



Insight for
Business & Government

Shellharbour City Council Special Variation to Rates Survey 2013



Prepared by
IRIS Research Ltd

February 2013

IRIS Research ABN 16 002 278 793

Level 1, IC Central, Innovation Campus, Squires Way, Fairy Meadow

Postal address: Northfields Ave, Wollongong NSW 2522. Telephone: (02) 4285 4446 Fax: (02) 4285 4448

Net: <http://www.iris.org.au> Email: research@iris.org.au

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
1 INTRODUCTION.....	6
1.1 BACKGROUND	6
1.2 RESEARCH OBJECTIVES	6
1.3 RESEARCH METHODOLOGY	6
1.4 ATTITUDE MEASUREMENT	7
1.5 SURVEY RESPONSE.....	8
SURVEY RESULTS	9
2 SUPPORT FOR PROPOSED SPECIAL RATE VARIATIONS	10
2.1 UNDERSTANDING OF THE SPECIAL RATE VARIATION	10
2.2 ASSESSING PREFERENCES	11
3 SATISFACTION, IMPORTANCE AND AWARENESS	19
3.1 COUNCIL'S DELIVERY OF SERVICES AND FACILITIES.....	19
3.2 AWARENESS OF COUNCIL'S FINANCIAL POSITION	24
3.3 AWARENESS OF STRATEGIC PLAN AND ENGAGEMENT ACTIVITIES.....	27
3.4 VALUE FOR RATES	30
4 RESPONDENT CHARACTERISTICS	31
4.1 SEX	31
4.2 LOCATION	31
4.3 RATEPAYER STATUS	32

EXECUTIVE SUMMARY

This report presents the results of the Shellharbour City Council special variation to rates survey, 2013. IRIS Research was commissioned by Council to conduct a comprehensive telephone-based survey among the area's ratepayers. The survey sought to gauge community support and reaction to two proposed special variations to rates.

The key finding of this survey is that when presented with the three options, two in five ratepayers (40.9%) in the Shellharbour Local Government Area supported an increase of 6.7% on average each year for 4 years to their residential rates. An additional 19.4% of ratepayers supported scenario 2, that residential rates increase by an average of 9.3% each year for 4 years.

There was however 39.7% of ratepayers who would not support a rate increase above the rate peg of 3.4%. These survey participants were asked which services and infrastructure they would like to see reduced as a result of this action and 12.5% said nothing. An additional 6.3% stated that Council should cut costs or spend funds more wisely. The Hub (8.1%) and the Marina or Golf Course (6.2%) were most commonly cited as services or infrastructure that should be reduced.

62.0% of respondents said they were either 'very supportive', 'supportive' or 'somewhat supportive' of rates scenario 3 (an increase of 6.7%), and when asked why, 34.0% said this was reasonable and affordable. When asked about rates scenario 2 (an increase of 9.3%), 43.7% of residents were 'very supportive', 'supportive' or 'somewhat supportive' of this scenario, and of these people, 31.2% said it was because they either wanted services and facilities to be maintained or improved.

37.5% of Shellharbour ratepayers considered their level of understanding regarding the special rate variation proposal as 'excellent' (6.7%) or 'good' (30.8%).

A series of questions were included to explore ratepayers' satisfaction with Council's delivery of services and facilities and to measure their knowledge of Council's financial position;

Range of services and quality of infrastructure currently provided by Council in the local area

Results show that 44.7% of ratepayers were 'satisfied' or 'very satisfied' with the range of services that the Council currently provides while 16.6% were 'dissatisfied' or 'very dissatisfied'.

When asked about the quality of infrastructure provided, 44.2% of ratepayers were satisfied and one in five (19.1%) were dissatisfied. One in three (34.5%) residents rated their satisfaction a '3' out of 5 suggesting they were neither satisfied nor dissatisfied.

Importance of Council maintaining services and infrastructure and undertaking programs to provide improved infrastructure and services

Over nine in ten Shellharbour residents (92.8%) place high importance on Council's maintenance of services and infrastructure, while just 1.7% provided a low importance rating.

The majority (83.6%) of ratepayers believed it was important for Shellharbour City Council to undertake infrastructure improvement programs. A small percentage (3.5%) felt these programs were unimportant.

Awareness of Council's financial position

42.9% of ratepayers were aware of Council's financial position in general and the same proportion were aware of Council's finance position in regards to financing future improvements and maintenance of services and infrastructure.

The ratepayers who were aware of Council's financial position were then asked to briefly explain what exactly they knew with 30.1% saying they knew Council needs more money or is in debt and 13.9% stating that Council has wasted money or spends inappropriately.

Awareness of Strategic Plan and participation in engagement activities

One in four ratepayers (24.1%) were aware of Shellharbour's Strategic Plan, while 75.9% were unaware.

Ratepayer participation in community engagement activities was low, with four in five (79.4%) saying they had not participated in any activities. 11.9% of respondents had participated in the 2012 community telephone survey.

Value for rates

Ratepayers were asked to rate the value of the rates they pay in terms of the infrastructure and services they receive. One in five ratepayers (21.3%) believed the rates they pay are 'poor value' or 'very poor value'. One in three ratepayers (32.0%) felt that the infrastructure and services provided by Shellharbour City Council are 'good value' or 'very good value' for the rates they pay.

1 INTRODUCTION

1.1 BACKGROUND

IRIS Research was commissioned by Shellharbour City Council to undertake a survey of ratepayers within Shellharbour Local Government Area. The Shellharbour City Council needs to spend more money on the renewal of vital infrastructure such as local roads and upgrades of building, recreation and sporting facilities. The Council is proposing to raise general rates by an average of either 9.3% or 6.7% above the standard yearly peg rate of 3.4% for four years. This quantitative study is one component of Shellharbour City Council's engagement with the community on the topic of the proposal to apply for a special variation to rates.

1.2 RESEARCH OBJECTIVES

The main objectives of this study were;

- To assess the level of support and reaction to Council's proposal to apply for a special variation to rates,
- To explore ratepayer satisfaction with the quality of infrastructure and the range of services and facilities provided by Shellharbour City Council,
- To explore ratepayer importance of the Shellharbour City Council proposed infrastructure improvement programs,
- To assess ratepayers' perceptions on the value of the rates they pay, and
- To establish ratepayers' awareness of Council's financial position.

1.3 RESEARCH METHODOLOGY

Deliberative polling was the method chosen to conduct the investigation.

Deliberative polling is a combined communication and research process that simplifies complex decision-making. The main steps in the Deliberative Polling process are:

1. Communicate sufficient information to a large random sample of the population
2. Permit time for the sample group to deliberate on the information and options
3. Conduct a random sample or census within the deliberation group

Initially 1,000 residents were recruited by telephone to participate in the survey. Each sampled resident was forwarded an information package containing a letter and a brochure outlining Council's proposals and reasons for the special rate variation.

Residents on receipt of the package were given a period for deliberation before they were recalled and surveyed. The questionnaire was only administered to those ratepayers that had *received and read* the information package, so they could make an informed choice.

The questionnaire was administered using IRIS's CATI facility. CATI facilitates strategies to combat non-response using time shifted retries for non contacts and a callback facility for the convenience of respondents. Adult decision makers were randomly selected across the local government area in proportion to population densities ensuring a geographic spread, an approximate 50:50 sex split of decision makers was achieved and a spread of age groups together combine to deliver a representative sample.

