



Willoughby City Council

ORDINARY COUNCIL

AGENDA

NOTICE IS HEREBY GIVEN that an Ordinary Meeting of the Council will be held at Council Chamber Level 6, 31 Victor Street, Chatswood

on 30 January 2024
commencing at 7:00pm

The Meeting is open to the Public

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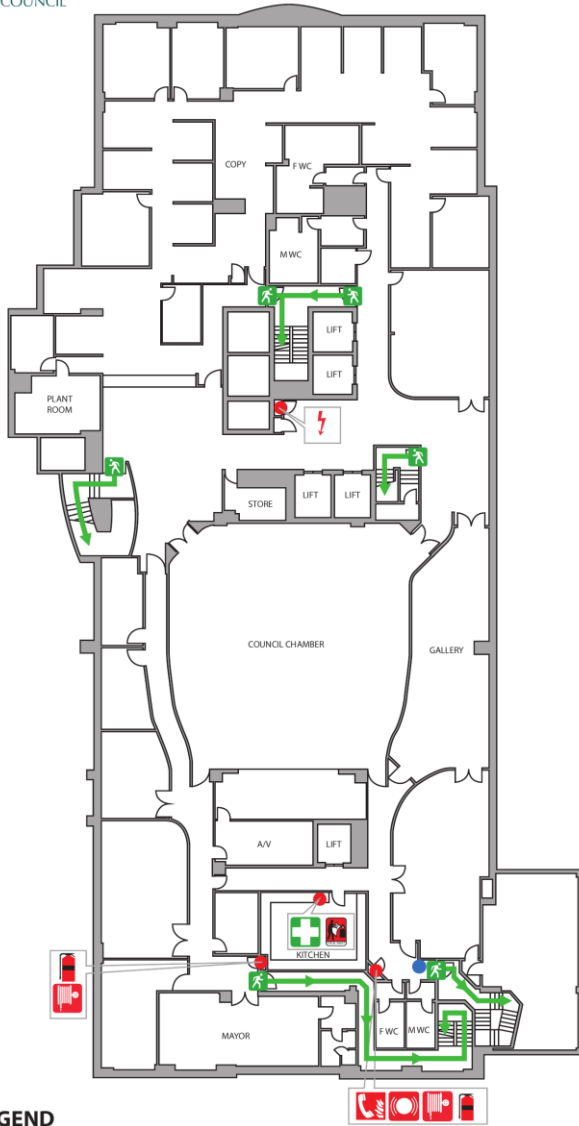
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WILLOUGHBY CITY COUNCIL

Level 6 Floor Plan



EVACUATION DIAGRAM | COUNCIL CHAMBERS



Dial 000 for all emergency services
000 EMERGENCY
 Address: 31 Victor St, Chatswood
 Nearest Cross: Albert Ave

IN THE EVENT OF AN EMERGENCY

Remove any person from danger
Alert staff and others
Confine smoke/fire and close doors
Extinguish fire, if safe to do so -
 If not, assist others and move to the Emergency Assembly Area.

EVACUATION PROCEDURES

ALERT BEEEP..BEEEP..BEEEP.
 If you hear this sound you must be prepared to evacuate. Listen carefully to any instructions provided by Wardens and Staff.

EVACUATE WOOP..WOOP..WOOP.
 When you hear this sound you **MUST** evacuate using the nearest Fire Exit. Do not run and do not use any Lifts. If you need assistance to evacuate advise the nearest Staff member.

Listen carefully to any instructions provided by Wardens and Staff.

This diagram identifies the nearest Exit and the alternate Fire Exit as well. You must proceed to the Emergency Assembly Area and wait for further instruction.

DO NOT PANIC

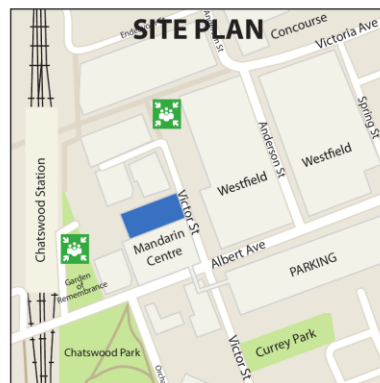
LEGEND

	FIRE EXIT		EMERGENCY ASSEMBLY POINT
	STAIRS		EMERGENCY EXIT ROUTE
	YOU ARE HERE		FIRST AID KIT
	ELECTRICAL DISTRIBUTION BOARD		FIRE BLANKET
	FIRE HYDRANT		FIRE INDICATOR PANEL
	FIRE HOSE REEL		BREAK GLASS ALARM
	WARDEN INTERCOM POINT		CO2 FIRE EXTINGUISHER

LEVEL 6

Assembly Area 1:
 Chatswood Mall, near Victor Street

Assembly Area 2:
 Garden of Remembrance



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 Date of Issue: 12-2014
 Date of Review: 12-2017
 NOT DRAWN TO SCALE



COUNCIL CHAMBERS

CUSTOMER AND CORPORATE DIRECTOR	MAYOR	CHIEF EXECUTIVE OFFICER
M Kenyon	Clr T Taylor	D Just

Clr G Roussac	N A R E M B U R N	M I D D L E H A R B O U R	Clr R Samuel	Council Staff
Clr N Wright			Clr A Rozos	
Clr A Greco			Clr S Mouradian	
Clr H Eriksson	S A I L O R S	W E S T	Clr C Campbell	
Clr J Moratelli			Clr B Zhu Deputy Mayor	
Clr R McCullagh			Clr J Xia	
	B A Y			



Council Chamber Protocol

Ordinary Council Meetings are held on the fourth Monday of the month.

All meetings are open to the public except for items that, in the Council's opinion, are confidential, in accordance with Section 10A of the *Local Government Act 1993*.

- The Council meeting is in progress once the Mayor declares the meeting open and until the Mayor declares the meeting closed. Members of the public are asked to remain silent when the Council meeting is in progress.
- Members of the public can request that an item be discussed early in the meeting by approaching a Council Officer or Councillor prior to the meeting commencing. The decision to bring forward an item rests with the Mayor. Members of the public are not permitted to approach Councillors while the Council meeting is in progress. Having a matter brought forward in the Council meeting does not give you the right to address Council on that matter.
- You may address Council at a Council meeting in one of two ways:
 - **Open Forum** – allows people to address Council for up to three (3) minutes on any topic relating to Council's activities or Willoughby generally. Members of the public cannot use the Open Forum to speak about an item on the agenda. Requests to speak at Open Forum can be made by completing the on-line form on Council's website before noon on the day of the meeting.
 - **Public Forum** – allows people to address Council for up to three (3) minutes in relation to a specific matter on the agenda. People wishing to address must complete the on-line form on Council's website before noon on the day of the meeting. The decision as to whether or not the person will be heard rests with the Council.
- You are able to distribute additional papers to Councillors prior to a Council meeting via the on-line Request to Address Council Meetings form or via email, post or delivered to Council chambers by noon on the day of the meeting. No additional papers can be distributed to Councillors after 5:00pm on the evening of the Council meeting except in exceptional circumstances agreed by the Chief Executive Officer and the Mayor.
- Please ensure that all mobile phones are turned **off** whilst you are in the Council Chamber. Note that mobile phones or any other recording device are not to be used to record any part of the Council Meeting.
- **Guidelines for Speakers** – When addressing the Council, please remember to be courteous. Comments made by participants in any Council meeting, which are derogatory or damaging to any person's character or reputation, including any Councillor, employee of the Council, or member of the public, may be defamatory and may subject the participant to an action for defamation. Comments made during the course of a Council meeting are not protected by the defence of absolute privilege under the *Defamation Act 2005*, and may not attract any other defences available under that Act or the common law. Every Council meeting is recorded and applications to access to such recordings can be made under the *Government Information (Public Access) Act 2009 (GIPA Act)*.
- **Webcasting** – The proceedings of all Council meetings in open session, including all debate and addresses by the public, are recorded and webcast live on Council's website for the purpose of facilitating community access. Webcast archives are stored and available to the public on Council's website for two (2) years, after which time the recordings may be disclosed under the provision of the *GIPA Act*.
- Members of the public attending a Council meeting may have their image, voice and personal information (including name and address) recorded, publicly broadcast and archived for two (2) years. By attending a Council meeting, whether by addressing the Council or as an observer or other interested party, members of the public consent to this use of their image, voice and personal information.

Statement of Ethical Obligations

The Mayor and Councillors are reminded that they remain bound by the Oath or Affirmation of Office made at the beginning of the Council term to undertake their civic duties in the best interests of the people of the Willoughby Local Government Area and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their ability and judgement.

Council Officials are also reminded of the requirement to declare and appropriately manage any conflicts of interest they may have in relation to matters considered at this meeting in accordance with the Code of Conduct and Code of Meeting Practice.

1 OPEN MEETING**2 ACKNOWLEDGEMENT OF COUNTRY**

Willoughby City Council acknowledges the Traditional Owners of the lands on which we meet today, the Gamaragal People, and their connections to land, waters, and community. We pay our respects to their Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander people, including those who may be in attendance today.

3 REFLECTION OR PRAYER**4 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS****5 CONFIRMATION OF MINUTES**

That the Minutes of the Ordinary Meeting of Council held 11 December 2023, copies of which have been circulated to each member of Council, be confirmed.

6 DISCLOSURES OF INTERESTS

In accordance with Part 16 of the Code of Meeting Practice, all Councillors must disclose and manage any conflicts of interest they may have in matters being considered at the meeting.

7 PETITIONS**8 OPEN AND PUBLIC FORUM**

Open Forum allows members of the public to address Council for a maximum of three (3) minutes on any issues (but not on an item on the Agenda).

Public Forum allows members of the public to address Council for a maximum of three (3) minutes on an issue on the Agenda.

9 MAYORAL MINUTE**10 CHIEF EXECUTIVE OFFICER'S LATE REPORT**

11 MATTERS BY EXCEPTION

At this stage the Mayor will invite Councillors to nominate the items they wish Council to consider separately and these matters will then be dealt with in the order so nominated.

12 REPORTS TO COUNCIL

CHIEF EXECUTIVE'S OFFICE

12.1 APPLICATION FOR SPECIAL RATE VARIATION

ATTACHMENTS:	<ol style="list-style-type: none">1. IMPLICATIONS2. AVERAGE AND MINIMUM RATE INCREASES BY MAJOR RATING SUB-CATEGORY FROM 2024-2027 IF SRV APPLICATION IS LODGED AND APPROVED3. DRAFT IPART APPLICATION FORM4. ENGAGEMENT OUTCOMES REPORT5. RESPONSES TO KEY ENGAGEMENT THEMES6. REVISED LONG TERM FINANCIAL PLAN 2023-2033 FOR ADOPTION7. REVISED DELIVERY PROGRAM 2022-26 FOR ADOPTION8. PROPOSED POST-EXHIBITION CHANGES TO LONG TERM FINANCIAL PLAN 2023-2033 AND DELIVERY PROGRAM 2022-269. UPDATED CAPACITY TO PAY REPORT
RESPONSIBLE OFFICER:	DEBRA JUST – CHIEF EXECUTIVE OFFICER
AUTHOR:	MARK SKELSEY – SPECIAL RATE VARIATION PROJECT MANAGER
CITY STRATEGY OUTCOME:	5.6 – ENSURE VALUE FOR MONEY AND FINANCIAL SUSTAINABILITY
MEETING DATE:	30 JANUARY 2024

1. PURPOSE OF REPORT

To seek Council's approval to revise Council's *Long Term Financial Plan 2023-2033* and *Delivery Program 2022-26* and concurrently support the lodgement of a Special Rate Variation application to the Independent Pricing and Regulatory Tribunal.

2. OFFICER'S RECOMMENDATION

That Council:

- 1. Endorse an application to the Independent Pricing and Regulatory Tribunal for a 15% rate increase in 2024/25, including a 10% Special Rate Variation which will first apply in the 2024/25 financial year and then stay in place in Council's rate base on a permanent basis.**
- 2. Endorse the revised *Long Term Financial Plan 2023-2033* at Attachment 6 and *Delivery Program 2022-26* at Attachment 7.**
- 3. Delegate authority to the CEO to lodge an application for a Special Rate Variation to the Independent Pricing and Regulatory Tribunal, which is consistent with the draft application at Attachment 3 and the revised *Long Term Financial Plan 2023-33* and *Delivery Program 2022-26*.**
- 4. Publish Council's Special Rate Variation application to the Independent Pricing and Regulatory Tribunal on Council's website, immediately after lodgement.**

5. **Inform all community engagement participants of this resolution and thank them for their contribution.**

3. BACKGROUND

On 27 November 2023, Council resolved as follows:

“That Council:

- 1. Note that community engagement activity undertaken between 25 September and 5 November 2023 shows there is strong overall community support for a Special Rate Variation (SRV).*
- 2. Endorse Option 3 – Increase Services (15% rate rise) as its preferred 2024/25 rate rise option to inform the preparation of a SRV application to the Independent Pricing and Regulatory Tribunal (IPART).*
- 3. Endorse the public exhibition of the Long Term Financial Plan (LTFP) and Delivery Program 2022-26 changes which are applicable to Option 3 – Increase Services (15% rate rise) at Attachment 9.*
- 4. Authorise the Chief Executive Officer to make amendments to the LTFP to update the document to integrate the IPART 2024/25 rate peg announcement made on 21 November, and other changes to the LTFP and Delivery Program 2022-26 changes which do not alter the intent or result in material changes to these documents in preparation for public exhibition of the same.*
- 5. Agree to hold an additional Council meeting at 7.00pm on Tuesday, 30 January 2024, to consider the outcome of the public exhibition of the LTFP and Delivery Program 2022-26 changes, and the lodgement of a SRV application to IPART, should Council resolve to support a SRV option at this meeting.*
- 6. Notify engagement participants about Council’s decision in this matter and thank them for their valued contribution.*
- 7. That Council ensures that irrespective of how rate payers receive their rate notifications (e.g. physically or electronically) that it is clear and obvious that there are hardship provisions available to access and that this information is accessible.”*

This report outlines how Council has implemented the 27 November 2023 Council resolution relating to the Special Rate Variation (SRV) project, and seeks Council endorsement for the *Long Term Financial Plan 2023-2033* and *Delivery Program 2022-26* referred to in the resolution and to lodge an application for the SRV.

The report also concludes the extensive work which has been undertaken by Council, since November 2022, to develop a proposed SRV. This work has included:

- Holding nine Councillor briefings
- Publishing six Council reports
- Delivering 30,067 letters to ratepayers, issuing 73,000 emails, generated 229,500 social media post impressions, receiving 2,349 survey responses including 1,585 comments, and hosting 14 community information sessions, and generating 6,682 website visits to the SRV web page.

4. DISCUSSION

Detail of proposed 15% rate increase

On 27 November 2023, Council considered a report which detailed:

- The outcomes of extensive community engagement conducted between 25 September and 5 November 2023 on four rate rise options; and
- The findings of research which examined the general capacity of Willoughby’s ratepayers to pay the various rate rise options.

After considering this report, Council resolved to support a preferred 15% rate increase for the financial year 2024/25 (known as the *Increase Services* option).

The report stated that, when combined with a \$2m efficiency target, the increase:

- Significantly improves the financial sustainability of Council
- Was in line with overall community sentiment in favour of a special rate rise
- Was the most highly ranked option among representative survey respondents who supported an SRV and was cited as an “affordable option” by these respondents
- Would allow Council to continue to deliver highly valued services to the community
- Delivers surpluses in all nine years between 2024/25 and 2032/33, with an average annual surplus of \$4.77m. These surpluses, subject to future financial shocks such as inflation increases, could be re-invested in community services and projects
- Allows Council to allocate an additional \$2 million a year for public area maintenance, chiefly to allow Council to invest in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy. The above initiatives have been strong priorities in this term of Council (including via a resolution at the March 2023 meeting recommending an increase in the maintenance budget to be considered in the budget process). The initiatives also feature among the services rated as most important in Council's Community Perception Survey
- Increases Council's ability to absorb future financial, extreme weather and growth shocks; and
- Provides a stable work environment for staff attraction and retention.

The reports to the November 2023 Council meeting, including the engagement outcomes report, can be found [at this page](#).

The 15% rate increase comprises a 10% SRV (for which Council needs to apply to the NSW Government) and a 5% rate peg increase (prescribed by the NSW Government to Council on 21 November 2023).

The SRV application would be made under Section 508(2) of the *Local Government Act* and would involve a one-off increase to rates in 2024/25, whereby rates would increase by the approved SRV (10%) and rate peg amount (5%).

The SRV amount would then stay in Council's rates base in future years, when rates would typically only increase in line with the NSW Government rate peg.

The average residential rate will increase by \$163.18 in 2024/25, or \$3.14 a week, with the average business (general) average rate increasing by \$972.82 (\$18.71 a week) and the Chatswood Town Centre average rate increasing by \$1,170.42 (\$22.51 a week). The actual and projected average and minimum rate increases, by major rating sub-category, which would apply from 2024/25 to 2027/28, are outlined in **Attachment 2**.

Following the proposed 15% rate increase, in 2024/25:

- Council's average residential rate will be \$1,251 and will be the third lowest average residential rate out of the eight Northern Sydney Regional Organisation of Councils (NSROC) councils and will remain below NSROC average (\$1,508).
- Council's average business rate will be \$8,481 and will remain the second highest in NSROC, and above the NSROC average (\$5,510). It should however be noted, that Willoughby's average business rate is inflated by large rate amounts paid by some individual landowners, with around 50% of Council's business ratepayers paying \$2,000 or less.

Application to Independent Pricing and Regulatory Tribunal

Should Council support the submission of an application to the Independent Pricing and Regulatory Tribunal (IPART), a comprehensive application will be submitted which will include the following:

- CEO covering letter
- IPART Form A, which is a detailed spreadsheet that includes numerical information on matters such as future notional and permissible income, minimum and average rates and the expenditure program to be funded by the SRV and Council's future projected financial results
- IPART Form B which is a written response to the six criteria which Council needs to address to meet the relevant Office of Local Government guidelines for SRVs
- A range of attachments to Form B, including information on Council's workforce efficiency and recent productivity gains over time, any research on the capacity of Willoughby's ratepayers to pay the 15% increase
- The revised *Long Term Financial Plan 2023-2033* and *Delivery Program 2022-26* attached to this report for approval; and
- Compendiums of existing community engagement material and reports.

All the above material has not been completed at the time of publication. However, a draft of IPART Form B is available at **Attachment 3** for the information of Councillors.

Next steps

If Council resolves to lodge an SRV application, the next steps will include:

- Lodge the application on or before 5 February 2024
- IPART will then exhibit Council's application (and attachments to this application) between February and March 2024, which will give another opportunity for community members to provide feedback directly to IPART
- Council preparing its 2024/25 budget which assumes the SRV application is successful (see more detail below) and preparing for the communication implications of the application (see more detail below)
- IPART, in May 2024, making a public announcement either approving, modifying or refusing this application; and
- If the application is approved by IPART, the increased rates being reflected in the July 2024 rates notices sent to all ratepayers.

Revised Long Term Financial Plan and Delivery Program

From 30 November 2023 to 14 January 2024, Council exhibited a revised *Long Term Financial Plan 2023-33* (LTFP) and *Delivery Program 2022-26* (Delivery Program) which incorporated the proposed 15% rate increase. The exhibition of these key documents embeds the SRV in Council's Integrated Planning and Reporting Framework, fulfils a requirement of the IPART application process and allows the community to provide feedback on Council's long term financial sustainability.

The following awareness-raising activities were undertaken in relation to these documents:

- Sending an email notification, or posted letter, to 1,873 community members who had either completed the online survey, or lodged an email comment or posted letter, in relation to the rate rise option engagement activity
- Sending an email to all 8,777 registrants to Council's *Have Your Say* database, which outlined all Council projects out for consultation during December, including this project
- Issuing a media release about Council's decision and the commencement of the exhibition on the LTFP and Delivery Program.
- Placing a public notice in the North Shore Times
- Issuing a Council News newsletter, which outlined the exhibition, to 1,904 subscribers, and issuing a Council social media post.

The exhibition process attracted 39 participants who generated some 61 separate comments, including 56 *Have Your Say* survey comments, four emails and one posted letter.

Some 67% of the participants made comments opposing the 15% rate increase, with the other 33% either supporting a SRV increase or not making a specific comment on it.

Of the 61 comments, only six comments were received which responded to specific aspects of the two documents on exhibition, including concerns about increasing cash levels during the life of the LTFP and a range of comments on street tree planting.

A detailed engagement outcomes report is available at **Attachment 4**, while a response to key engagement themes is available at **Attachment 5**.

It is not recommended that any changes are made to the LTFP or the Delivery Program following community consultation. This is primarily because:

- Council's decision (on 27 November 2023) to support a 15% rate increase came after an extensive community engagement process regarding SRV options between September-November 2023, which included a representative (or randomly selected) survey. The level of feedback received during the SRV options process was far more extensive than the relatively smaller number of comments received on the LTFP and Delivery Program; and
- The comments on specific aspects of the two documents do not raise any relevant new issues which require changes to the documents.

While no changes are proposed as a result of community feedback, staff have identified a number of minor post-exhibition changes which should be made to both documents. These changes do not alter the overall intent of the documents.

The most significant of these changes relate to the publication of Office of Local Government infrastructure asset ratios. The LTFP as exhibited did not include two of these ratios, namely the Asset Maintenance Ratio and Infrastructure Backlog Ratio. An examination of the IPART application form shows that these ratios need to be included in the LTFP, and therefore they have been included in the final version.

The LTFP presented for adoption is at **Attachment 6** and the Delivery Program at **Attachment 7**. A full analysis of all proposed post-exhibition document changes, and the reasons for these changes, is available in **Attachment 8**.

If Council declines to lodge the SRV application at this meeting, it does not need to endorse the revised LTFP or Delivery Program.

Budget planning process

Council is currently preparing a draft Operational Plan, Fees and Charges schedule and revised LTFP, which make-up Council's budget for 2024/25. Councillor workshops to discuss the budget will be held in February and March 2024, with the draft budget itself to be formally reported to Council at its April or May 2024 meeting.

If Council chooses to lodge a 15% rate increase application at this meeting, the budget will be prepared on the assumption that the SRV application will be successful. Given IPART's decision is not expected to be known at the time of the April 2024 meeting, the budget will also include an alternative budget profile (based on the rate peg only option in the LTFP) in the event IPART does not approve the application.

In addition, if Council chooses to lodge a 15% rate increase application, further workshops with Councillors and staff will need to consider the funding breakdown of the:

- Additional \$2m in public area maintenance; and
- \$2m efficiency target for 2024/25. This target formed part of the *Increase Services* proposal presented to the community between September-November 2023, and is designed to limit the overall size of the rate increase and assist Council's financial position by continuing Council's current practice to find efficiencies and savings and generate non-rate revenue.

Apart from increased public area maintenance, the proposed 15% rate increase (and associated \$2m efficiency target) will allow Council to be able to repair its budget (turning an expected 2024/25 operational deficit into a surplus), maintain highly-valued existing services and be able to deliver a moderate increase in infrastructure spending which would otherwise be at risk.

Even with a 15% rate increase, fiscal discipline will continue to be required in the 2024/25 budget planning process, to allow Council's finances to recover from recent inflation impacts, COVID-19 revenue losses, mandated staff wage increases and the cessation of the Infrastructure Levy in 2022.

If Council declines to lodge an SRV application at this meeting, the budget will be prepared on the basis of the no SRV 'base case' included in the draft LTFP attached to this report.

This 'base case' involves:

- Rates increasing by the 5% rate peg in 2024/25
- A significant (\$2m across 2024/25 and 2025/26) reduction in services provided by Council, and the need to generate \$500,000 in additional non-rate revenue during the same period
- A work environment which may be less conducive to staff attraction and retention, due to the internal disruption caused by the need to reduce services and perceived continuing financial instability
- No ongoing buffer to manage future extreme weather events or financial shocks, placing Council in a financially fragile position
- Given this lack of a buffer, a significant risk is that there will be no accumulation, over time, of funds for increased community services or projects or future growth; and
- The likelihood that Council will need to apply for special rate increases in the future.

Communication

If Council resolves to lodge an SRV application to IPART, Council will:

- Make this application available on Council's website (as is required by IPART); and
- Prepare a communication plan explaining how the benefits and impacts of the SRV will be relayed to community members (particularly ratepayers) concurrently with the publication of the first rates notice of 2024/25. This will include a proposed response to Point 7 of Council's resolution of 27 November 2023, relating to the transparency of Council's hardship provisions.

Capacity to pay report

At its November 2023 meeting, Council considered a report prepared by management consulting firm Morrison Low which analysed the general capacity of Willoughby's ratepayers to pay the increases contemplated under the four rate rise options. Among other things, this report compared Willoughby's average residential and business rates with those from other major metropolitan Sydney councils.

This report has now been updated so that Willoughby's average rates under the no SRV option, and the average rates of other Sydney councils, reflect the announced 5% rate peg, rather than the assumed 3.5% increase at the time of the original report's preparation.

In addition, the report has been updated to reflect Willoughby's average business rate inclusive of rates paid by major shopping centres. These changes do not alter the report's conclusion that there is a general capacity to pay the proposed SRV. The report will form part of the IPART application package.

5. CONCLUSION

Following extensive analysis, scenario modelling, research and consultation with Councillors and community engagement, Council's endorsement is sought to lodge (on or before 5 February 2024) an application to IPART for a 15% rate increase for 2024/25, including a one-off 10% Special Rate Variation and 5% rate peg increase.

Endorsement is also sought to adopt the revised *Long Term Financial Plan 2023-2033* and changes to Council's *Delivery Program 2022-26*, to accompany the IPART application.

This application, if approved, will place Council in a strong position to be financially sustainable, maintain highly-valued services, improve public area maintenance and withstand future financial shocks.

ATTACHMENT 1

IMPLICATIONS	COMMENT
City Strategy Outcome	5.6 – Ensure value for money and financial sustainability
Business Plan Objectives, Outcomes / Services	This report has considered Council’s Strategic Financial Objectives to deliver financial sustainability, as outlined in the <i>Long Term Financial Plan 2023-2033</i> . It is also in line with an action in the <i>Delivery Program 2022-26</i> to “conduct community engagement on options to deliver ongoing financial sustainability, including a potential Special Rate Variation”.
Policy	Community engagement on the <i>Long Term Financial Plan 2023-2033</i> and <i>Delivery Program 2022-26</i> was conducted in line with Council’s <i>Community Engagement Policy</i> and <i>Community Engagement Strategy</i> .
Consultation	The report and Attachments 4 and 5 refer to consultation which has taken place in relation to the exhibition of the LTFP and Delivery Program. Widespread consultation also took place on four rate rise options between September-November 2023.
Resource / Budget	The development of this report and SRV application has been met within the existing budget as allocated in August 2023.
Risk	As outlined in this report, without a successful SRV, Council’s financial position will be significantly weakened from 2024/25 onwards and services will need to be reduced.
Legal / Legislation	This report has considered the relevant statutory framework for SRVs, as outlined in the <i>Local Government Act 1993</i> and supporting guidelines and documents.

Average and minimum rate increases by major rating sub-category if SRV application is lodged and approved

This table covers average and minimum rate increases for Willoughby's three major rating sub-categories, if a proposal for a 15% rate increase (including a 10% Special Rate Variation) is lodged with, and approved by, the NSW Government.

The table assumes 3% rate peg increases from 2025/26 onwards, which is in line with the assumption made in Council's Long Term Financial Plan.

Average rate increases

Average residential rate increases

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$1,087.67	\$1,250.82	\$1,288.34	\$1,326.99
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$54.38	\$37.52	\$38.65	\$39.81
Impact of one-off Special Variation of 10% in 2024/25	\$108.77	\$0	\$0	\$0
Total annual increase	\$163.15	\$37.52	\$38.65	\$39.81
Total weekly increase	\$3.14	\$0.72	\$0.74	\$0.77
Average rate in relevant year	\$1,250.82	\$1,288.34	\$1,326.99	\$1,366.80

Average business (general) rate increases

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$6,523.71	\$7,502.27	\$7,727.34	\$7,959.16
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$326.19	\$225.07	\$231.82	\$238.77
Impact of one-off Special Variation of 10% in 2024/25	\$652.37	\$0	\$0	\$0
Total annual increase	\$978.56	\$225.07	\$231.82	\$238.77
Total weekly increase	\$18.82	\$4.33	\$4.46	\$4.59
Average rate in relevant year	\$7,502.27	\$7,727.34	\$7,959.16	\$8,197.93

Average Chatswood Town Centre rate increases

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$7,802.80	\$8,973.22	\$9,242.42	\$9,519.69
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$390.14	\$269.20	\$277.27	\$285.59
Impact of one-off Special Variation of 10% in 2024/25	\$780.28	\$0	\$0	\$0
Total increase	\$1,170.42	\$269.20	\$277.27	\$285.59
Total weekly increase	\$22.51	\$4.98	\$5.33	\$5.49
Average rate in relevant year	\$8,973.22	\$9,242.42	\$9,519.69	\$9,805.28

Minimum rate increases

As with average rate increases, minimum rates will increase by 15% in 2024/25 and then by the rate peg (assumed to be 3%) from 2025/26 onwards.

Minimum residential rate increases

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Minimum rate before commencement of year	\$881.20	\$1,013.38	\$1,043.78	\$1,075.09
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$44.06	\$30.40	\$31.31	\$32.25
Impact of one-off Special Variation of 10% in 2024/25	\$88.12	\$0	\$0	\$0
Total annual increase	\$132.18	\$30.40	\$31.31	\$32.25
Total weekly increase	\$2.54	\$0.58	\$ 0.60	\$0.62
Minimum rate in relevant year	\$1,013.38	\$1,043.78	\$1,075.09	\$1,107.35

Minimum business (general) rate increases

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Minimum rate before commencement of year	\$1,253.50	\$1,441.53	\$1,484.77	\$1,529.31
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$62.68	\$43.25	\$44.54	45.88
Impact of one-off Special Variation of 10% in 2024/25	\$125.35	\$0	\$0	\$0
Total annual increase	\$188.03	\$43.25	\$44.54	\$45.88
Total weekly increase	\$3.62	\$0.83	\$0.86	\$0.88
Minimum rate in relevant year	\$1,441.53	\$1,484.77	\$1,529.31	\$1,575.19

Minimum Chatswood Town Centre rate increases

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Minimum rate before commencement of year	\$1,338.50	\$1,539.28	\$1,585.45	\$1,633.02
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$66.93	\$46.18	\$47.56	\$48.99
Impact of one-off Special Variation of 10% in 2024/25	\$133.85	\$0	\$0	\$0
Total annual increase	\$200.78	\$46.18	\$47.56	\$48.99
Total weekly increase	\$3.86	\$0.89	\$0.91	\$0.94
Minimum rate in relevant year	\$1,539.28	\$1,585.45	\$1,633.02	\$1,682.01



Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

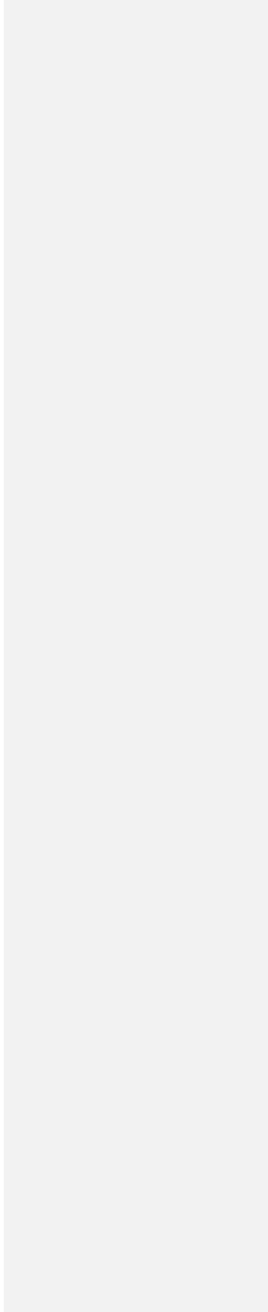
We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Contact details

Enquiries regarding this document should be directed to a staff member:
Jisoo Mok (02) 9019 1955
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The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#)



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About this application form

Council Information

Please fill out the table below.

Council name	Willoughby City Council
Date submitted to IPART	5 February 2024

1 About this application form

This application form is to be completed by councils applying for a special variation (SV) to general income for 2024-25 under section 508(2) or 508A of the *Local Government Act 1993* (LG Act). The application form is in two parts:

1. Application Form [Part A](#) (separate Excel spreadsheet)
2. Special Variation Application Form Part B (this MS Word document)

The SV Application Form Part B collects:

- Description and Context information for the SV
- Evidence against:
 - Criterion 1: Need for the variation
 - Criterion 2: Community awareness and engagement
 - Criterion 3: Impact on ratepayers
 - Criterion 4: IP&R documents
 - Criterion 5: Productivity improvements and cost containment strategies
 - Criterion 6: Other relevant matters
- Council certification and contact information

It also provides a List of attachments and checklist to assist councils.

When completing this Application Form, councils should refer to:

- The 'Apply for a SV or minimum rates (MR) increase' page of IPART's [website](#)
- The Office of Local Government (OLG) [Guidelines](#) issued in November 2020
- IPART's SV Guidance Booklet – *Special Variations: How to prepare and apply* available on our [website](#)

We encourage Councils to contact IPART early in their preparation to apply, or potentially apply, for an SV.

2 Description and Context

These questions seek information not tied to a specific criterion in the OLG guidelines.

Question 1: What type and size of SV is the council is applying for?

Please use the checkboxes to indicate the type of SV the council is applying for. Please provide, rounded to **2 decimal places**:

- the total percentage increase (including the rate peg) and,
- for a section 508A SV, the cumulative percentage increase over the SV period.

Should an SV be approved, the instrument will list the approved percentage(s) and cumulative percentage rounded to 2 decimal places, unless council has specifically applied for a different number of decimal places.

If applying for a Crown Land Adjustment (CLA), please **do not** include the CLA percentage in Table 2. Information about CLAs is collected in Question 2 [below](#).

In [Table 3](#) please explain if the council would like its instrument issued to a different number of decimal places and if it has used an assumed rate peg that is not 2.50%.

Our [Guidance Booklet - Special variations: How to prepare and apply](#) has an example of these questions completed.

Table 1 Type of special variation

What type of SV is this application for?	<input checked="" type="checkbox"/> Section 508(2)	<input type="checkbox"/> Section 508A	
Are you applying for Permanent or Temporary?	<input checked="" type="checkbox"/> Permanent	<input type="checkbox"/> Temporary	<input type="checkbox"/> Permanent + Temporary

Table 2 The council's proposed special variation

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Is this year in the SV period?	yes	no	no	no	no	no	no
Percentage increase	15.00%						
Rate peg	5.00%						
Cumulative percentage increase over the SV period for s 508A							
Indicate which years are permanent or temporary	Permanent						

Table 3 Further questions

Question	The council's response
Does the council wish its potential SV instrument to be issued with a different number of decimal places?	No
If the council used an assumed rate peg that is not 2.50%, please briefly justify why it did so.	Not applicable - rate peg is known for 2024/25 (5%) which is year in which SV applies.

Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2024-25?

Please fill out the table below if the council is also applying for a CLA, otherwise leave it blank.

Is the council also applying for a CLA?	No
If so, by what percentage?	Not applicable
What is the dollar (\$) value for the CLA?	Not applicable
Who was the prior owner of the Crown Land?	Not applicable
Briefly outline the reason for the land becoming rateable.	Not applicable

Question 3: What is the key purpose of the requested SV?

In the text box below please summarise the key purpose(s) of the proposed SV.

<p>This proposed SV will allow Council to:</p> <ul style="list-style-type: none"> Recover from recent financial impacts, including high inflation, COVID-19 revenue losses, mandated staff wage increases, unexpected NSW Government costs and the cessation of Council's Infrastructure Levy in 2022 Maintain existing highly-valued services Be in a stronger position to maintain and renew community assets, attract and retain staff and meet community expectations Improve public area maintenance outcomes Have a long-term financially sustainable future, including increasing its capacity to absorb future financial, extreme weather and growth shocks <p>With this proposed SV, Council will be able to deliver surpluses all nine years between 2024/25 and 2032/33, with an average annual surplus of \$4.77m. These surpluses, subject to future financial shocks, could be re-invested in community services and projects.</p> <p>Council will also set aside an additional \$2.0 million a year to allow it to invest in public area maintenance outcomes, namely additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy. These initiatives have been strong priorities in this term of Council and feature among the services rated as most important in Council's Community Perception Research.</p>

Description and Context

Without the proposed SV, Council would need to undertake significant service reductions and find additional new non-rate revenue to be able to have a balanced budget, recording five surpluses and four deficits between 2024/25 and 2032/33.

Due to this balanced budget scenario, Council will not have a buffer to manage future extreme weather events or financial shocks and be at significant risk of not being able to accumulate funds for increased community services, projects or future growth. This means Council will be in an ongoing financially fragile position.

In addition, the service reductions will cause internal disruption, creating a work environment which is less conducive to staff attraction and retention.

Question 4: Is the council proposing to increase minimum rates in conjunction with the special variation?

Complete Table 4 if the council proposes to increase minimum ordinary and/or [Table 5](#) if the council proposes to increase special rates in conjunction with the SV for 2024-25. Otherwise, leave it blank. IPART will also use data provided in Application Form [Part A](#) to understand the details of the proposed SV and minimum amounts of rates.

In some situations, a minimum rates increase will be subject to IPART approval. In these cases, councils will need to also complete *Minimum Rate Increase Application Form Part B 2024-25* (Word document) available on our [website](#). Please see Table 2.4 of the [Guidance Booklet - Special variations: How to prepare and apply](#) or further information on when an additional MR increase application may be required. Councils do not need to submit another Application form [Part A](#) (Excel document).

Table 4 Minimum rates increase for ordinary rates

Does the council have an ordinary rate(s) subject to a minimum amount?	Yes
Does the council propose to increase the minimum rate(s) above the statutory limit for the first time? (If yes, you must complete a separate minimum rate increase application form.)	No
Does the council propose to increase the minimum rate(s) above the proposed SV percentage(s)? (If yes, you must complete a separate minimum rate increase application form, even if the council has been approved to increase its minimum rate above the statutory limit in the past.)	No
Has the council submitted an application for a minimum rate increase?	No

Description and Context

In the text box below, provide the council's proposed minimum rates increase (both in percentage and dollar terms) and to which rating category (or sub-category) the increase is to apply for each year (this can be table form).

	2023/24 minimum rate	2024/25 minimum rate	\$ increase	% increase
Residential	\$881.20	\$1,013.38	\$132.18	15%
Business (general)	\$1,253.50	\$1,441.53	\$188.03	15%
Chatswood Town Centre	\$1,338.50	\$1,539.28	\$200.78	15%
Chatswood Major Retail Centre – Chatswood Chase	\$1,121.75	\$1,290.01	\$168.26	15%
Chatswood Major Retail Centre – Westfield	\$1,121.75	\$1,290.01	\$168.26	15%
Strata Storage Facility	\$850.85	\$978.48	\$127.63	15%

Worksheets 4, 5 and 7 (WS 4, 5 and 7) of the [Part A](#) application form collects more detailed information about the proposed minimum rates increase.

Table 5 Minimum rates increase for special rates

Does the council propose to increase the minimum amount of a special rate above the statutory limit?	No
What will the minimum amount of the special rate(s) be after the proposed increase?	\$Not applicable
Has the council submitted an application for a minimum rate increase?	No

The council must ensure that it has submitted [MR Increase Application Form Part B](#) if required. No separate Part A is required.

Question 5: Does the council have an expiring SV?

Complete the table below if the council has a temporary SV which is due to expire:

- on 30 June 2024, or
- at the end of any year in the period the requested SV would apply.

To calculate the amount to be removed from general income when the SV expires, Council must follow the terms of the relevant condition in the SV instrument. Councils may find the example in Attachment 1 to the [OLG SV Guidelines](#) useful. The OLG's SV Guidelines also specify that councils must contact the OLG to confirm the calculation of this amount.

Description and Context

Does the council have an SV which is due to expire on 30 June 2024?	No
Does the council have one or more SV/s due to expire during the proposed SV period?	No
If Yes to either question: a. When does the SV expire?	Not applicable
b. What is the percentage to be removed from the council's general income?	Not applicable
c. What is the dollar amount to be removed from the council's general income?	Not applicable
Has OLG confirmed the calculation of the amount to be removed?	Not applicable

Attachments required:

- Instrument(s) approving any SV which expires at the end of the current financial year or during the period covered by the proposed SV.
- OLG advice confirming calculation of the dollar amount to be removed from general income as a result of the expiring SV.

Question 6: Does the council have an existing (ongoing) section 508A special variation which applies in 2024-25?

Complete this question if the council has an existing section 508A multi-year SV instrument which approves an increase to general income above the rate peg for 2024-25 and future years within the period covered by the council's SV application.

If the council has an ongoing section 508A SV and is seeking additional changes to general income during the term of that existing SV, IPART will need to vary the original instrument if the application is approved, rather than issuing a separate SV instrument to apply for 2024-25 (or later years).

Does the council have a section 508A multi-year SV instrument that applies in 2024-25?	No
--	----

If yes to the above question, in the text box below:

Description and Context

- Specify the percentage increase(s) and duration of the SV.
- Outline the council's actions in complying with conditions in the instrument approving the original SV
- Describe any significant changes relevant to the conditions in the instrument since it was issued.

Supporting documents could include extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Not applicable

Attachments required:

- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument on the council's official letterhead.
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument, e.g. extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers

Question 7: Has IPART ever approved a special variation (including additional special variations in 2022-23)?

Complete this question if IPART has ever approved an SV for the council.

You **do not need** to complete the text box for this question if the relevant information has been provided in the council's response to Question 6.

Does the council have a section 508(2) or 508A SV which IPART has approved?	Yes
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If yes, in the text box below, for each SV approved by IPART, briefly:

- Specify the type of SV and the increase to general income approved.
- Outline the council's actions in complying with conditions in the SV instrument(s) or where the council has failed to comply with the conditions, provide reasons and list the corrective actions undertaken.
- Describe any *significant* changes relevant to the conditions in the SV instrument(s) since it was issued.

Supporting documents could include extracts from annual reports (or webpage hyperlinks to them) or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

Description and Context

Since 2011/12, Council has benefitted from:

- A permanent increase in Council's residential and business minimum rates (commenced in 2012/13)
- An 11.82% SV which was applied over two years (2015/16 and 2016/17) and expired in 2021/22 (known as Council's Infrastructure Levy)
- A permanent Additional Special Variation of 1.3% which commenced in 2022/23

The CEO's certification letter provides more detail about these rate changes.

Attachments required:

- A copy of the relevant instrument(s) approving SVs issued by IPART.
- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument(s).
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s).
- If applicable, supporting documents providing evidence of the corrective actions undertaken in the event of a failure to comply with the conditions in the SV instrument(s).

Question 8: Does the council have deferred general income increases available to it?

Complete the question box below if the council has decided not to apply the full percentage increases to general income available to it in one or more previous years under sections 506, 508(2) or 508A of the LG Act.

Does the council have deferred general income increases available to it from one or more previous years under section 511 of the LG Act?	No
If Yes, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	Not applicable

In the text boxes also explain:

a. The quantum, rationale and timing of any deferred increases in general income.
Not applicable

Description and Context

<p>b. When council plans to catch up on the deferred general income through the catch up provisions and whether this been included in the LTFP.</p> <p>Not applicable</p>
<p>c. How does this deferred income impact on the council's need for the SV and its cumulative impact on ratepayers' capacity to pay? The council may also wish to further expand on this question in of OLG Criterion 1 <input type="text" value="below"/>.</p> <p>Not applicable</p>

3 OLG SV Criterion 1 – Financial need

Refer to the [OLG SV Guidelines](#) as needed, and section 3 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section.

In below, please explain how the council met each component of Criterion 1. Please also provide a reference to evidence in the IP&R documents.

The [Part A](#) application form also collects information for this criterion in Worksheets 9 (WS 9 - Financial), 10 (WS 10 - LTFP) and 11 (WS 11 - Ratios).

Table 6 OLG Criterion 1 components

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the SV) is clearly articulated and identified in the council's IP&R documents</p>	<p>In May 2023, Willoughby City Council exhibited a Long Term Financial Plan which noted that the Council came into the period of the COVID-19 pandemic in a robust and sustainable financial position. The LTFP noted that, since that time, the Council's finances have been adversely affected by a range of factors, including:</p> <ul style="list-style-type: none"> • Losing \$20.6m in revenue due to the COVID-19 pandemic in the three years from 2019/20 to 2021/22, including by providing tenant rent relief, waived or reduced fee income, facility closures and changes in consumer behaviour • High inflation, which peaked at 7.8% in late 2022, and forced up the cost to renew and repair Council's assets and provide other services • Unexpected cost impacts from the NSW Government, in particular a \$487,000 increase in the Emergency Services Levy and \$100,000 increase in the costs involved in running the 2024 election • The cessation of the Council's Infrastructure Levy in 2022, which removed some \$2.96 million from Council's revenue in 2022/23 • Expected future employee cost increases <p>The LTFP noted that Council had been making difficult but necessary decisions to reduce costs and find alternative revenue sources, as part of its ongoing business improvement and efficiency program.</p>	<p>Pages 6-8, 18-37 and 40-41 of the LTFP adopted in June 2023 (available at www.willoughby.nsw.gov.au/Council/Policies-and-publications/Publications/Long-Term-Financial-Plan-2023-2033)</p> <p>Pages 4-5, 9-13, 19-38 and 42-43 of the LTFP adopted in January 2024 (uploaded to IPART portal)</p> <p>Pages 10, 12, 14 and 23 of the Delivery Program (uploaded to IPART portal)</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>For instance, it noted that Council had:</p> <ul style="list-style-type: none"> • Delivered since 2018/19, annual average savings of \$591,000 in consultancy costs and \$963,000 in other miscellaneous expenses. • Won significant grants from other levels of government totalling \$21.2m across the 18 months to December 2022, including a \$5m NSW Government grant to upgrade the Willoughby Leisure Centre. • Decided to outsource or close some under-utilised, loss-making or non-core community services, including Loop Bus services (closed), Bales Park Out of School Hours centre (closed) and the Devonshire Street child care centre (proposed to be outsourced). The closure of the Loop Bus in itself generated \$340,000 in savings. • Supported a more enabled and efficient workforce, through the implementation of the CONNECT information technology enterprise-wide platform which allows staff to more easily access information and deliver community outcomes. • Rolled out the replacement of nearly 1,800 street lights with more cost efficient and environmentally friendly lights, which will save ratepayers \$1m over 5 years. • Ceased the Council's Infrastructure Levy at the end of 2021/22, generating an overall fall in rates revenue of 5.2% and cutting average residential rates by \$38 in 2022/23. • Contained employee cost increases to just 1.4% in the four years to 2021/22. • A reduction of \$1.2m in employee leave provisions and a corresponding \$400,000 reduction in employee leave entitlement expenses through a target leave reduction program in 2021/22 <p>However, the LTFP stated that, even after taking the measures listed above and after considering likely future revenue and expenditure pressures, the Council's financial situation will continue to decline. It stated that, if the Council did renew infrastructure to meet benchmark levels, and maintained current service levels, the Council would potentially be insolvent by 2025/26.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>As such, it recommended that the Council needed to examine a Special Variation (SV) and presented lower and higher SV options (18.5% and 23.5% increases including the rate peg). In June 2023, Council resolved to adopt this LTFP and to commence work on developing a plan to undertake extensive engagement with the community on a SV later in 2023.</p> <p>Council then worked to develop a proposed a new 'no SV' base case and three SV options, which were endorsed for exhibition at the August 2023 meeting.</p> <p>These options were known as:</p> <ul style="list-style-type: none"> • Reduce Services – rate peg only (assumed 3.5%) • Maintain Services - 12% rate increase • Increase Services – 15% rate increase • Increase Services and Infrastructure – 20% rate increase <p>The Reduce Services option travelled with a proposal to reduce services by the equivalent of \$2.8m, and increase non-rate revenue by \$500,000, across 2024/25 and 2025/26. The three SV options travelled with a proposal to cut costs by \$1m, and increase new non-rate revenue, by \$1m, in 2024/25.</p> <p>These options considered and responded to:</p> <ul style="list-style-type: none"> • Community feedback on the LTFP between May-June 2023, which generally favoured limiting rate increases by finding savings and new revenue sources • The latest financial information, in particular confirmation of Award wage increases from 2024/25 onwards, resulting in an annual improvement of \$500,000 in Council's employee costs, compared to the higher estimates of costs in the LTFP • The need for extensive community engagement in relation to these options <p>These options were subject to extensive consultation between September-November 2023.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>After considering this engagement, and other information, Council resolved on 27 November 2023 to endorse the Increase Services option (15% rate increase) as its preferred rate increase, to inform the preparation of a SV application to IPART. At this meeting, Council had the benefit of IPART's confirmed 2024/25 rate peg (5%), which had been announced on 21 November 2023.</p> <p>Under this option, rates would increase by an overall amount of 15% in 2024/25, including a SV of 10% and a rate peg amount of 5%. This increased SV amount would then stay in the Council's rates base in future years, when rates would typically only increase in line with the NSW Government rate peg.</p> <p>In November 2023, Council also endorsed the exhibition, between 30 November 2023 to 14 January 2024, of a revised LTFP and updated Delivery Program which reflected this preferred option.</p> <p>The LTFP explained the need for, and purpose of, the 15% increase, including that Council:</p> <ul style="list-style-type: none"> • Will be able to deliver surpluses all nine years between 2024/25 and 2032/33, with an average annual surplus of \$4.77m. These surpluses, subject to future financial shocks, could be re-invested in community services and projects. • Would be able to deliver an average 2.27% Operating Performance Ratio (OPR) target from 2024/25 to 2032/33 (in line with Council's 2-4% OPR target), and meet or exceed all other relevant OLG financial and infrastructure benchmarks. • Could set aside an additional \$2.0 million a year to allow it to invest in public area maintenance outcomes, namely additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy. These initiatives have been strong priorities in this term of Council and feature among the services rated as most important in Council's Community Perception Research. <p>The LTFP contained an analysis of some of the Council's operating environment challenges which underpinned the need for a SV. These challenges included:</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> • Accommodating and catering for growth • Community expectations • Managing future shocks and stresses • A deteriorating environment to receive government grants <p>The revised LTFP noted progress on productivity and cost containment measures since the adoption of the LTFP in June 2023 and noted that the SV proposal was accompanied by a \$2m efficiency target (communicated during consultation between September-November 2023) which would apply in the 2024/25 financial year and remain in the Council's budget on an ongoing basis.</p> <p>It stated that this target reflected a continuation of Council's existing approach to run an efficient operation and has also been designed to reduce the impact of any rate increase on ratepayers. Without this \$2.0m target, Willoughby's rate rise would need to be 3.7% higher (equivalent to \$40 for the average residential ratepayer).</p> <p>The revised LTFP also noted that, without the proposed SV, Council would need to undertake service reductions to remain in a financially fragile state, recording five surpluses and four deficits between 2024/25 and 2032/33 and an average deficit of \$140,000.</p> <p>It stated that, as a result of the above operating results under the 'no SV' base case, Council will be at significant risk of not being able to accumulate funds for increased community services, projects or future growth and will not have a buffer to manage future extreme weather events or financial shocks. In addition, the service reductions will cause internal disruption, creating a work environment which is less conducive to staff attraction and retention.</p> <p>The Delivery Program, meanwhile, explained the benefits and impacts of the SV by:</p> <ul style="list-style-type: none"> • Outlining the reasons for the proposed 15% rate increase, including to help implement the existing actions in the final two years of the Delivery Program. • Referring readers to the LTFP for further detail about the rate increase (such as average rate changes). 	

