



ATTACHMENT 6a

Outcomes of Resourcing Our Future Community Consultation

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our city | our future

SUSTAINABLE BLUE MOUNTAINS

Resourcing OUR FUTURE

HAVE YOUR SAY

on options for achieving a better
BLUE MOUNTAINS

**Outcome of Community
Consultation Report**

26 NOVEMBER 2014



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1 Executive Summary

During August and September 2014 the Council consulted the community on the following three options for *Resourcing our Future*, with two of these options (1 and 2) including a proposed special variation to rates:

- Option 1: Service Levels Improved
- Option 2: Service Levels Maintained
- Option 3: Service Levels Reduced

This consultation included:

- Public exhibition and call for submissions on the proposed three options;
- Telephone survey of a representative sample of ratepayers; and
- Area based community workshops.

As shown in Table 1.1 below, each major method of engagement showed majority support for **Option 1: Service Levels Improved**, being achieved through a special rate variation. There was less support for Option 2 and significantly less support for Option 3.

Table 1.1 Summary of preferred option from each engagement method

OPTION	Public Exhibition Valid Submissions (N=4,312)	Telephone Survey (N=504)	Area Workshops (N=84)
	SUPPORT FOR DIFFERENT OPTIONS (%)		
Option 1	54.6%	48.8%	58.3%
Option 2	23.3%	35.7%	35.7%
Option 3	20.4%	15.5%	6.0%
Comments Only	1.7%	-	-
Total	100.0%	100.0%	100.0%

The key messages from consultation were that most residents did not want service levels to reduce and they were willing to pay the additional rates for this to be achieved. However, there is a strong expectation that the Council needs to be efficient.

2 Background

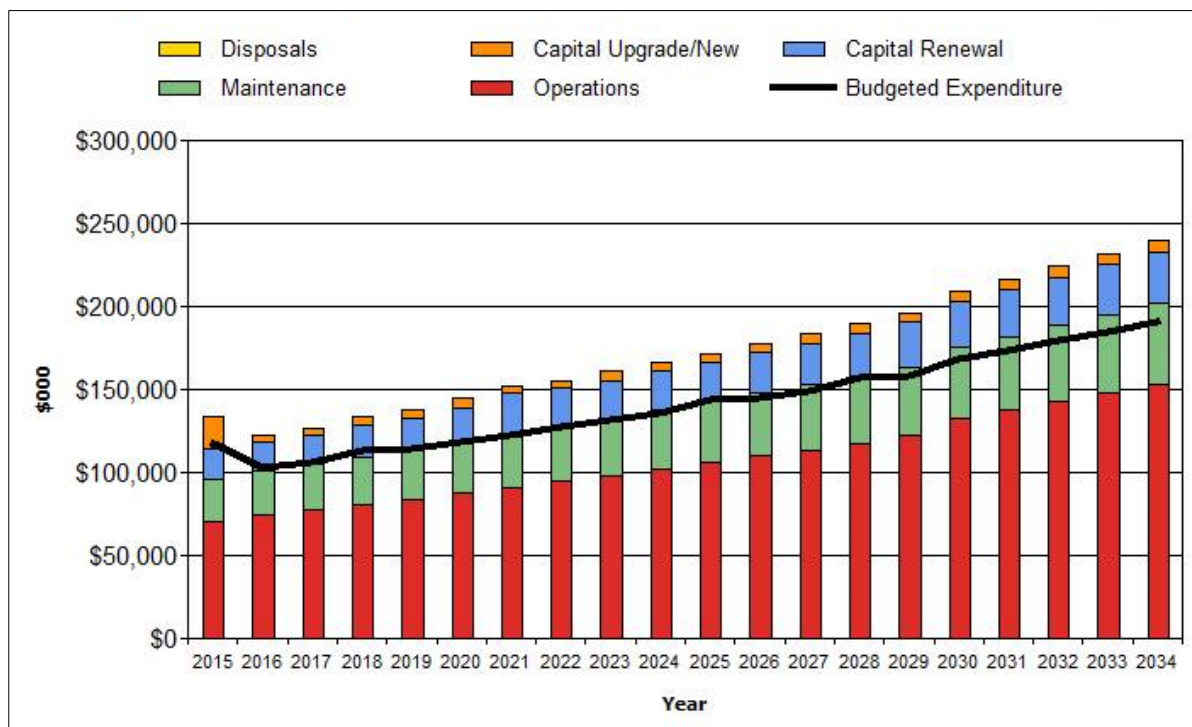
For the Council to be sustainable into the future, its operating revenues must cover operating costs (including the funding required to maintain and renew built assets). While the Council's financial position is sound, it faces significant challenges each year in managing costs that are rising faster than available revenue, and in addressing the projected infrastructure funding shortfall.

In addition, the Environment Levy, introduced in 2005 to provide additional resources required to look after our unique World Heritage natural environment, is due to expire in June 2015.

The following chart shows the estimated funding gap for all services and assets over the next 20 years. Projected revenue is shown by the black line and the bars show the annual projected expenditure requirements on operations, maintenance, renewal and upgrade.

When built assets are left to deteriorate, particularly in major asset classes such as roads, investment to restore those assets can often be far more costly than regular asset maintenance and renewal programs. This also applies to the natural environment which, if allowed to deteriorate, cannot easily be brought back to a healthy state without significant additional investment. This explains why the gap increases in the later years.

