

Special Rate Variation

Community Research Report

Prepared By: Micromex Research

Date: January 2012





Background

Background & Core Research Objectives



Upper Hunter Shire Council determined that it needed to apply for a special rate variation in order to implement a range of programs and initiatives for its residents.

As part of the application process, Upper Hunter Shire Council conducted a robust community research survey:

1. To measure community support for the introduction of a special rate levy
2. To provide an avenue for feedback in order for residents to express their views on the proposed SRV



Purpose of the survey was to engage and involve the community in the decision process regarding the future of the LGA

Methodology & Sample



In order to assess the community's response to the special rate variation, Upper Hunter Shire Council commissioned some quantitative research.

Specifics of the Survey

- Random telephone survey with n=415 residents aged 18 y/o +
 - The sample was weighted by age to reflect the 2006 ABS census data
 - A sample size of 415 residents provides a maximum sampling error of approximately +/- 4.8% at 95% confidence
 - Participants were asked some profiling questions, then specific questions relating to the proposed special rate variation
- Fieldwork was conducted between the 16th and 18th of January 2012

The phone survey will provide Upper Hunter Shire Council with a robust and statistically valid measure of community response to the proposed SRV program



Questionnaire Flow



- The questionnaire, of approximately 10 minutes in duration, was designed to establish current attitudes and explore community response to the proposed resource strategies

Questionnaire Structure

- QA. Confirmation that respondent does not work for Council
- QB. Age group
- 1a. Region
- 1b. Description of area type
- 2. Number of years lived in the area
- 3a. Satisfaction with the quality of long term planning currently provided
- 3b. Satisfaction with the quality of the road network and infrastructure provided by Council
- 4. Importance of Council implementing plans and programs
- 5. Awareness of The Community Strategic Plan

READ CONCEPT – Rate Increase

- 6a. Support of the proposed rate increase
- 7a. Support of specific components that will be funded by the proposed rate increase
- 8. Importance of Council being allowed to introduce this special rate variation
- D1. Home ownership
- D2. Gender
- D3. Interest in being added to Council's database in order to be informed about the special rate variation

The questionnaire was developed in conjunction with Council staff

How To Interpret Mean Rating Scores



Ratings questions

The Likert Scale of 1 to 5 was used in all rating questions, where 1 was the lowest importance, satisfaction or support and 5 the highest importance, satisfaction or support.

This scale allowed for a mid range position for those who had a divided or neutral opinion.

1.99 or lower	'Very low' level of importance/satisfaction/support
2.00 – 2.49	'Low' level of importance/satisfaction/support
2.50 – 2.99	'Moderately low' levels of importance/satisfaction/support
3.00 – 3.59	'Moderate' level of importance/satisfaction/support
3.60 – 3.89	'Moderately high' level of importance/satisfaction/support
3.90 – 4.19	'High' level of importance/satisfaction/support
4.20 – 4.49	'Very high' level of importance/satisfaction/support
4.50 +	'Extreme' level of importance/satisfaction/support



