

Essential Services Commission Additional Question Responses

July 2017

Q1. Could you please provide any relevant information that may assist in demonstrating the extent that the views and feedback received by Council in relation to the higher cap are representative of the community?

Council has attempted to engage with as many different groups as practicable within the cost constraints of Council in its engagement program around the rate cap exemption.

The public information sessions were unfortunately not overly well attended with approximately a dozen ratepayers attending the sessions.

The demographics of the attendees at these sessions were split fairly evenly between retired/elderly (65+) and working ages (30-60). Council has a relatively high proportion of people aged 60+ within or shire with 29.4% of our population being over 60 years old (source: Wimmera Southern Mallee Home Support Project Report), whilst only 24.25% of our population is under 20 years old. Unfortunately there were no attendees at the public forum under approximately 30 years old.

However, Council did outline its reasons for requesting a rate cap exemption on its facebook site, which received a small number of responses. Anecdotally the users of facebook and social media tend to fit into the younger demographic (although Council admits this is not exclusively so). The posting to facebook was designed to engage with this younger sector of our community.

The discussions at the forums invariably centred on the provision of aged care services and roads. It was made very clear to Council that neither of these services should be reduced. In the case of roads this lines up with Council's recent Customer Satisfaction Survey response which rated Council performance on roads quite poorly with a score of 45, the worst result Council received. The facebook results indicated that roads and infrastructure was important.

Much of the feedback to the Council Plan has concerned maintaining Council's infrastructure and services.

Council is committed to holding budget information session over the coming month, with sessions scheduled in Edenhope, Harrow and Kaniva.

Council also maintains its quarterly community Council meetings, held in the more remote areas of Council. The next of these is to be held on 19 July at Lillimur. These meetings take the form of an informal dinner with community members and then a community meeting where the community raise items of interest which they wish to discuss.

Q2. Could you please provide any relevant information that may assist in demonstrating how major financial or service level trade-offs in the medium and long-term have been considered as part of Council's budget and long term financial planning? Was this discussed by Council with its community as part of its community engagement?

Council's budget and long term financial and asset planning have been based on defining and preserving as far as possible long term service levels.

Council sees long term asset management as the key to both its longer term service delivery capacity and financial sustainability. In this regard Council has indeed considered the need to fund its asset renewal when setting its rates and charges and determining other sources of income.

Council has modelled differing intervention points and have decided upon a level of asset service which we believe meets the community's requirements. The level of funding required is then determined via the long term financial plan.

Council then determines whether the amount of funding required from rates is reasonable to our community. Council is well aware of the concerns of many of our community who are on relatively low fixed incomes (such as over 60's who make up a significant amount of our community), who find significant rate rises difficult. This is the primary reason why Council has elected to request a 3.5% rate increase knowing that it will not completely fund 100% of our asset renewal requirements. An earlier proposal was to request a 5.5% increase which would fund significantly more asset renewal than 3.5% would, but Council considered that this would place too high a financial burden on our ratepayers, so a compromise of a 3.5% increase with slightly lower level of asset service was agreed upon.

It is noted that Council's previous rate increases for the decade pre-dating the introduction of rate capping were significantly above 3.5% per annum. Council has taken accumulated and ongoing feedback from our community as to the difficulty for ratepayers in continuing to meet those rate increases and balanced this against the need for service provision.

Council has been and will continue to implement an ongoing cost reduction program, where miscellaneous expenditure items such as stationery, minor equipment, etc are rigorously policed and controlled. This program has seen savings of over \$90,000 identified in the 2017-18 budget year. Council has installed a video conferencing system which aims to achieve long term savings in travel costs. The system has already seen significant use for internal meetings between Edenhope and Kaniva, reducing the amount of travel staff have needed to make between our two major centres. The system is also being used for some meetings with regional partnerships and government departments. It is anticipated that the usage of our video conferencing system will increase over the coming years.

Council will also be renegotiating its Enterprise Agreement at the end of next year. Council will be seeking to realise efficiency gains in this area, not only via the quantum of wage escalation (currently base 2.7%), but also through modifications to the band progression and top of band bonus processes. At this stage the value of such efficiency savings has not been guaranteed, so on the basis of conservatism Council has projected employee cost growth on the basis of the existing Enterprise Agreement.

Q3. Could you please provide any relevant information that may assist in demonstrating how feedback on the outcomes of the community engagement undertaken by Council have been reported back to the community?

Council has begun posting the outcomes of major policy decisions to its facebook site, which has been receiving a larger number of views over time.

Council has also been producing a quarterly newsletter – The West Wimmera Wire, which highlights major Council decisions and projects. The West Wimmera Wire is delivered in either printed or electronic form to all ratepayers and any other people who wish to subscribe to it. It can also be accessed from Council's website.

Council also maintains a website where details of Council decisions are posted.

Our Mayor continues to publish a monthly column in the local print media outlining items around Council decisions and strategies.

Council has commenced a process where managers and co-ordinators are assigned to attend the regular meetings of relevant community groups. This is designed to both receive information from the community and to give feedback from Council as to Council's responses and actions.