

Our Place...Our Future
Special Rate Variation
Proposal 2019/20
Community Engagement
Strategy

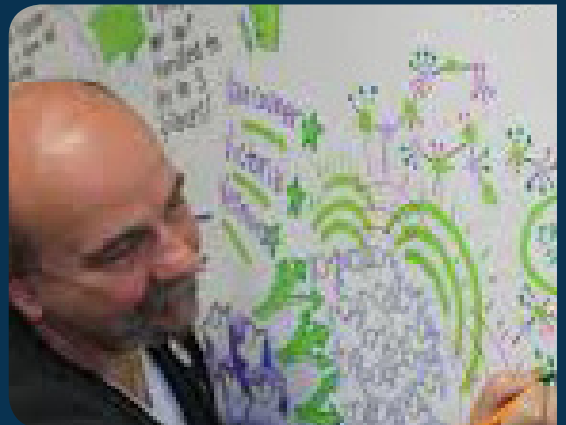


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Over the coming months in 2018/19, Council will be continuing to seek community input into the proposal to apply for a Special Rate Variation to commence in 2019/20.

Lithgow City Council seeks to ensure a sustainable future for the Lithgow Local Government Area. Our Community Strategic Plan (CSP), Our Place, Our Future 2030, outlines key environmental, social, economic and civic leadership objectives for making the Lithgow Local Government Area a better place. Our Governance and Civic Leadership Goal Statement is to be:

"A Council that focuses on strong civic leadership, organisational development and effective governance with an engaged community actively participating in decision making processes affecting their future"

Key strategies previously endorsed by the community to achieve this, include:

- GL1-Our council works with the community.
- GL2-Moving towards a sustainable council.
- GL3 - We are all valued citizens.

This Community Engagement Strategy has been developed to guide community engagement on how best we can achieve levels of service that are both affordable and acceptable, given the significant financial challenges our LGA faces.

As part of the Council's integrated long-term resource planning, two alternative funding options have been developed that community input and engagement is being sought on. These options, and their varying impacts, have been detailed in the following Integrated Plans that will be on public exhibition from 23 October to 19 November 2018, subject to Council endorsement.

- Revised Delivery Program 2017-21 / Operational Plan 2018/19.
- Resourcing Strategy 2018/19 - 2028-19 (including Long Term Financial Plan, Asset Management Policy and Strategy, Workforce Management Strategy).

Part 1 of this document presents the overall approach to community engagement, including level of engagement planned, key messages, guiding principles and key target groups being consulted and engaged.

Part 2 presents the detailed Community Engagement Action Plan.

This Community Engagement Strategy provides a guideline as to how Council will be engaging with the community to develop the application for a Special Rate Variation to commence in 2019/20.

Council has a high level of commitment to engaging with the community and actively seeks community input and advice into its strategic plans and processes on a regular basis.

Throughout this process we will be:

- Seeking to gain an understanding of your satisfaction with Council Assets and what you believe are the asset funding priorities for the future;
- Seeking your views on Councils current and future service level priorities and levels;
- Seeking your support or otherwise for the proposed Special Rate Variation:
 1. Support for reduced service levels/No increase to rates above rate peg.
 2. Support for improved service levels/Increased rates.

Our place Our Future

In October 2009, NSW Parliament passed the Local Government Amendment (Planning and Reporting) Bill 2009, requiring all NSW local Councils to develop an Integrated Planning and Reporting Framework consisting of a:

- Community Strategic Plan
- Resourcing Strategy (Long-term Financial Plan, Workforce Plan and Asset Management Strategy)
- Delivery Program
- Operational Plan
- Quarterly and Annual Reporting
- End of Term Report.

This legislation was introduced to improve all NSW Councils' long term planning across social, environmental, economic and civic leadership spheres. The changes are underpinned by the principle that all members of the community have the right, and the responsibility, to contribute to the future of their local government areas.

A key component of the Integrated Planning and Reporting Framework is for Councils to adopt a Community Engagement Strategy for the development of their Community Strategic Plan. This strategy will also be used as a guide for engaging with the community for the development of all strategic documents which comprise of the Integrated Planning and Reporting Framework.



Background

What is the Rate Peg?

As things currently stand, Council's revenue is regulated under the rate peg. The Independent Pricing and Regulatory Tribunal (IPART) sets a rate peg which limits the amount by which councils can increase their rate revenue from one year to the next.

For many years, the rate peg limit has not kept pace with the funding needs of Councils in NSW, including costs shifted from other levels of government, and residents' needs for appropriate services.

What is a Special Rate Variation?

After IPART announces the rate peg for the upcoming year, Councils can then have a conversation with the community as to whether the increase is sufficient to continue to deliver the existing range and standard of services available, whilst also ensuring there are sufficient funds to maintain and renew infrastructure. If they feel the increase is insufficient, Council can request an increase above the rate peg limit. These increases are known as a Special Rate Variation (SRV).

Applications for increases above the rate peg limit are assessed by IPART. IPART has stringent criteria which a Council must meet before approving any application. This includes extensive community consultation and clearly showing to the community the impact of the proposal on ratepayers.

The proposal to apply for an SRV was included as "Scenario 3 – Sustainable Assets" in Council's 2017-2027 Long Term Financial Plan (LTFP), which was placed on public exhibition in May 2017 and adopted by Council in June 2017.

Why is Council Considering a Special Rate Variation?

