



Independent Pricing and Regulatory Tribunal

Junee Shire Council's application for a special variation for 2014/15

under section 508A of *Local Government Act 1993*

Local Government — Determination
June 2014

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1 Determination

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for setting the amount by which councils may increase their general income, which mainly comprises rates income. Each year, we determine a standard increase that applies to all NSW councils, based on our assessment of the annual change in their costs and other factors. This increase is known as the rate peg.

Councils may apply to us for a special variation that allows them to increase their general income by more than the rate peg. We are required to assess these applications against criteria in the Guidelines set by the Office of Local Government (OLG),¹ and may allow special variations under either section 508A or 508(2) of the *Local Government Act 1993* (the Act).

Junee Shire Council applied for a multi-year special variation from 2014/15, under section 508A. The council requested annual increases of 11.9%, 9.5% and 9.0% over the next 3 years, or a cumulative increase of 33.6% by 2016/17.²

After assessing its application, we decided to approve the special variation as requested. We made this decision under section 508A of the Act.

Box 1.1 The Guidelines for 2014/15

We assess applications for special variations using criteria in the *Guidelines for the preparation of an application for a special variation to general income*, issued by the Office of Local Government.

The Guidelines adopt the same criteria for applications for a special variation under either section 508A or 508(2) of the *Local Government Act 1993*.

The Guidelines emphasise the importance of the council's Integrated Planning and Reporting (IP&R) documents to the special variation process. Councils are expected to engage with the community about service levels and funding when preparing their strategic planning documents. As a result, for most criteria, the IP&R documents (eg, Delivery Program and Long Term Financial Plan) must contain evidence that supports a council's application for a special variation.

¹ Division of Local Government, Department of Premier and Cabinet, *Guidelines for the preparation of an application for a special variation to general income for 2014/15*, September 2013 (the Guidelines). Effective 24 February 2014, the Division of Local Government became the Office of Local Government.

² Junee Shire Council, *Special Variation Application, Part A, 2014/15* (Junee, *Application - Part A, 2014/15*), Worksheet 1.

1.1 Our decision

We determined that Junee Shire Council may increase its general income by the annual percentages shown in Table 1.1. The annual increases incorporate the rate peg to which the council would otherwise be entitled (2.3% in 2014/15 and an assumed 3.0% in each of the following years). The cumulative increase of 33.6% is 25.0% above the expected rate peg over the period to 2016/17.

After the last year of the special variation (2016/17), the increase will remain permanently in the council's rate base.

The annual increases in the dollar amounts reflect the percentage increases we have approved and adjustments to the council's general income. These have occurred as a result of a catch-up (\$469) adjustment and the expiry of the existing special variation (\$257,249) on 30 June 2014.

Table 1.1 IPART's determination on Junee Shire Council's special variation for 2014/15 to 2016/17

Year	Increase approved (%)	Cumulative increase approved (%)	Annual increase in general income (\$)	Permissible general income (\$)
Adjusted notional income 30 June 2014				2,842,760
2014/15	11.90	11.90	337,820	3,180,580
2015/16	9.50	22.53	302,155	3,482,735
2016/17	9.00	33.56	313,446	3,796,181

Source: Junee, *Application - Part A, 2014/15*, Worksheets 1 and 4.

We have attached conditions to this decision, including that the council use the income raised through the special variation for purposes consistent with those set out in its application. Box 1.2 summarises these conditions.

Box 1.2 Conditions attached to the approved special variation

IPART's approval of Junee Shire Council's application for a special variation over the period from 2014/15 to 2016/17 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation for the purposes of improving its financial sustainability, maintaining current services and funding the program of asset renewals expenditure outlined in the council's application and listed in Appendix A.
- ▼ The council reports in its annual report for each year from 2014/15 to 2023/24 on:
 - The actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance, as outlined in the Long Term Financial Plan provided in the council's application, and summarised in Appendix B.
 - Any significant variations from its proposed expenditure as forecast in the current Long Term Financial Plan and any corrective action taken or to be taken to address any such variation.
 - Expenditure consistent with the council's application and listed in Appendix A, and the reasons for any significant differences from the proposed expenditure.
 - The outcomes achieved as a result of the actual program of expenditure.
- ▼ The council reports to the Office of Local Government by 30 November each year on its compliance with these conditions.