1.4 ATTITUDE MEASUREMENT

For some questions within the questionnaire respondents were asked to rate their satisfaction, importance, value or support on 5 point scale.

The numeric values recorded for these questions have been converted into an *overall mean score* out of five. To derive the mean score for these questions, all respondents' answers are 'averaged' to produce an overall rating that conveniently expresses the result of scale items in a single numeric figure. The mean score excludes those respondents who could not give a valid rating (i.e. 'Can't Say').

Given that IRIS undertakes many surveys such as this; we are able to benchmark mean scores. As such, mean importance and satisfaction scores can be further classified as being a low, medium or high score based on this experience. Table 1.3.2 highlights the mean classifications.

Table 1.3.2: Classification of mean scores

Mean importance scores	
0 – 2.99	Low
3.00 – 3.99	Medium
4.00 – 5.00	High

Mean satisfaction scores	
0 – 2.99	Low
3.00 – 3.74	Medium
3.75 – 5.00	High

1.5 SURVEY RESPONSE

Interviews were conducted over five evenings commencing the 30th of January 2013 between 4.00 and 8.30 p.m. An overall compliance rate of 90.0% was achieved which is considered a very good result. Given the level of response to the survey and the fact that it represents a very good cross-section of the area the findings presented in this report provide a very good basis for gauging community opinion.

A final sample of 403 adult rate paying decision makers was achieved. The maximum error on proportion for the total sample is +/- 5.0%.

The following tables and figures indicate the key survey findings.

SURVEY RESULTS

2 SUPPORT FOR PROPOSED SPECIAL RATE VARIATIONS

2.1 UNDERSTANDING OF THE SPECIAL RATE VARIATION

This section presents the results to the set of questions which asked ratepayers to rate their level of understanding of the special rate variation and awareness of the implications of the proposal.

How would you rate your level of understanding of Council's proposal for a special rate variation?

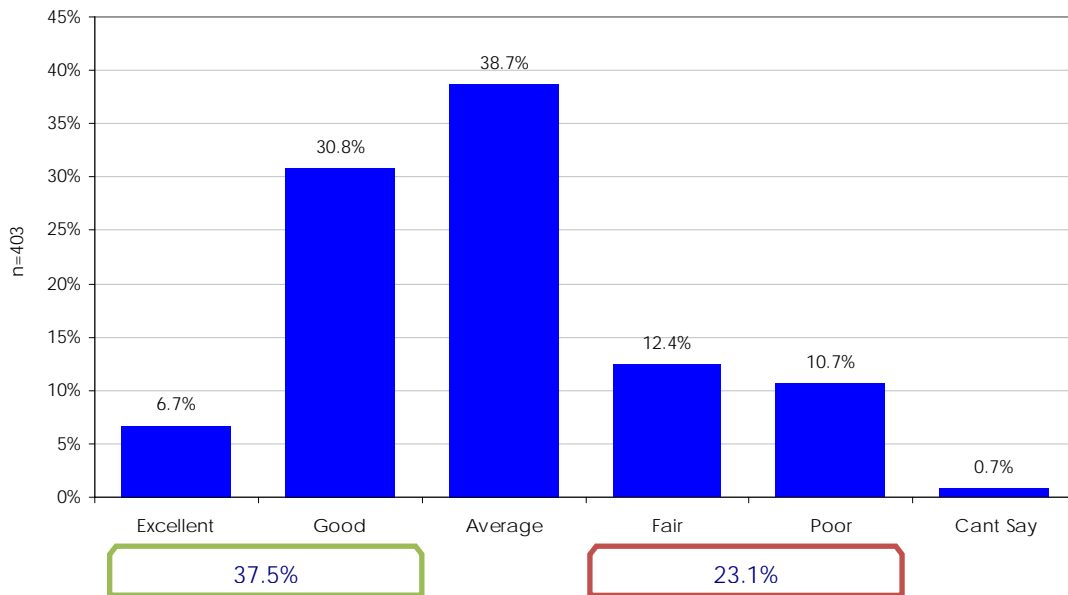


Figure 2.1 – Level of understanding

Key findings:

- o 37.5% of Shellharbour residents rated their understanding of Council's special rate variation proposal as good (30.8%) or excellent (6.7%).
- o Almost one in four of ratepayers (23.1%) had a fair (12.4%) or poor (10.7%) understanding of Council's proposal.
- o Females (2.99) were more likely than males (2.77) to have poorer knowledge of Council's special rate variation proposal.

2.2 ASSESSING PREFERENCES

Residents were given a summary of the background to Council's proposal, explaining the special rates variation and what it will be used for, and then asked the following;

How supportive are you of Council's rate scenario 2? That is residential rates increase by an average of 9.3% or \$2.02 per week (including the rate peg) each year for 4 years, which will allow Council to maintain services and improve infrastructure.

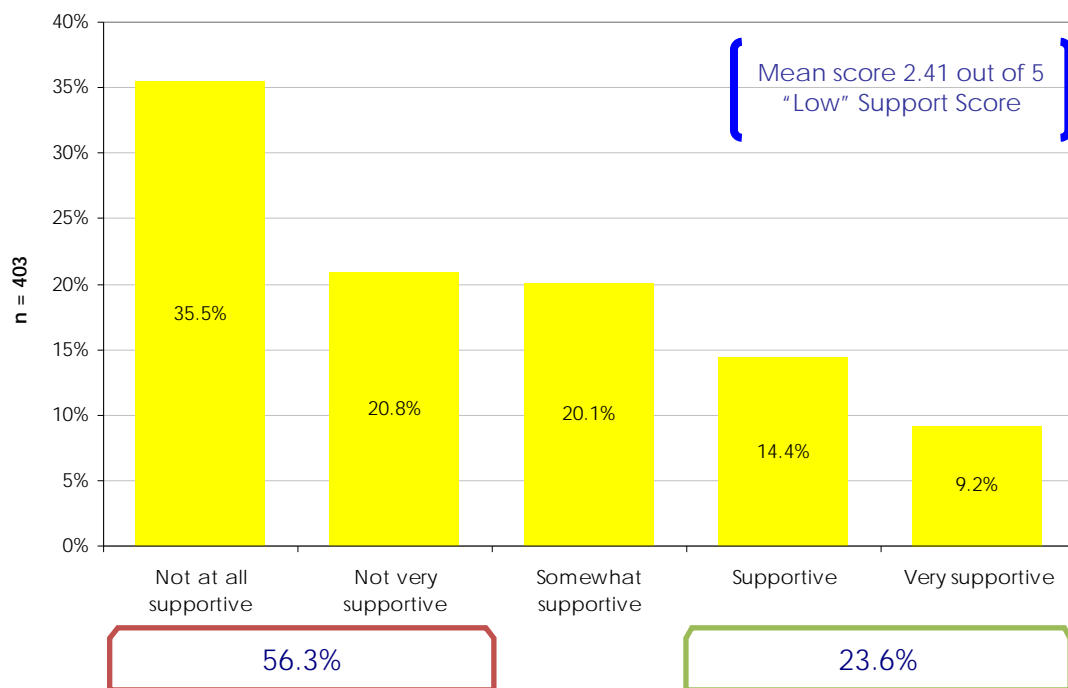


Figure 2.2 – Support for Special Variation to Rates Scenario 2

Key findings:

- o 23.6% of ratepayers showed some level of support for the proposed general rate increase known as scenario 2. We can be 95% confident the true population proportion lies between 19.3% and 27.9% in terms of preference for an increase in rates.
- o Residents aged 65 or older (2.54) were statistically more likely to be supportive than those aged 50 to 64 years (2.18).