Like many other NSW Councils, our roads, footpaths, buildings, drainage and other community assets are ageing and need to be renewed or upgraded. We know that our community places a high value on these assets, in particular our road network. Our assets in their current state are continually deteriorating and need costly maintenance. To improve our public assets we need to spend more money on maintaining and renewing these assets to ensure that they meet the needs of our community.

The proposed Special Rate Variation is an important step to help maintain and manage our current assets to ensure that we deliver services in line with community expectations and remain financially sustainable into the future.

What is 'Fit for the Future' all about?

In 2014 the NSW State Government initiated its 'Fit for the Future' (FFTF) local government reform program that required all NSW councils to submit a proposal demonstrating plans to achieve long term financial sustainability and meet seven asset and financial benchmarks.

As a part of our 'Fit for the Future' process we reviewed the condition of our assets and detailed long term financial modelling. We currently spend around \$19 million on the maintenance and renewal of community assets each year; we have a funding gap and need to invest an additional \$1.1 million per year. This additional investment will ensure that the number of assets in poor condition does not continue to grow.

On 6 December 2016, Council received a 'Notice of intention to issue a Performance Improvement Order to Lithgow City Council

under Section 438A of the Local Government Act 1993 from the, then Minister for Local Government, the Hon. Paul Toole, MP. The Minister identified a number of reasons for issuing the Notice including:

- Failure by Council to follow the principles of sound financial management with respect to ensuring that Council's forecast spending is responsible, sustainable, aligning general revenue and expenses.
- Reporting of annual deficits in the financial statements over the past five financial years.
- Consistently forecasted deficits in Council's Long Term Financial Plan (LTFP) for the next ten years until 2024-25.
- Council's FFTF reassessment proposal forecast to meet the financial sustainability criteria relied heavily on two proposed SRV's.
- Council did not have a documented strategy to meet its forecast operating performance ratio to ensure its long term financial sustainability did not include a SRV.
- Council did not provide substantive evidence of strategies implemented since the IPART review to move Council towards long term financial sustainability.
- The financial sustainability ratios forecast in Council's FFTF reassessment submission (General Fund) did not align with the ratios forecast in Council LTFP (Consolidated Fund).

In response, Council engaged the services of specialist consultants, Morrison Low to develop a Performance Improvement Plan that would position Council for a sustainable future by:

- Reviewing and developing Council's LTFP to incorporate a Fit for the Future Improvement Plan and strategies.
- Reviewing Council's Asset Management Plan and Financial Statements Assets Special Schedule 7.
- Preparing a Financial Management Maturity Assessment to understand Council's Financial Management Maturity Status and developing an Improvement Plan with specific priority actions.

This work was completed as part of Council's Integrated Planning and Reporting Framework (IPR) and the actions identified support the following objective in the Community Strategic Plan 2030:

- GL2 – Moving towards a sustainable Council.

Strategies identified in the Fit for the Future Improvement Plan are included in Council's 2018/19 Operational Plan. In addition to this the following actions have commenced to improve service delivery, cut costs and reduce reliance on rates revenue:

- Implementation of a range of initiatives to generate operational efficiencies.
- Review of the 2018/19 fees and charges to optimise revenue.
- Service reviews to determine affordable levels of service.
- Implementation of asset management and financial management improvement plans.
- Applications for grants and seeking corporate sponsorship.

Special Rate Variation Proposal

Why can't my current rates pay for the additional maintenance and renewal works?

The role of local Councils has come a long way since the days of roads, rates and rubbish. Today, we now fund many more services to meet our community's needs and expectations. Some of these include:

- Parks, sports grounds, playgrounds and community halls;
- Libraries, arts and culture;
- Community development services for children, youth, older people, people living with a disability and Aboriginal and Torres Strait Islander People;
- Public and environmental health;
- Environmental sustainability projects and invasive species management;
- Transport services including roads, footpaths, car parks, road safety and traffic facilities;
- Business development, events and tourism;
- Development services, such as development applications and certification;
- Land use and natural environmental planning;
- Stormwater and flood management;
- Emergency management;
- Community and council strategic planning;
- Executive, communication and support services

What are the options Council is considering?

There are two options that we would like you to consider; each option will have varying impacts on our assets and service quality.

Scenario 1

Current SRV expires + rate peg

On 1 July 2019, the current 4.77% SRV expires. A 2.7% rate peg would be added to the lower rate base. The projected loss of rates revenue due to the expiry of the current SRV is estimated at \$624,000 for the 2019/20 year.

Scenario 2

Maintain the current SRV + rate peg + one-off (permanent) 4.23% SRV

Council proposes to apply to retain the current SRV of 4.77%. Council also plans to request an additional one-off SRV of 4.23%. The total SRV application will be for a 9% increase in rates revenue (i.e. the current 4.77% SRV plus a new 4.23% SRV). The 2.7% rate peg will also be added. The impact on ratepayers will be a new 4.23% SRV plus the rate peg. The projected total SRV income (from maintaining the current SRV plus adding the new SRV) is estimated at \$1.178 million for the 2019/20 year.

Council is proposing to increase funding for the following assets.

- Transport (sealed roads, unsealed roads, footpaths, cycleways, bridges and road drainage)
- Stormwater Drainage
- Buildings

Increasing the level of funding for these assets will allow council to renew those which are currently in a poor condition. It will also ensure that the number of assets in poor condition does not continue to grow. It is essential that our community assets are safe, in working order and meet community expectations. The expenditure will ensure that the Fit for the Future asset benchmarks are met over time.

