

Special Rate Variation – Consultation Summary

This consultation summary identifies recurring themes that were raised by the community in their submissions on the proposed Special Rate Variation. This summary should be read alongside the Engagement Report which includes the full submissions.

Submissions were received via Your Voice at <https://yourvoice.qprc.nsw.gov.au/srv>, via email, hard copy in person and through the mail, and in person to customer service representatives.

We received 827 submissions via Your Voice, 270 submissions via email, 15 hard copy

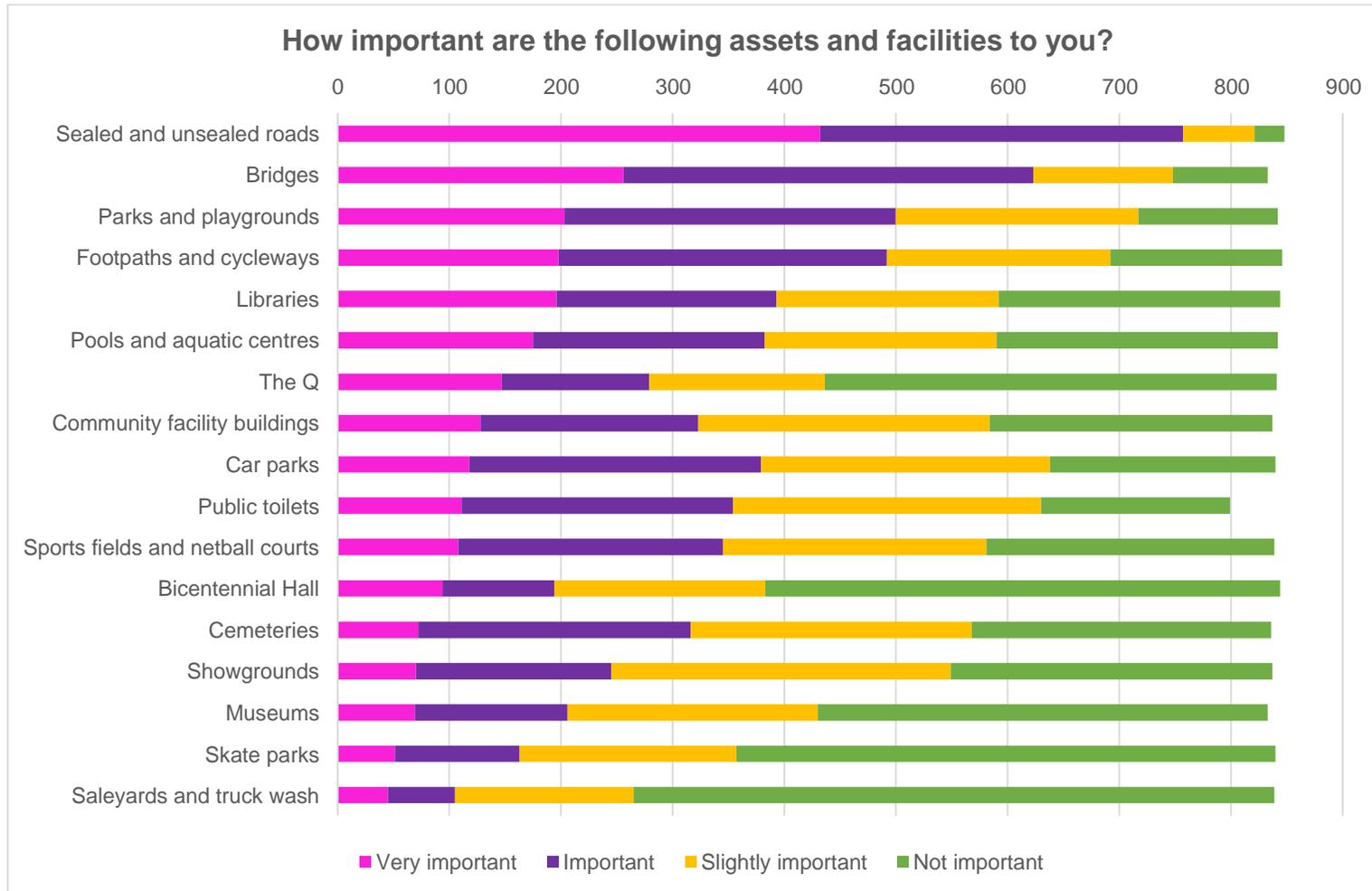
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surveys, 3 hard copy submissions, and 1 in-person comment via customer service.

