



**Attachment 17 – 20 : Extracts from Wollondilly Delivery Program 2013/14 –
2016/17 & Operational Plan 2014/15 & Revised Delivery Program 2013/14 –
2016/17 & Operational Plan 2014/15**



Attachment 17: Extract Wollondilly Revised Delivery Program 2013/14 – 2016/17 & Operational Plan 2014/15

Addressing Your Future Needs - The need for a Special Rate Variation (SRV)

Our long term financial modelling estimates that Council faces an \$80 million cash shortfall at the end of ten years unless there is a significant change to expenditure or revenue.

ADDRESSING **YOUR** FUTURE NEEDS

THE NEED FOR A
SPECIAL RATE VARIATION

NEED FOR A SPECIAL RATE VARIATION

REFLECTED IN OUR CORPORATE BUSINESS PLANNING DOCUMENTS

Wollondilly Community Strategic Plan (CSP) 2033

OUTCOMES

- Access to a range of activities, services and facilities
- A connected and supported Community
- Government, Community and business talking and working together
- A Council that demonstrates good business management and ethical conduct
- Safe, maintained and effective infrastructure

Wollondilly Delivery Program 2013/14 – 2016/17

STRATEGIES



Community

CO1. Community Building, Well-being and Identity

Deliver a range of community programmes, services, facilities and events which strengthen the capacity, well-being and cultural identity of the community.

CO3. Social Planning

Undertake strategic social planning and research regarding community needs and issues.

CO4. Engagement and Communication

Implement excellence in our community engagement by listening to and responding to the needs and concerns of residents.



Governance

GO5. Financial Sustainability

Maintain Council in a strong and sustainable financial position.

GO.6 Resource Efficiency

Be efficient and effective in the use of Council resources and provide value for money in the delivery of services.



Infrastructure

IN1. Maintain Road Network

Ensure that the road network is maintained to a standard that is achievable within the resources available.

IN2. Manage Road Network

Manage the road network to respond to community needs, growth in the Shire, improving road safety and improving transport choices.

IN3. Provision of Infrastructure and Facilities

Provide a range of recreation and community facilities to meet the needs of the community.

THE NEED FOR A SPECIAL RATE VARIATION (SRV)

Our long term financial modelling estimates that Council faces an \$80 million cash shortfall at the end of ten years unless there is a significant change to expenditure or revenue.

Council is responsible for maintaining more than half a billion dollars of assets.

840
km roads

90
parks and reserves

78
bridges

33
playgrounds

13
sports fields

19
halls

The most significant contributor towards this future deficit is our infrastructure maintenance backlog. Wollondilly Shire is vast in relation to its relatively low population of around 46,000. As a result we have high infrastructure maintenance costs (particularly on roads) relative to a small rate base. Here are some key facts about our infrastructure maintenance challenge:

- Over 50% of community halls and buildings are more than 50 years old
- In the next 4 years we need to replace 9 playgrounds which have reached the end of their useful lives, while many are not meeting current community needs
- 9 out of 10 tennis court complexes have significant issues with poor lighting not meeting current standards.
- The condition of our roads is considerably less than comparable councils.

Each year there is an asset maintenance funding shortfall and as a result the condition of our infrastructure is getting progressively worse. The backlog of maintenance works needed to bring our infrastructure up to a satisfactory standard is currently \$45m but as each year passes this figure is at risk of increasing.

To fully address our infrastructure funding gap, ideally we need an extra \$80m over the next 10 years. \$45m is needed to “close the gap” and bring our infrastructure up to a satisfactory standard. A further \$35m is needed for ongoing infrastructure maintenance (to “keep the gap closed”) and to cover increases to the day-to-day operating costs of Council. (Rate capping allowances do not cover our annual increases in costs). This \$80m projected shortfall does not factor in the effects of the unprecedented expected future growth.

The proposed SRV is therefore an essential part of a long term funding strategy to not only maintain and manage our current infrastructure, but also to maintain and manage future infrastructure. Council also needs to be able to continue to deliver quality services in line with the expectations of a growing population.

If we have a SRV, the significant funding shortfall facing council over the coming years will be addressed, the quality of infrastructure will not continue to deteriorate and Council services will not need to be reduced.

FIT FOR THE FUTURE

On 10 September 2014, The NSW Government formally announced their response to the Independent Local Government Review Panel and Local Government Acts Taskforce recommendations.

The NSW Government wants councils to be “Fit for the Future” and they have put a comprehensive package of support and financial incentives to assist councils achieve this, requiring them to:

- a) enhance their own financial sustainability
- b) be effective in the delivery of infrastructure and services
- c) be more efficient
- d) be of sufficient scale to engage across community, industry and government

Councils will need to submit a proposal on how they intend to become “Fit for the Future” by 30 June 2015.

This review will be assessed independently and councils who are Fit for the Future will be eligible for incentives and support - cheaper finance options, simplified reporting requirements, priority access to State funding and grants and options for additional planning powers.

The aim is for NSW councils to be financially sound, operating efficiently and in a strong position to guide community growth and deliver quality services.

Some Councils have been identified as needing to merge to become Fit for the Future. This is not proposed for Wollondilly Council, with the focus of this approach being more on metropolitan Councils and very small rural Councils. (Note that Camden, Campbelltown and Wingecarribee are also NOT proposed for merger).

For councils to meet the infrastructure and service needs of their communities they need to be “financially sustainable”. This is defined as a council which, over the long term, is able to generate sufficient funds to provide the level and scope of infrastructure and services, agreed with its community through the Integrated Planning & Reporting Process.

The criteria and benchmarks to determine whether a Council is financially sustainable and able to be effective in the delivery of infrastructure and services relate to matters such as:

- Operating performance ratio – whether we are predicting future



- operating surpluses or expecting to continue to run at a deficit.
- Own source revenue ratio – how much we rely on grants and external revenue sources.
- Infrastructure and asset backlog, maintenance and renewal ratios – all about the condition of our assets and infrastructure and what needs to be spent to bring them up to standard.
- Debt service ratio – how much debt we have to service with loan repayments.

For Council to perform well against these criteria, an SRV is critical. If council does not have an SRV we will be incapable of becoming Fit for the Future.

As part of the June 2015 “Fit for the Future” submission each council will be asked to look at its current situation and consider the future needs of its community and the recommendations of the Independent Panel. This issue will be included in Council’s conversations with the community during the SRV engagement process.



Attachment 18: Extract from Wollondilly Revised Delivery Program 2013/14 – 2016/17 & Operational Plan 2014/15

Further Information on the need for a Special Rate Variation (SRV)

Our long term financial modelling estimates that Council faces an \$80 million cash shortfall at the end of ten years unless there is a significant change to expenditure or revenue.

**FURTHER
INFORMATION ON
THE NEED FOR
A SPECIAL RATE
VARIATION
REFER TO THE
FOLLOWING PAGES:**

Need for a Special Rate Variation (SRV)	40
Decision to commence a process to apply for a SRV	40
What happens if Council does not get a SRV?	40
Why does Council need \$80 million now?	40
The previous SRV	41
Money raised by the previous SRV	41
Alternative funding options	41
\$40 million investment	42
Our long term financial challenges	42
How does Council spend its money?	42
Shire Growth	42
Community Awareness and Engagement	43
Summary of Community Engagement Strategy	43
Community Engagement Overview	44
Community Consultation Report	45
Impact on Ratepayers	47
How will this effect you summary	47
Impact on Ratepayer - Option 2	48
Impact on Ratepayer - Option 3	49
Pensioner concessions	50
Financial Hardship	50
Summary of Community's capacity to pay	50
Rates compared to other Councils	51
Each Type of Variation and impacts	52
Option One – Deteriorate	52
Option Two – Stabilise	53
Option Three – Improve	53
Productivity Improvements and cost containment strategies	54
Comparisons to other Councils	59
APPENDICES	120
Appendix One - List of projects completed with the funds generated from the last SRV	121
Appendix Two - Debt Recovery and Hardship Policy	124
Appendix Three - Community's affordability & capacity to pay	133

NEED FOR A SPECIAL RATE VARIATION

Wollondilly Shire Council's long term financial modelling estimates that Council faces an \$80 million deficit in the next ten years unless there is a significant change to expenditure or revenue. The most significant contributor towards this future deficit is our infrastructure maintenance backlog. Each year there is an asset maintenance funding shortfall and as a result the condition of our infrastructure is getting progressively worse. The proposed Special Rate Variation is therefore an essential part of a long term funding strategy to not only maintain and manage our current infrastructure, but also to maintain and manage future infrastructure.

If we have a Special Rate Variation, the significant funding shortfall facing Council over the coming years will be addressed, the quality of infrastructure will not continue to deteriorate and Council services will not need to be reduced.

DECISION TO COMMENCE A PROCESS TO APPLY FOR A SPECIAL RATE VARIATION

Wollondilly Shire Council follows the Integrated Planning and Reporting (IP&R) framework that was introduced in NSW by the Division of Local Government in 2009. IP&R is effectively another name for what most of us would call "business planning".

Wollondilly Shire Council's IP&R framework consists of a number of documents that reflect our community's needs and aspiration. They include:

- Wollondilly Community Strategic Plan 2033
 - Wollondilly Resourcing Strategy 2013/14-2022/23
- comprising:
- o Long Term Financial Plan
 - o Workforce Management Plan
 - o Asset Management Plan
 - Wollondilly Delivery Program 2013/14-2016/17
 - Annual Operational Plans

The purpose of Council's corporate "business planning" documents is to focus on long-term strategic planning and to set priorities and aspirations based on what our community is asking of Council.

These documents have identified the funding gap that we are currently facing and have investigated a number of scenarios on how we can address the gap. In particular, it has been identified that one course of action would be for Council to apply for a Special Rate Variation.

Wollondilly Shire Council identified in June this year that we needed to talk with the community in seeking their assistance in our efforts to reach a position of financial sustainability into the long term. As a result, Council is considering the need for a Special Rate Variation. A Special Rate Variation would allow us to maintain our current and future infrastructure and provide services to a level that our community has come to expect from us.

WHAT HAPPENS IF COUNCIL DOES NOT GET A SPECIAL RATE VARIATION?