Figure 1.1: Projected Operating and Capital Expenditure 2015/16 – 2034/35

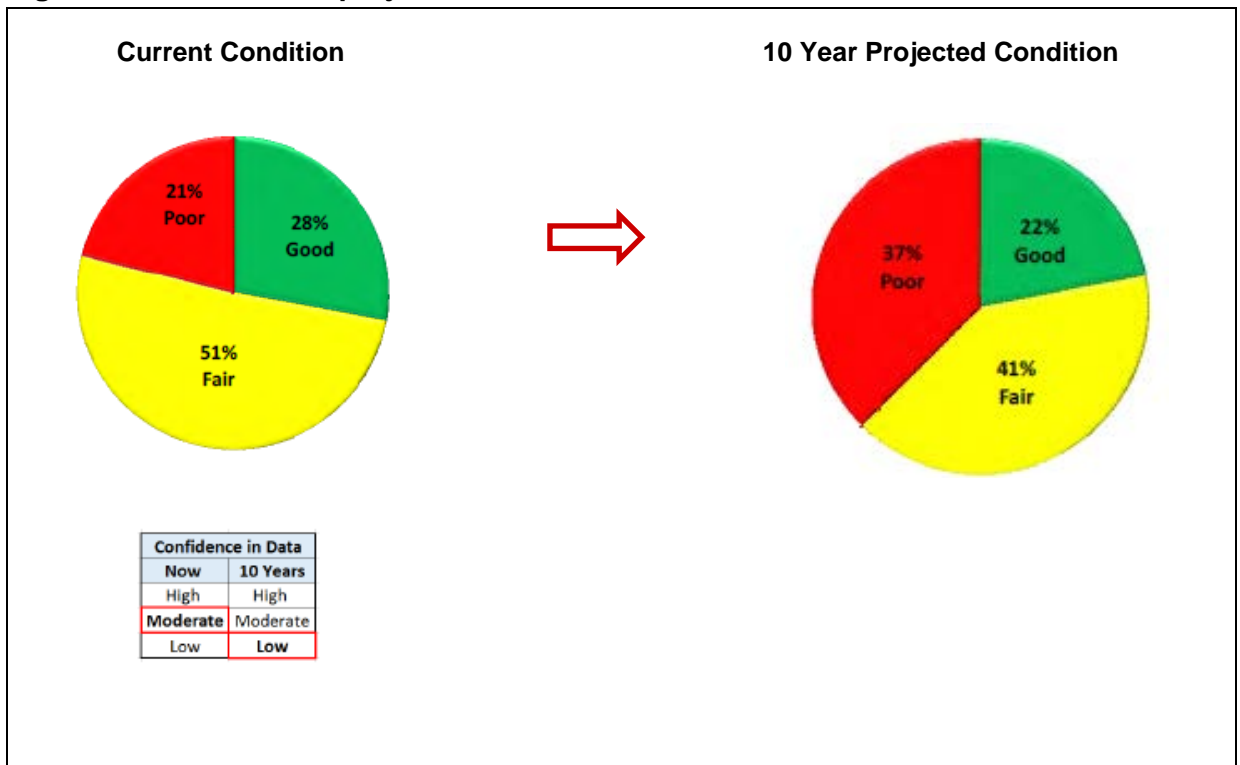


Condition of Built Assets

For our City, and like most councils in NSW, infrastructure assets (roads, parks, drains, buildings) are being worn out faster than they are being replaced. Much of the infrastructure built in the post-war years has not yet been renewed, but will need to be within the next 20 years. The degree to which the Council can do this is made worse by rate pegging, cost shifting and funding cuts from other levels of government.

The Figure below shows the projected condition of built assets over the next 10 years under current revenue projections.

Figure 1.2: Current and projected condition of Council's \$1Billion worth of Built Assets



3 Six Strategies for Financial Sustainability

To improve the financial position of the City, the Council has taken leadership in developing a *Six Point Strategy for Financial Sustainability*. When implemented together, these strategies will ensure the Council is continually working to improve its financial position. The adopted strategies are:



For long-term financial sustainability and funding of the infrastructure shortfall, it is also essential that the Council increases its income. *Strategy 4: Increase Income* includes implementing a two-staged planned approach to increasing revenue through special rate variations, phased in gradually over a number of years to account for community capacity and willingness to pay increased rates to achieve desired levels of service provision.

This two-staged strategy was exhibited publicly (with no adverse community response) and adopted for implementation in June 2013. In summary it involves:

Stage 1 – Renewal of existing s508(2) Special Variation for Infrastructure

This was achieved in 2013 with community endorsement and IPART approval for the continuation.

Stage 2 – Further Application to IPART

This stage involves engaging the community on three options for *Resourcing Our Future*:

- ❖ Option 1: Service Levels Improved
- ❖ Option 2: Service Levels Maintained
- ❖ Option 3: Service Levels Reduced

Options 1 and 2 include an application to the Independent Pricing & Regulatory Authority (IPART) for special rate variations, including continuation of an existing Environment Levy. Option 3 increases rates only by rate peg and discontinues the Environment Levy.

4 Three Options for Resourcing Our Future

A key component of the Council's *Six Point Strategy for Financial Sustainability* is engaging the community on how best we can balance service provision with available revenue - so that we can achieve affordable and acceptable levels of service on behalf of the community. Three alternative service levels options, two of which required additional funding from a special variation to rates were developed for consultation with the community as follows:

Option 1: Service Levels Improved

This option continues the existing Environment Levy from 2015/16 (a 6.6% increase including an estimated 3% rate peg), followed by three increases of 9.6% (including rate peg) from 2016/17 to 2018/19. These increases would each remain permanently in the rate base and would raise \$28.2 million over the next four years, or \$98.5 million over the period 2015 to 2024 (not including rate peg).

Service levels will be improved from the current level with the additional funding being targeted to reducing the proportion of built assets (roads, footpaths, drainage, town centres, public toilets) in poor condition from 21% to 17% by 2024. Under this option our emergency preparedness and response is also improved, the current capacity of the Council to protect and restore the natural environment is retained and community services and facilities (playing fields, leisure centres, libraries, community development service etc.) are improved.

