



ATTACHMENTS TO REPORTS

ORDINARY COUNCIL MEETING

Wednesday 8 July 2020

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Attachments to Reports

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ATTACHMENTS TO REPORT

Item 12.1

Adoption of the 2020/21 Operational Plan and Budget Including Revenue Policy

Attachment 1

Summary of Submissions

Attachment 2

2020-2030 Long Term Financial Plan

Summary of Submissions

Draft Operational Plan and Budget 2020/21

Management Response to Submissions about a Southern Highlands Indoor Sports Hub (25 submissions)

Council has finalised concept plans for the development of a Regional Sporting Hub at Lackey Park, adjacent to the proposed Southern Highlands Indoor Sports Hub.

The concept plans for the Regional Sporting Hub at Lackey Park are currently on public exhibition.

There is an opportunity for the two sites to complement each other and following the exhibition of the concept plans Council staff will have further discussions with representatives of the Southern Highlands Indoor Sports Hub.

Management Response to Submissions about the Netball Facilities at Eridge Park, Bowral (16 submissions)

Improvements to the Eridge Park Netball facilities are included in Council's four-year Delivery Program.

In 2020/21 Council will commence development of a Sports Facilities Strategy for the Shire. This document will focus on current and future provision, distribution and financial stability of sporting facilities. It will incorporate high-level cost estimates for projects outlined in the strategy. Should the strategy be supported by the community and adopted by Council, a funding plan will be developed to implement projects. The strategy will include netball.

Council staff are in discussions with the Southern Highlands Netball Association to determine the timing of works associated with the grant funding they have received.

Summary of Submissions

Draft Operational Plan and Budget 2020/21

Management Response to Submissions about Climate Change (8 submissions) and the Climate Emergency Declaration (11 submissions)

Actions on Climate Change are identified in part 4.4 of the draft Operational Plan, including deliverables OP176-OP183. Implementation of climate change action is incorporated in each of the relevant deliverables even though they do not all explicitly reference climate change.

The implementation of these deliverables will take place across multiple branches of Council and they are funded from a number of budget areas and as such are not listed in a single budget line item. For example, the draft Capital Works program is developed based on a number of considerations including infrastructure renewal, safety requirements, service utilisation and environmental performance. While not explicitly reported in the draft Operational Plan, there are considerable environmental works already factored into the Capital Works program including energy efficiency and climate change adaptation measures for asset renewal and maintenance projects. Council also has a Climate Change Adaptation Plan and Energy Management Action Plan which list actions and opportunities that link into Council's operations.

The Environment Levy and Council's Revolving Energy Fund also contribute to climate change response actions in Council's programs, particularly with respect to the Sustainable Living Program and Community Support.

The development of the Climate Emergency Plan in 2020/21 (see Operational Plan deliverable OP180) will provide an opportunity for Council to identify the actions that will have the greatest benefit over the next ten years, the areas where Council has the most influence and areas that are most relevant to the local community. Council will continue to look for significant opportunities to act to reduce its emissions and collaborate and develop partnerships with the community. Council will consider the specific actions identified in the submissions through the development of this Climate Emergency Plan.



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
6	Animal Shelter	Expressed support for the inclusion of the Animal Shelter in the Draft Budget and Capital Works Program. Noted that the Animal Shelter should be relocated due to health and safety concerns for staff and animals.	Comments noted. Alternative sites within the Southern Highlands will be scoped as part of the Capital Replacement Project and reviewed in accordance with the principles adopted by Council.	No
1	Animal Shelter	Commented that the initial amount of \$5.2M for the Animal Shelter seems excessive, regardless of the positive nature of the project. Concern is expressed that the costs of this project will exceed its budget.	\$5.2M has been allocated within a capital reserve for the purposes of Capital Replacement of the Animal Shelter Infrastructure subject to final endorsement by Council. The project will be appropriately scoped to ensure that the costs associated with the capital replacement of the shelter infrastructure are appropriately managed within any allocated budget.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

1	Biodiversity	Requested that Council undertake an inventory of green-scape and biodiversity, including scale and quality, to ensure a baseline 'benchmark' for improving shade and aesthetics and addressing the impact of climate change in future development.	<p>Inventories of this type exist as reports and data and are continuing to be developed and refined by Council and collaborative partners. Examples include:</p> <p>Greenscape:</p> <ul style="list-style-type: none"> • Green Web Strategy (in development) • Street Tree Masterplan • Parks Strategy • Roadside Environmental Management Plan. <p>Biodiversity:</p> <ul style="list-style-type: none"> • New fine-scale native vegetation map for the Shire (in development) • Continuous capture of new threatened species records (uploaded to NSW BIONET database) and citizen science biodiversity data capture initiatives via NatureMapr • Species specific data capture and analysis via our "Flagship" species projects (Koala and Platypus conservation projects; Threatened plant species projects e.g. <i>Eucalyptus macarthurii</i>, <i>E. aquatica</i>, <i>Persoonia glaucescens</i>) <p>The ongoing capture and analysis of data is integrated into all development applications and environmental impact assessment procedures required under relevant legislation. Council remains committed to developing and refining these inventories and datasets, as shown in the draft Operational Plan deliverables OP149, OP152, OP160 and OP163.</p>	No
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Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Budget	Requested that the comparison against the previous year also include year to date results as well as projected results to the end of the Financial Year, and that precise descriptions of expenditure are provided, to enable a more informed community.	Comments noted. Council will take this feedback into consideration as part of the future reporting of the Operational Plan and Budget. Notwithstanding this request, this information can be found on Council's website via the quarterly budget review statement presented to the Finance Committee and through Council's Annual Financial Statements.	No
1	Capital Projects (Funding)	Commented that the Community Satisfaction Survey results indicate that projects and activities identified as priorities of Council do not align with those of the residents of the Shire; for example, the results show greater support for initiatives such as Long Term Parking in Bowral CBD, the Bowral Memorial Hall redevelopment and the Moss Vale Bypass than for the Station Street Upgrade project. Requested that resources be explicitly allocated to those areas identified in the survey results as sitting below the Micromex Regional LGA Benchmark. Also stated that many projects in the unfunded infrastructure projects list have a degree of urgency, such as the upgrades required for the sewage treatment plants, and should therefore be funded as a priority.	Council reviews its capital works program annually as part of the Operational Plan. Projects are selected based on a prioritisation assessment that considers a range of criteria. The program is determined by the available budget. Projects within the current program include long term parking solutions, upgrade of the Bowral Memorial Hall and Sewerage Treatment Plant (STP) upgrades. Council was successful in obtaining \$6.6M from the NSW Government for Bowral STP and will continue to seek further funding assistance for STP upgrades. Council is also in discussions with the NSW Government on the progression of the Moss Vale Bypass.	No
1	Capital Projects (Funding)	Stated that applying for grant funding and pursuing projects merely because a grant has been received is not in the best interests of either Council or the community.	Comments noted.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Capital Projects (Funding)	Commented that the assertion that Council makes ' well informed decisions ... to ensure long term sustainability of our Shire ' (Community Strategic Plan objective Leadership 1.1) is unjustified when the list of unfunded infrastructure projects in Appendix 4 estimates that close to \$419 million in expenditure is required.	Comments noted.	No
1	Capital Projects (General)	Requested that Council provide a short summary of the works required for each funded project, program or priority to occur in the next financial year.	Comments noted. Council will take this feedback into consideration as part of the future reporting of the Operational Plan and Budget.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Carbon Reduction	<p>In direct reference to OP183 Investigate and develop opportunities that facilitate carbon reduction, proposed that Council:</p> <ul style="list-style-type: none"> • Reduce mowing programs for parks, reserves and sporting fields. • Continue retrofitting older Council-owned buildings such as libraries, childcare centres and works depots with insulation and energy efficient heating/cooling • Continue to install solar panels on Council-owned buildings including Halls • Continue to implement the use of LED street lighting in towns and investigate solar lighting for walkways and bicycle paths. 	<p>Council is continuously looking at innovative ways to reduce mowing in all open space areas. The following examples are methods Council currently uses to reduce mowing:</p> <ul style="list-style-type: none"> • Where applicable Council has stopped mowing and allowed mown open space to return to bushland • Council has invested in larger and more efficient equipment • Council has scheduled mowing frequencies to the minimum of mowing required to maintain grass operational service levels. • Revegetation of open space areas to reduce mowing and increase the efficiency of mowing. <p>Council will continue to invest in and investigate options that will reduce the mowing program or mowing increase the efficiency.</p> <p>Regarding the other suggested actions, Council will consider the specific actions identified through the Climate Emergency Plan which is under development (see Operational Plan deliverable OP180). In 2020/21 Council will continue to implement a number of these measures through its energy management actions as Council maintains and renews its assets. Efficiency improvements will be a part of a number of the asset renewal and maintenance projects in the capital works program.</p>	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Climate Change	Requested that several Operational Plan deliverables be reworded or rewritten to include the words 'climate change' or to directly reflect positive climate change actions.	See management response on page 2.	No
5	Climate Change	Concerned about a lack of any definitive action to combat climate change. Suggested that these actions could include examples such as solar panel installations on all new buildings, planning for regenerative landscapes, and educating local industries to adopt emission reduction strategies.	See management response on page 2.	No
8	Climate Change	Concerned in light of Council's declaration of a Climate Emergency and the recent bush fire season that there is no direct mention of or allocation of money for action on Climate Change, including for the proposed annual deliverables OP176-OP183. Suggested that the Climate Change Declaration adopted by Council should result in a dedicated Council officer being tasked with spearheading changes relating to climate change action.	See management response on page 2.	No
1	Climate Change	Requested that Council undertake an assessment of energy efficient measures for implementation in public housing properties (to be funded either from rates, or by Argyle Public Housing).	See management response on page 2.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Climate Change	Stated that the Federal Government is concentrating on upgrades to the rail network to increase freight transportation, and as such Council should encourage passenger transportation by increasing pathways and street trees around the stations.	See management response on page 2.	No
1	Climate Emergency Declaration	Requested that Council address critical issues of sustainability as it works to maintain necessary Shire infrastructure, manage development and encourage economic health.	See management response on page 2.	No
11	Climate Emergency Declaration	Requested that the budget be reconsidered to include definitive action to address climate change in the wake of the declared climate emergency, to not only reduce carbon emissions within Council but also for that of the broader community. Suggested examples were measures such as increased footpath and cycle ways, tree planting, wildlife corridors and encouraging energy efficient development.	See management response on page 2.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
11	Climate Emergency Declaration	<p>Commented that the Climate Emergency Declaration adopted earlier in the year by Council is not adequately addressed within the draft 2020/21 Operational Plan and Budget, and for example could have included:</p> <ul style="list-style-type: none"> • climate change action as a strategic priority • allocated levels of funding that would support action • application of the Climate Emergency Declaration to every activity, commitment and service area of Council to expedite Council's goal of net zero CO2-emissions • staff resources to spearhead combative actions towards climate change • initiatives supporting renewable energy • green space acquisition between towns • inclusion of more cycle ways and pathways • initiatives to support small scale agriculture, bush regeneration and expansion of wildlife corridors. <p>Remarked that climate action only appears under the Environment theme and without a link to allocated funding, causing disparity between the declared climate emergency and business as usual at Council.</p>	See management response on page 2.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
2	Climate Emergency Declaration	Requested that Council allocate 5% of the capital works expenditure to climate change action, e.g. the \$9.912 million allocated for buildings could set aside \$500,000 for the installation of solar panels with battery storage. Noted that a commitment to allocate 5% across the entire capital works budget of \$67.6 million for 2020/21 would amount to \$3.4 million and help to achieve these goals.	See management response on page 2.	No
2	Climate Emergency Declaration	Noted that the 2018/19 Greenhouse Gas (GHG) Emission Report shows that around 80% of Council's operational GHG emissions come from its electricity consumption and vehicle fleet. Made recommendations for Council to reduce emissions such as that Council could action a Power Purchase Agreement with a 100% renewable energy company once its current electricity supply agreement ceases.	See management response on page 2.	No
1	Communication	In direct reference to Council's Community Strategic Plan objective Leadership 1.2 – Council communicates and engages with the community in a diverse, open and inclusive way , stated that Council's communication with the community can be improved and that this sentiment is reflected in the results of the Community Satisfaction Survey. Requested that the reference to Community Strategic Plan objective Leadership 1.2 is removed from the draft Operational Plan.	Comments noted.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

1	Community Engagement	Concerned that community consultation is merely procedural and formulaic, without allowing genuine community buy-in.	<p>Community Engagement plans are tailored to each project requiring consultation. The Community Engagement Policy and Strategy outline Council’s approach and can be viewed at www.wsc.nsw.gov.au/community-engagement-strategy-and-policy.</p> <p>Council will call for different levels of engagement depending on the issue, statutory requirements, forecast impact on the community and at different stages of a project.</p> <p>The five levels of engagement outlined in the International Association for Public Participation (IAP2) spectrum shown below are utilised:</p> <ul style="list-style-type: none"> • Inform: To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions. • Consult: To obtain public feedback on analysis, alternatives and/or decisions. • Involve: To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered. • Collaborate: To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution. • Empower: To place final decision-making in the hands of the public. <p>Council officers generally operate within the Inform to Involve range of the IAP2 spectrum but there are</p>	No
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Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
			projects which do provide opportunities for collaboration with key stakeholder groups (e.g. Lackey Park Regional Sporting Hub) or empower directly affected residents to make a decision (e.g. provision of water services for northern and southern residents of the Shire).	



Summary of Submissions

Draft Operational Plan and Budget 2020/21

2	Community Events	<p>In direct reference to Council’s Community Strategic Plan objective People 2.2.1 - Actively foster a spirit of participation and volunteering by addressing key barriers, sought information as to how the COVID-19 pandemic and social restrictions will affect Youth Week, Biennial Youth Forum, Bush Care Volunteers and the Citizen Science program, including any social distancing measures to be put in place.</p> <p>In direct reference to Council’s Community Strategic Plan objective People 2.2.3 - Encourage all members of the community, especially older residents, to share their knowledge and experience with younger members, requested information regarding the initiatives Council has planned and the measures to be put in place due to the COVID-19 pandemic.</p>	<p>Youth Week has been postponed by the State Government until such time as COVID-19 restrictions ease allowing for larger gatherings. Some training events planned for Youth Week are going ahead during the upcoming school holidays as restrictions allow up to 20 people in a community facility. Free workshops are being run for young people aged 12-24 years in Song Writing, Band Performance, Barista Training to name but a few.</p> <p>NAIDOC Week is now scheduled for November. Interested local residents were provided with home activity packs for painting, knitting, weaving and damper making. These will become part of the celebrations planned for November.</p> <p>The Seniors Festival held during February provides opportunities for intergenerational activities, as does Grandparents Day which is held in October. A decision has not yet been made as to whether Grandparents Day will go ahead, as this will be determined by funding and restrictions in place at the time.</p> <p>The safety and wellbeing of staff and volunteers is of paramount importance to Council. When programs resume again, monitoring and acting according to Public Health Orders, volunteers and coordinators will be asked to respond accordingly to comply with social distancing measures and healthy hand hygiene. Those volunteers and staff who feel vulnerable or unwell will be encouraged to stay at home.</p>	No
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Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Councillor Identified Projects	Requested clarification as to what the characterisation of Councillor Identified Projects means, and whether these projects are aligned with Councillors' own ambitions as opposed to Council's overall priorities.	The majority of unfunded infrastructure projects listed in the draft Operational Plan have been included in regional infrastructure priority documents published by the Canberra Region Joint Organisation. The projects identified by Councillors have been identified either through previous Councillor workshops and/or Council adopted documents.	No
1	Development - Conservation	In direct reference to Council's Community Strategic Plan objective Environment 4.1.3 - Conserve the key natural resources of the Shire and minimise the impact from development , requested information regarding the strategies Council will develop and implement to protect the Shire's natural resources, in particular biodiversity.	Council has recently adopted a Local Housing Strategy and also a Local Strategic Planning Statement, which will not only provide guidance for future residential development within the Shire but will also ensure that natural resources within the Local Government Area are appropriately protected by ensuring that development is appropriately managed and growth is restricted to areas that are not environmentally sensitive. In 2020/21 Council will undertake a comprehensive review of its development control plans which will ensure that development impacts on natural resources are managed and where possible ameliorated.	No
1	Development - General	Requested less focus on development in the Shire so as to allow the area to remain a quiet, clean, green and calming retreat for city dwellers into the long-term future.	Comments noted. Council regulates development utilising a variety of statutory and strategic policies.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
3	Development - Inter-Urban Breaks and Town Masterplans	<p>Commented that there is disparity between the level of proposed development versus the objective to maintain open green spaces between towns, and that population growth in the Shire should be managed to increase density rather than expand towns, with stringent re-zoning controls. Requested that Council implement measures designed to limit housing development outside the footprint of towns/villages and increase open space requirements.</p> <p>In direct reference to Council's Community Strategic Plan objective Places 3.2.1 - Maintain inter-urban breaks (i.e. the green between) and rural landscape between towns, sought information about the strategies, policies and framework Council will adopt to ensure inter-urban breaks while meeting legislative requirements and community expectations.</p> <p>In direct reference to Council's Delivery Program action DP049 – Review and prepare planning strategies, policies and studies that retain the character of the Shire's towns and villages, sought clarification regarding why town masterplans were not completed prior to the Housing Strategy.</p>	<p>Council has recently adopted a Local Housing Strategy (LHS) and also a Local Strategic Planning Statement (LSPS) which strategically address future residential housing growth of the Shire. These strategies will limit future greenfield development whilst maintaining green between the Shire's distinct towns and villages. Whilst the LHS aims to provide greater diversity in housing choice for the community it is also noted that the Department of Planning, Industry and Environment mandates that Council must provide greenfield development opportunities within the development of its LHS. Council has sought to limit greenfield development of the Shire whilst also complying with this government direction. The LHS has also assessed local housing densities to ensure that additional population growth can be appropriately and sustainably accommodated.</p> <p>The development of town and village master plans will be completed in subsequent financial years; however, at this stage it was considered that they were not critical to the development of the LHS and LSPS. Both of these documents were time sensitive to complete in order to meet NSW Departmental timeframes.</p>	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Domestic Waste Services	In direct reference to OP174 Continue to implement strategies to reduce the quantity of domestic waste to landfill , requested that due to the size of the standard 'red-lid' bin Council should offer at least one free or greatly discounted kerbside clean-up per year, and noted that this would also help reduce illegal dumping of large items. Commented that measures such as positively supporting volunteer efforts to carry out clean-ups in open spaces and on roadsides by waiving the tip fees for any such registered action would also help. Also requested implementation of a Food Organics Garden Organics (FOGO) program that includes vegetable waste with the green waste.	Comments noted. Council staff have prepared a draft Waste Strategy for the Shire. However, it cannot be finalised until Federal and State policy initiatives with respect to waste management that are currently in development (for example, the 20-Year Waste Strategy for NSW) are established. Any additional kerbside clean-up services provided by Council would require funding through the domestic waste annual charge and in previous years this proposal has not been supported by Council. The current model of kerbside clean-ups is based on a user pays system and therefore does not result in the broader cost of additional kerbside collections being borne by the broader community.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