If Council does not get a Special Rate Variation, rates will only increase by the annual rate peg amount. The rate peg percentage for 2013/14 was 3.4% and for 2014/15 it is 2.3%.

This option would leave us with an \$80 million shortfall over 10 years, so it would have the following impacts:

- Our infrastructure would deteriorate further. This means we will see worsening roads and continuing deterioration of facilities such as playgrounds and community buildings.
- Council would have virtually no capacity for new capital works (apart from developer contributions and grants). This means Council will have difficulty funding new infrastructure.
- Council would need to consider a significant reduction in a wide range of Council services in order to address the funding shortfall issues.

WHY DOES COUNCIL NEED \$80 MILLION COMPARED TO \$60 MILLION THREE YEARS AGO?

When Wollondilly Shire Council applied for a Special Rate Variation in 2011 we identified that we required \$60 million over the next 10 years to improve the standard of our key infrastructure assets to a satisfactory level, and to increase our annual infrastructure maintenance levels in order to keep the infrastructure at that standard. The \$60 million figure was purely for infrastructure renewal for the key classes of infrastructure assets to bring them up to a satisfactory standard, based on the data available to Council at the time. We determined that an 8% increase over 7 years would allow us to meet this target, however in the end we were only granted a Special Rate Variation of 6% over 3 years. The Special Rate Variation generated \$3.38 million over the 3 years which was spent on essential infrastructure projects. However, the long term effect of the Special Rate Variation was that over a 10 year period to 2020/21, it would only generate \$17m, which falls \$43m short of the required \$60m that we had identified. As a result of the shortfall in funding, our infrastructure and facilities have continued to deteriorate.

Since 2011, Council has continued to update infrastructure data, conducting asset condition assessments on more classes of infrastructure as well as updating the existing 2011 data. An independent financial assessment was then undertaken where it was identified that in order to continue providing our current range of services as well as bring all infrastructure up to a satisfactory standard (and continue to maintain that infrastructure at that satisfactory standard) would require an additional \$80 million of funding over the next ten years.

THE PREVIOUS SRV

In early 2011, Council applied for a special rate variation for the purpose of reducing the backlog in infrastructure maintenance and renewal. The original analysis identified that we needed an additional \$60m over 10 years in order to bring our infrastructure up to a satisfactory level. So a rate increase of 8% per annum (including the rate peg) over 7 years was proposed. Following community consultation Council resolved to reduce the variation amount in our application to 6.7% per annum over 7 years (this would have generated an additional \$43m).

IPART subsequently only approved a 6% per annum increase over 3 years, which fell substantially short of providing the required funds to address the mounting infrastructure maintenance gap.

MONEY RAISED BY THE PREVIOUS SPECIAL RATE VARIATION

Although we received less than we expected, we were still able to complete a number of projects to improve infrastructure and services for our community with the funds generated from the Special Rate Variation.

The Special Rate Variation funds also allowed us to access the State Government's Local Infrastructure Renewal Scheme (LIRS) loans to provide the early delivery of a number of much needed infrastructure works.

Some of the projects completed using the Special Rate Variation funds and LIRS loans included:

- Reconstruction of John Street, The Oaks
- Replacement of timber bridge's on Bargo River Road, Couridjah; Cawdor Rd, Cawdor; and Spring Creek Road, Mt Hunter
- Playground upgrades at Tahmoor, Buxton, Bargo, Appin, Warragamba and Silverdale
- Tennis court repairs in Picton, Douglas Park and Yanderra
- Installation of sportsfield lighting at Oakdale, Tahmoor and Appin
- Over \$900,000 spent on building repairs shire wide

Each year, through our Integrated Planning and Reporting processes we comprehensively report on what the previous Special Rate Variation funded in our annual reports.

Refer to appendix one on page 121 for the list of projects completed with the funds generated from the last SRV.

ALTERNATIVE FUNDING OPTIONS COUNCIL'S FUNDING SOURCES

Council has a number of funding sources, with almost all sources regulated in some way. These sources include:

- Rates
- Fees and Charges
- Grants and Contributions (including Developer Contributions)
- Interest from Investments
- Asset Sales
- Borrowings
- Developer Contributions

Rates

Rates provide the largest single portion of total overall revenue (estimated to be 57% of Council's total revenue in 2014/15).

This means that rates fund just over half the cost of delivering Council services and facilities. So while additional housing lots bring additional rates revenue, that revenue only covers just over half of the cost of providing services to new residents.

Fees and Charges

Each year the Council sets fees and charges for services that are linked to users, rather than the broader community. These fees and charges are based on a partial recovery of the cost of the service, rather than a full recovery of the costs involved. All fees and charges are continually reviewed to establish an appropriate level of cost recovery and ensure that the wider community is not unreasonably subsidising services.

Grants and Contributions

Council receives specific grants from the Federal and State Governments to support the funding of a range of services and major capital projects, including environmental projects, community service programs, road safety programs, public library operations and road construction works. Whilst all grants are at the discretion of the higher levels of government, they remain a key source of revenue for Council and one which is continuously and actively pursued.

Investments

At any point in time, Council can hold a significant amount of cash as a result of grant monies paid, development contributions paid by the development industry and general income from rates, fees and charges. Whilst the money is committed to expenditure on various works and services through Council's annual budget, there is often a period of time between the receipt of the money and its expenditure. Council therefore invests the cash it does not need immediately to generate additional income through the interest received from these cash investments. Income from these investments varies depending on the interest rates and the amount invested, but is generally in the vicinity of \$1.5 million per year.

Asset Sales

Council has a significant asset base, with the written down value of all assets at 30 June 2013 totaling \$349 million. Council continually reviews its operational holdings, for both land and buildings, to assist in identifying opportunities to dispose of assets no longer needed for service delivery. Any asset that can be sold, generates revenue from the sale, but also reduces the maintenance cost associated with continued ownership of the asset.

Borrowings

Long term borrowings can be a useful tool for funding the development of major new assets and infrastructure - the limiting factor being the ability to repay the debt. Council's current annual loan repayments are around \$3 million per annum, resulting in a "debt service ratio" of approximately 7%. The acceptable range for debt service ratio is between 5% and 10%. If Council were to aim for a debt service ratio of 10%, total debt service costs would increase by around \$1 million to approximately \$4 million per year. These additional repayments would finance a loan of \$8 million repaid over 10 years, or a loan of \$11 million repaid over 15 years. The extra funds would enable significant works to be undertaken immediately, with the costs spread over a number of years in order to facilitate inter-generational equity. In the absence of any opportunity to cut services, additional revenue would be needed to service the additional loan repayments.

Developer contributions

Under the Environmental Planning and Assessment Act 1979, Council is able to levy new developments so that the developers of land contribute to the cost of essential infrastructure. These funds are then used by Council to deliver new infrastructure.

\$40 MILLION INVESTMENT

At any point in time, Council can hold a significant amount of cash as a result of grant monies paid, development contributions paid by the development industry and general income from rates, fees and charges. Whilst the money is committed to expenditure on various works and services through Council's annual budget, there is often a period of time between the receipt of the money and its expenditure. Council is also required to hold a certain amount of funds in cash and investments to cover employees' leave entitlements.

As a result, Council invests the cash it does not need immediately to generate additional income through the interest received from these cash investments. Income from these investments varies depending on interest rates and the amount invested, but is generally in the vicinity of \$1.5 million per year.

OUR LONG TERM FINANCIAL CHALLENGES

Council's revenue streams are determined largely by the NSW Local Government Act. These streams include rates, fees and charges for particular services, developer contributions, grants and subsidies from higher levels of government, loans taken up by Council, income from interest on invested funds and occasional revenue from rationalisation of assets or business activities. Although many of these revenue options will be reviewed to find further revenue, not enough can be raised to create an ongoing difference for Wollondilly.

Council's projections reveal a funding shortfall of around \$80 million at the end of ten years, meaning the savings needed would see a significant reduction in Council services. Steps need to be taken to ensure Council remains in a position to deliver the services required for the future. The challenge of balancing community expectations with future financial sustainability cannot be ignored.

Given broad cuts to services are not likely to be acceptable to current

and future residents, Council has instead turned attention to the revenue required to maintain and/or improve current services to our growing population over time. While all sources of income are being explored to address the funding gap including fees and charges, the sale of non-core assets and changes to service delivery models, rates revenue will play a big part in the solution.

HOW DOES COUNCIL SPEND ITS MONEY?

While Council's adopted budget for 2014/15 shows a total cash revenue of more than \$45 million, there are a range of costs that Council must pay that take up a significant proportion of the budget. These items are "non-discretionary" and each year includes:

- Employee and Councillor costs of more than \$19 million
- Waste and recycling costs of more than \$7.5 million
- Expenditure of grant and levy funding for their specific purpose of around \$7 million
- Loan repayments of close to \$3 million
- Insurances and legal fees of close to \$1.5 million
- Payments to NSW State Government agencies of more than \$800 thousand (e.g.: State Government waste levy and NSW Fire Brigade/NSW Rural Fire Service/SES contributions)
- Payments for street lighting of more than \$500 thousand
- The net result is non-discretionary spending of close to \$40 million, leaving \$5 million available for allocation to Council's capital works and other programs. In 2014/15, this has been supplemented by approximately \$8 million from reserves.

SHIRE GROWTH

Our Shire will experience significant growth over the coming years with our population expected to grow from around 46,000 to more than 100,000 over the next 20 years and beyond. The scale of this growth and its timing is difficult to predict, but what is certain is that new infrastructure will be built as part of this growth and will be used by our current and future population. On average, for each new lot produced through residential subdivisions, an additional \$35,000 of infrastructure (roads, drainage, parks, and buildings) is created, so over time our infrastructure maintenance costs increase. This is why we need to have a sharp focus on developer contributions and strategies for providing and maintaining infrastructure associated with growth.

Of course new residential growth brings in new rate income for Council. Although the additional rate income will significantly fund future infrastructure, it will not necessarily cover any of the maintenance costs of our existing infrastructure.

COMMUNITY AWARENESS & ENGAGEMENT

Summary of Community Engagement Strategy

The “Addressing Your Future Needs” Community Engagement Strategy is based on the International Association for Public Participation – Public Participation Spectrum Principle of:

INFORM:

To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.

