



Special Rate Variation – Community Engagement Summary Report

June Shire Council

November 2022

Document status

Job #	Version	Written	Reviewed	Approved	Report Date
7647	1 – Draft	M Drummond	G Smith	G Smith	October 2022
	2 – Final	M Drummond	G Smith	G Smith	November 2022

Contents

Introduction	1
Themes and challenges	1
Engaging the community	2
Informing	2
Consulting	2
Engagement outcomes	3
Background paper	3
Staff information session	3
Print news, emails and letters	3
Website and social media feedback	5
Community forums	6
Stakeholder specific forums	8
Community drop-in session	8
Online survey	8
Summary and measuring engagement success	10
Appendix A Community Engagement Plan	11
Appendix B Background paper	27
Appendix C Community engagement presentation	38
Appendix D Online survey summary	63
Appendix E All submissions received	72

Introduction

Junee Shire Council ('Council') undertook a robust community engagement process on Council's financial sustainability and the proposed need for a special rate variation (SRV). This Community Engagement Summary Report outlines the process Council used to consult, inform and seek feedback, following the Community Engagement Plan which is attached as Appendix A. Summaries of the feedback received through the consultation process, in relation to the need for an SRV and/or views on the options to reduce the financial gap, are included as well.

The key impacted stakeholders are those that pay rates or reside in the Junee Shire local government area (LGA). Stakeholder groups were identified within the Community Engagement Plan to ensure that the specific considerations of these groups could be integrated into the community engagement process.

The purpose of this community engagement was to ensure that the community was adequately informed and consulted about the impact of the proposed special rate variation and the impact of not applying for a special rate variation.

The objectives of this community engagement process included:

- to present the proposed SRV
- to identify the impact of the SRV on the average and minimum rates across each rating category
- to communicate to the community the timeline and process for any potential SRV application
- to gather and consider the community's feedback to inform Council's final decision on whether to move forward with an SRV application.

Themes and challenges

Council used the engagement process to highlight to the community the challenges that Council faces in relation to improving its financial sustainability in ways other than applying for an SRV. This includes reinforcing that there are no longer large cost savings able to be made by Council and that the opportunities to increase revenue are low for smaller regional councils such as Junee.

Some of the main themes that came through within the community engagement process included that the community are aware that Council currently maintains high levels of service and that many members of the community want these to be retained. However, many ratepayers are hesitant of their rates increasing and therefore are unsupportive of the proposed SRV. This shows that the community is aware and understanding of the situation facing Council and why the proposed SRV is required, however there is community uncertainty around the capacity to pay for some ratepayers.

Engaging the community

Council adopted an inform and consult approach, using the IAP2 Community Engagement Framework. Collaborative and empowerment tools were not considered suitable for this process because the process and outcomes were constrained by legislative requirements.

Council developed a comprehensive engagement program to inform the community on Council's financial sustainability and the need for a SRV and/or options to close the financial gap. This involved a selection of engagement types such as letter drops, website information publication, survey and public community engagement meetings, so that Council could reach out to the broadest range of ratepayers possible.

Informing

Council used a variety of means to inform the community on Council's financial sustainability and the need for a special rate variation (SRV). The planned process involved:

- Establishing a Council webpage with all SRV information live from 31 August 2022: <https://www.junee.nsw.gov.au/council/srv/>.
- Creating information on the page including SRV summary, draft Long Term Financial Plan, a detailed SRV background paper, copy and recording of community engagement presentation, community Q&A, feedback form and rates calculator.
- Advertisements and media releases in print news.
- Social media posts and emails.
- A letterbox drop delivered to all ratepayers by post.
- Filmed mayoral invitation video and councillor video to encourage participation, uploaded to Council's website and Facebook page.

Consulting

The consultation program included the following phases:

- Seven general community forums, one business stakeholder forum and one forum specifically for service clubs. Invitations through social media, Council's website, advertisement and direct mail. Feedback and submissions were also invited through Council's website.
- Feedback and submissions were also invited through Council's website and an online survey via SurveyMonkey.
- A community information drop-in session was held outside Junee IGA on Monday 17 October 9am-1pm, with Council staff answering questions from the community and seeking feedback. This was advertised on Council's Facebook page at <https://www.facebook.com/JuneeShireCouncil/>.

The community and stakeholder forums on the SRV process and options were held at various locations across the Junee Shire Council local government area (LGA) including:

- Athenium Theatre
- Bethungra Olde School T-House

- Wantabadgery McDonald Memorial Hall
- Old Junee Hall
- Illabo Tennis Clubhouse.

In addition, Council recorded one of the forums to allow for it to be uploaded on to the SRV page of Council's website, so that those unable to attend in person could still watch the full presentation and provide feedback via the website. A PowerPoint presentation on the SRV process was developed, titled 'Community Presentation', and was also made available on Council's website. The presentation enabled ratepayers who were unable to attend the meetings to follow up as convenient, as well as those who attended to review the forum content. The recording and presentation could be viewed at:

<https://www.junee.nsw.gov.au/council/srv/>.

Engagement outcomes

Background paper

Prior to the engagement activities, Morrison Low developed a set of key messages to inform the general engagement activity. Key messages were important to flow through the engagement to ensure that messages were consistent and reinforced by councillors, staff and the consultant throughout the process. This was to help avoid confusion and conflicting advice as much as possible.

Morrison Low prepared a background paper on the actions taken so far, the remaining issues, opportunities and choices that Council has when considering and determining if an SRV is necessary. The background paper was available to download from Council's website at <https://www.junee.nsw.gov.au/council/srv/>. The background paper is included as Appendix B.

Staff information session

An all of staff information meeting was held at 7:30am on Tuesday 13 September to engage and inform internal stakeholders in advance of the community sessions. Approximately 55 staff members attended, and the information session featured:

- an in-person presentation
- questions/suggestions.

Questions raised covered areas such as levels of service, community expectation, comparison with other councils' rates, size of SRV and management of assets and plant.


Print news, emails and letters

Council used its regular space allocation in the local newspaper the *Junee Independent*, throughout the community engagement period to publish information about the proposed SRV and advertise the opportunities for input and feedback. Nine articles on the SRV community engagement and process were printed during the consultation period. Council's local news agency sells on average 350-400 copies of the *Junee Independent* each week. Copies were also made available at:

<https://www.junee.nsw.gov.au/council/srv/media-releases/>.

Figure 1 Print news article example

Junee Independent
Thursday September 8th, 2022
Page 2




Address: 29 Belmore Street
PO Box 93 Junee, NSW 2863
Phone: 02 6924 8100
Fax: 02 6924 2497
Email: jsc@junee.nsw.gov.au
Opening Hours: 9am - 5pm Monday to Friday

Website: www.junee.nsw.gov.au

Emergencies
Dogs - Animals - Phone: 0427 694 272
Roads - Phone: 0427 694 272
Sewerage Blockages - Phone: 02 6924 1040

SEEKING COMMUNITY FEEDBACK



SPECIAL RATE VARIATION (SRV)

www.junee.nsw.gov.au/SRV

Junee Shire Council is seeking community feedback on a proposed Special Rate Variation (SRV) to ensure its long-term financial viability, while enabling it to maintain services and a robust capital works program.

Ratepayers will receive a letter with further information and Council will be holding a series of public meetings across the Shire, as listed below, to give information and receive feedback.

Further details on the SRV can be found on Council's website and the community meetings are open to all community members to attend.

DATE	TIME	LOCATION
Tues 13 Sept 22	10:00 AM	Athenium Theatre
Tues 13 Sept 22	2:00 PM	Bethungra Olde School T-House
Tues 13 Sept 22	6:00 PM	Athenium Theatre
Wed 14 Sept 22	1:00 PM	Athenium Theatre
Wed 14 Sept 22	6:00 PM	Wontabadgery McDonald Memorial Hall
Thurs 15 Sept 22	2:00 PM	Old Junee Hall
Thurs 15 Sept 22	6:00 PM	Illabo Tennis Clubhouse

Council mailed out approximately 2,800 letters to all ratepayers by Australia Post, informing them of the proposed SRV and process involved, as well as encouraging community feedback.

Council received one hardcopy submission by post, which was supportive of the need for an SRV to ensure current service levels could be maintained.

Emails were sent to 71 local businesses and service groups to encourage participation in the engagement process and to invite to the two stakeholder specific forums. Following the community forums, an email was sent to those who had requested email updates, to advise of the consultation closing date and include a link to Council's SRV webpage.

Council received ten emails relating to the proposed SRV and accordingly responded to all unique ratepayers that had provided feedback or questions. The majority of emails were not supportive of an SRV and suggested that Council should look at other cost saving measures instead of an SRV. One response did not disagree with the need for an SRV but had questions around how the SRV would be used.

Website and social media feedback

Information was provided on Council's website on a page dedicated to the proposed SRV: <https://www.junee.nsw.gov.au/council/srv/>. This page included information on the situation faced by Council and why they were proposing an SRV, the process to apply for an SRV, encouragement to provide feedback, important dates and frequently asked questions. It contained a document library with the draft Long Term Financial Plan, background paper on Council's financial sustainability and the proposed SRV, the community engagement presentation, relevant policies and links to media releases. The webpage allowed ratepayers to check the proposed implications for their own rates via an SRV calculator and submit feedback directly to Council. The website also included a link to complete an online survey at <https://www.surveymonkey.com/r/2PCFCF8>.

A video message from the mayor, explaining the process and encouraging participation, was added to Council's website on 9 September 2022 and to Council's Facebook page on 13 September. An additional video was filmed with Councillor Pam Halliburton later during the community engagement period, to remind ratepayers that they still had time to respond and provide feedback, this was added to Council's Facebook page on 12 October 2022.

Four submissions were received in response to the Council's website information. Feedback included an acceptance of the proposed SRV and positivity around the engagement process, one response that would prefer a reduced SRV and two that opposed the SRV either because they expected more services to be provided or due to concern around capacity to pay.

Council's Facebook page was used to provide regular updates to the approximately 2,000 residents following Council on Facebook. Over the course of the community engagement, between 31 August and 27 October 2022, nine posts were made covering a range of events and information on the proposed SRV. One post was also made on Council's Twitter account, which has almost 1,000 followers.

Figure 2 Facebook post example



No direct feedback came through Twitter; however, on Facebook Council received 14 likes, two angry emojis and 11 shares across all of the posts relating to the proposed SRV.

One Facebook post was also made by a ratepayer to provide positive feedback following attendance at a community forum and provide support for Council's proposed SRV application. The ratepayer posted 'There is a comprehensive explanation provided along with some very interesting info... But for this council to simply maintain its current level of services they need to generate more revenue.'

Community forums

Seven community engagement forums were held, with all being independently facilitated by Morrison Low. They presented an opportunity for Council to inform the community on the financial sustainability of Council and the need for an SRV, and then respond to questions from those present. The forums were attended by approximately 85 ratepayers and consisted of:

- an in-person presentation
- opportunities for questions and feedback
- encouragement to visit Council's website page on the SRV process, to use the rates calculator and submit further feedback.

The community engagement presentation is included as Appendix C.

The dates, locations and attendees of the forums were as follows:

Date	Time	Location	Invitees	Approximate attendees
Tues 13 Sept 2022	10:00am	Athenium	Open meeting	9
Tues 13 Sept 2022	2:00pm	Bethungra Tea Rooms	Open meeting - invite RFS	6
Tues 13 Sept 2022	6:00pm	Athenium	Open meeting	12
Wed 14 Sept 2022	1:00pm	Athenium	Open meeting	14
Wed 14 Sept 2022	6:00pm	Wantabadgery Hall	Open meeting - invite RFS	11
Thurs 15 Sept 2022	2:00pm	Old Junee	Open meeting	26
Thurs 15 Sept 2022	6:00pm	Illabo Tennis Club	Open meeting - invite RFS	7

Feedback on the proposed SRV included that the preferred increase was too high, and it may be a struggle for many people including elderly and families. Also, there was a view that many people are unlikely to be happy about the increase or that it should be spread over a longer timeframe.

There was support for a sports field charge for those outside the shire and it was also highlighted that the community don't want a disruption in services.

There was some understanding and acceptance of the need for an SRV, as it would benefit the community by ensuring Council's financial sustainability. There was also general positivity around Council as a whole and many of the services provided, as well as the fact that ratepayers are being given a voice and have been proactively asked to provide input, i.e. through letters and the forums.

Attendees asked a wide variety of questions about financial sustainability and the proposed SRV. All questions were answered either as part of the presentation or by Morrison Low, if applicable to the presentation itself, or by Council, if specific to Council's operating processes or not directly related to the SRV.

Questions asked by ratepayers in relation to the proposed SRV included:

- How much of road maintenance does Council contribute?
- Is Council top heavy?
- Can Junee increase its population to increase its rates income?
- Is there a guarantee that the government won't change its mind again?
- Is part of the increase going to fund wages?
- What if land values reduce/increase?
- What are the high-level of services that are costing money?
- High percentage of rental properties. How do they affect services?
- Does this mean the SRV is for two years only and then back on track?
- What is the impact of the new rail project?
- What about the Kemp Street bridge?
- Is the increase the same across all categories?
- What percentage of rates is spent on roads?
- What is the impact of a lesser rate rise over a longer duration?
- Is the jail costing Junee Shire?
- What is our capital spend?
- Do we or can we contract out the mowing?
- How come we are paying nearly twice as much in rates as Temora?
- What are the 'special' things that Junee has that mean our costs are higher?
- What has Council been doing to reduce its expenditure?
- What commercial leases does Council have?
- Will assistance still be provided for the elderly, and will pensioner rebates rise?
- Where are we going to be in ten-years' time and will we be asking for another SRV?
- Why is our situation so different from, for example, Temora? Are we spending too much?
- Why is this year crunch time, why not a few years ago?

Stakeholder specific forums

Two stakeholder specific forums were held, for Junee Chamber of Commerce and for service clubs. There were no attendees for the business forum and two attendees at the service club session.

