



Special Rate Variation

Camden Council

Prepared by: Micromex Research

Date: February 2013



Background

Background & Core Research Objectives

Camden Council has determined a requirement for a special rate variation (SRV) in order to maintain and improve the LGA's infrastructure.

As part of the special rate variation application process, Camden Council conducted a robust community research survey, with the following key objectives:

1. To measure community support for the continuation of a special rate levy
2. To provide an avenue for feedback in order for residents to express their views on the proposed SRV



The phone survey will provide Camden Council with a robust and statistically valid measure of community response to the proposed SRV program

In order to assess the community's response to the special rate variation, Camden Council commissioned Micromex Research to conduct quantitative research within the LGA.

Specifics of the Survey

- Random telephone survey with n=400 residents aged 18 y/o +
 - The sample was weighted by age to reflect the 2011 ABS Census data
 - Participants were asked some profiling questions, then specific questions relating to the proposed special rate variation
- Fieldwork was conducted on the 4th & 5th of February 2013

A sample size of 400 residents provides a maximum sampling error of approximately +/- 4.9% at 95% confidence

- The questionnaire was designed to establish current attitudes and explore community response to the proposed resource strategies

Questionnaire Structure

- | | |
|---|--|
| QA. Confirmation that respondent does not work for Council | Q4. Awareness of the existing Community Infrastructure Renewal Program |
| QB. Age group | |
| QC. Number of years lived in the area | CONCEPT READ |
| QD. Suburb of residence | Q5. Support for the proposed continuation |
| Q1. Satisfaction with the quality of infrastructure currently provided by Council in the local area | Q6. Importance of Council being allowed to continue this levy |
| Q2. Satisfaction with the level of long term planning provided by Council | Q8. Home ownership |
| Q3. Importance of Council implementing programs and programs to maintain/renew infrastructure in the area | Q9. Type of dwelling |
| | Q10. Gender |

The questionnaire was developed in conjunction with Council staff

How To Interpret Mean Rating Scores

Ratings questions

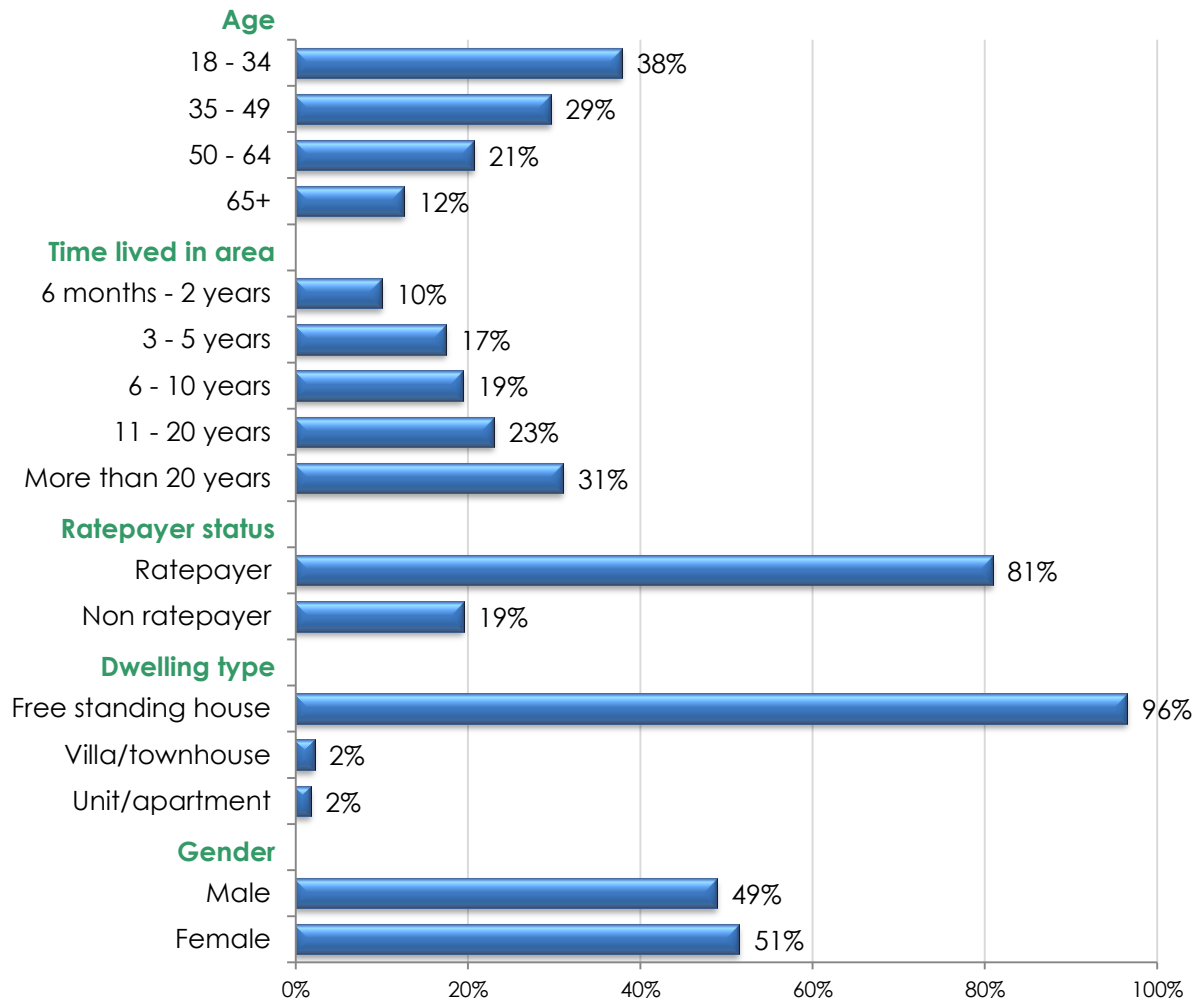
The Unipolar Scale of 1 to 5 was used in all rating questions, where 1 was the lowest importance, satisfaction or support and 5 the highest importance, satisfaction or support.