In terms of financial impact, Option 1 best supports the City and Council achieving financial sustainability over the next 10 years. Under this Option the Council's Operating Result (which measures whether the Council has sufficient funds excluding capital grants for required expenditure including depreciation) significantly improves to breakeven (0%) by 2018/19 (a requirement of the NSW *Fit for the Future* financial sustainability assessment) and to a surplus of \$1.9M by 2018/19.

It should be noted that the Option 1 rate increase alone, is insufficient to address the City's infrastructure funding challenge with 17% of assets still in poor condition by 2024. Rather, other strategies within the Six Point Financial Strategy need to be simultaneously implemented including ongoing best value service reviews, cost savings, responsible debt management and smart investment of funding to reduce long term costs (given that costs are generally increasing faster than revenue).

Option 2: Service Levels Maintained

This option continues the existing Environment Levy from 2015/16 (a 6.6% increase including rate peg), followed by three increases of 7.4% (including rate peg) from 2016/17 to 2018/19. These increases would each remain permanently in the rate base and would raise \$20.9 million over the next four years, or \$70.3 million over the period 2015 to 2024 (not including rate peg).

Under this option, additional funding raised would be targeted to ensuring existing service levels are maintained, with the proportion of built assets in poor condition remaining at 21% by 2024. Our emergency preparedness and response is maintained, community services and facilities are maintained at current levels, and the current capacity of the Council to protect and restore the natural environment is retained. Closure or removal of unsafe facilities or infrastructure may also occur under this option – with 21% of assets in poor condition.

In terms of financial impact, Option 2 does not achieve a break even or surplus Operating Result over the next 10 years and does not meet the NSW *Fit for the Future* financial sustainability assessment criteria for financial sustainability. In 2018/19 Option 2 achieves a deficit Operating Result of \$0.6M with a growing deficit to \$3M by 2023/24.

Under Option 2, the City's infrastructure funding shortfall is only partially met - to a lesser extent than for Option 1 and to a greater extent than Option 3. It should be noted that the Option 2 rate increase alone, is insufficient to address the City's infrastructure funding challenge with 21% of assets still in poor condition by 2024. Rather, other strategies within the *Six Point Strategy for Financial Sustainability* need to be simultaneously implemented including ongoing best value service reviews, cost savings, responsible debt management and smart investment of funding to reduce long term costs (given that costs are generally increasing faster than revenue).

Option 3: Service Levels Reduced

Option 3 discontinues the existing Environment Levy when it expires in June 2015 resulting in a reduction in rating revenue of \$6.9 million over four years, or a loss of \$16.9 million over the period 2015 to 2024. Rates will increase by rate peg only (estimated at 3% per annum).

There will be a significant reduction in service levels, with deterioration in our built assets from the current 21% in poor condition to 37% in poor condition by 2024, with resulting reactive closure / removal of unsafe facilities and infrastructure. Our capacity to prepare for and respond to emergencies will be reduced and our community services and facilities will be reduced. Our capacity to protect and restore the natural environment will also be significantly reduced.

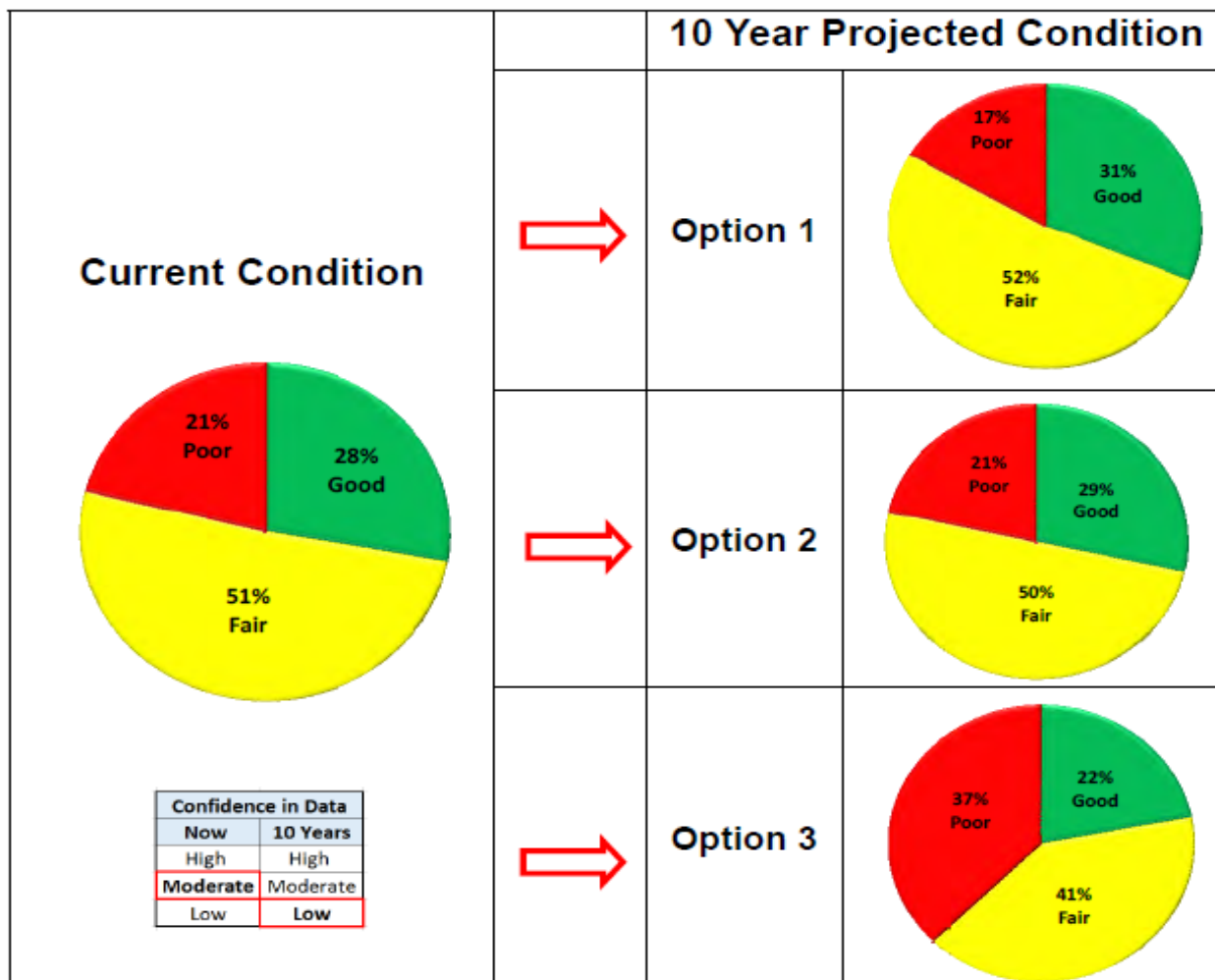
Significantly, discontinuing the Environment Levy will impact on the ability of the City to use Levy funding to attract grant funding (with an estimated \$3.5M in additional grant funding obtained since 2005). In addition, the substantive benefits achieved from Environment levy investment to date will potentially be lost or adversely impacted. Deterioration of natural assets will result in a future requirement for even more funding to regain outcomes previously achieved. There will also be a loss of capacity to support community partnerships, including the conservation volunteers working to protect, restore and regenerate the natural environment.

