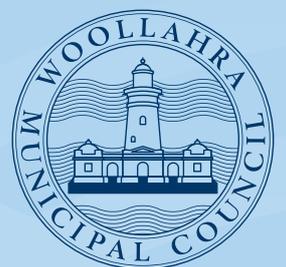




“Your say
Wollahra”

**We would like your feedback on
Special Rate Variation options and
our plans to deliver long-term financial
sustainability and meet the priorities
of our community.**





Scan the QR code to have your say by **4 October** or visit:
yoursay.woollahra.nsw.gov.au/srv



Mayor's Message

Our vision is for a thriving, inclusive, sustainable and resilient community that will benefit future generations. In order to deliver projects, facilities, outdoor spaces and services that are aligned with our vision and mission in the next 10 years, we need to be in a stronger financial position than we are now.

Building long-term financial sustainability will allow us to meet the demands of our growing community and to maintain and improve the services, facilities and spaces we want residents and visitors to enjoy for many years to come. It will also allow us to respond to and support our community as a result of unforeseen events such as natural disasters and the COVID pandemic.

Strong leadership requires accountability for our financial management and longer term financial sustainability, therefore we are considering applying to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) to help provide financial strength and resilience over the next 10 years.

We want to secure the best possible future for our local area. Our strategies and plans to do so have been well informed by community feedback and now we need to secure the funds to act on many of the actions and priorities included in those plans.

The reality is we simply do not have the income and funds we need to undertake the projects we know are important to you, our community. Over the last few years we have engaged with the community on local planning controls

and strategies, open space and recreation, community facilities and libraries to name just a few. This feedback has given us a clear list of community priorities.

Our priority projects are aimed at heritage protection, maintaining and improving our infrastructure, community facilities and parks, as well as demonstrating environmental and sustainable leadership at a local level, and improving the use of technology to provide better service for our customers.

We are very aware of the financial pressures everyone is under and asking you to consider paying more in rates is not something that we take lightly. To this end, in the last 12–18 months we have undertaken a range of budget repair measures, which has seen our deficit reduced by approximately \$3.8 million. We wanted to make internal savings and efficiencies, prior to approaching the community about a potential increase in rates.

We have three SRV-related options to present for your feedback, and I ask that you take the time to read the information here and to take just a few minutes to share your feedback and preference so the decisions we make next are informed by your comments.

Your feedback is critical and it will help us identify the level of funding commitment you think is appropriate for our community's future.

Please have your say by **4 October** at yoursay.woollahra.nsw.gov.au/srv or scan the QR code above.

Councillor Susan Wynne
Mayor of Woollahra

What is a special rate variation?

Councils can only increase their rates each year by up to a limit determined by the Independent Pricing & Regulatory Tribunal (IPART). This is known as rate pegging, which is one of the key factors that can constrain a Council from being able to raise sufficient revenue with which to be able to provide ongoing and improved services to the community.

Councils are able to apply to the IPART for increases beyond the annual rate peg limit and this is known as a Special Rate Variation (SRV). A SRV application can be made for either a fixed term or permanent increase in rates. A SRV can also provide Council the opportunity to address a number of priority spend initiatives which otherwise would not be funded without a corresponding reduction in existing service levels.

Our plan to secure long-term financial sustainability

Financial sustainability is our ability to:

- Cover our existing expenses and their future increases
- Cover new expenses that we know will be required into the future
- React and cover the expenses from things that we think may occur, for example the resulting repair works and clean up that may be required after a major storm event. We refer to this as 'financial flexibility' and believe a sound level for this to be between \$1m and \$1.5m per annum.

Our financial situation

The impact of COVID-19, the rising cost of services and materials, and the increasing demand for services, have placed continued pressure on our limited income. The largest proportion of Council's income comes from rates. The rate peg is usually between 1.5 – 2.5% p.a. (historically below the inflation rate) and this is simply not enough to secure a financially sustainable future for Council.

We also face the burden of a continuation of cost shifting from other levels of government. This is where another level of government shifts responsibilities to Councils with either little or no funding to support them.

Whilst this situation is not new, it has been compounding over many years, with the level of cost shifting to Woollahra Council currently sitting at approximately \$3.97m per annum.



What have we done to improve our financial situation?

In the last 18 months we have:

- reduced our staff numbers;
- commenced a range of service reviews to identify efficiencies and new ways of delivering services
- identified savings by extending the life of our passenger vehicle fleet
- refinanced a major loan for Council's Kiaora Place, Double Bay development in the commercial centre
- identified potential revenue from a number of areas including bus shelter advertising in non-heritage areas, and
- undertaken a comprehensive review of our fees and charges.

