

Council Reassessment Proposal



Getting started . . .

Before you commence this template, please check the following:

- The Office considers this proposal should not be an onerous undertaking for Council, and encourages you to keep responses to a maximum of 500 words, ensuring the information is directly relevant to your proposal.
- Proposals should be completed within the template format provided.
- Specific references to the relevant page and/or paragraph of any attachments should also be included in your response.
- Refer to the *Fit for the Future Financial Criteria Reassessment Guidelines* as you complete your proposal template.
- Council is only required to submit for reassessment, those areas that IPART considered 'did not satisfy' the *Fit for the Future* benchmarks.
- Ratios are to be based on the General Fund only, and not include Water and Sewer funds .
- Councils in OLG groups 8 – 11, should submit the Own Source Revenue ratio including and excluding Financial Assistance Grants (FAG) allocation.
- Councils in OLG groups 8 – 11, have until 2025-26 to achieve the benchmarks.
- FAG allocations should be calculated on Council's current funding allocation.
- The indicators are to be actual or forecast figures for each year, **not** a 3 year average as previously reported in Council's proposal assessed by IPART.
- Council should also include the Income Statement from its Long Term Financial Plan (LTFP); a hyperlink to its full LTFP; and any other documents relevant to Council's proposal.
- Council is invited to contact the Office, should Council wish to further clarify Council's proposal.
- Council should forward a copy of the Council resolution endorsing the revised proposal.

Council name:

Kiama Municipal Council

Date of Council resolution endorsing this submission:

22 November 2016 – Minute Number

1.1 Executive Summary

Provide a summary (up to 1000 words) of the key points of Council's Proposal including current performance, the issues facing council and planned improvement strategies following IPART's initial assessment.

As detailed below Council has made a strong commitment and significant adjustments to its operating model, financial focus and its organisational efficiency in a concerted effort to operate in a more financially sustainable manner and subsequently achieve all of the seven benchmarks.

These efforts have been now realised by Council already meeting all of the benchmarks in 2015/2016 based on the audited financial statements and a Long Term Financial Plan which meets all benchmarks in the 10 year horizon.

Kiama Council's position is one of relative strength. With strong governance, political stability, scale and capacity and an educated community with a high level of Council satisfaction (independent Illawarra Regional Information Service survey 2016 – Attachment 1)

Council incorporates prudent financial decision making to deliver quality services, assets and infrastructure, and is demonstrable in listening to and servicing the needs of the community.

In Councils initial submission, considered by IPART, Kiama Municipal Council was deemed "Not Fit" against the following FFTF Benchmarks;

Assessment summary

- Scale and capacity: Satisfies
- Financial criteria: Does NOT satisfy overall
- Sustainability Does NOT satisfy
- Infrastructure and service management Satisfies
- Efficiency Does NOT satisfy

In detail Council was deemed as not meeting four of the seven benchmarks which were:

- 1) Operating Performance Ratio
- 2) Infrastructure and Asset Renewal Ratio
- 3) Asset Maintenance Ratio
- 4) Real Operating Expenditure per Capita

In 2015, after the initial submission, and prior to the IPART assessment, Kiama Municipal Council acknowledged that Council's business model required fundamental change. To this end, Council commenced a comprehensive Sustainability Review process. The foundation of this initiative was the development of an improvement strategy, based on councillor and staff input and the use of consultants to develop a staged action plan.

This Sustainability Review (known also as the Business Improvement Program) process involves analysing our services so that we are clear about what our services are and how we deliver them. The purpose is to ensure that Council's services are a reflection of the local community needs and expectations, both in terms of quality and cost.

A five-stage process has been developed and was commenced in 2015/2016 and will be continued into the future with each service package being scheduled for rigorous review every four years. The process is:

- Stage 1 involves each Section of Council clarifying exactly the services they provide, including how they link to the vision in the Community Strategic Plan;
- Stage 2 involves stakeholder consultation. This stage assists us to determine if Council should continue to deliver particular services in the future, and if so, at what level and at what cost. This will involve extensive consultation with the community of Kiama;
- Stage 3 allows us to determine how Council should deliver these services so that we can ensure we deliver the service in the best way possible;
- Stage 4 is implementing the recommendations;
- Stage 5 is the monitoring and continuous improvement of each Section within Council periodically.

As well as this Sustainability Review, Council will maintain an ongoing review of its services that will continue to define service requirements, refine delivery methods and balance service aims against affordability for both the Council and our community. It is intended that all services will be reviewed in an on-going dialogue with the community.

Amongst other outcomes, based on some of the benefits of this process already achieved, other outcomes that are expected to result from the Sustainability Review:

- generate more revenue;
- improve the efficiency of service delivery.

In addition, to the implementation of the previously reported Improvement Strategy, Council also carried out a forensic audit of its General Ledger. This audit found significant errors in coding of accounts, where renewal expenses for some assets were being expensed and not capitalised impacting significantly on Councils operating performance ratio, Infrastructure and Asset Renewal Ratio and Real Operating Expense per Capita.

In light of the IPART assessment, Council immediately commenced reviews of all aspects of the organisation and our service delivery models. This long term financial plan has been developed to support Council's desire to be financially sustainable now and into the future.

The objectives of this LTFP are to achieve the following:

- an increased ability to fund asset renewal requirements
- to provide financial targets for the next 10 years
- to ensure that external conditions are considered, for example changes in interest rates and population growth
- a maintained funding level for capital works in general
- to progress Council towards maintaining a position of financial sustainability in the long term
- rate and fee increases that are both manageable and sustainable
- investment and funding strategies which promote intergenerational equity
- to demonstrate Council's ability to be *Fit for the Future* by meeting all required benchmarks.

Additional funding has resulted in earlier maintenance and renewal of assets than previously undertaken at Council. Early maintenance and renewal of an asset prevents the asset from deteriorating so much that it no longer provides the intended or acceptable service to the community, or it becomes a hazard to the asset user and a risk to Council. Successfully maintaining an asset is a constant process. Earlier maintenance and renewal is also a more cost effective way to manage the asset over the life of the asset, hence reducing the future financial burden on the Council and on generations to come.

Council has recently changed its focus towards a risk assessment/management approach to asset maintenance based on condition and fitness for purpose. Council has changed its focus to one of:

- improving our organisations maturity through linking our financial and our asset position,
- shifting our Capital Works funds towards renewal instead of new assets especially the last

two years

- borrowing money to renew assets to reduce asset lifecycle costs
- improving internal Council efficiencies through Sustainability Reviews freeing up funds for asset renewal
- the continuous improvement in the Capital Works and Maintenance processes to drive efficiencies and reduce costs. This in turn resulted in savings made to return into the renewal of assets.

Council has developed an Asset Funding Strategy: the statement of intent for the Asset Funding Strategy is to prioritise funds towards the renewal and maintenance of assets. This Asset Funding Strategy is cognisant of the Council's duties and responsibilities outside of asset management and not all monies can be diverted to the funding of assets.

Council, to ensure the accuracy of the Long Term Financial Plan, including assumptions, calculations and financial statement integration, has referred the attached Long Term Financial Plan to a number of independent organisations for review and input. The responses and assessment by these organisations may be found in the following attachments:

Morrison Low – Attachment 2

Pitcher Partners – Attachment 3 (Agreed Upon Procedures only)

Sustainability

Measure/ Benchmark (General Fund Only)	Actual 2015 / 2016 performance	Achieves FFTF benchmark?	Forecast performance 2020 / 2021 (Group 1-7 Councils) 2025 / 2026 (Group 8-11 Councils)	Achieves FFTF benchmark?
Operating Performance Ratio (%) (Greater than or equal to break-even – actual/forecast year only)	2.61%	Yes	6.75%	Yes
Own Source Revenue Ratio (Greater than 60% - actual/forecast year only) Councils in OLG groups 8-11 to provide ratio including and excluding FAG allocations	59.84%	No*	75.58%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% - actual/forecast year only)	244.07%	Yes	105.83%	Yes

What measures has council implemented to achieve the benchmarks following Council's initial proposal?

Operating Performance Ratio – Did **NOT** meet

As detailed in the LTFP Council has undertaken significant work in implementing its previously submitted improvement strategy. In relation to impacts / improvements in the Operating Performance Ratio, Council has implemented and will continue to implement the following:

- Council has reviewed in detail its business operating model and determined a set of key objectives that underpin their long term financial plan to increase the organisations financial sustainability in the long term.
- Specific actions / initiatives undertaken that have had a positive impact on this Ratio include:
 - Correction of coding errors that resulted for several years in over \$2M of renewal being expensed in the income statement
 - A complete audit of all asset classes examining useful lives and condition assessment which has resulted in a decrease of \$2M in depreciation expense and a significantly increased understanding of all assets. This was part of the Improvement Strategy in the original submission.
 - Council has implemented an organisation development strategy and an ongoing program of service sustainability reviews, on a rolling four year program, to identify process improvements, efficiency savings and improved customer satisfaction. This commitment to continuous improvement will be fully embedded into the next set of Integrated Planning documents. This was

part of the Improvement Strategy in the original submission. In 2015/2016 efficiency savings of over 2% were achieved as demonstrated by the positive operating result for that year.

- Council has commenced a move towards activity based costing which will provide further clarification around cost drivers, accountabilities and opportunities for improvement. This was part of the Improvement Strategy in the original submission.
- Council has been and will continue to work with member councils of the Illawarra Pilot Joint Organisation (IPJO) in maximising benefits from regional procurement. Most recently Council entered a new contract for supply of electricity as part of a regional procurement tender resulting in a saving of 7%.
- Joint procurement with the Illawarra Pilot Joint Organisation including a combined legal panel, tree services, building services and security services.

Own Source of Revenue Ratio – DID meet

Under Council's original submission, and the subsequent IPART assessment, Council was deemed to meet this ratio.

Building and Infrastructure Renewal Ratio – Did NOT meet

Since the original submission, Council has conducted an in depth full asset review. This was part of the original improvement proposal. Resulting from this audit, was an increased understanding of both asset lives and true asset condition. As a result of this data, depreciation has decreased by \$2M and useful lives are more realistic and a greater level of asset condition is known. There will be potentially further small savings in depreciation when buildings are revalued. As part of the audit, Council had a number of buildings valued and it was found on average that they are 20% overstated in value, however this matter will be addressed as part of the full buildings revaluation.

As part of a forensic audit conducted on Council's Chart of Accounts, it was found that a number of coding errors had occurred over several years that was resulting over \$2M of renewals being expensed. The impact of this was that it was having a negative impact both on the Operating Performance Ratio and the Building and Infrastructure Renewal Ratio.

Finally, Council in developing a new 10 year financial plan has shifted the focus from new assets to increased funding for asset renewal and maintenance.

If the Fit for the Future benchmarks are not being achieved, please indicate why.

* As part of a detailed asset review there was more than \$6 million worth of asset discoveries which has resulted in Own Source of Revenue falling minutely below the 60% benchmark.

Infrastructure and Service Management

If Council satisfied the criteria as part of IPART's assessment, there is no need to complete this section.

Measure/ Benchmark (General Fund Only)	Actual 2015 / 2016 performance	Achieves FFTF benchmark?	Forecast performance 2020 / 2021 (Group 1-7 Councils) 2025 / 2026 (Group 8-11 Councils)	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2% - actual/forecast year only)	1.56%	Yes	.90%	Yes
Asset Maintenance Ratio (Greater than 100% - actual/forecast year only)	102%	Yes	102%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% - actual/forecast year only)	3.66%	Yes	6.22%	Yes

What measures has council implemented to achieve the benchmarks following Council's initial proposal?

Infrastructure Backlog Ratio – DID meet

Asset Maintenance Ratio – Did NOT meet

As detailed in the Long Term Financial Plan, Council has adopted a change of focus for financial planning from the creation of new assets to asset renewal and maintenance. In the LTFP Council has committed to a proactive approach to asset maintenance to maximise asset life, serviceability and community satisfaction. This change of focus was taken by Council in July 2015 and as shown by the audited statements, achieved the required benchmark.

Debt Service Ratio – DID Meet

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Not applicable

Efficiency

If Council satisfied the criterion as part of IPART's assessment, there is no need to complete this section.

Measure/ Benchmark (General Fund Only)	Actual 2015 / 2016 performance	Achieves FFTF benchmark?	Forecast performance 2020 / 2021 (Group 1-7 Councils) 2025 / 2026 (Group 8-11 Councils)	Achieves FFTF benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time . Efficiency data is to be included in whole dollars	\$1,960	Yes	\$1,958	Yes

What measures has council implemented to achieve the benchmarks following Council's initial proposal?

Real Operating Expenditure per capita – Did NOT meet

As shown in the Long Term Financial Plan, Council achieves this benchmark over the term of the plan. The 2014/2015 Real Operating Expenditure Per Capita Ratio was \$2,441. In 2015/2016 it is \$1,960, in 2020/2021 it is \$1,958 and in 2026/2027 it is \$1,789. As shown in the graphs attached to the LTFP, the Real Operating Expenditure Per Capita does increase over the 2019/2020 and 2020/2021 years due to Council opening its new Aged Care Facility (KACCOE) which will be a service increase of 60% on the current service numbers. After this time, the Real Operating Expenditure Per Capita again starts to decline. The assumptions used in calculating these numbers is population growth of 1.1% (based on Department of Planning forecasts) and an inflation rate of 2.5%.

In addition, the work undertaken in identifying efficiency savings through sustainability reviews, and Council's commitment to achieve a 1% efficiency gain per year has improved this ratio. It is noteworthy that on the 2015/2016 audited financial statements, that an efficiency gain of more than 2% was achieved against original budget.

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Not applicable

How will council become Fit for the Future?

Sustainability

Summarise Council's key strategies to improve performance against the Sustainability benchmarks in the 2020/21 period, (2025/26 for OLG group 8-11) including the outcomes Council expects to achieve.

Not applicable

Explain the key assumptions that underpin Council's strategies and expected outcomes.

The Long Term Financial Plan presents financial forecasts associated with the following assumptions:

- the entire rate peg of 1.8% is applied to rating income for financial year 2016/2017 and then increased to 2.25%, with a Special Rate Variation (S508A) of 3% on top of the rate peg for three years 2018/2019, 2019/2020 and 2020/2021 and then retaining permanently the additional rate revenue. The Plan then reverts back to rate pegging at 2.25% for the balance of the horizon.
- 50 new assessments per year
- population growth 1.1% per year (Department of Planning)
- introduction of Stormwater Levy in 2017/2018
- Pensioner Rebate increase of 1.5% per year
- an inflation forecast of 2.5% is applied to most sources of income
- discretionary fees and charges have been reviewed in detail and adjusted where appropriate to incorporate full cost recovery
- holiday park income has been reviewed and adjusted to facilitate repayment of loans for the implementation of the Masterplan
- financial assistance grant frozen at current levels until 2018/2019 and then increased by 2.5%
- depreciation, asset renewal and asset maintenance aligned and integrated with Asset Management Plans

- an efficiency saving of 1% per annum through ongoing service sustainability reviews on an continual business improvement strategy.

It is also important to be conservative with income projections in order to not spend outside of Council's means when forecasting its financial future.

Sustainability

Outline Council's strategies and outcomes in the table below

Objective	Strategies	Key milestones	Outcome	Impact on other measures
1. Internal Sustainability Reviews (business process improvement)	Sustainability reviews using a range of tools including process mapping will define current processes and opportunities for improvement to reduce costs, improve quality and increase customer satisfaction.	<ul style="list-style-type: none"> a. Purchase and implementation of Promapp. b. Implementation of business improvement tools Lean and ABEF. c. Implementation of a culture enhancement program to establish a continuous improvement culture. 	An overall organisational sustainability review framework that empowers the organisation to identify process improvements and cost efficiencies. Council has already mapped over 150 processes for improvement review.	Positive impact on Operating Result. Positive impact on Real Operating Expenditure per Capita.
2. To ensure that Council has a detailed understanding of useful lives and condition assessment for all asset classes, to validate depreciation expense.	Full audit of all assets in terms of useful lives, and condition assessment.	Completion of audit in 2015.	Full review completed resulting in a reduction in depreciation expense of \$2M in 2015/2016	Positive impact on Operating Result. Positive impact on Real Operating Expenditure per Capita. Positive impact on Building and Infrastructure Renewal Ratio.

<p>3. Review discretionary fees and charges to validate full and partial cost recovery.</p>	<p>Review all cost drivers for services provided to ensure alignment between costs and charges. Where appropriate benchmark against others.</p>	<p>High revenue fees and charges reviewed 2015. Full project to be completed prior to setting of 2017/2018 Revenue Policy</p>	<p>Increased alignment between costs and associated revenues where appropriate. Stage 1 of the review has increased revenues by \$389,000 for 2016/2017.</p>	<p>Positive impact on Operating Result.</p>
<p>4. Undertake review of status of commercial interests and maximise existing and identify new revenue opportunities</p>	<p>Council has established a Revenue Committee to strategically review all commercial undertakings to maximise return on capital whilst being affordable and competitive.</p>	<p>a. Identification of land development opportunities (Spring Creek). b. Review operating model and cost drivers for Council commercial undertakings.</p>	<p>Maximise return on capital after determining, where appropriate, the value of the community service obligation.</p>	<p>Positive impact on Own Source of Revenue</p>

Infrastructure and Service Management

If Council satisfied the criteria as part of IPART's assessment, there is no need to complete this section.

Summarise Council's key strategies to improve performance against the Infrastructure and Service Management benchmarks in the 2020/21 (2025/26 for OLG group 8-11) period, including the outcomes Council expects to achieve.

Not applicable

Explain the key assumptions that underpin Council's strategies and expected outcomes.

Not applicable

Infrastructure and Service Management

If Council satisfied the criteria as part of IPART's assessment, there is no need to complete this section.

Outline Council's strategies and outcomes in the table below.

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Not applicable				

Efficiency

If Council satisfied the criterion as part of IPART's assessment, there is no need to complete this section.