In terms of financial impact, Option 3 does not achieve a break even or surplus Operating Result over the next 10 years and does not meet the NSW *Fit for the Future* financial sustainability assessment criteria for financial sustainability. In 2018/19 Option 3 has an unsustainable Operating deficit of \$5.6M.

Under Option 3, only 33% of the required renewal expenditure on roads, drainage and building assets is projected to be occurring.

Condition of Built Assets

The figure below shows the impact of each option on the condition of the City's built assets by 2024.



5 Resolution

On 22 July 2014 the Council endorsed the following resolution:

1. That the Council adopts the "Resourcing Our Future: Community Engagement Strategy" for implementation and placement on the Council's website;
2. That the Council places the following documents on public exhibition (subject to further minor changes resulting from final proofreading, editing and formatting) to support community engagement on the three options for Resourcing Our Future:
 - a. Resourcing Strategy 2014-2024 incorporating the Long Term Financial Plan (LTFP), Asset Management Policy and Strategy (AMP&S) and Workforce Management Strategy (WMS);
 - b. Service Dashboards: Summary of Service and Asset Plans (companion document to Resourcing Strategy); and
 - c. Supplementary Delivery Program.

3. That the Council approves the public exhibition period for these documents being from 4 August to 15 September 2014 (42 days); and
4. That a further report be presented to the Council in Quarter 2 on the results of the public exhibition and community engagement on options for “Resourcing our Future” including whether or not to proceed with an application for a special rate variation including continuation of the existing Environment Levy (due to expire in June 2015).

[Minute 340]

6 Legislative Requirements for Engagement

The Office of Local Government’s *Guidelines for the Preparation of an Application for a Special Variation to General Income for 2015/2016* dated October 2014 (the Guidelines) state that councils must provide:

“Evidence that the community is aware of the need for and extent of a rate rise. The Integrated Planning and Reporting (IP&R) documentation should clearly set out the extent of the General Fund rate rise under the special variation. The council’s community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure an opportunity for community awareness and input to occur.”

In October 2014, IPART issued guidelines on how it will assess this criteria and the principles it will consider in whether a council’s application satisfies the community awareness and engagement criterion. These principles are:

- That the council clearly communicated the full impact of the proposed rate increases to ratepayers;
- That the council clearly communicated what the special variation will fund.

Specifically, IPART will consider whether:

- The council’s application demonstrates that the community is aware of the need for, and extent of, the rate rise;
- The council has demonstrated an appropriate variety of engagement methods to ensure community awareness and input into the special variation process.

IPART also noted that in the case where the proposal is to continue an expiring variation, the documentation must clearly explain the following:

- That an existing special variation is about to expire;
- That the expiring special variation is being replaced with a permanent increase to the rate base; and
- That the year-on year impact on rates would not be as great, or that rates might fall if the special variation is not approved and only the rate peg is applied.

IPART notes that the evidence of awareness and engagement should reflect the size and impact of the proposed rate increase, and the resources of the council.

7 Community Engagement



7.1 Public Exhibition and Call for Submissions



The Council met the above requirements through a comprehensive program of engagement during the period 4 August to 15 September 2014 (43 days) on the proposed options for *Resourcing Our Future*.

7.1.1 Informing the Community of the Proposal

The Council provided the following information in documentation available to the community.

Table 7.1.1 Information provided to the community

Requirement	Done?	How?
Ensure community awareness/input		<ul style="list-style-type: none"> • Public exhibition of key documents (<i>Resourcing Strategy, Service Dashboards and Supplementary Delivery Program</i>) • Letter to all ratepayers from the Mayor with attached 4-page brochure (with links to further information) and reply paid envelope to facilitate submissions • 3 half-page display ads in the Gazette • 4 notices in Council Communicator page of the Gazette • Card with details on finding more information and impact of residential rates which were provided to councilors to give to community members seeking further information • Additional information sheets on the Environment Levy, Cost Savings & Efficiencies, A Better Blue Mountains, and FAQs document were available from: <ul style="list-style-type: none"> ○ www.bluemountainshaveyoursay.com.au ○ Katoomba Council Office ○ All branch libraries (except Springwood, which was closed during the consultation period) • Telephone survey of a statistically representative sample of 504 residents who had read the <i>Resourcing Our Future</i> brochure • A series of five area workshops to further engage more deeply a cross-section of the community (randomly selected by IRIS Research taking into account location, age group and gender)
Clearly communicate impact on rates		<p>The <i>Resourcing Our Future brochure</i> set out impact on average residential and business rates over the four-year period of the proposed options. It stated the average increase in both dollar and percentage terms, and described the total cumulative increase over the four years.</p> <p><i>Information Sheet 1: A Better Blue Mountains</i> gave more detailed information on the impact on rates (pp 20-23) for residential, business and farmland ratepayers. These tables described the impact under each of the options for different land value ranges.</p>