Additional income and savings to date have totalled \$3.8m. This has meant that we have been able to reduce our deficit from \$4.1m in 2021–2022 to just under \$300,000 in 2022–2023, which is great progress.

Why we need long-term financial sustainability

Although Council has made significant improvements to its deficit, we are still not in a long-term financially sustainable position. We are unable to provide funding to adequately address priority projects that have been identified by the community. If Council was to apply for and be successful in gaining approval for an SRV, not only would it strengthen our long-term financial sustainability, it would also give us the ability to address a number of priority projects and areas over the next 10 years.

Visit yoursay.woollahra.nsw.gov.au/srv for more information on the need for a SRV.



SRV options for feedback

Three options

In considering a Special Rate Variation application to IPART to improve our financial sustainability and provide us with additional funds for the delivery of priority projects over a ten year period, we have developed three options for your feedback.

Option 1 is our current situation where rates would increase by the rate peg only. **This option does not achieve financial sustainability, nor does it provide additional funds to address your priorities.**

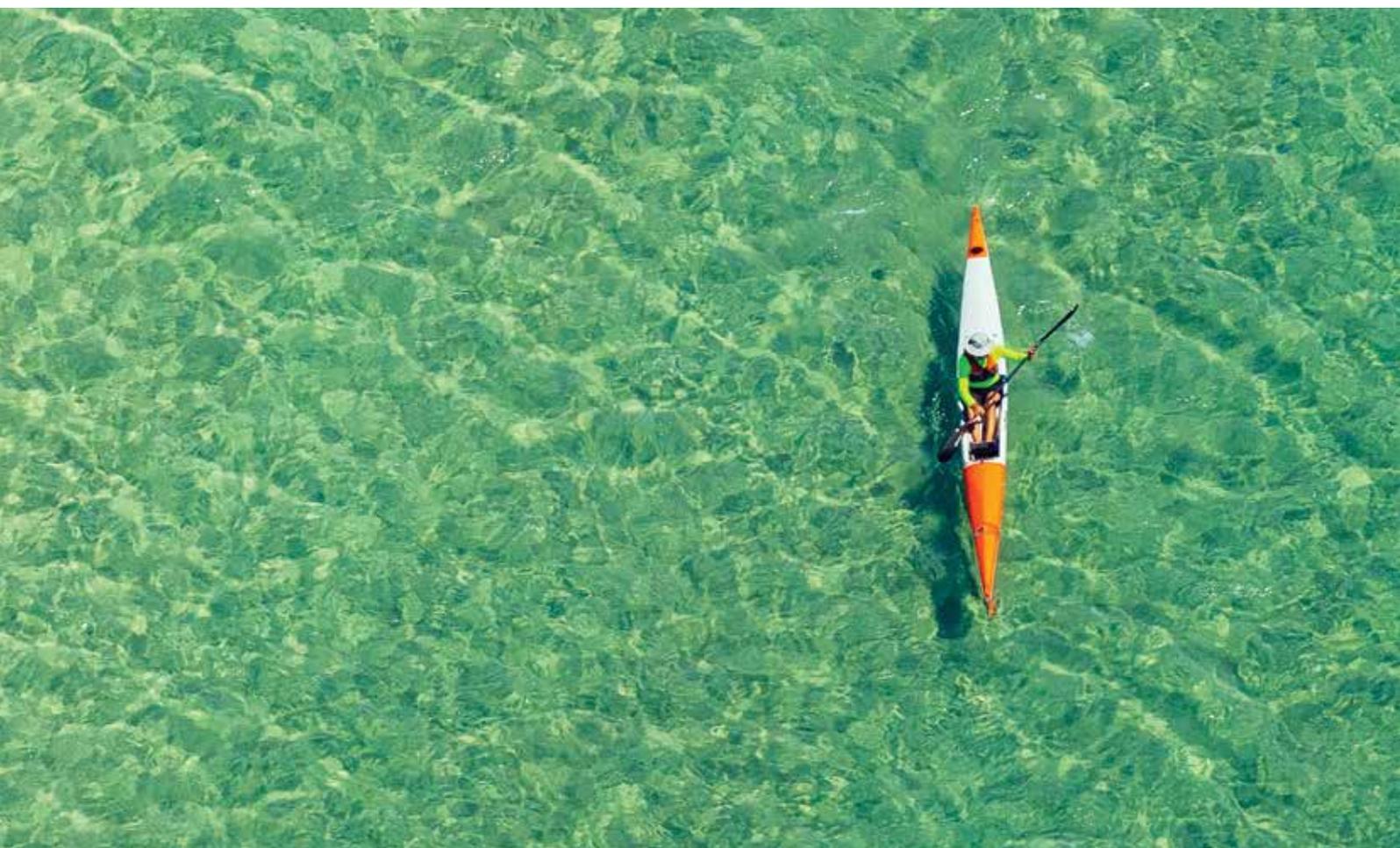
Option 2 and **Option 3** include a Special Rate Variation, and **both assist in achieving long-term financial sustainability to varying degrees, as well as providing additional funds to address some key priority initiatives.**