1.99 or lower	'Very low' level of importance/satisfaction/support
2.00 – 2.49	'Low' level of importance/satisfaction/support
2.50 – 2.99	'Moderately low' levels of importance/satisfaction/support
3.00 – 3.59	'Moderate' level of importance/satisfaction/support
3.60 – 3.89	'Moderately high' level of importance/satisfaction/support
3.90 – 4.19	'High' level of importance/satisfaction/support
4.20 – 4.49	'Very high' level of importance/satisfaction/support
4.50 +	'Extreme' level of importance/satisfaction/support



Profile of Sample

Sample Profile – The Sample Accurately Reflects The Demographics Of The Camden Council LGA



Base: n = 400



Key Findings

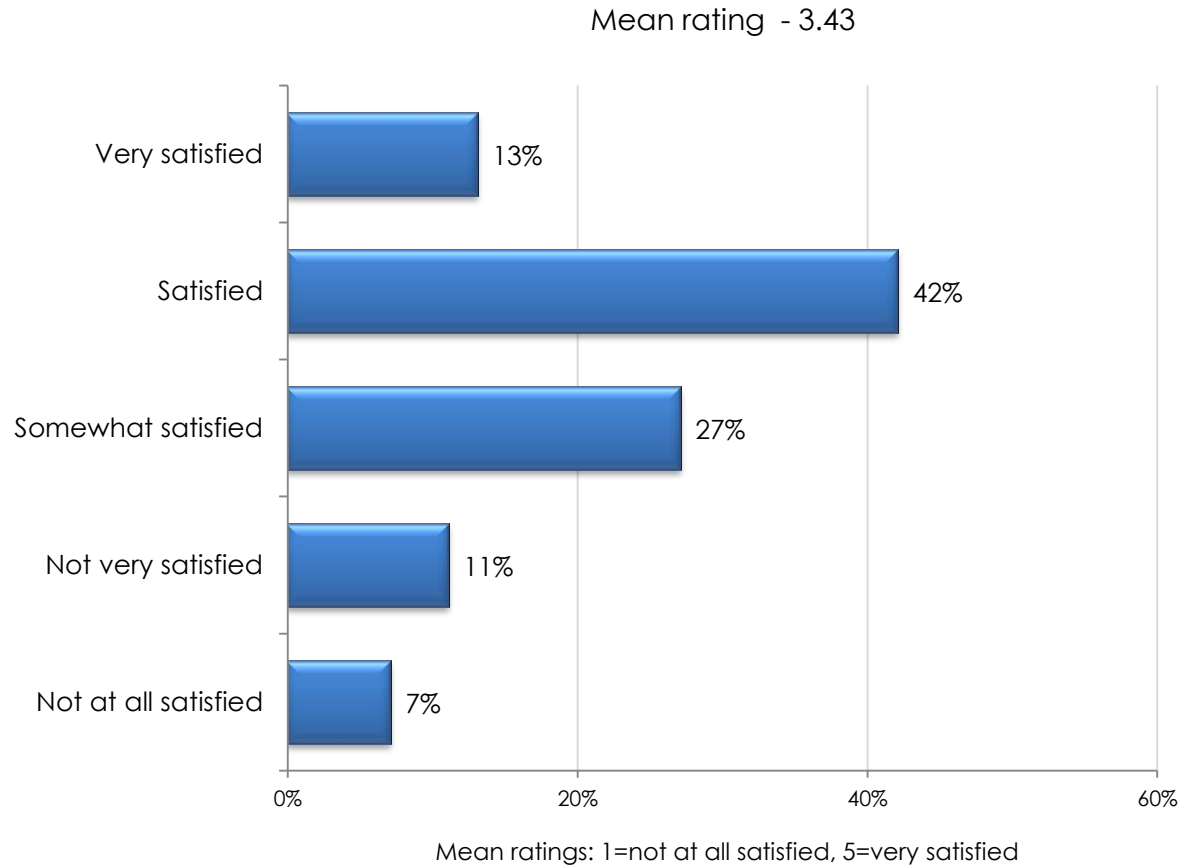
1. A significant number of residents support Council's application
 - 89% of residents are at least 'somewhat supportive' of Camden Council continuing the reduced special rate variation over 6 years
2. A significant number of residents believe that the continuation of the special rate variation is important for the local area
 - 94% of residents indicated that it is at least 'somewhat important' that Council be allowed to continue the special rate variation