<p>1</p>	<p>Emergency Management Communication</p>	<p>In direct reference to OP54 Develop community-wide recovery plans in response to the impacts of bushfires and the COVID-19 pandemic and OP55 Support bushfire recovery efforts across the Shire, commented that in light of the recent Bushfire Emergency better coordinated access to information is required regarding refuge locations for residents, pets, poultry and livestock, including evacuation centres and Rural Fire Service (RFS) Safe Neighbourhood Places. Stated that Council has a responsibility within the Shire to provide this information effectively, for example, by better utilising its Facebook page during an emergency. Also commented that designated places of refuge should be upgraded to ensure the reliable availability of water, shade, toilets and emergency signage.</p>	<p>Council has extensive emergency management plans in place for the community and acknowledges the request to make information more readily available. Council is constrained by processes requiring the combat agency (e.g. the RFS for bushfires) to approve communications before they are published so as to ensure that all communications are consistent. Council is advocating for greater access to this kind of information for the community as well as clear guidelines as to the kind of information Council can readily make available without the oversight of the combat agency. The Shire has a number of evacuation centre locations for both people with domestic animals and large animals. Due to necessary resource allocations at each site, Council decides which centre will be opened depending on the location and type of emergency it is responding to. Council only releases that information when a decision has been made as to which facility needs to be activated. Neighbourhood Safer Places are determined by the RFS. Following the bushfires, Council has been actively evaluating how it can provide more timely and detailed information to the community within emergency management guidelines and limitations. An emergency management/information website containing readily accessible and locally focused content for the community is in development and should be available before the next bushfire season.</p>	<p>No</p>
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Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Environment Levy	Sought clarification of the following items within Appendix 2: Environment Levy Works Program – 5.1 Environment Levy Program Coordination and 5.3 Environment Levy Corporate Support. Expressed concern that the Levy is not being applied transparently and that these items represent corporate charges that should be covered from general revenue. Noted that it would be acceptable if these items covered employment resources to coordinate projects funded by the Levy, and as such it was pleasing that the amount for this item in the draft Budget is less than that forecast for the current year. Suggested that the heading should be 'Administration and Works Program' so that there is no misunderstanding about whether all the proposed allocations will go to activities that can be properly described as 'Works'.	Council applies a corporate administration charge (Item 5.4) of \$73,000 to the Environment Levy. This has been in place since the inception of the Environment Levy and is charged in accordance with Council's practices for recognising the cost of corporate support to functions of Council. This takes into consideration corporate support areas such as information technology, financial services, workplace safety and employee services. All other reportable line items included within the Environment Levy report are applied to program coordination and delivery.	No
1	Environment Levy	Sought clarification as to what ' Continuous improvement in waste avoidance and resource recovery ', under the heading ' Sustainable Living ' on page 86 (in Appendix 3: Draft Revenue Policy), means in a practical sense, and in particular whether part of the Levy is being used to fund operations at the Resource Recovery Centre in which case a strong objection is expressed to that.	The Environment Levy is not being used to fund operations at the Resource Recovery Centre (RRC), and a separate waste education program continues to operate. The reference in the Operational Plan acknowledges that waste avoidance and resource recovery is an important element of Sustainable Living and resources from the RRC and Environment Levy work together on some projects and community engagement.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Environment Levy	Requested that expenditure funded by the Environment Levy should be disclosed in detail to the Environment and Sustainability Advisory Committee and possibly only applied with the approval of the Committee.	The Environment Levy budget and its drafts are discussed with the Environment and Sustainability Advisory Committee and updates are provided throughout the year.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
2	Environment Levy	<p>Expressed concern that the Environment Levy is being reduced from 0.000063250 cents in the dollar to 0.000049040 cents in the dollar (a 22.5% reduction) and stated that there should be more transparency about this. Commented that Council has taken advantage of the Independent Pricing and Regulatory Tribunal's decision to allow the formally designated Environment Levy to expire, permitting Council to increase its general rate base. Stated that the fact the expenditure proposed in Appendix 2: Environment Levy Works Program is supported by a draw down from the Environment Levy Reserve demonstrates the inadequacy of the new rate proposal for the Levy. Suggested that the base rate for the Environment Levy Special Rate should be restored to 0.000063250 cents in the dollar as it was for 2019/20 and the proposed general rate structure should be reduced accordingly, with any shortfall in general rate income flowing through to general savings or borrowings. Requested that should the restoration of the Environment Levy Special Rate exceed the proposed expenditure on the Environment Levy Works Program, it should then be credited to the Environment Levy Reserve for future application and not attributed to Council's general revenue base.</p>	<p>As part of the draft 2020/21 Operational Plan and Budget, Council has made a commitment to maintaining the Environment Levy which can be demonstrated through the works program outlined on page 82 of the document.</p> <p>Council has prepared its draft Revenue Policy and rating structure in strict accordance with the <i>Local Government Act 1993</i>. Council will use land valuations supplied by the Valuer General with a base date of 1 July 2019 for the 2020/21 rating year. Land valuations have increased significantly when compared with the last valuation performed three years ago. To ensure Council does not exceed its permissible income for the 2020/21 rating year, the ad valorem for all rating categories have decreased when compared to the 2019/20 rating year.</p> <p>There has been no reduction in funding provided to the Environment Levy. Cash reserves are available as a result of unspent funds from prior years. These funds are proposed to be allocated over the next four years on important environmental initiatives.</p>	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
8	Environment Levy	Expressed concern that the Environment Levy is being used for works that form part of Council's core business responsibilities, which should be covered by general funds.	The Environment Levy continues to be used in accordance with the program initially outlined to the community and the Independent Pricing and Regulatory Tribunal (IPART) when the Levy was extended as part of Council's Special Rate Variation application.	No
3	Environment Levy	Sought confirmation that waste and bushfire funding is not being drawn from the Environment Levy.	There are no direct waste or bushfire activities funded through the Environment Levy. However, these are areas which can be included in broader environmental education actions.	No
3	Environment Levy	Requested that the Environment Levy be increased to support climate change actions related to strategic planning matters, e.g. housing, street tree planting, pathways and cycle ways. Suggested the Environment Levy be initially doubled in 2020/21 and further increased in subsequent years.	Comments noted. Any further increase in the Environment Levy would require a future Special Rate Variation (SRV) application to be submitted to the Independent Pricing and Regulatory Tribunal (IPART). This could only occur after extensive consultation with the community. There are no plans for an additional SRV application in the Operational Plan.	No
1	Eridge Park	Sought information as to any capital works programmed for Eridge Park as the Council website still has documents from 2006 showing the rejected leisure centre proposal.	See management response on page 2.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Fees and Charges (General)	Objected to the increase in fees and charges, including services and rates, especially in light of the current economic climate as a result of the COVID-19 pandemic and bushfire crises.	Comments noted. Council has approved a financial assistance package in response to the COVID-19 pandemic which includes a range of measures such as rates deferral, a suspension of interest on overdue rates and debt collection actions; and additional specific measures aimed at assisting residents and businesses during the pandemic.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

25	Indoor Sports Facility	<p>Requested that funding be allocated towards a Multi-Purpose Indoor Sporting Facility, known as the Southern Highlands Indoor Sports Hub (SHISH), adjacent to Lackey Park. Noted that past representations for the project by Moss Vale District Basketball Association Inc. have been supported by Council; however, no capital funding has been allocated and the proposed facility has not been included in the draft Budget. Further commented that:</p> <ul style="list-style-type: none"> capital funding for the SHISH would support activity for over 3,000 local residents participating in sport and recreation that currently have either no home base or are occupying inadequate or ageing centres with poor accessibility. the SHISH can attract significant revenue for the local community. Recent studies including one by Council in 2006 confirming the need for the facility and its economic benefits have been completed. The loss of a recent NSW Country Basketball tournament for Moss Vale that cost the local community from approximately \$275,000 being generated is evidence of the ongoing economic loss to the community. the planned Lackey Sports Hub for the adjacent Lackey Park is welcomed; however, outdoor sports are already widely catered for in the Shire, while the 	See management response on page 1.	No
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Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
		<p>cold climate in the Shire is further reason to support an adequate multi- purpose indoor facility.</p> <ul style="list-style-type: none"> the lack of such a facility compares unfavourably with those available in nearby local government areas such as Shoalhaven (Nowra). an indoor facility would allow the tennis community to play for competition and socially in poor weather, supporting all ages and skill levels. 		
6	Indoor Sports Facility	<p>Commented that although funding of \$5.2M from capital reserves is flagged for a new Animal Shelter, with good planning and matching government funding residents can have both facilities through a budget allocation of \$3.2M towards the Southern Highlands Indoor Sports Hub. Stated that this could allow provision of \$75K for the completion of economic studies and a development application, while the balance is used to seek matching government grant funding for construction.</p>	See management response on page 1.	No
1	Infrastructure in Burradoo	<p>Requested that rating revenue be utilised for projects in Burradoo such as street guttering and stormwater drainage, foot paths, bus shelters and parking around Chevalier College, and traffic lights and/or a pedestrian crossing and pedestrian refuge.</p>	<p>Council reviews the capital works program annually as part of the Operational Plan. Projects are included from across the Shire and are selected based on a prioritisation assessment that considers a range of criteria. The items listed are noted and will be investigated by Council staff.</p>	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Infrastructure in Burrawang	<p>The Burrawang and Wildes Meadow Community Association commented that the only reference to Burrawang is on page 9 of the Operational Plan in relation to the road renewal of Church Street, yet in Appendix 1: Draft Budget and Capital Works Program 2020/21-2023/24 Burrawang is not mentioned. Stated that other issues for priority in addition to the Church Street project are:</p> <ul style="list-style-type: none"> • Sealing Hoddle Street to the west of Church Street • Fixing large pot holes at the top south of Crown Street near Range Road • Addressing significant drainage issues along Crown Street from Range Road to Hoddle Street • Finishing stage 2 of the children’s playground, noting the major cost is the large sandstone blocks which could potentially be sourced from Bundanoon quarries at a significantly reduced cost • Adding a shelter and water tank to the cemetery • Clearing verges • Adding an additional litter bin in Hoddle Street • Adding an additional dog bag dispenser. 	<p>Council reviews its capital works program annually as part of the Operational Plan. Projects are included from across the Shire and are selected based on a prioritisation assessment that considers a range of criteria. The items listed are noted and will be investigated by Council staff.</p>	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Jurd Park	Requested that consideration be given to an upgrade of the cricket nets and a new turf pitch proposal for Jurd Park, Colo Vale.	Council plans to complete a Sports Facilities Strategy in 2020/21. The Strategy, which will include cricket, will incorporate high-level cost estimates for projects outlined in the Strategy. Should the Strategy be supported by the community and adopted by Council, a funding strategy will be developed to support those projects identified within the Strategy.	No
3	Lackey Park Sporting Hub	Noted that the budget for Recreation Facilities in 2020/21 is \$1,436,000 vs. \$257,000 in 2023/24 and expressed concern that this will be insufficient to implement the funded design for the Lackey Park Sporting Hub as outlined on pages 77-79 of the draft Operational Plan and Budget.	Council's Unfunded Infrastructure Projects List contains a provisional estimate of \$15 million for works associated with the Lackey Park Regional Sporting Hub. The funding of this project will require a 'whole of government approach' whereby Council will actively pursue funding opportunities through both the State and Federal Government.	No
2	Land Acquisition	Expressed concern that there is no funding allocated to the acquisition of land zoned RE1 Lands and Green Spaces for the Green Web Corridor connections.	Comments noted. Council has not included funding for the acquisition of RE1 land within its four year forward estimates or Long Term Financial Plan.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Local Housing Strategy	In direct reference to OP104 Develop a local housing strategy to strategically address the future housing needs of the Shire and OP122 Implement the recommendations of the local housing strategy to ensure diversity of housing choice within the Shire , requested that the Local Housing Strategy emphasise that all new buildings should have the highest possible standards of energy efficiency and climate readiness and that affordable housing meets these standards as well as being affordable to live in.	Comments noted. The Local Housing Strategy is a high-level strategy that identifies future land opportunities for housing choice throughout the Local Government Area. Guidance including environmental sustainability and associated environmental controls surrounding residential development is contained within Council's suite of Development Control Plans.	No
2	Local Housing Strategy	Commented that identified areas for future housing should not be so far from amenities as to be car dependent and that direct routes for walkers and cyclists etc. need to be included.	The Local Housing Strategy has identified suitable land supply that has appropriate access to local amenities and transport routes.	No
3	Mittagong Playhouse	Sought information as to why the Mittagong Playhouse Rectification Works only include Investigation and Design, rather than construction commencing within the 2020/21 financial year as the end of this period will be approximately 20 months after the Playhouse was closed in October 2019. Commented that the importance of the Mittagong Playhouse redevelopment should not be overlooked and that work should commence as soon as possible rather than waiting until the next financial year.	The budget allocated in 2020/21 is to complete the investigation and design. The completion of this project will allow Council to estimate the cost to repair the building, allocate the appropriate budget and commence the construction works.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
16	Netball Facilities	Requested the allocation of funds from the budget towards the repair and upgrade of the netball facilities at Eridge Park, Bowral, including the courts, clubhouse, toilets and entry pathways due to their dilapidated condition. Noted that in particular, cracking has occurred on the courts due to drought to the point where one of the six courts has been condemned. Further noted that the Shire's facilities are inferior compared to other regional facilities. Commented that the Southern Highlands Netball Association has received funding from the State Government, but as this is not enough to repair the courts it is requested that Council contribute to the funding of this project. Remarkd that upgraded facilities would support female youth in sport, positively contributing to their mental wellbeing and physical health.	See management response on page 1.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	New Residents	In direct reference to council's Community Strategic Plan object 2.2.2 We welcome new people and ideas , sought information as to the initiatives Council implements to support new residents participating in community life.	Council has a 'new resident kit' on its website which provides a quick link guide to services provided by Council and other local organisations – this is available at https://www.wsc.nsw.gov.au/services/new-resident . In addition, the 2020 Seniors Directory has been launched providing a wealth of information for older members of the local community and their families. The ArtsFile website is a new and improved website providing valuable information on all things arts and culture in the local area.	No
1	Notification of Development Proposals Policy	Concerned that notifications related to Development Applications do not allow genuine community buy-in. Noted that some proposals may have an impact beyond immediately adjoining properties, and although the community can view applications via the DA Tracker tool on Council's website, it is requested that Council staff include additional properties to achieve a superior outcome from the notification process. Requested that Council review the current public consultation requirements to ensure that broader, more effective consultation takes place.	The Community Participation Plan (CPP) was reviewed and subsequently adopted in November 2018. The CPP seeks to provide community participation in development applications consistent with State Government guidelines and also other local government areas. The CPP seeks to balance community participation and responsiveness in development outcomes and its effectiveness will be more broadly reviewed in 2022.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Operational Plan Document (General)	Requested that Council explain why the description of Council's services on pages 44-74 of the Draft Operational Plan and Budget are included in the document, as they are essentially job descriptions and responsibilities and as such are not required.	Council's service profiles are included in the Operational Plan (and have been included in previous Operational Plans) because each annual deliverable for the financial year is allocated to the relevant service profile. Including the service profiles in the Operational Plan therefore ensures transparency with respect to how its deliverables align with the services Council delivers to the community.	No
2	Population Forecast	Remarked that there is disparity between Council documents in relation to population forecasts that may impact future planning and capital project works. Commented that the COVID-19 pandemic and reduced immigration may lead to lower population growth than initially expected and that this should be considered and addressed in the Operational Plan. Requested that Council review, update and make public actual population numbers and projections annually. Objected to the level of development required, impacting on the open green spaces between towns.	The population growth figures that have been quoted in these documents reflect the best evidence-based information that was available at the time of their drafting. The level of development occurring within the Shire is being appropriately managed through a number of statutory and strategic documents including Council's Local Environment Plan and Development Control Plans.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Public Toilets in Sutton Forest	The Sutton Forest Business Association requested that Council establish public toilets in Sutton Forest on the site of the Sutton Forest Inn, having noted that the only public toilets in Sutton Forest are at the hall and they are not always accessible. Suggested using funds from developer contributions, such as those from a recent rural subdivision in Sutton Forest, to fund the project.	Council does not support construction of Council-managed facilities on private land. The provision of public toilets at the Sutton Forest Inn should be discussed with the land owner. Council may consider the construction of public toilets on Council owned land, for example, at the site of the Sutton Forest Hall, if future demand should warrant it. This can be explored when the Public Toilet Strategy is next reviewed.	No
1	Range Road Railway Overhead Bridge	Requested upgrade to Range Road Railway Overhead Bridge due to safety concerns for pedestrians and vehicles.	The Range Road Rail Bridge is owned by the Australian Rail Track Corporation (ARTC). Council has been consulting with the ARTC to determine when the bridge will be replaced and to ensure that safety improvements, such as a footpath on the bridge, are provided. The ARTC has indicated that the bridge is scheduled to be replaced during the 2020/21 financial year and that these plans include provision for a footpath.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Recreational Space and Playground Equipment	Requested upgrades for the Moss Vale BMX biking/skating area near Moss Vale TAFE, including a juniors' bicycle track, general play equipment and adult exercise equipment, as well as the planting of additional trees. Commented that modern play equipment could be installed or upgraded in a number of parks and open space areas in Moss Vale such as the new Broughton Street development, Anembo Street and Seymour Park. Noted that the park at the top of Yarrowa Road has limited equipment and lacks shade. Commented that adult exercise equipment was being offered 'free to Councils', but Council did not take advantage of this.	In 2020/21 Council will commence development of a Sports Facilities Strategy for the Shire. This document will focus on current and future provision, distribution and financial stability of sporting facilities. Skate parks and exercise equipment will be included as part of this draft strategy.	No
1	Regional Art Gallery	Asked whether the Regional Art Gallery has submitted a Business Plan, being an outcome of last year's Operational Plan and Budget whereby \$500,000 per year for 5 years is being allocated to the project by Council.	Council staff are in discussions with the Regional Art Gallery Board with respect to the funding stipulations approved by Council. This includes the submission of a detailed Business Plan. Council will ensure these stipulations are met before the release of any funding.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Sale of Surplus Land	In direct reference to OP030 Continue to monitor and investigate opportunities to maximise the financial return from surplus land , commented that there is very little surplus land available to Council and that recent sales of property have not netted Council much value and even for some land a loss e.g. expenditure at Anembo Street, Moss Vale including kerb and gutter construction and extending the water supply. Noted that property recently sold in Argyle Street Moss Vale could have instead been renovated and made into a Neighbourhood Centre or Environment Hub.	Comments noted. The recent sale of subdivision of Anembo Street will yield an appropriate rate of return to Council and the broader community.	No
1	Southern Regional Livestock Exchange Signage Fees	Requested a rebate on the signage fee for existing advertisers at the Southern Regional Livestock Exchange due to the closure of the facility as a result of the COVID-19 Government restrictions. Suggested that existing sign holders should be offered a rebate on the 2020/21 fee equivalent to six months' worth of the charge i.e. the fee for 2020/21 being \$175 instead of \$350 for existing advertisers.	Comments noted. The request to consider a rebate of the advertising fee for the period during which a facility shutdown was enforced due to the COVID-19 pandemic will be considered by Council management and if a refund is to be offered this will be reported to Council at the Finance Committee meeting in August.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Sporting Facilities (General)	Suggested that the Capital Works Program should include upgrading sporting facilities to benefit the youth of the Shire, such as upgrading skate parks, basketball and netball courts and an indoor sports facility. Noted that better sporting facilities would lead to more sporting events being hosted and would encourage families to settle in the Southern Highlands.	In 2020/21 Council will commence development of a Sports Facilities Strategy for the Shire. This document will focus on current and future provision, distribution and financial stability of sporting facilities. Skate parks and exercise equipment will be included as part of this draft strategy.	No
3	Sports Facilities Strategy	Supported the inclusion of a Sports Facilities Strategy in the draft Operational Plan, although expressed concern that there is little to no provision of funding to implement any likely recommendations from the Strategy, such as better lighting at some sports fields.	The Sports Facilities Strategy will include high-level cost estimates to fund the projects outlined in the strategy. Should the Strategy be supported by the community and adopted by Council, a funding strategy will be developed.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
2	Station Street Upgrade Project	Sought clarification as to whether the funds required for the construction of a 70-space public carpark adjacent to Mittagong Railway Station are included in the \$16.33 million allocated to the Station Street Upgrade project or if it is in addition to those expenses, and noted that the total project costs should be made unambiguously clear. Commented that there are other worthy projects that cannot be undertaken in order to fund this project. Requested reallocation of funds for the Station Street Upgrade to other worthwhile unfunded projects within the Shire.	The need to construct the 70-space carpark at Mittagong Station has been enforced by Sydney Trains and is not included in the current budget as it never formed part of the original scope. Council's current funding strategy for the Station Street upgrade project relies heavily on a State Government grant, developer contributions and loan borrowings. In total, \$13.384 million will be generated from these three sources. Council cannot use the \$7.5 million grant from the NSW State Government for any other purpose than the Station Street upgrade project. Developer contributions can only be used for projects identified within an adopted Contributions Plan. Council also intends to utilise loan borrowings of \$3.884 million to assist with the funding of the Station Street upgrade project. Council's policy position is that loan borrowings can only be considered as a legitimate funding source for significant infrastructure projects which provide intergenerational benefit. Small scale projects should be funded through recurrent funding such as general rate income. While there would be some capacity to redirect a small portion of the funding allocated for the Station Street upgrade project, it is unlikely that this would achieve as significant an economic or community benefit for the Shire's residents.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
2	Station Street Upgrade Project	In direct reference to Council’s Community Strategic Plan objective 3.3.1 Work collaboratively to improve and revitalise town and village centres throughout the Shire and OP110 Continue to develop and commence implementation of the Station Street Upgrade , commented that the current work on the Station Street Upgrade Project was undertaken without consultation, and requested further information as to how Council will proceed with consultation. Requested that Council defer the Station Street Upgrade Project, especially the northern end, pending more further consultation measures being implemented and until community concerns have been fully addressed.	Council engaged and consulted extensively with the community in 2017. The minor changes that have been proposed in the revised road design are not fundamentally or principally different to what was originally adopted. Furthermore, the protracted negotiations and numerous attempts at design options with Sydney Trains, Transport for NSW and Roads and Maritime Services make it very evident that further consultation would not provide an opportunity for any other outcome that would be acceptable to Sydney Trains. As such, Council has resolved to approve the approach presented in the report to Council on 25 March 2020.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