Key Findings

Key Findings



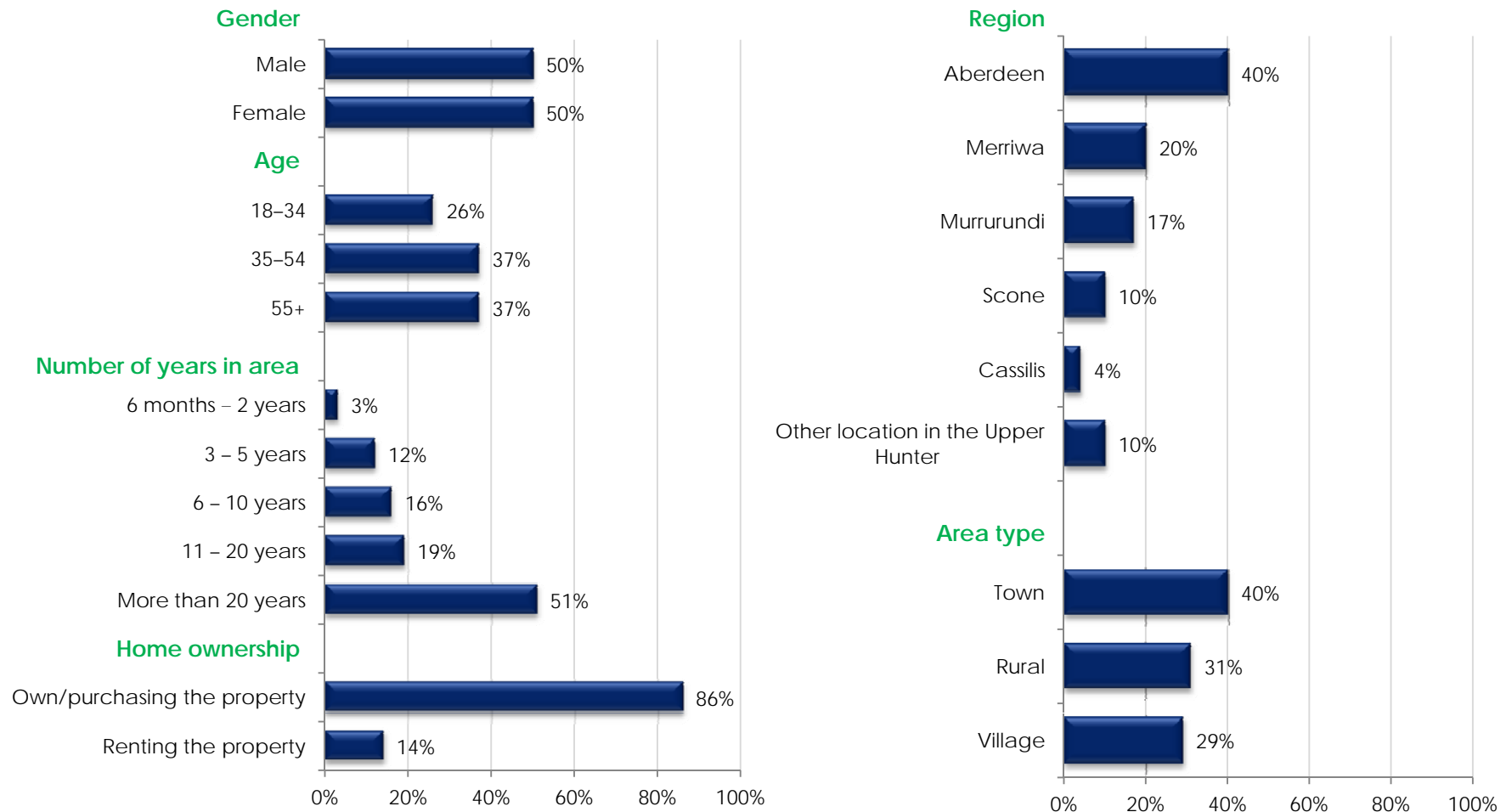
A significant number of residents are in favour of Council's proposal

- ⇒ *61% of residents are at least 'somewhat supportive' of Upper Hunter Shire Council introducing a special rate variation to fund the described delivery program*
- ⇒ *72% of respondents feel that it is at least 'somewhat important' that Upper Hunter Shire Council is allowed to introduce this special rate variation*



Profile of Sample

Sample Profile



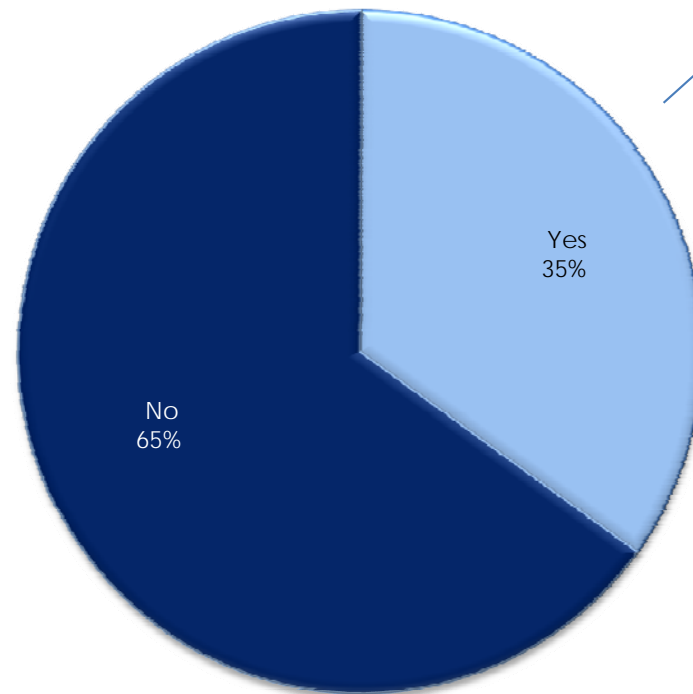
Weighted base: n = 415

The sample has been weighted to reflect ABS census data

35% Of Residents Are Aware Of The Community Strategic Plan



Q5. Are you aware of The Community Strategic Plan?