CONSULT:

To obtain public feedback on analysis, alternatives and/or decisions.

INVOLVE:

To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.

Key Stakeholders

To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.

- Independent Pricing and Regulatory Tribunal (IPART)/ Office of Local Government (OLG)
- Wollondilly Shire ratepayers (residents, business, farmland, mining)
- Wollondilly Shire Council Councillors
- All Wollondilly Shire Council Staff. In particular:
 - Customer Services
 - Executive
 - Community Services
 - Communications

Engagement methods and resources

- Councillor Workshops
- SRV Newsletter
- Telephone Survey
- Community Meeting
- Information & drop-in session
- Community Events
- Council Meeting
- FAQs
- Rates Table
- Displays
- Media Releases
- Advertisements
- Social Media Posts
- Information Kit for Staff & Councillors
- Posters
- Flyers
- Emails
- Bookmarks
- Dilly Wanderer Engagement
- Flyer distribution at train stations
- Website

Further Community Awareness & Engagement

Throughout the community engagement process we responded to the community’s concerns about a number of aspects of the community engagement strategy and resources.

Detailed below are the procedures put in place to respond to the Community’s concerns:

- An additional Information and drop-in session was held at Warragamba in the evening due to community concerns raised at the first community meeting.
- An information stall was held at Tahmoor shopping centre due to community concern around not receiving enough notice/information about the community meetings.
- Council staff were present at the major train stations in the Shire from 5:30am to allow for another opportunity for working residents to engage with the Special Rate Variation. Council recognises the fact that a number of residents work outside the area.
- An additional Rates Flyer was developed to further explain how the Special Rate Variation will affect ratepayers of Wollondilly. This was in response to particular concerns raised at the Warragamba Community meeting.

COMMUNITY ENGAGEMENT OVERVIEW

Wollondilly Shire Council's community consultation for the Special Rate Variation proposal took place from the 15th September – 31st October 2014.

The table below lists the community consultation activities and outcomes during the engagement period.

Engagement Method	Numbers	Details
Train Station Engagements	Approximately 144 people received information about the Special Rate Variation	Held from 5:30-8am at: <ul style="list-style-type: none"> • Picton • Tahmoor • Bargo
Information Stalls with the Dilly Wanderer	26 people were engaged about the Special Rate Variation and received information	Held at: <ul style="list-style-type: none"> • Yanderra • The Oaks • Tahmoor • Oakdale • Bingara Gorge • Buxton • Appin • Bargo • Silverdale • Douglas Park • Thirlmere • Warragamba • Picton
Community Events	35 people received information about the Special Rate Variation	<ul style="list-style-type: none"> • Tahmoor Uniting Church Community Garden Family Day • Bargo Public School Fete • DamFest
Community Meeting	27 people attended in total	Held at: <ul style="list-style-type: none"> • Warragamba Town Hall • Tahmoor CWA Hall • Appin Community Hall
Information & Drop-In Session	1 person attended the information and drop-in session	An additional evening information and drop-in session was organised. This was in response to community requests identifying that this would allow more community members the opportunity to participate in the Special Rate Variation conversation. The session was held at Warragamba Town Hall.
Drop-In Q&A Sessions	20 people attended the drop-in Q&A sessions to discuss the Special Rate Variation options	Four sessions were held at Picton Shire Hall
Emails	All Wollondilly Shire Council staff received an email 85 Council Committee Members received an email 146 Community Directory contacts were sent an email 383 Business Directory contacts were sent an email	
Special Rate Variation Newsletter	16,936 ratepayers received a newsletter	Hard copy newsletters mailed to all ratepayers in the Shire. Hard copy newsletters have also been distributed at all community engagement activities.
Phone Enquiries	17 phone enquiries have been received regarding the Special Rate Variation	
Radio	2 x radio interviews	<ul style="list-style-type: none"> • 24th September 2014: Macarthur Community Radio • 30th September 2014: ABC Illawarra Radio
Media Releases	7 x media releases	

Engagement Method	Numbers	Details
Bush Telegraph	2 x Bush Telegraph Articles 3 x Articles in mayors column 1 x Bush Telegraph Advertisement	Printed in the Advertiser, Chronicle & District Reporter
Newspaper Advertising	1 x Quarter Page Advertisement	Printed in the Advertiser, Chronicle & District Reporter
Flyer Distribution	111 Businesses 1 Neighbourhood Centre 1 Preschool	Distributed at Tahmoor, Warragamba, Silverdale, Appin, Douglas Park, Thirlmere and Picton
Shopping Centre Information Stall	30 people received information about the Special Rate Variation at Tahmoor Shopping Centre 49 people received information about the Special Rate Variation at Picton Mall	
Promotional Material		Bookmarks, flyers, FAQs, SRV Newsletter and rates flyers were available at: <ul style="list-style-type: none"> • Picton library • Mobile libraries • Customer services • Tourist information centre • Children services • Dilly Wanderer
Special Rate Variation Business Cards		200 Special Rate Variation business cards provided to depot staff to distribute to community members if needed
Social Media	42 x Social Media Posts regarding the Special Rate Variation and community consultation opportunities	The average reach for special rate variation posts on Facebook was 320 people
Submissions	148 x Submissions received about the Special Rate Variation	
Addressing Your Future Needs Webpage	405 x Unique Views	
Telephone Survey	407 residents were surveyed regarding the Special Rate Variation proposal	

COMMUNITY CONSULTATION REPORT

The report is not part of this edition.

The report will be available to the community at the February 2015 Council Meeting.



CONSIDERING THE IMPACT ON RATE PAYERS - HOW WILL THIS AFFECT YOU?

The table below estimates the rate increases that would occur under each of the three options being considered. The table provides a comparison for differing rate amounts, based on rates payable this year. To use this table look at the rate amount in the grey shaded column that is closest to your rate bill for this year (2014/15). Looking across the table to the columns on the right hand side will give you an indication of how rates would rise under each of the three options. The figures in the table should only be used as a rough guide, as fluctuations in the value of your property will also have an effect on the amount of rates you pay. The figures are also based upon the assumption of a 3% rate peg being announced each year. This figure may be higher or lower in any year.

Annual Rates	Current	2015/16	2016/17	2017/18	2018/19
● Option 1 - Rate Peg (3% pa)	\$892	\$919	\$946	\$975	\$1,004
● Option 2 - 8.5% x 4 yrs		\$968	\$1,050	\$1,139	\$1,236
● Option 3 - 10.8% x 4 yrs		\$988	\$1,095	\$1,213	\$1,344
● Option 1 - Rate Peg (3% pa)	\$943	\$971	\$1,000	\$1,030	\$1,061
● Option 2 - 8.5% x 4 yrs		\$1,023	\$1,110	\$1,204	\$1,307
● Option 3 - 10.8% x 4 yrs		\$1,045	\$1,158	\$1,283	\$1,421
● Option 1 - Rate Peg (3% pa)	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
● Option 2 - 8.5% x 4 yrs		\$1,085	\$1,177	\$1,277	\$1,386
● Option 3 - 10.8% x 4 yrs		\$1,108	\$1,228	\$1,360	\$1,507
● Option 1 - Rate Peg (3% pa)	\$1,250	\$1,288	\$1,326	\$1,366	\$1,407
● Option 2 - 8.5% x 4 yrs		\$1,356	\$1,472	\$1,597	\$1,732
● Option 3 - 10.8% x 4 yrs		\$1,385	\$1,535	\$1,700	\$1,884
● Option 1 - Rate Peg (3% pa)	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688
● Option 2 - 8.5% x 4 yrs		\$1,628	\$1,766	\$1,916	\$2,079
● Option 3 - 10.8% x 4 yrs		\$1,662	\$1,841	\$2,040	\$2,261
● Option 1 - Rate Peg (3% pa)	\$1,750	\$1,803	\$1,857	\$1,912	\$1,970
● Option 2 - 8.5% x 4 yrs		\$1,899	\$2,060	\$2,235	\$2,425
● Option 3 - 10.8% x 4 yrs		\$1,939	\$2,148	\$2,380	\$2,638
● Option 1 - Rate Peg (3% pa)	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251
● Option 2 - 8.5% x 4 yrs		\$2,170	\$2,354	\$2,555	\$2,772
● Option 3 - 10.8% x 4 yrs		\$2,216	\$2,455	\$2,721	\$3,014
● Option 1 - Rate Peg (3% pa)	\$2,250	\$2,318	\$2,387	\$2,459	\$2,532
● Option 2 - 8.5% x 4 yrs		\$2,441	\$2,649	\$2,874	\$3,118
● Option 3 - 10.8% x 4 yrs		\$2,493	\$2,762	\$3,061	\$3,391
● Option 1 - Rate Peg (3% pa)	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
● Option 2 - 8.5% x 4 yrs		\$2,713	\$2,943	\$3,193	\$3,465
● Option 3 - 10.8% x 4 yrs		\$2,770	\$3,069	\$3,401	\$3,768
● Option 1 - Rate Peg (3% pa)	\$2,750	\$2,833	\$2,917	\$3,005	\$3,095
● Option 2 - 8.5% x 4 yrs		\$2,984	\$3,237	\$3,513	\$3,811
● Option 3 - 10.8% x 4 yrs		\$3,047	\$3,376	\$3,741	\$4,145
● Option 1 - Rate Peg (3% pa)	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377
● Option 2 - 8.5% x 4 yrs		\$3,255	\$3,532	\$3,832	\$4,158
● Option 3 - 10.8% x 4 yrs		\$3,324	\$3,683	\$4,081	\$4,521

OPTION 2 STABILISE

Impact of a Special Rate Variation of 8.5%pa
over 4 years on average annual rates