Date	Time	Location	Invitees	Approximate attendees
Wed 14 Sept 2022	9:00am	Athenium	Service clubs	2
Thurs 15 Sept 2022	7:30am	Junee Library	Junee Chamber of Commerce	0

Feedback included that there needed to be more transparency and that Council needed to ensure the community were well informed on why an SRV is required. There was some concern around the size of the rise for rural property owners and the re-evaluation of land. General positivity around the aesthetic of Junee Shire and Council's maintenance of public places.

Community drop-in session

Council held an additional community drop-in session outside of the Junee IGA on Monday 17 October 9am-1pm. Council staff were present to answer questions and encourage the community to provide feedback. Approximately 80 people attended throughout the morning, with over 20 completing surveys whilst they were there and many others taking surveys home to complete.

Generally, the response was quite positive, however several attendees were vocal in their opposition to the SRV. Feedback included the following:

- "Council is doing the best they can. Other councils have worse rates that Junee is proposing"
- "Junee is the place to live"
- "They will do it anyway"
- "Once the decision is made, let it go. It is going to happen. Will go with the flow"
- "Not going so bad. Parks and gardens going well"
- "Not enough information and I don't want to read it anyway".

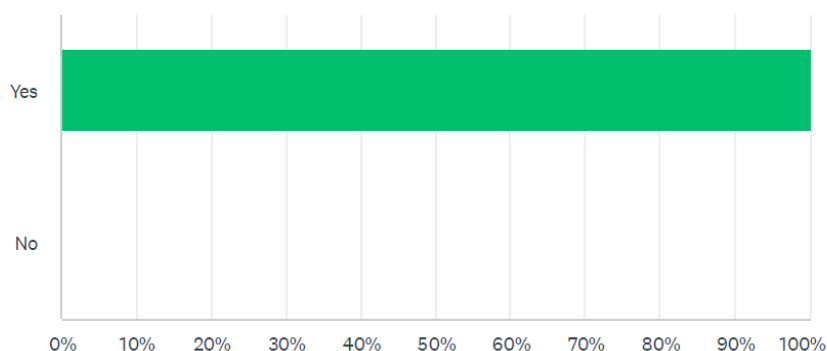
Online survey

52 completed surveys were received through SurveyMonkey with a range of responses provided, however there were common themes throughout the submissions. All responders agreed that they would like Council to be and remain in a strong financial position and over 53% felt that it was very important for Council to maintain current levels of service.

Figure 3 Survey result - remaining in a strong financial position

Q1 Would you like Council to be and remain in a strong financial position?

Answered: 52 Skipped: 0



A large majority, over 82%, had reviewed information provided by Council in relation to the SRV and 55% felt that adequate information and consultation had taken place.

Qualitative feedback in relation to the proposed SRV included that:

- Council should look at alternative ways to reduce expenses and/or increase income
- Council should focus spending on road infrastructure rather than parks
- some services should be reduced or transferred, such as the Athenium
- some respondents were satisfied with current service levels and understood that the proposed SRV was required to maintain these.

The full survey results are attached as Appendix D.

Summary and measuring engagement success

Council captured a total of 262 direct interactions throughout the community engagement process and completed all engagement types as proposed in the Community Engagement Plan. By utilising a variety of engagement techniques, such as in-person, social media, traditional print media, full webpage and email, Council was successful at reaching a wide variety of ratepayers, with the most effective engagement type being the community drop-in session at the June IGAs. Although there were few business ratepayers in attendance at the stakeholder specific forums, the number of emails that were sent out with invitations and to promote the feedback opportunity means that there is awareness and possible acceptance of the proposed SRV within this group.

After investing considerable time and resources to inform and receive feedback on Council's options and the proposed SRV, the response Council received was low and generally varied, however the opportunity to provide input and the drop-in session at the June IGAs were particularly well received. Council received mixed feedback in response to information distributed to the community through Council's website, social media, mainstream media and the community survey. Some ratepayers were understanding and accepting of the need for an increase in order for Council to maintain its current services and levels of service, whereas others felt Council needed to 'live within its means' whilst still providing the same levels of service.

Overall, the feedback received was relatively positive and engaged which suggests an acceptance, if not agreement, that Council has been through a robust and considered engagement process. The overarching view, coming from the engagement with the community, is that ratepayers want to have a financially sustainable council, that delivers the same high standard of service and service levels currently provided, however they do not want an increase in rates and are concerned about some segments of the community's ability to pay.

Where negative feedback was received, this feedback was more about rates in general or specific services received by the individual, rather than the proposed SRV or options to reduce the financial gap. There was some concern within the community about the effect that the SRV would have on lower-income earners and queries raised about alternative options to an SRV. There were however few viable community suggestions that would have a meaningful impact on Council's financial sustainability without an SRV.

All website, social media, letter and email submissions received by Council are included within a redacted table, as Appendix E.



Appendix A Community Engagement Plan



Special Rate Variation - Community Engagement Plan

Junee Shire Council

August 2022

Document status

Job #	Version	Written	Reviewed	Approved	Report Date
7647	1.0	J McKenzie	G Smith	S Bunting	August 2022

Contents

1	Context	1
1.1	Background	1
1.2	Engagement purpose and goals	1
1.3	Stakeholder analysis	1
2	Approach	2
2.1	Engagement complexity	2
2.2	Levels of engagement	2
2.3	Engagement mechanisms	4
2.4	Roles and responsibilities	6
2.5	Timeline	6
3	Action plan	8
3.1	Measures of success	10
4	Key messages	10
4.1	Frequently asked questions	11
5	Monitoring and risk	12
5.1	Monitoring	12
5.2	Risk assessment	12

Tables

Table 1	Stakeholder groupings	1
Table 2	Engagement mechanisms	4
Table 3	Roles and responsibilities	6
Table 4	Action plan	8
Table 5	Risk assessment	12

Figures

Figure 1	IAP2 Spectrum of Public Participation	3
Figure 2	Community engagement timeline	7

1 Context

1.1 Background

Junee Shire Council's ('Council') Long-Term Financial Plan (LTFP), adopted in June 2022, demonstrates the need for a permanent special rate variation (SRV) of 15% in 2023-24 and 10% in 2024-25 to ensure its ongoing financial sustainability. Council committed to undertaking community engagement on this SRV through to December 2022.

This community engagement plan outlines the approach, key messages and timeline for community consultation on the potential SRV. This plan has been developed to ensure that it meets the SRV assessment criteria set out by the NSW Office of Local Government, which sets policy and oversees the local government industry, and the Independent Pricing and Regulatory Tribunal (IPART), who will assess any SRV application submitted. It has also been developed in compliance with Council's Community Engagement Strategy 2022, as well as the International Association for Public Participation (IAP2) Australasia Quality Assurance Standard.

1.2 Engagement purpose and goals

The purpose of this community engagement is to ensure that the community is adequately informed and consulted about the impact of the proposed special rate variation and the impact of not applying for a special rate variation.

The objectives of this community engagement process include:

- to present the proposed SRV
- to identify the impact of the SRV on the average and minimum rates across each rating category
- to communicate to the community the timeline and process for any potential SRV application
- to gather and consider the community's feedback to inform Council's final decision on whether to move forward with an SRV application.

1.3 Stakeholder analysis

The key impacted stakeholders are those that pay rates or reside in the Junee Shire local government area (LGA). Stakeholder groups have been identified below to ensure that the specific considerations of these groups can be integrated into the community engagement plan. These groupings are not mutually exclusive, that is individuals may fall into a number of different stakeholder groups. For example, individuals who own multiple properties in the LGA may be both resident ratepayers and landlord ratepayers.

Table 1 Stakeholder groupings

Stakeholder group	Who is in the group	Specific considerations
Resident ratepayers	Homeowners who are residents of Junee LGA	Proposed rate increases will be directly incurred by these stakeholders.
Renters	Renters who are residents of Junee LGA	It will be a decision of the landlord on whether and when any rate increases are passed on to renters.

Stakeholder group	Who is in the group	Specific considerations
Business ratepayers	Business property owners within the Junee LGA	Proposed rate increases will be directly incurred by these stakeholders. Where there are commercial leases in place, it will depend on the contract terms as to whether and when any increase will be passed to tenants.
Farming ratepayers	Farming property owners within the Junee LGA	Proposed rate increases will be directly incurred by these stakeholders. These represent the highest proportion of rates paid and are also the most geographically disbursed throughout the LGA.

Within each stakeholder group there will be a range of socio-economic factors that will need to be considered which will further inform not only the affordability of any SRV, but also may provide further insight to improve the consultation plan and key messages.

2 Approach

2.1 Engagement complexity

The level of complexity for this engagement activity is defined as ‘high impact – LGA wide’. That means that the issues will have a real or perceived impact across the whole LGA. The issue has the potential to create controversy and has a high level of potential community interest.

2.2 Levels of engagement

The level of engagement is defined from the IAP2 Spectrum of Public Participation in the following figure. This spectrum outlines the level of engagement required depending on the purpose and desired outcome of the project.

Figure 1 IAP2 Spectrum of Public Participation¹

INCREASING IMPACT ON THE DECISION					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

© IAP2 International Federation 2018. All rights reserved. 20181112_v1

© IAP2 International Federation 2018. All rights reserved. 20181112_v1

To meet the assessment criteria for an SRV application, Council must:

1. Demonstrate that the **need and purpose** of a different rate path for the council's General Fund is clearly articulated and identified in council's Integrated Planning and Reporting (IP&R) documents.
2. Evidence that the **community is aware** of the need for and the extend of a rate rise.
3. Show that the **impact on affected ratepayers** is reasonable
4. Exhibit, approve and adopt the relevant **IP&R documents**.
5. Explain and quantify the **productivity improvements and cost containment** strategies in its IP&R documents and/or application.
6. Addressed any other matter that IPART considers relevant.

Council has already exhibited its IP&R documents under criterion three and adopted the LTFP with a proposed SRV option over two years. Council proposes to exhibit the current LTFP as part of the SRV community engagement process.

To meet criterion two, Council would only need to undertake engagement at the "inform" level, but a "consult" level would further demonstrate Council's ability to meet criteria one and four.

¹ International Association for Public Participation (IAP2) Australasia, 2018. *IAP2 Spectrum of Public Participation*. Retrieved from: https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf.

As a result, this community engagement plan is drafted to meet both the **inform** and **consult** levels of engagement. This means that Council will provide the public with balanced and objective information to assist them in understanding the problem, alternative, and preferred solution and to obtain the public's feedback on analysis and alternatives. Council will keep the public informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision made by Council.

2.3 Engagement mechanisms

Given the complexity of the project and proposed level of engagement, the following mechanisms for community engagement are proposed:

- e-newsletters and other email campaigns
- local newspaper notices and media statements
- other printed communication material (e.g. physical newsletter)
- online survey
- Council's online collaboration platform - with submission capability
- information forums - mostly face to face
- social media.

This community engagement will operate in two phases:

1. **inform**: to raise awareness and inform all stakeholder groups of the options being considered
2. **consult**: to seek considered community feedback on these options to inform the Council in their final deliberations on a potential SRV application.

It will also seek to include both push and pull engagement mechanisms in each phase:

- push mechanisms will actively get information from the Council into the public, for example – media releases, e-newsletters, newspaper notices, surveys
- pull mechanisms will provide places and resources that members of the public can seek out to further inform themselves or provide feedback, for example – website, events.

The proposed mechanisms to be used for this engagement are outlined in the table below.

Table 2 Engagement mechanisms

Mechanism	Phase of consultation	Push or pull mechanism	Reach (stakeholder groups)
Media releases	Inform	Push	All
Newspaper notices	Inform	Push	All
E-mail/conventional mail out	Inform	Push	Can be targeted for different groups
E-newsletter	Inform	Push	All
Media interviews	Inform	Push (where	All

Mechanism	Phase of consultation	Push or pull mechanism	Reach (stakeholder groups)
		requested by local media)	
Online engagement platform	Inform and consult	Pull	All
Reference materials for Council call centre and customer service teams	Inform	Pull	All
Face-to-face and online forums	Consult	Push	All
Online survey	Consult	Pull	All
Pop up information stalls	Consult	Pull	All
Social media	Inform	Push	All

These external community engagement mechanisms will be coupled with internal communications to inform all staff about the proposed SRV options and process and provide them with information to direct questions from members of the public that may arise in their day-to-day interactions. This will include:

- a manager's briefing pack
- all staff meeting
- information for frontline staff
- email updates to all staff.

2.4 Roles and responsibilities

The roles of councillors, Council officers and Morrison Low in the engagement process are defined in the table below.

