



Independent Pricing and Regulatory Tribunal

Weddin Shire Council's application for a special variation for 2015-16

under section 508A of *Local Government Act 1993*

Local Government — Determination
May 2015



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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.

Under the *Local Government Act 1993* (the Act) councils may apply to us for a special variation that allows them to increase their general income by more than the rate peg. These increases may be for either an increase in a single year (section 508(2)) or successive increases for up to seven years (section 508A).

IPART assesses these applications against criteria in Guidelines set by the Office of Local Government (OLG).¹ Box 1.1 explains the Guidelines for 2015-16.

Weddin Shire Council (Weddin Council) applied for a multi-year special variation under section 508A. The council requested increases of 6.4% in 2015-16 and 7% each year from 2016-17 to 2018-19, or a cumulative increase of 30.34% over the four years, and for the increase to remain in the rate base permanently.²

We have decided to approve the special variation as requested. We made this decision under section 508A of the Act.

Box 1.1 Special Variation Guidelines for 2015-16

IPART assesses applications for special variations using criteria in the *Guidelines for the preparation of an application for a special variation to general income for 2015/2016*, issued by the Office of Local Government.

The Guidelines emphasise the importance of the council's Integrated Planning and Reporting (IP&R) processes and 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. 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 Office of Local Government, *Guidelines for the preparation of an application for a special variation to general income for 2015/2016*, October 2014 (the Guidelines).

² Weddin Shire Council, *Special Variation Application – Part A, 2015/16* (Weddin Council, *Application Part A*), Worksheet 4.

Our decision enables the council to fund a loan to build the Weddin Aquatic Centre and a new medical centre in Grenfell. Furthermore, the council will be able to improve its financial sustainability. The Council consulted its community extensively on these issues, both in reviewing its Integrated Planning and Reporting (IP&R) documents and in preparing its special variation application.

1.1 Our decision

We determined that Weddin Council may increase its general income from 2015-16 to 2018-19 by the annual percentages shown in Table 1.1. The annual increases incorporate the rate peg to which the council would otherwise be entitled (2.4% in 2015-16).³ The cumulative increase of 30.34% is 18.45% more than the council assumed rate peg increase over four years.

After the last year of the special variation in 2018-19, the increase will remain permanently in the council's rate base.

Table 1.1 IPART's decision on Weddin Shire Council's application for a special variation in 2015-16

	2015-16	2016-17	2017-18	2018-19
Percentage increase approved (%)	6.4	7.0	7.0	7.0

Note: The rate peg in 2015-16 is 2.4%. In later years the council has assumed a rate peg of 3%.

Source: Weddin Council, *Application Part A*, Worksheet 1.

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

³ The council has assumed a rate peg of 3% in future years. The special variation percentage approved will not change to reflect the actual rate peg in those years.

Box 1.2 Conditions attached to Weddin Shire Council's approved special variation

IPART's approval of Weddin Shire Council's application for a special variation over the period from 2015-16 to 2018-19 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation to improve its financial sustainability and fund the program of expenditure outlined in its application and listed in Appendix A.
 - ▼ The council reports in its annual report for each year from 2015-16 to 2024-25 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, and
 - the outcomes achieved as a result of the actual program of expenditure.
 - ▼ The council reports in its financial statements (currently in Special Schedule 9) each year from 2015-16 to 2024-25 on its compliance with the special variation and these conditions.
-

2 What did the council request and why?

Weddin Council applied to increase its general income by a cumulative 30.34% over the 4-year period from 2015-16 to 2018-19, and to permanently incorporate this increase into its general income base.⁴

The council estimated that if the special variation is approved, its permissible general income will increase from \$2.1 million in 2014-15 to \$2.8 million in 2018-19. This would generate additional revenue of \$0.9 million above the rate peg increases over four years.

The council intends to use the additional revenue from the special variation to fund debt servicing costs associated with the capital works program and to improve its financial sustainability.⁵ The capital program related to the special variation consists of:

- ▼ demolition and rebuild of the Weddin Aquatic Centre, and
- ▼ construction of a medical centre in Grenfell.