Comparable LGA Response

Newcastle Council – 39%
Tamworth Council – 38%
Auburn Council – 24%
Pittwater Council – 22%

Residents aged 18-34 are significantly less aware (20%) than are those in the two older age groups (35-54 y/o 41%, 55+ 39%)

Residents who own or are purchasing their property are significantly more likely to be aware than are those who are renting (37% vs. 22%)

Residents in Murrurundi (48%) and Scone (51%) are significantly more likely to be aware than are those living in Aberdeen (27%)

Weighted base: n = 415

There are reasonable levels of awareness of the CSP

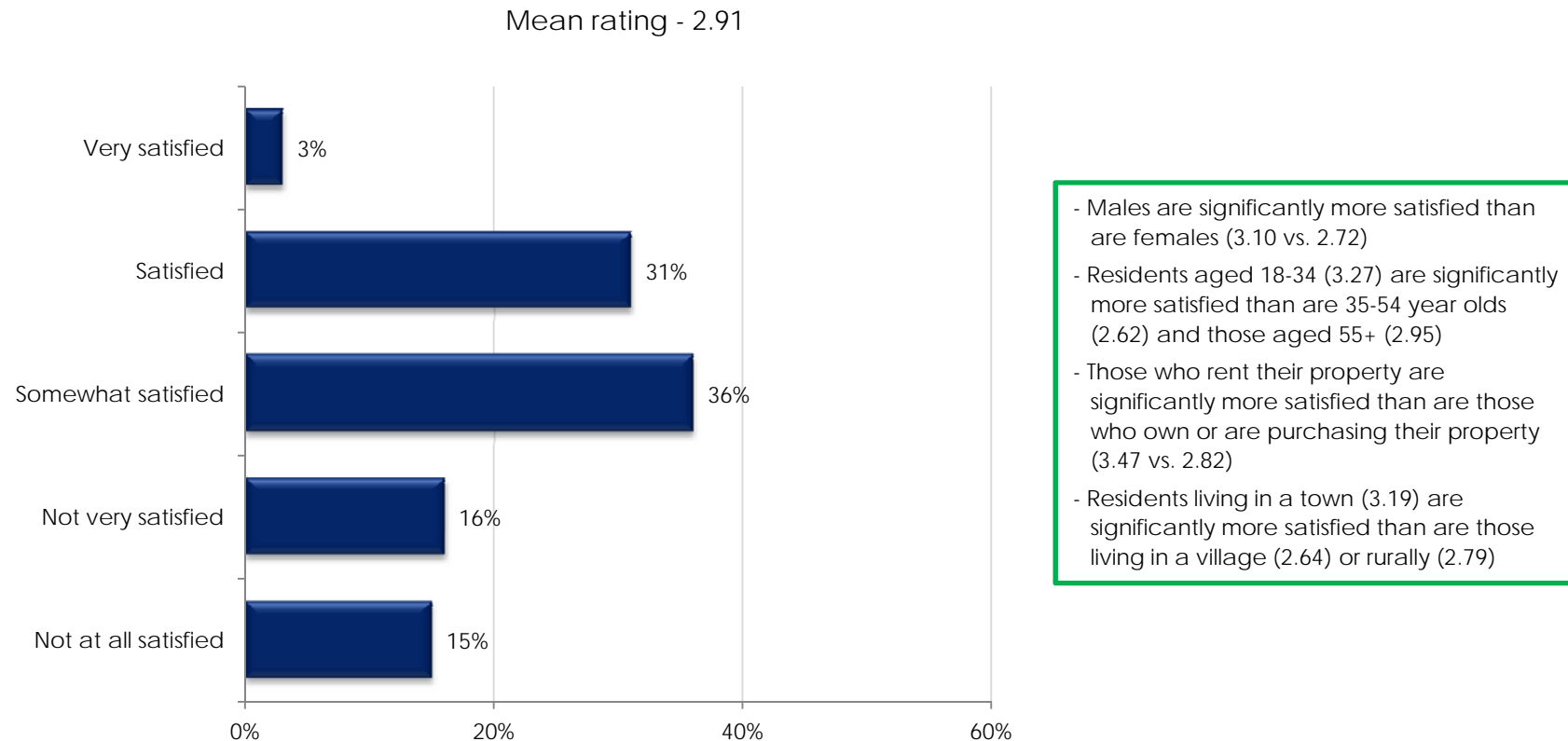


The Detailed Response

70% Of Residents Are At Least 'Somewhat Satisfied' With The Quality Of Long Term Planning Being Provided By Council



Q3a. How satisfied are you with the quality of long term planning being provided by Council in the local area?



