

Snowy Valleys Council

Council Presentation SRV Community Engagement and Financial Update

7 October 2021



Community Engagement Recap

- A number of background papers were developed to provide community members with an independent opinion on Council's financial position, why this had occurred, the options available and some of the solutions.
- Six community meetings and three internal education meetings were held.
- Meetings were advertised via local newspaper, local radio, Council's website and social media
- Those meetings identified that the community's feelings importance of closing the gap measures when considered SRV options was equally divided.
 - Range of asset – marginally less important
 - Current service level – split
 - Range of services – marginally less important
 - Current fees and charges – marginally more important
- Of those attending most favoured the smallest SRV and the fewest savings, with the remaining opinions equally spread over other the options

Additional Community Engagement

- Two further online community meetings were held in September
- An updated summary the importance of maintaining current service is as follows

Poll question	Option 1 – not important	Option 2 – slightly important	Option 3 – important	Option 4 – somewhat important	Option 5 – very important
Range of assets	8	4	2	8	5
Current levels of service	6	6	1	7	9
Range of services	10	5	3	4	7
Fees and charges	5	9	3	9	3

Additional Community Engagement

Preferred closing the gap options (participants selected two options):

Poll question	Asset rationalisation	Change service levels	Reduce or cease services	Increase fees and charges
Preferred closing the gap tool	19	6	14	7

Preferred SRV and closing the gap combination:

Poll question	Option A	Option B	Option C	Option D
Preferred SRV and closing the gap option	3	7	7	6

Additional Community Engagement

- Website poll – different between this and online forums
- An updated summary is as follows

Poll question	Option 1 – not important	Option 2 – slightly important	Option 3 – important	Option 4 – somewhat important	Option 5 – very important
Range of assets	11	10	9	15	17
Current levels of service	6	10	13	13	20
Range of services	8	15	8	14	17
Fees and charges	4	4	11	12	31

Poll question	Option A	Option B	Option C
Preferred SRV and closing the gap option	16	9	37

Additional Community Engagement

- Combined online meetings and website poll

Poll question	Option 1 – not important	Option 2 – slightly important	Option 3 – important	Option 4 – somewhat important	Option 5 – very important
Range of assets	19	14	11	23	22
Current levels of service	12	16	14	20	29
Range of services	18	20	11	18	24
Fees and charges	9	13	14	21	34

Poll question	Option A	Option B	Option C
Preferred SRV and closing the gap option	19	16	44

Additional Community Engagement

- Summary of community engagement activities
 - Council webpage with all SRV information live from July 5 – 318 visitors.
 - Information on the page included SRV summary, five detailed background documents, Community Q&A, recording of the Community Meeting presentation, a survey, feedback form and rates calculator.
 - Advertisements in print news July 14, 16, 20, 21, 23, August 13, 18, September 8, 10, 14, 15
 - Social Media 9 - posts
 - Brochure letterbox drop delivered to 8017 households, businesses, roadside mailboxes and post boxes 30 August

Additional Community Engagement

- Fifteen online submissions were received to the phase one SRV engagement process through the website.
- Council received 549 submissions through the Integrated Planning and Reporting (IP&R) community engagement process, which related to the SRV engagement. Council also received via hand delivery at the Tumut Community Meeting 495 signed letters opposing the introduction of an SRV.
- All but a small number of these submissions opposed any SRV. A small number opposed service cuts and all, but a few, submissions did not express preference for any alternative actions to avoid an SRV.
- There was no consistent view on what actions to become financially sustainable could involve.

Community Engagement - Findings

- Despite Councils best effort given Covid restrictions around 8% of the Snowy Valleys community have formally engaged in the discussion on the SRV so far.
- Of those who engaged there was a contrast between those who participated in the online forums and the website survey. Those who participate in the online workshops were more likely to support some options Council proposed to reduce the amount of the required SRV.
- The majority of those engaged did not favour a large SRV and in addition there was an unwillingness to accept a reduction in assets, services, service levels or an increase in fees and charges. This makes it difficult for Council as it does not provide a clear community preference for sustainability.
- There was no consistent view on preferences or actions by Council to close the funding gap but of those presented asset rationalisation and a reduction in the ranges of services were marginally seen as least important and therefore more acceptable solutions