We note the council will be reducing its general income for 2014/15 by \$257,249 (the value of the expiring special variation). This reduction shall take place before the council's general income is increased in 2014/15 in accordance with IPART's determination.

2 What did the council request and why?

Junee Shire Council applied to increase its general income by a cumulative 33.6% over the 3-year period from 2014/15 to 2016/17, and to permanently incorporate this increase into its general income base.

The council estimated that if its requested special variation is approved, its (adjusted notional) general income will increase from \$2.84m in 2013/14 to \$3.80m in 2016/17. This will generate additional revenue, over the 3 years, of \$1.47m above the rate peg increase.³

³ Junee, *Application - Part A, 2014/15*, Worksheets 1 and 6 and IPART calculations.

The council intends to use the special variation to improve financial sustainability, so that revenues are sufficient to fund basic services with a modest operating surplus to be used for priority road renewals. In the absence of the rates increase the council would obtain the operating surplus, required to fund these renewals, through increases in fees, user charges, asset sales and reductions in basic services. These reductions in service levels would be on top of similar cutbacks introduced in recent years.⁴

Over the next 10 years, the special variation will generate additional revenue of \$7.1m above the rate peg increase. The council indicated that the additional income would be used to:

- ▼ **Improve the council's operating balance** by a cumulative \$1.1m which is to be used with \$0.4m of council's resources to fund an additional (\$1.43m) in road **renewals** for rural sealed and unsealed roads.⁵ This will enable infrastructure backlogs to be reduced from \$8.0m in 2023/24 without the special variation to \$6.6m in 2023/24 with the special variation.⁶
- ▼ **Retain current levels of basic operational services, and avoid higher charges and asset sales** at a cumulative cost of \$6.0m. The affected services include: street cleaning, public amenities, sports fields, parks/playgrounds, recreation and aquatic centre, library, donations to community groups, economic and tourism development, local cemeteries and property maintenance.⁷

More detail on the council's proposed program of expenditure to 2023/24 is provided in Appendices A and B.

3 How did we reach our decision?

We assessed Junee Shire Council's application against the criteria in the Guidelines. In making our assessment we also considered the council's most recent IP&R documents, which support its application, as well as a range of comparative data about the council, set out in Appendix C.

Junee Shire Council has applied on the basis of its adopted IP&R documents, in particular its Delivery Program, Long Term Financial Plan (LTFP) and Asset Management Plan (AMP).

⁴ Junee, *Application - Part B, 2014/15*, pp 14-16, 18-22.

⁵ Junee, *Application - Part A, 2014/15*, Worksheet 6.

⁶ Junee Shire Council, email advice dated 28 April 2014, and Junee, *Application - Part A, 2014/15* Worksheet 6. The special variation will also enable the council to postpone \$0.6m in asset sales.

⁷ Junee, *Application - Part A, 2014/15*, Worksheet 6.

The rate increases requested by the council accumulate to a significant 33.6% by 2016/17 and follow a 10% increase in rates that was approved in 2013/14. We carefully considered, among other things, the council's need for the increase, its consideration of the community's priorities and capacity and willingness to pay, and the impact of the rate increase on ratepayers.

On balance, we found that the application met the criteria. In particular, we found that:

1. the need for the proposed revenue is demonstrated in the council's IP&R documents, and reflects community priorities
2. the council provided evidence that the community is aware of the need for and extent of the rate rise, and that it had considered the community's capacity and willingness to pay the proposed rate rises
3. the impact of the proposed rate rises on ratepayers is significant though reasonable given the purpose of the special variation and that the council has taken account of ratepayers' willingness and capacity to pay
4. the council generally made realistic assumptions concerning its projected service delivery and LTFP
5. the council reported productivity savings in past years, and indicated its intention to realise further savings during the period of the special variation.