Weighted base: n = 415

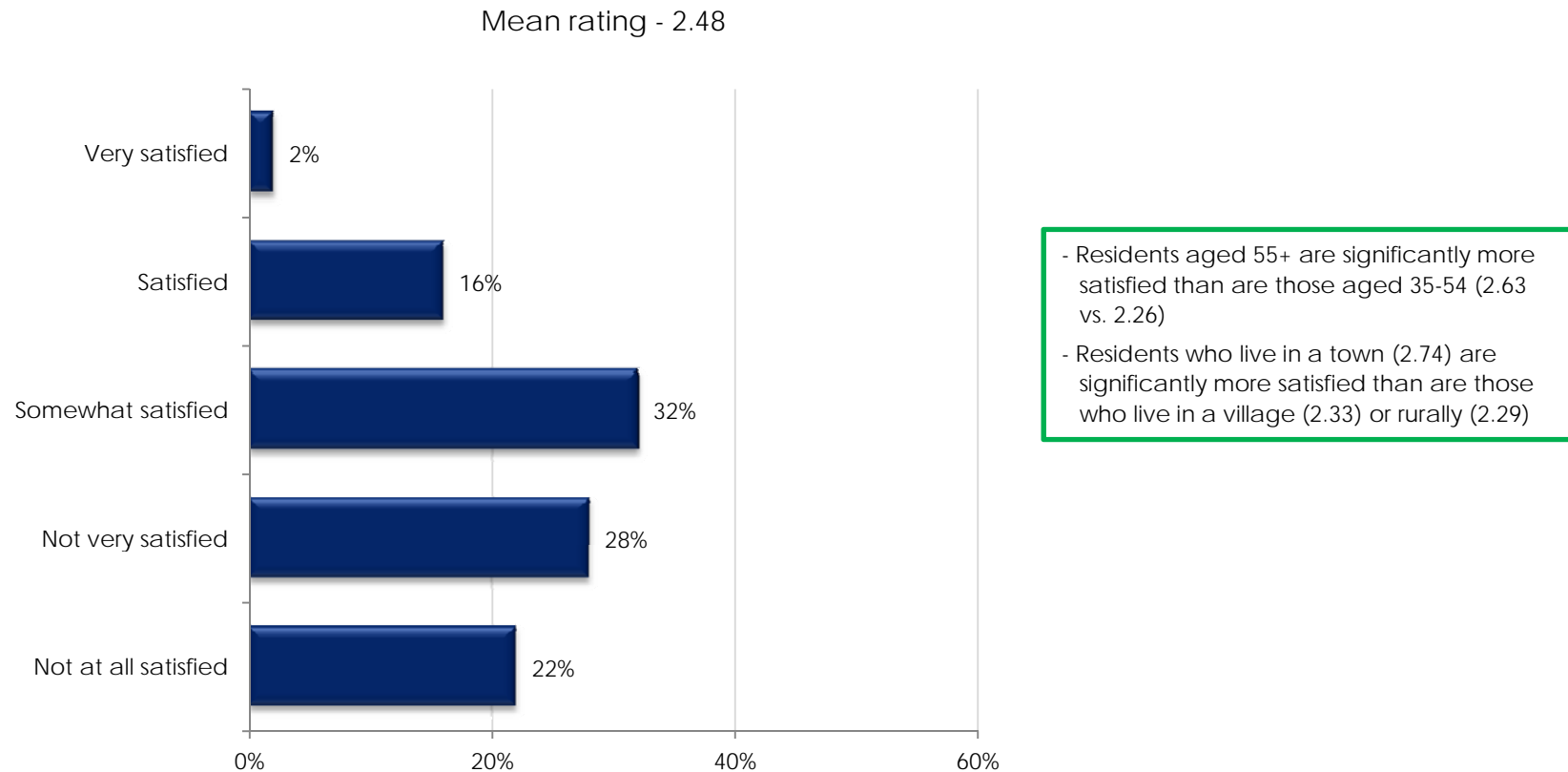
Mean ratings: 1=not at all satisfied, 5=very satisfied

15% are not at all satisfied with the current quality of long term planning being provided by Upper Hunter Shire Council

Satisfaction With The Current Quality Of The Road Network And Infrastructure Is 'Low'



Q3b. How satisfied are you with the quality of the road network and infrastructure provided by Council in the local area?