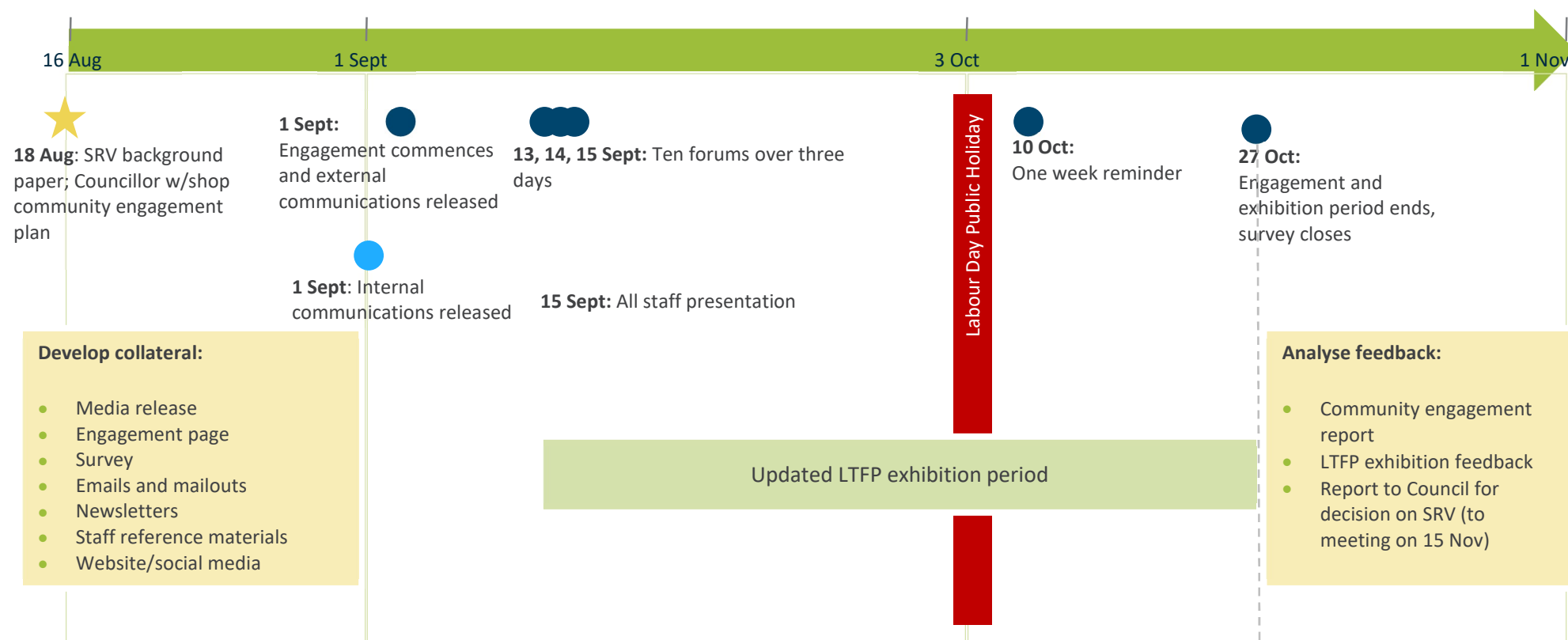
Table 3 Roles and responsibilities

Role	Responsibility
Morrison Low	<ul style="list-style-type: none"> Develop background paper Facilitate public forums Project manage the community engagement process Prepare report on community engagement outcomes
Junee communications and engagement team	<ul style="list-style-type: none"> Develop material for the various written mechanisms Publish and release materials in line with this community engagement plan, including internal communications Coordinate focus group meetings Capture and record community feedback Monitor and review community engagement outcomes, recommend adjustments to the plan as required
Junee executive and management team	<ul style="list-style-type: none"> Brief staff on SRV options, process and community engagement activities
Junee councillors	<ul style="list-style-type: none"> Review community engagement plan Participate in media interviews and public forums, where required
Junee general manager	<ul style="list-style-type: none"> Endorse community engagement plan, approve any adjustments to community engagement process as required Participate in media interviews and public forums, where required

2.5 Timeline

The high-level timeline, with key milestones, is mapped out in the figure on the following page. Further detail on tasks and dependencies is provided in the supporting action plan.

Figure 2 Community engagement timeline



3 Action plan

Table 4 Action plan

Ref	Action	Responsible	By when	Dependency
1.	Community consultation on an SRV adopted in the Delivery Program.	Council		
2.	Prepare and finalise SRV content/background paper.	Morrison Low		1
3.	Release general communication on the Council's decision to proceed to consultation on the SRV and councillor briefing session (18 August 2022).	GM/Director		1
4.	Draft copy for website(s), newsletters, e-mails, social media, briefing packs, FAQs and physical collateral. Exhibit LTFP document.	Communications team		1
5.	Develop online survey form for council website	Morrison Low		1
6.	Develop reference material for call centre and customer service staff.	Communications team		1
7.	Establish engagement webpage.	Engagement team		4
8.	Schedule ten public forums (over three days) - three village evening sessions. Day sessions - JBT, NSW Farmers, three – Junee/Old Junee residents, one - service clubs (Rotary Lions etc), one - all staff.	Engagement team		4
9.	Approve all content for community engagement.	GM/Director		4, 5, 7
10.	Brief managers on SRV process.	GM/Director		7
11.	Release internal communications via staff news.	Communications team		7
12.	Brief call centre and frontline staff (providing reference materials).	Communications team		7

Ref	Action	Responsible	By when	Dependency
13.	Engagement webpage available to the public.	Communications team		7, 10
14.	Release media statement.	Communications team		10
15.	Publish community newsletters, e-newsletters and newspaper notices with SRV details.	Communications team		10
16.	Schedule and manage any media interviews requests.	Communications team		15
17.	Facilitate forums.	Morrison Low		9, 10, 15
18.	Close engagement, exhibition of updated LTFP and survey and gather all community feedback.	Communications team		
19.	Analyse survey results and draft community engagement report.	Morrison Low		20

3.1 Measures of success

A final community engagement report will be produced to document the outcomes of the engagement process, and also to clarify the extent to which the community engagement activities reached all relevant stakeholder groups. Measures to understand the level of reach and participation in the engagement process will include:

- attendance at forums
- SRV related inquiries through customer service
- number of unique survey responses
- number of submissions on the SRV proposal
- number of page 'clicks' to the engagement site.

Where feasible, measures of success would also include documenting key demographics of participants to ensure that it is both representative of the Junee community and engagement activities have reached groups that can sometimes be hard to reach, such as young people, seniors, culturally and linguistically diverse (CALD), people with disabilities and LGBTQI+.

4 Key messages

The key messages for the community should clearly communicate what is not negotiable and what aspects are open for community feedback to inform the decision-making process.

Non-negotiables include:

- the legislative requirement for the Council to employ sound financial management principals
- the current core deficits in the Council's base case scenario need to be addressed, targeting small surpluses over time to ensure the ongoing financial sustainability of the Council.

Community feedback is sought to understand:

- the level of special rate variation required to ensure financial sustainability.

In order to support these key messages and the development of collateral for the community engagement activities, a background paper will be developed on the SRV, outlining the need for and analysis of the financial impact.

In addition to this background paper, key messages in any community communications and collateral will include:

- how community members can seek further information or have their questions answered
- how community members can provide their feedback on the SRV increases proposed
- what to expect after the community engagement activity is completed, including IPART's public submission and assessment process.

4.1 Frequently asked questions

A set of frequently asked questions (FAQs) and their responses will be developed for this engagement process. While every effort is made to ensure that this is a complete list of FAQs at the commencement, these questions will be regularly reviewed and updated throughout the engagement process.

The below is a starting list of the questions we expect to develop for the FAQs:

- How does Council work out what rates to charge each resident?
- How will the 2023 general revaluation impact my rates?
- What is a base rate?
- What is an ad-valorem?
- How will the proposed special rate variation impact my rates?
- Why do we need an increase to our rates?
- What is the alternative to the proposed rates increase?
- What action has Council taken to address its financial situation?
- Can staff be more efficient to help keep our rates lower?
- Can't you get more funding from other levels of government to help pay for things?
- What is the annual operational budget for the Junee Shire Council?
- Who is IPART and what do they do?

Should a common issue be highlighted during the engagement process it could be added to the FAQ's list.

5 Monitoring and risk

5.1 Monitoring

During the consultation process, the level of engagement will be monitored by Morrison Low and the Council's communications and engagement team.

Any proposed adjustments to the plan will be approved by the general manager before implementation.

5.2 Risk assessment

The table below documents the key risks associated with this community engagement. The risk ratings are assessments of the residual risk after the documented risk responses are implemented.

Table 5 Risk assessment

Risk	Risk response	Residual likelihood	Residual consequence	Residual risk rating
Engagement doesn't meet IPART assessment criteria.	Engagement plan and activities analyse and integrate requirement to meet criteria.	Low	Medium	Low
Impact on ratepayers of raising rates at a time of increasing inflation and cost of living pressures.	Clearing quantifying the impact of the SRV on average rates across all categories. Outlining the measures taken to find efficiencies and cost savings within council operations before considering the SRV.	Medium	Medium	Medium
Timing of rates increase close to next local government election.	Key messages on the Council's obligation for sound financial management principles and need to for the SRV.	Medium	Medium	Medium

Appendix B Background paper

Junee Shire Council

The Special Rate Variation

Introduction

Morrison Low Consultants has been engaged by Junee Shire Council ('Council') to model a special rate variation (SRV) and analyse its impact on the financial sustainability of the Council's Long-Term Financial Plan (LTFP).

The Local Government Act requires councils to apply sound financial management principles of being responsible and sustainable in aligning income, expenses and infrastructure investment, with effective financial and asset management performance management. The objectives are to:

- achieve a **fully funded operating position**
- **maintain sufficient cash reserves**
- have an appropriately **funded capital program**
- **maintain its asset base** 'fit for purpose'
- have adequate resources to meet ongoing **compliance obligations**.

These objectives are the foundation for sound financial management and a financially sustainable council that has the financial capacity to deliver the services to its community over the long term.

Current situation

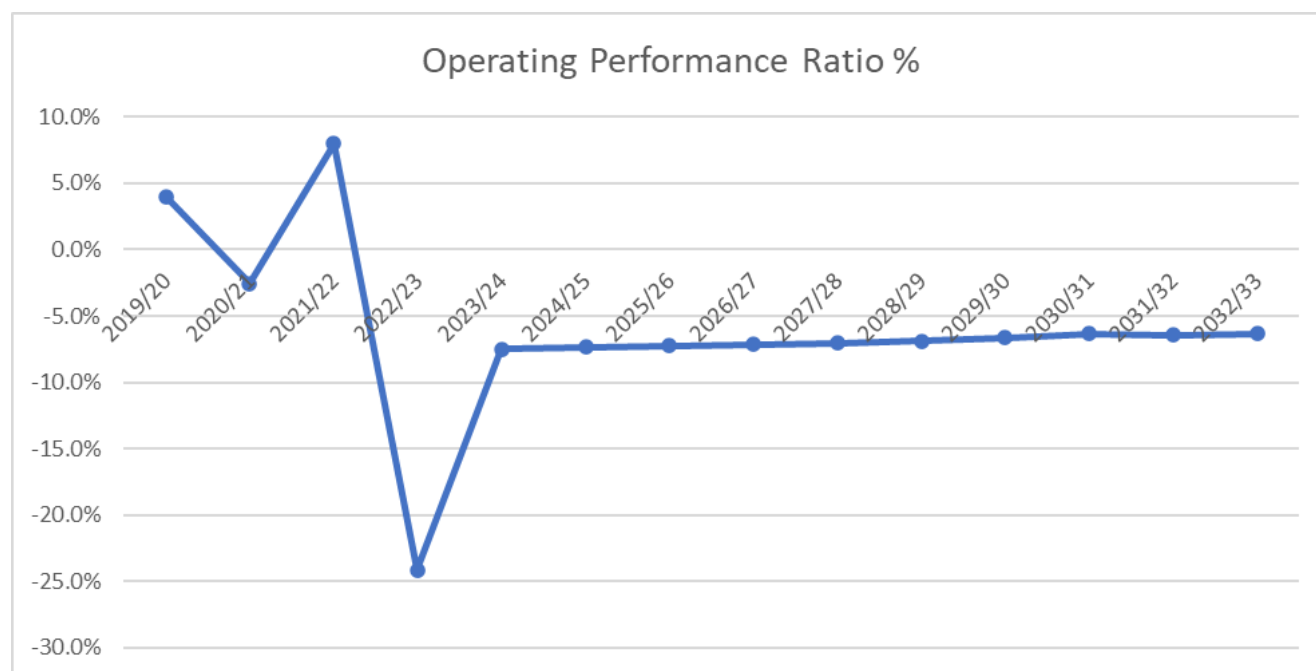
The Council must achieve a fully funded operating position, reflecting that Council collects enough revenue to fund operational expenditure and depreciation.

Council's consolidated operating position is generally in deficit and tends to worsen the further we look into the future.

Council will have insufficient money for any additional services and will not fully fund its Capital Works Program over the ten years. It will need to reduce its high level of services in areas such as parks and gardens and the recreation centre to support a fully funded Capital Works Program.

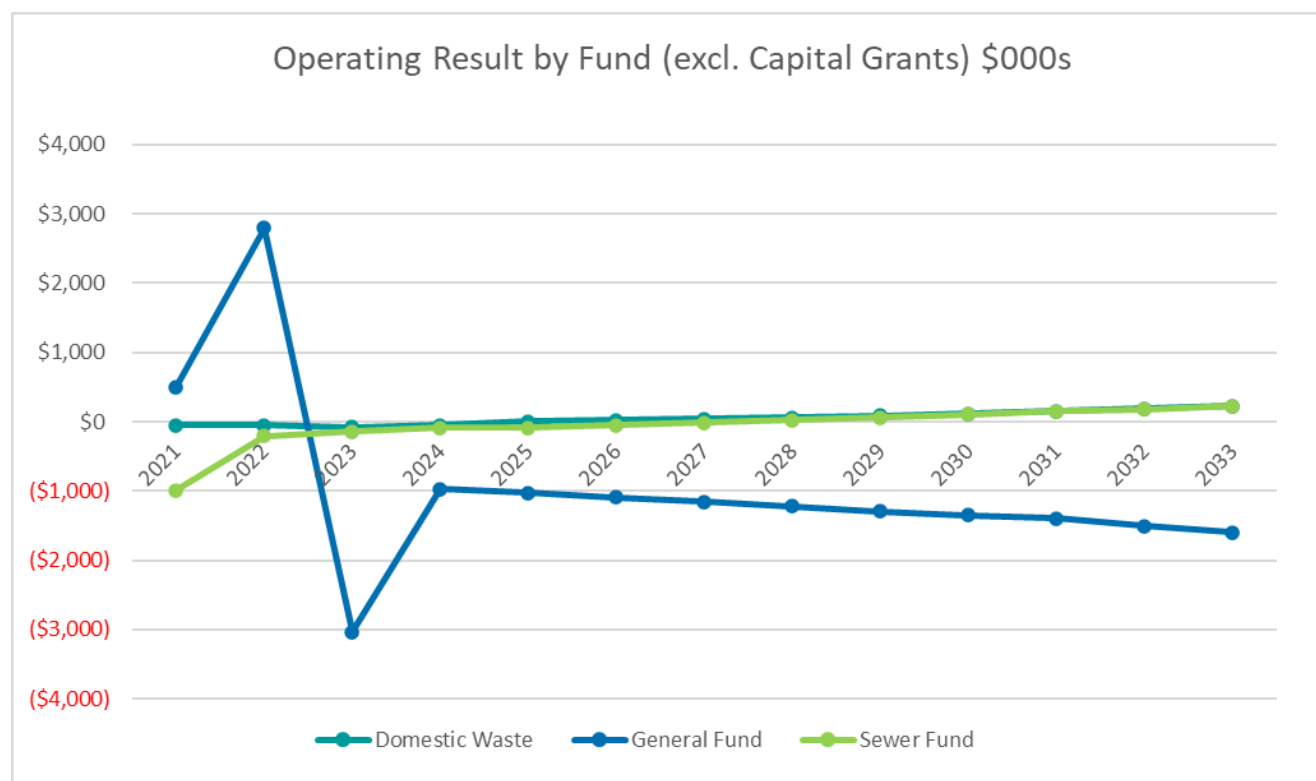
The following graph shows the consolidated operating performance ratio over the term of the LTFP. As the ratio remains negative, this indicates an unsustainable position.