Table 3.1 summarises our assessment against the criteria.

Table 3.1 Summary of IPART’s assessment against criteria in the Guidelines

Criterion	IPART findings
<p>1. Need for and purpose of the special variation must be clearly articulated in the council’s IP&R documents. Evidence could include community need/desire for service levels/projects and limited council resourcing alternatives, and the assessment of the council’s financial sustainability made by the NSW Treasury Corporation (TCorp). The LTFP must include scenarios both with and without the special variation.</p>	<p>The council’s IPR documents identified the need for extra revenue to maintain current services, improve financial sustainability and increase rural road renewals.^a</p> <p>TCorp concluded that the council was “operating close to its efficiency limit” and that without the special variation the council’s financial sustainability was at risk.^b</p>
<p>2. Evidence that the community is aware of the need for, and the extent of, the proposed rate rises. The IP&R documents should clearly explain the rate rise, canvas alternatives to the rate rise, the impact of any rises on the community, and the council’s consideration of community capacity and willingness to pay higher rates. The council should demonstrate use of an appropriate variety of engagement methods to raise community awareness and provide opportunities for input.</p>	<p>The council used a variety of tools to present the need for, impact of, and alternatives to the proposed rate increases and sought community feedback. It considered the community’s capacity and willingness to pay higher rates. A telephone survey indicated 86% of respondents supported increases in rates and spending in line with the special variation. Neither the council nor IPART received submissions from the community about the increase in rates.^c</p>
<p>3. Impact on affected ratepayers must be reasonable, having regard to current rate levels, existing ratepayer base and the proposed purpose of the variation. The council’s IP&R process should establish that proposed rate rises are affordable, having regard to the community’s capacity to pay.</p>	<p>We consider that the proposed increases are significant and follow a 10% rate increase in 2013/14. The LGA has a low SEIFA ranking (34/153), and residential and business rates are above the Group 10 average.^d The outstanding rates ratio (10.6%) is above that for Group 10 councils (9.2%). On balance, we consider the impact of the special variation is reasonable given that:</p> <ul style="list-style-type: none"> ▼ The council reduced the proposed increase for 2014/15 from 13.2% to 11.9%.^e ▼ Average residential rates will rise by only 2.6% or \$16 in 2014/15 as ratepayers are already paying the expiring 9.6% special variation. This would be followed by increases of \$61 in 2015/16 and \$63 in 2016/17.^f ▼ The council has frozen domestic waste and sewerage annual charges for the next 3 years.^g ▼ In the absence of the special variation, the community will be adversely impacted by continued cuts in basic services required to retain a small operating surplus.^h ▼ The council has a financial hardship policy to assist ratepayers having difficulties paying their rates.ⁱ

Criterion	IPART findings
4. Delivery Program and LTFP must show evidence of realistic assumptions.	The assumptions used in the IP&R documents are generally realistic although we note that the council has assumed that depreciation will remain constant over the next 10 years. We consider it may rise with higher spending on renewals. ^j
5. Productivity improvements and cost containment strategies realised in past years must be explained, as well as plans to realise savings over the proposed special variation period.	Although the council has a small budget (\$11m in 2013/14), it has reported that cost savings prior to 2013/14 have enabled it to reduce staff numbers by 25% over the past 15 to 20 years. In 2013/14, it further reduced expenses by \$0.08m pa. The council is involved in joint service delivery with other councils. ^k
6. IPART's assessment of the size and resources of the council, the size of the increase, current rate levels and previous increases, the purpose of the special variation and other relevant matters.	The council has very limited resources, and with only 2,908 rate assessments, is highly dependent upon grant funding. ^l