Weighted base: n = 415

Mean ratings: 1=not at all satisfied, 5=very satisfied

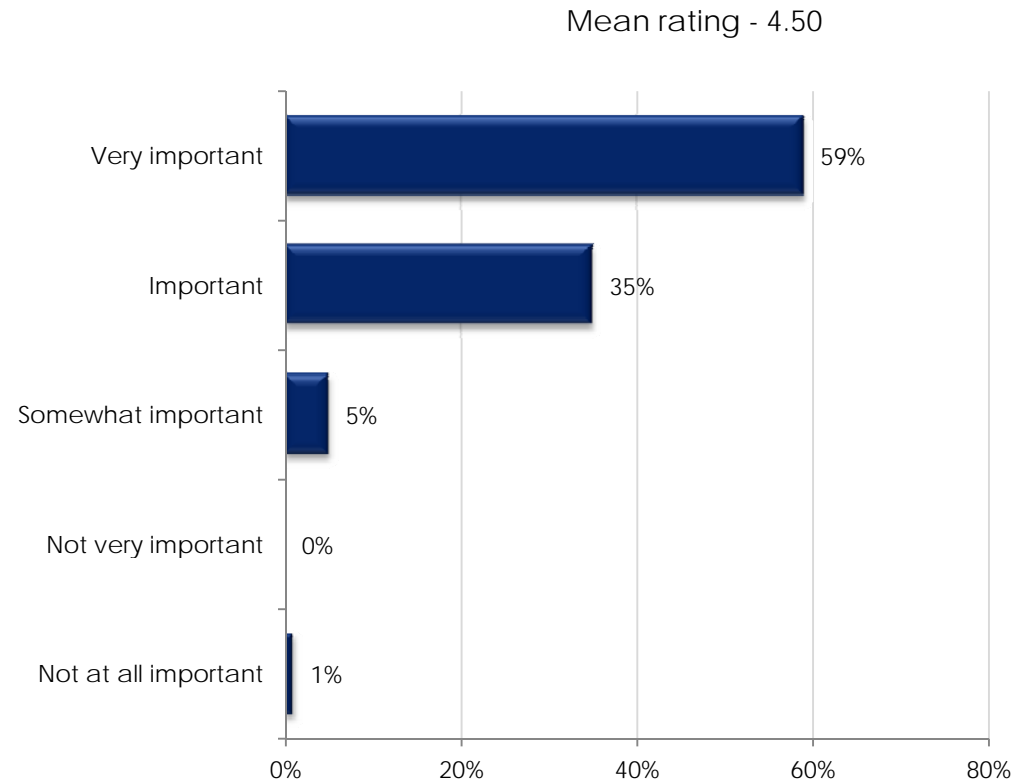
Results suggest that residents would like to see improvements made to the quality of the road network and infrastructure provided by Council



Nearly 100% Of Residents Have Indicated That They Believe Council Should Implement Plans And Programs To Provide Better Infrastructure And Facilities



Q4. How important do you believe it is for Council to implement plans and programs that will provide better infrastructure and facilities?



Comparable LGA Response

2011 Maitland SRV – 4.61
2011 Tamworth SRV – 4.61
2011 Newcastle SRV – 4.52
2011 Auburn SRV – 4.45
2011 Pittwater SRV – 4.43

Females feel it is significantly more important than do males (4.63 vs. 4.37)

- Residents who own or are purchasing their property feel it is significantly more important than do those who rent (4.54 vs. 4.27)
- Those who live in Merriwa (4.15) feel it is significantly less important than do those in Aberdeen (4.57), Murrurundi (4.62), Scone (4.57) and those who said they live in an "other location in the Upper Hunter" (4.61)

Weighted base: n = 415

Mean ratings: 1=not at all important, 5=very important

Residents do not want to see the quality of local infrastructure and facilities to be allowed to deteriorate – This result is in line with other LGAs who have pursued SRVs in the last 12 months

micromex
research



Response to the SRV Concept

SRV Concept Statement



The largest portion of Upper Hunter Shire Council's expenditure is currently spent on maintaining the road network and infrastructure, as community consultation and feedback has indicated that these are critical community priorities.

Council has identified that it needs additional funds to maintain and improve the Shire's road and bridge infrastructure, in order to better meet the needs and expectations of the community. To address the funding shortfall, Council has decided to seek a one off permanent 6.4 % rate increase on the general rate levy above the allowable 3.6% rate cap, so in total a 10% increase in the first year.

The proposed rate variation will generate approximately \$5 million over the first ten years. These additional funds will be allocated to the following:

- \$2 million to maintaining the Shire's rural road network
- \$2 million to maintaining rural and urban sealed roads
- \$1 million to the bridge replacement program.

If this proposed rate increase is accepted by the community and approved by IPART (Independent Pricing and Regulatory Tribunal), acting on behalf of the State Government, the average residential rates will rise by an additional \$52.83 for the year 2012-2013.

Council has not taken this decision lightly and is mindful of the impact upon residents, but Council needs this additional funding to plan for the future and to address the community's highest priorities.

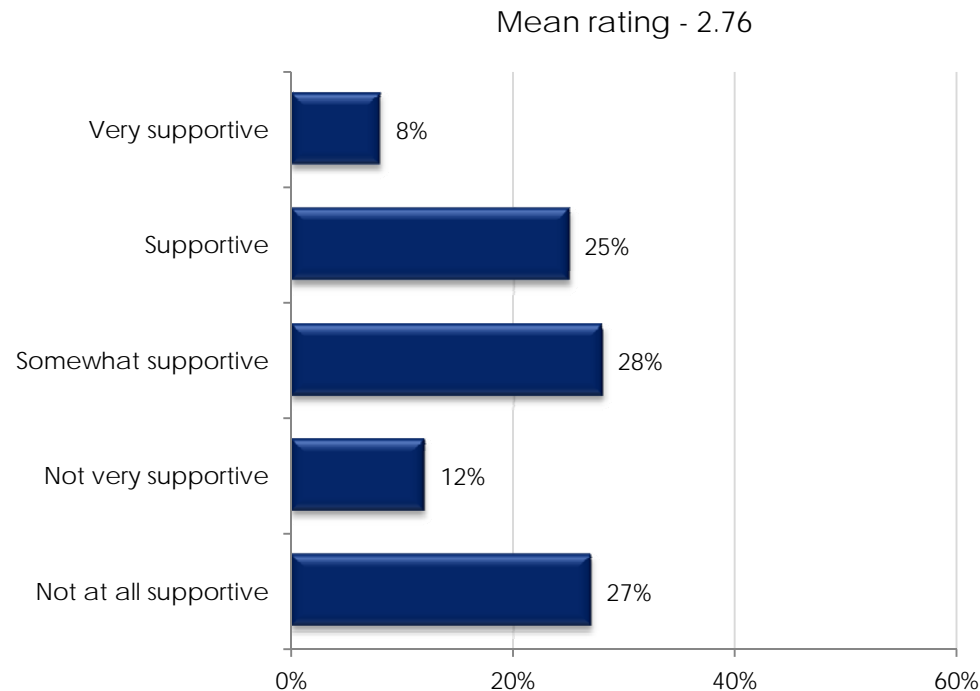
Residents were given the opportunity to have the statement read multiple times to ensure they felt comfortable that they understood the SRV concept