It should be noted that the purpose of the community consultation was not to act as a referendum to choose the level of special rate variation, but to determine the importance of the services that Council provides and the likely community acceptance of changing service levels or provision of services. Clearly, this is not a straightforward exercise as members of the community who use certain services e.g. pools will find them highly important whilst those who do not use them at all will find them unimportant and disposable. As such, the nature of community comment is that there may be strong representation to keep and improve a service or asset offset by equally strong and opposing views.

This summary is provided to assist Councillors in understanding community views. The position many community members would clearly prefer is to retain services with no SRV. This is not possible.

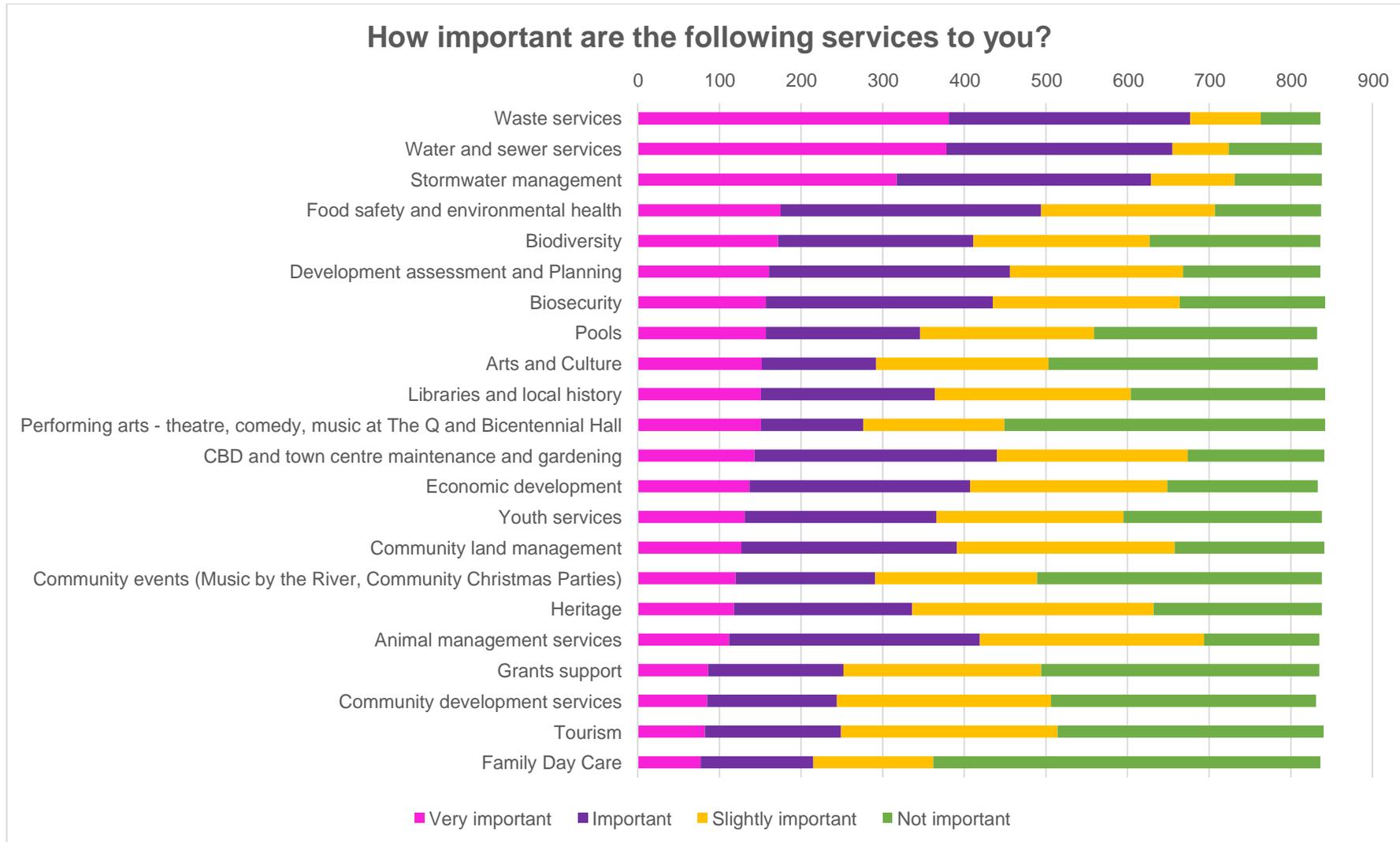
Assets and facilities



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Assets/Facilities	Very important	Important	Slightly important	Not important
Sealed and unsealed roads	432	325	64	27
Bridges	256	367	125	85
Parks and playgrounds	203	297	217	125
Footpaths and cycleways	198	294	200	154
Libraries	196	197	199	252
Pools and aquatic centres	175	207	208	252
The Q	147	132	157	405
Community facility buildings	128	195	261	253
Car parks	118	261	259	202
Public toilets	111	243	276	169
Sports fields and netball courts	108	237	236	258
Bicentennial Hall	94	100	189	461
Cemeteries	72	244	252	268
Showgrounds	70	175	304	288
Museums	69	137	224	403
Skate parks	51	112	194	483
Saleyards and truck wash	45	60	160	574