- ^a Junee, *Application - Part B, 2014/15*, pp 4, 9-16 and Attachment 9, *Combined Delivery Program/Operational Plan 2013-17*, pp 6, 23-24.
- ^b Junee, *Application - Part B, 2014/15*, pp 17-18 and Attachment 11, NSW Treasury Corporation, *Junee Shire Council Financial Assessment, Sustainability and Benchmarking Report*, 5 April 2013, pp 4-5.
- ^c Junee, *Application - Part B, 2014/15*, pp 7, 43-49.
- ^d LGA refers to local government area. SEIFA stands for Socio-Economic Indexes for Areas.
- ^e Junee, *Application - Part B, 2014/15*, pp 4, 43-44.
- ^f Junee, *Application - Part A, 2014/15*, Worksheet 5a and IPART calculations. Also, refer to above mentioned *Report on Proposed Special Rates Variation* prepared by WRI.
- ^g Junee, *Application - Part B, 2014/15*, p 17.
- ^h Junee, *Application - Part A, 2014/15*, Worksheet 6.
- ⁱ Junee, *Application - Part B, 2014/15*, p 53 and Attachment 8.
- ^j Junee, *Application - Part B, 2014/15*, pp 4, 53-60 and Attachment 10, *Long Term Financial Plan, 2013/14 to 2023/24*, pp 16, 22 and 28.
- ^k Junee, *Application - Part B, 2014/15*, pp 61-63 and Attachment 10, LTFP, p 39. Shared services include: noxious weeds control, bush fire management, information technology and family day care services. The council has generated cost savings through joint tenders for bitumen emulsion, asset management, waste services and street lighting.
- ^l OLG, Unpublished data.

3.1 Need for and purpose of the special variation

We consider that the need for and purpose of the requested special variation is clearly set out in the council's IP&R documents and specifically identified in its Delivery Program, AMP and LTFP.

TCorp observed that the council has used alternative funding, including LIRS borrowings, is operating at close to its efficiency limit and has reduced backlogs. It concluded that without the special variation the council's financial sustainability is at risk.⁸

Both the base case and special variation case in the Council's LTFP show that roads expenditure will rise by \$1.43m over the next 10 years. The special variation will enable the Roads to Recovery (R2R) grant co-contribution requirements to be met. In the absence of the special variation, the council would fund these requirements from reductions in other basic services and asset sales.⁹

These expenditure reductions would follow reductions to service levels that the council has made in recent years to contain its operating deficits. The council's annual financial statements reported General Fund operating deficits in 2008/09, 2009/10 and 2012/13. We estimate the special variation will enable operating surpluses to be achieved from 2015/16, increasing to approximately 9% of revenues by 2023/24. This compares to an LTFP-based estimate of an operating deficit of 14% in 2013/14.

3.2 Community engagement and awareness

We consider that the council has met this criterion. In particular it has shown that it took reasonable steps to make the community aware of the need for and extent of the special variation, including using a variety of engagement methods and providing opportunities for feedback.

The council used mail-outs to ratepayers, media releases, public meetings, advertisements, surveys and online information to engage its community on the proposed special variation. It commissioned both a report to assist it assess the community's capacity to pay and a statistically valid telephone survey in December 2013 as a follow up to the ratepayer newsletter. The survey recorded that 14.1% of respondents supported the 'Decline' option (limiting rates to rate peg increases), while 40.5% supported the 'Maintain' (special variation) and an additional 45.4% the 'Improve' option based on a higher rates increase than that applied for by the council ie, 85.9% supported increases at least equivalent to the council's application.¹⁰

⁸ Junee, *Application - Part B, 2014/15*, pp 17-18 and Attachment 11, NSW Treasury Corporation, *Junee Shire Council Financial Assessment, Sustainability and Benchmarking Report*, 5 April 2013, pp 4-5.

⁹ Junee Shire Council email dated 28 April 2014.