Overall, 61% Of Residents Are At Least 'Somewhat Supportive' Of The Proposed SRV



Q6a. How supportive are you of Council's proposed rate increase to fund the promised delivery program?



Key reasons for level of support - Q6b	
Supportive to very supportive: Nett 33%	
1. The upgrade and maintenance of infrastructure, particularly roads and bridges, needs to take place	22%
Somewhat supportive: Nett 28%	
2. The upgrade and maintenance of infrastructure needs to take place	8%
Not very to not at all supportive: Nett 39%	
3. Council needs to evaluate their spending and increase transparency to rate payers	16%
4. The rates we pay are high enough already	10%
5. The increase will be a financial strain, especially on pensioners	8%

- 18-34 year olds (3.11) are significantly more supportive than are 35-54 year olds (2.55) and those aged 55+ (2.71)
- Those who rent are significantly more supportive than are those who own or are buying (3.18 vs. 2.69)
- Residents who live in Aberdeen (3.21) are significantly more supportive than are those who live in Merriwa (2.54), Murrurundi (2.43) and those who said "other location in the Upper Hunter" (2.19)
- Those who live in a town (3.12) are significantly more supportive than are those who live in a village (2.64) or rurally (2.40)

Weighted base: n = 415

Mean ratings: 1=not at all supportive, 5=very supportive

27% were 'not at all supportive' of the proposed SRV delivery program

Residents Who Are Supportive Indicated That The SRV Was Needed In Order To Upgrade And Maintain Infrastructure, Particularly Roads and Bridges



"As long as the money goes toward the roads and bridges and is not used for other projects"

"I realise a lot of the rural areas urgently need bridges"

"The roads do need work done to them and the funding needs to come from somewhere"

"Infrastructure, in particular roads, urgently needs improvement"

"If it means better roads and bridge maintenance, I am supportive"

"Council is doing a good job and funds are needed for roads"

"So much in the area needs to be updated and this rate increase will allow it to be done"

"Roads in the area need so much work done, so if the rate increase will allow this to happen then I am happy to pay the extra amount"

"The amount is not excessive when you consider all of the work that needs to be done"

"Council needs the money to be able to maintain and improve the Upper Hunter area"

"The work needs to be done and the funds need to come from somewhere"

"We use the services, so I see it only fair that ratepayers should pay for them"

"The money has to come from somewhere and the community will benefit from it"

Verbatim responses from: Qualitative Open Ended Question Q6b – Somewhat supportive to very supportive 61%

Residents Who Are Not Supportive Had Concerns About The Efficiency And Transparency Of Council's Financial Management And/Or The Affordability/Fairness Of The Increase



"Council should already have adequate funds"

"Money wasted in other areas could be used to cover this shortfall"

"Complaints to Council regarding my road are ignored so I'm not going to pay more"

"Council spends money on unnecessary things"

"Council needs to look elsewhere first before increasing rates"

"Cut administration costs first before seeking a rate increase"

"Council should work within its means"

"Council needs to learn how to better spend money"

"Council has spent a lot of money on a new building where that money should have been spent on these projects"

"The increase is too high, we pay enough already"

"Council should have contingency plans for replacing bridges and not need to raise extra funds"

"The rates have already increased for services we don't receive"

"My roads are never maintained yet I pay the same rates as others"

"We pay for the garbage pickup, but we don't receive the service. I don't believe that Council will deliver on its promises"