Residents were next asked:

Do you have a reason for that view?

Table 2.1 below shows the categorised reasons why residents were either 'very supportive', 'supportive' or 'somewhat supportive' of Council's rate scenario 2.

Table 2.1 – Reasons why ratepayers support scenario 2

Reason	% of ratepayers n = 176
I want services and/or infrastructure maintained	15.9%
I want increased services and/or improved infrastructure	15.3%
Residents can't afford it	13.1%
It is necessary	12.5%
I require confirmation of how it will be spent	5.1%
Council waste money, Council need to manage the budget wisely	4.5%
I am more supportive of the smaller increase instead	4.0%
Reasonable, I can pay this, this is affordable	4.0%
No value for money	3.4%
Rates are already expensive	2.8%
I would be supportive if receiving value or if the funds go to the right places	1.7%
I don't use/have access to/receive benefit from the services/facilities, the services and facilities are fine	1.7%
Other	5.7%
No response	10.2%

- Counts less than 3 appear in other

Key findings:

- o The most popular reasons for supporting the special variation to rates of 9.3% on average for four years (scenario 2) were that ratepayers wanted maintenance of, or continued access to, services or infrastructure (15.9%) or they wanted more and better services and infrastructure (15.3%).

Table 2.2 below shows the reasons why residents were either 'not at all supportive' or 'not very supportive' of the proposed rate increase.

Table 2.2 – Reasons why ratepayers did not support scenario 2

Reason	% of ratepayers n = 227
Residents can't afford it	33.0%
Council wastes money, Council needs to manage the budget more wisely	22.9%
Rates are already expensive	15.4%
I require confirmation of how it will be spent	5.7%
No value for money	5.3%
I don't use/have access to/receive benefit from the services/facilities, the services and facilities are fine	3.5%
I am more supportive of the smaller increase instead	2.2%
Other	6.2%
No response	5.7%

- Counts less than 3 appear in other

Key findings;

- o The main reason Shellharbour ratepayers did not support Council's rate scenario 2 was because they couldn't afford to pay more or believed that other residents wouldn't be able to afford it (33.0%).
- o 22.9% said they believe that Council wastes money and needs to manage the budget more wisely, some of these respondents specifically mentioned the Hub or the Marina.

How supportive are you of Council's rate scenario 3? That is residential rates increase by an average of 6.7% or \$1.40 per week (including the rate peg) each year for 4 years, which will allow Council to undertake a small increase of infrastructure renewal and services would be largely maintained.

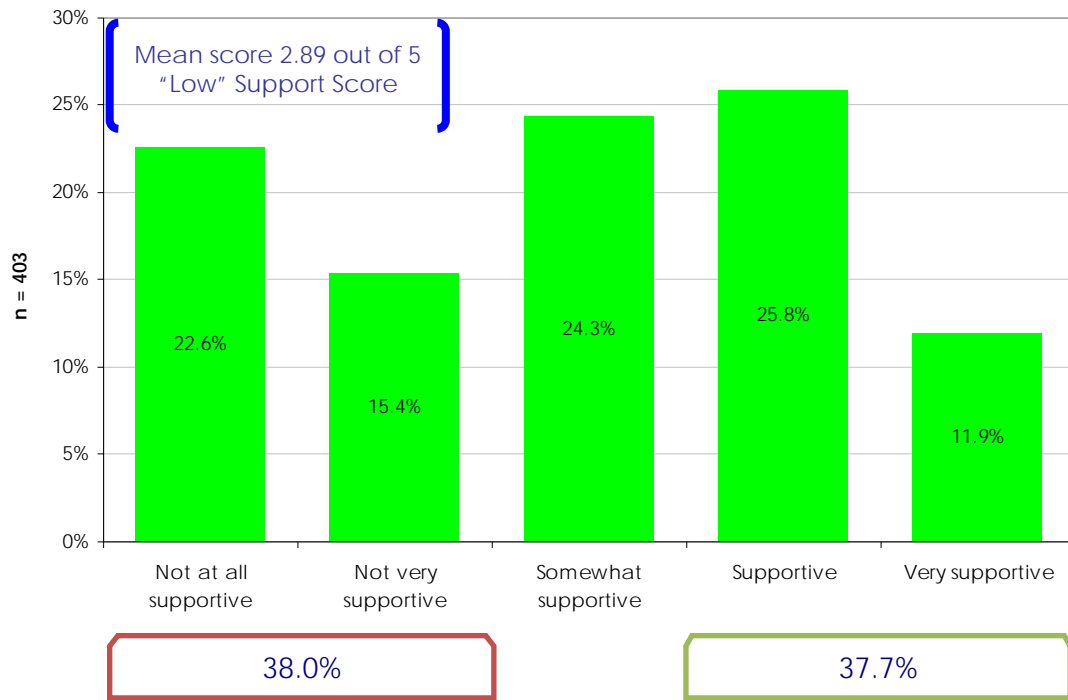


Figure 2.3 – Support for Special Variation to Rates Scenario 3

Key findings:

- o 37.7% of ratepayers showed some level of support for the proposed general rate increase, outlined as scenario 3.
- o We can be 95% confident the true population proportion lies between 32.9% and 42.5% in terms of preference for an increase in rates.
- o Females (3.01) had a greater tendency to be supportive towards scenario 3, compared to males (2.74).

Residents were subsequently asked:

Do you have a reason for that view?

Table 2.3 below shows the reasons why residents were either 'very supportive', 'supportive' or 'somewhat supportive' of the proposed rate increase.

Table 2.3 – Reasons why ratepayers support scenario 3

Reason	% of ratepayers n = 250
Reasonable, I can pay this, this is affordable	34.0%
I want services and/or infrastructure maintained	14.4%
It is necessary	6.0%
I am more supportive of the larger increase instead	5.6%
I want increased services and/or improved infrastructure	4.8%
I would be supportive if receiving value or if the funds go to the right places	3.6%
Residents can't afford it	3.2%
Council waste money, Council need to manage the budget wisely	2.4%
I require confirmation of how it will be spent	1.6%
I don't use/have access to/receive benefit from the services/facilities, the services and facilities are fine	1.6%
Other	10.4%
No response	12.4%

- Counts less than 4 appear in other

Key findings:

- o The most popular reasons for supporting the special variation to rates scenario 3 were that ratepayers felt the increase was reasonable and affordable (34.0%) or they want to keep the Council services and/or infrastructure maintained (14.4%).
- o 6.0% of residents who supported this scenario felt that this rate increase was necessary, as the cost to maintain services and facilities has increased.

Table 2.4 below shows the reasons why residents were either 'not at all supportive' or 'not very supportive' of the proposed rate increase.