Summarise Council's key strategies to improve performance against the Efficiency measures in the 2020/21 period (2025/26 for OLG group 8-11), including the outcomes Council expects to achieve.

Not applicable

Explain the key assumptions that underpin Council's strategies and expected outcomes.

Not applicable

Efficiency

If Council satisfied the criterion as part of IPART's assessment, there is no need to complete this section.

Outline Council's strategies and outcomes in the table below.

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Not applicable				

Improvement Action Plan

Summarise the key improvement actions that will be achieved in the first year of Council's plan.

Action plan

Actions	Milestones
Not applicable	
* Please attach detailed action plan and supporting financial modelling	

Outline the process that underpinned the development of Council's Action Plan.

For example, who was involved, any external assistance, consultation or collaboration, and how the council has reviewed and approved the plan.

Other actions considered

In preparing the Improvement Action Plan, Council may have considered other strategies/actions but decided not to adopt them. Please identify what these strategies/actions were and explain why Council chose not to pursue them.

Not applicable

How will Council's plan improve performance?

(Ratios to be calculated as a single year, not 3 year averages)

Expected improvement in performance

If Council satisfied the Infrastructure and Service Management and Efficiency criteria as part of IPART's assessment, there is no need to complete the relevant ratios below. However, Councils can complete all ratios to further substantiate the reassessment proposal if desired.

Measure/ Benchmark (General Fund Only)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (Group 8-11 Councils only)	2022/23 (Group 8-11 Councils only)	2023/24 (Group 8-11 Councils only)	2024/25 (Group 8-11 Councils only)	2025/26 (Group 8-11 Councils only)	Achieves FFTF benchmark?
Operating Performance Ratio (%) (Greater than or equal to break-even)	261%	0.58%	1.41%	3.5%	6.22%	6.75%						Yes
Own Source Revenue Ratio (Greater than 60%) Councils in OLG groups 8-11 to provide ratio including and excluding FAG allocations	59.84%	76.50%	73.47%	81.70%	77.10%	75.58%						Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100%)	244.07%	105.95%	100.12%	100.9%	100.67%	105.83%						Yes

Measure/ benchmark	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (Group 8-11 Councils only)	2022/23 (Group 8-11 Councils only)	2023/24 (Group 8-11 Councils only)	2024/25 (Group 8-11 Councils only)	2025/26 (Group 8-11 Councils only)	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	1.56%	1.32%	1.25%	1.22%	1.21%	1.29%						Yes
Asset Maintenance Ratio (Greater than 100%)	102%	102%	102%	102%	102%	102%						Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20%)	3.66%	2.28%	3.91%	5.09%	5.77%	6.22%						Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time Efficiency data is to be included in whole dollars	\$1,960	\$1,893	\$1,843	\$1,871	\$1,955	\$1,958						Yes

Include Council's Income Statement from its Long Term Financial Plan, as well as a hyper link to Council's full Long Term Financial Plan. Also provide a link to Council's original FFTF submission to IPART and any other documents relevant to Council's proposal.

Expected improvement in performance

If, after implementing Council's plan, Council may still not achieve all of the Fit for the Future benchmarks, please explain the likely reasons why.

Not applicable

Putting the plan into action

How will council implement its Improvement Action Plan?

As demonstrated both in this response and the Long Term Financial Plan, Council's Improvement Strategy submitted as part of the original submission has been implemented and will continue to be actioned and refined over the years of the Long Term Financial Plan.

Water utility performance

NB: This section should only be completed by councils who have direct responsibility for water supply and sewerage management

Does Council currently achieve the requirements of the NSW Government Best Practice Management of Water Supply and Sewerage Framework?

Yes/No – (Not applicable)

If NO, please explain the factors that influence performance against the Framework.

Not applicable

How much is Council's current (2015/16) water and sewerage infrastructure backlog?

Not applicable

Water utility performance

Identify any significant capital works (>\$1m) proposed for Council's water and sewer operations during the 2016-17 to 2020-21 period and any known grants or external funding to support these works.

Capital works

Proposed works	Timeframe	Cost	Grants or external funding
Not applicable			

Water utility performance

Does council currently manage its water and sewerage operations on at least a break-even basis?

Yes / No

If No, please explain the factors that influence performance.

Not applicable

Water utility performance

Identify Council's key strategies to improve the performance of its water and sewer operations in the 2016-17 to 2020-21 period.

Improvement strategies

Strategy	Timeframe	Anticipated outcome
Not applicable		

Appendix 1

Income Statement, Balance Sheet and Cash Flow Statement for the period 2016/2017 – 2020/2021

Kiama Municipal Council						
Financial Plan for the Years ending 30 June 2021						
INCOME STATEMENT - CONSOLIDATED						
Scenario:	Actuals	Current Year	Projected Years			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$
Income from Continuing Operations						
Revenue:						
Rates & Annual Charges	18,808,000	19,808,055	20,392,479	21,338,120	22,329,816	23,369,877
User Charges & Fees	17,376,000	16,540,026	17,340,407	19,793,157	20,134,847	20,900,215
Interest & Investment Revenue	1,677,000	1,907,500	1,633,361	1,584,143	1,899,454	2,040,234
Other Revenues	3,435,000	1,896,817	1,912,848	3,241,790	4,491,813	4,528,302
Grants & Contributions provided for Operating Purposes	12,883,000	12,370,734	12,183,215	11,853,308	15,834,408	16,155,666
Grants & Contributions provided for Capital Purposes	14,334,000	3,407,227	4,182,000	682,000	1,682,000	682,000
Other Income:						
Net gains from the disposal of assets	-	5,605,800	2,025,500	5,003,500	5,058,000	632,000
Joint Ventures & Associated Entities	-	-	-	-	-	-
Total Income from Continuing Operations	68,513,000	61,536,159	59,669,808	63,496,017	71,430,337	68,308,293
Expenses from Continuing Operations						
Employee Benefits & On-Costs	24,813,000	23,699,339	24,467,013	26,361,920	28,302,287	29,216,806
Borrowing Costs	1,000	235,866	195,116	159,806	1,110,341	1,901,861
Materials & Contracts	17,172,000	17,828,295	17,460,581	18,107,415	19,060,852	19,489,808
Depreciation & Amortisation	6,820,000	6,807,978	6,867,978	6,950,802	7,497,186	7,617,028
Impairment	-	-	-	-	-	-
Other Expenses	3,232,000	3,584,307	3,662,819	3,858,996	4,069,391	4,158,625
Interest & Investment Losses	-	-	-	-	-	-
Net Losses from the Disposal of Assets	1,094,000	-	-	-	-	-
Joint Ventures & Associated Entities	45,000	-	-	-	-	-
Total Expenses from Continuing Operations	53,177,000	52,155,785	52,653,506	55,438,939	60,040,057	62,384,128
Operating Result from Continuing Operations	15,336,000	9,380,374	7,016,302	8,057,078	11,390,280	5,924,165
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-
Net Operating Result for the Year	15,336,000	9,380,374	7,016,302	8,057,078	11,390,280	5,924,165
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,002,000	5,973,147	2,834,302	7,375,078	9,708,280	5,242,165

Kiama Municipal Council						
Financial Plan for the Years ending 30 June 2021						
BALANCE SHEET - CONSOLIDATED						
Scenario:	Actuals	Current Year	Projected Years			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash & Cash Equivalents	418,000	12,101,216	19,114,057	32,057,219	51,497,439	53,091,206
Investments	35,995,000	19,010,244	15,010,244	20,010,244	20,010,244	20,010,244
Receivables	2,602,000	2,239,453	2,356,419	2,272,545	2,244,040	2,291,017
Inventories	227,000	4,728,470	11,723,891	5,974,192	224,386	229,418
Other	58,000	40,383	39,857	39,945	40,028	40,920
Non-current assets classified as "held for sale"	3,729,000	-	-	-	-	-
Rounding adjustment (keep line always hidden!!!!)	-	-	-	-	-	-
Total Current Assets	43,029,000	38,119,766	48,244,468	60,354,144	74,016,136	75,662,805
Non-Current Assets						
Investments	-	984,756	984,756	20,984,756	20,984,756	20,984,756
Receivables	552,000	260,829	266,493	275,428	284,717	294,950
Inventories	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	337,980,000	350,063,969	377,755,567	407,280,834	426,952,701	427,677,495
Investments Accounted for using the equity method	109,000	109,000	109,000	109,000	109,000	109,000
Investment Property	78,075,000	78,075,000	78,075,000	78,075,000	78,075,000	78,075,000
Intangible Assets	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Non-current assets classified as "held for sale"	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Non-Current Assets	419,116,000	431,893,554	459,590,816	509,125,018	528,806,174	529,541,201
TOTAL ASSETS	462,145,000	470,013,320	507,835,284	569,479,162	602,822,310	605,204,006
LIABILITIES						
Current Liabilities						
Bank Overdraft	-	-	-	-	-	-
Payables	64,838,000	64,168,717	63,289,694	62,470,623	61,672,325	60,948,823
Borrowings	843,000	653,252	900,948	934,202	1,306,702	1,146,229
Provisions	6,391,000	6,491,500	6,491,500	6,491,500	6,491,500	6,491,500
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-
Total Current Liabilities	72,072,000	71,313,469	70,682,141	69,896,325	69,470,528	68,586,552
Non-Current Liabilities						
Payables	-	-	-	25,306,818	45,438,520	43,926,256
Borrowings	3,789,000	3,134,976	34,571,967	63,637,765	65,884,729	64,738,500
Provisions	134,000	33,500	33,500	33,500	33,500	33,500
Investments Accounted for using the equity method	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-
Total Non-Current Liabilities	3,923,000	3,168,476	34,605,467	88,978,083	111,356,749	108,698,256
TOTAL LIABILITIES	75,995,000	74,481,945	105,287,608	158,874,408	180,827,276	177,284,808
Net Assets	386,150,000	395,531,374	402,547,676	410,604,754	421,995,034	427,919,198
EQUITY						
Retained Earnings	160,150,000	169,530,374	176,546,676	184,603,754	195,994,034	201,918,198
Revaluation Reserves	226,000,000	226,000,000	226,000,000	226,000,000	226,000,000	226,000,000
Council Equity Interest	386,150,000	395,530,374	402,546,676	410,603,754	421,994,034	427,918,198
Minority Equity Interest	-	-	-	-	-	-
Total Equity	386,150,000	395,530,374	402,546,676	410,603,754	421,994,034	427,918,198

Kiama Municipal Council						
Financial Plan for the Years ending 30 June 2021						
CASH FLOW STATEMENT - CONSOLIDATED						
Scenario:	Actuals	Current Year	Projected Years			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities						
Receipts:						
Rates & Annual Charges	18,726,000	19,805,441	20,381,662	21,320,618	22,311,461	23,350,627
User Charges & Fees	17,998,000	16,637,363	17,307,566	19,801,873	20,153,258	20,874,664
Interest & Investment Revenue Received	2,471,000	1,892,173	1,631,404	1,580,977	1,896,133	2,036,751
Grants & Contributions	27,586,000	15,857,194	16,325,383	12,618,270	17,530,840	16,860,412
Bonds & Deposits Received	14,000	-	-	26,600,445	22,363,966	720,000
Other	4,335,000	1,522,818	1,034,695	1,131,139	1,468,317	1,466,517
Payments:						
Employee Benefits & On-Costs	(24,882,000)	(23,699,339)	(24,467,013)	(26,361,920)	(28,302,287)	(29,216,806)
Materials & Contracts	(19,696,000)	(17,611,342)	(17,493,532)	(18,105,920)	(19,060,147)	(19,421,389)
Borrowing Costs	(1,000)	(235,866)	(195,116)	(159,806)	(1,110,341)	(1,901,861)
Bonds & Deposits Refunded	-	-	-	-	-	-
Other	(4,201,000)	(3,584,307)	(3,662,819)	(3,858,996)	(4,069,391)	(4,158,625)
Net Cash provided (or used in) Operating Activities	22,350,000	10,584,135	10,862,231	34,566,678	33,181,809	10,610,291
Cash Flows from Investing Activities						
Receipts:						
Sale of Investment Securities	35,425,000	16,000,000	4,000,000	-	-	-
Sale of Investment Property	-	-	-	-	-	-
Sale of Real Estate Assets	285,000	-	2,000,000	10,000,000	10,000,000	-
Sale of Infrastructure, Property, Plant & Equipment	749,000	8,835,800	284,000	370,500	335,500	195,000
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-
Payments:						
Purchase of Investment Securities	(35,995,000)	-	-	(25,000,000)	-	-
Purchase of Investment Property	(236,000)	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(23,434,000)	(22,892,947)	(34,118,076)	(36,093,069)	(26,696,553)	(7,904,821)
Purchase of Real Estate Assets	(13,000)	-	(7,700,000)	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(23,219,000)	1,942,853	(35,534,076)	(50,722,569)	(16,361,053)	(7,709,821)
Cash Flows from Financing Activities						
Receipts:						
Proceeds from Borrowings & Advances	-	-	32,500,000	30,000,000	3,800,000	-
Proceeds from Finance Leases	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-
Payments:						
Repayment of Borrowings & Advances	(1,694,000)	(843,772)	(815,313)	(900,948)	(1,180,536)	(1,306,702)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,694,000)	(843,772)	31,684,687	29,099,052	2,619,464	(1,306,702)
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,563,000)	11,683,216	7,012,841	12,943,162	19,440,220	1,593,767
plus: Cash, Cash Equivalents & Investments - beginning of year	2,981,000	418,000	12,101,216	19,114,057	32,057,219	51,497,439
Cash & Cash Equivalents - end of the year	418,000	12,101,216	19,114,057	32,057,219	51,497,439	53,091,206
Cash & Cash Equivalents - end of the year	418,000	12,101,216	19,114,057	32,057,219	51,497,439	53,091,206
Investments - end of the year	35,995,000	19,995,000	15,995,000	40,995,000	40,995,000	40,995,000
Cash, Cash Equivalents & Investments - end of the year	36,413,000	32,096,216	35,109,057	73,052,219	92,492,439	94,086,206
Representing:						
- External Restrictions	6,688,000	5,502,483	4,966,435	5,661,332	6,356,229	7,051,126
- Internal Restrictions	29,441,446	25,377,122	27,663,836	66,754,168	84,261,021	86,637,415
- Unrestricted	283,554	1,216,611	2,478,786	636,719	1,875,189	397,665
	36,413,000	32,096,216	35,109,057	73,052,219	92,492,439	94,086,206

Appendix 2

Long Term Financial Plan 2017/2018 – 2026/2027

Attachment 1

IRIS 2016 Kiama Council Community Survey

Executive summary

This report presents the results of the Kiama Council Community Survey, 2016. IRIS Research was commissioned by Council to conduct a comprehensive telephone based survey among the area's residents. The survey sought a range of resident attitudes and opinions as input to Council's ongoing strategic planning and quality improvement process.

The 2016 survey was conducted on the IRIS Computer-Assisted Telephone Interviewing (CATI) system during August. A total of 505 interviews were conducted with residents from the Kiama Local Government Area (LGA). To qualify for an interview, respondents had to have been a resident in the Council area for at least the last 6 months and aged 18 years or older. The survey achieved a completion rate of 68.6%, which is considered a very good response for a telephone survey of this type.

The detailed report findings are presented below with the summary findings of the 2016 survey presented in the separate infographics 'Executive Summary Report'.

1 Introduction

Background

This study was commissioned by Kiama Council to provide the foundations of an on-going community assessment of Council's performance in the delivery of key services and facilities. Overall the survey aimed to provide Council with an understanding of the perceptions and needs of the local community with respect to both Council's services and facilities and to customer service.

Study Objectives

The broad objectives for the community survey process were to:

- To measure the importance of and satisfaction with services and facilities provided by Council;
- Compare levels of satisfaction for Council's services, facilities and customer service with benchmark measures from similar sized Council's;
- Assist Council in better understanding resident perceptions of Kiama Local Government area;
- Identify current major issues of concern for the Kiama area.

Attitude Measurement

In the first section of the survey, a series of 32 Council services and facilities were read out to respondents. For each, respondents were asked to give both an importance and satisfaction rating. Results from these ratings form the basis of much of the analysis in this report. The importance and satisfaction rating scales used in the survey are exhibited on the next page:

Importance scale

1 = Not at all important

2 ...

3 ...

4 ...

5 = Very important

Satisfaction scale

1 = Not at all satisfied

3 ...

4 ...

5 = Very satisfied

For all rating scales, those respondents who could not provide a rating, either because the question did not apply to them or they had no opinion, were entered as a 'Can't say' or a rating of 6. Rating scale results have generally been presented in two basic forms. Firstly, the results have been presented in terms of the proportion (%) of respondents giving a particular rating for a specific service or facility. These results are presented in collapsed category tables, where proportions have been assigned to one of the following categories:

Table 1.3.1: Collapsed rating scores

	Can't say	Low importance / satisfaction	Medium importance / satisfaction	High importance / satisfaction
Rating score given	6	1 & 2	3	4 & 5

Secondly, the numeric values recorded for each attribute have been converted into an overall *mean score* out of five. To derive the mean score for an attribute, all respondents' answers are 'averaged' to produce an overall rating that conveniently expresses the result of scale items in a single numeric figure. This makes data interpretation considerably easier when comparing multiple services and facilities. The mean score excludes those respondents who could not give a valid rating (i.e. 'Can't Say').

Given that IRIS undertakes many community surveys such as this; we are able to benchmark mean scores. As such, mean importance and satisfaction scores can

be further classified as being a low, medium or high score based on this experience. Table 1.3.2 highlights the mean classifications.

Table 1.3.2: Classification of mean scores

Mean importance scores	
0 – 2.99	Low
3.00 – 3.99	Medium
4.00 – 5.00	High

Mean satisfaction scores	
0 – 2.99	Low
3.00 – 3.74	Medium
3.75 – 5.00	High

Survey Response

A total of 505 completed interviews were collected from a random sample of residents from throughout the Kiama Local Government area. Strict sampling procedures ensured that characteristics of selected respondents mirrored those of the overall adult population of the area.