OLG SV Criterion 1 – Financial need

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> • Referring to the additional \$2m in additional funding for public area maintenance, and adding three actions to be delivered by this funding, namely: <ul style="list-style-type: none"> ○ Increase annual programs for street tree maintenance and tree planting ○ Apply additional resources to maintenance, cleaning and beautification of parks, cycling and walking routes and town centres ○ Facilitate a volunteer ParkCare program for community involvement in our local parks <p>The revised LTFP and updated Delivery Program were adopted on 30 January 2024, concurrently with a Council decision to lodge a SV application with IPART.</p>	
<p>In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.</p>	<p>The Council's LTFP adopted in January 2024 canvassed a range of alternatives to a SV.</p> <p>Firstly, the LTFP includes a 'base case' which would apply if the SV was not pursued by Council, or if Council's application to IPART was unsuccessful</p> <p>This 'base case' is aligned with the 'Reduce Services' option which was taken to the community between September–November 2023.</p> <p>Under this 'base case', rates would increase in line with NSW Government rate peg. Council will try to match income with expenditure, while noting it will be in deficit in four out of the nine years between 2024/25 and 2032/33.</p> <p>The 'base case' will involve:</p> <ul style="list-style-type: none"> • A significant (\$2m) reduction in services provided by Council, along with the need to generate a further \$500,000 in new non-rate revenue • Given the need to reduce services, and the internal disruption caused in driving this outcome, a work environment less conducive to staff attraction and retention 	<p>Pages 19-24 (Base case), page 34 (efficiency target) and 35-36 (discarded alternatives) of LTFP adopted in January 2024 (uploaded to IPART portal)</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> • No buffer to manage future extreme weather events or financial shocks, including Council being unable to meet its 2-4% Operating Performance Ratio target • Given this lack of a buffer, a significant risk there will no accumulation, over time, of funds for increased community services or projects or future growth; and • The likelihood that Council will need to apply for a special rate variation at some stage in the future. <p>Secondly, the LTFP also noted that Council had set a \$2.0 efficiency target, which is an alternative which has reduced the size of the SV.</p> <p>Council has committed to achieving this target in 2024/25, to be met via expenditure savings and finding new non-rate revenue. Without this target, Council's proposed rate rise would need to be 3.7% higher (or 18.7% rather than 15%). This 3.7% increase is equivalent to a \$40.24 increase to average residential rates.</p> <p>Thirdly, the LTFP also outlined a range of other alternatives to a SV, and outlined why Council does not believe these alternatives were feasible or timely. These discarded alternatives were:</p> <ul style="list-style-type: none"> • Taking out new or expanded loans • Selling assets • Government grants <p>Given the above analysis, Council determined that the preferred course of action was to proceed with a 15% rate increase, alongside a \$2m efficiency target.</p>	
<p>In demonstrating this need councils must indicate the financial impact in their LTFP.</p>	<p>The LTFP as adopted in January 2024 includes the profit and loss statement, balance sheet and cash flow statement, and the financial sustainability and infrastructure asset ratios for the base case on pages 21-24.</p> <p>The equivalent information for the SV scenario is available from pages 28-31.</p>	<p>Pages 22-25 of LTFP adopted in January 2024 for non-SRV scenario, pages 29-32 of LTFP adopted in January 2024 for SRV scenarios (LTFP uploaded to IPART portal)</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.</p>	<p>Council has several pieces of research, in relation to community need and desire, to support its SV proposal.</p> <p>Firstly, in late 2022, Council commissioned independent research on community perceptions of its work. This research, published in April 2023, found that 95% of residents were satisfied with the Council's services. This satisfaction level is well above the 89 per cent overall satisfaction level recorded for 11 comparable metropolitan LGAs.</p> <p>This research however did find that there were Council services which the community had lower levels of satisfaction, along with higher importance levels. These areas included:</p> <ul style="list-style-type: none"> • Long term planning in the Willoughby LGA • Balancing population growth with services and infrastructure • Keeping the community informed • Traffic and parking on local roads • Maintenance of street trees • Planning and building permits <p>The proposed SV option provides greater capacity for Council to address the above issues, by delivering a project annual average surplus, between 2024/25 and 2022/23, of \$4.77m, which subject to financial shocks and stresses can be re-invested into community services and projects, subject to the annual budget process.</p> <p>The perception research also found that maintenance issues were of relatively high importance to the community (above the comparable metropolitan council benchmark). This includes maintenance of parks, graffiti removal, safety in public areas and maintenance of street trees and sports fields. The additional \$2m in public area maintenance will allow Council to enhance these services.</p> <p>The community perception research can be found at Attachment 5.</p>	<p>Page 12 (community satisfaction research) and 26/27 (community engagement) of LTFP adopted in January 2024 (uploaded to IPART portal)</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Secondly, between September-November 2023, Council sought community feedback on four rate rise options (3.5%, 12%, 15% and 20%) to help determine community need and desires in regard to rating scenarios and related community service outcomes. The 3.5% option assumed the 2024/25 rate peg (the actual rate peg of 5% was not known at the time engagement was undertaken).</p> <p>Council presented these options to the community, including the service and other outcomes which would be achieved under each option. Council's website and community presentations and events also detailed the potential alternatives to these options and why they were not being considered.</p> <p>During this period, Council undertook two surveys, namely an opt-in (Have Your Say) and randomly-selected survey. These surveys allowed community members to understand what was proposed under each option, and then vote for (and comment on) their preferred options.</p> <p>The randomly-selected survey involved questioning 419 residents, who were representative of the age and gender characteristics of the broader community. The large sample size was designed to be statistically significant. Some 47% of the survey participants stated they were aware that Council was exploring community sentiment on rate rise options. This level of awareness was well above the 34% awareness rate recorded among 4,453 survey respondents to surveys conducted by other councils exploring SRVs.</p> <p>Some 1,873 people filled out the opt-in (Have Your Say) survey, including some 6% of Willoughby's total residential ratepayers and 1.9% of total business ratepayers.</p> <p>In both surveys, Maintain Services (12% increase) was the most highly ranked option, followed by Increase Services (15% increase), Reduce Services (3.5% increase) and Increase Services and Infrastructure (20% increase).</p>	

OLG SV Criterion 1 – Financial need

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>In addition, across both surveys, there was overall community support (in the order 65-75%) in favour of some form of a SV (either a 12%, 15% or 20% rate increase). The above results indicate a strong community preference in favour of a SV, and the service level benefits this will bring to Council and the community.</p> <p>Council chose to select the 15% rate increase in part because it:</p> <ul style="list-style-type: none"> • Was the most highly ranked rate increase option among representative survey respondents who supported a SV. In other words, after excluding respondents who selected the rate peg only option as their preferred option, the 15% rate increase option was most popular among the remaining respondents • Was predominantly cited as an "affordable option" by the above respondents, which indicates a general capacity to pay the increase • Would help respond to the issues raised in Community Perception Research, including improved public maintenance outcomes (as explained above) • Would have many other benefits for Council, as explained elsewhere in this application. 	
<p>Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies</p>	<p>Council has not commissioned government agencies to undertake a forward-looking analysis of Council's financial sustainability.</p> <p>This is, in part, because Council goes beyond the relevant Integrated Planning and Reporting guidelines by undertaking an annual review of the Long Term Financial Plan.</p> <p>The Integrated Planning and Reporting Guidelines require Councils to review the "underlying assumptions on which the Long-Term Financial Plan is based, and the projected income and expenditure, balance sheet and cash flow statement" on an annual basis, and review the plan in detail every four years. Council's practice however has been to conduct a detailed review and exhibition of the LTFP each year.</p>	<p>Page 6 of LTFP adopted in January 2024 (uploaded to IPART portal)</p>

OLG SV Criterion 1 – Financial need

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	This practice helped identify (in the LTFP adopted in June 2023) likely future issues with Council's financial sustainability, which in turn led to Council engaging on rate rise options in the second half of 2023 and then the lodgement of this application in January 2024.	
If applicable, has the council not applied the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act? If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the SV.	Council's practice has been to apply the full percentage rate increases which are available to it.	Click or tap here to enter text.

3.1 Additional information required for councils with an existing SV applying for an additional percentage increase

If the council has **an existing SV**, then explain the **need for a variation to that SV** to increase the annual percentage increases.

Council is not varying an existing SV

3.2 Any other factors that demonstrate the council's financial need (optional)

In the text box please give a brief explanation of any other factors not already mentioned that may be relevant to demonstrate the council's need.

For instance, the council may wish to discuss the impact of **non-rateable** properties.

Not applicable

Worksheet 12 (WS 12) in the [Part A](#) Excel application form can also be used to provide additional data.

OLG SV Criterion 2 – Community awareness and engagement

4 OLG SV Criterion 2 – Community awareness and engagement

Refer to the [OLG SV Guidelines](#) as needed, and section 4 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and materials for completing this section. Please also note that section 4 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) is the IPART fact sheet referred to in the OLG SV Guidelines under Criterion 2 that provides guidance to councils on the community awareness and engagement criterion for special variations.

4.1 How did the council engage with the community about the proposed special variation?

In [Table 7](#) please provide evidence as to how the councils community engagement met Criterion 2.

Table 7 Evidence of the council's community engagement demonstrating Criterion 2

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
<p>Evidence that the community is aware of the need for and extent of a rate rise.</p>	<p>Between May 2023 and January 2024, Council has undertaken extensive awareness-raising in relation to potential rate increases across three engagement stages. These stages were:</p> <ul style="list-style-type: none"> • Exhibition of Long Term Financial Plan (LTFP), which canvassed two SV options, between May-June 2023 • Seeking feedback on four rate rise options between September-November 2023 • Exhibition of revised LTFP and Delivery Program, accommodating the preferred 15% rate increase, between November 2023 and January 2024. <p>Across these three stages, Council has delivered 30,067 letters to ratepayers, issued 73,000 emails and three media releases, had 229,500 impressions on social media posts, received 2,349 survey responses and 1,585 comments, held 14 community events and had 6,682 website visits.</p> <p>From 18 May 2023 to 15 June 2023, Council exhibited a Long Term Financial Plan (LTFP) which recommended that the Council needed to examine a SV and presented lower and higher SV options (18.5% and 23.5% increases including the rate peg).</p> <p>Awareness-raising activities included:</p>	<p><i>Individual submissions and proposed Council response on draft Long Term Financial Plan - attachment to Council meeting on 26 June 2023 (included in Community Feedback report uploaded to IPART portal)</i></p> <p><i>Special Rate Variation proposal for consultation - report to Council on 28 August 2023 (and minutes relating to this report) - Attachment 1</i></p> <p><i>Plan for community engagement on Willoughby City Council financial sustainability options - endorsed by Council on 28 August 2023 (Attachment 2)</i></p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<ul style="list-style-type: none"> • A media release; • Advertisement in the North Shore Times • Promotion in Council's e-news publication • Distribution of leaflets at Council's Customer Service Centre and library • Social media posts which reached 30,000 people; • A webinar attended by 23 community members. • Publication of a Have Your Say page which was viewed 1,277 times <p>Council received 23 submissions on this document.</p> <p>Council recognised there was a need for more extensive and broad-based awareness-raising and engagement opportunities before any decision was made on a preferred SV (including to submit an application for a SV to IPART).</p> <p>As such, on 26 June 2023, Council resolved to adopt the LTFP but to also endorse the preparation of a public engagement plan and process on a potential SV being undertaken before November 2023.</p> <p>On 28 August 2023, Council endorsed a comprehensive engagement plan to raise awareness of, and undertake engagement in relation to, four rate rise options – known as Reduce Services (3.5% rate peg increase only), Maintain Services (12% increase), Increase Services (15% increase) and Increase Services and Infrastructure (20% increase).</p> <p>Awareness-raising of, and engagement on, these four options took place between 25 September and 5 November 2023..</p> <p>Activities to make the community aware of the options were extensive and included sending letters and brochures to all ratepayers, bulk emails, street pavement stickers, paid social media posts, a professional Mayoral video, distributing flyers, placing posters in community noticeboards, digital marketing signs, on-hold messages, Council staff email signature block promotional messages and Council newspaper advertisements. (see more detail at page 27 and 28 of this form below).</p> <p>Council achieved high awareness levels, with a representative survey of 419 residents conducted by research company Micromex on behalf of Council finding an estimated 47% of Willoughby LGA residents were aware of the rate rise options.</p>	<p><i>Willoughby City Council SRV Community Research</i> (pages 9-10 in particular) - prepared by Micromex Research 3 November 2023 (included in <i>Community Feedback</i> document uploaded to IPART portal)</p> <p><i>Post-exhibition report on rate rise options</i> – report to Council meeting on 27 November 2023 (and minutes relating to this report) – Attachment 3</p> <p><i>Securing Willoughby's Future engagement outcomes report</i> – attachment to report to Council meeting of 27 November 2023 (included in <i>Community Feedback</i> document uploaded to IPART portal)</p> <p><i>Response to key engagement themes and submission from shopping centre owners</i> – attachment to Council meeting on 27 November 2023 (included in <i>Community Feedback</i> document uploaded to IPART portal)</p> <p><i>Application for Special Rate Variation</i> – report to Council meeting on 30 January 2024</p> <p><i>Engagement outcomes report on revised Long Term Financial Plan and Delivery Program</i> – attachment to Council meeting on 30 January 2024 (included in <i>Community Feedback</i> document uploaded to IPART portal)</p> <p><i>Community Engagement Materials</i> -</p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>This is higher than the 34% average awareness rate recorded by Micromex for other Sydney councils which have undertaken rate rise engagement campaigns. The 47% awareness figure was recorded by Micromex via a survey conducted between 3-15 October, which was completed a full three weeks before the end of the engagement period. If this survey was conducted at the end of the engagement period, the awareness result may have been higher.</p> <p>On 27 November 2023, Council considered an engagement outcomes report on the awareness-raising and engagement activity on the four rate rise options, and a response to the key engagement themes raised in this report.</p> <p>After considering these reports, Council voted to support a 15% rate increase (Increase Services option).</p> <p>Council then conducted awareness-raising and consultation on a revised Long Term Financial Plan and Delivery Program which reflected this option, including issuing a media release and social media post, placing a newspaper advertisement in the North Shore Times and issuing email notifications to previous engagement participants, the entire Have Your Say database and subscribers to Council's monthly enews. A drop-in event was also held.</p> <p>This engagement activity attracted 61 separate responses from 39 participants.</p>	<p><i>Rate rise option engagement between 25 September to 5 November 2023</i> (uploaded to IPART portal)</p>
<p>The council need to communicate the full cumulative increase of the proposed SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.</p>	<p>Between September-November 2023, Council sought community feedback on four rate rise options.</p> <p>In undertaking this feedback, council sent a six-page brochure to all community members. In preparing this brochure, Council had to carefully consider how to communicate the impacts and benefits of the four options, to ensure the information available was easy to understand and absorb among time-poor ratepayers.</p> <p>It was decided that a fold-out A3 ready reckoner table analysing the options – including their rate impact and also community benefits – would be the most effective approach in the brochure.</p> <p>In preparing this table, it was clear that dividing the proposed rate increase by SV and rate peg percentages and dollar figures, and also showing any post-2024/25 rate increase figures, would create a very confusing table which would hinder, not assist, the community engagement task.</p> <p>As such, the table included the:</p>	<p><i>Securing Willoughby's future: have your say – Community brochure</i> sent to all ratepayers in September 2023 (included in <i>Community Engagement Materials</i> document uploaded to IPART portal)</p> <p>Pages 36-39 in average rate tables in LTFP adopted January 2024 (uploaded to IPART portal)</p> <p>Webinar presentation (included in <i>Community Engagement Materials</i> uploaded to IPART portal)</p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<ul style="list-style-type: none"> • Total percentage rate increase, and; • The 2024/25 average rate dollar annual and weekly increase for residential, business (general) and Chatswood Town Centre ratepayers. <p>This approach meets minimum IPART requirements (see checklist on page 46).</p> <p>Council received feedback both in written responses and at in-person events that the brochure table was easy to understand and provided a strong platform for the engagement process.</p> <p>However, important measures were undertaken to ensure community members who wanted more detail about the rate increases were able to access this information. These other steps included:</p> <ul style="list-style-type: none"> • Placing a note under the brochure table which stated "proposed rate change in 2024/25, which would be built into the rate base and therefore stay in place permanently and increase in subsequent years in line with the NSW Government rate peg only". • Placing a box under the brochure table drawing readers' attention to the fact that "more detailed average rate change tables, including showing the potential Special Rate Variation percentage and changes in in future years, are available as part of the analysis of each rate rise option at www.haveyoursaywilloughby.com.au/swf • Publishing a more detailed rate table for each option, including breaking down the percentage and dollar value of the rate peg and SV for each major rating category, on web pages about each option at www.haveyoursaywilloughby.com.au/swf • Publishing a downloadable rate table at the above web address which showed the likely rate increases from 2024/25 to 2027/28, for major rating sub-categories • Publishing an online rates calculator https://www.willoughby.nsw.gov.au/Campaigns/Rate-rise-option-calculator which was easily accessible from the Securing Willoughby's Future portal home page and allow people to use their existing rates notice to calculate their 2024/25 rate, including the annual and weekly increases attributable to the rate peg or SV under each 	

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>option. Some 285 people visited the calculator page.</p> <ul style="list-style-type: none"> • Providing a more detailed breakdown of the average dollar and percentage value of the SRV and non-SRV components of the proposed rate increase under each option, as part of a webinar and nine in-person events. <p>In the revised LTFP exhibited between November 2023 to January 2024, Council then published average rate tables which:</p> <ul style="list-style-type: none"> • Broke down the proposed 15% rate increase by rate peg and SV (for both dollar and percentage) • Covered all major rating sub-categories • Included proposed rate increases from 2024/25 to 2027/28 <p>For the above reasons, Council considers it has met and more than likely exceeded the relevant guidelines in relation to communication of average rate impacts.</p>	
<p>The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.</p>	<p>As referred to in the question above, the revised LTFP adopted in January 2024 clearly sets out the average rate increase, by rating category.</p> <p>The Delivery Program refers to the LTFP for further information. It states "a revised version of the Long-Term Financial Plan has been prepared to explain (in detail) the benefits and impacts of this SRV, and Council's considerations in selecting this option."</p>	<p>Pages 36-39 in average rate tables in LTFP adopted January 2024 (uploaded to IPART portal)</p> <p>Page 23 of the Delivery Program 2022-26, as adopted by Council in January 2024 (uploaded to IPART portal)</p>
<p>Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV.</p>	<p>Council made its historic and proposed future efficiency measures clear as part of awareness-raising and engagement efforts in relation to the proposed SV.</p> <p>In regard to historic measures, Council published a web page called "Our work to cut costs and find revenue and efficiencies to reduce ratepayer impacts" on the Securing Willoughby's Future engagement portal. This portal was used to communicate and receive feedback on the four rate rise options between September-November 2023.</p>	<p>Page 2 of <i>Securing Willoughby's future: have your say</i> – Community brochure sent to all ratepayers in September 2023 (included in <i>Community Engagement Materials</i> uploaded to IPART portal)</p> <p>Page 33-34 of LTFP adopted in January 2024 (uploaded to IPART portal)</p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>This page was visited 212 times and explained some of the recent activities undertaken by Council to cut costs and find new revenue sources, however notes that "Council recognised by late 2022 that, despite the work undertaken above, it was likely to record ongoing deficits due to its weakened post-COVID-19 financial position, its low rate base and ongoing cost impacts including inflation and wage increases and NSW Government cost-shifting."</p> <p>This page can be found at https://www.haveyoursaywilloughby.com.au/learn-about-our-work-to-cut-costs-to-reduce-ratepayer-impacts</p> <p>In addition, detail on Council's historic efficiency measures was also available in the Powerpoint presentation provided to the 11 engagement events between September-November 2023 (this presentation was also made available on the Council's Have Your Say page).</p> <p>Finally, the LTFP exhibited from November-January 2024 and adopted in January 2024 also outlined a range of historic efficiency measures worth about \$10.5-\$11m which will apply in 2024/25, including:</p> <ul style="list-style-type: none"> • In June 2015, Council approved an organisational review, which led to a reduction in the number of Directors and Managers. This review resulted in savings of \$2.0m per annum without a change in service standards. • Council has a staff cost efficiency dividend equating to \$3.9 million in 2024/25. This ensures Council's budget for labour costs is not unrealistically high while continuing to deliver for the community. • Council ceased the loss-making Loop Bus services due to very low patronage from 1 July 2022, saving \$345,000 in 2022/23 (the 2024/25 saving will be higher due to inflation). • Council has resolved to close two Out of School Hours (OOSH) children's care services, at Bales Park in June 2022 and Chatswood at December 2023. • From 2020/21, the Council has sought to reduce the costs of its events program, by discontinuing small festivals and switching from Vivid to Culture Bites, with a 2024/25 benefit of \$181,021. Council continues to attract significant grant funding for this program. 	<p>Presentation made to webinar on 10 October 2023 (included in Community Engagement Materials uploaded to IPART portal)</p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<ul style="list-style-type: none"> Council has decided to outsource the Devonshire Street child care service to a private operator which will create both additional revenue for Council and reduce historic and projected future losses. The ten-year benefit of this decision will be in the order of \$5.0m, via new revenue from a licence agreement with the new operator and reduced Council costs. <p>In regard to future efficiency measures, between September-November 2023, Council communicated its proposal for each SV option to be accompanied by a \$1m cost-cutting and \$1m new non-rate revenue target, to apply in 2024/25. In the community brochure, it was stated that "these targets will ensure Council continues its existing work to find savings, and new non-rate revenue sources, to reduce the impact of any rate increase".</p> <p>The LTFP adopted in January 2024 then committed to achieving these targets as part of the preparation of the 2024/25 Operational Plan,</p>	
<p>The council's community engagement strategy for the SV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.</p>	<p>Council employed a wide range of tactics to make the community aware, and engaged of this SV proposal.</p> <p>The exhibitions of the LTFP in May-June 2023 and November 2023 to January 2024 used traditional and well-regarded awareness-raising and engagement techniques including:</p> <ul style="list-style-type: none"> Media releases Bulk emails to existing Council databases Newspaper notices Organic social media posts Webinars or drop-in sessions Have Your Say page and survey Publication of frequently asked questions <p>Consultation on the four rate rise options between September-November 2023 was more widespread and comprehensive, and also included:</p> <ul style="list-style-type: none"> Commissioning a survey of 419 residents which was statistically significant and was designed to reflect the age and gender characteristics of Willoughby's adult population Sending 30,057 letters, accompanied by a six-page brochure, in the mail to all ratepayers, including ratepayers based overseas 	<p><i>Plan for community engagement on Willoughby City Council financial sustainability options – endorsed by Council on 28 August 2023 (Attachment 2)</i></p> <p><i>Securing Willoughby's Future engagement outcomes report – attachment to report to Council meeting of 27 November 2023 (included in Community Feedback document uploaded to IPART portal)</i></p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<ul style="list-style-type: none"> • Publication of a video, featuring the Mayor, which explained the four options and was viewed 123 times • Providing detailed presentations to eleven online and in-person engagement events which attracted 56 people, including a stakeholder roundtable held with Willoughby's Progress Associations and business organisations • Directly emailing 8,042 business owners and operators, who have registered for GST and have their primary business location located in the Willoughby Local Government Area (LGA), as part of 36,000 emails issued • Placing 42 small and large pavement stickers at 10 town and local centres • Distributing at least 1,585 flyers to businesses and passers-by, and in at least seven Council venues • Placing designed A3 promotional posters in seven community noticeboards • Publishing social media posts, including paid posts, which were seen 198,853 times • Creating a Securing Willoughby's Future Have Your Say mini-website, which was visited 5,100 times <p>During September-November 2023, special effort was made to reach the 6.8 per cent of Willoughby's population, or 5,166 residents, do not speak English well, or at all. This effort included:</p> <ul style="list-style-type: none"> • Call-to-action text in Traditional and Simplified Chinese, Japanese and Korean on the Mayor's mailout letter and brochure • Pages with translated text on Council's Have Your Say portal • Sending the media release to 107 media contacts working for Chinese, Korean and Japanese-focussed media outlets • Emailing local community leaders and regular attendees of the Council's multi-cultural community centre, known as MOSAIC • Running a one-week promotional campaign on the Vision Times WeChat site, seeking to encourage community members to come to translated community engagement sessions • Holding two translated information sessions (in Cantonese and Mandarin) 	

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>As a consequence of this work, Council received a very strong engagement response, with 1,873 people filling out an opt-in Have Your Say survey, 39 providing emailed comments and 26 making formal submissions.</p> <p>The opt-in survey responses represented around some 6% of Willoughby's total residential ratepayers, and 1.9% of total business ratepayers. As noted above, Council also achieved awareness levels well above the Sydney council benchmark.</p> <p>The above effort and results underpinned Council's decision (at its 27 November 2023 meeting) to select a 15% rate rise option.</p>	
<p>Explain the action, if any, the council took in response to feedback from the community</p>	<p>During the engagement process on a proposed SV, Council has been responsive to community feedback.</p> <p>For instance, Council received community feedback on the LTFP exhibited between May-June 2023, which generally favoured limiting rate increases by finding savings and new revenue sources.</p> <p>In response, Council developed four rate rise options, for consultation between September-November 2023, which included:</p> <ul style="list-style-type: none"> • Cost-cutting and non-rate revenue targets to limit the extent of the rate increases; and • Involved a maximum rate rise option (20%) which was lower than the highest rate rise option (23.5%) in the LTFP. <p>Council then carefully considered feedback received between September-November 2023 before selecting a preferred 2024/25 rate increase option at its November 2023 meeting.</p> <p>Community feedback which was considered in the Council's selection of the 15% (Increase Services) option included the fact that this option:</p> <ul style="list-style-type: none"> • Was in line with overall community sentiment in favour of a special rate rise, with 64% of opt-in survey respondents, and 74% of representative survey respondents, ranking an SV option as their first option. • Was the most highly ranked option among representative (Micromex) survey respondents who supported a SV and was predominantly cited as an "affordable option" by these respondents • Will allow Council to allocate an additional \$2 million a year to allow Council to invest in public area maintenance tasks which 	<p>Pages 9-10 (response to feedback on June 2023 LTFP) in LTFP adopted January 2024 (uploaded to IPART portal)</p> <p><i>Pages 4-7 of the post-exhibition report on rate rise options – report to Council meeting on 27 November 2023 and minutes relating to this report (Attachment 3)</i></p> <p>Page 17 and 18 of the <i>Willoughby City Council SRV Community Research</i> (pages 9-10 in particular) – prepared by: Micromex Research 3 November 2023 (in <i>Community Feedback</i> uploaded to IPART portal)</p> <p>Pages 41, 45, 50 and 53 of the <i>Willoughby City Council Community Perception Research 2022</i> (Attachment 5)</p> <p>Council resolution of 27 March 2023 relating to public area maintenance (Attachment 6)</p> <p><i>Capacity to Pay report for Willoughby City Council</i> by Morrison Low (Attachment 7)</p>

OLG SV Criterion 2 – Community awareness and engagement

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>featured among the services rated as most important in Council's Community Perception Research</p> <p>Council did receive some feedback that the rate increase would cause cost of living issues, particular among people on fixed incomes such as pensioners.</p> <p>In response to these concerns, Council commissioned a capacity to pay report by a leading local government management consultancy. This report found there was a general LGA-wide capacity to pay the proposed increases, and is discussed in more detail on page 32.</p> <p>Also in response to this feedback, Council resolved in November 2023 that "irrespective of how rate payers receive their rate notifications (e.g. physically or electronically) that it is clear and obvious that there are hardship provisions available to access and that this information is accessible." Council is continuing to consider this issue.</p>	

In the text box below, provide any other details about the council's consultation strategy, timing or materials that were not captured in Table 7.

Not applicable

In the text box below, please provide any other details about the community's involvement in, engagement with or support of or opposition to the proposed SV not captured in Table 7

Council has prepared a detailed community engagement compendium, which lists the community engagement outcomes reports and responses to feedback, across the three engagement stages of the SRV project from May 2023 to January 2024.

OLG SV Criterion 2 – Community awareness and engagement

Please list out any other attachments in [Table 8](#) that the council has relied on to respond to Criterion 2 that was not otherwise outlined in [Table 7](#)

Table 8 Other Criterion 2 attachments

Attachment number	Name of document	Page references
1	<i>Special Rate Variation proposal for consultation</i> – report to Council on 28 August 2023 (and minutes relating to this report)	All
2	<i>Plan for community engagement on Willoughby City Council financial sustainability options</i> – endorsed by Council on 28 August 2023	All
3	<i>Post-exhibition report on rate rise options</i> – report to Council meeting on 27 November 2023 (and minutes relating to this report)	All
4	<i>Application for Special Rate Variation</i> – report to Council meeting on 30 January 2024	All
5	<i>Willoughby City Council Community Perception Research 2022</i>	41, 45, 50 and 53
6	Council resolution of 27 March 2023 relating to public area maintenance	All
7	<i>Capacity to Pay Report</i> by Morrison Low for Willoughby City Council	All

5 OLG SV Criterion 3 – Impact on ratepayers

Refer to the [OLG SV Guidelines](#) as needed, and section 5 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section. The [Part A](#) application form also collects information for this criterion in Worksheet 7 (WS 7 - Impact on Rates).

5.1 How did the council clearly show the impact of any rate rises on the community?

Please articulate in the text box below how the council demonstrated this question.

In your response, please include references to the Delivery Program, LTFP and relevant community consultation materials to support the council's claims.

Council sought to ensure that the impacts of any rate increases were easily understood and accessible.

During engagement which took place between September-November 2023, Council was clear that community feedback was being sought on rate rise options. The front page of the community brochure included the headline "Have your say on four rate rise options", and included the names and relevant percentage of each option. Graphic design icons were also developed to draw attention to each option.

The reference to "have your say on rate rise options" was replicated across all community engagement material, including the engagement session presentation, website, social media posts, pavement stickers, community noticeboard posters and two-page DL flyer.

The letter from the Mayor, sent to all ratepayers, also outlined the relevant percentage of each of the four rate rise options, and minimum and maximum average residential rate increases. The media release issued on 25 September 2023 contained additional information by outlining the minimum and maximum average rate increases for business ratepayers. This media release was placed online on Council's website.

This approach, in part, has helped to generate the documented high levels of awareness in relation to the rate rise options. The relevant question in the representative survey, on this issue was, "prior to this call, were you aware that Council was exploring community sentiment on rate rise options?". Nearly 50% of survey respondents confirmed this was the case.

Between December 2023 to January 2024, engagement took place on the revised Long Term Financial Plan (LTFP) and Delivery Program. As part of this engagement, Council issued a media release on 29 November 2023, which stated the average rate increase for each major rating sub-category for 2024/25, and also stated the rates would rise in line with the NSW Government rate peg in future years.

In addition, pages 35-38 of the LTFP included information on average rate increases by major rating sub-category, including in forward years.

It should also be noted that, on pages 23 and 24 of this application, we have gone into extensive detail as to how we explained the detail of average rate changes to the community, including an online rates calculator and event presentations.

5.2 How has the council considered affordability and the community's capacity and willingness to pay?

Please articulate in the text box below how the council demonstrated this question.

OLG SV Criterion 3 – Impact on ratepayers

In your response, please provide references to the Delivery Program, LTFP and community consultation materials where the council has considered the affordability and the community's capacity and willingness to pay.

Council commissioned management consultant Morrison Low to analyse the general capacity of Willoughby's ratepayers to pay the increases contemplated across all four options.

This report comes to the following conclusion:

- Willoughby has a relatively high socioeconomic status, a low unemployment rate, relatively low average residential rates and the lowest levels of rates outstanding among the 18 councils in the Office of Local Government's list of Group 3 councils (representing larger metropolitan councils).
- These results are indicative of a general LGA-wide capacity to pay the proposed rate increases.
- All precincts within the LGA have greater levels of advantage, and less levels of disadvantage, compared to Greater Sydney, NSW and Australia.
- The LGA's least advantaged precincts are Artarmon, St Leonards and Chatswood, but even these areas have the capacity to pay the increases.
- After the increase, Willoughby's average business rate will be the 6th highest among all larger metropolitan Sydney councils. In addition, businesses have a relatively low outstanding rates percentage. Therefore, it is considered that for business ratepayers there is capacity to pay.
- Around 6% of Willoughby's residential ratepayers are pensioners. Willoughby's pensioners have an outstanding rates percentage below the LGA's overall percentage and access to specific hardship policies (rates accumulation) and rebates, which assists capacity to pay.
- The application of a hardship policy remains an important consideration in the rollout of any rate increase.

5.3 How has the council addressed (or intend to address) concerns about affordability?

Does the council have a hardship policy?	Yes
If yes, is an interest charge applied to late rate payments?	Yes

To inform our assessment, Worksheet 12 (WS 12) in the [Part A](#) application form also collects data on overdue rates notices, pensioner concessions and rates notices subject to hardship provisions.

Please provide the council's response in the text boxes below.

a. Explain the measures the council proposes to use to reduce the impact of the proposed SV on vulnerable ratepayers, or alternatively, explain why no measures are proposed.

Council's Hardship Policy for Rates and Annual Charges outlines a range of mechanisms in cases of genuine hardship, including:

- Council entering into payment agreements
- Providing rate relief following general land revaluations
- Writing off or reduce interest accrued on rates and charges provided that the ratepayer complies with the agreement

OLG SV Criterion 3 – Impact on ratepayers

<ul style="list-style-type: none"> • Providing rate relief for residential ratepayers in the first year following general land revaluations in exceptional circumstances where rate increases resulting from the revaluation would cause substantial financial hardship <p>Alongside receiving this SV, Council will continue to apply this policy, while noting:</p> <ul style="list-style-type: none"> • Council had an outstanding rates percentage of 2.5% (in the financial year 2022/23), which was the lowest levels of rates outstanding among the 18 councils in the Office of Local Government's list of Group 3 councils (representing larger metropolitan councils). • Council has not had a formal application under this policy for the last five financial years. <p>Council will also continue to implement its concessions for pensioners and qualifying self-funded retirees, which exceed the statutory minimum. These are outlined below:</p> <ul style="list-style-type: none"> • Eligible pensioners receive a statutory reduction of 50% of the combined rates and domestic waste management charge to a maximum of \$250. • In 2023/24, pensioners and qualifying self-funded retirees received a \$158 reduction in the domestic waste service charge. This is over and above what other councils offer and represented an increase of \$28 (21.5%) on the \$130 discount offered in 2022/23.
<p>b. Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).</p> <p>Yes, page 34 of the LTFP adopted in January 2024</p>
<p>c. Please explain how the council makes its hardship policy or other measures known to ratepayers.</p> <p>Information about the Hardship Policy is available on the Rates Information page on Council's website (go to https://www.willoughby.nsw.gov.au/Residents/Rate-information)</p> <p>This page states "if you are having difficulty meeting your rate payments, please contact Council's Rates Department to make alternative payment arrangements" and provides a direct link to the policy, along with an email and phone number.</p> <p>Council is currently considering making changes to standard information on the rear of its rates notice, to make hardship provision information more visible.</p>

5.4 Are there any other factors that may influence the impact of the council's proposed rate rise on ratepayers (optional)?

Describe the impact of any other anticipated changes in the rating structure (e.g. receipt of new valuations), or any changes to other annual ratepayer charges such as for domestic waste management services.

You may also explain how the number of **non-rateable properties** may impact the council's average rates, if relevant to your council.

You can provide additional data using Worksheet 12 (WS 12) in the [Part A](#) Excel application form. For instance, providing the number of non-rateable versus rateable properties.

OLG SV Criterion 3 – Impact on ratepayers

Not applicable..

6 OLG SV Criterion 4 – Exhibition and adoption of IP&R documents

Refer to the [OLG SV Guidelines](#) as needed, and section 6 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section.

Table 9 seeks information which demonstrates that the council has met the formal requirements for the preparation, exhibition, adoption and publication of the current IP&R documents.

Table 9 IP&R documents

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Community Strategic Plan	02/05/2022 to 30/5/2022	Link	27 June 2022	Link	Link
Delivery Program 2022-26 (amended)	30/11/2023 to 14/01/2024	Link	30 January 2024	To come	To come
Long Term Financial Plan 2023-2033	18/05/2023-15/06/2023	Link	26 June 2023	Link	Link
Revised Long Term Financial Plan 2023-2033	30/11/2023 to 14/01/2024	Link	30 January 2024	To come	To come
Asset Management Strategy	02/05/2022 to 30/5/2022	Link	27 June 2022	Link	Link (included in Resourcing Strategy)

OLG SV Criterion 5 – Productivity improvements and cost-containment

7 OLG SV Criterion 5 – Productivity improvements and cost-containment

Refer to the [OLG SV Guidelines](#) as needed, and section 7 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing for and completing this section.

7.1 What is the council's strategic approach to improving productivity in its operations and asset management?

Please provide the council's response in the text box below.

Improving operational productivity

Council has, for many years, had a focus on business improvement, to drive efficiency in what and how we do things. This focus has created savings in staff time, dollars, or has provided an improved experience for the customer or staff.

This work has been underpinned by Priority 5.6 of Council's Community Strategic Plan (Our Future Willoughby), which is to *Ensure value for money and financial sustainability*.

To meet this priority Council has, in recent years:

- Reviewed under-utilised or loss-making services
- Found alternative revenue sources
- Delivered efficiencies

More detail about significant efficiency, service review and alternative revenue measures undertaken since 2014/15 is available below at Question 7.2 and at **Attachment 8**, while information on recent results on workforce efficiency is available at Question 7.4 and **Attachment 9**.

More detail about proposed future productivity and efficiency measures are listed below in answer to question 7.3.

Asset management

Willoughby City Council has more than 40,000 assets, ranging from office furniture to bridge infrastructure. To help manage these assets, Council has an Asset Management Framework, including an Asset Management Policy, Asset Management Strategy (including an Improvement Plan) and nine Asset Management Plans (AMPs) for different asset classes.

In 2021, Council's CONNECT project delivered a single cloud-based asset management module to have one source of truth for all asset data. More information on the CONNECT project is available below in the answer to Question 7.2. This project illustrates Council's commitment to ongoing advancement of asset management maturity.

Council uses its AMPs to help formulate yearly budgets for asset maintenance and renewals, and to help report on Council's performance against Office of Local Government infrastructure ratios. The AMPs identify gaps between community's expectations and what Council is providing, and include strategies to address these gaps.

OLG SV Criterion 5 – Productivity improvements and cost-containment

Community perception surveys are carried out every two years (most recently in 2022), to provide satisfaction and importance ratings for various services including public area maintenance. These results and various other forms of consultation are used to identify these gaps and resulting risks. This strategic approach applies to a 20-year planning period and takes into account projected future demand.

Council is currently commencing a review of its Asset Management Plans. Identified demand management factors in the new AMPs include a growing population, changing demographics and increasing community expectations. The review will consider and respond to the final allocation (as part of the 2024/25 budget process) of the additional \$2m in funds for public area maintenance under this SRV. By doing this, Council will ensure that funds are assigned to identified gaps in services which are considered most important to the community.

7.2 What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?

Please provide the council's responses to the questions in the text boxes below.

a. Explain initiatives undertaken in the past few years to improve productivity and contain costs.

These initiatives are listed below.

Organisational review
 In June 2015, Willoughby City Council approved an organisational review, which led to a reduction in the number of Directors and Managers. This review resulted in savings of \$2m per annum without a change in service standards.

COVID-19 era savings plans
 The declaration of COVID-19 as a pandemic on 11 March 2020 ushered in a range of significant impacts on the Council's budget. At various times during the pandemic, COVID-19 worked to empty the Council's main economic activity centres and in doing so resulted in a \$20.6m revenue loss between 2019/20 and 2021/22. These losses came about through the Council providing rent relief to its tenants, closing revenue-generating facilities or waiving or reducing fees, and through other changes in consumer behaviour.

During each year of the pandemic, and as outlined in the relevant year's Operational Plan, the Council worked to find budget savings to offset the COVID-19 revenue impact. This process largely took place during the quarterly budget review and involved managers seeking to defer or reduce unnecessary costs, such as cancelling events, projects or consultant's reports or reducing the expenditure of closed facilities, along with reducing employee leave provisions.

For instance, the 2020/21 Operational Plan noted a forecast loss of revenue throughout the 2020/21 financial year of \$7m and stated the Council had focused on reducing variable costs of \$3m associated with the closed services.

The 2020/21 Operational Plan noted the ongoing impact of COVID-19 had meant the starting point for the 2021/22 budget was \$6.2m in deficit. It stated that, in response, the Council and staff had worked collaboratively to identify opportunities to reduce variable costs and to optimise revenue where possible, including \$5.5m savings in employee costs, operational expenses and by introducing controllable cost savings in areas such as consultants and materials.

Service reviews
 Council has been regularly reviewing under-utilised or loss-making services. For instance, Council discontinued its **Loop Bus Services** from 30 June 2022. A review of the service found that the 22-seat

OLG SV Criterion 5 – Productivity improvements and cost-containment

Loop Bus servicing the Artarmon industrial area had, in April 2022, an average of just three passengers per trip. A separate Loop Bus service linking the Chatswood CBD with various local centres had, also in April 2022, less than two passengers per trip. Council has decided such low patronage figures make the service unviable, and cessation of the service will deliver the Council an annual saving of \$345,000.

In May 2022, the Council decided to commence a tender process to outsource the **Devonshire St child care centre**, after receiving advice in relation to the centre's ongoing losses and high legal risk profile. In June 2023, the Council voted to outsource the centre. The ten-year benefit of this decision will be in the order of \$5.0m, via new revenue from a licence agreement with the new operator and reduced Council costs. As a result of this decision, the Council will receive an annual license fee and other benefits

Separately, Council has resolved to close two **Out of School Hours (OOSH) children's care services**, at Bales Park (closed in June 2022) and Chatswood (closed in December 2023). These services were impacted by less demand for OOSH services (as more parents worked from home) and increased competition from both not-for-profit and commercial providers which will continue to provide local services.

2023/24 Operational Plan

The Council took further budget repair measures in the 2023/24 budget, namely by increasing general fees and charges by 7% (in line with inflation) and increasing the Domestic Waste Management Charge by 10% (in line with inflation and in response to increased waste volumes and NSW Government regulation). In addition, in 2023/24, the Council moved to a zero-based budgeting approach, where Managers were required to outline and justify any proposed operational expenditure, as distinct to assuming that the previous year's operational expenditure would be available. This is expected to put onward downward pressure on unnecessary expenditure.

CONNECT project

Since 2020 Council has been delivering the CONNECT project, which has involved replacing 18 disparate and isolated technology platforms with a modern, single, cloud-based platform, making it easier for staff to find, record, share and use information which empowers their work

Specific outcomes to date have included:

- Direct integration between assets and finance management, strengthening the Council's planning for asset maintenance and renewals
- A paperless timesheet and procurement system for entire organisation, doing away with time-wasting processes and therefore releasing staff to deliver higher-level strategic and operational outcomes
- Ability to produce council-wide financial statements and projections in days instead of weeks, again allowing staff to instead concentrate on strategic outcomes rather than being required to make time-consuming manual calculations
- A centralised works management system, including crew leave planning and the ability to plan ahead for scheduled works
- New modules to support training and recruitment
- A fully centralised asset register for all asset classes, including reducing asset accounting and reporting from months to days

Further improvements will be implemented in the coming year for the customer request management system, enterprise cash receipting, property and rating, and Council Integrated Planning and Reporting (IP&R) processes.

External grants

During the COVID-19 period, as Council's own revenue sources were declining, it worked to win significant grants from other levels of government to allow the Council to continue to deliver (primarily) capital works projects. These grants totalled more than \$16m in 2022/23.

OLG SV Criterion 5 – Productivity improvements and cost-containment

b. Outline the outcomes which have been achieved, including providing quantitative data where possible.

Council has prepared a table which quantifies the outcomes from a range of significant efficiency, service review and alternative revenue measures undertaken since 2014/15. This is available at **Attachment 8**

7.3 What productivity improvements and cost containment strategies are planned for future years?

The council should provide information that details initiatives planned for the next two years when requesting a one-year section 508(2) SV, or match the duration of the proposed SV.

The response should, wherever possible:

- estimate the financial impact of strategies intended to be implemented in the future
- present these as a percentage of operating expenditure
- indicate whether the proposed initiatives have been factored into the council's Long Term Financial Plan.

In the text boxes below:

a. Explain the initiatives which the council intends to implement and their financial impact.

Efficiency target

As part of the implementation of a SV, Council has committed to deliver a \$2.0m efficiency target, to be met via expenditure savings and finding new non-rate revenue in 2024/25. These savings and revenue measures would then remain in Council's budget on an ongoing basis.

The \$2.0m amount is equivalent to 1.6% of the \$124.23m expenditure from continuing operations in 2022/23.

This target reflects a continuation of Council's existing approach to run an efficient operation and has also been designed to reduce the impact of any rate increase on ratepayers. Without this \$2.0m target, Willoughby's rate rise would need to be 3.7% higher (equivalent to \$40 for the average residential ratepayer).

How Council will meet this target requires detailed analysis and consideration. The draft 2024/25 Operational Plan (released in May 2024) will provide the details of what expenditure savings or revenue opportunities have been identified to achieve the \$2.0m efficiency target. The community will have an opportunity to comment on the detail of this draft Operational Plan through the public exhibition period, prior to Council's adoption.

Other future measures

Other plans for 2024/25 include to:

- Adopt and commence implementation of a Service Review Framework,
- Continue implementing the final phase of CONNECT, including systems for planning processes, property and asset rating, property and land management, rates and accounts receivable, customer request management and a customer portal
- Continue to focus on business improvements for the customer and the organisation to streamline processes, reduce costs and improve customer experience.

OLG SV Criterion 5 – Productivity improvements and cost-containment

<ul style="list-style-type: none"> Undertaking early engagement on projects, in line with Council's Community Engagement Strategy adopted in May 2023, to increase the chances of project success.
<p>b. Indicate whether these have been incorporated in the council's Long Term Financial Plan, if not, explain why.</p> <p>Page 32-33 of the LTFP includes the information provided in response to 7.3a</p>

7.4 How has the council's levels of productivity and efficiency changed over time, and compared to similar councils?

In the text box summarise data which demonstrates how the council has improved productivity and indicate its performance against that of comparable councils.

<p>Since 2014/15, Council's workforce efficiency improvement has been in line with, or exceeded, similar trends among NSROC councils. In particular:</p> <ul style="list-style-type: none"> Council's overall number of full-time equivalent (FTE) staff has decreased by 7.09% from 2014/15 to 2021/22, which was a greater decline than across NSROC The number of residents serviced by each FTE staff member has increased by 10.11%, which is in line with the NSROC trend in the same time period Council's percentage of employee costs as a percentage of operating expenditure has decreased by 10.83%, which is in line with the NSROC trend Council's average cost per employee has increased, but at a level well below the average of NSROC councils. Council's consultancy costs have generally declined over the past seven years <p>For more information, please see the document available at Attachment 9</p>

Table 10 Criterion 5 attachments

Attachment number	Name of document	Page references
8	Willoughby City Council recent quantifiable productivity and efficiency gains	All
9	Comparative and trend-based information in relation to Willoughby City Council's workforce efficiency in recent years	All

8 Council certification and contact information

See CEO's submission letter

8.1 Council contact information

IPART's formal contact with the council will be with the General Manager.

During the assessment period, IPART officers are likely to contact the council with detailed queries about the application and supporting documents. Councils should provide details of the primary contact for such inquiries where this person is a council officer who is not the General Manager. Council officer direct contact details will be redacted before publication of this application.

General Manager

General Manager contact phone	9777 1010
General Manager contact email	debra.just@willoughby.nsw.gov.au

Note: These contact details will be redacted before publication of the application.

Primary council contact

Council contact phone	9777 7706
Council contact email	mark.skelsey@willoughby.nsw.gov.au
Council email for inquiries about the SV application	email@willoughby.nsw.gov.au

Note: These contact details will be redacted before publication of the application.

Secondary council contact

Council contact phone	9777 1020
Council contact email	stephen.naven@willoughby.nsw.gov.au
Council email for inquiries about the SV application	email@willoughby.nsw.gov.au

Note: These contact details will be redacted before publication of the application.

9 List of required attachments

To complete (adding rows as necessary):

- Name each document.
- Check the box to indicate that it is being submitted with the application.

Table 11 Required attachments checklist

Name of attachment	The document is included	The document is not applicable
Mandatory forms/attachments:		
Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>	NA
Application Form Part B (this Word document)	<input checked="" type="checkbox"/>	NA
Council resolution to apply for the special variation	<input checked="" type="checkbox"/>	NA
Completed certification and declaration (see Error! Reference source not found.)	<input checked="" type="checkbox"/>	NA
If applicable, to support the responses provided in Question 5 of Description and Context (see section 2) provide:		
Instrument for expiring special variation/s	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If applicable, to support the responses provided in Questions 6 AND/OR 7 of Description and Context (see section 2) provide:		
Declaration of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Relevant instrument(s) for past special variations (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Evidence of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mandatory public supporting material (i.e. to be published on IPART's website):		
Community Strategic Plan	<input checked="" type="checkbox"/>	NA
Delivery Program	<input checked="" type="checkbox"/>	NA
Long Term Financial Plan	<input checked="" type="checkbox"/>	NA
Asset Management Plan(s) (required if a key purpose of the SV is related to assets and capital expenditure)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

List of required attachments

Name of attachment	The document is included	The document is not applicable
Consultation materials, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation (combined into one document)	<input checked="" type="checkbox"/>	NA
Community feedback (including surveys and results)	<input checked="" type="checkbox"/>	NA
Willingness to pay study (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hardship policy	<input checked="" type="checkbox"/>	NA
Other public supporting materials:		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Special Rate Variation proposal for consultation</i> – report to Council on 28 August 2023 (and minutes relating to this report)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Plan for community engagement on Willoughby City Council financial sustainability options</i> – endorsed by Council on 28 August 2023	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Post-exhibition report on rate rise options</i> – report to Council meeting on 27 November 2023 (and minutes relating to this report)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Application for Special Rate Variation</i> – report to Council meeting on 30 January 2024	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Willoughby City Council Community Perception Research 2022</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Council resolution of 27 March 2023 relating to public area maintenance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Capacity to Pay Report</i> by Morrison Low for Willoughby City Council	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Willoughby City Council recent quantifiable productivity and efficiency gains	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Comparative and trend-based information in relation to Willoughby City Council's workforce efficiency in recent years	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Confidential supporting material (i.e. not to be published on IPART's website):		
Nil		

10 Checklists

We provide these checklists to ensure that submitted applications meet a minimum standard.

Meeting the requirements of these checklists **does not** guarantee a council will be approved for the SV it has applied for.

Table 12 Part A Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
Data provided in Part A application (i.e. proposed SV%, rates amount etc) are consistent with those contained in Part B application.	<input checked="" type="checkbox"/>
Table 12 of "WS1-Application" lists all the tables in worksheets 1 -12 that council must complete, based on the nature of council's application. Please confirm that all the data requirements, as listed in table 12, have been completed.	<input type="checkbox"/>
All completed tables (values and units – i.e. \$ or \$'000) have been completed correctly and verified to source. Please pay attention to the units specified for each table in each worksheet.	<input type="checkbox"/>
WS 10 - LTFP agrees to the council's provided LTFP.	<input type="checkbox"/>
Dollar numbers provided in "WS10 – LTFP" are in dollars (\$) not thousands (\$'000) or millions (\$M)	<input type="checkbox"/>
If the council has an expiring or existing SV, it has incorporated this when filling out WS 2.	<input type="checkbox"/>
Annual and cumulative percentages are rounded to 2 decimal places.	<input type="checkbox"/>
Ensure that figures provided in WS 9 – Financials, WS 10 – LTFP and WS 11 – Ratios are at the General Fund level and <i>not</i> consolidated.	<input type="checkbox"/>
If the council proposes a combined SV, the council has discussed the relevant data and modelling requirements prior to submission.	<input type="checkbox"/>
Indication whether optional tables in WS 12 has been completed.	<input type="checkbox"/>

Table 13 SV Part B Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
All required text boxes and tables have been completed.	<input checked="" type="checkbox"/>
All applicable documents per the List of Attachments Table 11 have been provided.	<input checked="" type="checkbox"/>
The council has declared all SVs (including ASVs) approved since 2011-12 and provided annual reports that show compliance with the instrument reporting conditions, or explaining divergences.	<input checked="" type="checkbox"/>
The council's LTFP includes both the baseline (no-SV) and the SV scenario it is applying for.	<input checked="" type="checkbox"/>
The proposed SV annual and cumulative percentages agree to those used in community consultation, or if they differ, the reason has been explained.	<input checked="" type="checkbox"/>
If applying for a multi-year SV, the council has correctly calculated the cumulative percentage and dollar impact of the proposed SV using compounding – Not applicable	<input type="checkbox"/>
The council has referenced community consultation materials that <i>at minimum</i> show the cumulative percentage of the SV and average total dollar increase (cumulative) per rating category.	<input checked="" type="checkbox"/>
Figures presented in Application Form Part B are consistent, as relevant, with those in Application Form Part A.	<input checked="" type="checkbox"/>
The council has submitted a Minimum Rates Part B Application Form, if required – Not applicable	<input type="checkbox"/>
For OLG Criterion 5 (section 7), the council has provided concrete evidence and plans for past and future cost-containment and productivity strategies, as far as practicable.	<input checked="" type="checkbox"/>

Engagement outcomes report for revised Long Term Financial Plan and Delivery Program

January 2024

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Executive summary

Between 30 November 2023 and 14 January 2024, Council exhibited a revised *Long Term Financial Plan 2023-2033* (LTFP) and changes to its *Delivery Program 2022-26* (Delivery Program).

These documents were prepared and exhibited to reflect a decision made at Council's 27 November 2023 meeting to support a preferred 15% rate increase in the financial year 2024/25 (including a 5% rate peg and 10% Special Rate Variation).

Awareness-raising activity included:

- Sending an email notification, or posted letter, to 1,873 community members who had either completed the online survey, or lodged an email or posted letter, in relation to the rate rise option engagement activity between September-November 2023
- Sending an email to all 8,777 registrants to Council's Have Your Say database, which outlined all Council projects out for consultation during December, including this project
- Issuing a media release about Council's decision and the commencement of the exhibition on the LTFP and Delivery Program.
- Placing a public notice in the North Shore Times
- Issuing a Council News newsletter, which mentioned the exhibition, to 1,904 subscribers
- Issuing a Council social media post.

39 participants generated some 61 separate comments, including 56 Have Your Say survey comments, four emailed comments and one posted letter.

Most participants made general comments about the quantum of the proposed rate increase contained in the LTFP and Delivery Program, rather than referring to specific sections of the two documents.

Of the 39 participants, some 26 (or 67%) made comments in general opposition to the proposed 15% rate increase. The other 13 participants either supported some form of a Special Rate Variation or did not make specific comments in favour or against a Special Rate Variation.

Two specific comments were made on the LTFP, namely:

- Concern about increasing cash levels and surpluses during the life of the LTFP
- A query on the additional revenue to be gained from the rate increase

Four specific comments were made on the Delivery Program, namely:

- One comment in support, and one in opposition, to additional street tree planting to be funded by the proposed rate increase
- The need for tree planting to better consider street tree species
- A query on what extra services will be received under the proposed rate increase and whether this represents 'value for money'

Awareness-raising and engagement activity


On 27 November 2023, Council endorsed the exhibition of a revised *Long Term Financial Plan 2023-2033* (LTFP) and changes to its *Delivery Program 2022-26* (Delivery Program). The exhibition commenced on 30 November 2023 and concluded on 14 January 2024.


Council undertook the following activities to raise awareness of this exhibition:


- On 29 November 2023, issuing a media release about Council's preferred 15% rate increase decision at its November 2023 meeting and the complementary commencement of the exhibition on the LTFP and Delivery Program. This release is available at **Attachment A**.
- On 30 November 2023:
 - Sending an email notification to 1,826 community members who had completed the online survey in relation to the exhibition of rate rise options between September to November 2023 (available at **Attachment B**).
 - Sending 37 emails to people who had emailed Council directly in relation to the above rate rise options.
 - Issuing a Council News enewsletter, which mentioned the exhibition, to 1,904 subscribers (see Figure 1 below)
 - Notifying Progress Associations and Chambers of Commerce
- Posting letters, dated 1 December 2023, to ten participants who had originally sent letters providing feedback on the rate rise options
- On 4 December 2023, sending an email to all 8,777 registrants to Council's Have Your Say database, which outlined all Council projects out for consultation during December, including this project
- On 7 December 2023, placing a public notice in the North Shore Times (see Figure 2 below) and issuing a Council social media post (see Figure 3 below)


Figure 1 – Reference in Council News newsletter

Council News









Mayoral Minutes

Council endorsed two Mayoral Minutes. One on the tragic passing of community member Joyce Lewis who has contributed over many years to Council's Global Friendship Committee and was involved in a range of other initiatives for the Willoughby community. The other Mayoral Minute was endorsed in response to the passing of our community member Jim McCredie. Jim has spent many years giving back to the community and his contribution was highly valued. Both families will be receiving a letter of condolence on behalf of Council.


Post-Exhibition Report on Rate Rise Options

Following an extensive public exhibition period, the 15% rate rise option was endorsed as the preferred option for 2024/25, which includes the proposed NSW Government rate peg of 5%.

Council also voted to exhibit a revised Long Term Financial Plan 2023-2033 (LTFP) and Delivery Program 2022-26 which reflects this rate increase.

[Find out more >>](#)

Figure 2 – Public notice in North Shore Times on Thursday, 7 December 2023



WILLOUGHBY CITY COUNCIL

Exhibition of revised Long Term Financial Plan and Delivery Program

Between September and November 2023, Willoughby City Council conducted community engagement on four rate increase options. After considering this engagement, Council has selected a 15% rate increase as its preferred 2024/25 option (incorporating a 10% Special Rate Variation and 5% NSW Government rate peg).

The rate increase will help deliver increased public area maintenance, and a stronger Council budget with greater capacity to renew community assets and infrastructure.

Council is now seeking community feedback on updated corporate planning documents which reflect this proposed rate increase.

You can view a revised *Long Term Financial Plan*, and changes to the *Delivery Program 2022-26*, at haveyoursaywilloughby.com.au or at Council's Customer Service Centre at 31 Victor St, Chatswood.

Have your say before **Sunday 14 January 2024** by:

- Filling out an online survey, or uploading a submission, at haveyoursaywilloughby.com.au; or
- Sending a letter to Willoughby City Council, PO Box 57, Chatswood NSW 2057, Australia (please state whether you support your name being published alongside this letter in a publicly-available report).