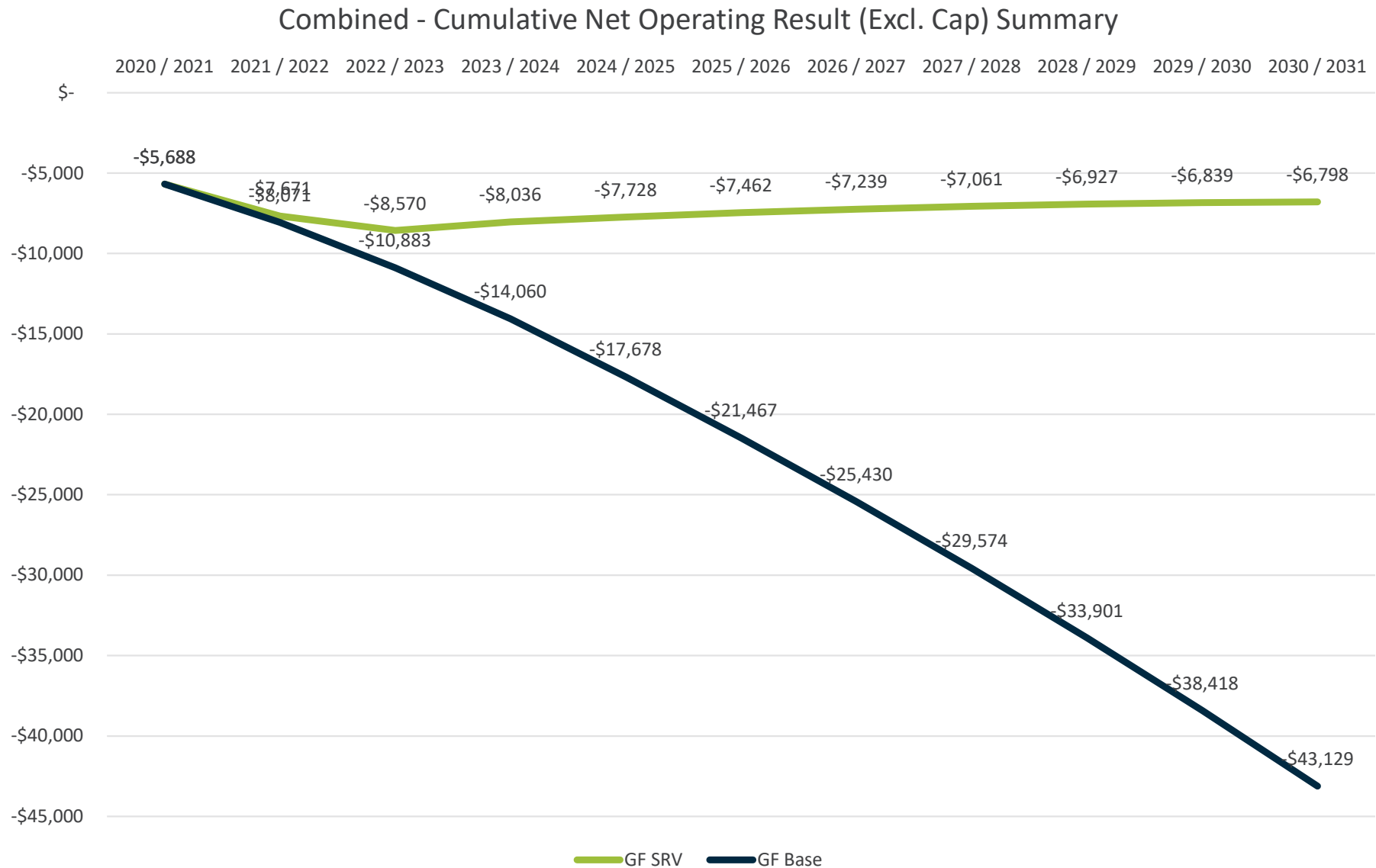
Recap funding gap options

	Option A	Option B	Option C
Closing the gap through: <ul style="list-style-type: none"> • asset rationalisation • changed service levels • reduced services • increased fees and charges. 	No service changes, with a productivity saving of \$600,000.	\$600,000 productivity savings + savings of \$700,000 over three years from a combination of closing the gap options.	\$600,000 productivity savings + savings of \$1.7 million over three years from a combination of closing the gap options.
Special rate variation - Without rate peg 2.5%	An SRV of 30% spread over two years (32.25% compounded).	An SRV of 25% spread over two years (26.66% compounded).	An SRV of 15% spread over two years (15.56% compounded).