Figure 1 Projected base case consolidated operating performance ratio as per Junee Shire Council's 2023-33 Long Term Financial Plan



Council has three funds, a Domestic Waste Fund that finances Council's waste management services, Sewer Fund that provides sewer services and a General Fund that finances all the other services that Council provides. While there are surpluses projected for the Domestic Waste and Sewer Funds, these partly offset the core deficits that remain in Council's General Fund.

Figure 2 Projected base case operating results by fund as per Council's 2023-33 Long Term Financial Plan



Core deficits in the General Fund have developed over time, as a result of growing costs outpacing revenue growth and additional compliance and governance costs, including the internal audit program (ARIC), Emergency Service Levy, election costs and cyber security/modernisation of systems/fraud prevention.

A higher level of some services is having a direct impact on Council's financial position. Council's rural road network has a high percentage of sealed roads at 57% when compared to other groups' 10 council average of 28%. Council also provides exceptional recreation and cultural amenities, particularly in the areas of sporting fields, heated swimming pool and parks and gardens.

Continued General Fund deficits restrict Council's ability to respond to community expectations for continuation of current services and improved asset conditions. In its 2022-26 Delivery Program, Council identified this issue and flagged the need to consider an SRV to address it. It committed to consulting with the community on any potential SRV before making a final decision to apply.

For planning purposes, the Delivery Program and Operational Plan allows for a proposed Special Rate Variation (SRV) commencing in 2023/24. The amount of the SRV has been set at 15% in the first year and 10% in 2024/25. This is in addition to the allowable rate cap amount which is estimated at 2.5%. The primary purpose of the SRV is to ensure Council's Long Term Financial Sustainability, as well as maintaining service levels and enabling Council to undertake a viable Capital Works Program

Community consultation regarding the proposed SRV will occur between August and December 2022.¹

Financial sustainability and asset renewals with a special rate variation

Services and assets that Council wants to provide

Council has reviewed its services and asset renewal requirements. As part of the services review, Council has decided not to continue providing family day care services. This is expected to save \$113,000 per year. However, Council still requires additional revenue to continue the delivery of all other services at the current levels.

Council has also identified the need for additional funding of \$250,000 per year for the renewal program for buildings, parks and gardens, playgrounds, recreation and stormwater assets.

For Council's General Fund to be financially sustainable over the longer term, there is need to address the annual ongoing deficit estimated at \$1.0 million in 2023/24 increasing to \$1.6 million in 2031/32.

Savings that Council has made and plans to make

Over the past four years, Council has worked hard at identifying and implementing savings and productivity improvements. These cost retention actions have enabled Council to continue to deliver the current suite of services and assets. The savings and improvements are incorporated in the base case cost structures. These improvements have included:

- LED lighting (street lighting) - savings ~ \$30,000 per year
- LED lighting (buildings) - commencing implementation
- automated irrigation system - efficiency gains
- green power energy - smart metering implemented

- FBT savings ~ \$40,000 per year
- reduction in passenger vehicles - five vehicles ~ \$100,00 per year
- extending the life of heavy plant
- increase in fuel tax credit rebates - savings of \$50,000 per year
- review vacant positions to gain efficiencies - short term
- reduce debt by \$2 million over two years - saving \$80,000 per year
- condition based asset maintenance - based on need, not program (efficiency)
- internal borrowings resulting in savings of \$25,000 per year
- reduced leave liability.

Council recently completed the review of the family day care service and has decided not to continue providing this service. The service has been discontinued with Council helping the existing educators to transition to another service. This has generated a saving of \$113,000 per year which is included in the scenario two option – SRV case. Into the future, Council has developed a service review program for the next four years,² and implementation of the Renewable Energy Action Plan. It is expected that the outcome of these reviews will deliver further productivity improvements with very minimal savings.

What is a special rate variation?

New South Wales has a rate capping regime in place. Each year, the Independent Pricing and Regulatory Tribunal (IPART) sets a “rate peg”, which is the maximum percentage increase in total rates that all are allowed to implement. If a council needs to increase rates by more than the rate peg, it must apply to IPART for an SRV.

Almost all NSW councils will be faced with having to apply for a special rate variation at some point. There are two types of SRVs:

- A temporary SRV for a fixed amount over a fixed period of time
- A permanent SRV for a fixed amount that remains in the rate base.

When a temporary SRV expires, rates return to the original level at the conclusion of the approval period.

Temporary SRVs are usually approved to fund specific one-off projects, such as significant infrastructure projects. As Junee Shire Council is looking to deliver current service levels, uplift the ongoing renewal of assets and address the core deficit in the General Fund, a permanent SRV is required. Permanent SRVs can be implemented over up to seven years.

What SRV is proposed for Junee Shire?

To achieve financial sustainability and to be able to deliver the current services and improvement to asset condition, Council requires a cumulative rate increase of 32.19% over two years, this includes the expected rate peg increases that Council would have otherwise increased rates by. This represents a cumulative increase of 26.5% over and above the rate peg, a breakdown of the proposed rate increase is provided on the following page.

Table 1 Proposed rate increases

	2023/24	2024/25	Cumulative
Permanent increase above the rate peg	15.0%	10%	26.50%
Rate peg	2.5%	2.5%	5.06%
Total increase	17.5%	12.5%	32.19%

IPART determines the annual rate peg that councils receive each year, based on the increase in cost of a selection of goods and services that NSW councils purchase. This calculation looks back over the past year of cost increases and applies the rate peg to the next financial year. The 2023-24 rate peg was based on cost increases associated with the revised rate peg for 2022-23. The rate peg increases for 2023-24 and 2024-25 have been estimated at 2.5%. However, this year, annual inflation is currently projected to be approximately 5%, which will have an impact on the rate peg increase for 2023-24. Further details on these assumptions are outlined in Council's updated Long Term Financial Plan.

This special variation will produce additional revenue of \$1.2 million over two years, which will be used to fund the service delivery and asset renewals as detailed previously.

What do these proposed changes mean for ratepayers?

The impact on an individual's rates will be different depending on the unimproved land value of their property. From 1 July 2023, changes as a result of the general revaluation undertaken by the Valuer General will also come into effect.

The following table provides an indication of the annual and weekly increase likely to be experienced by the average land value for each rating category. The increases include the estimated rate peg of 2.5%.

Table 2 Weekly increase in rates

	2023/24 average annual rate	2023/24 weekly increase	2024/25 average annual rate	2024/25 weekly increase	Cumulative weekly increase over the two years
Farmland on land value of \$1,179,000	\$3972.00	\$ 11.38	\$4468.50	\$ 9.55	\$ 20.92
Residential - Town on land value of \$62,300	\$1082.87	\$ 3.10	\$1218.22	\$ 2.60	\$ 5.70
Residential - Rural and Village on land value of \$95,200	\$ 871.57	\$ 2.50	\$ 980.52	\$ 2.10	\$ 4.59
Business - Town on land value of \$89,800	\$3143.91	\$ 9.00	\$3536.90	\$ 7.56	\$ 16.56
Business on land value of \$52,300	\$1286.37	\$ 3.68	\$1447.17	\$ 3.09	\$ 6.78

How do my rates compare to other councils?

Council's rates are relatively competitive when compared to other similar and neighbouring councils. In 2024-25, the estimated average Junee Shire residential rate will be \$1,126. Of the 23 groups, 10 Councils, 14 Councils have successfully applied for an SRV over the past ten years. The following table shows how this compares to other councils. The Office of Local Government groups councils with similar councils, the following table shows how Junee Shire's average residential rate compares to some other group ten councils and immediate neighbours.

Table 3 2024/25 projected average residential rate

Rank	Council	Avg rate (2024-25)
1	Bland	\$ 1,376
2	Wagga	\$ 1,252
3	Junee	\$ 1,126
4	Cootamundra/Gundagai	\$ 1,103
5	Liverpool Plains	\$ 962
6	Narrandera	\$ 738
7	Narromine	\$ 711
8	Temora	\$ 697
9	Coolamon	\$ 427

In 2024-25, the average Junee Shire Council business rate is estimated to be \$2,843, the following table shows how this rate compares to other similar and neighbouring councils.

Table 4 2024-25 average business rate

Rank	Council	Avg rate (2024-25)
1	Wagga	\$ 6,756
2	Narromine	\$ 3,144
3	Junee	\$ 2,843
4	Cootamundra/Gundagai	\$ 2,608
5	Temora	\$ 1,609
6	Narrandera	\$ 1,336
7	Bland	\$ 1,285
8	Liverpool Plains	\$ 1,229
9	Coolamon	\$ 458

In 2024-25, the average Junee Shire Council farmland rate is estimated to be \$4,468, the following table below shows how this rate compares to other similar and neighbouring councils.

Table 5 2024-25 average farmland rate

Rank	Council	Avg rate (2024-25)
1	Liverpool Plains	\$ 5,613
2	Junee	\$ 4,468
3	Cootamundra/Gundagai	\$ 4,448
4	Narromine	\$ 4,433
5	Narrandera	\$ 4,025
6	Bland	\$ 3,303
7	Wagga	\$ 3,156
8	Temora	\$ 2,440
9	Coolamon	\$ 2,207

How will the increase impact Council’s ongoing financial sustainability?

The proposed special rate variation will enable Council to deliver current services and improved assets to the community, while becoming financially sustainable in the longer-term. It will also enable Council to address its ongoing core deficits in the General Fund, ensuring Council is more resilient and responsive to shocks and unexpected events in the future.

Council can deliver consolidated surpluses with the SRV and address the core deficits in the General Fund, which finances all services and infrastructure except for domestic waste and sewer operations. Without the rate increase, there is also no ability to increase services and an increased risk of a growing asset backlog.

The special rate variation will ensure Council’s ongoing financial sustainability with surpluses in both the consolidated operations and in the General Fund.

Figure 3 Projected growth scenario (including SRV) consolidated operating performance ratio as per Junee Shire Council’s 2023-33 Long Term Financial Plan