The remainder of the increased funding (approx. \$100,000 p.a.) will be spent on business improvement initiatives which will either generate additional revenue or reduce long-term costs.

What is the proposed increase in funding?

The table below shows the current amount of funding allocated each year, towards renewal and maintenance work across our main asset types, as well as recommendations for increases to improve their condition.

| Asset Type | Current Maintenance & Renewal Budget (\$'000 p.a.) | Proposed increase in Investment (\$'000 p.a.) | Proposed Total Investment (\$'000 p.a.) | Proposed % increase in investment |
|---------------------|--|---|---|-----------------------------------|
| Transport | 4,188 | 725 | 4,913 | 17% |
| Stormwater Drainage | 107 | 100 | 207 | 93% |
| Buildings | 831 | 250 | 1,051 | 26% |

The purpose of this strategy

This Community Engagement Strategy aims to:

- Improve community understanding of services provided by the Council and the financial challenge in maintaining existing levels of service into the future.
- Ensure the community is effectively engaged on the two options as detailed in the draft Resourcing Strategy 2018-2028, and Draft combined Delivery Program/ Operational Plan (on public exhibition from 23 October - 19 November) and in various communication documents.

Part 2 of this Strategy includes a detailed Community Engagement Action Plan. This plan aims to ensure within available resources, that the general community is aware of and has access to relevant information on the three proposed options for resourcing our future. To access the voice of the broader community – the silent majority – the Action Plan includes a survey of a representative sample of ratepayers and workshops with a randomly selected cross section of the community.

This strategy and documentation developed to support the community engagement process demonstrates the Council's commitment to Financial Sustainability and that Council is not just seeking to increase rates without first doing everything possible to address our financial challenge. This commitment includes:

1. Avoiding Shocks – The Council is proactively implementing sound financial planning to ensure we live responsibly within our means, manage risks and prioritise resources to achieve best outcomes.

2. Balancing the Budget – Given that costs are rising in real terms more than income, the Council is taking action to balance its budget by finding efficiencies and cost savings.
3. The Council is committed to borrowing only for key infrastructure projects which are assessed on a business case basis including consideration of life cycle costs. The Council manages its borrowings within industry benchmarks, which measure borrowing and repayment capacity.
4. Increasing Income – The Council is seeking to maximise income where appropriate.
5. For every dollar residents pay in rates and annual charges, the Council matches it from other funding sources. Over the past five years the Council obtained over \$75 million in grant funding for the community. The Council seeks to engage community in 2018 on options for achieving affordable and acceptable levels of service including a possible further special variation to rates.
6. Reviewing and adjusting services – The council is committed to ongoing review of its services to ensure we are providing quality, value for money services responsive to the changing requirements of the community over time.
7. Increasing Advocacy and Partnerships involves advocating to other levels of government for a fair share of funding and reduced cost shifting onto local government and building partnerships to achieve positive outcomes.