The Detailed Response

Residents Are Moderately Satisfied With The Quality Of Infrastructure Currently Provided By Council

Q. How satisfied are you with the quality of infrastructure currently provided by Council in your local area?

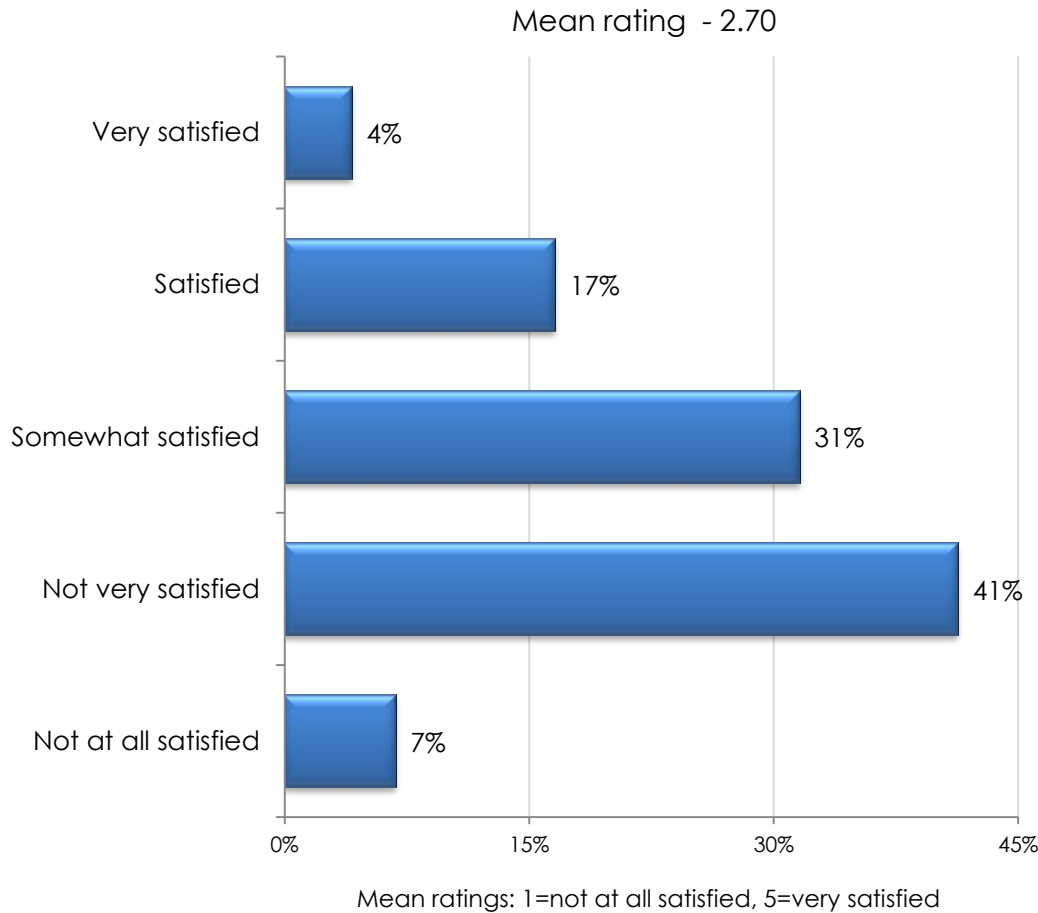


Base: n = 400

There is clearly an opportunity for Council to upweight satisfaction

52% Of Residents Are At Least 'Somewhat Satisfied' With The Quality Of Long Term Planning Provided By Council In The Local Area

Q. How satisfied are you with the quality of long term planning for local infrastructure provided being by Council in the local area?