Table 2.4 – Reasons why ratepayers did not support scenario 3

Reason	% of ratepayers n = 153
Residents can't afford it	18.3%
Council waste money, Council need to manage the budget wisely	17.6%
Rates are already expensive	6.5%
I require confirmation of how it will be spent	6.5%
No value for money	5.9%
I am more supportive of the larger increase instead	5.9%
I would prefer no increase, there's no reason for the increase	4.6%
I don't use/have access to/receive benefit from the services/facilities, the services and facilities are fine	3.3%
I want services and/or infrastructure maintained	2.0%
I want increased services and/or improved infrastructure	2.0%
Other	4.0%
No response	23.5%

- Counts less than 3 appear in other

Key findings;

- o The main reasons why ratepayers did not support the special variation to rates were because they couldn't afford to pay more (18.3%), they don't trust Council not to waste money or believe Council should manage the funds wisely (17.6%) and that rates are already expensive (6.5%).
- o Interestingly, 5.9% of the residents who did not support this scenario said that they supported the larger increase of an average of 9.3% per year instead.

Overall of the three rate scenarios proposed by Council, which option do you most support?

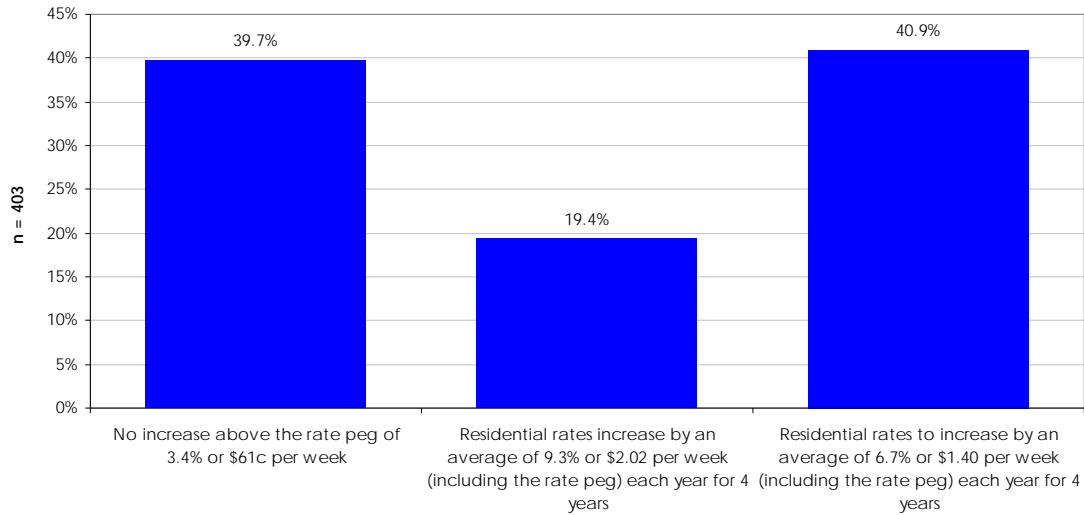


Figure 2.4 – Support for Special Variation to Rates Preferred Scenario

Key findings:

- o Two in five respondents (40.9%) showed support for a modest increase of 6.7% each year for 4 years. We can be 95% confident the true population proportion lies between 36.0% and 45.8% in terms of preference for an increase in rates.
- o An additional 19.4% supported the proposed increase of 9.3% each year for 4 years, by default taking the proportion that support the modest 6.7% increase to 60.3%.
- o 39.7% of ratepayers said they supported having no additional increases above the rate peg of 3.4%.

Residents who indicated support for having no additional increase above the rate peg of 3.4% were asked:

Could you please tell me what services and infrastructure you would like to see reduced as a result?

Table 2.5 below displays a summary of the answers that ratepayers provided.

Table 2.5 – Non-essential services and infrastructure

Reason	% of ratepayers n = 160
Nothing	12.5%
The Hub	8.1%
Staff	6.9%
Cut costs/stop wasting funds	6.3%
Hub/Marina/Golf Course	6.2%
Sporting facilities/swimming pools (decrease facilities or increase fees)	5.0%
Community events/promotion of tourism	3.8%
Maintenance of parks/gardens/playgrounds	3.1%
Council expenses e.g. dinners, travel, cars, etc	1.9%
Roads/footpaths	1.9%
Other	6.9%
No response	37.5%

- Counts less than 3 appear in other

Key findings:

- o 12.5% of Shellharbour residents who most supported no increase above the rate peg said that they wouldn't like any services or infrastructure reduced. Similarly, 6.3% said they wouldn't like services or infrastructure reduced, instead they would like Council to cut costs elsewhere or to stop wasting funds.
- o A further 8.1% said Council could cut spending associated with the Hub and the new Council Chambers, 6.2% mentioned both the Hub and either the Marina or the Golf Course.

3 SATISFACTION, IMPORTANCE AND AWARENESS

Section 3 explores ratepayers' satisfaction with the range and quality of Council's services and facilities, the importance ratepayers' place on maintaining and improving services and infrastructure, awareness of Council's financial position, participation in community engagement activities and perception of value for rates.

3.1 COUNCIL'S DELIVERY OF SERVICES AND FACILITIES

Residents were asked to rate their satisfaction with the quality of infrastructure and the range of services currently provided by Council. Ratepayer's perceived importance of infrastructure improvement programs is also presented in section 3.1.

How satisfied are you with the range of services currently provided by Council in the local area?

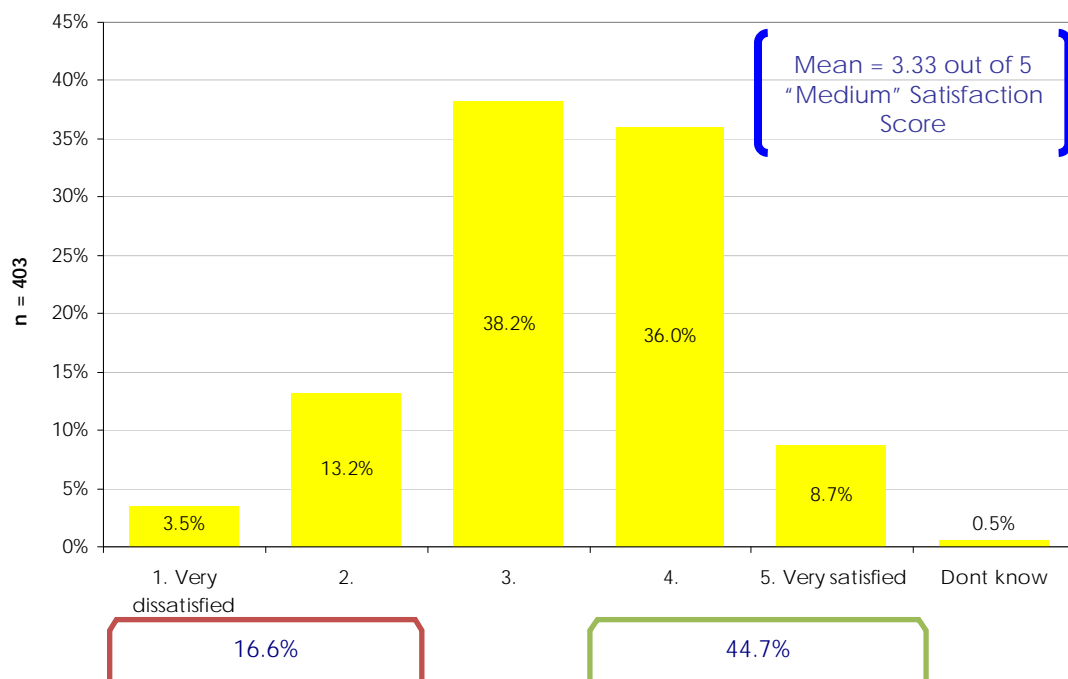


Figure 3.1 – Satisfaction with the range of services currently provided by Council

Key findings:

- The satisfaction with the range of Council services received a 'medium' mean satisfaction score of 3.33 out of 5.
- 44.7% of ratepayers were satisfied with the range of services that the Council currently provides, while 16.6% were dissatisfied.
- 38.2% of ratepayers rated their satisfaction a '3' meaning they were neither satisfied nor dissatisfied with the quality of infrastructure.
- Further statistical testing showed that ratepayers aged 50 to 64 years (3.23) were significantly less satisfied with the range of services than those aged 65 plus (3.45).

