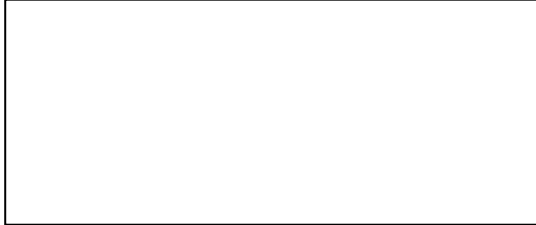


# Attachment B

**Flyer personally addressed  
and sent to all ratepayers**



## Have Your Say Is Yass Valley Fit for the Future?

*I invite everyone who is interested in the future of Yass Valley to look at the options being presented in our Fit for the Future Options Paper, to come along to one of the community meetings being held in the next few weeks and to give Council feedback on what is being proposed.*



*Rowena Abbey, Mayor*

### WHAT IS FIT FOR THE FUTURE?

The NSW Government has recognised that local councils have a vital role to play in shaping communities and helping them grow, but are facing increasing financial pressures given the limited options available for increasing revenue and the growing financial burden of maintaining and replacing infrastructure.

In response to the recommendations of the Independent Local Government Review Panel and the Local Government Act Taskforce, the Government launched "Fit for the Future" in September 2014 and has posed the challenge to all Councils, asking them to look at their current situation, consider the future needs of their communities and assess whether they have the capacity and scale to be financially sustainable in the long term.

The NSW Government has defined a Fit for the Future council as one that is:

- sustainable;
- efficient;
- effectively manages infrastructure and delivers services for communities; and
- has the scale and capacity to engage effectively across community, industry and government.

These features ensure that a council has the strategic capacity to govern effectively and partner with industry and the state government to deliver key priorities.

"Fit for the Future" (FFTF) is an important project with long term implications. It is a new and vital conversation between each Council and its community.

### WHAT IS THE PROCESS?

Each Council is required to submit a proposal by 30 June 2015 to the Office of Local Government on how it intends to be Fit for the Future. Yass Valley Council resolved, on 22 October 2014, that its Fit for the Future submission be prepared on the basis of remaining a standalone Council into the future, rather than merging with any surrounding councils.

Council is committed to working with the community in preparing its Fit for the Future submission and to that end formed a "Community Working Group" to work with us

through the preparation of the submission and provide input into the identification of key issues and the development of options, including ultimately the preferred scenario for inclusion in the submission. The Community Working Group is made up of Councillors and senior staff plus 40 community members selected through a transparent and open process.

Since it formed in mid-March, the Community Working Group has been very active, with 5 workshops, 1 special briefing and a site tour of Council assets and much healthy debate on many of the issues and options outlined in the Options Paper. The deliberations of the group have helped shape the range of scenarios contained in the Options Paper on which Council is now seeking comment from the community.

The Community Working Group will be meeting in early June to consider feedback received during the public exhibition period before making a recommendation to Council on a preferred option. Council must then decide whether to accept that recommendation or include a different option in its Fit for the Future submission which is due to the Office of Local Government by 30 June 2015.

The expert panel appointed to review the submissions (which now includes IPART) will determine whether we meet the requirements to be Fit for the Future by October and we will be advised the outcome once that recommendation has been considered by the NSW Government.

### WHAT DOES FINANCIAL SUSTAINABILITY MEAN FOR US?

In its 2013 Report on the financial sustainability of Yass Valley Council, NSW Treasury Corporation (TCorp) considered Council to be moderately sustainable in the short to medium term, but in a deteriorating position in respect of its longer term sustainability.

In respect of our long term sustainability TCorp observed that Council could not continue to generate operating deficits, was not spending enough on asset renewal, impacting on the quality of assets and provision of services, and needed to address the needs of an increasing population by generating additional revenue or reducing expenditure.

## WHAT OPTIONS ARE BEING CONSIDERED TO IMPROVE FINANCIAL SUSTAINABILITY?

A summary of the options are listed below with full details of each scenario contained in the Options Paper.

|   |  |
|---|--|
| Scenario 1<br>Current Trend               | Rate peg only (currently 2.4%) - minimises the financial impact to ratepayers with future rate increases being equivalent to the annual rate peg which is usually less than CPI. Lower services will result over time.   |
| Scenario 2<br>Increased Maintenance       | In response to recent demands from residents and ratepayers this scenario increases the level of maintenance on our urban and rural sealed and unsealed road network, including repairing our timber bridges. Rates increase by 6% above the rate peg for 4 years. |
| Scenario 3<br>Infrastructure Improvements | This scenario includes all the maintenance activities detailed under scenario 2 and also provides additional funding for infrastructure improvements. Rates increase by 7% above the rate peg for 5 years.   |