Survey Results

2 Prioritising services and facilities

Given the range of services and facilities Council has to manage, it can often be a difficult task to prioritise. The sheer number of services and facilities under management can diffuse focus and distract attention away from the services and facilities of critical importance to improving resident satisfaction. This section of the report aims to identify the key drivers of resident satisfaction via a deeper analysis of the importance and satisfaction data provided by residents.

2.1 Quadrant Analysis

Quadrant analysis is a useful way of simultaneously analysing the stated importance a service holds for residents against their satisfaction with the provision of that service. To do this, mean satisfaction scores are plotted against mean importance scores for each Council service or facility. In order to form the quadrants (or opportunity matrix) that separate higher and lower level priority services, combined mean importance and satisfaction scores were calculated for the entire set of 32 council services and facilities. These scores were: *Importance score = 4.4 and Satisfaction score = 3.9*. Thus for example, services or facilities with a mean importance score of less than 4.4 (i.e. a score lower than the overall mean importance score), were classified as having 'lower' importance relative to the other services and facilities measured. Conversely, services or facilities with a mean score above 4.4 were classified as having 'higher' importance relative to the other services and facilities. The results of the quadrant analysis are displayed in Figure 2.1.1 and Table 2.1.1.

Each of the four quadrants has a specific interpretation:

1. The upper right quadrant (high importance and high satisfaction) represents current council service strengths.
2. The upper left quadrant (high importance but relatively lower satisfaction) denotes services where satisfaction should be improved.
3. The lower left quadrant (relatively lower importance and relatively lower satisfaction) represents lower priority services.
4. The lower right quadrant (relatively lower importance and high satisfaction) is often interpreted as representing services where effort exceeds expectations.

The attributes in the upper left quadrant are all candidates for immediate attention. Residents placed a high importance on these attributes but also reported relatively lower satisfaction.

Figure 2.1.1 plots each of the 32 services and facilities using their mean importance score and mean satisfaction score as coordinates for where they lie relative to each other. The vertical axis represents the mean importance scores for each service and facility while also highlighting the overall average importance for all 31 services and facilities. The horizontal axis is used to plot the mean satisfaction scores for each service and facility as well as plotting the overall satisfaction score. The Figure provides an excellent visual representation of how each service performs relative to each other.

Figure 2.1.1: Quadrant analysis for all services and facilities

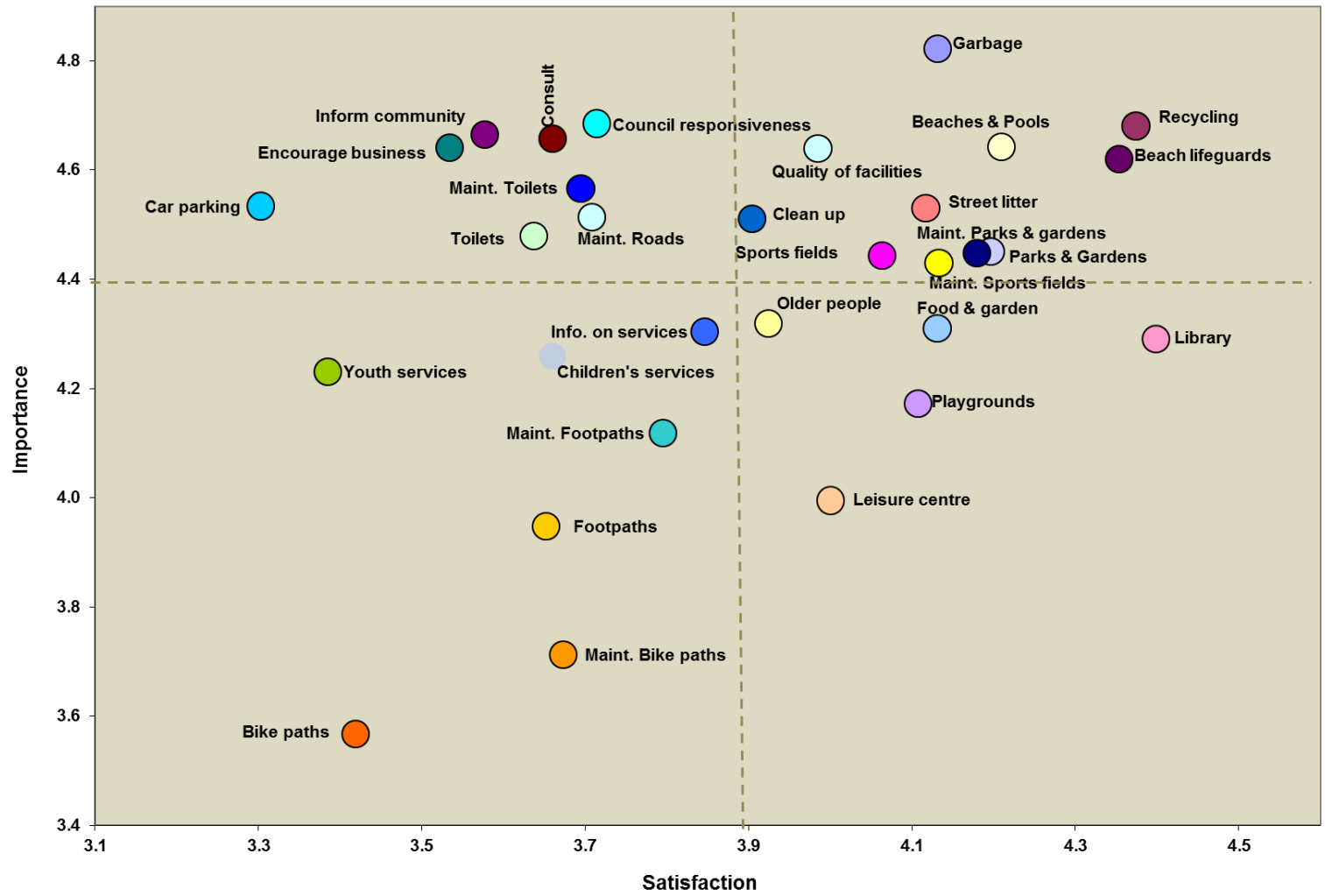


Table 2.1.1: Opportunities Matrix for Council Services and Facilities

2. HIGHER IMPORTANCE LOWER SATISFACTION	1. HIGHER IMPORTANCE HIGHER SATISFACTION
<p>Council responsiveness to community needs</p> <p>Informing the community of Council decisions</p> <p>Consulting the community</p> <p>Encouraging local businesses and jobs</p> <p>Maintenance of public toilets</p> <p>Provision of public car parking in your town centre</p> <p>Maintenance of local roads</p> <p>Provision of public toilets</p>	<p>Garbage collection</p> <p>Kerbside recycling service</p> <p>Maintenance of rock pools and beaches</p> <p>Overall range and quality of community facilities</p> <p>Beach lifeguard service</p> <p>Cleanup of street litter and dumped rubbish</p> <p>Annual household kerbside clean-up collection</p> <p>Provision of parks and gardens</p> <p>Maintenance of parks and gardens</p> <p>Maintenance of sports grounds and fields</p> <p>Provision of sports grounds and playing fields</p>
3. LOWER IMPORTANCE LOWER SATISFACTION	4. LOWER IMPORTANCE HIGHER SATISFACTION
<p>Information on Council services and activities</p> <p>Services and facilities for children</p> <p>Services and facilities for youth</p> <p>Maintenance of footpaths</p> <p>Provision of footpaths</p> <p>Maintenance of bike paths</p> <p>Provision of bike paths</p>	<p>Services and facilities for older people</p> <p>Food and garden organics</p> <p>Library services</p> <p>Provision of community halls and community centres</p> <p>Provision of children’s play grounds and equipment</p> <p>Leisure centre</p>

Key results:

-
- The results of the quadrant analysis showed 8 Council services and facilities that registered relatively higher importance, but relatively lower satisfaction. The following services and facilities were highlighted: maintenance of local roads, encouraging local businesses and jobs, provision of public toilets, maintenance of public toilets, services, consulting the community, Council responsiveness to community needs, provision of public car parking in your town centre and informing the community of Council decisions.
-

2.2 Gap Analysis

Despite its usefulness, quadrant analysis is not a complete priority assessment tool. For example, it does not explicitly identify the gaps between importance and satisfaction. It is possible that a large gap could exist between importance and satisfaction, even though a service or facility appears in the 'high importance and high satisfaction' quadrant as 'garbage collection' does in this instance.

Consequently, gap analysis was used as the second component in analysing the results. Gap measures were calculated by subtracting the mean satisfaction score from the mean importance score for each attribute. It should be pointed out that if a respondent rated a service or facility's importance, but failed to provide a satisfaction rating i.e. 'Can't say / Don't know' they were excluded from the gap analysis. Usually, ***the larger the gap between importance and satisfaction, the larger the gap between Council's performance in the provision of a service and residents' expectations***

Gap scores are presented in Table 2.2.1. The table ranks services and facilities from highest gaps to lowest gaps. Those services with a gap score significantly above the mean gap score for all services ($\xi=0.5933$) were given top priority (i.e. a rating of 1).

These are services that should be addressed by management first as the importance of that service far outweighs the satisfaction that residents have with its provision.

Services with a gap score statistically equal to the mean gap were given second priority (rating of 2) and services with a gap score significantly below the mean gap were given third priority (rating of 3).

Table 2.2.1: Performance Gaps for Council Services and Facilities

Service / Facility	Ranking		Performance Gap			Priority Level
	2011	2016	2011	2016	% Change	
Provision of public car parking in your town centre	1	1	1.428	1.2689	-11.1%	1
Informing the community of Council decisions	-	2	-	1.1008	-	1
Encouraging local businesses and jobs	2	3	1.3	1.1388	-12.4%	1
Consulting the community	6	4	1.1	1.0192	-7.3%	1
Council responsiveness to community needs	4	5	1.223	0.9695	-20.7%	1
Services and facilities for youth	5	6	1.197	1.0834	-9.5%	1
Maintenance of public toilets	8	7	1.053	0.9262	-12.0%	1
Provision of public toilets	3	8	1.268	0.8941	-29.5%	1
Maintenance of local roads	7	9	1.089	0.8052	-26.1%	1
Services and facilities for children	9	10	0.873	0.8159	-6.5%	1
Garbage collection	28	11	0.297	0.7027	136.6%	1
Annual household kerbside clean-up collection	12	12	0.672	0.6822	1.5%	2
Overall range and quality of community facilities and services	10	13	0.733	0.6532	-10.9%	2
Provision of bike paths	26	14	0.487	0.5391	10.7%	3
Services and facilities for older people (eg senior citizen centres)	17	15	0.479	0.4961	3.6%	3
Information on Council services and activities	15	16	0.559	0.4748	-15.1%	3
Maintenance of sports grounds and playing fields	19	17	0.443	0.4512	1.9%	3
Maintenance and cleanliness of rock pools and beaches	14	18	0.621	0.4806	-22.6%	3
Cleanup of street litter and dumped rubbish	25	19	0.327	0.4464	36.5%	3
Maintenance of footpaths	13	20	0.622	0.42	-32.5%	3
Provision of footpaths	11	21	0.694	0.3865	-44.3%	3
Maintenance of bike paths	16	22	0.321	0.3482	8.5%	3
Beach lifeguard service	18	23	0.499	0.4058	-18.7%	3
Provision of sports grounds and playing fields	21	24	0.379	0.3626	-4.3%	3
Provision of children's play grounds and equipment	22	25	0.347	0.2477	-28.6%	3
Food and garden organics	-	26	-	0.2838	-	3

Provision of community halls and community centres	27	27	0.309	0.273	-11.7%	3
Kerbside recycling service	23	28	0.347	0.3229	-6.9%	3
Leisure centre	30	29	0.193	0.2248	16.5%	3
Provision of parks and gardens	24	30	0.34	0.2599	-23.6%	3
Maintenance of parks and gardens	20	31	0.403	0.2742	-32.0%	3
Library services	31	32	0.166	0.1118	-32.7%	3

Key results:

- Gap analysis found that the average gap between importance and satisfaction was 0.5933. This average gap result is significantly smaller than similar Councils that IRIS has done work for, indicating that the gap between Council's performance in the provision of services and residents' expectations are smaller than that of other Councils.
- The analysis found that 11 Council services and facilities attained gap scores that were significantly larger than 0.5933. The gap analysis indicates that these services/facilities (highlighted as priority level 1 in table 2.2.1) have been identified by the community as being of a higher priority for attention.

2.3 Bringing it Together

Initially there were 32 services and facilities measured in this survey, however after applying both forms of analysis the results highlighted 11. Of these 11 that were identified, 8 overlapped in both forms of analysis, providing confirmation that Council should give priority to investing in these 8 services and facilities. Table 2.3.1 outlines the services and facilities that were identified as not meeting resident expectations in either quadrant or gap analysis.

Table 2.3.1 Quadrant and Gap analysis summary – Services and facilities that need improving

	Identified as not meeting resident expectations in ...	
	Quadrant Analysis (Higher importance / lower satisfaction)	Gap Analysis (Higher than average gap between importance and satisfaction)
Council responsiveness to community needs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Informing the community of Council decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Consulting the community	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encouraging local businesses and jobs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Maintenance of public toilets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Provision of public car parking in your town centre	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Maintenance of local roads	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Provision of public toilets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Services and facilities for children		<input checked="" type="checkbox"/>
Garbage collection		<input checked="" type="checkbox"/>
Services and facilities for youth		<input checked="" type="checkbox"/>

2.4 Priorities by Area

Whilst sections 2.1 to 2.3 provide the picture for the services and facilities that need improving at the overall LGA level, section 2.4 provides guidance for what the priorities are by area. Given that this study was not designed for this type of analysis at an area level, the results in table 2.4.1 should be viewed with some caution as the sample sizes within each area are smaller than the more robust analysis that was carried out in sections 2.1 to 2.3. This section however does provide management with some insight or qualitative feel as to what is happening at an area level.

Table 2.4.1 Quadrant and Gap analysis summary by Area

	Quadrant Analysis				Gap Analysis			
	(Higher importance/lower satisfaction)				Higher than average gap between importance and satisfaction)			
	North	Central	South	Rural	North	Central	South	Rural
Annual household kerbside clean-up collection	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>
Consulting the community *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Council responsiveness to community needs *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encouraging local businesses and jobs*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on Council services and activities		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Informing the community of Council decisions *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Maintenance of local roads *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Maintenance of public toilets *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Provision of public car parking in your town centre *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Provision of public toilets *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Overall range and quality of community facilities and services				☑				
Services and facilities for children					☑		☑	
Services and facilities for youth					☑	☑	☑	☑
Services and facilities for older people							☑	

* denotes the services and facilities identified in both quadrant and gap analysis for the overall area

Key results:

- Rural residents were less concerned with 'consulting the community', 'provision of public car parking in town centres' and 'maintenance of public toilets' than residents in other areas.
- Residents in the central area were less concerned with the 'maintenance of local roads' and the 'provision of public toilets' than residents in other areas.

3 Council services and facilities

This section presents the results for section 3, which asked respondents to firstly rate the importance of 32 key services and facilities provided by Kiama Council, and then to rate their satisfaction with Council's provision of these services and facilities.