Requirement	Done?	How?
		In addition, a rating calculator was provided on the Have Your Say website where ratepayers could enter their current rates and an estimate of the ordinary rates they could expect to pay for future rating years under each option was calculated automatically.
Clearly communicate what the special variation will fund		A summary of the targeted areas of expenditure was provided in the <i>Resourcing Our Future</i> brochure. More detailed tables showing the proposed allocation of additional revenue under Options 1 and 2 were provided in Information Sheet 1 (pp 16-17), the FAQs document (pp 22-23) and the <i>Resourcing Strategy</i> (pp 100-101)
Clearly communicate impact of expiring special variation		Information about the expiry of the Environment Levy and proposal to continue it on a permanent basis under Options 1 and 2 was clearly communicated in the <i>Resourcing Our Future</i> brochure, and Information Sheets 1 and 2.

Copies of documents supporting the public exhibition are available in **Attachment 5b**.

7.1.2 Submission Process

Through the brochure, Gazette ads, Communicator notices, information sheets and online presence, the community was invited to make submissions on the proposed three options. To facilitate this process, and to access a greater representation of community views, a reply-paid envelope was provided with the information package sent to all ratepayers.

While the community was encouraged to use the submission form, they were informed of alternative submission methods as well, and a small number of such submissions were received. The choice of responses on the submission form (both hardcopy and electronic) were:

My preferred option is (please tick one box):

- OPTION 1: SERVICE LEVELS IMPROVED
- OPTION 2: SERVICE LEVELS MAINTAINED
- OPTION 3: SERVICE LEVELS REDUCED

7.1.3 Governance Procedures and Protocols

To ensure a fair and equitable submission process, the following procedures and checks were undertaken:

- Every 50th submission was checked in Pathway to confirm accuracy of name and address details. All were confirmed to be authentic.

- All submissions received on photocopied brochure slips (26) were checked to see if they were duplicate submissions. One was identified as a duplicate through this process. Some indicated they had photocopied the brochure so as not to destroy any of the information on the reverse side of the page by cutting out the submission strip.
- Submissions with the same surname were double-checked for duplication. Mostly these were different people, but 22 duplicate submissions were identified this way.
- Submissions with the same address were also checked for duplication. Mostly these were different people, but 8 duplicate submissions were identified this way.

In addition, the following protocols were followed to identify valid submissions.

Table 7.1.2 Protocols governing the validity of public submissions

Issue	Number	Action taken
Submissions with two options ticked	12	Valid, counted as the highest option preferred
Submissions with three options ticked	1	Treated as valid, no option selected
Submissions with no name details	81	Treated as invalid as we are unable to identify if these were duplicate submissions
Submissions with incomplete address	17	Of these, 15 were verified in Pathway, with the remaining 2 treated as invalid
Multiple submissions from the same person	30	Treated as invalid. Regardless of the number of properties owned, only one submission per person was treated as valid.
Multiple submissions from same household	92	Submissions from different members of the same household were accepted as valid. There were only 2 instances of more than two submissions from the same address.
Submissions with name and address but no option and no comments	65	These submission strips were submitted with name and address details completed, but otherwise blank. They were treated as invalid.

7.1.4 Outcome of Public Exhibition and Call for Submissions

Number of submissions received

The community engagement process was highly successful with 4,312 valid submissions being received (4,203 during the exhibition period and 109 after it). This is more than triple the 1,287 submissions received for the previous special variation consultation in 2012, and the most submissions that the Council has received through any other public exhibition process.

A further 178 submissions were deemed to be invalid. Of these, 83 were submissions without name and address information and 65 had no option selected or comments provided.

Table 7.1.3 Total number of submissions received

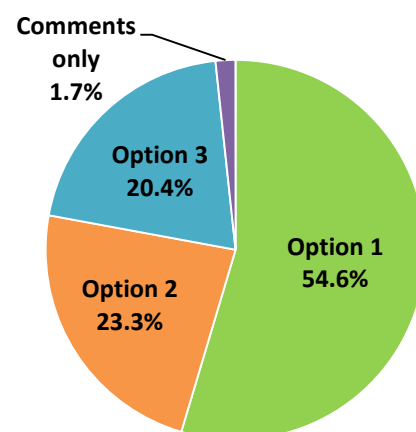
Type of Submission	Number	Percentage
Valid submissions	4,312	96.0%
Received during the public exhibition period	4,203	93.6%
Received after the public exhibition period	109	2.4%
Invalid submissions	178	4.0%
Anonymous submissions	83	1.8%
No option chosen and no comments	65	1.5%
Duplicate submissions	30	0.7%
Total	4,490	100.0%

Results of valid submissions

As shown in the table below, of the total valid submissions received, almost four out of every five submissions (77.9%) were in support of either Option 1 or Option 2. Therefore, only 22.1% of submissions were not in support of a special variation to rates or did not indicate a preference.