<p>1</p>	<p>Station Street Upgrade Project</p>	<p>Objected to the allocation of \$18.26 million for the Station Street upgrade project, including Mittagong public parking. Noted that in 2013 when Council applied to the NSW Government for funding, the cost was estimated at \$12.5M and a grant of \$7.5M was subsequently offered, so as the cost is now \$18.26M it is presumed that \$10.76M would be funded by Council. Commented that in the current economic climate which is impacted by bushfires and the COVID-19 pandemic, this is not a suitable time to commit to the project which is close to 80% of Council's total budgeted expenditure for roads, bridges and footpaths. Stated that the current project proposal has been insufficiently exhibited especially considering community opposition and that Transport for NSW has given Council an extension to the end of 2021. Requested that the project be put on hold until it can be reviewed in the context of the Bowral CBD Masterplan which is scheduled for development in 2020/21. Expressed concern that the project overall will be required to change due to environmental issues needing to be addressed as part of the assessment process. Proposed instead to relocate the traffic lights to enable right turn movements into and out of Bundaroo Street, removing the need for deviation, the removal of pin oaks and camellias and the construction of a car park at Mittagong.</p>	<p>Comments noted. The constraints applied by various stakeholders have resulted in changes to the design and its impacts, which has unavoidably had a detrimental impact on the forecast budget. The impacts of the COVID-19 pandemic and the bushfires are a separate issue and budget allocations for the project cannot be re-allocated. The commencement of the project will aid in stimulating the area and the economy. Council has consulted extensively with the community and no further consultation is proposed. The extension provided by Transport for NSW is in relation to the deliverable construction milestones. The project will not be put on hold as Council has resolved to proceed and all environmental issues are being addressed within the Review of Environmental Factors. All traffic related issues have been assessed by qualified traffic engineers, consultants and Roads and Maritime Services, and as per the Independent Deep Dive Review the project as scoped is very well considered and an appropriate solution having considerable merit and as such it should be expedited.</p>	<p>No</p>
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Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Street Trees	In direct reference to OP114 Implement the street tree planting program , requested that all street trees and park plantings be local native trees or food trees and recommended the Community Bush Care Nursery for this as it is able to propagate suitable local natives for street and park plantings. Recommended that Council encourage residents to create gardens in the roadside verge.	Council's Street Tree Master Plan recommends native trees as street tree species. The Bushcare Community nursery is not large enough to grow trees suitable for planting into streets. Residents can request street tree plantings, which Council will consider on a case by case basis.	No
1	Transport	Stated that Council has not considered that private individual car use may be replaced by a variety of different low-emissions vehicles, the use of which will need to be integrated into roadways/cycle ways/footpaths including the introduction of specified lanes. Recommended that all new residential developments should include footpaths and have no closed cul-de-sacs so as to allow foot traffic and bicycle users through.	The comments are noted. Urban design principles utilised in the development of residential developments provide for better connected urban road networks that discourage cul-de-sacs and also encourage the development of pedestrian access (footpaths) and cycle ways. Council ensures that these elements are included in development through the development assessment process. Council also applies various Australian Standards and Industry Specifications for the provision of an integrated transport network. Council will continue to monitor industry trends and align future strategies as necessary.	No



Summary of Submissions Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
2	Trust in Council	In direct reference to Council's Strategic Community Plan (CSP) objective Leadership 1.1 Our Council has the trust of the community and well informed decisions are made to ensure long term sustainability of our Shire , remarked that Council does not have the trust of the community. Stated that this CSP objective is neither substantiated nor accurate based on the results of the 2019 Community Satisfaction Survey and should therefore be removed from the draft Operational Plan.	Comments noted.	No
2	Unfunded Projects	Requested that Council explain why Appendix 4: Unfunded Infrastructure Projects List 2020/21 is included, given that the estimated cost makes it unlikely that any of the projects will come to fruition. Asked what will become of these projects, in particular the upgrade of Seymour Park, Moss Vale. Queried if Moss Vale Bypass, costed at \$50 million, is listed first because Council will first target grants for this project.	The majority of unfunded infrastructure projects listed in the draft Operational Plan have been included in regional infrastructure priority documents published by the Canberra Region Joint Organisation. Council seeks grant funds and lobbies the State and Federal Government for additional funding assistance to help fund currently unfunded projects. Council is in discussions with the NSW Government on the progression of the Moss Vale Bypass.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Upgrade to Exeter Road	The Exeter Village Association (EVA) expressed concern about the deteriorating condition of Exeter Road between Exeter and Sutton Forest, and in particular noted the unevenness of some sections and regularly occurring potholes that cause risk to drivers and their vehicles. Expressed disappointment that the repair of the road is currently in the 'unfunded projects' list in the draft Operational Plan and Budget, and requested that Council urgently seek funding for the full repair of this road. Stated that EVA would appreciate being informed of any works planned for the repair of the road, including the section of Ellsmore Road between the two villages.	Projects to rehabilitate sections of Exeter Road are included in the 2021/22 and 2023/24 forward program.	No
1	Urban Park Proposal on Bowral Brickworks site	The Berrima Residents Association requested that provision be made in the Operational Plan and Budget for \$30,000 to commission a Scoping Study for an urban park, including lake and bridge, on the Bowral Brickworks site.	The site for the proposed urban park is currently on private land and Council staff consider that it would not be appropriate to contemplate funding a scoping study in those circumstances.	No
1	Walking Paths	Requested that funds be allocated to the repair and maintenance of walking tracks in the Shire. Also requested that funding support the promotion of 'short walks' in the Shire and complement the Wollondilly Shire Council proposal to develop the Katoomba to Mittagong Track or the Wollongong Escarpment Track.	Council is in the process of developing the Recreational Walking Track Strategy. The draft strategy will be placed on public exhibition later this year and community feedback will be sought. The strategy will provide guidance to Council on the provision and maintenance requirements for recreational tracks within the Shire.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Walking Paths	Requested a footpath from the Gibbons Road/Lytton Road (Moss Vale) intersection to join the footpath in Cosgrove Park so as to help residents travel safely from Berrima Road into the town centre.	The request is noted. Council staff will investigate the provision of a pathway as requested.	No
1	Walking Paths	Requested more shared pathways and that existing pathways be retrofitted to a minimum of 2.5m to allow for mobility scooters. Suggested that pathways should allow access to main town precincts, shops, entertainment, transport, etc.	The request is noted. Council reviews its capital works program annually as part of the Operational Plan. Projects are included from across the Shire and are selected based on a prioritisation assessment that considers a range of criteria. In 2020/21 Council will complete a review of its Pedestrian Access Mobility Plans (PAMP). The PAMP provides a framework for developing pedestrian routes or areas identified by the community as important for enhanced, sustainable safety, convenience and mobility. This will assist Council in allocating resources and identifying the areas requiring improvement.	No



Summary of Submissions

Draft Operational Plan and Budget 2020/21

No. of Submissions	Subject	Summary of Comments/Issues	Management Response	Amendment to Plans required
1	Walking Paths	The Exeter Village Association (EVA) expressed concern over a lack of walking paths in Exeter village and surrounds, having noted that while there is a short walking path from Yarwood Drive to Ellsmore Road there is then no safe path along Ellsmore Road to the village. Suggested that a safe walking path could be incorporated into improvements planned for this section of road, as well as a pathway along Ringwood Road from Rockleigh Road into the village. Commented that incorporating a footpath or shared pathway in the new Vine Lodge development would also extend the safe walking options for residents. Noted that the EVA would be keen to consult with Council in developing a footpath master plan for Exeter.	Council is about to commence a review of its Pedestrian Access Mobility Plans (PAMP). PAMP provides a framework for developing pedestrian routes or areas identified by the community as important for enhanced, sustainable safety, convenience and mobility. This will assist Council in its allocation of resources and identifying the areas requiring accessibility. Exeter is included in the PAMP.	No



Long Term Financial Plan 2020-2030

Updated June 2020

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Disclaimer

The information contained in this document provides a general overview on the long-term financial position of Wingecarribee Shire Council. Council reserves the right to make changes to this Plan accordingly. This Long Term Financial Plan contains information based on forward estimates and modelling which have been prepared using assumptions available at the time of publication.



Introduction

Council’s Long Term Financial Plan forms part of the organisation’s Resourcing Strategy. In line with the Local Government Amendment (Planning and Reporting) Act 2009, Council is required to review and update its suite of Integrated Planning and Reporting (IPR) documents every four years, generally at the commencement of each new Council term.

Council last adopted its revised Resourcing Strategy in June 2017 as part of a broader review of its integrated planning and reporting documents. This included a review of Wingecarribee 2031, our Community Strategic Plan.

The Resourcing Strategy gives consideration to the capacity for Wingecarribee Shire Council (WSC) to deliver on its responsibilities within Wingecarribee 2031 (W2031). It also considers the broad range of regulatory and statutory frameworks which must also be met. Council undertook extensive community consultation as part of its review and updating of the Community Strategic Plan. Further details regarding this consultation is provided in the Community Strategic Plan.

The diagram below outlines Council’s integrated planning and reporting framework and the relationship between the Resourcing Strategy and other elements of the framework.



The Resourcing Strategy incorporates the following components:



Council’s Workforce Plan

The Workforce Plan is focused on:

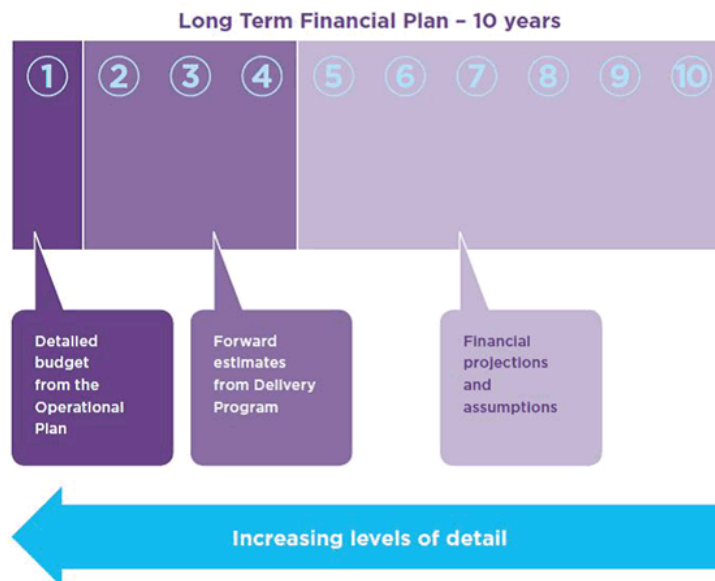
- Developing and maintaining a skilled workforce
- Delivering a workforce which is structured to achieve W2031
- Workforce attraction and retention
- Workforce equity and diversity

Council’s Strategic Asset Management Plan

Council’s overarching Strategic Asset Management Plan is part of a larger asset management framework. That framework represents Council’s intention to maintain our community’s infrastructure, together with other levels of government and stakeholders, to meet the needs of our community. It is critical to the achievement of the Plan that sufficient funding is provided over the life of the Plan, to ensure that infrastructure provides services to a standard our community agrees to and can afford.

Council’s Long Term Financial Plan

The Long Term Financial Plan (LTFP) focuses on Council’s goal of financial sustainability and delivering quality services to the community. The LTFP is a decision making tool and is not intended to be a document that specifically indicates what services or proposed funds should be allocated. This plan addresses the areas that impact Council’s ability to fund services and capital works, whilst ensuring Council operates within its means to enable financial sustainability.





What is a Long Term Financial Plan?

The Long Term Financial Plan expresses in financial terms the activities that Council proposes to undertake over the short, medium and long term and iteratively guides the future strategies and actions of Council to ensure it continues to operate in a sustainable manner.

The Long Term Financial Plan is a necessary component of Council's Resourcing Strategy. It includes the financial modelling of actions and strategies contained within Council's Asset Management Plan and Workforce Plan, as well as other non-asset related strategies adopted by Council.

The Long Term Financial Plan acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver on the outcomes contained within the Community Strategic Plan – Wingecarribee 2031.

The Long Term Financial Plan is for a period of ten years and includes the following:

- the planning assumptions used to develop the plan
- sensitivity analysis and testing
- financial modelling for different scenarios*
- methods of monitoring financial performance

*Council's Long Term Financial Plan is modeled on achieving the stated benchmarks within its Fit for the Future Improvement Plan and delivering on its *Investing in Our Future* commitments. As such there is only one scenario included in this plan. Council will incorporate scenario modelling as part of its next major review of its Resourcing Strategy.

The financial modelling for Council's Improvement Plan scenario is presented in the format of Council's primary financial statements namely, the Income Statement, Balance Sheet and Cashflow Statement.

The Long Term Financial Plan is updated annually as part of Council's annual budget process. Upon the review and adoption of a new Community Strategic Plan every 4 years, a detailed review of the Long Term Financial Plan is undertaken to ensure it still represents the key directives and service priorities identified in the Community Strategic Plan, Wingecarribee 2031.

WSC is the Water and Sewer Authority for the Wingecarribee Shire. As required under the Local Government Act, Council has in place separate accounting funds for its general operations, water operations and sewer operations. This long term financial plan includes the consolidated financial statements, and models for each respective fund.



Local Government Reform - Fit for the Future

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

On the 20 October 2015, the NSW State Government released its findings under the Fit for the Future reform process. Wingecarribee Shire Council was deemed to meet the financial benchmarks (within the required timeframes) and have sufficient scale and capacity to remain a stand-alone Council, based on its submitted Improvement Plan.

In part, the purpose of this Long Term Financial Plan is to track Council's progress towards meeting these mandated benchmarks.

An integral part of Council's Improvement Plan was the *Investing in our Future* – Special Rate Variation. This Special Rate Variation was submitted to IPART and subsequently approved in May 2016. The Special Rate Variation was an important step in allowing Council to maintain and manage our current assets and to ensure that we continue to deliver services in line with community expectations, while remaining financially sustainable into the future.

Investing in our Future – Special Rate Variation

Our community has consistently told us that assets like roads, footpaths and drainage are important to them, but we need to improve their condition.

This was confirmed as part of our Fit for the Future assessment where we reviewed the condition of our assets and its impact on our long term financial modelling. This information told us that we had a significant funding gap for infrastructure and that we needed to invest an additional \$8.5 million per year.

In October 2015, Residents were provided with three options based on differing levels of funding for the maintenance and renewal of community infrastructure. This information was provided in a brochure which was distributed to every household across the Shire.

In December 2015, the results of the community consultation were presented to Council for consideration. Based on this feedback, Council notified IPART of its intention to apply for a Special Rate Variation, with the application submitted in February 2016.

The application was for a Special Rate Variation of 8.85% in the first year, 9.25% in the following two years and 12.15% in the fourth year. This included the 1.80% approved rate peg in 2016/17 and an assumed rate peg of 2.50% in proceeding years. The application requested a cumulative increase of 45.30% (or 35.67% over the allowable increase) over a four-year period. We also included the continuation of the Environmental Levy which has been in place since 2000. The application was for a permanent increase in council's rate revenues.