- Residents aged 50-64 are comparatively more satisfied with the level of long term planning provided by Council than are those aged 18-34
- Ratepayers were more satisfied than were non ratepayers

Base: n = 400

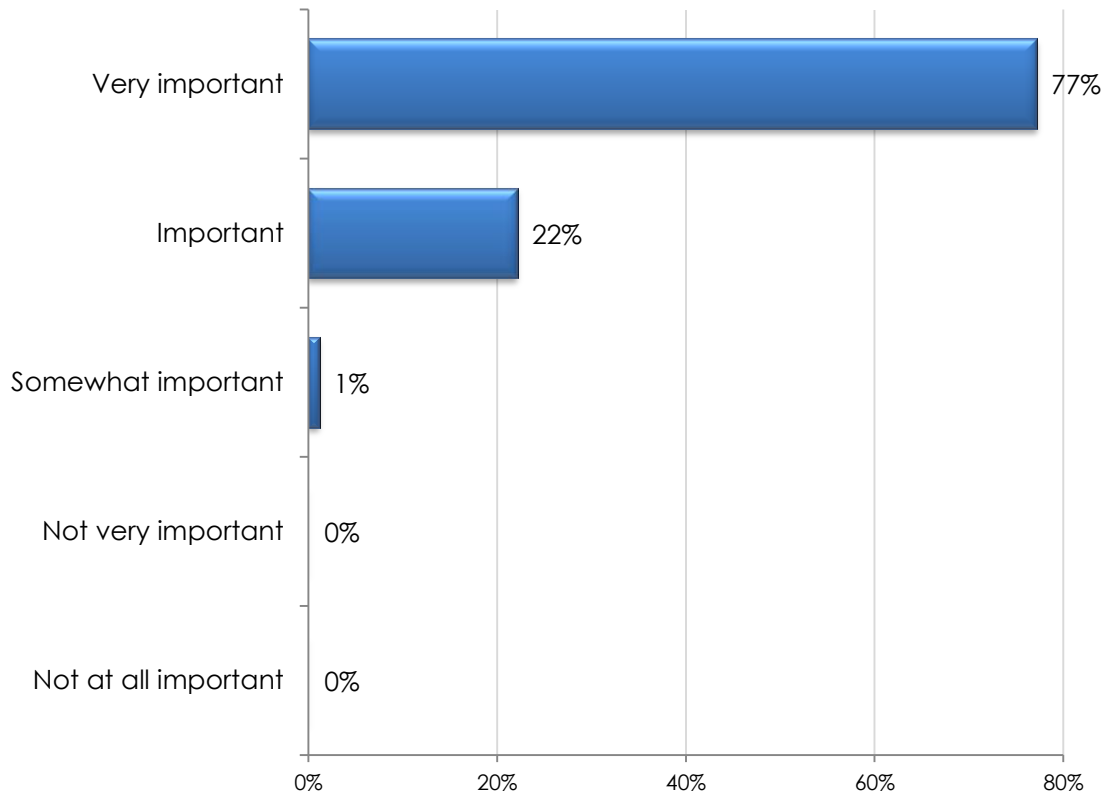
A significant numbers of residents (48%) indicated that they were not very or not at all satisfied with the quality of current planning



100% Of Residents Indicated That It Is At Least 'Somewhat Important' For Council To Implement Programs To Provide For Local Infrastructure

Q. How important do you believe it is for Council to implement plans and programs that will maintain/renew local infrastructure in the Camden Council area?

Mean rating - 4.76



- Ratepayers considered Council implementing plans and programs for local infrastructure to be more important than did non ratepayers

Mean ratings: 1=not at all important, 5=very important

Base: n = 400



Council has a general mandate to act in the area



Response to the SRV Concept

Currently, Camden Council ratepayers have been paying a special rate variation of 4.5% to fund urgent infrastructure renewal works as part of the Community Infrastructure Renewal Program. The objective with this program is to greatly reduce the backlog of ageing infrastructure without compromising existing services to ratepayers.

Funds collected over the past 3 years have been allocated to road reconstruction projects, footpath and cycleway upgrades, parks and playground equipment and community building improvements.

Currently this levy is approximately \$50 per year to the average rate paying household, however, it will expire at the end of this financial year.