⁴ Weddin Council, *Application Part A*, Worksheet 4.

⁵ Weddin Council, *Application Part B*, p 5.

Over 10 years, the special variation would generate revenue of \$3.5 million above the rate peg. The council's Long Term Financial Plan (LTFP) indicates that over the period 2015-16 to 2024-25 the council is proposing to spend:

- ▼ \$1.49 million on interest loan repayments
- ▼ \$1.36 million on principal loan repayments, and
- ▼ the balance be used to improve financial sustainability and report small operating surpluses from 2019-20.⁶

More detail on the council's proposed program of expenditure to 2024-25 is provided in Appendix A.

3 How did we reach our decision?

It is our view that Weddin Council's application meets the criteria. We assessed Weddin Council's application against the criteria in the Guidelines. In making our assessment, we also considered the council's most recent IP&R documents, as well as a range of comparative data about the council, set out in Appendix C.⁷

Weddin Council has applied on the basis of its adopted IP&R documents, in particular the *Weddin Shire Community Strategic Plan 2013-2013 (CSP)*, *Weddin Shire Council Delivery Program 2013-2017 (Delivery Program)*, and *Weddin Shire Council Long Term Financial Plan 2015-2024*.

The rate increases for which the council has applied are significant, and we carefully considered, among other things, the council's need for the increase, its consideration of the community's priorities, capacity and willingness to pay, and the impact of the rate increase on ratepayers.

⁶ Weddin Council, *Application Part A*, Worksheet 6.

⁷ See Appendix C. Weddin Council is in OLG Group 9, classified as Rural Medium Agricultural councils with a population of 2,001 to 5,000 or Remote with a population of 1,001-3,000. Group 9 comprises 21 councils including Boorowa, Coolamon, Gundagai, Harden and Wakool Shire councils.

In particular, we found that:

1. The need for the proposed revenue is demonstrated in the council's IP&R documents reflecting community priorities, and is supported by TCorp's assessment of the council's financial sustainability.
2. The council provided evidence that the community is aware of the need for and extent of the rate increases, and that it had considered the community's capacity and willingness to pay the proposed increases.⁸
3. The impact of the proposed rate increases on ratepayers is significant, but reasonable given the council's history of special variations, the purpose of the special variation and the council's consideration of ratepayers' willingness and capacity to pay.
4. The council provided evidence that the relevant IP&R documents have been exhibited and adopted.
5. The council participated in regional cost saving programs in past years, and is proposing to realise further savings during the period of the special variation.

Table 3.1 summarises our assessment against each criteria, and section 3.1 further discusses the council's community consultation.

⁸ The council's 2014-15 special variation application was declined due to concerns relating to community consultation.

Table 3.1 Summary of IPART’s assessment of Weddin Shire Council’s application for a special variation against the criteria in the Guidelines