Council was advised in May 2016 that its application had been approved in full. Details regarding our application, including all submissions made to IPART can be found on their website, www.ipart.nsw.gov.au.

Under this plan, Council will be able significantly improve the quality of our community assets by being able to fund its required asset renewal and maintenance. We will also continue to look after our environment and be able to undertake new work to fill essential asset gaps.

This plan will generate \$98.1 million over 10 years and will allow an additional spend of:

- \$51.4 million on roads, road drainage, footpaths and shared pathways;
- \$26.8 million on stormwater drainage;
- \$15.8 million on buildings;
- \$4.1 million parks and open spaces.

Our Strategic Priorities

To continue our journey from the *Fit for the Future* local government reform agenda, our Councillors have committed to seven strategic priorities to ensure Wingecarribee Shire is a better place to live, work and visit. These priorities will be delivered during four-year Delivery Program timeframe and will be a key driver of decision making during this council term. Our council is committed to further building trust with the community and providing a model for collaborative civic leadership and ethical governance. The seven Councillor strategic priorities are outlined below:

Responsible financial management – Council acknowledges it is the custodian of public funds and the community’s assets. We are committed to ensuring finances are managed responsibly. This means we will prudently allocate funds to ensure a balanced budget is maintained both short and long term. We will actively pursue opportunities to diversify and maximise revenue streams to deliver services and community infrastructure. We are committed to ensuring that where key community infrastructure is constructed all funding options will be considered.

Improving our community assets – Improving the standard of our community assets, such as roads, buildings, drainage and parks is a key focus for Council. This means investing more money into asset renewal and maintenance of our community assets over the Council term to better meet the expectations of our community. In 2016 Council adopted its *Investing in our Future* program which paved the way for a long term funding model which will address an \$8.5 million shortfall annually in funding asset renewal and maintenance.

Protecting our natural environment - Council is dedicated to protecting our unique environment through its Environment Levy to ensure that projects and programs are implemented that protect and enhance our natural environment.



Delivery of significant infrastructure projects – We have committed to delivering key infrastructure projects for the community. This includes rectification works at Mittagong Pool, a major redevelopment of Bowral Memorial Hall, essential rectification works for Council’s Civic Centre, major upgrades to the Shire’s Sewer Treatment Plants, transport upgrades including Station Street, Bowral and cemetery improvement in both Moss Vale and Bowral.

Better service alignment and delivery– To ensure we deliver services which are in line with community expectations a comprehensive review of all Council services will be undertaken. A detailed business analysis and a broad community engagement program will underpin the services review program.

Business transformation – We recognise that the community has an expectation that the way we interact with them should reflect modern business processes utilising modern technologies. We are committed to ensuring the systems and process that support service delivery and the way we interact with our customers is responsive and provides a variety of methods for interaction.

Community Wellbeing – We are committed to promoting and supporting initiatives that enhance our community’s wellbeing. We will achieve this by strengthening partnerships with State and Federal agencies, and community organisations to ensure community services and employment opportunities are enhanced and provided locally. Further, we are dedicated to fostering community spirit, inclusiveness and participation in community life by providing and working collaboratively with others to deliver a range of programs, events, festivals and community celebrations.

Important Information – COVID19 Pandemic

On the 22 March 2020, the Prime Minister, the Hon Scott Morrison MP announced an extensive range of measures to limit the spread of COVID-19 across communities within Australia. The measures included the enforced closures of certain businesses such as hotels, clubs, gyms, cinemas and other entertainment venues. Cafes and other hospitality venues have been limited to takeaway and delivery trade.

The measures announced by the Prime Minister on the 22 March 2020 have had a devastating impact on businesses within the Southern Highlands either directly because of the forced closures or indirectly due to reduced customer foot traffic and downscaled retailing options such as restaurants only being able to do a takeaway menu. The measures have also resulted in large-scale uncertainty for many of our residents who are employed in these key sectors.

At its meeting 13 May 2020 Council adopted a financial support package which consists of the following measures:



Measure
Remove all interest charges on overdue rates and charges (including water and sewer) for a period of 12 months.
Rates deferral period for business rated properties for a period of 6 months. This will apply where the property owner runs a business from the premise or provides a rent deferral period for business tenants.
Rates deferral period for property owners who have lost employment or been stood down due to the Federal Government's enforced business closures for a period of 6 months.
Provide a rental subsidy for a period 6 months for Council owned properties which are occupied by a small business or organisation impacted by the Federal Government's enforced business closures.
Provide a full fee reduction for all outdoor dining fees, materials on footpaths and environment and health inspections commencing 1 April 2020 for a period of 6 months.
Provide a 6 month deferral period for the repayment of interest free loans which are currently held with community and sporting organisations.

The estimated budget impact of the financial support package is \$700,000.

Council has also undertaken a complete review of its current budget position for both the 2019/20 and 2020/21 financial years. The COVID-19 pandemic has resulted in a significant decline in operating revenues when compared to Budget.

This has primarily occurred in development and building generated revenue and from functions within Council which provide services on a *fee for service* arrangement. The expected budget impact over the next 6-9 month period is a reduction in operating revenue of \$2.550 million.

The COVID19 pandemic has followed a devastating bushfire season where both northern and southern villages were impacted, and homes lost. While Council can essentially utilise State and Federal Government scheme to recoup the majority of costs incurred by the bushfires, there are expected costs which will not be able to be recouped.

The total budget impact of the COVID19 Pandemic and the net funding required for the 2019/20 summer bushfires is estimated to be \$3.4 million. This assessment has been completed over the 2019/20 and 2020/21 financial years.

On the 20 May 2020 Council was presented with a range of temporary funding measures which would assist Council in ensuring it maintained a balanced budget position in the short term and to also ensure that the impact on service provision and the delivery of capital programs were minimised.



These measures included:

Funding Adjustments	
2020/21 Capital Program – Works Deferral to 2021/22	\$1,200,000
Utilise Internal Cash Reserves	\$1,100,000
Temporary Vacancy Budget Adjustments	\$560,000
Short Term Temporary Program Adjustments	\$294,000
Other Budget Adjustments	\$246,000
Total Funding Proposal	\$3,400,000

Council will continue to closely monitor the economic impact of the COVID19, however at this stage it is not considered that the pandemic will have a significant long-term impact on Council's Long-Term Financial Plan.

2020/21 Budget Key Initiatives

Major funding initiatives which have been included in the 2020/21 Budget include:

Establishment of Animal Shelter Reserve

It is recommended that Council establish an Animal Shelter Reserve as part of the 2020/21 Budget. It is recommended that Council establish this reserve using the proceeds from recent land sales. Through establishing a specific reserve for the new shelter, this will then allow for further project scoping and design to be completed before a formal estimate is presented to Council.

It is recommended that the reserve be established with an opening balance of \$5.2 million (subject to the satisfactory settlement of the land sales).

Mittagong Memorial Hall Rectification Works

A high level (indicative) scoping of the Mittagong Memorial Hall rectification works have been estimated at \$2.5 million (inclusive of design and preliminaries).

It is recommended that Council continue to undertake further investigation and design works in 2020/21 utilising an allocation of \$500,000 and for the rectification works to be undertaken in the 2021/22 financial year. A high-level estimate of \$2.0 million has been included in the 2021/22 draft budget with the works proposed to be funded through additional loan borrowings.



Station Street Upgrade and Mittagong Public Parking

The current budget estimate for the Station Street upgrade project is \$16.333 million. As works have been delayed due to finalising the design requirements with the relevant state agencies, Council has to consider escalation cost impacts. It is recommended that \$929,000 be allocated to the project as part of the 2020/21 budget to allow for cost escalation.

A further \$1 million is also recommended for inclusion in the draft 2020/21 Budget for public carparking improvements at Mittagong Train Station. These works form part of the draft agreement with Transport for NSW in relation to the final design approval for the Station Street upgrade project. These works are proposed to be funded from the Land Rental Reserve.

Subject to formal Council approval and the results of the public exhibition period, these initiatives will be included in the adopted 2020/21 Budget.

Long Term Financial Plan – Planning Assumptions

Council's Long Term Financial Plan has been reviewed and updated as part of the 2020/21 Operational Plan and Budget. The review of Council's LTFP is underpinned by the following key assumptions / economic parameters:

Rates and Annual Charges

Council was advised in September 2019 that IPART had determined a **rate peg** for 2020/21 of 2.60%. The increase in the Local Government Cost Index had been determined to be 2.60%. The **Local Government Cost Index** is a measure of the increase in operational costs incurred by NSW councils for services and activities funded from general rate revenue. There was no productivity factor applied for the 2020/21 financial year.

From 2021/22, the LTFP projects a conservative increase in the rate pegging amount set by IPART of 2.00% per annum for the duration of the plan. The LTFP includes a **provision for growth** in rate income based on development forecasts produced by the NSW Department of Planning.

In line with IPART's determination in May 2016, Council's **Environment Levy** has been factored into Council's rating structure for the duration of this plan. The 2020/21 Budget includes environmental improvement works and projects totaling \$1.425 million. The Environment Levy is used to fund specific environmental projects which aim to address biodiversity conservation, river health, wetland improvements and sustainable living.

As part of the draft 2020/21 Revenue Policy, Council is proposing to create an additional sub rating category for the **Moss Vale South Urban Release Area**. This is proposed on the basis of the additional costs associated with a higher standard of public amenity, streetscaping and passive open space to be provided within that precinct. It is proposed that the residential sub category for Moss Vale will be levied at 1.10 (110%) of the ordinary residential rate.

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As urban development continues across the Shire, Council will consider applying **differential rating** in new development which will result in additional and ongoing maintenance costs associated with a higher standard of green space and community infrastructure provided within that precinct. Any decision to use differential rating will consider Council's primary rating principle of ensuring that a fair and equitable rating system exists.

Council currently levies properties which receive a **stormwater service** a \$25 per annum charge (Stormwater Management Levy). This plan includes the continuation of this charge. Funds raised through the Stormwater Management Levy must only be used on stormwater maintenance and improvements.

Council has reviewed its domestic waste management budget as part of the 2020/21 Budget. It is proposed that an increase of 2.60% (subject to rounding) be applied to **domestic waste management charges** for the 2020/21 financial year. Council has maintained the current pricing structure for its domestic waste management operations for four consecutive years. In future years, it is expected that fees will increase by 2.50% per annum (inline with projected inflation).

Council can only use income raised through domestic waste charges for the purpose of providing domestic waste management services.

After undertaking an extensive review of operational expenditure, existing cash reserves and future capital expenditure requirements, Council has approved an increase of approximately 2.60% (averaged) for **Water Access Charges** for the 2020/21 financial year.

In the longer term, Council has included an increase of between 3.00%-5.00% in water usage and access fees to offset the operational and maintenance cost of water supply to the Shire. This decision also takes into consideration the significant capital works program which has been identified for Council water supply network and its long-term impact on the financial sustainability of the water fund.

In conjunction with the review undertaken into Water Access Charges, a similar review has been completed for **Sewer Access Charges**. Council's Sewer fund has significant capital upgrade requirements over the next several years which will be funded through a combination of loans, developer contributions and cash reserves.

Council has also recently secured a \$6.6M government grant to part fund the Bowral Sewer Treatment Plant upgrade which will reduce Council's reliance on loan borrowings for this project.

It is proposed to increase Sewer Access Charges by 2.64% in the 2020/21 financial year. For future years, Council has included a 2.50% increase to offset the operational, maintenance and capital cost of sewer services to the Shire.



User Fees and Charges

Income from **user fees and charges** is primarily received for services relating to building and development applications, planning services, recreation and community facilities. In updating this plan, Council has generally applied a 2.50% increase per annum in user fees and charges (inline with projected inflation).

While Council has generally applied a 2.50% increase per annum in user fees and charges, it is important to note that a number of fees and charges (such as development application fees) are set by legislation. As such, Council has no control over its ability to ensure that fee increases are in line with the cost of providing the service. Council will continue to closely monitor the impact of **regulatory fee increases** on its Long Term Financial Plan.

Council has undertaken a review of user fees and charges in light of the current **COVID-19 pandemic** and has reduced forecast revenue from building and planning services by approx. \$1.2 million. This adjustment is considered short-term in nature and does not impact the medium to long term forecasts included within this Long-Term Financial Plan.

Council prepares its water supply pricing structure in accordance with the guidelines set by the NSW Office of Water. Council is proposing an increase of approximately 2.60% (averaged) in **Water Supply Charges** for the 2020/21 financial year.

In the longer term, Council has included an increase of between 3.00%-5.00% in water usage and access fees to offset the operational and maintenance cost of water supply to the Shire. This decision also takes into consideration the significant capital works program which has been identified for Council water supply network and its long-term impact on the financial sustainability of the water fund.

Council operates the Wingecarribee **Resource Recovery Centre** which is located in Moss Vale. Fees and charges for the centre are prepared on the basis of full cost recovery, which also includes the waste levy imposed on transfer facilities by the NSW State Government.

Despite numerous requests to the NSW State Government to review Council's current classification as a metropolitan Council for the purpose of the NSW State Government Waste Levy, Council has made no assumption regarding any changes to the waste levy over the course of the Long Term Financial Plan.

Interest and Investment Income

Over the short-term, Council has not projected any significant improvement in interest rates. Interest rates are at historically low levels and it is not expected that rates will improve within the next 2-3 years.

As such, Council has projected a conservative weighted average return for **Investment Income** during the 2020/21 financial year of 1.50%. While interest rates are at historically low levels, Council's Long Term Financial Plan does assume that there will be gradual improvement to rates over the medium to long term between 2.00% - 3.00%.



Council's Investment Income forecasts have been reviewed in conjunction with the **Projected Level of Available Investment Funds**. Council has a number of significant capital improvement projects which are proposed to be funded from cash reserves over the next several years. These include the upgrade of Sewer Treatment Plants across the Shire (in combination with loans), the redevelopment of Bowral Memorial Hall, essential repairs to the Moss Vale Civic Centre and a number of major road upgrades. These projects will result in a reduction in the level of cash reserves held by Council.

Council has undertaken a review of investment income forecasts as a result of the **COVID19 Pandemic** and has further reduced its projections for the 2020/21 financial year. This is in part due to the Financial Assistance Package approved by Council which includes the removal of interest on overdue rates until the 1 April 2021. Again, these measures are not expected to have any medium-long term impact on Council's Long Term Financial Plan.

Other Revenue

Other revenue primarily represents income relating to sale yard income, legal fees recovery, lease income and rebates and reimbursements. The LTFP has allowed for a 2.50% increase per annum in other revenue.

There are no significant changes included in this plan which would indicate that Council will receive any significant increase (or decrease) in income from other revenue sources.

Grants and Contributions for Operating Purposes

Council receives a number of recurrent (ongoing) and non-recurrent (one-off) grants from various Federal and State Government Departments.

The most significant of these grants is the **Financial Assistance Grant**. As part of the 2017/18 Federal budget, the Federal Government announced that it would recommence the indexation of the Local Government Financial Assistance Grant Program. Council has subsequently updated its LTFP to reflect this decision and has included an increase of 2.00% per annum in this grant over the course of this plan.

Council has recently been advised that the Federal Government has again made the decision to advance this grant to councils within the 2019/20 financial year. This has little impact on Council's overall financial position as the funds are already committed towards funding the 2020/21 budget.

The NSW State Government has recently released its final report into the IPART review into the NSW **Local Government Rating System**. As expected, no change has been made regarding the level of Pensioner Rate Concessions provided to eligible pensioners or the reimbursement of these concessions by the State Government. Council's Long Term Financial Plan did not account for any significant change in the State Government's position.



While Council makes every effort to secure additional funding from Federal and State grants, the majority of these grants are one-off in nature and cannot be reliably included in Council's LTFP.

Council has generally allowed for a 2.00% increase per annum for other operating grants and contributions in the LTFP. This will largely be achieved through Council continuing to actively pursue all future grant funding opportunities.

Grants and Contributions for Capital Purposes

The major sources of capital revenue are Developer Contributions and the Federal Government's Roads to Recovery Program.

The level of grants and contributions shown in 2020/21 – 2022/23 financial years are significantly higher than other years as it includes [external grant funding](#) secured from the NSW State Government for the upgrade of the Station Street Upgrade, major rehabilitation works along Old South Road, Blackspot Road Safety Improvements and the Bowral Sewerage Treatment Plant Upgrade.

Estimating the level of revenue received from [Developer Contributions](#) is extremely difficult as it is essentially market driven and depends on the timing of subdivision release. Developers Contribution have been modelled based on future land release projections. It is important to remember that both Section 94 Developer Contributions and contributions made under Development Servicing Plans (Water and Sewer Infrastructure) are payments which are restricted for the purpose of which the funds were collected.

Council will be undertaking a [comprehensive review of its contributions plans](#) over the next 12 months. The outcome of this review and any subsequent impacts on the Long Term Financial Plan will be considered as part of the next review this plan. Similarly, the NSW State Government has announced a major reform review of developer contributions which will be completed over the next 12 months. The impact of this reform review is unknown and will be considered once released.

Council has assumed a continuation of the [Roads to Recovery Program](#) for the duration of this plan. In February 2019, the Federal Government confirmed its the extension of the program to June 2024. Council will continue to strongly support the permanent inclusion of this program in the Federal Budget.

Employee Costs

The current Local Government (State) Award is due to expire at the end of June 2020. A new three-year award is currently being developed and is anticipated to be announced in late June 2020. In the absence of a confirmed Award agreement, Council has assumed an increase in [Salaries and Wages](#) for the duration of the new award of 2.50%. This is in line with the NSW State Government wage cap of 2.50% For each subsequent year of this plan, Council has allowed for a 2.50% increase per annum in salaries and wages.

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In addition to the projected increase in the award, Council has factored in an additional 1.00% increase which relates to the **performance appraisal system** (PAS). The plan also assumes there will be no change in the existing employment conditions (such as agreed working hours) for our workforce.

This plan also incorporates the Federal Government's decision to increase the level of the **Superannuation Guarantee Rate** to 12.00% by 2025/26. The current rate for superannuation payments of 9.50% will continue until 2020/21 with a phased increase to 12.00% by 2025/26.

Borrowing Costs

Council does not have a recurrent loan borrowings program. Council has a long standing practice where **loan funds** are only considered for infrastructure investment (Capital Expenditure) which provides inter-generational benefit. Council has a Loan Borrowings Policy which was adopted in May 2018.

Council's loan liability for its Consolidated Fund as at 30 June 2019 was \$25.285 million. The breakdown of this liability by fund is as follows;

General Fund	\$12.336M
Water Fund	-
Sewer Fund	\$12.949M
Total Loan Liability	\$25.285M

Council is proposing to borrow \$49.010 million over the next four years (2020/21 – 2023/24). Borrowings will be used to fund, or in some cases, part-fund major infrastructure projects which will have significant and demonstrated benefits to the residents of Wingecarribee Shire over the coming decades.