|   | FINANCIAL IMPACT   | IMPACT ON INFRASTRUCTURE  | IMPACT ON SERVICES  | FIT FOR THE FUTURE  |
|---|--|---|---|---|
| <b>SCENARIO 1<br/>CURRENT TREND</b>             | <ul style="list-style-type: none"> <li>✗ Rates increase by rate peg only (est. 2.4%), which is less than inflation</li> <li>✗ Insufficient income to cover expenses</li> <li>✗ Expenses continue to rise at a greater rate than income</li> <li>✗ Reserves are depleted</li> </ul>   | <ul style="list-style-type: none"> <li>✗ Insufficient funds for asset maintenance so infrastructure will continue to deteriorate</li> <li>✗ Maintenance backlog will increase</li> <li>✗ There is no investment in new or improved infrastructure</li> </ul>  | <ul style="list-style-type: none"> <li>✗ Limited capacity to support and advocate for community services and events</li> <li>✗ Community and recreational facilities continue to deteriorate</li> <li>✗ Response times for customer requests will be longer</li> <li>✗ DAs and other planning applications will take longer to process</li> </ul>         | <ul style="list-style-type: none"> <li>✗ Few of the Fit for the Future ratios are met within the required timeframes</li> <li>✗ The Operating Performance Ratio cannot be achieved within the next 20 years at current service levels</li> <li>✗ Yass Valley is not financially sustainable in the long term</li> </ul>           |
| <b>SCENARIO 2<br/>INCREASED MAINTENANCE</b>     | <ul style="list-style-type: none"> <li>✓ Additional funds available from land asset sales, borrowings, efficiencies and increased rates (+6% above rate peg for 4 years)</li> <li>✓ Income meets operational expenses over time</li> <li>✗ Impact of rate increase on ratepayers</li> <li>✗ Additional borrowing costs</li> <li>✗ Opportunity cost of selling land assets</li> </ul> | <ul style="list-style-type: none"> <li>✓ Additional \$1.6m for asset maintenance ensures that assets can be maintained to the minimum acceptable standard</li> <li>✗ Maintenance backlog is not addressed</li> <li>✗ There is no investment in new or improved infrastructure</li> </ul>  | <ul style="list-style-type: none"> <li>✓ Some capacity to support and advocate for community services and events</li> <li>✓ Community and recreational facilities will be maintained</li> <li>✓ Response times for customer requests will be maintained</li> <li>✓ Processing times for DAs and other planning applications will be maintained</li> </ul> | <ul style="list-style-type: none"> <li>✗ Key Fit for the Future ratios are not met within the required timeframes</li> <li>✗ Operating Performance Ratio cannot be met within 12 years</li> <li>✗ Yass Valley is financially sustainable in the long term, but not within the timeframe required by the NSW Government</li> </ul> |
| <b>SCENARIO 3 - INFRASTRUCTURE IMPROVEMENTS</b> | <ul style="list-style-type: none"> <li>✓ Additional funds available from land asset sales, borrowings, efficiencies and increased rates (+7% above rate peg for 5 years)</li> <li>✓ Income meets operational expenses over time</li> <li>✗ Impact of rate increase on ratepayers</li> <li>✗ Additional borrowing costs</li> <li>✗ Opportunity cost of selling land assets</li> </ul> | <ul style="list-style-type: none"> <li>✓ Additional \$2.6m for asset maintenance will ensure that assets can be maintained to the minimum acceptable standard</li> <li>✓ Maintenance backlog can be addressed over time through capital renewal</li> <li>✓ There are funds for some investment in new or improved infrastructure over time</li> </ul> | <ul style="list-style-type: none"> <li>✓ Capacity to support and advocate for community services</li> <li>✓ Community and recreational facilities will be improved over time</li> <li>✓ Processing and response times for DAs, other planning applications and customer requests will be maintained or improved over time</li> </ul>                      | <ul style="list-style-type: none"> <li>✓ Fit for the Future ratios are met within the required timeframes</li> <li>✓ TCorp Operating Performance Ratio is met within 5 years</li> <li>✓ Yass Valley is financially sustainable in the long term</li> </ul>  |

## HOW CAN YOU FIND OUT MORE?

The full Fit for the Future Options Paper can be downloaded from Council's website or is available at the Council Administration Office, Yass and Murrumbateman Libraries, Yass Visitor Information Centre and each village post office. If you would like to know more about Fit for the Future generally, go to [www.fitforthefuture.nsw.gov.au](http://www.fitforthefuture.nsw.gov.au).

Council is holding a series of Yass Valley Connect meetings in 9 key locations during May while the Fit for the Future Options Paper is on public exhibition. Come along to ask questions and find out more.

| Location                   | Date   | Day       | Time          |
|----------------------------|--------|-----------|---------------|
| Gundaroo, Hall             | 12 May | Tuesday   | 6pm to 7.30pm |
| Yass, Soldiers Club        | 13 May | Wednesday | 6pm to 7.30pm |
| Murrumbateman, Tavern      | 14 May | Thursday  | 6pm to 7.30pm |
| Wee Jasper, Hall           | 18 May | Monday    | 6pm to 7.30pm |
| Bookham, Hall              | 19 May | Tuesday   | 6pm to 7.30pm |
| Wallaroo, Wattle Park Hall | 20 May | Wednesday | 6pm to 7.30pm |
| Binalong, Mechanics Inst.  | 21 May | Thursday  | 6pm to 7.30pm |
| Bowling, Hall              | 26 May | Tuesday   | 6pm to 7.30pm |
| Sutton, Hall               | 28 May | Thursday  | 6pm to 7.30pm |

**Your comments and feedback on the Fit for the Future Options Paper must be in writing and received at Council by 5pm on 27 May 2015.**

**Email to [council@yass.nsw.gov.au](mailto:council@yass.nsw.gov.au)  
Post or deliver to:**

**The General Manager  
Yass Valley Council  
209 Comur St  
YASS NSW 2582**