



Effectively communicating rates rises to the community

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Rate rises are one of the most problematic issues to communicate to the community. Recent examples of significant government revaluations have left many councils wearing the odium of explaining why increased rates do not necessarily mean increased council income or services. However, it doesn't necessarily have to be all pain and no gain.

It is said that Australians are more attuned to economic matters than any other people in the world, so when it comes to rises in interest rates, petrol prices and council rates, we can be a hard crowd to convince.

Not surprisingly, when a rate rise is announced to the community, ratepayers will inevitably ask two questions – Why is it necessary and how will their money be used?

Many people expect to see an upgrade to the street they live in or a new playground erected at the local park, making the common assumption that a rate rise means increased revenue for Council, which is not always the case, especially given some of the revaluations that have occurred in Tasmania as a result of the property boom.

As with all forms of communication, the response by the community will be determined by the impact it has on the person who is hearing it, so if council announces a road is being re-sealed, most rate payers will respond positively, whereas if rates are rising, then most ratepayers will respond negatively.

Given that most councils know if and when rates are likely to increase, there is a chance something can be done. This is because bad news is never fun to get, but when it comes as a surprise, it simply compounds the problem.

The key to this issue therefore is to pre-empt the shock to the community that rates are on the rise prior to the rates renewal letters being dropped in the mail.

The first thing to develop is an understanding of what the likely impact of the rate rises will be, i.e. determine what percentage they are likely to increase, form a comparison with other economic indicators such as the consumer price index and develop an understanding of why rates will increase. Then outline this in a single page document along with an idea of how the funds will be spent by council, with an emphasis on positive initiatives.

Once an outline is created, you have a basis on which you can inform all staff and elected members of the impending rate increase, not only detailing how much they will increase, but also why they will as well as the good things the funds will be used for. By informing all associated with council, you have a much better chance of ensuring that the correct messages get out about the rate rise, not the incorrect message.

Once everyone understands the reasons behind the rate rise to the point that they would feel confident explaining it to someone else (i.e. a ratepayer) the next step is to identify the best ways to communicate these reasons to the community.

There are a number of ways councils can communicate rate rises to their local community, including:

- Mailing out a letter to ratepayers explaining the details of the rate rise (including reasons for the rise and how the money will be dispersed)
- Posting information or a fact sheet on your council's website
- Issuing a media release about the rate rise for local newspapers
- Including a brief in your community/council newsletter

Another option is to hold a public meeting allowing ratepayers to ask questions and discuss their concerns, however, this process is labour intensive and has the potential to raise a whole new set of issues.

The most important thing is to get the information out there before the rise is incurred by ratepayers so that they feel informed and warned about the increase. Once ratepayers realise there is a valid need for the increase and, as in many cases, that council has no control over the rise, they are more inclined to accept it as a necessary procedure.

Once the rate rise has been communicated, the next step is to make sure you have a successful system in place to manage subsequent customer complaints and/or queries.

As part of this process it is essential to ensure that your frontline staff members who deal directly with ratepayers have a clear understanding of what messages they need to communicate when taking an enquiry or dealing with a complaint.

This often simply requires a break down of the process to let the ratepayer know where or how their money will be spent and why council needs it. It is the frontline staff members who will often be asked to pin point a particular thing that the money will be used for, such as a road upgrade, so they need to be well prepared.

Informing your community may not eliminate ratepayer complaints completely when it comes to rate rises, but it will certainly help. You will never know how many calls you didn't get, but anecdotal evidence suggests that such exercises are definitely worthwhile.

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