Council has considered the impact of the proposed borrowings, and subsequent debt servicing as part of reviewing its long-term financial plan. Council has sufficient financial capacity to fund these loan repayments and is still well within the industry benchmark for debt servicing (known as the debt service ratio).

The proposed borrowings form part of the funding strategies for the following projects:

Description	2020/21	2021/22	2022/23	2023/24
Moss Vale Sewerage Treatment Plant	-	-	\$14,000,000	-
Mittagong Sewerage Treatment Plant	-	-	-	\$9,000,000
Station Street Upgrade (Stage 1)	\$3,884,000	-	-	-
Civic Centre Rectification Works	\$2,000,000	-	-	-
Moss Vale Cemetery	\$2,376,000	-	-	-
Mittagong Playhouse Rectification Works	-	\$2,000,000	-	-
Various Water Capital Works	-	-	\$8,700,000	\$7,050,000
Total – Loan Borrowings	\$8,260,000	\$2,000,000	\$22,700,000	\$16,050,000

While Council's debt service ratio is substantially below the maximum threshold, Council has been presented with a balanced budget over the course of the Long Term Financial Plan, therefore any increase in loan borrowings beyond what is proposed would require additional funding to be identified to service the recurrent loan repayments.



As part of the NSW State Government's Fit for the Future Reform Agenda, the State Government announced that councils which were deemed to be fit could access [Loan Facilities from TCorp](#) (NSW Government Central Financing Agency) at competitive rates for future infrastructure projects. Council will consider all alternatives, including TCorp's loan facilities when seeking suitable market rates for these loans.

Materials and Contracts

In general terms, [Materials and Contracts](#) have been forecast to increase by approx. 2.00% per annum over the mid-long term of this plan. This is generally in line with the increase in the cost of materials and contract arrangements.

Cost Containment Strategies & Productivity Improvements

There will be a need for Council to introduce a range of cost containment strategies in future years if rate pegging remains at conservatively low levels of approximately 2.00% per annum. Council will need to carefully consider the introduction of cost containment strategies from 2024/25 and onwards.

Council's Long Term Financial Model has been developed on the basis of ensuring Council maintains a balanced budget position over the course of the plan. The [Service Review Program](#) and [Business Transformation Program](#) are two examples of significant organisational initiatives which will contribute to a broader savings program over the long term horizon.

Depreciation Expense

Depreciation forecasts have been prepared in consultation with Council's asset management staff. While Council's [Asset Management Data](#) has improved significantly over the past several years, it is expected that Council will continue to improve the quality of its data as revaluations are completed. This will essentially be achieved through detailed asset condition assessments and a further refinement of the useful lives of infrastructure assets.

Council continues to experience an increase in Depreciation expense which is partly a result of new infrastructure which is dedicated to Council as a result of new urban development.

Other Expenses

Other expenses primarily represent payments and expenditure relating to electricity and gas, insurance premiums, waste disposal fees, street lighting and statutory contributions. This plan has allowed for a 2.50% increase per annum in other expenses which is inline with projected inflation.

It is important to note that Council cannot exercise any control over the level of expenditure relating to [Statutory Payments](#). These payments relate to election costs, emergency services levy and the waste disposal levy. Council will continue to closely monitor the impact of statutory payments on its Long Term Financial Plan.



An example of the significant impact changes in statutory payments can have on Council's Long Term Financial Plan is the [Emergency Services Levy](#). Council has recently received formal confirmation of its statutory contribution towards the Emergency Services Levy for the 2020/21 financial year. The statutory contribution Council will be required to pay for the 2020/21 financial year is \$1,188,200.

The net increase when compared to the 2019/20 financial year contribution of \$870,500 is an increase of \$317,700. While the NSW State Government has announced they will cover the cost of this increase for the first year, there have been no announcements made beyond the 2020/21 financial year. Despite the decision by the State Government to cover the first year increase of the payment, the long term impact of this increase will have a significant impact on Council's Long Term Financial Plan.

In reviewing Council's Long Term Financial Plan, the increase in the Emergency Services Levy would result in a \$3.070 million funding shortfall over the next ten years. This has been excluded from this review of the Long Term Financial Plan as Council is awaiting formal confirmation from the NSW State Government that this increase will be required to be funded by all councils on a permanent basis.



Long Term Financial Plan - External Influences

Wingecarribee Shire Council is not unlike other councils in New South Wales and is potentially exposed to a range of external factors which may impact on its long term financial projections.

There are a range of external factors which in the future could have a detrimental impact on Council's financial sustainability. These factors represent areas of the budget where Council cannot exercise any control (or has limited control), or where Council has limited ability to predict their impact over the long term course of this plan.

COVID19 Pandemic & Broader Economic Conditions

At the time of updating this plan, the long term impact of COVID19 pandemic on the national and global economy is still difficult to predict. At a national level, the Australian economy has entered into a recession for the first time in thirty years and is experiencing a significant increase in unemployment levels. At a local level, the enforced shutdowns announced by the Prime Minister in March 2020 has impacted many businesses and their employees.

Due to the significant economic stimulus responses made by the Federal Government and respective State Governments; Council has taken a position where it remains optimistic that the economic impact of the Pandemic will not have a lasting impact on Council's long term financial position. However, this will largely be determined by the continued low rates of transmission of the virus and a return to normal business conditions for the national and local economy over the next several months.

If the global or national economy was to continue to deteriorate, or if the the current pandemic was to result in further restrictions by the Federal or State Governments for a sustained period of time, then this would have a significant impact on this plan.

Beyond the current pandemic and economic crisis, Council's Long Term Financial Plan does not predict any significant shift in economic conditions in the medium to long term.

Revenue Constraints - Rate Pegging

Until recently, NSW was the only state in Australia where the level of rate income councils can raise is restricted by rate pegging. This has meant that for years, the level of income raised by Council has not been sufficient to meet the increased costs of providing services and infrastructure to our community.

While councils have been able to apply for rate increases above the rate-peg through the Special Rate Variation process, there has been a reluctance to apply for increases relating to general service delivery.

As highlighted earlier in this plan, Council has adopted a conservative view in the longer term that rating income will only increase on an annual basis by a conservation amount of 2.00%. Council will also continue to assume that its revenue raising capacity continues to be constrained by rate pegging. As is highlighted through Council's financial modelling, this will involve a range of cost containment strategies to ensure Council continues to balance its budget.

As such, any significant change to the rate pegging process will require Council to review its revenue forecasts included within this plan.



Cost Shifting

Council continues to be faced with significant financial challenges through cost shifting from other tiers of government, the most recent example being the increase in the Emergency Services Levy. These decisions are often made without consultation and without sufficient time for councils to consider the broader impact on their Long Term Financial Plans.

Any significant impact on Council's Long Term Financial Plan as a result of the continued burden of cost shifting will significantly alter the way in which councils provide services to their communities, as funding is drawn away from essential services to essentially address deficiencies in Federal and State Budgets.

Water and Sewer Authority

Council has assumed that it will continue to be the Water and Sewer Authority for the Wingecarribee Shire over the course of this plan. Any significant change to this arrangement would require Council to review this plan.

Other Influences

Other external factors which could potentially have a significant impact on Council's plan include;





- Changes to the level of assistance provided through Federal and State Government Grants with a particular exposure to changes in the calculation and distribution of the Financial Assistance Grant,
- The outcome of continued Local Government reform, including the performance of Joint Organisations and the outcome of a number of reviews which have been undertaken by the IPART on behalf of the NSW State Government.
- the imposition of new services and controls to be delivered by Council, without the equal capacity raise income to offset the cost of these services.

Any significant changes to these factors above would require Council to review this plan.



Performance Monitoring - Fit for the Future Benchmarks

The Office of Local Government has developed criteria and certain benchmarks for a Fit for the Future Council. These have been based on the work of T-Corp and the Independent Local Government Review Panel and have also been reviewed by the Independent Pricing and Regulatory Tribunal (IPART).

Fit for the Future		
Definition:	Criteria/Benchmarks:	
 <p>SUSTAINABILITY</p> <p>Generate sufficient funds over the long term to provide the agreed level and scope of services and infrastructure for communities as identified through the Integrated Planning & Reporting process.</p>	<p>Operating Performance Ratio (> or equal to break-even over 3 years)</p> <p>Own Source Revenue Ratio (>60% over 3 years)</p> <p>Building and Infrastructure Asset Renewal Ratio (> 1 over 3 years)</p>	<p>Strategic capacity</p> <p>Sustained improvement against each of the criteria to underpin the strategic capacity of Councils over the long term.</p> <p>This capacity, along with willingness and commitment to collaborate in good faith with government, communities and industry stakeholders will underpin fit for the future councils</p>
 <p>EFFICIENCY</p> <p>Maximise return on resources and minimise unnecessary burden on the community and business, while working strategically to leverage economies of scale and meet the needs of communities as identified in the Integrated Planning & Reporting process.</p>	<p>Infrastructure Backlog Ratio (<2%)</p> <p>Asset Maintenance Ratio (>1)</p> <p>Debt Service Ratio (>0 and less than 0.2)</p>	
 <p>EFFICIENCY</p> <p>Efficient service and infrastructure delivery, achieving value for money for current and future ratepayers</p>	<p>Real Operating Expenditure per capita over time</p>	
 <p>SCALE AND CAPACITY</p> <p>Demonstrate strong organisational and regional capacity to mobilise resources to engage effectively across community, industry and government</p>	<p>Has the scale and capacity consistent with the recommendations of the Independent Panel</p>	

The results of Council’s financial modelling and its performance against these benchmarks are detailed on the following pages.

Ratio projections have been provided for the following:

- Performance of the Consolidated Fund,
- Performance of Council’s General Fund.

Projections are measured against industry benchmarks as set by the NSW State Government as part of the Fit for the Future Reform process.

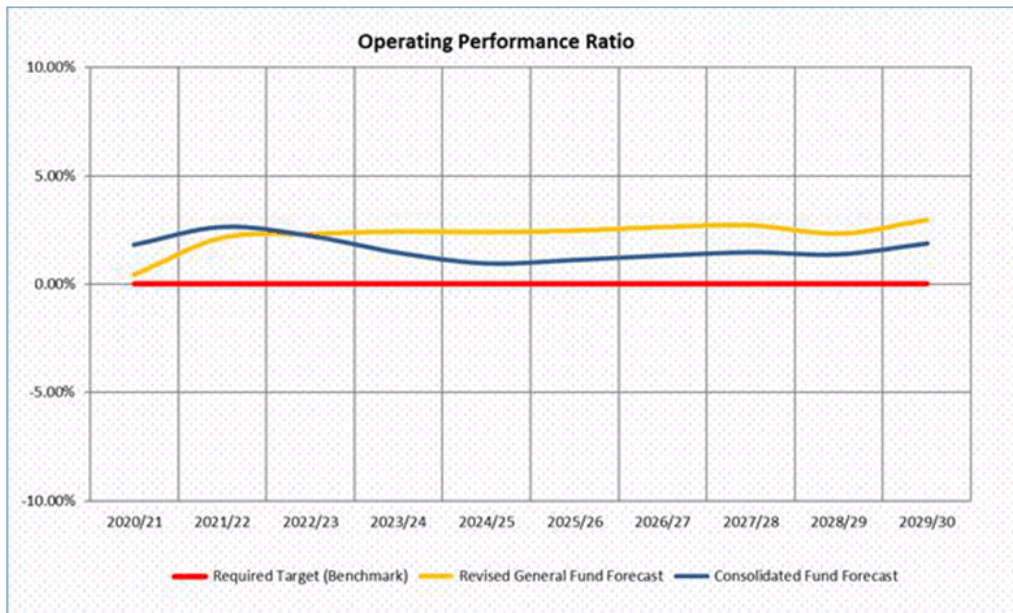
Please note the Real Operating Expenditure per capita over time performance measure has not been adopted by the Office of Local Government as a required measure within the Code of Accounting Practice and Financial Reporting. As such it has been removed from Council’s Long Term Financial Plan.



Performance Monitoring - Ratio Projections

Operating Performance Ratio

This ratio measures Council’s achievement of containing operating expenditure within operating revenues. The benchmark for this ratio is a ratio of greater than 0%.



As projected in previous updates of its Long Term Financial Plan, Council forecasts show that a positive operating performance ratio will be achieved in the 2020/21 financial year. This will be achieved for both the Consolidated Fund and General Fund.

Importantly, Council is expected to maintain a positive operating result over the course of this plan.

In later years, this is in part due to the cost containment provisions which have been employed to offset the restrictions imposed by rate capping. Rate capping over the course of the plan have been forecast at 2.00% per annum.

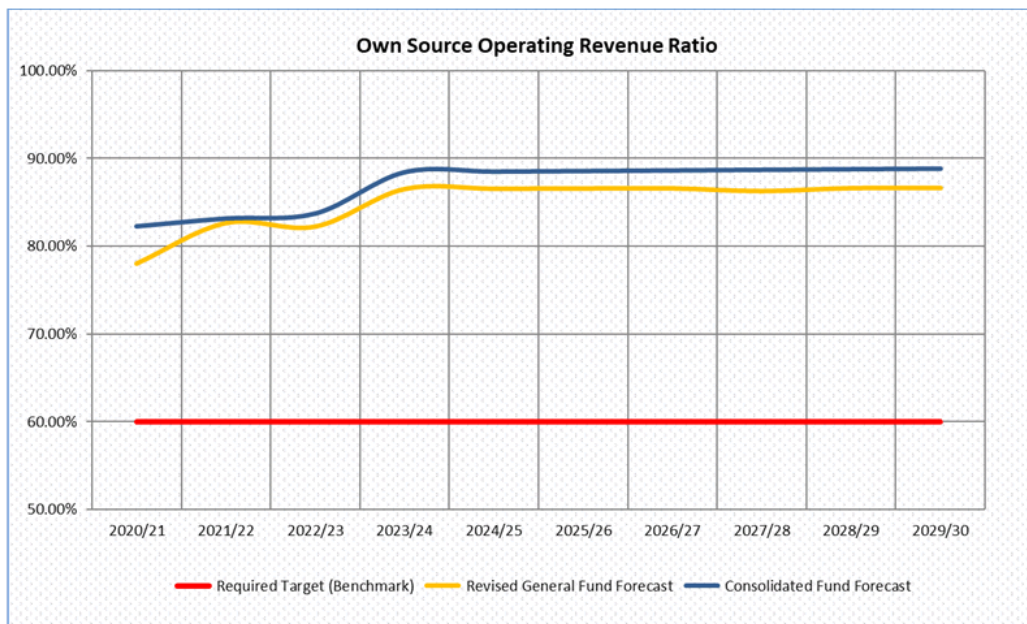
This highlights Council’s commitment to maintaining a balanced budget both in the short and long term. It also confirms that while cost containment strategies will need to be introduced in future years, that there are no adverse implications on the long term financial position of Council as a consequence of decisions made as part of the 2020/21 Budget.

In future years, the operating performance ratio for the General Fund stabilises at approximately 1.5%, while the same result for the Consolidated Fund fluctuates between 2.50% and 3.00%



Own Source Operating Revenue Ratio

This ratio measures the degree of reliance Council has on external funding sources such as operating grants and contributions. The benchmark for this ratio is greater than 60%.



Council continues to meet this ratio comfortably over the course of the plan.

The General Fund performance ratio for the period ending 30 June 2019 was 67.30%. This was lower than what was projected based on the dedication of non-cash infrastructure which was brought to account in the 2018/19 financial year.

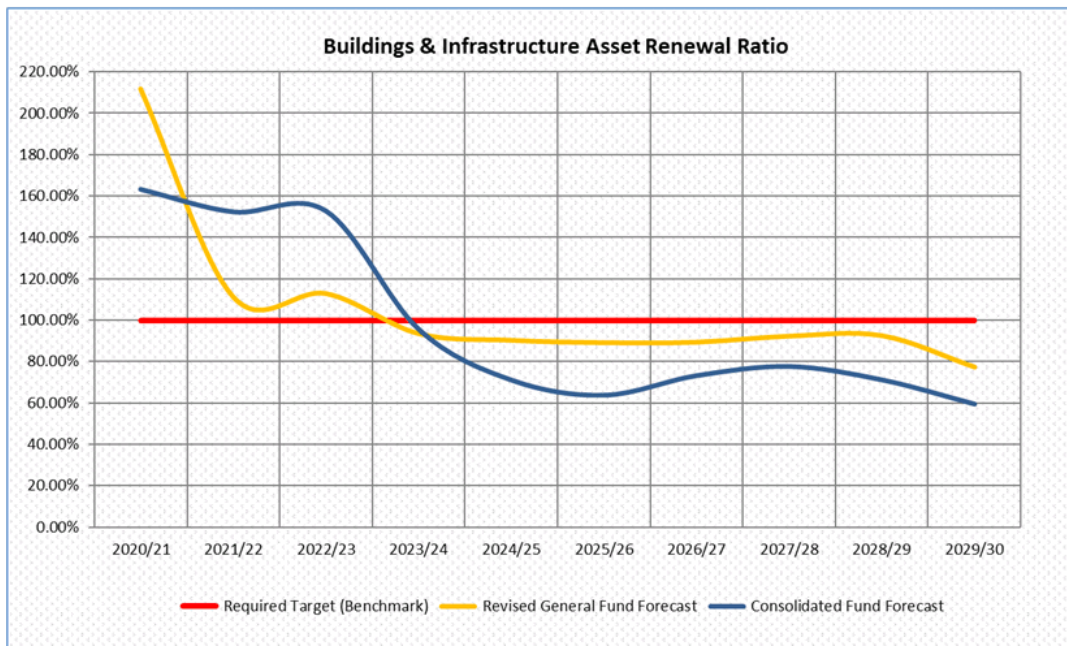
The performance ratio projected for the 2020/21 – 2022/23 financial year is also lower due to the expected receipt of a number of significant grants which relate to significant infrastructure projects such as the Station Street upgrade, Old South Road and Bowral Treatment Plant upgrade.

The performance of Council’s Consolidated Fund continues to be closely aligned with the General Fund.



Building & Infrastructure Renewal Ratio

This ratio measures the rate at which assets are being renewed relative to the rate at which they are depreciating. The benchmark for this ratio is greater than 100%.



Council’s Long Term Financial Plan includes its increase in infrastructure renewal works which is funded through the approved special rate variation. It is important to note that there has been no reduction in the level of cash funding (funded through rate income) which will be allocated towards infrastructure renewal over the course of the plan.

The primary reason that Council is forecasting a decline in this ratio in the mid-long term is due to the recent increase in depreciation expense reported in Council financial. This increase is a result of revaluation and additional infrastructure dedicated through urban development.