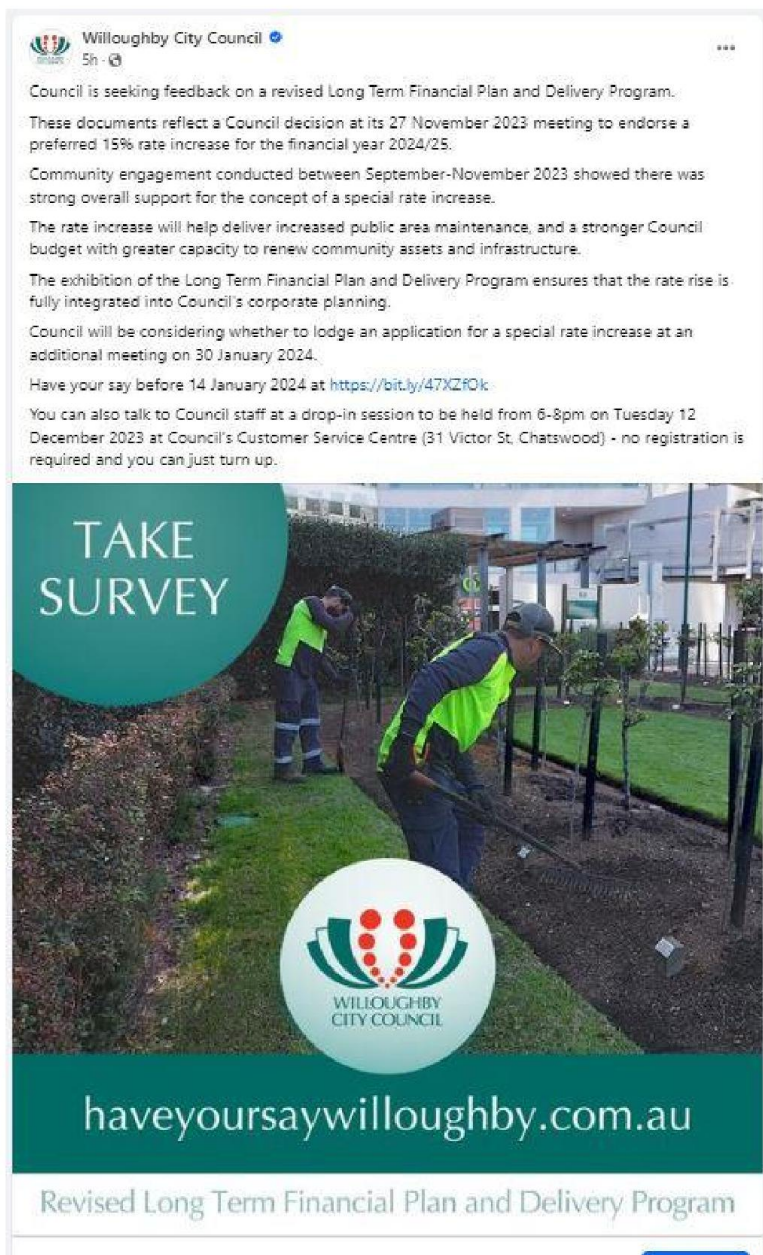
You can talk to Council staff at a drop-in session to be held from 6-8pm on Tuesday 12 December 2023 at Council's Customer Service Centre (31 Victor St, Chatswood).

For queries please call (02) 9777 1000 or write to email@willoughby.nsw.gov.au

Please note that Council's Customer Service Centre will be closed between Saturday 23 December 2023 and Sunday 7 January 2024. Queries regarding this matter will be addressed following this period.

PO BOX 57, Chatswood NSW 2057 Debra Just, Chief Executive Officer

Figure 3 – Social media post



Engagement activity

Summary and level of engagement activity

For this activity, Council:

- Established a Have Your Say project page
- Accepted comments and uploaded submissions in a survey on this page
- Accepted emailed and posted submissions
- Held, on 12 December 2023, a drop-in session at Council's Customer Service Centre to help inform people who were considering making a submission (as distinct to receiving feedback). One person attended this session.

Some 34 participants filled out the Have Your Say survey, in doing so supplied 56 comments (including 32 comments on the Long Term Financial Plan available at **Attachment C** and 24 comments on the Delivery Program available at **Attachment D**). No submissions were uploaded to the Have Your Say survey.

Four emails (available at **Attachment E**) and one posted letter (available at **Attachment F**) were also received.

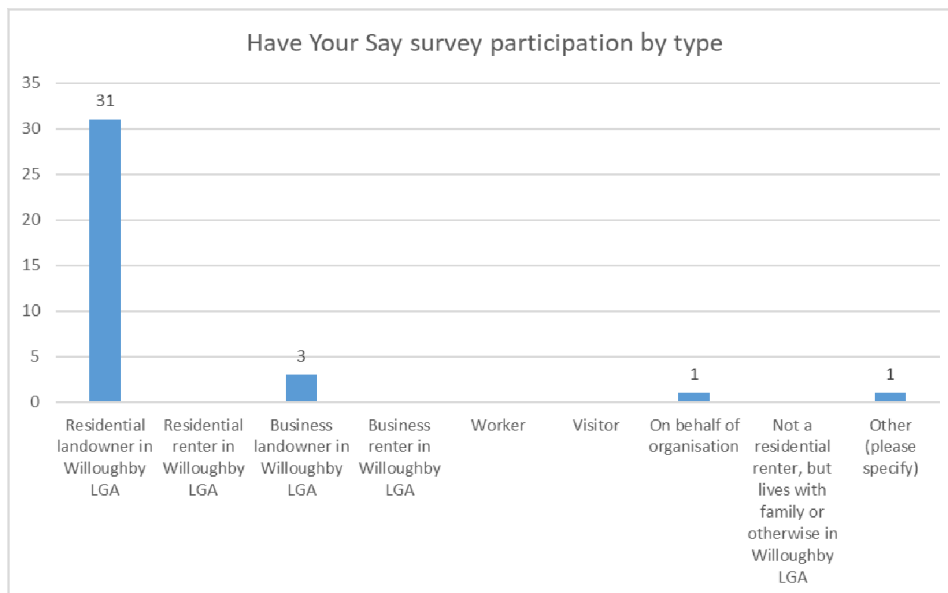
This means that, in total, there were 39 participants who supplied 61 separate comments.

Participant type for Have Your Say survey participants

Respondents to the Have Your Say survey were asked to state the primary capacity in which they were completing the survey. Participants were allowed to choose up to three options.

As shown below, 31 (or 92% of all) of these participants were completing the survey as residential landowners. Participant type information is not available for the five participants who either submitted emails or posted letters.

Figure 4 – Capacity in which participants filled out survey (up to three options allowed)



The person who participated on behalf of an organisation stated they were participating on behalf of “five businesses” (as well as being a residential landowner).

The person who stated they were participating as an “other” nominated the “other” as being the “family home”.

Location of Have Your Say participants

Respondents to the Have Your Say survey who indicated they owned property, or rented a business or home, in the Willoughby LGA were asked to state the relevant suburb. Chatswood was the most represented suburb among all respondent types.

Figure 5 – Location of participants

Suburb	Number of residential property owners from this suburb who filled out survey	Number of business property owners from this suburb who filled out survey
Artarmon	3	0
Castle Cove	0	0
Castlecrag	2	0
Chatswood	4	2
Chatswood West	1	1
Lane Cove North	3	0
Middle Cove	0	0
Naremburn	2	0
Northbridge	4	0
North Willoughby	4	0
Roseville	0	0

Suburb	Number of residential property owners from this suburb who filled out survey	Number of business property owners from this suburb who filled out survey
St Leonards	3	0
Willoughby	4	0
Willoughby East	1	1
I own properties in multiple suburbs	0	0
TOTAL	31	3

Overall sentiment

Of the 39 participants (including the Have Your Say survey participants and those who submitted email comments or posted letters):

- 26 (or 67%) made comments opposing the proposed 15% rate increase
- 3 (or 8%) made comments in support of the proposed 15% rate increase
- 9 (or 23%) participants asked questions or made comments which did not specifically express a view on the rate increase.
- 1 (or 3%) participant supported a 12% increase (this increase was not supported by Council at its November 2023 meeting, and therefore was not included in the LTFP and Delivery Program).

Key feedback themes

All comments, emails and posted letters were analysed to ascertain the number of times certain themes were mentioned.

The most common feedback theme (mentioned 18 times) was that Council should reduce services and find efficiencies, and or find alternative revenue, to do away with or reduce the size of the proposed rate increase.

The next most mentioned themes related to concerns about cost of living impacts caused by the rate increase or that the proposed rate increase was not supported by community feedback. Below is an analysis of the key feedback themes across all comments, emails and submissions.

Figure 6 – Number of times key themes were mentioned in comments, emails or submissions¹

Theme	Number of times raised
<i>General comments about the proposed rate increase</i>	
Proposed rate increase will cause cost of living pressures	9
Proposed rate increase should be as low as possible	6
Council should reduce services and find efficiencies and/or alternative revenue to do away or reduce the size of the rate increase	18
Proposed rate increase not supported by community feedback	9
Proposed rate increase will cause inflation	4
Ask NSW Government for funding to help recover from COVID-19 impacts	2

¹ Noting that some comments, emails or submissions mentioned multiple themes, and some did not mention any themes

Theme	Number of times raised
Sell off lazy assets	1
15% rate increase supported	3
12% rate increase supported	1
<i>Specific comments on Long Term Financial Plan</i>	
Can you please confirm that the additional rates amount to \$9 million	1
Concern that rate increase will generate \$43.94m in total surpluses over nine years and see an increase in Council's cash and cash equivalents from \$153m to \$211m over the same period.	1
<i>Specific comments on Delivery Program</i>	
Tree planting supported	1
Need for tree planting to better consider street tree species (contention that wrong species planted under overhead wires in Chatswood West)	1
We don't need any more street trees, as they are a hazard for people and cars and ratepayers are bearing the burden of cleaning up after them	1
Query on what extra services will be received and whether this represents value for money	1

Attachment A – Media release



MEDIA RELEASE

29 November 2023

**2024/25 RATE INCREASE DELIVERS MAINTENANCE, INFRASTRUCTURE
AND BUDGET BENEFITS**

Increased public area maintenance, and a stronger Council budget with greater capacity to renew community assets and infrastructure, will be among the benefits of a Willoughby City Council rate rise decision.

At its meeting on 27 November 2023, Council selected a 15% increase as its preferred rate rise option for 2024/25, which includes the NSW Government rate peg of 5%.

Council also voted to exhibit a revised *Long Term Financial Plan 2023-2033* (LTFP) and *Delivery Program 2022-26* which reflects this rate increase.



The proposed rate increase will assist Council to:

- Recover from the financial impacts of high inflation outstripping Council's average rates by 15.3% between 2021 and 2023;
- Continue to deliver highly-valued services to the community;
- Increase Council's ability to absorb future financial, extreme weather and growth shocks; and
- Provide capacity to maintain and renew community assets.

The proposed rate rise will allow Council to allocate an additional \$2 million a year in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and for tree planting and maintenance programs.



MEDIA RELEASE

The rate increase would result in average residential rates rising by \$163.15 in 2024/25, or \$3.14 a week. Average business rates in the Chatswood Town Centre area would increase by \$1,170.42 in 2024/25 or \$22.51 a week, while average business rates outside the Chatswood Town Centre would increase by \$978.56 in 2024/25, or \$18.82 a week.

Following this one-off rate increase in 2024/25, rates would rise in line with the NSW Government rate peg in future years.

Council will now commence preparing a Special Rate Variation application to the NSW Government in line with the preferred rate rise. The application will need to be approved at a Council meeting scheduled for 30 January 2024, before being lodged with the NSW Government.

Willoughby Mayor Tanya Taylor said Council's 27 November 2023 decision followed extensive engagement with the community on four rate rise options between September-November 2023, under the promotional banner *Securing Willoughby's Future*.

"Council ensured any decision on the rate rise options was well-informed by extensive awareness-raising and engagement," Mayor Taylor said.

"Nearly half of Willoughby's residents said they were aware of the options, which is well above average awareness levels across other Sydney councils, and there was strong overall support for a special rate increase."

Around 1,900 people filled out a Have Your Say survey and more than 400 responses were gathered to a separate representative survey which was designed to represent the gender and age characteristics of the Willoughby adult population.

Some 64% of respondents to the Have Your Say survey, and 74% to the representative survey, selected a special rate increase of at least 12% as their highest ranked option.

Mayor Taylor said, in selecting a preferred 15% rate rise, Council also voted to ensure that clear and accessible information was available about options available to ratepayers having difficulty paying their rates.

"While Council currently has one of Sydney's lowest percentage of outstanding rates, we want to make sure people are aware of our hardship policy and options should they need it," Mayor Taylor said.

Council is required to amend the LTFP and *Delivery Program 2022-2026*, if it intends to proceed with a SRV application to the NSW Government.



MEDIA RELEASE

The revised LTFP illustrates how the rate increase will influence Council's ten-year financial forecast, by delivering average annual surpluses of \$4.77m between 2024/25 and 2032/33. These surpluses will allow Council to withstand future financial shocks and, if these shocks do not eventuate, instead use these surpluses for community services and projects.

The LTFP also confirms that Council will be seeking to deliver a \$2m efficiency target as part of the development of its 2024/25 Operational Plan, which will be met through savings, efficiencies and new non-rate revenue.

This target reflects a continuation of Council's existing approach to run an efficient operation and has also been designed to reduce the impact of any rate increase on ratepayers.

Without this \$2m target, Willoughby's rate rise would need to be 3.7% higher (equivalent to \$40 for the average residential ratepayer).

The *Delivery Program 2022-26* is proposed to be amended to state that, as part of the implementation of the rate rise, Council will:

- Increase annual programs for street tree maintenance and tree planting
- Apply additional resources to maintenance, cleaning and beautification of parks, cycling and walking routes and town centres
- Facilitate a volunteer ParkCare program for community involvement in our local parks

Consultation on the LTFP and *Delivery Program 2022-26* commences on Thursday 30 November 2023 and closes on 14 January 2024. Feedback will be reported to a Council meeting to be held on 30 January 2024.

Find out more at www.haveyoursaywilloughby.com.au

Ends

For media enquiries, please contact:
Amanda Kearney, Willoughby City Council
E: Amanda.kearney@willoughby.nsw.gov.au
P: P +61 2 9777 1057 | M: 0418 296 579

Attachment B – Email sent, on 30 November 2023, to participants who commented on the rate rise options between September-November 2023

Dear Have Your Say participant -

Between September and November 2023, Willoughby City Council conducted extensive community engagement on four rate rise options to potentially apply in the 2024/25 financial year. Thank you again for your feedback during this period.

At its meeting of 27 November 2023, Council considered the results of this engagement, and other information.

Council selected a 15% rate increase (incorporating a 10% Special Rate Variation and 5% NSW Government rate peg) as its preferred option to inform the preparation of an application to the Independent Pricing and Regulatory Tribunal (IPART).

The proposed rate increase will assist Council to:

- Recover from the financial impacts of high inflation outstripping Council's average rates by 15.3% between 2021 and 2023
- Continue to deliver highly-valued services to the community
- Increase Council's ability to absorb future financial, extreme weather and growth shocks; and
- Provide capacity to maintain and renew community assets

The proposed rate increase will also allow Council to allocate an additional \$2 million a year in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and for tree planting and maintenance programs.

Council is now seeking community feedback on updated corporate planning documents which reflect this proposed rate increase.

You can view a revised *Long Term Financial Plan 2023-2033*, and changes to the *Delivery Program 2022-26*, at www.haveyoursaywilloughby.com.au or at Council's Customer Service Centre at 31 Victor St, Chatswood (outside of the Christmas closedown period between Saturday 23 December 2023 and Sunday 7 January 2024).

Have your say by:

- Filling out an online survey, or uploading a submission [at this link](#) or
- Sending a letter to Willoughby City Council, PO Box 57, Chatswood NSW 2057, Australia (address the letter to Special Rate Variation Project Manager and state whether you support your name being published alongside this letter in a publicly-available report).

You can also talk to Council staff at a drop-in session to be held from 6-8pm on Tuesday 12 December 2023 at Council's Customer Service Centre (31 Victor St, Chatswood) - no registration is required and you can just turn up.

Feedback closes at midnight on **Sunday, 14 January 2023**.

15

Council will consider feedback received on the revised corporate planning documents, and whether to submit a Special Rate Variation (SRV) application to IPART, at a Council meeting to be held on Tuesday, 30 January 2024.

Attachment C – Comments received on Long Term Financial Plan

Location of participant	Comment
CASTLECRAG	Yes Councils plan to increase rates by 15% is highly inflationary and will ultimately inflict more pain on its constituents. To curb inflation we must all do our part and cut expenditure, otherwise your constituents will continue to be hit by higher interest rates. I completely oppose the increase.
CHATSWOOD	We think the minimum increase option should apply.
ST LEONARDS	Yes, the decision to go with the 15% increase was not in line with the maintain or reduce recommendation. The council should reconsider given the cost pressures residents are feeling due to inflation.
NORTHBRIDGE	stop all unnecessary spending
NAREMBURN	I would like visibility and regular updates on what the Council is doing to run as efficiently as cost-effectively as possible. Can the Council consider ways to reduce costs, eg red bin or landfill collection by allowing residents to put organic waste in their green bins (bring it forward from 2030).
NORTHBRIDGE	I absolutely reject the enormous in rates decided upon by Council??Given the current economic dilemmas affecting the population, how can Council justify this decision??Are you saying this had the majority support of the Willoughby residents who opted to have their say???
WILLOUGHBY	I don't want a 15% increase in council rates. This should be linked to CPI only.
CHATSWOOD	So disappointing that Council wasted everyone's time asking for feedback and then didn't listen and chose to do whatever they wanted
CASTLECRAG	It is abhorrent and morally irresponsible, particularly given the economic conditions at present, that the LTFP estimates a \$43.94M total surplus at the end of the nine years in 2032/33 and that Council will simply grow their cash and cash equivalents from \$153M to \$211M over the same period. The purpose of an SRV is absolutely not to sure up Council's financials. Council have not justified the SRV beyond the standard rate peg, and it clearly shows in the financial projections that there is, and never has been a justification for any SRV, particularly a 15% rate rise (and the compounding effect of that rise indefinitely). We hope that IPART wholly rejects the SRV request after reviewing Council's actual position.
CHATSWOOD	Better budgeting and suppliers to reduce the cost
ARTARMON	It seems to be unreasonable option
LANE COVE NORTH	The Council's decision to implement a 15% rate increase suggests a lack of consideration for the concerns voiced by Willoughby residents. This unilateral move appears to place the entire burden on ratepayers, without exploring alternative avenues such as engaging with the state government or seeking additional sources of revenue. The community's input seems to have been disregarded, and a more inclusive and balanced approach to addressing financial challenges should be pursued.
ARTARMON	I strongly oppose the 15% increase in council rates at a time when households are under enormous financial stress

CHATSWOOD WEST	Cut cost like everyone else, and sell off lazy assets that is not the councils prime business.
NORTHBRIDGE	Pull your heads in, stop doing woke virtue signalling plans and get the rate increases down below inflation. Looking forward to the next opportunity to vote
WILLOUGHBY EAST	Very supportive of the proposed approach
WILLOUGHBY	Cut your costs as WCC have not been able to keep within its means and struggles to meet basic services. Cut the "frills" and extra "services" and just dpo the basics properly
WILLOUGHBY	Ask the state government for funding due to they locked us up .we still paid the rates.no relief only emergency workers were allowed out.so what losses did Willoughby occur I ask.less staff doing things and what was it wanted on at that period to justify the losess.we ask be a bit more fair and not hit the people with high rates it will only damage people .I hear alot are not happy with the rate rise.
WILLOUGHBY NORTH	The increase is too high
ST LEONARDS	I am very disappointed that the council fails to control its spending and increase the rate which is significant higher than the inflation rate and wage growth.
WILLOUGHBY	Spend as little of ratepayers money as possible. Don't waste money on frivolous projects and "causes".
ST LEONARDS	Enlightened and appropriate guve fibacial constraints
NAREMBURN	I don't agree with 15% increase in rates from next year. We're already under a lot of financial stress with inflation, interest rates increase and stagnant salaries / income levels. Having known that more than 90% of families across Australia are under such stress, this decision of the council is extremely absurd and should be put on hold until FY25-26.
WILLOUGHBY	Supported
CHATSWOOD	The selected option is not the one suggested by the analysis. The analysis points to the maintain services option. What is the point of running the survey if you are just going to choose a predetermined option that is not supported by the data?
CHATSWOOD	A 15% rate hike is too aggressive, especially when the cost of living remains high. We can leave some service improvements for later
NORTHBRIDGE	Can you please confirm that the additional rates amount to \$9 million
ARTARMON	First of all, I would like to register a protest about the option three rate rise. We were opposed to this and said so. The majority of ratepayers supported either no rise or option two. This community opinion was completely ignored and Council decided on the least favoured option. Why go thru the charade of consultation when the outcome is predetermined?
LANE COVE NORTH	The preferred option of a 15% rate rise is excessive at current economic environment and is against the interest of most community members. Given the high cost of living pressure faced by the average residents, the Council should aim only to maintain the services within the current financial constraints. This is what we normal people do when the rate of inflation outstrips the wage rise. Unlike the Council who can force rate payers to contribute more, we cannot force our employers to pay us higher wages. I hope the Council can intelligently come up ways to deliver the program without using a 10% special rate variation. Live within your means please. Just maintain the current service levels would be good enough.
WILLOUGHBY NORTH	You will need some fiscal discipline to keep your budget in check
LANE COVE NORTH	We are all battling inflation driven cost rises from interest rates, insurance, groceries, government taxes and rates. As a resident and local business owner these are unsustainable and so I request the council to manage rate rises to low single digits and seek to manage spending to this level through eliminating waste

	(eg the council pay a mowing service to mow behind my house 18 times a year, this year they have come 3 times), through user pay fees as needed and careful choices on larger council expenditure and investments
CHATSWOOD	Not really - considering that Council asked ratepayers for our opinions about rate increases and you ignored the majority of responses, why would i think you would listen this time? This is highly disappointing. If Council is going to do what they want, then don't waste money you clearly don't have, setting up surveys - you can use the money to actually help rate payers.

Attachment D – Comments received on Delivery Program changes

Location of participant	Comment
CHATSWOOD	Poor decision on local rate increases. A 15% increase was NOT supported by community consultation. You can guarantee a change in council members at the next election.
CASTLECRAG	Yes. Councils plan to increase rates by 15% is highly inflationary and will ultimately inflict more pain on its constituents. To curb inflation we must all do our part and cut expenditure, otherwise your constituents will continue to be hit by higher interest rates. I completely oppose the increase.
CHATSWOOD	We think the minimum increase option should apply.
ST LEONARDS	Same as above.
NORTHBRIDGE	stop all unnecessary spending
NAREMBURN	Consider enabling residents to pay for services they use or benefit from, rather than a one-size-fits-all rate. This can reduce costs whilst rewarding the right behaviours, eg if no red bin collection for 6 months then discount or voucher. Consider ways to reduce costs in the long term like a private company, eg bring forward allowing residents to put organic waste in their green bins to reduce red bin or landfill collection.
NORTHBRIDGE	The delivery program needs to be curtailed and the Council should seriously review its decision to decide on the maximum rate increase. There are many pensioners living in the Willoughby Municipality who cannot afford this extravagant increase in rates, notwithstanding whatever pensioner-based discounts are provided.
WILLOUGHBY	I don't think it is appropriate in the current economic environment.
CHATSWOOD	A two digit increase on levy not in line of average income increases % by the community residents. We only need the most essential and basic services from the council, please cancel those optional or fancy items
LANE COVE NORTH	What is the value of leaving comments if there is no genuine effort to listen to the perspectives and concerns of the ratepayers?
ARTARMON	I strongly oppose the 15% increase in council rates at a time when households are under enormous financial stress
CHATSWOOD WEST	I note increase 'street tree maintenance and tree planting' - how about be more wise what and where inappropriate large trees are planted on the verge (especially under wires, plenty of examples in Chatswood West lately).
WILLOUGHBY EAST	I am keen to see more tree planting to ensure a net positive canopy outcome over the life of the program
WILLOUGHBY	Cut the excess services and keep to the basics.
WILLOUGHBY	Put it up 3%,only.what losses did council have for that 6 months we were all shut down. Government still paid the workers and council still were accepting online projects.plus on that survey why.was there no option 5 none of the above but force to number them or can not finish survey. Plus we attended the meeting on the 27th with my brother who spoke .we left in shock that council is voting for 15% rise all we said was ask the state government for the funds,as we were leaving and didn't swear as Mr rozos accused us of as

	<p>we watched the replay on video of council.rozos tells mayor to report uswhy when we never swore and walked out. My brother only said outside in foyer far out no one cares .</p> <p>So i ask mr rozos to get his facts right.cause council is not on the peoples side with this rate rise.the people as citizens who voted for them to consider and actully listen to people with all the rate rises at the moment it's hard .council should at least pause till people get back up.</p> <p>Atleast one council member understood and was on the peoples side.pls in future correct your surveys online to allow other options.plus if you own or have property or intrest in the local area are you actully.allowed to vote on matters ,we ask.pls let the people recover from covid to get back on there feet.look at the other councils like burwood,marrikville,etc there area looks alot more nicer than here in Willoughby.</p> <p>There needs to be more public notice with letters and more gathering on matters like this,so people are more aware,think about the older generation they don't have emails or a computer.</p>
WILLOUGHBY NORTH	The increase is too high
ST LEONARDS	I am very disappointed that the council fails to revise the Delivery Program under the period of high inflation and increasing burden of the residents.
WILLOUGHBY	Which Councillors voted for rate increases.
ST LEONARDS	no
WILLOUGHBY	Supported
CHATSWOOD	Please don't pursue all these programs and service improvements during this difficult time.
NORTHBRIDGE	<p>Can you please confirm that in return for an additional taxes on ratepayers, in return the community gets:</p> <p>better street tree maintenance and some extra trees planted additional cleaning of parks and footpaths the opportunity to volunteer to weed the parks?</p> <p>If so, do you believe the community genuinely sees this as value for money?</p>
ARTARMON	As we have said before, Council has core responsibilities such as maintenance of infrastructure and open space, and sanitation. Then there are the frills such as festivals and so-called 'community events'. In our opinion the former is neglected in favour of the latter. As an example, the maintenance of public open space in Artarmon has been disgracefully neglected.
LANE COVE NORTH	Need tighter fiscal controls to run the council at low single digit rate increases. Rate payers are not flushed with infinite funds to pay into council.

Attachment E - General emailed comments received

As part of this engagement process, three emailed comments were received.

An additional email received for a separate engagement process (amendment to Planning Fees and Charges) but which appeared to comment on the proposed rate increase.

These emailed comments are below:

Location of participant	Comment
NORTHBRIDGE	<p>As a long-term resident and rate payer of Willoughby Council – more than 10 years – and raising a family of four active children - our family’s very strong preference is for Council to either retain current rates or look to reduce them – certainly not to increase them.</p> <p>We are very comfortable if this means REDUCING “services”.</p> <p>Can you make sure our feedback is communicated to your GM, Councillors and to IPART.</p> <p>Happy to provide specifics if someone wants to get in contact.</p>
UNKNOWN	<p>Your e-mail seeking feedback of Council rate increase for 2023/24, requires that I register, etc., in order to leave a comment.</p> <p>I pay your rates and I object to having to register like a dog. Your rate increase by the way, at more than double inflation and with struggling families, stinks!..</p>
UNKNOWN	<p>Can you please relieve the people vote results? The statement below is blunt . What is “other information “ and how did they weight against people say? At its meeting of 27 November 2023, Council considered the results of this engagement, and other information</p>
NAREMBURN ²	<p>I DO NOT want or agree to have services cut. Willoughby must keep pace with the north shore LGA areas surrounding it.</p> <p>Not be the poor relation. Quality Services maintain property values and prices. If it costs a 12% p.a. increase then that is what is necessary. The area must be clean and offer good amenities. Willoughby has many tenanted properties, and the clean-ups for the high turn-over of tenants already leaves our streets looking un-loved too many times as rubbish is dumped and there is no way to investigate the people involved.</p> <p>Lane Cove Council is a shining example of clean public space and great facilities for all generations. Willoughby is already behind in standards. I vote for the 12% increase.</p>

² This comment was received on a separate engagement process (amendment to planning fees and charges) which was on exhibition at the same time as the revised Long Term Financial Plan and Delivery Program

Attachment F – Letter received from North Willoughby resident (permission not given for name to be included)

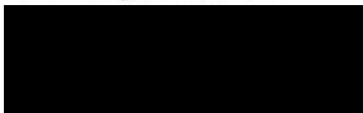
MARK SKELSEY
WILLOUGHBY COUNCIL.



12 DEC '23 9:23

GREETINGS.
YOU HAVE DONE IT AGAIN - CREATED "SRVPM" - ANOTHER NON
PRODUCTIVE MANAGER. WHY?
HOW MANY HAVE YOU GOT NOW?
HAS ANYONE CARRIED OUT AN INTERNAL AUDIT? (AS I SUGGESTED)
I AM SURE THE COUNCIL WOULD BE IN A POSITION TO CUT DOWN
ON TOO MANY NON PRODUCTIVE DESK JOBS.
TREES!!
WE ALREADY LIVE IN WILLOUGHBY FOREST.
RATE PAYERS ARE ALREADY CLEANING UP LEAVES - 7 DAYS A WEEK,
& WITHOUT HELP FROM THE COUNCIL (UNLESS IN LUTHERS)
TREES PLANTED ON NARROW NATURAL STAIRS ARE VERY OFTEN
A HAZARD FOR WALKERS & ALSO FOR SOME CARS.
WE DON'T NEED ANYMORE TREES.
WE DON'T WANT ANY RATE INCREASES !!

ALL THE BEST FOR RATE PAYERS



NOT FOR PUBLICATION
COUNCIL MEMBERS ONLY

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ATTACHMENT 5

RESPONSE TO KEY THEMES RAISED DURING COMMUNITY ENGAGEMENT ON THE LONG TERM FINANCIAL PLAN 2023-2033 AND DELIVERY PROGRAM 2022-26

Theme	Number of times raised	Response
<i>General comments on proposed rate increase</i>		
Rate increase will cause cost of living pressures	9	<ul style="list-style-type: none"> • Council carefully considered this issue before selecting a preferred 15% rate increase at its November 2023 meeting. • Council commissioned a ratepayer Capacity to Pay report which investigated a range of relevant data sources and found there was a general capacity to pay the proposed increase across the LGA. • The report noted that: <ul style="list-style-type: none"> ○ Willoughby has the lowest levels of rates outstanding among the 18 councils in the Office of Local Government’s list of Group 3 councils (representing larger metropolitan councils). ○ Willoughby pensioners are eligible for up to \$250 rebate on rates and pensioners and self-funded retirees are eligible for \$158 on the domestic waste management charge. • In saying this, Council will consider genuine hardship applications under its <i>Hardship Policy for Rates and Annual Charges</i>. • The Hardship Policy outlines a range of mechanisms in cases of genuine hardship, including: <ul style="list-style-type: none"> ○ Council entering into payment agreements ○ Write off or reduce interest accrued on rates and charges provided that the ratepayer complies with the agreement ○ Providing rate relief for residential ratepayers in the first year following general land revaluations in exceptional circumstances where rate increases resulting from the revaluation would cause substantial financial hardship; and ○ In the case of eligible pensioners, allowing rates and interest charges to accrue against property until the estate is settled. • Council has not had a formal application under this policy in the last five financial years.

Theme	Number of times raised	Response
Rate increase should be as low as possible	6	<ul style="list-style-type: none"> • Consultation undertaken between September-November 2023 showed there was strong support for a Special Rate Variation, with the community broadly rejecting the concept that significant service cuts should be undertaken to ensure rates stay as low as possible.
Council should reduce services and find efficiencies and alternative revenue to do away with, or reduce the size of, the rate increase	18	<ul style="list-style-type: none"> • Consultation undertaken between September-November 2023 showed there was strong support for a Special Rate Variation, with the community broadly rejecting the concept that significant service cuts should be undertaken to ensure rates stay as low as possible. • Council is however committed to finding efficiencies and new non-rate revenue sources, concurrently with applying for a 15% rate increase. • This \$2.0m efficiency target will be achieved as part of the budget planning process for 2024/25. • Without this target, Council's proposed rate rise would need to be 3.7% higher (equivalent to a \$40 increase to average residential rates).
15% rate increase not supported by community feedback	9	<p>The 15% rate increase was selected, in part, because it was:</p> <ul style="list-style-type: none"> • In line with overall community sentiment in favour of a special rate rise • The most highly ranked option among representative (Micromex) survey respondents who supported an SRV as their first option (and was also cited as an "affordable option" by these respondents); and • The second highest ranked option (behind Maintain Services 12% rate increase) in the opt-in (Have Your Say) and representative (Micromex) surveys. <p>In addition, it should be noted that 65% of respondents to the representative (Micromex) survey were at least 'somewhat supportive' of the 15% rate increase option (compared to 38% support for the <i>Reduce Services</i> option) Therefore, it can be said that the 15% increase was supported by community feedback.</p>
Rate increase will cause inflation	4	<ul style="list-style-type: none"> • Council's rate increase will make a negligible contribution to Australia's consumer price index.
Ask NSW Government for funding to help	2	<ul style="list-style-type: none"> • There are no specific NSW Government funding programs available for Council to seek reimbursement for lost revenue due to COVID-19 impacts.

Theme	Number of times raised	Response
recover from COVID-19 impacts		
Sell off lazy assets	1	<ul style="list-style-type: none"> Under NSW Government guidelines, the net gain on the loss or sale of assets is excluded from the calculation of the Council's Operating Performance Ratio. As such, the sale of assets will not assist the Council's operational position, which is the focus of this report, as it doesn't give an ongoing source of funds for day-to-day operations and services. In addition, Council's LTFP adopted in June 2023 (and the draft LTFP exhibited from November 2023 to January 2024) states that the Council's focus should be to "optimise returns from assets", as distinct to selling assets, as assets have the potential to generate ongoing income for Council and therefore reduce the financial impost on ratepayers. While asset sales will always be considered on their merits, and have the potential to assist the Council's financial position, asset sales are irregular and will not be timely enough to address the immediate financial sustainability of Council. In summary, selling assets is not a long term option for sustainability and does not address the underlying issue of an unsustainable financial model.
12 or 15% rate increase supported	4	<ul style="list-style-type: none"> Noted
<i>Comments that relate to Long Term Financial Plan only</i>		
Can you please confirm that the additional rates amount to \$9 million	1	<ul style="list-style-type: none"> The 10% Special Variation will raise an additional \$5.43m in 2024/25 This is in addition to the \$2.72m which will be raised from the 5% rate peg increase. This adds up to a total of \$8.15m from the total 15% increase in 2024/25. In the years after 2024/25, it is expected that rates will increase in line with the NSW Government rate peg (expected to be 5% or less).
Concern that rate increase will generate \$43.94m in total	1	<ul style="list-style-type: none"> Under the 15% increase, there is the potential for Council to accumulate surpluses totalling \$42.94m over nine years from 2024/25.

Theme	Number of times raised	Response
surpluses over nine years and see an increase in Council's cash and cash equivalents from \$153m to \$211m over the same period.		<ul style="list-style-type: none"> • This surplus represents an annual operating margin of 2.27%, which is a modest margin to manage future financial shocks such as inflation increases, could be re-invested in community services and projects • In addition, under the 15% rate increase scenario, the combined amount of cash, cash equivalents and investments is projected to increase from \$153m in 2023/24 to \$211m in 2032/33. • Of this \$211m amount, the LTFP projects that \$74m (35%) of that cash is externally restricted (derived from sources such as developer contributions or affordable housing which can only be expended on the purpose it is collected for), \$99m (47%) will be allocated to internal reserves (for specific community projects), leaving \$38m (18%) to serve as adequate working capital. • This means the vast majority of cash and cash equivalents under the SRV scenario will be allocated to specific reserves to help fund ongoing service delivery, essential asset renewals or new assets. • Furthermore, the increase in cash, cash equivalents and investments under the SRV scenario places Council in a stronger position to respond to community needs, and therefore is considered appropriate to remain in the LTFP. The increase in cash also protects Council in the event of adverse economic conditions and financial shocks in the future. • Council may choose, as part of the budget planning process, to reduce these reserve levels in future years by increasing expenditure, subject to an examination of the financial situation which exists at the time. • It should be noted that the LTFP's projections assume benign inflation and no other economic shocks.
<i>Comments that relate to Delivery Program only</i>		
Tree planting supported	1	<ul style="list-style-type: none"> • Noted
We don't need any more street trees, as they are a hazard for people and cars and ratepayers and	1	<ul style="list-style-type: none"> • Priority 1.1 in Council's <i>Community Strategic Plan (Our Future Willoughby 2032)</i> is that Council should "create and enhance green spaces, urban tree canopy cover and greening." • A related measure is to increase the percentage of Willoughby which has urban tree cover to 40% by 2036.

Theme	Number of times raised	Response
bearing the burden of cleaning up after them		<ul style="list-style-type: none"> In engagement on <i>Our Future Willoughby</i>, the above priority had the third highest level of support out of 32 priorities. It is proposed that the rate increase will help meet this priority and measure by increasing annual programs for street tree maintenance and tree planting.
Need for tree planting to better consider street tree species (contention that wrong species planted under overhead wires in Chatswood West)	1	<ul style="list-style-type: none"> Choosing the right tree species for the right location is an important objective of Council's <i>Street Tree Masterplan</i>. The <i>Street Tree Masterplan</i> divides the Willoughby LGA into a number of vegetation precincts and recommends suitable street trees based on the topography, micro-climate, soils and landscape character of each precinct. It identifies nine species of street trees suitable for planting under power lines on the verges of precincts 2, 3 and 4 in Chatswood West. Unfortunately, not all street trees have been planted by Council, or they may have been planted many years ago, prior to implementing the <i>Street Tree Masterplan</i>. That sometimes results in unsuitable species selection. All new street tree plantings by Council should comply with the <i>Street Tree Masterplan</i> which can be viewed at https://www.willoughby.nsw.gov.au/Residents/Trees/Tree-and-vegetation-management

Theme	Number of times raised	Response
Query on what extra services will be provided and whether this represents value for money	1	<ul style="list-style-type: none">• The rate increase will allow Council to:<ul style="list-style-type: none">○ Continue to deliver highly valued services to the community○ Deliver surpluses in all nine years between 2024/25 and 2032/33, with an average annual surplus of \$4.77m. These surpluses, subject to future financial shocks such as inflation increases, could be re-invested in community services and projects○ Allocate an additional \$2 million a year for public area maintenance, chiefly to allow Council to invest in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy.○ Better absorb future financial, extreme weather and growth shocks in an increasingly volatile environment○ Provide a stable work environment for staff attraction and retention

Long Term Financial Plan 2023-2033

Acknowledgment of Country

Willoughby City Council acknowledges the Traditional Owners of the lands on which we stand, the Gamaragal people. We pay our respects to their Elders past and present.

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Executive Summary

In June 2023, Council adopted a *Long Term Financial Plan* (LTFP) which outlined Willoughby's current, and expected future, financial and economic challenges.

The LTFP stated that Council came into the period of the COVID-19 pandemic in a robust and sustainable financial position. It also noted that, since that time, the Council's finances had been adversely affected by a range of factors, including:

- Losing \$20.6m in revenue due to the COVID-19 pandemic
- High inflation, which has forced up the costs of providing materials and services
- Ongoing low NSW Government rate capping
- The cessation of the Council's Infrastructure Levy in 2022

As such, the LTFP canvassed, and established the need for, a Special Rate Variation (SRV) to commence in 2024/25, to stabilise Council's financial position and to allow it to provide services and renew and repair infrastructure to benchmark levels.

Following the LTFP's adoption, Council considered a range of issues, including community feedback on the LTFP, broader community service expectations and the need for any examination of rate rise options to be accompanied by extensive community engagement. Council then developed four rate rise options to take to the community between September-November 2023. These options included a new non-SRV base case (known as Reduce Services), along with three SRV options (known as Maintain Services, Increase Services and Increase Services and Infrastructure).

At its meeting on 27 November 2023, Council resolved to progress a rate rise proposal of 15.0%, including a rate peg component of 5.0% and SRV component of 10.0% (the Increase Services option). Under this rate rise option, the Council will be able to:

- Continue to provide highly-valued services, including catch-up from the 12.1% inflation increase over the last two years.
- Deliver surpluses in all nine years between 2024/25 and 2032/33, with average annual surpluses of \$4.77m. These surpluses, subject to future financial shocks, could be re-invested in community services and projects.
- Increase responsiveness to resident and business enquiries.
- Increase Council's ability to absorb future financial, extreme weather and growth shocks.
- Provide capacity to maintain and renew community assets.
- Provide a stable work environment for staff attraction and retention.
- Allocate an additional \$2.0 million a year to allow Council to invest in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy.

Concurrently with seeking this rate rise from the NSW Government, Council will be setting a \$2.0m efficiency target for 2024/25, to be met via expenditure savings and finding new non-rate revenue. Without this target, Council's proposed rate rise would need to be 3.7% higher (equivalent to a \$40 increase to average residential rates).

This LTFP has been prepared (outside of the usual LTFP cycle) to explain, and seek feedback on, the broader financial and organisation implications of this rate rise proposal, which will underpin Council's preferred future financial state.

It also outlines Council’s new non-SRV base case (the Reduce Services option) which is not Council’s preferred option, but will be enacted in 2024/25 if the SRV proposal is not successful (subject to consideration of any material financial changes in the first half of 2024).

Introduction and purpose

This *Long Term Financial Plan* reflects Council’s financial capacity to deliver the strategies, initiatives and works identified in Willoughby City’s *Community Strategic Plan: Our Future Willoughby 2032*, the four-year *Delivery Program 2022-2026* and the annual Operational Plans and Budgets.

The LTFP enables the community’s vision for the future to be assessed against the financial and other resources available. It ensures that Council has a financially sustainable long-term plan and that it can manage financial risks and optimise opportunities while delivering the community’s aspirations.

The LTFP expresses in financial terms Council’s planned activities in the short, medium and long term and provides a framework for strategic decision making, problem identification and corrective action. The objectives of the LTFP are to:

- Provide a **transparent account** of Council’s financial position and forecasts to the community
- Identify the **financial risks and opportunities** arising in the short, medium and long term
- Measure the **financial impacts of change** through sensitivity testing of key assumptions
- Model the financial effects of our other **strategic plans and initiatives** including other resourcing strategies (asset management and workforce management)
- Provide early warning of potential risks to our financial sustainability and provide a framework for decision making and **corrective action**
- Provide a basis to make sound **strategic decisions** to best meet community expectations and aspirations

Council usually exhibits, between May-June each year, a revised LTFP alongside the exhibition of an annual Operational Plan and Budget. This LTFP has been prepared outside of this usual sequence to accommodate, explain and seek feedback on a proposal for a Special Rate Variation (SRV).

1 Strategic Financial Objectives

Council’s Strategic Financial Objectives and Key Performance Indicators (KPIs) are driven by the overriding principle of financial sustainability. These objectives and Key Performance Indicators ensure alignment with Council’s *Asset Management Strategy* and *Workforce Strategy*, and drive the construction of the *Long-Term Financial Plan*.

Figure 1 – Strategic Financial Objectives

Sustainability Principle	Objectives	Key Performance Indicators
Positive Operating Performance	<ul style="list-style-type: none"> Surplus each year Balanced Budget Fully funded operating position including debt and depreciation 	<ul style="list-style-type: none"> Operating Performance Ratio >0% (OLG) Operating Performance Ratio of 2%-4% (Council) to withstand financial shocks Own Source Operating Revenue Ratio >60%
Strong Cash-flow	<ul style="list-style-type: none"> Cash surplus each year Restricted Cash and liabilities fully funded Adequate working capital 	<ul style="list-style-type: none"> Unrestricted Current ratio >1.5 Rates and charges outstanding <5% Cash Expense cover ratio >3 months
Asset Focus	<ul style="list-style-type: none"> Alignment to Asset Management Strategy Fully funded capital works program Reduce and eliminate the asset backlog Optimise returns from assets 	<ul style="list-style-type: none"> Asset Renewal Ratio >100% Asset Maintenance Ratio >1 Infrastructure Backlog Ratio <2% Declining backlog Improved return on investment
Manage Debt Levels	<ul style="list-style-type: none"> Reduce debt levels over the medium term Focus on intergenerational equity Debt used only for assets with life over 20 years or projects with a payback under 7 years. 	<ul style="list-style-type: none"> Debt Service Cover Ratio >2% Debt Service Ratio <20%
Maintain and enhance service levels	<ul style="list-style-type: none"> Delivery aligned to CSP and Delivery Program. Prioritised spend to optimise outcomes Measurable productivity improvements 	<ul style="list-style-type: none"> Operating expenditure per capita trends down (unless conscious service level improvements) Service levels maintained or improved Individual business cases with positive outcomes

Council's KPIs generally align to the Office of Local Government (OLG) financial sustainability and infrastructure ratios. These ratios are measured annually, subject to external audit, and are comparable to other councils across NSW.

The one exception is the Operating Performance Ratio (OPR). The OPR measures the percentage, in any financial year, between Council's operating revenue and expenditure. The OLG has set a 0.0% OPR, which would ordinarily result in councils running balanced budgets where revenue matches expenditure. Council however in June 2023, adopted a LTFP with an OPR of between 2.0% and 4.0%, which if implemented would result in Council ordinarily running surpluses, with revenue exceeding expenditure.

Council decided to support this target to protect and provide an adequate buffer against budget shocks that typically impact Council throughout the year. It is considered financially prudent to target an OPR of at least 2.0% to enable Council to respond to unexpected financial shocks, failure of infrastructure, the impact of natural disasters and unexpected costs from other tiers of government. This LTFP continues to support a 2-4% OPR target.

2 Environment scan

This chapter outlines some relevant issues which Council, and this LTFP, need to address to continue to be able to implement Council’s *Community Strategic Plan (Our Future Willoughby 2032)* and *Delivery Program 2022-2026*.

2.1 Economic issues

In May 2023, Willoughby City Council exhibited a LTFP which noted that the Council came into the period of the COVID-19 pandemic in a robust and sustainable financial position. The LTFP noted that, since that time, the Council’s finances have been adversely affected by a range of factors, including:

- Losing \$20.6m in revenue due to the COVID-19 pandemic in the three years from 2019/20 to 2021/22, including by providing tenant rent relief, waived or reduced fee income, facility closures and changes in consumer behaviour
- High inflation, which peaked at 7.8% in late 2022, and forced up the cost to renew and repair Council’s assets and provide other services
- Unexpected cost impacts, in particular a \$487,000 increase in the Emergency Services Levy and \$100,000 increase in the costs involved in running the 2024 election
- The cessation of the Council’s Infrastructure Levy in 2022, which removed some \$2.96 million from Council’s revenue in 2022/23
- Expected future employee cost increases

The LTFP stated that, after considering likely future revenue and expenditure pressures, the Council’s financial situation will continue to decline. It stated that, if the Council did renew infrastructure to meet benchmark levels, and maintained current service levels, the Council would potentially be insolvent by 2025/26. As such, it recommended that the Council needed to examine a Special Rate Variation (SRV) and presented lower and higher SRV options (18.5% and 23.5% increases including the rate peg). This LTFP was adopted in June 2023.

Of the 23 submissions from consultation on the LTFP exhibited in May-June 2023, 12 raised concerns about cost impacts of the proposed SRV, with seven of these submissions calling on the Council to find savings to offset or eliminate the need for a rate increase.

As explained in detail in Chapters 4 and 5, since June 2023 Council has worked to develop a new no-SRV base case, and three SRV options (which were endorsed for exhibition at the August 2023 meeting). These options considered the issues outlined in Figure 2.1.

Figure 2.1 – Issues considered in creation of rate rise options exhibited between September-November 2023

Issue	Response
Community feedback on the LTFP between May-June 2023, which generally favoured limiting rate increases by finding savings and new revenue sources	Council developed new SRV options which include cost-cutting and non-rate revenue targets, to limit the extent of the rate increases. This meant the SRV options exhibited from September-November 2023 were lower than the options canvassed in the June 2023 LTFP. It also developed a new non-SRV option (base case) which would involve a significant reduction in Council services.
The latest financial information, in particular confirmation of Award wage increases from 2024/25 onwards, resulted in an annual improvement of \$500,000 in Council’s employee costs, compared to the higher estimates of costs in the LTFP	This was incorporated into the rate rise options
The need for the community to have the opportunity to understand and influence any financial sustainability option.	At its August 2023 meeting, Council set aside a budget of \$200,000 and approved an engagement plan to undertake extensive engagement on the rate rise options

2.2 Growth issues

According to current projections, Willoughby’s population is estimated to grow by 12% between 2016-2036. This would see an increase of 9,527 residents, from 77,888 residents in 2016 to 87,415 residents in 2036. ¹ These projections could be increased as a result of new housing targets which are expected to be released by the NSW Government in ~~2024~~ [late 2023](#).

However, Council is facing a number of financial challenges to accommodate and cater for this growth. These are outlined below.

2.2.1 Rating structure

Willoughby’s average residential rates are the second lowest in the Northern Sydney Regional Organisation of Councils (NSROC) area. These rates are no longer adequately covering the cost of providing Council services to existing residents. Therefore, the same rates applied to new residents would also fail to cover the costs of services.

Furthermore, increased population also creates demands for upgraded capacity or new infrastructure which is not affordable under the current low rates. Examples of this range from more sports fields and indoor courts, increased demand for quieter study spaces in libraries, larger community meeting places designed for all abilities or more walking and cycling paths.

2.2.2 Planning agreements

From time to time, Council will enter into Planning Agreements with development proponents, typically when the proponent is seeking to amend planning controls to facilitate a development

¹ <https://profile.id.com.au/willoughby/population-estimate>

proposal. These benefits may provide cash contributions, delivery of works or dedication of land to Council, to provide infrastructure to help cater for growth. Council's decisions on Planning Agreements are guided by its Planning Agreements Policy and Procedures.²

In recent years, Council has benefitted from a substantial number of Planning Agreements, primarily from proponents applying for planning control amendments which were generally consistent with Council's CBD and local centre planning strategies which had yet to be formally made in a new council-wide *Local Environmental Plan* (LEP). Some of these agreements are listed below.

Figure 2.2 - Recently executed Planning Agreements

Development site	Agreement execution date	Financial benefits	Other benefits
849-859 Pacific Highway, 2 Wilson St and 1 O'Brien St, Chatswood	10 May 2023	\$10,840,203	N/A
100 Edinburgh Rd, Castlecrag	8 June 2023	\$100,000	Pathway, car parking and public meeting room works
92-96 Victoria Avenue, Chatswood	15 August 2023	\$300,000	N/A
10 Gordon Avenue and 15-18 Nelson St, Chatswood	18 August 2023	\$7,584,057	N/A

Council is unlikely to continue to receive, in future years, the same level of Planning Agreement funding it achieved in recent years. This is because:

- On 30 June 2023, the LEP was made, which means development proponents may be less likely to seek amendments to planning controls, and Council may be less likely to support these amendments to ensure the integrity of the new planning scheme. This in turn will lead to a lower number of executed agreements; and
- The NSW Government is implementing reforms to the State's development contribution framework, which would mean an expansion in the scope and value of contributions to the State. This in turn may mean development proponents have less capacity to enter into Planning Agreements with Council.

In any case, Planning Agreements and other infrastructure contributions received from developers can only be used to fund new or expanded infrastructure assets and cannot be used to fund operational or maintenance costs. The consequence is that while new assets are funded, Council is left to bear the future costs of servicing, maintaining and replacing these assets in future.

2.2.3 Development contribution caps

The NSW Government caps the level of contributions Council can charge for new development.³

Willoughby City Council does not believe the above caps accurately reflect the cost of providing services to the occupants of these new developments.

² Available at <https://www.willoughby.nsw.gov.au/Development/Plan/Development-Contributions/Voluntary-Planning-Agreements>

³ More information is available at <https://www.planning.nsw.gov.au/policy-and-legislation/infrastructure/infrastructure-funding/local-infrastructure-contributions-policy>

2.3 Community expectations

Independent research published in 2022 found that 95% of residents were satisfied with the Council's services. This satisfaction level is well above the 89 per cent overall satisfaction level recorded for 11 comparable metropolitan LGAs.⁴

This research however did find that there were Council services which the community had lower levels of satisfaction, along with higher importance levels. These areas included:

- Long term planning in the Willoughby LGA
- Balancing population growth with services and infrastructure
- Keeping the community informed
- Traffic and parking on local roads
- Maintenance of street trees
- Planning and building permits

The preferred (SRV) option in this LTFP provides greater capacity for Council to address the above issues.

2.4 Volatility and resilience

The COVID-19 pandemic has focussed the world's attention on the need for local authorities, such as Willoughby, to consider and be well-equipped to manage future shocks and stresses. As noted above, Willoughby lost some \$20.6m in revenue during the pandemic.

In response, in 2021, Council adopted a *Resilient Willoughby Strategy and Action Plan*, which outlines how Council and its partners can support the community to withstand the challenges of the 21st century. The Plan identifies the range of shocks and stresses most likely to impact on the people of Willoughby and proposes a range of actions to help the community overcome them.

The Strategy and Action Plan identified a range of shocks and stresses, including:

- Infectious diseases
- Livelihood crises
- Extreme weather, including impacts on our urban tree canopy
- Cybersecurity failure
- Digital inequality
- Unaffordable housing
- Loneliness
- Traffic congestion

Across 2022 and 2023, Willoughby experienced extreme storm events, requiring extensive infrastructure repairs to retaining walls, roads and stormwater channels. Extreme weather events, such as these, are expected to increase as a result of global warming and climate change.

This LTFP has been prepared to ensure Council is in a robust financial position to manage this expected ongoing volatility and change.

⁴ <https://www.willoughby.nsw.gov.au/Council/News-and-media/Perception-Survey-Report>

2.5 Government grants

In recent years, Council has been relatively successful in obtaining NSW and Australian Government grants, particularly in the lead-up to the 2023 NSW election and 2022 Australian Government election. These grants have helped fund the following projects:

- Artarmon local centre streetscape upgrade
- Willoughby Leisure Centre upgrade
- Roaming Gnomes Culture Bites activation
- Northbridge Baths upgrade
- Chatswood to St Leonards shared path
- Spring Place laneway upgrade, Chatswood
- Naremburn local centre streetscape upgrade
- Level crossing upgrades
- Festivals and events
- Edward St and Penshurst St Streetscape Improvement Project
- Bellambi Street Square at Northbridge

Figure 2.3 – Grants received from NSW and Australian Governments

Year	NSW Government grants	Australian Government grants	Total grants
2020/21	\$5.7m	\$4.2m	\$9.9m
2021/22	\$4.6m	\$9.8m	\$14.4m
2022/23	\$11.3m	\$5.1m	\$16.4m

As, following the above elections, Willoughby’s current State and Federal MPs are no longer in government, it is reasonable to assume that the current political environment is less conducive to maintaining historic grant funding levels.