3.1 Importance scores

Figure 3.1.1 Importance ratings provided by Kiama residents

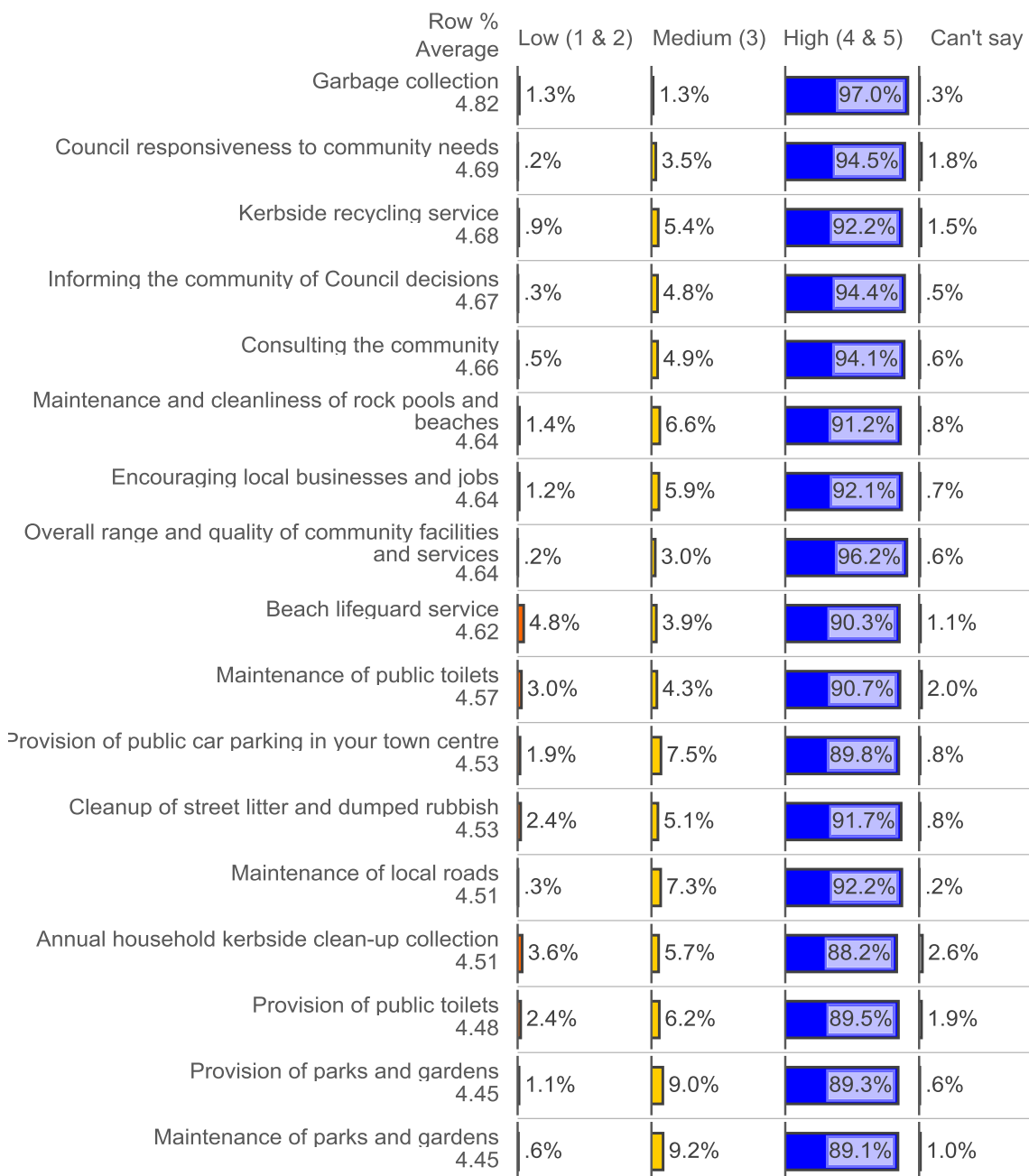
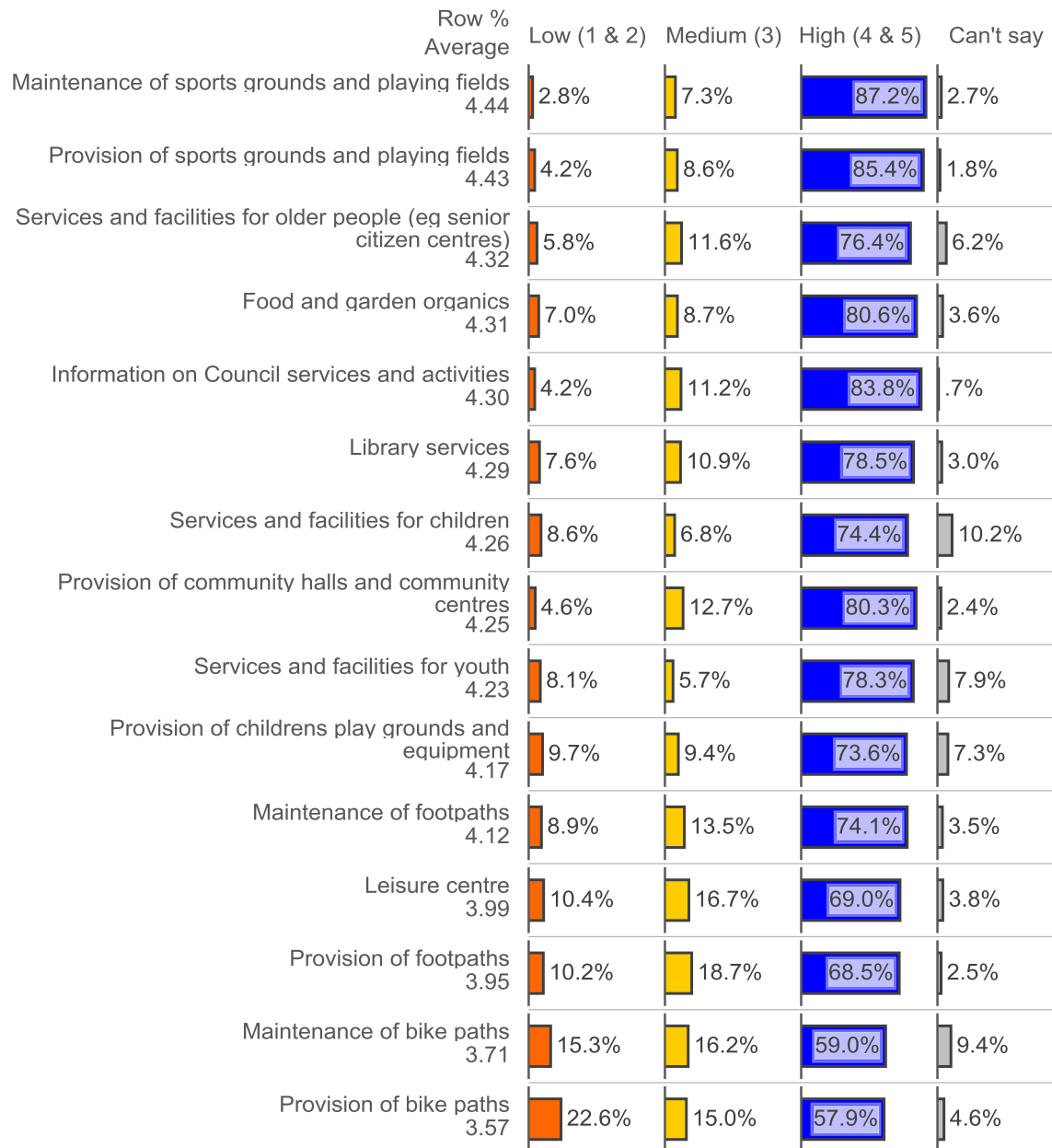


Figure 3.1.1 Importance ratings provided by Kiama residents (continued)



3.2 Summary of Importance Ratings by area

Figure 3.3.1 outlines the mean importance scores and compares them to each of the four areas.

Figure 3.3.1: Summary of importance ratings by area

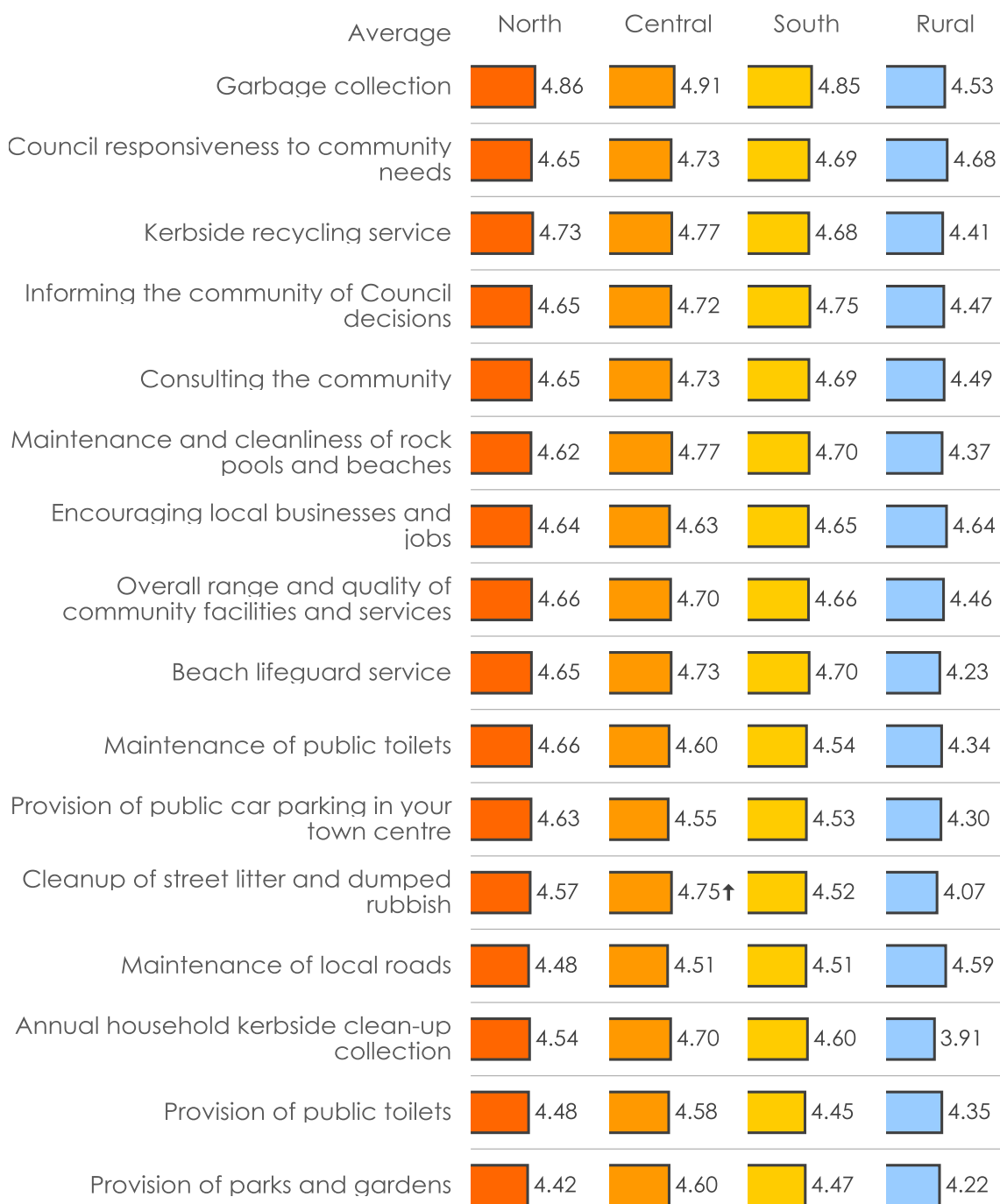
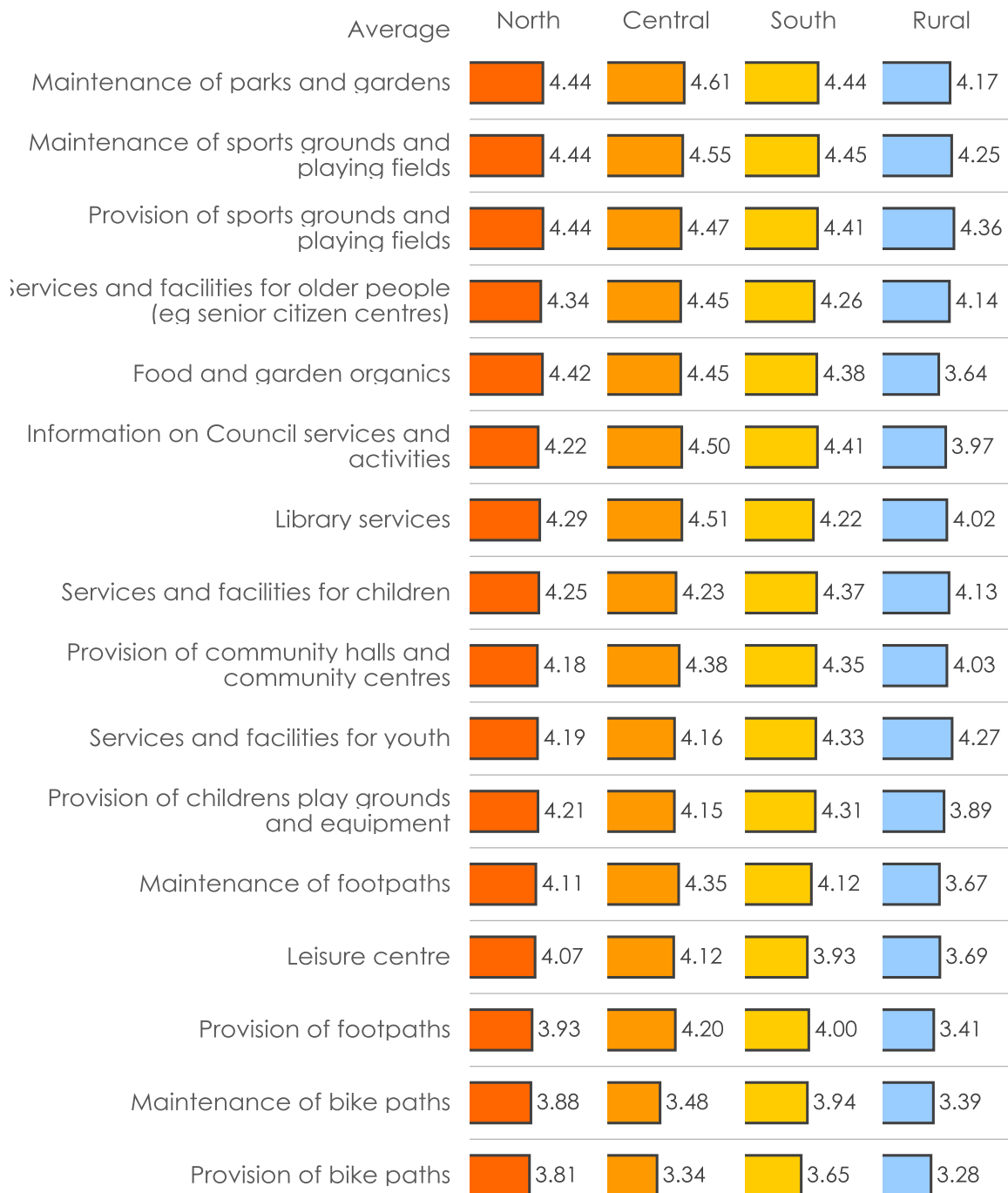


Figure 3.3.1: Summary of importance ratings by area (continued)



Key Findings:

- Residents rated 28 of the 32 services examined as of 'High' importance (mean score of 4.0 and above) with scores ranging from 4.12 to 4.82.
- The remaining 4 services were rated as being of 'Medium' (mean scores between 3.0 and 3.99) importance.
- Residents in the central area rated 'clean-up of street litter and dumped rubbish' as being significantly more important than residents of other areas.

3.3 Satisfaction scores

Figure 3.2.1 Satisfaction ratings provided by Kiama residents

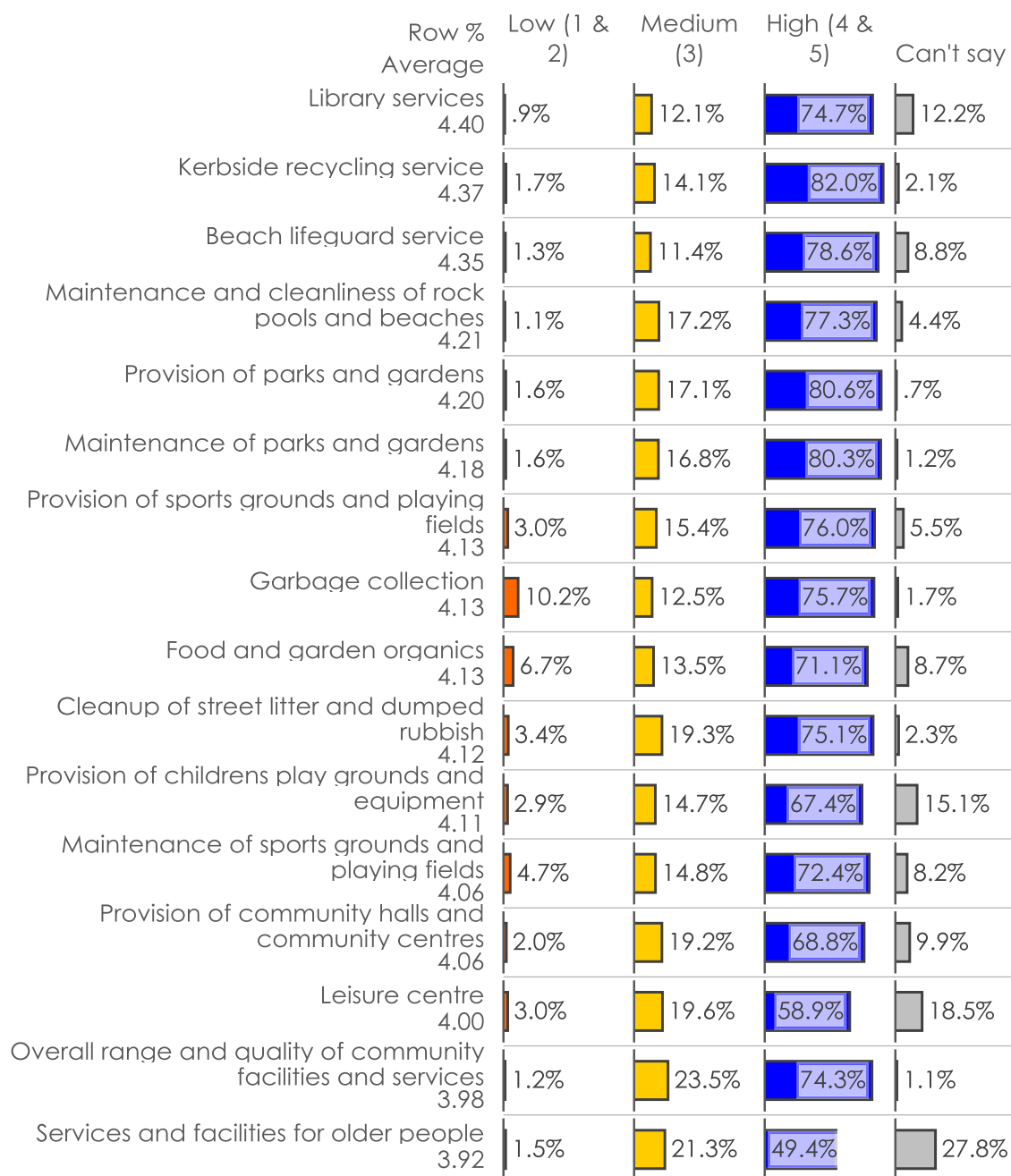


Figure 3.2.1 Satisfaction ratings provided by Kiama residents (continued)

