



Independent Pricing and Regulatory Tribunal

# **Special Variation Application Form – Part B**

**For 2016-17**

**Issued January 2016**

**Insert Name of Council: Wingecarribee Shire Council**

Date Submitted to IPART: 15 February 2016

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Ms Catherine Jones

Mr Ed Willett

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## 1 Introduction

IPART will assess each application against the criteria set out in the Office of Local Government's (OLG) *Guidelines for the preparation of an application for a special variation to general income for 2016/2017* (the Guidelines). Councils should refer to these guidelines before completing this application form.<sup>1</sup>

Each council must complete this Part B application form when applying for a special variation to general income either under section 508A or under section 508(2) of the *Local Government Act 1993*.

In addition, councils must complete the Part B form with the Part A (spreadsheet) form for both s508(2) and s508A applications. The Guidelines also require the council to have resolved to apply for a special variation. You must attach a copy of the council's resolution. IPART's assessment of the application cannot commence without it.

If the proposed special variation includes increasing minimum rates above the statutory limit, or is to apply a higher rate of increase to an existing minimum rate than to its other rates, it is not necessary for the council to also complete the separate Minimum Rates Application form. However, this must be clearly identified and addressed in the special variation application. In such circumstances, councils are encouraged to discuss their proposed application with IPART as soon as possible.

As outlined in the OLG's Guidelines, councils that are the subject of merger proposals will not be eligible for a special variation for the 2016-17 rating year.

### 1.1 Completing the application form

This form is structured to provide guidance on the information we consider is necessary for us to assess a special variation application. To complete the form, the council will need to respond to questions and insert text in the boxed area following each section or sub-section.

The amount of information that a council provides will be a matter of judgement for the council, but it should be sufficient for us to make an evidence-based assessment of the application. Generally, the extent of the evidence should reflect the size of the variation sought. More complex applications or requests for a high cumulative percentage increase should be supported by stronger, more extensive evidence.

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<sup>1</sup> The Guidelines are available at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au)

Councils may submit additional supporting documents as attachments to the application (refer to section 8). These attachments should be clearly cross-referenced in Part B. We prefer to receive relevant extracts rather than complete publications, unless the complete publication is relevant to the criteria. If you provide complete documents when only an extract is relevant, we may ask you to resubmit the extract only. (You should provide details of how we can access the complete publication should this be necessary.)

We publish videos and Fact Sheets on how IPART assesses special variations and on the nature of community engagement for special variation applications. These will assist in preparing the application. The latest videos and Fact Sheets on these topics are available on IPART's website.<sup>2</sup>

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

This application form consists of:

- ▼ Section 2 – Preliminaries
- ▼ Section 3 – Assessment criterion 1
- ▼ Section 4 – Assessment criterion 2
- ▼ Section 5 – Assessment criterion 3
- ▼ Section 6 – Assessment criterion 4
- ▼ Section 7 – Assessment criterion 5
- ▼ Section 8 – List of attachments
- ▼ Section 9 – Certification.

## **1.2 Notification and submission of the special variation application**

### **Notification of intention to apply**

Councils intending to submit an application under either section 508(2) or section 508A should have notified us of their intention to apply, via the Council Portal, by Friday, 11 December 2015.

**Any councils that did not notify but intend to apply for a special variation for 2016-17 should contact us as soon as possible.**

### **On-line submission of applications**

All councils intending to apply for a special variation must use the Council Portal on IPART's website to register as an applicant council and to submit an application.

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<sup>2</sup> See [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

The Portal is at [http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt). The [User Guide](#) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact Himali Ranasinghe on (02) 9113 7710 or by email [himali\\_ranasinghe@ipart.nsw.gov.au](mailto:himali_ranasinghe@ipart.nsw.gov.au)

File size limits apply on the Council Portal to each part of the application. For this Part B application form the limit is 10MB. The limit for supporting documents is 50MB for public documents and 50MB for confidential documents. These file limits should be sufficient for your application. Please contact us if they are not.

We will post all applications (excluding confidential content) on the IPART website. Confidential content may include part of a document that discloses the personal identity or other personal information pertaining to a member of the public or whole documents such as a council working document and/or a document that includes commercial-in-confidence content. Councils should ensure that documents provided to IPART are redacted so that they do not expose confidential content.

Councils should also post their application on their own website for the community to access.

#### **Hardcopy of application**

We ask that councils also submit one hardcopy of their application to us (with a table of contents and appropriate cross-referencing of attachments) at the following address:

#### **Local Government Team**

Independent Pricing and Regulatory Tribunal

PO Box K35

Haymarket Post Shop NSW 1240

or

Level 15, 2-24 Rawson Place, Sydney NSW 2000.

We must receive your application via the Council Portal no later than **COB Monday, 15 February 2016**.



Dr Peter J. Boxall AO  
Chairman  
Independent Pricing and Regulatory Tribunal  
PO Box K35Haymarket Post Shop NSW 1240

15 February 2016

Dear Dr Boxall

**RE: Wingecarribee Shire Council Special Rate Variation Application**

The attached application seeks IPART consideration and approval of a Special Rate Variation of 8.55% (including rate peg) in 2016/17, 9.25% (including rate peg) in 2017/18 and 2018/19 and an increase of 12.15% (including rate peg) in 2019/20 which includes the continuation of the Environment Levy on a permanent basis.

Approval of this application will ensure the long term financial sustainability of the Wingecarribee Shire by funding the identified asset maintenance and renewal funding gap and backlog (\$8.5million annually) in response to community expectations and feedback.

Sustained and meaningful community engagement underpinned the development of this application. Engagement activities were implemented in accordance with the Council-approved consultation program which centred around the following principles:

- Community engagement will be open, transparent and underpinned by fact so the community can make an informed decision;
- Community engagement will be genuine and seek to illicit the views from a broad and representative cross section of the community;
- Community engagement will be reliable and accessible utilising a variety of community engagement tools to provide a range of opportunities for input and feedback; and
- Community engagement will involve regular feedback to the community and Council on the outcomes of each engagement phase.

During the extensive community engagement program, our community confirmed not only a capacity to pay the proposed rate increases, but also a genuine willingness to fund critical maintenance and renewal works to ensure the asset management issue facing the region is addressed.

The attached application details Wingecarribee Shire Council's previous achievements in realising internal efficiencies. Importantly, the application details how Council will continue to embrace a continuous improvement culture through a commitment to an organisation-wide services review program.

In June last year Council endorsed its *Fit for the Future* Improvement Proposal demonstrating that it would meet the seven financial benchmarks by 2021/22. Applying for a Special Rate Variation was the centrepiece of Council's Improvement Proposal, and subsequently the Shire's financial sustainability.

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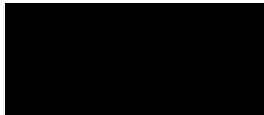
*Working with you*

On 20 October 2015, IPART assessed Wingecarribee Shire Council as 'fit' as it meets the scale and capacity criterion and will meet all financial criteria as a result of implementing its improvement proposal.

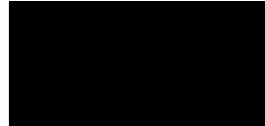
The attached Special Rate Variation application represents a turning point for our Shire. Its consideration and the outcome of your assessment will determine the future of Wingecarribee as a standalone entity.

We trust you will give it favourable consideration.

Yours sincerely



Cllr Larry Whipper  
**Mayor**



Ann Prendergast  
**General Manager**



## 2 Preliminaries

### 2.1 Focus on Integrated Planning and Reporting

Councils must identify the need for a proposed special variation to their General Fund's rates revenue as part of their Integrated Planning and Reporting (IP&R) process. The IP&R documents will need to be publicly exhibited and adopted by the council prior to it submitting its application to us. Also refer to section 6 for a more detailed explanation.

The key IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, the Asset Management Plan. A council's application may also include supplementary and/or background publications used within its IP&R processes. You should refer to these documents to support your application for a special variation where appropriate.

Wingecarribee Shire Council commenced the transition to the Integrated Planning and Reporting (IP&R) framework in 2009 and adopted its first Community Strategic Plan in December 2010. The IP&R process has allowed Council to have meaningful engagement with the community about services, funding priorities and long term financial sustainability. The documents outline the community's priorities and Council's response to these priorities.

The process to develop our Community Strategic Plan, *Wingecarribee 2031+ our future our choice (W2031+)* was extensive and collaborative. A variety of community engagement techniques were utilised to ensure input from a wide range of stakeholders such as residents (including children and youth), business owners, agencies, councillors and Council staff. Community engagement activities included surveys, workshops, discussion forums and visual engagement activities to capture the community's aspirations for the future of the Wingecarribee Shire. These aspirations are articulated through the W2031+ vision, themes, goals and strategies. The vision and themes are provided below and W2031+ is included in **Attachment 1**.

*Vision:* *In 2031 we will be a healthy and productive community, learning and living in harmony, proud of our heritage and nurturing our environment*

*Themes:* *Leadership, People, Places, Environment and Economy.*

*W2031+, Community Strategic Plan*

The Resourcing Strategy, Delivery Program and Operational Plan support W2031+ and provide the mechanisms to determine Council's priorities and resource allocation. Following an extensive community engagement program which formally commenced in August 2015, a review of Council's IP&R documents was undertaken as a part of

Council's *Investing in our Future* project. This project is one of the key strategies of Council's *Fit for the Future* Improvement Proposal which includes an application for a Special Rate Variation, as outlined in **Section 2.2** and detailed in **Attachment 2**. Full details of the community engagement program are outlined in **Section 4.1** and detailed in **Attachment 3**.

Council's IP&R documents have referenced concerns relating to funding for projected asset renewal and maintenance. In the most recent iterations the Delivery Program, Long Term Financial Plan and Strategic Asset Management Plan outline Council's long term financial sustainability challenge and the identified gap in funding the required renewal and maintenance of assets to meet the expectations of the community and achieve the NSW Government's *Fit for the Future* benchmarks. These documents which were publicly exhibited from 11 December 2015 to 1 February 2016 also propose a number of solutions to funding this gap, including *Investing in our Future* scenarios and a focus on organisational efficiencies and productivity gains.

Excerpts from the Delivery Program are included below:

*“Council has a role in establishing and maintaining infrastructure to provide services to the community and will endeavour to balance strategic, community accessibility, asset life cycle, regulatory requirements, risk and environmental outcomes in its decisions. Asset standards and asset maintenance or service level may require adjustment to address gaps between expectation and affordability. Consistent with the State Government's Fit for the Future reform Council will focus on asset renewal and maintenance to ensure the long term viability of our assets. Council will advocate to other levels of government for infrastructure that matches the evolving needs of the Shire's population. “*

*“Undertake responsible financial management focusing on long term sustainability and achievement of Fit for the Future benchmarks”.*

*Revised Delivery Program 2013-17*

Council's Operational Plan also supports this direction, identifying a focus on achieving long term financial sustainability through achievement of *Fit for the Future* benchmarks.

*“This is the reason why Council has decided that for the remaining two years of our term, we will focus on investing funds towards maintaining, repairing and renewing existing infrastructure assets and completing all approved capital projects. To achieve this Council will need to apply to the Independent Pricing and Regulatory Tribunal for a Special Rate Variation. As a consequence, this year's Operational Plan also reflects this direction” (Mayor's Message)*

*“Strengthening our operations, improving efficiencies and investing in asset renewals is the basis of this year's 2015-16 Operational Plan.” (General Manager's Message)*

*Operational Plan 2015-16*

The Resourcing Strategy has identified the need for Council to focus on assets to ensure effective service delivery and acceptable levels of service.

*“Council needs to allocate more funding to the replacement of infrastructure assets and progressively raise the Asset Sustainability Ratios ....”*

*“The challenge for Council is to facilitate the provision of sustainable assets used in the effective delivery of services to the community for both current and future generations.”*

*Resourcing Strategy 2013-17*

In the recently revised Strategic Asset Management Plan Council outlines the funding dilemma it currently faces, particularly in the context of *Fit for the Future*.

*“Council is not able to fund current infrastructure life cycle cost at current levels of service and within existing revenue. At the current funding levels condition of assets will progressively decline to poor condition and hence the levels of service will decline.”*

*Strategic Asset Management Plan 2016-26*

On 10 February 2016 Council adopted a revised Delivery Program (**Attachment 4**), Long Term Financial Plan (**Attachment 5**) and Strategic Asset Management Plan (**Attachment 6**) which support this application for a Special Rate Variation. Council's IP&R documents, in particular the Community Strategic Plan, Delivery Program, Long Term Financial Plan and Strategic Asset Management Plan will be referenced throughout this application. **Section 6** provides a summary of the Wingecarribee Shire Council's IP&R history including engagement activities used to inform the development of plans, timeframes and adoption dates.

## 2.2 Key purpose of special variation

At the highest level, indicate the key purpose(s) of the proposed special variation by marking one or more of the boxes below with an “x”.

---

Maintain existing services	<input type="checkbox"/>
Enhance financial sustainability	<input checked="" type="checkbox"/>
Environmental services or works	<input checked="" type="checkbox"/>
Infrastructure maintenance / renewal	<input checked="" type="checkbox"/>
Reduce infrastructure backlogs	<input checked="" type="checkbox"/>
New infrastructure investment	<input checked="" type="checkbox"/>
Other (specify)	<input type="checkbox"/>

---

You should summarise below the key aspects of the council’s application, including the purpose and the steps undertaken in reaching a decision to make an application.

### Purpose of the Special Rate Variation

Council is seeking a Special Rate Variation of 8.55% (including rate peg) in 2016/17, 9.25% (including rate peg) in 2017/18 and 2018/19 and an increase of 12.15% (including rate peg) in 2019/20 which includes the continuation of the Environment Levy on a permanent basis. The purpose of this application is to ensure the long term financial sustainability of the Wingecarribee Shire by funding the identified asset maintenance and renewal funding gap and backlog in response to community expectations and feedback.

As a part of the *Fit for the Future* process Council reviewed the condition of assets and undertook detailed long term financial modelling. This work demonstrated that Council currently meets only two of the seven benchmarks and forecasts indicated that three benchmarks would be met in 2016/17. Condition assessments and sound asset modelling have indicated that while Council currently spends around \$24.3 million on the maintenance and renewal of community assets each year, there is a funding gap and a need to invest an additional \$8.5 million per year. This additional investment will ensure that the number of assets in poor condition does not continue to grow which has the potential to result in intergenerational asset and financial management issues. Closing the identified funding gap will ensure that Council meets the seven *Fit for the Future* benchmarks within the timeframes set by the NSW Government. Further details are included in **Section 3.1**.

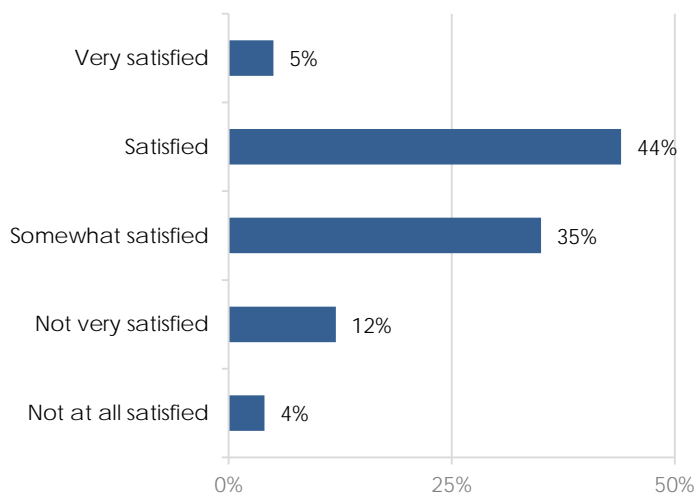
Funding this gap via a Special Rate Variation will ensure that the current level of Council services can be maintained into the future. The primary focus of this Special Rate Variation application is on asset renewal and maintenance. However this proposal would allow Council to fund new essential infrastructure gaps, particularly stormwater

assets, footpaths, shared pathways and roads. The proposed Special Rate Variation would generate \$98.1 million over 10 years and would allow an additional spend of:

- \$51.3 million on roads, road drainage, footpaths and shared pathways;
- \$26.8 million on stormwater drainage;
- \$15.9 million on buildings; and
- \$4.1 million on parks and open spaces.

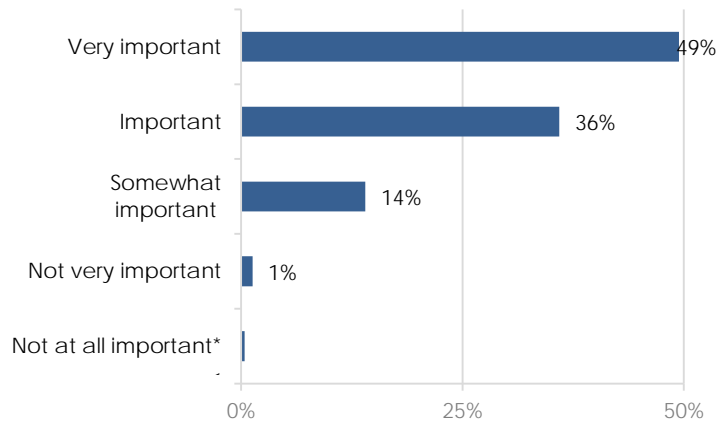
Our community has consistently said that we need to improve assets such as roads, footpaths and drainage (see **Section 3.1**). Recent asset focussed community consultations have demonstrated 84% of residents are very satisfied to somewhat satisfied with Council’s performance and its service (see **Graph 1**). However, 99% of residents felt it was at least ‘somewhat important’ for Council to implement plans and strategies that will maintain and enhance infrastructure and facilities for the Local Government Area (LGA) (**Graph 2**).

**GRAPH 1:** Question: *In general, how satisfied are you with the performance of Council, and their services, not just on one or two issues but across all responsibility areas?*



**Source: Micromex Asset Management Survey 2015 (Recontact Survey) , See Attachment 3 Appendix 2**

**GRAPH 2:** Question: *How important do you believe it is for Council to implement plans and strategies that will maintain and enhance infrastructure and facilities for the Wingecarribee Shire LGA?*



**Source: Micromex Asset Management Survey 2015 (Recontact Survey), See Attachment 3 Appendix 2**

Council's Special Rate Variation application also includes continuation (in perpetuity) of the existing Environmental Levy. While approval for this Levy will not expire until June 2019, Council is seeking its continuation on a permanent basis. This Levy will continue to fund environmental programs which support the restoration of bushland, natural habitats and waterways and means Council would have the ability to protect threatened species such as koalas, continue weed control, support Bushcare and Landcare initiatives and continue sustainability initiatives. An Environment Levy has been in place since July 2000 and this has allowed Council to partner with the community on crucial environmental issues within the Shire including:

- river health;
- restoration of wetlands, riparian zones and bushlands reserves;
- biodiversity conservation;
- conservation of endangered species and ecological communities; and
- urban environmental sustainability.

The latest Environment Levy program has been aligned to key goal and targets in Council's Environment and Sustainability Strategy, which aims to deliver on the environmental goals identified in W2031+. Continuation of the Environment Levy would allow the following expenditure on environment and sustainability programs :

**Biodiversity Conservation** **\$585,000**

Focusing on the protection and restoration of natural ecosystems, improving connectivity between remnant bushland, controlling threats to biodiversity, and protecting threatened species. Programs include:

- Managing bushland assets including weed control and revegetation – 1,000Ha of bushland under repair a year;
- Vegetation conservation program, working with landholders to conserve wildlife habitat and create corridors of vegetation within the Shire – over 2,500Ha currently managed for conservation purposes; and
- Southern Highland Koala Conservation Project.

**Streams and Rivers** **\$109,000**

Focusing on improving water quality in key rivers and creeks and improving the health and function of the surrounding riparian areas. Programs include:

- Restoration works on local waterways – over 40 creek sites currently under repair.

**Sustainable Living Program** **\$38,000**

Focusing on reducing waste, fossil fuel usage and improving efficiency while developing programs to help our community to choose to live more sustainably. Programs include:

- Community Assistance Scheme / Environmental grants for environmental projects run by community groups;
- Support to community and business Sustainability; and
- Delivering sustainable infrastructure, for example energy efficiency lighting and use of solar power.

**Community Support** **\$250,000**

Strengthening the capacity and commitment of the broader community to act together to address environmental issues. Programs include:

- Bushcare and Landcare volunteer support - 14 Bushcare groups contributing an equivalent of over \$100,000 of labour a year;
- Wingecarribee Students and Sustainability Program;
- Community planting projects; and
- Rural landholder support.

**Program Coordination** **\$245,000**

Providing strategic direction and support to the Environment Levy program:

- Scientific research and best practice land management expertise to prioritise and pinpoint the best use of Levy funds;

- Monitoring and reporting of program outcomes; and
- Obtaining grants and contributions from other government agencies and organisations to value add to the Environment Levy investment.

The Environment Levy program is guided by Council's Environment Strategy and overseen by Council's Environment and Sustainability Committee. This strategy has a review cycle to maintain currency, adapt to conditions, and build accountability.

Environment Levy funds will continue to be used to attract grants and other contributions. Since 2012, Council has secured nearly \$600,000 in extra funding from other government agencies and organisations to invest in our local environment. Grant funding applications usually require the applicant to contribute an equal amount of money (matching funding) to the project and the additional funds provided by the Environment Levy allows us to do this. Permanent continuation of this levy would allow Council to continue with the significant environmental gains made over the last 15 years.

### **Steps Undertaken to Make the Decision to Apply for a Special Rate Variation**

In October 2013 the NSW Independent Local Government Review Panel released its Final Report. This report outlined that Wingecarribee Shire Council was likely to be sustainable in its current form for several decades. The report also drew on findings from the NSW Treasury Corporation (TCorp) 2013 analysis of the financial sustainability of each of the 152 councils in NSW. TCorp found Wingecarribee Shire Council's Financial Sustainability Ratio to be 'moderate' and outlook to be 'neutral'. However, TCorp noted that there are adverse trends in some of Council's asset maintenance/replacement ratios which need to be addressed through the Asset Management Plan and Long Term Financial Plan.

In September 2014 the NSW State Government initiated its *Fit for the Future* local government reform program that required all NSW councils to submit a proposal by 30 June 2015 demonstrating plans to achieve long term financial sustainability. This required meeting seven asset and financial benchmarks in the areas of sustainability, infrastructure and service management and efficiency. Council currently meets only two of the seven benchmarks and forecasts indicated that three benchmarks would be met in 2016/17.

On 24 June 2015, Council endorsed its *Fit for the Future* Improvement Proposal demonstrating that it would meet the seven financial benchmarks by 2021/22. The relevant minute from the Council Meeting on 24 June 2015 is provided below:

#### **MN 311/15**

**MOTION** moved by Cllr I M Scandrett and seconded by Cllr H R Campbell

- 1. THAT the Fit for the Future Improvement Proposal (Attachment 1 to the report) be adopted for submission to the NSW Independent Pricing and Regulatory Tribunal for assessment.**
- 2. THAT the key improvement strategies outlined in the Fit for the Future Detailed Action Plan (Attachment 1, Appendix 1 to the report) be endorsed for inclusion in the Delivery Program 2013-17 and Operational Plan 2014-15, where applicable.**
- 3. THAT Council staff be thanked for the timely delivery and the in-depth content of the report.**

**PASSED**



Council's *Fit for the Future* Improvement Proposal identified 10 improvement strategies including:

- An application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation to fund the asset maintenance and renewal gap;
- Work Health Safety Initiatives introduced to reduce workers compensation premiums;
- Continue to refine asset management data;
- Undertake a review of Council assets to determine utilisation rates;
- Community levels of service engagement for all asset classes completed and used to review and prioritise backlog and works program;
- A review of fees and charges for high priority items;
- A Revised Workforce Management Plan including Organisational Development Strategy to ensure flexible workforce structure and practices;
- Continue to participate in regional collaborative approaches and partnerships;
- Implementation of business improvement strategies as part of Council's Internal Audit Program; and
- Revision and enhancement of procurement practices to ensure best value is achieved.

Throughout the preparation of its Improvement Proposal, Council considered and modelled numerous ways in which it could close the identified funding gap. However the strategies identified above were determined to be the best approach to meeting the benchmarks in the required timeframe.

On 20 October 2015, IPART released its assessment of all councils' *Fit for the Future* proposals. This assessed Wingecarribee Shire Council as 'fit' as it meets the scale and capacity criterion and will meet all financial criteria as a result of implementing its improvement proposal. In response to IPART's recommendations, on 18 December 2015 the NSW Government announced its proposal to reduce the number of councils through a boundary review. As part of this announcement Wingecarribee Shire Council will remain a standalone council and the NSW government has made it explicit that it now expects those councils which are considered 'fit' with no merger proposal to commence the implementation of their *Fit for the Future* Improvement Proposals.

Central to Council's Improvement Proposal and meeting the benchmarks set by the State Government, in particular the operating performance and infrastructure ratios, is an application for a Special Rate Variation to fund asset maintenance and renewal. Without a Special Rate Variation now, Council will not be able to maintain essential assets or meet the *Fit for the Future* benchmarks. See **Attachment 2** for Wingecarribee Shire Council *Fit for the Future* Improvement Proposal and IPART recommendations.

At its meeting on 26 August 2015 Council endorsed the commencement of a community engagement program for a Special Rate Variation commencing in 2016/17 with a project titled *Investing in our Future*. The multi-phased community engagement program was based on the following principles:

- Community engagement will be open, transparent and underpinned by fact so the community can make an informed decision

- Community engagement will be genuine and seek to illicit the views from a broad and representative cross section of the community
- Community engagement will be reliable and accessible utilising a variety of community engagement tools to provide a range of opportunities for input and feedback
- Community engagement will involve regular feedback to the community and Council on the outcomes of each engagement phase.

The relevant minute from the Council Meeting on 26 August 2015 is provided below:

**MN 435/15**

**MOTION** moved by Mayor T D Gair and seconded by Clr G M Turland

**THAT Council endorse the proposed approach to and commencement of the engagement process for a Special Rate Variation commencing in 2016/17 consistent with Council's Fit for the Future Improvement Proposal.**

**PASSED**

The *Investing in our Future* project was a critical step forward in having a conversation with the community about current levels of satisfaction with asset condition and Council's proposed asset management approach (as per *Fit the Future* asset and financial modelling). In addition it was essential to determine the community's acceptance to pay increased rates to improve asset condition and service. The three phases were as follows:

1. Asset Management Survey;
2. Special Rate Variation Engagement and Community Awareness; and
3. Exhibition of revised Delivery Program and Resourcing Strategy including Special Rate Variation scenarios.