Criterion	IPART findings
<p>1. The need for and purpose of a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, including its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvas alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan by including scenarios both with and without the special variation.</p>	<p>The council’s IP&R documents clearly explain the need for and purpose of the special variation, which will fund interest and principal repayments on a loan to build:</p> <ul style="list-style-type: none"> ▼ a new aquatic centre (to replace the Weddin pool), and ▼ a medical centre in Grenfell (the main town). <p>The projects are consistent with community priorities identified through development of its IP&R documents, in particular the CSP and Delivery Program.</p> <p>The balance of the extra revenue will be used to improve the council’s financial sustainability. Without the special variation, the council’s LTFP projects an operating deficit of \$3.4 million in 2024-25, and a surplus of about \$0.5 million with the special variation.</p> <p>Weddin’s proposal considers TCorp’s 2013 assessment of Weddin, that states:</p> <ul style="list-style-type: none"> ▼ the council’s financial position is ‘Moderate’ and outlook ‘Negative’ ▼ in the medium term the council may have capacity to take on debt to fund capital projects however ongoing operating deficits may prevent the council taking on further borrowings in the future, and ▼ the council’s infrastructure ratios indicate spending on maintenance, renewal or new assets has been below the required levels in the past four years. <p>The special variation revenue will address the need to increase capital expenditure and improve financial sustainability to allow future borrowings.</p> <p>The council concluded that alternative funding sources, such as private partnerships and joint ventures, were limited. However, some of the capital expenditure for the projects will come from reserves as well as debt.</p>
<p>2. Evidence that the community is aware of the need for and extent of a rate rise. The IP&R documentation should clearly set out the extent of the General Fund rate rise under the special variation. The council’s community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure an opportunity for community awareness and input to occur.</p>	<p>The council has demonstrated that it has made the community aware of the need for and the extent of the rate increase.</p> <p>The council developed a Community Engagement Strategy for the special variation proposal and used a variety of tools to engage with the community, such as:</p> <ul style="list-style-type: none"> ▼ advertising in local newspapers ▼ a mail-out factsheet to all ratepayers ▼ on-line survey and mail-out surveys to all ratepayers, and ▼ open public forums. <p>Feedback from the community indicated that the community is aware of the need and there is willingness to pay. The mail-out survey sought feedback on proposed dollar increases to rates. Overall there was strong support from the community for both capital projects and willingness to pay.</p>

Criterion	IPART findings
<p>3. The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The IP&R processes should:</p> <ul style="list-style-type: none"> ▼ clearly show the impact of any rises upon the community ▼ include the council's consideration of the community's capacity and willingness to pay rates and ▼ establish that the proposed rate increases are affordable having regard to the local community's capacity to pay. 	<p>The impact on ratepayers will be significant but reasonable given that the council has:</p> <ul style="list-style-type: none"> ▼ no prior special variations, with rates increasing only by the rate peg since 1997-98, and ▼ during consultation, demonstrated community support for and willingness to pay higher rates. <p>The council has indicated it will maintain the existing rates structure and apply the same percentage increase to all rate categories.</p> <p>We note that existing average residential and business rate levels are slightly higher than in similar councils in Group 9. However, we found that:</p> <ul style="list-style-type: none"> ▼ the average taxable income is slightly higher than the group's average ▼ the outstanding rates ratio has improved to 9.1% ▼ the council has developed a hardship policy that was adopted in September 2014, and ▼ the council has a SEIFA ranking of 52 out of 153 (153 is least disadvantaged).
<p>4. The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.</p>	<p>The council adopted the Community Strategic Plan in June 2013. The Delivery Program was advertised during May 2014 and adopted on 18 June 2014.</p> <p>The council revised its LTFP to include the special variation application option and adopted the LTFP on 30 January 2015.</p>
<p>5. The IP&R documents or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.</p>	<p>The council has not realised any significant productivity savings in past years. The council is a member of CENTROC and participates in regional cost savings initiatives, although these are not quantified.^a</p> <p>In its LTFP the council is proposing to:</p> <ul style="list-style-type: none"> ▼ reduce material and contracts expenses by 10% in 2015-16, in particular by participating in regional cost savings programs, and transitioning to an asset preservation strategy, and ▼ reduce other operating expenses by 7% per year for the next five years by resource sharing initiatives with surrounding councils.

^a Central NSW Councils (CENTROC) is a voluntary regional collaboration of councils in Central NSW.

Note: SEIFA is the Socio-Economic Indexes for Areas: refer to Appendix C, Table C.2.

Sources: Weddin Council, *Application Part A*, and *Application Part B*; OLG, Unpublished data 2012-13; NSW Treasury Corporation (TCorp); *Weddin Shire Council Financial Assessment, Sustainability and Benchmarking Report, 2013*; *Weddin Shire Council Delivery Program 2013-17*; *Weddin Shire Council Long Term Financial Plan 2015-24*; Weddin Shire Council, Policy Number 1.20.1, *Policy For Hardship Assistance*.

3.1 Community consultation

It is our view that Weddin Council sufficiently demonstrated evidence that the community is aware of the need for and extent of a rate rise in its community consultation relating to its 2015-2016 special variation application.