Engaging with our Community

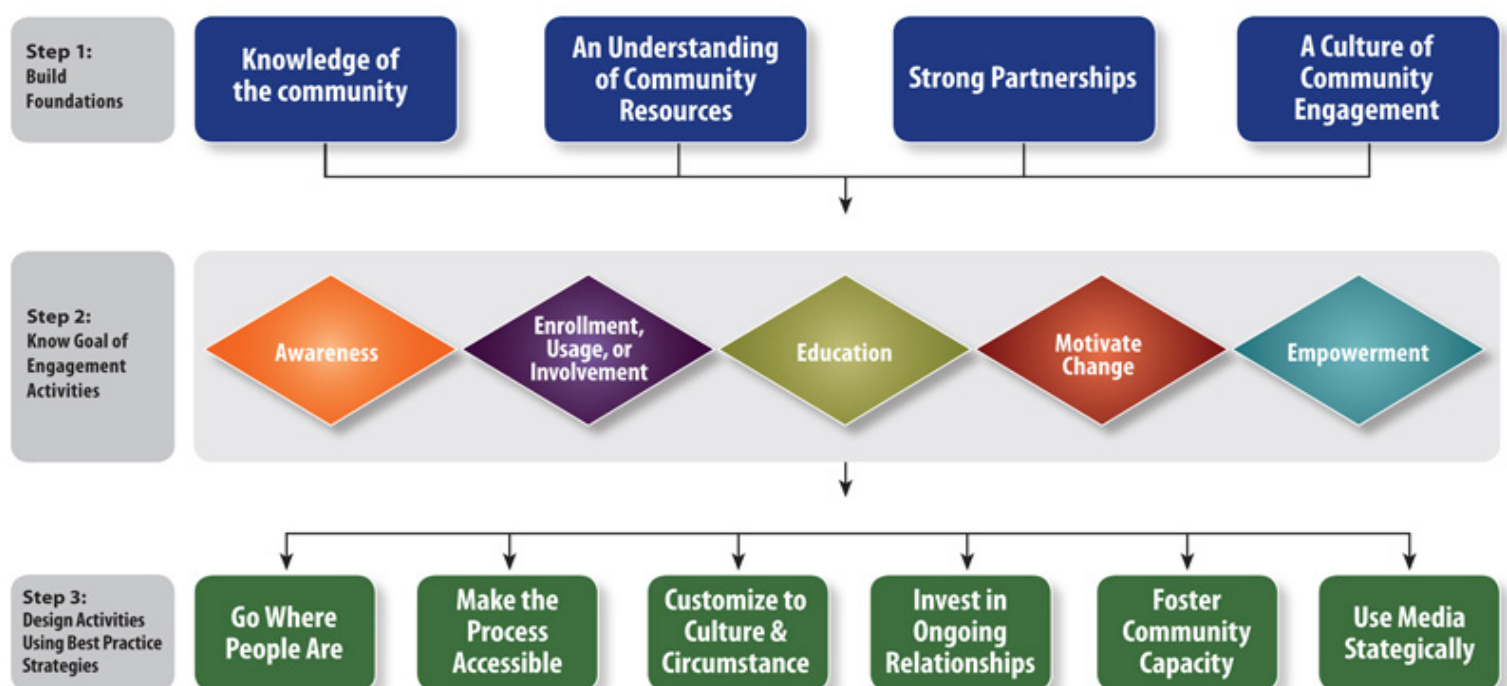
Principles of community engagement

The Community Engagement Strategy is based on the fundamental principles for engagement of social equity and justice.

- Inclusiveness and diversity
- Openness, respect and accountability
- Leadership
- Purpose
- Information sharing
- Feedback and evaluation
- Resourcing and timing.

Key Stakeholders

- General community
- Ratepayers – residential, business, farmland and mining.
- Local community groups and organisations
- State and Federal Government
- Non-government agencies and organisations
- Council



Engaging with our Community

Key Engagement Messages

- This is a chance for everyone to be involved in the future of the Lithgow region. We want people to think about what our community needs and speak up about it.
- This is a chance for Council and the community to build a strong, sustainable future together.
- Council will use the results of this engagement process to guide decision-making on its services and service standards, and how the community's assets are managed into the future.
- The development of '*Our Place, Our Future*' requires long-term thinking – we can't do everything at once, but this plan will give us a path to follow into the future.
- Lithgow City Council will be the caretakers of the plan – monitoring results, implementing change in areas Council controls and speaking up for the community on the broader issues.
- Your feedback will directly influence Council's future decision making on how we spend money on community assets such as roads, bridges, parks, playgrounds and buildings.
- Council appreciates your taking the time to participate in this research. This is *Our Place, Our Future*. Let's build it together.
- Council aims to provide the best possible value for money services for our community while ensuring financial sustainability.
- Like many NSW councils, Lithgow City Council is experiencing significant challenges in becoming financially sustainable while continuing to provide agreed levels of service into the future. To address the financial challenges facing the LGA, the Council is changing the way we do things and progressing a continuous improvement framework and Service Review cycle.
- In line with this Strategy, Council is actively working to avoid shocks, balance its budget each year through finding savings and efficiencies, manage borrowings responsibly, increase income, review and adjust services to ensure best value; and increase advocacy and seek partnerships to achieve positive outcomes, including a financially sustainable Lithgow local government area.
- Taking into consideration the outcomes of the community engagement on options for resourcing our future, the Council will decide whether or not to proceed with a Special Variation application.
- The results of community engagement will inform the update of our Community Strategic Plan, 10-year Resourcing Strategy and combined four-year Delivery Program and annual Operational Plan. It will help ensure we work together to build a successful future for our local government area.

Supporting background information

- Lithgow City Council delivers a wide range of services to a population of approx. 21,596 (Estimated Resident Population 2017¹) residents across a Local Government Area of 4,567km².
- Financial challenges facing NSW councils, and the Lithgow Local Government Area are the result of real costs rising faster than available revenue, rate pegging (limiting the amount by which rates can rise), cost shifting from other levels of government, and councils only collecting approximately 3% of total tax revenue (through rates) but having responsibility for provision of approximately 36% of built assets and infrastructure (much of which is old and in need of renewal and upgrade)

Lithgow City Council also has a number of additional challenges, including:

- A large proportion of the Lithgow LGA is unrateable being National Park or State Forest.
- Service provision to Lithgow, Wallerawang and Portland and across 12 villages and localities from Capertee and the Wolgan Valleys in the north, Little Hartley, Kanimbla and Megalong Valleys in the east, Tarana in the south and Meadow Flat in the west.
- Additional expenses arising from emergency management responsibilities, as the area is prone to costly natural disasters, especially bushfires and storms
- Increased resident expectations for high levels of service particularly in the rural areas.

- Significant pockets of isolated households located in the rural areas not serviced by public transport -- including a growing number of older people with disabilities.

Analysis of the service age groups of Lithgow City in 2016 compared to Regional NSW shows that there was a lower proportion of people in the younger age groups (0 to 17 years) and a higher proportion of people in the older age groups (60+ years).

Overall, 20.6% of the population was aged between 0 and 17, and 29.0% were aged 60 years and over, compared with 22.1% and 27.2% respectively for Regional NSW.

The major differences between the age structure of Lithgow City and Regional NSW were:

- A larger percentage of 'older workers & pre-retirees' (15.1% compared to 13.8%)
- A larger percentage of 'seniors' (12.4% compared to 11.4%)
- A larger percentage of 'empty nesters and retirees' (14.1% compared to 13.1%)

From 2011 to 2016, Lithgow City's population increased by 916 people (4.5%). This represents an average annual population change of 0.89% per year over the period.