How satisfied are you with the quality of infrastructure currently provided by Council in the local area?

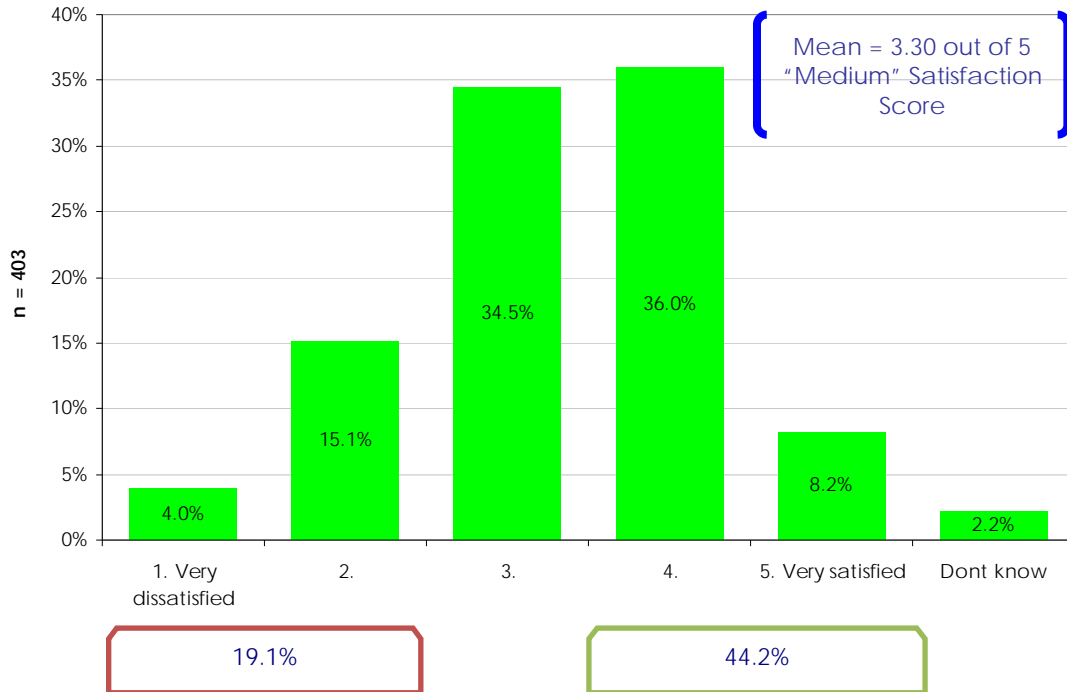


Figure 3.2 – Satisfaction with the quality of infrastructure provided by Council

Key findings:

- 44.2% of ratepayers expressed satisfaction with the quality of infrastructure.
- 19.1% of ratepayers provided a rating of 1, very dissatisfied, (4.0%) or 2 (15.1%).
- Satisfaction with the range of services currently provided by Council achieved a 'medium range' mean satisfaction score of 3.30 out of 5.

How important do you believe it is for Shellharbour City Council to maintain services and infrastructure?

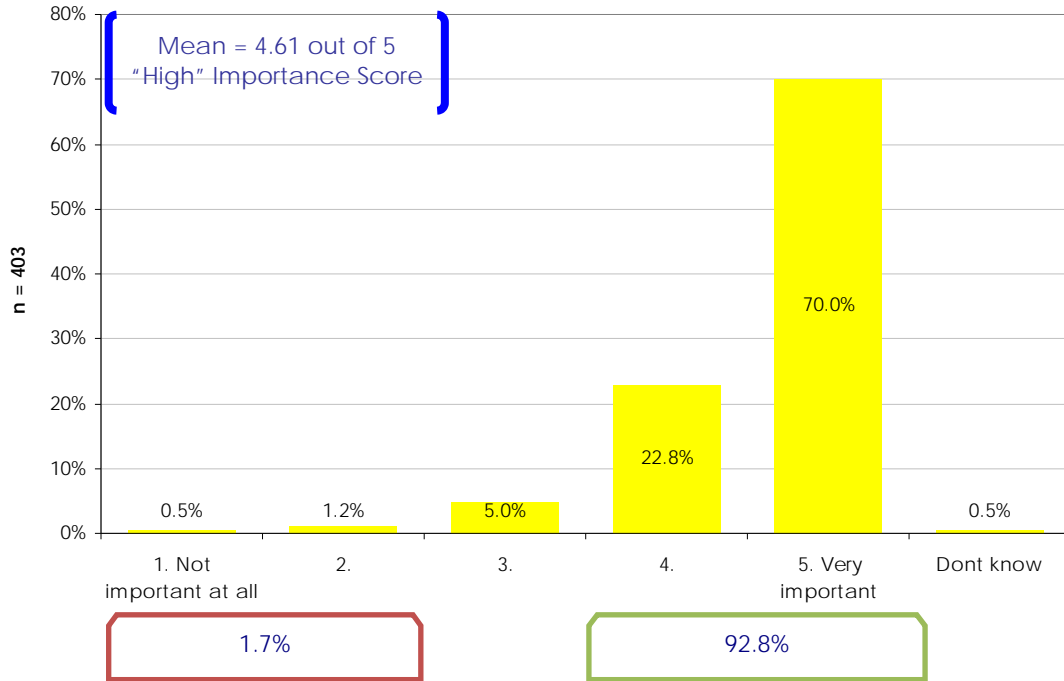


Figure 3.3 – Importance of maintaining services and infrastructure

Key findings:

- The importance of Shellharbour City Council maintaining services and infrastructure achieved a 'high' mean importance rating of 4.61 out of 5.
- Over nine in ten Shellharbour residents (92.8%) place high importance on Council's maintenance of services and infrastructure.
- In contrast, only 1.7% provided a low importance rating.

How important do you believe it is for Shellharbour City Council to undertake programs to provide improved services and infrastructure?