In our 2014 Determination, we did not approve Weddin Council's 2014-15 special variation application.⁹ Our 2014 Determination states that:

The council provided some evidence that the community is aware of the need for the rate rise. However, we did not consider that the community had been made sufficiently aware regarding the extent and impact (in \$ and % terms) of the proposed rate rise.¹⁰

By comparison with its consultation on the 2014-15 special variation application, the council showed major improvements in making the community aware of the extent of the rate rise.

The IP&R documentation clearly set out the extent of the General Fund rate rise under the special variation. The council's community engagement strategy for the special variation demonstrated an appropriate variety of engagement methods.

In particular, the council distributed a fact sheet to all ratepayers that clearly set out the need for and the extent of the rate rise. The fact sheet showed average \$ and % increases in each rate category and subcategory, and provided comparative data from surrounding councils.¹¹

4 What does our decision mean for the council?

Our decision means that Weddin Council may increase its general income over the 4-year special variation period from \$2.11 million in 2014-15 to \$2.76 million in 2018-19.

Table 4.1 shows annual increases in the dollar amounts to the council's general income. These amounts reflect the percentage increases we have approved and, in 2015-16, adjustments that occur as a result of various catch-up and valuation adjustments.

⁹ IPART, *Weddin Shire Council's application for a special variation for 2014/15 – Determination*, June 2014, p 1.

¹⁰ IPART, *Weddin Shire Council's application for a special variation for 2014/15– Determination*, June 2014, p 3.

¹¹ Weddin Shire Council, *Special Rate Variation – Fact Sheet*, November 2014.

These increases will be permanently incorporated into the council’s revenue base. After 2018-19, the council’s permissible general income will increase by the annual rate peg unless we approve a further special variation.¹²

Table 4.1 Permissible general income of Weddin Shire Council from 2015-16 to 2018-19 arising from the special variation approved by IPART

Year	Increase approved (%)	Cumulative increase approved (%)	Annual increase in general income (\$)	Permissible general income (\$)
Adjusted notional income 30 June 2015				2,114,396
2015-16	6.4	6.4	136,284	2,250,680
2016-17	7.0	13.85	157,548	2,408,228
2017-18	7.0	21.82	168,576	2,576,804
2018-19	7.0	30.34	180,376	2,757,180

Note: Includes adjustment of \$963 in 2015-16 for prior year catch-up and valuation objections claimed in prior year.

Source: Weddin Council, *Application Part A*, Worksheets 1 and 4 and IPART calculations.

The council estimates that over these four years, the additional rates revenue will accumulate to \$930,719 above the rate peg.

This extra income is the amount the council requested to enable it to undertake additional capital expenditure, and to enhance its financial sustainability.

5 What does our decision mean for ratepayers?

IPART sets 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.

In its application, Weddin Council indicated that it intended to increase rates over the four years uniformly for each category.

The council has calculated that:

- ▼ the average residential rate will increase by a cumulative 30.34%, or by \$31 in the first year and by \$148 over four years
- ▼ the average business rate will increase by a cumulative 30.34%, or by \$63 in the first year and by \$297 over four years

¹² General income in future years cannot be determined with precision, as it will be influenced by several factors apart from the rate peg. These factors include changes in the number of rateable properties and adjustments for previous under- or over-collection of rates. The Office of Local Government is responsible for monitoring and ensuring compliance.

- ▼ the average farmland rate will increase by a cumulative 30.33%, or by \$83 in the first year and by \$392 over four years, and
- ▼ the sole mining rate assessment will increase by a cumulative 30.33%, or by \$323 in the first year and by \$1,534 over four years.¹³

We note that over the last 10 years, the council has not increased rates uniformly for each category. The average residential rate has been increasing at a higher rate than business and farmland rates. However, this was due to a rating restructure in line with a council policy to manage the drought impact on farmers and business. Historically, the average residential rate has been very low which allowed the council to apply the increases in the past to residential rates and bring rates in line with other surrounding councils to current levels.