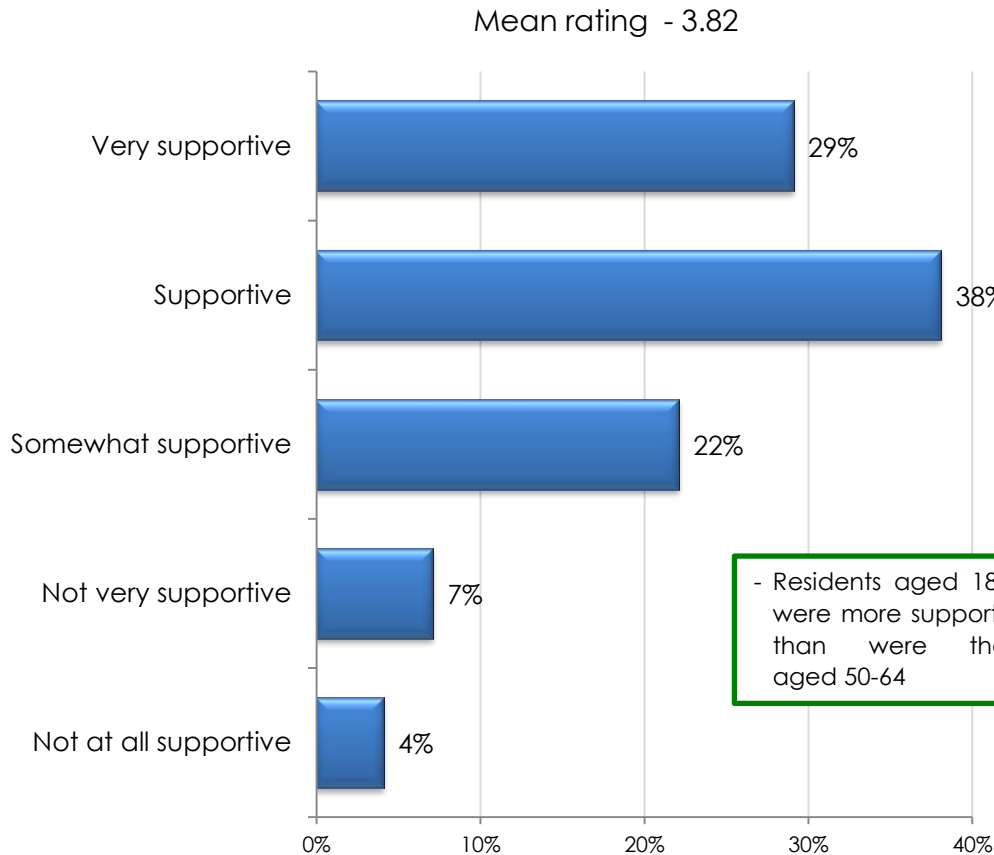
Council is seeking to continue the Community Infrastructure Renewal Program for a further 6 years but not at the existing 4.5% level. Rather Council is proposing an increase to rates of only 1.1%, which will last for 6 years and is above the Minister's allowable rate increase which is 3.4% in 2013/14.

Therefore in year one the total increase will still be 4.5%, as this includes the rate peg, so approximately \$50 per year to the average rate paying household, however, the actual levy is only \$13 per annum for the average residential property, the remainder of the \$50 being the Minister's rate increase.

The \$2.5m generated from this rate continuation will partly fund a \$6m program of works over the next 6 years. The other \$3.5m will be sourced from a low interest loan from the State Government and the utilisation of Council's internal reserves.

Overall, 89% Of Residents Are At Least 'Somewhat Supportive' Of The Proposed 6 Year Rate Increase

- Q. How supportive are you of continuing to pay the reduced Community Infrastructure Renewal Program levy to fund local infrastructure?
 Q. Why do you say that?



Key reasons for level of support	
Somewhat supportive to very supportive: Net 89%	
• Necessary to continue to improve and maintain infrastructure	69%
• This will be more affordable	8%
• Provided the money is spent appropriately	5%
Not very to not at all supportive: Net 11%	
• Council does not manage finances effectively	5%
• Dissatisfied with services and facilities provided by Council	4%

Base: n = 400

Mean ratings: 1=not at all supportive, 5=very supportive

Residents Who Are 'Supportive' Indicated That The SRV Was Needed In Order To Improve Roads And Infrastructure In The Area

- Q. How supportive are you of continuing to pay the reduced Community Infrastructure Renewal Program levy to fund local infrastructure?
 Q. Why do you say that?