The largest changes in the age structure in this area between 2011 and 2016 were in the age groups:

- Seniors (70 to 84) (+585 people)
- Parents and homebuilders (35 to 49) (-319 people)
- Empty nesters and retirees (60 to 69) (+292 people)
- Young workforce (25 to 34) (+278 people)²

¹ Source: <https://profile.id.com.au/lithgow/home>

² <https://profile.id.com.au/lithgow/service-age-groups>

Engaging with our Community

Despite these challenges, ratepayers receive good value for their rating dollar from the Council – for every rating dollar paid the Council at least matches it with funding from other sources primarily grants and to a lesser extent fees and charges.

As a result of these challenges the Council's costs exceed revenue by about \$1.1m each year.

The Council balances its cash budget each year by reducing expenditure in real terms and implementing cost containment strategies; and productivity and continuous improvement initiatives. However, the Council cannot maintain this practice of expenditure containment into the future, without impact on service levels and significant deterioration in the condition of built and natural assets

Lithgow City Council cannot live beyond its means and within available funding will responsibly manage risks and prioritise the allocation of available funding to achieve the best possible outcomes for the community

A Special Variation is a legitimate and reasonable option for Council to undertake to raise additional revenue to meet community needs and expectations. Around 15-20 councils annually apply for special variations – the majority are approved. This is particularly so for asset funding backlogs – the majority of applications are to address this issue.

Two options for ensuring a sustainable future

The community will be engaged on two Scenarios for ensuring a sustainable future. In communicating these options, the Council will outline the following:

- The magnitude of the financial challenge and infrastructure funding shortfall facing the LGA over the next 10 years and its impact on service levels
- The need to consider community "capacity" to pay additional rates in determining the options to be presented.
- The need for residents to be able to have their say on whether or not they are prepared to pay additional rates to maintain and/ or improve service levels.

The two scenarios, which have been developed for community consideration, are:

Scenario 1

Current SRV expires + rate peg

On 1 July 2019, the current 4.77% SRV expires. A 2.7% rate peg would be added to the lower rate base. The projected loss of rates revenue due to the expiry of the current SRV is estimated at \$624,000 for the 2019/20 year.

Scenario 2

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Council proposes to apply to retain the current SRV of 4.77%. Council also plans to request an additional one-off SRV of 4.23%. The total SRV application will be for a 9% increase in rates revenue (i.e. the current 4.77% SRV plus a new 4.23% SRV). The 2.7% rate peg will also be added. The impact on

ratepayers will be a new 4.23% SRV plus the rate peg. The projected total SRV income (from maintaining the current SRV plus adding the new SRV) is estimated at \$1.178 million for the 2019/20 year.

Importantly, the allocation of funding would be subject to legislatively required annual Service and Asset Management Plan reviews and to addressing priority risk mitigation actions. Expenditure would target critical service/ asset priorities that the community places a high value on and / or those that have a high risk profile.

The following Tables provide an overview of how these Options will be communicated in different documents and communication channels – including:

Table 1: Impact of Options on Rates and Revenue

| Impact on average rate | Average Rate 2018/19 \$ | Average Rate 2019/20 \$ | Variance \$ per annum | Variance \$ per week |
|--------------------------|----------------------------|----------------------------|--------------------------|-------------------------|
| Residential Rates | | | | |
| Scenario 1 | 763.00 | 745.00 | -16.00 | |
| Scenario 2 | 763.00 | 814.00 | 52.00 | 1.00 |
| Business Rates | | | | |
| Scenario 1 | 3,950.00 | 3,860.00 | -82.00 | |
| Scenario 2 | 3,950.00 | 4,217.00 | 275.00 | 5.29 |
| Farmland Rates | | | | |
| Scenario 1 | 1,439.00 | 1,407.00 | -29.00 | |
| Scenario 2 | 1,439.00 | 1,536.00 | 1.00 | 1.92 |
| Mining Rates | | | | |
| Scenario 1 | 160,461.00 | 156,819.00 | -3,322.00 | |
| Scenario 2 | 160,461.00 | 171,260.00 | 11,120.00 | 213.85 |

Impact on Council Revenue









Option 1 - Service Levels Improved: \$1.178 per annum

Option 2 - Service Levels Reduced: \$-624k per annum due to the current SRV of 4.77% expiring in 2019/20.

Table 2: Proposed allocation of additional revenue obtained from Special Rate Variations commencing 2019/20 (subject to annual review of Service and Asset Management Plan priority risk assessment and best value resource allocation to achieve service level targets).