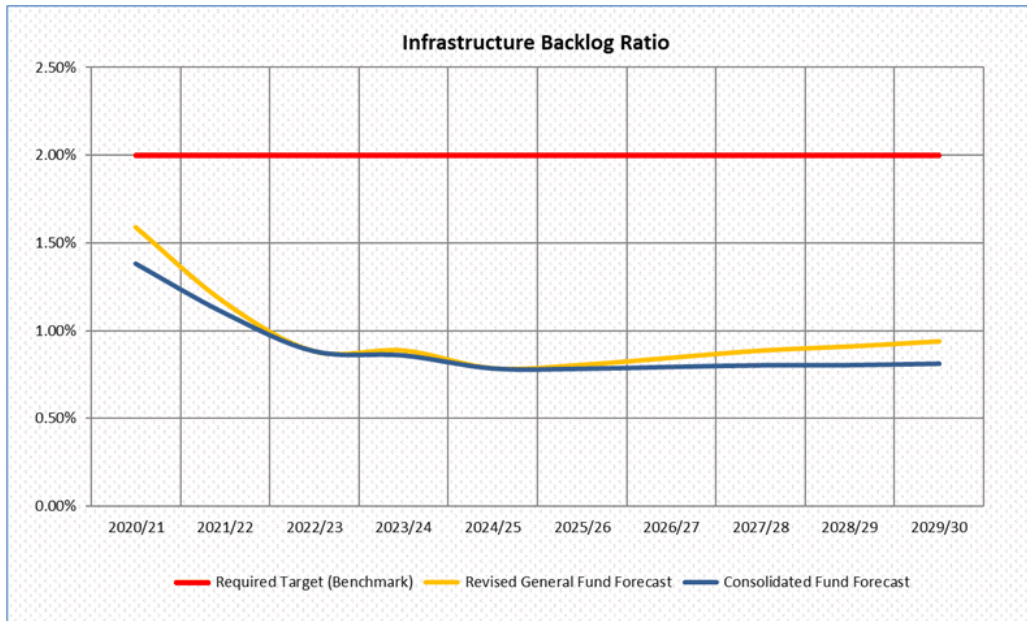
As part of the next review of its Strategic Asset Management Plan, Council will review its depreciation methodology to ensure that the calculation of depreciation expenditure reflects current industry practices.

Despite this negative trend in later years, Council will comfortably achieve this ratio over the immediate four-year forward estimates. This is as a result of a number of significant infrastructure projects such as the Station Street upgrade, Old South Road works, Civic Centre Refurbishment and rectification works to Bowral Memorial Hall and Mittagong Memorial Hall.



Infrastructure Backlog Ratio

This ratio shows what proportion the infrastructure backlog is against the total value of infrastructure. It is essentially a measure of the total value of infrastructure which is failing. The benchmark for this ratio is less than 2%.



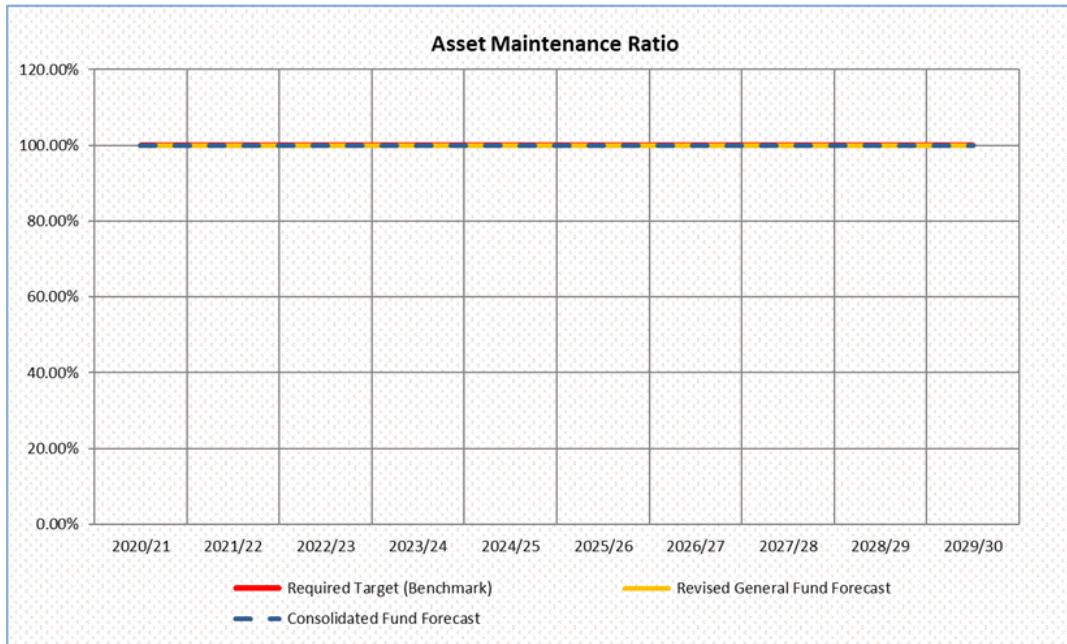
As projected as part of Council’s ‘Investing in our Future’ special rate variation application, Council has now achieved an infrastructure backlog ratio of less than 2.00%.

The percentage of infrastructure backlog for the General Fund will remain at just below 1.00% from the 2022/23 financial year which is well within the industry benchmark.



Asset Maintenance Ratio

This ratio compares actual maintenance vs required annual maintenance. The benchmark for this ratio is greater than 100%.

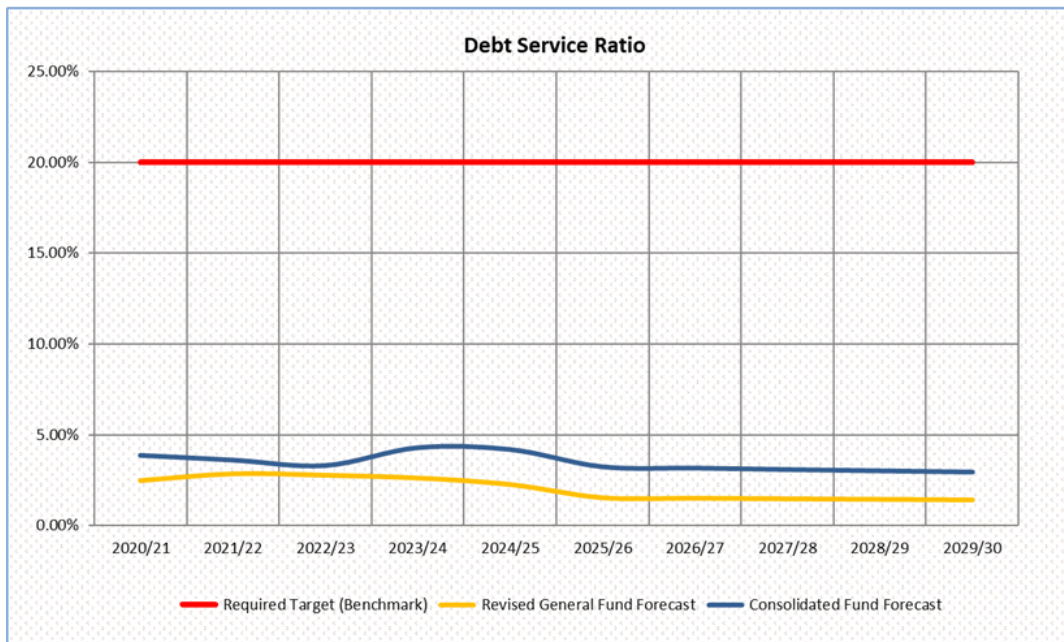


As projected as part of Council’s ‘Investing in our Future’ special rate variation application, Council has now achieved an infrastructure maintenance ration equivalent to 100%. This essentially means that Council has sufficient funds to adequately maintain it assets on an ongoing basis.



Debt Service Ratio

This ratio highlights the extent to which Council’s revenue from continuing operations is required for the repayment of debt (including both principal and interest repayments). The benchmark for this ratio is less than 20%.



As highlighted earlier in this report, Council is proposing to borrow \$49.010 million over the course of the next four year forward estimates. Borrowings will be used to fund, or in some cases, part-fund major infrastructure projects which will have significant and demonstrated benefits to the residents of Wingecarribee Shire over the coming decades.

Council has considered the impact of the proposed borrowings, and subsequent debt servicing as part of reviewing its Long Term Financial Plan. Council has sufficient financial capacity to fund these loan repayments and is still well within the industry benchmark for debt servicing (known as the debt service ratio).

The debt service ratio for both the General Fund and Consolidated Fund remain relatively stable due to the maturity of a number of loans over the course of the next 2-3 years.

While this ratio is substantially below the maximum threshold, Council has been presented with a balanced budget over the course of the Long Term Financial Plan, therefore any increase in loan borrowings beyond what is proposed would require additional funding to be identified to service the recurrent loan repayments.



Long Term Financial Model - Financial Projections



Wingecarribee Shire Council
10 Year Financial Plan for the Years ending 30 June 2030
INCOME STATEMENT - CONSOLIDATED

	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	74,778	78,830	82,153	84,137	86,207	88,327	90,251	92,218	94,229	96,283	98,383	100,530
User Charges & Fees	22,731	21,322	21,338	23,051	23,557	23,984	24,587	25,204	25,841	26,498	27,175	27,856
Interest & Investment Revenue	4,603	4,037	2,400	2,230	1,898	1,642	1,491	1,602	1,685	1,768	2,003	2,039
Other Revenues	5,259	3,700	3,812	3,878	3,951	4,025	4,126	4,229	4,335	4,443	4,554	4,668
Grants & Contributions provided for Operating Purposes	9,219	8,132	8,318	8,275	8,421	8,569	8,762	8,972	9,196	9,424	9,659	9,899
Grants & Contributions provided for Capital Purposes	41,744	12,262	15,389	14,718	14,102	6,832	6,863	6,896	6,929	6,962	6,997	7,032
Total Income from Continuing Operations	158,334	128,283	133,410	136,290	138,136	133,379	136,080	139,122	142,213	145,379	148,771	152,024
Expenses from Continuing Operations												
Employee Benefits & On-Costs	35,998	39,389	40,858	42,569	43,930	45,463	46,996	48,589	50,236	51,940	53,702	55,458
Borrowing Costs	1,227	950	833	891	813	1,205	1,476	1,376	1,296	1,214	1,130	1,043
Materials & Contracts	24,880	24,552	26,442	26,300	26,664	26,969	26,787	27,529	27,482	27,997	28,355	28,000
Depreciation & Amortisation	28,005	28,038	29,276	29,991	30,852	31,707	32,457	33,114	33,782	34,457	35,141	35,841
Other Expenses	19,400	16,964	18,464	18,607	19,007	19,366	20,266	20,140	20,705	20,772	21,493	21,925
Net Losses from the Disposal of Assets	2,638	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	112,148	109,894	115,873	118,358	121,266	124,710	127,982	130,747	133,501	136,381	139,821	142,268
Operating Result from Continuing Operations	46,186	18,389	17,537	17,932	16,870	8,669	8,098	8,375	8,712	8,998	8,950	9,756
Net Operating Result for the Year	46,186	18,389	17,537	17,932	16,870	8,669	8,098	8,375	8,712	8,998	8,950	9,756
Net Operating Result before Grants and Contributions provided for Capital Purposes	4,442	6,127	2,148	3,214	2,768	1,837	1,235	1,480	1,784	2,036	1,953	2,724

12.1 Adoption of the 2020/21 Operational Plan and Budget Including Revenue Policy
 ATTACHMENT 2 2020-2030 Long Term Financial Plan



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 BALANCE SHEET - CONSOLIDATED												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	3,010	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Investments	168,500	156,549	144,206	104,842	87,095	90,866	95,078	104,689	114,879	124,011	133,419	148,871
Receivables	17,241	14,588	15,042	15,330	15,900	16,000	16,655	17,389	18,157	18,726	19,281	19,880
Inventories	1,436	1,485	1,580	1,587	1,607	1,626	1,634	1,665	1,677	1,703	1,725	1,730
Other	577	512	559	556	565	573	580	586	590	595	608	605
Non-current assets classified as "held for sale"	4,900	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	195,664	179,135	167,387	128,315	111,167	115,064	119,948	130,329	141,304	151,036	161,033	177,086
Non-Current Assets												
Investments	56	-	-	-	-	-	-	-	-	-	-	-
Receivables	276	438	443	445	448	451	455	459	463	467	472	476
Infrastructure, Property, Plant & Equipment	1,481,775	1,515,691	1,550,188	1,605,817	1,659,419	1,676,183	1,675,642	1,670,904	1,665,818	1,662,190	1,658,240	1,648,737
Other	-	30	31	32	32	33	33	34	35	35	36	37
Total Non-Current Assets	1,482,107	1,516,159	1,550,662	1,606,294	1,659,899	1,676,667	1,676,130	1,671,397	1,666,316	1,662,693	1,658,747	1,649,250
TOTAL ASSETS	1,677,771	1,695,294	1,718,049	1,734,609	1,771,067	1,791,732	1,796,078	1,801,726	1,807,619	1,813,728	1,819,780	1,826,336
LIABILITIES												
Current Liabilities												
Payables	9,996	10,103	10,730	10,787	10,908	11,022	11,145	11,263	11,368	11,484	11,673	11,714
Income received in advance	839	425	438	461	470	478	490	502	514	527	540	553
Borrowings	4,427	3,758	3,525	3,319	4,252	3,963	2,935	3,015	3,097	3,181	3,268	2,989
Provisions	7,826	7,871	7,939	8,009	8,079	8,150	8,221	8,293	8,366	8,440	8,515	8,527
Total Current Liabilities	23,088	22,157	22,633	22,575	23,709	23,613	22,791	23,073	23,345	23,631	23,996	23,783
Non-Current Liabilities												
Payables	20	27	29	29	29	30	30	30	31	31	32	31
Borrowings	20,858	20,888	25,623	24,304	42,753	54,839	51,905	48,890	45,793	42,613	39,345	36,356
Provisions	4,012	4,040	4,045	4,050	4,054	4,059	4,064	4,069	4,074	4,079	4,084	4,085
Total Non-Current Liabilities	24,890	24,955	29,697	28,383	46,837	58,928	55,999	52,990	49,898	46,723	43,461	40,473
TOTAL LIABILITIES	47,978	47,112	52,330	50,958	70,546	82,542	78,790	76,062	73,243	70,354	67,456	64,256
Net Assets	1,629,793	1,648,182	1,665,719	1,683,651	1,700,521	1,709,190	1,717,288	1,725,663	1,734,376	1,743,374	1,752,324	1,762,080
EQUITY												
Retained Earnings	720,945	739,390	756,927	774,859	791,729	800,398	808,496	816,871	825,584	834,582	843,532	853,288
Revaluation Reserves	908,792	908,792	908,792	908,792	908,792	908,792	908,792	908,792	908,792	908,792	908,792	908,792
Other Reserves	56	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	1,629,793	1,648,182	1,665,719	1,683,651	1,700,521	1,709,190	1,717,288	1,725,663	1,734,376	1,743,374	1,752,324	1,762,080
Total Equity	1,629,793	1,648,182	1,665,719	1,683,651	1,700,521	1,709,190	1,717,288	1,725,663	1,734,376	1,743,374	1,752,324	1,762,080



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 CASH FLOW STATEMENT - CONSOLIDATED												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					2029/30 \$'000
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	74,414	79,020	82,089	84,105	86,174	88,293	90,216	92,182	94,192	96,246	98,345	100,490
User Charges & Fees	22,205	21,984	21,163	22,659	23,251	23,677	24,201	24,732	25,350	26,216	26,885	27,559
Interest & Investment Revenue Received	4,656	4,078	2,443	2,153	1,751	1,541	1,315	1,437	1,506	1,583	1,842	1,843
Grants & Contributions	21,730	20,884	23,528	23,198	22,492	15,684	15,613	15,855	16,110	16,372	16,641	16,916
Bonds & Deposits Received	104	-	-	-	-	-	-	-	-	-	-	-
Other	9,627	4,394	3,742	3,907	3,904	4,089	4,088	4,190	4,295	4,402	4,512	4,626
Payments:												
Employee Benefits & On-Costs	(35,532)	(39,148)	(40,755)	(42,430)	(43,809)	(45,335)	(46,865)	(48,455)	(50,100)	(51,801)	(53,560)	(55,383)
Materials & Contracts	(29,207)	(24,694)	(26,079)	(26,314)	(26,591)	(26,908)	(26,711)	(27,490)	(27,437)	(27,959)	(28,248)	(28,007)
Borrowing Costs	(1,218)	(877)	(739)	(889)	(839)	(1,231)	(1,498)	(1,390)	(1,311)	(1,229)	(1,145)	(1,059)
Other	(17,754)	(16,964)	(18,464)	(18,607)	(19,007)	(19,366)	(20,266)	(20,140)	(20,705)	(20,772)	(21,493)	(21,925)
Net Cash provided (or used in) Operating Activities	49,025	48,676	46,927	47,782	47,326	40,444	40,092	40,921	41,900	43,058	43,779	45,059
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	186,500	12,827	12,344	42,002	22,333	245	5,542	1,220	1,272	2,751	1,837	-
Sale of Real Estate Assets	410	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	845	1,163	4,317	1,779	1,583	1,636	1,266	1,579	1,483	1,598	1,545	1,360
Sale of non-current assets classified as 'held for sale'	-	4,900	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	74	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(211,523)	(820)	-	(2,638)	(4,586)	(4,016)	(9,755)	(10,831)	(11,462)	(11,884)	(11,244)	(15,453)
Purchase of Infrastructure, Property, Plant & Equipment	(26,678)	(63,117)	(68,090)	(87,399)	(86,036)	(50,108)	(33,181)	(29,954)	(30,179)	(32,427)	(32,736)	(27,698)
Purchase of Real Estate Assets	(337)	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(69)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(50,778)	(45,047)	(51,429)	(46,256)	(66,707)	(52,242)	(36,128)	(37,987)	(38,886)	(39,961)	(40,598)	(41,791)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	3,757	8,260	2,000	22,700	16,050	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(6,370)	(4,396)	(3,758)	(3,525)	(3,319)	(4,252)	(3,963)	(2,935)	(3,015)	(3,097)	(3,181)	(3,268)
Net Cash Flow provided (used in) Financing Activities	(6,370)	(639)	4,502	(1,525)	19,381	11,798	(3,963)	(2,935)	(3,015)	(3,097)	(3,181)	(3,268)
Net Increase/(Decrease) in Cash & Cash Equivalents	(8,123)	2,990	0	(0)	(0)	-	0	0	(0)	(0)	-	(0)
plus: Cash, Cash Equivalents & Investments - beginning of year	11,133	3,010	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Cash & Cash Equivalents - end of the year	3,010	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Cash & Cash Equivalents - end of the year	3,010	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Investments - end of the year	168,556	156,549	144,206	104,842	87,095	90,866	95,078	104,689	114,879	124,011	133,419	148,871
Cash, Cash Equivalents & Investments - end of the year	171,566	162,549	150,206	110,842	93,095	96,866	101,078	110,689	120,879	130,011	139,419	154,871