Services

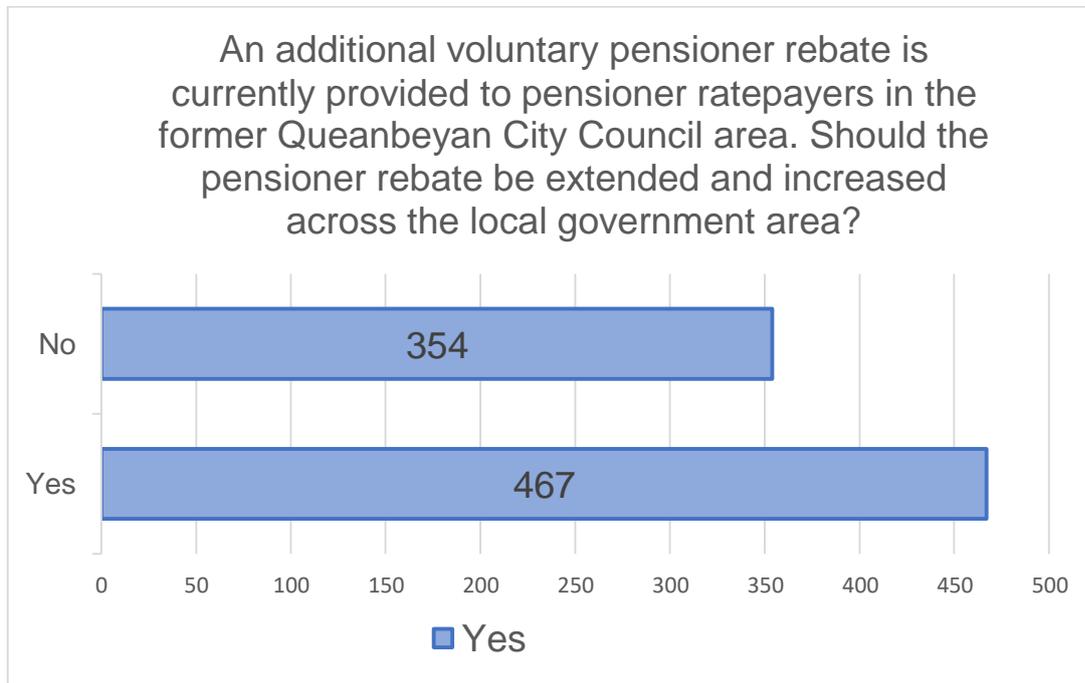


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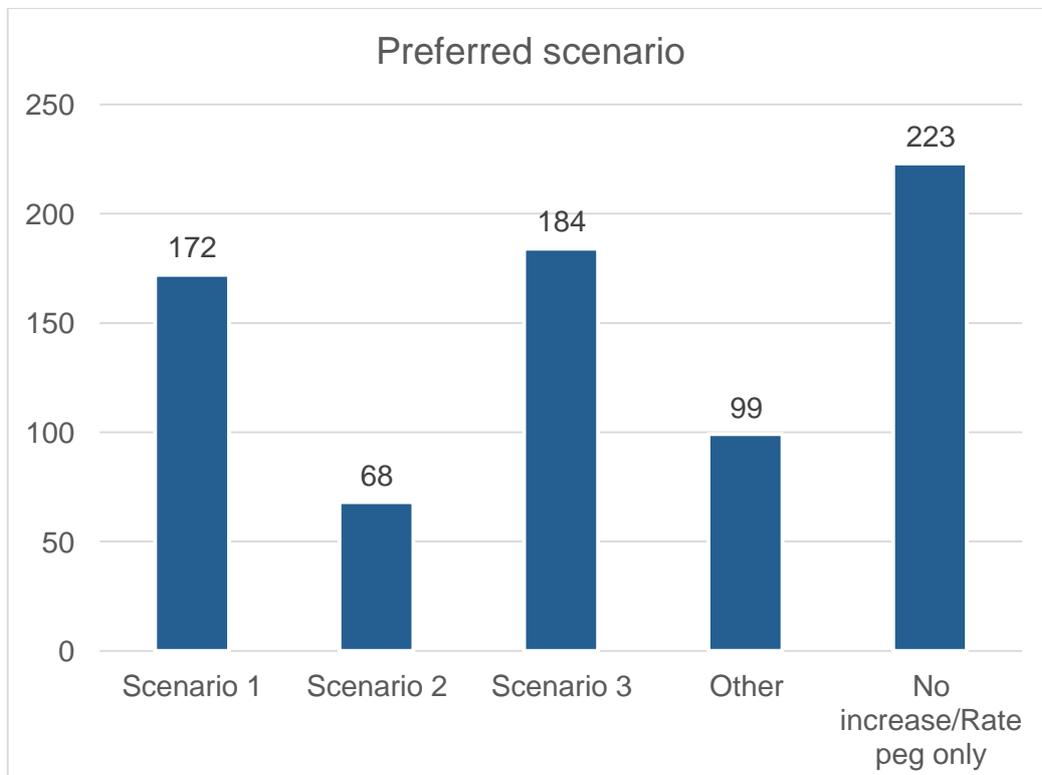