Somewhat supportive to very supportive – 89%

"It is important that Council continues to upgrade infrastructure"

"Infrastructure is important in our local area and I am pleased that we as residents can contribute to this"

"The work needs to be done and this seems like a reasonable amount to pay"

"Council need these ongoing funds to maintain and upgrade existing infrastructure"

"I feel that is a reasonable amount to pay for increased infrastructure to accommodate the expanding population"

"I am a pensioner living alone and feel this amount is within my financial reach to manage"

"I am happy with the work Council has been doing to the roads and it is important this continues"

"I am supportive of the reduced rate increase as long as the money does go towards funding local infrastructure"

These funds are important to fund the much needed road improvement

I would be even more supportive if I was certain the funds were allocated correctly where needed instead of the patchiness we generally see

Not very to not at all supportive – 11%

"I don't want to pay any levies of any kind. Over the last few years rates have increased and I have stretched my budget to its limits to pay the increases"

"Council is allocated enough funds and they should be able to budget their money accordingly"

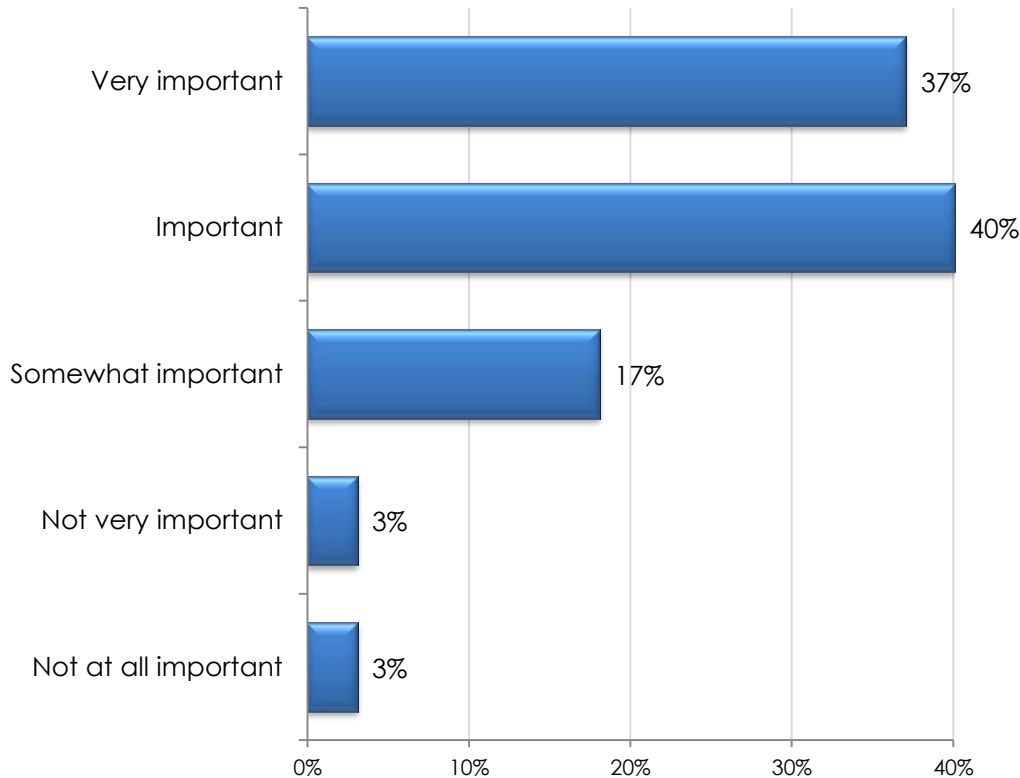
"I have requested the Council to do improvements numerous times on the main road I live on, but the roads have only become worse, so I do not see them doing anything constructive with any increases"

The levy is seen to both affordable and required

94% Of Residents Believe It Is Important That Council Be Allowed To Continue This Levy

Q. Based on what you have been told, how important do you believe it is that Camden Council is allowed to continue this levy?

Mean rating - 4.04



- Residents aged 18-34 believed it was more important that Council be allowed to continue the levy than did those aged 35-64

Base: n = 400

Mean ratings: 1=not at all important, 5=very important

The strong level of stated importance indicates that Council's SRV is aligned to community priorities



Summary

1. A significant number of residents support Council's application
 - 89% of residents are at least 'somewhat supportive' of Camden Council continuing the reduced special rate variation over 6 years
2. A significant number of residents believe that the continuation of the special rate variation is important for the local area
 - 94% of residents indicated that it is at least 'somewhat important' that Council be allowed to continue the special rate variation

micromex research

The logo features the word "micromex" in a bold, black, lowercase sans-serif font. A stylized compass rose is superimposed over the letter "o". The compass rose has a white center, black lines for the cardinal and intercardinal directions, and a red needle pointing towards the top. Below "micromex", the word "research" is written in a smaller, grey, lowercase sans-serif font.