Table 7.1.4 Preferred option by total valid submissions

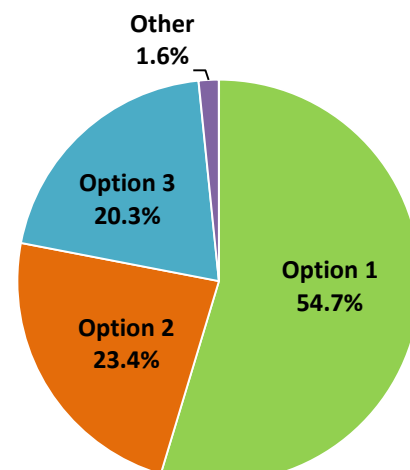
Preferred Option	Number	Percentage
Option 1	2,355	54.6%
Option 2	1,004	23.3%
Option 3	880	20.4%
Comments only	73	1.7%
Total	4,312	100.0%



Of these, submissions received during the public exhibition period indicated a 78.1% support for either Option 1 or Option 2.

Table 7.1.5 Preferred option of valid submissions received DURING the public exhibition

Preferred Option	Number	Percentage
Option 1	2,297	54.7%
Option 2	983	23.4%
Option 3	855	20.3%
Comments only	68	1.6%
Total	4,203	100.0%

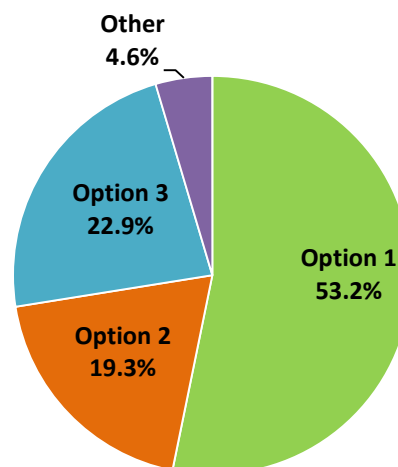


A number of submissions were also received after the close of the public exhibition period. While outside the exhibition period, they have been considered valid and therefore included in the analysis as this proposal is a significant issue and all views received from the community should be taken into consideration.

These submissions followed a similar preference pattern to those received during the exhibition period, with almost three quarters (72.5%) in support of either Option 1 or Option 2.

Table 7.1.6 Preferred option of valid submissions received AFTER the public exhibition

Preferred Option	Number	Percentage
Option 1	58	53.2%
Option 2	21	19.3%
Option 3	25	22.9%
Comments only	5	4.6%
Total	109	100.0%



Submission method

The most popular submission method was via the brochure and reply-paid envelope which was sent to all ratepayers, accounting for 94.8% of valid submissions.

Table 7.1.7 Submission method for valid submissions

Type of Submission	Number	Percentage
Submission slip from brochure	4,088	94.8%
Online submission form	81	1.9%
Submission forms (downloaded of from library/front counter)	50	1.2%
Letters	40	0.9%
Emails	28	0.6%
Photocopied slip from brochure	25	0.6%
Total valid submissions	4,312	100.0%

Comments raised in valid submissions

Of the 4,312 valid submissions, the overwhelming majority (3,736 or 87%) simply responded by ticking an option on one of the various submission forms (online or in the brochure sent to every ratepayer).

A total of 576 submissions, however, included comments. This section summarises the key themes of these comments by option.

- **Option 1**

Only 159 out of the 2,355 Option 1 submissions (7%) received provided comments regarding their choice. Key themes raised are summarised below – with many raising multiple issues.

Table 7.1.8 Key themes raised in submissions supporting Option 1

Key themes	Number
Need to improve specific services and facilities including: <ul style="list-style-type: none"> - Roads/kerb and gutter (11) - Community services and facilities (11) - Footpaths and pedestrian access(10) - Green waste removal (9) - Environmental programs/environmental sustainability (8) - Recreational facilities for community/for young people (8) - Natural disaster preparedness/bushfire prevention (4) - Town planning/improved streetscapes (e.g. Katoomba, Blackheath, Lawson) (4) - Less facilities but of higher quality e.g. improved libraries, pools and parks (4) - Blue Mountains RSPCA animal shelter funded (4) - Accessible facilities including toilets, parking, pathways (3) - Dog off leash areas (2) - More bulky waste pickups (2) 	60
Happy to pay more to have improved services and facilities/vibrant City/stop the decline	35
Support paying more and would like Council to improve its: efficiency/productivity/streamline administration/reduce wastage/reduce debt/increase revenue from other means such as user pays	30
Support for Environment Levy and Environmental programs	16
Positive comments on the performance of the Council and on the consultation process on the options	16
Values and wants to keep Blue Mountains as a special place with its unique natural and built character and unique World Heritage environment/recognises this is costly and we all need to contribute if we live here	12
Range of suggestions made for improving community consultation on the options	10
Some affordability concerns /hopes there are ways of helping very low income people	8
Range of concerns regarding addressing impacts of natural disasters including bushfires which are becoming more frequent	6
Would like to see fewer facilities but of better quality e.g. improved libraries, pools, community centres and parks in key locations/would help achieve more sustainable service levels	6
Wants fair and equitable distribution of funding and services across the City/perceived bias to upper mountains and tourist areas	5
The rate increase proposed is modest/have capacity to pay	4
Other levels of government should reinstate funding cuts to Council	2
Other issues and comments - wide range	24

Note: many submissions made more than one comment so total number of comments is greater than the number of submissions received

- **Option 2**

Only 124 out of the 1,004 submissions received supporting Option 2 (or 12%) provided comments regarding their choice. Key themes raised are summarised below.

Table 7.1.9 Key comments from submissions supporting Option 2

Comment	Number
Council needs to improve its efficiency/ productivity/ streamline administration/ reduce wastage, reduce debt, find other sources of revenue (including more user pay)	33
Can't afford a larger increase/affordability concerns	20
My rates are more than the average/too high already	14
Important to improve/maintain services and facilities in following areas: emergency services, natural environment, built infrastructure, green bins, footpaths, guttering, disabled access, RSPCA, weed removal, theatre space in Katoomba, upper mountain cycle paths connecting villages, roundabouts or lights on Hawkesbury Rd	16
Lack of services and/or facilities currently	12
Other - wide range of miscellaneous comments	80

Note: many submissions made more than one comment so total number of comments is greater than the number of submissions received

- **Option 3**

Out the 880 Option 3 submissions received, 221 (or 25%) had comments. Of note is that 13 submissions did support the continuation of the Environment Levy while supporting reductions in services elsewhere. Other key themes raised are summarised below.