Services	Very important	Important	Slightly important	Not important
Waste services	381	296	86	73
Water and sewer services	378	277	69	114
Stormwater management	317	312	102	107
Food safety and environmental health	175	319	213	130
Biodiversity	172	239	216	209
Development assessment and Planning	161	295	212	168
Biosecurity	157	278	229	178
Pools	157	189	213	273
Arts and Culture	152	140	211	330
Libraries and local history	151	213	240	238
Performing arts - theatre, comedy, music at The Q and Bicentennial Hall	151	125	173	393
CBD and town centre maintenance and gardening	143	297	234	167
Economic development	137	270	242	184
Youth services	131	235	229	243
Community land management	127	264	267	183
Community events (Music by the River, Community Christmas Parties)	120	171	198	349
Heritage	118	218	296	206
Animal management services	112	307	275	141
Grants support	86	166	242	341
Community development services	85	159	262	325
Tourism	82	167	265	326
Family Day Care	77	138	147	474

Pensioner Rebate



Preferred scenario



Themes and Council Response

Question 4, 5 and 6

Questions 4, 5 and 6 were open-field responses. Email or hardcopy submissions were added to the most appropriate open-field question.

Question 4 - 'Are there any services you think Council should change, reduce or stop doing? If so, what are they and how should they change?'. 617 submissions were received.

Question 5 - 'Please provide your comments on the three scenarios and service levels'. 872 submissions were received.

Question 6 - 'Do you have any comments on the draft Long-Term Financial Plan and draft Delivery Program?'. 440 submissions were received.

The following recurring themes were raised in submissions. A Council response to each theme follows.

THEME 1 – General Disagreement

Submissions expressed their general disagreement and dissatisfaction with the three SRV scenarios, the Long Term Financial Plan or the Delivery Program.

Council response:

Comments noted.

THEME 2 – Council services are valued or should increase

Submissions expressed that they did not want any services to be cut, that services were valued, or that there should be an increase in Council services. This included submissions that requested specific services they did not want to cut like keeping The Q, the pools and heritage services. There were also submissions calling for improved roads, and increases to mowing/gardening, library services, tourism/business services, environmental services, playgrounds and recreation, arts services, maintenance, rural and regional services, street sweeping and amenity, and events and activations.

Council response

Feedback noted. Council seeks to provide services that are valued by the community and will be considering all this feedback when conducting service reviews to identify any savings and areas for improvement.

THEME 3 – Review arts, beautification, culture, heritage services

Submissions suggested that Council should reduce or review arts, culture, and heritage services and streetscape improvements. Specifically, some submissions suggested Council should privatise, sell or make The Q cost-neutral.

Council response

Under scenarios 1 and 2, a number of services will need to be cut or radically reduced. Council will be considering all the feedback to help prepare detailed business plans to identify the savings that could be achieved with service reductions.

Under all scenarios, services will be reviewed to identify any savings.

No matter which scenario is adopted by Council, there is an opportunity for The Q to become less reliant on rates and be more able to fund its operations through ticket sales, venue hire and other income streams. There needs to be a good balance so that the service can continue to support emerging artists and be accessible to everyone – but also become more financially secure by reducing its operating deficits.

THEME 4 – Staff, Councillor Costs and Numbers

Submissions suggested that Council should reduce staff and councillor costs, implement a staff freeze, reduce staff or reduce upper management costs.