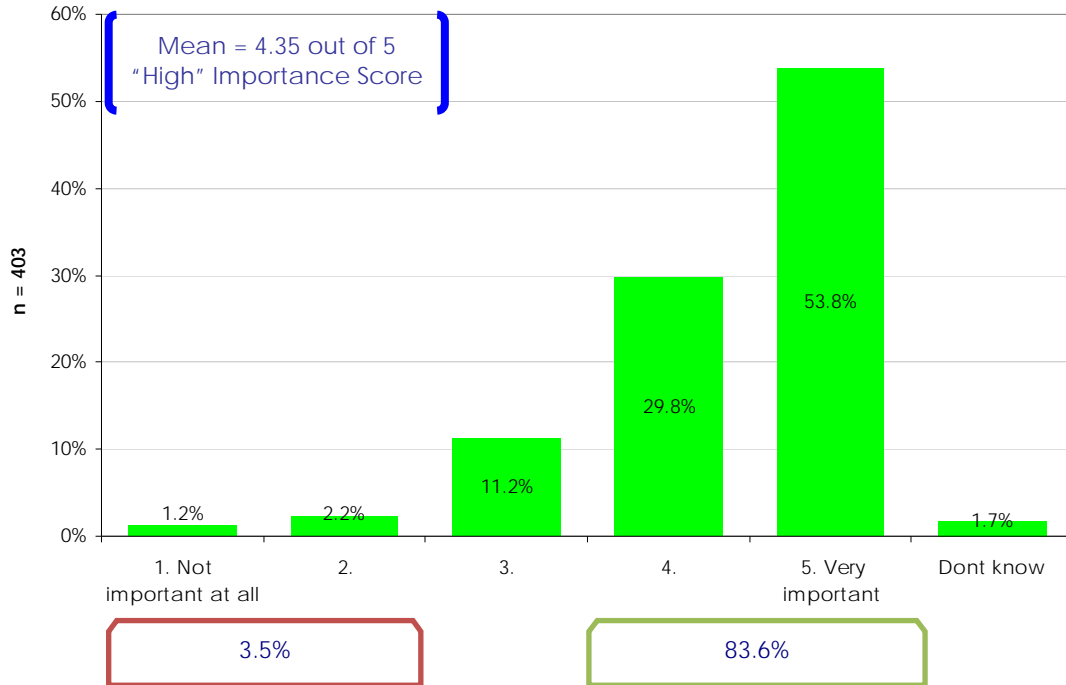


Figure 3.4 – Importance of undertaking programs to provide improved services and infrastructure

Key findings:

- o The majority (83.6%) of ratepayers believed it was important for Shellharbour City Council to undertake programs to provide improved infrastructure and services.
- o 3.5% of ratepayers believed it was not important to undertake infrastructure improvement programs.
- o The importance for Council to undertake programs to provide improved infrastructure and services achieved a 'high' mean importance score of 4.35 out of 5.

3.2 AWARENESS OF COUNCIL'S FINANCIAL POSITION

This section presents ratepayer's level of awareness for Council's projects and strategies. It also looks at how much they know about Council's financial position in regards to financing future infrastructure improvements and maintenance.

Are you aware of Council's finance position in general?

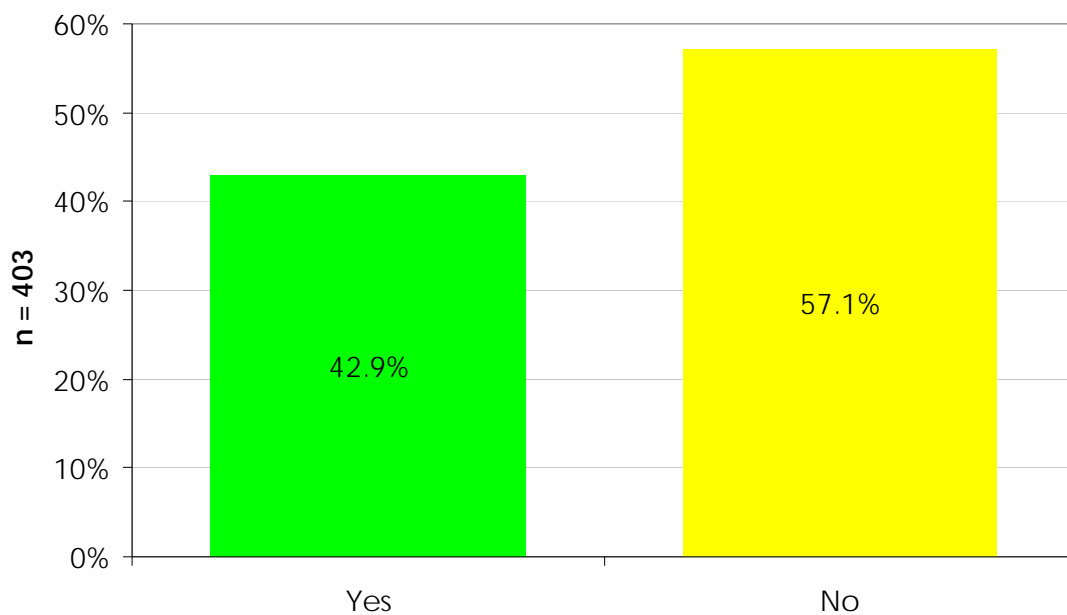


Figure 3.5 – Awareness of Council's financial position

Key findings:

- 42.9% of ratepayers were aware of Council's financial position in general, while 57.1% were not.

Are you aware of Council's finance position in regards to financing future improvements and maintenance of services and infrastructure in the Shellharbour Local Government Area?

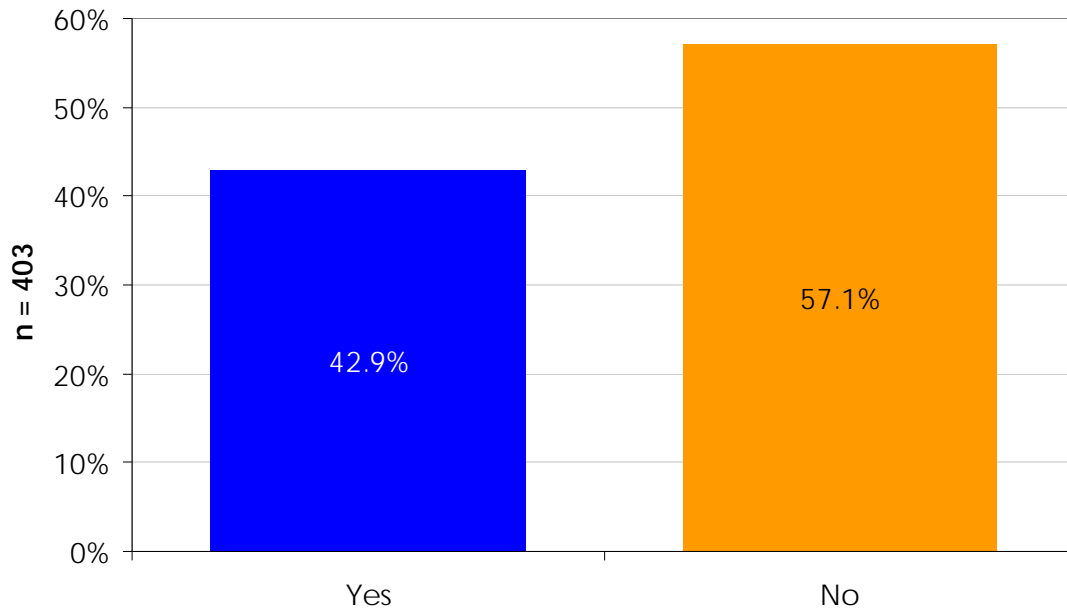


Figure 3.6 – Awareness of Council's financial position regarding financing improvements and maintenance

Key findings:

- 57.1% of ratepayers admitted they were unaware of Council's financial position in regards to financing future improvements and maintenance to infrastructure and services in Shellharbour.
- 42.9% said that they were aware of Council's financial situation.