Table 7.1.10 Key comments from submissions supporting Option 3

Comment	Number
Council needs to improve its efficiency/ productivity/ streamline administration/ reduce wastage, reduce debt, find other sources of revenue (including more user pay)	75
Can't afford an increase/affordability concerns	38
My rates are more than the average/too high already	30
Lack of services and/or facilities currently or don't use facilities	29
Lack of information provided/misleading information	27
Not happy about Council's past performance	23
Reduce services & facilities with the following suggestions provided - travel, cultural and arts areas, food for meetings, running two administration centres, environment work, Land & Environment Court proceedings, sister cities, nuclear free zones, anything other than roads & rubbish, pools, libraries, train book service, murals, consultations, keep to core business only	23
Allow more development to increase rate base	14
Should lobby more for less cost shifting or to get more funding from other levels of government	10
Other issues and comments - wide range	8

Note: many submissions made more than one comment so total number of comments is greater than the number of submissions received

- **Comments only**

A total of 73 submissions did not specify a preferred option though included comments. The main comments from these submissions were:

Table 7.1.11 Key comments from submissions with no preferred option

Comment	Number
Council needs to be more efficient/not waste money	27
Negative comment on the consultation process	17
Can't afford an increase/affordability concerns	8
Increase rate base/other revenue streams/more user pays	8
Not happy with Council's performance	6
More user pays or other sources of revenue	6
Other issues and comments - wide range of miscellaneous comments	27

Note: many submissions made more than one comment so total number of comments is greater than the number of submissions received

Enquiries received

As well as the submissions and comments received, a large number of enquiries were also received. Each enquiry received an individual response.

7.2 Telephone survey

To support the community engagement process, a telephone survey was conducted by IRIS Research, an independent research company to assess the level of support for the different options proposed for resourcing our community's future.

The survey was conducted with 504 adult decision-makers, with participants randomly selected across the City in proportion to population densities. This ensured a geographic spread, an approximate 50:50 gender split and a spread of age groups to deliver a statistically representative sample of ratepayers with a maximum sampling error on proportion for total sample of +/- 4.4%.

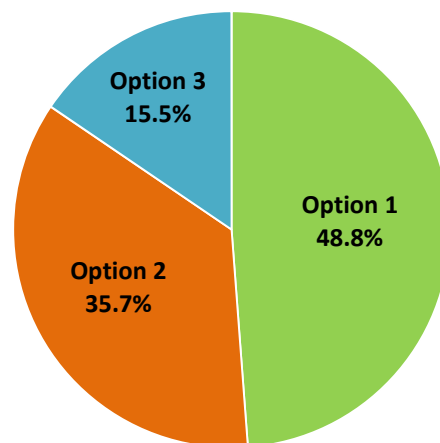
The survey was administered only to people who had received and read the *Resourcing Our Future* brochure and was conducted from 16 to 19 August 2014. A copy of the survey report prepared by IRIS Research is included as Enclosure 2.

7.2.1 Outcome of Special Rates Variation Telephone Survey

Survey respondents were asked to state their most preferred funding option, and also the reason for their choice. As shown below, the combined support for Options 1 and 2 was 84.5%. In other words, more than eight out of every ten respondents preferred one of the options involving a special variation to rates.

Table 7.2.1 Preferred option from the telephone survey

Preferred Option	Number	Percentage
Option 1	246	48.8%
Option 2	180	35.7%
Option 3	78	15.5%
Total	504	100.0%



7.2.2 Reasons for Preferred Option

As well as providing a preferred option, respondents were also given the opportunity to explain the reason for their choice.

- **Option 1**

The main reasons given by those selecting Option 1 were they could not allow the standard of services and facilities provided in the Blue Mountains to 'go backwards'. Respondents also felt it was not a huge increase and understood that costs were rising and they needed to play their part, provided funds were used in the right areas.

Table 7.2.2 Summary of reasons for choosing Option 1 from telephone survey

Comment	Number
Need to improve and/or maintain services	80
Understand that it's necessary	31
So long as it's spent wisely/in the right areas	23
Environment Levy should be maintained	21
The area will benefit	15
Need to improve infrastructure	12
Not a big increase/I can afford it	12
It's the best option	12
Don't want services to be reduced	10
Not happy with current services	8
Council is doing a good job	6
Other	5
No reason provided	11
Total	246

- **Option 2**

Respondents who selected Option 2 mentioned it was more affordable than Option 1 and they were happy with maintaining services and facilities at the current standard, so together with the lower cost it was more appealing.

Table 7.2.3 Summary of reasons for choosing Option 2 from telephone survey

Comment	Number
More affordable	43
It's the best option	24
Services need to be maintained	23
Environment Levy should be maintained	16
Don't get many services currently	10
Happy with the way things are	9
Council should be more efficient/better managed	9
Compromise between services and rates	6
Middle of the road option	5
Don't want services to be reduced	4
Council should concentrate on fewer services	3
Funding is unevenly distributed between townships	3
Lack of information provided	2
Other	10
No reason provided	13
Total	180

- **Option 3**

Most of the respondents who selected Option 3 said it came down to an issue of affordability.