Council response

Council provides services and maintains community infrastructure and so staff costs are an important part of the budget, making up around 30% of the total operating expense. Our staffing levels remain similar or lower in comparison to other similar councils. In the latest comparison in 2021, there were 6.9 staff members for every 1,000 residents, compared with 9.8 staff per 1,000 residents in similar councils.

Council manages the cost of its workforce through the following strategies:

- We review the services we provide every year and plan ahead for the number of staff that are needed and budgets available. 12 vacant positions were cut from the 2022-23 budget as an emergency budget measure.
- We set a target for the maximum number of employee positions across the entire Council and monitor it annually to ensure efficiencies are monitored and maintained.
- When positions become vacant, we review them to test whether the role is necessary.
- If vacant positions are necessary, we consider whether a trainee or cadet could fill the role instead. This improves the number of qualified people in our region and can be an efficient way to fill vacancies.

In 2019, Council's workforce structure was audited by the NSW Audit Office to check whether it had created savings after the 2016 amalgamation. The auditors found that council had made some good reform and reported on its efficiency savings to Council – and also made some further recommendations to continue with improvements. The report is available here: [Workforce reform in three amalgamated councils | Audit Office of New South Wales \(nsw.gov.au\)](https://www.nsw.gov.au/workforce-reform-in-three-amalgamated-councils)

For non-senior staff, Council is bound by the pay conditions of the Local Government State Award. The Award applies to all councils in NSW and sets the pay increases for roles at Council.

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Councillors are each paid an annual fee of \$25,310, and an additional \$62,510 is paid to the Mayor. Councillor fees are a small impact on the overall budget of Council.

As a large regional council area, we can have between 5 and 13 councillors and we have 11. Under the provisions of the Local Government Act, we would need to conduct a referendum to reduce the number of councillors. If the elected Council do decide to conduct a referendum, it could be held at the 2024 election and would then apply at the 2028 election. It will be important to consider representation levels. We currently have approximately 5,658 people per councillor, in comparison to 4,065 people per councillor in other similar councils.

Remuneration levels for our management and executive staff are comparable with other councils of a similar size.

THEME 5 – Core Services

Submissions suggested that Council should focus on the core services and functions or focus on the essentials.

Council response:

Part of this consultation process was to gain the community's views on what services are important to them. There has been a broad mix of feedback about the services that the community consider important. Council will consider all this feedback when preparing business cases and service reviews, depending on the adopted scenario.

In all scenarios proposed in the rate rise, Council will be using the rate increase for essential asset renewal of \$11m per year from 2024 and onwards for roads, stormwater and buildings.

THEME 6 – Queanbeyan Civic and Cultural Precinct

Submissions suggested that Council should reduce or recoup costs of the Queanbeyan Civic and Cultural Precinct or questioned its construction.

Council response:

Part of the transformation strategy for the Queanbeyan CBD involves bringing more people into the CBD. Building the Queanbeyan Civic and Cultural Precinct has allowed Council to sell several buildings that staff have been working in. Staff have been in 11 different buildings around the CBD. Council sold the properties on Rutledge Street and Crawford Street for \$8m.

Council will receive ongoing lease income, with two floors leased to the NSW Government and a third floor open for commercial rental.

If Council had decided to rent rather than build a new office in Queanbeyan, the annual rent would be a similar cost. The annual expenditure of the building is offset by the tenanted spaces, and once the loan is paid down in 15-20 years' time, the community will own a great asset - with commercial rental returning profits for the ratepayers.

THEME 7 – Cost of living

Submissions suggested that the community cannot afford the proposed rate rise.

Council response:

We understand the cost of living pressures that our community are facing. Cost increases are also faced by Council. Unfortunately, increasing costs is one of the reasons that has contributed to the size of the rate variation that Council has proposed – so that it can continue providing community services.

We have a strong financial hardship policy that supports ratepayers, allowing them to defer payments where they would cause hardship. The policy allows for interest-free payment arrangements for up to two years.

Under Scenario 3, an additional \$100 would also be available for pensioners across QPRC, increasing the total pensioner rebate to \$350 for general rates, and \$525 for general, water and sewer rates.

Under scenarios 1 and 2, the NSW Government pensioner rebate is available, but not the additional \$100 rebate.

THEME 8 – Mismanagement

Submissions suggested Council had been mismanaged in the past or needed better management.