Average Annual Rates (by Category)	Current (2014/15)	2015/16	2016/17	2017/18	2018/19	Cumulative rise over the 4 years
Residential Town Centre Rates under the rate peg		\$1,085	\$1,117	\$1,151	\$1,185	12.6%
Residential Town Centre Rates with 8.5%pa SRV for 4 years	\$1,053	\$1,143	\$1,240	\$1,345	\$1,459	38.6%
Annual increase above the rate peg		\$58	\$122	\$194	\$274	\$649
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$90	\$187	\$292	\$406	
Rural Residential Rates under the rate peg		\$1,823	\$1,878	\$1,934	\$1,992	12.6%
Rural Residential Rates with 8.5%pa SRV for 4 years	\$1,770	\$1,920	\$2,084	\$2,261	\$2,453	38.6%
Annual increase above the rate peg		\$97	\$206	\$327	\$461	\$1,091
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$150	\$314	\$491	\$683	
Other Residential Rates under the rate peg		\$1,396	\$1,438	\$1,481	\$1,525	12.6%
Other Residential Rates with 8.5%pa SRV for 4 years	\$1,355	\$1,470	\$1,595	\$1,731	\$1,878	38.6%
Annual increase above the rate peg		\$75	\$158	\$250	\$353	\$835
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$115	\$240	\$376	\$523	
Farmland Rates under the rate peg		\$2,568	\$2,645	\$2,724	\$2,806	12.6%
Farmland Rates with 8.5%pa SRV for 4 years	\$2,493	\$2,705	\$2,935	\$3,184	\$3,455	38.6%
Annual increase above the rate peg		\$137	\$290	\$460	\$649	\$1,536
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$212	\$442	\$691	\$962	
Business (General) Rates under the rate peg		\$2,168	\$2,233	\$2,300	\$2,369	12.6%
Business (General) Rates with 8.5%pa SRV for 4 years	\$2,105	\$2,284	\$2,478	\$2,689	\$2,917	38.6%
Annual increase above the rate peg		\$116	\$245	\$389	\$548	\$1,297
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$179	\$373	\$584	\$812	
Business Light Industrial Rates under the rate peg		\$1,535	\$1,581	\$1,628	\$1,677	12.6%
Business Light Industrial Rates with 8.5%pa SRV for 4 years	\$1,490	\$1,617	\$1,754	\$1,903	\$2,065	38.6%
Annual increase above the rate peg		\$82	\$173	\$275	\$388	\$918
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$127	\$264	\$413	\$575	
Mining Rates under the rate peg		\$157,590	\$162,318	\$167,187	\$172,203	12.6%
Mining Rates with 8.5%pa SRV for 4 years	\$153,000	\$166,005	\$180,115	\$195,425	\$212,036	38.6%
Annual increase above the rate peg		\$8,415	\$17,798	\$28,238	\$39,834	\$94,284
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$13,005	\$27,115	\$42,425	\$59,036	

OPTION 3 IMPROVE

Impact of a Special Rate Variation of 10.8%pa
over 4 years on average annual rates

Average Annual Rates (by Category)	Current (2014/15)	2015/16	2016/17	2017/18	2018/19	Cumulative rise over the 4 years
Residential Town Centre Rates under the rate peg		\$1,085	\$1,117	\$1,151	\$1,185	12.6%
Residential Town Centre Rates with 10.8%pa SRV for 4 years	\$1,053	\$1,167	\$1,293	\$1,432	\$1,587	50.7%
Annual increase above the rate peg		\$82	\$176	\$282	\$402	\$941
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$114	\$240	\$379	\$534	
Rural Residential Rates under the rate peg		\$1,823	\$1,878	\$1,934	\$1,992	12.6%
Rural Residential Rates with 10.8%pa SRV for 4 years	\$1,770	\$1,961	\$2,173	\$2,408	\$2,668	50.7%
Annual increase above the rate peg		\$138	\$295	\$474	\$676	\$1,582
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$191	\$403	\$638	\$898	
Other Residential Rates under the rate peg		\$1,396	\$1,438	\$1,481	\$1,525	12.6%
Other Residential Rates with 10.8%pa SRV for 4 years	\$1,355	\$1,501	\$1,663	\$1,843	\$2,042	50.7%
Annual increase above the rate peg		\$106	\$226	\$362	\$517	\$1,211
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$146	\$308	\$488	\$687	
Farmland Rates under the rate peg		\$2,568	\$2,645	\$2,724	\$2,806	12.6%
Farmland Rates with 10.8%pa SRV for 4 years	\$2,493	\$2,762	\$3,061	\$3,391	\$3,757	50.7%
Annual increase above the rate peg		\$194	\$416	\$667	\$951	\$2,229
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$269	\$568	\$898	\$1,264	
Business (General) Rates under the rate peg		\$2,168	\$2,233	\$2,300	\$2,369	12.6%
Business (General) Rates with 10.8%pa SRV for 4 years	\$2,105	\$2,332	\$2,584	\$2,863	\$3,173	50.7%
Annual increase above the rate peg		\$164	\$351	\$563	\$803	\$1,882
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$227	\$479	\$758	\$1,068	
Business Light Industrial Rates under the rate peg		\$1,535	\$1,581	\$1,628	\$1,677	12.6%
Business Light Industrial Rates with 10.8%pa SRV for 4 years	\$1,490	\$1,651	\$1,829	\$2,027	\$2,246	50.7%
Annual increase above the rate peg		\$116	\$248	\$399	\$569	\$1,332
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$161	\$339	\$537	\$756	
Mining Rates under the rate peg		\$157,590	\$162,318	\$167,187	\$172,203	12.6%
Mining Rates with 10.8%pa SRV for 4 years	\$153,000	\$169,524	\$187,833	\$208,119	\$230,595	50.7%
Annual increase above the rate peg		\$11,934	\$25,515	\$40,931	\$58,392	\$136,773
Impact of the Special Rate Variation above the 2014/15 Rates amount		\$16,524	\$34,833	\$55,119	\$77,595	

IMPACTS ON RATEPAYERS

Pensioner Concessions

Eligible pensioners are entitled to a rebate on their rates, comprising the State Government's mandatory \$250 annual rebate, plus an additional rate rebate of \$45 for the year and up to 50% of the waste service charge. Pensioners are also exempt from Council's annual Stormwater Management Charge.

Financial Hardship

Council has a debt recovery and a hardship policy which set out the process for recovering overdue rates, as well as recognising that some ratepayers may experience financial difficulties in meeting rate commitments. In such situations, Council will make arrangements with ratepayers to pay off their outstanding rates and charges through regular payments over the course of a year. Refer to appendix two in page 124 for Council's policies.

Summary of Community's Capacity to Pay

An understanding of the Community's capacity to pay can be obtained by reference to social and economic indicators such as household income, employment, education and housing.

The Australian Bureau of Statistics (ABS) Census of population

and Housing 2011 indicates that households within Wollondilly Shire are generally considered to be of less social disadvantage and relatively higher economic advantage than the average for Greater Sydney, New South Wales and Australia as a whole. This is measured using the ABS Socio-economic Indexes for Areas (SEIFA) which ranks geographic areas across Australia according to their socio-economic characteristics. The average across Australia is set at approximately 1000, so a score below 1000 indicates relatively lower socioeconomic status and relatively greater social disadvantage.

Overall, Wollondilly has a SEIFA index of 1,034 and is ranked 28th highest in NSW. This also compares favourably with other Council's in the region, with the exception of Camden Council which has a higher ranking.

It is important to note that the SEIFA index is only an indication that the collective socio-economic characteristics of an area are better or worse than another area. It is not an indicator that an individual living within the measured area is more or less disadvantaged.

The below table provides a snapshot of the Shire's profile as compared to neighbouring councils, Greater Sydney and the State average indicating a low unemployment rate, relatively high median incomes, a higher proportion of households with a mortgage and a lower proportion renting.

Population Comparatives (2011)	Wollondilly	Camden	Campbelltown	Wingecarribee	Penrith	Hawkesbury	Liverpool	Greater Sydney	New South Wales
Median Age	36	34	33	45	34	36	33	36	38
Median weekly household income	\$1,478.00	\$1,727.00	\$1,251.00	\$1,094.00	\$1,398.00	\$1,385.00	\$1,299.00	\$1,447.00	\$1,237.00
Couples with children	43%	46%	38%	27%	39%	37%	46%	35%	32%
Older couples without children	9%	7%	6%	16%	6%	8%	6%	8%	9%
Medium and high density housing	5%	8%	20%	9%	19%	13%	26%	40%	31%
Households with a mortgage	48%	51%	41%	33%	42%	41%	40%	33%	32%
Housholds renting	16%	18%	29%	21%	26%	24%	29%	30%	29%
Median weekly rental	\$270.00	\$360.00	\$260.00	\$260.00	\$300.00	\$280.00	\$295.00	\$351.00	\$300.00
Non-english speaking background	5%	9%	20%	5%	13%	6%	36%	26%	19%
University attendance	3%	3%	3%	2%	3%	3%	4%	5%	4%
Bachelor degree or higher	11%	13%	12%	18%	11%	11%	13%	24%	20%
Vocational	26%	24%	20%	21%	22%	25%	17%	15%	18%
Public transport (to work)	4%	7%	17%	2%	11%	5%	12%	20%	14%
Unemployment	4%	4%	8%	4%	6%	5%	7%	6%	6%
SEIFA Index of disadvantage 2011	1034	1047	945	1024	996	1020	951	1011	996

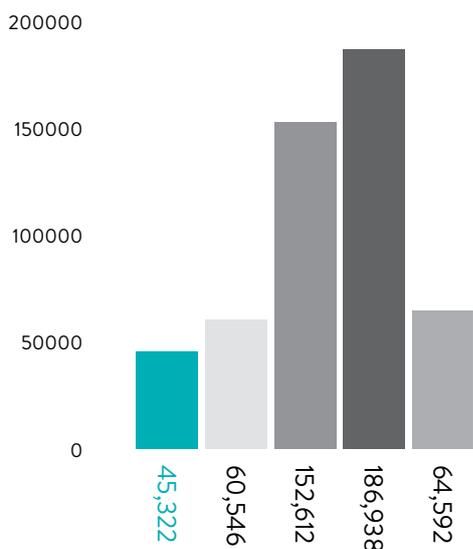
Notwithstanding these high level indicators, Council recognises that across the Shire there are townships where the relative social- economic profile varies both favourably and unfavourably from the average. Further analysis of these points of difference is referenced at Appendix 3.