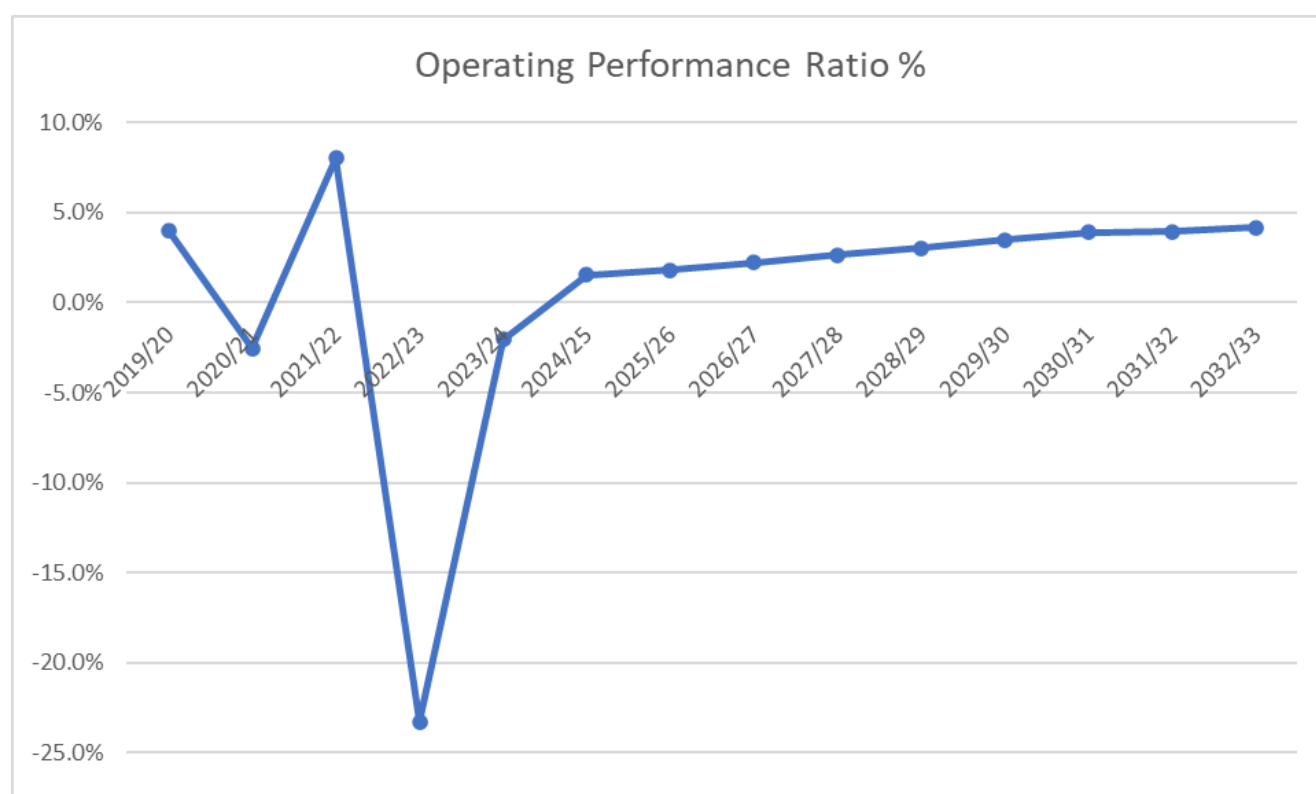
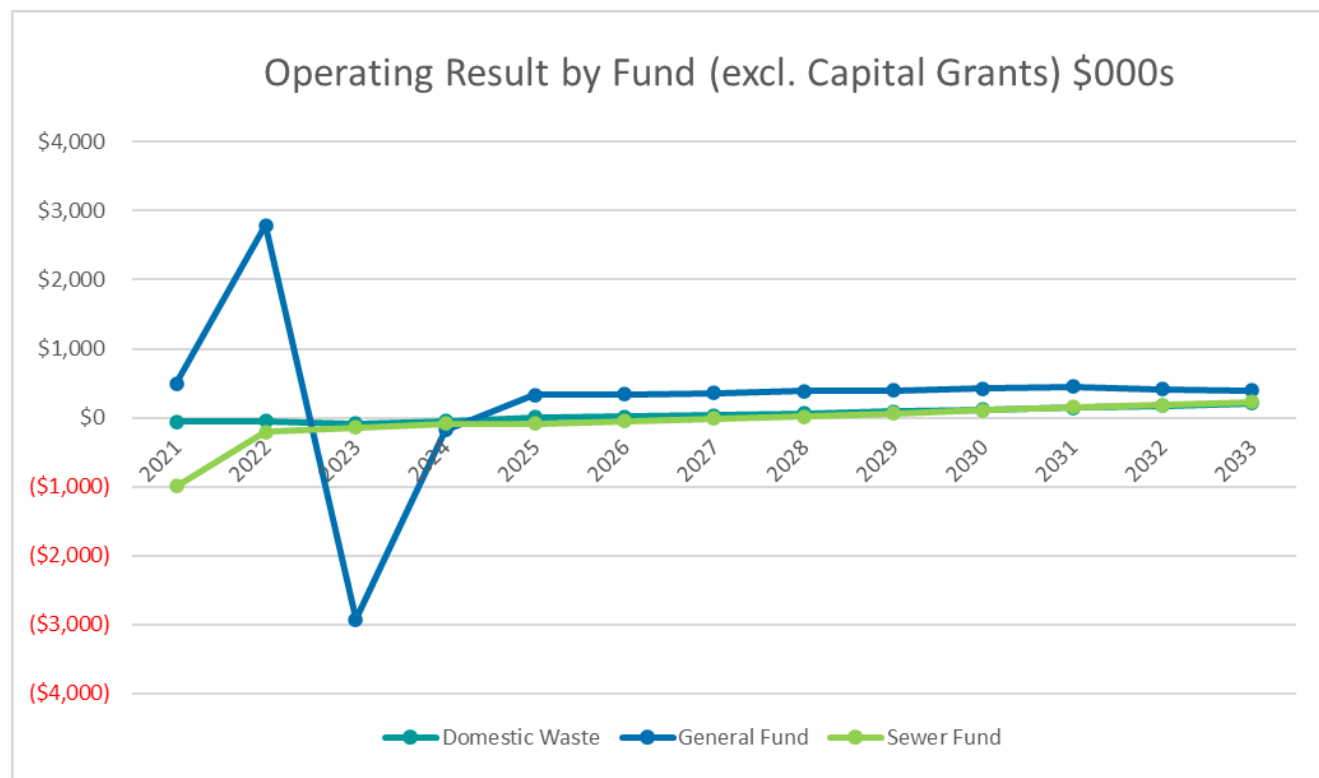
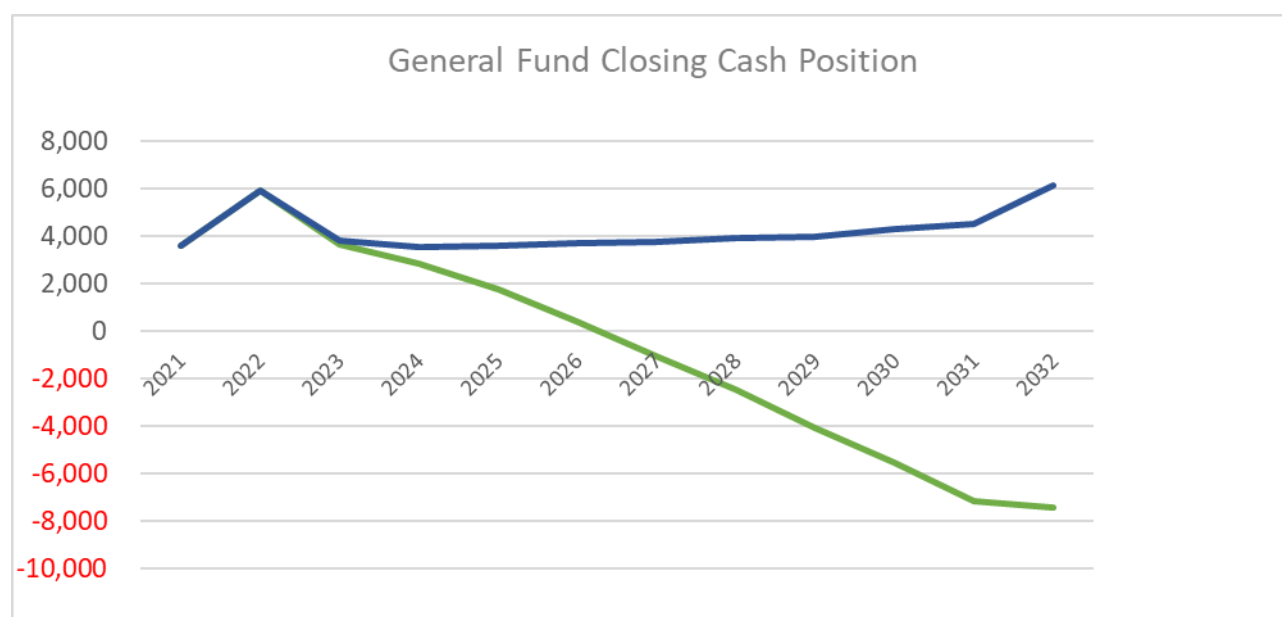


Figure 4 Projected SRV case scenario (including SRV) operating results by fund as per the 2023-33 Long Term Financial Plan



The estimated cash position of Council’s General Fund for both scenarios is detailed below. It is evident that under the base case scenario, with ongoing operating deficits, Council is expected to run out of cash in 2026. However, the SRV option generates operating surpluses that sustain and improves Councils position. At the same time, this option allows for additional asset renewal funding.

Figure 5 Projected cash positions for base case and SRV option scenarios for the 10-year forecast period



Council has updated its Long Term Financial Plan to show the impacts of both the base case (no SRV) and the SRV case scenario (including the SRV). This is out for exhibition now and is available here: [\[link provided when established\]](#)

What is the process for Council to apply for an SRV?

Council must apply to IPART for approval to increase rates through an SRV. Before doing so, Council must demonstrate that it has engaged the community about the possibility of an SRV and has considered its views. IPART will also seek community feedback.

More information on SRVs can be found on IPART's website:

<https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Special-Variations>.

Where can I get more information?

From 5 September, more information on the proposed SRV is available from Council's website at the following link: [\[link provided when established\]](#)

Council will also be including information on the proposed SRV in its regular newsletters and to the media. We will also be running a number of forums for the community to find out more and to ask questions as follows:

Table 6 Community forum dates

Date	Time	Location	Invitees
Tues 13 Sept 2022	7:30am	Athenium	All staff
Tues 13 Sept 2022	10:00am	Athenium	Open meeting
Tues 13 Sept 2022	2:00pm	Bethungra Tea Rooms	Open meeting - invite RFS
Tues 13 Sept 2022	6:00pm	Athenium	Open meeting
Wed 14 Sept 2022	9:00am	Athenium	Invite service clubs
Wed 14 Sept 2022	1:00pm	Athenium	Open meeting
Wed 14 Sept 2022	6:00pm	Wantabadgery Hall	Open meeting - invite RFS
Thurs 15 Sept 2022	7:30am	Junee Library	Junee Chamber of Commerce
Thurs 15 Sept 2022	2:00pm	Old Junee	Open meeting
Thurs 15 Sept 2022	6:00pm	Illabo Tennis Club	Open meeting - invite RFS

Have your say

Council will seek feedback from the community on the SRV and its updated Long Term Financial from 5 September to 20 October 2022.

You can have your say by providing a submission or comment through Council's website: [\[link provided when established\]](#)

What happens after this?

Once the community consultation period concludes on 20 October 2022, Council will review the feedback received.

A report will then go to Council for their consideration of the feedback and any updates required to the LTFP. Council will decide whether to proceed with the SRV application.

If they decide to proceed with the SRV application, the application will be submitted to IPART in February 2023. IPART will conduct its own consultation, with public submissions likely to be sought in March 2023, before they make their determination in May 2023. If successful, the SRV will be included in rates from 1 July 2023.

About Morrison Low Consultants

Morrison Low is a multidisciplinary management consultancy specialising in providing advice to local government. It has extensive experience across Australia and New Zealand and in particular assisting councils with financial modelling to understand current and future sustainability challenges. Morrison Low has supported councils to become more sustainable through improvement programs and with preparing special rates variation applications to IPART where necessary. Morrison Low undertakes community engagement on behalf of councils relating to SRVs, rates harmonisation, integrated planning and reporting and statutory engagement processes, where independence is important. More information about Morrison Low can be found on our website: www.morrisonlow.com.



Appendix C Community engagement presentation



Special Rate Variation Community Meetings

Junee Shire Council

September 2022



Introduction

- Welcome
- Who are Morrison Low?
 - We are a local government focused management consultancy with expertise in helping councils address sustainability challenges.
 - Morrison Low have independently reviewed Junee Shire Council's financial position and modelled options to close the financial gap to become more sustainable.
- Purpose for today:
 - To inform you of the Special Rate Variation (SRV) and the reasons for it.
 - To provide you with an opportunity to ask questions to understand the challenges facing council and the reasons for the SRV.
 - By the end of this meeting you should be more informed to form and express your views on the SRV.

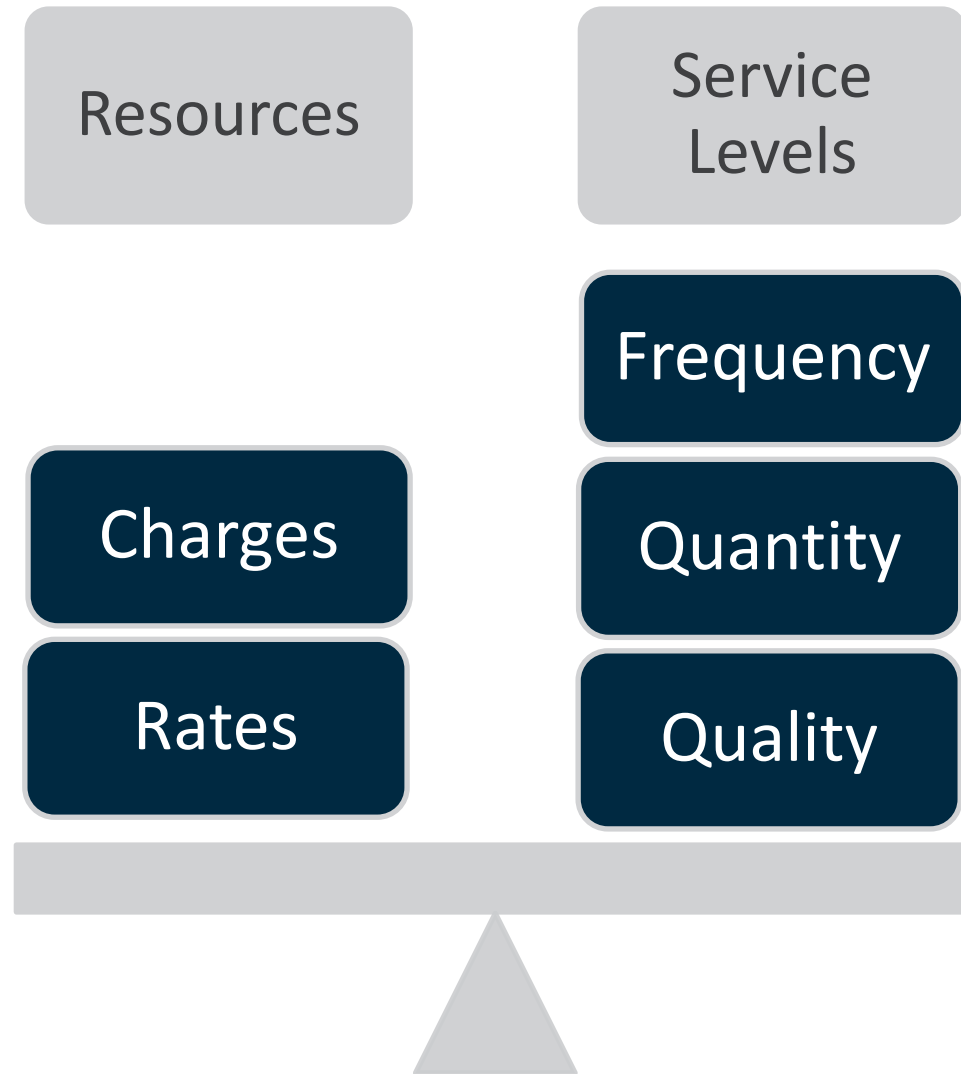
Today's process

- Presentation on the Council's current financial position, the proposed SRV and the impact on average rates.
- Opportunity to ask questions at the end of the presentation.
- This forum will cover:
 - Council's current financial position.
 - The proposed SRV and what it will be used to fund.
 - Impact on average rates.
 - The SRV process and next steps.
- This forum is not intended to:
 - Review Council's Delivery Program or Community Strategic Plan.
 - Make a decision on whether to apply for the SRV.

