



City of Canterbury
City of Cultural Diversity

SUSTAINABLE
CANTERBURY

Rates and Services Review

Community Presentation

January 2014



Rates and Services Review – Why?

Increases in population over the past five years, and expected in the future, and more up-to-date forecasts of the cost of improving our infrastructure mean we will not have enough income in future years to continue to deliver the same range and level of services.

In 2014-15 our forecast annual deficit is
\$12.5 million



Rates and Services Review – Aims

- Determine:
 - Appropriate levels of service for services and infrastructure
 - Whether some services should be discontinued
 - Size and timing of rate increases
- Gain broad community awareness and support



Rates and Services Review - Activities

- Project Steering Group
 - Is advising how best to engage our diverse community



Rates and Services Review - Activities

- Project Steering Group
 - Is advising how best to engage our diverse community
- Community Working Group
 - Randomly selected group of people representative of our community with which we have had a series of conversations about services and infrastructure, and costs and revenues



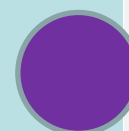
Timetable

2013

2014

May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

Project Steering Group meetings



Deliberative Working Group meetings



Broader Engagement



Discuss process with IPART

Advise IPART of intention to apply



Submit Application



Rates and Services Review - Activities

- Project Steering Group
 - Is advising how best to engage our diverse community
- Community Working Group
 - Randomly selected group of people representative of our community with which we have had a series of conversations about services and infrastructure, and costs and revenues
- Broader engagement
 - Range of activities to make these conversations as public as possible and to collect feedback - haveyoursaycanterbury.com.au



Broader engagement

haveyoursaycanterbury.com.au

The screenshot shows the 'Have Your Say' website interface. At the top, there is a green header with the 'HAVE YOUR SAY!' logo and the City of Canterbury logo. Below the header, there is a navigation bar with 'Home' and 'Sign in'. The main content area is titled 'Rates and Services' and includes a 'REGISTER to get involved!' button. There are also social media icons for Facebook, Twitter, LinkedIn, and YouTube. A section titled 'Latest News' features an article about the 'Community Working Group meets for the 1st time'. Below the article, there is a 'KEY DATES' section listing meetings from July to December 2013. At the bottom of the screenshot, there are four speech bubble icons in different languages: Chinese, Arabic, Greek, and Vietnamese.