RATES COMPARED TO OTHER COUNCILS

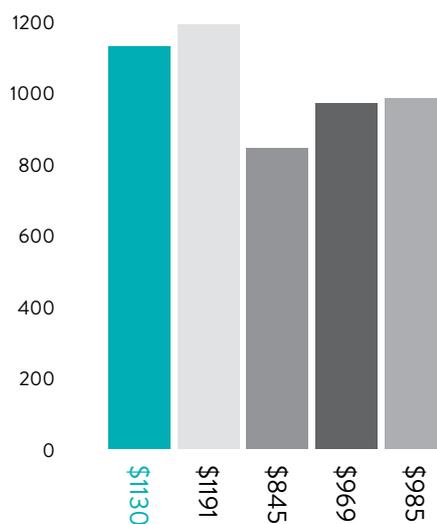
The table below highlights the average residential rate, business rate and farmland rate for Wollondilly, Camden, Campbelltown, Penrith and the Hawkesbury. *(Circular to Councils 14/17 - Comparative Information on NSW Local Government 2012-13)*

- Wollondilly
- Camden
- Campbelltown
- Penrith
- Hawkesbury

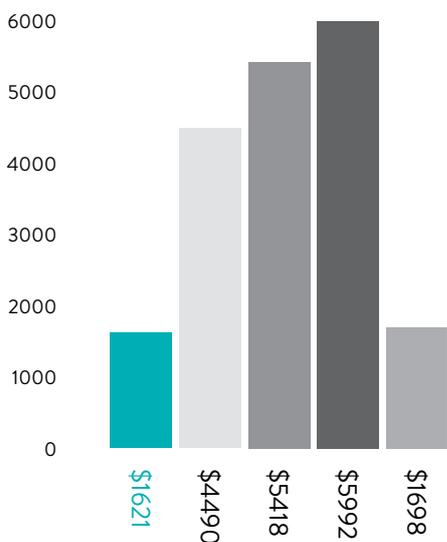
Population



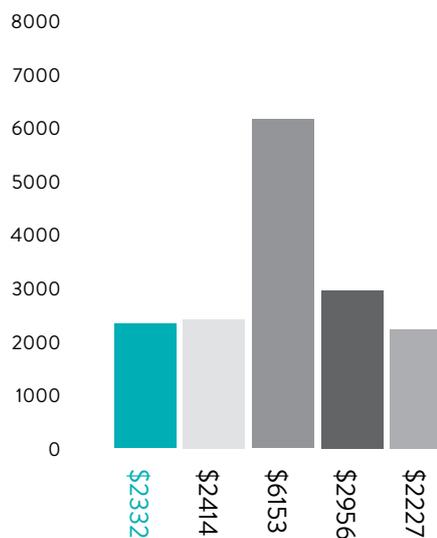
Average Residential Rate



Average Business Rate



Average Farmland Rate



EACH TYPES OF VARIATION AND IMPACTS

What are the 3 options being considered?

Against the context of an **estimated \$80 million shortfall over the next 10 years**, Council is considering three options.



Option 1

Deteriorate: No SRV proposed

Under this option rates would increase only by the annual rate peg amount. The rate peg percentage for 2013/14 was 3.4% and for 2014/15 it is 2.3%. The rate peg percentage for 2015/16 is expected to be announced in late 2014 or early 2015.

This option would leave us with an \$80 million shortfall over the next 10 years, so it would have the following impacts:

- Our infrastructure would deteriorate further as we would continue to underfund maintenance expenditure. This means we will see worsening roads and continuing deterioration of facilities such as playgrounds and community buildings.
- Council would have virtually no capacity for new capital works (apart from developer contributions and grants). This means Council will have difficulty funding new infrastructure.
- Council would need to consider a significant reduction in a wide range of Council services in order to address the funding shortfall issues. The nature and number of services delivered by Council, or the levels of service, would need to be reduced.



Option 2

Stabilise: SRV 8.5% per annum over 4 years

Under this option rates would increase by a total of 8.5% per annum (this includes the annual rate peg percentage) over a fixed four year period (2015/16 to 2018/19).

At the end of the four year period the SRV increase will be built into the rate base (in other words rates would be maintained at this new level with just the annual rate peg increases).

This option would generate an additional \$54.5m over the next ten years, so it would enable the following:

- Council would be able to stabilise the current deteriorating condition of our infrastructure as we would be able to fund our maintenance expenditure. This means the current condition of our roads, facilities and other infrastructure will be gradually improved through essential maintenance.
- Council will have some additional funds (in addition to developer contributions and grants) available to provide new infrastructure.
- Council could maintain its current range of services.



Option 3

Improve: SRV 10.8% per annum over 4 years

Under this option rates would increase by a total of 10.8% per annum (this includes the annual rate peg percentage) over a fixed four year period (2015/16 to 2018/19).

At the end of the four year period the SRV increase will be built into the rate base (in other words, rates would be maintained at this new level with just the annual rate peg increases).

This option would generate the required \$80m over the next ten years, so it would enable the following:

- Council would be able to deliver better roads, facilities and other infrastructure sooner as we would increase and bring forward much needed maintenance expenditure. We would also fully implement a preventative maintenance regime to reduce future costs to the community.
- Council will have more funds available to build new infrastructure.
- Council would be able to deliver a wide range of services.

PRODUCTIVITY IMPROVEMENTS & COST CONTAINMENT STRATEGIES

If Council is seeking higher rate payments from our community, it is understandable that our community expects in return from us to be as efficient and effective as possible – to use our resources wisely. Being an efficient and effective Council is a core focus of Council and will continue to be central to the way we do business given our financial challenges ahead.

Efficiency is about doing more for less and effectiveness is about working smarter, so you can think of efficiency as “doing the thing right” and effectiveness as “doing the right thing”.

After years of rate-pegging Wollondilly has, by necessity, needed to constantly improve its efficiency. To achieve continuous quality improvement and a “best-practice” approach to all of our operations, Council keeps abreast of new knowledge, techniques and developments related to our industry. We continually review the ways our services are conducted and we have implemented a wide range of initiatives to ensure we use resources wisely. These include:

BUDGET PROCESS

Council’s annual budget process places a high level of focus on minimising increases to expenditure budgets for existing services. This has been the case for a number of years and has compelled budget managers to continually identify savings within their areas of control in order to maintain service levels.

PROCUREMENT PRACTICES

Electricity Contract

Entered cooperative contracts with other Councils (through Local Government Procurement) for energy supply for large and small sites and street lighting, which delivered energy cost savings. Entering a further round of new energy contracts, which on preliminary assessments will further reduce future costs (additional to any carbon price reductions).

Insurance Premium Saving

Reduced Property and Public Liability insurance premiums through a Request for Proposal (RFP) process with some savings being kept to cover under excess claim costs and the balance being available as organisational savings

Panel Contracts

The works department has created and built strong relationships with suppliers. We operate several panel contracts including: plant hire, material supply, civil works (kerb & gutter, footpath, asphalt, spray seal). The creation of these formal panel contracts has resulted in substantial time efficiencies for people delivering projects. Under Council adopted policy for works over \$5000 it

is necessary to obtain at least three written quotations. Under the panel contracts, potential contractors offer legally binding rates which cover a period of up to 2 years. Therefore Council meets its responsibilities under probity regulations and also has an efficient way of getting work done.

Council’s current panel contracts have been written and administered internally by the Works department. To ensure that the supply contracts offer both cost and time savings, we have benchmarked these panel contracts against other Councils and also purchasing organisations (such as MACROC). In these reviews it was found that the way in which we have written and administer our contracts led to rates that were either comparable or better than those offered to other organisations.

AUDIT COMMITTEE

Council established an Audit Committee in 2010.

The membership of the committee comprises of two external representatives and two Councillors. The chair of the committee is an external representative.

The Audit Committee works with the Internal Auditor to develop a risk based strategic audit plan.

The plan targets areas of high risk to examine processes and the controls implemented to reduce risk.

The risk types considered in the plan include:

- Financial - Risks that impact revenue, expenses, assets, liabilities, reserves
- Legal and Regulatory - Risks that impact compliance with or enforcement of various legislation and regulatory requirements
- Human - Risks that impact staff wellbeing, working conditions and the working environment
- Business Disruption - Risks that impact on Council’s ability to deliver services to the community
- Environment - Risks that impact the natural environment
- Reputation – Risks that have an impact on Council’s reputation
- Strategic - Risks that impact the development and execution of mid to long term plans

The Audit committee in addition to considering the audit plan also carries out a regular review of the Special Rate Variation outcomes monitoring both the financial and physical progress, probity planning, relevant policies, business continuity planning and testing as well as reviewing Council’s financial reporting.

The range of matters the committee considers will assist Council in responding to recommendations as outlined in the Independent Local Government Review Panels recommendation for internal and performance auditing.

ENERGY EFFICIENCIES

Replacement of the Administration Centre air conditioning plant (at the end of its useful life) with a new energy efficient system with reduced operating costs.

Installed solar tube lighting and 60,000 litre water tanks at the Community Nursery = reduced water use fees and power costs.

Undertaken Power and water use audits of Council buildings = Baseline information for Council infrastructure projects to improve power and water efficiency and develop Water and energy Use Plans.

Including sustainability principles into new building design eg Library refurbishment = reduced power and water usage in new or retrofitted facilities.

Reviewed irrigation systems and operations at Council sportsgrounds = reduced water usage at Council facilities.

INFORMATION TECHNOLOGY

- Energy efficiency and environmental impact now have significant weighting in the selection of new technologies. During a recent PC replacement, ultra small form factor units were chosen due to the very low power consumption of each device. For the data centre refresh, blade technology was chosen due to the significant power saving and reduced ongoing costs.
- A pull print system has been implemented across the entire organisation requiring each user to manually release print jobs at the printer with any unreleased jobs cleared at the end of each day. This has had a massive reduction in wasted paper and costs associated with toner and servicing.
- Wollondilly Shire Council has enabled online development application enquiries. This enables improved access for our customers as well as reducing the volume of people visiting the customer service area in the administration building. By reducing this traffic we have reduced the time demands on our customer service staff.
- We have begun work on connecting into the NBN Co fibre network. Upon completion this will enable WSC to have access to drastically improved Internet access at a fraction of the current internet costs. NBN Co Fibre also allows WSC to investigate online hosted services which could enable further savings.
- Working closely with our governance department, we have implemented an online delegations register system to replace the old manual excel based register. The online system requires far less maintenance and is less reliant on one individual to update the system. Being an online system it also provides simplified access to information when required.
- Working with our partners, WSC is progressing to replacing paper based systems with mobile electronic devices. This shift greatly reduces the time taken for paperwork and administration as well as providing access to relevant information on demand. As technology improves we will be able to provide greater access to data at less cost.
- With the implementation of the State Government's Electronic Housing Code project, WSC has enabled our community to lodge complying development certificates online. This provides easier access to Council for the public as well as reduces demand on Council resources and staff.