Similar to developer contributions, capital grants are received to fund new or expanded assets. Capital grants cannot be used for operational purposes and do not assist Council with financial sustainability. Conversely, while new assets are funded, Council is left to bear the future costs of servicing, maintaining and replacing these assets in future.

3 Financial Planning Assumptions

3.1 Basis and source of assumptions

This LTFP has been generally built on the 2023/24 budget and the assumptions and forecasts previously used in the LTFP adopted in June 2023 (with the exception of employee costs as outlined below).

These assumptions have been sourced from several independent external bodies that are regarded as reputable, including the Reserve Bank of Australia, the Australian Bureau of Statistics, BIS Oxford Economics and major banks.

The global forecasts used to escalate costs and revenues are applied consistently between LTFP scenarios. Only rating revenue has been changed between the *Financial scenario without a Special Rate Variation (base case)* (as outlined in Chapter 46) and the preferred *Special Rate Variation scenario* (as outlined in Chapter 57).

A number of one off and recurring adjustments have been made based on specific events and forecasts. These include the cost of local government elections, specific revenue and expenditure forecasts for upgraded or new leisure facilities, the increase in statutory superannuation to 12% by 2026 and specific forecasts for developer contributions.

3.2 Expenditure assumptions

3.2.1 Employee costs

Employee costs account for 38% of total Council operational expenditure. Employee costs include salaries, wages, superannuation, leave entitlements, workers compensation premiums, overtime and other employee related expenses. The majority of employee related cost increases are based on the Local Government Award increase each year.

Figure 3.1 – Expenditure Assumptions - Cost Escalations ⁵

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Employee Costs	4.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

A new Statewide Local Government Award commenced on 1 July 2023. This award provides for statutory wage and salary increase of 4.5% in 2023/24, 3.5% in 2024/25 and 3% in 2025/26. The award also prescribes a lump sum payment of 0.5% or \$1,000 per employee (whichever is larger) in the 2024/25 and 2025/26 financial years. Council has forecast wage and salary increases following confirmation of this three-year award.

Other employee related assumptions include:

- Superannuation is aligned to the growth in salaries and wages each year, plus the additional 0.5% increase in the mandated superannuation guarantee rate (legislated to increase from 10.5% in 2022/23 to 12% in 2026).
- Workers Compensation expense is expected to increase in line with salaries and wages.

⁵ Figures for 2024/25 and 2025/26 incorporate new Local Government Award and superannuation percentage increase

- To ensure the budget reflects realistic historic vacancy levels (and allows for the current tight labour market), a 7.7% vacancy rate (equating to \$3.9 million in year one) is assumed throughout each year and reflected in the employee cost budget. This conservatively reflects historical vacancy rates (excepting post Covid labour shortages) and ensures the budget for labour costs is not unrealistically high.

3.2.2 Materials and Contracts and Other Costs

Materials and contracts and other expenses account for 44% of total Council operational expenditure. The Consumer Price Index (CPI), a measure of price movements on a basket of goods and services, is used to escalate materials and contract costs throughout the plan. Forward forecasts for CPI are sourced from the Reserve Bank of Australia and after following these recommendations of CPI carefully, inflation has exceeded forecasts and been much higher than expected.

Figure 3.2 – Materials and Contracts and Other Costs - Cost Escalations

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Materials & Contracts - Raw Materials & Consumables	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts - Contracts	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts - Legal Expenses	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts - Insurance	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials & Contracts - All Other	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses - Insurance	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses - Utilities	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses - Statutory & Regulatory	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Expenses - All Other	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

3.2.3 Waste collection and disposal expenditure

In the early years of the LTFP, Waste Management Costs are forecast to follow the Consumer Price Index (as this will align with the “rise and fall” mechanisms within the Waste Management contracts). However, incremental costs are forecast upon the implementation of the State Government’s “NSW Waste and Sustainable Materials Strategy 2041” which includes the requirement for all councils to offer “Food Organics, Garden Organics” (FOGO) by 2030. Industry modelling shows the introduction of FOGO will lead to significant increases in waste collection and disposal costs. For this reason, the LTFP forecasts a 10% one off cost increase in 2028/29 to allow Council to prepare for and commence the implementation of FOGO in 2029.

Figure 3.3 – Waste Collection and Disposal Expenditure - Cost Escalations

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Waste Collection and Disposal Costs	3.50%	3.00%	3.00%	3.00%	10.00%	3.00%	3.00%	3.00%	3.00%

3.2.4 Depreciation

It is assumed that asset values will continue to increase in line with inflation. For this reason, Depreciation is also forecast to grow in line with inflation. Specific additions and adjustments for Depreciation have been made for major new infrastructure being commissioned throughout the LTFP timeline (for example the redevelopment of the Willoughby Leisure Centre).

3.3 Revenue assumptions

3.3.1 Ordinary rates

Historically, the rate revenue cap increase issued by the Independent Pricing and Regulatory Tribunal (IPART) has not kept pace with the inflation rate. On 9 November 2023, IPART released its final report on the review of the rate peg methodology.⁶ IPART says changes to the rate peg methodology will result in rate peg decisions that more accurately reflect changes in the costs impacting NSW councils. For this reason, the “No SRV” scenario escalates rating revenue at the same rate as CPI/inflation.

Figure 3.4 – Ordinary Rates - Revenue

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate Increases - No SRV Scenario	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The SRV scenario assumes that an application for a one-off permanent SRV in 2024/25 is successful. Following that one off adjustment, the SRV scenario forecasts that rate increases will escalate at the same rate as CPI/inflation.

Figure 3.5 – Special Rate Variation - Revenue

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rate Increases - SRV Scenario	15.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

⁶ See <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Review-of-rate-peg-methodology>

3.3.2 Domestic Waste Management Charge

Increases in the Domestic Waste Management charge (which is restricted to be expended only on Domestic Waste Management costs), has been aligned to the same increases as Waste Collection and Disposal expenditure. In general, the Domestic Waste Management Charge increases are aligned to CPI/Inflation, but to compensate for the increased cost associated with implementing the State Government’s “NSW Waste and Sustainable Materials Strategy 2041” (including Food Organics and Garden Organics) the *Long-Term Financial Plan* forecasts a one off 10% increase to the Domestic Waste Management Charge in 2028/29.

Figure 3.6 – Domestic Waste Management Charge - Revenue

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Annual Charges - Domestic Waste Management	3.50%	3.00%	3.00%	3.00%	10.00%	3.00%	3.00%	3.00%	3.00%

3.3.3 User charges and fees

User charges and fees revenue continues to be lower than pre-COVID levels. There is no way of predicting whether demand for major user charges and fees such as parking, fine revenues, community services etc. will return to pre-pandemic levels. For this reason, user charges and fees revenues are expected to grow in line with inflation.

The exception to this is planning fee revenue which is expected to increase by more than CPI in the early years of the *Long Term Financial Plan* due to higher development activity arising from recent major development approvals and the new *Willoughby Local Environment Plan 2022* (LEP). The additional fee revenue however does not fully compensate for the additional costs involved in servicing the growth needs created by these new developments (see analysis in Chapter 2).

Figure 3.7 – User Charges and Fees - Revenue

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
User Charges and Fees Revenue	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Planning Fees Revenue	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

3.3.4 Rental and other income

Rental income is forecast to grow in line with inflation as most rental reviews reference the CPI to determine the contracted rental increase.

No major fluctuations are expected in the volumes of other revenue. Prices will be adjusted in line with CPI on an annual basis. For this reason, other revenues are escalated based on CPI in the *Long-Term Financial Plan*.

Figure 3.8 – Rental and Other Income - Revenue

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Rental Income	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Other Revenue -									
All Other	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

3.3.5 Grants and contributions

Council receives a number of operational and capital grants from various Federal and State Government agencies. Capital grants in particular are difficult to forecast and have been high in recent years. As explained in Chapter 2, Council expects capital grants will decline slightly from previous years and that operational grants will be maintained at current levels with CPI adjustments being applied.

4 Financial scenario without a Special Rate Variation (base case)

In June 2023, Council adopted a *Long Term Financial Plan* (LTFP) which outlined the Council's base case financial outcome if it did not pursue a Special Rate Variation (SRV).

The June 2023 base case was established on maintaining existing service provision and forecast cumulative operating losses of \$38.3 million over ten years. The base case also stated that, if Council attempted to fund asset renewals from working capital, working capital would be exhausted and Council would be insolvent by 2025/26.⁷

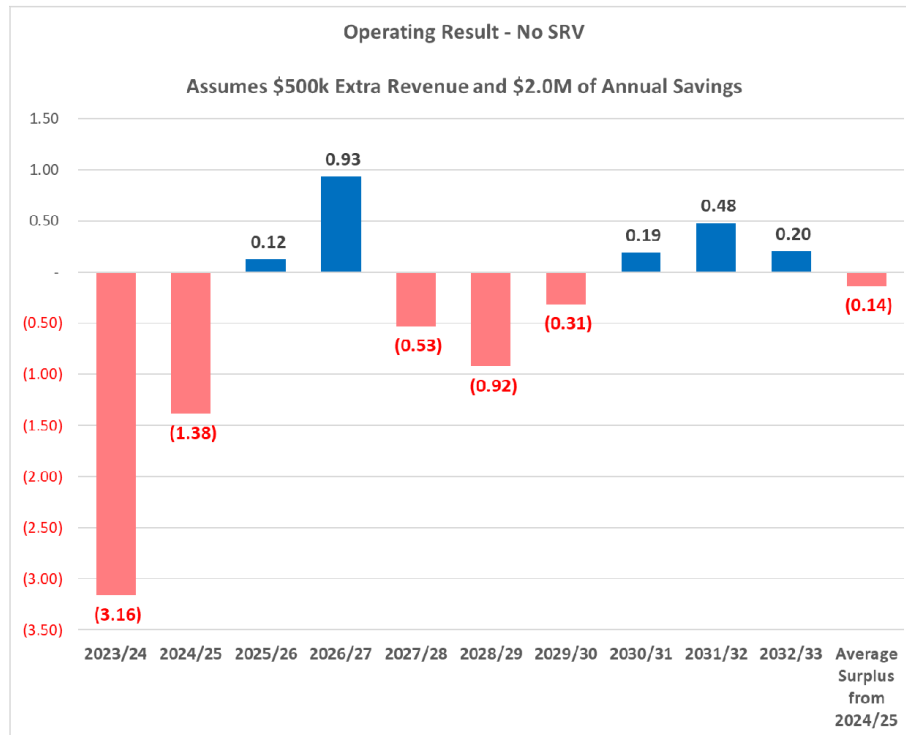
Since that time, Council has developed a new base case scenario. This scenario has been based on Option 1 (Reduce Services) which was one of four rate rise options subject to community consultation from September-November 2023. Under this scenario, rates will increase in line with the NSW Government rate peg, and Council will reduce services to balance its budget.

During September-November 2023, Council assumed the 2024/25 rate peg for the Reduce Services option would be 3.5%. On 21 November 2023, IPART announced the 2024/25 rate peg would in fact be 5.0%. This LTFP is based on the IPART 2024/25 rate peg decision.

To balance its budget under this option, Council will undertake widespread service reductions (worth approximately \$2.0m across 2024/25 and 2025/26) and find increased non-rate revenue (approximately \$500,000 across 2024/25 and 2025/26). Under the Reduce Services option, the Council will record a balanced (or "break even") average Operating Result in the nine years to 2032/22, recording five surpluses and four deficits between 2024/25 and 2032/33.

⁷ See page 22, LTFP adopted June 2023 at <https://www.willoughby.nsw.gov.au/Council/Policies-and-publications/Publications/Long-Term-Financial-Plan-2023-2033>

Figure 4.1 – Projected Operating Result deficit or surplus 2023/24 to 2032/33 under the base case no SRV option (\$m)



The advantage of this approach is that rates will stay low and in line with NSW Government rate peg. Council will try to match income with expenditure, and meet relevant Office of Local Government (OLG) asset maintenance and infrastructure backlog ratios, while noting it will be in deficit in four out of the nine years between 2024/25 and 2032/33.

The disadvantage of the base case is that it will involve:

- A significant reduction in services provided by Council. While Councillors have been briefed on a range of potential service reductions, the actual proposed service reductions would only be made publicly available as part of the usual budget process and after consultation with any affected staff
- ~~No accumulation of funds for increased community services or projects or future growth~~
- No buffer to manage future extreme weather events or financial shocks, including Council being unable to meet its 2-4% Operating Performance Ratio target
- Given this lack of a buffer, a significant risk Council will be unable to meet all relevant OLG financial and asset benchmarks, or accumulate funds over time for increased community services or projects or future growth; and
- Given the need to reduce services, and the internal disruption caused in driving this outcome, a work environment which is less conducive to staff attraction and retention

Given the above, this base case (no-SRV) option does not represent Council’s preferred future financial state, but would be implemented if an application for a SRV was unsuccessful (subject to consideration of any material financial environment changes in the first half of 2024).

Figure 4.2 – Base Case No SRV – Profit and Loss Statement

INCOME STATEMENT - GENERAL FUND	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Scenario: Base Case	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	73,301,000	76,649,995	78,928,495	81,275,350	83,692,610	87,665,761	90,274,733	92,961,975	95,729,835	98,580,730
User Charges & Fees	15,498,733	20,280,740	21,013,446	21,663,508	22,324,974	23,006,697	23,709,297	24,433,420	25,179,723	25,948,889
Other Revenues	8,508,108	8,657,821	8,891,903	9,132,917	9,381,066	9,636,565	9,899,631	10,170,491	10,449,373	10,741,803
Grants & Contributions provided for Operating Purposes	9,741,794	5,383,008	5,535,588	5,692,568	5,855,432	6,023,025	6,194,043	6,369,998	6,551,035	6,716,773
Grants & Contributions provided for Capital Purposes	10,994,914	8,292,413	10,811,778	10,934,687	11,061,242	11,191,557	11,375,739	9,013,905	9,156,175	9,298,290
Interest & Investment Revenue	7,320,629	6,512,061	6,194,507	6,161,510	5,147,072	5,005,537	4,993,993	5,139,494	5,301,818	5,492,665
Other Income:										
Net Gains from the Disposal of Assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Fair value increment on investment properties	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	14,076,410	14,569,084	15,006,157	15,456,341	15,920,032	16,397,633	16,889,562	17,396,249	17,918,136	18,455,680
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	140,611,587	141,515,121	147,551,873	151,486,881	154,552,428	160,096,775	164,506,998	166,655,531	171,456,094	176,404,829
Expenses from Continuing Operations										
Employee Benefits & On-Costs	50,452,992	51,625,608	53,432,504	53,869,952	55,486,051	57,150,633	58,865,152	60,631,106	62,450,039	64,323,541
Borrowing Costs	2,307,990	2,305,910	2,295,255	2,292,312	2,294,536	2,295,270	2,295,427	2,301,188	2,333,522	2,368,718
Materials & Contracts	54,857,896	54,703,378	54,250,499	56,164,885	57,870,336	61,398,785	62,677,917	64,276,163	66,143,606	68,650,786
Depreciation & Amortisation	21,565,110	22,386,676	22,948,417	23,496,791	24,461,902	24,956,795	25,461,361	25,975,802	26,500,314	27,035,101
Impairment of investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Expenses	3,538,986	3,533,476	3,639,480	3,748,664	3,861,124	3,976,958	4,096,267	4,219,155	4,345,729	4,476,101
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	132,772,974	134,605,048	136,616,155	139,622,605	144,023,949	149,828,440	153,446,123	157,453,413	161,823,211	166,904,246
Operating Result from Continuing Operations	7,838,613	6,910,073	10,935,718	11,864,276	10,528,480	10,268,335	11,060,875	9,202,118	9,632,883	9,500,583
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	7,838,613	6,910,073	10,935,718	11,864,276	10,528,480	10,268,335	11,060,875	9,202,118	9,632,883	9,500,583
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,156,301)	(1,382,340)	123,940	929,589	(632,762)	(923,222)	(314,864)	188,213	476,708	202,293

Figure 4.3 – Base Case No SRV – Balance Sheet

BALANCE SHEET - GENERAL FUND Scenario: Base Case	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	10,000,000	10,000,000	12,058,174	10,000,000	11,080,015	12,761,569	15,000,000	15,000,000	15,000,000	15,000,000
Investments	116,855,770	109,094,429	109,094,429	93,188,730	93,188,730	93,188,730	100,456,877	107,826,160	115,842,665	124,527,246
Receivables	6,606,528	7,447,054	7,639,158	7,620,642	7,784,482	7,989,214	8,243,670	8,468,920	8,726,049	8,996,685
Inventories	14,614	14,573	14,452	14,962	15,416	16,356	16,697	17,123	17,620	18,288
Other	1,633,360	1,628,894	1,619,182	1,675,781	1,726,628	1,828,559	1,867,673	1,915,813	1,971,586	2,045,358
Non-current assets classified as "held for sale"	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000
Total Current Assets	139,777,272	132,851,939	135,092,394	117,167,115	118,462,271	120,451,428	130,251,917	137,895,015	146,224,920	155,254,578
Non-Current Assets										
Investments	26,183,411	24,444,358	24,444,358	20,880,430	20,880,430	20,880,430	22,508,975	24,160,182	25,956,408	27,902,328
Receivables	54,688	56,501	57,735	59,005	60,314	62,465	63,878	65,333	66,831	68,375
Infrastructure, Property, Plant & Equipment	1,854,272,708	1,868,197,068	1,878,229,315	1,912,472,304	1,922,622,680	1,932,217,255	1,932,820,542	1,933,476,162	1,934,919,881	1,935,546,593
Investment Property	98,276,000	99,346,000	100,416,000	101,486,000	102,556,000	103,626,000	104,696,000	105,766,000	106,836,000	107,906,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	796,000	796,000	796,000	796,000	796,000	796,000	796,000	796,000	796,000	796,000
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Other	655,831	654,034	650,138	672,864	693,280	734,208	749,913	769,242	791,636	821,258
Total Non-Current Assets	1,980,238,637	1,993,493,961	2,004,593,545	2,036,366,604	2,047,608,705	2,058,316,358	2,061,635,308	2,065,032,918	2,069,366,757	2,073,040,554
TOTAL ASSETS	2,120,015,909	2,126,345,900	2,139,685,939	2,153,533,719	2,166,070,976	2,178,767,786	2,191,887,225	2,202,927,934	2,216,591,677	2,228,295,132
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	-	-	-	-	-	-
Payables	28,739,888	28,774,019	28,802,385	29,233,589	29,673,924	30,480,254	30,845,572	31,277,329	31,765,172	32,380,255
Contract liabilities	9,529,756	7,692,424	8,743,494	8,933,812	9,129,109	9,330,253	9,554,657	8,879,990	9,099,187	9,316,097
Lease liabilities	109,114	26,260	-	-	-	-	-	-	-	-
Borrowings	1,326,556	1,376,224	1,426,209	1,477,691	1,494,359	1,512,981	968,776	796,964	822,530	848,916
Employee benefit provisions	13,393,301	15,263,346	17,198,842	19,192,403	21,245,772	23,360,741	25,539,159	27,782,930	30,094,014	32,474,431
Other provisions	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	53,098,614	53,132,273	56,170,930	58,837,496	61,543,164	64,684,229	66,908,165	68,737,214	71,780,903	75,019,700
Non-Current Liabilities										
Lease liabilities	26,260	-	-	-	-	-	-	-	-	-
Borrowings	35,684,107	35,007,883	34,281,674	33,503,983	32,709,624	31,896,643	31,627,867	31,530,903	31,408,373	31,259,457
Employee benefit provisions	668,940	762,340	859,010	958,581	1,061,138	1,166,772	1,275,575	1,387,642	1,503,071	1,621,962
Total Non-Current Liabilities	36,379,307	35,770,223	35,140,684	34,462,564	33,770,762	33,063,415	32,903,442	32,918,545	32,911,444	32,881,419
TOTAL LIABILITIES	89,477,921	88,902,496	91,311,614	93,300,060	95,313,926	97,747,644	99,811,607	101,655,759	104,692,347	107,901,119
Net Assets	2,030,537,988	2,037,443,404	2,048,374,324	2,060,233,659	2,070,757,050	2,081,020,142	2,092,075,618	2,101,272,175	2,111,899,330	2,120,394,013
EQUITY										
Retained Earnings	1,268,325,488	1,275,235,561	1,286,171,279	1,298,035,555	1,308,564,035	1,318,832,370	1,329,893,245	1,339,095,363	1,348,728,246	1,358,228,829
Revaluation Reserves	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000
Other Reserves	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	2,030,542,488	2,037,452,561	2,048,388,279	2,060,252,555	2,070,781,035	2,081,049,370	2,092,110,245	2,101,312,363	2,110,945,246	2,120,445,829
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-
Total Equity	2,030,542,488	2,037,452,561	2,048,388,279	2,060,252,555	2,070,781,035	2,081,049,370	2,092,110,245	2,101,312,363	2,110,945,246	2,120,445,829

Figure 4.4 – Base Case No SRV – Cash Flow Statement ⁸

CASH FLOW STATEMENT - GENERAL FUND Scenario: Base Case	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	73,248,802	76,602,494	78,896,177	81,242,062	83,658,324	87,609,406	90,237,728	92,923,860	95,690,576	98,540,293
User Charges & Fees	15,464,692	20,477,946	21,043,663	21,690,316	22,352,252	23,034,811	23,738,272	24,463,282	25,210,500	25,980,609
Investment & Interest Revenue Received	7,537,139	6,577,491	6,183,606	6,329,675	5,137,306	4,992,206	4,907,474	5,069,938	5,225,661	5,410,324
Grants & Contributions	21,145,386	11,183,216	17,283,770	16,720,860	17,013,488	17,314,231	17,689,454	14,608,262	15,815,314	16,117,550
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	22,519,005	22,794,252	23,794,335	24,503,833	25,213,878	25,944,333	26,696,375	27,483,001	28,269,221	29,095,830
Payments:										
Employee Benefits & On-Costs	(48,510,041)	(49,655,172)	(51,389,760)	(51,776,576)	(53,320,734)	(54,920,356)	(56,567,967)	(58,265,006)	(60,012,956)	(61,813,345)
Materials & Contracts	(54,189,314)	(54,722,656)	(54,292,253)	(55,921,111)	(57,651,333)	(60,959,789)	(62,509,438)	(64,068,814)	(65,903,387)	(68,333,050)
Borrowing Costs	(1,610,853)	(1,608,876)	(1,598,332)	(1,595,501)	(1,597,840)	(1,598,611)	(1,598,810)	(1,603,354)	(1,635,304)	(1,670,557)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(3,126,725)	(3,502,384)	(3,579,894)	(3,655,369)	(3,735,358)	(3,788,948)	(3,980,337)	(4,090,483)	(4,205,806)	(4,312,811)
Net Cash provided (or used in) Operating Activities	32,478,090	28,146,312	36,341,321	37,538,189	37,069,984	37,627,283	38,612,752	36,520,686	38,453,730	39,014,944
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	27,737,488	9,500,395	-	19,469,626	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	(8,896,692)	(9,020,489)	(9,812,732)	(10,630,501)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(58,735,310)	(36,211,037)	(32,880,664)	(57,639,780)	(34,512,278)	(34,451,370)	(25,964,648)	(26,531,422)	(27,844,033)	(27,561,813)
Net Cash provided (or used in) Investing Activities	(30,997,821)	(26,710,642)	(32,880,664)	(38,170,154)	(34,512,278)	(34,451,370)	(34,861,340)	(35,551,910)	(37,656,766)	(38,192,314)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(1,280,651)	(1,326,556)	(1,376,224)	(1,426,209)	(1,477,691)	(1,494,359)	(1,512,981)	(968,776)	(796,964)	(822,530)
Repayment of lease liabilities (principal repayments)	(199,618)	(109,114)	(26,260)	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,480,269)	(1,435,670)	(1,402,484)	(1,426,209)	(1,477,691)	(1,494,359)	(1,512,981)	(968,776)	(796,964)	(822,530)
Net Increase/(Decrease) in Cash & Cash Equivalents	(0)	0	2,058,174	(2,058,174)	1,080,015	1,681,554	2,238,431	(0)	(0)	0
plus: Cash & Cash Equivalents - beginning of year	10,000,000	10,000,000	10,000,000	12,058,174	10,000,000	11,080,015	12,761,569	15,000,000	15,000,000	15,000,000
Cash & Cash Equivalents - end of the year	10,000,000	10,000,000	12,058,174	10,000,000	11,080,015	12,761,569	15,000,000	15,000,000	15,000,000	15,000,000
Cash & Cash Equivalents - end of the year	10,000,000	10,000,000	12,058,174	10,000,000	11,080,015	12,761,569	15,000,000	15,000,000	15,000,000	15,000,000
Investments - end of the year	143,039,181	133,538,786	133,538,786	114,069,160	114,069,160	114,069,160	122,965,852	131,986,341	141,799,074	152,429,574
Cash, Cash Equivalents & Investments - end of the year	153,039,181	143,538,786	145,596,960	124,069,160	125,149,175	126,830,730	137,965,852	146,986,341	166,799,074	167,429,574

⁸ Rates and annual charges for both the base case and SRV case in 2023/24 are based on our rate base as of 30 June 2023 and do not consider supplementary valuation changes since this time.

Figure 4.5 – Base Case No SRV - Council’s Performance against OLG Ratios

KEY PERFORMANCE INDICATORS - GENERAL FUND		Projected Years												
Scenario: Base Case - No SRV		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33			
			Within green benchmark (green min and/or green max)											Within green benchmark
			Within amber benchmark (amber min and/or amber max)											above green maximum and below amber maximum
			Not within benchmark (amber min and/or amber max)											below green minimum and above amber minimum
														above amber maximum
														below amber minimum
Council's Target Benchmarks														
New Note 13 Ratios		Target												
Operating Performance Ratio		Snapshot												
	> 0%	Actual Ratio	-3.37%	-1.93%	-0.77%	-0.17%	-1.20%	-1.42%	-0.98%	-0.63%	-0.43%	-0.58%		
Own Source Operating Revenue Ratio		Snapshot												
	> 60%	Actual Ratio	85.13%	90.26%	88.83%	88.94%	88.97%	89.17%	89.24%	90.70%	90.78%	90.86%		
Unrestricted Current Ratio		Snapshot												
	> 1.5x	Actual Ratio	2.18	2.14	2.21	2.10	2.15	2.19	2.30	2.43	2.51	2.57		
Debt Service Cover Ratio		Snapshot												
	> 2x	Actual Ratio	5.16	5.92	6.54	6.87	6.64	6.64	6.90	8.35	8.99	8.91		
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage		Snapshot												
	< 5%	Actual Ratio	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%		
Cash Expense Cover Ratio		Snapshot												
	> 3 Months	Actual Ratio	16.86	15.53	15.56	13.02	12.75	12.40	13.12	13.67	14.19	14.67		
New Special Schedule 7 Ratios														
Building & Infrastructure Renewals Ratio		Snapshot												
	> 100%	Actual Ratio	216.30%	128.96%	100.83%	100.11%	100.20%	100.21%	101.16%	100.72%	100.77%	100.08%		
Infrastructure Backlog Ratio		Snapshot												
	< 2%	Actual Ratio	1.37%	1.32%	1.28%	1.23%	1.23%	1.22%	1.19%	1.17%	1.16%	1.15%		
Asset Maintenance Ratio		Snapshot												
	> 100%	Actual Ratio	102.99%	103.38%	103.01%	102.64%	102.29%	101.95%	101.62%	101.29%	100.98%	100.68%		

5 Special Rate Variation scenario (preferred scenario)

As outlined in Chapter 4, the base case (no SRV) proposal will lead to a number of significant disadvantages, including both an overall reduction in services to the community and the Council being in a ten-year financially fragile state.

Given this, Council is now pursuing a Special Rate Variation (SRV) application to the NSW Government. This section of the LTFP explains the SRV proposal, and its implications for Council's future financial position.

Council is intending to apply for a one-off increase in rates in 2024/25, whereby rates would increase by an overall amount of 15.0%, including a SRV of 10.0% and a rate peg amount of 5.0%.⁹ This increased SRV amount would then stay in the Council's rates base in future years, when rates would typically only increase in line with the NSW Government rate peg.

This SRV proposal is accompanied by a \$2.0m efficiency target, which would apply in the 2024/25 financial year and remain in the Council's budget on an ongoing basis.

5.1 Community awareness and willingness

In August 2023, Council resolved to undertake community consultation on three SRV options and one no-SRV option (the base case outlined in this LTFP). These are explained in the Figure below:

Figure 5.1 – Rate rise options taken to the community between September-November 2023

Option name	Option number	Proposed Special Rate Variation percentage in 2024/25	Assumed rate peg in 2024/25	Total rate increase in 2024/25
Reduce Services	1	N/A	3.5%	3.5%
Maintain Services	2	8.5%		12.0%
Increase Services	3	11.5%		15.0%
Increase Services and Infrastructure	4	16.5%		20.0%

As part of the engagement process on these options, Council commissioned a survey of 419 residents, which was representative of the age and gender characteristics of the broader community. Some 47% of survey participants stated they were aware that Council was exploring community sentiment on rate rise options. This level of awareness was well above the 34% awareness rate recorded among 4,453 survey respondents to surveys conducted by other councils exploring SRVs.

In this survey, 74% of residents had a first preference for some form of SRV, with the highest levels of support for Maintain Services (Option 2) with 33% support, followed by Increase Services (Option

⁹ This would be via Section 508(2) of the NSW Local Government Act

3) with 26% support and Increase Services and Infrastructure (Option 4) with 15% support. Some 26% of residents supported Reduce Services (Option 1 - no SRV option) as their first preference.

Importantly, when the responses of people who voted for Reduce Services as their first ranked option were removed, the Increase Services option (the SRV option in this plan), became the highest ranked option. This shows that, of the residents who explicitly support a SRV, Increase Services was the favoured option.

In addition, when asked to rate and state their level of support for the options, the Reduce Service option (which does not involve a SRV) had the lowest percentage of respondents who were at least somewhat supportive.

Council also undertook an opt-in survey, in which any resident or interested stakeholder could participate. This survey collected 1,873 responses also illustrated strong overall support for a SRV, with 64% of respondents selecting a SRV option as their highest ranked option.

After considering these survey results, Council at its November 2023 meeting resolved to proceed with a rate rise of 15.0% (including IPART's confirmed 2024/25 5.0% rate peg) which is further scoped in this LTFP.

5.2 Purpose of SRV

Under the Increase Services option, the Council will be able to continue to provide a noticeable uplift in public area maintenance, recover from recent inflation impacts and continue to provide other highly-valued services by increasing rates by 15.0% from 1 July 2024.

The other benefits of this approach are that Council will be able to:

- Deliver surpluses all nine years between 2024/25 and 2032/33, with an average annual surplus of \$4.77m. These surpluses, subject to future financial shocks, could be re-invested in community services and projects
- Increase responsiveness to resident and business enquiries
- Increase Council's ability to absorb future financial, extreme weather and growth shocks
- Provide greater capacity to maintain and renew community assets
- Provide a stable work environment for staff attraction and retention

Council will allocate an additional \$2.0 million a year to allow it to invest in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy. These initiatives have been strong priorities in this term of Council and feature among the services rated as most important in Council's Community Perception Survey.

This SRV would allow Council to deliver an average 2.27% Operating Performance Ratio (OPR) target from 2024/25 to 2032/33 (exceeding Council's 2-4% OPR target), and meet or exceed all other relevant OLG financial and infrastructure benchmarks.

Strong cash-flow from operations means that asset renewals can be funded to required levels and that there is no growth in the asset backlog. Assets can be renewed on time and kept in appropriate condition to deliver high levels of service to the community. In addition, Council's asset maintenance performance improves over time.

Figure 5.2 – Projected Operating Results 2024/25 to 2032/33 and average surplus during this period under the SRV proposal

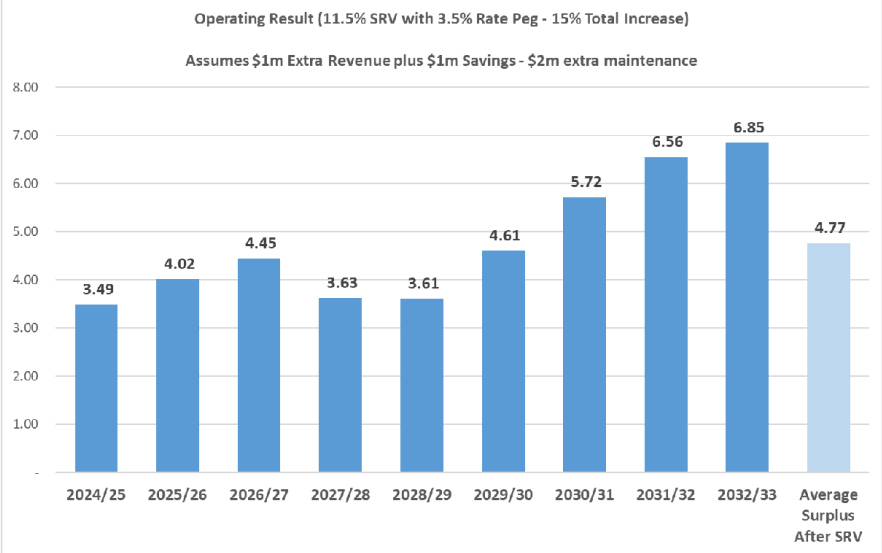


Figure 5.3 – SRV Scenario 15 % – Profit and Loss Statement

INCOME STATEMENT Scenario: 15% Total Rate Increase in 2024/25	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	73,301,000	82,036,395	84,476,487	86,989,781	89,578,475	93,728,201	96,519,047	99,393,619	102,354,427	105,404,060
User Charges & Fees	15,498,733	20,780,740	21,528,446	22,193,958	22,871,337	23,569,451	24,288,934	25,030,446	25,794,660	26,582,274
Other Revenues	8,508,108	8,657,821	8,891,903	9,132,917	9,381,066	9,636,565	9,899,631	10,170,491	10,449,373	10,741,803
Grants & Contributions provided for Operating Purposes	9,741,794	5,383,008	5,535,588	5,692,568	5,855,432	6,023,025	6,194,043	6,369,998	6,551,035	6,716,773
Grants & Contributions provided for Capital Purposes	10,994,914	8,292,413	10,811,778	10,934,687	11,061,242	11,191,557	11,375,739	9,013,905	9,156,175	9,298,290
Interest & Investment Revenue	7,320,629	6,479,614	6,423,273	6,439,006	5,967,416	6,096,791	6,373,951	7,027,223	7,624,590	8,275,078
Other Income:										
Net Gains from the Disposal of Assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Fair value increment on investment properties	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000	1,070,000
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-
Other Income	14,076,410	14,569,084	15,006,157	15,456,341	15,920,032	16,397,633	16,889,562	17,396,249	17,918,136	18,455,680
Joint Ventures & Associated Entities - Gain	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	140,611,587	147,369,074	153,843,631	158,009,259	161,805,001	167,813,224	172,710,907	175,571,930	181,018,396	186,643,957
Expenses from Continuing Operations										
Employee Benefits & On-Costs	50,452,992	51,625,608	53,432,504	54,841,370	56,486,611	58,181,210	59,926,646	61,724,445	63,576,179	65,483,464
Borrowing Costs	2,307,990	2,305,910	2,295,255	2,292,312	2,294,536	2,295,270	2,295,427	2,301,188	2,333,522	2,368,718
Materials & Contracts	54,857,896	55,685,418	56,648,300	58,197,203	59,963,623	63,554,871	64,898,685	66,563,554	68,499,619	71,077,479
Depreciation & Amortisation	21,565,110	22,386,676	22,948,417	23,496,791	24,461,902	24,956,795	25,461,361	25,975,802	26,500,314	27,035,101
Impairment of Investments	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Expenses	3,538,986	3,533,476	3,639,480	3,748,664	3,861,124	3,976,958	4,096,267	4,219,155	4,345,729	4,476,101
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities - Loss	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	132,772,974	135,587,088	139,013,956	142,626,340	147,117,796	153,015,103	156,728,385	160,834,144	165,305,363	170,490,863
Operating Result from Continuing Operations	7,838,613	11,781,986	14,829,675	15,382,919	14,687,205	14,798,121	15,982,522	14,737,786	15,713,032	16,153,094
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	7,838,613	11,781,986	14,829,675	15,382,919	14,687,205	14,798,121	15,982,522	14,737,786	15,713,032	16,153,094
Net Operating Result before Grants and Contributions provided for Capital Purposes	(3,156,301)	3,489,673	4,017,897	4,448,232	3,625,962	3,606,564	4,606,783	5,723,881	6,556,857	6,854,804

Figure 5.4 – SRV Scenario 15 % – Balance Sheet

BALANCE SHEET Scenario: 15% Total Rate Increase in 2024/25	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	10,000,000	10,000,000	15,000,000	10,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Investments	116,855,770	113,081,082	114,009,476	103,343,722	103,518,539	108,570,532	121,663,466	133,526,801	146,478,955	160,563,384
Receivables	6,606,528	7,696,398	7,924,669	7,939,469	8,142,003	8,388,461	8,687,861	8,962,995	9,274,404	9,603,943
Inventories	14,614	14,834	15,091	15,503	15,974	16,930	17,288	17,732	18,248	18,934
Contract assets and contract cost assets	-	-	-	-	-	-	-	-	-	-
Other	1,633,360	1,656,352	1,686,248	1,732,625	1,785,177	1,888,864	1,929,788	1,979,791	2,037,483	2,113,233
Non-current assets classified as "held for sale"	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000	4,667,000
Total Current Assets	139,777,272	137,115,665	143,302,484	127,698,320	133,128,693	138,531,788	151,965,403	164,154,319	177,476,090	191,966,494
Non-Current Assets										
Investments	26,183,411	25,337,631	25,545,653	23,155,819	23,194,990	24,326,970	27,260,652	29,918,823	32,820,961	35,976,803
Receivables	54,688	59,417	60,739	62,099	63,501	65,748	67,259	68,815	70,418	72,069
Infrastructure, Property, Plant & Equipment	1,854,272,708	1,868,197,068	1,878,229,315	1,912,472,304	1,922,622,680	1,932,217,255	1,932,820,542	1,933,476,162	1,934,919,881	1,935,546,593
Investment Property	98,276,000	99,346,000	100,416,000	101,486,000	102,556,000	103,626,000	104,696,000	105,766,000	106,836,000	107,906,000
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Right of use assets	796,000	796,000	796,000	796,000	796,000	796,000	796,000	796,000	796,000	796,000
Other	655,831	665,063	677,067	695,688	716,789	758,422	774,854	794,931	818,096	848,511
Total Non-Current Assets	1,980,238,637	1,994,401,179	2,005,724,773	2,038,667,911	2,049,949,960	2,061,790,394	2,066,415,306	2,070,820,731	2,076,261,356	2,081,145,976
TOTAL ASSETS	2,120,015,909	2,131,516,845	2,149,027,257	2,166,366,231	2,183,078,653	2,200,322,182	2,218,380,709	2,234,975,050	2,253,737,445	2,273,112,470
LIABILITIES										
Current Liabilities										
Payables	28,739,888	29,003,051	29,305,733	29,707,326	30,161,873	30,982,841	31,363,237	31,810,524	32,314,362	32,945,922
Contract liabilities	9,529,756	7,762,424	8,815,594	9,008,075	9,205,600	9,409,039	9,635,807	9,863,574	9,185,278	9,404,771
Lease liabilities	109,114	26,260	-	-	-	-	-	-	-	-
Borrowings	1,326,556	1,376,224	1,426,209	1,477,691	1,494,359	1,512,981	968,776	796,964	822,530	848,916
Employee benefit provisions	13,393,301	15,263,346	17,198,842	19,192,403	21,245,772	23,360,741	25,539,159	27,782,930	30,094,014	32,474,431
Total Current Liabilities	53,098,614	53,431,305	56,746,378	59,385,495	62,107,604	65,265,602	67,506,979	69,353,992	72,416,185	75,674,040
Non-Current Liabilities										
Lease liabilities	26,260	-	-	-	-	-	-	-	-	-
Borrowings	35,684,107	35,007,893	34,281,674	33,503,983	32,709,624	31,896,643	31,627,867	31,530,903	31,408,373	31,259,457
Employee benefit provisions	668,940	762,340	859,010	958,581	1,061,138	1,166,772	1,275,575	1,387,642	1,503,071	1,621,962
Total Non-Current Liabilities	36,379,307	35,770,233	35,140,684	34,462,564	33,770,762	33,063,415	32,903,442	32,918,545	32,911,444	32,881,419
TOTAL LIABILITIES	89,477,921	89,201,528	91,887,063	93,848,059	95,878,366	98,329,016	100,410,421	102,272,537	105,327,628	108,555,459
Net Assets	2,030,537,988	2,042,315,317	2,057,140,194	2,072,518,172	2,087,200,287	2,101,993,166	2,117,970,288	2,132,702,513	2,148,409,817	2,164,557,011
EQUITY										
Retained Earnings	1,268,325,488	1,280,107,474	1,294,937,149	1,310,320,068	1,325,007,272	1,339,805,393	1,355,787,915	1,370,525,701	1,386,238,733	1,402,391,827
Revaluation Reserves	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000	762,217,000
Council Equity Interest	2,030,542,488	2,042,324,474	2,057,154,149	2,072,537,068	2,087,224,272	2,102,022,393	2,118,004,915	2,132,742,701	2,148,455,733	2,164,608,827
Total Equity	2,030,542,488	2,042,324,474	2,057,154,149	2,072,537,068	2,087,224,272	2,102,022,393	2,118,004,915	2,132,742,701	2,148,455,733	2,164,608,827

Figure 5.5 – SRV Scenario 15 % – Cash-Flow Statement

CASH FLOW STATEMENT	Projected Years									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Scenario: 15% Total Rate Increase in 2024/25	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	73,248,802	81,912,494	84,441,877	86,954,133	89,541,757	93,669,342	96,479,463	99,352,846	102,312,432	105,360,805
User Charges & Fees	15,464,692	20,998,566	21,559,281	22,221,403	22,899,272	23,598,241	24,318,605	25,061,025	25,826,175	26,614,755
Investment & Interest Revenue Received	7,537,139	6,505,342	6,382,494	6,580,332	5,925,628	6,048,607	6,249,567	6,915,074	7,501,663	8,141,569
Grants & Contributions	21,145,386	11,183,216	17,283,770	16,720,860	17,013,488	17,314,231	17,689,454	14,608,262	15,815,314	16,117,550
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-
Other	22,519,005	22,747,051	23,792,919	24,502,374	25,212,376	25,942,785	26,694,782	27,481,359	28,267,530	29,094,088
Payments:										
Employee Benefits & On-Costs	(48,510,041)	(49,655,172)	(51,389,760)	(52,740,376)	(54,321,066)	(55,950,698)	(57,629,219)	(59,358,095)	(61,138,838)	(62,973,003)
Materials & Contracts	(54,189,314)	(55,586,406)	(56,519,521)	(57,997,452)	(59,737,276)	(63,108,310)	(64,722,415)	(66,348,181)	(68,251,134)	(70,751,229)
Borrowing Costs	(1,610,853)	(1,608,876)	(1,598,332)	(1,595,501)	(1,597,840)	(1,598,611)	(1,598,810)	(1,603,354)	(1,635,304)	(1,670,557)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(3,126,725)	(3,469,976)	(3,533,164)	(3,635,373)	(3,732,394)	(3,785,885)	(3,977,182)	(4,087,234)	(4,202,549)	(4,309,363)
Net Cash provided (or used in) Operating Activities	32,478,090	33,026,238	40,419,564	41,010,401	41,203,956	42,129,702	43,504,245	42,021,704	44,495,289	45,624,614
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	27,737,488	4,620,468	-	13,055,588	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	(1,136,416)	-	(213,988)	(6,183,973)	(16,026,616)	(14,521,506)	(15,854,292)	(17,240,271)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(58,735,310)	(36,211,037)	(32,880,664)	(57,639,780)	(34,512,278)	(34,451,370)	(25,964,648)	(26,531,422)	(27,844,033)	(27,561,813)
Net Cash provided (or used in) Investing Activities	(30,997,821)	(31,590,569)	(34,017,080)	(44,584,192)	(34,726,265)	(40,635,343)	(41,991,264)	(41,052,928)	(43,698,325)	(44,802,084)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(1,280,651)	(1,326,556)	(1,376,224)	(1,426,209)	(1,477,691)	(1,494,359)	(1,512,981)	(968,776)	(796,964)	(822,530)
Repayment of lease liabilities (principal repayments)	(199,618)	(109,114)	(26,260)	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(1,480,269)	(1,435,670)	(1,402,484)	(1,426,209)	(1,477,691)	(1,494,359)	(1,512,981)	(968,776)	(796,964)	(822,530)
Net Increase/(Decrease) in Cash & Cash Equivalents	(0)	0	5,000,000	(5,000,000)	5,000,000	0	0	0	(0)	0
plus: Cash & Cash Equivalents - beginning of year	10,000,000	10,000,000	10,000,000	15,000,000	10,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Cash & Cash Equivalents - end of the year	10,000,000	10,000,000	15,000,000	10,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Cash & Cash Equivalents - end of the year	10,000,000	10,000,000	15,000,000	10,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Investments - end of the year	143,039,181	138,418,713	139,555,129	126,499,541	126,713,529	132,897,502	148,924,118	163,445,624	179,299,916	196,540,186
Cash, Cash Equivalents & Investments - end of the year	153,039,181	148,418,713	154,555,129	136,499,541	141,713,529	147,897,502	163,924,118	178,445,624	194,299,916	211,540,186

Figure 5.6 – SRV Scenario 15 % - Council’s Performance against OLG Ratios

KEY PERFORMANCE INDICATORS - GENERAL FUND		Projected Years										
Scenario: 15% Total Rate Increase in 2024/25		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Council's Target Benchmarks												
New Note 13 Ratios		Target										
Operating Performance Ratio		Snapshot										
	> 0%	Actual Ratio	-3.37%	1.68%	2.01%	2.25%	1.64%	1.57%	2.15%	2.75%	3.16%	3.23%
Own Source Operating Revenue Ratio		Snapshot										
	> 60%	Actual Ratio	85.13%	90.65%	89.29%	89.40%	89.47%	89.67%	89.76%	91.18%	91.27%	91.37%
Unrestricted Current Ratio		Snapshot										
	> 1.5x	Actual Ratio	2.18	2.28	2.45	2.43	2.58	2.72	2.94	3.20	3.40	3.58
Debt Service Cover Ratio		Snapshot										
	> 2x	Actual Ratio	5.16	7.22	7.60	7.82	7.74	7.83	8.19	10.04	10.93	11.00
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage		Snapshot										
	< 5%	Actual Ratio	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%
Cash Expense Cover Ratio		Snapshot										
	> 3 Months	Actual Ratio	16.86	15.94	16.21	13.95	14.07	14.09	15.20	16.18	17.14	18.06
New Special Schedule 7 Ratios												
Building & Infrastructure Renewals Ratio		Snapshot										
	> 100%	Actual Ratio	216.30%	128.96%	101.46%	100.11%	100.20%	100.21%	101.16%	100.72%	100.77%	100.08%
Infrastructure Backlog Ratio		Snapshot										
	< 2%	Actual Ratio	1.37%	1.32%	1.28%	1.23%	1.23%	1.22%	1.19%	1.17%	1.16%	1.15%
Asset Maintenance Ratio		Snapshot										
	> 100%	Actual Ratio	102.99%	117.12%	116.75%	116.39%	116.03%	115.69%	115.36%	115.04%	114.73%	114.42%

5.3 Productivity and cost containment

Council's current financial position has benefitted from historic productivity and cost containment measures. Without these measures, Council would have found it far more difficult to withstand recent unexpected economic events.

This approach to productivity and cost containment will continue under the preferred SRV option, which in turn will limit the quantum of proposed rate increases.

Historic measures

Council has been able to quantify around \$10.5-11.0 million in savings, which will apply in the financial year 2024/25, as a result of productivity and cost containment work which has been undertaken since 2014/15. This includes the following:

- In June 2015, Council approved an organisational review, which led to a reduction in the number of Directors and Managers. This review resulted in savings of \$2.0m per annum without a change in service standards.
- Council has a staff cost efficiency dividend equating to \$3.9 million in 2024/25. This ensures Council's budget for labour costs is not unrealistically high while continuing to deliver for the community.
- Council ceased the loss-making Loop Bus services due to very low patronage from 1 July 2022, saving \$345,000 in 2022/23 (the 2024/25 saving will be higher due to inflation).
- Council has resolved to close two Out of School Hours (OOSH) children's care services, at Bales Park in June 2022 and Chatswood at December 2023. These services were impacted by less demand for OOSH services (as more parents worked from home) and increased competition from both not-for-profit and commercial providers which will continue to provide local services.
- From 2020/21, the Council has sought to reduce the costs of its events program, by discontinuing small festivals and switching from Vivid to Culture Bites, with a 2024/25 benefit of \$181,021. Council continues to attract significant grant funding for this program.
- Council has decided to outsource the Devonshire Street child care service to a private operator which will create both additional revenue for Council and reduce historic and projected future losses. The ten-year benefit of this decision will be in the order of \$5.0m, via new revenue from a licence agreement with the new operator and reduced Council costs.

In addition, Council has undertaken a range of other measures to find efficiencies and to assist its financial sustainability. These include:

- For the financial year 2023/24, moving to a zero-based budgeting approach, whereby Managers cannot assume any operational expenditure levels for the coming year and must build and justify their budgets.
- Working to win significant grants from other levels of government to allow Council to continue to deliver programs and projects without driving Council further into deficit. These grants totalled more than \$16.0m in 2022/23.
- In 2023/24, increasing general fees and charges by 7.0% (in line with inflation to address administration costs to Council).

- As part of the CONNECT project, replacing 18 disparate technology platforms with a modern, single, cloud-based platform, making it easier for staff to find, record, share and use information which empowers their service to the community and other customers.

Future measures

Looking forward, as part of a SRV proposal, Council would deliver a \$2.0m efficiency target, to be met via expenditure savings and finding new non-rate revenue in 2024/25. These savings and revenue measures would then remain in Council's budget on an ongoing basis.

This target reflects a continuation of Council's existing approach to run an efficient operation and has also been designed to reduce the impact of any rate increase on ratepayers. Without this \$2.0m target, Willoughby's rate rise would need to be 3.7% higher (equivalent to \$40 for the average residential ratepayer).

How Council will meet this target requires detailed analysis and consideration. The draft 2024/25 Operational Plan (released in April/May 2024) will provide the details of what expenditure savings or revenue opportunities have been identified to achieve the \$2.0m efficiency target. The community will have an opportunity to comment on the detail of this draft Operational Plan through the public exhibition period, prior to Council's adoption.

5.4 Ratepayer capacity to pay

Council commissioned management consultant Morrison Low to analyse the general capacity of Willoughby’s ratepayers to pay the increases contemplated across all four options.

This report was attached to the November 2023 Council meeting agenda and provides confidence to Council that it is reasonable to proceed with any of the three SRV options (from a capacity to pay perspective).

Council has a Hardship Policy for Rates and Annual Charges which outlines a range of mechanisms in cases of genuine hardship, including:

- Council entering into payment agreements
- Providing rate relief following general land revaluations
- Writing off or reduce interest accrued on rates and charges provided that the ratepayer complies with the agreement
- Providing rate relief for residential ratepayers in the first year following general land revaluations in exceptional circumstances where rate increases resulting from the revaluation would cause substantial financial hardship
- In the case of eligible pensioners, allowing rates and interest charges to accrue against property until the estate is settled

Council has not had a formal application under this policy for the last five financial years.

5.5 Alternatives to a SRV scenario

Council has considered a range of alternatives to increasing revenue to adequate levels without an SRV, but does not believe these to be feasible or timely.

Council has considered but decided not to pursue other options, for the reasons outlined below.

Figure 5.7 – Rejected alternative options to SRV

Option	Why not viable
Taking out new or expanded loans	The Council’s LTFP has objectives to: <ul style="list-style-type: none"> • reduce debt levels over the medium term • focus on intergenerational equity; and • debt should only be used for assets with life over 20 years or projects with a payback under seven years. Taking out new borrowings to deal with ongoing financial sustainability issues is considered to be inconsistent with each of the above objectives. This is because borrowing would: <ul style="list-style-type: none"> • increase debt over the medium term • require future generations to pay for today’s expenditure • not be linked to an individual asset or project; and • not address the underlying business fundamentals and, with extra interest and principal repayments, is not a sustainable option.
Selling assets	Council has a property plan which identifies surplus assets. It has sold some of those assets in recent times, including at Scott St, Willoughby and Parkes Rd, Artarmon.

	<p>Under NSW Government guidelines, the net gain on the loss or sale of assets is excluded from the calculation of the Council’s Operating Performance Ratio. As such, the sale of assets will not assist the Council’s operational position, which is the focus of this report, as it doesn’t give an ongoing source of funds for day-to-day operations and services.</p> <p>In addition, Council’s LTFP states that the Council’s focus should be to “optimise returns from assets”, as distinct to selling assets. While asset sales will always be considered on their merits, and have the potential to assist the Council’s financial position, asset sales are irregular and will not be timely enough to address the immediate financial sustainability of Council.</p> <p>In summary, selling assets is not a long-term option for sustainability and does not address the underlying issue of an unsustainable financial model.</p>
Government grants	<p>Council will continue to source relevant grants, just as it secured more than \$16.0m in grants in 2022/23.</p> <p>However, government grants are not a stable form of income and should not be relied upon for ongoing financial sustainability. Grants are usually received for, and tied to, a specific purpose and as such do not assist Council in closing the gap between costs and revenue.</p> <p>Many grants also tie the Council to building new assets, which creates an ongoing depreciation and maintenance burden, as distinct to helping with ongoing operational expenditure which is the focus of this report.</p>

5.6 Average rates

The tables below outline the average rate impact, by major rating sub-category, as a consequence of the proposed SRV.

Two versions of these tables have been prepared. One version of the table follows the assumption, included in this LTFP, that rates will increase by 3.0% in 2025/26 and beyond.

A second version is in line with advice from the Independent Pricing and Regulatory Tribunal to show the impact of a 2.5% increase in 2025/26 and beyond. Including this version allows Willoughby ratepayers to understand the two potential rating scenarios.