Table 5.1 sets out Weddin Council's estimates of the expected increase in average rates in the main ratepayer categories.

Table 5.1 Indicative annual increases in average rates under Weddin Shire Council's approved special variation 2015-16 to 2018-19

Year	2015-16	2016-17	2017-18	2018-19	Cumulative increase
Residential rate^a					
\$ increase	31.22	36.37	38.91	41.64	148.14
% increase	6.39	7.00	7.00	7.00	30.34
Farmland rate					
\$ increase	82.61	96.29	103.03	110.24	392.16
% increase	6.39	7.00	7.00	7.00	30.33
Business rate					
\$ increase	62.62	72.90	78.00	83.46	296.97
% increase	6.40	7.00	7.00	7.00	30.34
Mining rate^b					
\$ increase	323.02	376.67	403.04	431.25	1,533.97
% increase	6.39	7.00	7.00	7.00	30.33

a Annual dollar amount rate increases in 2015-16 in Caragabal, Greenethorpe, Quandialla and Bimbi will be between \$9 and \$15 which is lower than the residential average.

b There is only one assessment in the Mining rate category.

Note: The average rate is calculated such that total revenue collected in each rate category is divided by the number of assessments in that category. This means that rates may be lower or higher in some of the subcategories.

Source: Weddin Council, *Application Part A*, Worksheet 5a.

¹³ Weddin Council, *Application Part A*, Worksheet 5a.



Appendices

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

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

The council will use the special variation revenue above the rate peg of \$3.5 million and \$0.3 million from reserves (total \$3.8 million), over 10 years to fund:

- ▼ interest and principal loan repayments acquired to build a new Medical Centre and demolish and rebuild the Weddin Aquatic Centre, and
- ▼ an improvement in the councils financial sustainability.¹⁴

As a condition of IPART's approval, the council will indicate in its Annual Reports how its actual expenditure compares with this proposed program of expenditure.

¹⁴ Weddin Council, *Application Part A*, Worksheet 6.

Table A.1 Weddin Shire Council – Income and proposed expenditure over 10 years related to the special variation (\$)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Special variation income above rate peg	84,576	177,140	278,784	390,219	401,926	413,984	426,403	439,195	452,371	465,942	3,530,540
Transfers from reserves	200,525	107,961	6,317	0	0	0	0	0	0	0	314,803
Total funding	285,101	285,101	285,101	390,219	401,926	413,984	426,403	439,195	452,371	465,942	3,845,343
Funding for interest on loan repayments	177,558	172,055	166,272	160,192	153,802	147,084	140,023	132,601	124,798	116,597	1,490,983
Funding for repayments of loan principal	107,543	113,045	118,829	124,909	131,299	138,017	145,078	152,500	160,302	168,504	1,360,026
Funding to reduce operating deficits (or increase surpluses)	0	0	0	105,118	116,825	128,883	141,302	154,094	167,270	180,841	994,334
Total expenditure	285,101	285,101	285,101	390,219	401,926	413,984	426,403	439,195	452,371	465,942	3,845,343

Note: Numbers may not add due to rounding.

Source: Weddin Council, *Application Part A*, Worksheet 6 and IPART calculations.

Table A.2 Weddin Shire Council – Proposed 10-year capital expenditure program related to the special variation (\$)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Funding for repayments of loan principal	107,543	113,045	118,829	124,909	131,299	138,017	145,078	152,500	160,302	168,504	1,360,026
Total Capital Expenditure	107,543	113,045	118,829	124,909	131,299	138,017	145,078	152,500	160,302	168,504	1,360,026

Note: Numbers may not add due to rounding.

Source: Weddin Council, *Application Part A*, Worksheet 6.

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

As a condition of IPART's approval, Weddin Council is to report annually against its projected revenue, expenses and operating balance as set out in its LTFP (shown in Table B.1).

Revenues and operating results in the annual accounts are reported both inclusive and exclusive of capitals 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 excludes capital grants and contributions.