Opposite is a summary of the three options and the following pages provide more detail about what would be achieved in each priority area and each option.

	Financial Sustainability achieved	Additional Priority Spending (\$) over 10 years
Option 1 No SRV	X	\$0
Option 2 SRV	✓	\$48.9m
Option 3 SRV	✓	\$73m

What is the impact on you?

The following tables show the impact on the proposed SRV options on the average residential and business rates over the three years of a SRV. **After the initial three years, the annual rate peg is the only increase for the next seven years.** The tables opposite show what the average rate will be after the full 10 years of priority projects delivery. We have separated out residential and business rates and used average rates¹ to make the information as clear as possible.



Average residential rates¹

	Rate modelled	Current 2022/23	Year 1 2023/24	Year 2 2024/25	Year 3 2025/26	Cumulative increase over 3 years ³	Year 10 2032/33	Residential rates increase on average over 10 years
Option 1	Rate Peg 2.5% only ²	\$1,480	\$1,517	\$1,555	\$1,594	\$114 or 7.71%	\$1,895	\$42/year
Option 2	2023/24 10.0% SRV + Rate Peg 2.5% 2024/25 5.0% SRV + Rate Peg 2.5%	\$1,480	\$1,665	\$1,790	\$1,835	\$355 or 23.99%	\$2,181	\$70/year (ie +\$28/year increase on Option 1)
Option 3	2023/24 15% SRV + Rate Peg 2.5% 2024/25 9.0% SRV + Rate Peg 2.5% 2025/26 3.5% SRV + Rate Peg 2.5%	\$1,480	\$1,739	\$1,939	\$2,056	\$576 or 38.87%	\$2,444	\$96/year (ie +\$54/year increase on Option 1)

Average business rates¹

	Rate modelled	Current 2022/23	Year 1 2023/24	Year 2 2024/25	Year 3 2025/26	Cumulative increase over 3 years ³	Year 10 2032/33	Business rates increase on average over 10 years
Option 1	Rate Peg 2.5% only ²	\$4,250	\$4,357	\$4,466	\$4,577	\$327 or 7.70%	\$5,441	\$119/year
Option 2	2023/24 10.0% SRV + Rate Peg 2.5% 2024/25 5.0% SRV + Rate Peg 2.5%	\$4,250	\$4,782	\$5,140	\$5,269	\$1,019 or 23.98%	\$6,253	\$201/year (ie +\$82/year increase on Option 1)
Option 3	2023/24 15% SRV + Rate Peg 2.5% 2024/25 9.0% SRV + Rate Peg 2.5% 2025/26 3.5% SRV + Rate Peg 2.5%	\$4,250	\$4,994	\$5,569	\$5,903	\$1,653 or 38.90%	\$7,016	\$277/year (ie +\$158/year increase on Option 1)

1. Average rates are calculated by dividing the total amount of rates Council is able to collect by the number of assessments we issue. The average rate is a standard comparison method used by Councils and the Office of Local Government.

2. The Rate Peg is assumed to be 2.5%. This is scheduled to be clarified by IPART in September 2022 and if the rate peg is higher than the assumed 2.5% then the total increase will be the % SRV detailed above plus the rate peg.

3. These future projections use existing residential property data and property values based on NSW Valuer General valuations which are updated every three years.

What is important to you?

We have listened to you and based on feedback received through our June 2021 Community Satisfaction survey, you identified the following priorities.

Protecting our Heritage

81% felt that protecting heritage values and buildings are important or very important.

\$872k (current 2022/23 Budget)
Implementing projects that will continue to protect our heritage.



Active Transport

93% felt that renewing and maintaining footpaths/ pedestrian ramps are important or very important.

\$763k (current 2022/23 Budget)
Upgrading footpaths and making active transport a safe, easy and healthy option.