¹⁰ Junee, *Application - Part B, 2014/15*, pp 7, 43-49; Attachment 12, Western Research Institute, *Report on Proposed Special Rates Variation for Junee Shire Council*, pp 3-4, 20-23, 25; and *Application - Part B, Attachment 2*, IRIS Research, *Special Rating Options Survey, December 2013*, p 9.

4 What does our decision mean for the council?

Our decision means that Junee Shire Council may increase its adjusted notional general income over the 3-year period from \$2.84m in 2013/14 to \$3.80m in 2016/17 (see Table 1.1). After 2016/17, the council's permissible general income will increase by the annual rate peg unless we approve a further special variation.¹¹

The council estimates that over these 3 years, the additional rates revenue will accumulate to \$1.47m above the rate peg increase.¹²

5 What does our decision mean for ratepayers?

We set the allowable increase in general income, but it is a matter for each individual council to determine how it allocates any increase across different categories of ratepayer, consistent with our determination.

Based on data provided by the council:

- ▼ Average residential rates will increase by around \$16 in 2014/15 to \$637, and by a cumulative 22.5%, or by \$140 over the 3 years to 2016/17.
- ▼ Average business rates will increase by \$40 to \$1,567 in the first year, and by a cumulative 22.5%, or by \$343 over the next 3 years.
- ▼ Average farmland rates will increase by \$54 to \$2,121 in the first year, and by a cumulative 22.4%, or \$464 over the next 3 years.

Table 5.1 shows how much average rates are expected to increase in each main ratepayer category.

¹¹ General income in future years cannot be determined with precision because it will be influenced by several factors apart from the rate peg. Those factors include changes in the number of rateable properties and adjustments for previous under- or over-collection of rates. The OLG is responsible for monitoring and ensuring compliance.

¹² Junee, *Application - Part A, 2014/15*, Worksheets 1 and 6 and IPART calculations.

Table 5.1 Indicative annual increases in average rates as a result of the determination

Year	Residential		Business		Farmland	
	%	\$	%	\$	%	\$
2014/15 ^a	2.6	16	2.6	40	2.6	54
2015/16	9.5	61	9.5	149	9.5	201
2016/17	9.0	63	9.0	154	9.0	209

^a The 2014/15 increases have been adjusted for the expiry of an existing special variation on 30 June 2014.

Source: Junee, *Application - Part A, 2014/15*, Worksheet 5a and IPART calculations based on a weighted average for each rating category.



Appendices

A Expenditures to be funded from the special variation above the rate peg

Tables A.1 and A.2 show Junee Shire Council's proposed expenditure of the special variation funds over the next 10 years.

The council will use the additional special variation revenue, above the rate peg, of \$7.1m over 10 years) to contribute funding towards:

- ▼ \$6.0m of operating expenditure to maintain current service levels¹³ (Table A.1), and
- ▼ \$1.4m for additional capital renewals expenditure (Table A.2).

The council will also contribute \$0.4m of its own funds towards the renewal works program over the next 10 years.

The council will indicate in its Annual Reports how its actual expenditure has evolved relative to its proposed program of expenditure.

¹³ Junee, *Application - Part A, 2014/15*, Worksheet 6.

Table A.1 Income and proposed expenditure related to the special variation (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Cumulative over 10 years
Special variation income above rate peg	272.9	487.8	711.4	732.8	754.8	777.4	800.7	824.7	849.5	875.0	7,087.0
Funding for increased operating expenditures	308.1	645.5	663.2	620.0	618.2	614.7	626.6	637.9	649.5	661.5	6,045.2
Funding to increase operating surpluses	-35.0	-155.9	51.6	116.1	140.0	165.3	177.8	190.7	203.9	217.6	1,072.1
Funding for capital expenditure	0	0	0	50.0	120.0	130.0	180.0	240.0	320.0	390.0	1,430.0
Balance of funding (impact on holding of cash and short term investments)	-35.0	-155.9	51.6	66.1	20.0	35.3	-2.2	-49.3	-116.1	-172.4	-357.9

Source: Juneee, *Application - Part A, 2014/15*, Worksheet 6.