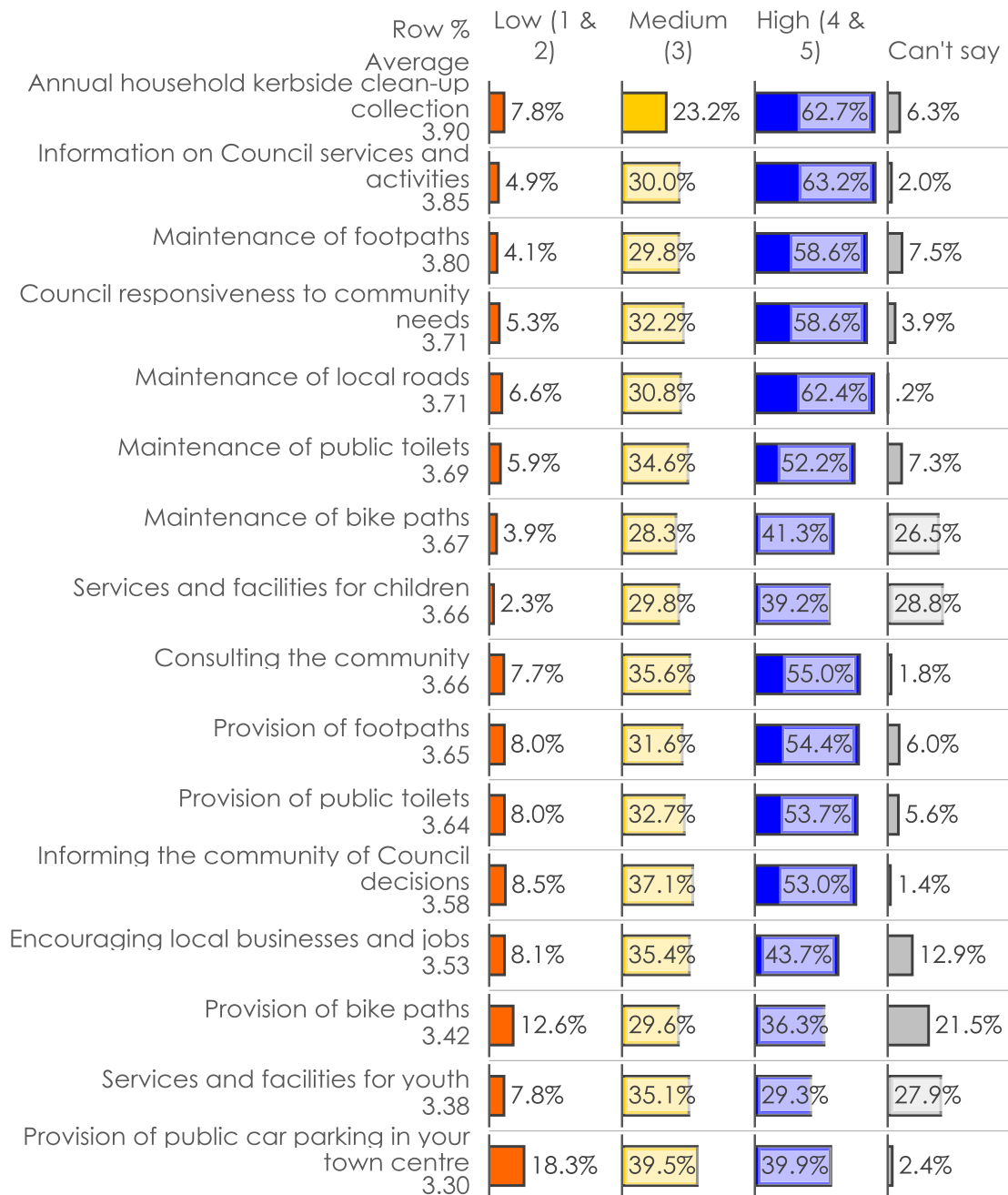


Figure 3.3.2 compares mean satisfaction scores across the 4 areas.

Figure 3.3.2: Summary of satisfaction ratings by area

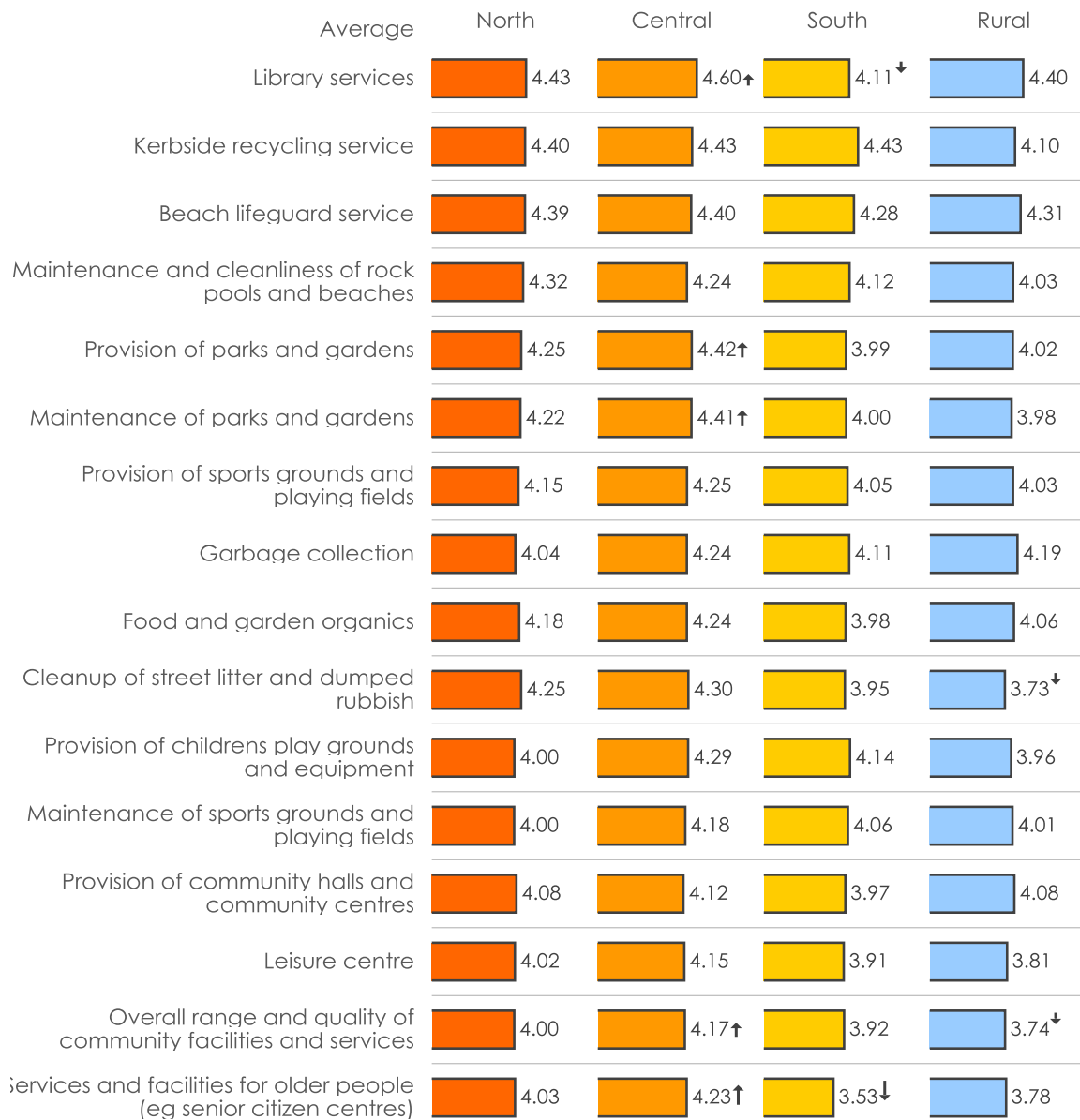


Figure 3.3.2: Summary of satisfaction ratings by area (continued)



Key Findings:

- Residents gave 19 of the 32 services a 'High' satisfaction rating (mean score of 3.75 and above) with scores ranging from 3.80 to 4.40.
- The remaining 13 services were given 'Medium' satisfaction ratings (mean scores between 3.00 and 3.74).

-
- Residents in the central area gave 'library services' a statistically significantly higher satisfaction rating than those in the southern area.
 - Residents in the rural area gave 'clean-up of street litter and dumped rubbish' a significantly lower satisfaction rating than residents in the other areas.
 - Residents in the central area gave 'overall range and quality of community facilities and services' a statistically significantly higher satisfaction rating than those in the rural area.
 - Residents in the central area gave 'services and facilities for older people' a statistically significantly higher satisfaction rating than those in the southern area.
 - Residents in the rural area gave 'annual household kerbside clean-up collection' a significantly lower satisfaction rating than residents in the other areas.
-

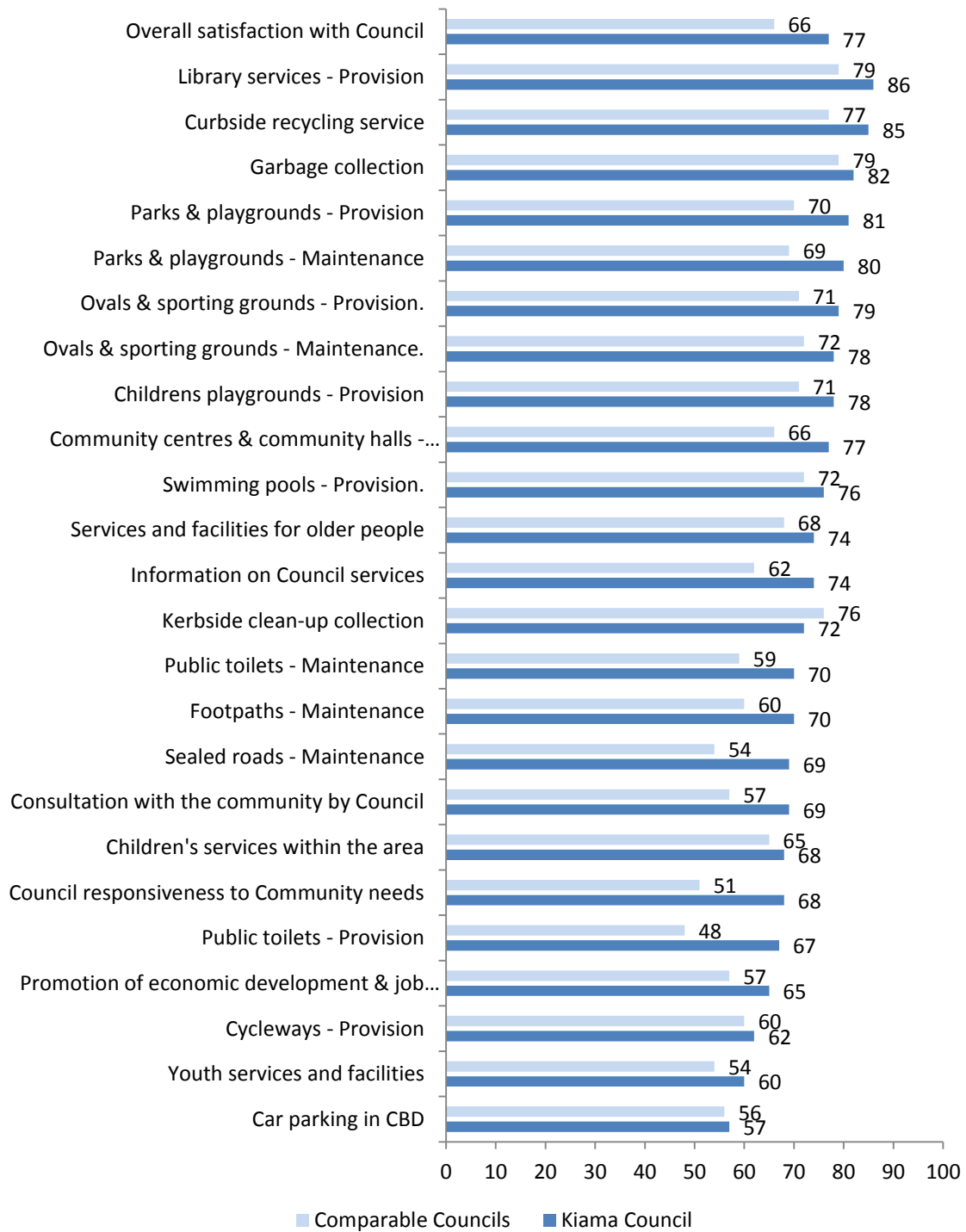
3.4 Benchmarks - Satisfaction scores against comparable Councils

Benchmark Index

IRIS has compiled data on the performance of Councils which are comparable (Regional Councils) to Kiama Council and are included in the figure. For a service or facility to be considered significantly different to the benchmark, IRIS recommends a 4 point differential be present between Kiama's index result and comparable Council's index score provided in the figure 3.4.1.

On occasions individual Councils use variations on the 5 point rating scale including 7 and 11 point scales. In order to facilitate ease of comparison the mean score benchmark data has been standardised to an index score out of 100.

Figure 3.4.1: Benchmark comparisons



Key Findings:

- Kiama Council has rated statistically significantly higher than the pool of comparable councils for 'Overall satisfaction with Council' and in 19 of the 24 services/facilities for which a benchmark exists.

4 Council Performance

After residents rated the importance of, and subsequent satisfaction with, the delivery of each of the 32 services and facilities provided by Council, respondents were asked to rate the overall performance of Kiama Council as an organisation.

4.1 Overall Satisfaction

Question: Given the answers you have just provided, how would you rate your overall satisfaction with the performance of Kiama Council?

Figure 4.1.1: Overall satisfaction with Council performance

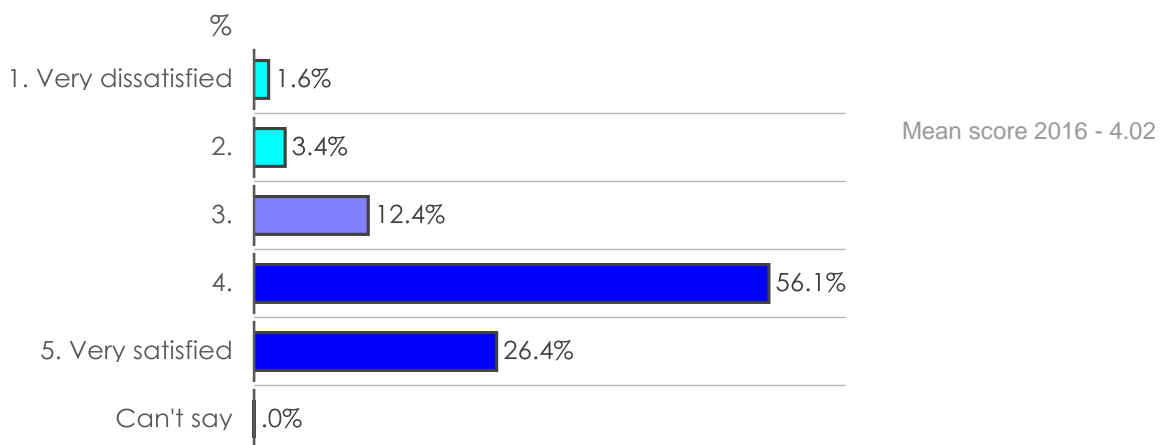
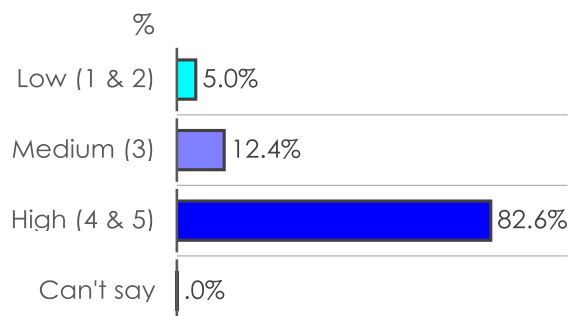


Figure 4.1.1: Overall satisfaction with Council performance- Collapsed



Key results:

- Results showed that three out of four Kiama LGA residents (82.6%) were either satisfied (56.1%) or very satisfied (26.4%) with Kiama Council's overall performance.
- A very small proportion of residents (5.0%) were dissatisfied with the performance of Council.
- One in eight (12.4%) residents was found to be neither satisfied nor dissatisfied.
- Given the experience that IRIS has with community surveys and in particular satisfaction research, the mean satisfaction score for Kiama Council of 4.02 is considered to be a 'high' level satisfaction score.