Council response:

Council's financial position is similar to other NSW Councils; as a whole, NSW Local Government General Fund made an operating loss of \$447 million dollars in 2021. There is a culmination of reasons for this, that are laid out in Council's plans, reports and financial statements. Particularly in the long term financial plan and the resourcing strategy.

There are several mechanisms in place to protect ratepayers from mismanagement:

- All Council's management plans and strategies are open and available for public scrutiny. Every plan, strategy and policy decision that Council makes is available for public review and comment.
Council prepares its community strategic plans, operational plans, delivery programs and resourcing strategies to plan for the future. All of the plans are based on community priorities and are available on Council's website.
- All Councils are audited annually by the NSW Audit Office and our financial performance ratios are reviewed by the Office of Local Government. Our most recent audit report is available from page 74 of our financial statements – which are published on our website.
- The Office of Local Government oversees the management of all Councils in NSW and puts guidelines and compliance reporting requirements in place.
- Council has an *Audit Risk and Improvement Committee* (ARIC) that is independent of Council. It is made up of people with relevant knowledge and experience across

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financial management and reporting, auditing, IT, legal, legislative compliance and risk management.

The ARIC has authority to access operational information, interview staff and to request audits on any part of Councils operations. ARIC reports directly to the Council and its charter and the minutes of its meetings are public on Council's website.

THEME 9 – Support for the proposal

Submissions suggested agreement or support for the proposed SRV in Scenario 3 and the Long Term Financial Plan and draft Delivery Program. This is in recognition of the increase in overall operating costs and the fact that Council has been limited in its ability to raise rates over time due to government regulations. This view supports the continuation of all services.

Council response:

Support noted.

THEME 10 – Cut expenses and spending

Submissions suggested cutting expenses and spending before raising revenue or look internally at Council processes.

Council response:

Council has already comprehensively reviewed its operations and expenditures to find cost reductions. It deferred or cancelled projects from the budget in recent years to reduce our costs. We have made \$2.2M in annual merger savings over the last five years by reducing duplicated activities or staff, saved \$457,000 in annual electricity costs by upgrading streetlights with LED lighting, worked with neighbouring councils to negotiate better costs for shared purchases, used pooled development contributions and attracted significant levels of state and federal government grants to fund local community infrastructure. We have reviewed all overtime arrangements and put reduction targets in place, conducted service reviews to identify efficiency savings, and have sold and leased surplus assets to raise additional revenue – including commercial rental of three floors of the new Queanbeyan Civic and Cultural Precinct and the sale of land and buildings in the Queanbeyan CBD for \$8M as a result of the QCCP development.

In addition to the large savings items listed above, Council has made small savings across all areas, like any other business would. Things like stopping meals after Council meetings, the Mayor using his own vehicle, reducing the number of phones allocated to staff, reducing the annual staff Christmas party, reducing print advertising, reducing professional subscriptions, signing more ratepayers up to emailed rates notices, stopping using priority post, sharing cars when we travel, we are moving to VOIP to reduce phone bills, and many more improvements that all staff are required to investigate and implement as part of our normal day-to-day operation.

In the last two budgets, the following additional emergency budget cuts have been made – but are only intended to be short term budget surgery – they are not long term solutions:

- Cut the amount we spent on library books by half

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- Removed donations to community groups, the Cultural Development Arts Assistance Scheme, community events and community sports
- Reduced the materials and services budget by 5% for discretionary spending
- Deferred recruitment of 12 vacant positions for one year
- Removed budgets for depot and property maintenance, footpath upgrades, climate change actions, digitisation of newspapers, the customer satisfaction survey, website refresh, bushland maintenance, algal UV units, goal post renewal and deferral of other capital projects.

However, Council was still unable to produce a balanced budget and for the first time in 2022-23 the adopted budget had a cash deficit of \$1.14 Million.

Under all scenarios of the proposed SRV, all services and expenses will continue to be reviewed every year. For example, one of Council's largest expenses is employee costs. Whenever a position becomes vacant, the role is reviewed to consider whether there is a more efficient way to provide the same service OR whether the same level of service is required. We also assess whether vacant positions could instead be filled by a cadet or trainee. Council continues to have a lower ratio of staff to residents than other similar councils.

THEME 11 – Lack of confidence in Council, appoint Administrator

Submissions indicated a lack of confidence in Council, or suggested Council should be removed or that an administrator should be brought in.

Council response

At times, the NSW Government appoints administrators when councils are removed. However, this usually happens when councils are not functioning correctly. The current Council are working together to address the financial sustainability of QPRC.

The current Council were only elected in December 2021. They are trying to undertake their duties in the best interests of the people of the Queanbeyan-Palerang region and of the Council.