SERVICE REVIEW + PROCESS IMPROVEMENTS

Over the past 4 years Wollondilly Shire Council has continually reviewed the services it provides and looked for ways to improve the processes which deliver the services. The process improvements and identified efficiencies have been listed under each of the Five Focus areas contained in Council's Community Strategic Plan.

Community

Committees review

Council undertook a comprehensive review of all of its advisory committees in late 2013 and early 2014. This resulted in a reduced number of committees and a more streamlined approach to the coordination and reporting of those committees. The frequency of many committees was reduced from monthly to quarterly

Mobile Library

Council launched its new mobile library service in November 2013. The service has been nominated as a finalist in the South West Sydney Business Chamber Awards under the category of "Excellence in Innovation". Compared to our previous service, the new service reaches more villages, attracts more patrons and has seen an increase in loans/borrowings. And all this has been achieved without having to increase the operating costs of the service.

Community engagement through social media

Council is increasingly engaging with our community through social media and online surveys and online engagement processes. The avenues of communication are highly effective and cost efficient.

Actively seeking grant funding

Council's Community Services Team actively pursues grant funding opportunities and continues to be very successful at attracting grants to fund a wide range of community projects and programmes

Governance

Land dealings

Council actively source options that would benefit the Council in land dealings:- acquisitions, land dedication, disposal, easements, development and or value added activities, investments, public partnerships, care and control, lease and licence.

Council monitors internal processes when dealing with land to ensure Council activities are in accordance with Acts, Regulations, Policies, Procedures and the Code of Conduct.

A data base has been created to record and track property items presented to the Land Property Panel for the Minutes and Agenda.

149 Certificates

Council has seen an increase in income for applications for 149 Certificates. The additional demand has been achieved without an increase in staff. It is perceived that the number of applications will increase largely due to the proposed population expansion. WSC

will be moving towards Online 149 Certificates and is working with its software provider to complete the upgrade of their current online system; envisaged by the end of 2014. This will assist with the increased number of 149 certificates Council are currently receiving and will provide more efficient customer service

GIPAA Access

Since 2010/11 there has been an increase in Formal GIPAA requests. This increased workload has been achieved with no additional staffing.

Geographic Information System (GIS) and Land Information System (LIS)

Efficiencies have been gained in the cadastral updates by leveraging Electronic Eplans to produce the new proposed subdivision layer. Through the Eplan process we allocated provisional addresses for new lots in subdivisions to prepare for a seamless plan registration process. The Draft Planning Proposal Attributes Code process was streamlined resulting in a fifty per cent reduction of time required to complete the task. An automated data update process has been implemented with Land & Property Information to provide the organisation with the most current spatial information. This is important as the area experiences continuous change in road reserve and property boundaries. This is also a step toward integrated data at the local government and state level.

Environment

Reviewed and updated Domestic Waste Collection invoicing system = reduction in accounting discrepancies due to daily changes in bin services.

Reviewed and changed illegal dumping collection processes = reduced costs of collection, increased recycling therefore reduced landfilling and decreased interruptions to plant and machinery work schedules.

Reviewed and updated landfill fees, particularly commercial disposal fees = a more equitable and resident focussed fee system and increased landfill life.

Developed a Sustainable Procurement Plan for Council = increased emphasis on products with regard to resource use, longevity and disposal options.

Continued initiatives of Team Leaders Connect and Sustainably Team to improve Council's sustainability practices = Cross section sustainability initiatives reduce Council's carbon footprint, power costs, waste costs and water usage Including sustainability principles into new building design e.g. Library refurbishment = reduced power and water usage in new or retrofitted facilities.

Produced digital bushfire risk mapping for the shire including Council roadsides and reserves and placed these maps on Council's website = reduced phone or personal enquiries regarding bushfire risk and easy access for residents to that information.

Commenced using new tree assessment tool / process when

assessing trees for safety and health = quicker, more efficient and effective assessment of trees in the field.

Simplified Tree Removal Request process to allow conforming trees to be removed with minimum Council processing e.g. electronic applications = quicker, more efficient and effective tree removal process for residents and staff.

Instigation of multi inspections and Trimble GPS system regarding vegetation management = more effective use of site visits and inspections by Council staff with digital information capture.

Secured external funding to undertake Council projects in bushland management, weed control, bushfire hazard reduction, environmental education and waste minimisation = Increasing external contributions for resources for projects by around \$500,000 for environmental projects.

Reviewed irrigation systems and operations at Council sportsgrounds = reduced water usage at Council facilities.

Reviewed and rescheduled areas of Council's village maintenance activities = more efficient use of Council resources and better outcomes of works

Economy

Improvements to software to increase efficiency in the processing of applications including commencement of Electronic Housing Code which enables the receipt, processing, stamping and sending of complying development applications electronically. Provision of a 'drop box' facility to reduce time and increase efficiency in the referral of application process to external bodies; Installation of trapeze program, improvements in mapping e.g. swimming pool and fire safety layers and installation of dual monitors;

A Success Management Program has commenced which has included consultation with a variety of external stakeholders including developers and government agencies on ways to refine the development assessment processes. There have been changes to streamline the subdivision certificate release process;

Proposed Future Improvements:

Review of current information technology to progressively improve delivery of services in order to assist with the improvement of efficient development assessment and strategic planning services; A review of policies including 'Application Determination Policy' and Council's policy framework in general to identify key issues of policy contents that represent significant gaps or are out-dated and/or not capable of implementation, thereby providing more efficient development assessment processes and judgements;

Review and documentation of a process of case/project management responsibilities of planning and building surveyor staff to ensure that applications assigned to a particular officer proceed when a staff member is on leave;

Review and development of documentation and procedures on the lodgement of development applications to improve the quality of applications received and reducing the need to request additional information. These improvements to include the development of a model development application for particular types of applications and a policy for pre lodgement meetings; Review of standard letters and re-cast into plain English and more 'customer friendly' language.

Infrastructure

Since 2010, Council has progressively improved its asset information (inventory and condition data) to make better decisions on relative priorities and ensuring that Council's limited funds were allocated more efficiently and ensuring that future maintenance costs are minimised by undertaking preventative maintenance, rather than just undertaking reactive maintenance. This also ensured that the assets that the community uses, such as playgrounds, footpaths and community facilities, were safer and provided a better experience for the users.

Asset information is now collected at subdivision stage in a standard electronic format to make it easier for this information to be collected and to be uploaded into Council's asset system. This improves the quality of the information, reduces staff time in processing the information, and enables Council to better cope with future growth.

Council has completed its Open Space, Recreation and Community Facilities strategy to better identify community priorities for improved facilities.

Council now has improved processes for the acceptance of new open space lands to ensure that they are better suited for community use, are not encumbered by constraints such as flooding, and maintenance costs into the future are contained.

Proposed future improvements:

Council has commenced the second stage of its asset management improvement program by undertaking additional condition assessments on various assets, and preparing and updating its asset management plans, to further improve how Council's limited asset maintenance funds are allocated.

A Success Management Process is in progress within the IP section to improve its performance in the services it provides to its customers, both internal and external.

Maintenance Budget

The maintenance budget for all Roads Infrastructure for the last 4 years is as follows

Year	Budget	Change from Previous Year	CPI
2011-2012	\$3,718,633	13%	3.5%
2012-2013	\$3,442,726	-7%	1.2%

2013-2014	\$3,304,706	-4%	2.4%
2014-2015	\$3,321,097	0.5%	Estimated 2.9%

CPI source: ABS

The above table shows that with the exception of 2011-2012 the road Maintenance budget has not increased or kept pace with inflation. Despite this lack of growth, the CRM's completion rate has remained at a constant 90% per annum. In addition, the staff number within the division has remained constant.

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Productivity Improvements & Cost Containment Strategies

If Council is seeking higher rate payments from our community, it is understandable that our community expects in return from us to be efficient and effective as possible – to use our resources wisely.

Being an efficient and effective Council is a core focus of Council and will continue to be central to the way we do business given our financial challenges ahead.

PRODUCTIVITY IMPROVEMENTS & COST CONTAINMENT STRATEGIES

If Council is seeking higher rate payments from our community, it is understandable that our community expects in return from us to be as efficient and effective as possible – to use our resources wisely. Being an efficient and effective Council is a core focus of Council and will continue to be central to the way we do business given our financial challenges ahead.

Efficiency is about doing more for less and effectiveness is about working smarter, so you can think of efficiency as “doing the thing right” and effectiveness as “doing the right thing”.

After years of rate-pegging Wollondilly has, by necessity, needed to constantly improve its efficiency. To achieve continuous quality improvement and a “best-practice” approach to all of our operations, Council keeps abreast of new knowledge, techniques and developments related to our industry. We continually review the ways our services are conducted and we have implemented a wide range of initiatives to ensure we use resources wisely. These include:

BUDGET PROCESS

Council’s annual budget process places a high level of focus on minimising increases to expenditure budgets for existing services. This has been the case for a number of years and has compelled budget managers to continually identify savings within their areas of control in order to maintain service levels.

PROCUREMENT PRACTICES

Electricity Contract

Entered cooperative contracts with other Councils (through Local Government Procurement) for energy supply for large and small sites and street lighting, which delivered energy cost savings. Entering a further round of new energy contracts, which on preliminary assessments will further reduce future costs (additional to any carbon price reductions).