A broad range of engagement and communication techniques were utilised as part of this project to ensure that the community was aware of the proposal and had an opportunity to provide feedback. This included random and demographically representative telephone surveys undertaken by an independent research company, the results of which are statistically reliable and can be extrapolated as a true indication of community sentiment. Other approaches included postal and online surveys, formal submissions, information kiosks, media releases, E-newsletters, newspaper and radio advertisements, social media, information available on Council's website, radio interviews and newspaper columns. Further details of the community engagement and communication strategy are outlined in **Section 4.1**.

Throughout the engagement process for *Investing in our Future* the outcomes and feedback received from the community was used to inform subsequent phases of engagement and aid the decision making process as to whether Council would apply for a Special Rate Variation.

Councillors were briefed regularly throughout the *Investing in our Future* project to ensure they were kept informed of the community feedback and sentiment towards the proposal. A total of eight briefings were held between August 2015 and February 2016. Prior to the decision to apply for a Special Rate Variation Councillors were provided with a detailed community engagement report and attachments (195 pages) which

documented the findings from the three phases and included detailed survey reports, summary of submissions and media coverage.

Further details on the *Investing in our Future* community engagement strategy and outcomes are outlined in **Section 4** and in **Attachment 3**.

At its meeting on the 10 February 2016 Council considered a report detailing the outcomes of the *Investing in our Future* community engagement program. The report recommended Council submit an application for a Special Rate Variation based on community feedback, community willingness and capacity to pay increased rates and the requirement to meet *Fit for the Future* benchmarks. Council resolved as follows:

**MN 14/16**

**MOTION** moved by Clr T D Gair and seconded by Clr G McLaughlin

- 1. THAT Council receives and acknowledges the extensive community feedback received during the community engagement and public exhibition for the Investing in our Future project, as detailed in Attachment 1 to the report.**
- 2. THAT Council notes that an application for a Special Rate Variation is a key strategy from its Fit for the Future Improvement Action Plan endorsed on 24 June 2015.**
- 3. THAT the draft Delivery Program, 2013-17 (revised December 2015), draft Long Term Financial Plan 2016-2026 and Strategic Asset Management Plan 2016-2026 be adopted with the amendments outlined in the report and Attachment 2 to the report.**
- 4. THAT Council adopts Scenario 3 as its preferred scenario and lodge a Section 508A permanent Special Rate Variation (SRV) application by 15 February 2016 to the Independent Pricing and Regulatory Tribunal (IPART) for an increase in 'General Revenue' and minimum rate amounts of three annual increases of 8.55% (including rate peg) in 2016/17, 9.25% (including rate peg) in 2017/18 and 2018/19 and an increase of 12.15% (including rate peg) in 2019/20 which includes continuation of the Environment Levy on a permanent basis.**
- 5. THAT Council pass on its thanks to the General Manager and staff involved with the Investing in our Future project.**

VOTING ON THE MOTION

**For the Motion:** Clr J G Arkwright, Clr J R Clark, Clr T D Gair, Clr G McLaughlin, Deputy Mayor I M Scandrett, Clr G M Turland, Clr J Uliana and Mayor L A C Whipper

**Against the Motion:** Clr H R Campbell abstained from voting on the Motion and therefore is recorded as voting against the Motion

### 2.3 Capital expenditure review

You should complete this section if the council intends to undertake major capital projects that are required to comply with the OLG's Capital Expenditure Guidelines, as outlined in OLG Circular 10-34. A capital expenditure review is required for projects that are not exempt and cost in excess of 10% of council's annual ordinary rates revenue or \$1 million (GST exclusive), whichever is the greater.

A capital expenditure review is a necessary part of a council's capital budgeting process and should have been undertaken as part of the Integrated Planning and Reporting requirements in the preparation of the Community Strategic Plan and Resourcing Strategy.

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Does the proposed special variation require council to do a capital expenditure review in accordance with OLG Circular to Councils, Circular No 10-34 dated 20 December 2010

Yes  No

If Yes, has a review been done and submitted to OLG?

Yes  No

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### 3 Assessment Criterion 1: Need for the variation

Criterion 1 within the OLG Guidelines is:

*The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvass alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:*

*Baseline scenario – General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation, and*

*Special variation scenario – the result of implementing the special variation in full is shown and reflected in the General Fund revenue forecast with the additional expenditure levels intended to be funded by the special variation.*

*Evidence to establish this criterion could include evidence of community need /desire for service levels/projects and limited council resourcing alternatives.*

*Evidence could also include the assessment of the council's financial sustainability conducted by the NSW Treasury Corporation.*

The response to this criterion should summarise the council's case for the proposed special variation. It is necessary to show how the council has identified and considered its community's needs, alternative funding options (to a rates rise).

The criterion states that the need for the proposed special variation must be identified and clearly articulated in the council's IP&R documents especially the Long Term Financial Plan (LTFP) and the Delivery Program, and, where appropriate, the Asset Management Plan (AMP). The purpose of the proposed special variation should also be consistent with the priorities of the Community Strategic Plan (CSP).

### 3.1 Case for special variation - community need

Summarise and explain below:

- ▼ How the council identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision.
- ▼ How the decision to seek higher revenues above the rate peg was made and which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery.
- ▼ Why the proposed special variation is the most appropriate option: for example, typically other options would include introducing new or higher user charges and/or an increase in council loan borrowings, or private public partnerships or joint ventures.
- ▼ How the proposed special variation impacts the LTFP forecasts for the General Fund and how this relates to the need the council identified. Our assessment will also consider the assumptions which underpin the council's LTFP forecasts.

In addressing this criterion, you should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

#### **How Council identified and considered community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision**

##### Investing in our Future Proposal – Addressing Infrastructure Funding Gap

As outlined in **Section 2.1**, the development of Council's Integrated Planning and Reporting (IP&R) documents provided an opportunity to have meaningful engagement about the community's aspirations and priorities. W2031+ was developed following an extensive community engagement process undertaken in 2010. The Plan identifies the community's desire to focus on infrastructure, as outlined in the excerpt below:

*“Communities need places that are safe, maintained, accessible, support needs and are sympathetic to the environment. The types of infrastructure and facilities we choose to maintain and create have a major effect on the Shire's community now and into the future. Infrastructure includes things such as recreation and cultural facilities, roads, transport, emergency services, education facilities and health care facilities.*

*Connecting people to places of interest such as shops, parks and entertainment in an efficient, effective and safe way increases the standard of living for our community.”*

*W2031+, Community Strategic Plan*

The community's desire to focus on assets such as roads, footpaths and cycleways are recognised in the following 2031+ strategies:

*3.1.4 Provide safe and efficient road, cycle and where appropriate, walking paths between and within towns and villages, and conveniently located parking areas for cars and bicycles. Ideally, all road reserves to include provision for safe walking and cycling*

*3.1.5 Encourage cycling and walking*

*3.1.6 Encourage development that will increase the viability of public transport, cycling and walking infrastructure*

Since 2010 Council has regularly undertaken community satisfaction surveys which have consistently demonstrated that Council is not meeting the community's expectations for the condition of assets such as local roads, footpaths and drainage. While the community has indicated that these assets were important to them they were less satisfied with the assets. The difference between importance and satisfaction creates a performance gap and a gap of more than 1 provides an indication that community expectations are not being met. **Table 1** shows 13 Council services and facilities which have a significant performance gap (i.e. greater than 1), this includes major asset classes – roads, drainage and footpaths in the 2015 surveys and when compared to the 2012 survey.

**Table 1: Significant Performance Gaps from 2015 Community Survey**

Ranking 2012	Ranking 2015	Service/Facility	Importance Mean	Satisfaction Mean	Performance Gap
1	1	Condition of local roads	4.58	2.30	2.28
2	2	Availability of car parking in the town and village centres	4.33	2.80	1.53
3	3	Provision and quality of footpaths	4.32	2.82	1.50
7	4	Providing adequate drainage	4.33	2.88	1.45
10	5▼	Availability of, and access to, public transport	4.08	2.79	1.29
6	6	Managing development and growth	4.27	3.00	1.27
12	7▼	Opportunities to participate in Council decision making	4.07	2.82	1.25
5	8	Support for youth	4.30	3.07	1.23
11	9	Enforcement of development and building regulations	4.17	2.98	1.19
9	10	Litter control and rubbish dumping	4.58	3.40	1.18
8	11	Support for local business and employment	4.42	3.26	1.16
14		Council provision of information to residents	4.36	3.20	1.16
15	13	Local traffic management	4.30	3.16	1.14

Scale: 1 = not at all important/not at all satisfied, 5 = very important/very satisfied

▲ ▼ = significantly positive/negative shift in ranking (2015 compared to 2012)

In addition, when satisfaction is compared to other local government benchmarks, Wingecarribee Shire Council residents were significantly less satisfied with local roads, footpaths, provision and maintenance of local parks and gardens and drainage (see **Table 2**).

**Table 2: Community Satisfaction with Council Services/facilities compared to other Local Government Benchmarks**

Service/Facility	Wingecarribee Shire Council Satisfaction Scores	Benchmark Variances
Cleanliness and functionality of public toilets	3.41	+0.27▲
Community safety/crime prevention	3.72	+0.26▲
Support for aged persons	3.72	+0.18▲
Cycle paths and walking tracks	3.37	+0.17▲
Support for people with a disability	3.50	+0.13
Encouraging recycling	4.01	+0.12
Domestic garbage collection	4.19	+0.09
Support for local business and employment	3.26	+0.08
Support for community environmental initiatives	3.43	+0.06
Provision and maintenance of swimming pools	3.70	+0.03
Provision and maintenance of community halls/facilities	3.65	+0.00
Provision and operation of libraries	4.11	-0.03
Restoration of natural bushland	3.53	-0.03
Provision and maintenance of sporting facilities	3.65	-0.07
Overall satisfaction with the level of communication Council has with the community	3.43	-0.07
Managing development and growth	3.00	-0.07
Support for youth	3.07	-0.09
Revitalisation/beautification of town and village centres as well as the surrounding areas	3.23	-0.11
Provision and maintenance of playgrounds	3.61	-0.12
Protecting heritage values and buildings	3.37	-0.13
Council provision of information to residents	3.20	-0.14
Opportunities to participate in Council decision making	2.82	-0.16▼
Availability of car parking in the town and village centres	2.80	-0.20▼
Provision and quality of footpaths	2.82	-0.22▼
Provision and maintenance of local parks and gardens	3.50	-0.22▼
Overall satisfaction with the way contact was handled	3.57	-0.37▼
Providing adequate drainage	2.88	-0.41▼
Condition of local roads	2.30	-0.49▼

Scale: 1 = not at all satisfied, 5 = very satisfied

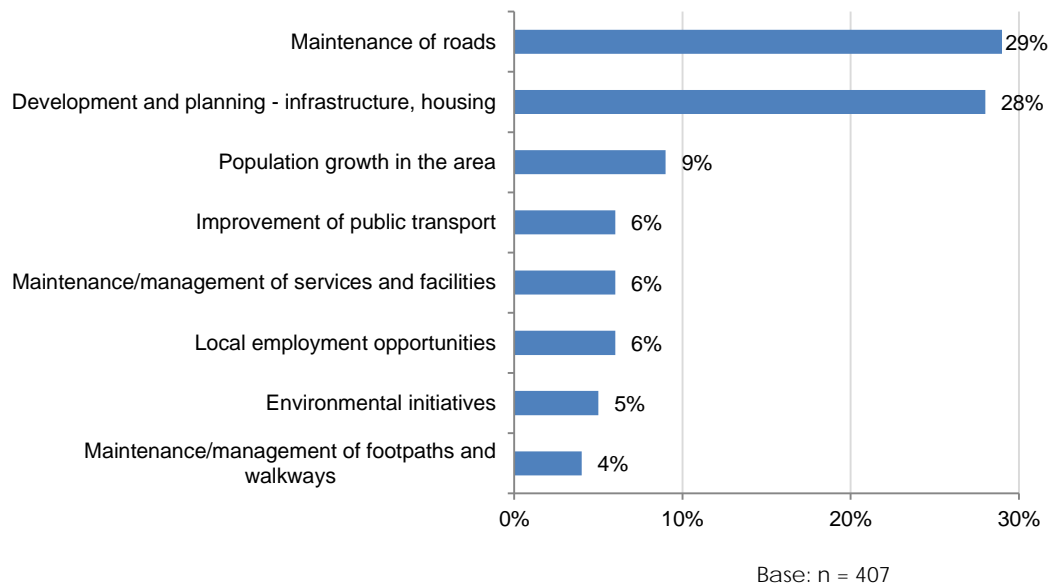
▲ ▼ = positive/negative difference greater than 0.15 from LGA Benchmark

**Note:** Benchmark differences are based on assumed variants of +/- 0.15, with variants beyond +/- 0.15 more likely to be significant



Council's 2015 Community Satisfaction Survey (See **Graph 3**) also clearly demonstrated that maintenance of roads was a top priority over the next four years. Following on from this, the maintenance and management of local infrastructure and services and local employment opportunities will also need to be improved and expanded in order to cater for the growing population. See **Attachment 7** Community Satisfaction Survey 2015 for further information.

**GRAPH 3:** Question: *Thinking about the next four years, what do you think is the top priority for Council to focus on?*



**Community Satisfaction Survey July 2015, see Attachment 7**

In response to the Community Satisfaction Survey 2015 and assumptions made as a part of Council's *Fit for the Future* Improvement Proposal, Council undertook focused research in September 2015 to identify and inform long-term management and resourcing strategies for community assets. Specifically the research quantitatively explored:

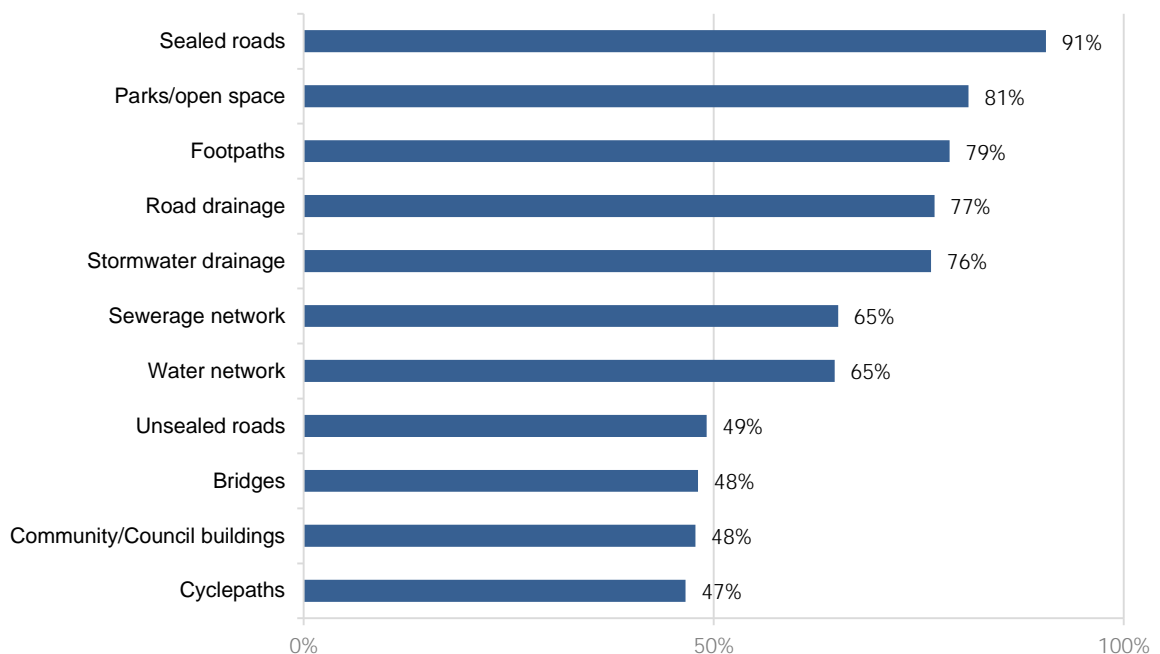
- Level of current investment, relative priority of and satisfaction with key community assets;
- Understanding support for Council's funding position in regard to four key asset areas; and
- Identifying any community endorsed revenue options for Council to explore in order to address funding requirements.

A random representative sample of residents participated in research which consisted of a three stage methodology:

- Stage 1: Initial recruitment of random representative sample of 602 Wingecarribee residents. Participants answered several 'pre' measures via a telephone survey;
- Stage 2: Mail-out by Council of a brochure explaining the various asset management options; and
- Stage 3: Recontact telephone interviews with 401 of the initial 602, collection of numerous 'post' measures.

Residents were asked about which assets were a priority for them. Results are outlined in **Graph 4** below. These results indicate that sealed roads (91%), parks and open spaces (81%), footpaths (79%), road drainage (77%), stormwater drainage (76%) were a priority for the majority of respondents.

**Graph 4: Priority Assets – Hierarchy of response**

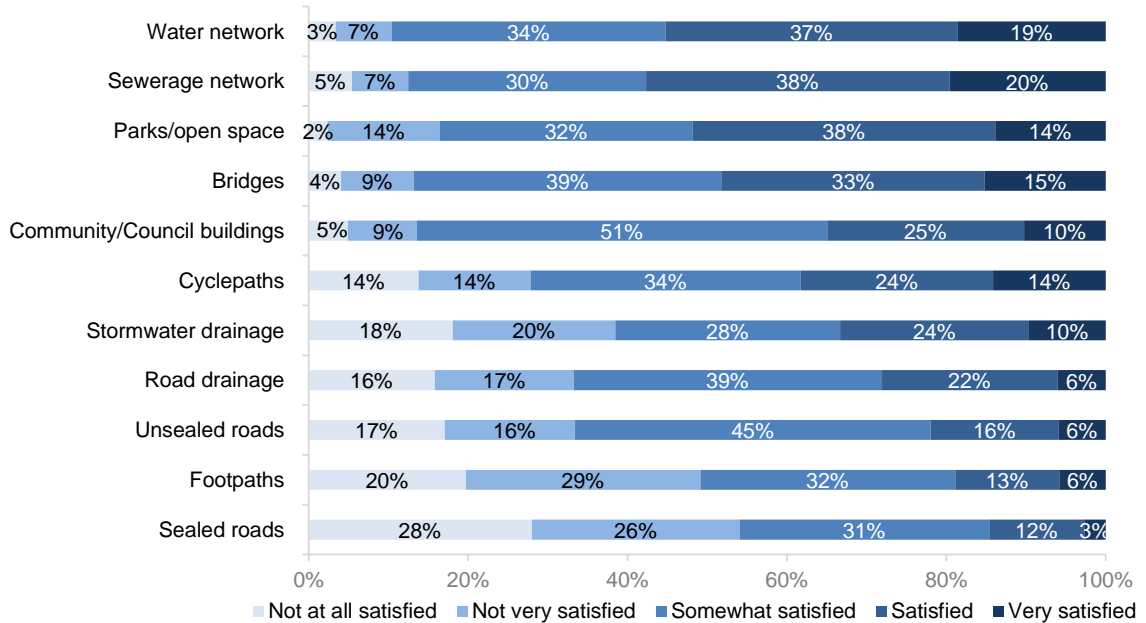


Source: Micromex Asset Management Survey 2015, see Attachment 3 Appendix 2

While there is clearly a hierarchy of priorities, with scores ranging from 91% for sealed roads to 47% for cyclepaths, the challenge for Council is that even those assets with the lowest priority scores are still seen as a priority by almost half the community.

When asked about satisfaction with assets, residents were most satisfied with the water and sewerage networks while least satisfied with a number of transport assets including sealed roads, footpaths, unsealed roads, and road drainage (see Graph 5).

**Graph 5: Satisfaction with Current Assets**



Source: Micromex Asset Management Survey 2015, See Attachment 3 Appendix 2

When asset priority and satisfaction are compared it shows that respondents were often least satisfied with the assets that were the highest priority (Table 3). This indicates that these are areas Council needs to focus on and improve in order to meet the expectations of the community.

**Table 3: Asset Priority and Satisfaction**

Asset Type	Priority	Satisfaction*
Road drainage	77%	2.86
Sealed roads	91%	2.36
Unsealed roads	49%	2.77
Footpaths	79%	2.56
Stormwater drainage	76%	2.86
Parks/open space	81%	3.47
Sewerage network	65%	3.59
Water network	65%	3.60
Bridges	48%	3.46
Community/Council buildings	48%	3.27
Cycle paths	47%	3.11

\*Satisfaction Scale: 1 = not at all satisfied, 5 = very satisfied

**Source: Micromex Asset Management Survey 2015, see Attachment 3 Appendix 2**

Residents were asked how supportive they were of proposals to invest more money into various asset types. Proposed funding increases are outlined in **Image 1** below. The increased level of investment proposals for the asset types were a result of the asset and financial modelling undertaken as a part of *Fit for the Future* process.

**Image 1: Excerpt from Asset Survey and Proposed Increase Level of Investment**

**WHICH COMMUNITY ASSETS IS COUNCIL PROPOSING TO INCREASE ITS LEVEL OF INVESTMENT?**

Council is proposing to increase funding for the following assets.

- Transport (sealed roads, unsealed roads, footpaths, cycleways, bridges and road drainage)
- Stormwater Drainage
- Parks and Open Spaces
- Buildings

Increasing the level of funding for these assets will allow council to renew those which are currently in a poor condition. It will also ensure that the number of assets in poor condition does not continue to grow. It is essential that our community assets are safe, in working order and meet community expectations.

**WHAT IS THE PROPOSED FUNDING INCREASE?**

The table below shows the current amount of funding allocated each year, towards renewal and maintenance work across our main asset types, as well as recommendations for increases to improve their condition.

ASSET TYPE	CURRENT MAINTENANCE & RENEWAL BUDGET (PER ANNUM)	PROPOSED INCREASE IN INVESTMENT (PER ANNUM)	PROPOSED TOTAL INVESTMENT (PER ANNUM)	PROPOSED (%) INCREASE IN INVESTMENT
Transport	\$10,930,000	\$5,034,000	\$15,964,000	46%
Stormwater Drainage	\$1,190,000	\$1,165,000	\$2,355,000	98%
Parks and Open Space	\$760,000	\$412,000	\$1,172,000	54%
Buildings	\$1,400,000	\$2,037,000	\$3,437,000	145%

Results showed:

- 81% of respondents supported increased investment in transport assets (roads, footpaths, cycleways, bridges and road drainage);
- 73% of respondents supported increased investment in stormwater drainage;
- 68% of respondents supported increased investment in parks and open spaces; and
- 46% of respondents supported increased investment in buildings.

In addition, 85% of research participants agreed it was important or very important for Council to implement plans and strategies that will maintain and enhance our infrastructure and facilities for the Shire. However at this point in time the preferred funding mechanisms were selling off non-essential community assets (50%), identifying organisational improvements which will result in efficiencies (29%) with only 4% supporting an increase in business and residential rates.

As outlined in Council’s revised Delivery Program 2013-17 (adopted February 2016) (See **Attachment 4**) the disposal of assets would not generate the revenue required by Council to fund the ongoing asset maintenance and renewal funding gap. **Section 7** of

this application provides an overview of the organisational improvements Council has implemented in the past and the planned organisational service review program which will be commencing in 2016 to further drive organisational efficiencies.

Investing in our Future Proposal – Securing the Environmental Levy

Council's Special Rate Variation application also includes the permanent continuation of the Environment Levy. The importance of the environment and associated environmental programs is also articulated W2031+ through the inclusion of an environment theme which is supported by four environmental goals and 15 strategies. See Excerpt below:

*“Our Shire’s environment comprises bushland, national parks, waterways and a diverse range of flora and fauna in many habitats. Because of the importance of the wellbeing of our environment to the Shire and community, and for its own sake, we must ensure that the natural environment is maintained and enhanced. Modern life generates air pollution and greenhouse gases which are contributors to climate change. Ongoing drought, increasing population and changing lifestyles mean we are looking at conserving resources as well as creating alternative sources of supply.”*

*W2031+ Community Strategic Plan*

Since the year 2000, the Shire has had an Environment Levy in place to ensure Council can deliver an environmental program which meets the community expectations, programs which might otherwise be seen as beyond the core business of Council. In 2012, with the last iteration of the Environment Levy, Council's environment program aligned to deliver on key environmental strategies and goals identified in the W2031+ and builds on previous work by Council and the community to protect and enhance the local environment. In particular the Levy aims to achieve the following strategies from W2031+:

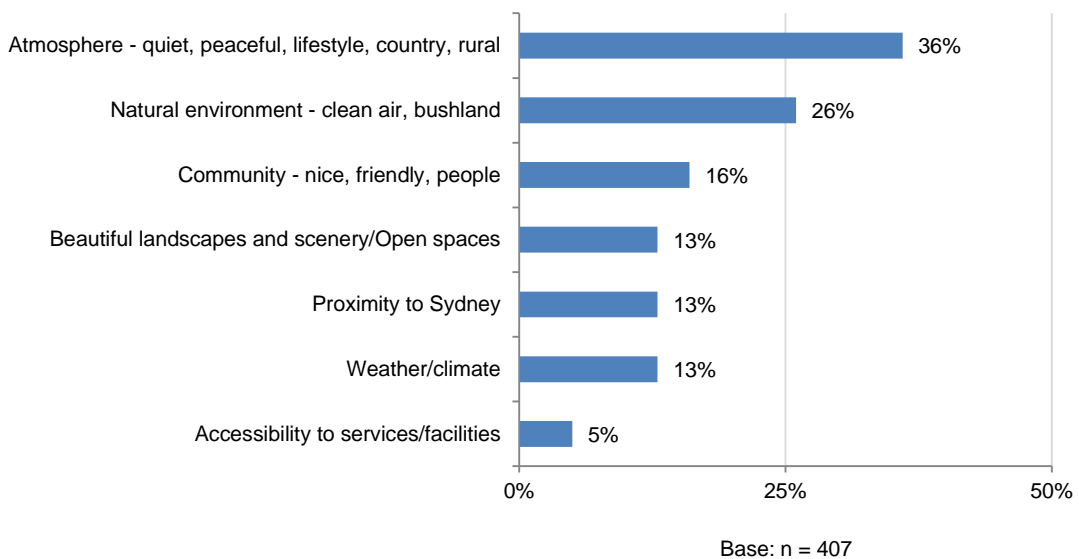
- 4.1.1 Conserve the key natural resources of the Shire water catchments, arable land, key wildlife corridors, vegetation and scenic landscapes*
- 4.1.2 Maintain and enhance biodiversity*
- 4.1.3 Ensure no net loss of the natural resources of the Shire by replacement and/or offset of the unavoidable loss of trees, vegetation and other resources using an effective and transparent offset formula*
- 4.2.1 Establish mitigation and adaptation plans and imagine a very different world in 2031. Take into consideration the realities of peak oil, climate change, steady state economy and population growth*
- 4.2.2 Ensure that no development takes place in Wingecarribee that would threaten the underpinning natural resources of the area as a water catchment, food bowl, and tourist and recreational attraction*
- 4.2.3 Engage and encourage community by developing programs to explore ways by which we may all live more sustainably*
- 4.2.4 Educate the Community about how to live sustainably.*
- 4.4.3 Promote local sources of renewable energy*
- 4.4.4 Monitor and publish performance of the reduction and offsetting of greenhouse gas emissions*

The quality of the natural environment is clearly important to Wingecarribee residents. The local environment has been consistently rated as one of the best aspects of living in the Shire, with 26% of the community identifying this in the 2015 community satisfaction survey (See **Graph 6**). Compared to the 2012 Community Satisfaction Survey there was a significant increase in:

- Importance of support for environmental programs (4.08 in 2015 compared to 3.94 in 2012)
- Satisfaction with healthy, natural urban and streams and creeks but not rivers (3.37 in 2015 compared to 3.14 in 2012)
- Satisfaction with restoration of natural bushland (3.53 in 2015 compared to 3.36 in 2012)

These results demonstrate the community's appreciation of the work Council has undertaken as part of the Levy.