Figure 5.8 – Average residential rate increases under SRV scenario in this LTFP (assuming 3.0% increase from 2025/26 onwards)

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$1,087.67 <u>\$1,087.87</u>	\$1,250.82 <u>\$1,251.05</u>	\$1,288.34 <u>\$1,288.58</u>	\$1,326.99 <u>\$1,327.24</u>
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$54.38 <u>\$54.39</u>	\$37.52 <u>\$37.53</u>	\$38.65 <u>\$38.66</u>	\$39.81 <u>\$39.82</u>
Impact of one-off Special Variation of 10% in 2024/25	\$108.77 <u>\$108.78</u>	\$0	\$0	\$0
Total increase	\$163.15 <u>\$163.18</u>	\$37.52 <u>\$37.53</u>	\$38.65 <u>\$38.66</u>	\$39.81 <u>\$39.82</u>
Average rate in relevant year	\$1,250.82 <u>\$1,251.05</u>	\$1,288.34 <u>\$1,288.58</u>	\$1,326.99 <u>\$1,327.24</u>	\$1,366.80 <u>\$1,367.05</u>

Figure 5.9 – Average residential rate increases under SRV scenario in this LTFP (assuming 2.5% increase from 2025/26 onwards)

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$1,087.67 <u>\$1,087.87</u>	\$1,250.82 <u>\$1,251.05</u>	\$1,282.09 <u>\$1,282.33</u>	\$1,314.14 <u>\$1,314.39</u>
Impact of assumed rate peg increase (5% in 2024/25 and 2.5% in following years)	\$54.38 <u>\$54.39</u>	\$31.27 <u>\$31.28</u>	\$32.05 <u>\$32.06</u>	\$32.85 <u>\$32.86</u>
Impact of one-off Special Variation of 10% in 2024/25	\$108.77 <u>\$108.78</u>	\$0	\$0	\$0
Total increase	\$163.15 <u>\$163.18</u>	\$31.27 <u>\$31.28</u>	\$32.05 <u>\$32.06</u>	\$32.85 <u>\$32.86</u>
Average rate in relevant year	\$1,250.82 <u>\$1,251.05</u>	\$1,282.09 <u>\$1,282.33</u>	\$1,314.14 <u>\$1,314.39</u>	\$1,346.99 <u>\$1,347.25</u>

Figure 5.10 – Average business (general) rate increases under SRV scenario in this LTFP (assuming 3.0% increase from 2025/26 onwards)

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$6,523.71 <u>\$6,485.49</u>	\$7,502.27 <u>\$7,458.32</u>	\$7,727.34 <u>\$7,682.07</u>	\$7,959.16 <u>\$7,912.53</u>
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$326.19 <u>\$324.28</u>	\$225.07 <u>\$223.75</u>	\$231.82 <u>\$230.46</u>	\$238.77 <u>\$237.38</u>
Impact of one-off Special Variation of 10% in 2024/25	\$652.37 <u>\$648.55</u>	\$0	\$0	\$0
Total increase	\$978.56 <u>\$972.82</u>	\$225.07 <u>\$223.75</u>	\$231.82 <u>\$230.46</u>	\$238.77 <u>\$237.38</u>
Average rate in relevant year	\$7,502.27 <u>\$7,458.32</u>	\$7,727.34 <u>\$7,682.07</u>	\$7,959.16 <u>\$7,912.53</u>	\$8,197.93 <u>\$8,149.90</u>

Figure 5.11 – Average business (general) rate increases under SRV scenario in this LTFP (assuming 2.5% increase from 2025/26 onwards)

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$6,523.71 <u>\$6,485.49</u>	\$7,502.27 <u>\$7,458.32</u>	\$7,680.83 <u>\$7,644.78</u>	\$7,873.08 <u>\$7,835.90</u>
Impact of assumed rate peg increase (5% in 2024/25 and 2.5% in following years)	\$326.19 <u>\$324.27</u>	\$187.56 <u>\$186.46</u>	\$192.25 <u>\$191.12</u>	\$196.83 <u>\$195.90</u>
Impact of one-off Special Variation of 10% in 2024/25	\$652.37 <u>\$648.55</u>	\$0	\$0	\$0
Total increase	\$978.56 <u>\$972.82</u>	\$187.56 <u>\$186.46</u>	\$192.25 <u>\$191.12</u>	\$196.83 <u>\$195.90</u>
Average rate in relevant year	\$7,502.27 <u>\$7,458.32</u>	\$7,689.83 <u>\$7,644.78</u>	\$7,873.08 <u>\$7,835.90</u>	\$8,069.91 <u>\$8,031.79</u>

Figure 5.12 – Average Chatswood Town Centre rate increases under SRV scenario in this LTFP (assuming 3.0% increase from 2025/26 onwards)

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$7,802.80	\$8,973.22	\$9,242.42	\$9,519.69
Impact of assumed rate peg increase (5% in 2024/25 and 3.0% in following years)	\$390.14	\$269.20	\$277.27	\$285.59
Impact of one-off Special Variation of 10% in 2024/25	\$780.28	\$0	\$0	\$0
Total increase	\$1,170.42	\$269.20	\$277.27	\$285.59
Average rate in relevant year	\$8,973.22	\$9,242.42	\$9,519.69	\$9,805.28

Figure 5.13 – Average Chatswood Town Centre rate increases under SRV scenario in this LTFP (assuming 2.5% increase from 2025/26 onwards)

	2024/25 (year 1)	2025/26 (year 2)	2026/27 (year 3)	2027/28 (year 4)
Average rate before commencement of year	\$7,802.80	\$8,973.22	\$9,197.55	\$9,427.49
Impact of assumed rate peg increase (5% in 2024/25 and 2.5% in following years)	\$390.14	\$224.33	\$229.94	\$235.69
Impact of one-off Special Variation of 10% in 2024/25	\$780.28	\$0	\$0	\$0
Total increase	\$1,170.42	\$224.33	\$229.94	\$235.69
Average rate in relevant year	\$8,973.22	\$9,197.55	\$9,427.49	\$9,663.18

6 Infrastructure Asset Management Expenditure

6.1 Expenditure by type

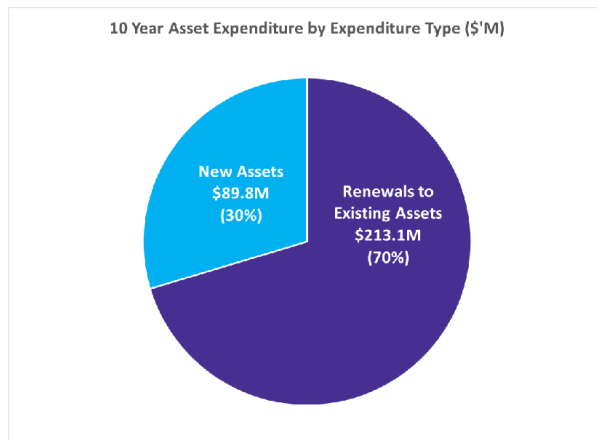
During the ten-year period of this LTFP, under either the base case (no SRV) or SRV option, Council will spend \$302.9 million on infrastructure assets (an average of \$30.3 million per year). Consistent with Council’s Asset Management Strategy, the focus of this expenditure will be on renewal of existing assets as shown in Figure 6.1.

This is necessary for Council to ensure that infrastructure asset conditions are renewed on a timely basis to retain the current levels of service being delivered by these assets.

This timely renewal of assets will be measured by Council’s performance against the “Buildings and Infrastructure Assets Renewals Ratio” (BIAR ratio). Focus on Asset conditions, as measured by achieving the BIAR ratio, is one of Council’s Strategic Financial Objectives (refer Chapter 1). This level of expenditure on assets is consistent between the base case and the preferred SRV option.

Figure 6.1 – Total Asset Expenditure by Expenditure Type

Asset Expenditure Type	10 Year Total (\$m)
Renewals to Existing Assets	213.1
New Assets	89.8
Grand Total	302.9



6.2 Major infrastructure categories

Asset expenditure will be targeted on major infrastructure categories such as buildings, transport, drainage and open space as shown in Figure 6.2 below.

Figure 6.2 – Total Asset Expenditure by Asset Category

Asset Category	10 Year Total (\$m)
Buildings	117.5
Roads and Other Road Assets	51.6
Recreational Parks and Playgrounds	36.5
Stormwater and Drainage	31.6
Footpaths, Public Domain and Active Transport	17.7
Open Space Sporting Fields	13.8
Kerb and Gutter	4.9
Retaining Walls	2.8
Bushland Walking Tracks	4.8
Bridges	1.1
Other Assets	20.6
Grand Total	302.9

6.3 Major projects

Expenditure on the following major projects is included in the *Long Term Financial Plan*. These projects are funded by External or Internal Reserves or External Grants. External Reserves and Grants must be expended on the purpose they were collected for. It follows that these projects will not impact Council’s operational working capital as the funds for these projects have been quarantined.

The table below contains expenditure figures which are consistent with the figures in the major projects table published in the June 2023 LTFP. The draft LTFP to be exhibited alongside the Operational Plan in May / June 2024 may include revised figures, which will take into account any agreed cost changes.

Figure 6.3 – Major Projects included in LTFP

Infrastructure Asset Category	Total Project Expenditure (\$m)
Gore Hill Indoor Sports Complex	44.9
Willoughby Leisure Centre Redevelopment	38.9
Victor Street Asset Replacement and Refurbishment	10.4
Abbott Road Essential Housing	8.7
Artarmon Streetscapes - Hampden Road	8.5
Artarmon Parklands Pavilion	1.7

7 Sensitivity Analysis

This sensitivity analysis models two major expense groups that could adversely affect Council’s financial position if the planning assumptions underpinning the LTFP are too conservative. This modelling underlines the need for Council to propose the SRV outlined in this LTFP, so that it remains able to better withstand future financial shocks.

7.1 Employee Costs

In both the Base (No SRV) and SRV scenarios outlined in this LTFP, a 7.7% vacancy rate (equating to \$3.9 million in year one) is assumed throughout each year and reflected in the employee cost budget. This is to ensure the budget reflects realistic historic vacancy levels (and allows for the current tight labour market).

There is potential that as the labour market eases, and extra resources are required to deliver on the strategic initiatives and desired service levels sought by the community, vacancy rates may be significantly lower than historic levels. To estimate the impact on Council’s financial position in the event that vacancy rates are 50% lower than historical levels, a sensitivity analysis has been undertaken to assess the increased employee costs arising from a lower vacancy rate.

Figure 7.1 - Additional Employee Expenditure – Lower Vacancy Rate

Labour Sensitivity	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Additional Staff Costs if assumed vacancy rate reduced (\$m)	2.197	2.010	2.071	2.133	2.197	2.263	2.331	2.401	2.473

On average, additional employee costs of \$2.2 million is required each year over the life of the plan.

7.2 CPI forecast

CPI (a measure of inflation) is the driver for the majority of Council’s Materials, Contracts and Other Expenditure. CPI in the LTFP is based on Reserve Bank of Australia (RBA) forecasts. CPI has been forecast to trend in line with the rates revenue cap over the life of the plan. This creates a risk for Council should CPI (inflation) rise to a greater extent than the rates revenue cap each year. This is entirely plausible if inflation continues to be impacted by global supply issues (e.g. fuel costs) and domestic housing shortages. To assess the sensitivity of higher inflation, modelling has been undertaken on the impact of CPI being 0.5% higher than forecast in the LTFP.

Figure 7.2 - Additional Materials, Contracts and Other Expenditure if CPI is 0.5% higher

CPI Sensitivity	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
CPI used in LTFP	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
CPI plus 0.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Additional Expenditure with 0.5% CPI Increase (\$'M)	0.221	0.462	0.718	0.991	1.215	1.526	1.856	2.206	2.577
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CPI at 0.5% higher than forecast attracts an average extra cost of \$1.3 million per year throughout the life of the plan.

7.3 Results

The sensitivity analysis confirms that Council’s future financial position is highly sensitive to minor changes in the economic environment.

Both of the sensitivities tested (lower vacancy rate and slightly higher inflation) are entirely realistic and have a large impact on Council’s Operating Result and Operating Performance Ratio.

If the sensitivities materialise, Council’s surplus will reduce from an average of \$4.77 million per annum, to \$1.26 million per annum and the Operating Performance Ratio falls from an average of 2.27% to an average of 0.05% and becomes negative for 3 years between 2027/28 and 2029/30.

This simple example supports the need for Council to build a buffer to cater for unanticipated financial adversities. These outcomes are illustrated in the tables below.

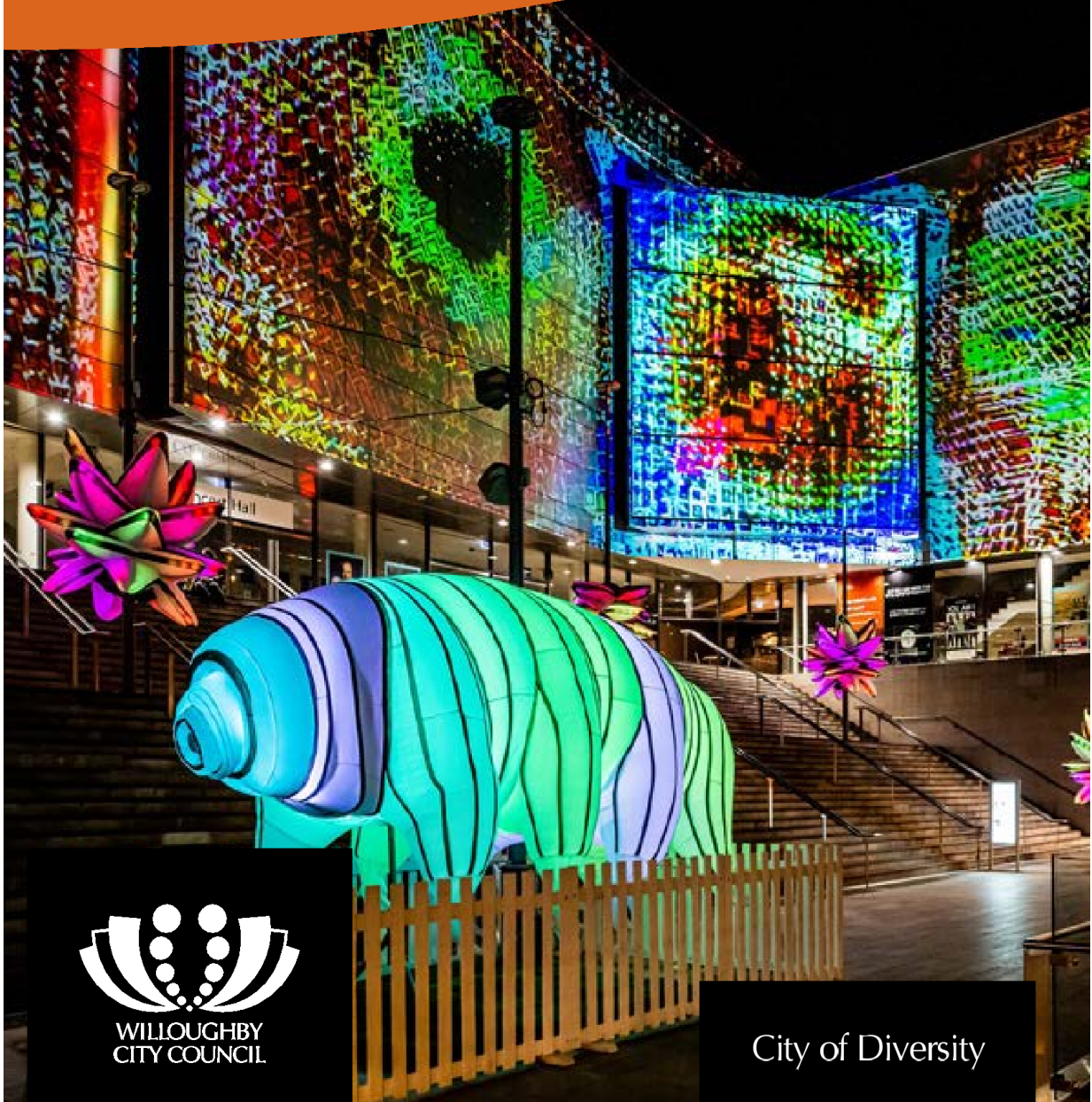
Figure 7.3 – Net Operating Result before Capital excluding, and including impact of additional labour and CPI costs conducted in sensitivity analysis

Comparative Operating Result	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Net Operating Result (LTFP with 15% Rate Increase) - \$m	3.49	4.02	4.45	3.63	3.61	4.61	5.72	6.56	6.85
Net Operating Result with Extra Labour and CPI Costs - \$m	1.33	1.55	1.66	0.50	0.19	0.82	1.54	1.95	1.80

Figure 7.4 – Operating Performance Ratio – excluding and including additional labour and CPI costs conducted in sensitivity analysis

Comparative Operating Performance Ratio	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Operating Performance Ratio (LTFP with 15% Rate Increase) -%	1.68%	2.01%	2.25%	1.64%	1.57%	2.15%	2.75%	3.16%	3.23%
Operating Performance Ratio with Extra Labour and CPI Costs -%	0.11%	0.26%	0.34%	-0.45%	-0.63%	-0.22%	0.22%	0.46%	0.36%

DELIVERY PROGRAM 2022–2026



City of Diversity

About this plan

This document outlines initiatives Council will undertake to achieve the outcomes defined in *Our Future Willoughby 2032, Community Strategic Plan*. Since being adopted in June 2022, it has been revised twice as outlined below:

- September 2023 - to refer to community engagement on rate rise options
- January 2024 - to include information and actions relating to a proposed Special Rate Variation to apply from 1 July 2024

Acknowledgement of Country

Willoughby City Council acknowledges the Traditional Owners of the lands on which we stand, the Gamaragal people. We pay our respects to their Elders past and present.

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Introduction

Welcome to the Delivery Program 2022-26, which outlines the key services and projects Council will be delivering over its term.

This Delivery Program aligns with the aspirations described in *Our Future Willoughby 2032*, Community Strategic Plan, which articulates the future vision for Willoughby for the next 10 years.

The purpose of the Delivery Program is to illustrate what services and projects will be provided during the current Council term, and how these services and projects will be funded. The Council's term will be completed in September 2024 and the Delivery Program has a 4 year horizon.

The Delivery Program focus for this Council is to:

- Improve customer service and experiences and review community engagement and consultation
- Advocate for community priorities and ensure financial sustainability
- Enhance the resilience of our community to shocks and stresses
- Support businesses, their recovery from COVID and the development of a night time economy
- Deliver a new comprehensive and updated spatial planning framework for the City
- Upgrade and deliver new recreation facilities
- Increase urban tree canopy and greening
- Plan for the introduction of a food waste organic collection system
- Increase access and inclusion
- Regenerate and activate local centres and laneways
- Deliver affordable housing

Each of the 4 years of the Delivery Program are captured in an annual Operational Plan, a separate document, which provides the annual budget, fees and charges and a detailed list of projects and services to be delivered during the financial year.

This Delivery Program has many significant and exciting projects set to be completed in the coming years together with our ongoing services. Some key projects include:

- Develop and implement a customer experience strategy and review Council's engagement and consultation and framework
- Delivering actions from our Resilient Willoughby Strategy and Action plan
- Developing a night time economy and business support in line with our Economic Development Strategy
- Finalising our draft Local Environment Plan and draft Development Control Plan
- Delivering a major upgrade of pool hall at Willoughby Leisure Centre, the construction of the Artarmon Parklands Pavilion and progressing the Gore Hill Indoor Stadium
- Improving and activating local centres at Artarmon and Naremburn and the laneways on Mills, Spring, Charlotte and Post Office lanes
- Construction of shared path at Pacific Highway from Chatswood to St Leonards
- Access and inclusion initiatives including review of our Disability Action Plan and the development of a Reconciliation Action Plan
- Increasing affordable housing through construction of essential housing at Abbott Road, Artarmon and a strengthened planning framework
- Conduct community engagement on options to deliver ongoing financial sustainability, including a potential Special Rate Variation

Mayor's Message



Willoughby is a dynamic and vibrant city, home to a resilient community that continues to thrive and adapt to change. We are a City of diversity, as evident in our beautiful landscapes, our people, and our economy.

Willoughby's Community Strategic Plan, *Our Future Willoughby 2032*, sets the direction, aspiration and vision for this community for the next decade. This vision is the culmination of comprehensive community engagement, that captured your priorities and aspirations.

The *Delivery Program 2022-26* outlines the programs and actions which will implement the Community Strategic Plan over the next four years. The Delivery Program includes new and refreshed actions, in response to significant local and international events and changed community preferences.

For instance, the Willoughby community cares for the environment and is proud of the local culture in all its rich diversity. You've told us you want a more liveable, connected city with trees and green space to enjoy, a vibrant and prosperous economy with employment opportunities and exciting cultural events. You want an equitable and inclusive community where diversity is celebrated and everyone belongs.

Our commitment to these priorities is demonstrated through this four-year plan. We're increasing the use of renewable energy and reducing our carbon footprint, seeking to boost our tree canopy cover and supporting

housing affordability. We're also delivering high-quality urban design and landscaping, improving and creating new facilities and stimulating stronger economic development to assist our recovery from COVID-19.

Important community inclusion measures, as outlined in the plan, will include the review of our Disability Inclusion Action Plan and the development of a Reconciliation Action Plan.

Our community has also identified a key priority in Council effectiveness and accountability and we continue to strive to be an open, transparent Council. We will drive greater efficiencies, develop innovations in business and services, and deliver excellence in project management, community engagement and customer experience.

I'm sure you share my enthusiasm and confidence in the future of this resilient, inspirational community, and the actions that Council is taking to service this community, as outlined in this Delivery Program.

Tanya Taylor
Mayor
Willoughby City Council



TOP ROW: Cr Angela Rozos, Cr Brendon Zhu (Deputy Mayor), Cr Sarkis Mouradin, Cr Nic Wright
THIRD ROW: Cr Hugh Eriksson, Cr Robert Samuel, Cr John Moratelli
SECOND ROW: Cr Anna Greco, Cr Georgie Roussac, Cr Jam Xia
BOTTOM ROW: Cr Roy McCullagh, Mayor Tanya Taylor, Cr Craig Campbell

Your Council

The elected Council comprises a popular elected Mayor and 12 councillors. The Willoughby local government area comprises four wards – Middle Harbour, Naremburn, Sailors Bay and West - each represented by four elected councillors.

The next Council election will be held in September 2024. Visit www.willoughby.nsw.gov.au for contact details of our councillors.

Reporting our progress

Council will provide the community with six-monthly updates on how it is tracking to deliver the services and projects outlined in the final Delivery Program through a published report. Council also prepares an Annual Report, which provides commentary on the implementation of the Delivery Program

and Operational Plan. The Annual Report contains information required by legislation to give the community a greater understanding of how Council is performing as an organisation. All reports are publicly available on Council's website.





OUR DELIVERY PROGRAM

HOW TO READ THIS PLAN

Outcomes

The Delivery Program is presented under the five outcomes of the *Our Future Willoughby 2032, Community Strategic Plan*. These are the community's aspirations for the City.

The outcomes are:

- Outcome 1: A City that is green
- Outcome 2: A City that is connected, and inclusive and resilient
- Outcome 3: A City that is liveable
- Outcome 4: A City that is prosperous and vibrant
- Outcome 5: A City that is effective and accountable.

Community Priorities

Each outcome is supported by community priorities. Each community priority is supported by specific initiatives and services.

Initiatives

These are the actions Council will undertake over the next 4 years that contribute to achieving the outcomes and community priorities, and ultimately the City's vision. Each initiative is linked to the community priority that it most directly contributes to. Delivering one initiative may help achieve multiple community priorities.

OUTCOME 1

A City that is green

Our City will become a leader in sustainability. We are proud of our natural environment and will celebrate and protect our flourishing bushland, wildlife and waterways. We will aspire to meet the needs of our community and environment while not compromising those of future generations.



WE WILL DELIVER

1.1 Create and enhance green spaces, urban tree canopy cover and greening

- Incorporate requirements for rooftop and deep soil plantings in developments and high pedestrian traffic areas into the Willoughby Local Environmental Plan
- Launch Gardening Willoughby by August 2022
- Undertake a street tree census by June 2024 to inform our planting programs
- Increase annual programs for street tree maintenance and tree planting

1.2 Promote sustainable lifestyles and practices

- Monitor the increase in sustainable behaviours through the Live Well in Willoughby program
- Continue the Solar Bulk Buy program for residents

1.3 Enhance, protect and respect waterways, bushland, wildlife and ecological systems

- Continue to review Reserve Action Plans and support Bushcare
- Install and upgrade Gross Pollutant traps
- No net decline in the Local Waterway Health Report Card grade

1.4 Reduce use of energy, water and natural resources and maximise re-use of waste

- Implement Our Green City Plan 2028
- Continue to use 100% renewable energy
- Complete pilot and planning for Food Only waste collections by June 2024

1.5 Reduce carbon and greenhouse gas emissions

- Implement the Resilient Willoughby Strategy and Action Plan 2021 including:
 - Launch Climate-Wise Communities program by October 2022
 - Deliver Beat the Heat program by July 2024

WE WILL CONTINUE TO DELIVER PROGRAMS AND SERVICES

- Better Business Partnership
- Bushland management and maintenance
- Resource recovery - waste management/recycling/reuse
- Sustainable environment - education, projects, business engagement
- Tree planting, street tree planting program and tree preservation orders
- Urban Design and Streetscape Improvements



OUTCOME 2 A City that is connected, inclusive and resilient

We are a City that is connected through our people, transport, technology and history. We celebrate the diversity of our people and provide opportunities to care and connect through activities, services and places. We will encourage and promote transport choices and connections for pedestrians, bikes, public transport and private vehicles. Our City will be a Smart City of the future supported by digital infrastructure and literacy.

WE WILL DELIVER

2.1 Enhance transport choices and connections throughout the City

- Continue extension of Council's bike network in accordance with the Bike Plan 2017
- Construct a shared path at Pacific Highway from Chatswood to St Leonards by June 2022
- Continue to implement actions from the Integrated Transport Strategy 2036

2.2 Respect and celebrate our indigenous and non-indigenous history and heritage

- Adopt an Indigenous Strategy and Reconciliation Action Plan by June 2023
- List additional local heritage items in the Willoughby Local Environment Plan

2.3 Celebrate and encourage our diversity

- Conduct annual public celebrations including Culture Bites, Chatswood Lunar New Year Festival, Emerge Festival and Australia Day

2.4 Reduce parking and traffic congestion

- Continue to implement Street Parking Strategy 2017 in accordance with priorities
- Upgrade the parking system at The Concourse car park by December 2022
- Design and construct local area traffic management devices including for the Royal North Shore Hospital precinct

2.5 Create neighbourhoods that connect people from all types of households and families

- Implement neighbour connection initiatives including Neighbour Day, programs at the Dougherty Community Centre, Willoughby Park Centre, MOSAIC and volunteer programs
- Facilitate a volunteer ParkCare program for community involvement in our local parks



2.6 Foster a digitally enabled community

- Adopt a Digital Strategy by July 2023
- Complete the roll out of Phase 3 of CONNECT (corporate systems) project by February 2024

2.7 Promote accessible services and facilities for the community

- Review and implement the Disability Inclusion Action Plan 2022-2026 by 30 June 2026

2.8 Increase community resilience to shocks and stresses

- Continue to implement the Resilient Willoughby Strategy and Action Plan 2021
- Promote the Red Cross 'Be Prepared' app for personal emergency planning

WE WILL CONTINUE TO DELIVER PROGRAMS AND SERVICES

- Aged Care
- Children's services
- Community Centres
- Construction and maintenance of roads, footpaths, kerb/gutter and car parks
- Developer contributions and car parking contributions
- Disability Inclusion and Access Plan
- Infrastructure and parking management
- Multicultural services
- Road safety projects
- Traffic and transport planning
- Youth Services
- Zoning certificates

OUTCOME 3 A City that is liveable

We are a City that is safe, engaging, vibrant and supported by great urban design. Our City has lively village centres and a strong Central Business District (CBD) that we will celebrate and promote. Our growing community will have access to required services and facilities, that promote a healthy and active lifestyle.

WE WILL DELIVER

3.1 Foster feelings of inclusion, safety and cleanliness

- Implement community programs at Dougherty Community Centre, Willoughby Park Centre and MOSAIC
- Implement public domain projects in Council's parks and local centres
- Continue Street Lighting Improvement Project
- Implement community safety initiatives including road safety campaigns, fire safety campaigns and Beat the Heat program
- Apply additional resources to maintenance, cleaning and beautification of parks, cycling and walking routes and town centres

3.2 Create recreation spaces for all

- Construct the Artarmon Pavilion by June 2023
- Complete the design for Gore Hill Indoor Sport Centre by June 2024
- Complete the Open Space and Recreation Study by June 2023
- Construct a picnic area at Thomson Park by February 2023
- Upgrade playgrounds at Bales Park by May 2023 and Sanders Park by 2024

3.3 Promote an active and healthy lifestyle

- Complete major upgrade of Willoughby Leisure Centre pool hall by June 2024

3.4 Create desirable places to be and enjoy

- Continue to activate the CBD and extend to local centres
- Complete:
 - 6 playground renewals
 - 13 parks & 20 sportsground asset renewal projects

3.5 Activate local spaces in creative ways

- Continue to implement Local Centres Strategy 2036 and streetscape enhancement program for local centres including Artarmon and Naremburn
- Activate laneways in the CBD focusing upon Mills, Spring, Charlotte and Post Office lanes

3.6 Promote housing choice and affordability

- Continue to implement the Housing Strategy 2036 including an annual review of housing delivery and supply
- Complete construction of essential housing at Abbott Road, Artarmon by June 2024



WE WILL CONTINUE TO DELIVER PROGRAMS AND SERVICES

- Affordable Housing
- Bushland
- Development Enforcement
- Development, building, subdivision and rezoning applications
- Engineering conditions associated with development applications
- Engineering design and surveying
- Environmental health
- Libraries
- Open space and Sportsgrounds
- Planning
- Property operations and assets
- Rangers and Compliance
- Recreation assets
- Street cleansing
- Street and road signs
- Swimming pool safety
- Transport
- Willoughby Leisure Centre



OUTCOME 4 A City that is prosperous and vibrant

Our City will have a robust economy with meaningful and diverse employment opportunities close to home. We will be a City where local and global businesses thrive. Our City, its places and vibrancy will attract businesses and visitors from around the world. We will be leaders in creativity and innovation.



WE WILL DELIVER

4.1 Facilitate the development of all businesses

- Continue to implement Easy to do Business Program in partnership with the State government
- Implement the actions in the Economic Development Strategy 2022 including:
 - Enhance co-working with local Chambers of Commerce and Business Peak Body organisations
 - Establish a Business Mentors and Leaders program
 - Facilitate the development of key sites within the CBD to provide high quality commercial space
 - Support the establishment of a business start-up centre
 - Launch the Shop Local campaign

4.2 Build and support a night-time economy

- Promote the night-time offer in the City in accord with actions in the Night Time Economy Strategy 2022 including:
 - Create a night time brand for Chatswood
 - Work with local businesses to extend opening hours

4.3 Create memorable food destinations

- Promote the food offerings and experiences in the City including Culture Bites events
- Create food ambassador roles to lead the media promotion of local food offerings

4.4 Attract visitors and promote local destination-based tourism

- Conduct Chatswood CBD special event Culture Bites annually
- Conduct Chatswood Lunar New Year Festival annually
- Promote or co-promote events at The Concourse and Council's art exhibition spaces

4.5 Diversify our economy including creative and innovative industries

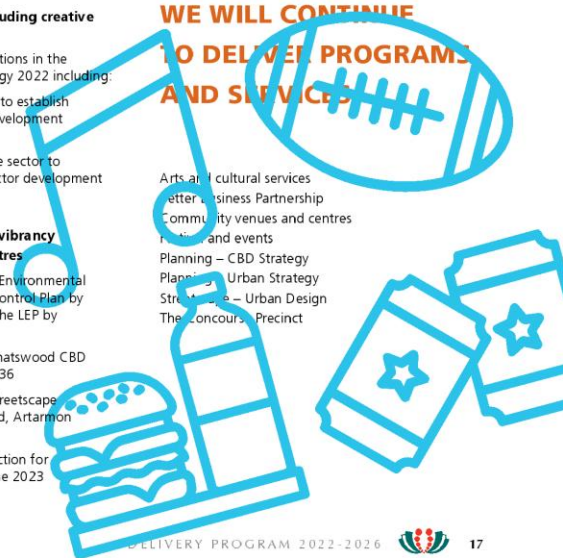
- Continue to implement the actions in the Economic Development Strategy 2022 including:
 - Work with local businesses to establish a local innovation based development business group
 - Work with the local creative sector to establish a local creative sector development business group

4.6 Facilitate the viability and vibrancy of our CBD and village centres

- Complete the review of Local Environmental Plan (LEP) and Development Control Plan by November 2022 and gazette the LEP by December 2023
- Continue to implement the Chatswood CBD and Urban Design Strategy 2036
- Complete stages 2 and 3 of streetscape construction at Hampden Road, Artarmon streetscape by June 2023
- Complete streetscape construction for Naremburn local centre by June 2023

WE WILL CONTINUE TO DELIVER PROGRAMS AND SERVICES

Arts and cultural services
 Better Business Partnership
 Community venues and centres
 Festivals and events
 Planning – CBD Strategy
 Planning – Urban Strategy
 Streetscape – Urban Design
 The Concourse Precinct



OUTCOME 5

A City that is effective and accountable

A City that is governed by an ethical Council that is open, transparent and accountable. A City that is led by informed representatives who actively encourage meaningful engagement with all stakeholders to seek their involvement in decisions made on their behalf. We will represent the interests of the community, be a good steward to the environment and advocate for the City's priorities.



WE WILL DELIVER

5.1 Be honest, transparent and accountable in all that we do

- Develop a legislative compliance framework by December 2022
- Adopt a revised Code of Conduct by September 2022
- Adopt a new Code of Meeting Practice by September 2022

5.2 Demonstrate leadership and advocacy for local priorities

- Advocate to influence decisions relating to infrastructure contribution changes, rate peg and Northern Beaches Tunnel Link and other matters as relevant

5.3 Balance the creation of new public assets with the upgrade of existing public assets

- Meet the OLG asset ratios

5.4 Anticipate and respond to changing community and customer needs

- Undertake surveys and implement the resultant actions plans for:
 - Community Perception Surveys by December 2022 and 2024
 - Community Wellbeing Surveys by December 2023 and 2025
- Review Community Strategic Plan by June 2025
- Ground floor Customer Centre opened by April 2022
- Design and implement upgrades to Victor Street Chambers and Offices to deliver improved productivity for customers, Councillors and staff and to enhance employee attraction and retention by June 2025

WE WILL CONTINUE TO DELIVER PROGRAMS AND SERVICES

5.5 Make it easy for citizens to engage and participate in decision making

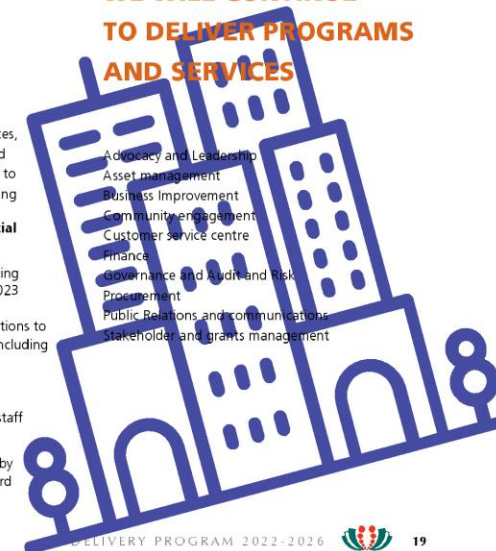
- Review the Community Engagement Framework by December 2022
- Improve customer service and experiences, and review community engagement and consultation to make it easy for citizens to engage and participate in decision making

5.6 Ensure value for money and financial sustainability

- Endorse the Resourcing Strategy, including the Long Term Financial Plan by June 2023
- Conduct community engagement on options to deliver ongoing financial sustainability, including a potential Special Rate Variation

5.7 Deliver excellent customer service

- Continue customer service training for staff across all Council services
- Develop Customer Experience Strategy by December 2022 and implement in accord with the action plan



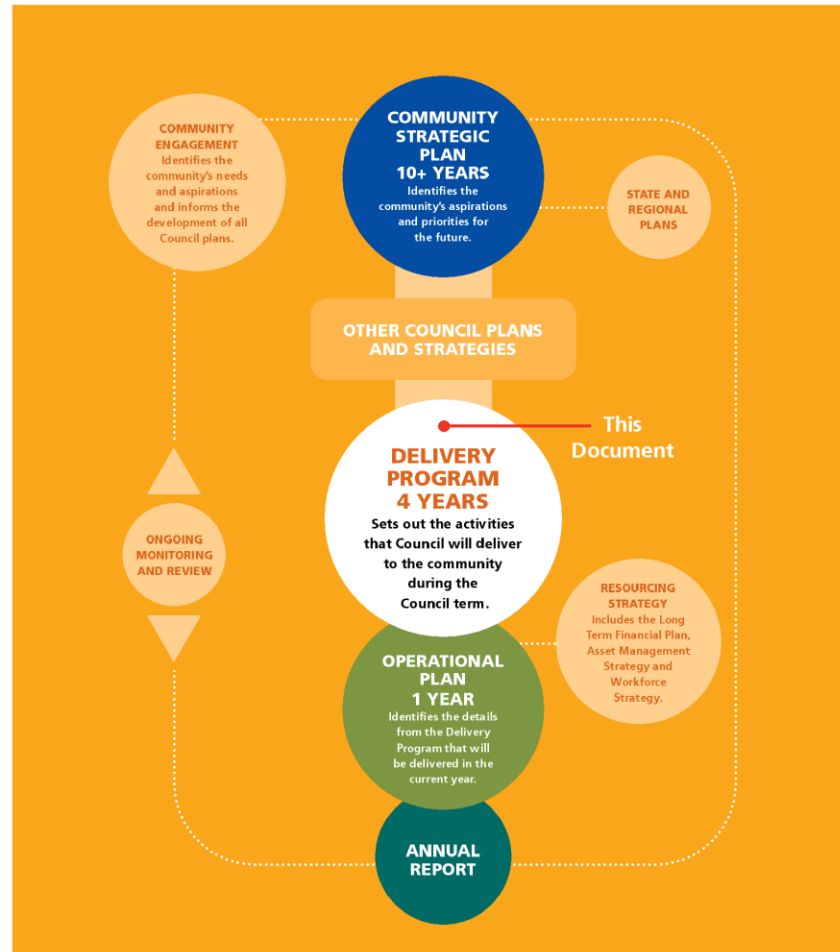
Integrated Planning and Reporting (IP&R) Framework

The Integrated Planning and Reporting Framework helps local government across the State approach strategic planning in a consistent manner. The Framework connects all of Council's various plans and policies to assist with planning for the future.

There are three plans which Council prepares for the community:

TITLE	DESCRIPTION	TIMESPAN
Community Strategic Plan	This plan articulates the community's long term vision and aspirations	10+ years
Delivery Program (This document)	Outlines what will be delivered to the community during Council's term of office	4 years
Operational Plan	Outlines what will be delivered in the financial year, along with annual budget and funding information	One financial year

The Integrated Planning and Reporting Framework is driven by ongoing community engagement and the capacity to resource projects, works and services (outlined in Council's Resourcing Strategy).



Resourcing and Funding

A Resourcing Strategy supports Council's short, medium and long term strategic plans. The Resourcing Strategy consists of the Long Term Financial Plan, Workforce Plan and Asset Management Policy and Plans.

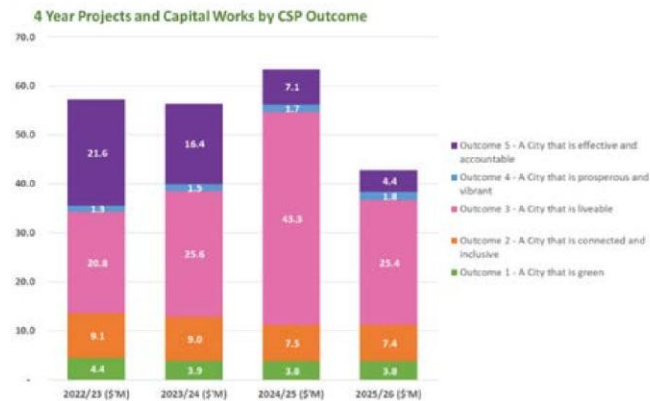
The Long Term Financial Plan, along with the annual Operational Plan and Budget, provide a projected 10 year view and current snapshots of Council's financial standing. Financial forecasts take into account Council's future revenue streams and operational expenses. Another factor which impacts financial forecasts is the maintenance of Council's assets. Asset Management Plans have been developed in line with community expectations. They forecast the cost of maintaining and renewing each type of asset.

Council's Workforce Plan provides direction on the human resources required to deliver services and infrastructure to the community in the long term. As needs and expectations change over time, as well as the way of doing work, the Workforce Plan will outline solutions to ensure efficient and quality work. The Workforce Plan links to the Asset Management Plans and Long Term Financial Plan to make the full suite of resourcing documents.

The Resourcing Strategy is publicly available on Council's website.

The Figure below indicates the breakdown of funding across the Outcomes at the time this document was originally adopted in June 2022. Outcome 3 reflects expenditure on significant recreation facilities such as the Willoughby Leisure Centre and Gore Hill Indoor stadium. More details of expenditure are provided in the annual Operational Plan and the Long Term Financial Plan which can be viewed on Council's website.

4 Year Projects and Capital Works by Community Strategic Plan Outcome



Special Rate Variation

At its November 2023 meeting, Council selected a 15% rate rise (including a Special Rate Variation) as its preferred rate rise to apply from 1 July 2024. This rate rise was selected from several options following extensive community engagement and is subject to NSW Government approval.

A revised version of the Long Term Financial Plan has been prepared to explain (in detail) the benefits and impacts of this SRV, and Council's considerations in selecting this option.

This rate rise will allow Council to implement the final two years of this Delivery Program, including to:

- Catch-up from 12.1% inflation increase losses over the last two years
- Continue to deliver highly valued services to the community
- Delivers surpluses in all nine years between 2024/25 and 2032/33, with average annual surpluses of \$4.77m. These surpluses, subject to future financial shocks, could be re-invested in community services and projects
- Increase responsiveness to resident and business enquiries
- Increase Council's ability to absorb future financial, extreme weather and growth shocks
- Provide capacity to maintain and renew community assets
- Provide a stable work environment for staff attraction and retention

It will also allow Council to allocate an additional \$2 million a year to allow Council to invest in additional cleaning, care and beautification projects in parks, cycling and walking routes and town centres, and planting programs to boost Council's urban tree canopy.





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The Willoughby City Council Delivery Program 2022-2026 has been prepared in accordance with Integrated Planning and Reporting Framework requirements. It has been prepared by Willoughby City Council in consultation with the City of Willoughby community.

We acknowledge and thank all interested stakeholders for their contributions towards this plan.

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ATTACHMENT 8

POST-EXHIBITION CHANGES TO *DELIVERY PROGRAM 2022-26*

Page number	Proposed change
2	Text changes referring to revisions of Delivery Program since first adopted in June 2022
3	Updating Acknowledgement of Country
22	Clarifying that a table showing the four-year quantum of projects and capital works by Community Strategic Plan outcome is current as of the time the Delivery Program was first adopted in June 2022, rather than "over the next four years".
Final page	Changing the document date from September 2023 to January 2024

POST-EXHIBITION CHANGES TO LONG TERM FINANCIAL PLAN 2023-2033 (LTFP)

Page number/s	Proposed change
20, 25, 27 and 32	<p>The exhibited version of the LTFP did not include Council's Asset Maintenance Ratio and Infrastructure Backlog Ratio. An examination of the IPART application forms shows that these ratios need to be included in the LTFP, and therefore they have been included in the final version.</p> <p>The Asset Maintenance Ratio compares actual versus required annual asset maintenance. The benchmark is, therefore, greater than 100%.</p> <p>The Infrastructure Backlog Ratio compares the cost to bring assets to a satisfactory condition to the total fair value of a council's infrastructure. The benchmark is less than 2%.</p> <p>Both of these ratios have now been added to the relevant table for the no SRV (5% rate peg only case) option on page 25 and the SRV (15% rate increase) option on page 32.</p> <p>Changes have also been made to the document narrative to explain Council's performance against these ratios, either under the no SRV or SRV scenarios.</p> <p>The no SRV narrative on page 20 has been updated to state that while Council will technically meet Office of Local Government (OLG) benchmarks in relation to these ratios, the Council will remain in a financially fragile position when doing this.</p> <p>The SRV narrative on page 27 has been updated to note that Council will meet the OLG ratios but, compared to the no SRV option, have a strengthened performance in the Asset Maintenance Ratio, given it is investing an additional \$2m a year in public area maintenance.</p> <p>Under the no SRV scenario, Council's Asset Maintenance Ratio will decline from 102.99% in 2023/24 to 100.68% in 2023/32.</p> <p>Under the SRV scenario, this same ratio will increase from 102.99% to 114.42% in the same period, meaning that Council's spending on maintenance will exceed required levels, helping to prolong the life of public assets and improving the appearance of the LGA's public domain.</p>
20	<p>Clarifying that under the no SRV base case, there is a risk of no accumulation of funds over time due to Council's financial fragile state.</p>

24	To clarify an issue raised in the IPART application forms, a footnote has been added to state that rate revenue projections for 2023/24 do not include supplementary valuations (that is new properties created during 2023/24) and therefore are based on rateable properties as at 30 June 2023.
35	Providing extra detail about Council's hardship provisions
37-38	<p>In line with the approach mentioned in the row above, it has been necessary to adjust the average rates for each sub-category so that they reflect average rates as at 30 June 2023.</p> <p>This has meant a small adjustment to average rates, compared to those presented in the exhibition of the LTFP which were based on average rates as at October 2023. In particular:</p> <ul style="list-style-type: none"> - The current average residential rate is now presented as \$1,087.87 (compared to \$1,087.67 in the draft LTFP). This means the average residential rate after the 15% increase will be \$1,251.05 (compared to \$1,250.82 in the draft LTFP). - The current average business (general) rate is now presented as \$6,485.49 (compared to \$6,523.71 in the draft LTFP). This means the average business (general) rate after the 15% increase will be \$7,458.32 (compared to \$7,502.27 in the draft LTFP).



Capacity to Pay Report
Willoughby City Council
~~November-January 2024~~



Document status

Job #	Version	Written	Reviewed	Approved	Report Date
7743	1 - Draft	L. Baloi	G. Smith	G. Smith	November 2023
7743	2-Revised Draft	L. Baloi	G. Smith	G. Smith	November 2023
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Executive summary

Willoughby City Council ('Council') is currently in the process of undertaking a financial sustainability assessment and considering a special variation ('SV') application. The Council has released four rate rise options to the community. These options are designed to help Council's financial sustainability and respond to a growing and changing population and increasing community expectations.

These options, which all include a rate peg for 2024/25 of ~~3.55~~%, are:

- Base case (Option 1) – Reduce Services, apply only the normal annual rate peg increase of ~~3.55~~%.
- Option 2 – Maintain Services, apply a one-year increase of 12%.
- Option 3 – Increase Services, apply a one-year increase of 15%.
- Option 4 – Increase Services and Infrastructure, apply a one-year increase of 20%.

About this report

This report provides an analysis of a wide range of socio-economic and other data and evaluates the general financial capacity of ratepayers to pay the proposed rate changes.

It analyses both LGA-wide data along with resident-specific data from five geographic groupings within the Willoughby local government area ('LGA'). These groupings (or precincts) have been selected because they have aligned socio-economic characteristics and available data via the Willoughby City Community Profile.¹ These groupings are:

- Castlecrag - Northbridge - Castle Cove – Middle Cove
- Roseville - Chatswood West - Lane Cove North
- Naremburn - Willoughby (include North and East)
- Artarmon - St Leonards
- Chatswood

About the Willoughby LGA

Willoughby City Council is predominantly a residential area, but also has a substantial industrial and commercial areas. Major features of the City include the Chatswood CBD (including Chatswood Chase Shopping Centre, Westfield Chatswood Shopping Centre, Metro Chatswood and Chatswood Central), TAFE NSW Northern Sydney Institute (St Leonards Campus), Royal North Shore Hospital, North Shore Private Hospital, Castle Cove Golf Club, Chatswood Golf Club, Northbridge Golf Club, Willoughby Leisure Centre, Northbridge Baths and various parks and reserves

The LGA is characterised by a relatively high socioeconomic status, low unemployment rate, relatively low average residential rates and the lowest levels of rates outstanding in the OLG Group 3 (comprising larger metropolitan councils). All suburbs in the LGA have lower disadvantage levels, and greater advantage levels, compared to the Greater Sydney, NSW and Australian results.

¹ <https://profile.id.com.au/willoughby>



Precinct analysis for residential ratepayers

The groupings of

- Castlecrag - Northbridge - Castle Cove - Middle Cove
- Roseville - Chatswood West - Lane Cove North; and
- Naremburn - Willoughby (include North and East)

have significant levels of advantage, as demonstrated by high levels of household income, high socio-economic scores and high levels of home ownership. These areas are ranking in top five advantage areas in Australia.

At the end of 2024/25, residential ratepayers in Castlecrag - Northbridge - Castle Cove - Middle Cove will be paying, depending on the SV option, between \$~~123-101~~ and \$~~239-217~~ per year more than they would have under the normal rate increases, while Roseville - Chatswood West - Lane Cove North and 'Naremburn - Willoughby (include North and East) areas between \$~~91-75~~ and \$~~181-161~~, therefore it is considered that there is capacity to pay.

The Artarmon - St Leonards and Chatswood areas have lower disadvantage levels, and higher advantage levels, than Greater Sydney, NSW and Australia ², however do have a weaker score in these areas compared to the suburbs mentioned above. Residential ratepayers in these areas will be paying between \$~~82-69~~ and \$~~161-147~~ per year more than they would have under the normal rate increases. After noting that these areas:

- Will be paying the lowest average residential rate increases in the LGA (due to lower property values).
- Have the highest proportion of renters who are not immediately affected by any increase.

it is considered these areas have capacity to pay the proposed increases (but less capacity than other parts of the LGA).

The application of an appropriate hardship policy remains an important consideration in the implementation of any rate increase, particularly in Artarmon - St Leonards and Chatswood.

Business rates

In average, the business ratepayers across the LGA will receive an increase between \$~~8538~~ and \$~~1,475397~~ depending on the SV option selected. From all the groupings, Artarmon - St Leonards will receive the highest average increase in rates of between \$1,033 and \$1,722, but this grouping contains only 278% of the LGA's business ratepayers.

Before the proposed rate increases, Willoughby had the 7thth highest average business rate out of the 18 OLG Group councils. Even with the largest increase, Willoughby will move just ~~two one~~ spots to the 6thth highest. In addition, an analysis of Willoughby's outstanding rates percentages in 2022/23 shows that businesses had a proportion of outstanding rates which was below the overall LGA-wide percentage. Given this, it is considered that for business ratepayers there is capacity to pay.

² As scored on the Index of Relative Socio-Economic Disadvantage (IRSD) and Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)



Rate rise choice

Council is considering three one-off special variation options in 2024/25 (which will be built into the rate base in future years) in addition to not applying an SV (Base case or Option 1 – reduce services). The three proposed special variations increases are: 12% for Option 2 (maintain services), 15% for Option 3 (increase services) and 20% for Option 4 (increase services and infrastructure). While Option 2 has the least impact on the ratepayers and therefore an enhanced capacity to pay when compared to the other options, Council will also need to consider the community feedback and a wide range of other factors in making its final decision on its preferred SV option.

Introduction

This report provides an analysis and evaluation of relative wealth and financial capacity. It looks at the financial vulnerability and exposure of different community groups within the LGA.

Key considerations include:

- regions of social disadvantage
- any vulnerable groups of individuals
- patterns of household expenditure, and
- mortgage and rental payments.

These findings will then be compared to proposed changes in rates to identify whether there are any groups or individuals that may be disproportionately impacted or marginalised relative to other communities within the LGA.

Data for this review was obtained from the following sources:

- Australian Bureau of Statistics 2016 and 2021 Census Data – Data by Regions
- .id (Informed Decisions) – New South Wales Community/Social/Economic Profile
- .id (Informed Decisions) – NSROC Region Joint Organisation Community/Social/Economic Profile
- .id (Informed Decisions) – Willoughby Community/Social/Economic Profile



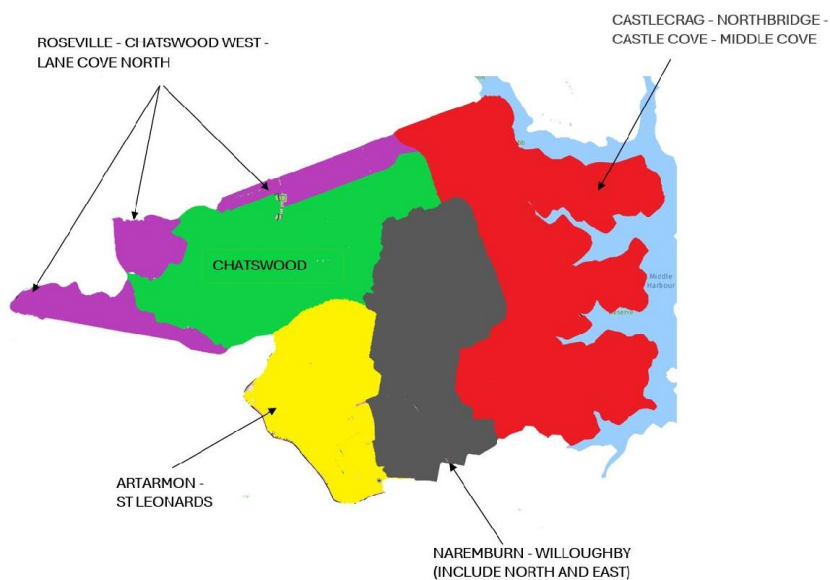
Background

The Willoughby Local Government Area has been divided into five area groupings for this analysis. The below table and corresponding maps summarise the groupings and associated localities.

Table 1 Willoughby Local Government Area grouping breakdown³

Grouping	Population (2021)	(id) Profile Areas
Castlecrag - Northbridge - Castle Cove - Middle Cove	13,223	"Castlecrag; Northbridge; Castle Cove - Middle Cove"
Roseville - Chatswood West - Lane Cove North	5,978	"Roseville; Chatswood West - Lane Cove North"
Naremburn - Willoughby (include North and East)	18,743	"Naremburn; Willoughby; North Willoughby - Willoughby East"
Artarmon - St Leonards	12,391	"Artarmon; St Leonards"
Chatswood	25,555	Chatswood
Willoughby City Council LGA Total	75,890	

Figure 1 Willoughby City Council area grouping map⁴



³ Sourced from Id. Community/Social/Economic Profile.

⁴ Adapted Id. Community/Social/Economic Profile.



Methodology

Our methodology in examining the relative wealth between the different groupings focuses on the following:

- **Areas of social disadvantage**

We will first look into the different characteristics and make up of each grouping to determine whether there are any particular areas of social disadvantage. This will include an investigation into:

- the age structure of each region
- the typical make up of each household
- household income, including the effect of dependents
- SEIFA rankings.

- **Particularly vulnerable groups of individuals**

We will then investigate whether there are any particular groups within each grouping that, despite the overall wealth of the area, would be particularly vulnerable and affected by a change in rates.

These include:

- property owners
- persons who have or need core assistance
- individuals who are currently unemployed
- households currently under housing stress
- pensioners.

- **Household expenditure**

We will examine household expenditure and the impact this may have on an individual's ability to pay.

- **Industry**

We will analyse employment by industry type, as well as value added by industry sector and the key propulsive sectors.