Recreation & Trees

96% felt that parks and recreation areas are important or very important.

\$2.64m (current 2022/23 Budget)
Improving parks and recreational areas.



Community Infrastructure

81% felt that convenience of parking at local shopping villages is important or very important.

\$0 (current 2022/23 Budget)
On new car park projects.



Climate Change Adaptation Measures

85% felt that stormwater drainage is important or very important.

\$925k (current 2022/23 Budget)
Mitigating the impacts on climate change on our stormwater network.



Improvements to Service

90% felt that Council's responsiveness is important or very important.

\$69k (current 2022/23 Budget)
Providing more responsive online customer experiences.



Identifying priority projects and special rate variation options

Community feedback has helped us to develop a series of key priority project areas to focus on and this has formed the basis of our SRV application considerations. On the following pages we have detailed each priority project area and what impact an Option 1,2 or 3 special rate variation would have on delivery progress.

Priority project

Protecting our Heritage

The Woollahra LGA has a rich and diverse history that is represented in Victorian, Federation, Inter-War and post-1950 buildings, precincts and streetscapes. The three main heritage conservation areas of Paddington, Woollahra and Watsons Bay are the result of years of proactive and collaborative work undertaken by Council and a range of partners.

Recognising that there were gaps in some of our current heritage listings, a Heritage Gap Analysis was undertaken and finalised by Council in 2021. This analysis is now informing Council as to what future heritage studies are needed in order to continue to protect the unique heritage of our Local Government Area (LGA).

We are currently progressing a number of outstanding high priority projects identified by Councillors and Council staff including the Leslie Wilkinson Study; the Double Bay Study, the Edgecliff Study and others.

As part of our considerations for a SRV application, we have identified how we would allocate additional funding to deliver priority projects for both Option 2 and Option 3. With Option 2 providing funding for some priority projects and Option 3 providing funding for all priority projects. See table below.

Protecting our Heritage

Outcomes	Option 1 \$0	Option 2 \$1.4m	Option 3 \$3.7m
Inter-War Flat Buildings Heritage Study		✓	✓
Study of local architecture and design influenced by the Arts and Crafts period		✓	✓
Significant Architects Heritage Study		✓	✓
Study of local built examples influenced by the Modernist period		✓	✓
58 – 88-90 Oxford St Woollahra Heritage Assessment.			✓
Items providing evidence of the area's historic development			✓
Commercial, community and recreational buildings			✓
Land-water interface buildings and maritime archaeology			✓
Cultural landscapes (including parks, gardens, reserves, beaches, etc.)			✓
Review and assess heritage items nominated in previous heritage studies			✓
Items listed on other statutory and non-statutory heritage registers			✓
Items associated with significant local identities, especially women			✓
Develop a heritage interpretation strategy for archaeological findings and built heritage (on land and in the water)			✓

Option 2

Projects to be completed under this option include the Modern Study, the Inter-War Flat Building Study and the Arts and Crafts Study. We think it is essential to protect buildings with these characteristics because they are gradually disappearing due to the high pace of development occurring in the Eastern Suburbs. Arts and Crafts buildings are increasingly rare in Sydney and many Inter-War flat buildings have no statutory protection. Similarly, significant buildings showing the evolution of modern architecture in the Woollahra LGA are under threat and not adequately recognised by statutory heritage protection.

Option 3

In addition to the priority projects included under Option 2, this option would enable us to address a significant gap in LGA-wide thematic studies, such as significant architecture (various eras and styles); commercial, community and recreational buildings; and items providing evidence of an areas' historic development. This work would also consider cultural landscapes, including parks, gardens, reserves and beaches.

Priority
project

Climate Change Adaptation Measures

With a changing climate, the Woollahra LGA is expected to experience more frequent and more severe rain events. Our existing network of subsurface pipes and surface drainage infrastructure will come under significant pressure to cope with the volume of stormwater as rainfall increases.

Council has prepared a series of Floodplain Risk Management Studies and Plans for the various catchments within our LGA. The primary purpose of these plans is to quantify the nature and extent of existing and potential flooding problems and provide a range of options that could be implemented to expand the capacity and effectiveness of our stormwater network. A SRV will enable us to implement some of the high priority initiatives identified in our Plans.

In addition to projects aimed at expanding the capacity of the stormwater network, it is proposed to fund an increased level of drainage and pipe repair works across the LGA to ensure that the network is functioning at optimum efficiency.