**GRAPH 6:** Question: *Thinking generally about living in the Wingecarribee area, what do you feel is the best thing about living here?*



Community Satisfaction Survey July 2015, See Attachment 7

Council is seeking a continuation of the Environment Levy (in perpetuity) at the current level which the community currently supports. This will allow a continuation of the important programs that are currently being delivered. These programs are a long term requirement to ensure the good management of the Shire's natural assets. Council's natural assets require an ongoing investment to improve and maintain the quality in line with community expectation. It requires a continuous investment and management program. If this investment were to stop, the quality of the assets would quickly decline.

Without the Environment Levy, Council would not be able to offer the programs that are currently being delivered, or have limited capacity to effectively respond to new and

emerging environmental issues. Council would lose the ability to maintain a healthy natural environment for the community and future generations. Important environmental gains that have been achieved through the Environment Levy would be undermined and bring into question the millions invested to date.

It should be noted that Council's desire to continue the Environment Levy is modelled in its Long Term Financial Plan 2016-2026 (See **Attachment 5**).

**How the decision to seek higher revenues above the rate peg was made and which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery**

The Local Government Reform agenda, *Fit for the Future* identified the need for Council to seek higher revenues above the rate peg. In September 2014 the NSW State Government initiated its *Fit for the Future* local government reform program that required all NSW councils to submit a proposal by 30 June 2015 demonstrating plans to achieve long term financial sustainability. This required meeting seven asset and financial benchmarks in the areas of sustainability, infrastructure and service management and efficiency.

As outlined in **Section 2.2** part of the *Fit for the Future* process Council reviewed the condition of assets and undertook detailed long term financial modelling. This work demonstrated that Council currently meets only two of the seven benchmarks and forecasts indicated that three benchmarks would be met in 2016/17 (see **Tables 4 – 6**). Condition assessments and sound asset modelling confirm that while Council currently spends around \$24.3 million on the maintenance and renewal of community assets each year, there is a funding gap and a need to invest an additional \$8.5 million per year. This additional investment will ensure that the number of assets in poor condition does not continue to grow which has the potential to result in intergenerational asset and financial management issues. Further details of this challenge are outlined in Council's Strategic Asset Management Plan 2016-2026 (**Attachment 6**).



**Table 4: Fit for the Future Sustainability Benchmarks**

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Operating Performance Ratio</b> (Greater than or equal to break-even average over 3 years)	-7.52%	No	-7.80%	No
<b>Own Source Revenue Ratio</b> (Greater than 60% average over 3 years)	80.69%	Yes	80.60%	Yes
<b>Building and Infrastructure Asset Renewal Ratio</b> (Greater than 100% average over 3 years)	42.03%	No	91.18%	No

**Table 5: Fit for the Future Infrastructure and Service Management Benchmarks**

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Infrastructure Backlog Ratio</b> (Less than 2%)	5.83%	No	1.28%	Yes
<b>Asset Maintenance Ratio</b> (Greater than 100% average over 3 years)	90.89%	No	77.90%	No
<b>Debt Service Ratio</b> (Greater than 0% and less than or equal to 20% average over 3 years)	1.53%	Yes	3.31%	Yes

**Table 6: Fit for the Future Efficiency Benchmark**

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
<b>Real Operating Expenditure per capita</b> A decrease in Real Operating Expenditure per capita over time	Increase	No	Decrease	Yes

On 24 June 2015, Council endorsed its *Fit for the Future* Improvement Proposal (see **Attachment 2**) demonstrating that it would meet the seven financial benchmarks by 2021/22. This Proposal identified a number of strategies which aimed to drive organisational efficiencies and increasing revenue to fund a greater investment in asset maintenance and renewal. The key strategies are as follows:

- An application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation to fund the asset maintenance and renewal gap;
- Work Health Safety Initiatives introduced to reduce workers compensation premiums ;
- Continue to refine asset management data;
- Undertake a review of Council assets to determine utilisation rates;
- Community levels of service engagement for all asset classes completed and used to review and prioritise backlog and works program;
- A review of fees and charges for high priority items;
- A Revised Workforce Management Plan including Organisational Development Strategy to ensure flexible workforce structure and practices;
- Continue to participate in regional collaborative approaches and partnerships;
- Implementation of business improvement strategies as part of Council’s Internal Audit Program; and
- Revision and enhancement of procurement practices to ensure best value is achieved.

Council is dedicated to ensuring it implements all *Fit for the Future* strategies. This commitment is demonstrated by the inclusion of all strategies in the Operational Plan 2015-2016. The relevant excerpts are provided below:

- OP015: Prepare a Special Rate Variation application to the Independent Pricing and Regulatory Tribunal (IPART) to address Council’s Fit for the Future proposal*
- OP016: Undertake a strategic review of all fees and charges to ensure the financial sustainability of Council’s service provision*
- OP026: Revise and enhance procurement practices to ensure best value is achieved*
- OP033: Implement business improvement strategies as part of Council’s Risk and Internal Audit Program*

*OP037: Respond as required to the State Government's Local Government Reform and commence implementation of Council's Fit for the Future Proposal*

*OP038: Undertake a comprehensive service review program to ensure efficient and effective service delivery*

*OP039: Develop and implement a flexible Resourcing Strategy, including workforce structure and work practices to delivery works programs*

*OP040: Participate in Joint Organisations and other regional collaborative approaches*

*OP108: Continue to review asset management systems and asset condition data to ensure the annual depreciation costs reflect actual asset consumption*

*OP109: Fully fund asset renewal program by 2021*

*Operational Plan 2015-16*

On 20 October 2015, IPART released its assessment of all councils' Fit for the Future proposals which assessed Wingecarribee Shire Council as 'fit' as it meets the scale and capacity criterion and will meet all financial criteria as a result of implementing its improvement proposal. In response to IPART's recommendations, on 18 December 2015 the NSW Government announced its proposal to reduce the number of councils through a boundary review. As a part of this announcement Wingecarribee Shire Council will remain a standalone council and NSW government has made it explicit that it now expects those councils which are considered 'fit' with no merger proposal to commence the implementation of their *Fit for the Future* Improvement Proposals. As indicated above central to Council's Improvement Proposal and meeting the benchmarks set by the State Government (in particular the Operating Performance Ratio) is an application for a Special Rate Variation to fund the annual \$8.5 million asset maintenance and renewal gap identified as a part of *Fit for the Future*. Following submission of its Improvement Proposal Council commenced a multiphase community engagement program to explore the possibility of a Special Rate Variation further.

On 24 August 2015 Council endorsed the community engagement approach for a Special Rate Variation project titled 'Investing in our Future'. This involved a multiphase community engagement program through which the outcomes and feedback received from the community of each stage was used to inform the subsequent phases of engagement. Key phases were as follows:

- Phase 1 Asset Survey - To seek feedback from the community on Council's asset management approach and further test assumptions on which Council's Fit for the Future Improvement Proposal was based. This research will be undertaken by an independent third party;
- Phase 2 SRV Engagement & Community Awareness - To provide information to residents about the proposed SRV and seek their feedback and level of acceptance towards the proposed scenarios; and
- Phase 3 Exhibition of revised draft Delivery Program & Long Term Financial Plan and Strategic Asset Management Plan - Public exhibition of revised plans including SRV scenarios.

Full details on this program and the outcomes of each phase can be found in **Section 4** of this application and **Attachment 3**.

During the development of the *Fit for the Future* Improvement Proposal Council explored a number of approaches to addressing the \$8.5 million funding gap, such as an increase in loan borrowings, rationalisation of civic and community events and reduction in some service levels (see **Attachment 2**). However none of these options would have generated sufficient revenue or savings and allowed Council to meet the benchmarks in the timeframe set by the NSW Government. As part of its Improvement Proposal Council has committed to a comprehensive service review program which will further explore opportunities for changing expenditure priorities and alternate service delivery models. It is not possible to quantify the possible savings which could be achieved via this program, however Council has committed to a minimum annual saving program of \$234,000 or \$2.689 million over 10 years (including indexation). At its meeting on 10 February 2016 Council endorsed the commencement of its long term comprehensive service review program. Further details on this can be found in **Section 7** of this document.

It should also be noted that Phase 1 of the *Investing in our Future* project aimed to seek community feedback on Council's asset management approach and further test assumptions on which Council's *Fit for the Future* Improvement Proposal. This included consideration of asset expenditure priorities as outlined above. **Section 3.1.3** outlines additional options considered by Council.

In addition to *Fit for the Future*, Wingecarribee Shire Council embarked on a continuous improvement program through the introduction of the Australian Business Excellence Framework (ABEF) in 2011. Cross functional self-directed work teams identified and worked on a structured program of process and system reviews to drive a performance culture. Please refer **Section 7** for a summary of the achievements relating to this process.

**Why the proposed special variation is the most appropriate option: for example, typically other options would include introducing new or higher user charges and/or an increase in council loan borrowings, or private public partnerships or joint ventures.**

During the development of Council's *Fit for the Future* Improvement Proposal consideration was given to a number of alternative funding options, however a Special Rate Variation was considered the most appropriate option to address the asset renewal and maintenance gap and achieve Fit for the Future benchmarks within the specified timeframes. Alternative options considered included:

- New or higher user charges – Council annually reviews its fees and charges as a part of its budget process to determine appropriate increases. In addition, Council's *Fit for the Future* Improvement Proposal identifies the need to undertake a strategic review of its fees and charges. This strategy has been included in Council's Operational Plan 2015-16. However it is not anticipated this would generate a substantial increase in revenue due to the number of fees and charges which are regulated and restricted from being increased;
- Increased loan borrowings – Council takes a prudent financial management approach and does not consider that loan borrowings are appropriate for funding recurrent expenditure. Council has a long standing practice where loan funds are only considered for infrastructure investment which provides inter-generational benefit. Council does have a strong history of securing loans for such purposes, for example in recent years, Council has secured funding under the Local Infrastructure Renewal Scheme of \$6.5 million to undertake major renovation works to Mittagong Pool (\$2.5 million) and additional road resealing works (\$4.0 million);
- Grants and contributions – Council actively pursues grant funding opportunities for operational and capital purposes. Examples include:
  - Bowral Distributor Road – NSW Government Restart NSW Illawarra Infrastructure Fund;
  - Southern Regional Livestock Exchange roofing project - Regional and Local Community Infrastructure Program;
  - Moss Vale Enterprise Zone Corridor Road Works - Department of Infrastructure and Regional Development's National Stronger Regions Funds;
  - Bridge Replacement Program Funding (three bridges) - Australian Government Bridges Renewal Program; and
  - Public transport improvement projects such as improved lighting, construction of Disability Discrimination Act compliant bus shelters for CountryLink Passengers - Country Passenger Transport Infrastructure Grants Scheme.

While Council has a history of successfully securing grant funding, there is no certainty that funding opportunities will continue in the future from other tiers of government;

- Disposal of assets - The majority of Council's current property portfolio is used in the delivery of essential services to the community. These properties deliver services such as carparks, community facilities and open space. Over the last 10 years Council has undertaken a number of reviews of all vacant community land. The most recent review was completed in 2014/15 with sales of surplus properties achieving \$1.55 million to date. A further \$1 million is expected to be realised in the 2015/16 financial year with funds allocated to reduce existing debt levels. Our *Fit for the Future* Improvement Proposal also included a strategy to undertake a review of our assets to gain an understanding of utilisation rates. With community and Council support this has the potential to inform further disposal of non-essential and under-utilised assets in the future. The disposal of assets are a one-off source of revenue and as such, will not contribute to a long term funding solution for the maintenance and renewal of infrastructure; and
- Joint ventures- Since 2009 Council has had a regional joint waste disposal contract with Campbelltown, Camden and Wollondilly councils. While joint ventures can be advantageous in some aspects of Council's operations, savings cannot always be guaranteed. It is anticipated that joint ventures will be explored further with the commencement of the proposed Joint Organisations which form part of the NSW Government's Local Government Reform program. However until further information is provided about terms of reference for Joint Organisations it is not possible to quantify further savings.

**How the proposed special variation impacts the LTFP forecasts for the General Fund and how this relates to the need the council identified. Our assessment will also consider the assumptions which underpin the council's LTFP forecasts.**

Council's LTFP aims to achieve the following goals:

- Maintain existing services to the residents of Wingecarribee;
- Ensure that Council continues to deliver a balanced budget; and
- Achieve (or improve on) the *Fit for the Future* financial performance ratio benchmarks.

In order to achieve the *Fit for the Future* benchmarks Council will require a significant increase to the current levels of expenditure in the areas of asset maintenance and infrastructure renewal (without compromising current services to residents). As outlined in Council's *Fit for the Future* Improvement Proposal and in the *Investing in our Future* project, this increase is proposed to be funded via a Special Rate Variation.

The base case scenario which does not include a special rate variation is included in Council's LTFP and *Investing in our Future* documentation. Under this scenario assets would continue to decline and more assets would fall into the poor condition category. Council would also fail to achieve the following *Fit for the Future* benchmarks; operating performance ratio, building and infrastructure asset renewal ratio, infrastructure backlog ratio, asset maintenance ratio and real operating expenditure per capita.

The proposed Special Rate Variation will have a positive impact on Council's LTFP forecasts. The additional funding from the Special Rate Variation will allow Council to respond and meet the needs of the community as identified in the W2031+ and recent community research including the Community Satisfaction surveys and the Asset Management Survey.

As outlined in **Section 3.3** the additional funding from the Special Rate Variation will allow Council to achieve an operating surplus in 2018/19 and allow Council to meet the Infrastructure backlog ratio and asset maintenance ratio. Additional information relating to the impact on the LTFP is included in **Sections 3.1** and **3.2**.

### 3.2 Financial sustainability

The proposed special variation may be intended to improve the council's underlying financial position for the General Fund, or to fund specific projects or programs of expenditure, or a combination of the two. We will consider evidence about the council's current and future financial sustainability and the assumptions it has made in coming to a view on its financial sustainability. You should explain below:

The council's understanding of its current state of financial sustainability, its long-term projections based on alternative scenarios and assumptions about revenue and expenditure.

Any external assessment of the council's financial sustainability, eg, by auditors, Treasury Corporation. Indicate how such assessments of the council's financial sustainability is relevant to supporting the decision to apply for a special variation.

The council's view of the impact of the proposed special variation on its financial sustainability.

#### Current State of Financial Sustainability

Like many councils in NSW, Council's understanding of its current financial sustainability has significantly improved since the introduction of the Integrated Planning and Reporting framework. Since the introduction of this legislation, Council has continued to develop and refine its Long Term Financial Plan and Strategic Asset Management Strategy.

Each of the scenarios included within Council's Long Term Financial Plan have been prepared on the basis that Council continues to deliver a balanced budget. Despite negative financial trends, Council has consistently taken a prudent, fiscally responsible approach to managing its budget. Council has for many years delivered, and maintained a balanced budget. The assumptions used to develop the alternative scenarios presented to the community as part of the *Investing in our Future* project are contained within Council's Long Term Financial Plan (**Attachment 5**)

Despite Council's prudent approach to financial management, there are a number of negative trends which Council need to address. Council has outlined how it intends to address these negative trends within its Improvement Proposal submitted as part of the *Fit for the Future* Reform Agenda, which is discussed in **Sections 2.2** and **3.1** of this application.

#### Operating Result (Before Capital Items)

A key measure of financial sustainability for councils is the ability to achieve an operating surplus (before capital items) on a recurrent basis. This essentially means that a Council has the financial resources to provide services to its community while also ensuring that funds are allocated for the renewal and maintenance of essential community infrastructure. For the financial year ended 30 June 2015, Council reported an operating deficit (before capital items) for its general fund operations of \$7.026 million. The Operating Performance Ratio for the 2014/15 financial year was -4.97% where the industry benchmark is a ratio greater than 0%.

Council's updated Long Term Financial Plan clearly shows that if Council does not significantly increase its operating revenues, this trend is likely to continue in the long term. As outlined in **Section 3.1** Council has considered a range of alternative funding strategies for improving its financial sustainability, however these strategies do not sufficiently address the level of additional funds required for Council to realise a significant improvement in this trend.

As outlined within **Section 3.2**, Council's preferred SRV scenario will result in a significant improvement in the operating result (before capital items) over the course of the Long Term Financial Plan.

#### Funding Infrastructure Maintenance and Renewal Requirements

Due to revenue constraints, Council is currently unable to allocate sufficient funds for the maintenance and renewal of our assets. This situation is not unique to the Wingecarribee LGA. Councils across NSW are facing similar challenges in how they find long term solutions to managing infrastructure. This has largely been driven through an improved understanding of the condition of existing assets and a greater focus on long term financial stability. The Australian Local Government Association's National State of the Assets 2015 report found that 11% of Australian Local Government infrastructure is in poor condition.

Council has attempted to address its asset maintenance and renewal funding gap through previous Special Rate Variations, see **Attachment 8** for past instruments of approval. Through the review of its Asset Management Plans, Council's understanding of asset management requirements has matured significantly. This has resulted in a better understanding of asset conditions and long term funding requirements.



The need to invest additional funds for asset maintenance is reflected in Council's Annual Financial Statements. For the year ended 30 June 2015 Council reported a Building and Infrastructure Ratio significantly lower than the benchmark (57.19% compared to benchmark of 100). Negative trends were also identified in Council's Asset Management Ratio (0.78 compared to benchmark 1) and Infrastructure Backlog Ratio (2.15 compared to benchmark of less than 2). Council acknowledges this is unsustainable into the future and that funding gap must be addressed to ensure that the community infrastructure service levels as identified in **Section 3.1** can be achieved.

Refer to **Attachment 6**, Council's Strategic Asset Management Plan for additional information

### **External Assessment of Council's Financial Sustainability**

#### TCorp Financial Assessment Report

TCorp released its financial assessment of Wingecarribee Shire Council in October 2012. The financial assessment was used to inform Council's application for a \$2.5 million loan under the Local Infrastructure Renewal Scheme. Overall TCorp issued Council with a 'moderate' financial rating, with a 'neutral' outlook. What this meant in terms of Council's overall financial sustainability is as follows:

*TCorp considers that a Council needs to be assessed at a Moderate or higher level to be acceptable in terms of their sustainability. A Moderate level FSR is on average equivalent to marginally exceeding the benchmarks utilised in TCorp's assessment process.*

*TCorp Financial Assessment and Benchmarking Report 2012*

In terms of Council's financial outlook, TCorp assessed changes in Council's Financial rating as follows:

*TCorp's assessment of the likely movement in a Council's FSR over the short term, being the next three years, is the Outlook. Councils were assigned an Outlook rating of Positive, Neutral or Negative. A Positive Outlook indicates that a Council's FSR is likely to improve in the short term, whilst a Neutral Outlook indicates that the FSR is likely to remain unchanged.*

*TCorp Financial Assessment and Benchmarking Report 2012*

While TCorp's assessment was that Council's financial sustainability was in an overall satisfactory position, there were a number of negative trends reported. In regards to Council's overall performance, TCorp made the following comment:

*Council's financial management indicators are improving over the period except for the DSCR and Interest Cover Ratio which are strong, indicating that Council is in a sound financial position, **however, there are some adverse trends in the asset management ratios** (emphasis added)*

*TCorp Financial Assessment and Benchmarking Report 2012*

TCorp also made the following observation regarding its assessment of Council's Building and Infrastructure Renewal Ratio when compared to similar councils:

*The Building and Infrastructure Asset Renewal Ratio was below the group's average and benchmark in the past three years, suggesting that Council is not replacing or refurbishing its existing assets to the equivalent capacity of its old assets. Also, the Capital Expenditure Ratio has been declining and is forecast to fall under benchmark levels over the medium term.*

*Overall, Council's asset renewal and capital works may be insufficient to prevent the Infrastructure Backlog from growing.*

*TCorp Financial Assessment and Benchmarking Report 2012*

A copy of TCorp's Financial Assessment is provided in **Attachment 9**.

#### Fit For the Future Response – IPART Assessment

The most recent external review of Council's financial sustainability was undertaken by IPART as part of its assessment of NSW councils under the *Fit for the Future* reform agenda. This review required Council to develop an Improvement Proposal aimed at meeting the seven key financial benchmarks set by the NSW State Government for assessing financial sustainable councils.

In developing its Improvement Proposal, Council identified a number of strategies which have been outlined in **Sections 2.2** and **3.1** of this application. A key strategy in Council achieving the benchmarks set by the NSW State Government was a proposed Special Rate Variation. This is reflected in IPART's assessment of Council's Improvement Proposal:

*The council's forecasts rely on a successful application for and adoption of a special variation from 2016-17 of 41.2% cumulative over 4 years (30.8% above the rate peg). The additional funds will be used to meet the benchmark for operating performance and address a current funding gap for maintenance and renewal, which would reduce its backlog.*

*Wingecarribee Shire Council, Fit for the Future IPART Assessment*

IPART’s overall assessment was that Council met the criteria for a financially sustainable Council based on implementation of its Improvement Proposal which includes a proposed application for a Special Rate Variation. See **Attachment 3** for IPART Fit for the Future Assessment.

**Council’s View of the Impact of the Proposed Special Variation on its Financial Sustainability**

Since 2000, Council has applied for a number of temporary and permanent Special Rate Variations which have been approved by either the Office of Local Government or IPART for either an Environment Levy or Infrastructure funding (See **Attachment 8**, Past Instruments of Approval).

Environmental Levy

Council first applied for its Environmental Levy in 2000 which was approved for a period of three years.

In 2003, the Levy was approved for a further five years. In 2008, the Levy was again approved, this time for a period of four years. Council last sought the continuation of the Environmental Levy in 2012, where its application was approved by IPART for a period of six years.

Infrastructure Funding

Council first applied for a Special Rate Variation for the purpose of infrastructure funding in 2002, this was a temporary increase of 5.00% for a period of five years. Over the period 2003 to 2007 Council applied for a number of Special Rate Variations for Infrastructure Funding which were approved on a permanent basis. Council last sought a Special Rate Variation for the purposes of infrastructure funding in 2008. On this occasion Council secured a permanent rate increase of 9.50% p.a. (including rate peg) for a period of four years. This program has been referred to as the Infrastructure Recovery Strategy and has been reported each year in Council’s Annual Report.

It should be noted from 1990-1994 Council approved increases which were significantly less than the approved rate peg. These amounts are shown below:

<b>Year</b>	<b>Rate Peg</b>	<b>Adopted Rate Increase</b>
<b>1990</b>	7.30%	2.00%
<b>1991</b>	6.70%	2.00%
<b>1992</b>	0.00%	0.00%
<b>1993</b>	2.60%	0.00%
<b>1994</b>	3.50%	2.00%

While increases above rate peg have allowed Council to deliver increased programs and projects across Shire to meet the expectations of the community, they have not been sufficient to address Council’s recurrent operating deficits. When Council last

applied for a Special Rate Variation in 2012 for the continuation for the Environment Levy, IPART noted in its determination:

*“...we found that the application did not address the underlying issues related to the council’s operating deficits. We note that the council is projecting operating deficits (excluding capital) for the General Fund for the each of the next 10 years”*

*Wingecarribee Shire Council’s Application for a Special Variation 2012/13  
Local Government - Determination June 2012*

This proposed Special Rate Variation will allow Council to address the issue outlined by IPART and secure its Long Term Financial Sustainability. As demonstrated in the LTFP 2016-2026 Council will achieve and maintain an operating surplus before capital items. Ultimately Council’s long term financial sustainability will be determined by its ability to meet the *Fit for the Future* benchmarks as required by the NSW Government.

### 3.3 Financial indicators

How will the proposed special variation affect the council's key financial indicators (General Fund) over the 10-year planning period? Please provide, as an addendum to the LTFP, an analysis of council's performance based on key indicators (current and forecast) which may include:

Operating balance ratio excluding capital items (ie, net operating result before capital grants and contributions as percentage of operating revenue before capital grants and contributions).

Unrestricted current ratio (the unrestricted current assets divided by unrestricted current liabilities).

Rates and annual charges ratio (rates and annual charges divided by operating revenue).

Debt service ratio (principal and interest debt service costs divided by operating revenue excluding capital grants and contributions).

Broad liabilities ratio (total debt plus cost to clear infrastructure backlogs as per Special Schedule 7 divided by operating revenue).

Asset renewal ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses).

Since the introduction of the NSW State Government's *Fit for the Future* reform agenda, Council has adopted the seven financial indicators used to assess financially sustainable councils to benchmark its Long Term Financial Plan financial modelling. These indicators assess Council's financial modelling around three key themes:

#### **Financial Sustainability**

- Operating Performance Ratio;
- Own Source Revenue Ratio; and
- Building and Infrastructure Asset Renewal Ratio.