We will then compare these findings to the proposed rating changes, average rates for OLG Group 3 councils and outstanding rates and charges to determine whether there are any particular groups or individuals that would be significantly impacted.



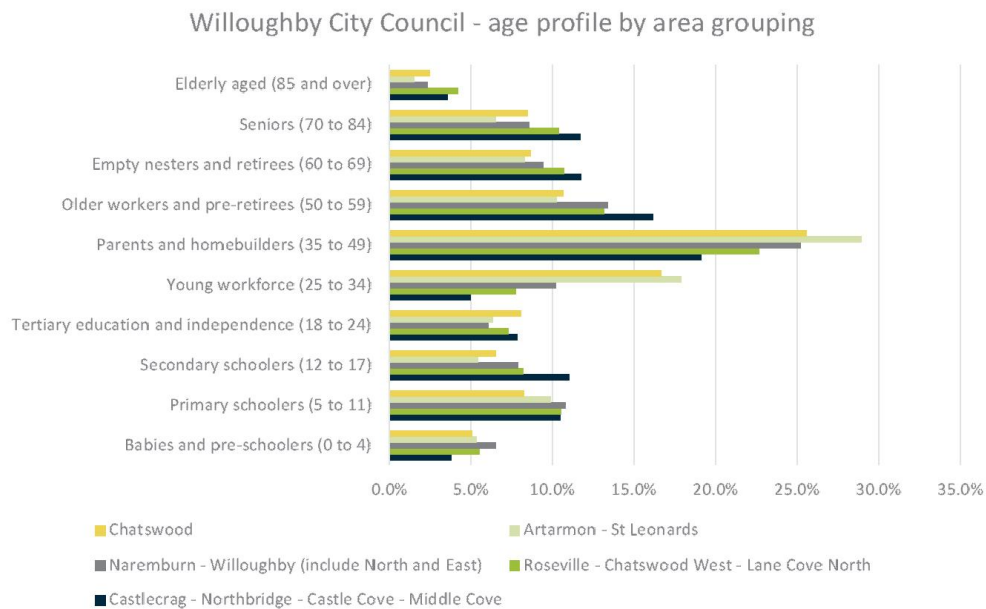
Areas of social disadvantage

Each grouping has differing demographic characteristics, and we first want to identify ‘who are the people’ that make up each area, ‘what do they do’ and ‘how do they live,’ using data sourced and adapted from ABS Census data and id. Willoughby Community/Social/Economic Profile.⁵

Service age groups

Age profiles are used to understand the demand for aged-based services as well as the income earning status of the population. Data has been broken into groups that are reflective of typical life stages. This provides insight into the number of dependants, size of the workforce and number of retirees in each grouping.

Figure 2 Willoughby LGA service age groups



Combining these results in terms of the following categories (dependants, workforce and retirees) and ranking them in terms of proportion of population (with one representing the largest proportion) generates the following results.

⁵ <https://profile.id.com.au/>



Table 2 Service age rankings

Rank	Castlecrag - Northbridge - Castle Cove - Middle Cove	Roseville - Chatswood West - Lane Cove North	Naremburn - Willoughby (include North and East)	Artarmon - St Leonards	Chatswood
Dependents	1	3	2	4	5
Working age	5	4	3	1	2
Retirees	1	2	3	5	4
Total population (excludes not stated)	13,434	6,034	19,092	11,517	25,552

At an LGA level, the Willoughby age profiles are broadly consistent with averages across NSROC Region and Greater Sydney, as follows:

- 20% of the population are dependents, in line with NSROC Region (21%) and Greater Sydney (22%).
- Working age population represents 57% of the population, which is higher than NSROC Region (56%) and lower than Greater Sydney (57%).
- The proportion of the population that are retirees (21%) is slightly lower than the NSROC Region (23%) and slightly higher than Greater Sydney (20%).

Looking within specific groupings, we observe the following:

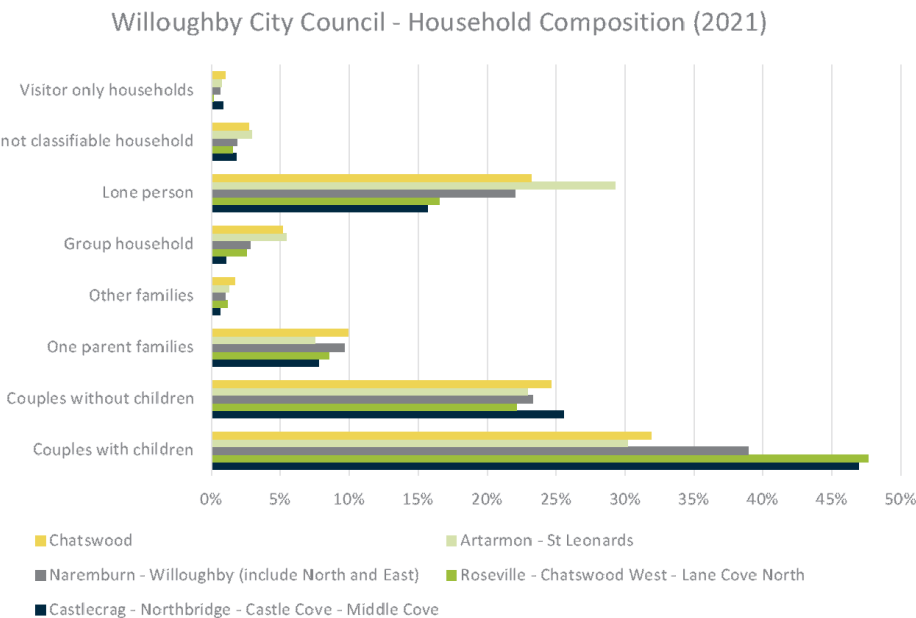
- Both Chatswood and ‘Artarmon - St Leonards’ have the lowest proportion of dependents (20% and 21% respectively) and the highest proportion of the working age population (61% and 63%), significantly higher than the other areas of the LGA.
- ‘Castlecrag - Northbridge - Castle Cove - Middle Cove’ has the highest proportion of retirees (27%), followed by ‘Roseville - Chatswood West - Lane Cove North’ at 25%.

Household types

Alongside the age structure of each region, it is important to determine the typical trends in the make-up of households. This provides a more complete picture of the people, families and communities in each area. A summary of household type is provided in the following figure.



Figure 3 Willoughby household composition



Overall, the proportions across the Willoughby LGA are generally in line with those of NSROC Region and Greater Sydney across all categories. However, the number of ‘one parent family’ households is higher in Willoughby (9%) when compared to NSROC Region average of 8.2%.

The ‘lone person’ and ‘one parent family’ households are considered to be more vulnerable to the impacts of rate increases due to a reduced/singular income stream. Combining these categories together into an ‘at risk’ group shows that across the LGA as a whole, the ‘at-risk’ group makes up 31.1% of the population, which is below the averages across NSROC Region (32%) and Greater Sydney (32.7%).

‘Artarmon - St Leonards’ has the lowest proportion of couples with children (30%). In contrast ‘Roseville - Chatswood West - Lane Cove North’ has the highest proportion of couples with children (48%). Across the LGA, the proportion of couples with children (37%) and couples without children (24%) are both higher than Greater Sydney averages of 34.4% and 31.1% respectively.

Housing tenure

Analysis of housing tenure levels within the LGA allows us to identify which areas would be most impacted by changes in council rates. For example, the direct impact of a change in rates is likely to be felt more acutely by homeowners, whereas renters may experience an indirect increase/decrease depending on their lease agreement/decisions with their landlord. Similarly, individuals in social housing are unlikely to be directly impacted by a change in rates.



Table 3 Housing tenure percentage

Housing Tenure - % of households	Castlecrag - Northbridge - Castle Cove - Middle Cove	Roseville - Chatswood West - Lane Cove North	Naremburn - Willoughby (include North and East)	Artarmon - St Leonards	Chatswood	Willoughby LGA
Fully owned	47%	38%	33%	21%	25%	31%
Mortgage	33%	37%	32%	20%	19%	26%
Renting - Total	15%	18%	31%	53%	49%	38%
Renting - Social housing	0%	1%	2%	4%	1%	2%
Renting - Private	15%	17%	29%	49%	47%	36%
Renting - Not stated	0%	0%	0%	0%	0%	0%
Other tenure type	3%	4%	1%	2%	3%	2%
Not stated	2%	2%	2%	4%	4%	3%
Total households	4,541	2,031	7,090	4,934	9,885	28,468

The Willoughby LGA home ownership average of 57% is lower than Greater Sydney (59%) and NSROC Region (62%). Home ownership levels vary throughout the LGA, with 'Castlecrag - Northbridge - Castle Cove - Middle Cove' (80%) having the highest proportion of resident ratepayers, followed by 'Roseville - Chatswood West - Lane Cove North' (75%). In contrast, Chatswood and 'Artarmon - St Leonards' resident ratepayers comprise almost 45% and respectively 41% of total households in each grouping.

31% of households fully own their homes within the LGA, which is slightly less than the average for NSROC Region (31.2%) but above Greater Sydney (26.7%). 'Castlecrag - Northbridge - Castle Cove - Middle Cove' (47%), 'Roseville - Chatswood West - Lane Cove North' (38%), and 'Naremburn - Willoughby (include North and East)' (33%) have relatively high levels of fully owned homes (above the LGA average).

The LGA has a relatively high level of private renters (36% overall). On one hand, 'Castlecrag - Northbridge - Castle Cove - Middle Cove' (15%) and 'Roseville - Chatswood West - Lane Cove North' (17%) have low number of renters as opposed to 'Artarmon - St Leonards' (49%) and Chatswood (47%) which contain 70% of the total LGA's renters. It is important to note that whilst renters are not directly impacted by an increase in rates, these increases can be passed on by landlords, accommodation providers or general price inflation from local retailers.

'Naremburn - Willoughby (include North and East)', 'Artarmon - St Leonards' and Chatswood groupings also contain the majority of the LGA's social housing (which equates to 94% of the LGA's social housing). The residents in social housing do not pay rates and are not directly impacted by any proposed SV.

Equivalised household income

Equivalised household income can be viewed as an indicator of the economic resources available to a standardised household. It is calculated by dividing total household income by an equivalence factor. The factor is calculated in the following way:

- first adult = 1
- each additional adult + child over 15 = + 0.5
- each child under 15 = + 0.3.



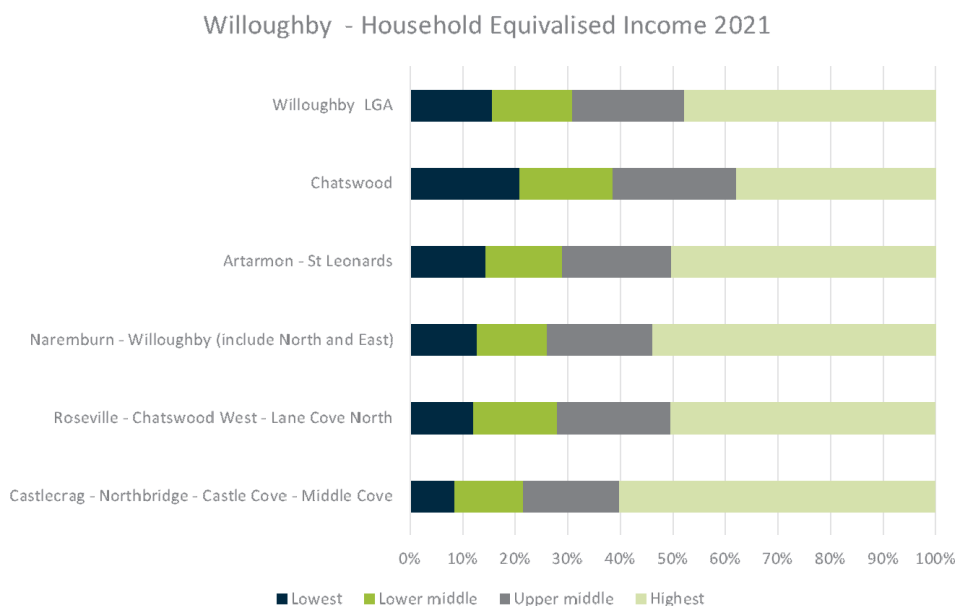
Dividing by the equivalence factor, household income becomes comparable to that of a lone individual, thereby making households with dependents and multiple occupants comparable to those without. By factoring in dependents into household incomes we are provided with a better indicator of the resources available to a household.

As this is a relative comparison, data has been presented in quartiles. Regions of disadvantage will have a higher proportion of households in the bottom two quartiles than those of greater wealth and advantage. These quartiles were determined by reviewing the distribution of household incomes within NSW and then dividing them into four equal groups or quartiles.

The data has been presented in ranges for the following equivalised weekly income levels for 2021:

- Lowest: \$0 – \$603 – this range is representative of the bottom 25% of all equivalised household incomes in NSW.
- Medium lowest: \$604 – \$1,096 – this range is representative of the bottom 25% – 50% of all equivalised household incomes in NSW.
- Medium highest: \$1,097 – \$1,770 – this range is representative of the top 25% – 50% of all equivalised household incomes in NSW.
- Highest: \$1,771 and over – this range is representative of the top 25% of all equivalised household incomes in NSW.

Figure 4 Willoughby equivalised household income





The Willoughby LGA has higher proportions of households in the highest two income quartiles, at 69% same as NSROC Region (69%), but both are higher than Greater Sydney at 56%. All profile areas within the LGA also have higher proportions in the highest two quartiles compared to Greater Sydney.

Table 4 Equivalised Income Quartiles

Equivalised income quartiles (2021)	Castlecrag - Northbridge - Castle Cove - Middle Cove	Roseville - Chatswood West - Lane Cove North	Naremburn - Willoughby (include North and East)	Artarmon - St Leonards	Chatswood	Willoughby LGA	Greater Sydney
Lowest	8%	12%	13%	14%	21%	16%	22%
Lower middle	13%	16%	13%	15%	18%	15%	22%
Upper middle	18%	22%	20%	21%	24%	21%	26%
Highest	60%	50%	54%	50%	38%	48%	30%
Total Households	3,624	1,745	5,718	4,225	8,056	23,536	1,463,090

Socio-economic index

The Socio-Economic Indexes for Areas (SEIFA) is an economic tool developed by the ABS to rank areas in Australia according to their relative socio-economic advantage and disadvantage. It takes into consideration a broad range of variables such as income, education, employment, occupation and housing. It is standardised such that the average Australian represents a score of 1000.

In our research we explored two of the indexes published by the ABS:

- **Index of Relative Socio-Economic Disadvantage (IRSD)**

This index ranks areas from most disadvantaged to least disadvantaged. For example, a lower score will have a greater proportion of relatively disadvantaged people in the area.

From this score however you cannot conclude whether a high-ranking area will have a large portion of relatively advantaged people, just that it has a low proportion of disadvantage.
- **Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)**

This index considers variables of both advantage and disadvantage and, as such, scores and ranks areas from most disadvantaged to most advantaged.

The ABS has also published the variables which have the most impact on both indexes, these include:

- IRSD variables of disadvantage:

 - low equivalised household incomes (see below for definition)
 - households with children and unemployed parents
 - percentage of occupied dwellings with no internet connection
 - percentage of employed people classified as labourers.
- IRSAD variables of advantage only (disadvantage similar to IRSD):

 - high equivalised household incomes
 - percentage of households making high mortgage repayments
 - percentage of employed people classified as professionals



– percentage of employed people classified as managers.

A regional summary of SIEFA scores, including national percentiles, is provided in the following table.

Table 5 Regional SEIFA scores and percentiles

Area	SEIFA IRSD	Percentile	SEIFA IRSAD	Percentile
NSROC Region	1,085.4	92	1,136.5	99
Greater Sydney	1,010.0	48	1,045.0	82
New South Wales	1,000.0	42	1,016.0	67
Australia	1,001.2	42	1,002.6	60
Willoughby LGA	1,074.7	88	1,142.4	99

The Willoughby IRSD score of 1074.7 is below just below NSROC Region, but above Greater Sydney, NSW and Australia rankings. The ranking places the LGA in the 88th percentile, meaning that approximately 12% of Australian suburbs have a SEIFA IRSD ranking higher than this area (less disadvantaged), while 88% are lower.

IRSAD includes levels of both advantage and disadvantage. The Willoughby LGA score of 1142.4. The ranking places the LGA into the top 99th percentile, meaning that only 1 % of Australian suburbs are a score higher than this area. A higher IRSAD score compared to IRSD score may be indicative of more opportunities within the LGA, higher equivalised incomes, higher education levels, higher employment opportunities within the area or more skilled jobs.

A grouping-level summary is provided in the table below.

Table 6 Grouping-level SEIFA average scores and percentiles

Grouping	SEIFA IRSD	Percentile	SEIFA IRSAD	Percentile
Castlecrag - Northbridge - Castle Cove - Middle Cove	1,125.0	100	1,186.0	100
Roseville - Chatswood West - Lane Cove North	1,105.3	98	1,159.2	100
Naremburn - Willoughby (include North and East)	1,092.2	95	1,153.4	99
Artarmon - St Leonards	1,056.7	77	1,133.8	99
Chatswood	1,034.6	63	1,113.3	97

Analysis at the grouping level demonstrates some inequity between different parts of the LGA when IRSD is compared. On the one hand, ‘Chatswood’ (IRSD in the 63rd percentile) however, ‘Castlecrag - Northbridge - Castle Cove - Middle Cove’, ‘Roseville - Chatswood West - Lane Cove North’ and ‘Naremburn - Willoughby (include North and East)’ have all IRSD above 95%. The IRSAD scores are all above 97% percentile showing a high level of advantage.



Table 7 Locality/Suburb SEIFA rankings

Locality/Suburb	SEIFA IRSD	Percentile	SEIFA IRSAD	Percentile
Castlecrag	1,131.1	100	1,195.1	100
Northbridge	1,121.9	100	1,181.5	100
Castle Cove - Middle Cove	1,121.9	100	1,181.5	100
Chatswood West - Lane Cove North	1,109.1	98	1,168.9	100
Roseville	1,101.5	97	1,149.4	99
Naremburn	1,098.0	96	1,168.0	100
Willoughby	1,089.4	94	1,148.2	99
North Willoughby - Willoughby East	1,089.3	94	1,144.1	99
Artarmon	1,061.5	80	1,126.8	98
St Leonards	1,051.9	74	1,140.7	99
Chatswood	1,034.6	63	1,113.3	97

At a locality/suburb profile level, Artarmon, St Leonards and Chatswood appear disadvantaged relative to other parts of the local government area. Council may wish to review its hardship policies to address inequity in the lowest ranking parts of the LGA.

Vulnerable groups or individuals

This section of the report considers whether there are any spatial patterns of individuals or groups who either need additional community services or are more sensitive to a change in rates.

Workforce status

The levels of full or part-time employment and unemployment are indicative of the strength of the local economy and social characteristics of the population.

Table 8 Community workforce status – 2021

Workforce status	Castlecrag - Northbridge - Castle Cove - Middle Cove	Roseville - Chatswood West - Lane Cove North	Naremburn - Willoughby (include North and East)	Artarmon - St Leonards	Chatswood	Willoughby LGA
Employed	96%	96%	97%	96%	94%	96%
Employed full-time	57%	59%	62%	65%	58%	60%
Employed part-time	32%	28%	27%	24%	27%	27%
Employed, away from work	7%	10%	8%	7%	10%	8%
Unemployed (Unemployment rate)	4%	4%	3%	4%	6%	4%
Looking for full-time work	2%	2%	2%	3%	3%	2%
Looking for part-time work	2%	2%	1%	2%	3%	2%
Total labour force	6,506	3,004	10,092	6,576	12,892	39,047

Note: Pensioners, overseas visitors and other non-participants are not included in the total labour force.



In 2021, unemployment within the LGA (4%) was lower than the averages for Greater Sydney (5.1%) and NSROC Region (4.2%). The highest level of unemployment was found in the Chatswood (6%) area and the lowest level of unemployment was 'Naremburn - Willoughby (include North and East)' (3%). Across the Willoughby LGA, 60% of the total workforce was engaged in full-time employment, which is just same or higher than the average in Greater Sydney (56%) and NSROC Region (60%). The overall employment rate for the LGA is 96%.

Pensioners

A distinction is made between retirees and eligible pensioners. To be classified as a pensioner for the purposes of receiving rates rebates, ratepayers must be receiving Centrelink payments such as the age pension or have partial capacity to work such as having a disability, being a carer or being a low-income parent. These individuals have reduced income streams and can be vulnerable to financial shocks and price rises.

Table 9 Number of residential pensioner assessments

Grouping	Total number of residential assessments	Number of pensioner assessments	Percentage of pensioner assessments
Castlecrag - Northbridge - Castle Cove - Middle Cove	4,720	208	4%
Roseville - Chatswood West - Lane Cove North	2,118	139	7%
Naremburn - Willoughby (include North and East)	7,213	602	8%
Artarmon - St Leonards	4,854	204	4%
Chatswood	10,493	510	5%
Willoughby City Council	29,398	1,663	6%

It is observed that both 'Naremburn - Willoughby (include North and East)' and 'Roseville - Chatswood West - Lane Cove North' have the highest proportion of residential pensioners (8% and 7% respectively), with the other regions sitting at 4% to 5%. The largest number of residential pensioner assessments, 602, are within 'Naremburn - Willoughby (include North and East)'.

Any analysis of the implications of the proposed rate increases on pensioners is limited by the lack of cohort-specific data (such as cost of living or housing stress data). However, indicators of the potential for pensioners to pay the increases are that:

- As of June 2023, pensioners in the Willoughby LGA had a percentage of outstanding rates which was slightly below the overall outstanding rates percentage (see page 30).
- Council's most relatively less advantaged areas (Artarmon – St Leonards and Chatswood) had a percentage of pensioner assessments which was below the overall LGA-wide percentage of pensioner assessments.
- Eligible residential pensioners have access to mandatory rebates (up to a maximum of \$250 per year) on their rates.
- As part of its Hardship Policy, Council supports rates accumulation plans for eligible pensioners (in other words allowing rates and interest charges to accrue against property until the estate is settled). Council currently has one ratepayer on an accumulation plan.



Core assistance

Table 11 highlights the areas within the LGA that have higher concentrations of people who need assistance in their day-to-day lives with self-care, body movements or communication – because of a disability, long-term health condition or old age.

Table 10 Number of people requiring core assistance

Assistance required (2021)	Number	Percentage
Castlecrag - Northbridge - Castle Cove - Middle Cove	520	4
Roseville - Chatswood West - Lane Cove North	319	5
Naremburn - Willoughby (include North and East)	702	4
Artarmon - St Leonards	355	3
Chatswood	1,052	4
Willoughby LGA	2,957	4
NSROC Region	25,321	4
Greater Sydney	270,665	5
New South Wales	464,712	6

We observe that 4% of people need assistance across Willoughby LGA. These percentages are slightly lower than Greater Sydney (5%).

Housing stress

The National Centre for Social and Economic Modelling (NATSEM) defines households experiencing 'housing stress' as those that satisfy both of the following criteria:

- Equivalised household income is within the lowest 40% of the state's income distribution.
- Housing costs (i.e., mortgage and/or rent repayments) are greater than 30% of household income.

Households facing housing stress are highly likely to be under significant financial stress and vulnerable to sudden increases in council rates.

Based on the table below, it would appear that Chatswood would be more susceptible to a rates increase, due to a higher proportion of income servicing mortgage costs. It should also be noted that interest rates have increased since the 2021 Census.



Table 11 Mortgage costs >30% of income, 2021

Grouping	Number	Number of households with mortgage	% where mortgage costs >30% income
Castlecrag - Northbridge - Castle Cove - Middle Cove	327	1,484	22%
Roseville - Chatswood West - Lane Cove North	157	742	21%
Naremburn - Willoughby (include North and East)	374	2,271	16%
Artarmon - St Leonards	182	997	18%
Chatswood	532	1,905	28%
Willoughby LGA	1,573	7,397	21%
NSROC Region	14,887	74,004	20%
Greater Sydney	120,485	608,735	20%
New South Wales	163,060	942,804	17%

Although renters are not usually immediately directly affected by an increase to council rates, there is generally considered to be a flow-on effect whereby landlords can pass on rate increases to the tenant via an increase in rental payments. It is therefore important to also consider rental stress and any areas within the LGA where this may be higher.

The following table compares the median weekly household income with the median weekly rental payment for each area.

Table 12 Analysis of median weekly household income and rental payments

Grouping	Median weekly household income	Median weekly rent repayment	Rental costs as a % of income
Castlecrag - Northbridge - Castle Cove - Middle Cove	4,044	913	23%
Roseville - Chatswood West - Lane Cove North	3,046	725	24%
Naremburn - Willoughby (include North and East)	3,001	608	20%
Artarmon - St Leonards	2,336	523	22%
Chatswood	2,269	577	25%
Willoughby LGA	2,542	571	22%
NSROC Region	2,459	542	22%
Greater Sydney	2,099	470	22%



Trends in cost of living

The cost of living can be best described as the cost of maintaining a certain standard of living. Identifying trends in future costs, particularly with regards to discretionary and non-discretionary income. The following table presents the changes in typical household expenditure throughout the council areas located within the Willoughby LGA, over a five-year period.

Table 13 Five-year comparison - Cost of living within the Willoughby LGA⁶

Household expenditure (totals)	2021/22		2016/17		Change		
	\$ per household	% of expenditure	\$ per household	% of expenditure	\$ per household	% of expenditure	%
Food	\$18,539	9.7%	\$14,804	8.5%	\$3,735	1.2%	25%
Alcoholic beverages and tobacco	\$8,526	4.5%	\$8,171	4.7%	\$355	-0.2%	4%
Clothing and footwear	\$7,718	4.0%	\$5,891	3.4%	\$1,827	0.6%	31%
Furnishings and equipment	\$9,359	4.9%	\$7,408	4.2%	\$1,951	0.7%	26%
Health	\$11,636	6.1%	\$9,311	5.3%	\$2,325	0.8%	25%
Transport	\$14,453	7.6%	\$20,194	11.5%	-\$5,741	-3.9%	-28%
Communications	\$3,827	2.0%	\$2,773	1.6%	\$1,054	0.4%	38%
Recreation and culture	\$20,312	10.7%	\$16,902	9.7%	\$3,410	1.0%	20%
Education	\$7,486	3.9%	\$6,202	3.5%	\$1,284	0.4%	21%
Hotels, cafes and restaurants	\$12,608	6.6%	\$13,705	7.8%	-\$1,097	-1.2%	-8%
Miscellaneous goods and services	\$25,971	13.6%	\$23,662	13.5%	\$2,309	0.1%	10%
Housing	\$44,734	23.5%	\$40,881	23.4%	\$3,853	0.1%	9%
Utilities	\$5,447	2.9%	\$4,977	2.8%	\$470	0.1%	9%
Total Expenditure	\$190,616	100%	\$174,881	100%	\$15,735	0.00%	9.00%
Net Savings	\$57,696	23.2%	\$36,920	17.4%	\$20,776	5.8%	56%
Total Disposable Income	\$248,312		\$211,801		\$36,511		17%
Non-Discretionary	\$106,354	55.8%	\$98,831	56.5%	\$7,523	-0.7%	109.7%
Discretionary	\$84,262	44.2%	\$76,050	43.4%	\$8,212	0.8%	73.3%

*Non-discretionary spending includes the following categories: food, clothing and footwear, health, transport, communications, housing, and utilities.

Table 14 shows that, over the five-year period, total disposable income across the Willoughby LGA has increased due to an increase in annual net savings. This may indicate some potential capacity to absorb increased rates, though some mortgage holders may have fewer net savings due to higher interest payments.

⁶ National Institute of Economic and Industry Research (NIEIR), 2023. Compiled and presented in economy.id by. Data based on 2020–21 price base for all years. NIEIR ID data is inflation adjusted each year to allow direct comparison and annual data releases adjust previous years' figures to a new base year.



Industry

In 2021/22, the main industries in order of employment (as percentage of FTE employed) were Health Care & Social Assistance (20.8%), Professional, Scientific and Technical Services (14.8%) and Retail Trade (8.9%). There were some similar trends to Greater Sydney averages. However, a lower percentage of workers in Greater Sydney were employed in Health Care and Social Assistance (12.1%) and Retail Trade (8.4%). The table below shows the changes in full-time equivalent workers within the Willoughby LGA over a ten-year period from 2011/12 to 2021/22 by sectors⁷:

Table 14 Changes in full-time equivalent employment by industry sector

Industry	FTE Change: 2011/12 - 2021/22
Agriculture, Forestry and Fishing	22.0
Mining	-97.0
Manufacturing	-231.0
Electricity, Gas, Water and Waste Services	-20.0
Construction	-855.0
Wholesale Trade	-598.0
Retail Trade	-569.0
Accommodation and Food Services	-546.0
Transport, Postal and Warehousing	-56.0
Information Media and Telecommunications	-2044.0
Financial and Insurance Services	342.0
Rental, Hiring and Real Estate Services	-12.0
Professional, Scientific and Technical Services	-552.0
Administrative and Support Services	-123.0
Public Administration and Safety	630.0
Education and Training	127.0
Health Care and Social Assistance	1720.0
Arts and Recreation Services	-11.0
Other Services	132.0

The industry sectors which are the key drivers of the Willoughby LGA's economy for the 2021/22 year, in terms of regional exports, employment, value-added and local expenditure on goods and services, were:

- Professional, Scientific and Technical Services (\$1,534 million or 14.2%)
- Health Care and Social Assistance (\$1,452 million or 13.5%)
- Information Media and Telecommunications (\$1,055 million or 9.8%).

⁷ Source: National Institute of Economic and Industry Research (NIEIR). Compiled and presented in economy.id by.id (informed decisions).



Over a ten-year period, there were declines across the following sectors:

- Information Media and Telecommunications (decrease \$284.8 million)
- Electricity, Gas, Water and Waste Services (decrease of \$39.9 million)
- Wholesale Trade (decrease by \$32.1 million)
- Accommodation and Food Services (decrease by \$16.9 million)
- Other Services (decrease \$13.3 million)
- Retail Trade (decrease \$12.2 million)
- Arts and Recreation Services (decrease \$10.1 million).

Table 15 Value added by industry sector⁸

2021/22 Industry sector	Willoughby LGA		Greater Sydney
	\$m	%	%
Agriculture, Forestry and Fishing	29.1	0.3	0.4
Mining	74.4	0.7	0.4
Manufacturing	471.7	4.4	6.4
Electricity, Gas, Water and Waste Services	119.6	1.1	1.8
Construction	735.8	6.8	8.0
Wholesale Trade	864.2	8.0	6.0
Retail Trade	674.7	6.3	5.3
Accommodation and Food Services	202.3	1.9	2.1
Transport, Postal and Warehousing	328.3	3.0	6.0
Information Media and Telecommunications	1055.0	9.8	4.9
Financial and Insurance Services	1010.2	9.4	15.5
Rental, Hiring and Real Estate Services	596.2	5.5	4.9
Professional, Scientific and Technical Services	1534.0	14.2	13.0
Administrative and Support Services	550.9	5.1	5.2
Public Administration and Safety	426.3	4.0	4.8
Education and Training	384.2	3.6	5.4
Health Care and Social Assistance	1451.6	13.5	7.4
Arts and Recreation Services	43.5	0.4	0.9
Other Services	227.6	2.1	1.6
Total industries	10779.8	100.0	100.0

The Willoughby LGA's Gross Regional Product was just over \$10.8 billion in the year ending June 2022.

⁸ Source: National Institute of Economic and Industry Research (NIEIR). Compiled and presented in economy.id by.id (informed decisions).



Discussion

Overall, the Willoughby LGA is a socio-economically diverse area, with areas of both advantage and disadvantage. However, there are significant differences emerging between different groupings, and this is evident when reviewing SEIFA rankings and other indicators. Although population numbers vary across the different groupings, the trends outlined throughout this report provide some insight as to which households are more susceptible to rate increases than others. Overall, we observe greater levels of advantage in 'Castlecrag - Northbridge - Castle Cove - Middle Cove', 'Roseville - Chatswood West - Lane Cove North' and 'Naremburn - Willoughby (include North and East)' when compared to other groupings, which can be attributed to a combination of income, demographic and household tenure factors. However, these groupings still have a relatively high proportion of mortgaged households (above 30%). In addition, 'Castlecrag - Northbridge - Castle Cove - Middle Cove' and 'Roseville - Chatswood West - Lane Cove North' have the highest proportion of fully owned households (47 and 38% respectively).

A summary for all the areas is shown in the table below.

Table 16 Summary of key areas

	Castlecrag - Northbridge - Castle Cove - Middle Cove	Roseville - Chatswood West - Lane Cove North	Naremburn - Willoughby (include North and East)	Artarmon - St Leonards	Chatswood
Population	13,223	5,978	18,743	12,391	25,555
Dependents	25%	24%	25%	21%	20%
Working age	48%	51%	55%	63%	61%
Retirees	27%	25%	20%	16%	20%
Percentage of residential ratepayers receiving statutory pensioner rebate	4%	7%	8%	4%	5%
Assistance required (2021)	4%	5%	4%	3%	4%
Fully Owned + mortgage	80%	75%	65%	41%	45%
Fully Owned	47%	38%	33%	21%	25%
Mortgage	33%	37%	32%	20%	19%
Percentage where mortgage costs >30% income	22%	21%	16%	18%	28%
Renting - Social housing	0%	1%	2%	4%	1%
Renting - Private	15%	17%	29%	49%	47%
Lowest equalised household income	8%	12%	13%	14%	21%
Highest equalised household income	60%	50%	54%	50%	38%
Median income	\$4,044	\$3,046	\$3,001	\$2,336	\$2,269
SEIFA IRSD index 2021 (percentiles)	100	98	95	77	63



	Castlecrag - Northbridge - Castle Cove - Middle Cove	Roseville - Chatswood West - Lane Cove North	Naremburn - Willoughby (include North and East)	Artarmon - St Leonards	Chatswood
SEIFA IRSAD index 2021 (percentiles)	100	100	99	99	97
Total labour force	6,506	3,004	10,092	6,576	12,892
Unemployed (Unemployment rate)	4%	4%	3%	4%	6%

‘Castlecrag - Northbridge - Castle Cove - Middle Cove’

Key indicators of this grouping can be summarised as follows:

- Contains 17% of the LGA population.
- Highest SEIFA indices: IRSD – 100% and IRSAD –100%.
- Highest proportion of retirees - 27%.
- 80% of households in the area are homeowners.
- Second highest proportion of households with a mortgage - 33%.
- Highest proportion of households paying high mortgage repayments (\$2,600 or more) - 67%.
- Second highest number of households where mortgage costs exceed 30% of income – 22%.
- Highest median income of \$4,044 per week.

‘Roseville - Chatswood West - Lane Cove North’

Key indicators of this grouping can be summarised as follows:

- Contains the lowest percentage of the LGA population - 8%.
- SEIFA indices: IRSD – 98% and IRSAD –100%.
- Second highest proportion of retirees - 27%.
- 75% of households in the area are homeowners.
- Highest proportion of households with a mortgage - 37%.
- Equal second proportion of households paying high mortgage repayments (\$2,600 or more) - 63%.
- Second highest median income of \$3,046 per week.
- Second lowest proportion of working age – 51%.
- Second lowest proportion of private renters - 17%.
- Highest proportion of households requiring assistance - 5%.

‘Naremburn - Willoughby (include North and East)’

Key indicators of this grouping can be summarised as follows:

- Contains the second highest percentage of the LGA population - 25%.
- SEIFA indices: IRSD – 95% and IRSAD –99 %.



- Equal second proportion of households paying high mortgage repayments (\$2,600 or more) - 63%.
- Third highest proportion of working age - 55%.
- Lowest proportion of homeowners – 41%.
- Lowest unemployment rate of 3%.

'Artarmon - St Leonards'

Key indicators of this grouping can be summarised as follows:

- Contains 16% of the LGA population.
- SEIFA indices: IRSD – 77% and IRSAD –99%.
- Highest proportion of working age - 63%.
- Second lowest proportion of households paying mortgage – 20%.
- Highest proportion of people in social housing (4%) and renting (49%).

Chatswood

Key indicators of this grouping can be summarised as follows:

- Contains the largest percentage of the LGA population of 34%.
- SEIFA indices: IRSD – 63% (lowest in the LGA) and IRSAD –97%.
- Second highest proportion of working age - 61%.
- Second lowest proportion of homeowners – 45%.
- Highest number of households where mortgage costs exceed 30% of income – 28%.
- Lowest median income of \$2,269 per week.
- Highest unemployment rate of 6%.



Proposed rating changes

Willoughby City Council is considering three options in relation to a special variation, in addition to not applying an SV. All three options include a rate increase for one year (2024/25), which would then be permanently retained as the rating level. The same percentage increase is applied to all rating categories. These options all include a rate peg for 2024/25 of ~~3.55~~3.55%:

- **Option 2 – Maintain Services**, apply a one-year increase of 12%.
- **Option 3 – Increase Services**, apply a one-year increase of 15%.
- **Option 4 – Increase Services and Infrastructure**, apply a one-year increase of 20%.
- **Base case (Option 1) – Reduce Services**, apply only the normal annual rate peg increase of ~~3.55~~3.55%.

We have reviewed Council’s average rates by area grouping, across each of the rating categories. We have compared the averages for each option against the base case option (applying only the rate peg and no SV). The following table summarises the options and our analysis of each scenario follows.

Table 17 Proposed special variation options

SV Option	2024/25
Base Case /Option 1 – Reduce Services	3.55.0 3.55%
Option 2 – Maintain Services	12.0%
Option 3 – Increase Services	15.0%
Option 4 – Increase Services and Infrastructure	20.0%

In the following analysis, we have compared the average rate at the end of the proposed SV period for the relevant scenario and the base case over the same period. We then outline the average annual and weekly increases⁹ during the proposed one-year SV period.

⁹ This is the difference between average rate for 2024/25 and average rate for 2023/24



Residential rates – impact analysis by scenario

Option 2

Table 18 Estimated 2024/25 average residential rates – Option 2 and Option 1 (Base case)

Residential ratepayers	Average 2024/25 rate - Option 2	Average 2024/25 rate - Option 1	2024/25 annual increase – Option 2	2024/25 weekly increase - Option 2
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$1,619	\$1,496518	\$173	\$3.34
Roseville - Chatswood West - Lane Cove North	\$1,202	\$1,111127	\$129	\$2.48
Naremburn - Willoughby (include North and East)	\$1,226	\$1,133149	\$131	\$2.53
Artarmon - St Leonards	\$1,084	\$1,001030	\$116	\$2.23
Chatswood	\$1,091099	\$1,008030	\$117118	\$2.2526
Willoughby City Council	\$1,216218	\$1,133142	\$130131	\$2.51

The impact of increases in rates will be unequal across the LGA due to the variance in residential land value from area to area and within each area, with those in the higher land value area of ‘Castlecrag - Northbridge - Castle Cove - Middle Cove’ (average rate to increase to \$1,619, an increase of \$3.34 per week expected to see a larger increase in average rates compared to the lower land value area of ‘Artarmon - St Leonards’ (average to increase to \$1,084, an increase of \$2.23). It is noted that the highest number of ratepayers, 10,493 or 36% of the LGA’s ratepayers, live within Chatswood grouping.

Option 3

Table 19 Estimated 2024/25 average residential rates – Option 3 and Option 1 (Base case)

Residential ratepayers	Average 2024/25 rate - Option 3	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 3	2024/25 weekly increase - Option 3
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$1,663	\$1,496518	\$217	\$4.17
Roseville - Chatswood West - Lane Cove North	\$1,234	\$1,111127	\$161	\$3.10
Naremburn - Willoughby (include North and East)	\$1,259	\$1,133149	\$164	\$3.16
Artarmon - St Leonards	\$1,113	\$1,001016	\$145	\$2.79
Chatswood	\$1,120128	\$1,008030	\$146147	\$2.8183
Willoughby City Council	\$1,248251	\$1,133142	\$163	\$3.1314

As with option 2, residential ratepayers in the higher land value area of ‘Castlecrag - Northbridge - Castle Cove - Middle Cove’ (average to increase to \$1,663, an increase of \$4.17 per week are expected to see a larger increase in average rates compared to the lower land value areas of ‘Artarmon - St Leonards’ (average to increase to \$1,113, an increase of \$2.79 per week) and ‘Chatswood (average to increase to \$1,120128, an increase of \$2.8183 per week).



Option 4

Table 20 Estimated 2024/25 average residential rates – Option 4 and Option 1 (Base case)

Residential ratepayers	Average 2024/25 rate - Option 4	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 4	2024/25 weekly increase - Option 4
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$1,735	\$1,496518	\$289	\$5.56
Roseville - Chatswood West - Lane Cove North	\$1,288	\$1,11127	\$215	\$4.13
Naremburn - Willoughby (include North and East)	\$1,313	\$1,133149	\$219	\$4.21
Artarmon - St Leonards	\$1,161	\$1,001016	\$194	\$3.72
Chatswood	\$1,169177	\$1,008030	\$195196	\$3.7577
Willoughby City Council	\$1,303305	\$1,123142	\$217218	\$4.1718

As with option 3, residential ratepayers in the higher land value area of ‘Castlecrag - Northbridge - Castle Cove - Middle Cove’ (average to increase to \$1,735, an increase of \$5.56 per week are expected to see a larger increase in average rates compared to the lower land value areas of ‘Artarmon - St Leonards’ (average to increase to \$1,161, an increase of \$3.72 per week) and ‘Chatswood (average to increase to \$1,169177, an increase of \$3.7577 per week).

Summary

‘Castlecrag - Northbridge - Castle Cove - Middle Cove’, Roseville - Chatswood West - Lane Cove North’ and ‘Naremburn - Willoughby (include North and East)’ residential ratepayers are likely to see a larger increase in rates. These areas have the highest levels of individual and household income within the LGA and the lowest levels of disadvantage. These groupings can therefore be considered to have a potential capacity to pay increased rates.

This compares to ‘Artarmon - St Leonards’ and Chatswood where ratepayers will see a lower increase in average rates, due to lower residential land values. They are the most disadvantaged grouping in the LGA, with the highest levels of disadvantage and 53% of resident ratepayers. It is therefore important for Council to consider the impact on individual ratepayers, such as through hardship policies.



Business – impact analysis by scenario

Option 2

Table 21 Estimated 2024/25 average business rates – Option 2 and Option 1 (Base case)

Business ratepayers	Average 2024/25 rate - Option 2	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 2	2024/25 weekly increase - Option 2
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$5,559	\$5,212	\$596	\$11.45
Roseville - Chatswood West - Lane Cove North	\$2,968	\$2,783	\$318	\$6.12
Naremburn - Willoughby (include North and East)	\$6,914	\$6,482	\$741	\$14.25
Artarmon - St Leonards	\$9,640	\$9,038	\$1,033	\$19.86
Chatswood	\$9,151	\$8,579	\$980	\$18.85
Willoughby City Council	\$8,260	\$7,744	\$885	\$17.02

Business ratepayers	Average 2024/25 rate - Option 2	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 2	2024/25 weekly increase - Option 2
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$5,559	\$5,137	\$596	\$11.45
Roseville - Chatswood West - Lane Cove North	\$4,206	\$3,886	\$451	\$8.67
Naremburn - Willoughby (include North and East)	\$6,914	\$6,389	\$741	\$14.25
Artarmon - St Leonards	\$9,640	\$8,909	\$1,033	\$19.86
Chatswood	\$7,687	\$7,104	\$824	\$15.84
Willoughby City Council	\$7,823	\$7,230	\$838	\$16.12

Table 21 sets out the average impact of applying SV option 2 compared with increasing rates by the normal annual rate peg increase (base case) for business ratepayers. When compared to other Group 3 Councils, refer table 25 below, the average business rate moves from a lower ranking to a middle ranking.

Across the Willoughby City Council LGA, business ratepayers would pay, on average, an additional ~~\$16.12~~ **\$17.02** per week for 2024/25 under option 2 compared to ~~\$4.70~~ **\$7.09** per week if there was no SV. The impact of increases in rates, however, will be unequal across the LGA due to the large variance in land values (as determined by the NSW Valuer General).

Chatswood which has the largest assessment proportion (1,410,434 or 4947%) will see an average increase to ~~\$79,687~~ **\$151**, or an increase of ~~\$185,854~~ per week for duration of SV period. The largest increase for the business category will be for ‘Artarmon - St Leonards’, an increase of \$19.86 per week. This compares to ‘Roseville - Chatswood West - Lane Cove North’ (average to increase to ~~\$24,968~~ **\$206**, an increase of ~~\$6,128~~ **\$67** per week) and ‘Castlecrag - Northbridge - Castle Cove - Middle Cove’ (average to increase to \$5,559, an increase of \$11.45 per week) which will see lower increases.



Option 3

Table 22 Estimated 2024/25 average business rates – Option 3 and Option 1 (Base case)

Business ratepayers	Average 2024/25 rate - Option 3	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 3	2024/25 weekly increase - Option 3
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$5,708	\$5,212	\$745	\$14.32
Roseville - Chatswood West - Lane Cove North	\$3,048	\$2,783	\$398	\$7.65
Naremburn - Willoughby (include North and East)	\$7,099	\$6,482	\$926	\$17.81
Artarmon - St Leonards	\$9,899	\$9,038	\$1,291	\$24.83
Chatswood	\$9,396	\$8,579	\$1,226	\$23.57
Willoughby City Council	\$8,481	\$7,744	\$1,106	\$21.27

Business ratepayers	Average 2024/25 rate - Option 3	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 3	2024/25 weekly increase - Option 3
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$5,708	\$5,137	\$745	\$14.32
Roseville - Chatswood West - Lane Cove North	\$4,318	\$3,886	\$563	\$10.83
Naremburn - Willoughby (include North and East)	\$7,099	\$6,389	\$926	\$17.81
Artarmon - St Leonards	\$9,899	\$8,909	\$1,291	\$24.83
Chatswood	\$7,893	\$7,104	\$1,030	\$19.80
Willoughby City Council	\$8,033	\$7,230	\$1,048	\$20.15

For SV option 3, across the Willoughby City Council LGA, business ratepayers would pay, on average, \$14,185.45 per week more than the base case (no SV), for the duration of the SV period. When compared to other Group 3 Councils, refer table 25 below, the average business rate for this option moves from a lower ranking to a middle ranking.

As with option 2, business ratepayers in the middle of the range land value area of ‘Naremburn - Willoughby (include North and East)’ (average to increase to \$7,099, an increase of \$17.81 per week) are expected to see lower increases in average rates compared to the higher land value area of ‘Artarmon - St Leonards’ (average to increase to \$9,899, an increase of \$24.83 per week for duration of SV period).

Option 4

Table 23 Estimated 2024/25 average business rates – Option 4 and Option 1 (Base case)

Business ratepayers	Average 2024/25 rate - Option 4	Average 2024/25 rate - Option 1	2024/25 annual increase - Option 4	2024/25 weekly increase - Option 4
Castlecrag - Northbridge - Castle Cove - Middle Cove	\$5,956	\$5,212	\$993	\$19.09



<u>Roseville - Chatswood West - Lane Cove North</u>	<u>\$3,180</u>	<u>\$2,783</u>	<u>\$530</u>	<u>\$10.19</u>
<u>Naremburn - Willoughby (include North and East)</u>	<u>\$7,408</u>	<u>\$6,482</u>	<u>\$1,235</u>	<u>\$23.74</u>
<u>Artarmon - St Leonards</u>	<u>\$10,329</u>	<u>\$9,038</u>	<u>\$1,722</u>	<u>\$33.11</u>
<u>Chatswood</u>	<u>\$9,804</u>	<u>\$8,579</u>	<u>\$1,634</u>	<u>\$31.42</u>
<u>Willoughby City Council</u>	<u>\$8,850</u>	<u>\$7,744</u>	<u>\$1,475</u>	<u>\$28.36</u>

Business ratepayers—comparison of average rates by end of SV period	Average 2024/25 rate—Option 4	Average 2024/25 rate—Option 1	2024/25 annual increase—Option 4	2024/25 weekly increase—Option 4
Castlecrag—Northbridge—Castle Cove—Middle Cove	\$5,956	\$5,137	\$993	\$19.09
Roseville—Chatswood West—Lane Cove North	\$4,506	\$3,886	\$751	\$14.44
Naremburn—Willoughby (include North and East)	\$7,408	\$6,389	\$1,235	\$23.74
Artarmon—St Leonards	\$10,329	\$8,909	\$1,722	\$33.11
Chatswood	\$8,236	\$7,104	\$1,373	\$26.40
Willoughby City Council	\$8,382	\$7,230	\$1,397	\$26.87

For SV option 4, across the Willoughby City Council LGA, business ratepayers would pay, on average, \$212,217 per week more than the base case (no SV), for the duration of the SV period. Again, when compared to other Group 3 Councils, refer table 25 below, the average business rate moves from a lower ranking to a middle ranking, slightly higher than Options 2 and 3.

As with option 3 and 2, business ratepayers in the middle of the range land value area of ‘Naremburn - Willoughby (include North and East)’ (average to increase to \$7,408, an increase of \$23.74 per week) are expected to see lower increases in average rates compared to the higher land value area of ‘Artarmon - St Leonards’ (average to increase to \$10,329, an increase of \$33.11 per week for duration of SV period).

Summary

In average, the business ratepayers across LGA will receive an increase between \$838,885 and \$1,475,397 depending on the SV option selected. From all the groupings, ‘Artarmon - St Leonards’ will receive the highest average increase in rates of between \$1,033 and \$1,722, but this grouping contains only 27.8% of the LGA’s business ratepayers. Further when compared to other group 3 Councils, for all three SV options, there are increases in the average business rates, moving the comparative ranking to the middle of group 3 Councils. As a result of the proposed increases, it is considered that for business ratepayers there is capacity to pay.



Other rating considerations

Table 24 Estimated 2024/25 rates for OLG Group 3 councils

Group 3 LGA	Est. average residential (\$)	Residential rank	Est. average business (\$)	Business rank
Bayside	1,239	11	5,083	13
Blacktown	1,197	13	11,497	2
Canada Bay	1,226	12	3,871	17
Canterbury-Bankstown	1,275	9	6,504	11
Cumberland	1,065	17	8,203	6
Fairfield	1,004	18	9,238	5
Georges River	1,308	8	3,123	18
Inner West	1,348	5	7,096	9
Ku-ring-gai	1,646	2	4,399	14
Liverpool	1,331	6	6,923	10
North Sydney	1,075	16	6,129	12
Northern Beaches	1,697	1	4,326	15
Parramatta	1,105	15	13,588	1
Randwick	1,630	3	10,690	4
Ryde	1,243	10	10,985	3
Sutherland	1,562	4	3,991	16
Waverley	1,313	7	7,486	8
Average for Group 3	1,300	-	7,271	-
Median for Group 3	1,259	-	7,010	-
Willoughby - Option 1	1,142	14	7,744	7
Willoughby - Option 2	1,218	13	8,260	6
Willoughby - Option 3	1,251	10	8,481	6
Willoughby - Option 4	1,305	9	8,850	6

Group 3 LGA	Est. average residential (\$)	Residential rank	Est. average business (\$)	Business rank
Bayside	1,223	11	5,019	13
Blacktown	1,157	13	11,110	2
Canada Bay	1,221	12	3,852	17
Canterbury-Bankstown	1,258	9	6,417	11
Cumberland	1,049	17	8,086	6
Fairfield	991	18	9,115	5



Georges River	1,292	8	3,085	18
Inner West	1,330	5	7,001	9
Ku-ring-gai	1,620	2	4,328	14
Liverpool City	1,312	6	6,824	10
North Sydney	1,060	16	6,041	12
Northern Beaches	1,674	1	4,268	15
Parramatta	1,088	15	13,381	1
Randwick	1,608	3	10,547	4
Ryde	1,224	10	10,818	3
Sutherland	1,543	4	3,941	16
Waverley	1,294	7	7,379	7
Average for Group 3	1,281	-	7,136	-
Median for Group 3	1,241	-	6,913	-
Willoughby - Option 1	1,123	14	7,230	8
Willoughby - Option 2	1,216	13	7,823	7
Willoughby - Option 3	1,248	10	8,033	7
Willoughby - Option 4	1,303	7	8,382	6

Table 24 shows estimated average rates for the 2024/25 financial year (calculated by forecasting OLG time series reported year for group 3 councils for 2021/22 and taking into consideration any published SV variations). These councils are similar in size to Willoughby and are used for comparison.



Within group 3, Willoughby’s average rates for residential sit below the average and median levels. For business, the average rates are slightly above the average for group 3 councils. When allowing for the any of the proposed SV options, dependent on SV scenario and excluding the other scenarios, Willoughby LGA’s average rates for:

- residential will be ~~above~~ below average for group 3 councils (~~only for~~ Option 4 - estimated to rank ~~9th~~ eventh)
- business will sit above the average (~~seventh~~ 7th or ~~sixth~~ 6th depending on the SV option).

Figure 5 Actual 2021/22 rates as a percentage of operating expenses for OLG Group 3 councils

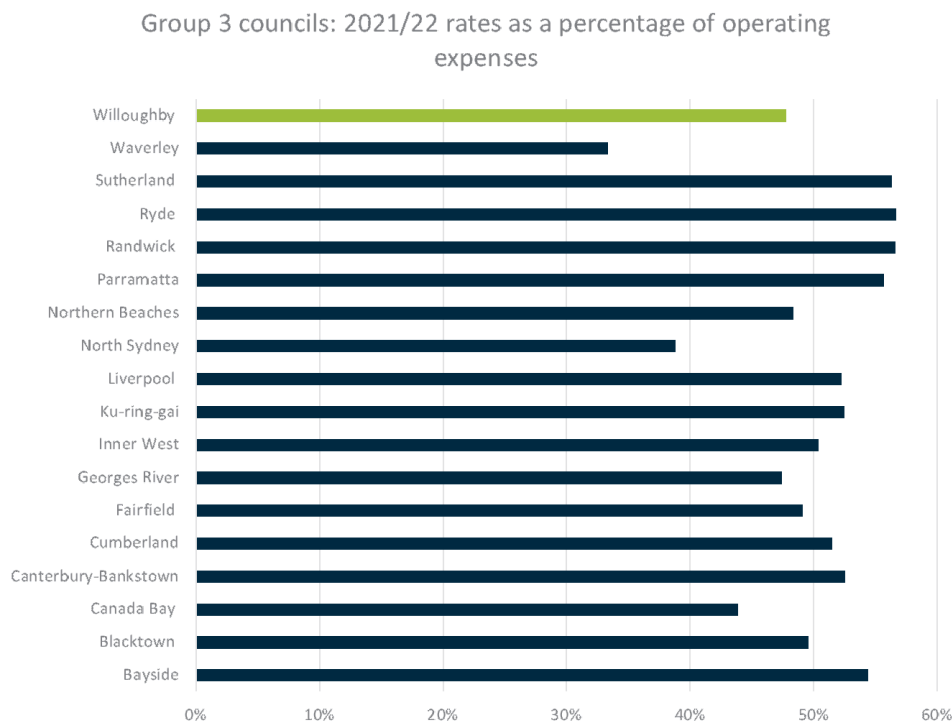


Figure 5 shows total council rates as a percentage of operating expenditure for group 3 councils. For the 2021/22 financial year, City of Ryde had the highest level of rates as a percentage of operating expenses (at 57%), and at the lower end was Waverly at 33%. The average for group 3 councils was 50%. Willoughby ranked 14th out of 18 councils, with rates income representing 48% of total operating expenditure in 2021/22.