Following the merger there was a four-year period where Council was unable to increase rates by more than the rate peg. The previous Council had begun some of the steps towards financial sustainability, including increasing user charges, renewing infrastructure and conducting service reviews. The next step in the long-term financial plan is to address revenue. That is what this special rate variation process is looking to do.

THEME 12 – Parks and Recreational Services

Submissions suggested that Council should reduce or review parks and recreational services.

Council response:

Feedback noted. Council will be considering all the feedback to help prepare detailed business plans to identify the savings that could be achieved with potential service reductions.

THEME 13 – Transparency and Information

Submissions suggested that Council should be more transparent and provide further information or explanation about issues like this.

Council response

Council provided a lot of information about the proposed scenarios.

Council finances are complex, and we have tried to provide as much clear information as possible. The General Manager and Mayor have met with any community group that has requested a meeting to present the proposals, answer questions and discuss feedback.

We seek to be transparent about finances and planning. Every year the Operational Plan (essentially Council's budget), Fees and Charges and Revenue Policy are placed on public exhibition for the community to read and make comment. Our Financial Statements are audited by the NSW Audit Office and are available on our website.

Some issues were unfortunately unavoidable, such as the timing of the release of the 2022 land values. We understand this did cause some confusion in the community. It is worth noting that the rise in land values does not increase the total amount of rates that Council will collect, nor the average rate increase, but it can change the distribution. For example, if a property's land value increases by proportionally more than another property's land value, the proportion of rates that the first landowner pays will be higher than before. But Council does not collect more rates because land values increase.

THEME 14 – Community and Customer Services

Submissions suggested that Council should reduce community and customer services.

Council response:

Feedback noted. Council will be considering all the feedback to help prepare detailed business plans to identify the savings that could be achieved with service reductions.

THEME 15 – Waste Charges

Submissions suggested that Council should review waste charges and services.

Council response:

Waste charges will not be increasing under the proposed Special Rate Variation. Council adopted a new QPRC Waste Strategy in June 2021, after many months of development and engagement with the community. The strategy is linked to the Community Strategic Plan, aiming to meet the directive of a sustainable, green community and address the current and

future waste needs of the Queanbeyan-Palerang community. This Strategy guides our waste plans and charges over the next 30 years.

THEME 16 – Paid Parking

Submissions raised the issue of paid parking. Arguments were made both for and against introducing paid parking.

Council response:

Council will be considering all the feedback to help prepare detailed business plans should paid parking be explored.

THEME 17 – Roads

Submissions suggested that Council should review and improve roads.

Council response:

In all scenarios proposed in the rate rise, Council will be using the rate increase for essential asset renewal of \$11m per year from 2024 and onwards for roads, stormwater and buildings.

THEME 18 – User charges

Submissions suggested Council should rely more on user charges or a user-pays model.

Council response

Agree. This is an area that Council has been reviewing for a number of years and will continue to pursue. There are Council services where user charges could be increased to rely less on rates. Council weighs up the affordability of fee increases against the cost to ratepayers and advertises fees before making the changes. We have to balance the equitable provision of and access to services with financial sustainability.

For example, no matter which scenario is adopted by Council, there is an opportunity for The Q to become less reliant on rates and be more able to fund its operations through ticket sales, venue hire and other income streams. There needs to be a good balance so that the service can continue to support emerging artists and be accessible to everyone – but also become more financially secure by reducing its operating deficits.

For further information, Council has outlined its fees and charges strategy for each Council service in its Revenue Policy, which is reviewed annually.

THEME 19 – External agency review

Submissions suggested an external agency should review the plans.

Council response

Independent consultants Morrison Low were engaged to conduct an organisational service review, to identify improvements in Council's financial position that would help mitigate the size of any special rate variation. Morrison Low also provided a Long Term Financial Plan

model in support of the proposed special rate variation which included an assessment of Council's financial position.

Council's financial statements are audited annually by the NSW Audit Office, with the most recent, 2022 financial statement audit presented to Council at its December 2022 Council meeting. The reports are available on Council's website.

Council's Audit Risk and Improvement Committee monitors Council's financial statement preparation and quarterly budget reviews at its meetings, and audits its budget management processes.

THEME 20 – Developer Contributions

Submissions suggested that Council should review developer contributions, while others suggested a review of development in QPRC.

Other submissions also suggested that new development in QPRC should be providing Council with a lot of money.

Council response:

Developer contributions are used to fund the construction of new and upgraded infrastructure, and can only be used for community infrastructure that benefits the specific development. They form part of Council's externally restricted cash – and are not able to be used to fund Council's general fund deficit.