Council must be financially sustainable

- The Local Government Act requires councils to apply sound financial management principles
 - S8(b) of the Act - Council spending should be responsible and sustainable, aligning general revenue and expenses.
- This includes:
 - achieving a **fully funded operating position**
 - **maintaining sufficient cash reserves**
 - having an appropriately **funded capital program**
 - **maintaining its asset base** 'fit for purpose'
 - having adequate resources to meet ongoing **compliance obligations**.
- **Not negotiable** - failure to meet these obligations can lead to NSW Office of Local Government intervention.

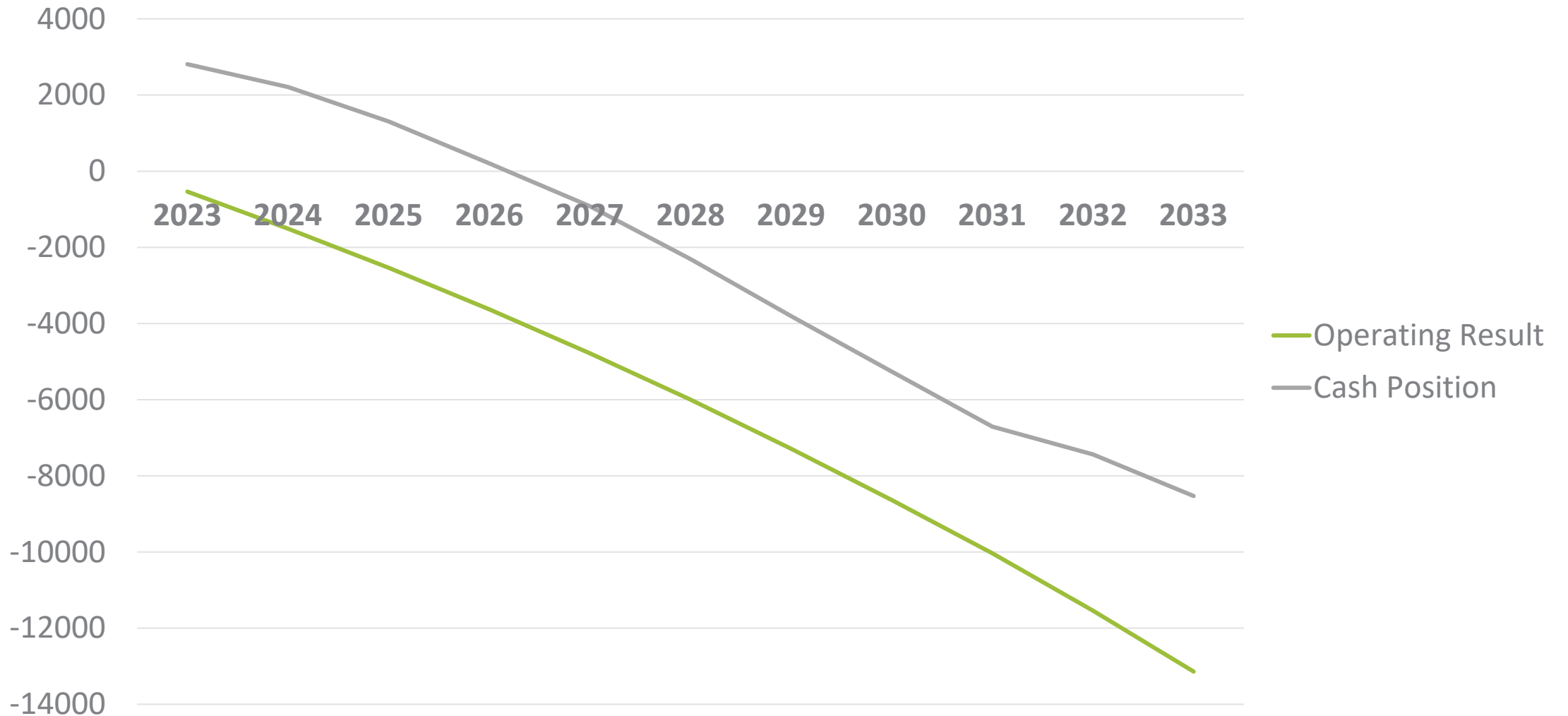
Balancing services and resources



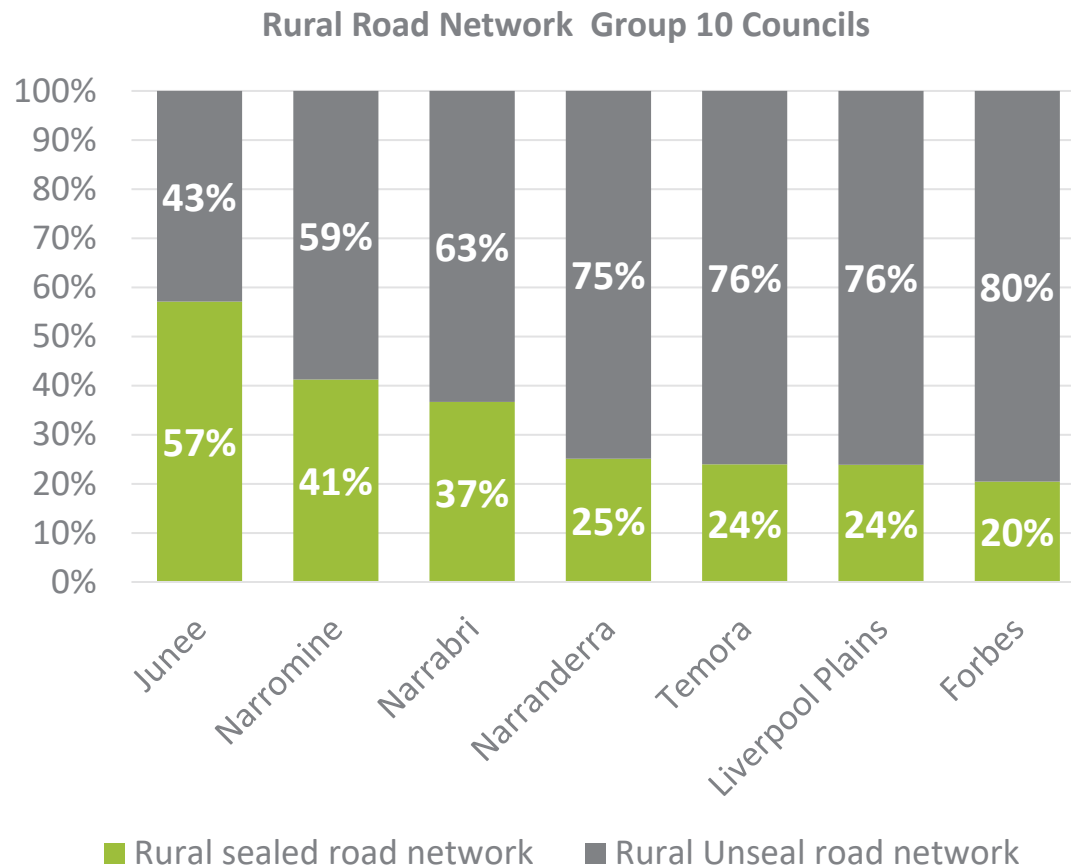
Council's current financial position

- This process is only concerned with the General Fund rates.
- Over the last three years, the net operating result for the General Fund has declined from a surplus of \$630k for 2019/20 to an ***estimated*** deficit of **\$538k** for 2022/23.
- Under spending on asset renewal expenditure ~ at \$590k per year
- Morrison Low's analysis indicates a 10-year funding gap for general fund in the order of \$13.1 million (average \$1.2million p.a.) as shown below.
- Inadequate cash for General Fund

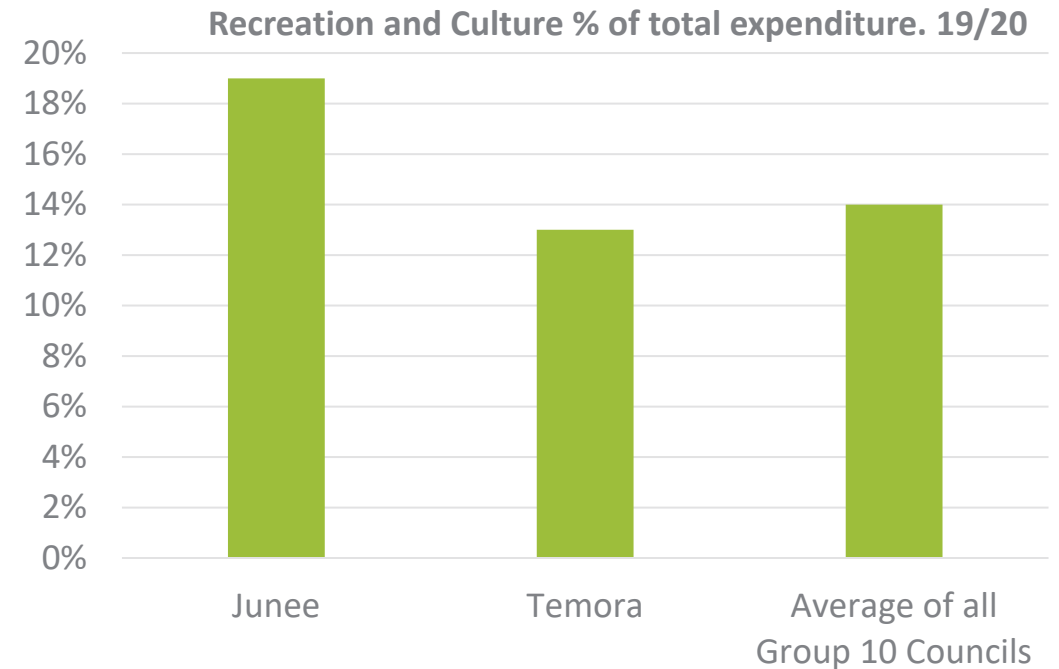
General fund – funding and cash gaps



Impacts on Council sustainability



Junee Shire Council's rural road network has a high percentage of sealed roads 57% compared to other group 10 council average of 28%.



Council Recreation and Culture spending as a percentage of overall expenditure are higher when compared to other group 10 councils.

Council provides excellent recreation and cultural amenities, particularly in the areas of sporting fields, heated swimming pool and parks and gardens.

Impacts on Council sustainability cont.

- Following are cost implications of increased compliance burdens that have been included into Council's base case operating cost structure:
 - ARIC - internal audit program using external/internal resources ~ \$150k pa.
 - RFS contributions (Emergency Service Levy) increase over 2021 - \$110k pa.
 - Election costs - over 100% increase ~ \$35k.
 - Cyber security/modernise systems/fraud prevention ~ \$150K pa.

Journey so far

- Identified and implemented savings.
- Continuing with improvement program to drive efficiencies – no significant savings.
- Absorbed additional compliance costs.
- Considered further service reductions and fee increases.
- Developed three potential sustainability options.
- Determine the preferred option for community consultation.

Sustainability improvements implemented

Improvements implemented and savings included:

- LED lighting (street lighting) ~ savings \$30k pa.
- LED lighting (buildings) commence implementation.
- Automated irrigation system – efficiency gains.
- Green power energy – smart metering implemented.
- FBT savings ~ \$40K pa.
- Reduction in passenger vehicles - 5 vehicles ~ \$100k pa.
- Change in vehicle specifications – reduced capital cost.
- Extending the life of heavy plant.
- Increase in fuel tax credit rebates saving \$50k pa.
- Review vacant positions to gain efficiencies – short term.
- Reduce debt by \$2m over two years ~ saving \$80k pa.
- Condition based asset maintenance – based on need not program (efficiency).
- Internal borrowings – saving \$25k.
- Reduced leave liability.

Sustainability improvements considered

Sustainability improvements	Suggestions	Potential impacts
Reduce services/levels	<ul style="list-style-type: none"> P&G service reduce maintenance \$200K Reduce roads operating and asset maintenance expenses \$170K Library, recreation centre - future service review Develop service plans 	<p>Cost of reduce service level</p> <p>Change in service levels</p>
Increased fees and charges	<ul style="list-style-type: none"> Recreation centre improve recovery costs from 47% to 55% ~ +\$85k pa Review commercial lease +\$30k 	Total fees and charges less RMCC is \$700K 1% ~ \$7K pa
Cease/transfer services	<ul style="list-style-type: none"> Family day service ~ net saving \$113k pa 	Service net cost
Sell assets	Suggestions to be provided	For every \$1m asset value sold ~ \$25K (2.5% for maintenance and depreciation costs)
SRV		1% increase in general rates ~ \$43k per

So the issues for Junee's sustainability

- To a ***fully funded operating position***:
 - Stagnant revenue and increased costs.
 - Costs to fund and operate new assets.
 - Increased compliance costs.
- To ***sufficient cash reserves***:
 - Insufficient reserves to use internal and external cash reserves appropriately.
 - Limited cash build for operation needs.
 - No cash build up to fund asset renewals.

So the issues for Junee's sustainability cont.