Willingness to pay

Table 25 Actual outstanding rates and charges for OLG Group 3 councils

Rates and Annual Charges Outstanding (%)	2021/22	2020/21	2019/20
Bayside	7.4%	8.3%	7.0%
Blacktown	4.8%	5.1%	4.5%
Canada Bay	3.9%	4.4%	3.3%
Canterbury-Bankstown	6.2%	6.3%	5.5%
Cumberland	5.6%	6.4%	5.9%
Fairfield	4.5%	4.0%	3.9%
Georges River	4.3%	4.5%	4.3%
Inner West	7.9%	8.5%	5.1%
Ku-ring-gai	4.3%	3.6%	4.1%
Liverpool	6.8%	6.2%	5.8%
North Sydney	2.9%	2.8%	2.9%
Northern Beaches	3.6%	3.9%	4.1%
Parramatta	9.7%	8.6%	7.0%
Randwick	4.5%	3.8%	4.8%
Ryde	5.0%	4.6%	3.7%
Sutherland	4.4%	4.7%	4.7%
Waverley	4.8%	4.2%	5.1%
Willoughby	2.6%	2.2%	2.0%
Average OLG Group 3	5.2%	5.1%	4.7%

Table 25 shows outstanding rates and charges ratios over the past three reporting years for NSW group 3 councils. Willoughby's percentage for 2021/22 is 2.6%, lowest from all the Group 3 Councils. The NSW benchmark for city and coastal councils is 5%, and Willoughby has consistently been significantly below this percentage for the past three financial years – this is therefore an indicator of capacity and willingness to pay.

Table 26 Willoughby City Council outstanding rates and charges 2022/23 by ratepayer category

Ratepayer category	Category's percentage of outstanding rates
Residential ratepayers	2.8%
Business ratepayers	1.9%
Pensioner ratepayers	2.3%
All ratepayers	2.5%

Willoughby City Council has published its audited financial statement for the financial year 2022/23. This statement shows that 2.5% of Willoughby's rates and annual charges were outstanding by the end of the



2022/23 financial year. This figure is well below the OLG benchmark of 5% and a decrease the 2.59% percentage in 2021/22.¹⁰

A further analysis of this situation shows that business ratepayers and pensioner ratepayers had a level of outstanding rates which was below the overall Council 2.5% outstanding rates and annual charges percentage. This is indicative of a capacity to pay the rate increases among these two groups.

Conclusion

About the Willoughby LGA

Willoughby City Council is predominantly a residential area, but also has a substantial industrial and commercial areas. Major features of the City include the Chatswood CBD (including Chatswood Chase Shopping Centre, Westfield Chatswood Shopping Centre, Metro Chatswood and Chatswood Central), TAFE NSW Northern Sydney Institute (St Leonards Campus), Royal North Shore Hospital, North Shore Private Hospital, Castle Cove Golf Club, Chatswood Golf Club, Northbridge Golf Club, Willoughby Leisure Centre, Northbridge Baths and various parks and reserves

The LGA is characterised by a relatively high socioeconomic status, low unemployment rate, relatively low average residential rates and the lowest levels of rates outstanding in the OLG Group 3 (comprising larger metropolitan councils). All suburbs in the LGA have lower disadvantage levels, and greater advantage levels, compared to the Greater Sydney, NSW and Australian results.

Precinct analysis for residential ratepayers

The groupings of

- Castlecrag - Northbridge - Castle Cove - Middle Cove
- Roseville - Chatswood West - Lane Cove North; and
- Naremburn - Willoughby (include North and East)

have significant levels of advantage, as demonstrated by high levels of household income, high socio-economic scores and high levels of home ownership. These areas are ranking in top five advantage areas in Australia.

At the end of 2024/25, residential ratepayers in Castlecrag - Northbridge - Castle Cove - Middle Cove will be paying, depending on the SV option, between \$~~10123~~ and \$~~239217~~ per year more than they would have under the normal rate increases, while Roseville - Chatswood West - Lane Cove North and 'Naremburn - Willoughby (include North and East) areas between \$~~9175~~ and \$~~1681~~, therefore it is considered that there is capacity to pay.

The Artarmon - St Leonards and Chatswood areas have lower disadvantage levels, and higher advantage levels, than Greater Sydney, NSW and Australia¹¹, however do have a weaker score in these areas compared to the suburbs mentioned above. Residential ratepayers in these areas will be paying between \$~~8269~~ and \$~~161147~~ per year more than they would have under the normal rate increases. After noting that these areas:

¹⁰ See page 75 of Annual Financial Statements for the year ended 30 June 2023 at <https://www.willoughby.nsw.gov.au/Council/Public-notice/Annual-Financial-Statements-for-the-year-ended-30-06-2023>

¹¹ As scored on the Index of Relative Socio-Economic Disadvantage (IRSD) and Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD)



- Will be paying the lowest average residential rate increases in the LGA (due to lower property values).
- Have the highest proportion of renters who are not immediately affected by any increase.

it is considered these areas have capacity to pay the proposed increases (but less capacity than other parts of the LGA).

The application of an appropriate hardship policy remains an important consideration in the implementation of any rate increase, particularly in Artarmon - St Leonards and Chatswood.

Business rates

In average, the business ratepayers across the LGA will receive an increase between \$885 and \$1,475 ~~between \$838 and \$1,397~~ depending on the SV option selected. From all the groupings, Artarmon - St Leonards will receive the highest average increase in rates of between \$1,033 and \$1,722, but this grouping contains only 27.8% of the LGA's business ratepayers.

Before the proposed rate increases, Willoughby had the 8th-7th highest average business rate out of the 18 OLG Group councils. Even with the largest increase, Willoughby will move just two one spots to the 6th highest. In addition, an analysis of Willoughby's outstanding rates percentages in 2022/23 shows that businesses had a proportion of outstanding rates which was below the overall LGA-wide percentage. Given this, it is considered that for business ratepayers there is capacity to pay.

Rate rise choice

Council is considering three one-off special variation options in 2024/25 (which will be built into the rate base in future years) in addition to not applying an SV (Base case or Option 1 – reduce services). The three proposed special variations increases are: 12% for Option 2 (maintain services), 15% for Option 3 (increase services) and 20% for Option 4 (increase services and infrastructure). While Option 2 has the least impact on the ratepayers and therefore an enhanced capacity to pay when compared to the other options, Council will also need to consider the community feedback and a wide range of other factors in making its final decision on its preferred SV option.

CUSTOMER & CORPORATE DIRECTORATE**12.2 OUTCOME OF PUBLIC EXHIBITION OF DRAFT CODE OF MEETING PRACTICE**

ATTACHMENTS:	1. IMPLICATIONS 2. DRAFT CODE OF MEETING PRACTICE 2023 3. SUMMARY OF COMMUNITY ENGAGEMENT
RESPONSIBLE OFFICER:	MAXINE KENYON – CUSTOMER & CORPORATE DIRECTOR
AUTHOR:	SAMANTHA CONNOR – GOVERNANCE, RISK & COMPLIANCE MANAGER
CITY STRATEGY OUTCOME:	5.1 – BE HONEST, TRANSPARENT AND ACCOUNTABLE IN ALL THAT WE DO
MEETING DATE:	30 JANUARY 2024

1. PURPOSE OF REPORT

To report on submissions received in response to the public exhibition and to seek adoption of the *Code of Meeting Practice (January 2024)*.

2. OFFICER'S RECOMMENDATION

That Council:

- 1. Adopt the *Willoughby City Council Code of Meeting Practice (January 2024)*.**
- 2. Revoke the *Willoughby City Council Code of Meeting Practice (June 2022)*.**
- 3. Authorise the Chief Executive Officer to make any necessary amendments which do not alter the intent or result in material changes and execute all necessary documentation to give effect to this resolution.**

3. BACKGROUND

The Willoughby City Council Code of Meeting Practice is made under section 360 of the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2005* (the Regulation). This Code applies to all meetings of council and committees of councils of which all the members are Councillors.

Council, at its meeting held on the 11 December 2023 resolved to place on public exhibition, the *Willoughby City Council Draft Code of Meeting Practice (December 2023)* for a period of 28 days and that a further report be brought to Council after a 42 day consultation period addressing matters raised in the submissions received.

4. DISCUSSION

Recommended changes to the Code of Meeting Practice were identified to address feedback received from Councillors on earlier publication of the meeting agendas to provide more time for reading and consideration by both Councillors and the community. Changes to two key elements of the Code of Meeting Practice were required to meet this request: the notification and distribution of the agenda (clause 3.6) and the timeline for receipt of Notice of Motions (clause 3.9).

The Draft Code was placed on public exhibition from 14 December 2023 to 10 January 2024, by way of an advertisement on Council's website, Have Your Say web page and via electronic direct mail to Council's engagement database. Submissions were open for a period of 42 days closing on 23 January 2024. No submissions were received.

The Policy will replace the former adopted *Code of Meeting Practice (June 2022)* and provide earlier publication of the meeting agendas to provide more time for reading and consideration by both Councillors and the community.

The Office of Local Government's *Model Code of Meeting Practice (Model Code)* for Council's and Section 360 of the *Local Government Act 1993* sets a minimum requirement to notify Councillors of an ordinary Council meeting at least three days prior to the meeting (clause 3.6).

The Model Code also requires that councils set the number of days prior to a council meeting, for the submission of Notices of Motion (clause 3.9).

These two elements of the Code of Meeting Practice are intrinsically linked. The timing of the receipt of Notice of Motions is linked to staff having sufficient time to respond and include the response in the corresponding Council agenda, rather than deferring a Notice of Motion or placing time pressure on the distribution of the agenda papers.

These two changes to the Code of Meeting Practice as outlined in the December 2023 Council report are in line with the requirements of OLG's Model Code of Meeting Practice:

1. Amend Clause 3.6 from distribution of the agenda papers from three to thirteen days. The revised amendment to read:

"The Chief Executive Officer must send to each Councillor, at least thirteen days before each meeting of the Council, a notice specifying the time, date and place at which the meeting is to be held, and the business proposed to be considered at the meeting."

2. Amend Clause 3.9 from submission of Notice of Motions from five to 19 days, increasing the time between submission of NOMs and agenda publication to at least three business days. The revised amendment to read:

"A Councillor may give notice of any business they wish to be considered by the Council at its next ordinary meeting by way of a notice of motion. To be included on the agenda of the meeting, the notice of motion must be in writing and must be submitted by noon nineteen days before the meeting."

The Draft Code acknowledges Council's commitment to making informed decisions and maximising opportunities for the community to participate and engage in decision making, which will be enhanced by the adoption of the proposed changes to the Code of Meeting Practice.

Feedback from consultation with Councillors during a Councillor briefing on 16 October 2023 was considered during the amendment of the Draft Code of Meeting Practice (December 2023).

No submissions were received during the consultation period. There were 18 visits to the Have Your Say webpage and one download of the *Draft Code of Meeting Practice (December 2023)*. Therefore, no feedback was received that opposes the *Draft Code of Meeting Practice (December 2023)*. An Engagement Summary is provided at **Attachment 3**.

5. CONCLUSION

Council is required to adopt a *Code of Meeting Practice* that incorporates the mandatory provisions of the OLG'S *Model Code of Meeting Practice*. The amended *Draft Code of Meeting Practice (December 2023)* complies with the mandatory provisions of the Model Code. No submissions were received through the public exhibition. It is recommended that Council adopt the *Willoughby City Council Code of Meeting Practice (January 2024)*, as attached. The Policy will take effect once it is adopted by Council.

ATTACHMENT 1

IMPLICATIONS	COMMENT
City Strategy Outcome	5.1 – Be honest, transparent and accountable in all that we do. 5.5 – Make it easy for citizens to engage and participate in decision making.
Business Plan Objectives, Outcomes / Services	To support corporate governance processes.
Policy	Revision to the <i>Code of Meeting Practice</i> is the subject of this report.
Consultation	In line with Section 363 of the <i>Local Government Act 1993</i> Council exhibited the amended Draft <i>Code of Meeting Practice</i> for 28 days and allowed submissions for up to 42 days.
Resource	There are no resource implications applicable to this report.
Risk	The earlier publication of Council meeting agendas may reduce the currency of information, however this can be mitigated through updates being provided to Council if required.
Legal	The Draft <i>Code of Meeting Practice</i> is being put to Council for adoption following the required period of public exhibition, in order to meet legislative requirements under the <i>Local Government Act 1993</i> .
Legislation	The Code of Meeting Practice is made under the provisions of Section 360 of the <i>Local Government Act 1993</i> and the <i>Local Government (General) Regulation 2005</i> .
Budget/Financial	There is no financial impact.

Attachment 2



Code of Meeting Practice

January 2024

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1. Introduction



INTRODUCTION

The *Willoughby City Council Code of Meeting Practice* is made under section 360 of the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2021* (the Regulation).

This code applies to all meetings of Council and committees of Councils of which all the members are Councillors (committees of Council). Council committees whose members include persons other than Councillors may adopt their own rules for meetings unless the Council determines otherwise.

The draft *Willoughby City Council Code of Meeting Practice* incorporates the mandatory provisions of the *Model Meeting Code*, as required in NSW.

The draft Code also incorporates some of the current Code's non-mandatory provisions of the *Model Meeting Code* and other supplementary provisions.

The code of meeting practice does not contain provisions that are inconsistent with the mandatory provisions of the *Model Meeting Code*.

The Council and a committee of the Council of which all the members are Councillors must conduct its meetings in accordance with the code of meeting practice.

2. Meeting Principles



MEETING PRINCIPLES

2.1 Council and committee meetings should be:

Transparent:	Decisions are made in a way that is open and accountable.
Informed:	Decisions are made based on relevant, quality information.
Inclusive:	Decisions respect the diverse needs and interests of the local community.
Principled:	Decisions are informed by the principles prescribed under Chapter 3 of the Act.
Trusted:	The community has confidence that Councillors and staff act ethically and make decisions in the interests of the whole community.
Respectful:	Councillors, staff and meeting attendees treat each other with respect.
Effective:	Meetings are well organised, effectively run and skillfully chaired.
Orderly:	Councillors, staff and meeting attendees behave in a way that contributes to the orderly conduct of the meeting.

3. Before the Meeting



BEFORE THE MEETING**Timing of ordinary Council meetings**

- 3.1 Ordinary meetings of the Council will be held in the Council Chambers or virtually (online) or a combination of both, on the fourth Monday of the month at 7:00 pm, except when Council is in recess, or as otherwise resolved by Council. The Council shall, by resolution, set the frequency, time, date and place of its ordinary meetings.

Extraordinary meetings

- 3.2 If the Mayor receives a request in writing, signed by at least two Councillors, the Mayor must call an extraordinary meeting of the Council to be held as soon as practicable, but in any event, no more than 14 days after receipt of the request. The Mayor can be one of the two Councillors requesting the meeting.

Notice to the public of Council meetings

- 3.3 The Council must give notice to the public of the time, date and place of each of its meetings, including extraordinary meetings and of each meeting of committees of the Council.
- 3.4 For the purposes of clause 3.3, notice of a meeting of the Council and of a committee of Council is to be published before the meeting takes place. The notice must be published on the Council's website, and in such other manner that the Council is satisfied is likely to bring notice of the meeting to the attention of as many people as possible.
- 3.5 For the purposes of clause 3.3, notice of more than one meeting may be given in the same notice.

Notice to Councillors of ordinary Council meetings

- 3.6 The Chief Executive Officer must send to each Councillor, at least thirteen days before each meeting of the Council, a notice specifying the time, date and place at which the meeting is to be held, and the business proposed to be considered at the meeting.
- 3.7 The notice and the agenda for, and the business papers relating to, the meeting may be given to Councillors in electronic form, but only if all Councillors have facilities to access the notice, agenda and business papers in that form.

Notice to Councillors of extraordinary meetings

- 3.8 Notice of less than three days may be given to Councillors of a meeting of the Council in cases of emergency.

BEFORE THE MEETING**Giving notice of business to be considered at Council meetings**

- 3.9 A Councillor may give notice of any business they wish to be considered by the Council at its next ordinary meeting by way of a notice of motion. To be included on the agenda of the meeting, the notice of motion must be in writing and must be submitted by noon nineteen business days before the meeting.
- 3.10 A Councillor may, in writing to the Chief Executive Officer, request the withdrawal of a notice of motion submitted by them prior to its inclusion in the agenda and business paper for the meeting at which it is to be considered.
- 3.11 If the Chief Executive Officer considers that a notice of motion submitted by a Councillor for consideration at an ordinary meeting of the Council has legal, strategic, financial or policy implications which should be taken into consideration by the meeting, the Chief Executive Officer may prepare a report in relation to the notice of motion for inclusion with the business papers for the meeting at which the notice of motion is to be considered by the Council.
- 3.12 A notice of motion for the expenditure of funds on works and/or services other than those already provided for in the Council's current adopted operational plan must identify the source of funding for the expenditure that is the subject of the notice of motion. If the notice of motion does not identify a funding source, the Chief Executive Officer must either:
- (a) prepare a report on the availability of funds for implementing the motion if adopted for inclusion in the business papers for the meeting at which the notice of motion is to be considered by the Council, or
 - (b) by written notice sent to all Councillors with the business papers for the meeting for which the notice of motion has been submitted, defer consideration of the matter by the Council to such a date specified in the notice no later than six weeks, pending the preparation of such a report.

Questions with notice

- 3.13 A Councillor may, by way of a notice submitted under clause 3.9, ask a question for response by the Chief Executive Officer about the performance or operations of the Council.
- 3.14 A Councillor is not permitted to ask a question with notice under clause 3.13 that comprises a complaint against the Chief Executive Officer or a member of staff of the Council, or a question that implies wrongdoing by the Chief Executive Officer or a member of staff of the Council.
- 3.15 The Chief Executive Officer or their nominee may respond to a question with notice submitted under clause 3.13 by way of a report included in the business papers for the relevant meeting of the Council or orally at the meeting.

BEFORE THE MEETING**Agenda and business papers for ordinary meetings**

- 3.16 The Chief Executive Officer must cause the agenda for a meeting of the Council or a committee of the Council to be prepared as soon as practicable before the meeting.
- 3.17 The Chief Executive Officer must ensure that the agenda for an ordinary meeting of the Council states:
- (a) all matters to be dealt with arising out of the proceedings of previous meetings of the Council, and
 - (b) if the Mayor is the chairperson – any matter or topic that the chairperson proposes, at the time when the agenda is prepared, to put to the meeting, and
 - (c) all matters, including matters that are the subject of staff reports and reports of committees, to be considered at the meeting, and
 - (d) any business of which due notice has been given under clause 3.9.
- 3.18 Nothing in clause 3.17 limits the powers of the Mayor to put a Mayoral minute to a meeting under clause 9.6.
- 3.19 The Chief Executive Officer must not include in the agenda for a meeting of the Council any business of which due notice has been given if, in the opinion of the Chief Executive Officer, the business is, or the implementation of the business would be, unlawful. The Chief Executive Officer must report, without giving details of the item of business, any such exclusion to the next meeting of the Council.
- 3.20 Where the agenda includes the receipt of information or discussion of other matters that, in the opinion of the Chief Executive Officer, is likely to take place when the meeting is closed to the public, the Chief Executive Officer must ensure that the agenda of the meeting:
- (a) identifies the relevant item of business and indicates that it is of such a nature (without disclosing details of the information to be considered when the meeting is closed to the public), and
 - (b) states the grounds under section 10A(2) of the Act relevant to the item of business.
- 3.21 The Chief Executive Officer must ensure that the details of any item of business which, in the opinion of the Chief Executive Officer, is likely to be considered when the meeting is closed to the public, are included in a business paper provided to Councillors for the meeting concerned. Such details must not be included in the business papers made available to the public, and must not be disclosed by a Councillor or by any other person to another person who is not authorised to have that information.

BEFORE THE MEETING**Statement of ethical obligations**

- 3.22 Business papers for all ordinary and extraordinary meetings of the Council and committees of the Council must contain a statement reminding Councillors of their oath or affirmation of office made under section 233A of the Act and their obligations under the Council's code of conduct to disclose and appropriately manage conflicts of interest.

Availability of the agenda and business papers to the public

- 3.23 Copies of the agenda and the associated business papers, such as correspondence and reports for meetings of the Council and committees of Council, are to be published on the Council's website, and must be made available to the public for inspection, or for taking away by any person free of charge at the offices of the Council, at the relevant meeting and at such other venues determined by the Council.
- 3.24 Clause 3.23 does not apply to the business papers for items of business that the Chief Executive Officer has identified under clause 3.20 as being likely to be considered when the meeting is closed to the public.
- 3.25 For the purposes of clause 3.23, copies of agendas and business papers must be published on the Council's website and made available to the public at a time that is as close as possible to the time they are available to Councillors.
- 3.26 A copy of an agenda, or of an associated business paper made available under clause 3.23, may in addition be given or made available in electronic form.

Agenda and business papers for extraordinary meetings

- 3.27 The Chief Executive Officer must ensure that the agenda for an extraordinary meeting of the Council deals only with the matters stated in the notice of the meeting.
- 3.28 Despite clause 3.26, business may be considered at an extraordinary meeting of the Council, even though due notice of the business has not been given, if:
- (a) a motion is passed to have the business considered at the meeting, and
 - (b) the business to be considered is ruled by the chairperson to be of great urgency on the grounds that it requires a decision by the Council before the next scheduled ordinary meeting of the Council.
- 3.29 A motion moved under clause 3.28(a) can be moved without notice but only after the business notified in the agenda for the extraordinary meeting has been dealt with.
- 3.30 Despite clauses 10.20–10.30, only the mover of a motion moved under clause 3.28(a) can speak to the motion before it is put.
- 3.31 A motion of dissent cannot be moved against a ruling of the chairperson under clause 3.28(b) on whether a matter is of great urgency.

BEFORE THE MEETING**Pre-meeting briefing sessions**

- 3.32 Prior to each ordinary meeting of the Council, the Chief Executive Officer may arrange a pre-meeting briefing session to brief Councillors on business to be considered at the meeting or a future meeting and any other matters.
- 3.33 Pre-meeting briefing sessions are to be held in the absence of the public.
- 3.34 Pre-meeting briefing sessions may be held by audio-visual link.
- 3.35 The Chief Executive Officer or a member of staff nominated by the Chief Executive Officer is to preside at pre-meeting briefing sessions.
- 3.36 Councillors must not use pre-meeting briefing sessions to debate or make preliminary decisions on items of business they are being briefed on, and any debate and decision-making must be left to the formal Council or committee meeting at which the item of business is to be considered.
- 3.37 Councillors (including the Mayor) must declare and manage any conflicts of interest they may have in relation to any item of business that is the subject of a briefing at a pre-meeting briefing session, in the same way that they are required to do so at a Council or committee meeting. The Council is to maintain a written record of all conflict of interest declarations made at pre-meeting briefing sessions and how the conflict of interest was managed by the Councillor who made the declaration.

4. Public Forums



PUBLIC FORUMS**Public forum: matters on the agenda**

- 4.1 The Council may hold a public forum prior to each ordinary meeting of the Council for the purpose of hearing oral submissions from members of the public on items of business to be considered at the meeting. Public forums may also be held prior to extraordinary Council meetings and meetings of committees of the Council.
- 4.2 Public forums may be held by audio-visual link if endorsed by the Mayor and Chief Executive Officer.
- 4.3 Public forums are to be chaired by the Mayor or their nominee.
- 4.4 To speak at a public forum, a person must first make an application to the Council in the approved form. Applications to speak at the public forum must be received by noon on the business day prior to the meeting on which the public forum is to be held, and must identify the item of business on the agenda of the Council meeting the person wishes to speak on, and whether they wish to speak 'for' or 'against' the item.
- 4.5 A person may apply to speak on no more than three items of business on the agenda of the Council meeting. An address for additional items of business can be granted with the concurrence of Council.
- 4.6 Legal representatives acting on behalf of others are not to be permitted to speak at a public forum unless they identify their status as a legal representative when applying to speak at the public forum.
- 4.7 The Chief Executive Officer or their delegate may refuse an application to speak at a public forum. The Chief Executive Officer or their delegate must give reasons in writing for a decision to refuse an application.
- 4.8 No more than two speakers are to be permitted to speak 'for' or 'against' each item of business on the agenda for the Council meeting.
- 4.9 If more than the permitted number of speakers apply to speak 'for' or 'against' any item of business, the Chief Executive Officer or their delegate may request the speakers to nominate from among themselves the persons who are to address the Council on the item of business. If the speakers are not able to agree on whom to nominate to address the Council, the Chief Executive Officer or their delegate is to determine who will address the Council at the public forum.
- 4.10 If more than the permitted number of speakers apply to speak 'for' or 'against' any item of business, the Chief Executive Officer or their delegate may, in consultation with the Mayor or the Mayor's nominated chairperson, increase the number of speakers permitted to speak on an item of business, where they are satisfied that it is necessary to do so to allow the Council to hear a fuller range of views on the relevant item of business.

PUBLIC FORUMS

- 4.11 Approved speakers at the public forum are to register with the Council any written, visual or audio material to be presented in support of their address to the Council at the public forum, and to identify any equipment needs no later than noon on the business day prior to the meeting. The Chief Executive Officer or their delegate may refuse to allow such material to be presented.
- 4.12 The Chief Executive Officer or their delegate is to determine the order of speakers at the public forum.
- 4.13 Each speaker will be allowed three minutes to address the Council. This time is to be strictly enforced by the chairperson.
- 4.14 Speakers at public forums must not digress from the item on the agenda of the Council meeting they have applied to address the Council on. If a speaker digresses to irrelevant matters, the chairperson is to direct the speaker not to do so. If a speaker fails to observe a direction from the chairperson, the speaker will not be further heard.
- 4.15 A Councillor (including the chairperson) may, through the chairperson, ask questions of a speaker following their address at a public forum. Questions put to a speaker must be direct, succinct and without argument.
- 4.16 Speakers are under no obligation to answer a question put under clause 4.12. Answers by the speaker, to each question are to be limited to two minutes.
- 4.17 Speakers at public forums cannot ask questions of the Council, Councillors or Council staff.
- 4.18 The Chief Executive Officer or their nominee may, with the concurrence of the chairperson, address the Council for up to three minutes in response to an address to the Council at a public forum after the address and any subsequent questions and answers have been finalised.
- 4.19 Where an address made at a public forum raises matters that require further consideration by Council staff, the Chief Executive Officer may recommend that the Council defer consideration of the matter pending the preparation of a further report on the matters.
- 4.20 When addressing the Council, speakers at public forums must comply with this code and all other relevant Council codes, policies and procedures. Speakers must refrain from engaging in disorderly conduct, publicly alleging breaches of the Council's code of conduct or making other potentially defamatory statements.
- 4.21 If the chairperson considers that a speaker at a public forum has engaged in conduct of the type referred to in clause 4.16, the chairperson may request the person to refrain from the inappropriate behaviour and to withdraw and unreservedly apologise for any inappropriate comments. Where the speaker fails to comply with the chairperson's request, the chairperson may immediately require the person to stop speaking.
- 4.22 Clause 4.21 does not limit the ability of the chairperson to deal with disorderly conduct by speakers at public forums in accordance with the provisions of Part 15 of this code.

PUBLIC FORUMS

- 4.23 Where a speaker engages in conduct of the type referred to in clause 4.20, the Chief Executive Officer or their delegate may refuse further applications from that person to speak at public forums for such a period as the Chief Executive Officer or their delegate considers appropriate.
- 4.24 Councillors (including the Mayor) must declare and manage any conflicts of interest they may have in relation to any item of business that is the subject of an address at a public forum, in the same way that they are required to do so at a Council or committee meeting. The Council is to maintain a written record of all conflict of interest declarations made at public forums and how the conflict of interest was managed by the Councillor who made the declaration.

Open forum: matters not on the agenda

- 4.21 The Council may hold an open forum either prior to or as part of the order each ordinary meeting of the Council for the purpose of hearing oral submissions from members of the public on items not on the agenda for the meeting.
- 4.22 Open forums are to be chaired by the Mayor or their nominee.
- 4.23 To speak at an open forum, a person must first make an application to the Council in writing. Applications to speak at the open forum must be received by noon on the date of the meeting on which the open forum is to be held, and must identify the topic the person wishes to speak on.
- 4.24 The Chief Executive Officer or their delegate is to determine the order of speakers at the open forum.
- 4.25 Each speaker will be allowed three minutes to address the Council. This time is to be strictly enforced by the chairperson.
- 4.26 A Councillor (including the chairperson) may not ask questions of a speaker following their address at an open forum.
- 4.27 Speakers at open forums cannot ask questions of Councillors or Council staff.
- 4.28 Speakers at open forums must comply with this code and all other relevant Council codes, policies and procedures. Refer to clauses 4.1 – 4.20 for further details.

5. Coming Together



COMING TOGETHER**Attendance by Councillors at meetings**

- 5.1 All Councillors must make reasonable efforts to attend meetings of the Council and of committees of the Council of which they are members.
- 5.2 A Councillor cannot participate in a meeting of the Council or of a committee of the Council unless personally present at the meeting unless permitted to attend the meeting by audio-visual link under this code.
- 5.3 Where a Councillor is unable to attend one or more ordinary meetings of the Council, the Councillor should request that the Council grant them a leave of absence from those meetings. This clause does not prevent a Councillor from making an apology if they are unable to attend a meeting. However the acceptance of such an apology does not constitute the granting of a leave of absence for the purposes of this code and the Act.
- 5.4 A Councillor's request for leave of absence from Council meetings should, if practicable, identify (by date) the meetings from which the Councillor intends to be absent and the grounds upon which the leave of absence is being sought.
- 5.5 The Council must act reasonably when considering whether to grant a Councillor's request for a leave of absence.
- 5.6 A Councillor's civic office will become vacant if the Councillor is absent from three consecutive ordinary meetings of the Council without prior leave of the Council, or leave granted by the Council at any of the meetings concerned, unless the holder is absent because they have been suspended from office under the Act, or because the Council has been suspended under the Act, or as a consequence of a compliance order under section 438HA.
- 5.7 A Councillor who intends to attend a meeting of the Council despite having been granted a leave of absence should, if practicable, give the Chief Executive Officer at least two days' notice of their intention to attend.
- 5.8 A breach of the code of conduct will be deemed to have occurred if a Councillor or Councillors willfully retire from a Council meeting with the intent of the Council losing its quorum or intentionally withhold a quorum by not attending.

COMING TOGETHER**The quorum for a meeting**

- 5.9 The quorum for a meeting of the Council is a majority of the Councillors of the Council who hold office at that time and are not suspended from office.
- 5.10 Clause 5.9 does not apply if the quorum is required to be determined in accordance with directions of the Minister in a performance improvement order issued in respect of the Council.
- 5.11 A meeting of the Council must be adjourned if a quorum is not present:
- (a) at the commencement of the meeting where the number of apologies received for the meeting indicates that there will not be a quorum for the meeting, or
 - (b) within half an hour after the time designated for the holding of the meeting, or
 - (c) at any time during the meeting.
- 5.12 In either case, the meeting must be adjourned to a time, date and place fixed:
- (a) by the chairperson, or
 - (b) in the chairperson's absence, by the majority of the Councillors present, or
 - (c) failing that, by the Chief Executive Officer.
- 5.13 The Chief Executive Officer must record in the Council's minutes the circumstances relating to the absence of a quorum (including the reasons for the absence of a quorum) at or arising during a meeting of the Council, together with the names of the Councillors present.
- 5.14 Where, prior to the commencement of a meeting, it becomes apparent that a quorum may not be present at the meeting, or that the health, safety or welfare of Councillors, Council staff and members of the public may be put at risk by attending the meeting because of a natural disaster, or a public health emergency, the Mayor may, in consultation with the Chief Executive Officer and, as far as is practicable, with each Councillor, cancel the meeting. Where a meeting is cancelled, notice of the cancellation must be published on the Council's website and in such other manner that the Council is satisfied is likely to bring notice of the cancellation to the attention of as many people as possible.
- 5.15 Where a meeting is cancelled under clause 5.14, the business to be considered at the meeting may instead be considered, where practicable, at the next ordinary meeting of the Council or at an extraordinary meeting called under clause 3.2.

COMING TOGETHER**Entitlement of the public to attend Council Meetings**

- 5.16 Everyone is entitled to attend a meeting of the Council and committees of the Council. The Council must ensure that all meetings of the Council and committees of the Council are open to the public.
- 5.17 Clause 5.16 does not apply to parts of meetings that have been closed to the public under section 10A of the Act.
- 5.18 A person (whether a Councillor or another person) is not entitled to be present at a meeting of the Council or a committee of the Council if expelled from the meeting:
- (a) by a resolution of the meeting, or
 - (b) by the person presiding at the meeting if the Council has, by resolution, authorised the person presiding to exercise the power of expulsion.

Webcasting of meetings

- 5.19 Each meeting of the Council or a committee of the Council is to be recorded by means of an audio or audiovisual device.
- 5.20 At the start of each meeting of the Council or a committee of the Council, the chairperson must inform the persons attending the meeting that:
- (a) the meeting is being recorded and made publicly available on the Council's website, and
 - (b) persons attending the meeting should refrain from making any defamatory statements.
- 5.21 The recording of a meeting is to be made publicly available on the Council's website:
- (a) at the same time as the meeting is taking place, or
 - (b) as soon as practicable after the meeting.
- 5.22 The recording of a meeting is to be made publicly available on the Council's website for at least 12 months after the meeting.
- 5.23 Clauses 5.21 and 5.22 do not apply to any part of a meeting that has been closed to the public in accordance with section
- 5.24 Recordings of meetings may be disposed of in accordance with the State Records Act 1998.

COMING TOGETHER**Attendance of the Chief Executive Officer and other staff at meetings**

- 5.25 The Chief Executive Officer is entitled to attend, but not to vote at, a meeting of the Council or a meeting of a committee of the Council of which all of the members are Councillors.
- 5.26 The Chief Executive Officer is entitled to attend a meeting of any other committee of the Council and may, if a member of the committee, exercise a vote.
- 5.27 The Chief Executive Officer may be excluded from a meeting of the Council or a committee while the Council or committee deals with a matter relating to the standard of performance of the Chief Executive Officer or the terms of employment of the Chief Executive Officer.
- 5.28 The attendance of other Council staff at a meeting, (other than as members of the public) shall be with the approval of the Chief Executive Officer.
- 5.29 The Chief Executive Officer and other Council staff may attend meetings of the Council and committees of the Council by audio-visual-link. Attendance by Council staff at meetings by audio-visual link (other than as members of the public) shall be with the approval of the Chief Executive Officer.

Meetings held by audio-visual link

- 5.30 A meeting of the Council or a committee of the Council may be held by audio-visual link where the Mayor determines that the meeting should be held by audio-visual link because of a natural disaster or a public health emergency. The Mayor may only make a determination under this clause where they are satisfied that attendance at the meeting may put the health and safety of Councillors and staff at risk. The Mayor must make a determination under this clause in consultation with the Chief Executive Officer and, as far as is practicable, with each Councillor.
- 5.31 Where the Mayor determines under clause 5.16 that a meeting is to be held by audio-visual link, the Chief Executive Officer must:
- (a) give written notice to all Councillors that the meeting is to be held by audio-visual link, and
 - (b) take all reasonable steps to ensure that all Councillors can participate in the meeting by audio-visual link, and
 - (c) cause a notice to be published on the Council's website and in such other manner the Chief Executive Officer is satisfied will bring it to the attention of as many people as possible, advising that the meeting is to be held by audio-visual link and providing information about where members of the public may view the meeting.
- 5.32 This code applies to a meeting held by audio-visual link under clause 5.30 in the same way it would if the meeting was held in person.

COMING TOGETHER**Attendance by Councillors at meetings by audio-visual link**

- 5.33 Councillors may attend and participate in meetings of the Council and committees of the Council by audio-visual link with the approval of the Council or the relevant committee.
- 5.34 A request by a Councillor for approval to attend a meeting by audio-visual link must be made in writing to the Chief Executive Officer prior to the meeting in question and must provide reasons why the Councillor will be prevented from attending the meeting in person.
- 5.35 Councillors may request approval to attend more than one meeting by audio-visual link. Where a Councillor requests approval to attend more than one meeting by audio-visual link, the request must specify the meetings the request relates to in addition to the information required under clause 5.34.
- 5.36 The Council must comply with the Health Privacy Principles prescribed under the Health Records and Information Privacy Act 2002 when collecting, holding, using and disclosing health information in connection with a request by a Councillor to attend a meeting by audio-visual link.
- 5.37 A Councillor who has requested approval to attend a meeting of the Council or a committee of the Council by audio-visual link may participate in the meeting by audio-visual link until the Council or committee determines whether to approve their request and is to be taken as present at the meeting. The Councillor may participate in a decision in relation to their request to attend the meeting by audio-visual link.
- 5.38 A decision whether to approve a request by a Councillor to attend a meeting of the Council or a committee of the Council by audio-visual link must be made by a resolution of the Council or the committee concerned. The resolution must state:
- (a) the meetings the resolution applies to, and
 - (b) the reason why the Councillor is being permitted to attend the meetings by audio-visual link where it is on grounds other than illness, disability, or caring responsibilities.
- 5.39 If the Council or committee refuses a Councillor's request to attend a meeting by audio-visual link, their link to the meeting is to be terminated.
- 5.40 A decision whether to approve a Councillor's request to attend a meeting by audio-visual link is at the Council's or the relevant committee's discretion. The Council and committees of the Council must act reasonably when considering requests by Councillors to attend meetings by audio-visual link. However, the Council and committees of the Council are under no obligation to approve a Councillor's request to attend a meeting by audio-visual link where the technical capacity does not exist to allow the Councillor to attend the meeting by these means.
- 5.41 The Council and committees of the Council may refuse a Councillor's request to attend a meeting by audio-visual link where the Council or committee is satisfied that the Councillor has failed to appropriately declare and manage conflicts of interest, observe confidentiality or to comply with this code on one or more previous occasions they have attended a meeting of the Council or a committee of the Council by audio-visual link.

COMING TOGETHER

- 5.42 This code applies to a Councillor attending a meeting by audio-visual link in the same way it would if the Councillor was attending the meeting in person. Where a Councillor is permitted to attend a meeting by audio-visual link under this code, they are to be taken as attending the meeting in person for the purposes of the code and will have the same voting rights as if they were attending the meeting in person.

6. The Chairperson



THE CHAIRPERSON**The chairperson at meetings**

- 6.1 The Mayor, or at the request of or in the absence of the Mayor, the deputy Mayor (if any) presides at meetings of the Council.
- 6.2 If the Mayor and the deputy Mayor (if any) are absent, a Councillor elected to chair the meeting by the Councillors present presides at a meeting of the Council.

Election of the chairperson in the absence of the Mayor and deputy Mayor

- 6.3 If no chairperson is present at a meeting of the Council at the time designated for the holding of the meeting, the first business of the meeting must be the election of a chairperson to preside at the meeting.
- 6.4 The election of a chairperson must be conducted:
- (a) by the Chief Executive Officer or, in their absence, an employee of the Council designated by the Chief Executive Officer to conduct the election, or
 - (b) by the person who called the meeting or a person acting on their behalf if neither the Chief Executive Officer nor a designated employee is present at the meeting, or if there is no Chief Executive Officer or designated employee.
- 6.5 If, at an election of a chairperson, two or more candidates receive the same number of votes and no other candidate receives a greater number of votes, the chairperson is to be the candidate whose name is chosen by lot.
- 6.6 For the purposes of clause 6.5, the person conducting the election must:
- (a) arrange for the names of the candidates who have equal numbers of votes to be written on similar slips, and
 - (b) then fold the slips so as to prevent the names from being seen, mix the slips and draw one of the slips at random.
- 6.7 The candidate whose name is on the drawn slip is the candidate who is to be the chairperson.
- 6.8 Any election conducted under clause 6.3, and the outcome of the vote, are to be recorded in the minutes of the meeting.

THE CHAIRPERSON

Chairperson to have precedence

- 6.9 When the chairperson rises or speaks during a meeting of the Council:
- (a) any Councillor then speaking or seeking to speak must cease speaking and, if standing, immediately resume their seat, and
 - (b) every Councillor present must be silent to enable the chairperson to be heard without interruption.

7. Modes of Address



MODES OF ADDRESS

- 7.1 If the chairperson is the Mayor, they are to be addressed as 'Mr Mayor' or 'Madam Mayor' or 'Mayor'.
- 7.2 Where the chairperson is not the Mayor, they are to be addressed as either 'Mr Chairperson' or 'Madam Chairperson' or 'Chairperson'.
- 7.3 A Councillor is to be addressed as 'Councillor [surname]'.
- 7.4 A Council officer is to be addressed by their official designation or as Mr/Ms [surname].

8. Order of Business for Ordinary Council Meetings



ORDER OF BUSINESS FOR ORDINARY COUNCIL MEETINGS

- 8.1 The general order of business for an ordinary meeting of the Council shall be as outlined below or as otherwise resolved by Council:
- 1 Opening meeting
 - 2 Acknowledgement of country
 - 3 Oath
 - 4 Apologies and applications for a leave of absence or attendance by audio-visual link by Councillors
 - 5 Confirmation of minutes
 - 6 Disclosures of interests
 - 7 Petitions
 - 8 Open and Public Forum
 - 9 Mayoral minute(s)
 - 10 Chief Executive Officer's late report
 - 11 Matters by exception
 - 12 Reports to Council
 - 13 Notices of motion
 - 14 Questions with notice
 - 15 Confidential matters
 - 16 Conclusion of the meeting
- 8.2 The order of business as fixed under 8.1 may be altered for a particular meeting of the Council if a motion to that effect is passed at that meeting. Such a motion can be moved without notice.
- 8.3 Despite clauses 10.20 - 10.30, only the mover of a motion referred to in clause 8.2 may speak to the motion before it is put.

9. Consideration of Business at Council Meetings



RULES OF DEBATE**Business that can be dealt with at a Council meeting**

- 9.1 The Council must not consider business at a meeting of the Council:
- (a) unless a Councillor has given notice of the business, as required by clause 3.9, and
 - (b) unless notice of the business has been sent to the Councillors in accordance with clause 3.6 in the case of an ordinary meeting or clause 3.8 in the case of an extraordinary meeting called in an emergency.
- 9.2 Clause 9.1 does not apply to the consideration of business at a meeting, if the business:
- (a) is already before, or directly relates to, a matter that is already before the Council, or
 - (b) is the election of a chairperson to preside at the meeting, or
 - (c) subject to clause 9.9, is a matter or topic put to the meeting by way of a Mayoral minute, or
 - (d) is a motion for the adoption of recommendations of a committee, including, but not limited to, a committee of the Council.
- 9.3 Despite clause 9.1, business may be considered at a meeting of the Council even though due notice of the business has not been given to the Councillors if:
- (a) a motion is passed to have the business considered at the meeting, and
 - (b) the business to be considered is ruled by the chairperson to be of great urgency on the grounds that it requires a decision by the Council before the next scheduled ordinary meeting of the Council.
- 9.4 A motion moved under clause 9.3(a) can be moved without notice. Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 9.3(a) can speak to the motion before it is put.
- 9.5 A motion of dissent cannot be moved against a ruling by the chairperson under clause 9.3(b).

Mayoral minutes

- 9.6 Subject to clause 9.9, if the Mayor is the chairperson at a meeting of the Council, the Mayor may, by minute signed by the Mayor, put to the meeting without notice any matter or topic that is within the jurisdiction of the Council, or of which the Council has official knowledge.
- 9.7 A Mayoral minute, when put to a meeting, takes precedence over all business on the Council's agenda for the meeting. The chairperson (but only if the chairperson is the Mayor) may move the adoption of a Mayoral minute without the motion being seconded.
- 9.8 A recommendation made in a Mayoral minute put by the Mayor is, so far as it is adopted by the Council, a resolution of the Council.

RULES OF DEBATE

- 9.9 A Mayoral minute must not be used to put without notice matters that are routine and not urgent, or matters for which proper notice should be given because of their complexity. For the purpose of this clause, a matter will be urgent where it requires a decision by the Council before the next scheduled ordinary meeting of the Council.
- 9.10 Where a Mayoral minute makes a recommendation which, if adopted, would require the expenditure of funds on works and/or services other than those already provided for in the Council's current adopted operational plan, it must identify the source of funding for the expenditure that is the subject of the recommendation. If the Mayoral minute does not identify a funding source, the Council must defer consideration of the matter, pending a report from the Chief Executive Officer on the availability of funds for implementing the recommendation if adopted, unless otherwise resolved by Council.

Staff reports

- 9.11 A recommendation made in a staff report is, so far as it is adopted by the Council, a resolution of the Council.

Reports of committees of Council

- 9.12 The recommendations of a committee of the Council are, so far as they are adopted by the Council, resolutions of the Council.
- 9.13 If in a report of a committee of the Council distinct recommendations are made, the Council may make separate decisions on each recommendation.

Questions

- 9.14 A question must not be asked at a meeting of the Council unless it concerns a matter on the agenda of the meeting or notice has been given of the question in accordance with clauses 3.9 and 3.13.
- 9.15 A Councillor may, through the chairperson, put a question to another Councillor about a matter on the agenda.
- 9.16 A Councillor may, through the Chief Executive Officer, put a question to a Council employee about a matter on the agenda. Council employees are only obliged to answer a question put to them through the Chief Executive Officer at the direction of the Chief Executive Officer.
- 9.17 A Councillor or Council employee to whom a question is put is entitled to be given reasonable notice of the question and, in particular, sufficient notice to enable reference to be made to other persons or to information. Where a Councillor or Council employee to whom a question is put is unable to respond to the question at the meeting at which it is put, they may take it on notice and report the response to the next meeting of the Council.
- 9.18 Councillors must put questions directly, succinctly, respectfully and without argument.

RULES OF DEBATE

- 9.19 The chairperson must not permit discussion on any reply to, or refusal to reply to, a question put to a Councillor or Council employee.

10. Rules of Debate



RULES OF DEBATE**Motions to be seconded**

- 10.1 Unless otherwise specified in this code, a motion or an amendment cannot be debated unless or until it has been seconded.

Notices of motion

- 10.2 A Councillor who has submitted a notice of motion under clause 3.9 is to move the motion the subject of the notice of motion at the meeting at which it is to be considered.
- 10.3 If a Councillor who has submitted a notice of motion under clause 3.9 wishes to withdraw it after the agenda and business paper for the meeting at which it is to be considered have been sent to Councillors, the Councillor may request the withdrawal of the motion when it is before the Council.
- 10.4 In the absence of a Councillor who has placed a notice of motion on the agenda for a meeting of the Council:
- (a) any other Councillor may, with the leave of the chairperson, move the motion at the meeting, or
 - (b) the chairperson may defer consideration of the motion until the next meeting of the Council.

Chairperson's duties with respect to motions

- 10.5 It is the duty of the chairperson at a meeting of the Council to receive and put to the meeting any lawful motion that is brought before the meeting.
- 10.6 The chairperson must rule out of order any motion or amendment to a motion that is unlawful or the implementation of which would be unlawful.
- 10.7 Before ruling out of order a motion or an amendment to a motion under clause 10.6, the chairperson is to give the mover an opportunity to clarify or amend the motion or amendment.
- 10.8 Any motion, amendment or other matter that the chairperson has ruled out of order is taken to have been lost.

Motions requiring the expenditure of funds

- 10.9 A motion or an amendment to a motion which if passed would require the expenditure of funds on works and/ or services other than those already provided for in the Council's current adopted operational plan must identify the source of funding for the expenditure that is the subject of the motion. If the motion does not identify a funding source, the Council must defer consideration of the matter, pending a report from the Chief Executive Officer on the availability of funds for implementing the motion if adopted, unless otherwise resolved by Council.

RULES OF DEBATE**Amendments to motions**

- 10.10 An amendment to a motion must be moved and seconded before it can be debated.
- 10.11 An amendment to a motion must relate to the matter being dealt with in the original motion before the Council and must not be a direct negative of the original motion. An amendment to a motion which does not relate to the matter being dealt with in the original motion, or which is a direct negative of the original motion, must be ruled out of order by the chairperson.
- 10.12 The mover of an amendment is to be given the opportunity to explain any uncertainties in the proposed amendment before a seconder is called for.
- 10.13 If an amendment has been lost, a further amendment can be moved to the motion to which the lost amendment was moved, and so on, but no more than one motion and one proposed amendment can be before Council at any one time.
- 10.14 While an amendment is being considered, debate must only occur in relation to the amendment and not the original motion. Debate on the original motion is to be suspended while the amendment to the original motion is being debated.
- 10.15 If the amendment is carried, it becomes the motion and is to be debated. If the amendment is lost, debate is to resume on the original motion.
- 10.16 An amendment may become the motion without debate or a vote where it is accepted by the Councillor who moved the original motion.

Foreshadowed motions

- 10.17 A Councillor may propose a foreshadowed motion in relation to the matter the subject of the original motion before the Council, without a seconder during debate on the original motion. The foreshadowed motion is only to be considered if the original motion is lost or withdrawn and the foreshadowed motion is then moved and seconded. If the original motion is carried, the foreshadowed motion lapses.
- 10.18 Where an amendment has been moved and seconded, a Councillor may, without a seconder, foreshadow a further amendment that they propose to move after the first amendment has been dealt with. There is no limit to the number of foreshadowed amendments that may be put before the Council at any time. However, no discussion can take place on foreshadowed amendments until the previous amendment has been dealt with and the foreshadowed amendment has been moved and seconded.
- 10.19 Foreshadowed motions and foreshadowed amendments are to be considered in the order in which they are proposed. However, foreshadowed motions cannot be considered until all foreshadowed amendments have been dealt with.

RULES OF DEBATE**Limitations on the number and duration of speeches**

- 10.20 A Councillor who, during a debate at a meeting of the Council, moves an original motion, has the right to speak on each amendment to the motion and a right of general reply to all observations that are made during the debate in relation to the motion, and any amendment to it at the conclusion of the debate before the motion (whether amended or not) is finally put.
- 10.21 A Councillor, other than the mover of an original motion, has the right to speak once on the motion and once on each amendment to it.
- 10.22 A Councillor must not, without the consent of the Council, speak more than once on a motion or an amendment, or for longer than five minutes at any one time.
- 10.23 Despite clause 10.22, the chairperson may permit a Councillor who claims to have been misrepresented or misunderstood to speak more than once on a motion or an amendment, and for longer than five minutes on that motion or amendment to enable the Councillor to make a statement limited to explaining the misrepresentation or misunderstanding.
- 10.24 Despite clause 10.22, the Council may resolve to shorten the duration of speeches to expedite the consideration of business at a meeting.
- 10.25 Despite clauses 10.20 and 10.21, a Councillor may move that a motion or an amendment be now put:
- (a) if the mover of the motion or amendment has spoken in favour of it and no Councillor expresses an intention to speak against it, or
 - (b) if at least two Councillors have spoken in favour of the motion or amendment and at least two Councillors have spoken against it.
- 10.26 The chairperson must immediately put to the vote, without debate, a motion moved under clause 10.25. A seconder is not required for such a motion.
- 10.27 If a motion that the original motion or an amendment be now put is passed, the chairperson must, without further debate, put the original motion or amendment to the vote immediately after the mover of the original motion has exercised their right of reply under clause 10.20.
- 10.28 If a motion that the original motion or an amendment be now put is lost, the chairperson must allow the debate on the original motion or the amendment to be resumed.
- 10.29 All Councillors must be heard without interruption and all other Councillors must, unless otherwise permitted under this code, remain silent while another Councillor is speaking.
- 10.30 Once the debate on a matter has concluded and a matter has been dealt with, the chairperson must not allow further debate on the matter.

11. Voting



VOTING**Voting entitlements of Councillors**

- 11.1 Each Councillor is entitled to one vote.
- 11.2 The person presiding at a meeting of the Council has, in the event of an equality of votes, a second or casting vote.
- 11.3 Where the chairperson declines to exercise, or fails to exercise, their second or casting vote, in the event of an equality of votes, the motion being voted upon is lost.

Voting at Council meetings

- 11.4 A Councillor who is present at a meeting of the Council but who fails to vote on a motion put to the meeting is taken to have voted against the motion
- 11.5 Voting at a meeting, including voting in an election at a meeting, is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system). However, the Council may resolve that the voting in any election by Councillors for Mayor or deputy Mayor is to be by secret ballot.
- 11.6 All voting at Council meetings, (including meetings that are closed to the public), must be recorded in the minutes of meetings with the names of Councillors who voted for and against each motion or amendment, (including the use of the casting vote), being recorded.

Voting on planning decisions

- 11.7 The Chief Executive Officer must keep a register containing, for each planning decision made at a meeting of the Council or a Council committee (including, but not limited to a committee of the Council), the names of the Councillors who supported the decision and the names of any Councillors who opposed (or are taken to have opposed) the decision.
- 11.8 Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document.
- 11.9 Clauses 11.7-11.8 apply also to meetings that are closed to the public.

12. Committee of the Whole



COMMITTEE OF THE WHOLE

12. 1 The Council may resolve itself into a committee to consider any matter before the Council.
12. 2 All the provisions of this code relating to meetings of the Council, so far as they are applicable, extend to and govern the proceedings of the Council when in committee of the whole, except the provisions limiting the number and duration of speeches.
12. 3 The Chief Executive Officer or, in the absence of the Chief Executive Officer, an employee of the Council designated by the Chief Executive Officer, is responsible for reporting to the Council the proceedings of the committee of the whole. It is not necessary to report the proceedings in full but any recommendations of the committee must be reported.
12. 4 The Council must ensure that a report of the proceedings (including any recommendations of the committee) is recorded in the Council's minutes. However, the Council is not taken to have adopted the report until a motion for adoption has been made and passed.

13. Dealing with Items by Exception



DEALING WITH ITEMS BY EXCEPTION

- 13.1 The Council or a committee of Council may, at any time, resolve to adopt multiple items of business on the agenda together by way of a single resolution.
- 13.2 Before the Council or committee resolves to adopt multiple items of business on the agenda together under clause 13.1, the chairperson must list the items of business to be adopted and ask Councillors to identify any individual items of business listed by the chairperson that they intend to vote against the recommendation made in the business paper or that they wish to speak on.
- 13.3 The Council or committee must not resolve to adopt any item of business under clause 13.1 that a Councillor has identified as being one they intend to vote against the recommendation made in the business paper or to speak on.
- 13.4 Where the consideration of multiple items of business together under clause 13.1 involves a variation to the order of business for the meeting, the Council or committee must resolve to alter the order of business in accordance with clause 8.2.
- 13.5 A motion to adopt multiple items of business together under clause 13.1 must identify each of the items of business to be adopted and state that they are to be adopted as recommended in the business paper.
- 13.6 Items of business adopted under clause 13.1 are to be taken to have been adopted unanimously.
- 13.7 Councillors must ensure that they declare and manage any conflicts of interest they may have in relation to items of business considered together under clause 13.1 in accordance with the requirements of the Council's code of conduct.
- 13.8 When a Notice of Motion is carried as part of an en bloc resolution, the original wording of the motion as submitted in accordance with clause 3.9 is carried, unless the motion results in matters encompassed by sections 3.11 or 3.12, in which case, the item must be called for individual consideration.