#### **Effective Infrastructure and Service Management**

- Infrastructure Backlog Ratio;
- Asset Maintenance Ratio; and
- Debt Service Ratio.

#### **Efficiency**

- Real Operating Expenditure Per Capita over time.

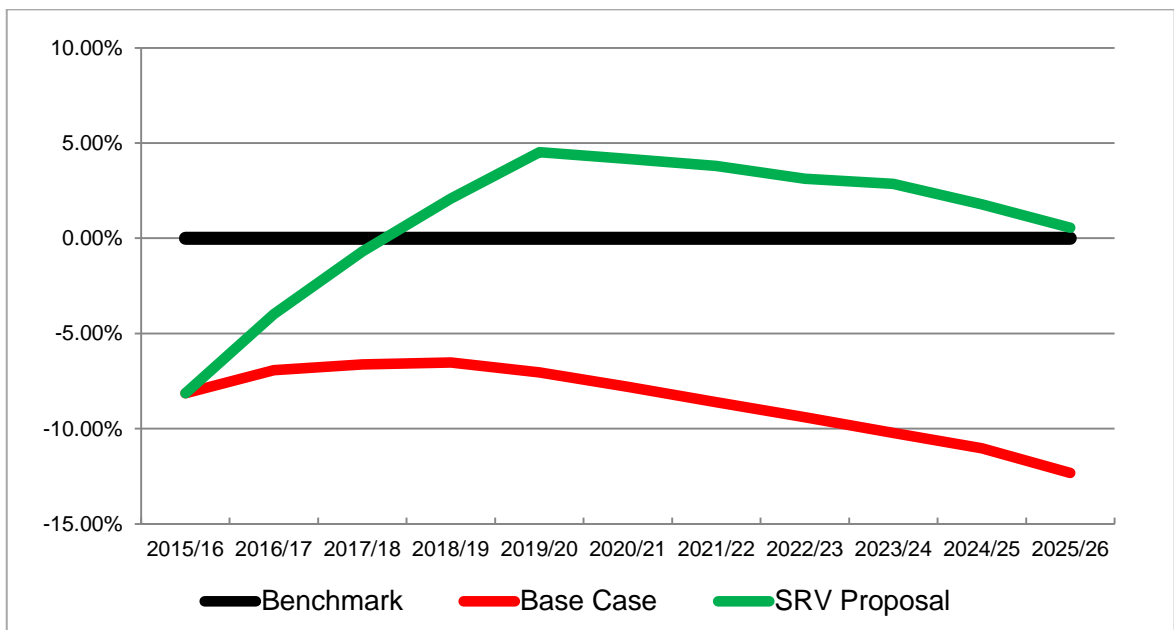
Council's Long Term Financial Plan (**Attachment 5**) includes an assessment of each of the three funding scenarios presented to the community as part of the Investing in Our Future proposal against these benchmarks.

Provided below is a summary of how Council's preferred scenario (Scenario 3) will impact on these seven key financial indicators.

### Operating Performance Ratio

This ratio measures Council’s achievement of containing operating expenditure within operating revenues. The benchmark for this ratio is a ratio of greater than 0%.

As shown in the graph below, Council will only achieve this benchmark under the SRV Proposal scenario. Council is committed to delivering a balanced budget position over the course of its Long Term Financial Plan; as such the base case scenario does not generate sufficient revenue for Council to increase its funding to address its long term infrastructure maintenance and renewal requirements.

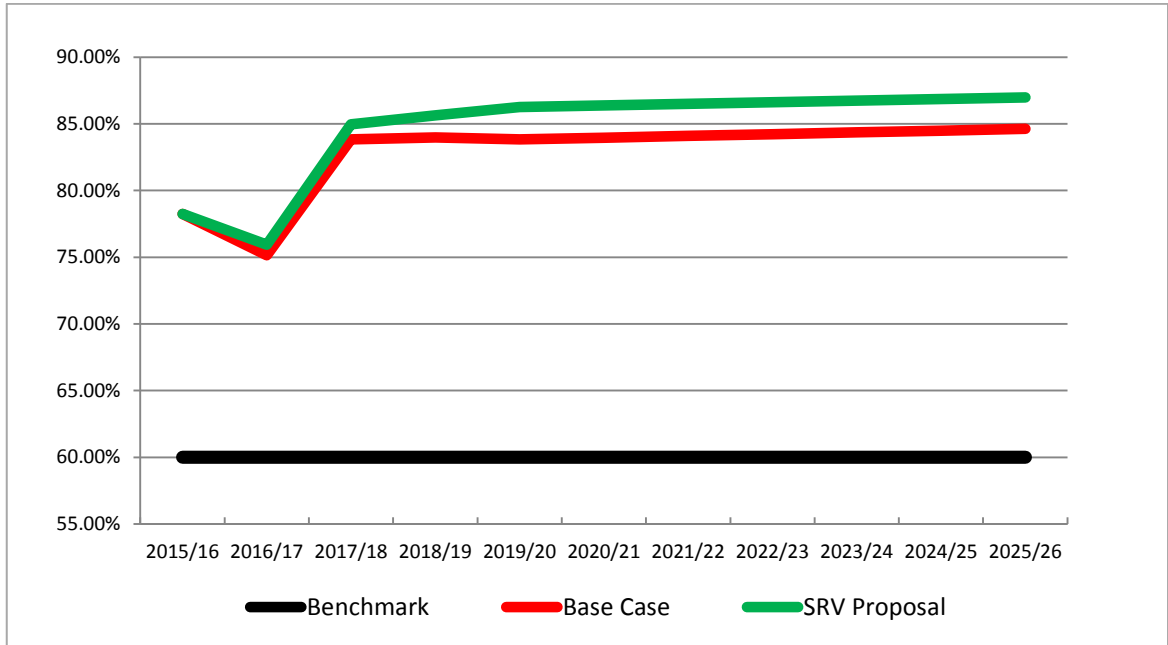


Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Operating Performance Ratio</b>											
SRV Proposal	-8.14%	-3.98%	-0.68%	2.08%	4.52%	4.16%	3.79%	3.12%	2.86%	1.78%	0.55%
Base Case	-8.14%	-6.92%	-6.62%	-6.53%	-7.04%	-7.81%	-8.61%	-9.40%	-10.21%	-11.03%	-12.32%

### Own Source Operating Revenue Ratio

This ratio measures the degree of reliance Council has on external funding sources such as grants and contributions. The benchmark for this ratio is greater than 60%.

Council meets this ratio comfortably in both the base case scenario and the SRV Proposal Scenario and intends to improve this ratio over the coming years.



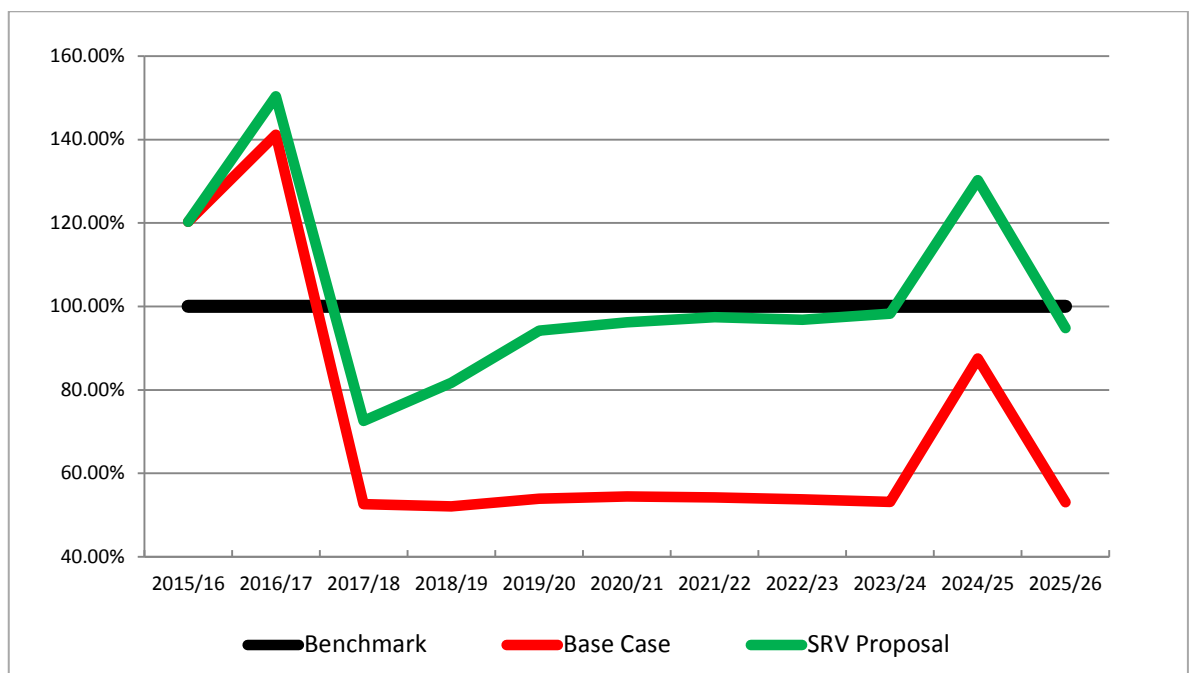
Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Own Source Revenue Ratio</b>											
SRV Proposal	78.24%	75.93%	84.96%	85.64%	86.26%	86.38%	86.50%	86.62%	86.74%	86.86%	86.97%
Base Case	78.24%	75.16%	83.84%	83.98%	83.83%	83.97%	84.10%	84.24%	84.37%	84.50%	84.63%

### **Building & Infrastructure Renewal Ratio**

This ratio measures the rate at which assets are being renewed relative to the rate at which they are depreciating. The benchmark for this ratio is greater than 100%. A ratio of less than 100% essentially means that the standard and safety of infrastructure will continue to decline.

Council will only achieve this ratio under an SRV Proposal Scenario. This is a result of additional funding which will be applied to infrastructure renewal works to ensure that the condition of infrastructure does not continue to deteriorate. Council will be able to ensure that assets are being renewed at levels similar to which they are depreciating.

The spike in the ratio in 2016/17 is primarily due to the Bowral Distributor roadworks (Funding Source - Grant Funding) and the spike in 2024/25 is primarily due to refurbishment of Bowral memorial pool (Funding Source - Proposed Loan Borrowing).



Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Building &amp; Infrastructure Asset Renewal Ratio</b>											
SRV Proposal	120.30%	150.34%	72.53%	81.73%	94.17%	96.19%	97.45%	96.79%	98.28%	130.26%	94.85%
Base Case	120.30%	141.16%	52.65%	52.04%	53.90%	54.47%	54.23%	53.78%	53.12%	87.50%	53.06%

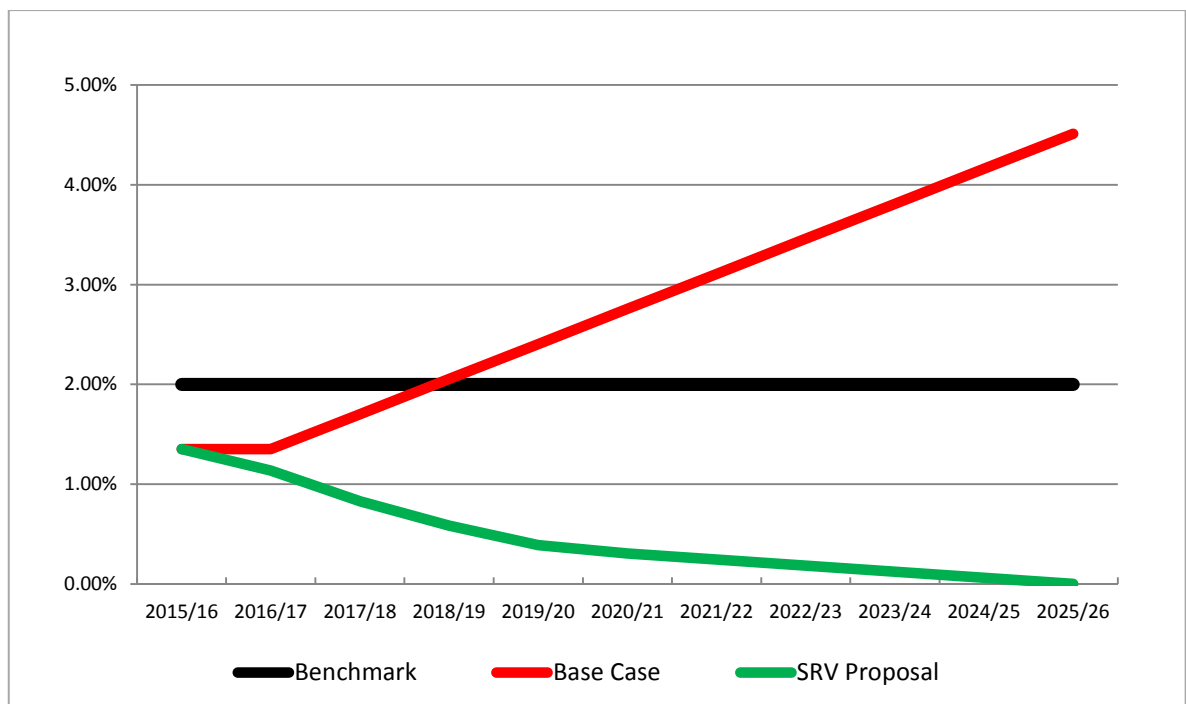


### Infrastructure Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of infrastructure. It is essentially a measure of the total value of infrastructure which is failing. The benchmark for this ratio is less than 2%.

It is important to note that up until 2015/16, Council had previously calculated infrastructure backlog as 100% of the replacement cost of condition 4 and 5 assets reported in Special Schedule 7. Council has revised its methodology used to calculate backlog to 20% of replacement cost of condition 4 assets and 50% of replacement cost of condition 5 assets.

Based on the revised calculation method of infrastructure backlog, Council will continue to meet this ratio and intends on eliminating its backlog under the SRV Proposal Scenario. The Base Case Scenario will see the level of backlog climb to approximately 4.50% in 2025/26.

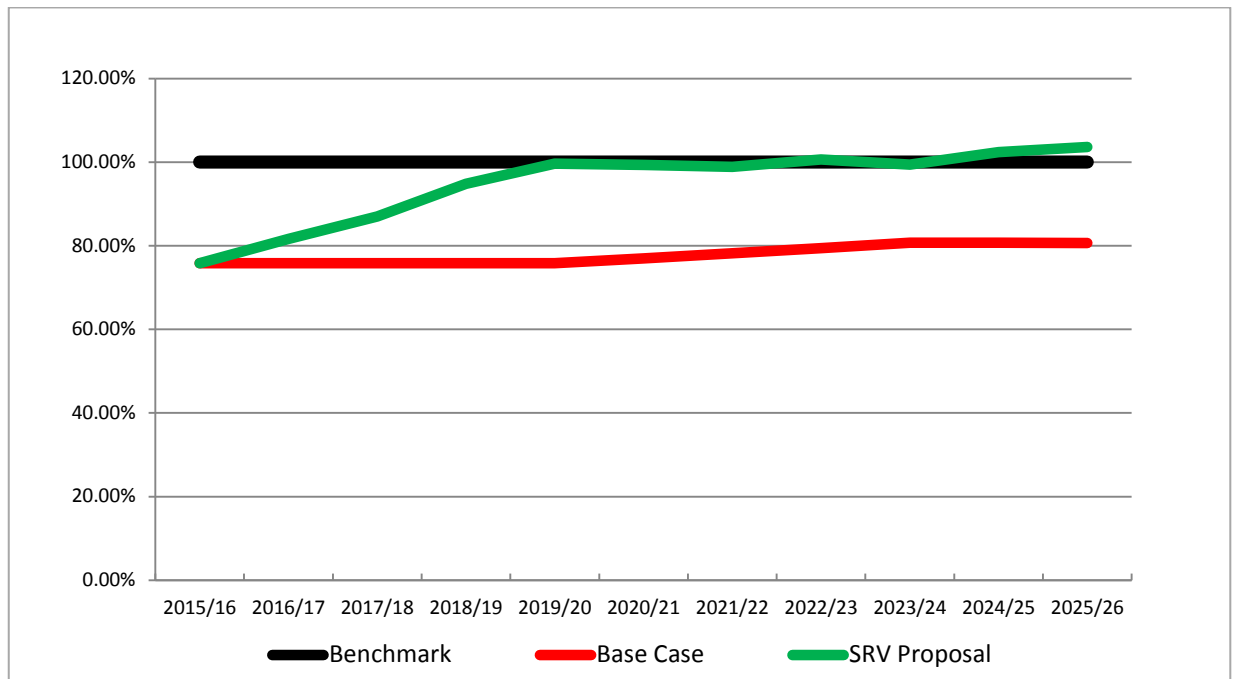


Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Infrastructure Backlog Ratio</b>											
SRV Proposal	1.35%	1.14%	0.83%	0.59%	0.39%	0.31%	0.24%	0.18%	0.12%	0.06%	0.00%
Base Case	1.35%	1.35%	1.70%	2.05%	2.40%	2.76%	3.11%	3.46%	3.81%	4.16%	4.51%

**Asset Maintenance Ratio**

This ratio compares actual maintenance versus required annual maintenance. The benchmark for this ratio is greater than 100%.

As shown in the graph below, Council will only achieve this benchmark under the proposed SRV Scenario. Under the Base Case Scenario, Council will be unable to increase its funding level for infrastructure maintenance. This funding gap will mean that the condition and safety of our assets will continue to decline.



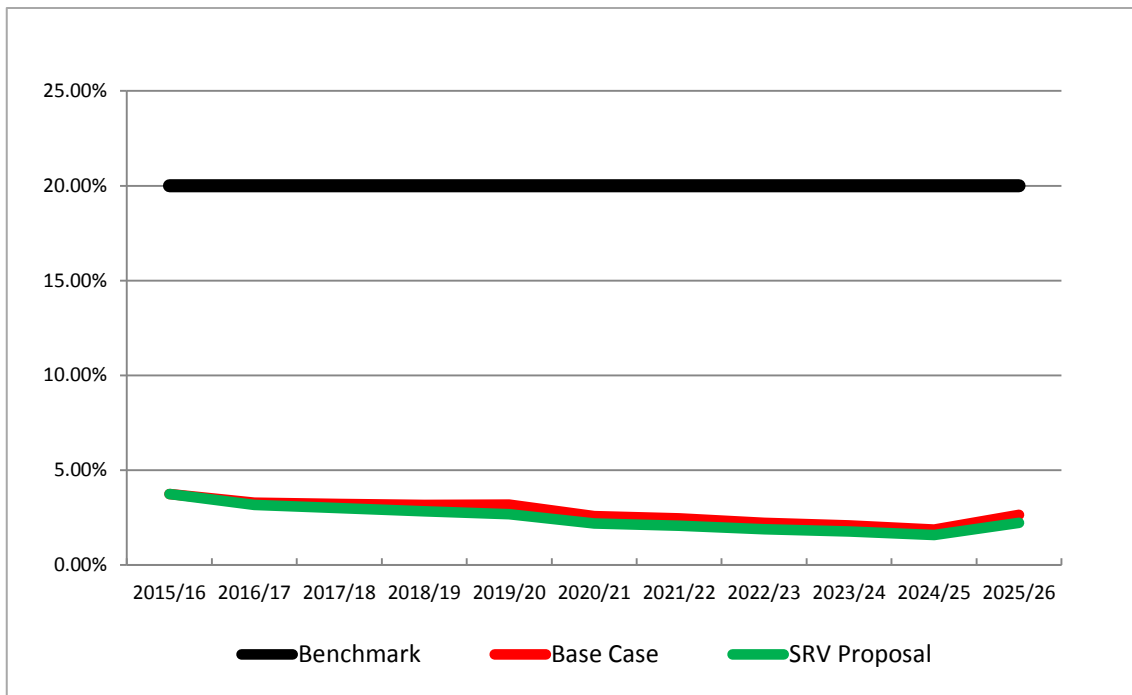
Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Asset Maintenance Ratio</b>											
SRV Proposal	75.85%	81.62%	86.98%	94.78%	99.63%	99.29%	98.87%	100.64%	99.37%	102.41%	103.59%
Base Case	75.85%	75.85%	75.84%	75.85%	75.85%	77.01%	78.19%	79.42%	80.69%	80.69%	80.68%

### Debt Service Ratio

This ratio highlights the extent to which Council’s revenue from continuing operations is required for the repayment of debt (including both principal and interest repayments). The benchmark for this ratio is less than 20%.

Council has a long standing practice where loan funds are only considered for infrastructure investment (Capital Expenditure) which provides inter-generational benefit. Council does not have a recurrent loan borrowings program.

Council meets this ratio comfortably under both Scenarios. This includes the debt servicing payments relating to the \$6.5 million secured in 2014/15 under the Local Infrastructure Renewal Scheme. There are no other loan borrowings factored into the plan until 2024/25, which includes loan borrowings of \$5.6 million for the refurbishment of Bowral Pool.



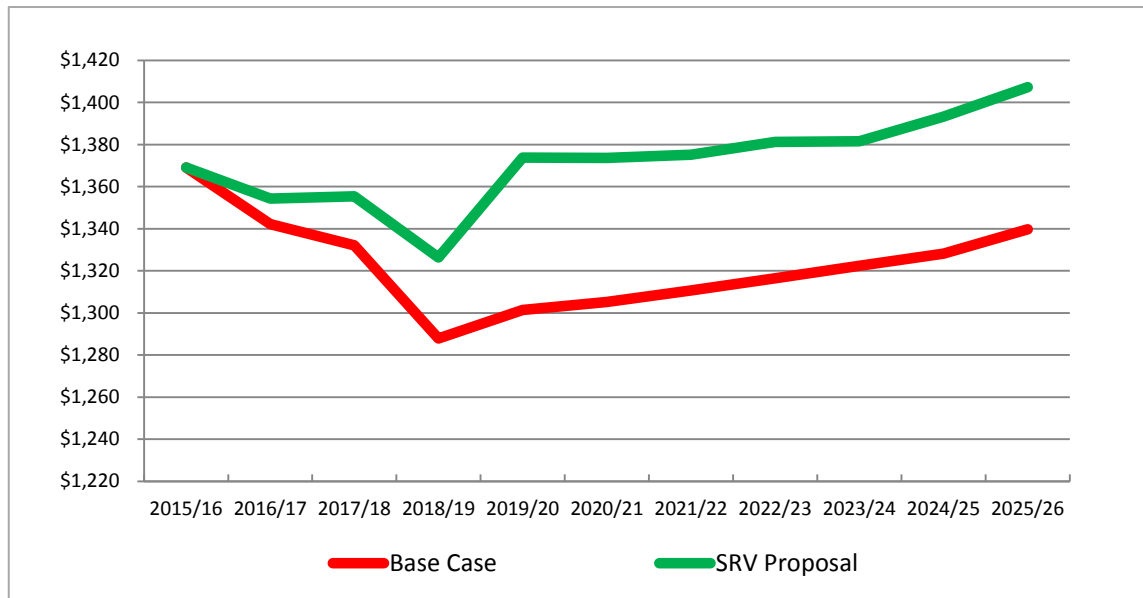
Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Debt Service Ratio</b>											
SRV Proposal	3.74%	3.16%	2.99%	2.83%	2.68%	2.18%	2.08%	1.88%	1.77%	1.58%	2.23%
Base Case	3.74%	3.28%	3.22%	3.17%	3.18%	2.59%	2.46%	2.23%	2.09%	1.87%	2.65%

### **Real Operating Expenditure (Per Capita) Ratio**

This ratio has recently been introduced to measure the efficiency of service and infrastructure delivery for residents now and into the future. The benchmark is that real operating expenditure (per capita) should be declining.

While initially Council meets the benchmark under both Scenarios up to 2018/19, the long term trend is that real operating expenses will increase. In the case of Proposed SRV Scenarios, this is unavoidable as Council will be significantly increasing its expenditure on infrastructure maintenance. It is important that the results of this ratio are not considered in isolation.

Council has included a population growth factor which is in line with the Department of Planning forecasts in determining this ratio.



Year Ending	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Real Operating Expenditure Per Capita</b>											
SRV Proposal	\$1,369	\$1,354	\$1,355	\$1,326	\$1,374	\$1,374	\$1,375	\$1,381	\$1,382	\$1,393	\$1,407
Base Case	\$1,369	\$1,342	\$1,332	\$1,288	\$1,301	\$1,305	\$1,311	\$1,316	\$1,322	\$1,328	\$1,340

### 3.4 Contribution plan costs above the cap

You should complete this section if the proposed special variation seeks funding for contributions plan costs above the development contributions cap. Otherwise, leave this section blank.

Please explain how the council has established the need for a special variation to meet the shortfall in development contributions.

For costs above the cap in contributions plans, a council must provide:<sup>3</sup>

a copy of the council's section 94 contributions plan

a copy of the Minister for Planning's response to IPART's review and details of how the council has subsequently amended the contributions plan

details of any other funding sources that the council is proposing to use, and

any reference to the proposed contributions (which were previously to be funded by developers) in the council's planning documents (eg, LTFP and Asset Management Plan (AMP)).

Not applicable.

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<sup>3</sup> See Planning Circular 10-025 dated 24 November 2010 at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) and for the most recent Direction issued under section 94E of the *Environmental Planning and Assessment Act 1979*. See also Planning Circular PS 10-022 dated 16 September 2010.

## 4 Assessment criterion 2: Community awareness and engagement

Criterion 2 within the OLG Guidelines is:

*Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur. IPART's fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations.*

Our fact sheet on the requirements for community awareness and engagement are available on the IPART website.<sup>4</sup>

In responding to this criterion, the council must provide evidence that:

it has consulted and engaged the community about the proposed special variation using a variety of engagement methods and that the community is aware of the need for, and extent of, the requested rate increases

it provided opportunities for input and gathered input/feedback from the community about the proposal, and

the IP&R documents clearly set out the extent of the requested rate increases.

In assessing the evidence, we will consider how transparent the engagement with the community has been, especially in relation to explaining:

the proposed cumulative special variation rate increases including the rate peg for each major rating category (in both percentage and dollar terms)

the annual increase in rates that will result if the proposed special variation is approved in full (and not just the increase in daily or weekly terms)

the size and impact of any expiring special variation (see Box 4.1 below for further detail), and

the rate levels that would apply without the proposed special variation.

More information about how the council may engage the community is to be found in the OLG *Guidelines*, the IP&R manual, and IPART's Fact Sheet *Community Awareness and Engagement for special variation applications*, January 2016.