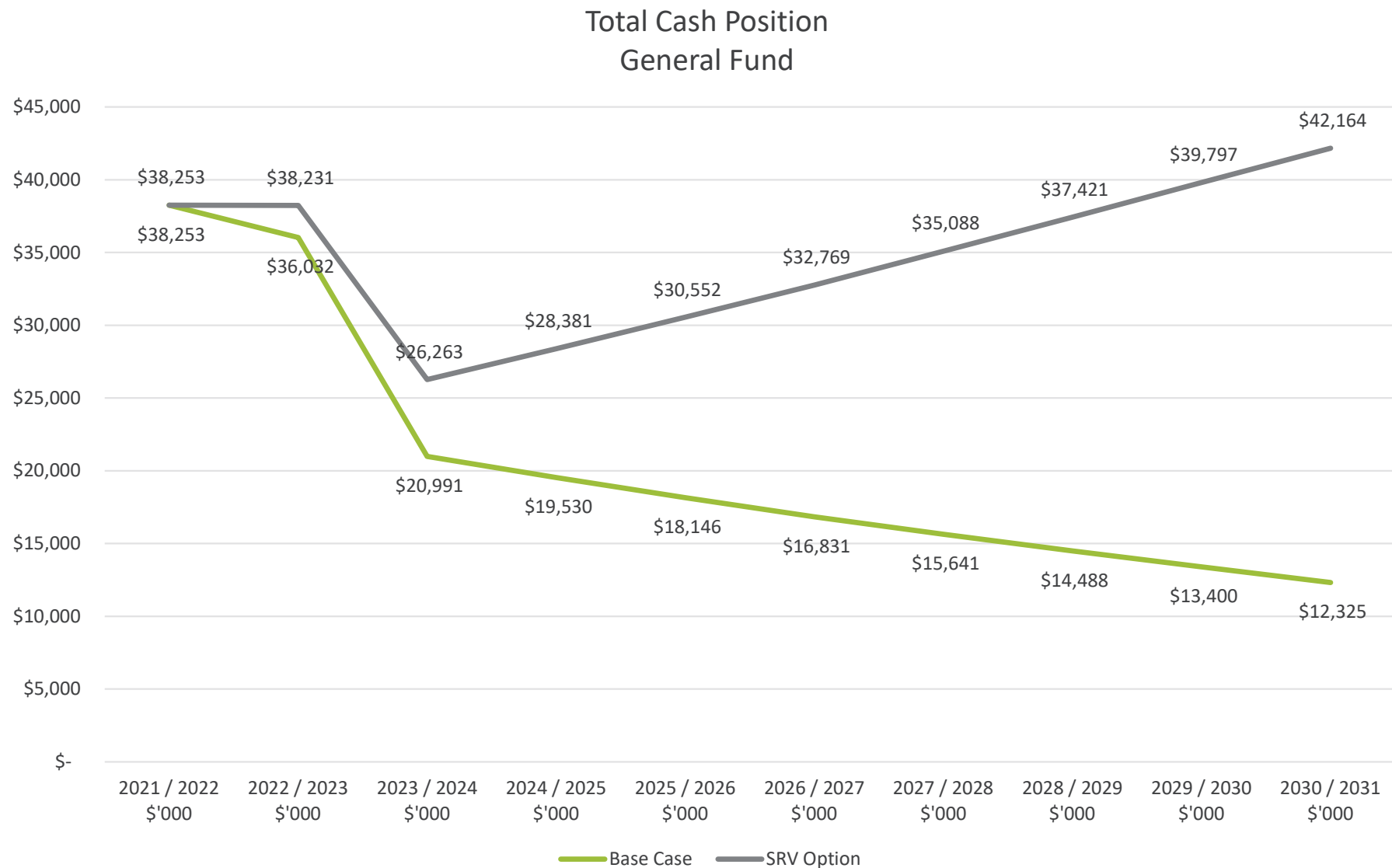
Proposed Financial Sustainable Solution

- Following the community engagement the revised LTFP has been developed based on this feedback combined with Councils statutory obligations. The drivers for the scenario being:
 - the community favours as small a SRV as possible but
 - the community also favours retaining the same/similar range of assets, services, service levels or an increase in fees and charges
 - the Council must adopt a position that ensures it becomes financial sustainable, therefore,
- A combination of a permanent SRV of 15% plus 15% (Option B but including the rate peg of 2.5%) over two years and savings of \$1.3M is the best option to recognise the initial feedback and for Council meet its statutory financial sustainability obligations.
- The \$1.3M in savings to be achieved through staff savings (\$600k), asset rationalisation (\$400k), ceasing or transferring services (\$250k) and increased fees and charges (\$50k).

Financial modelling outcomes - GF base case



Financial modelling outcomes – GF Cash



Questions?