Table B.1 Summary of projected operating statement for Weddin Shire Council, 2015-16 to 2024-25 (\$000)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total revenue	10,724	11,189	11,597	12,800	13,130	12,702	13,059	13,430	13,813	14,205
Total expenses	9,854	9,751	9,668	9,603	9,566	9,789	10,009	10,235	10,470	10,710
Operating result from continuing operations	869	1,438	1,929	3,197	3,564	2,913	3,051	3,196	3,343	3,495
Net operating result before capital grants and contributions	-1,536	-1,027	-597	-157	144	192	261	337	413	492

Note: Numbers may not add due to rounding.

Source: Weddin Council, *Application Part A*, Worksheet 7.

C Comparative indicators

Performance 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.

Table C.1 shows how selected performance indicators for Weddin Council have changed over the four years to 2012-13.

Table C.1 Trends in selected performance indicators for Weddin Shire Council, 2009-10 to 2012-13

Performance indicator ^a	2009-10	2010-11	2011-12	2012-13	Average change (%)
FTE staff (number)	66	54	56	58	-4.2
Ratio of population to FTE	57	69	67	64	4.2
Average cost per FTE (\$)	53,576	64,537	63,161	60,690	4.2
Employee costs as % operating expenditure (General Fund only) (%)	42.0	33.9	31.4	27.8	
Consultancy/contractor expenses (\$m)	3	-	-	-	
Consultancy/contractor expenses as % operating expenditure (%)	-	-	-	-	

a Based upon total council operations that include General Fund, Water & Sewer and other funds, if applicable.
Source: OLG, unpublished data.

General comparative indicators

Table C.2 compares selected published and unpublished data about Weddin Council with the averages for the councils in its OLG Group, and for NSW councils as a whole.

As indicated in section 3, Weddin Council is in OLG Group 9. Unless specified otherwise, the data refers to the 2012-13 financial year.

Table C.2 Select comparative indicators for Weddin Shire Council, 2012-13

	Weddin Council	OLG Group 9 average ^a	NSW average
General profile			
Area (km ²)	3,410	-	-
Population	3,730	-	-
General Fund operating expenditure (\$m)	12.2	-	-
General Fund operating revenue per capita (\$)	3,164	3,801	2,026
Rates revenue as % General Fund income (%)	17.5	19.5	46.8
Own-source revenue ratio (%)	58.7	46.0	71.1
Average rate indicators^b			
Average rate – residential (\$)	382	358	712
Average rate – business (\$)	786	694	2,688
Average rate – farmland (\$)	1,217	2,408	2,194
Socio-economic/capacity to pay indicators^c			
Average annual income for individuals, 2011 (\$)	42,681	42,271	49,070
Growth in average annual income, 2006-2011 (% pa)	9.7	7.2	5.2
Average residential rates 2012-13 to average annual income, 2011 (%)	0.9	0.9	1.5
SEIFA, 2011 (NSW rank: 153 is least disadvantaged)	52		
Outstanding rates and annual charges ratio (General Fund only) (%)	9.1	8.0	6.0
Productivity (labour input) indicators^d			
FTE staff (number)	58	70	294
Ratio of population to FTE	64	50	127
Average cost per FTE (\$)	60,690	68,526	75,736
Employee costs as % operating expenditure (General Fund only) (%)	27.8	35.3	37.1
Consultancy/contractor expenses (\$m)	-	1.4	7.8
Consultancy/contractor expenses as % operating expenditure (%)	-	9.9	10.3

^a OLG Group 9 Local Government Area is classified as Rural Medium Agricultural with a population of 2,001 to 5,000 or Remote with a population of 1,001-3,000.

^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 Except as noted, data is based upon total council operations, including General Fund, Water & Sewer and other funds, if applicable. 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, unpublished data; ABS, *Regional Population Growth, Australia*, August 2013; ABS, *Estimates of Personal Income for Small Areas, 2005-06 to 2010-11*, October 2013; ABS, *Socio-Economic Indexes for Areas (SEIFA) 2011*, March 2013 and IPART calculations.