Telephone: (02) 4352 2388 Fax: (02) 4352 2117
Web: www.micromex.com.au Email: stu@micromex.com.au

The following table outlines the indicative impact on average rates for 2013/14 year only, both with and without the 1.1% Special Rate Variation (over and above the 3.4% Ministerial rate increase).

	Annually			Weekly		
	Average Rates (with variation)	Average Rates (without variation)	Difference	Average Rates (with variation)	Average Rates (without variation)	Difference
Residential	\$1,271	\$1,258	\$13	\$24.44	\$24.19	\$0.25
Business	\$4,783	\$4,731	\$52	\$91.98	\$90.98	\$1.00
Farmland Ordinary	\$2,514	\$2,487	\$27	\$48.35	\$47.83	\$0.52
Farmland Intensive	\$2,515	\$2,488	\$27	\$48.36	\$47.85	\$0.51

WHERE WE PROPOSE TO ALLOCATE THE SPECIAL RATE VARIATION FUNDS

The proposed Community Infrastructure Renewal Program is a \$6 million program of works over 6 years commencing July 2013. The funding would be directed to the following areas:

Infrastructure Category	Amount (\$)
Road Reconstruction & Reseal Works	3,185,000
Parks and Reserves Improvements	1,310,000
Building Improvements	536,000
Bridge Improvements	431,000
Kerb and Gutters	364,000
Footpaths and Cycleways	174,000
Total Funds Allocated	6,000,000

A full program of works is available on Council's website www.camden.nsw.gov.au

WE WANT TO HEAR FROM YOU

Council is committed to seeking community feedback about issues of importance. Council will be seeking community feedback about the proposed continuation of the Community Infrastructure Renewal Program, particularly the intention to apply for a 1.1% special rate variation to part-fund this program.

The consultation period will run from Monday 28 January 2013 until Monday 25 February 2013.

For more information, visit Council's website www.camden.nsw.gov.au or telephone 4654 7777.

You can provide feedback on this proposal in the following ways:

1. Visit Council's website www.camden.nsw.gov.au
2. Email mail@camden.nsw.gov.au
3. Post to Community Infrastructure Renewal Program, Camden Council, PO Box 183, Camden 2570
4. Return the submission form below (no stamp required).



SUBMISSION FORM

Name: _____

Street Address: _____

Suburb: _____ Post Code: _____

My feedback in relation to the proposed Community Infrastructure Renewal Program, and the intention to vary rates by 1.1% to part-fund the program, is: (tick box)

I **support** a one-off variation of rates of 1.1% in order to part-fund the Community Infrastructure Renewal Program

OR

I **do not support** a one-off variation of rates of 1.1% in order to part-fund the Community Infrastructure Renewal Program

Comment: _____

Please return this submission form in an envelope (no stamp required) to:
Community Infrastructure Renewal Program,
Camden Council,
Reply Paid 183,
Camden NSW 2570

Have Your Say



Camden Council

Proposed Special Rate Variation to
 Continue the Community Infrastructure
 Renewal Program



INTRODUCTION

In 2010, Camden Council applied for a special variation to rates of 4.5% (excluding the then approved 2.6% Ministerial rate increase) in order to fund urgent infrastructure renewal works. Across Local Government in NSW there have been significant funding shortfalls for infrastructure renewal, and Camden is like most other councils in that there is a backlog of work that needs to be undertaken in order to keep infrastructure up to a satisfactory standard.

In 2010, Council's initial application to fund a Community Infrastructure Renewal Program was approved by the State Government for a period of 3 years only. Whilst this rate increase and the 3 year period in which it applies is no where near sufficient to address the funding shortfall, it did finance a \$3.68m program of critical works. The following table is a reflection of where funds have been allocated with the monies raised from the current special rate variation.

Infrastructure Category	Amount (\$)
Road Reconstruction & Reseal Works	1,751,200
Lodges Road and Hilder Street, Elderslie (contribution to works)	849,000
Building Improvements	472,000
Footpaths and Cycleways	310,000
Parks and Playground Equipment	181,100
Kerb & Gutters	52,200
Guardrail Replacement	50,000
Community Carpark Improvements	17,600
Total Funds Allocated	3,683,100

Council is intending to continue part of the special rate increase beyond 2013 to ensure that community infrastructure throughout the Local Government Area is renewed for the continued enjoyment of the current and future community.

WHY WE ARE PROPOSING TO CONTINUE THE COMMUNITY INFRASTRUCTURE RENEWAL PROGRAM

1. We want to be able to renew community infrastructure without having to reduce other services to residents

Camden Council is committed to improving the quality of life of residents in the Camden Local Government Area. Feedback Council has received, via surveys, indicates residents are very satisfied with Council's performance in delivering services and facilities throughout the area. Addressing this funding shortfall, partly through a small rate variation, will enable Council to continue to provide these services and facilities into the future at the levels enjoyed by the community today.