14. Closure of Council Meetings to the Public



CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC**Grounds on which meetings can be closed to the public**

- 14.1 The Council or a committee of the Council may close to the public so much of its meeting as comprises the discussion or the receipt of any of the following types of matters:
- (a) personnel matters concerning particular individuals (other than Councillors),
 - (b) the personal hardship of any resident or ratepayer,
 - (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business,
 - (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the Council, or
 - (iii) reveal a trade secret,
 - (e) information that would, if disclosed, prejudice the maintenance of law,
 - (f) matters affecting the security of the Council, Councillors, Council staff or Council property,
 - (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,
 - (h) information concerning the nature and location of a place or an item of Aboriginal significance on community land,
 - (i) alleged contraventions of the Council's code of conduct.
- 14.2 The Council or a committee of the Council may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public.

CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC**Matters to be considered when closing meetings to the public**

- 14.3 A meeting is not to remain closed during the discussion of anything referred to in clause 14.1:
- (a) except for so much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security, and
 - (b) if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret – unless the Council or committee concerned is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.
- 14.4 A meeting is not to be closed during the receipt and consideration of information or advice referred to in clause 14.1(g) unless the advice concerns legal matters that:
- (a) are substantial issues relating to a matter in which the Council or committee is involved, and
 - (b) are clearly identified in the advice, and
 - (c) are fully discussed in that advice.
- 14.5 If a meeting is closed during the discussion of a motion to close another part of the meeting to the public (as referred to in clause 14.2), the consideration of the motion must not include any consideration of the matter or information to be discussed in that other part of the meeting other than consideration of whether the matter concerned is a matter referred to in clause 14.1.
- 14.6 For the purpose of determining whether the discussion of a matter in an open meeting would be contrary to the public interest, it is irrelevant that:
- (a) a person may misinterpret or misunderstand the discussion, or
 - (b) the discussion of the matter may:
 - (i) cause embarrassment to the Council or committee concerned, or to Councillors or to employees of the Council, or
 - (ii) cause a loss of confidence in the Council or committee.
- 14.7 In deciding whether part of a meeting is to be closed to the public, the Council or committee concerned must consider any relevant guidelines issued by the Departmental Chief Executive of the Office of Local Government.

CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC**Notice of likelihood of closure not required in urgent cases**

- 14.8 Part of a meeting of the Council, or of a committee of the Council, may be closed to the public while the Council or committee considers a matter that has not been identified in the agenda for the meeting under clause 3.19 as a matter that is likely to be considered when the meeting is closed, but only if:
- (a) it becomes apparent during the discussion of a particular matter that the matter is a matter referred to in clause 14.1, and
 - (b) the Council or committee, after considering any representations made under clause 14.9, resolves that further discussion of the matter:
 - (i) should not be deferred (because of the urgency of the matter), and
 - (ii) should take place in a part of the meeting that is closed to the public.

Representations by members of the public

- 14.9 The Council, or a committee of the Council, may allow members of the public to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.
- 14.10 A representation under clause 14.9 is to be made after the motion to close the part of the meeting is moved and seconded.
- 14.11 Where the matter has been identified in the agenda of the meeting under clause 3.20 as a matter that is likely to be considered when the meeting is closed to the public, in order to make representations under clause 14.9, members of the public must first make an application to the Council in writing, via email, post or delivered and addressed to the Chief Executive Officer. Applications must be received before noon on the day of the meeting at which the matter is to be considered.
- 14.12 The Chief Executive Officer (or their delegate) may refuse an application made under clause 14.11. The Chief Executive Officer or their delegate must give reasons in writing for a decision to refuse an application.
- 14.13 No more than three speakers are to be permitted to make representations under clause 14.9.
- 14.14 If more than the permitted number of speakers apply to make representations under clause 14.9, the Chief Executive Officer or their delegate may request the speakers to nominate from among themselves the persons who are to make representations to the Council. If the speakers are not able to agree on whom to nominate to make representations under clause 14.9, the Chief Executive Officer or their delegate is to determine who will make representations to the Council.
- 14.15 The Chief Executive Officer (or their delegate) is to determine the order of speakers.

CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC

- 14.16 Where the Council or a committee of the Council proposes to close a meeting or part of a meeting to the public in circumstances where the matter has not been identified in the agenda for the meeting under clause 3.19 as a matter that is likely to be considered when the meeting is closed to the public, the chairperson is to invite representations from the public under clause 14.9 after the motion to close the part of the meeting is moved and seconded. The chairperson is to permit no more than two speakers to make representations in such order as determined by the chairperson.
- 14.17 Each speaker will be allowed three minutes to make representations and this time limit is to be strictly enforced by the chairperson. Speakers must confine their representations to whether the meeting should be closed to the public. If a speaker digresses to irrelevant matters, the chairperson is to direct the speaker not to do so. If a speaker fails to observe a direction from the chairperson, the speaker will not be further heard.

Expulsion of non-Councillors from meetings closed to the public

- 14.18 If a meeting or part of a meeting of the Council or a committee of the Council is closed to the public in accordance with section 10A of the Act and this code, any person who is not a Councillor and who fails to leave the meeting when requested, may be expelled from the meeting as provided by section 10(2)(a) or (b) of the Act.
- 14.19 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the Council or person presiding, may, by using only such force as is necessary, remove the first mentioned person from that place and, if necessary restrain that person from re-entering that place for the remainder of the meeting.

Information to be disclosed in resolutions closing meetings to the public

- 14.20 The grounds on which part of a meeting is closed must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting. The grounds must specify the following:
- (a) the relevant provision of section 10A(2) of the Act,
 - (b) the matter that is to be discussed during the closed part of the meeting,
 - (c) the reasons why the part of the meeting is being closed, including (if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret) an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

CLOSURE OF COUNCIL MEETINGS TO THE PUBLIC**Resolutions passed at closed meetings to be made public**

- 14.21 If the Council passes a resolution during a meeting, or a part of a meeting, that is closed to the public, the chairperson must make the resolution public as soon as practicable after the meeting, or the relevant part of the meeting, has ended, and the resolution must be recorded in the publicly available minutes of the meeting.
- 14.22 Resolutions passed during a meeting, or a part of a meeting, that is closed to the public must be made public by the chairperson under clause 14.21 during a part of the meeting that is webcast.

Obligations of Councillors and staff attending meetings by audio-visual link

- 14.23 Councillors and staff attending a meeting by audio-visual link must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public under section 10A of the Act.

15. Keeping Order at Meetings



KEEPING ORDER AT MEETINGS**Points of order**

- 15.1 A Councillor may draw the attention of the chairperson to an alleged breach of this code by raising a point of order. A point of order does not require a seconder.
- 15.2 A point of order cannot be made with respect to adherence to the principles contained in clause 2.1.
- 15.3 A point of order must be taken immediately it is raised. The chairperson must suspend the business before the meeting and permit the Councillor raising the point of order to state the provision of this code they believe has been breached. The chairperson must then rule on the point of order – either by upholding it or by overruling it.

Questions of order

- 15.4 The chairperson, without the intervention of any other Councillor, may call any Councillor to order whenever, in the opinion of the chairperson, it is necessary to do so.
- 15.5 A Councillor who claims that another Councillor has committed an act of disorder, or is out of order, may call the attention of the chairperson to the matter.
- 15.6 The chairperson must rule on a question of order immediately after it is raised but, before doing so, may invite the opinion of the Council.
- 15.7 The chairperson's ruling must be obeyed unless a motion dissenting from the ruling is passed.

Motions of dissent

- 15.8 A Councillor can, without notice, move to dissent from a ruling of the chairperson on a point of order or a question of order. If that happens, the chairperson must suspend the business before the meeting until a decision is made on the motion of dissent.
- 15.9 If a motion of dissent is passed, the chairperson must proceed with the suspended business as though the ruling dissented from had not been given. If, as a result of the ruling, any motion or business has been rejected as out of order, the chairperson must restore the motion or business to the agenda and proceed with it in due course.
- 15.10 Despite any other provision of this code, only the mover of a motion of dissent and the chairperson can speak to the motion before it is put. The mover of the motion does not have a right of general reply.

KEEPING ORDER AT MEETINGS**Acts of disorder**

- 15.11 A Councillor commits an act of disorder if the Councillor, at a meeting of the Council or a committee of the Council:
- (a) contravenes the Act, the Regulation or any in force under the Act or this code, or
 - (b) assaults or threatens to assault another Councillor or person present at the meeting, or
 - (c) moves or attempts to move a motion or an amendment that has an unlawful purpose or that deals with a matter that is outside the jurisdiction of the Council or the committee, or addresses or attempts to address the Council or the committee on such a motion, amendment or matter, or
 - (d) insults, makes unfavourable personal remarks about, or imputes improper motives to any other Council official, or alleges a breach of the Council's code of conduct, or
 - (e) says or does anything that is inconsistent with maintaining order at the meeting or is likely to bring the Council or the committee into disrepute.
- 15.12 The chairperson may require a Councillor:
- (a) to apologise without reservation for an act of disorder referred to in clauses 15.11(a), (b) or (e)
 - (b) to withdraw a motion or an amendment referred to in clause 15.11(c) and, where appropriate, to apologise without reservation, or
 - (c) to retract and apologise without reservation for any statement that constitutes an act of disorder referred to in clauses 15.11(d) and (e).

How disorder at a meeting may be dealt with

- 15.13 If disorder occurs at a meeting of the Council, the chairperson may adjourn the meeting for a period of not more than 15 minutes and leave the chair. The Council, on reassembling, must, on a question put from the chairperson, decide without debate whether the business is to be proceeded with or not. This clause applies to disorder arising from the conduct of members of the public as well as disorder arising from the conduct of Councillors.

KEEPING ORDER AT MEETINGS**Expulsion from meetings**

- 15.14 All chairpersons of meetings of the Council and committees of the Council are authorised under this code to expel any person, including any Councillor, from a Council or committee meeting, for the purposes of section 10(2)(b) of the Act.
- 15.15 Clause 15.14, does not limit the ability of the Council or committee of the Council to resolve to expel a person, including a Councillor, from a Council or committee meeting, under section 10(2)(a) of the Act.
- 15.16 A Councillor may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the Council for having failed to comply with a requirement under clause 15.12. The expulsion of a Councillor from the meeting for that reason does not prevent any other action from being taken against the Councillor for the act of disorder concerned.
- 15.17 A member of the public may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the Council for engaging in or having engaged in disorderly conduct at the meeting.
- 15.18 Where a Councillor or a member of the public is expelled from a meeting, the expulsion and the name of the person expelled, if known, are to be recorded in the minutes of the meeting.
- 15.19 If a Councillor or a member of the public fails to leave the place where a meeting of the Council is being held immediately after they have been expelled, a police officer, or any person authorised for the purpose by the Council or person presiding, may, by using only such force as is necessary, remove the Councillor or member of the public from that place and, if necessary, restrain the Councillor or member of the public from re-entering that place for the remainder of the meeting.

How disorder by Councillors attending meetings by audio-visual link may be dealt with

- 15.20 Where a Councillor is attending a meeting by audio-visual link, the chairperson or a person authorised by the chairperson may mute the Councillor's audio link to the meeting for the purposes of enforcing compliance with this code.
- 15.21 If a Councillor attending a meeting by audio-visual link is expelled from a meeting for an act of disorder, the chairperson of the meeting or a person authorised by the chairperson, may terminate the Councillor's audio-visual link to the meeting.

Use of mobile phones and the unauthorised recording of meetings

- 15.22 Councillors, Council staff and members of the public must ensure that mobile phones are turned to silent during meetings of the Council and committees of the Council.
- 15.23 A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the Council or a committee of the Council without the prior authorisation of the Council or the committee.

KEEPING ORDER AT MEETINGS

- 15.24 Without limiting clause 15.17, a contravention of clause 15.23 or an attempt to contravene that clause, constitutes disorderly conduct for the purpose of clause 15.17. Any person who contravenes or attempts to contravene clause 15.23, may be expelled from the meeting as provided for under section 10(2) of the Act.
- 15.25 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the Council or person presiding, may, by using only such force as is necessary, remove the first mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

16. Conflict of Interest



CONFLICT OF INTEREST

- 16.1 All Councillors and, where applicable, all other persons, must declare and manage any conflicts of interest they may have in matters being considered at meetings of the Council and committees of the Council in accordance with the Council's code of conduct. All declarations of conflicts of interest and how the conflict of interest was managed by the person who made the declaration must be recorded in the minutes of the meeting at which the declaration was made.
- 16.2 Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they may have in matters being considered at the meeting in accordance with the Council's code of conduct. Where a Councillor has declared a pecuniary or significant non-pecuniary conflict of interest in a matter being discussed at the meeting, the Councillor's audio-visual link to the meeting must be suspended or terminated and the Councillor must not be in sight or hearing of the meeting at any time during which the matter is being considered or discussed by the Council or committee, or at any time during which the Council or committee is voting on the matter.

17. Decisions of the Council



DECISIONS OF THE COUNCIL**Council decisions**

- 17.1 A decision supported by a majority of the votes at a meeting of the Council at which a quorum is present is a decision of the Council.
- 17.2 Decisions made by the Council must be accurately recorded in the minutes of the meeting at which the decision is made.
- 17.3 In addition to webcasting Council meetings, confidential sessions of Council meetings will be audio recorded, only for the purposes of compiling Council minutes.

Rescinding or altering Council decisions

- 17.4 A resolution passed by the Council may not be altered or rescinded except by a motion to that effect of which notice has been given under clause 3.10.
- 17.5 If a notice of motion to rescind a resolution is given at the meeting at which the resolution is carried, the resolution must not be carried into effect until the motion of rescission has been dealt with.
- 17.6 If a motion has been lost, a motion having the same effect must not be considered unless notice of it has been duly given in accordance with clause 3.9.
- 17.7 A notice of motion to alter or rescind a resolution, and a notice of motion which has the same effect as a motion which has been lost, must be signed by three (3) Councillors if less than three (3) months has elapsed since the resolution was passed, or the motion was lost.
- 17.8 If a motion to alter or rescind a resolution has been lost, or if a motion which has the same effect as a previously lost motion is lost, no similar motion may be brought forward within three (3) months of the meeting at which it was lost. This clause may not be evaded by substituting a motion differently worded, but in principle the same.
- 17.9 The provisions of clauses 17.6–17.8 concerning lost motions do not apply to motions of adjournment.
- 17.10 A notice of motion submitted in accordance with clause 17.7 may only be withdrawn under clause 3.10 with the consent of all signatories to the notice of motion.
- 17.11 A notice of motion to alter or rescind a resolution relating to a development application must be submitted to the Chief Executive Officer no later than 4pm on the business day immediately following the Council meeting after the meeting at which the resolution was adopted.
- 17.12 A motion to alter or rescind a resolution of the Council may be moved on the report of a committee of the Council and any such report must be recorded in the minutes of the meeting of the Council.
- 17.13 Subject to clause 17.7, in cases of urgency, a motion to alter or rescind a resolution of the Council may be moved at the same meeting at which the resolution was adopted, where:
- (a) a notice of motion signed by three Councillors is submitted to the chairperson, and
 - (b) a motion to have the motion considered at the meeting is passed, and

DECISIONS OF THE COUNCIL

- (c) the chairperson rules the business that is the subject of the motion is of great urgency on the grounds that it requires a decision by the Council before the next scheduled ordinary meeting of the Council.
- 17.14 A motion moved under clause 17.13(b) can be moved without notice. Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 17.13(b) can speak to the motion before it is put.
- 17.15 A motion of dissent cannot be moved against a ruling by the chairperson under clause 17.13(c).

Recommitting resolutions to correct an error

- 17.16 Despite the provisions of this Part, a Councillor may, with the leave of the chairperson, move to recommit a resolution adopted at the same meeting:
- (a) to correct any error, ambiguity or imprecision in the Council's resolution, or
 - (b) to confirm the voting on the resolution.
- 17.17 In seeking the leave of the chairperson to move to recommit a resolution for the purposes of clause 17.16(a), the Councillor is to propose alternative wording for the resolution.
- 17.18 The chairperson must not grant leave to recommit a resolution for the purposes of clause 17.16(a), unless they are satisfied that the proposed alternative wording of the resolution would not alter the substance of the resolution previously adopted at the meeting.
- 17.19 A motion moved under clause 17.16 can be moved without notice. Despite clauses 10.20–10.30, only the mover of a motion referred to in clause 17.16 can speak to the motion before it is put.
- 17.20 A motion moved under clause 17.16 with the leave of the chairperson cannot be voted on unless or until it has been seconded.

18. Time Limits on Council Meetings



TIME LIMITS ON COUNCIL MEETINGS

- 18.1 Meetings of the Council and committees of the Council are to conclude no later than 10.30pm.
- 18.2 If the business of the meeting is unfinished at 10.30pm, the Council or the committee may, by resolution, extend the time of the meeting.
- 18.3 If the business of the meeting is unfinished at 10.30pm, and the Council does not resolve to extend the meeting, the chairperson must either:
- (a) defer consideration of the remaining items of business on the agenda to the next ordinary meeting of the Council, or
 - (b) adjourn the meeting to a time, date and place fixed by the chairperson.
- 18.4 Clause 18.3 does not limit the ability of the Council or a committee of the Council to resolve to adjourn a meeting at any time. The resolution adjourning the meeting must fix the time, date and place that the meeting is to be adjourned to.
- 18.5 Where a meeting is adjourned under clause 18.3 or 18.4, the Chief Executive Officer must:
- (a) individually notify each Councillor of the time, date and place at which the meeting will reconvene, and
 - (b) publish the time, date and place at which the meeting will reconvene on the Council's website and in such other manner that the Chief Executive Officer is satisfied is likely to bring notice of the time, date and place of the reconvened meeting to the attention of as many people as possible.

19. After the Meetings



AFTER THE MEETINGS**Minutes of meetings**

- 19.1 The Council is to keep full and accurate minutes of the proceedings of meetings of the Council.
- 19.2 At a minimum, the Chief Executive Officer must ensure that the following matters are recorded in the Council's minutes:
- (a) The names of Councillors attending a Council meeting and whether they attended the meeting in person or by audio-visual link
 - (b) details of each motion moved at a Council meeting and of any amendments moved to it,
 - (c) the names of the mover and seconder of the motion or amendment,
 - (d) whether the motion or amendment was passed or lost, and
 - (e) such other matters specifically required under this code.
- 19.3 The minutes of a Council meeting must be confirmed at a subsequent meeting of the Council.
- 19.4 Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.
- 19.5 When the minutes have been confirmed, they are to be signed by the person presiding at the subsequent meeting.
- 19.6 The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this clause must not alter the substance of any decision made at the meeting.
- 19.7 The confirmed minutes of a Council meeting must be published on the Council's website. This clause does not prevent the Council from also publishing unconfirmed minutes of its meetings on its website prior to their confirmation.

Access to correspondence and reports laid on the table at, or submitted to, a meeting

- 19.8 The Council and committees of the Council must, during or at the close of a meeting, or during the business day following the meeting, give reasonable access to any person to inspect correspondence and reports laid on the table at, or submitted to, the meeting.
- 19.9 Clause 19.8 does not apply if the correspondence or reports relate to a matter that was received or discussed or laid on the table at, or submitted to, the meeting when the meeting was closed to the public.
- 19.10 Clause 19.8 does not apply if the Council or the committee resolves at the meeting, when open to the public, that the correspondence or reports are to be treated as confidential because they relate to a matter specified in section 10A(2) of the Act.

AFTER THE MEETINGS

19.11 Correspondence or reports to which clauses 19.9 and 19.10 apply are to be marked with the relevant provision of section 10A(2) of the Act that applies to the correspondence or report.

Implementation of decisions of the Council

19.12 The Chief Executive Officer is to implement, without undue delay, lawful decisions of the Council.

20. Council Committees



COUNCIL COMMITTEES**Application of this Part**

- 20.1 This Part only applies to committees of the Council whose members are all Councillors.

Council committees whose members are all Councillors

- 20.2 The Council may, by resolution, establish such committees as it considers necessary.
- 20.3 A committee of the Council is to consist of the Mayor and such other Councillors as are elected by the Councillors or appointed by the Council
- 20.4 The quorum for a meeting of a committee of the Council is to be:
- (a) such number of members as the Council decides, or
 - (b) if the Council has not decided a number – a majority of the members of the committee.

Functions of committees

- 20.5 The Council must specify the functions of each of its committees when the committee is established, but may from time to time amend those functions.

Notice of committee meetings

- 20.6 The Chief Executive Officer must send to each Councillor, regardless of whether they are a committee member, at least three days before each meeting of the committee, a notice specifying:
- (a) the time, date and place of the meeting, and
 - (b) the business proposed to be considered at the meeting.
- 20.7 Notice of less than three days may be given of a committee meeting called in an emergency.

Attendance at committee meetings

- 20.8 A committee member (other than the Mayor) ceases to be a member of a committee if the committee member:
- (a) has been absent from three consecutive meetings of the committee without having given reasons acceptable to the committee for the member's absences, or
 - (b) has been absent from at least half of the meetings of the committee held during the immediately preceding year without having given to the committee acceptable reasons for the member's absences.

COUNCIL COMMITTEES

- 20.9 Clause 20.8 does not apply if all of the members of the Council are members of the committee.

Non-members entitled to attend committee meetings

- 20.10 A Councillor who is not a member of a committee of the Council is entitled to attend, and to speak at a meeting of the committee. However, the Councillor is not entitled:
- (a) to give notice of business for inclusion in the agenda for the meeting, or
 - (b) to move or second a motion at the meeting, or
 - (c) to vote at the meeting.

Chairperson and deputy chairperson of Council committees

- 20.11 The chairperson of each committee of the Council must be:
- (a) the Mayor, or
 - (b) if the Mayor does not wish to be the chairperson of a committee, a member of the committee elected by the Council, or
 - (c) if the Council does not elect such a member, a member of the committee elected by the committee.
- 20.12 The Council may elect a member of a committee of the Council as deputy chairperson of the committee. If the Council does not elect a deputy chairperson of such a committee, the committee may elect a deputy chairperson.
- 20.13 If neither the chairperson nor the deputy chairperson of a committee of the Council is able or willing to preside at a meeting of the committee, the committee must elect a member of the committee to be acting chairperson of the committee.
- 20.14 The chairperson is to preside at a meeting of a committee of the Council. If the chairperson is unable or unwilling to preside, the deputy chairperson (if any) is to preside at the meeting, but if neither the chairperson nor the deputy chairperson is able or willing to preside, the acting chairperson is to preside at the meeting.

COUNCIL COMMITTEES**Procedure in committee meetings**

- 20.15 Subject to any specific requirements of this code, each committee of the Council may regulate its own procedure. The provisions of this code are to be taken to apply to all committees of the Council unless the Council or the committee determines otherwise in accordance with this clause.
- 20.16 Whenever the voting on a motion put to a meeting of the committee is equal, the chairperson of the committee is to have a casting vote as well as an original vote unless the Council or the committee determines otherwise in accordance with clause 20.15.
- 20.17 Voting at a Council committee meeting is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system).

Closure of committee meetings to the public

- 20.18 The provisions of the Act and Part 14 of this code apply to the closure of meetings of committees of the Council to the public in the same way they apply to the closure of meetings of the Council to the public.
- 20.19 If a committee of the Council passes a resolution, or makes a recommendation, during a meeting, or a part of a meeting that is closed to the public, the chairperson must make the resolution or recommendation public as soon as practicable after the meeting or part of the meeting has ended, and report the resolution or recommendation to the next meeting of the Council. The resolution or recommendation must also be recorded in the publicly available minutes of the meeting.
- 20.20 Resolutions passed during a meeting, or a part of a meeting that is closed to the public must be made public by the chairperson under clause 20.19 during a part of the meeting that is webcast.

Disorder in committee meetings

- 20.21 The provisions of the Act and this code relating to the maintenance of order in Council meetings apply to meetings of committees of the Council in the same way as they apply to meetings of the Council.

COUNCIL COMMITTEES**Minutes of Council committee meetings**

- 20.22 Each committee of the Council is to keep full and accurate minutes of the proceedings of its meetings. At a minimum, a committee must ensure that the following matters are recorded in the committee's minutes:
- (a) The names of Councillors attending a meeting and whether they attended in person or by audio-visual link
 - (b) details of each motion moved at a meeting and of any amendments moved to it,
 - (c) the names of the mover and seconder of the motion or amendment,
 - (d) whether the motion or amendment was passed or lost, and
 - (e) such other matters specifically required under this code.
- 20.23 All voting at meetings of committees of the Council (including meetings that are closed to the public), must be recorded in the minutes of meetings with the names of Councillors who voted for and against each motion or amendment, (including the use of the casting vote), being recorded.
- 20.24 The minutes of meetings of each committee of the Council must be confirmed at a subsequent meeting of the committee.
- 20.25 Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.
- 20.26 When the minutes have been confirmed, they are to be signed by the person presiding at that subsequent meeting.
- 20.27 The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this clause must not alter the substance of any decision made at the meeting.
- 20.28 The confirmed minutes of a meeting of a committee of the Council must be published on the Council's website. This clause does not prevent the Council from also publishing unconfirmed minutes of meetings of committees of the Council on its website prior to their confirmation.

21. Irregularities



IRREGULARITIES

- 21.1 Proceedings at a meeting of a Council or a Council committee are not invalidated because of:
- (a) a vacancy in a civic office, or
 - (b) a failure to give notice of the meeting to any Councillor or committee member, or
 - (c) any defect in the election or appointment of a Councillor or committee member, or
 - (d) a failure of a Councillor or a committee member to declare a conflict of interest, or to refrain from the consideration or discussion of, or vote on, the relevant matter, at a Council or committee meeting in accordance with the Council's code of conduct, or
 - (e) a failure to comply with this code.

22. Definitions



DEFINITIONS**Definitions:**

the Act	means the <i>Local Government Act 1993</i>
act of disorder	means an act of disorder as defined in clause 15.11 of this code
amendment	in relation to an original motion, means a motion moving an amendment to that motion. An amendment is a change to the motion before the Council, and takes place while that motion is being debated. An amendment to a motion must be put forward in a motion in itself
audio recorder	any device capable of recording speech
Audio-visual link	means a facility that enables audio and visual communication between persons at different places
business day	means any day except Saturday or Sunday or any other day the whole or part of which is observed as a public holiday throughout New South Wales
chairperson	in relation to a meeting of the Council – means the person presiding at the meeting as provided by section 369 of the Act and clauses 6.1 and 6.2 of this code, and in relation to a meeting of a committee – means the person presiding at the meeting as provided by clause 20.11 of this code
chief executive officer	means officer carrying out all the roles and responsibilities assigned to the general manager under the Act and any other relevant legislation
(this) code	means the Council's adopted code of meeting practice
committee of the Council	means a committee established by the Council in accordance with clause 20.2 of this code (being a committee consisting only of Councillors) or the Council when it has resolved itself into committee of the whole under clause 12.1
Council official	has the same meaning it has in the <i>Model Code of Conduct for Local Councils in NSW</i>
day	means calendar day
division	means a request by two Councillors under clause 11.5 of this code requiring the recording of the names of the Councillors who voted both for and against a motion
foreshadowed amendment	means a proposed amendment foreshadowed by a Councillor under clause 10.18 of this code during debate on the first amendment

DEFINITIONS

foreshadowed motion	means a motion foreshadowed by a Councillor under clause 10.17 of this code during debate on an original motion. It is advice to the Council of an intention to put forward a motion that relates to a motion currently before the Council. However the chairperson cannot accept the new motion until the first motion is decided
motion	a motion is a proposal to be considered by a Council meeting. It is a request to do something or express an opinion about something. A motion formally puts the subject of the motion as an item of business for the Council
open voting	means voting on the voices or by a show of hands or by a visible electronic voting system or similar means
open forum: matters not the agenda	held for the purpose of hearing oral submissions from members of the public on items of business not under consideration at the Council meeting
planning decision	means a decision made in the exercise of a function of a Council under the <i>Environmental Planning and Assessment Act 1979</i> including any decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but not including the making of an order under Division 9.3 of Part 9 of that Act
performance improvement order	means an order issued under section 438A of the Act
public forum: matters on the agenda	held for the purpose of hearing oral submissions from members of the public on items of business to be considered at the meeting
quorum	means the minimum number of Councillors or committee members necessary to conduct a meeting
resolution	a resolution is a motion that has been passed by a majority of Councillors at the meeting. While in practice it means the 'Council decision', the word 'resolution' also indicates the process by which the decision was made
the Regulation	means the <i>Local Government (General) Regulation 2005</i>
webcast	a video or audio broadcast of a meeting transmitted across the internet either concurrently with the meeting or at a later time
year	means the period beginning 1 July and ending the following 30 June

Appendix One: Procedural Motions



APPENDIX ONE – PROCEDURAL MOTIONS

Motion	Moved without Notice	Requires Secunder	Speakers / Debate Permitted	Right of Reply
Change the Order of Business	Yes	Yes	Mover of motion only	No
Business without Notice (matter of urgency) (Clause 9.3)	Yes	Yes	Mover of motion only	No
Dissent from Chairperson's ruling on Point of Order	Yes	Yes	Mover and chairperson only may speak	No
Adjournment of Meeting	Yes	Yes	No debate permitted	No
Limitation to number of speakers (motion be now put)	Yes if the mover of the motion or amendment has spoken in favour of it and no Councillor expresses an intention to speak against it, or if at least 2 Councillors have spoken in favour of the motion or amendment and at least 2 Councillors have spoken against it.		No debate permitted. Motion must be put immediately after mover of original motion / amendment has right of reply.	No
Deferment of a Matter	Yes	Yes	Yes	Yes
Motion be dealt with in seriatim (Point by Point)	Yes	Yes	Mover of motion only	No

Supporting Information



APPENDIX ONE – PROCEDURAL MOTIONS

Supporting information:

Governing laws and standards	<ul style="list-style-type: none"> Local Government Act 1993 Local Government Amendment (Governance and Planning) Act 2016 Local Government (General) Regulations 2005
Related policies and other documents	<ul style="list-style-type: none"> Office of Local Government Model Code of Meeting Practice for Local Councils in NSW 2018 Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW 2018
Document History	<ul style="list-style-type: none"> Amended 30 January 2024 Amended 27 June 2022 Amended 31 January 2022 Amended: 14 December 2020 Adopted: 11 June 2019
Next Review Date	<ul style="list-style-type: none"> November 2025
Version	<ul style="list-style-type: none"> 4
Responsible Position	<ul style="list-style-type: none"> Governance, Risk & Compliance Manager
Administration Reference	<ul style="list-style-type: none">

Attachment 3

Draft Code of Meeting Practice Amendment – Summary of Community Engagement

Background

At the Council meeting held on 11 December 2023 it was resolved to place on public exhibition the proposed amendment to Council’s Code of Meeting Practice that reflect Council’s desire for earlier publication of Council meeting agendas, to provide more time for reading and consideration by both Councillors and the community. The amendments focus on:

- Bringing forward the notice of council meetings and publication of council meeting agendas
- Bringing forward the deadline for Councillors to submit Notices of Motion, to ensure they can be included in the published agenda

At the December 2023 meeting Council considered two options for public consultation, 14 December 2023 to 10 January 2024 and 22 January to 18 February 2024. Council resolved to proceed with the earlier consultation period, to meet its timeframe for implementing the proposed changes to the Code of Meeting Practice and therefore earlier publication of Council agendas. It’s noted that Council received late advice from the Office of Local Government regarding the need to place the proposed changes to the Code on public exhibition.

Summary

The public exhibition of the proposed amendment was undertaken from 14 December 2023 to 10 January 2024 with submissions open for 28 days, until 10 January 2024, via Council’s Have Your Say Platform via survey. The consultation period remained open with written submissions also invited from the community via email until 23 January..

An email was sent to over 8800 “Have Your Say” participants on 20 December 2023 to invite them to respond to the survey.

A total of eight questions were asked, with the primary focus being on support for the two proposed amendments and an opportunity to comment. A copy of the questions are included in Figure 1.

A total of eighteen people visited the Have Your Say project page, with two downloads of the document explaining the proposed Draft Amendment. There were no surveys completed and no written submissions received.

Have Your Say Survey

The key survey question invited participants to provide open text comments about the proposed changes to the Code of Meeting Practice. Survey questions are listed in Figure 1.

Figure 1. List of Survey Questions

No.	Question
1.	First name
2.	Last name
3.	Address

4.	Contact details
5.	Suburb
6.	Please provide any comments you would like to make on this issue
7.	Would you like to upload a submission?
8.	Are you happy to have your name published against your comment or submission?

There were no responses to the survey from the eighteen people who visited the project page on Have Your Say.

The consultation period was promoted via advertisement on Council's website and Have Your Say web page and via electronic direct mail to Council's engagement database of more than 8800 people.

The low response rate during may be due to the consultation period being held over the December and January holiday season. It was however, promoted at the same time as other Willoughby Council consultations that received submissions during the same period.

The last time the *Code of Meeting Practice* was place on public exhibition was in May 2022. One submission was received during the consultation period, prior to Council adopting of the *Code of Meeting Practice (June 2022)*.

13 NOTICES OF MOTION**13.1 NOTICE OF MOTION 01/2024 - REINSTATE CHATSWOOD OOSH SERVICES**

RESPONSIBLE OFFICER:	LINDA PERRINE – COMMUNITY, CULTURE & LEISURE DIRECTOR
AUTHOR:	ALISON MURPHY – COMMUNITY LIFE MANAGER
CITY STRATEGY OUTCOME:	5.1 – BE HONEST, TRANSPARENT AND ACCOUNTABLE IN ALL THAT WE DO
MEETING DATE:	30 JANUARY 2024

1. PURPOSE OF REPORT

Councillor Greco has indicated her intentions to move the following Notice of Motion.

2. MOTION

That Council:

1. Reapply immediately for OOSH licence for the services at Trumper Pavilion with an anticipated cost of \$856, and an annual service fee of \$386.
2. Begin the process of re-instating the OOSH service including contacting previous OOSH users and advertising for expression of interest for the service to meet minimum breakeven enrolment. Noting the breakeven point, based on fee for service and direct cost enrolments is a 75% occupancy rate (i.e. 40 children per day) which would generate the \$295,120 per annum required to breakeven.
3. Upon approval of the licence, begin the staff recruitment process based on breakeven enrolments.
4. Include licences and service fees and other direct cost of service to be funded by user charges with any shortfall to be funded from General Funds in 2023/24, with savings identified in Quarterly Budget Review 2 up to the amount of \$22,000 for the remainder of the financial year.
5. Provide Councillors with an update on the licence application and expressions of interest for the service by the end of February, via Councillor weekly news memo.
6. Include the service in the 2024/25 Operational Plan and Budget.
7. Begin working with sporting hirers of Chatswood Oval in reviewing the utilisation of the Paul Harrison Pavilion (away team change rooms) and the Jack Donnelley room; to establish how these buildings can better meet their needs when the OOSH service is re-established at Trumper pavilion.
8. Continue to liaise with the sporting hirers to establish priorities for facility upgrades at Chatswood Oval.

3. SUPPORTING INFORMATION PROVIDED BY THE COUNCILLOR ON THE NOTICE OF MOTION

Council established Out of School Hours Care (OOSH) services to provide childcare support for working families and to address a gap in service provision. The services were established at Trumper Pavilion in 2004.

Trumper Pavilion is a community facility, managed by the Open Space Team. The aim of such facilities is to provide a dedicated space that serves the needs and interests of the local community.

The after-school care service shares the space, therefore requires set up and pack down each day, to enable other users to utilise the space. A consistent requirement across all shared community facility use in our LGA.

The decision to close Chatswood OOSH in April 2023 was based on information supporting a financial repair strategy on the current rate structure. At the November 2023 Council meeting, Council resolved for a special rate variation (SRV) of 15% and set a new strategy direction to maintain valued services.

The move towards a 15% SRV now makes it financially viable to retain the Chatswood OOSH service. Further, the 2023 published financial statements shows a strong recovery of Council's OOSH services with an increase in revenue of \$69K from its 2022 OOSH operations and a decrease in direct expenses of \$2K.

It is noted that residents of Chatswood and Artarmon have been identified as most likely to be adversely impacted by the SRV given the demographics of its residents. Chatswood and Artarmon OOSH support families in these areas accordingly meets Council's strategic plan objective: 2.8 Increase community resilience to shocks and stresses.

At the August 2023 council meeting, it was confirmed that Willoughby City Council does not have a child service exit policy and the provision of certain children's services will be assessed on a case by case basis. This is to be done as part of Council's ongoing review of services and financial sustainability.

The December 2023 Notice of Motion to reinstate Chatswood OOSH service commencing with 2024 school year was ruled out of order by the Chairperson under clause 10.9 of the Code of Meeting Practice, for not identifying the source of funding for the expenditure that is the subject of the Motion.

During Council's 2023/24 summer recess the decision was made to surrender the licence given the business risk and impact to staff and staff redundancies.

A new licence for OOSH services at Trumper Pavilion with the same conditions will need to be applied. Anticipated cost of \$856, with an annual service fee of \$386, initially funded from General Funds in 2023/24, with savings identified in Quarterly Budget Review 2.

The granting of the licence as advised by the Department of Education is a maximum of 90 Days. Therefore, it is unlikely the service can be reinstated within 2024 School Term 1.

The alternative OOSH service located at Chatswood bush campus OOSH. It is not on Chatswood primary School site. The service run from disused demountable buildings and the service providers walks the children to the centre (approximately 10 minutes).

However, Chatswood Bush Campus OOSH is a 14-minute walk from Chatswood Station, crossing the busy Pacific Highway. Families living on the station side of Pacific Highway, the Bush Campus OOSH is not via alternative given the 30-minute return journey.

Trumper Pavilion OOSH is a 4 minute walk from the Station and provided families living in close proximity a much needed OOSH service. It was noted that the demand for the service was increasing with parents returning to work and OOSH service proximity to public transport.

4. OFFICER'S RECOMMENDATION

That Council consider the Notice of Motion and the officer response.

5. OFFICER'S COMMENTS

- 1. Reapply immediately for OOSH licence for the services at Trumper Pavilion with an anticipated cost of \$856, and an annual service fee of \$386.***

If Council resolves to re-instate Chatswood OOSH an application for an OOSH licence will be submitted as soon as practical to NSW Department of Education.

- 2. Begin the process of re-instating the OOSH service including contacting previous OOSH users and advertising for expression of interest for the service to meet minimum breakeven enrolment. Noting the breakeven point, based on fee for service and direct cost enrolments is a 75% occupancy rate (i.e. 40 children per day) which would generate the \$295,120 per annum required to breakeven.***

If Council resolves to re-establish Chatswood OOSH, previous OOSH users will be contacted and the service advertised to seek expressions of interest to enrol in the service.

It should be noted that Chatswood OOSH service has operated at 56% or less occupancy since 2020, therefore it is unlikely that occupancy will increase to a break even level. The table below shows declining utilisation rates since 2018. The low levels of utilisation of OOSH services is a trend across all services in the Willoughby area. Reinstating Chatswood OOSH may further reduce the ongoing viability of other OOSH services in the area.

CHATSWOOD - OOSH TOTALS - Licensed for 60 children per day						
	2018	2019	2020	2021	2022	2023
Feb	83%	79%	77%	40%	40%	58%
March	88%	78%	72%	39%	40%	50%
April	86%	74%	71%	37%	36%	56%
May	84%	75%	82%	41%	40%	55%
June	83%	75%	65%	40%	40%	57%
July	76%	74%	55%	37%	37%	54%
Aug	82%	73%	46%	36%	39%	56%
Sept	82%	73%	40%	31%	40%	52%
Oct	78%	75%	36%	33%	39%	52%
Nov	81%	68%	36%	36%	40%	
Dec	80%	72%	37%	36%	35%	
	82%	74%	56%	37%	39%	54%

If Chatswood OOSH were to be reinstated new staff would need to be recruited.

3. Upon approval of the licence, begin the staff recruitment process based on breakeven enrolments.

If Council resolves to re-establish Chatswood OOSH the recruitment of staff would begin as soon as a license is approved. It is important to note that Council has had significant difficulty resourcing children's services and it continues to be a very challenging employment market. As of 30 November, there were **1,246** jobs listed on [seek.com](https://www.seek.com) in the Sydney region, under Childcare and Outside School Hours Care.

4. Include licences and service fees and other direct cost of service to be funded by user charges with any shortfall to be funded from General Funds in 2023/24, with savings identified in Quarterly Budget Review 2 up to the amount of \$22,000 for the remainder of the financial year.

Council's 2023/24 original budget, adopted in June 2023, forecasted a deficit of \$2.7 million.

During the quarter one review approved in November 2023, the forecast full year deficit had grown to \$3.6 million. Initial analysis on quarter two budget review indicates a further negative movement in Council's deficit position. In line with Council's financial repair strategy, the financially responsible course of action is to apply any savings to close the deficit position. This deficit already accounts for the removal of the loss making Chatswood OOSH service, as per the Council resolution on 23 April 2023, and it follows that reinstating the service will further increase the deficit.

Given the service could not be reinstated until term two at minimum, \$22,000 would be sufficient to cover the operational shortfall for the Chatswood OOSH service.

To ensure Council has full visibility of the financial results of the Chatswood OOSH as presented in the Audited 2022/23 Financial Statements, the following breakdown is provided and shows that the OOSH service at Chatswood contributes \$43,658 to the \$98,025 overall loss attributable to Before / After School Care.

Figure 1 – Before/After School Care – Breakdown by Centre

Artarmon	2022/23
Total income from continuing operations	339,393
Total expenses from continuing operations	-382,426
Surplus (Deficit) before Overhead	-43,033
Chatswood	2022/23
Total income from continuing operations	281,064
Total expenses from continuing operations	-324,722
Surplus (Deficit) before Overhead	-43,658
Bales Park (Part Year Only)	2022/23
Total income from continuing operations	1,586
Total expenses from continuing operations	-5,422
Surplus (Deficit) before Overhead	-3,836
OOSH Administration (Shared Costs)	2022/23
Total income from continuing operations	0
Total expenses from continuing operations	-7,499
Surplus (Deficit) before Overhead	-7,499

TOTAL BEFORE/AFTER SCHOOL CARE (PER SPECIAL PURPOSE FINANCIALS)	2022/23
Total income from continuing operations	622,043
Total expenses from continuing operations	-720,068
Surplus (Deficit) before Overhead	-98,025

It is important to note that there were two distinct services at the Chatswood Centre – Chatswood OOSH and Chatswood Vacation Care. Figure 2 shows the overall loss of \$43,658 for the Chatswood Centre comprises of:

- The vacation care program that made a gain both before and after overheads, largely due to alternating vacation care between Chatswood and Artarmon to ensure maximum numbers and viability. When vacation care was offered at both sites, numbers and income was reduced.
- Chatswood OOSH is a loss making service both before and after overheads.

In 2022/23 the vacation care service has buffered the full impact of the Chatswood OOSH deficit by \$15,605. Ongoing, Council could reasonably expect that the Chatswood OOSH service would continue to operate at an annual deficit of \$59,263.

If Council resolved to reinstate Chatswood OOSH, Council would also need to resolve to reduce services and / or staff in other parts of Council in order to fund the loss from the OOSH service.

Figure 2 – Breakdown of Services at Chatswood Centre

Chatswood OOSH	2022/23
Fees	113,568
Grants and contributions provided for operating purposes	58,727
Total income from continuing operations	172,294
Employee benefits and on-costs	184,651
Materials and services	13,261
Other expenses	0
Total expenses from continuing operations	197,912
Surplus (Deficit) before overheads	-25,618
17% Corporate Overheads**	33,645
Surplus (Deficit) before Overhead	-59,263

Chatswood Vacation Care	2022/23
Fees	53,959
Grants and contributions provided for operating purposes	54,811
Total income from continuing operations	108,770
Employee benefits and on-costs	59,949
Materials and services	19,679
Other expenses	0
Total expenses from continuing operations	79,628
Surplus (Deficit) before overheads	29,142
17% Corporate Overheads**	13,537
Surplus (Deficit) before Overhead	15,605

Total for Chatswood OOSH and Vacation Care	2022/23
Fees	167,527
Grants and contributions provided for operating purposes	113,538
Total income from continuing operations	281,064
Employee benefits and on-costs	244,064
Materials and services	32,940
Other expenses	0
Total expenses from continuing operations	277,540
Surplus (Deficit) before overheads	3,524
17% Corporate Overheads**	47,182
Surplus (Deficit) before Overhead	-43,658

- 5. Provide Councillors with an update on the licence application and expressions of interest for the service by the end of February, via Councillor weekly news memo.**

If Council resolves to re-establish Chatswood OOSH, Councillors can be provided with an update on the licence application and expression of interest process by the end of February via the Councillor Weekly News memo.

- 6. Include the service in the 2024/25 Operational Plan and Budget.**

Depending on the decision of Council to reinstate the Chatswood OOSH service, the revenue and expenses for this service can be included in the draft 2024/25 Operational Plan and Budget for Council's approval.

- 7. Begin working with sporting hirers of Chatswood Oval in reviewing the utilisation of the Paul Harrison Pavilion (away team change rooms) and the Jack Donnelley room; to establish how these buildings can better meet their needs when the OOSH service is re-established at Trumper pavilion.**

As previously discussed at Council, an OOSH service is not compatible with current sporting users at the Trumper Pavilion. The cessation of the OOSH service at the Trumper was going to enable the space to be used by a range of other more appropriate / aligned community groups and it is assumed that the reinstatement of OOSH would restrict this opportunity.

The Jack Donnelly room is smaller than Trumper pavilion, with fewer facilities. However, should a new licence be issued for an OOSH service in Trumper pavilion, Officers can explore with the hirers of Chatswood Oval the suitability of using the Paul Harrison Pavilion (away team change rooms) and the Jack Donnelley room at those times when the Trumper pavilion is being used for OOSH. There may be additional capital works required to ensure these spaces meet the requirements of the sporting hirers, which is currently unfunded.

The proposal outlined in this Notice of Motion to re-establish Chatswood OOSH at The Trumper Pavilion has not been discussed with any of the current or potential future users.

8. *Continue to liaise with the sporting hirers to establish priorities for facility upgrades at Chatswood Oval.*

Officers will continue to liaise with the relevant clubs regarding their ideas to upgrade facilities at Chatswood Oval. A Projects and Capital Works bid will be developed for consideration in the 2024/25 as this pre-planning phase will require the allocation of staff resources.

Resourcing impact

In summary, if Council were to resolve to reinstate an OOSH service at the Trumper Pavilion, Chatswood Oval the following financial impacts would need to be considered:

- Licence application - \$856.00
- Financial loss of \$59,263 per annum based on 2022/23 results
- Works required to ensure Jack Donnelly Room and Paul Harrison Pavilion to meet sporting user needs has not been scope or budgeted for.

In addition, none of the work required to deliver on this Notice of Motion has been factored into staff workplans and will require reprioritisation of work.

14 QUESTIONS WITH NOTICE**14.1 QUESTION WITH NOTICE 01/2024 - CHATSWOOD OOSH LICENCE**

RESPONSIBLE OFFICER:	LINDA PERRINE – COMMUNITY, CULTURE & LEISURE DIRECTOR
AUTHOR:	ALISON MURPHY – COMMUNITY LIFE MANAGER
CITY STRATEGY OUTCOME:	2.7 – PROMOTE ACCESSIBLE SERVICES AND FACILITIES FOR THE COMMUNITY
MEETING DATE:	30 JANUARY 2024

Submitted by: Councillor Anna Greco

QUESTION

A Notice of Motion was received by Council's office on 13 December 2023 for the Council meeting on the 30 January 2024 to debate the retention of the Chatswood OOSH licence, with the understanding that Willoughby City Council had the ability to retain the current licence until a decision of the Elected Council could be made on 30 January 2024.

1. Provide the reasons Council's office continued with the administrative procedure of surrendering the licence before 30 January 2024, given Council's office was on notice that the matter was to be debated on the 30 January 2024?
2. What are the specific legal regulations that required Council office to surrender the licence before the matter could be debated on 30 January 2024?
3. What aspect of retaining the licence would have precluded Council's office from completing the operational closure of Chatswood OOSH before 30 January 2024?

ANSWER

1. *Provide the reasons Council's office continued with the administrative procedure of surrendering the licence before 30 January 2024, given Council's office was on notice that the matter was to be debated on the 30 January 2024?*

On the 23 April 2023 Council resolved to cease services at Chatswood OOSH from the 24 December 2023. Officers had progressed all of the steps to implement this resolution. This included a legislative requirement to provide 42 days' notice of intention to close the service.

Following Cr Greco's Notice of Motion (NOM) to reinstate Chatswood OOSH, advice was sought from the Office of Local Government (OLG) on any legislative requirement to cease the implementation of a Council resolution based on a subsequent NOM. OLG advised that:

- there was no requirement for a CEO to stop the implementation of a Council resolution based on the submission of a NOM
- the requirement to cease the implementation of a Council resolution would only apply if a rescission motion was made following the meeting at which the decision was made
- a newly submitted NOM does not have the same requirements as a rescission motion

2. *What are the specific legal regulation that required Council office to surrender the licence before the matter could be debated on 30 January 2024?*

Council surrendered the Chatswood OOSH licence due to:

- obligations under the Code of Meeting Practice which requires officers to enact Council resolutions in a timely manner and was consistent with reasons outlined in response to question 1.
- the potential industrial relations issues that may have arisen given the actions that had already been implemented on the basis that the service would close.

3. *What aspect of retaining the licence would have precluded Council's office from completing the operational closure of Chatswood OOSH before 30 January 2024?*

Council could have retained the licence however decided that not surrendering the licence would put Council at unnecessary industrial risk as outlined in the response to questions 1 and 2 above.

14.2 QUESTION WITH NOTICE 02/2024 - EXPLANATION OF THE PROCESS TO ADVISE THE COMMUNITY OF THE COMMONWEALTH REFERENDUM IN RELATION TO THE ELECTION OF THE MAYOR FROM 2028

RESPONSIBLE OFFICER:	MAXINE KENYON – CUSTOMER & CORPORATE DIRECTOR
AUTHOR:	SAMANTHA CONNOR – GOVERNANCE, RISK & COMPLIANCE MANAGER
CITY STRATEGY OUTCOME:	5.5 – MAKE IT EASY FOR CITIZENS TO ENGAGE AND PARTICIPATE IN DECISION MAKING
MEETING DATE:	30 JANUARY 2024

Submitted by: Councillor Roy McCullagh

QUESTION

Can Council provide an overview of the processes involved in preparing the community for the option to vote on changing how the Mayor is currently elected at the September 2024 Council elections?

In 2023 Councillor Moratelli submitted a Notice of Motion requesting that Councillors vote to support giving residents an alternative option when electing the Mayor of Willoughby Council from 2028 onwards, at the next Council elections to be held in September 2024. The choice will be to continue with the current system of a popularly elected Mayor or, as is common in the majority of Councils, have the Mayor elected every two years by the sitting Councillors. Councillors voted overwhelmingly in support of this NOM.

ANSWER

Officers are currently finalising a communications plan for the September 2024 Local Government election in Willoughby. Communications will include a campaign on the constitutional referendum question, so that voters are informed about what they need to do when they receive a ballot paper at the polls on the day of the election.

Communications will be distributed through all of Council's usual channels such as:

- Print and digital advertisements in local publications, including those for specific language groups
- Posters and fliers in multiple languages, distributed throughout Council's networks and placed in suitable locations within the community
- Digital communications via electronic newsletter and social media
- Willoughby City News and Council's websites
- Production of communications in a variety of formats to suit accessibility requirements.

To ensure voters are fully informed, communications will include:

- Notice that Council is holding a constitutional referendum
- Information about what will be determined as a result of the referendum
- Balanced information about the pros and cons of voting 'Yes' or 'No'
- An example of what the question might look like on the ballot paper

Council will consider a referendum question for adoption and the final communications plan at a future meeting of Council.

14.3 QUESTION WITH NOTICE 03/2024 - ISSUES CAUSED BY BRUSH TURKEYS

RESPONSIBLE OFFICER:	HUGH PHEMISTER – PLANNING & INFRASTRUCTURE DIRECTOR
AUTHOR:	DAVID ROBERTS – ENVIRONMENT MANAGER
CITY STRATEGY OUTCOME:	1.3 – ENHANCE, PROTECT AND RESPECT WATERWAYS, BUSHLAND, WILDLIFE AND ECOLOGICAL SYSTEMS
MEETING DATE:	30 JANUARY 2024

Submitted by: Councillor Roy McCullagh

QUESTION

Can Council write to the NSW Government to seek to address the public and private nuisance problem caused by the Brush Tailed Turkey to the environment by dint of the birds protected species status?

Left unaddressed, it is evident that the costs incurred to Council, the community, ratepayers and residents is going to grow exponentially if not dealt with.

Following the Second Reading of the Biodiversity Conservation Act 2016, enacted in conjunction with the Local Land Services Amendment Act, the problem being experienced daily by owners and occupiers of residential premises in was not in any way anticipated when a 'protected species status' was afforded these brush-tailed turkeys by the NSW Government.

The issues faced by residents include slipping on footpaths due to the build up of material and faeces deposited by brush turkeys which then leads to an increase in requests to Council to increase road and footpath sweeping schedules putting further pressure on already stretched Council resources.

ANSWER

Writing to the NSW Government seeking action regarding the Australian Brush Turkey would require a resolution of Council.

The Brush Turkey (also referred to as scrub turkey or bush turkey), is an Australian native bird that primarily inhabits the east coast of Australia. The Brush Turkey, like all native fauna in NSW, are protected under the *Biodiversity Conservation Act 2016* (the Act).

The Brush Turkey has been consistently safeguarded under the Act, and previous environmental protection legislation, even during the time when Brush Turkeys were absent from the Sydney region from the 1920s to the late 1990s.

Brush Turkeys often interact with people when they are foraging for food, or building nests, where they can have a destructive effect of garden beds and plantings, and the impact from their droppings.

Despite the overarching protection provided to native fauna by the Act, provisions exist within the National Parks and Wildlife Service (NPWSNSW) [People and Wildlife Policy](#) (the Policy) to address specific cases where certain animals are proven to pose threats to people or property.

This policy establishes a framework for risk mitigation, placing the onus on complainants and local councils to initially attempt non-destructive solutions. In instances where an animal is demonstrated to cause harm or significant commercial damage, an application for a permit to destroy the animal can be submitted to National Parks and Wildlife Service.

Council staff note the concentration of nesting mounds is higher in the developed regions of the Willoughby Local Government Area compared to bushland reserves, and in some reserves Brush Turkey activity is entirely absent.

Council staff are not aware of permits to destroy Brush Turkeys being granted. However, the Policy suggests that if an individual animal is proven to be destructive, causing harm to people or significant property damage, and all non-destructive attempts to address the issue have failed, a permit for harm could be sought.

15 CONFIDENTIAL MATTERS

NIL

16 CONCLUSION OF THE MEETING