Figure 4.1.2: Overall satisfaction with Council performance – by area

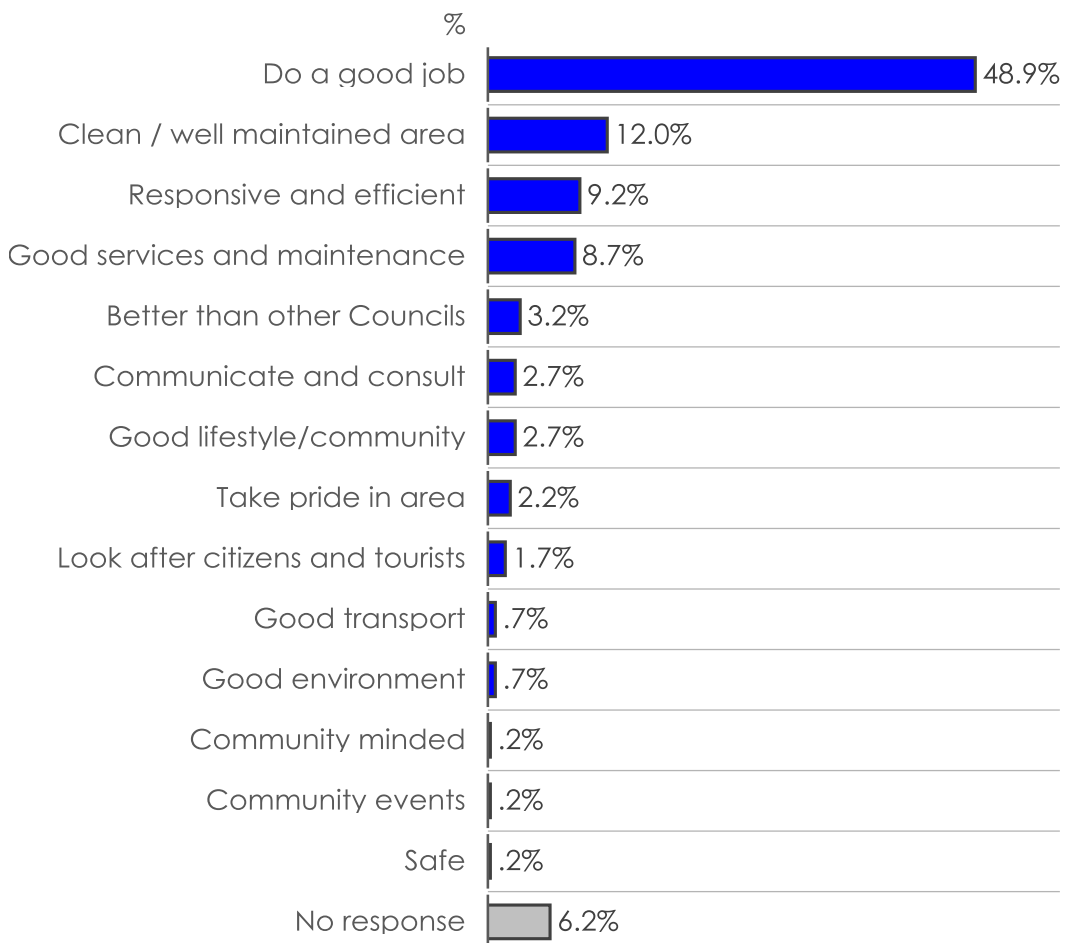


Key results:

- At the area level, residents from the Rural region registered a statistically lower mean satisfaction score compared to residents from the other areas.
-

4.2 Reasons for Satisfaction

Figure 4.3.1: Reasons for Satisfaction (n = 425)

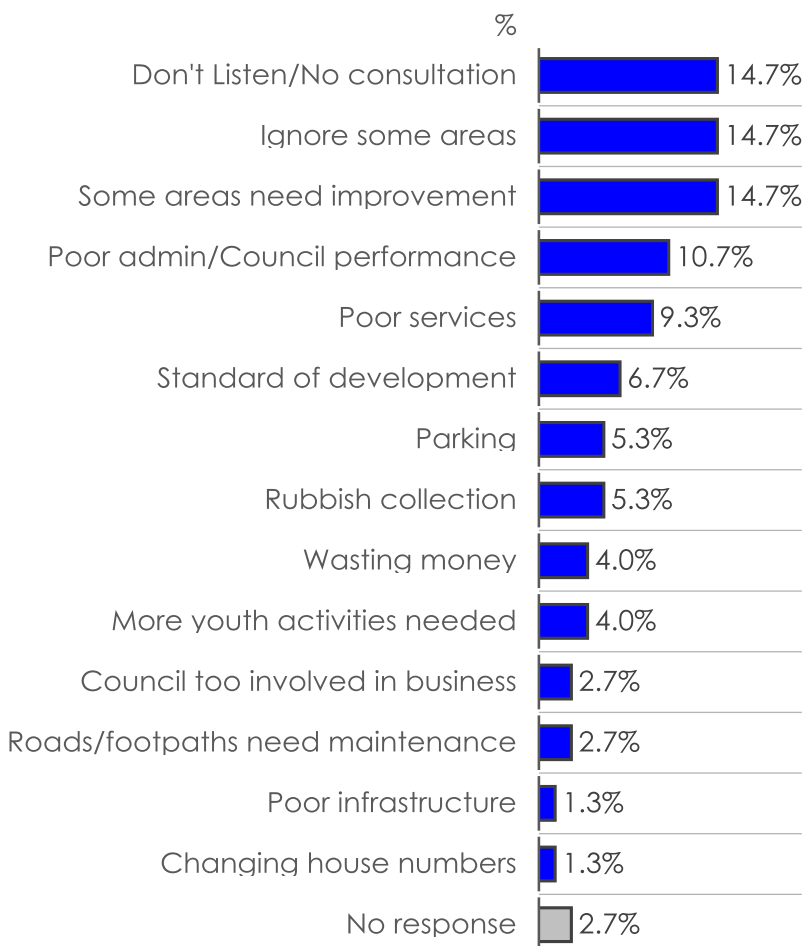


Key results:

- Nearly one in two residents (48.9%) who were satisfied with the overall performance of Council mentioned that they 'do a good job', with 12.0% citing 'a clean/well maintained area' and a further 9.2% mentioning that Council are 'responsive and efficient'.
-

4.3 Reasons for Dissatisfaction with Council

Figure 4.2.1: Reasons for dissatisfaction (n = 80)



Key results:

- Of the 80 residents who were dissatisfied, 14.7% mentioned that Council 'don't listen/No consultation', a further 14.7% stating that Council 'ignore some areas' and as many again citing 'some areas need improvement' as the reason for their dissatisfaction.
-

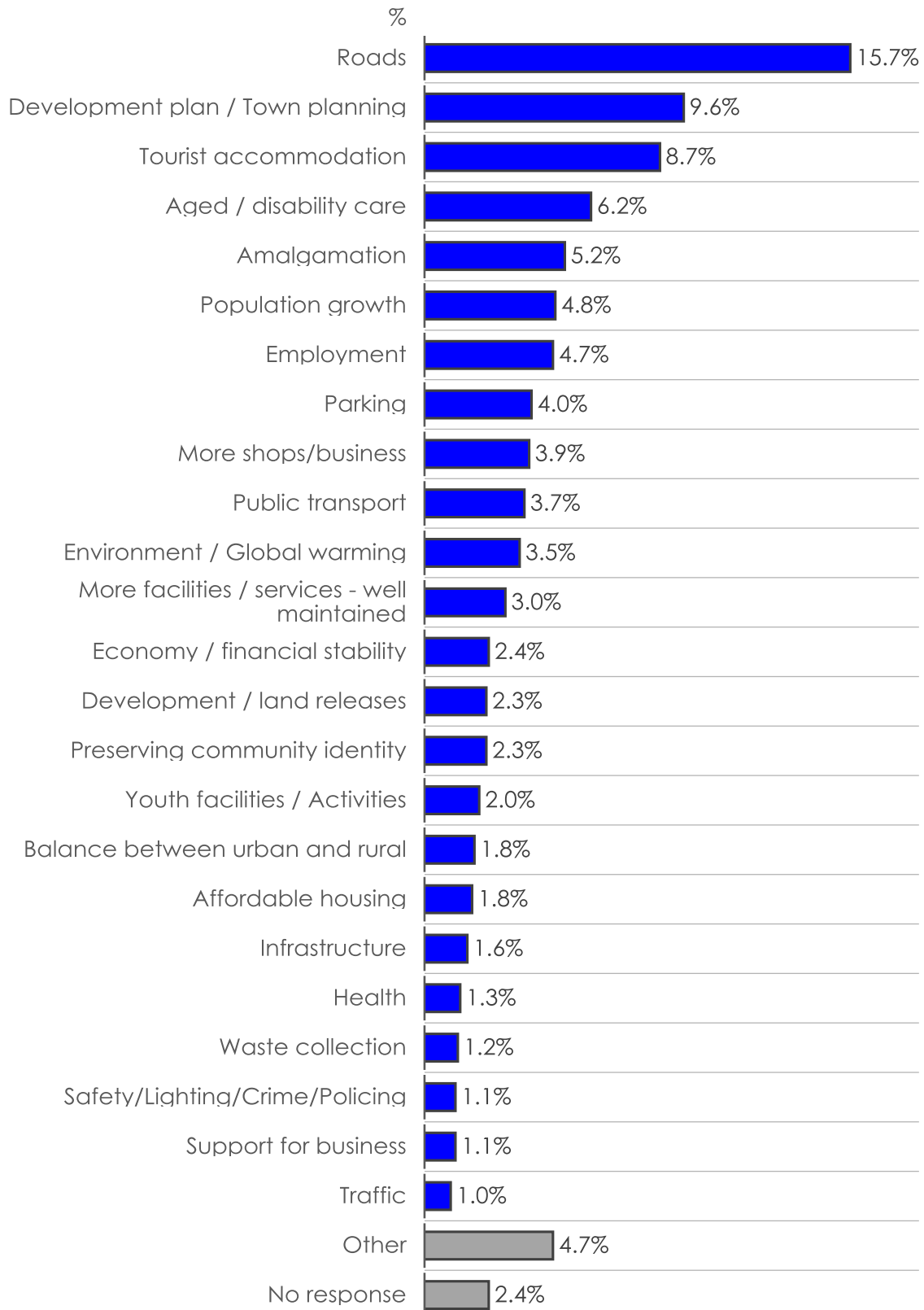
5 Local issues and the future

This section of the report shifts its focus away from Council services and on to issues relating to Kiama as a whole, by asking residents what they think are the biggest issues confronting their community.

5.1 Top 3 issues facing Kiama in 5 to 10 years

Question: Thinking about Kiama as a whole, what would you say are the 'Top 3' issues facing Kiama in the next 5 to 10 years?

Figure 5.1.1: Top 3 issues facing Kiama in the next 5 to 10 years (n=1138)



Key results:

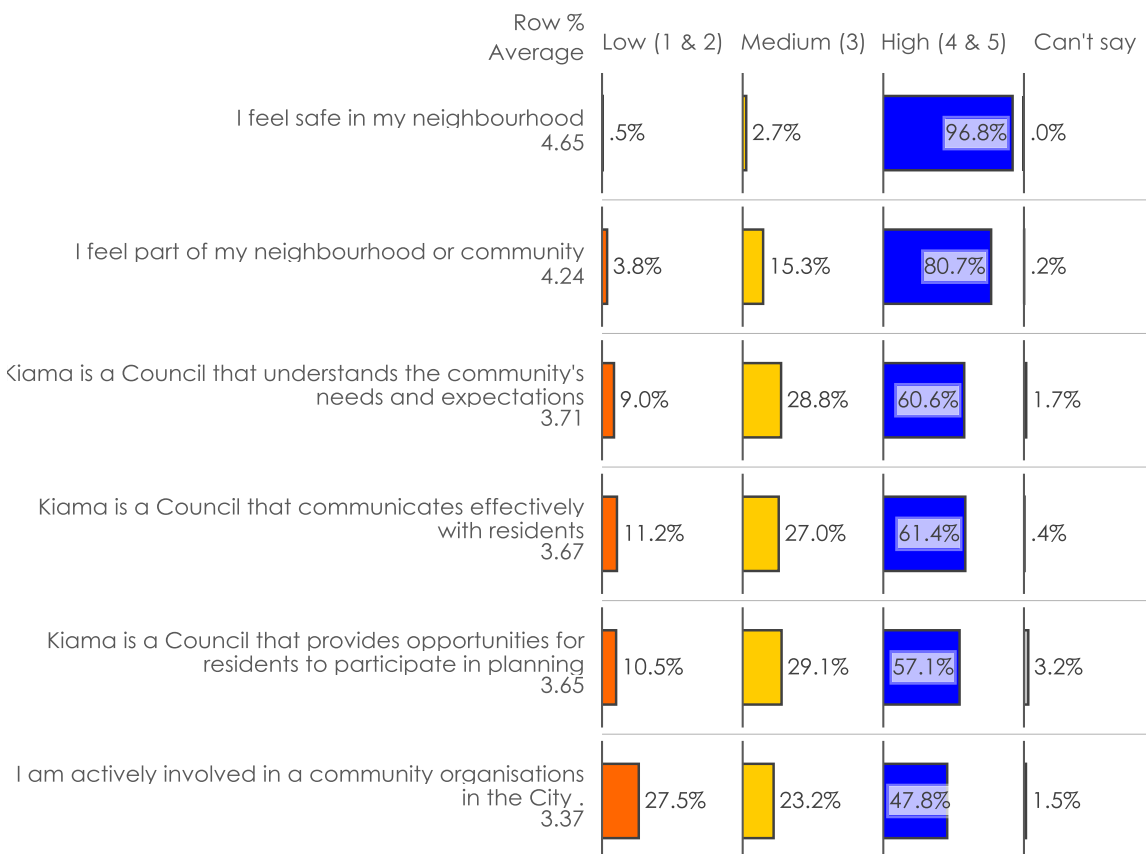
- When asked about the issues facing Kiama in the next 5 to 10 years, about one in six (15.7%) issues mentioned highlighted the 'Roads' as the top issue.
- One in ten mentions (9.6%) were for a 'Development plan / town planning' being an issue that Kiama LGA would need to deal with in the coming years with a similar number of mentions for 'Tourist accommodation' (8.7%).

6 Perceptions of Kiama

This section of the report asks residents about their perceptions of the Kiama area as a place to live and work. A list of statements were read out to residents and they were asked to rate their level of agreement with it on a 5 point scale, anchored with 1 'strongly disagree' and 5 'strongly agree'.

6.1 Statements about the Kiama community

Figure 6.1.1: Community connectedness



Key results:

- With regards to feeling safe in the Kiama area, nineteen in twenty (96.8%) residents indicated that they felt safe in their neighbourhood.
- Four in five residents (80.7%) indicated that they felt a part of their neighbourhood or community.
- When asked questions relating to the Council, approximately three in five residents agreed that 'Kiama is a Council that understands the communities needs' (60.6%), that 'Kiama is a Council that communicates effectively with residents' (61.4%) and that 'Kiama is a Council that provides opportunities for residents to participate in planning' (57.1%).
- Slightly less than half the respondents (47.8%) of respondents indicated that they 'are actively involved in a community organisation in the City'.

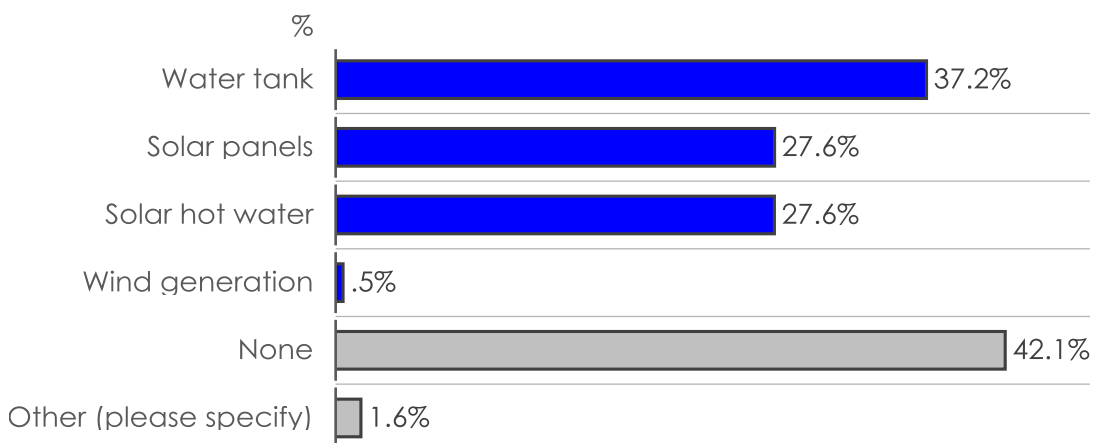
7 Environment

This section of the report is concerned with the steps that residents have taken in relation to being more environmentally sustainable around their home.

7.1 Environmental behaviour

Question: Which of the following do you have or use at your home?

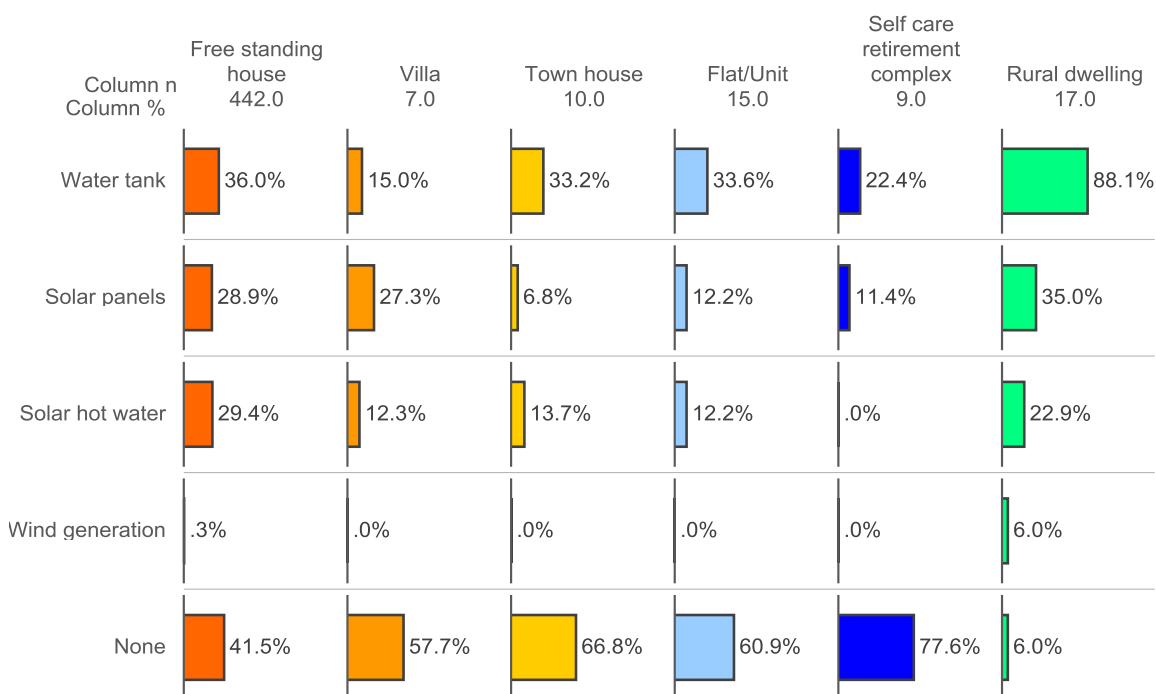
Figure 7.1.1: Environmental behaviour



Key results:

- Water tank ownership has been reported at 37.3%.
 - One in four residents (27.6%), have reported having either 'solar panels' or 'solar hot water'.
-

Figure 7.1.1: Environmental behaviour by house type



Key results:

- Nearly nine in ten rural households (88.1%) in Kiama LGA mentioned that they had a water tank. This was significantly more than residents that live in other types of dwellings.
- Results showed that the take up of solar panels was the same amongst people living in a free standing house or villa as those living in a rural dwelling.
- Those living in a free standing house (29.4%) and those residents living in a rural dwelling (22.9%) reported having the highest use of solar hot water.