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<sup>4</sup> [http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt/Special\\_Variations\\_and\\_Minimum\\_Rates](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates)

## 4.1 The consultation strategy

The council is required to provide details of the consultation strategy undertaken, including the range of methods used to inform and engage with the community about the proposed special variation and to obtain community input and feedback. The engagement activities could include media releases, mail outs, focus groups, statistically valid random or opt-in surveys, online discussions, public meetings, newspaper advertisements and public exhibition of documents. The council is to provide relevant extracts of the IP&R documents that explain the rate rises under the proposed special variation and attach relevant samples of the council's consultation material.

In response to the *Fit for the Future* reforms Council formally commenced its *Investing in our Future* project in August 2015 to address the identified gap in asset maintenance and renewal funding. As outlined in **Section 2.2** Council endorsed the commencement of a community engagement process at its meeting on 26 August 2015. The multi-phased community engagement program was based on the following principles:

- Community engagement will be open, transparent and underpinned by fact so the community can make an informed decision
- Community engagement will be genuine and seek to illicit the views from a broad and representative cross section of the community
- Community engagement will be reliable and accessible utilising a variety of community engagement tools to provide a range of opportunities for input and feedback
- Community engagement will involve regular feedback to the community and Council on the outcomes of each engagement phase.

The following part of this application provides a detailed breakdown on the engagement phases and the strategies and tactics employed to elicit meaningful community feedback.

## **Phase 1: Asset Management Survey (August – September 2015)**

**Objective:** To explore community support for improvements including the identification of priority assets service levels and funding sources and further test assumptions on which Council's Fit for the Future Improvement Proposal was based

An information booklet was prepared to provide a snapshot of community asset conditions and Council's current investment across asset categories (see **Attachment 3, Appendix 1**). An independent research company, Micromex Research was engaged to explore and record the community's sentiment about the information provided.

Specifically the research quantitatively aimed to:

- Explain the level of current investment in community assets, establish relative priority for asset categories and seek an understanding of community satisfaction with current asset service levels
- Gain an understanding of community support for Council's funding position in regards to four key asset categories
- Identify community endorsed revenue options for Council to explore in order to address funding requirements.

This key engagement activity consisted of a three-stage methodology:

- Stage 1: Initial recruitment of a random representative sample of 602 Wingecarribee residents. Participants answered several questions relating to Council's assets via a telephone phone survey
- Stage 2: Mail-out of an information booklet explaining the various asset management challenges and options. Recipients were requested to read the booklet before responding to the next phone survey
- Stage 3: Recontact telephone interviews with 401 of the initial 602 (a statistically reliable representative sample).

### **Data collection and sampling**

Participants were recruited via a computer-based random selection process using the electronic White Pages in late August. To improve sample efficacy this included respondents without landlines and 18-49 year olds who were sourced via face-to-face intercepts in town centres.

A total of 602 information kits were posted to the recruited participants. The information booklet provided a snapshot of asset conditions and the present level of funding allocated for each asset type. Information was provided for sealed roads, unsealed roads, footpaths, cycleways, bridges, road drainage, buildings, stormwater drainage, the water network, parks, the sewerage network and open spaces.

The call back interview was conducted between 10 and 19 September 2015. A representative sample of 401 participants were recontacted to complete the survey following receipt of the information kit.



**Phase 2: 'Investing in our Future' Options and Community Awareness (8 October to 2 November 2015)**

**Objective:** Determine the community's preferred scenario for funding asset management and improvements.

**Goals:**

- Improve community understanding of services and assets provided by Council and the financial challenges faced in maintaining existing levels of service or improving assets into the future.
- Ensure that the community is effectively engaged about the options for 'Investing in our Future' using a variety of communication and engagement methods which meet IPART requirements and suit the timeframe.
- To measure community support for a Special Rate Variation.
- To provide opportunities for residents to express their views on the 'Investing in our Future' options.

Using information obtained during Phase 1, detailed financial modelling was undertaken to develop three funding and asset management options for consideration by the community. The options presented to the community are summarised below:

***Option 1: Deteriorate (Rate Peg only)***

Under this option, community assets would continue to decline and more assets would fall into the poor condition category. The focus would be on managing risk, including the possible closure and removal of unsafe assets. Council's ability to look after the environment would diminish as only options 2 and 3 contemplate continuation of the Environmental Levy in 2019/20. Rates would increase by the annual rate peg amount of an estimated 2.5% per year. Over the four year period this is a cumulative increase of 10.4%.

***Option 2: Maintain***

Council would stabilise the deterioration of community assets and would be able to fund most of the required asset renewal and maintenance and continue to look after the environment.

This option would include a Special Rate Variation of 7.75% each year for three years and 10.65% in the fourth year. This includes the estimated 2.5% rate peg. Over the four year period this is a cumulative increase of 38.42% (or 28.04% over the estimated rate peg). This option also includes the continuation of the Environmental Levy in year four (2019/20) which residents are currently paying. At the end of the four year period the Special Rate Variation increases would be built into the rate base. This option would generate \$74.7 million over 10 years and would allow an additional spend of:

- \$45.5 million on roads, road drainage, footpaths and shared pathways;
- \$9.3 million on stormwater drainage;
- \$15.8 million on buildings; and
- \$4.1 million on parks and open spaces.

### Option 3: Improve

Council would improve the quality of our community assets by being able to fund the required asset renewal and maintenance. It would continue to look after our environment and be able to undertake some new work to fill essential asset gaps.

This option would include a Special Rate Variation of 9.25% each year for three years and 12.15% in the fourth year. This includes the annual estimated 2.5% rate peg. Over the four year period this is a cumulative increase of 46.24% (or 35.86% over the estimated rate peg). This option also includes the continuation of the Environmental Levy in year four (2019/20) which residents are currently paying. At the end of the four year period the Special Rate Variation increases would be built into the rate base. This option would generate \$98.4 million over 10 years and would allow an additional spend of:

- \$51.6 million on roads, road drainage, footpaths and shared pathways;
- \$26.9 million on stormwater drainage;
- \$15.8 million on buildings; and
- \$4.1 million parks and open spaces.

## Phase 2 Communication and Engagement Methods

A number of methods were utilised to increase community awareness about the Special Rate Variation proposal and options outlined above. A brief description of each method and the outcomes of each are provided below.

### 'Investing in our Future' information booklet

A booklet of information was prepared for distribution to residents. The booklet included information about:

- The need for a Special Rate Variation and results of the Phase 1 asset survey;
- Organisation efficiencies and the services and assets funded by general rates;
- Previous special rate variations for infrastructure renewal and environmental works;
- The three options, effect of land valuations and Council's financial hardship processes;
- Ways the community could provide feedback or seek additional information including a list of kiosk dates; and
- A postage paid survey postcard for residents to return, outlining their preferred option and reasons for this choice.



A total of 30,000 booklets were printed. 3,234 of these were posted direct to non-resident ratepayers and a further 26,300 were lodged with Australia Post for distribution throughout Shire. Remaining copies were made available at libraries, saleyards, pools, kiosks or provided for distribution by community groups. Please see **Attachment 3, Appendix 3** for a copy of the 'Investing in our Future' booklet.

### ***YourSayWingecarribee site***

A project page, including document library, key links and an online survey was set up for the 'Investing in our Future' project at [www.yoursaywingecarribee.com.au/SRV](http://www.yoursaywingecarribee.com.au/SRV) and actively publicised via media releases, the information booklet, emailed newsletters and alerts. Registration was required before people could complete an online survey in order to reduce the number of multiple completions and capture contact information for future notifications about the Special Rate Variation and other consultations.

More than 1,250 visits to the site occurred between 8 October and 2 November 2015 by 970 individual visitors. 397 documents were downloaded, 326 surveys completed, seven questions asked and much interest recorded in the FAQs and fact sheets provided. See **Appendix 10** for a summary of all *Investing in our Future* Fact Sheets and Exhibited Materials.

### ***Information Kiosks***

Fourteen information kiosks were conducted across the Shire during October 2015. Kiosks were promoted via the booklet issued to all households and supported by newspaper and radio advertising outlined later in this report.

The earlier kiosks provided staff with an opportunity to encourage residents to look for the booklet and learn more about the 'Investing in Our Future' project. Kiosks held later in the month were attended by residents with specific questions and requests. The kiosks program and attendance rates are outlined in **Table 7**.



**Table 7: 'Investing in our Future' Kiosk Program**

Kiosk Date & Time	Venue	Attendance
Saturday 10 October, 8am to 1pm	Bowral Markets	49 visitors
Saturday 10 October, 10am to 4pm	Home and Garden Show	Visitors unrecorded
Sunday 11 October, 9am to 2pm	Robertson Markets	13 visitors
Sunday 11 October, 10am to 4pm	Home and Garden Show	Visitors unrecorded
Tuesday 13 October, 10am-12noon	Highlands Market Place	11 visitors
Wednesday 14 October, 10am-12noon	Corbett Plaza	17 visitors
Wednesday 14 October, 6.30-7.30pm	Hill Top Community Centre	9 visitors
Thursday 15 October, 2pm-6pm	Highlands Market Place	11 visitors
Friday 16 October , 2pm – 4pm	Corbett Plaza	7 visitors
Sunday 18 October, 9 am to 1pm	Bundanoon Markets	26 visitors
Wednesday 21 October, 2pm-4pm	Civic Centre, Moss Vale Information Sessions	14 Visitors
Wednesday 21 October, 6pm-8pm	Civic Centre, Moss Vale Information Sessions	13 Visitors
Sunday 25 October , 9am to 2pm	Berrima Schoolyard Markets	46 visitors
Thursday 29 October , 4pm – 6pm	Robertson CTC	9 visitors

More than 225 residents were engaged in conversations about aspects of the *Investing in our Future* project during the 14 kiosks held in small village halls, shopping centres, main streets and at market days. The kiosks held on Wednesday 21 October 2015 at the Civic Centre were attended by executive staff and professional officers who were able to provide detailed information about various aspects of 'Investing in our Future' options.

#### ***Emailed alerts and newsletters***

A number of electronic messages were shared with key stakeholder groups and individuals via email or newsletter, reaching the people who have subscribed for Council newsletters, joined the YourSayWingecarribee consultation hub or listed on contact databases held by Council. A summary of this activity is provided below in **Table 8**.

**Table 8: Email Alerts and Newsletters**

Email/Newsletter	Distribution and Reach
Emailed Newsletters issued	23/10/15 to 922 subscribers 27/10/15 to 851 Environment and Sustainability Update subscribers 30/10/15 to 902 subscribers
YourSayWingecarribee online engagement hub – <i>emailed alerts to registered members</i>	22/10/15 to 1579 registered YourSayWingecarribee members 22/10/15 to 1668 registered YourSayWingecarribee members 30/10/15 to 1740 registered YourSayWingecarribee members <i>NOTE: During the period 8 October to 2 November, registrations for the YourSayWingecarribee website increased by 250 members.</i>
Emailed alerts	137 on town and village contact list 53 from other community contact lists 306 people who had provided email addresses for re-contact during Community Satisfaction (179) and Assets (127) telephone surveys earlier in the year. 19 Street Tree Master Plan participants Over 50 members of Council committees

**Radio**

Research has confirmed that local commercial radio station 2ST is one of the principal source of timely, local news and information for local residents. A number of scheduled interviews (09/10/15 and 20/10/15) were conducted on 2ST throughout phase 2. These were also supported by unscripted chats with the radio show host. Two 30 second radio commercials were scripted and aired by 2ST over 7 weekdays. Scripting for the two radio commercials was as follows:

**SCRIPT 1**

**ATTENTION ALL RESIDENTS!** Watch your mail box over the coming week for an information booklet from Wingecarribee Shire Council.

*It contains important information about your rates and offers you the opportunity to comment about managing the Shire’s assets.*

*Do you want local roads, buildings, parks and drainage Infrastructure to improve, be maintained or deteriorate?*

*Your choice of funding option will help Council make important decisions.*

*Read through the booklet and have your say.*

*Learn more at “your say wingecarribee” dot com dot A-U or call 4868, 0888.*

**SCRIPT 2**

*Time is running out for you to have your say on how you’d like our Shire to look.*

*Do you want local roads, buildings and parks to be maintained, improved or left to deteriorate?*

*Are you willing to pay higher rates for improvements?*

*Wingecarribee Shire Council wants to hear from you.*

*Return the reply paid survey found in the Investing In Our Future booklet delivered to your home or complete an online survey.*

*Your voice matters and will help Council make important decisions about managing the Shire’s assets and infrastructure for future generations.*

*To complete the online survey and to learn more visit “your say wingecarribee” dot com dot A-U or call 4868 0888.*

Twelve live radio reads were also scheduled with 2ST. This provided additional detail in a 60 second slot and instigated calls to the radio station, allowing the host to discuss on air and further raise awareness with listeners.

### ***Social Media***

Council's corporate Facebook page currently has 3803 likes (4061 as at 31.01.2016) and there are 404 twitter followers (486 as at 31.01.2016). Four posts about the opportunity to comment on the Special Rate Variation reached 792 people. Community Facebook pages independent of Council also shared or posted SRV information including:

- Hill Top Residents;
- Hill Top Village Association; and
- Robertson Commons.

### ***Media releases***

Three media releases were issued, focussing on a number of themes:

- Information Kiosks kick off Special Rate Variation discussions (08/10/15);
- Special Rate Variation Information Kiosks continue (19/10/15); and
- Wingecarribee Shire LGA to remain unchanged (20/10/15).

### ***Weekly Newspaper Columns (General Manager and Mayor)***

Three columns in the Wednesday edition of Southern Highland News featured information about the Special Rate Variation. These were written from the Mayor or General Manager's perspective and were themed.

- 28/10/15
- 21/10/15
- 14/10/15

### ***Wingecarribee Today***

Council's quarterly newsletter is distributed across the shire to more than 23,000 households. An article featuring information about *Investing in our Future* was inserted into the September 2015 issue and a further update was included in the December 2015 issue. Both provided links for ongoing information and encouraging sign-up to Council's e-newsletter or the online consultation hub for updates about the 'Investing in our Future' project.

### ***Newspaper advertisements***

Information about the SRV was included in Council's weekly advertising page in the Southern Highland News on 7, 14, 21 and 28 October 2015. Separate display advertising about the SRV was placed in the Southern Highland News on 7, 9, 12, 26, 28, and 30 October 2015 as well as the Highlands Post on 15 and 29 October 2015.

**Table 9: Other Phase 2 Engagement Activities**

Engagement Activity	Details
Information Displays	Display materials were developed for the Civic Centre foyer space and Saleyards, providing large scale copies of fact sheets and images.
'Investing in our Future' Business Cards	Were provided to Councillors and first contact staff for distribution and in case of enquiries. These were also useful at displays and kiosks. The business card included details of how to access information on the project.
Phone and counter enquiries	The SRV project team was available to respond to questions throughout phase 2. During this time 16 enquiries were received regarding the Special Rate Variation.
Staff briefings and advisory emails	Staff were kept informed via five briefings conducted by the General Manager or direct email for those who were unable to attend.

**PHASE 3 Exhibition of revised draft Integrated Planning & Reporting Documents 11 December 2015 to 1 February 2016**

**Objective:** Raise awareness and seek community feedback during the exhibition of:

- Draft Delivery Program 2013-17 (Revised December 2015);
- Draft Long Term Financial Plan 2016-2026; and
- Draft Strategic Asset Management Plan 2016-2026.

**Goals:**

- Provide additional detail about the projects and programs which will be delivered under each scenario;
- Seek and receive submissions from residents about the exhibited IP&R documents and identify key issues for community;
- Increase awareness about Special Rate Variation; and
- Increase knowledge about decisions made and yet to be made by Council, as well as the SRV process / timeline.

At its meeting on 9 December 2015 Council considered a report which outlined the response received via surveys and submissions during Phases 1 and 2. A copy of *Investing in our Future Community Engagement Report December 2015* was attached to the report to provide further detail.

Councillors unanimously voted to notify IPART of Council's intention to apply for a Special Rate Variation by 11 December 2015. Council also endorsed the Draft Delivery Program 2013-17 (Revised December 2015), Draft Long Term Financial Plan 2016-

2026 and Draft Strategic Asset Management Plan 2016-2016 for public exhibition from 11 December until 1 February 2016. The documents were placed on public exhibition for a period of 53 days. Legislative requirement is a 28 days exhibition period and this was extended to account for the Christmas/New Year break.

The draft documents included information relating to Council's proposed Special Rate Variation *Investing in our Future* and provided greater level of detail about projects and programs which would be delivered for each scenario and included detailed financial and asset management information and capital programs. The documents were available at Council's customer service centre and libraries and copies could also be downloaded or viewed online at [www.yoursaywingecarribee.com.au/SRV](http://www.yoursaywingecarribee.com.au/SRV)

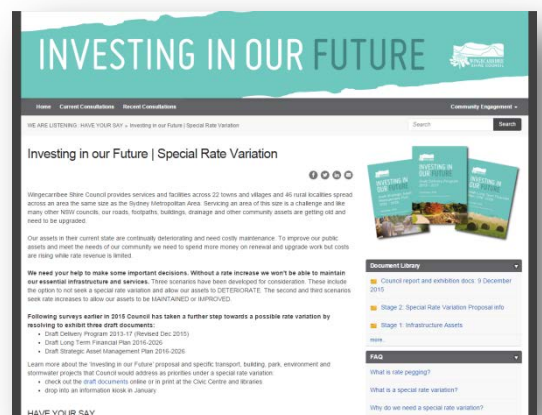


### Phase 3 Communication and Engagement Methods

A number of methods were utilised to increase community awareness about the Special Rate Variation proposal and seek feedback. A brief description of each method provided below.

#### YourSayWingecarribee

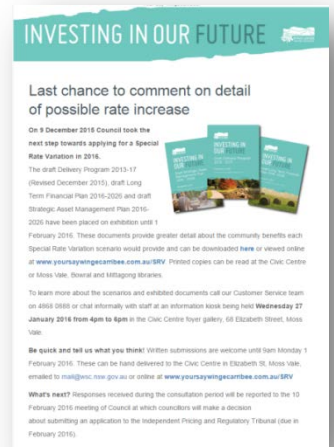
The project page [www.yoursaywingecarribee.com.au/SRV](http://www.yoursaywingecarribee.com.au/SRV) used for Phase 2 of the project was updated with additional information about the opportunity for the community to learn more about the documents exhibited during Phase 3. Associated documents and the community engagement report for Phase 1 and 2 also hosted on the site for viewing and downloading. An online form was also made available to assist residents to make a formal submission. See **Appendix 10** for a summary of all *Investing in our Future* Fact Sheets and Exhibited Materials.



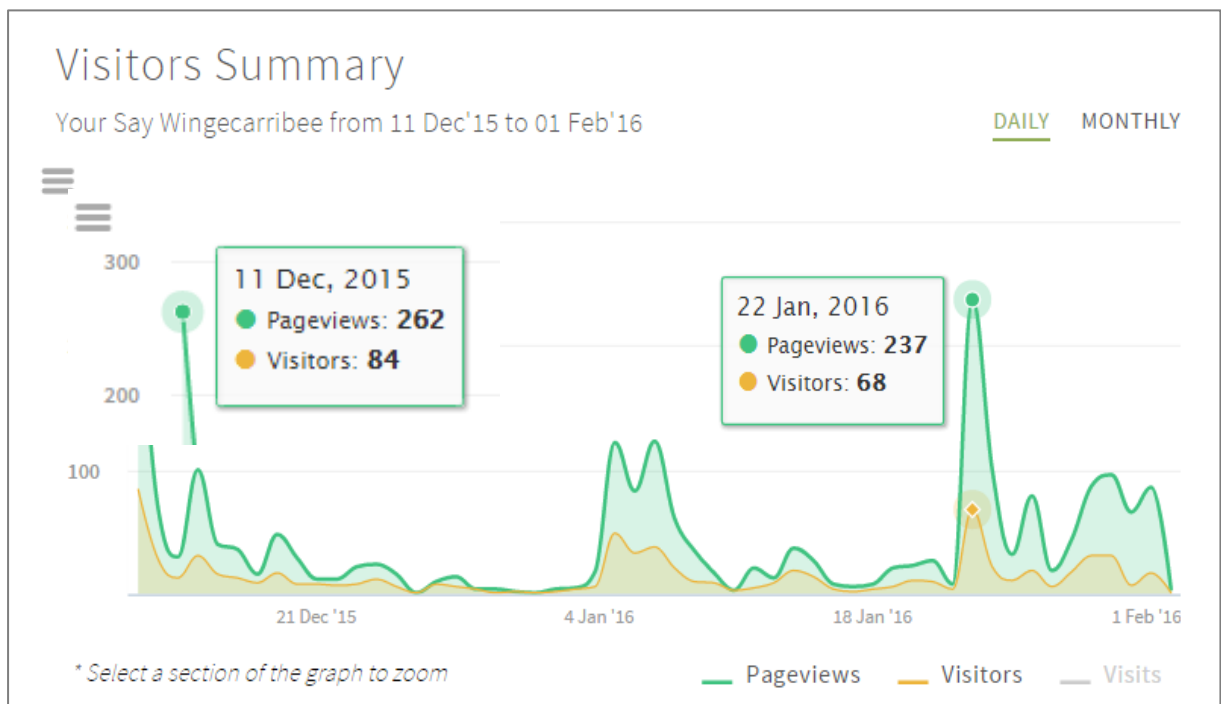


Four notifications (example on right) were issued to between 1740 and 1830 registered members of the online engagement hub:

- 04/12/2015: *Rate variation surveys reported and Council to consider next week;*
- 11/12/2015: *Next phase of consultation for Special Rate Variation has commenced;*
- 04/01/2016: *Next phase of consultation for Special Rate Variation has commenced; and*
- 22/01/2016: *Opportunity to comment closes soon - have your say.*



Between 11 December 2015 and 1 February 2016 there were 860 visits recorded for the [www.yoursaywingecarribee.com.au/SRV](http://www.yoursaywingecarribee.com.au/SRV) page. Analytics (illustrated below) show an immediate response to notifications, with 84 visitors accessing the site on the first day of Phase 3 consultation. As expected interest dropped during the Christmas to New Year period and then rose again with each reminder in January 2016. Over the exhibition period 539 documents were downloaded, 3 questions asked and 23 online submissions made.

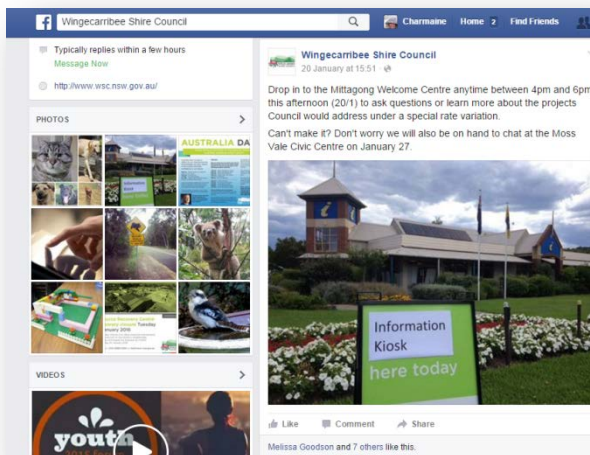


## WSC website

Links were provided from [www.wsc.nsw.gov.au](http://www.wsc.nsw.gov.au) to the YourSayWingecarribee project page.

## Social Media

Four posts were placed on Facebook and Twitter during this phase of the project, reaching between 82 and 1014 people. Refer to **Attachment 3, Appendix 9 Investing in our Future** Media Coverage, October 2015 – February 2016 for details.



## Radio

Research has confirmed that local commercial radio station 2ST is one of the principal sources of timely, local news and information for local residents. Therefore one 30 second radio commercial was scripted and aired 33 times by 2ST over 11 weekdays within the period 16/12/15 and 28/01/2016.

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### SCRIPT 1

*Like most councils across the State, many of our Shire's roads, footpaths, buildings and drains are getting old and need to be renewed.*

*Over the years the cost of maintaining and upgrading these assets has increased more than our income. To bring our assets up to scratch in-line with community expectations, Council needs an extra \$8.5 million per year.*

*In brief, we need to spend more money on our existing infrastructure or face a larger bill down the track. This means we have to make some tough decisions.....*

*To view and comment on our three different rating scenarios and learn how they'd affect you, visit [www.yoursaywingecarribee.com.au](http://www.yoursaywingecarribee.com.au) or phone 4868 0888.*

***Wingecarribee Shire Council – Investing in our Future***

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Four radio interviews, which included promotion of the opportunity to comment on the SRV and publicly exhibited documents, were conducted by the Wingecarribee Mayor with 2ST Radio on Friday 11 and 18 December 2015 as well as 15 and 22 January 2016. One radio interview was completed by the Group Manager Corporate and Community Services with ABC Illawarra on 28 January 2016.

### ***Newspaper advertising***

Information was included in Council's weekly advertising page in the Southern Highland News on 16 and 23 December 2015 plus 6, 13, 20 and 27 January 2016.

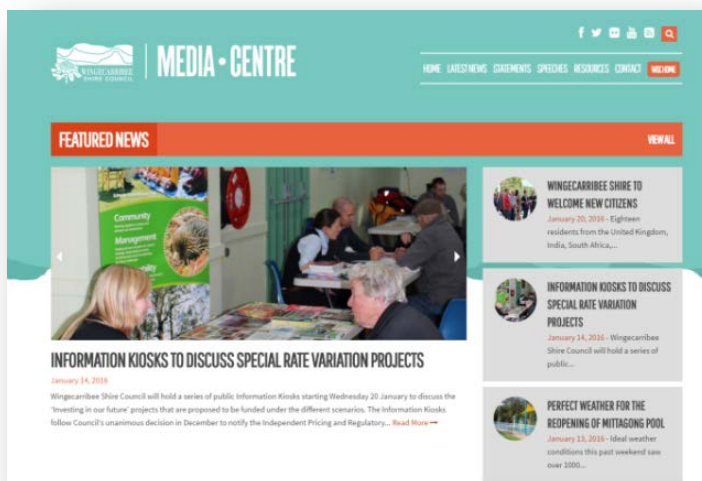
Separate display advertisements (artwork shown on right) were placed in the Southern Highland News on 16 December 2015 plus 13 and 27 January 2016 as well as in the Highlands Post on 17 December 2015 plus 14 and 21 January 2016.