| Service | Option 1 Service Levels Improved | Option 2 Service Levels Reduced |
|-------------------------------------|--|--|
| | Council proposes to apply to retain the current SRV of 4.77%. Council also plans to request an additional one-off SRV of 4.23%. The total SRV application will be for a 9% increase in rates revenue (i.e. the current 4.77% SRV plus a new 4.23% SRV). The 2.7% rate peg will also be added. The impact on ratepayers will be a new 4.23% SRV plus the rate peg. The project total SRV income from maintaining the current SRV plus adding the new SRV) is estimated at \$1.178 million for the 2019/20 year. | On 1 July 2019, the current 4.77% SRV expires. A 2.7% rate peg would be added to the lower rate base. The projected loss of rates revenue due to the expiry of the Current SRV is estimated at \$624,000 for the 2019/20 year. |
| Transport Service Levels | \$4,913 per annum <ul style="list-style-type: none"> Funding the shortfall between Council's existing budget and works required to return Council's sealed and unsealed road assets to a serviceable standard. Provide the funding required to effect sealed and unsealed road asset improvements such as increases to width, pavement strengthening and drainage reconstruction to increase longevity of such assets. Funding required renewal of footpath and bridge assets while continuing to maintain service levels across other assets. | \$4,383 per annum <p><i>As for Option 1 but with \$530k less funding for required work:</i></p> <ul style="list-style-type: none"> Renewal and maintenance of sealed road network. Reduced ability to effect transport asset improvements to increase longevity and effectiveness of expenditure. Increased requirement to defer essential asset improvements to future Operational Plans. |
| Stormwater Drainage Service Levels | \$207,000 per annum <ul style="list-style-type: none"> Stormwater management infrastructure gaps. | \$107,000 per annum <p><i>As for option 1 but with \$107k less funding for required work:</i></p> <ul style="list-style-type: none"> Stormwater management infrastructure maintenance. |
| Building Service Levels | \$1.051 million per annum <ul style="list-style-type: none"> Improve building compliance Public toilet upgrade in town centres Building renewal. | \$957,000 per annum <p><i>As for option 1 but with \$94k less funding for required work:</i></p> <ul style="list-style-type: none"> Public toilet upgrade in town centres Building renewals |
| Business Improvement Service Levels | Approximately \$100,000 per annum <ul style="list-style-type: none"> Initiatives which will either generate additional revenue or reduce long-term costs. | No specific budget <ul style="list-style-type: none"> Limited improvements within existing budget constraints. |

Table 3: Likely impact of Options on Key Financial Performance Measures

| Measure | Option 1 - Service Levels Improved | Option 2 Service Levels Reduced |
|--|--|--|
| Operating Performance Ratio: Measures Council's achievement of containing operating expenditure within operating revenue (including depreciation) <i>Benchmark: should be > zero</i> | By 2019/20  |  |
| Assets Renewal Ratio: The Council's ability to renew built assets relative to rate at which they are depreciating. <i>Benchmark: should be 100%</i> | By 2019/20  |  |
| Infrastructure Backlog Ratio: The proportion of the backlog against the total value of Council's infrastructure. <i>Benchmark: should be <2%</i> | Over the 10 Years of the LTFP  |  |
| Debt Service Ratio: The percentage of Council revenue used to service debt. <i>Benchmark: should be below 10%</i> | By 2019/20  |  |
| Summary | Significant improvement in most key financial performance measures (particularly the Operating Performance Ratio and the Asset Renewal Ratio) with a need to continue addressing the infrastructure backlog. | Unsustainable financial position with significant deterioration in built infrastructure and reduction in service levels. |

Engagement Methodology

Effective engagement requires a range of methods to be employed to keep participants willing to be involved throughout the process, or alternatively participate in a time and manner of their choosing. It is important that we build on past experience and avoid the notion of 'over consultation', where stakeholders feel they have provided the same opinion and advice to Council on the same or similar issues. It is also important that contributors' are acknowledged.

Our engagement will aim to:

- Acknowledge people for their contribution.
- Keep people engaged during the process via regular updates.
- Provide feedback mechanisms and ongoing opportunities for people to be involved in the refinement and evaluation of the 'Our Place, Our Future Community Engagement Strategy'.

Success Indicators

A range of qualitative and quantitative measures will be used to assess the success of the 'Our Place, Our Future' community engagement process.

This will include:

- Requests to Council to present at community/stakeholder forums
- Number of people attending face-to-face sessions
- Number of visitors to 'Our Place, Our Future' website
- Contributions people make to 'Our Place, Our Future' at workshops, meetings and on-line forums.
- Formal submissions received.
- Media coverage
- Number of questionnaires responded to.
- Adoption of the plan by Council

Learning and Reporting

The result of engagement activities will be compiled in report format and provided to Council, as well as placed on Council's website.

The results of this feedback will also contribute to the development of Council's overall community engagement process and tools used to engage with our community.





Engagement Methodology

Definitions

The five pillars of community engagement can be defined as follows:

Inform – Giving information to the local community

Consult – Seeking feedback from the local community

Involve – Working directly with the local community

Collaborate – Creating partnerships with the local community to produce recommendations and solutions.

Empower – Putting final decision-making in the hands of the community.

The following methods of engagement may be used:

| Inform | Consult | Involve | Collaborate | Empower |
|---|--|---|--|---|
| <ul style="list-style-type: none"> • Fact Sheets • Discussion papers • Web Pages • Social Media • Supporting documentation • Flyers • Rates Insert • E-bulletin • Volunteers • Staff networks • Community exhibitions and displays • Open days/ expos • Community notice boards • Press releases • Council Column • Council Connections • Video messages | <ul style="list-style-type: none"> • Public Comment and submissions • Focus groups • Surveys (telephone, online, face-to-face) • Public meetings • Feedback forms • Open house sessions • Interviews • Suggestion box • Partnerships with service providers | <ul style="list-style-type: none"> • Public workshop • Open public meetings • Forums • Reference groups • Online forums, discussion boards etc | <ul style="list-style-type: none"> • Consensus building • Participatory decision-making • Interagency networks and workgroup coordination | <ul style="list-style-type: none"> • Delegated decision through Council Committees and Council affiliated groups |