Can you briefly explain what you know?

Respondents who were aware of Council's financial position in regards to financing future improvements and maintenance of services and infrastructure, were given the opportunity to provide details about what they know of Council's financial position.

Table 3.1 – What ratepayers know about Council's financial position

Reason	% of ratepayers n = 173
Council needs more money, Council is in debt	30.1%
Council has wasted money, Council spends inappropriately	13.9%
Council wishes to increase rates	11.0%
Council needs money to build the Marina	8.1%
I read the brochure about the special rate variation	5.8%
I know about Council's financial position because ...	4.6%
Council is trying to sell assets	2.3%
Other	9.2%
No response	15.0%

- Counts less than 5 appear in other

Key findings:

- o Three in ten ratepayers (30.1%) who were aware of Council's financial position knew that Council needs more money.
- o 13.9% of residents who were aware of Council's financial position said that Council has wasted money in the past, is planning to spend funds inappropriately in the future or that they don't trust Council to spend the rates appropriately. Some of these respondents specifically mentioned the planned expenses of the Shell Cove Marina or The City Hub, comprising of the new Council Chambers.
- o 11.0% of ratepayers who were aware of Council's financial position knew that Council wishes to increase rates.

3.3 AWARENESS OF STRATEGIC PLAN AND ENGAGEMENT ACTIVITIES

This section examines ratepayers' awareness of the Shellharbour Community Strategic Plan and participation in various community engagement activities.

Are you aware of the Shellharbour Community Strategic Plan?

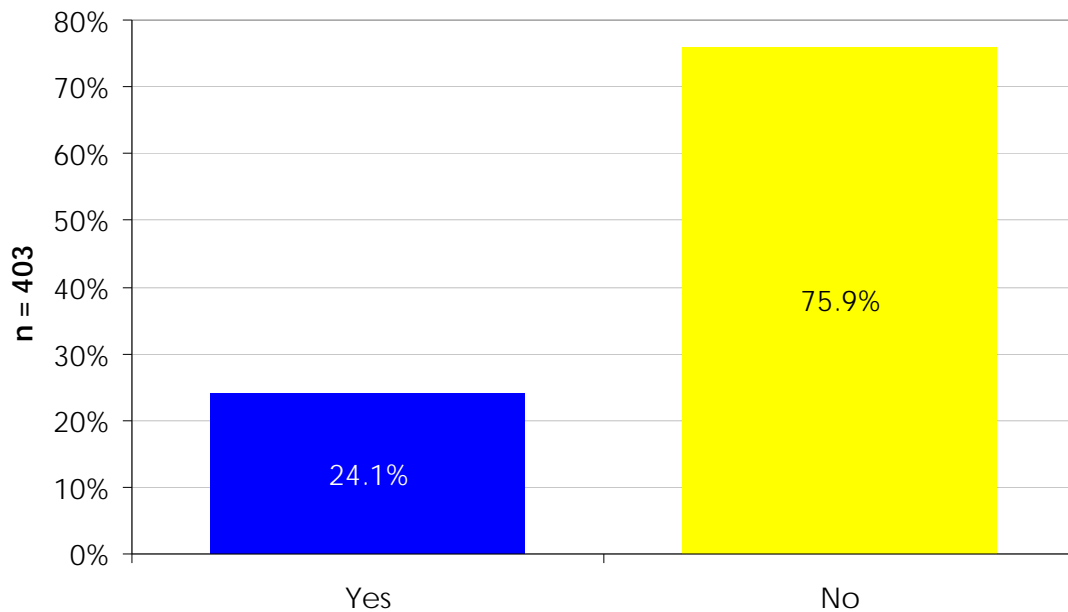
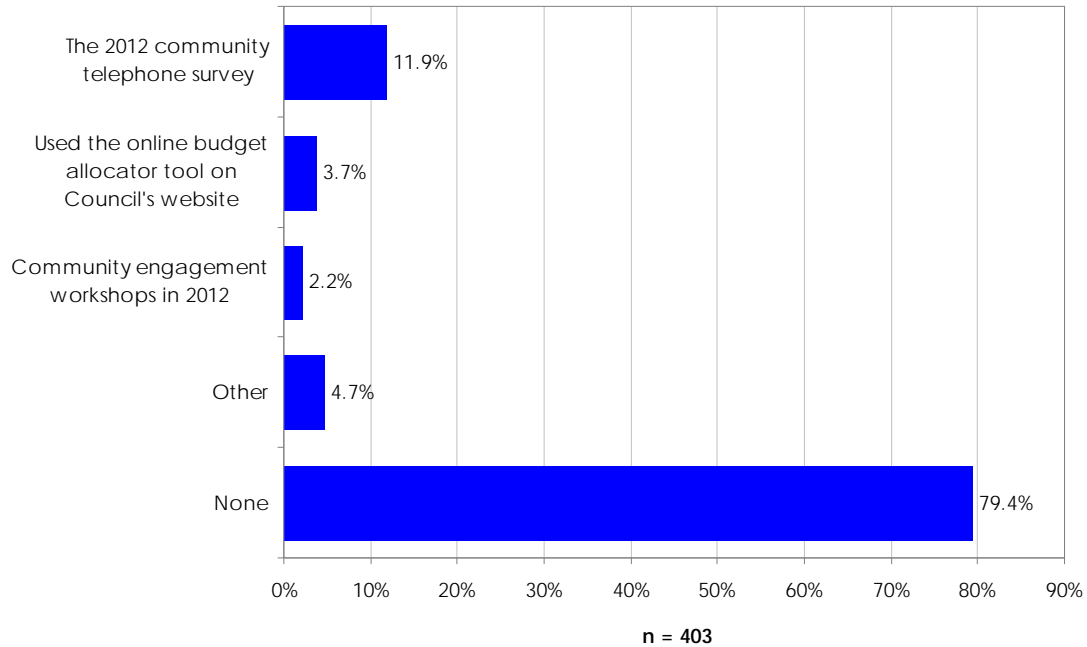


Figure 3.7 – Awareness of the Shellharbour Community Strategic Plan

Key findings:

- Three in four ratepayers (75.9%) were not aware of Shellharbour's Strategic Plan, while 24.1% said that they were aware.

Have you participated in any of the following community engagement activities?



- Should not total 100% as multiple responses were allowed

Figure 3.8 –Participation in community engagement activities

Key findings:

- Ratepayer participation in community engagement activities was quite low, with four in five (79.4%) saying they had not participated in anything.
- One in ten respondents (11.9%) had participated in the 2012 community telephone survey.
- 4.7% of survey participants said they had participated in a community engagement activity that was not listed. There verbatim responses were:
 - 2030 community event
 - Citizen of the year
 - Cleanup Australia
 - Commented re garbage changes
 - Council website
 - Library family day
 - Library, women's health centre

- Meeting for National Broadband Network
- Neighbourhood committee
- Past member of council committee
- Seminars
- Shared pathway protests
- Support group for foreshore
- The library panels, bush regeneration workshop
- Tree planting
- UKA - card group
- Volunteer

3.4 VALUE FOR RATES

Section 3.4 looks at ratepayers' perceptions of the value they receive for their rates dollar.