- To a ***funded capital program***:
 - Currently Council assets are under funded to sustain assets to required service levels.
 - Partly funded 10 year capital works program.
- To an asset base that is ***'fit for purpose'***:
 - Additional asset renewal expenditure required

Sustainability options considered

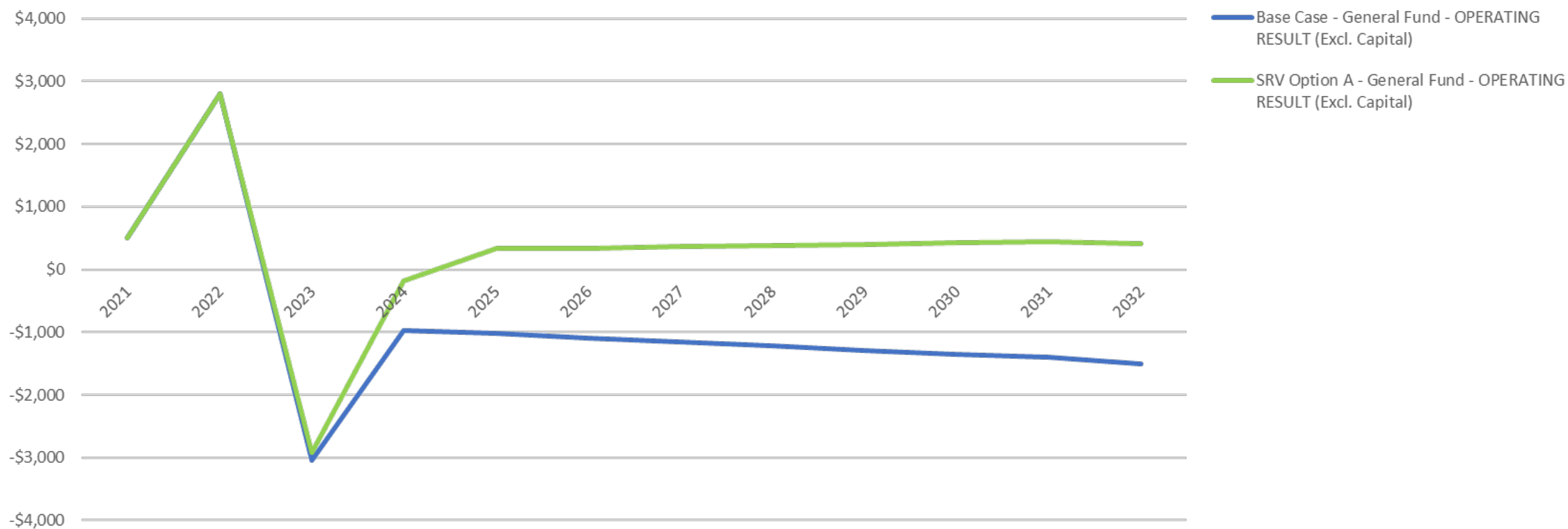
	Option A	Option B	Option C
Closing the gap through: <ul style="list-style-type: none"> asset rationalisation change in service levels stop services increased fees and charges. 	\$113,000 PREFERRED savings over two years from a combination sustainability improvements	\$313,000 proposed savings over two years from a combination sustainability improvements	\$483,000 proposed savings over two years from a combination of sustainability improvements
Increase asset spend <ul style="list-style-type: none"> asset renewal requirements. 	+ \$250k pa	+ \$250k pa	+\$250k pa
Special rate variation (excludes the rate peg of 2.5% which will be in addition)	Plus an SRV of 26.5% compounded spread over 2 years (15% +10%). - 32.19% with RP	Plus an SRV of 22.08% compounded spread over 2 years (12% +9%). - 27.67% with RP	Plus an SRV of 17.6% compounded spread over 2 years (12%+5%). - 23.09% with RP

Why option A

- Community has indicated they don't want services decreased.
- No real capacity to reduce costs.
- Financial sustainability is an industry wide challenge:
 - COVID.
 - Low rate peg increases 22/23 – 0.7% initial then another 1.8%.
 - High inflation environment.
 - Material costs and logistics.
 - Availability of human resources.
- Critical to improve cash position.

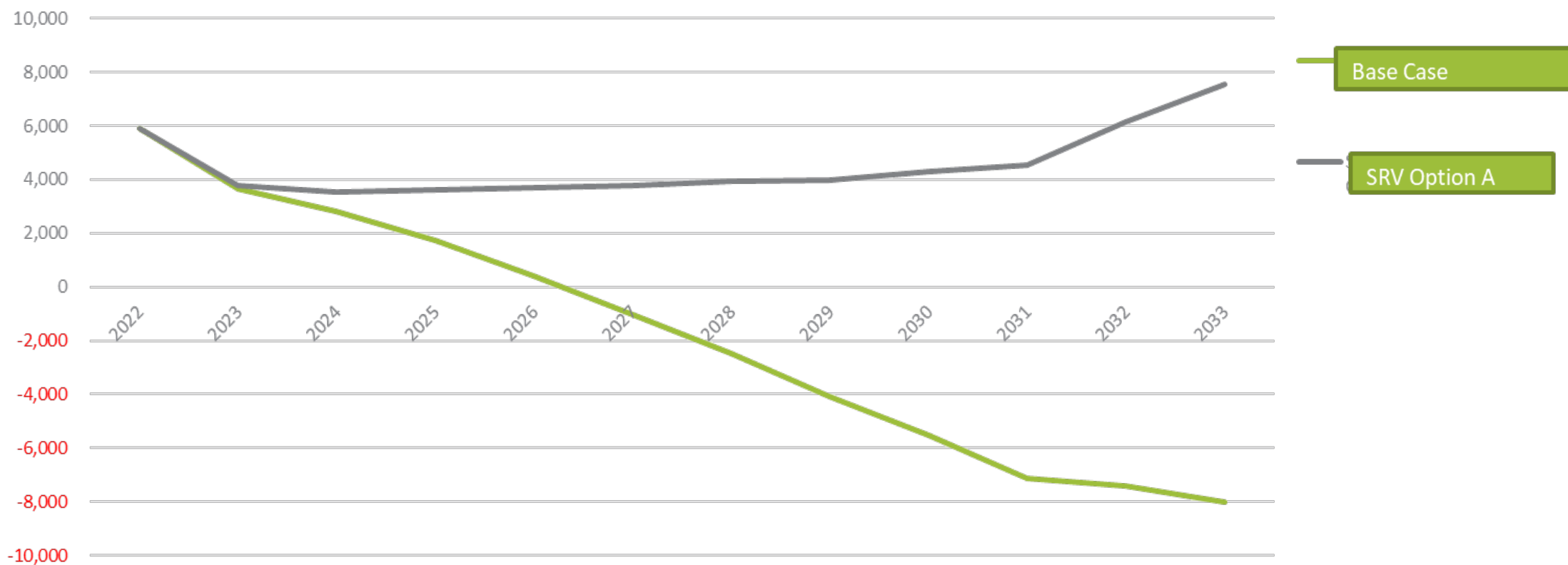
Impact financial position

Operating Result



Cash position – base case and SRV option A

Cash Position



Impact of rate increase including rate peg Preferred Option

	Average Annual Rate 2023/24	2023/24 weekly increase	Average Annual Rate 2023/24	2024/25 weekly increase
Farmland on land value of \$1,179,000	\$3,972.00	\$11.38	\$4,468.50	\$9.55
Residential - Town on land value of \$62,300	\$1,082.87	\$3.10	\$1,218.22	\$2.60
Residential - Rural and Village on land value of \$95,200	\$ 871.57	\$2.50	\$ 980.52	\$2.10
Business - Town on land value of \$89,800	\$3,143.91	\$9.00	\$3,536.90	\$7.56
Business on land value of \$52,300	\$1,286.37	\$3.68	\$1,447.17	\$3.09

Note: a general revaluation will be effective from 1 July 2023 and will also impact the rates that individuals will pay.

Comparison with other councils

Residential

Rank	Council	Avg rate (2024-25)
1	Bland-Grp 10	\$ 1,376
2	Wagga	\$ 1,252
3	Junee	\$ 1,126
4	Cootamundra/ Gundagai	\$ 1,103
5	Liverpool Plains-Grp 10	\$ 962
6	Narrandera- Grp 10	\$ 738
7	Narromine- Grp 10	\$ 711
8	Temora	\$ 697
9	Coolamon	\$ 427

Farmland

Rank	Council	Avg rate (2024-25)
1	Liverpool Plains- Grp 10	\$ 5,613
2	Junee	\$ 4,468
3	Cootamundra/ Gundagai	\$ 4,448
4	Narromine- G 10	\$ 4,433
5	Narrandera- Grp 10	\$ 4,025
6	Bland	\$ 3,303
7	Wagga	\$ 3,156
8	Temora	\$ 2,440
9	Coolamon	\$ 2,207

Business

Rank	Council	Avg rate (2024-25)
1	Wagga	\$ 6,756
2	Narromine- Grp 10	\$ 3,144
3	Junee	\$ 2,843
4	Cootamundra/ Gundagai	\$ 2,608
5	Temora	\$ 1,609
6	Narrandera- Grp 10	\$ 1,336
7	Bland	\$ 1,285
8	Liverpool Plains- Grp 10	\$ 1,229
9	Coolamon	\$ 458

Summary

- Council needs to improve its financial position to be sustainable into the future
- Council can only improve its cash position if surpluses are achieved.
- Council will now comply with the principles of financial sustainability.
- Council will be able to:
 - maintain and deliver current service levels
 - maintain and renew the community's assets to the required standard
 - create sufficient funds over the long term to be financially sustainable
 - better respond to changes in the community or national economy.

Next steps

Phase 1: SRV preparation

- project kick-off
- integrated LTFP model
- AMS and AMPs
- improvement plan
- capacity to pay
- SRV content and scenarios
- Council and staff reviews

Phase 2: community engagement

- engagement plan program and activities
- community engagement
- community engagement report

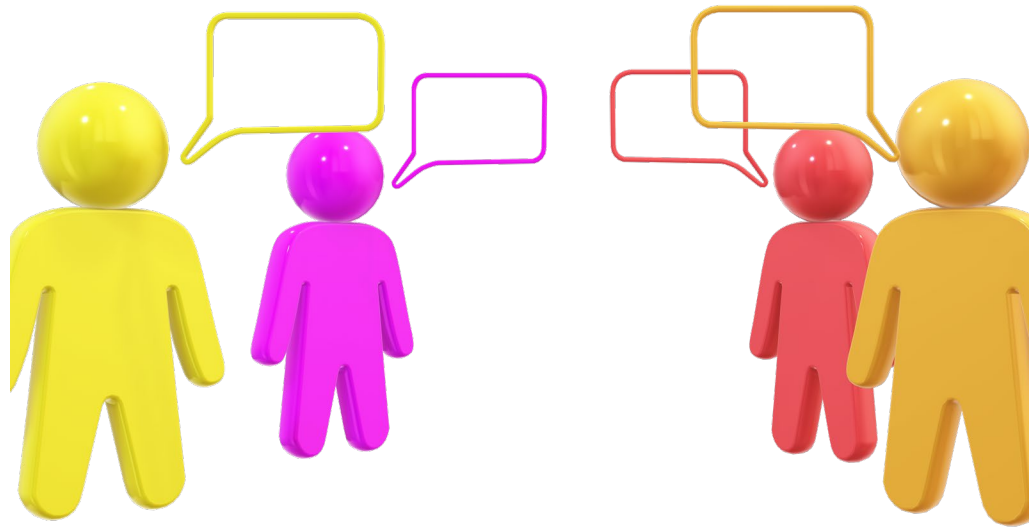
Phase 3: SRV application

- final LTFP scenarios and aligned AMPs
- prepare SRV application
- review and submit SRV application

Next steps cont.

- **Where can you find more information?**
 - Website link
- **Where can you express your views?**
 - Address submissions as 'Submission SRV'
 - By email: council@june.nsw.gov.au
 - By post: June Shire Council, PO Box 93, Junee 2663
 - Drop-off: Junee Administration Building, 49 Belmore Street, Junee
- **Key date**
 - Submissions close midnight on Thursday 27 October 2022.

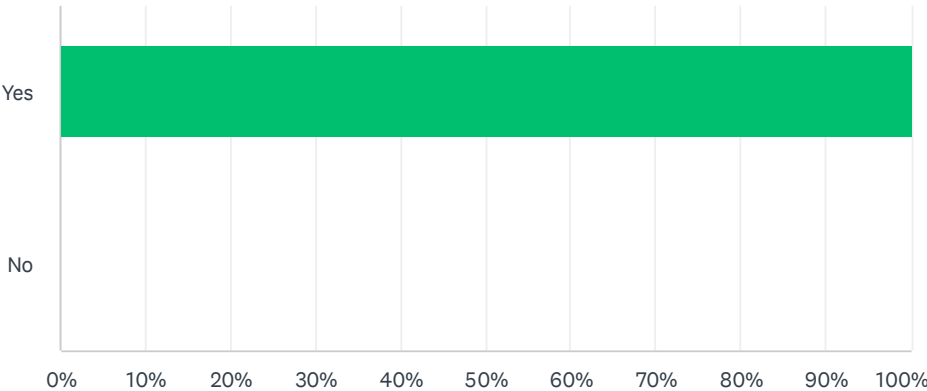
Questions?



Appendix D Online survey summary

Q1 Would you like Council to be and remain in a strong financial position?

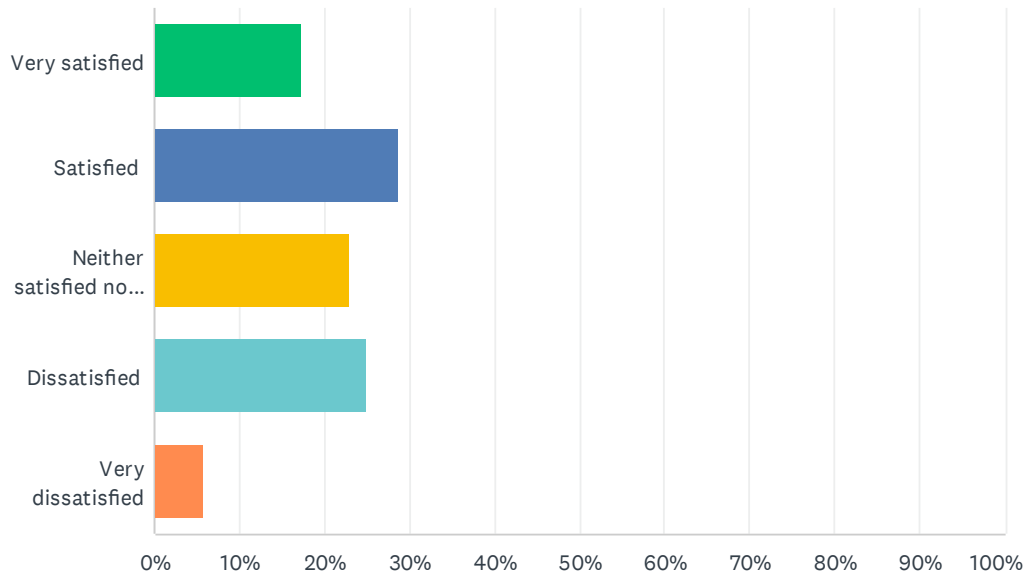
Answered: 52 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	52
No	0.00%	0
TOTAL		52

Q2 How satisfied are you with the standard of maintenance of Council infrastructure (for example roads, footpaths, bridges, buildings, parks)?