Insurance Premium Saving

Reduced Property and Public Liability insurance premiums through a Request for Proposal (RFP) process with some savings being kept to cover under excess claim costs and the balance being available as organisational savings

Panel Contracts

The works department has created and built strong relationships with suppliers. We operate several panel contracts including: plant hire, material supply, civil works (kerb & gutter, footpath, asphalt, spray seal). The creation of these formal panel contracts has resulted in substantial time efficiencies for people delivering projects. Under Council adopted policy for works over \$5000 it

is necessary to obtain at least three written quotations. Under the panel contracts, potential contractors offer legally binding rates which cover a period of up to 2 years. Therefore Council meets its responsibilities under probity regulations and also has an efficient way of getting work done.

Council’s current panel contracts have been written and administered internally by the Works department. To ensure that the supply contracts offer both cost and time savings, we have benchmarked these panel contracts against other Councils and also purchasing organisations (such as MACROC). In these reviews it was found that the way in which we have written and administer our contracts led to rates that were either comparable or better than those offered to other organisations.

AUDIT COMMITTEE

Council established an Audit Committee in 2010.

The membership of the committee comprises of two external representatives and two Councillors. The chair of the committee is an external representative.

The Audit Committee works with the Internal Auditor to develop a risk based strategic audit plan.

The plan targets areas of high risk to examine processes and the controls implemented to reduce risk.

The risk types considered in the plan include:

- Financial - Risks that impact revenue, expenses, assets, liabilities, reserves
- Legal and Regulatory - Risks that impact compliance with or enforcement of various legislation and regulatory requirements
- Human - Risks that impact staff wellbeing, working conditions and the working environment
- Business Disruption - Risks that impact on Council’s ability to deliver services to the community
- Environment - Risks that impact the natural environment
- Reputation – Risks that have an impact on Council’s reputation
- Strategic - Risks that impact the development and execution of mid to long term plans

The Audit committee in addition to considering the audit plan also carries out a regular review of the Special Rate Variation outcomes monitoring both the financial and physical progress, probity planning, relevant policies, business continuity planning and testing as well as reviewing Council’s financial reporting.

The range of matters the committee considers will assist Council in responding to recommendations as outlined in the Independent Local Government Review Panels recommendation for internal and performance auditing.

ENERGY EFFICIENCIES

Replacement of the Administration Centre air conditioning plant (at the end of its useful life) with a new energy efficient system with reduced operating costs.

Installed solar tube lighting and 60,000 litre water tanks at the Community Nursery = reduced water use fees and power costs.

Undertaken Power and water use audits of Council buildings = Baseline information for Council infrastructure projects to improve power and water efficiency and develop Water and energy Use Plans.

Including sustainability principles into new building design eg Library refurbishment = reduced power and water usage in new or retrofitted facilities.

Reviewed irrigation systems and operations at Council sportsgrounds = reduced water usage at Council facilities.

INFORMATION TECHNOLOGY

- Energy efficiency and environmental impact now have significant weighting in the selection of new technologies. During a recent PC replacement, ultra small form factor units were chosen due to the very low power consumption of each device. For the data centre refresh, blade technology was chosen due to the significant power saving and reduced ongoing costs.
- A pull print system has been implemented across the entire organisation requiring each user to manually release print jobs at the printer with any unreleased jobs cleared at the end of each day. This has had a massive reduction in wasted paper and costs associated with toner and servicing.
- Wollondilly Shire Council has enabled online development application enquiries. This enables improved access for our customers as well as reducing the volume of people visiting the customer service area in the administration building. By reducing this traffic we have reduced the time demands on our customer service staff.
- We have begun work on connecting into the NBN Co fibre network. Upon completion this will enable WSC to have access to drastically improved Internet access at a fraction of the current internet costs. NBN Co Fibre also allows WSC to investigate online hosted services which could enable further savings.
- Working closely with our governance department, we have implemented an online delegations register system to replace the old manual excel based register. The online system requires far less maintenance and is less reliant on one individual to update the system. Being an online system it also provides simplified access to information when required.
- Working with our partners, WSC is progressing to replacing paper based systems with mobile electronic devices. This shift greatly reduces the time taken for paperwork and administration as well as providing access to relevant information on demand. As technology improves we will be able to provide greater access to data at less cost.
- With the implementation of the State Government's Electronic Housing Code project, WSC has enabled our community to lodge complying development certificates online. This provides easier access to Council for the public as well as reduces demand on Council resources and staff.

SERVICE REVIEW + PROCESS IMPROVEMENTS

Over the past 4 years Wollondilly Shire Council has continually reviewed the services it provides and looked for ways to improve the processes which deliver the services. The process improvements and identified efficiencies have been listed under each of the Five Focus areas contained in Council's Community Strategic Plan.

Community

Committees review

Council undertook a comprehensive review of all of its advisory committees in late 2013 and early 2014. This resulted in a reduced number of committees and a more streamlined approach to the coordination and reporting of those committees. The frequency of many committees was reduced from monthly to quarterly

Mobile Library

Council launched its new mobile library service in November 2013. The service has been nominated as a finalist in the South West Sydney Business Chamber Awards under the category of "Excellence in Innovation". Compared to our previous service, the new service reaches more villages, attracts more patrons and has seen an increase in loans/borrowings. And all this has been achieved without having to increase the operating costs of the service.

Community engagement through social media

Council is increasingly engaging with our community through social media and online surveys and online engagement processes. The avenues of communication are highly effective and cost efficient.

Actively seeking grant funding

Council's Community Services Team actively pursues grant funding opportunities and continues to be very successful at attracting grants to fund a wide range of community projects and programmes

Governance

Land dealings

Council actively source options that would benefit the Council in land dealings:- acquisitions, land dedication, disposal, easements, development and or value added activities, investments, public partnerships, care and control, lease and licence.

Council monitors internal processes when dealing with land to ensure Council activities are in accordance with Acts, Regulations, Policies, Procedures and the Code of Conduct.

A data base has been created to record and track property items presented to the Land Property Panel for the Minutes and Agenda.

149 Certificates

Council has seen an increase in income for applications for 149 Certificates. The additional demand has been achieved without an increase in staff. It is perceived that the number of applications will increase largely due to the proposed population expansion. WSC

will be moving towards Online 149 Certificates and is working with its software provider to complete the upgrade of their current online system; envisaged by the end of 2014. This will assist with the increased number of 149 certificates Council are currently receiving and will provide more efficient customer service

GIPAA Access

Since 2010/11 there has been an increase in Formal GIPAA requests. This increased workload has been achieved with no additional staffing.

Geographic Information System (GIS) and Land Information System (LIS)

Efficiencies have been gained in the cadastral updates by leveraging Electronic Eplans to produce the new proposed subdivision layer. Through the Eplan process we allocated provisional addresses for new lots in subdivisions to prepare for a seamless plan registration process. The Draft Planning Proposal Attributes Code process was streamlined resulting in a fifty per cent reduction of time required to complete the task. An automated data update process has been implemented with Land & Property Information to provide the organisation with the most current spatial information. This is important as the area experiences continuous change in road reserve and property boundaries. This is also a step toward integrated data at the local government and state level.

Environment

Reviewed and updated Domestic Waste Collection invoicing system = reduction in accounting discrepancies due to daily changes in bin services.

Reviewed and changed illegal dumping collection processes = reduced costs of collection, increased recycling therefore reduced landfilling and decreased interruptions to plant and machinery work schedules.

Reviewed and updated landfill fees, particularly commercial disposal fees = a more equitable and resident focussed fee system and increased landfill life.

Developed a Sustainable Procurement Plan for Council = increased emphasis on products with regard to resource use, longevity and disposal options.

Continued initiatives of Team Leaders Connect and Sustainably Team to improve Council's sustainability practices = Cross section sustainability initiatives reduce Council's carbon footprint, power costs, waste costs and water usage
Including sustainability principles into new building design e.g. Library refurbishment = reduced power and water usage in new or retrofitted facilities.

Produced digital bushfire risk mapping for the shire including Council roadsides and reserves and placed these maps on Council's website = reduced phone or personal enquiries regarding bushfire risk and easy access for residents to that information.

Commenced using new tree assessment tool / process when

assessing trees for safety and health = quicker, more efficient and effective assessment of trees in the field.

Simplified Tree Removal Request process to allow conforming trees to be removed with minimum Council processing e.g. electronic applications = quicker, more efficient and effective tree removal process for residents and staff.

Instigation of multi inspections and Trimble GPS system regarding vegetation management = more effective use of site visits and inspections by Council staff with digital information capture.

Secured external funding to undertake Council projects in bushland management, weed control, bushfire hazard reduction, environmental education and waste minimisation = Increasing external contributions for resources for projects by around \$500,000 for environmental projects.

Reviewed irrigation systems and operations at Council sportsgrounds = reduced water usage at Council facilities.

Reviewed and rescheduled areas of Council's village maintenance activities = more efficient use of Council resources and better outcomes of works

Economy

Improvements to software to increase efficiency in the processing of applications including commencement of Electronic Housing Code which enables the receipt, processing, stamping and sending of complying development applications electronically. Provision of a 'drop box' facility to reduce time and increase efficiency in the referral of application process to external bodies; Installation of trapeze program, improvements in mapping e.g. swimming pool and fire safety layers and installation of dual monitors;

A Success Management Program has commenced which has included consultation with a variety of external stakeholders including developers and government agencies on ways to refine the development assessment processes. There have been changes to streamline the subdivision certificate release process;

Proposed Future Improvements:

Review of current information technology to progressively improve delivery of services in order to assist with the improvement of efficient development assessment and strategic planning services;
A review of policies including 'Application Determination Policy' and Council's policy framework in general to identify key issues of policy contents that represent significant gaps or are out-dated and/or not capable of implementation, thereby providing more efficient development assessment processes and judgements;

Review and documentation of a process of case/project management responsibilities of planning and building surveyor staff to ensure that applications assigned to a particular officer proceed when a staff member is on leave;

Review and development of documentation and procedures on the lodgement of development applications to improve the quality of applications received and reducing the need to request additional information. These improvements to include the development of a model development application for particular types of applications and a policy for pre lodgement meetings; Review of standard letters and re-cast into plain English and more 'customer friendly' language.

