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
General comments on proposed rate increase		

Rate increase will cause cost of living pressures	9	• 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:
		  ○ 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 *Hardship Policy for Rates and Annual Charges*.
		• The Hardship Policy outlines a range of mechanisms in cases of genuine hardship, including:
		  ○ 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.

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Rate increase should be as low as possible	6	• 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	• 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	The 15% rate increase was selected, in part, because it was: • 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. 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 *Reduce Services* option) Therefore, it can be said that the 15% increase was supported by community feedback.
Rate increase will cause inflation	4	• Council's rate increase will make a negligible contribution to Australia's consumer price index.
Ask NSW Government for funding to help	2	• There are no specific NSW Government funding programs available for Council to seek reimbursement for lost revenue due to COVID-19 impacts.

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recover from COVID-19 impacts		
Sell off lazy assets	1	• 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	• Noted
Comments that relate to Long Term Financial Plan only		
Can you please confirm that the additional rates amount to $9 million	1	• 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	• Under the 15% increase, there is the potential for Council to accumulate surpluses totalling $42.94m over nine years from 2024/25.

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surpluses over nine years and see an increase in Council's cash and cash equivalents from $153m to $211m over the same period.		• 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.
Comments that relate to Delivery Program only		
Tree planting supported	1	• Noted
We don't need any more street trees, as they are a hazard for people and cars and ratepayers and	1	• Priority 1.1 in Council's *Community Strategic Plan (Our Future Willoughby 2032)* 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.

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bearing the burden of cleaning up after them		• In engagement on *Our Future Willoughby*, 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	• Choosing the right tree species for the right location is an important objective of Council's *Street Tree Masterplan*. • The *Street Tree Masterplan* 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 *Street Tree Masterplan*. That sometimes results in unsuitable species selection. • All new street tree plantings by Council should comply with the *Street Tree Masterplan* which can be viewed at https://www.willoughby.nsw.gov.au/Residents/Trees/Tree-and-vegetation-management

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Query on what extra services will be provided and whether this represents value for money	1	• The rate increase will allow Council to: o Continue to deliver highly valued services to the community o 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 o 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. o Better absorb future financial, extreme weather and growth shocks in an increasingly volatile environment o Provide a stable work environment for staff attraction and retention