As part of our considerations for a SRV application, we have identified how we would allocate additional funding to deliver priority projects for both Option 2 and Option 3. With Option 2 providing funding for some priority projects and Option 3 providing funding for all priority projects. See table below.

Option 2

This option will allow us to deliver flood mitigation projects in Rose Bay, Paddington, Double Bay and Darling Point as well as undertake an expanded program of drainage maintenance works.

Option 3

In addition to the works to be undertaken under Option 2, this option will also provide for an additional flood mitigation project in Paddington, as well as a more significant program of stormwater pipe refurbishment.

Climate Change Adaptation Measures

Outcomes	Option 1 \$0	Option 2 \$13.9m	Option 3 \$17.3m
Cecil Street, Rushcutters Bay catchment (Paddington Flood Plan)		✓	✓
Dudley Road, Rose Bay North catchment (Rose Bay Flood Plan)		✓	✓
Edgecliff Road, Double Bay catchment (Woollahra Flood Plan)		✓	✓
Glenmore Road, Rushcutters Bay catchment (Paddington Flood Plan)		✓	✓
Ocean Avenue, Darling Point catchment (Double Bay Flood Plan)		✓	✓
Underwood Street, Rushcutters Bay catchment (Paddington Flood Plan)		✓	✓
Increased drainage repairs, cleaning of pipes & GPTs and CCTV inspections of pipes		✓	✓
Pipe Refurbishment Program, various catchments			✓

Recreation & Trees

Public open spaces enhance the character of the LGA; they support healthy and active lifestyles and bring communities together.

The role and value of open space has never been more important, as demonstrated throughout the pandemic. Greater emphasis is being placed on Woollahra’s public open spaces to provide and support a diverse range of areas for recreation, sport and social activity, as well as establishing physical links that support social connections.

Council is focused on enhancing the quality and usability of existing open spaces and a recent series of plans and strategies provide strategic direction and recommendations on how best to develop and manage a quality open space. These plans and strategies include Plans of Management (for parks & reserves), the draft Recreation Strategy and the draft Play Space Strategy.

We want to promote greater usability of our parks and reserves and provide greater levels of maintenance.

A defining character of the Woollahra LGA is our exceptional urban forest, most notably our magnificent trees. Our street trees provide invaluable benefit to our quality of life but they do require significant and increasing resources for maintenance. Our majestic Fig trees in particular, require increasing expenditure for pruning to address issues of overshadowing and fruit drop.

As part of our considerations for a SRV application, we have identified how we would allocate additional funding to deliver priority projects for both Option 2 and Option 3. With Option 2 providing funding for some priority projects and Option 3 providing funding for all priority projects. See table below.

Option 2

Under this option, we could:

- Continue the development of Plans of Management and related Masterplans for our reserves and open spaces and implement a range of works to come from those completed plans, with projects like new and upgraded playgrounds and new recreation facilities. This work is valued at \$2.5m.
- Increase our open space maintenance staff (by a team of 5), to allow us to provide greater and more frequent levels of maintenance resulting in better maintained parks and reserves. This initiative is valued at \$5.5m.
- Undertake more proactive maintenance of our 550 Fig Trees valued at \$2.3m.

Option 3

- In addition to the works outlined under Option 2, this option will allow for a significant expansion of our program of capital expenditure, focusing in particular on high priority actions identified in our Plans of Management, Masterplans, Recreation Strategy and Play Space Strategy. This work is valued at \$14.4m.

Recreation & Trees

Outcomes	Option 1 \$0	Option 2 \$10.3m	Option 3 \$22.2m
Development and adoption of all Community Land POMs and limited Capital Works		✓	✓
Increase our open space maintenance staff by one more team		✓	✓
Undertake more proactive maintenance of our 550 Fig Trees		✓	✓
Implement a more comprehensive range of works to come from the Community Land POMs, with projects like new and upgraded playgrounds and new recreation facilities			✓

Priority project

Active Transport

A key priority for Council is prioritising easy, safe and accessible walking and cycling options across the LGA, and promoting the area as the most convenient, comfortable and safe choice for short trips in Woollahra. Council supports walking and cycling as the mode of choice for journeys to our schools, including our commercial centres, our schools, natural attractions (including parks, the harbour and the ocean) and public transport interchanges. To achieve this, Council needs to invest in safe, accessible and attractive pedestrian paths, crossings, cycleways, bicycle parking and supporting infrastructure.

As part of our considerations for a SRV application, we have identified how we would allocate additional funding to deliver priority projects for both Option 2 and Option 3. With Option 2 providing funding for some priority projects and Option 3 providing funding for all priority projects. See table below.