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 INCOME STATEMENT - GENERAL FUND												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	54,760	59,091	61,254	62,820	64,464	66,149	67,519	68,917	70,345	71,803	73,291	74,810
User Charges & Fees	10,699	10,792	9,979	11,466	11,741	11,932	12,137	12,342	12,553	12,769	12,990	13,199
Interest & Investment Revenue	1,798	1,578	936	1,020	912	819	844	871	899	928	958	988
Other Revenues	4,094	3,542	3,651	3,714	3,784	3,855	3,951	4,050	4,151	4,255	4,361	4,470
Grants & Contributions provided for Operating Purposes	9,219	8,132	8,318	8,275	8,421	8,569	8,762	8,972	9,196	9,424	9,659	9,899
Grants & Contributions provided for Capital Purposes	27,905	9,979	13,060	8,343	9,079	4,361	4,392	4,424	4,457	4,491	4,526	4,561
Total Income from Continuing Operations	108,475	93,113	97,199	95,638	98,400	95,685	97,605	99,578	101,601	103,670	105,784	107,928
Expenses from Continuing Operations												
Employee Benefits & On-Costs	29,747	32,476	33,508	34,962	36,057	37,315	38,569	39,874	41,223	42,618	44,061	45,487
Borrowing Costs	581	471	507	630	607	549	492	448	416	384	350	316
Materials & Contracts	21,048	17,078	18,445	18,200	18,460	18,658	18,368	18,998	18,837	19,234	19,472	18,994
Depreciation & Amortisation	17,166	17,345	17,876	18,142	18,341	18,538	18,736	18,935	19,136	19,337	19,540	19,748
Other Expenses	12,918	12,129	13,436	13,478	13,776	14,029	14,797	14,535	14,961	14,885	15,459	15,742
Net Losses from the Disposal of Assets	622	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	82,082	79,499	83,771	85,412	87,241	89,089	90,962	92,789	94,572	96,458	98,883	100,287
Operating Result from Continuing Operations	26,393	13,615	13,427	10,226	11,159	6,596	6,643	6,789	7,029	7,211	6,901	7,641
Net Operating Result for the Year	26,393	13,615	13,427	10,226	11,159	6,596	6,643	6,789	7,029	7,211	6,901	7,641
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,512)	3,635	367	1,883	2,080	2,235	2,251	2,365	2,571	2,720	2,375	3,080

12.1 Adoption of the 2020/21 Operational Plan and Budget Including Revenue Policy
 ATTACHMENT 2 2020-2030 Long Term Financial Plan



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 BALANCE SHEET - GENERAL FUND												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,165	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments	64,647	65,523	61,773	64,411	68,996	72,664	78,243	83,871	89,969	96,309	101,796	108,474
Receivables	8,571	6,888	7,062	7,005	7,294	7,120	7,385	7,641	7,915	8,197	8,457	8,752
Inventories	886	893	935	929	936	941	934	949	945	955	961	949
Other	577	512	559	556	565	573	580	586	590	595	608	605
Non-current assets classified as "held for sale"	4,900	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	80,746	75,817	72,329	74,901	79,791	83,298	89,142	95,048	101,419	108,056	113,823	120,781
Non-Current Assets												
Investments	56	-	-	-	-	-	-	-	-	-	-	-
Receivables	276	438	443	445	448	451	455	459	463	467	472	476
Infrastructure, Property, Plant & Equipment	988,565	1,008,977	1,033,185	1,041,094	1,045,660	1,047,065	1,046,405	1,046,419	1,046,163	1,045,802	1,046,042	1,045,580
Total Non-Current Assets	988,897	1,009,415	1,033,628	1,041,540	1,046,108	1,047,516	1,046,860	1,046,878	1,046,626	1,046,270	1,046,514	1,046,056
TOTAL ASSETS	1,069,643	1,085,232	1,105,956	1,116,441	1,125,900	1,130,814	1,136,002	1,141,926	1,148,046	1,154,326	1,160,337	1,166,837
LIABILITIES												
Current Liabilities												
Payables	8,961	9,014	9,573	9,611	9,715	9,810	9,911	10,007	10,090	10,182	10,348	10,365
Income received in advance	456	219	214	232	237	240	243	247	251	255	259	262
Borrowings	1,658	1,580	1,860	1,871	1,843	1,624	1,029	1,061	1,093	1,127	1,161	1,197
Provisions	6,489	6,527	6,584	6,642	6,700	6,759	6,818	6,879	6,939	7,001	7,063	7,063
Total Current Liabilities	17,564	17,339	18,230	18,356	18,494	18,433	18,003	18,194	18,373	18,564	18,831	18,887
Non-Current Liabilities												
Payables	20	27	29	29	29	30	30	30	31	31	32	31
Borrowings	10,678	12,847	19,247	19,377	17,533	15,909	14,880	13,819	12,726	11,599	10,438	9,241
Provisions	3,914	3,937	3,941	3,945	3,949	3,953	3,956	3,961	3,965	3,969	3,973	3,973
Total Non-Current Liabilities	14,612	16,811	23,217	23,350	21,511	19,891	18,866	17,810	16,721	15,599	14,442	13,246
TOTAL LIABILITIES	32,176	34,150	41,447	41,706	40,006	38,324	36,869	36,004	35,094	34,163	33,273	32,132
Net Assets	1,037,467	1,051,082	1,064,509	1,074,735	1,085,894	1,092,490	1,099,134	1,105,923	1,112,951	1,120,163	1,127,064	1,134,705
EQUITY												
Retained Earnings	466,429	480,100	493,527	503,753	514,912	521,508	528,152	534,941	541,969	549,181	556,082	563,723
Revaluation Reserves	570,982	570,982	570,982	570,982	570,982	570,982	570,982	570,982	570,982	570,982	570,982	570,982
Other Reserves	56	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	1,037,467	1,051,082	1,064,509	1,074,735	1,085,894	1,092,490	1,099,134	1,105,923	1,112,951	1,120,163	1,127,064	1,134,705
Total Equity	1,037,467	1,051,082	1,064,509	1,074,735	1,085,894	1,092,490	1,099,134	1,105,923	1,112,951	1,120,163	1,127,064	1,134,705



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 CASH FLOW STATEMENT - GENERAL FUND												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	59,315	61,230	62,803	64,446	66,130	67,504	68,902	70,330	71,787	73,275	74,793
User Charges & Fees	-	10,644	10,043	11,349	11,719	11,917	12,121	12,326	12,536	12,752	12,973	13,183
Interest & Investment Revenue Received	-	1,618	979	942	764	719	668	706	720	742	796	792
Grants & Contributions	-	18,414	21,200	16,877	17,452	13,179	13,142	13,384	13,639	13,901	14,170	14,445
Other	-	4,405	3,563	3,739	3,732	3,914	3,905	4,003	4,103	4,205	4,310	4,419
Payments:												
Employee Benefits & On-Costs	-	(32,247)	(33,417)	(34,836)	(35,948)	(37,199)	(38,451)	(39,753)	(41,100)	(42,492)	(43,933)	(45,426)
Materials & Contracts	-	(17,203)	(18,096)	(18,220)	(18,392)	(18,602)	(18,297)	(18,965)	(18,798)	(19,202)	(19,371)	(19,008)
Borrowing Costs	-	(397)	(413)	(628)	(634)	(575)	(515)	(462)	(431)	(399)	(366)	(332)
Other	-	(12,129)	(13,436)	(13,478)	(13,776)	(14,029)	(14,797)	(14,535)	(14,961)	(14,885)	(15,459)	(15,742)
Net Cash provided (or used in) Operating Activities	-	32,421	31,654	28,550	29,364	25,454	25,280	25,606	26,039	26,409	26,394	27,125
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	3,750	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	918	4,169	1,335	1,398	1,189	885	1,364	1,259	1,249	1,365	1,013
Sale of non-current assets classified as "held for sale"	-	4,900	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	(820)	-	(2,638)	(4,586)	(3,668)	(5,579)	(5,628)	(6,098)	(6,339)	(5,488)	(6,678)
Purchase of Infrastructure, Property, Plant & Equipment	-	(38,675)	(46,253)	(27,387)	(24,305)	(21,132)	(18,961)	(20,313)	(20,139)	(20,225)	(21,145)	(20,299)
Net Cash provided (or used in) Investing Activities	-	(33,677)	(38,333)	(28,690)	(27,493)	(23,611)	(23,655)	(24,577)	(24,978)	(25,316)	(25,268)	(25,964)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	3,757	8,260	2,000	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,666)	(1,580)	(1,860)	(1,871)	(1,843)	(1,624)	(1,029)	(1,061)	(1,093)	(1,127)	(1,161)
Net Cash Flow provided (used in) Financing Activities	-	2,092	6,680	140	(1,871)	(1,843)	(1,624)	(1,029)	(1,061)	(1,093)	(1,127)	(1,161)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	835	0	(0)	(0)	(0)	0	(0)	0	(0)	0	(0)
plus: Cash, Cash Equivalents & Investments - beginning of year	-	1,165	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash & Cash Equivalents - end of the year	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash & Cash Equivalents - end of the year	1,165	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments - end of the year	64,703	65,523	61,773	64,411	68,996	72,664	78,243	83,871	89,969	96,309	101,796	108,474
Cash, Cash Equivalents & Investments - end of the year	65,868	67,523	63,773	66,411	70,996	74,664	80,243	85,871	91,969	98,309	103,796	110,474

12.1 Adoption of the 2020/21 Operational Plan and Budget Including Revenue Policy
ATTACHMENT 2 2020-2030 Long Term Financial Plan



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 INCOME STATEMENT - WATER FUND												
	Actuals	Current Year	Projected Years					Projected Years				
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	3,606	3,471	3,624	3,697	3,771	3,846	3,942	4,041	4,142	4,245	4,352	4,460
User Charges & Fees	10,438	9,208	10,060	10,260	10,465	10,674	11,038	11,415	11,805	12,209	12,627	13,059
Interest & Investment Revenue	1,599	1,429	835	713	609	521	524	527	529	532	534	537
Other Revenues	662	146	149	152	155	158	162	166	170	175	179	183
Grants & Contributions provided for Capital Purposes	5,863	1,005	1,025	1,045	1,066	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Total Income from Continuing Operations	22,168	15,258	15,692	15,867	16,066	16,287	16,753	17,236	17,734	18,248	18,779	19,327
Expenses from Continuing Operations												
Employee Benefits & On-Costs	2,792	3,225	3,467	3,588	3,714	3,843	3,975	4,111	4,252	4,398	4,548	4,704
Borrowing Costs	80	-	-	-	-	193	359	344	328	312	296	280
Materials & Contracts	2,234	3,224	3,531	3,572	3,614	3,657	3,697	3,739	3,781	3,825	3,870	3,916
Depreciation & Amortisation	5,241	5,120	5,595	5,814	6,037	6,224	6,462	6,676	6,894	7,115	7,339	7,568
Other Expenses	3,322	2,969	3,093	3,155	3,218	3,282	3,363	3,447	3,532	3,620	3,710	3,802
Net Losses from the Disposal of Assets	734	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	14,403	14,538	15,686	16,129	16,582	17,199	17,856	18,316	18,788	19,270	19,763	20,270
Operating Result from Continuing Operations	7,765	720	6	(262)	(516)	(912)	(1,103)	(1,081)	(1,054)	(1,022)	(985)	(942)
Net Operating Result for the Year	7,765	720	6	(262)	(516)	(912)	(1,103)	(1,081)	(1,054)	(1,022)	(985)	(942)
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,902	(285)	(1,019)	(1,307)	(1,582)	(2,000)	(2,190)	(2,168)	(2,142)	(2,110)	(2,072)	(2,030)



Wingecarribee Shire Council
 10 Year Financial Plan for the Years ending 30 June 2030
 BALANCE SHEET - WATER FUND

	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,038	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments	58,446	51,109	45,443	25,078	15,753	15,508	9,966	8,746	7,474	4,723	2,885	5,178
Receivables	3,616	2,991	3,253	3,318	3,384	3,452	3,566	3,684	3,806	3,933	4,063	4,199
Inventories	504	514	566	577	589	600	613	627	641	655	669	684
Total Current Assets	63,604	56,614	51,262	30,973	21,726	21,560	16,145	15,057	13,921	11,310	9,618	12,060
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	223,325	231,147	236,582	256,631	274,085	280,063	283,772	283,162	282,611	283,552	283,597	279,534
Total Non-Current Assets	223,325	231,147	236,582	256,631	274,085	280,063	283,772	283,162	282,611	283,552	283,597	279,534
TOTAL ASSETS	286,929	287,761	287,844	287,604	295,811	301,623	299,917	298,219	296,532	294,862	293,215	291,594
LIABILITIES												
Current Liabilities												
Payables	490	763	816	829	841	855	870	885	901	917	934	951
Income received in advance	364	198	216	221	225	230	237	245	254	262	271	281
Borrowings	-	-	-	-	349	632	647	662	678	694	711	728
Provisions	447	450	455	461	466	471	476	482	487	493	498	504
Total Current Liabilities	1,301	1,411	1,488	1,510	1,881	2,187	2,230	2,274	2,320	2,366	2,414	2,462
Non-Current Liabilities												
Borrowings	-	-	-	-	8,351	14,770	14,123	13,461	12,783	12,088	11,378	10,650
Provisions	31	33	34	34	34	35	35	35	36	36	37	37
Total Non-Current Liabilities	31	33	34	34	8,386	14,804	14,158	13,496	12,818	12,125	11,414	10,687
TOTAL LIABILITIES	1,332	1,444	1,521	1,544	10,267	16,991	16,388	15,770	15,138	14,491	13,828	13,150
Net Assets	285,597	286,317	286,323	286,061	285,544	284,632	283,529	282,448	281,394	280,372	279,387	278,445
EQUITY												
Retained Earnings	93,927	94,647	94,653	94,391	93,874	92,962	91,859	90,778	89,724	88,702	87,717	86,775
Revaluation Reserves	191,670	191,670	191,670	191,670	191,670	191,670	191,670	191,670	191,670	191,670	191,670	191,670
Council Equity Interest	285,597	286,317	286,323	286,061	285,544	284,632	283,529	282,448	281,394	280,372	279,387	278,445
Total Equity	285,597	286,317	286,323	286,061	285,544	284,632	283,529	282,448	281,394	280,372	279,387	278,445



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 CASH FLOW STATEMENT - WATER FUND												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	3,422	3,613	3,691	3,765	3,840	3,935	4,033	4,134	4,238	4,344	4,452
User Charges & Fees	-	9,785	9,810	10,202	10,405	10,612	10,931	11,304	11,690	12,090	12,504	12,932
Interest & Investment Revenue Received	-	1,429	835	713	609	521	524	527	529	532	534	537
Grants & Contributions	-	1,101	1,024	1,045	1,066	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Other	-	(20)	167	156	159	163	170	174	179	183	188	193
Payments:												
Employee Benefits & On-Costs	-	(3,220)	(3,462)	(3,583)	(3,708)	(3,838)	(3,969)	(4,105)	(4,246)	(4,392)	(4,543)	(4,698)
Materials & Contracts	-	(2,961)	(3,530)	(3,571)	(3,613)	(3,655)	(3,695)	(3,737)	(3,779)	(3,823)	(3,868)	(3,914)
Borrowing Costs	-	-	-	-	-	(193)	(359)	(344)	(328)	(312)	(296)	(280)
Other	-	(2,969)	(3,093)	(3,155)	(3,218)	(3,282)	(3,363)	(3,447)	(3,532)	(3,620)	(3,710)	(3,802)
Net Cash provided (or used in) Operating Activities	-	6,567	5,364	5,498	5,466	5,256	5,260	5,493	5,734	5,983	6,241	6,508
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	7,337	5,666	20,365	9,325	245	5,542	1,220	1,272	2,751	1,837	-
Sale of Infrastructure, Property, Plant & Equipment	-	156	75	119	124	198	241	55	158	220	116	122
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	(2,292)
Purchase of Infrastructure, Property, Plant & Equipment	-	(13,098)	(11,105)	(25,982)	(23,615)	(12,400)	(10,412)	(6,121)	(6,501)	(8,277)	(7,500)	(3,627)
Net Cash provided (or used in) Investing Activities	-	(5,605)	(5,364)	(5,498)	(14,166)	(11,957)	(4,629)	(4,846)	(5,071)	(5,305)	(5,547)	(5,797)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	-	8,700	7,050	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	-	-	-	-	(349)	(632)	(647)	(662)	(678)	(694)	(711)
Net Cash Flow provided (used in) Financing Activities	-	-	-	-	8,700	6,701	(632)	(647)	(662)	(678)	(694)	(711)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	962	0	0	-	-	0	-	0	(0)	0	-
plus: Cash, Cash Equivalents & Investments - beginning of year	-	1,038	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash & Cash Equivalents - end of the year	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash & Cash Equivalents - end of the year	1,038	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments - end of the year	58,446	51,109	45,443	25,078	15,753	15,508	9,966	8,746	7,474	4,723	2,885	5,178
Cash, Cash Equivalents & Investments - end of the year	59,484	53,109	47,443	27,078	17,753	17,508	11,966	10,746	9,474	6,723	4,885	7,178

12.1 Adoption of the 2020/21 Operational Plan and Budget Including Revenue Policy
ATTACHMENT 2 2020-2030 Long Term Financial Plan



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 INCOME STATEMENT - SEWER FUND												
	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	16,412	16,269	17,275	17,620	17,972	18,332	18,790	19,260	19,741	20,235	20,741	21,259
User Charges & Fees	1,594	1,323	1,299	1,325	1,351	1,378	1,412	1,447	1,483	1,520	1,558	1,597
Interest & Investment Revenue	1,206	1,031	629	498	377	301	122	204	256	308	511	514
Other Revenues	503	11	12	12	12	12	13	13	13	14	14	14
Grants & Contributions provided for Capital Purposes	7,976	1,279	1,304	5,330	3,957	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Total Income from Continuing Operations	27,691	19,912	20,518	24,785	23,670	21,407	21,722	22,309	22,878	23,462	24,208	24,768
Expenses from Continuing Operations												
Employee Benefits & On-Costs	3,459	3,688	3,883	4,019	4,159	4,305	4,452	4,604	4,761	4,924	5,093	5,267
Borrowing Costs	566	479	326	261	206	464	625	584	552	518	483	447
Materials & Contracts	1,598	4,250	4,465	4,527	4,590	4,654	4,723	4,792	4,864	4,938	5,013	5,090
Depreciation & Amortisation	5,598	5,573	5,805	6,035	6,474	6,945	7,259	7,503	7,752	8,005	8,262	8,525
Other Expenses	3,160	1,867	1,936	1,974	2,014	2,054	2,105	2,158	2,212	2,267	2,324	2,382
Net Losses from the Disposal of Assets	1,282	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	15,663	15,857	16,415	16,816	17,443	18,422	19,164	19,642	20,141	20,652	21,175	21,711
Operating Result from Continuing Operations	12,028	4,055	4,103	7,968	6,227	2,985	2,558	2,667	2,738	2,809	3,034	3,057
Net Operating Result for the Year	12,028	4,055	4,103	7,968	6,227	2,985	2,558	2,667	2,738	2,809	3,034	3,057
Net Operating Result before Grants and Contributions provided for Capital Purposes	4,052	2,777	2,799	2,638	2,270	1,601	1,174	1,283	1,354	1,425	1,650	1,673