### ***Media releases*** (<http://media.wsc.nsw.gov.au/>)

Four media releases were issued:

- 11/12/2015 *Council responds to increase focus on assets;*
- 08/01/2016 *IPART announces 2016/17 rate pegging amount;*
- 14/01/2016 *Information Kiosks to discuss Special Rate Variation Projects; and*
- 27/01/2016 *Final Information Kiosk before 1 February deadline.*



### ***Weekly Newspaper Columns***

Columns appearing in the Southern Highland News for the General Manager and Mayor mentioned the opportunity to view and make submissions about the exhibited documents, attend information kiosks or attend relevant Council meetings on 9 and 16 December 2015, 20 January and 3 February 2016.

See **Attachment 3, Appendix 9** for a summary of all media coverage.

**Direct emails**

A number of electronic messages were shared with key stakeholder groups and individuals via email or newsletter, reaching the people who have subscribed for Council newsletters, joined the YourSayWingecarribee consultation hub or listed on contact databases held by Council. A summary of this activity is provided below in **Table 10**.

**Table 10: Direct Emails Distribution**

	Distribution and Reach
Village Associations	All village associations were provided with information about the current consultation and invited to comment on the exhibited documents via an email on 6 January 2016. A number of the associations then shared this information with members and included details in their community newsletters.
Participants re-contacted	Information about the opportunity to comment on the exhibited documents was also emailed to people who had participated in phase 1 and 2 consultations and agreed to be re-contacted.
Emailed Newsletters (sample images below)	<p>04/12/15 to 1328 subscribers - <i>Rate variation surveys reported &amp; Council to consider next week</i></p> <p>11/12/15 to 1337 subscribers - <i>Next phase of consultation for Special Rate Variation has commenced</i></p> <p>06/01/16 to 1335 subscribers - <i>Next phase of consultation for Special Rate Variation has commenced</i></p> <p>13/01/16 to 1327 subscribers - <i>Opportunity to chat with staff at kiosks in Mittagong and Moss Vale about detail of rate variation proposal</i></p> <p>22/01/16 to 1324 subscribers - <i>Chat with staff at Moss Vale re possible rate increase</i></p> <p>22/01/16 to 872 Environment and Sustainability Update subscribers</p> <p>28/01/16 to 1328 subscribers - <i>Last chance to comment on detail of possible rate increase</i></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="469 1323 783 1944"> </div> <div data-bbox="847 1323 1281 1944"> </div> </div>

### **Display and promotion**

Posters were put up throughout the Civic Centre and at libraries and pool to promote Phase 3 of the project. Information was also placed on the Customer Service digital display board.

Display materials were developed for the Civic Centre foyer space, providing large scale copies of fact sheets and images for visitors to read. The display also invited people to make a submission about the exhibited documents. The foyer gallery space was also used to host an information kiosk.



### **Info Kiosks**

Two SRV Information Kiosks were held from 4pm to 6pm at:

- Mittagong Visitor Welcome Centre on Wednesday 20 January 2016 with 2 people in attendance; and
- Civic Centre foyer gallery on Wednesday 27 January 2016 with 17 people in attendance.

**Table 11: Other Phase 3 Activities**

<b>Engagement Activity</b>	<b>Details</b>
Phone and counter enquiries	The SRV project team was available to respond to questions throughout phase 3. During this time three enquiries were received regarding the Special Rate Variation.
Staff briefings and advisory emails	Staff were kept informed via an email from the General Manager following the Council resolution to move to the public exhibition stage.
Information Kit for Councillors	Councillors were provided with a kit of information to assist with resident enquiries about this latest stage of the special rate variation project. The kit included FAQ and fact sheets, copies of the draft documents and a summary of display material.

## 4.2 Feedback from the community consultations

Summarise the outcomes and feedback from the council's community engagement activities. Outcomes could include the number of attendees at events and participants in online forums, as well as evidence of media reports and other indicators of public awareness of the council's special variation intentions. Where applicable, provide evidence of responses to surveys, particularly the level of support for specific programs or projects, levels and types of services, investment in assets, as well as the options proposed for funding them by rate increases.

Where the council has received submissions from the community relevant to the proposed special variation, the application should set out the views expressed in those submissions. Please refer to Section 1.2 concerning how the council should handle confidential content in feedback received from the community. The council should also identify and document any action that it has taken, or will take, to address issues of common concern within the community.

As outlined in Section 4.1 the Investing in our Future community engagement program as conducted in 3 phases. An overview of the feedback and outcomes from each phase is outlined below. Further details and information can be found in **Attachment 3** including survey reports and summary of submissions

### Phase 1 Community Feedback

Full results of Phase 1 are outlined in **Section 3.1.1** of this application. In summary results of the independent and statistically reliable survey indicated that:

- All asset classes were seen to be priorities and there is clear community support for Council to increase investment
- The majority indicated they were at least somewhat supportive of Council's proposed funding increases across the areas of Transport (94%), Parks (92%), stormwater drainage (91%), and buildings (80%)

For further information refer to **Attachment 3, Appendix 2 – Micromex Research Asset Management, September 2015**, for the full survey report.

### Phase 2 Engagement Results

A number of methods were used to record the community's preferences regarding the *Investing in our Future* options. A brief description of each method and the responses received are provided below.

Feedback on the options was sought in the form of a random demographically representative telephone survey undertaken by an independent research company, Micromex Research. Residents could also complete a postal or online survey and written submissions were also accepted.

## Telephone Survey Results

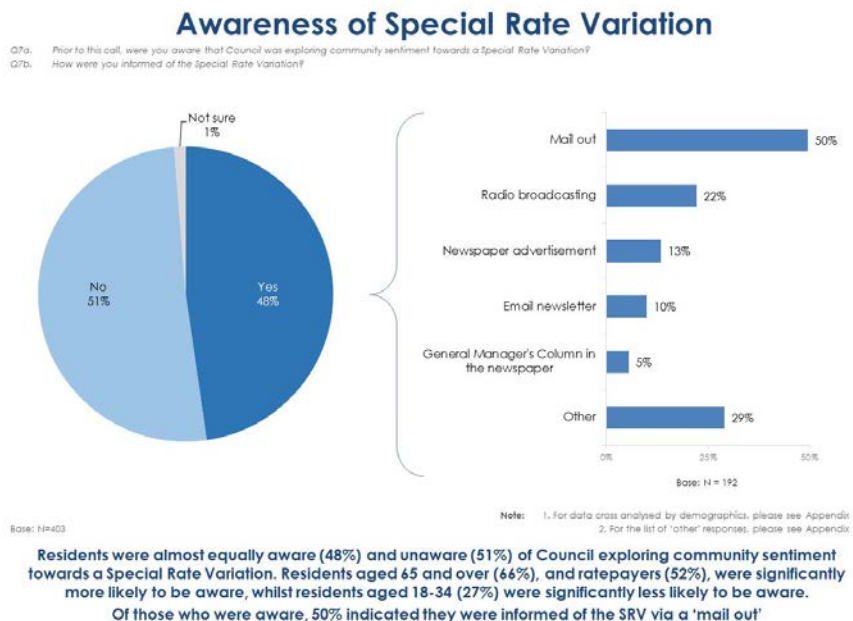
Please note: Following the publication of communication materials during Phase 2, Council received feedback that highlighted some members of the community were concerned about the option terminology, in particular 'deteriorate'. As a result, this terminology was removed from the telephone survey and instead participants were read 'Option 1 – Rate Peg Only'. 'Rate peg only' was subsequently included to the scenario labels during phase 3.

A total of 403 resident interviews were completed via telephone between 22 and 27 October 2015 by Micromex Research. Of the 403 telephone survey respondents:

- 77% of residents were at least 'somewhat satisfied' with the performance of Council. Residents aged 18-34, non-ratepayers, and those living in a 'town' were significantly more satisfied. 73% of residents rated the quality of infrastructure and facilities provided by Council in the local area at least 'somewhat satisfactory'. Residents aged 18-34 were significantly more satisfied with Council's provision of infrastructure and facilities; and
- Residents predominantly believed it was important for Council to provide better infrastructure and facilities, with the majority giving a rating of 'very important' (65%) and only 1% indicating it was 'not very important'.

## SRV Awareness

At the time of the survey (October 2015) residents were almost equally aware (48%) and unaware (51%) of Council exploring community sentiment towards a Special Rate Variation. Residents aged 65 and over (66%), and ratepayers (52%), were significantly more likely to be aware, whilst residents aged 18-34 (27%) were significantly less likely to be aware. Of those who were aware, 50% indicated they were informed of the Special Rate Variation via a 'mail out'. It should be noted that further communication and promotion of the *Investing in our Future* project continued following this phase in to increase level of awareness.



Residents were read a concept statement prior to being asked to rate their support for each option (please refer to **Attachment 3, Appendix 4** for concept statements). Results indicated:

- 53% of residents indicated they were at least ‘somewhat supportive’ of ‘Option 1 – Rate Peg Only’. Support for this option was steady across the demographics;
- 71% of residents were ‘somewhat supportive’ to ‘very supportive’ of ‘Option 2 – Maintain’. Support for this option across demographics was parallel to the overall mean score;
- 56% of residents were at least ‘somewhat supportive’ of Council proceeding with ‘Option 3 – Improve’. Residents aged 18-34, and non-ratepayers, were significantly more supportive of this option, whereas those aged 65 and over were significantly less supportive;
- ‘Option 2 – Maintain’ was provided with the highest level of support from the Wingecarribee community; and
- That 71% of residents preferred an increase above the rate peg, i.e their first preference was either option 2 or 3.

Verbatim responses for open questions were collated and entered into analytical software. This analysis ‘counts’ the number of times a particular word or phrase appears and, based on the frequency of that word or phrase, a font size is generated. The larger the font, the more frequently the word or sentiment is mentioned.

### Reasons for Preferring Option 1

‘Most affordable/realistic option for the community’ (18%) and ‘Council’s financial mismanagement’ (17%) were residents’ most mentioned reasons for preferring ‘Option 1 – Rate Peg Only’



### Reasons for Preferring Option 2

25% of residents who chose ‘Option 2 – Maintain’ as their first preference stated this option was the ‘most affordable/realistic option for the community’

### Reasons for Preferring Option 3

Of those who chose ‘Option 3 – Improve’ as their preferred option, 30% indicated the reason for their selection was ‘improvements from the rate increase will benefit the local community/the growth of Wingecarribee’



The independent research company concluded that the vast majority of the community are supportive of Council making an application to IPART to increase rates in return for continuing



current service levels.

Residents were most supportive of 'Option 2 – Maintain'

- 71% of residents were 'somewhat supportive' to 'very supportive' of Wingecarribee Shire Council proceeding with Option 2;
- 56% of residents were at least 'somewhat supportive' of Council proceeding with Option 3;
- 53% of residents were at least 'somewhat supportive' of Council proceeding with Option 1;
- Overall, residents preferred 'Option 2 – Maintain';
- 37% of residents nominated 'Option 2 – Maintain' as their preferred option, in total 95% chose it as their first or second preference;
- 55% of residents chose 'Option 3 – Improve' as their first or second preference; and
- 51% of residents chose 'Option 1 – Rate Peg only' as their first or second preference.

For further information refer to **Attachment 3, Appendix 4 – Micromex Research Telephone Survey Special Rate Variation Report November 2015**, for the full survey report.

### Postal Surveys Results

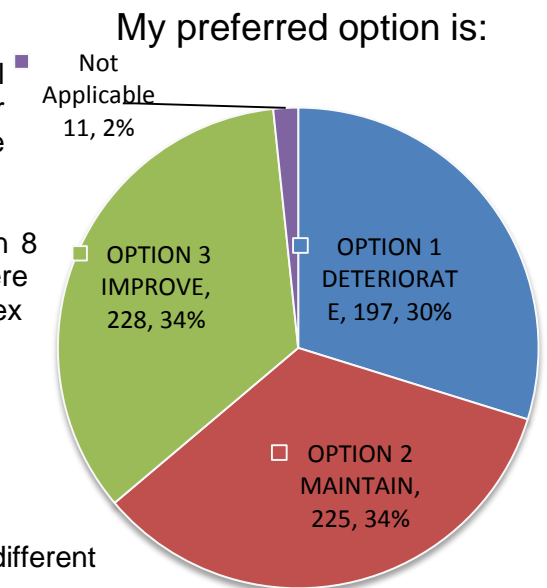
A reply paid postcard was provided within the *Investing in our Future* booklet distributed to all residents. Residents were asked to choose their preferred option and provide brief comments before returning the survey postcard by 2 November 2015.

A total of 661 postal surveys were returned between 8 October and 2 November 2015. These returns were entered into a database and analysed by Micromex Research to identify key reasons for preferences.

Of the 661 responses:

- 30% (197) supported Option 1 – Deteriorate;
- 34% (225) supported Option 2 – Maintain;
- 34% (228) supported Option 3 – Improve; and
- 2% (11) did not choose an option or added a different 'option' (N/A).

Verbatim responses for 'comments' were collated and entered into analytical software. This analysis 'counts' the number of times a particular word or phrase appears and, based on the frequency of that word or phrase, a font size is generated. The larger the font, the more frequently the word or sentiment is mentioned. For further information refer to **Attachment 3, Appendix 5 – Micromex Postal Survey Special Rate Variation Report, November 2015**, for the full survey report.





Reasons for Preferring Option 1



Reasons for Preferring Option 2



Reasons for Preferring Option 3

Online Surveys

Wingecarribee Shire Council’s online community engagement hub was used to host a survey alongside associated documents and frequently asked questions at [www.yoursaywingecarribee.com.au/SRV](http://www.yoursaywingecarribee.com.au/SRV).

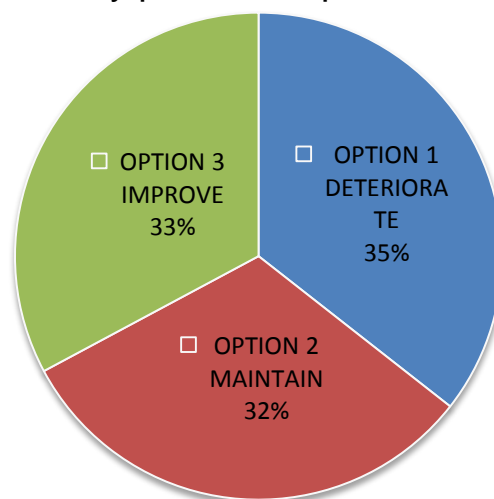
A total of 326 online survey responses were received between 8 October and 2 November 2015.

Participants were asked to choose their preferred option and summarise their reasons for this choice.

Of the 326 responses:

- 35% (116) supported Option 1 – Deteriorate;
- 32% (103) supported Option 2 – Maintain; and
- 33% (107) supported Option 3 – Improve.

My preferred option is:



Reasons for Preferring Option 1



Reasons for Preferring Option 2



Reasons for Preferring Option 3

For further information refer to **Attachment 3, Appendix 6 – Micromex Research Online Survey Special Rate Variation Report November 2015**, for the full survey report.

### Survey Results Comparison

**Table 12** below provides a comparison of the preferred options across the three surveys. These results indicated that the community was supportive of some level of rate increase to at least maintain assets (either Option 2 or 3), with the Option 2 (Maintain) receiving the greatest level of support in the random representative telephone survey. The postal and online survey showed similar results with a majority of residents preferring a rate increase above rate peg.

<b>Survey Type</b>	<b>Telephone Survey</b>	<b>Online Survey</b>	<b>Postal Survey</b>
<b>Number of Participants</b>	403 Residents*	326 Responses**	661 Responses**
<b>Option 1: Deteriorate (Rate Peg)</b>	29%	35%	30%
<b>Option 2: Maintain</b>	37%	32%	34%
<b>Option 3: Improve</b>	34%	33%	34%
<b>No Preference</b>	N/A	N/A	2%
<b>Total percentage of respondents preferring some level of rate increase above rate peg</b>	71%	65%	68%

\* Micromex Research telephone survey was based on a random and representative sample of residents

\*\* Non representative sample of self-selected survey participants.

### Late Postal Survey Returns

An extra 70 surveys were returned via the post after the closing date, bringing the total received to 731 between 8 October 2018 and 8 January 2016. These additional returns did not change the overall level of support.

Of the 731 responses:

- 30% (221) supported Option 1 – Deteriorate;
- 33% (239) supported Option 2 – Maintain;
- 35% (258) supported Option 3 – Improve; and
- 2% (13) did not choose an option or added a different 'option'.

### Submissions

In total 21 submissions were received via email and letter. The majority of these submissions did not support an increase in rates or did not state a preferred option however raised concerns relating to the proposed increases. Common themes from submissions included:

- Affordability of rate increase, especially for pensioners;
- Suggestions for alternative funding strategies; and

- Requests for information about organisational efficiencies.

See Phase 3 results for Council's response to these issues.

During Phase 2 senior staff met with six residents who provided extensive and detailed submissions which raised numerous questions and concerns. The staff members met with these residents to provide verbal response to questions and correct misconceptions and listen to the concerns of the residents.

Details of submissions can be found in **Attachment 3, Appendix 7 – Investing in our Future Summary of Submissions, December 2015.**

### Petition

A petition with approximately 615 signatures opposed to the proposed increase was received by Wingecarribee Shire Council and reported to Council at its meeting on 25 November 2015.

The signatories' objection was recorded as:

*"The undersigned object to any rate increase other than the Rate Peg during the 4 year period to 30.06.2020, as stated in WSC "Investing in Our Future", and certainly not increasing the WSC rates by 46% over 4 years due to:*

- *WSC rates have increased 93%, whereas ABS CPI increase 30.22% and WSC wages increased 30.17% increase for the period June 2006 to June 2014;*
- *Garbage & Recycling bins unnecessarily replaced in June 2014 after only 10 years with a life expectancy of 25+ years. Cost in excess of \$2,000,000;*
- *WSC average rates 16th highest out of 150 Councils in NSW in 2012/13;*
- *WSC Governance & Administration Expenditure was \$626 per capita, whereas group average of \$266.44. Out of 70 LGA's above 30,000 residents WSC is the highest;*
- *Insufficient information in the "Investing in our future" to make an informed decision; and*
- *A fairer system of rate revenue raising needs to be adopted in NSW generally.*

*25/10/2015."*

### Newspaper Articles and Letters to the Editor

In response to the Council's communication and engagement activities the following newspaper articles and letters to the Editor appeared in the local newspaper, Southern Highlands News

### Newspaper Articles

Two newspaper articles and one editorial appeared in the Southern Highland News about the SRV:

- *No amalgamation for council (21/10/15);*
- *Rate heartache for residents (23/10/15); and*
- *The importance of independence (28/10/15) – editorial*

Letters to the Editor

Two letters were written to the Editor of the Southern Highland News about the SRV and these appeared in the 21 and 28 October 2015 editions.

## Phase 3 Engagement Results

### Submissions

Written submissions were sought between 11 December 2015 and 1 February 2016 via email, letter or online submission form at [www.yoursaywingecarribee.com.au/SRV](http://www.yoursaywingecarribee.com.au/SRV). In total 56 submissions were received, of these 16 stated an opposition to the proposed Special Rate Variation and four supported the proposed increase to improve services. The main themes emerging from submissions and number of comments by theme and subtheme outlined in Table 13 below.

**Table 13: Phase 3 Submissions Key Themes and Staff Response**

Key Themes (total number of comments) & Subthemes (number of comments)	Staff Response
<p><b>Investing in our Future Project (48)</b></p> <ul style="list-style-type: none"> <li>• Critical of terminology used (11)</li> <li>• Critical of survey methodology or company conducting the research (10)</li> <li>• Concerns that Council will disregard feedback opposed to SRV (9)</li> <li>• Challenge to interpretation of survey results (6)</li> <li>• Concerns that extensive detail in SRV Information Kit made it difficult to comprehend (3)</li> <li>• Concerns that Draft Delivery Program 2013-17 is not detailed enough(3)</li> <li>• Concerns about transparency (2)</li> <li>• Request for more information online (1)</li> <li>• Advertising was inadequate (1)</li> <li>• Query about community consultation methods(1)</li> <li>• Community consultation did not resolve concerns(1)</li> </ul>	<p>A variety of communication and engagement methods were utilised to ensure as many members of the community were aware of and had an opportunity to have input into the <i>Investing in our Future</i> project. Communication techniques included distribution of a brochure to all households, media releases, radio interviews, newspaper and radio advertisements, email newsletters and social media.</p> <p>To ensure all community members had an opportunity to have their say feedback was sought via a number of mechanisms telephone, postal and online surveys, and formal submissions and at information kiosks. A random telephone survey was undertaken to ensure that feedback from canvassed from a representative and statistically significant cross section of the community. The results of the telephone survey were similar to that the online and postal surveys conducted during phase 2. Further details communication and engagement strategy and outcomes are outlined in <b>Attachment 3</b>.</p> <p>Following the publication of communication materials during Phase 2, Council received feedback that highlighted some members of the community were concerned about the option terminology, in particularly 'deteriorate'. As a result, this terminology was removed from the telephone survey and instead participants were read 'Option 1 – Rate Peg Only'. 'Rate peg only' was subsequently included to the scenario labels during phase 3.</p> <p>Feedback from all phases of the project have been presented to Council in briefing sessions and detailed in <b>Attachment 3</b> for their determination.</p>

Key Themes (total number of comments) & Subthemes (number of comments)	Staff Response
<p><b>Efficiency of Council's operations (31)</b></p> <ul style="list-style-type: none"> <li>• Concerns about transparency, accountability and/or financial management (14)</li> <li>• Request that Council more closely analyse its expenditure with reference to desirable environmental and economic characteristics of the Shire(5)</li> <li>• Request that Council review its services for potential efficiencies(3)</li> <li>• Internal expenditure too high (2)</li> <li>• Reduce staff /committee numbers (2)</li> <li>• Critical of Council's management (2)</li> <li>• Perceptions of staff productivity (2)</li> <li>• Query regarding how Council evaluates the success of its initiatives (1)</li> </ul>	<p>Council's <i>Fit for the Future</i> Improvement Proposal included a number of strategies which aim to improve the efficiency its operations. In particular, Council committed to "undertake a comprehensive service review program to ensure that Council is delivering services in the most efficient and effective manner". A report of the project approach is being considered at the Council meeting on 10 February 2016.</p> <p>The comprehensive organisational service review will commence in 2016. This will include an examination of service levels and service delivery models with consideration also given to service consolidation and partnerships with other councils or service providers.</p>
<p><b>Infrastructure / Services (24)</b></p> <ul style="list-style-type: none"> <li>• More services/improvements should be offered (7)</li> <li>• Particular roads/areas neglected either historically or in the SRV proposal (5)</li> <li>• Works not carried out efficiently (5)</li> <li>• Query as to whether Council's forward planning is adequately considering technological change, job creation and environmentally-friendly transport options (4)</li> <li>• Resources wasted on infrastructure of limited use (1)</li> <li>• RMS should take on more responsibility (1)</li> <li>• Query about future increases in water and sewerage charges (1)</li> </ul>	<p>As outlined above Council is committed to commencing a comprehensive organisational service review, this will include critical analysis of how services are currently delivered and consideration of the most efficient and effectively delivery models for future service delivery.</p> <p>Council's revised Delivery Program outlines a range of organisational improvements, including those related to the management of assets, such as structural testing evaluation of pavements, CCTV sewer main assessments and ice pigging.</p> <p>The <i>Investing in our Future</i> project related to Council's General Fund only, as such water and sewerage charges are not part of the Special rate Variation.</p>
<p><b>SRV rate rise (23)</b></p> <ul style="list-style-type: none"> <li>• Oppose rate rise (16)</li> <li>• Support higher rate rise to improve services (4)</li> <li>• Recommend SRV proposal should be a Council election issue (2)</li> <li>▪ Propose additional SRV rate rise options (1)</li> </ul>	<p>A Special Rate Variation was considered after extensive asset and financial modelling as a part of the NSW Governments <i>Fit for the Future</i> local government reform program. Council's three phased <i>Investing in our Future</i> project commenced in August 2015 to genuinely explore:</p> <ul style="list-style-type: none"> <li>▪ Community sentiment towards the need to increase funding to asset renewal and maintenance</li> <li>▪ Preferred funding scenarios</li> <li>▪ Community capacity to pay increased rates.</li> </ul>
<p><b>Concerns about affordability (19)</b></p> <ul style="list-style-type: none"> <li>• Increase in cost of living (5)</li> <li>• Low Income earner (4)</li> <li>• Self-funded retiree / Pensioner (3)</li> <li>• Rate increase higher than inflation (3)</li> <li>• Impact on local businesses(2)</li> <li>• Impact from previous rate variation (1)</li> <li>• High rates compared with other NSW councils (1)</li> </ul>	<p>Council has carefully considered the impact of the proposed rate increased on the community, in particular the community's desire and capacity pay increased rates. This was explored throughout the 3 phases of the <i>Investing in our Future</i> project. While data suggests there are some financially disadvantaged members of the community, analysis of this data indicates a desire and ability to pay for the majority of the community.</p> <p>Council acknowledges that any rate increase may adversely impact some community members and has mechanisms in place to assist ratepayers should they incur difficulty in keeping up with their rates payments, including a Financial Hardship Policy and the mandatory \$250 pensioner rebate (set by the NSW State Government) which certain classes of pensioners are eligible.</p>

Key Themes (total number of comments) & Subthemes (number of comments)	Staff Response
<p><b>Alternative funding and/or saving strategies suggested (19)</b></p> <ul style="list-style-type: none"> <li>• Organisational savings (10)</li> <li>• Productivity improvements (3)</li> <li>• Land value increase (3)</li> <li>• Benefits of amalgamation (1)</li> <li>• Support growth of industry (1)</li> <li>• Enable savings by better utilising community groups (1)</li> </ul>	<p>Council's <i>Fit for the Future</i> Improvement Proposal identified a number of strategies to improve efficiency and productivity, this includes:</p> <ul style="list-style-type: none"> <li>• Undertaking a comprehensive service review program</li> <li>• Implementing Work Health Safety initiatives to reduce workers compensation premiums to at or below industry average</li> <li>• Developing and implementing a flexible Resource Strategy, including workforce structure and work practices to deliver works program</li> <li>• Participating in Joint Organisations and other regional collaborative approaches</li> <li>• Implementing business improvement strategies as part of Council's Internal Risk and Audit Program</li> <li>• Revise and enhance procurement practices to ensure best value is achieved.</li> </ul> <p>In recent years Council has undertaken a comprehensive review of workers compensation and return to work functions which have resulted in a significant reduction in lost time injuries and a \$734,592.37 premium refund in 2014/15.</p> <p>Council will continue to explore organisational savings through its service review program.</p>
<p><b>General criticisms relating to Local Government / FFTF / WSC being deemed 'fit' (9)</b></p>	<p>The NSW Government deemed Wingecarribee Shire Council to be fit on the basis of it implementing its Fit for the Future Improvement Proposal. This proposal included a number of strategies in order for Council to meet the benchmarks set by the state government within the specified timeframes. Central to Council's proposal is a Special Rate Variation.</p>

A summary of submissions is provided in **Attachment 3, Appendix 8 – Summary of Submissions Phase 3, February 2016.**



### Newspaper Articles and Letters to the Editor

In response to the Council's communication and engagement activities the following newspaper articles and letters to the Editor appeared in the local newspaper, Southern Highlands News.