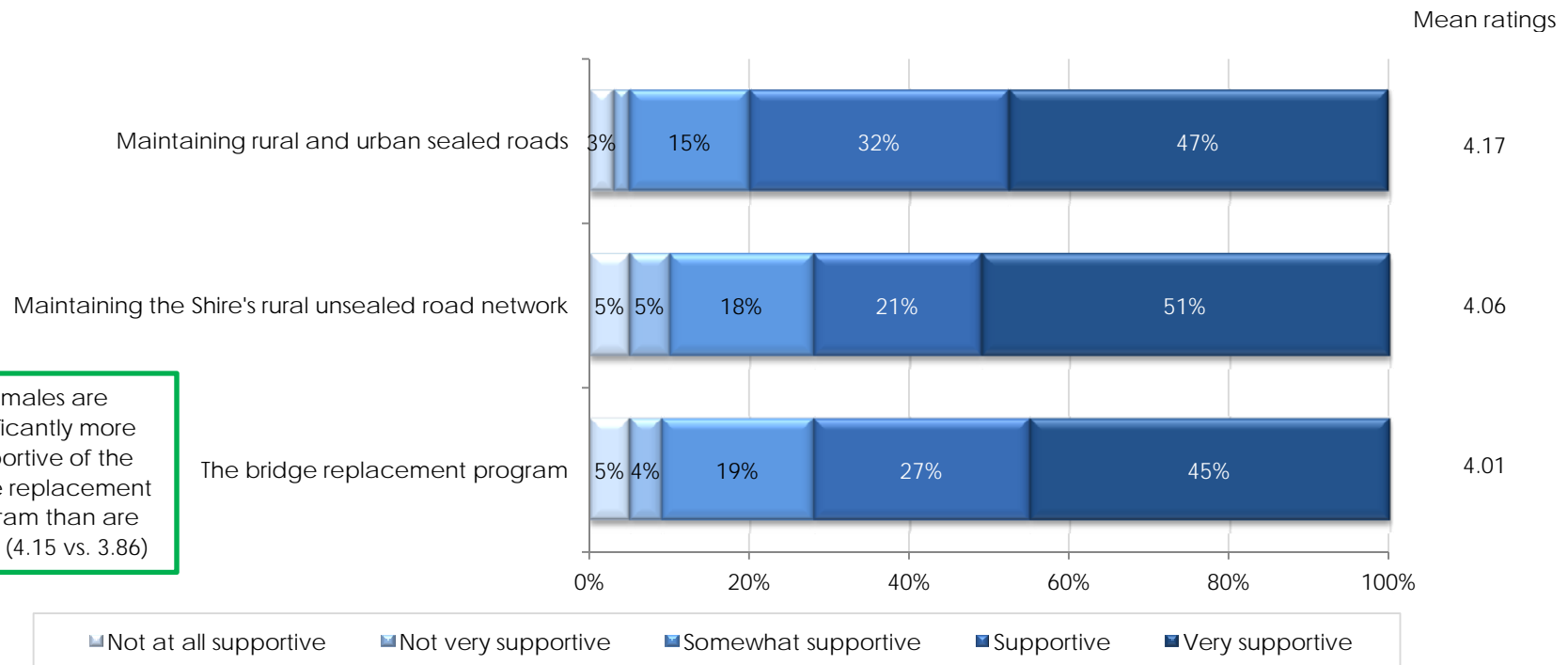
"I live in a rural area and I have no garbage service, street lighting or maintenance of roads"

Verbatim responses from: Qualitative Open Ended Question Q6b – Not very to not at all supportive 39%

All 3 Of The Proposed Components Elicited A 'High' Level Of Community Support



Q7a. On a scale of 1-5, where 1 is not at all supportive and 5 is very supportive, how supportive are you of each component that will be funded by the proposed rate increase?



Weighted base: n = 415

Mean ratings: 1=not at all supportive, 5=very supportive

There is strong community support for the proposed road maintenance & bridge replacement programs



Program Specific Verbatims – Q7b



Q7b. Are there any comments you would like to make regarding these programs?

All projects – General comments

"Council needs to look forward when planning these projects so that they don't need to be redone soon after"

"The RTA should be more involved in the maintenance of roads"

"There needs to be more supervision of traffic around the maintenance areas"

"I'm not confident that all money gained from increases will go to the programs specified"

"Council should communicate better with the community by responding to the ratepayers' concerns"

Maintaining rural and urban sealed roads

"We live in Aberdeen and the roads need to be replaced, not just repaired"

"Fix things properly the first time"

Maintaining the Shire's rural unsealed road network

"Roads resources could be improved with better planning, such as fixing several roads in close proximity before moving to a new site"

"Spend in smaller areas, not just larger towns"

"I think the unsealed roads are the priority, especially from a safety point of view"

"The rural roads should be a priority more than the urban roads"

The bridge replacement program

"Aberdeen needs to be the priority project for the new bridge"

"I'm concerned that rural bridges are being updated for industrial purposes, such as quarries, and if so, they should pay 100%"

"Allocate more money to bridge replacement rather than roads"