Table A.2 Proposed operating expenditure related to the special variation (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Street cleaning	15.2	15.7	16.2	16.7	17.2	17.8	18.3	18.9	19.5	20.1	175.5
Public toilets	12.0	12.4	12.8	13.2	13.6	14.1	14.5	14.9	15.4	15.9	138.5
Sporting grounds	21.1	21.7	22.4	23.1	23.9	24.6	25.4	26.3	27.1	28.0	243.6
Parks & playgrounds	75.1	77.5	80.0	82.6	85.2	87.9	90.8	93.7	96.7	99.8	869.3
Recreation & Aquatic Centre	50.0	50.0	50.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	1,550.0
Library	17.6	18.1	18.7	151.5	156.3	161.3	166.5	171.8	177.3	183.0	1,222.1
Donations to community groups	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	50.0
Economic Development	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	200.0
Tourism Development	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	500.0
Cemetery expenses	21.6	22.4	23.0	23.7	24.5	25.3	26.1	26.9	27.8	28.6	249.6
Building maintenance		3.7	7.7	7.9	8.2	8.5	8.7	9.1	9.3	9.6	72.6

Note: In addition to funding the retention of the above services, the special variation will avoid the sale of 2 properties valued at \$0.6m and higher waste (\$0.3m) and user (\$0.1m) charges over the next 10 years.

Source: Junee, *Application - Part A, 2014/15*, Worksheet 6.

Table A.3 Proposed capital program related to the special variation (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Renewal of rural sealed roads	0	0	0	0	60.0	60.0	100.0	150.0	220.0	280.0	870.0
Renewal of rural unsealed roads	0	0	0	50.0	60.0	70.0	80.0	90.0	100.0	110.0	560.0
Total Asset Renewal	0	0	0	50.0	120.0	130.0	180.0	240.0	320.0	390.0	1,430.0

Source: Junee, *Application - Part A, 2014/15*, Worksheet 6.

B Junee Shire Council's projected revenue, expenses and operating balance

The council will also report annually against its projected revenue, expenses and operating result as classified in its Annual Financial Statements and shown in Table B.1.

Revenues and the operating result in the annual accounts are reported both inclusive of and excluding capital grants and contributions.

In order to isolate ongoing trends in operating revenues and expenses, our analysis of the council's operating account in the body of this report excluded all items of a capital nature. When they are included in the council's public reports, total revenue will be higher and the operating deficit lower (or the operating surplus higher).

Table B.1 Summary of projected operating statement for Junee Shire Council, 2014/15 to 2023/24 (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total revenue	11,550	12,037	12,455	12,763	13,024	13,334	13,599	13,975	14,258	14,607
Total expenses	11,388	11,439	11,703	11,832	12,029	12,244	12,543	12,720	12,960	13,186
Operating result from continuing operations – including capital grants and contributions	162	598	753	931	995	1,090	1,056	1,255	1,298	1,420
Operating result from continuing operations – excluding capital grants and contributions	136	573	727	906	969	1,065	1,031	1,229	1,272	1,395

Source: Junee Shire Council, *Long Term Financial Plan 2013-14 to 2023-24*, adopted 21 January 2014, pp 82-83.

C Comparative indicators

Indicators of council performance may be considered across time, either for one council or across similar councils, or by comparing similar councils at a point in time.

In Table C.1 we show how selected indicators for Junee Shire Council have changed over the 3 years to 2011/12.