2. Local Government across NSW is finding it increasingly difficult to fund infrastructure renewal due to rising costs and ageing infrastructure

Funding shortfalls for infrastructure renewal is a well-documented problem facing Local Government. In NSW alone it was estimated in 2005 that the renewal backlog was around \$6 billion, and forecast to rise to almost \$12 billion by the year 2020. Local Government has faced rising costs over many years, without capacity to meet these costs with additional revenue.

3. We know we have a significant shortfall in funds to undertake necessary work, and if not addressed the situation will continue to get worse.

In November 2012, Council identified an asset renewal backlog, or funding shortfall, of \$12.6 million, which is expected to increase each year until such time as additional funds are available for reducing the backlog. The extension of the Community Infrastructure Renewal Program, funded in part through a special rate increase beyond 2013, would ensure that this shortfall continues to be addressed.

4. We know that the community has concerns about the state of many types of local infrastructure

Council surveys residents on a bi-annual basis in relation to community satisfaction with Council services. Services relating to community infrastructure, particularly local roads and transport, natural areas and waterways, and asset management generally, have been those services identified as greatest priority by residents in the previous two surveys. Management of parks and playgrounds were also areas that reflected some community dissatisfaction in 2011.

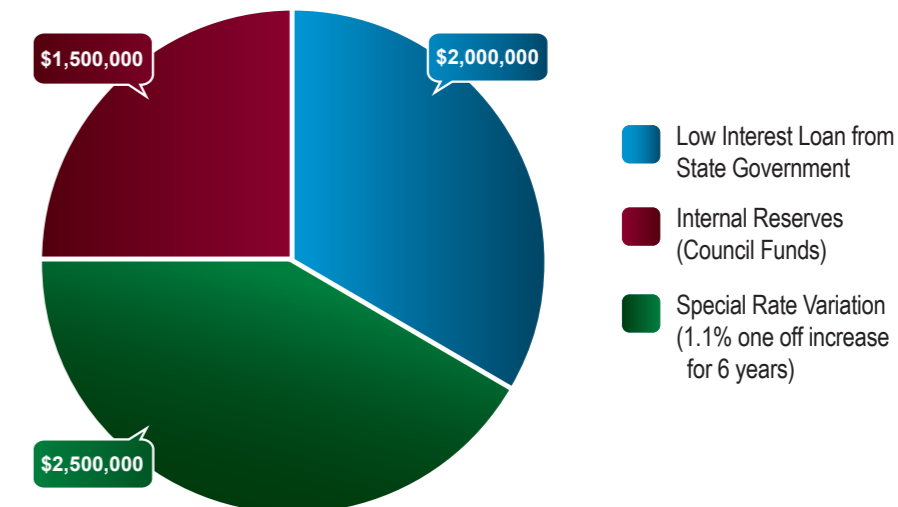
5. There are risks associated with not keeping up with asset renewal

Many of the assets in Council's care perform essential functions throughout the area, such as drainage and stormwater management, and basic accessibility through roads and footpaths. These assets need to be kept to a satisfactory standard through appropriate maintenance and renewal for the basic safety and functioning of the local area, in addition to the important contributions they make to the quality of life and amenity we currently enjoy.

By not continuing this Program, Council will have insufficient funds to ensure essential infrastructure is renewed, leaving an unreasonable burden on future generations to address.

HOW WILL THE COMMUNITY INFRASTRUCTURE RENEWAL PROGRAM BE FUNDED?

Camden Council is proposing to continue the Community Infrastructure Renewal Program for 6 more years, to the value of \$6 million (\$1 million annually). This is to be funded by the following sources:



WHAT THIS MEANS FOR YOU

Council has been mindful to keep the proposed rate variation to a minimum.

Importantly, the current 4.5% Special Rate Variation will be removed as at 30 June 2013 and replaced by a 1.1% special rate variation, effective from 1 July 2013 for a period of 6 years.

IPART has already determined a 3.4% general rate increase for 2013/14. The proposed 1.1% special rate variation would take the overall total rate increase for 2013/14 to 4.5%.

The proposed total 4.5% rate increase is exactly the same as the current 4.5% rate increase being paid by ratepayers. In essence, average rates will remain the same in 2013/14 when compared to current 2012/13 average rates. This is shown in the table below.

2013/14 Ministers allowable limit	3.40%
2013/14 Proposed Special Rate Variation application	1.10%
Total Variation	4.50%
Less:	
Current Special Rate Variation Program	(4.50%)
Actual 2013/14 Variation	0.00%