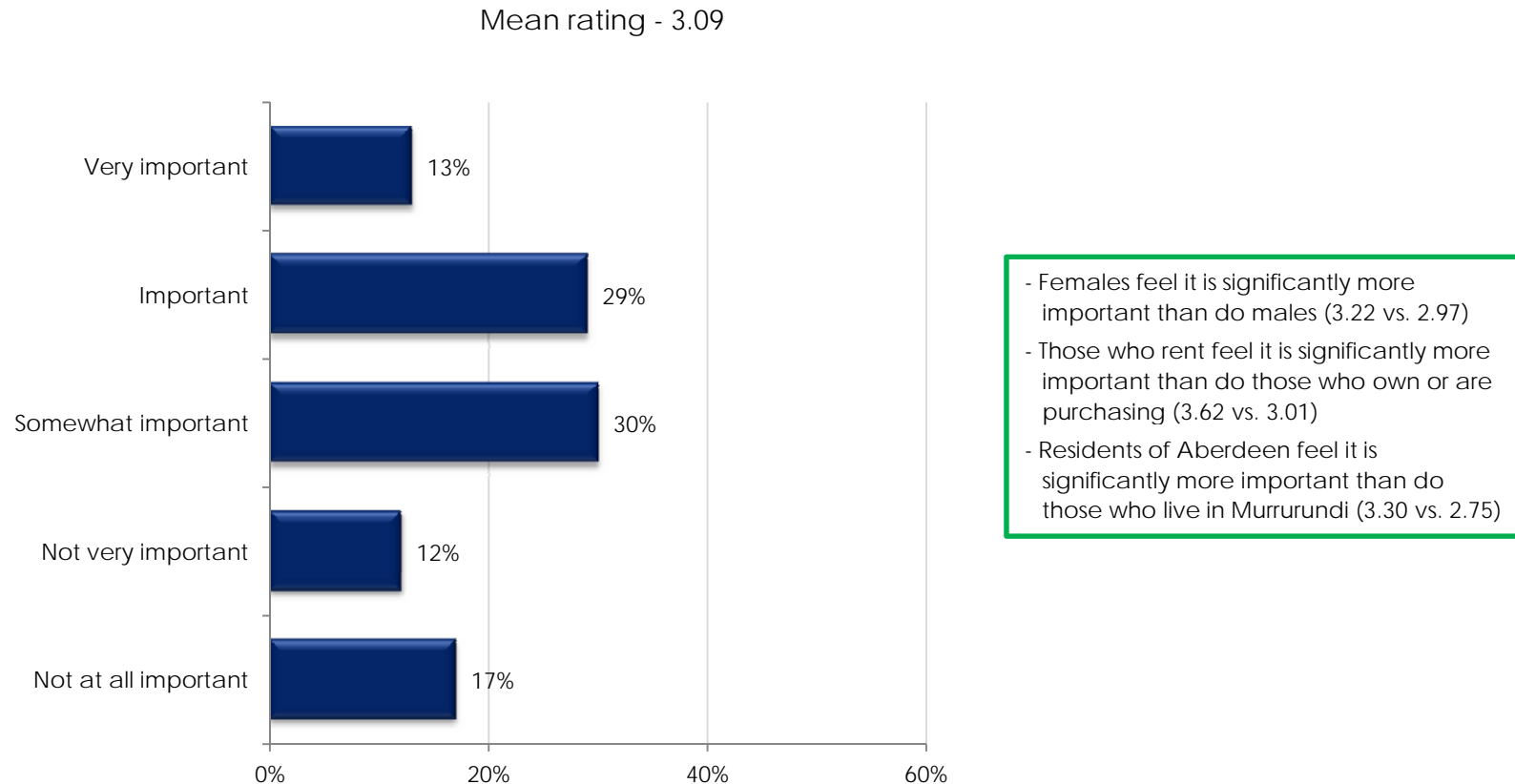
"This program is extremely important"

"The State Government should be contributing to the replacement of bridges"

72% Of Residents Indicated That It Is At Least 'Somewhat Important' That Council Is Granted The Requested Special Rate Variation



Q8. Overall, based on what you have been told, how important do you believe it is that Council be allowed to introduce this special rate variation?



Weighted base: n = 415

Mean ratings: 1=not at all important, 5=very important

While nobody likes to support paying higher taxes/rates, it is clear that there is an overall acceptance that Council does need additional funding to maintain roads, bridges and other infrastructure



Summary

Summary



1. A significant number of residents support Council's application
 - ⇒ *61% of residents are at least 'somewhat supportive' of Upper Hunter Shire Council introducing a special rate variation to fund the described delivery program*
 - ⇒ *72% of respondents feel that it is at least 'somewhat important' that Upper Hunter Shire Council is allowed to introduce this special rate variation*
2. There is a 'high' level of support for all 3 of the proposed components of the plan



Telephone: (02) 4352 2388 Fax: (02) 4352 2117
Web: www.micromex.com.au Email: stu@micromex.com.au