CITY OF CANTERBURY RATES & SERVICES



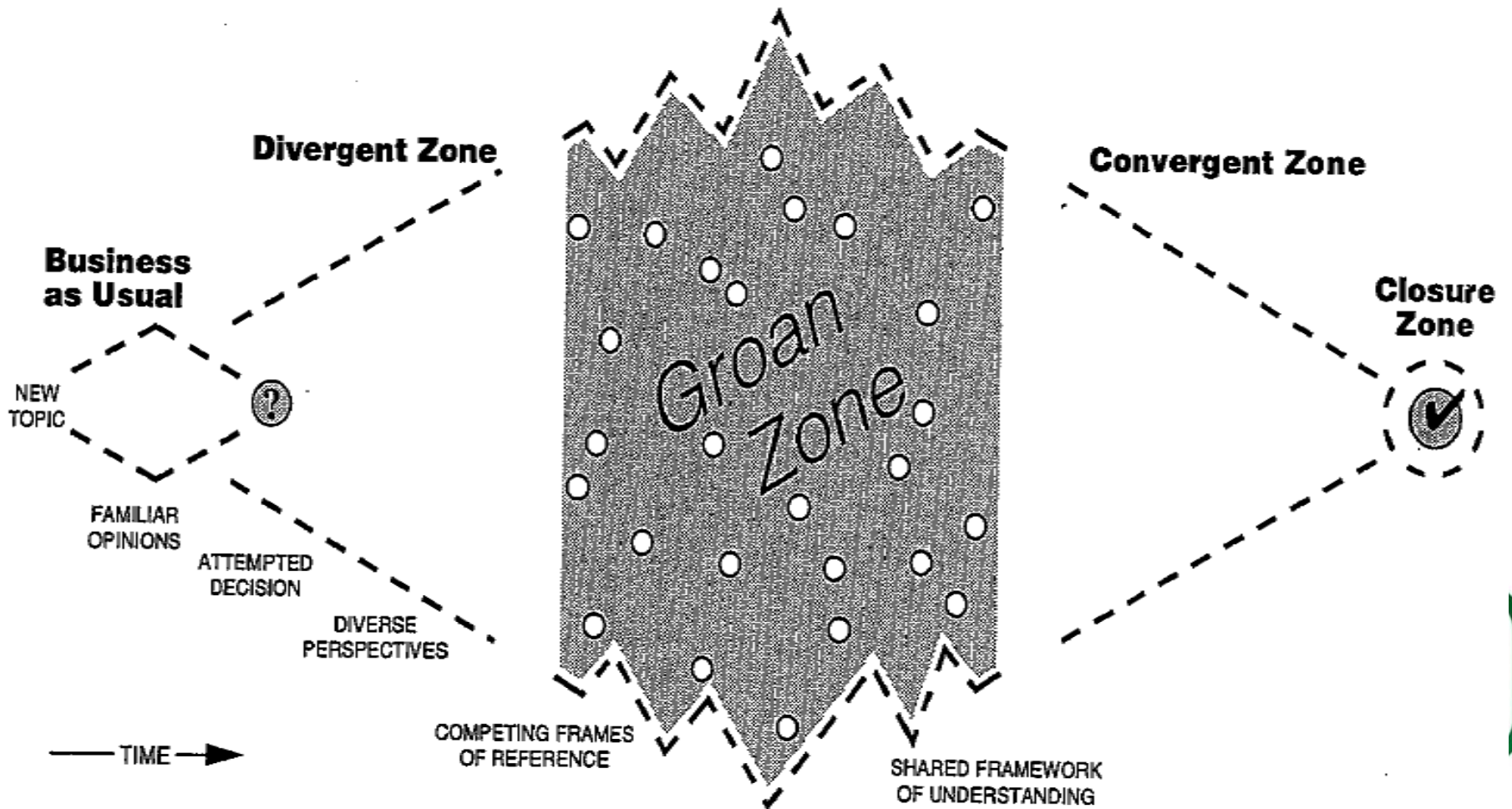
SCAN THE
QR CODE (LEFT)

- haveyoursaycanterbury.com.au
- council@canterbury.nsw.gov.au
- 9789 9300



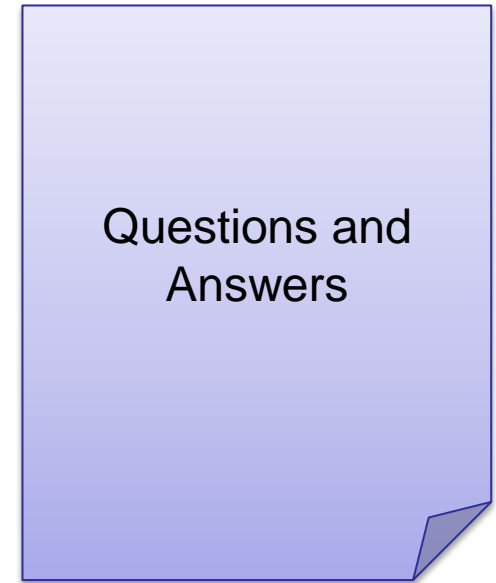
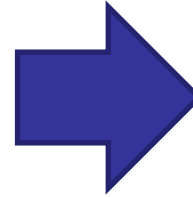
City of Canterbury
City of Cultural Diversity

Community Working Group



Community Working Group – 1 Aug

- Meeting 1 - Introductions



Reasons people volunteered

Be involved Contribute Connect

Interested Get better outcomes Curious

Make a difference Know how it works

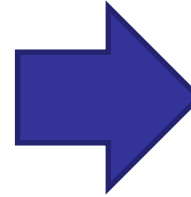
Improve things Bring creative ideas

Community Participate



Community Working Group – 20 Aug

- Meeting 2 - Tell Your Story



Shared
definition of
the challenge

Common values emerging from people's stories

- | | |
|--|---|
| <ul style="list-style-type: none">• Quality of life• Community spirit<ul style="list-style-type: none">• Health• Safety• Village atmosphere• Economic prosperity | <ul style="list-style-type: none">• Civic pride• Diversity• Wellbeing of others• Small business character<ul style="list-style-type: none">• Green space• Environment |
|--|---|



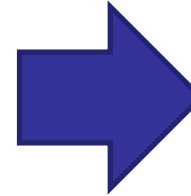
Shared definition of the challenge

How can council maintain the services needed to improve the high quality of life in Canterbury, keep costs down and find alternative sources of income so that rates can be kept as low as possible, and clearly demonstrate the need for any increase in rates?