8 Council Communications

This section of the report looks into the various methods of how residents receive Council information and endeavours to look into ways to improve the delivery of information by Council.

8.1 Main source of information

Question: Thinking about the information that you receive in regard to Council activities, what are your main sources of information?

Figure 8.1.1: Main sources for Council information (n = 505)

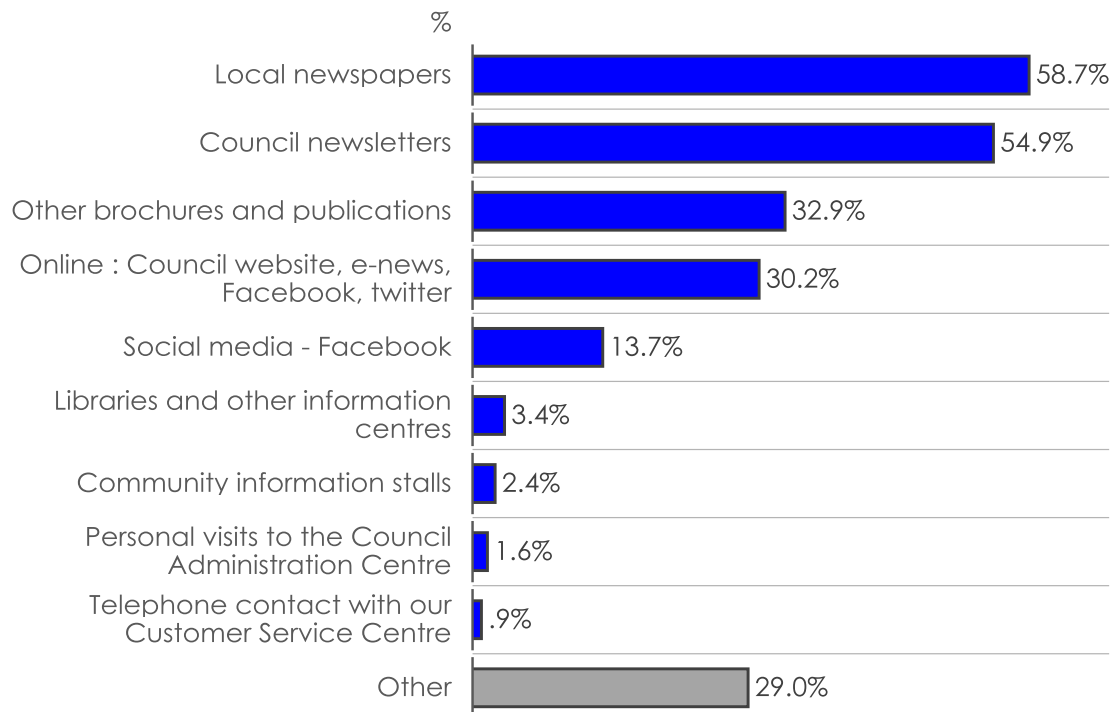
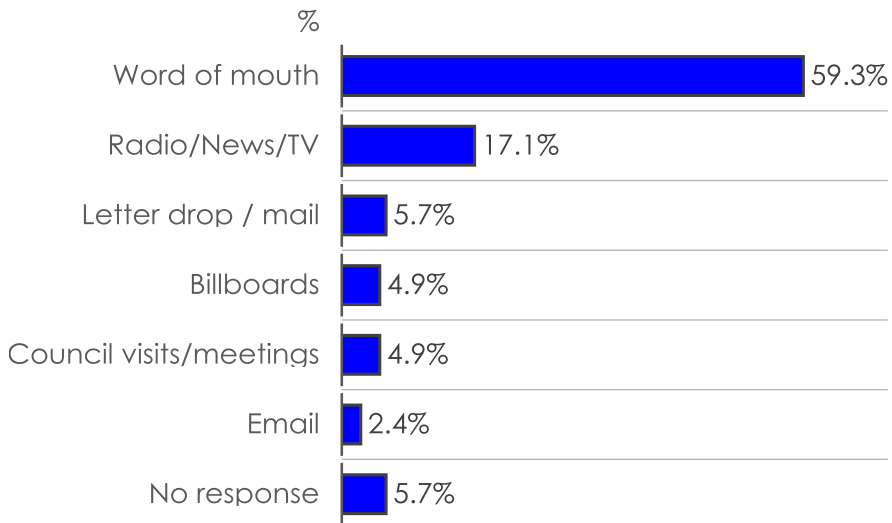


Figure 8.1.2: Other sources for Council information as above (n = 123)



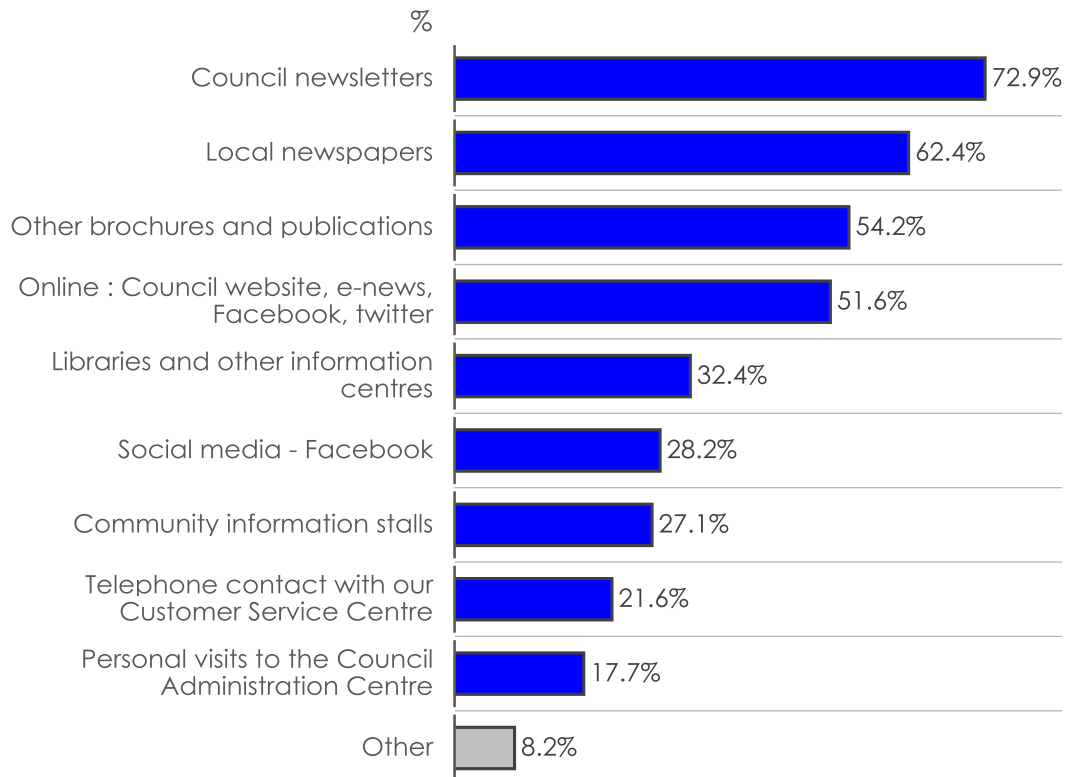
Key results:

- Results showed that there are two primary sources used to obtain information on Council activities; these are 'local newspapers' (58.7%) and 'Council newsletters' (54.9%).

8.2 Preferred source for information

Question: How would you prefer to receive information about the facilities, services and events offered by Kiama Council?

Figure 8.2.1: Preferred source for Council information



Key results:

- When asked what would be the preferred way to receive information, 'Council newsletters' (72.9%) and 'local newspapers' (72.9%) emerged again as the top two responses.
 - Other prominent preferred sources for attaining information on Council activities were 'other brochures and publications' (54.2%), 'online: Council website, e-news, social networking' (51.6%)
-

9 Appendix

9.1 Methodology

9.1.1 Sample Design

A telephone-based survey, aiming to secure a response from approximately 500 residents from throughout the Kiama Local Government area, was used. The survey unit was permanent residents of the Kiama Local Government area who have lived in the area for 6 months or longer. Respondents also had to be aged 18 years or older to qualify for an interview. The 2011 Census was used to establish quotas to ensure a good distribution of responses by age and sex.

The sample base for the survey was the electronic White Pages. This sample is known to be sub optimal, as the churn of telephone numbers due to people moving and new numbers being added as dwellings are occupied affects about 12% to 15% of possible numbers. Furthermore, from previous research we know that the proportion of silent numbers is increasing and can be as high as 25-30% in some areas. To deal with these issues, IRIS uses a technique that starts with the population of numbers listed in the telephone book and adds new and unlisted numbers using the 'half open' method. In this method, all numbers were incremented by five to create new numbers in the 'gaps' between the listed numbers. The resultant universe of numbers was then de-duplicated to remove any numbers that may be repeated. This process was replicated five times to create a new theoretical universe of telephone numbers. This provided the opportunity for all potential numbers to be selected in the sample. This equal and known opportunity for selection is the first criterion of good random sampling.

Once the potential universe of numbers had been generated, a computer program was used to randomise the database. Following this, a sequential

sample (e.g. every 110th number) was extracted from the database. The sample was geographically stratified and evenly distributed within strata. This process gave a very even distribution of potential numbers across the whole survey area. Every household therefore had an equal and known chance of selection and every part of the survey area received a fair proportional representation in the final sample drawn.

9.1.2 Data Collection

Interviews were conducted over 4 evenings commencing from the 6 July 2016 and concluding on the 11 July 2016. Calls were made between 4.30 and 8.30 p.m. If the selected person was unavailable at that time to do the survey, call backs were scheduled for a later time or day. Unanswered numbers were retried three times throughout the period of the survey. These procedures ensure a good sampling process from the sample frame used so that statistical inferences could be made about the entire resident population.

Business numbers and faxes reached during the selection process were excluded from the sample.

The survey was implemented under IQCA quality guidelines. Interviews were conducted using our computer-aided telephone interviewing (CATI) system. Continuous interviewer monitoring was used and post interview validations were conducted within five days of the close of the survey.

9.1.3 Response Performance

At the end of the survey period, 505 completed interviews had been collected. The table below shows the compliance rate achieved for the entire sample. The compliance rate is the number of refusals as a proportion of completed surveys plus refusals. A compliance rate of 68.6% is a very strong response.

Table 9.1.1

Survey compliance rate

Response sequence	Outcome
Interviews	505
Refusals	231
<i>Valid contacts (Excludes disqualified – businesses, out of area, under 16yrs etc)</i>	736
Compliance rate	68.6%

9.1.4 Sample Characteristics

At the end of the survey period, 505 completed interviews had been collected. Table 9.1.2 illustrates a breakdown of response by geographical location of respondent. When compared to ABS 2011 Census figures, this breakdown broadly reflects the general population distribution in the LGA.

Table 9.1.2 Regional stratification of sample

Sample groups	Sample collected	Sample %	Population %
North	158	31%	29%
Central	140	28%	35%
South	125	25%	23%
Rural	82	16%	13%
Total	505	100%	100%

Table 9.1.3 outlines the age by sex distribution of the actual sample collected and compares it to what the ideal sample should be based on the area's population distribution (ABS Census 2011). The sample covered all age and sex groups, however to improve accuracy the final sample was weighted so that it mirrors the overall age and sex distribution of the Kiama Local Government area. The overall age by sex weight was applied for analysis that concerned the Kiama LGA as a whole.

Table 9.1.3 Age by sex – Total area

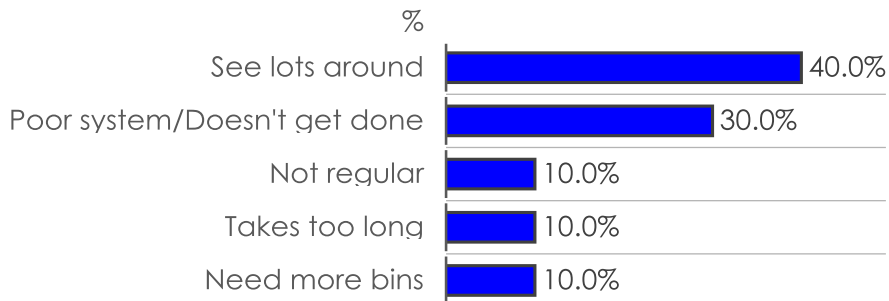
	Ideal sample		Actual sample		Weighting factor	
	Male	Females	Male	Females	Male	Females
18-29	7.9%	7.0%	4.2%	1.6%	1.9	4.4
30-39	5.8%	6.2%	1.4%	1.8%	4.2	3.5
40-49	8.0%	9.0%	5.7%	11.5%	1.4	0.8
50-59	10.0%	10.7%	12.7%	16.6%	0.8	0.6
60 +	16.4%	18.9%	20.4%	24.2%	0.8	0.8
Total	48.1%	51.8%	44.4%	55.7%		

9.1.5 Survey Accuracy

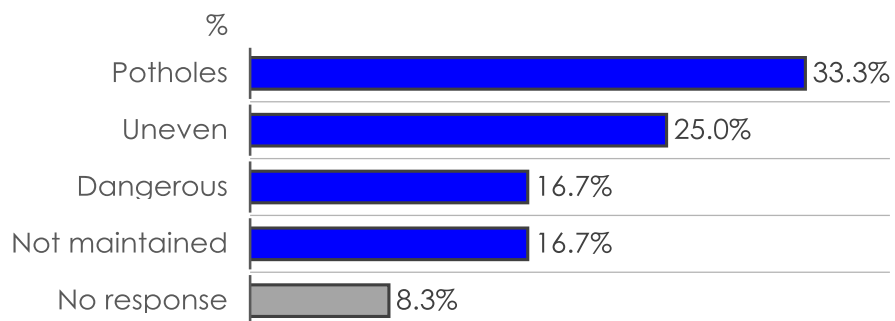
When analysing results for the entire sample, the maximum error rate will be about $\pm 4.4\%$ at the 95% confidence level, assuming a proportional response of 50%. Put another way, we can be confident that if the survey were to be repeated there would be a 95% chance that the new result would lie within $\pm 4.4\%$ of the result achieved in this survey.

10 Reasons for dissatisfaction with services and facilities

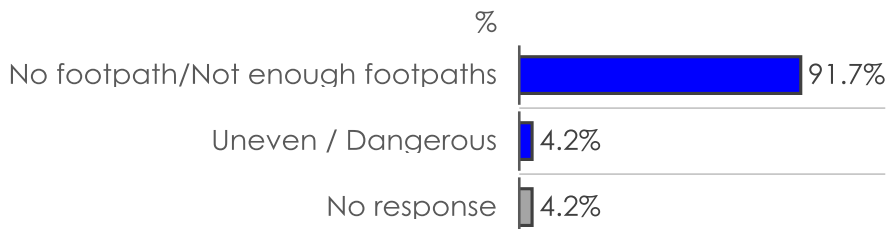
Clean-up of street litter (n=10)



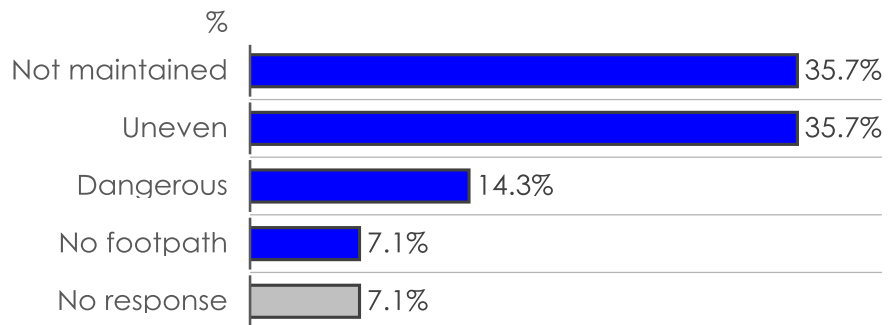
Maintenance of local roads (n=12)



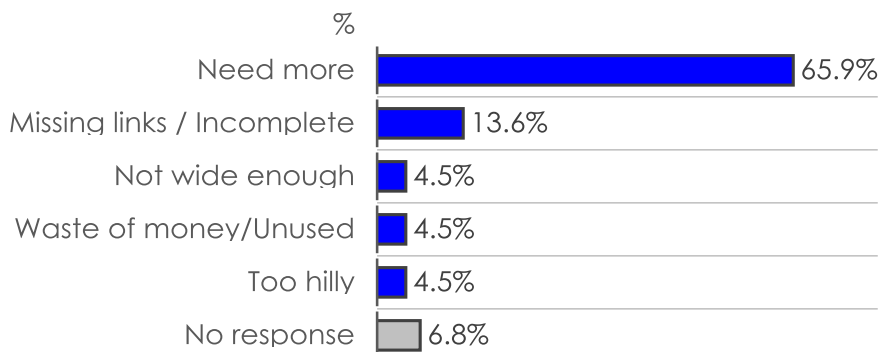
Provision of footpaths (n=24)