Southern Highland News published stories focussed on the SRV:

- 11/12/2015 *Rate rise plans continue;*
- 15/01/2016 *Action to avoid budget deficit;*
- 18/01/2016 *Ask questions about the future of the Highlands;*
- 29/01/2016 *Put your words into action* (Editorial); and
- 29/01/2016 *Time running out to have your say.*

Southern Highland News also published 'Letters to the Editor':

- 16/12/2015 Attributed to Brian Barnaby and Concerned Ratepayer;
- 13/01/2016 Attributed to Denis Nosworthy;
- 18/01/2016 Attributed to Charles Davies-Scourfield;
- 22/01/2016 Attributed to Bianca Pace;
- 27/01/2015 Attributed to Nick Campbell Jones;
- 29/01/2016 Attributed to Roger Worner; and
- 29/01/2016 Attributed to Graham Perry.

Latte Life, a monthly newspaper, published stories:

- December 2015 *The added cost of infrastructure.*

A copy of all media articles is included in **Attachment 3, Appendix 9** – 'Investing in our Future' Media Coverage, October 2015 – February 2016.

### **Responding to Community Feedback – Amendments to IP&R Documents and Investing in our Future Scenarios**

Following the finalisation of Council's Long Term Financial Plan for public exhibition, on 4 December 2015 IPART announced the rate pegging amount for 2015/16 to be set at 1.8%. Council's LTFP had assumed a rate peg of 2.5%. The LTFP has subsequently been amended to reflect IPART's announcement. The difference of 0.7% effectively means that Council would see a reduction in rate income in 2016/17 of \$234,000.

Council had announced via a media release titled "*IPART announces 2016/17 rate pegging amount*" on 13 January 2016 that it had intended to retain the 0.7% rate increase in its proposed Special Rate Variation. This decision was made on the basis that this additional revenue was required to ensure that Council did not go into a budget deficit. Following consideration of community feedback received during phases 2 and 3 of the *Investing in our Future* project, related to the affordability of the proposed increases and requests for Council to find additional organisational efficiencies the 0.7% has been removed from the scenarios.

Council will implement an internal efficiency/saving program to ensure that over the course of the LTFP the budget will remain balanced, this represents a minimum annual savings program of \$234,000 per annum or \$2.689 million over 10 years (includes indexation). Based on this, it is proposed that the scenarios are amended as follows:

**Scenario 1: Rate Peg Only**

<b>Annual Rate Increase</b>	2016/17	2017/18	2018/19	2019/20	
Rate Peg	1.80%	2.50%	2.50%	2.50%	
Environment Levy (not continued)	-	-	-	-	
Additional Rate Increase	-	-	-	-	
Total Annual Increase	1.80%	2.50%	2.50%	2.50%	
<b>Cumulative Increase</b>					<b>9.63%</b>

**Scenario 2: Maintain**

<b>Annual Rate Increase</b>	2016/17	2017/18	2018/19	2019/20	
Rate Peg	1.80%	2.50%	2.50%	2.50%	
Environment Levy (continued)	-	-	-	2.90%	
Additional Rate Increase	5.25%	5.25%	5.25%	5.25%	
Total Annual Increase	7.05%	7.75%	7.75%	10.65%	
<b>Cumulative Increase</b>					<b>37.52%</b>

**Scenario 3: Improve**

<b>Annual Rate Increase</b>	2016/17	2017/18	2018/19	2019/20	
Rate Peg	1.80%	2.50%	2.50%	2.50%	
Environment Levy (continued)	-	-	-	2.90%	
Additional Rate Increase	6.75%	6.75%	6.75%	6.75%	
Total Annual Increase	8.55%	9.25%	9.25%	12.15%	
<b>Cumulative Increase</b>					<b>45.30%</b>

## 5 Assessment criterion 3: Impact on ratepayers

Criterion 3 within the OLG Guidelines is:

*The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The Delivery Program and Long Term Financial Plan should:*

*clearly show the impact of any rises upon the community*

*include the council's consideration of the community's capacity and willingness to pay rates and establish that the proposed rate increases are affordable having regard to the community's capacity to pay.*

The impact of the council's proposed special variation on ratepayers must be reasonable. To do this, we take into account current rate levels, the existing ratepayer base and the purpose of the proposed special variation. We also review how the council has assessed whether that the proposed rate rises are affordable having regard to the community's capacity and willingness to pay.

### 5.1 Impact on rates

Much of the quantitative information we need on the impact of the proposed special variation on rate levels will already be contained in Worksheet 5a and 5b of Part A of the application.

To assist us further, the application should set out the rating structure under the proposed special variation, and how this may differ from the current rating structure, or that which would apply if the special variation is not approved.

We recognise that a council may choose to apply an increase differentially among categories of ratepayers. If so, you should explain the rationale for applying the increase differentially among different categories and/or subcategories of ratepayers, and how this was communicated to the community. This will be relevant to our assessment of the reasonableness of the impact on ratepayers.

Councils should also indicate the impact of any other anticipated changes in the rating structure.

### Rating Structure (including environmental levy)

Council has adopted an ad valorem rate structure, with a minimum rate. Council is not proposing any significant changes to its current rating structure as part of this application. The current rating categories are as follows:

1. Residential
2. Residential – Renwick

3. Farmland
4. Mining
5. Mining – Coal Rights
6. Business

The Residential – Renwick rating category was introduced in 2008/09 and includes all rateable assessments within the Renwick subdivision. The ad valorem rate applied to this rating category is 1.10 the residential ad valorem rate. The minimum rate applied however is the same as the residential minimum rate. The purpose of this rate is to fund the future additional costs associated with the higher ratio of green space and community infrastructure provided within that precinct by the developer Landcom (now Urban Growth).

The only change Council is considering to its current rating structure is the removal of the Mining – Coal Rights rating category. Council has recently been notified by the NSW Valuer General of its intent to cancel existing coal rights title valuations in the Wingecarribee LGA. Council is awaiting formal advice from the NSW Valuer General regarding the cancellation of these valuations. As such the Mining – Coal Rights rating category has been retained within Council's rating structure for the purpose of this application.

At present, there are only nine coal rights title valuations which represent \$281 (including Environmental Levy) of Council's total permissible rate income. This change would be considered minor in nature as it would not have a significant impact on Council's overall rating structure.

The Environmental Levy is levied as a Special Rate on all rateable land within the Wingecarribee LGA. The Environmental Levy is calculated on the basis of a base amount plus an ad valorem rate. The base amount is subject to a maximum of 50% of the total revenue raised by the levy. Council is not proposing to change its current rating approach for the calculation of the Environmental Levy as part of this application.

Council's proposed rate structure for the 2016/17 financial year is shown in the **Table 14** below. The rating structure includes the updated land valuations provided by the NSW Valuer General with a base date of 1 July 2015 and includes the proposed Special Rate Variation increase sought in this application.

**Table 14: Proposed 2016/17 Rating Structure**

Rating Category	No. of Properties	Land Valuations	Ad valorem Rate	Minimum Rate	Total Yield
Residential	20,061	\$6,275,948,330	0.40407	\$874.39	<b>\$26,912,998</b>
Res (Renwick)	246	\$65,828,000	0.44408	\$874.39	<b>\$294,226</b>
Farmland	1,329	\$1,717,388,660	0.23567	\$1,277.74	<b>\$4,113,072</b>
Business	1,229	\$618,784,067	0.75820	\$874.39	<b>\$4,810,801</b>
Mining	6	\$7,622,000	1.16450	\$874.39	<b>\$90,484</b>
Mining – Coal Rights	9	\$43,121	0.14760	-	<b>\$64</b>
	<b>22,880</b>	<b>\$8,685,614,178</b>	-	-	<b>\$36,221,644</b>
	No. of Properties	Land Valuations	Ad valorem Rate	Base Charge	Total Yield
Environment Levy	22,880	\$8,685,614,178	0.0069674	\$26.40	<b>\$1,209,193</b>
					<b>\$37,430,838</b>

### Impact of updated land valuations

Rates for the 2016/17 financial year will be calculated using updated land valuations provided by the NSW Valuer General's Department with a base date of 1 July 2015. The updated land valuations were not available at the time that Council conducted its community consultation for the proposed Special Rate Variation. In the absence of any more up-to date valuations, the rate impact analysis provided as part of the community consultation was based on land valuations with a base date of 1 July 2012.

At the time of developing the community consultation information for the proposed Special Rate Variation, Council was conscious of ensuring that residents were made aware that 2016/17 rates would be based on updated land valuations. As such, information was provided as follows:

- Residents Brochure - The brochure which was distributed to all residents included section titled "Important information about your rates in 2016/17". This explained that updated land valuations may significantly affect the level of rates levied on properties in 2016/17;
- Rates Impact based on Land Valuations - Information was provided on Council's website and community kiosks which showed the impact of the proposed rate increase based on a range of land valuations. This allowed residents to consider the impact of the proposed rate increase based on the land valuation range closest to their individual property valuation;
- Your say Wingecarribee website – There was a dedicated section under the Frequently Asked Questions which outlined to residents how land valuations were conducted and used to calculate the rates payable on their property; and

- Community Kiosks – where questions were raised around land valuations, residents were advised that updated land valuations would be used for the 2016/17 financial year. Therefore, if there were any significant movement in their land valuation, this could impact on the level of increase they experienced.

Council has used the updated land valuations supplied by the NSW Valuer General in preparing Part A of this application.

### Impact on Rates (By Rating Category)

The detailed rate impact analysis has been provided in Part A of this application. Provided below is a summary of the rate impact by rating category:

**Table 15: Residential Rates**

Scenario	2015/16 Current	2016/17	2017/18	2018/19	2019/20	Cumulative Increase (\$)
<b>Base Case</b>	\$1,280.03	\$1,301.69	\$1,334.24	\$1,367.60	\$1,353.69	<b>\$73.66</b>
<b>SRV</b>	\$1,280.03	\$1,387.95	\$1,516.36	\$1,656.63	\$1,797.73	<b>\$517.70</b>

*\*Note: these averages differ to those provided as part of Council's community consultation due to the updated land valuations, revised rate-peg in 2016/17 and re-categorisations processed during 2015/16.*

**Table 16: Business Rates**

Scenario	2015/16 Current	2016/17	2017/18	2018/19	2019/20	Cumulative Increase (\$)
<b>Base Case</b>	\$3,602.96	\$3,728.74	\$3,821.96	\$3,917.50	\$3,954.95	<b>\$351.99</b>
<b>SRV</b>	\$3,602.96	\$3,975.88	\$4,343.67	\$4,745.45	\$5,170.08	<b>\$1,567.12</b>

*\*Note: these averages differ to those provided as part of Council's community consultation due to the updated land valuations, revised rate-peg in 2016/17 and re-categorisations processed during 2015/16.*

**Table 17: Farmland Rates**

Scenario	2015/16 Current	2016/17	2017/18	2018/19	2019/20	Cumulative Increase (\$)
<b>Base Case</b>	\$2,988.88	\$3,011.64	\$3,086.92	\$3,164.09	\$3,126.91	<b>\$138.03</b>
<b>SRV</b>	\$2,988.88	\$3,211.30	\$3,508.34	\$3,832.87	\$4,157.99	<b>\$1,169.11</b>

*\*Note: these averages differ to those provided as part of Council's community consultation due to the updated land valuations, revised rate-peg in 2016/17 and re-categorisations processed during 2015/16.*

Further information regarding Council's rating structure and the impact on rates can be found in worksheet 5A and 5B of Part A of this application.

### 5.1.1 Minimum Rates

The proposed special variation may affect ordinary rates, special rates and/or minimum rates.

As previously discussed, if the proposed special variation includes increasing minimum rates above the statutory limit, or is to apply a higher rate of increase to an existing minimum rate than to its other rates, it is not necessary for the council to also complete the separate Minimum Rates Application form. However, this must be clearly identified and addressed in the special variation application.

Does the council have minimum Ordinary rates? Yes  No

If Yes, does the council propose to increase minimum Ordinary rates by:

- The rate peg percentage
- The special variation percentage
- Another amount  Indicate this amount \_\_\_\_\_

What will minimum Ordinary rates be after the proposed increase? \_\_\_\_\_

The council must explain how the proposed special variation will apply to the minimum rate of any ordinary and special rate, and any change to the proportion of ratepayers on the minimum rate for all relevant rating categories that will occur as a result.

You should also explain the types of ratepayers or properties currently paying minimum rates, and the rationale for the application of the special variation to minimum rate levels.

### Proposed Minimum Rates

The table below outlines the minimum rate across each rating category for across each of the years included within Council's proposed Special Rate Variation:

**Table 18: Minimum Rates**

Rating Category	201/16 Current	2016/17	2017/18	2018/19	2019/20
<b>Residential</b>	\$805.52	\$874.39	\$955.27	\$1,043.64	\$1,140.17
<b>Res (Renwick)</b>	\$805.52	\$874.39	\$955.27	\$1,043.64	\$1,140.17
<b>Farmland</b>	\$1,177.10	\$1,277.74	\$1,395.93	\$1,525.06	\$1,666.12
<b>Business</b>	\$805.52	\$874.39	\$955.27	\$1,043.64	\$1,140.17
<b>Mining</b>	\$805.52	\$874.39	\$955.27	\$1,043.64	\$1,140.17

Council intends to apply the proposed Special Rate Variation to the minimum rates. This will ensure an equitable distribution of the increased rating burden between those ratepayers on the minimum rate and other ratepayers.

## 5.2 Consideration of affordability and the community's capacity and willingness to pay

The council is required to provide evidence through its IP&R processes, and in its application, of how it assessed the community's capacity and willingness to pay the proposed rate increases. This is to include an explanation of how the council established that the proposed rate rises are affordable for the community.

Evidence about capacity to pay could include a discussion of such indicators as SEIFA rankings, land values, average rates, disposable incomes, the outstanding rates ratio and rates as a proportion of household/business/farmland income and expenditure, and how these measures relate to those in comparable or neighbouring council areas.

As many of these measures are highly aggregated, it may also be useful to discuss other factors that could better explain the impact on ratepayers affected by the proposed rate increases, particularly if the impact varies across different categories of ratepayers.

We may also consider how the council's hardship policy (see Section 5.3 below) might reduce the impact on socio-economically disadvantaged ratepayers.

### Community Capacity to Pay

In determining whether to apply for a Special Rate Variation and the percentage increases under Scenarios 2 and 3, the community's capacity to pay was assessed and taken into consideration. Council was committed to testing community willingness and capacity to pay through its extensive *Investing in our Future* community engagement process. As outlined in **Section 4.2**, results of the engagement process indicate the community's willingness and capacity to pay rates higher than the rate pegging amount. Noting that in response to community feedback around affordability and organisational efficiency it is proposed that scenarios were reduced by 0.7% in 2016/17.

In addition, Council has reviewed a range of socio-economic and financial data to assess the community's capacity to pay additional rates. Statistics indicate that while there are some financially challenged residents, a majority of residents within the Shire have capacity to pay additional rates. The assessment of capacity to pay has included consideration of a range of information and measures including:

- Wingecarribee Shire's median weekly household incomes (\$1094) are above regional NSW (\$961);
- The Shires unemployment rate (4.2%) is lower than regional NSW (6.1%) and the NSW average (5.9%);
- The Shire scores 1024 on the SEIFA (Socio-Economic Indexes for Areas) scale of disadvantage and is ranked as being 125 in the State with a decile score of 9 (with 1 being the most disadvantaged out of a score of 10). This indicates that overall the Shire has less levels of disadvantage within the community in comparison with the rest of Australia and is just below the top 10 per cent of least disadvantaged areas in NSW;



- A higher proportion of homes are owned outright (42%) compared to regional NSW (37%) and NSW (32%);
- Rental stress has been assessed as being lower (8.8%) than the NSW average (11.6%);
- Mortgage stress is similar (11.0%) to the NSW average (10.5%);
- The Social Health Atlas of Australia (2015) identifies 6,665 people living in the Wingecarribee as receiving an aged pension. This represents 60.7% of people aged 65 years and older (10,980) and 14% of the Shire's current estimated residential population (47,584 people). This rate is lower than that of the NSW average for persons aged 65 years and over (69.4%) and lower than neighbouring local government areas of Wollondilly (70.6%), Shellharbour (84.9%), Goulburn Mulwaree (72.7%), Wollongong (78.9%), Kiama (67.8%) and Shoalhaven (77.6%);
- Council offers assistance to ratepayers struggling to pay rates who can evidence genuine hardship, in 2014/15 Council approved 9 of the 11 hardship claims received; and
- Council's rates and annual charges outstanding percentage as at 30 June 2015 was 2.08% which is well below the NSW industry benchmark of 10%.

Additional comparative information relating to indicators of financial resources and Index of Relative Socio – Economic Disadvantage (SEIFA)

#### Indicators of Financial Resources Comparisons

The Wingecarribee Shire is categorised as Group 4 Regional Town/City. When compared to Regional NSW averages in the 2011 Census, Wingecarribee scores higher on a number of financial indicators. Households in the Shire earn a higher average weekly income, a higher proportion of homes are owned outright (42%), lower median rent prices and unemployment rates are much lower.

In comparison to surrounding Local Government Areas<sup>5</sup>, the Shire has one of the highest weekly household incomes, has a comparable number of households with a mortgage than neighbouring LGA's, a lower number of households renting and again a higher proportion of outright home ownership.

The SIEFA (Socio-Economic Index of Areas) Index of Disadvantage shows the Shire to have lower levels of disadvantage compared to all but one of the surrounding LGA's and lower than that of Regional NSW as a whole.

The Shire also has a much larger proportion of the community holding a Bachelor or Higher degree and comparable rates of the community with a vocational qualifications when compared to other LGA's and the Regional NSW average.

In comparison to State averages, median rental prices in the Wingecarribee are \$40 below the NSW median and unemployment is more than one and a half percent below the State.

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<sup>5</sup> Kiama Council has not been included in this data set due to the difficulty in obtaining comparable data as they don't subscribe to Profile id.

**Table 19: Socioeconomic Comparison**

2011	Wingecarribee Shire	Wollondilly Shire	Goulburn Mulwaree	Shellharbour City	Wollongong City	Shoalhaven City	Regional NSW	New South Wales
LGA Classification (Provided by OLG)	Regional Town/ City (4)	Metropolitan fringe (6)	Regional Town/ City (4)	Regional Town/ City (4)	Regional Town/ City (5)	Regional Town/ City (5)	N/A	N/A
Median age	45	36	41	37	38	46	41	38
Median weekly household income	\$1,094	\$1,478	\$981	\$1,126	\$1,101	\$822	\$961	\$1,237
Households with a mortgage	34%	48%	32%	36%	30%	27%	30%	32%
Households own home outright	42%	30%	35%	33%	34.3%	42%	37%	32%
Households renting	21%	16%	28%	26%	29%	24%	27%	29%
Median weekly rent	\$260	\$270	\$185	\$250	\$250	\$220	\$220	\$300
Bachelor or Higher degree	18%	11%	10%	8%	17%	10%	12%	20%
Vocational	21%	26%	22%	25%	21%	24%	22%	18%
Unemployment	4.30%	4.00%	5.70%	6.80%	7.1%	7.90%	6.20%	5.90%
SEIFA index of disadvantage 2011	1024	1034	951.4	969	980	955	969	996

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented by the population experts.

### Index of Relative Socio – Economic Disadvantage (SEIFA)

The IRSD summarises variables that indicate relative disadvantage. This index ranks areas on a continuum from most disadvantaged to least disadvantaged. A low score on this index indicates a high proportion of relatively disadvantaged people in an area.

The Shire scores 1024 on the SEIFA scale of disadvantage and is ranked as being 125 in the State with a Decile score of 9 (with 1 being the most disadvantaged out of a score of 10). This indicates that overall the Shire has less levels of disadvantage within the community in comparison to the rest of Australia and is just below the top 10 per cent of least disadvantaged areas in NSW.

Wingecarribee SEIFA Score	1024
Ranking within NSW	125
Decile within NSW	9

Source: ABS 2011 SEIFA Index of Disadvantage and Advantage

**Table 20: Mortgage Comparisons with surrounding LGAs**

Loan Repayment by quartile group						
LGA	Wingecarribee Shire	Wollondilly Shire	Goulburn Mulwaree Shire	Shell Harbour City	Wollongong City	Shoalhaven City
Loan repayment quartile group	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
Lowest group	1437 (26.8)	1288 (19.8)	1154 (35.3)	1987 (25)	5,073 (23.7)	3,663 (38.5)
Medium lowest	1499 (27.9)	1557 (23.9)	1150 (35.2)	2365 (29.8)	5,922 (27.7)	3,093 (32.5)
Medium highest	1361 (25.4)	1913 (29.4)	627 (19.2)	2339 (29.5)	6,004 (28)	1,805 (19)
Highest group	1068 (19.9)	1758 (27)	334 (10.2)	1246 (15.7)	4,410 (20.6)	961 (10.1)
Total households with a mortgage	5365	6517	3265	7938	21,409	9,523

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented by .id, the population experts.

The Wingecarribee has a considerably lower proportion of households paying mortgages in the higher quartile in comparison to the neighbouring LGA of Wollondilly as well as having a higher proportion of households paying mortgages in the lower quartile.

When compared to regional NSW the Shires unemployment rate (4.2%) is lower than regional NSW (6.1%).

**Table 21: Employment Status**

Wingecarribee Shire - Total persons (Usual residence)	2011			2006			Change
	Number	%	Regional NSW %	Number	%	Regional NSW %	2006 to 2011
Employed	19,256	95.8	93.9	18,186	95.7	92.9	+1,070
Employed full-time	11,366	56.5	56.7	10,664	56.1	56.5	+702
Employed part-time	7,462	37.1	35.0	7,071	37.2	33.8	+391
Hours worked not stated	428	2.1	2.1	451	2.4	2.6	-23
Unemployed (Unemployment rate)	853	4.2	6.1	813	4.3	7.1	+40
Looking for full-time work	477	2.4	3.8	489	2.6	4.6	-12
Looking for part-time work	376	1.9	2.4	324	1.7	2.5	+52
<b>Total Labour Force</b>	<b>20,109</b>	<b>100.0</b>	<b>100.0</b>	<b>18,999</b>	<b>100.0</b>	<b>100.0</b>	<b>+1,110</b>

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented by .id, the population experts.

A higher proportion of the Wingecarribee workforce is employed in managerial, professional and technical trade positions compared to Regional NSW averages, with a lower proportion being employed in lower skilled occupations.

**Table 22: Occupation Types**

Occupation	Wingecarribee %	Regional NSW %	NSW %
Managers	14.7	13.4	13.3
Professionals	20.1	17.4	22.7
Technicians and Trades Workers	15.7	15.2	13.2
Community and Personal Service Workers	10.1	10.7	9.5
Clerical and Administrative Workers	12.2	13.0	15.1
Sales Workers	9.5	9.7	9.3
Machinery Operators And Drivers	6.0	7.6	6.4
Labourers	10.0	11.3	8.7
Inadequately described	1.8	1.6	1.8
<b>Total employed persons aged 15+</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011. Compiled and presented by .id, the population experts (Usual residence data)

Weekly housing rental costs have been considered in this analysis as a rate increase may be potentially shifted onto the tenant from the landlord. The largest proportion of weekly rental payments in the Shire are less than \$250 (41.6%) a week. This rate is higher than that of neighbouring Wollondilly Shire and the NSW average.

**Table 23: Weekly Housing Rental Payments**

Weekly rental amount	Wingecarribee %	Wollondilly %	New South Wales %
< \$250	41.6	37.4	35.2
> \$250 < \$400	39.8	42.0	33.1
> \$400	14.8	15.9	28.1

Source: Australian Bureau of Statistics, Census of Population and Housing 2011. Compiled and presented in profile.id by .id, the population experts.

### 5.3 Addressing hardship

In addition to the statutory requirement for pensioner rebates, most councils have a policy, formal or otherwise to address issues of hardship.

Does the council have a Hardship Policy?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If Yes, is an interest charge applied to late rate payments?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Does the council propose to introduce any measures to reduce the impact of the proposed special variation on specific groups in the community?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

You should attach a copy of the Hardship Policy and explain below who the potential beneficiaries are and how they are assisted.

Please provide details of any other measures addressing hardship to be adopted, or alternatively, explain why no measures are proposed.

The council is also to indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

Council acknowledges that any rate increase may adversely impact some community members. Council has mechanisms in place to assist ratepayers should they incur difficulty in keeping up with their rates payments. These mechanisms are outlined in the following Council Policies:

- Financial Hardship Policy – Adopted November 2011
- Pension Rebate Policy – Adopted November 2011
- Debt Recovery Policy – Adopted February 2012

As part of preparing Council's Special Rate Variation proposal, these policies have been reviewed by senior staff and benchmarked against other council's and are considered to be reasonable, effective and fair. While no significant changes are proposed to these existing policies, Council will reconsider these policies as part of a policy review during 2016. See **Attachment 10** for a copy of the Financial Hardship Policy, Pensioner Rebate Policy and Debt Recovery Policy.

#### Financial Hardship Provisions

The intent of Council's Financial Hardship Policy is to provide where possible, assistance to ratepayers who are suffering significant financial hardship with the payment of rates and charges. Hardship relief may be provided to any ratepayer, based on the eligibility criteria outlined within Council's Policy and Guidelines, this includes:

- Submitting a claim for hardship using the appropriate application form providing all information requested within the application form;

- The applicant must occupy the rateable property as their sole and principal place of residence and must not own any other property either within or outside the LGA;
- The applicant must enter into a payment arrangement which is agreed to with Council; and
- Committed outgoings are to be 75% or more of stated fortnightly income.