Questions to address

During the engagement process a number of questions will be raised by the community. Some of these have been anticipated and how they will be managed is set out in the table below. Throughout the process, matters raised on social media will be addressed through media releases and fact sheets on the Have Your Say website, including a frequently asked questions fact sheet.

| Question/comment | Proposed Response |
|--|--|
| <p>Stop wasting money on the unnecessary enhancement of Main Street.</p> <p>Cancel Halloween that will save \$100,000.</p> | <p>The role of local Councils has come a long way since the days of roads, rates and rubbish. Today, we now fund many more services to meet our community's needs and expectations. Some of these include:</p> <ul style="list-style-type: none"> • Creating vibrant public spaces and amenities to attract economic growth and visitation. • Developing and encouraging events which are unique to the area for the wellbeing of the community and to attract visitation. |
| <p>How can the Council best show that it is efficient?</p> <p>OR How do I know the Council is being efficient?</p> | <ul style="list-style-type: none"> • Case studies have been prepared and are available on the Have Your Say website which document how Council has contained expenditure, achieved cost savings and efficiencies and generated additional revenue. |
| <p>How has the Council considered the capacity of the community to pay?</p> | <ul style="list-style-type: none"> • The Council has completed a full analysis of the community's capacity to pay additional rates and this will be detailed in the Draft Long-Term Financial Plan 2018-2028 and the Draft Operational Plan 2018/19 being publicly exhibited from 23 October - 19 November 2018. • Within available funding, the Council is committed through its integrated planning to building a sustainable future for the Lithgow Local Government Area – that supports the creation of a vibrant economy / town centres providing increased local employment opportunities and to advocating for the provision of services and facilities that meet the needs of all age groups and special needs groups. • The Council has a Hardship Policy to accommodate the special needs of those unable to pay their rates in full on time. The Council is committed to working with such ratepayers to agree on affordable payment plans. |
| <p>How will I know that the funds from the SRV are being spent in my area.</p> | <p>Council places its Draft Operational Plan on public exhibition each year in April /May for the Community to review and make submissions. The Draft Operational Plan provides a detailed list of Capital Works to be undertaken and identifies the budget area that the works are funded from. Members of the community are invited to make submissions during this period which are considered by Council prior to adoption of the Operational Plan in June.</p> |

Community Engagement Action Plan

| COMMUNICATION ACTIVITY & AIMS | DATES | TYPE OF ENGAGEMENT | TARGET GROUP | LEVEL |
|--|--------------------|---|--|---|
| Public Exhibition <ul style="list-style-type: none"> To exhibit the Draft 2018/19 Operational Plan To obtain community feedback and consultation on the document. To inform community that the Council is proposing to apply for a special rate variation - with this decision being informed by results of the exhibition and engagement. | 24 April - 21 May | <ul style="list-style-type: none"> Proposal for Special Rate Variation included in report to Council for Draft 2018/19 Draft Operational Plan. www.haveyoursay.com made live on 24 April <ul style="list-style-type: none"> Fact Sheets Mayor and staff videos discussing the contents of the Draft Operational Plan including the proposal for a special rate variation. Council Listening Post held in Cook Street Plaza - Thursday 3 May 11.30am - 2.30pm. Promotion by media release, full page ad in the Village Voice, social media, eNewsletter. | <ul style="list-style-type: none"> General community Local organisations Ratepayers | <ul style="list-style-type: none"> Inform Consult |
| Telephone survey of representative cross section of ratepayers. To engage a representative cross section (400 participants) of the community on Councils Assets (Transport, Stormwater drainage, Parks and Open Spaces, Buildings, Water Network, Sewer Network) to understand: <ul style="list-style-type: none"> Whether they are happy with the current quality of the assets. What state they think these assets should be in. What they believe are the asset funding priorities for the future. | 2 July - 10 August | Investing in our Future - Asset Management Survey - Micromex Consulting <ul style="list-style-type: none"> 2-10 July - survey participant recruitment calling <ul style="list-style-type: none"> Promotion by media release, social media and eNewsletter 9-15 July - council to send out Investing in our Future Information Pack to participants. 16-27 July - Micromex to re-contact survey participants to complete survey. 31 July - 10 August - Survey and Information pack made available on Have Your Say Website. <ul style="list-style-type: none"> Promotion by Media release, social media, eNewsletter and Council Column. Results reported to Council, made available on Have Your Say Website, mailed/emailed to interested participants and used to inform future documentation. Fact sheets/infographs developed and placed on Have Your Say Website. | <ul style="list-style-type: none"> General community Ratepayers | <ul style="list-style-type: none"> Inform Consult |
| Service Delivery Levels Priorities Review To engage a representative cross section of the community (20 people) to sit on a community panel to identify Service Delivery Level priorities now and into the future. The panel will be provided with information regarding Council's Services for discussion. | August - September | Service Delivery Levels Priorities Review - LGNSW Management Solutions- Martin Bass <ul style="list-style-type: none"> Recruit Community Panel (20 people) from mailing list provided by Micromex for recruitment of Asset Study. <ul style="list-style-type: none"> Media Release call for nominations to the panel. Contact Lithgow, Portland and La Salle Highschools to recruit 3 year 11 students to participate in the panel. Conduct 3 Community Panel meetings over 6 week period with panel members required to source opinion from friends, colleagues, relatives on Council services and future requirements. Notes from Forum meetings posted on Have Your Say Website. Results reported to Council, made available on Have Your Say Website, and used to inform future documentation. Promotion by Media release, social media, eNewsletter and Council Column. Fact Sheets/Infographs Developed and placed on Have Your Say Website. | <ul style="list-style-type: none"> General community | <ul style="list-style-type: none"> Inform Involve Consult Collaborate |