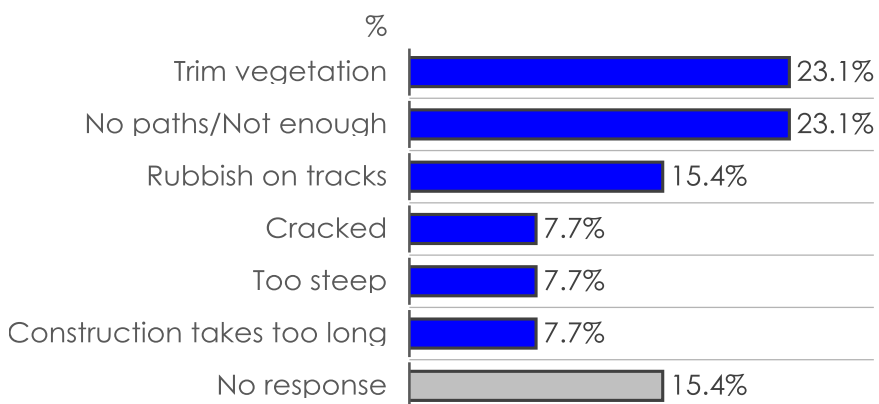
Maintenance of footpaths (n=14)



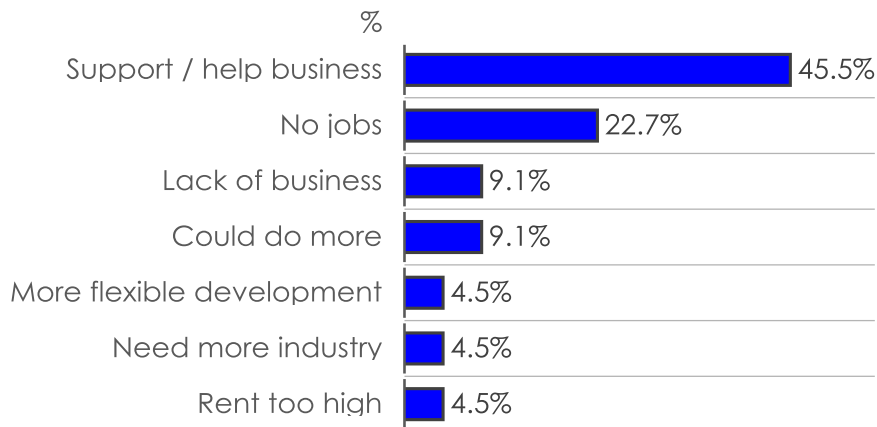
Provision of bike paths (n=44)



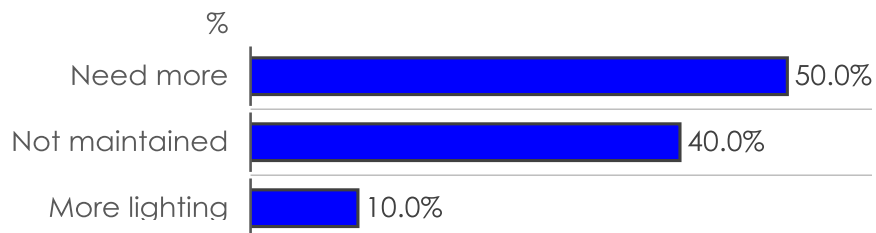
Maintenance of bike paths (n=13)



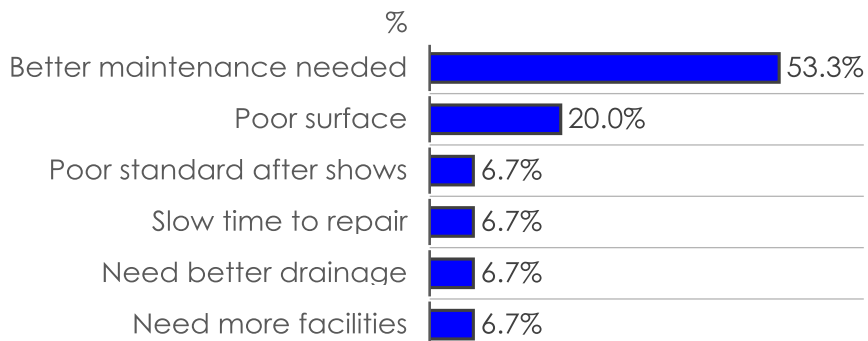
Encouraging local business and jobs (n=22)



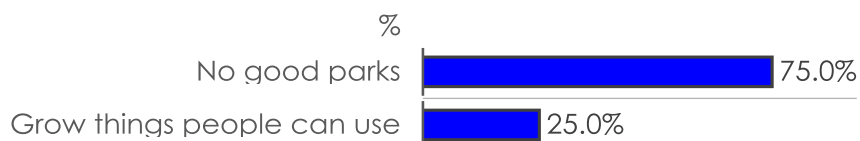
Provision of sports grounds and playing fields (n=10)



Maintenance of sports grounds and playing fields (n=15)



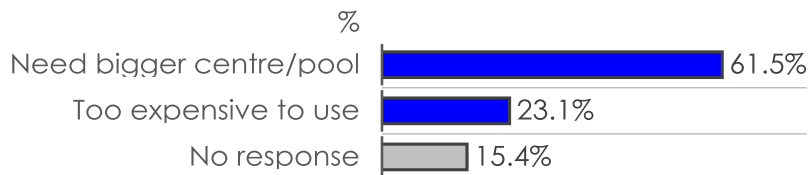
Provision of parks and gardens (n=4)



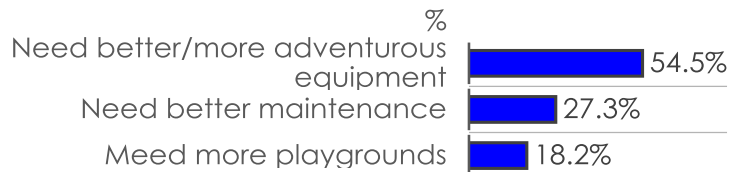
Maintenance of parks and gardens (n=4)



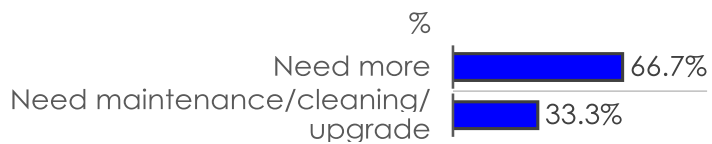
Leisure centre (n=13)



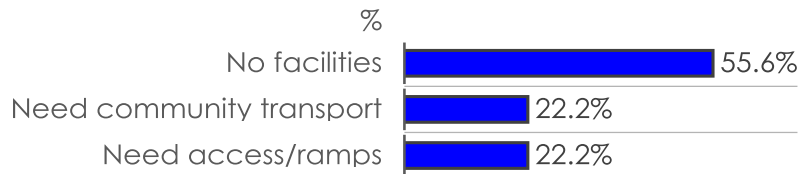
Children's playgrounds and equipment (n=11)



Provision of public toilets (39)



Services and facilities for older people (9)



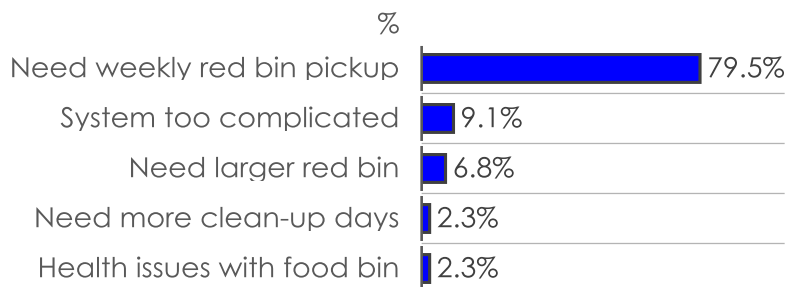
Services and facilities for young people (n=40)



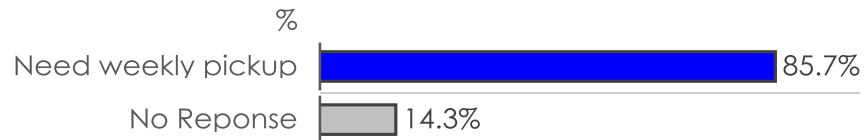
Services and facilities for children (n=11)



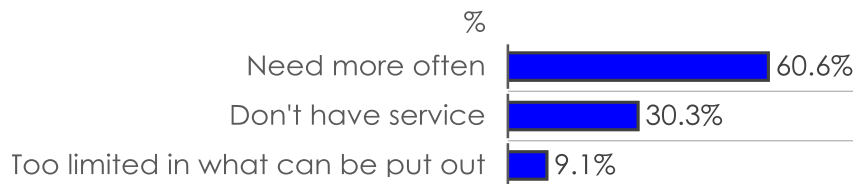
Garbage collection (n=44)



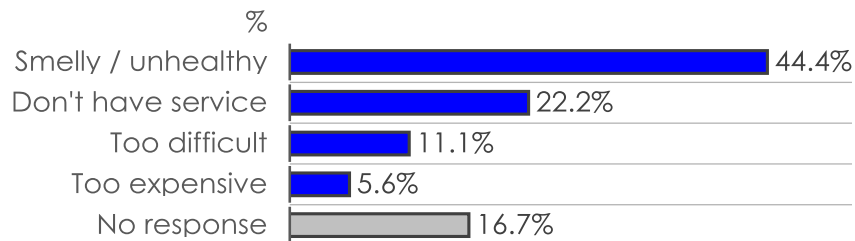
Kerbside recycling service (n=7)



Kerbside clean-up collection (n=46)



Food and garden organics (n=18)



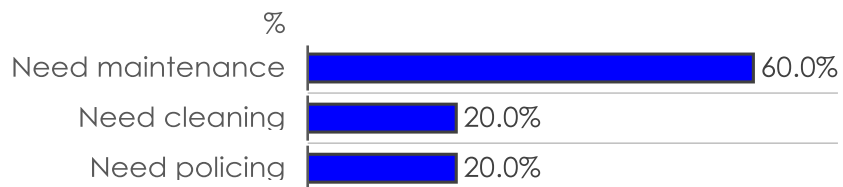
Community halls and community centres (n=8)



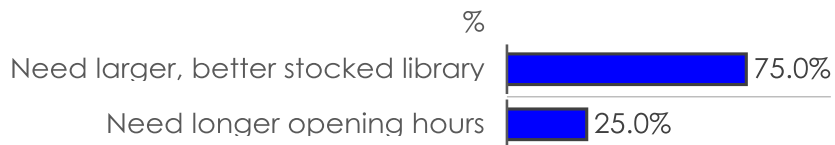
Beach lifeguard service (n=5)



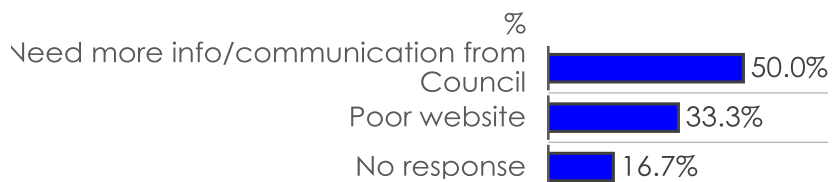
Maintenance of rock pools and beaches (n=5)



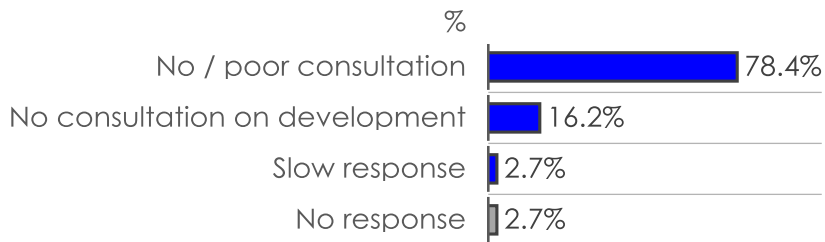
Library services (n=4)



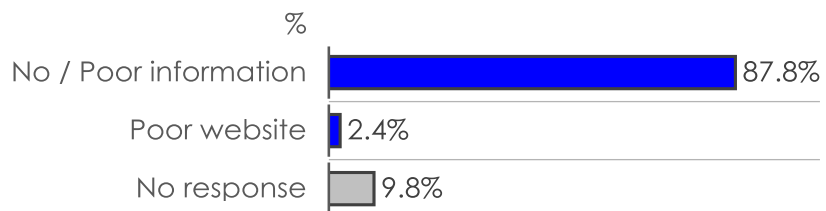
Information on Council services and activities (n=6)



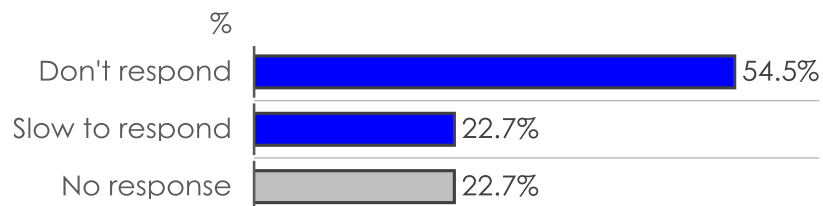
Consulting the community (n=37)



Informing the community of council decisions (n=41)



Council responsiveness to community needs (n=22)



Provision of public car parking (n=101)

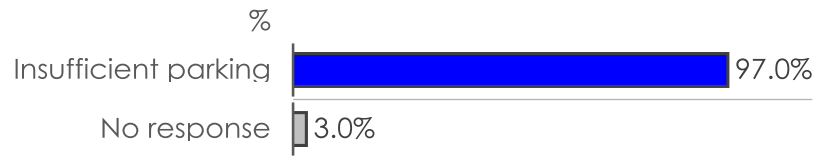




Figure 11.3 Overall satisfaction with Council's performance

	Gender		Age					Overall
	Male	Female	18 to 29	30 to 39	40 to 49	50 to 59	60 +	
Overall satisfaction with Council	3.92	4.12	3.82	3.89	3.91	4.05	4.20	4.02

 Cells with sig. higher scores relative to yellow cells
 Cells with sig. lower scores relative to green cells

12 Error rates

Proportion	Size of Sub Sample																			
	25	50	75	100	125	150	175	200	250	300	350	400	500	600	700	800	900	1000	1100	1200
5%	8.5%	6.0%	4.9%	4.3%	3.8%	3.5%	3.2%	3.0%	2.7%	2.5%	2.3%	2.1%	1.9%	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%
10%	11.8%	8.3%	6.8%	5.9%	5.3%	4.8%	4.4%	4.2%	3.7%	3.4%	3.1%	2.9%	2.6%	2.4%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%
15%	14.0%	9.9%	8.1%	7.0%	6.3%	5.7%	5.3%	4.9%	4.4%	4.0%	3.7%	3.5%	3.1%	2.9%	2.6%	2.5%	2.3%	2.2%	2.1%	2.0%
20%	15.7%	11.1%	9.1%	7.8%	7.0%	6.4%	5.9%	5.5%	5.0%	4.5%	4.2%	3.9%	3.5%	3.2%	3.0%	2.8%	2.6%	2.5%	2.4%	2.3%
25%	17.0%	12.0%	9.8%	8.5%	7.6%	6.9%	6.4%	6.0%	5.4%	4.9%	4.5%	4.2%	3.8%	3.5%	3.2%	3.0%	2.8%	2.7%	2.6%	2.5%
30%	18.0%	12.7%	10.4%	9.0%	8.0%	7.3%	6.8%	6.4%	5.7%	5.2%	4.8%	4.5%	4.0%	3.7%	3.4%	3.2%	3.0%	2.8%	2.7%	2.6%
35%	18.7%	13.2%	10.8%	9.3%	8.4%	7.6%	7.1%	6.6%	5.9%	5.4%	5.0%	4.7%	4.2%	3.8%	3.5%	3.3%	3.1%	3.0%	2.8%	2.7%
40%	19.2%	13.6%	11.1%	9.6%	8.6%	7.8%	7.3%	6.8%	6.1%	5.5%	5.1%	4.8%	4.3%	3.9%	3.6%	3.4%	3.2%	3.0%	2.9%	2.8%
50%	19.6%	13.9%	11.3%	9.8%	8.8%	8.0%	7.4%	6.9%	6.2%	5.7%	5.2%	4.9%	4.4%	4.0%	3.7%	3.5%	3.3%	3.1%	3.0%	2.8%
60%	19.2%	13.6%	11.1%	9.6%	8.6%	7.8%	7.3%	6.8%	6.1%	5.5%	5.1%	4.8%	4.3%	3.9%	3.6%	3.4%	3.2%	3.0%	2.9%	2.8%
65%	18.7%	13.2%	10.8%	9.3%	8.4%	7.6%	7.1%	6.6%	5.9%	5.4%	5.0%	4.7%	4.2%	3.8%	3.5%	3.3%	3.1%	3.0%	2.8%	2.7%
70%	18.0%	12.7%	10.4%	9.0%	8.0%	7.3%	6.8%	6.4%	5.7%	5.2%	4.8%	4.5%	4.0%	3.7%	3.4%	3.2%	3.0%	2.8%	2.7%	2.6%
75%	17.0%	12.0%	9.8%	8.5%	7.6%	6.9%	6.4%	6.0%	5.4%	4.9%	4.5%	4.2%	3.8%	3.5%	3.2%	3.0%	2.8%	2.7%	2.6%	2.5%
80%	15.7%	11.1%	9.1%	7.8%	7.0%	6.4%	5.9%	5.5%	5.0%	4.5%	4.2%	3.9%	3.5%	3.2%	3.0%	2.8%	2.6%	2.5%	2.4%	2.3%
85%	14.0%	9.9%	8.1%	7.0%	6.3%	5.7%	5.3%	4.9%	4.4%	4.0%	3.7%	3.5%	3.1%	2.9%	2.6%	2.5%	2.3%	2.2%	2.1%	2.0%
90%	11.8%	8.3%	6.8%	5.9%	5.3%	4.8%	4.4%	4.2%	3.7%	3.4%	3.1%	2.9%	2.6%	2.4%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%
95%	8.5%	6.0%	4.9%	4.3%	3.8%	3.5%	3.2%	3.0%	2.7%	2.5%	2.3%	2.1%	1.9%	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%