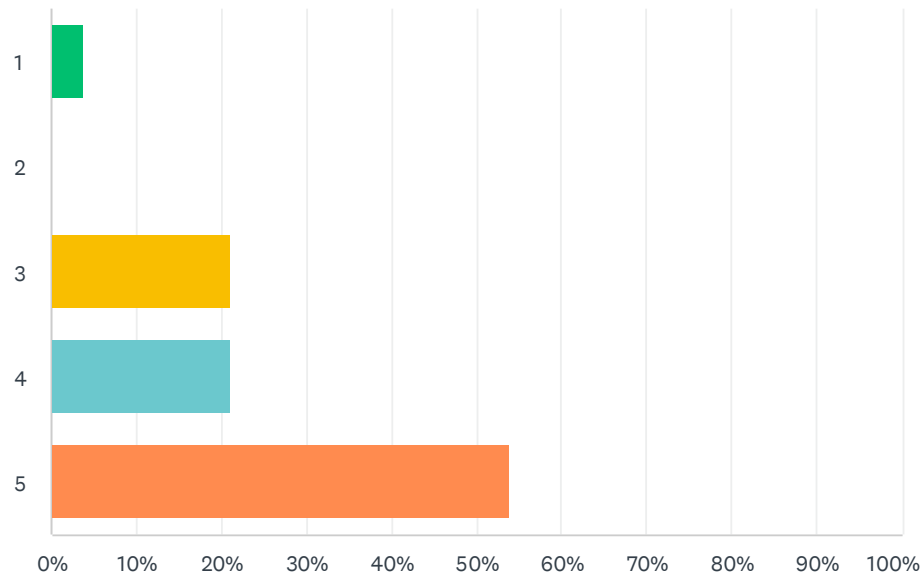
Answered: 52 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very satisfied	17.31%	9
Satisfied	28.85%	15
Neither satisfied nor dissatisfied	23.08%	12
Dissatisfied	25.00%	13
Very dissatisfied	5.77%	3
TOTAL		52

Q3 On a scale of 1-5 (with 1 being not important at all and 5 being very important), how important is it, to you, for Council to maintain current levels of service?

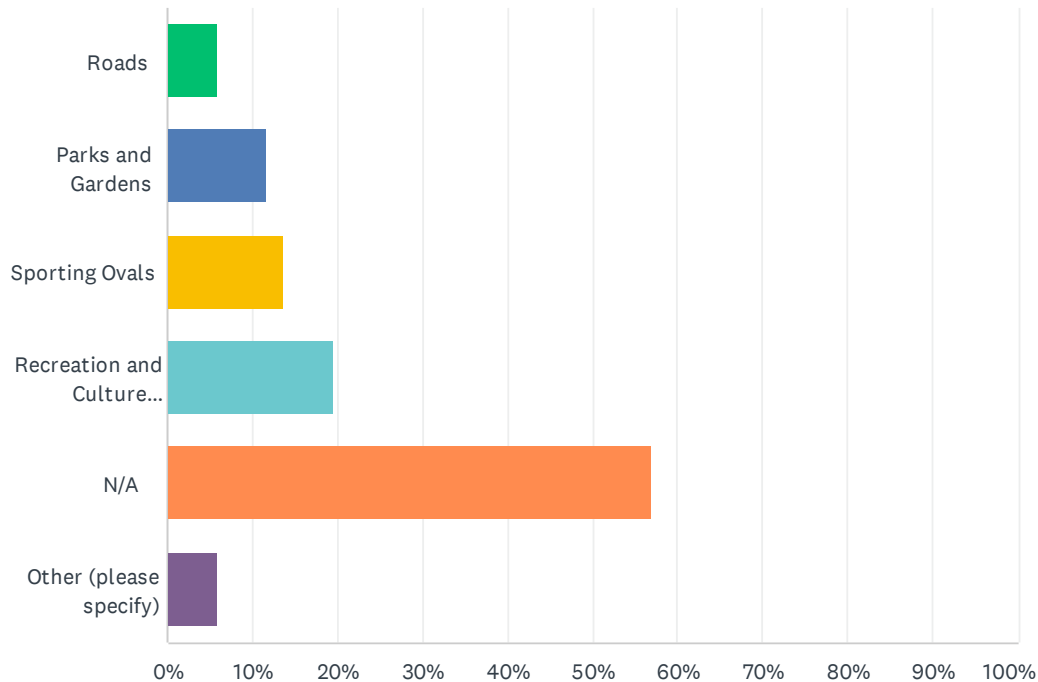
Answered: 52 Skipped: 0



ANSWER CHOICES	RESPONSES	
1	3.85%	2
2	0.00%	0
3	21.15%	11
4	21.15%	11
5	53.85%	28
TOTAL		52

Q4 If not important (rating 1 or 2), please indicate what Council services you recommend could be reduced or cut?

Answered: 51 Skipped: 1

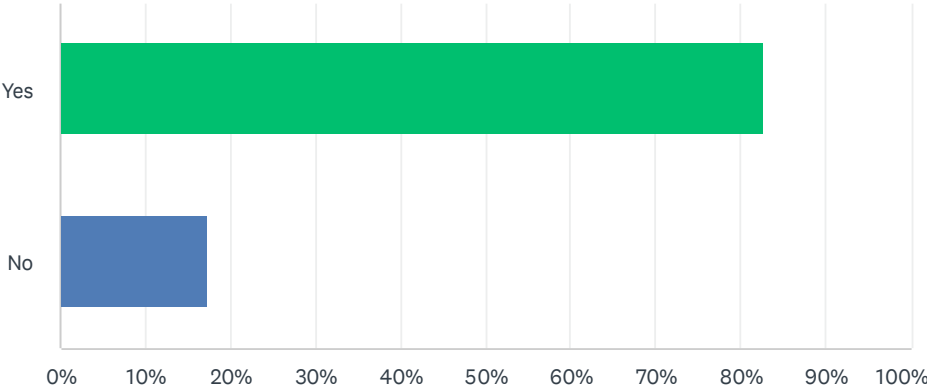


ANSWER CHOICES	RESPONSES	
Roads	5.88%	3
Parks and Gardens	11.76%	6
Sporting Ovals	13.73%	7
Recreation and Culture (Recreation Centre, Library, Athenium Theatre)	19.61%	10
N/A	56.86%	29
Other (please specify)	5.88%	3
Total Respondents: 51		

#	OTHER (PLEASE SPECIFY)	DATE
1	Do we really need that many roses	10/28/2022 5:14 PM
2	Scrap organic bins & let people take green waste to tip for free	10/19/2022 2:59 PM
3	Athenium is a luxury at this stage	10/17/2022 3:39 PM

Q5 Have you reviewed any information provided to you by council in relation to the Special Rate Variation (SRV) (letter, website, social media, or attended an information session).

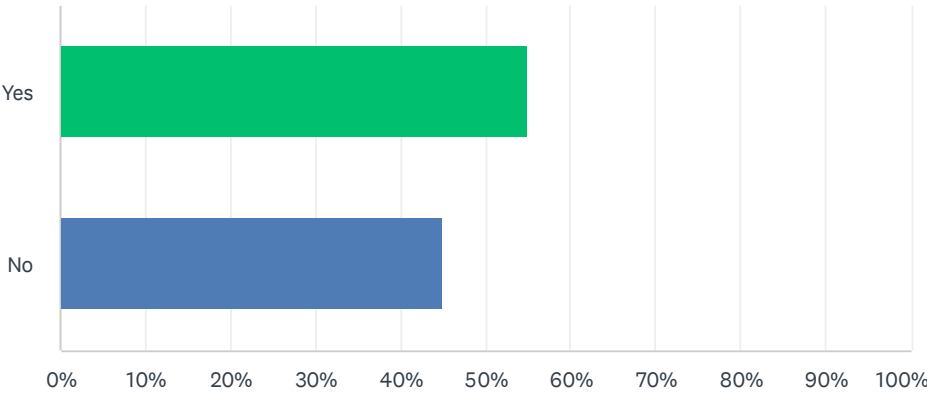
Answered: 52 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	82.69%	43
No	17.31%	9
TOTAL		52

Q6 Do you believe Council has provided adequate information and consultation on the proposed SRV?

Answered: 49 Skipped: 3



ANSWER CHOICES		RESPONSES	
Yes		55.10%	27
No		44.90%	22
TOTAL			49

Q7 Is there any additional information you would like to provide?

Answered: 27 Skipped: 25

#	RESPONSES	DATE
1	The state of the road potholes continues to be a great concern. Filling in with constant wet weather is inefficient and expensive when mainly trucks continue to rip out the "fill". No doubt a state wide problem but it lets down all the other great services.	11/1/2022 6:51 AM
2	all services listed above are important but as roads fall apart & become less traficable those not living in town won't be able to get to town to see parks, gardens, library, athenium or sporting venues. Its time to have a good look around and prioritise spending..	11/1/2022 6:47 AM
3	The council would save money if it didn't pay its workers to sit around twice a week looking after the roses on the roundabout and down the street and when it comes to the roads (potholes) just spraying them is not going to work as they seen to do it then it rains and washes away Our rates are already enough maybe if the council take a pay cut might help instead of making us home owners pay more in rates	10/28/2022 5:14 PM
4	I believe council has weighted the questions to its own advantage. Rather than raise rates, council should be seeking ways to save money eg. monitor contractors and staff to ensure that they are productive. Council should not be paying contractors for providing multiple civil machines on sites whilst only having one operator .	10/27/2022 4:23 PM
5	Walking paths need to have better drainage so elderly people can walk safely on paths so as not to discourage them from exercising, eg scoccer park path going to John's Potts Drive	10/27/2022 4:18 PM
6	I believe council should be looking at ways to reduce expenses and cutting waste rather than cutting services and increasing charges. I believe we should use local contractors where ever possible however they also need to be competitive and Council needs to manage their efficiency. Council also needs to maintain a high level of staff efficiency and monitor their productivity.	10/27/2022 1:40 PM
7	Inadequate information provided by mail/post to Rate Payers. Financial basis for SRV not provided directly to ratepayers. Lack of clarity about term of SRV weather it is a one off or ongoing increase.	10/27/2022 12:38 PM
8	Sell Athenium or transfer to another organisation. IS LIBRARY WORTH THE COST TO RUN?	10/19/2022 2:59 PM
9	Fix the roads not the parks and gardens	10/19/2022 2:54 PM
10	1. The millions of dollars spent on maintenance is only for the up keep of wages. 2. Information for SRV was good, consultation was bad 3. \$30,000 - payrise made to yourself... 4. \$\$ cost of Morrison Low to tell you this?? 5. \$\$ deficit costing includes New Park, redoing the grass at footy oval. These are not on-going cost. They are 1 off major charges. 6. If roads were done properly, the cost of patching constantly is reduced	10/19/2022 2:01 PM
11	Why are there so many staff in offices in Belmore street while there has been a reduction in outdoor numbers?	10/19/2022 12:49 PM
12	PLEASE REVIEW DRAINAGE OF RAINWATER... IT GUSHES VERY FAST AND STRONG ALONG MANY STREET AND IN THE DOG PARK	10/19/2022 12:47 PM
13	Speaking on the sewage in Junee Shire, does this also cover smaller areas around the shire to be cleaned out & fixed regularly with the public toilet areas. For the safety of family's when stopping in the area	10/19/2022 12:43 PM
14	FOR COUNCIL TO BE INVOLVED MORE WITHIN THE SMALLER COMMUNITIES	10/19/2022 12:39 PM
15	I just wish the council would do a little more in the village of Bethungra as requested by myself 3 years ago. by email and personal request at the council chambers.	10/19/2022 12:37 PM
16	1. Please take notice of Public - Look After roads - Lack of Communication 2. What do councillors actually do? 3. Like finances to be more available.	10/17/2022 3:52 PM
17	Got to do it, has to happen, to maintain standards to go ahead.	10/17/2022 3:50 PM
18	Council to stay in a strong financial position but not at the expense of Tax Payers	10/17/2022 3:49 PM

Special Rates Variation

19	Clearer communication to where the rates are currently spent.	10/17/2022 3:48 PM
20	Beautiful Gardens	10/17/2022 3:47 PM
21	Need roads fixed	10/17/2022 3:44 PM
22	ROADS, ROADS, ROADS.....	10/17/2022 3:39 PM
23	Only Dissatisfied with Dirt Roads	10/17/2022 3:38 PM
24	This is a good council.	10/17/2022 3:37 PM
25	I would like to see some investment in beautification, specifically the planting and maintenance of street trees	10/13/2022 2:54 PM
26	Your survey is not questions that explain exactly what you intend to do with an increase e.g. how about a footpath in my street or proper weed control in my back lane instead like Wagga you mainly spend the time in the town centres .	10/12/2022 6:06 PM
27	No	10/4/2022 4:09 PM

Appendix E All submissions received

Submission method	Feedback
Web page	
Email	
Email	
Email	

Submission method	Feedback
Web page	
Social media	
Email	

Submission method	Feedback
Web page	
Web page	
Email	

Submission method	Feedback
Email	
Email	

Submission method	Feedback
Email	
Email	
Email	
Letter	