Table C.1 Trends in selected indicators for Junee Shire Council, 2009/10 to 2011/12

	2009/10	2010/11	2011/12
Productivity (labour input) indicators^a			
FTE staff (number)	75	75	75
Ratio of population to FTE	84	84	81
Average cost per FTE (\$)	\$54,013	\$55,547	\$54,773
Employee costs as % operating expenditure (General Fund only) (%)	34.8	36.7	33.0
Consultancy/contractor expenses (\$m)	\$1.865	\$1.948	\$2.194
Consultancy/contractor expenses as % operating expenditure (%)	16.0	16.9	17.3

^a Based upon total council operations that include General Fund, Water & Sewer and other funds, if applicable.

Source: OLG, *Comparative Information on NSW Local Government, Measuring Local Government Performance 2011/12*, October 2013.

In the above table, we see that:

- ▼ The council has not increased employee numbers over the period since 2009/10. Staff numbers have remained steady at 75 FTE are 29% below the Group 10 average (105) in 2011/12 (latest available).
- ▼ Similarly, average cost per FTE has remained relatively steady over this period increasing by only 1.4%. In 2011/12, these costs (\$54,773) were 16.7% below the average (\$65,736) for the Group 10 councils – see Table C.2 below.
- ▼ Consultancy and contractor expenses were significant at 16% of operating expenditure in 2009/10. These expenses increased to 17.3% of spending in 2011/12. This compares with the average of only 7.4% for the group 10 councils. The majority of council's expenses in this regard are accounted for by outsourced activities for domestic waste collection, road sealing on state highways, street cleaning and waste transfers stations.¹⁴

¹⁴ Junee Shire Council verbal advice provided by the Director of Corporate and Community Services, 16 April 2014.

In Table C.2 we compare the latest selected published data on Junee Shire Council with the average of the councils in the OLG Group and with NSW councils as a whole.

Table C.2 Select comparative indicators for Junee Shire Council, 2011/12

	Council	OLG Group 10 average^a	NSW average
General profile			
Area (km ²)	2,027		
Population	6,091		
General Fund operating expenditure (\$m)	12.0		
General Fund operating revenue per capita (\$)	2,024	2,580	2,011
Rates revenue as % General Fund income (%)	24.1	24.6	45.7
Average operating rate indicators^b			
Average rate – residential (\$)	520	492	685
Average rate – business (\$)	1,313	1,077	2,552
Average rate – farmland (\$)	1,782	2,192	2,123
Socio-economic/capacity to pay indicators^c			
Average annual income for individuals, 2010 (\$)	37,958	35,157	44,140
Growth in average annual income, 2006-2010 (% pa)	3.0	2.6	3.0
Average residential rates 2011/12/ average annual income, 2010 (%)	1.4	1.4	1.6
SEIFA, 2011 (NSW rank; 153 is least disadvantaged)	34		
Outstanding rates & annual charges ratio (incl water & sewerage charges) (%)	10.6	9.2	7.0
Productivity (labour input) indicators^d			
FTE staff (number)	75	105	293
Ratio of population to FTE	81	70	126
Average cost per FTE (\$)	54,773	65,736	74,438
Employee costs as % operating expenditure (General Fund only) (%)	33.0	35.5	36.8
Consultancy/contractor expenses (\$m)	2.19	1.56	6.91
Consultancy/contractor expenses as % operating expenditure (%)	17.3	7.4	9.3

a OLG Group 10 is classified 'Rural large agricultural with population between 5,001 and 10,000. The group comprises 25 councils of which the most comparable to Junee Shire Council are Blayney, Cootamundra, Narrandera and Temora.

b Average rates equal total ordinary rates revenue divided by the number of assessments in each category.

c Average annual income includes income from all sources excluding government pensions and allowances.

d Based upon total council operations. There are difficulties in comparing councils using this data because councils' activities differ widely in scope and they may be defined and measured differently between councils.

Source: OLG, Comparative Information 2011/12, October 2013; ABS, National Regional Profiles, NSW, November 2011; ABS, Regional Population Growth, July 2012; ABS, Estimates of Personal Income for Small Areas, 2005-06 to 2009-10, February 2013, ABS, Socio-Economic Indexes for Areas (SEIFA) 2011, March 2013.