Do you think that the services and infrastructure provided by Shellharbour City Council are good value for the rates you pay?

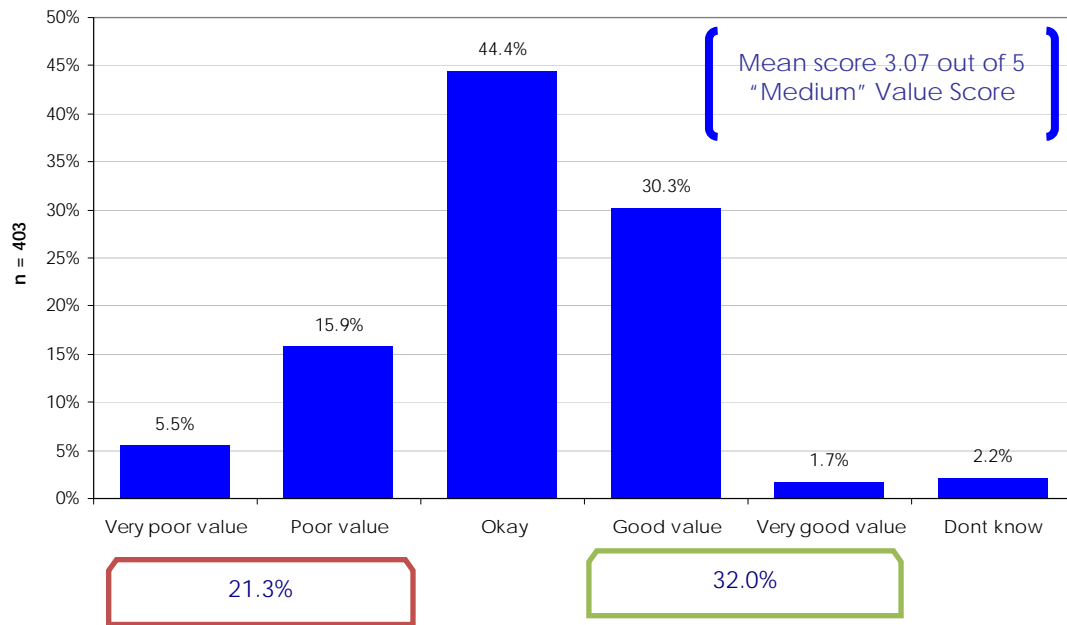


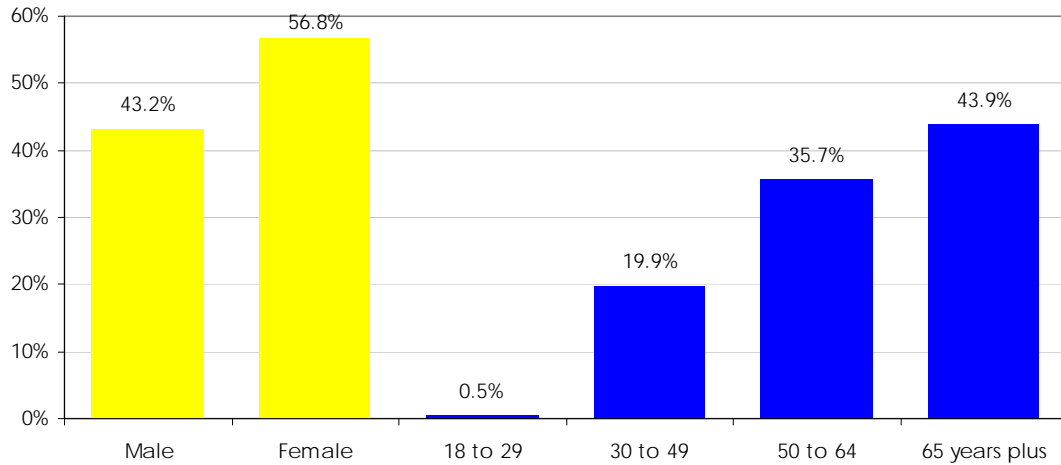
Table 3.9 – Value for rates

Key findings:

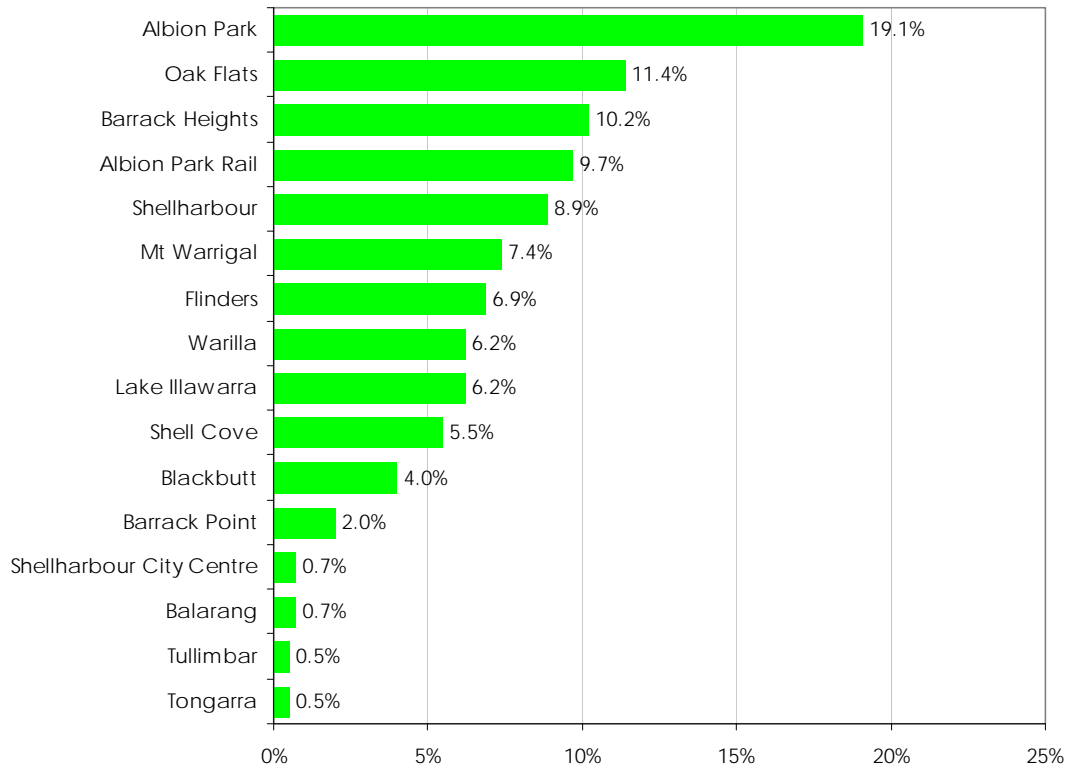
- One in five ratepayers (21.3%) felt that the rates they pay are 'poor value' or 'very poor value' for the infrastructure and services they receive.
- One in three ratepayers (32.0%) indicated that the infrastructure and services provided by Shellharbour City Council are 'good value' or 'very good value' for the rates they pay.
- Males (3.20) were statistically more likely to believe Council provides good value for money than females (2.97).

4 RESPONDENT CHARACTERISTICS

4.1 SEX



4.2 LOCATION



4.3 RATEPAYER STATUS