Community Engagement Action Plan

| COMMUNICATION ACTIVITY & AIMS | DATES | TYPE OF ENGAGEMENT | TARGET GROUP | LEVEL |
|---|-----------------------------------|--|---|--|
| Public Exhibition <ul style="list-style-type: none"> To exhibit the updated Resourcing Strategy, and Combined Delivery Program & Operational Plan, which include the two options for ensuring a sustainable future; one which proposes a special variation. To obtain community feedback and consultation on the documents and the two options through seeking formal submissions from the community To inform the community that the Council is proposing to apply for a special rate variation - with this decision being informed by results of the exhibition and engagement Telephone survey of a representative cross section of ratepayers <ul style="list-style-type: none"> To engage a representative cross-section of ratepayers to obtain their views on the two options. Mail out to ratepayers <ul style="list-style-type: none"> To promote the public exhibition period of the updated Resourcing Strategy and combined Delivery Program & Operational Plan To invite feedback on the two options. | 30 October 2018 - 11 January 2019 | <ul style="list-style-type: none"> Report to Council for adoption for exhibition Draft combined 2017-2021 Delivery Program and 2018/19 Operational Plan. Draft Resource Strategy; 2018-2028 Long Term Financial Plan, 2018-2028 Strategic Asset Management Plan and Asset Management Policy, 2018-2022 - Workforce Strategy. Exhibit draft documents on Have Your Say Website. Micromex Consulting to undertake random telephone survey to gauge levels of community support for the SRV. Listening Post to be conducted in Cook Street Plaza? Community Survey on Have Your Say Website Promotion by Media release, social media, eNewsletter, Council Column, Radio Advertising, Fact Sheets/Infographs/Case Studies on website. Information video by the Mayor on the website. Letter from the Mayor with 4 page brochure mailed to all ratepayers. Brochure to include a tear off slip for ratepayers to make submission using a reply paid address. Rates Calculator on the Have Your Say Website. | <ul style="list-style-type: none"> General community Local organisations Ratepayers (residential/farmland/business). | <ul style="list-style-type: none"> Inform Involve Consult |
| Media Release To inform the community of Council's application to IPART for a Special Rate Variation and the ongoing process. | February 2019 | <ul style="list-style-type: none"> Media release forwarded to all local and regional media outlets. Made available on Council Website, Have Your Say Website, Social Media and eNewsletter | <ul style="list-style-type: none"> General community Ratepayers | <ul style="list-style-type: none"> Inform |
| Public Exhibition <ul style="list-style-type: none"> To exhibit the Draft Combined Delivery Program & 2019/20 Operational Plan, which include the capital works program taking into consideration the programs that will be undertaken under the two options for ensuring a sustainable future; one which will include the special variation, the second to include reduced service levels should the SRV application be unsuccessful. To obtain community feedback and consultation on the documents and the two options through seeking formal submissions from the community | April 2019 | <ul style="list-style-type: none"> Report of Draft 2019/20 Operational Plan to Council with both Scenario 1 and 2 included. www.haveyoursay.com updated with Draft 2019/20 Operational Plan. Fact Sheets/infographs. <ul style="list-style-type: none"> Mayor and staff videos discussing the contents of the Draft Operational Plan including the proposal for a special rate variation. Council Listening Post held in Cook Street Plaza - May 2019 11.30am - 2.30pm. Promotion by media release, full page ad in the Village Voice, social media, eNewsletter. Ratepayer letter from the Mayor with both scenarios in it. | <ul style="list-style-type: none"> General community Local organisations Ratepayers | <ul style="list-style-type: none"> Inform Consult Involve |
| Media Release <ul style="list-style-type: none"> To inform the community of the results of the SRV application from IPART | May 2019 | <ul style="list-style-type: none"> Notification received from IPART Report to Council - Success or otherwise Media Release to the community. | <ul style="list-style-type: none"> General community Local organisations Ratepayers | <ul style="list-style-type: none"> Inform Consult Involve |
| Mail out to ratepayers <ul style="list-style-type: none"> To promote the adoption of the combined Delivery Program & Operational Plan and the final Capital Program for 2019/20. Media Release <ul style="list-style-type: none"> To inform the community of the final Capital Program for 2019/20. | June 2019 | <ul style="list-style-type: none"> Report final 2019/20 Operational Plan to Council with final scenario based on advice from IPART. Ratepayer letter from the Mayor - Final Capital Program for 2019/20. | <ul style="list-style-type: none"> General community Local organisations Ratepayers | <ul style="list-style-type: none"> Inform Consult Involve |

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Privacy and Personal Information Protection Notice in Relation to Submissions and Objections

By making a submission to the Draft Community Strategic Plan, Council may make public details of your submission, which are not of a Personal nature.

Should you not wish details of your submission to be disclosed you should include a clear statement to this effect in your submission. Under these circumstances Council will consider your request and may not publicly release a copy.

Council will only consider the release of personal information in compliance with the General Information Public Access Act 2009 (GIPA Act 2009).