Where Council approves an application under its Financial Hardship Policy, the following relief will be provided:

- 12 month payment arrangement with a 100% write-off of interest charges accrued over the same period, subject to the adherence to the agreed payment arrangement; and
- 24 month payment arrangement with a 50% write-off of interest charges accrued over the same period, subject to the adherence to the agreed payment arrangement.

### **Provisions for Pensioners**

In accordance with Council's Pension Rebate Policy, all eligible pensioners can apply for the mandatory \$250 rebate which is provided under Section 575 of the *Local Government Act 1993*. Council currently does not provide any additional voluntary rebate for pensioners and has not included any increase as part of its Special Rate Variation proposal.

In addition to the mandatory rebate available to eligible pensioners, Council's Debt Recovery Policy allows for an interest free payment period for pensioners. Council has determined that pensioners will not be charged any interest on current rates and charges for the current year up until the 31 May each year.

### **Payment Arrangements**

Council appreciates the fact that circumstances can prevent people paying rate instalments by the due date. In accordance with Council's Debt Recovery Policy, Council is prepared to accept regular payments from ratepayers (weekly, fortnightly or monthly), provided the account is settled within 12 months. This facility is available to all residents, however, interest charges, in accordance with the *Local Government Act 1993*, will continue to apply on overdue amounts until fully paid.

While Council does not specifically refer to these policies in its Integrated Planning & Reporting documents, these policies can be found on Council's website and are made readily available to residents when contacting Council to discuss financial difficulties they may be currently experiencing. Council has not proposed to introduce any additional hardship provisions as part of its proposed Special Rate Variation.

## 6 Assessment criterion 4: Public exhibition of relevant IP&R documents

Criterion 4 within the OLG Guidelines is:

*The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.*

Briefly outline the significant IP&R processes the council has undertaken to reach the decision to apply for a special variation. Include the details of and dates for key document revisions, public exhibition period(s) and the date(s) that the council adopted the relevant IP&R documents.<sup>6</sup>

You should also include extracts from council minutes as evidence that the documents were adopted.

The council is reminded that the Community Strategic Plan and Delivery Program (if amended), require public exhibition for at least 28 days prior to adoption. Amendments to the Long Term Financial Plan and Asset Management Plan do not require public exhibition.<sup>7</sup> However, it would be expected that the Long Term Financial Plan would be posted, in a prominent location, on the council's website.

As outlined in **Section 2.1** Council commenced its transition to IP&R in 2009. The journey to develop and review Council's IP&R document have highlighted the need to focus on long term financial sustainability and address the emerging asset maintenance and renewal funding gap. Following finalisation of 2015-16 Operational Plan and Budget and submission of Council's *Fit for the Future* Improvement Proposal, Council commenced the review of its Delivery Program, Long Term Financial Plan and Strategic Asset Management Plan to address these issues. From October 2015 to 1 February 2016 Council consulted on three asset and funding scenarios, which were included in the draft documents that were exhibited from 11 December 2015-1 February 2016, see **Section 4.1** for further details. This process, in consultation with community, has resulted in Council's decision to apply for a Special Rate Variation. At its meeting on the 10 February 2016 Council resolved as follows (See **Attachment 11** for Resolution to apply for Special Rate Variation):

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<sup>6</sup> The IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and where applicable, the Asset Management Plan.

<sup>7</sup> Office of Local Government (then Division of Local Government), *Integrated Planning and Reporting Manual for local government in NSW*, March 2013, pp 5-6.



**MN 14/16**

**MOTION** moved by Cllr T D Gair and seconded by Cllr G McLaughlin

- 1. THAT Council receives and acknowledges the extensive community feedback received during the community engagement and public exhibition for the Investing in our Future project, as detailed in Attachment 1 to the report.**
- 2. THAT Council notes that an application for a Special Rate Variation is a key strategy from its Fit for the Future Improvement Action Plan endorsed on 24 June 2015.**
- 3. THAT the draft Delivery Program, 2013-17 (revised December 2015), draft Long Term Financial Plan 2016-2026 and Strategic Asset Management Plan 2016-2026 be adopted with the amendments outlined in the report and Attachment 2 to the report.**
- 4. THAT Council adopts Scenario 3 as its preferred scenario and lodge a Section 508A permanent Special Rate Variation (SRV) application by 15 February 2016 to the Independent Pricing and Regulatory Tribunal (IPART) for an increase in 'General Revenue' and minimum rate amounts of three annual increases of 8.55% (including rate peg) in 2016/17, 9.25% (including rate peg) in 2017/18 and 2018/19 and an increase of 12.15% (including rate peg) in 2019/20 which includes continuation of the Environment Levy on a permanent basis.**
- 5. THAT Council pass on its thanks to the General Manager and staff involved with the Investing in our Future project.**

**VOTING ON THE MOTION**

**For the Motion:** Cllr J G Arkwright, Cllr J R Clark, Cllr T D Gair, Cllr G McLaughlin, Deputy Mayor I M Scandrett, Cllr G M Turland, Cllr J Uliana and Mayor L A C Whipper  
**Against the Motion:** Cllr H R Campbell abstained from voting on the Motion and therefore is recorded as voting against the Motion

The following table provides an overview of the key milestones for the development and review of Council's IP&R documents.

**Table 24: Key Milestones of IP&R Documents**

IPR Element	Engagement Activity	Purpose	Timeframe	Council Adoption Date
Community Engagement Strategy Development	Staff and Councillor Workshops IP&R Committee established  Review of strategy by external engagement consultant	Ensure broad and genuine engagement strategy	August 2009 - February 2010	N/A
CSP	Survey (postal)	To gain an understanding of the community's vision of the future of the Wingecarribee Shire	February 2010 - March 2010	N/A
CSP	Primary school workshops	To gain an understanding of primary school children's community's vision of the future of the Wingecarribee Shire	March 2010	N/A
CSP	Vision statement workshop	Develop vision statement for the future of Wingecarribee Shire	April 2010	N/A
CSP	Guest speaker and discussion forum	Project promotion and expert speakers on vision and future challenges	July 2010	N/A
CSP	Community workshops	Inform participants of issues and challenges related to people, places, environment and economy and commence development of goals	July 2010	N/A
CSP	Big Scrapbook	Provide a visual and artistic means for participation	July 2010- August 2010	N/A
CSP	Youth filmmaking project	Youth specific visual engagement project	July – September 2010	N/A

CSP	Leadership workshop	Explore and obtain common understanding of leadership	September 2010	N/A
CSP	Exhibition	Public Exhibition of draft CSP	October – November 2010	
Resource Strategy/ Delivery Program	Customer Satisfaction Survey	Survey to measure community satisfaction with council services and priorities	October 2010	N/A
CSP	Council Report	Adoption of CSP	N/A	15 December 2010
Resource Strategy /Delivery Program	Workshop	Community input in to the development of medium and short term council plans	March 2011	N/A
Resource Strategy/ Delivery Program/ Operational Plan	Exhibition	Public Exhibition of draft Resourcing Strategy, Delivery Program and Operational Plan	May 2011- June	N/A
Resource Strategy/ Delivery Program/ Operational Plan	Council Report	Adoption of revised documents	N/A	22 June 2011
Delivery Program/ Resourcing Strategy	Customer Satisfaction Survey	Survey to measure community satisfaction with council services and priorities	October 2012	N/A
Operational Plan	Exhibition	Public exhibition of Operational Plan	May – June 2012	N/A

Operational Plan	Council Report	Adoption of revised document	N/A	27 June 2012
Resource Strategy/ Delivery Program/ Operational Plan	Exhibition	Public Exhibition of draft Resourcing Strategy, Delivery Program and Operational Plan	May – June 2013	N/A
Resource Strategy/ Delivery Program/ Operational Plan	Council Report	Adoption of revised documents		26 June 2013
Operational Plan	Exhibition	Public exhibition of Operational Plan	April 2014- May 2014	N/A
Operational Plan	Council Report	Adoption of revised document	N/A	28 May 2014
Operational Plan	Exhibition	Public exhibition of Operational Plan	April 2015- May 2015	N/A
Operational Plan	Council Report	Adoption of revised document	N/A	10 June 2014
Delivery Program/ Resourcing Strategy	Customer Satisfaction Survey	Survey to measure community satisfaction with council services and priorities	June 2015	N/A
Delivery Program/ Resourcing Strategy	Asset Management Survey	Survey to explore community satisfaction with current asset investment levels, priorities and explore proposed funding options	August - September 2015	N/A

Delivery Program/ Resourcing Strategy	SRV Survey	Telephone, online and postal survey to explore three Investing in our Future options and the community's preferred option	October 2015	N/A
Delivery Program/ Resourcing Strategy	Public Exhibition	Public exhibition of revised Delivery Program, Long Term Financial Plan and Strategic Asset Management Plan including three <i>Investing in our Future</i> scenarios	December 2015 – February 2016	N/A
Delivery Program/ Resourcing Strategy	Council Report	Council adoption of revised documents and preferred SRV scenario	N/A	10 February 2016

### Relevant attachments

Wingecarribee 2031+ our future our choice, Report on Community Engagement Strategy, April 2011 (**Attachment 1**)

Wingecarribee 2031+ our future our choice Community Strategic Plan (**Attachment 1**)

*Investing in our Future* Community Engagement Report, February 2016 (**Attachment 3**)

Revised Delivery Program 2013-17 (Adopted February 2016) (**Attachment 4**)

Long Term Financial Plan 2016-2026 (Adopted February 2016) (**Attachment 5**)

Strategic Asset Management Plan 2016-2026 (Adopted February 2016) (**Attachment 6**)

## 7 Assessment criterion 5: Productivity improvements and cost containment strategies

Criterion 5 within the OLG Guidelines is:

*The IP&R documents or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.*

In this section, you must provide details of any productivity improvements and cost containment strategies that you have implemented during the last two years (or longer) and any plans for productivity improvements and cost containment over the duration of the proposed special variation.

These strategies, which may be capital or operational in nature, must be aimed at reducing costs and/or improving efficiency. Indicate if any initiatives are to increase revenue eg, user charges. Please include below whether the proposed initiatives (ie, cost savings) have been factored into the council's LTFP.

Where possible, the council is to quantify in dollar terms the past and future productivity improvements and cost savings.

The council may also provide indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and OLG data provided to us.

Council's *Fit for the Future* Improvement Proposal included a number of strategies which are focused on organisational efficiency and productivity improvements. In particular we have committed to a comprehensive service review program to ensure Council is delivering the services the community values and examines ways to improve the processes in which to deliver these services. At its meeting on 10 February 2016 Council endorsed commencement of its comprehensive Service Review Program to ensure Council is efficient, effective, meets the needs of the community need, and that avoids any duplication of services with other service providers. An annual minimum saving of \$234,000 per annum or 2.689 million over 10 years has been factored into Council's LTFP.

### **MN 15/16**

**MOTION** moved by Cllr H R Campbell and seconded by Deputy Mayor I M Scandrett

**1. THAT Council notes that a comprehensive service review program is a key strategy from its Fit for the Future Improvement Proposal endorsed on 24 June 2015.**

**2. THAT Council approves the plan to formally commence an Organisational Service Review Project.**

**PASSED**

The Organisational Services Review Project will build on prior efficiency programs.

In 2011 Wingecarribee Shire Council embarked on a continuous improvement program through the introduction of the Australian Business Excellence Framework (ABEF). Cross functional self-directed work teams identified and worked on a structured program of process and system reviews to drive a performance culture.

The section below outlines recent organisational improvements and efficiency gains to date in the areas of sustainability, process, asset management, procurement and technology improvement as well as grants and other funding sources.

### **Sustainability Improvements**

#### ***Revolving Energy Fund (REFund) and Energy Efficiency Projects managed through the REFund***

In 2012, Council received funding from the NSW Environment Protection Authority through the Waste and Sustainability Improvement Program (WASIP). A small amount of this funding was allocated to an energy efficiency project. This money provided the seed funding to develop and pilot the Revolving Energy Fund (REFund) concept which created a centralised energy efficiency investment fund.

A sustainable system was developed to continually fund future energy efficiency projects by developing a mechanism to capture verified financial savings from energy efficiency projects and reinvesting these back into the REFund. .

#### ***Solar Panels***

Over the last few years Council has undertaken solar power projects to reduce energy costs and better utilise renewable energy generation, this has included:

- Southern Highlands Welcome Centre 9.75kw solar project (formerly Visitors Information Centre);
- Bowral Library 29.75 kW solar project;
- Rural Fire Service Mittagong 20kW solar project; and
- Resource Recovery Centre 25kW Solar power system.

Energy generated at each location is used on site and has resulted in decreased energy costs. For example the installation of the panels at the Resource Recovery Centre has resulted in a reduction of approximately \$12,000 per annum. While this strategy did require some initial investment by Council the anticipated payback period is approximately 4-6 years.

#### ***Lighting Upgrade***

Council has completed a lighting upgrade project at the Civic Centre which involves the replacement of approximately 630 inefficient fluorescent lights with energy efficient LED lights. It is estimated this project will save approximately \$20,000 per year in electricity charges alone. The project has other benefits as the LEDs will not require

any maintenance for at least a 5 year period. The project is being undertaken in conjunction with the Office of Environment and Heritage (OEH) "Energy Saver Program".

In 2012 Council also undertook lighting upgrades at Mittagong and Bowral Libraries which involved the replacement of old inefficient fluorescent lighting. This has resulted in \$1,900 per year saving at Bowral Library and \$350 per year at Mittagong Library.

### ***Sustainable Water Management***

Sustainable Water Management Project was implemented. The project comprised three main innovative elements that meet the objectives of the Australian Government's *National Water Security Plan for Cities and Towns* and create a sustainable water management future for the Shire. The three key elements were:

- Establishment of a hydraulic water model for the Shire to enable engineers to optimise network performance, reduce water losses and extend asset life;
- Establishment of District Metered Areas with constant remote monitoring for water losses; and
- Implementation of pressure control systems to minimise water losses, save money on infrastructure renewals and enhance customer service.

The successful implementation of this project has resulted in water savings of 248ML per year and has achieved a financial benefit of \$328,000 per year. In addition, the increase in pipe asset life will lead ultimately to savings in raw materials and imbedded energy through improving the life cycle performance of these assets.

### **Process Improvements**

#### ***Work Health and Safety Management Systems***

Council has recently undertaken a comprehensive review of Workers Compensation and Return to Work functions and implemented a Workers Compensation Management Strategy to improve workplace systems and process. This has resulted in a significant reduction in lost time injuries for 2014/15 and a substantial reduction in our Workers Compensation insurance premium. As a result Council received a premium adjustment of \$735,000 from its insurer for the 2014/2015 policy year.

It should be noted that the methodology for calculating premiums was changed by SafeWork NSW impacting the 2015/2016 policy year and beyond. The new formula places a significant weighting on claims costs and takes into account three years of claims history. Unlike in previous years the premium will not be adjusted on claims experience at the end of the policy year. Council's LTFP projects a reduction in its worker compensation premium of \$1 million over the next four years.

#### ***Voluntary Planning Agreements***

In 2010 a review was undertaken of Developer Contributions Plans and Development Servicing Plans under Section 94 and 94A of the Environmental Planning and Assessment Act and Section 64 of the Local Government Act. This enabled Council to



explore opportunities for the increased use of Voluntary Planning Agreements (VPAs) under Section 94F of the Environmental Planning and Assessment Act and Division 1A of the Environmental Planning and Assessment Regulation. VPAs enable Council to negotiate developer contributions which are generally above and beyond what could be achieved under section 94 and 94A Developer Contributions Plans and section 64 Development Servicing Plans. VPAs are more flexible, enabling Council to secure additional community facilities and infrastructure specific to the needs of particular locations or community groups.

### ***Internal Audit***

Council's Internal Audit program provides a targeted approach to business improvement. Recently individual audits have identified process improvements, and hence improved efficiency, in the following areas:

- Information Technology investment;
- Asset Management;
- Risk Management; and
- Work Health and Safety.

Council continues to review its systems and business processes as part of its commitment to continuous improvement.

### ***Customer Service***

In 2014 a review of customer service delivery across Council was undertaken with the purpose of improving service quality and productivity through integration of and centralisation of customer service functions. While the review is still being implemented, a change in the way front counter and contact centre services are provided is already paying dividends with reduced customer wait times and more timely processing of customer requests. There are greater efficiency and productivity improvements to be achieved through the implementation of a customer relationship management software system in 2016/2017.

### ***Business Unit Improvements***

Targeted reviews of Council's Resource Recovery Centre (Waste Transfer Station) and Southern Regional Livestock Exchange (Saleyards) are paying dividends for the Community. Both facilities have been subject to efficiency reviews and with the implementation of improvements to business practices, they are now at stage where their operation continues to provide an important community service, however at no cost to the ratepayer.

## **Asset Management Improvements**

### ***Structural Testing Evaluation of Pavements***

Recently Council has commenced using Structural Testing Evaluation of Pavements (STEP) which is used to identify the most appropriate treatments for the renewal of road segments. STEP is a process which tests the strength of the road structure in order to more accurately determine which sections require full renewal and those which need resurfacing. Over the next five years roads scheduled for rehabilitation will be tested in order to reduce costs and time spent on reconstruction. It is anticipated that renewal construction cost will be significantly reduced.

### ***CCTV Sewer Main Assessments***

Since 2009 Council has utilised CCTV technology as part of a planned program of assessment and condition of sewer mains and manholes to help plan or program replacement, relining or rehabilitation works to extend the life of the asset. This also results in less environmental issues, ongoing call out costs, reduced clean-up costs, reduced and better planning of capital expenditure on identifying mains for renewal based on condition rather than age.

### ***Ice Pigging***

Council commenced Ice Pigging in 2014. Ice Pigging is an efficient, cost-effective and environmentally friendly way to clean Council's network of underground water pipes. This technique is more effective at scouring and cleaning the walls of pipes of varying diameters, and it uses approximately half the volume of water of traditional pipe cleaning methods. Ice Pigging is a best practice testing procedure for water main flushing.

Another significant benefit is less impact on the customer because the water supply is only off for minutes rather than hours when compared to other methods. It easily connects to existing infrastructure and the entire process takes about 30 minutes from start to finish, which significantly reduces staff time/per km spent of flushing underground water network.

## **Procurement Improvements**

### ***Joint Waste Disposal Contract***

In 2009 Council entered into a regional waste disposal contract with Campbelltown, Camden and Wollondilly councils. This has provided Council with market competitive disposal of Council's Red and Yellow Bin waste streams. This contract provides diversion from landfill of these waste streams of over 70%.

### ***Domestic Waste Collection Contract***

In 2014 Council entered into a new 10 year collection and transport contract for domestic waste service. This has resulted in savings of \$556,000 per year for 10 years or \$5.5M over the ten years When compared to previous contracts.

### ***Avoiding Peak Demand Charges***

During a review of electricity billing for large sites it was noticed a large proportion of some bills were made up of peak demand charges. Further investigation identified an opportunity to save money at our two main water treatment plants by implementing no cost actions. It was determined that the time we treat our water at the Water Filtration Plants can be flexible as the water treatment process is largely automated. By shifting the times that water treatment is conducted at the two plants and one associated pump station Council has significantly reduced the peak demand charges.

Peak demand charges at Wingecarribee Water Filtration Plant have gone from over \$10,000 per month in early 2013 to less than \$300 per month in early 2015. The cost of electricity per kL of water treated at Wingecarribee Water filtration plant has gone from an average of \$0.09/kL in January to March 2013 to \$.04/kL for the same period in 2015. Average monthly bills have reduced, with average monthly bills for January to March 2013 of \$30,000 compared \$12,000 for the same period in 2015.

### ***Wholesale Energy Tariffs***

After analysing the pattern of use at both of Robertson Sewerage Treatment Plant and Moss Vale War Memorial Aquatic Centre it was determined that Council would pay less for electricity at these sites if they were both put on a N19 wholesale electricity tariff which has cheaper time of use charges but has a peak demand charge. This has resulted in significant savings at both facilities, approximately \$12,000 per year for Robertson Sewerage Treatment Plant and \$36,000 per year from Moss Vale Aquatic Centre.

### ***Installation of Variable Speed Drives***

Installation of Variable Speed Drive motors throughout our Water and Sewer network is paying dividends, with significant decreases in energy consumption and a resulting reduction in carbon dioxide emissions.

The saving is now several hundred thousand kilowatt hours per year compared with modulating compared with using two-speed motors.

### ***Review of Small Electricity Sites***

Recently Council reviewed our electricity accounts for small sites such as pools, community halls and small water and sewer pump stations and found that there were approximately 25 small energy using sites that were not on Council's small sites contract. It is estimated this initiative has saved Council approximately \$12,000 per year resulting from cheaper electricity rates.

### ***Vehicle Registration***

Following a review of Council's fleet vehicle registration it was determined that heavy plant could be reclassified from Business to Roadwork for Heavy Plant. This has resulted in a \$40,000 per annum reduction in registration costs.

## **Technology Improvements**

### ***Development Application (DA) Tracker***

In 2011 Council introduced an online DA Tracker. The system allows customers to track the progress of applications from lodgement through to determination. The implementation of this system has resulted in fewer calls and face to face enquires related to DA progress.

### ***Section 149 Certificates***

In 2015 the generation of Section 149 certificates was automated, allowing Council to move away from a manual and labour intensive process. This has reduced administrative costs, the time taken to generate the certificates and improved accuracy.

### ***Online Tools***

For a number of years Council has been using online tools to communicate with the community. This includes social media such as Facebook and Twitter and an online engagement platform ([yoursaywingecarribee.com.au](http://yoursaywingecarribee.com.au)). This provides a quick and efficient way to keep the community up to date with events, projects and issues, as well as an effective tool for the community to provide feedback to Council. Systems have also been put in place to email newsletters, complete surveys, book events and apply for grants. The use of these systems reduce administrative costs as well as costs associated with printing and postage.

## **Grants and Other Funding Sources**

### ***Grant Funding***

Council actively pursues external funding for key infrastructure projects and has recently been successful in securing the following funding:

- Bowral Distributor Road – NSW Government Restart NSW Illawarra Infrastructure Fund
- Southern Regional Livestock Exchange roofing project - Regional and Local Community Infrastructure Program
- Moss Vale Enterprise Zone Corridor Road Works - Department of Infrastructure and Regional Development's National Stronger Regions Funds
- Bridge Replacement Program Funding (three bridges) - Australian Government Bridges Renewal Program
- Public transport improvement projects such as improved lighting, construction of Disability Discrimination Act compliant bus shelters for CountryLink Passengers - Country Passenger Transport Infrastructure Grants Scheme.
- Successful partnership with community sporting groups to deliver significant upgrades in sporting infrastructure
- Flood study grant funding for five local projects as a part of the NSW State Governments 2014-15 Floodplain Management Program.

***Local Infrastructure Renewal Scheme***

Council has achieved savings of approximately \$1.2 Million in interest repayments through applying for low interest loan subsidies (Local Infrastructure Renewal Scheme) to undertake significant capital works projects such as the refurbishment of Mittagong Pool (\$2.5 Million) and Road Resealing Program (\$4.0 Million).

Council has continually reviewed the way services are conducted and implemented a range of initiatives to ensure resources are used wisely. Despite the improvements to date Council still does not have sufficient funds to continue to provide the current standard of assets and services.

## 8 List of attachments

The following is a list of the supporting documents to include with your application.

Some of these attachments will be mandatory to all special variation applications eg, extracts from the Community Strategic Plan.

Other attachments will be required from some, but not all, councils. For example, extracts from the Asset Management Plan would be required from a council seeking approval of a special variation to fund infrastructure.

Councils should submit their application forms and attachments online through the Council Portal in the following order. Councils may number the attachments as they see fit.

Item	Included?
<b>Mandatory forms and Attachments</b>	
Part A Section 508A and Section 508(2) Application form (Excel spreadsheet)	<input checked="" type="checkbox"/>
Part B Application form (Word document) – this document	<input checked="" type="checkbox"/>
Relevant extracts from the Community Strategic Plan ( <b>Attachment 1</b> )	<input checked="" type="checkbox"/>
Delivery Program ( <b>Attachment 4</b> )	<input checked="" type="checkbox"/>
Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format ( <b>Attachment 5</b> )	<input checked="" type="checkbox"/>
NSW Treasury Corporation report on financial sustainability ( <b>Attachment 9</b> )	<input checked="" type="checkbox"/>
Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and proposed special variation ( <b>Attachment 3</b> )	<input checked="" type="checkbox"/>
Community feedback (including surveys and results if applicable) ( <b>Attachment 3</b> )	<input checked="" type="checkbox"/>
Hardship Policy ( <b>Attachment 10</b> )	<input checked="" type="checkbox"/>
Resolution to apply for the proposed special variation ( <b>Attachment 11</b> )	<input checked="" type="checkbox"/>
Certification (see Section 9) ( <b>Attachment 12</b> )	<input checked="" type="checkbox"/>
<b>Other Attachments</b>	
Relevant extracts from the Asset Management Plan ( <b>Attachment 6</b> )	<input checked="" type="checkbox"/>
Past Instruments of Approval (if applicable) ( <b>Attachment 8</b> )	<input checked="" type="checkbox"/>
Resolution to adopt the revised Delivery Program ( <b>Attachment 11</b> )	<input checked="" type="checkbox"/>
Other (please specify)	<input checked="" type="checkbox"/>
Community Engagement Report for the Development of Community Strategic Plan ( <b>Attachment 1</b> )	
Wingecarribee Shire Council's Fit for the Future Improvement Proposal and IPART Assessment ( <b>Attachment 2</b> )	
Community Satisfaction Survey 2015 ( <b>Attachment 7</b> )	

## 9 Certification

### 9 Certification

#### APPLICATION FOR A SPECIAL RATE VARIATION

To be completed by General Manager and Responsible Accounting Officer

Name of council: Wingecarribee Shire Council

We certify that to the best of our knowledge the information provided in this application is correct and complete.

General Manager (name): Ann Prendergast

Signature and Date:



15/2/2016

Responsible Accounting Officer (name): Richard Mooney, Chief Financial Officer

Signature and Date:



15/2/2016

Once completed, please scan the signed certification and attach it as a public supporting document online via the Council Portal on IPART's website.