Option 2

Under this option, Council will be able to construct a cycleway on O'Sullivan Road, Rose Bay to provide a link between the Rose Bay Ferry Wharf and Bondi Beach. This is valued at approximately \$4m.

This option will also allow us to improve the walking environment of our LGA through increased funding for maintenance and repair of footpaths, to the value of \$3.3m, noting that this is in addition to the money we already spend on footpath maintenance.

Option 3

Funding under this option will allow us to construct the O'Sullivan Road Rose Bay cycleway as detailed in Option 2, as well as high priority walking projects as identified in Councils' draft Active Transport Plan, valued at \$3.7m. This option also provides for a substantial increase over Option 2 in the level and value of proactive footpath repair and maintenance work to be undertaken across the LGA, to the value of \$6.1m.

Active Transport

Outcomes	Option 1 \$0	Option 2 \$7.3m	Option 3 \$13.8m
O'Sullivan Road, Bellevue Hill Cycleway Project between New South Head Road and Old South Head Road		✓	✓
Footpath repair and maintenance program, partial		✓	✓
High priority walking project as identified in the draft Active Transport Plan			✓
Footpath repair and maintenance program, extensive			✓

Priority project

Community Infrastructure

Concept only

We recognise the value in providing community connections, facilities and places to deliver services within commercial centres as a way to support our community. In line with this, for many years, Council has planned for the replacement of the car park in Wilberforce Avenue, Rose Bay. A Development Application for this new project will be lodged soon. The project includes the construction of a new community centre, amenities and a multi-level car park that will address the current shortage of parking in the area. This development will provide for greater community connections, services and fully accessible

amenities through a community centre and will support local businesses in the area by providing increased parking for visitors to the commercial centre.

Option 2 and Option 3

Council is looking to borrow funds of approximately \$28m to complete this project, as it is unlikely that adequate government grants will be able to finance it. In light of this, annual financing costs (\$11.635m over 10 years) have been included in both Options 2 and 3 of the SRV, as it is Council's intention to undertake this project as soon as possible and to do so, we will require additional funds with which to service the loan.

Community Infrastructure

Outcomes	Option 1 \$0	Option 2 \$11.6m	Option 3 \$11.6m
Car park in the Wilberforce Avenue, Rose Bay project		✓	✓

Priority project

Improvements to Service

We want to deliver consistently great service to our residents regardless of how they choose to interact with us. We want to make it easier and faster for residents to engage with us. Advancement in technology offers better ways of achieving this.

Option 2 and Option 3

Both Options 2 and 3 of the SRV will enable Council to make significant improvements to integrated customer services through automated online capabilities to allow easier and more convenient transactions. This will enable our residents to access information, bookings, permits, approvals and payments. The investment will also improve our library services, our website and online and face-to-face engagement.

Improvements to Service

Outcomes	Option 1 \$0	Option 2 \$4.4m	Option 3 \$4.4m
Digital technology to support better customer service.		✓	✓

Next steps

Share your feedback by 4 October 2022



Scan the QR code to have your say.

Following the 6 week community engagement period, Council will meet again in October to consider community feedback and determine whether or not to proceed with a SRV application to IPART, which is due in February 2023. If an application is lodged and approved the SRV would commence on 1 July 2023.

Everyone's feedback is welcome and there are lots of ways you can share your response and option preference.

Visit yoursay.woollahra.nsw.gov.au/srv or scan the QR code above to share your comments before **4 October 2022**.

Write to us

Your Say Feedback,
Woollahra Council
PO Box 61,
Double Bay NSW 1360

You can also visit one of our 5 pop-up engagement sessions during September, or come along to our webinar. Visit yoursay.woollahra.nsw.gov.au/srv for more information.

Webinar (online)

5.30pm
Wednesday 21 September

Pop-up dates

Edgecliff
4pm–6pm
Wednesday 14 September
Edgecliff Station

Bellevue Hill

8am–10am
Saturday 17 September
Bellevue Rd shops

Paddington

11am–1pm
Saturday 17 September
394 Oxford St

Double Bay

9am–11am
Monday 19 September
Kiaora Lane

Rose Bay

9am–11am,
Tuesday 20 September
Wilberforce Ave car park

School holiday

10am–12pm
Wednesday 28 September
Lyne Park

Woollahra
Municipal
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Acknowledgement of Country

Woollahra Council acknowledges the Gadigal and Birrabirragal people who are the traditional custodians of this land and we pay our respects to Elders past, present and emerging.