State or Federal Government.

You can't keep blindly dipping into the well and expecting to find water – at some stage it will dry up if not replenished or replaced. Council's 'well' is full of negative numbers, and while some are about timing of payments and receivables, real cash is limited to today. We need to both plan for the future and be able to cover the costs arising from that future and that is what we will be discussing with you, as I say, over the next few months.

DERBY STREET

One project that has been promised for some time, but looked like being de-scoped due to a funding shortfall is the entrance to town on both ends of Derby Street. Rising construction costs and drainage issues have plagued this work for 2 years but now due to hard work by the Council an application to a heavy vehicle



safety program has seen the allocation of \$4,560M to complete the original vision. New kerb and gutter, asphalt finish and parking at the Showground will enhance the entrance to our town. The engineers responsible for successfully seeking this funding deserve the credit and accolades for their proactive approach. On this subject I drove from Newcastle to Walcha last weekend and our section of Thunderbolts Way is much superior to Mid Coasts' and with a few sections to complete yet it is a much easier drive than 4 years ago.

Clr Eric Noakes
Mayor of Walcha