Community Working Group – 11 Sep

• Meeting 3 – Brainstorm



Service Profile

Roads and Footpaths

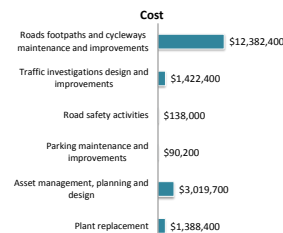
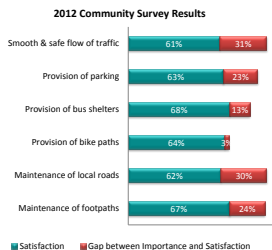
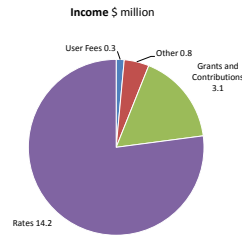
Includes roads, footpaths, car parks and cycleways maintenance and improvements, road safety activities, parking traffic investigations design and improvements, and asset management and plant fleet management.

Service Outputs

- Completed 870 routine civil infrastructure maintenance projects
- Completed 90 civil infrastructure construction projects
- Coordinated 47 road safety action programs
- Completed 345 traffic investigations and 14 designed
- Installed 221 street signs as part of the replacement program, installed 86 additional street safety or information signs
- Completed 824 other asset investigations
- Completed annual road network asset survey
- Produced 34 designs, prepared 93 design briefs and project managed 6 major projects
- Completed annual review of Infrastructure Renewal Plan
- 23 plant purchases or replacements

2014-15 Cost
\$18,441,100

Rate income needed in 2014-15
\$14,215,300

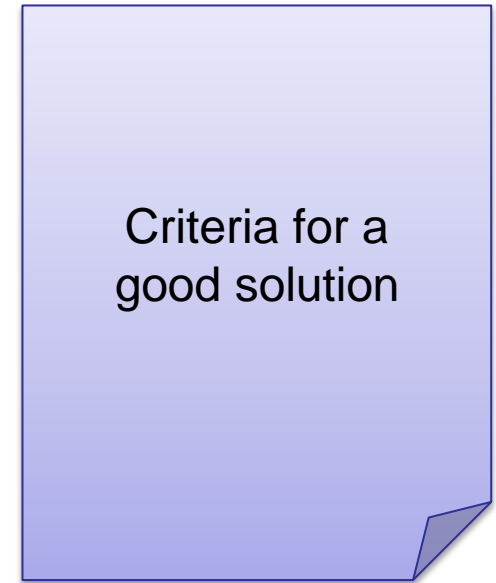
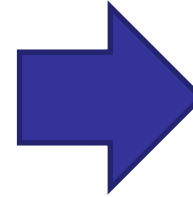


Ideas to solve the challenge



Community Working Group – 9 Oct

- Meeting 4 –Priorities

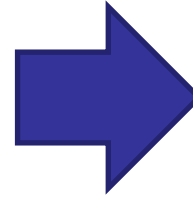


Services needed for Canterbury's Future



Community Working Group – 23 Oct

- Meeting 5 – Options I

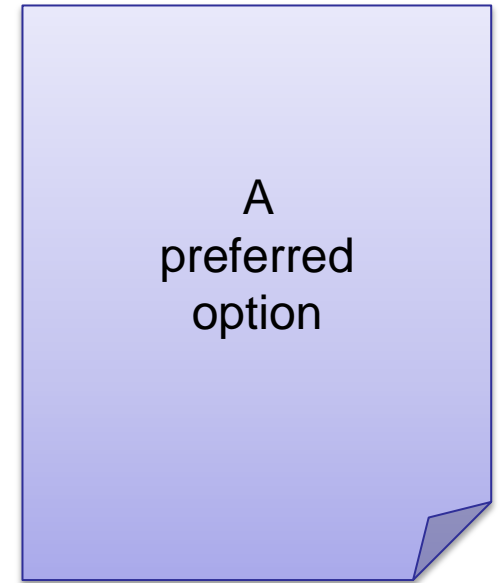
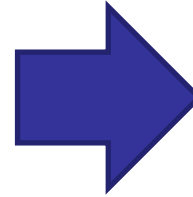