Table 7.2.4 Summary of reasons for choosing Option 3 from telephone survey

Comment	Number
Affordability	22
Council should be more efficient/better managed	11
Don't get many services currently	10
Distrust of Council	6
Lack of information provided	6
Don't like any options	4
Don't support the Environment Levy	3
Council should concentrate on fewer services	3
Happy with the way things are	2
Funding is unevenly distributed between townships	2
Other	6
No reason provided	3
Total	78

7.3 Area Workshops

In August and September 2014 five community workshops were held across the City's five planning areas to assess the views of a cross-section of residents on the three resourcing options, taking into consideration existing financial challenges impacting on levels of affordable service delivery by the Council.

IRIS Research recruited a total of 230 participants, with 91 actually attending sessions, and it also facilitated each workshops. The workshops ran for 3 to 3.5 hours and included a comprehensive interactive presentation on *Resourcing Our Future* background and options.

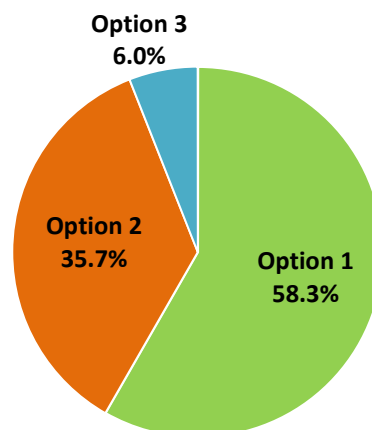
More than nine out of every ten workshop participants (94%) indicated their support for either Option 1 or Option 2, while only five participants chose Option 3 as their preference. This result indicates a higher level of support among those who have been provided with the most information and an opportunity to ask questions to clarify issues.

IRIS Research also documented and assessed outcomes of the workshops, including analysis of workbooks completed by each workshop participant. The full report on the outcomes of Area Workshops is provided in Attachmen

Table 7.3.1 Preferred option from the area workshops

Preferred Option	Number	Percentage
Option 1	49	58.3%
Option 2	30	35.7%
Option 3	5	6.0%
Total	84	100.0%

**Note: Not all workshop participants completed the workbook.*



Tables 7.3.2 and 7.3.3 below are a summary of the preferred levels of service and priorities of workshop participants, by service. Services in the Built Infrastructure, Emergency Preparedness and Response and Environment areas saw a call for an improvement to the level of service.

Table 7.3.2 Preferred Service Level by Service

Service	Level of Service							
	Improve		Maintain		Reduce		Missing	
BUILT INFRASTRUCTURE								
Town Centres	39	45%	39	45%	5	6%	4	5%
Transport and Public Access	49	56%	32	37%	3	3%	3	3%
Water Resource Management	41	47%	36	41%	6	7%	4	5%
EMERGENCY PREPAREDNESS & RESPONSE								
Emergency management	48	55%	29	33%	7	8%	3	4%
ENVIRONMENT								
Natural Environment	47	54%	32	37%	5	6%	3	3%
Natural area visitor facilities	45	52%	34	39%	4	5%	4	5%
COMMUNITY & RECREATION								
Aquatic and Leisure Centres	21	24%	50	57%	13	15%	3	3%
Community Development	34	39%	40	46%	10	12%	3	3%
Cultural Development	27	31%	42	48%	15	17%	3	3%
Libraries	37	43%	33	38%	14	16%	3	3%
Sport and Recreation Natural Areas	38	44%	40	46%	6	7%	3	3%

These results were reflected in the priority given to services as indicated in table 7.3.3 below with Emergency Management, Transport and Public Access and Natural Environment topping the priority list.

Table 7.3.3 Priority Level by Service

Service	Level of Priority							
	High		Medium		Low		Missing	
BUILT INFRASTRUCTURE								
Town Centres	25	29%	33	38%	3	3%	26	30%
Transport and Public Access	40	46%	19	22%	3	3%	25	29%
Water Resource Management	28	32%	20	23%	10	12%	29	33%
EMERGENCY PREPAREDNESS & RESPONSE								
Emergency management	46	53%	9	10%	2	2%	30	35%
ENVIRONMENT								
Natural Environment	37	43%	19	22%	2	2%	29	33%
Natural area visitor facilities	28	32%	23	26%	3	3%	33	38%
COMMUNITY & RECREATION								
Aquatic and Leisure Centres	17	20%	32	37%	8	9%	30	35%
Community Development	27	31%	28	32%	3	3%	29	33%
Cultural Development	19	22%	27	31%	11	13%	30	35%
Libraries	24	28%	27	31%	7	8%	29	33%
Sport and Recreation	32	37%	22	25%	2	2%	31	36%

8 Conclusion

The engagement with the community on the options for *Resourcing Our Future* was highly successful. A total of 4,312 valid submissions were received from the community expressing their views on options for Resourcing Our Future. This is the most submissions that the Council has ever received through a public exhibition process.

As shown in Table 8.1 below each major method of engagement – the public submissions, the telephone survey and the Area Community workshops – showed majority support for Option 1. There was lesser support for Option 2 and significantly less support for Option 3.

Of those supporting either Option 1 or Option 2, 70% were in favour of Option 1.

Table 8.1 Summary of preferred option from each engagement method

OPTION	Public Exhibition Valid Submissions (N=4,312)	Telephone Survey of Ratepayers (N=504)	Area Community Workshops (N=84)
	SUPPORT FOR DIFFERENT OPTIONS (%)		
Option 1	54.6%	48.8%	58.3%
Option 2	23.3%	35.7%	35.7%
Option 3	20.4%	15.5%	6.0%
Comments Only	1.7%	-	-
Total	100.0%	100.0%	100.0%

The key messages from consultation were that most residents did not want service levels to reduce and they were willing to pay the additional rates for this to be achieved. However, there is a strong expectation that the Council needs to continue its focus on being efficient.

This consultation supports the proposal to apply to IPART for a special variation to rates. This application is a key element of the Council's adopted financial strategies, which when combined, will improve the Council's long term financial sustainability.