Council uses developer contributions as an alternative to new loans or general fund cash for its capital works program whenever the requirements are met – being a nexus with the development.

There is a cap on the total development contributions that councils are allowed to charge, which is determined by IPART. Council charges the maximum amount for general fund improvements.

Developers do not contribute to the ongoing maintenance of assets. Once assets are in place, the new assets are maintained and operated by Council.

We use Planning Agreements to secure higher levels of contributions for the community. These are voluntary agreements between Council and developers where the developer provides money or assets instead of, or in addition to, developer contributions.

Council has identified a further opportunity to review developer contributions for water and sewer infrastructure – this review will commence once the Queanbeyan IWCM is adopted later this year and will ensure that developers are paying a fair share of the water and sewer infrastructure upgrades.

THEME 21 – Postpone or Cancel Projects

Submissions suggested Council should postpone, review or cancel projects.

Council response

All capital projects will be under serious review where contractual commitments have not been made.

We have established a framework to review all capital expenditure proposals, which includes analysis of the cost of ongoing maintenance and operation of new assets, alignment to community priorities and whether any external funding can be found instead of ratepayer funds.

Removing new capital expenditure will not eliminate the existing need for an increase in rates, however it will ensure that Council and ratepayers understand the long term consequences of any new spending, before commitments are made.

THEME 22 – Rural Rates and Regional Services

Submissions suggested that Council should reduce rural rates or increase regional services and other submissions suggested rural rate payers get limited services.

Council response:

Feedback noted. Council agrees that we need to improve rural road grading. Under all scenarios Council will be using the rate increase for essential asset renewal of \$11M per year from 2024 and onwards for roads, stormwater and buildings.

Council's general rate structure is based on the general principal that different local communities should pay higher or lower rates based on the different council services provided. Council has set up sub-categories for property rates and residential ratepayers in rural areas pay the lowest base and ad valorem rates because of their different access to urban-based services. Properties with higher land values still pay an equitable share for the cost of infrastructure – ad valorem rate.

THEME 23 – State and Commonwealth government support

Submissions suggested Council should receive more funding support from the NSW or Australian Governments.

Council response

Council receives significant support from the NSW and Australian governments, including through major grant programs for rural and regional roads and other vital infrastructure.

However, we have also joined with Local Government NSW (LGNSW) in their advocacy to the Australian Government to increase the Financial Assistance Grants to 1% of GDP, and we await the review of the local government rate peg in NSW by the Independent Pricing and Regulatory Tribunal.

Additionally, we are part of a working group with LGNSW to establish the extent of cost shifting by the Australian and NSW Governments on to local government ratepayers in NSW, so that we can advocate for ratepayers to be compensated.

THEME 24 – Events

Submissions suggested that Council should review or remove events.

Council response:

Feedback noted. Council will be considering all the feedback to help prepare detailed business plans to identify the savings that could be achieved with service reductions.

THEME 25 – Grants

Submissions suggested that Council should review or not offer grants.

Council response:

Feedback noted. Council has paused some of its community grants and donations programs, and will be considering all these grant programs as part of the process of identifying savings.

THEME 26 – Assets

Submissions suggested that Council should sell assets.

Council response:

Feedback noted. Council has sold assets in the Queanbeyan CBD that will not be required due to the development of the Queanbeyan Civic and Cultural Precinct. Properties on Crawford and Rutledge Street in Queanbeyan were sold for \$8M. Council will consider the sale of other assets that will become available once staff move into the new building.

THEME 27 – Vehicle Allowances and Pool Cars

Submissions suggested that Council should review vehicle allowances and pool cars.

Council response:

Feedback noted. Vehicle allowances and pool cars will be reviewed. We have received useful feedback that has been recorded and included as a future action.

THEME 28 – Previous Council

Submissions suggested the previous Council has some responsibility.

Council response

Following the merger there was a four-year period where Council was unable to increase rates by more than the rate peg. They developed a financial strategy that identified revenue and expenditure improvements were needed, as well as asset renewal and rehabilitation.

The previous Council had begun some of the steps towards financial sustainability, including rehabilitating infrastructure, increasing user charges, cutting operating expenses and conducting service reviews.

However, they also built new and upgraded assets and extended services after the amalgamation. The next step in this long-term financial plan is to increase revenue. That is what this special rate variation process is looking to do.

THEME 29 – Pensioner Rebate

Submissions suggested that Council should remove the pensioner rebate.

Council response:

Feedback noted, along with the feedback received on the specific question on this topic.