No preferred option yet



Community Working Group – 7 Nov

- Meeting 6 – Options II



Finding a preferred option

Common features that could be supported

- Maintain as many services as possible, especially libraries and pools, and considering the projected future population increases
- Combine a bit of everything, fee increases, service reductions, borrowing
- As little deterioration in infrastructure – roads, footpaths, buildings and parks – as possible
- Pick up as much efficiency as possible
- Middle of the road rate increase
- Borrow to share both the benefits and the costs of maintaining infrastructure with both current and future generations.



Preferred option – increase income

- Increase income through commercial activities or user fees
 - Increase charges to users of sporting fields and community facilities.
 - Lease areas of aquatic centres and parks for income generating activities.
 - Undertake commercial operations eg. garage that earn income.

Benefit \$0.2 million



Preferred option – reduce services

- Consider some reductions in services
 - Close outdoor pools alternately during winter, but leave indoor pools open.
 - Reduce the frequency of street cleaning and focus on most important areas.
 - Have just one large festival per year.
 - Reduce free nature strip mowing.

Benefit \$0.5 million



Preferred option – council efficiency

- Including:
 - Consider options for management of the aquatic centres.
 - Discontinue more expensive payment channels, encourage direct debit payments and charge for credit card payments.
 - Pay staff fortnightly, use electronic payslips.
 - In partnership with community groups provide more legal walls for graffiti to reduce cost of removal in other areas.
 - Achieve savings from dumped rubbish minimisation strategy, changes to structure of regulatory services, and alternative delivery of Information Technology.
 - Provide Women’s Rest Centres services through partnership with community organisations.

Benefit \$1 million



Preferred option - borrowing

- Borrow \$36.5 million for infrastructure backlog
 - Rather than \$3.65 million per year for 10 years
- Repay over 30 years.
 - This spreads the burden of backlog over a longer period, and reduces the impact on current ratepayers.
- Repayments are \$2.65 million per year
 - Net benefit per year in the first ten years is \$1 million.
- Over the thirty year period:
 - Total interest paid is \$43 million, extra \$1.43 million per year
 - Debt service ratio would increase from 1.6% to 4.3%.



Preferred option - infrastructure

- Accept some deterioration of infrastructure reducing expenses by **\$1.5 million** per year

GOOD



Roads



Footpaths

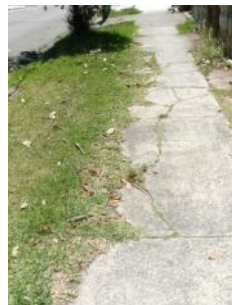


Buildings



Parks

POOR



Preferred option – rate increase

- 7.5% increase each year for three years including the rate cap
- Average rate in 2016 (after three years) **\$1,186**
- Average increase above rate cap by 2016 **\$145**
- Will raise an extra **\$8.3** million per year by 2016



Alternatives

- No rate increase
 - council would have to consider a range of measures that could reduce services and programs and result in a deterioration of community assets such as roads, footpaths, parks and community buildings. Council does not favour this outcome.
- No service reductions, fee increase or borrowing
 - a rate increase of 9.2% each year for three years would be needed. The average residential rate would increase to \$1,244 in 2016, an increase of \$204 over three years.
 - Our community has said this is too much, and that a more moderate increase is required.



Next steps

December 2013 – January 2014

- Exhibit proposed rate increase

February 2014

- Make a final decision on the proposed rate increase
- Submit application to IPART

July 2014

- If IPART approves a rate increase it will start 1 July 2014



Questions?