Infrastructure

Since 2010, Council has progressively improved its asset information (inventory and condition data) to make better decisions on relative priorities and ensuring that Council's limited funds were allocated more efficiently and ensuring that future maintenance costs are minimised by undertaking preventative maintenance, rather than just undertaking reactive maintenance. This also ensured that the assets that the community uses, such as playgrounds, footpaths and community facilities, were safer and provided a better experience for the users.

Asset information is now collected at subdivision stage in a standard electronic format to make it easier for this information to be collected and to be uploaded into Council's asset system. This improves the quality of the information, reduces staff time in processing the information, and enables Council to better cope with future growth.

Council has completed its Open Space, Recreation and Community Facilities strategy to better identify community priorities for improved facilities.

Council now has improved processes for the acceptance of new open space lands to ensure that they are better suited for community use, are not encumbered by constraints such as flooding, and maintenance costs into the future are contained.

Proposed future improvements:

Council has commenced the second stage of its asset management improvement program by undertaking additional condition assessments on various assets, and preparing and updating its asset management plans, to further improve how Council's limited asset maintenance funds are allocated.

A Success Management Process is in progress within the IP section to improve its performance in the services it provides to its customers, both internal and external.

Maintenance Budget

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Financial Information – Rates

- **Rate Pegging Information**
- **Special Rate Variations Information**

Council's long term financial sustainability is of paramount importance and strategies to address this funding shortfall needs to be explored.

Rates

Rate Pegging

NSW has a longstanding policy of regulating the growth in local council rates under an arrangement known as 'rate pegging'. Under rate pegging, IPART sets a 'rate peg' each year, which determines the allowable percentage increase in rates income for councils. The rates paid by individual households will not necessarily go up in line with the rate peg. Councils are able to set rate levels for different categories of ratepayers. The rate peg applies to Council's total general rate income, not individual ratepayer assessments. In addition, land valuation changes may impact on the rates payable by individual households or businesses. The rate peg figure for 2014/15 has been set at 2.3%.

Special Rate Variations

Under the provisions of the Local Government Act, Councils are able to apply for a 'special rate variation'. A special rate variation allows Councils to increase its general rate income by more than the rate pegging amount. There may be a number of reasons why a Council may apply for a special rate variation, such as:

- To improve the financial position of the Council, particularly where there may be financial sustainability issues;
- funding the development and/or maintenance of essential community infrastructure or to reduce backlogs in asset maintenance and renewal;
- funding new or enhanced community services to meet growing demand in the community;
- funding projects of regional significance; or
- covering special or unique cost pressures that the Council faces.

In early 2011, Council applied for a special rate variation for the purpose of reducing the backlog in infrastructure maintenance and renewal. The original analysis identified the need for a rate increase of 8%pa (including rate peg) increase over 7 years in order to bring infrastructure assets up to a satisfactory level over the forthcoming 10 year period. Following an extensive Community consultation program it was decided to reduce the variation amount in our application to 6.7%pa over 7 years. IPART subsequently only approved a 6%pa increase over 3 years, which fell substantially short of providing the required funds to address the mounting infrastructure maintenance gap.

Council's long term financial sustainability is of paramount importance and strategies to address this funding shortfall need to be explored. The annual rate peg increases aren't keeping pace with rising costs and therefore one option to be explored will be the possibility of applying for a special rate variation, potentially from 2015/16. Council intends to conduct extensive Community consultation throughout the second half of 2014 regarding the community's expectations of service levels and the maintenance and provision of infrastructure, as well as the important question of how to fund these expectations.

Council will be applying the rate peg in 2014/15, which has been announced at 2.3%.

Rating Structure

Wollondilly Shire Council has adopted an ad valorem rate structure with a minimum rate. In accordance with Section 514 of the Act, before making an ordinary rate, Council must declare each parcel of rateable land to be within one of the following categories:

1. Farmland Any parcel of rateable land valued as one assessment and its dominant use is for farming which:
 - has a significant and substantial commercial purpose or character; and
 - is engaged for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).
2. Residential: Any parcel of rateable land valued as one assessment, and:
 - its dominant use is for residential accommodation (excluding hotels, motels, nursing homes etc);
 - if vacant land, it is zoned for residential purposes; or
 - it is rural residential land.
3. Mining: Any parcel of land valued as one assessment & dominant use is for a coal mine or metalliferous mine.
4. Business: Land is to be categorised business if it cannot be categorised as in 1, 2 or 3. The main land uses that will fall into this category are commercial and industrial.

Vacant land not categorised under 1-4 is to be categorised according to the use permitted under the applicable zoning, after taking into account any improvements on the land and the nature of surrounding development. These four categories have been broken down at Wollondilly into the following sub-categories:

Category	Sub-Category
1. Farmland	Primary Production
2. Residential	a. Residential Town Centres
	b. Rural Residential
	c. Residential
3. Business	a. General (i.e.: Commercial/Industrial)
	b. Light Industrial Centres
4. Mining	a. Mining Activities
	b. Mining Coal Rights

Details of Rates

The table below shows the proposed ad valorem rate in the dollar and minimum rate value for each rate category based on the approved rate peg increase of 2.3% for the 2014/15 financial year. Note that the 2014/15 ad valorem rates are based on data available at the time of preparing this document and are subject to minor changes from any variations to the source data that may occur between now and when the 2014/15 levy is calculated in July 2014.

Category	Sub-Category	2013/14		2014/15	
		Ad Valorem Rate	Minimum Value	Ad Valorem Rate	Minimum Value
Residential	Residential Town Centre	0.423578	922.00	0.446857	892.00
Residential	Rural Residential	0.330342	922.00	0.337939	943.00
Residential	Residential	0.347033	922.00	0.355014	943.00
Farmland	Primary Production	0.222974	922.00	0.228102	943.00
Business	General	0.597912	922.00	0.611663	943.00
Business	Light Industrial Centres	0.394002	922.00	0.403064	943.00
Mining	Mining Activities	3.721399	922.00	4.310712	943.00
Mining	Coal Rights	0.100000	0	0.100000	0

Minimum Rates

Historically, the same “minimum rate” amount has been charged in each rating category. From 2014/15 onwards, “Residential Town Centre” category will have a different minimum rate to the other categories to comply with the requirement that the income derived from minimum rate assessments in a particular rate category cannot exceed 50% of the total income for that category.

Interest Charges

Interest is charged on all overdue rates and charged on a daily simple interest basis. There is no longer an interest-free period for overdue rates. The interest rate that may be charged by Council is the rate as set by the Minister for Local Government. The rate for the 2014/15 financial year is 8.5%. (In 2013/14 the rate was 9%).

In accordance with Section 566 (3) of the Local Government Act 1993, Council will apply the maximum interest rate as determined by the Minister. If an instalment is missed, interest becomes payable on that instalment only. Interest only becomes payable on other instalments when the due date for those instalments has passed.

Under Section 567 of the Local Government Act 1993, Council has the ability to write off accrued interest on rates and charges in cases of hardship or where the person is unable to pay the accrued interest for reasons beyond their control.

Pensioners

Pensioners are entitled to a rebate (pro-rata based on full quarters) if they became an eligible pensioner or purchased a property in the Shire part way through the year.

An eligible pensioner whose assessment is \$500 or more for the year (or who is a joint owner with another eligible pensioner) is entitled to a full \$250 rebate for the year. If an eligible pensioner is a joint owner with non-eligible person(s), then rebate is pro-rated according to proportion of ownership. Council also offers an additional rebate to eligible pensioners of \$45 for the year (to offset the effects of the previous special rate variation) and up to 50% of the waste service charge.

If a person ceases to be an eligible pensioner, their entitlement to a rebate ceases on the last day of the quarterly instalment period during which their eligibility ceased.

Debt Recovery

Instalment default notices will be issued to all defaulters within 14 days after each of the quarterly accounts falls due. Legal action will be considered pending the payment date of each instalment. This action may only be carried out on instalments that have been missed and any arrears from previous instalments.

Domestic Waste Management Charges

The Local Government Act 1993 states that income from ordinary rates must not be used to fund the Domestic Waste Management Service. The service must be self-funded, i.e. income for the cost of providing the service must be obtained via the making and levying of a charge for that purpose. In the case of Wollondilly this service includes the provision, operation and eventual rehabilitation of landfill sites. Given the closure of Warragamba Waste Management Centre and the eventual closure of Bargo Waste Management Centre, Council is also obliged to fund the costly rehabilitation works through the Domestic Waste Service Charge.

The NSW Government has passed legislation which (from July 1 2009) imposes a Levy under Section 88 of the Protection of the Environment Operations Act. This legislation requires Council, on behalf of the NSW Government, to collect the levy on any material entering a landfill site. Due to the absence of a weighbridge this levy has been converted to a volume-based fee. This levy will increase annually until it is consistent with the levy imposed on other areas of the State.

The Domestic Waste Management Service Charge provides an incentive for the utilisation of the 80 litre mixed residual mobile garbage bin by offering a saving compared to the 120L bin. Under S496 of the Local Government Act, Council must levy a charge for Domestic Waste Management on every rateable property for which the Domestic Waste Management Service is available. The charge must be levied on vacant rateable land when the service is available. The charge levied on vacant land will be lower than that levied on occupied land and will be based on the cost of administering the service.

An interest charge is applicable to overdue waste charges under Section 566 of the Act with the interest rate set by the Minister. The interest rate that may be charged by Council is the rate as set by the Minister for Local Government. The rate for the 2014/15 financial year is 8.5%. (In 2013/14 the rate was 9%). In accordance with Section 566 (3) of the Local Government Act 1993, Council will apply the maximum interest rate as determined by the Minister.

Principles

The following principles are used to determine the application of the Section 496 charge:

Dwellings and Domestic Premises in Rural and Residential Zones

All dwellings and domestic premises in Rural and Residential zones within an area serviced by Council are to be charged for the provision of Council's Domestic Waste Management Service subject to the following exemptions;

- a. Where Council is unable to provide the Domestic Waste Management Service to dwelling and domestic premises in the Rural and Residential zones due to site layout characteristics and/or location and an alternative service is approved by Council.
- b. Existing dwellings, domestic premises and retirement villages in the Rural and Residential zones in streets serviced by Council that are not provided with Council's Domestic Waste Management Services as at 1 July 2013 due to the utilisation of a separate non-Council waste service.