



Snowy Valleys Council

Special Variation Community Engagement Summary and Implications

Morrison Low Consultants has been engaged by Snowy Valleys Council's ('Council') to review Council's current baseline budget and financial forecasts to provide advice on options to close the forecast general fund operating funding gap. Morrison Low also provided information to the Snowy Valleys community and facilitated a community engagement process, so that Council can make an informed decision on the options to become financially sustainable.

The Council separated the community consultation into two phases:

- Phase One engagement, with the purpose of informing and engaging the community on financial challenges and options facing Council and seeking feedback on the options put forward by Morrison Low. The options proposed included a reduction in assets, services, service levels, an increase in fees and charges and organisational savings to reduce the amount of a possible of Special Rate Variation (SRV) and a range of SRV options.
- Phase Two, to inform the community on Council's notification to the Independent Pricing and Regulatory Tribunal (IPART) that it intends to apply for an SRV and seek further feedback.

This paper summarises the Phase One engagement and its implications.

Phase One Community Engagement

Engagement Initiatives

Council undertook a number of community engagement initiatives under Phase One including:

- Establishing a Council webpage with all SRV information live from July 5. The webpage received 318 visitors.
- Creating information on the page including SRV summary, five detailed background documents, Community Q&A, recording of the Community Meeting presentation, a survey, feedback form and rates calculator.
- Advertisements in print news July 14, 16, 20, 21, 23, August 13, 18, September 8, 10, 14, 15
- Nine posted on Social Media.
- A brochure letterbox drop delivered to 8017 households, businesses, roadside mailboxes and post boxes 30 August.
- Eight online meetings independently facilitated by Morrison Low. Meetings were advertised via local newspaper, local radio, Council's website and social media.

Simultaneously Council undertook community engagement on the new Community Strategic Plan and this engagement also provided an opportunity for the community to express their views through that process.

This Community Engagement process resulted in approximately eight percent of the community making submissions. A more detailed Community Engagement Report is available on Council's website and this paper provides a high-level summary of the outcome and feedback.



Engagement Feedback

Fifteen online submissions were received to the phase one SRV engagement process through the website. Council also received 549 submissions through the Integrated Planning and Reporting (IP&R) community engagement process, which related to the SRV engagement. Council also received via hand delivery at the Tumut Community Meeting 495 signed letters opposing the introduction of an SRV.

All but a small number of these submissions opposed any SRV. Some also opposed service cuts and all, but a few submissions did not express preference for any alternative actions to avoid an SRV.

The eight online meetings were attended by around 30 people.

Polls were used on both the website and at the online meetings to gauge the community feelings about the importance of retaining the current range of assets, services, service levels and fees and charges. An indicative range of SRV option was also polled. Approximately 90 people responded to the polls.

The polls revealed that:

- 66% of respondents considered that maintaining the current range of assets was important, somewhat important or very important.
- 74% of respondents considered that maintaining the current service levels was important, somewhat important or very important.
- 62% of respondents considered that maintaining the current range of non-core services was important, somewhat important or very important.
- 87% of respondents believed that maintaining the current level of fees and charges was important, somewhat important or very important.

This gives Council a reasonably clear direction that current asset, services, service levels and fees and charges are highly valued and important to the community.

The polls also shown that 60% of those polled preferred the lowest SRV and 26% the highest SRV. Not all polls surveyed a 'no SRV option'.

Implications for Council

Firstly, and foremost Council must make one or more decisions that will create a sustainable future for the Snowy Valleys Council. This is not negotiable. Council has few options and must either increase revenue or reduce costs. The size of the financial gap will require a combination of actions and if the SRV is not significant the actions must result in a reduction in the assets, service, service levels, organisational savings and an increase in fees and charges for services the community values most, as shown in the poll results.

Opposition to an SRV is strong, as is opposition to service reductions. Unfortunately, these two when combined will result in a financially unsustainable Council. There is a portion of the community who favour a larger SRV over service cuts.

The most practical solution to avoid a significant reduction in current asset, services, service levels or an increase in fees and charges is to choose a combination of organisational savings and the largest SRV. A permanent SRV over two years of 17.5% (15% SRV plus the rate peg of 2.5%) per year will achieve this. This will remove the need to engage about which assets or services will reduce as an SRV of this level will enable the current services to be retained while ongoing structured efficiencies are undertaken to improve Council's sustainability.



In our view Council should notify of its intent to apply for a permanent SRV of two years of 17.5% per year representing a compounded increase of 38%, including the rate peg at 2.5% per year. This decision would enable Council to:

- Notify its intent to apply for an SRV to IPART.
- Inform the community and seek further feedback on this intent.
- The new Council consider the feedback and determine:
 - Whether to proceed with the SRV application as proposed,
 - Modify the SRV application to a lesser amount, or
 - Not proceed with an SRV.