Wingecarribee Shire Council
 10 Year Financial Plan for the Years ending 30 June 2030
 BALANCE SHEET - SEWER FUND

	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	807	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments	45,407	39,917	36,990	15,353	2,345	2,693	6,869	12,072	17,436	22,980	28,737	35,220
Receivables	5,054	4,709	4,727	5,007	5,222	5,429	5,705	6,063	6,437	6,596	6,760	6,929
Inventories	46	78	80	81	83	85	87	89	91	93	95	97
Total Current Assets	51,314	46,704	43,797	22,441	9,650	10,206	14,660	20,224	25,963	31,670	37,592	44,245
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	269,885	275,567	280,421	308,091	339,673	349,055	345,465	341,323	337,044	332,835	328,600	323,623
Other	-	30	31	32	32	33	33	34	35	35	36	37
Total Non-Current Assets	269,885	275,597	280,452	308,123	339,706	349,088	345,498	341,357	337,078	332,870	328,636	323,660
TOTAL ASSETS	321,199	322,301	324,249	330,564	349,356	359,294	360,159	361,581	363,041	364,540	366,228	367,905
LIABILITIES												
Current Liabilities												
Payables	545	326	341	347	352	358	364	371	377	384	391	398
Income received in advance	19	8	8	8	9	9	9	9	9	10	10	10
Borrowings	2,769	2,177	1,665	1,448	2,060	1,707	1,259	1,292	1,325	1,360	1,396	1,064
Provisions	890	894	900	907	913	920	926	933	940	947	954	961
Total Current Liabilities	4,223	3,406	2,915	2,710	3,334	2,994	2,558	2,605	2,652	2,701	2,751	2,434
Non-Current Liabilities												
Borrowings	10,180	8,041	6,376	4,928	16,868	24,161	22,902	21,611	20,285	18,925	17,529	16,465
Provisions	67	70	71	71	72	72	73	73	74	74	75	75
Total Non-Current Liabilities	10,247	8,111	6,446	4,999	16,939	24,233	22,975	21,684	20,359	18,999	17,604	16,540
TOTAL LIABILITIES	14,470	11,517	9,361	7,708	20,273	27,226	25,533	24,288	23,011	21,700	20,355	18,974
Net Assets	306,729	310,784	314,887	322,856	329,083	332,068	334,626	337,292	340,030	342,840	345,873	348,931
EQUITY												
Retained Earnings	160,589	164,644	168,747	176,716	182,943	185,928	188,486	191,152	193,890	196,700	199,733	202,791
Revaluation Reserves	146,140	146,140	146,140	146,140	146,140	146,140	146,140	146,140	146,140	146,140	146,140	146,140
Council Equity Interest	306,729	310,784	314,887	322,856	329,083	332,068	334,626	337,292	340,030	342,840	345,873	348,931
Total Equity	306,729	310,784	314,887	322,856	329,083	332,068	334,626	337,292	340,030	342,840	345,873	348,931



Wingecarribee Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 CASH FLOW STATEMENT - SEWER FUND												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	16,283	17,246	17,610	17,962	18,322	18,777	19,247	19,728	20,221	20,727	21,245
User Charges & Fees	-	1,555	1,310	1,108	1,127	1,147	1,149	1,102	1,124	1,374	1,409	1,444
Interest & Investment Revenue Received	-	1,031	629	498	377	301	122	204	256	308	511	514
Grants & Contributions	-	1,369	1,304	5,277	3,975	1,418	1,384	1,384	1,384	1,384	1,384	1,384
Other	-	9	12	12	12	13	13	13	14	14	14	15
Payments:												
Employee Benefits & On-Costs	-	(3,681)	(3,876)	(4,012)	(4,152)	(4,298)	(4,445)	(4,597)	(4,754)	(4,917)	(5,085)	(5,259)
Materials & Contracts	-	(4,530)	(4,454)	(4,524)	(4,587)	(4,651)	(4,719)	(4,788)	(4,860)	(4,934)	(5,009)	(5,086)
Borrowing Costs	-	(479)	(326)	(261)	(206)	(464)	(625)	(584)	(552)	(518)	(483)	(447)
Other	-	(1,867)	(1,936)	(1,974)	(2,014)	(2,054)	(2,105)	(2,158)	(2,212)	(2,267)	(2,324)	(2,382)
Net Cash provided (or used in) Operating Activities	-	9,688	9,909	13,734	12,496	9,734	9,552	9,822	10,128	10,666	11,144	11,426
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	5,490	2,927	21,637	13,007	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	90	73	324	61	249	140	160	66	128	64	225
Payments:												
Purchase of Investment Securities	-	-	-	-	-	(348)	(4,176)	(5,203)	(5,364)	(5,544)	(5,756)	(6,483)
Purchase of Infrastructure, Property, Plant & Equipment	-	(11,344)	(10,732)	(34,029)	(38,117)	(16,576)	(3,809)	(3,521)	(3,539)	(3,925)	(4,091)	(3,773)
Net Cash provided (or used in) Investing Activities	-	(5,765)	(7,732)	(12,069)	(25,048)	(16,675)	(7,845)	(8,564)	(8,837)	(9,341)	(9,784)	(10,031)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	-	-	14,000	9,000	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(2,731)	(2,177)	(1,665)	(1,448)	(2,060)	(1,707)	(1,259)	(1,292)	(1,325)	(1,360)	(1,396)
Net Cash Flow provided (used in) Financing Activities	-	(2,731)	(2,177)	(1,665)	12,552	6,940	(1,707)	(1,259)	(1,292)	(1,325)	(1,360)	(1,396)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	1,193	-	(0)	-	-	(0)	(0)	(0)	0	0	-
plus: Cash, Cash Equivalents & Investments - beginning of year	-	807	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash & Cash Equivalents - end of the year	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Cash & Cash Equivalents - end of the year	807	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Investments - end of the year	45,407	39,917	36,990	15,353	2,345	2,693	6,869	12,072	17,436	22,980	28,737	35,220
Cash, Cash Equivalents & Investments - end of the year	46,214	41,917	38,990	17,353	4,345	4,693	8,869	14,072	19,436	24,980	30,737	37,220

ATTACHMENTS TO REPORT

Item 12.2

Fees Payable to the Mayor and Councillors for 2020/21

Attachment 1

Local Government Remuneration Tribunal - Annual Report and Determination
(10 June 2020)



Local
Government
Remuneration
Tribunal

Annual Report and
Determination

*Annual report and determination under sections 239 and
241 of the Local Government Act 1993*

10 June
2020



Local Government Remuneration Tribunal

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Local Government Remuneration Tribunal

Executive Summary

The *Local Government Act 1993* (the LG Act) requires the Local Government Remuneration Tribunal (the Tribunal) to report to the Minister for Local Government by 1 May each year as to its determination of categories of councils and the maximum and minimum amounts of fees to be paid to mayors, councillors, and chairpersons and members of county councils.

In response to the COVID-19 pandemic the Minister for Local Government, the Hon Shelley Hancock MP, made the *Local Government (General) Amendment (COVID-19) Regulation 2020* which extends the time for the making of this determination to no later than 1 July 2020.

Categories

Section 239 of the LG Act requires the Tribunal to determine the categories of councils and mayoral offices at least once every 3 years. The Tribunal last undertook a significant review of the categories and the allocation of councils into each of those categories in 2017. In accordance with the LG Act the Tribunal undertook a review of the categories and allocation of councils into each of those categories as part of the 2020 review.

In reviewing the categories, the Tribunal examined a range of statistical and demographic data and considered the submissions of councils and Local Government NSW (LGNSW). Having regard to that information, the Tribunal has determined to retain a categorisation model which differentiates councils primarily on the basis of their geographic location, and the other factors including population, the sphere of the council's economic influence and the degree of regional servicing.

For the Metropolitan group the Tribunal has determined to retain the existing categories and has amended the population criteria applicable to Metropolitan Large and Metropolitan Medium. For the Non-Metropolitan group, the Tribunal has determined to: create two new categories - Major Strategic Area and Regional Centre; rename one category - Regional City to Major Regional City; and revise the criteria for some of the existing categories to account for the new categories.

In accordance with section 239 of the LG Act the categories of general purpose councils are determined as follows:

Metropolitan

- Principal CBD
- Major CBD
- Metropolitan Large
- Metropolitan Medium
- Metropolitan Small

Non-metropolitan

- Major Regional City
- Major Strategic Area
- Regional Strategic Area
- Regional Centre
- Regional Rural
- Rural



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Fees

The Tribunal has determined that there will be no increase in the minimum and maximum fees applicable to each existing category. For the new categories, the Tribunal has determined fees having regard to relevant relativities.



Local Government Remuneration Tribunal

Section 1 Introduction

1. Section 239 of the LG Act provides for the Tribunal to determine the categories of councils and mayoral offices and to place each council and mayoral office into one of those categories. The categories are to be determined at least once every 3 years.
2. Section 241 of the LG Act provides for the Tribunal to determine, not later than 1 May in each year, for each of the categories determined under section 239, the maximum and minimum amount of fees to be paid to mayors and councillors of councils, as well as chairpersons and members of county councils.
3. In response to the COVID-19 pandemic the Minister for Local Government, the Hon Shelley Hancock MP, made the *Local Government (General) Amendment (COVID-19) Regulation 2020* which extends the time for the making of this determination to no later than 1 July 2020.
4. In determining the maximum and minimum fees payable in each of the categories, the Tribunal is required, pursuant to section 242A (1) of the LG Act, to give effect to the same policies on increases in remuneration as those of the Industrial Relations Commission. The current policy on wages is that public sector wages cannot increase by more than 2.5 per cent, and this includes the maximum and minimum fees payable to councillors and mayors and chairpersons and members of county councils.
5. The Tribunal is however able to determine that a council can be placed in another existing or a new category with a higher range of fees without breaching the Government's wage policy pursuant to section 242A (3) of the LG Act.
6. The Tribunal's determinations take effect from 1 July in each year.

Section 2 2019 Determination

7. The Tribunal considered ten requests for re-categorisation. At the time of making the determination the Tribunal had available to it the 30 June 2018 population data. In reviewing the submissions received the Tribunal applied a multi variable approach assessing each council against all the criteria (not only population) for the requested category and the



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relativities within the categories.

8. The Tribunal found that the allocation of councils into the current categories was appropriate but again noted that some of those councils seeking to be moved were likely to meet the criteria for re-categorisation in future determinations.
9. The Tribunal's 2019 Determination was made on 15 April 2019 and provided a general increase of 2.5 per cent which was consistent with the Government's policy on wages.
10. The Tribunal's findings for North Sydney was not addressed in the 2019 Determination and is dealt with in Section 3 below.

Section 3 Review of categories

Scope of review

11. Section 239 of the LG Act requires the Tribunal to determine the categories of councils and mayoral offices at least once every 3 years. The Tribunal last reviewed the categories during the 2017 annual review.
12. In determining categories, the Tribunal is required to have regard to the following matters that are prescribed in section 240 of the LG Act:

"240 (1)

 - *the size of areas*
 - *the physical terrain of areas*
 - *the population of areas and the distribution of the population*
 - *the nature and volume of business dealt with by each Council*
 - *the nature and extent of the development of areas*
 - *the diversity of communities served*
 - *the regional, national and international significance of the Council*
 - *such matters as the Remuneration Tribunal considers relevant to the provision of efficient and effective local government*
 - *such other matters as may be prescribed by the regulations."*
13. The Tribunal foreshadowed in the 2019 Determination of its intention to undertake a review of the categories in accordance with the LG Act:



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“12. A few submissions have suggested alternative categorisation models. The Tribunal will consider this in detail in the 2020 review. The Tribunal intends to commence the 2020 annual review earlier than usual to ensure there is time to review the existing model and to examine alternatives. The Tribunal is of the preliminary view that a case may exist to revise the number of categories, and their applicable criteria, particularly for regional and rural councils.”

14. The Tribunal wrote to all mayors in October 2019 advising of the commencement of the 2020 review and invited submissions from councils on the following matters:

1. *Proposed classification model and criteria*
2. *Allocation in the proposed classification model*
3. *Range of fees payable in the proposed classification model*
4. *Other matters*

15. The Tribunal also wrote to the President of Local Government NSW (LGNSW) in similar terms, and subsequently met with the President and Chief Executive of LGNSW. The Tribunal thanks the President and Chief Executive for making the time to meet with the Tribunal.

16. The Tribunal also met with the Mayors and General Managers of Central Coast and Maitland Councils and the Tribunal thanks them for making the time to meet with the Tribunal.

Submissions received - categorisation

17. The Tribunal received 38 submissions from individual councils, a submission from LGNSW and a submission from Regional Cities NSW. Most of the submissions addressed the Tribunal’s proposed categorisation model, the allocation of councils into those categories and fees. A summary of the matters raised, and the Tribunal’s consideration of those matters is outlined below.

Proposed classification model and criteria

18. Submissions from 20 councils and LGNSW supported the Tribunal’s proposal to create a new category of Regional Centre for the Non-Metropolitan group and were of the view



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that the range of fees would be somewhere between Regional Strategic Area and Regional Rural.

19. Several submissions from Non-Metropolitan councils proposed alternative changes to the model such as, the merging of the Regional Rural and Rural categories, the creation of a new 'Regional' category and the renaming of Regional City to 'Gateway City' or 'Nationally Significant Regional City'.
20. Four submissions from Metropolitan councils sought the creation of a new Metropolitan category with the title of 'Metropolitan Large – Growth Area' or 'Metropolitan Major'.

Allocation in the proposed classification model

21. The Tribunal proposed to allocate 24 councils in the proposed new category of Regional Centre. Of these 24 councils, 14 provided a submission - 11 councils noted or supported their allocation as Regional Centre and 3 councils sought re-categorisation as Regional Strategic Area.
22. In addition to the 3 councils, another 17 councils sought re-categorisation into one of the categories included in the Tribunal's proposed model or into requested alternative new categories. The 20 re-categorisation requests are addressed in Section 3 – Allocation of councils into categories.

Findings - categorisation

23. The Tribunal acknowledges the significant number of submissions received this year and is grateful for the positive response and effort made in those submissions to comment on the proposed categorisation model and suggest alternatives for consideration.
24. There has been broad support to the Tribunal's proposal to create a new Non-Metropolitan category of Regional Centre and rename Regional City to Major Regional City. On that basis the Tribunal will determine the new category of Regional Centre and rename Regional City to Major Regional City. There have been some new criteria added to the category of Major Regional City to acknowledge the broader national and state focus of these cities which impact upon the operations of the council.
25. After considering the views in submissions the Tribunal re-examined the Non-Metropolitan category of Regional Strategic Area in terms of its criteria and the



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characteristics of the councils allocated into it. The Tribunal concluded that the characteristics of the two councils allocated to this category – Central Coast and Lake Macquarie – were sufficiently different to warrant further differentiation. Central Coast has a population greater than 340,000 making it the third largest council by population in NSW and the sixth largest council by population in Australia. It also has the second largest revenue base of all councils in NSW. Central Coast is a significant contributor to the regional economy associated with proximity to and connections with Sydney and the Hunter Region. A new category has been created for Central Coast Council and is to be titled Major Strategic Area. The criteria for this category include local government areas with a minimum population of 300,000, and larger scale and scope to those categorised as Regional Strategic Area. There is no change to the population threshold for the category of Regional Strategic Area, however the other criteria have been amended to account for other changes in the Non-Metropolitan group.

26. The Tribunal's preliminary thinking was that no changes to the categories and criteria for Metropolitan and County Councils were warranted. In respect to the categories, the Tribunal continues to hold that view. In respect to the criteria, after considering submissions the Tribunal re-examined the population criteria for both the Metropolitan Medium and Metropolitan Large categories.
27. North Sydney and Willoughby councils again put forward cases for non-resident workers to be included in the population for Metropolitan Medium. To examine this claim more broadly the Tribunal reviewed non-resident working populations across all metropolitan councils. After careful consideration the Tribunal concluded there was a strong case to recognise the impact on councils of serving significant numbers of non-resident workers. The criteria now provide for councils with a non-resident working population of 50,000 or above to move to another category if their combined resident and non-resident working population exceeds the minimum population threshold. The criteria for Metropolitan Medium and Metropolitan Large have been amended as follows:

Metropolitan Large

Councils may also be categorised as Metropolitan Large if their residential population combined with their non-resident working population exceeds 200,000. To satisfy this criteria the non-resident working population must exceed 50,000.

Metropolitan Medium



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Councils may also be categorised as Metropolitan Medium if their residential population combined with their non-resident working population exceeds 100,000. To satisfy this criteria the non-resident working population must exceed 50,000.

- 28. In making this determination the Tribunal reviewed the criteria for other Metropolitan categories and found that the current population thresholds are appropriate.
- 29. The revised model which will form the basis of this determination is as follows:

Metropolitan	Non-Metropolitan
<ul style="list-style-type: none"> • Principal CBD • Major CBD • Metropolitan Large • Metropolitan Medium • Metropolitan Small 	<ul style="list-style-type: none"> • Major Regional City • Major Strategic Area • Regional Strategic Area • Regional Centre • Regional Rural • Rural

- 30. The criteria for each of the categories are outlined at Appendix 1. Minor changes have been made to the criteria for some of the existing categories to account for the new categories. As with the previous categorisation model the predominant factor to guide categorisation is population. Other common features of councils within those categories are also broadly described. These criteria have relevance when population alone does not adequately reflect the status of one council compared to others with similar characteristics. In some instances, the additional criteria will be significant enough to warrant the categorisation of a council into a group with a higher population threshold.
- 31. There is no change to the categorisation of county councils.

Allocation of councils into categories

- 32. In accordance with section 239 of the LG Act the Tribunal is required to allocate each of the councils into one of the categories. The allocation of councils is outlined in Determination No. 1 of Section 6.
- 33. Twenty (20) submissions received from councils requested re-categorisation and were considered having regard to the case put forward and the criteria for each category.
- 34. At the time of making the determination the Tribunal had available to it the 30 June 2019 population data released by the Australian Bureau of Statistics (ABS) on 25 March 2020.



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35. A summary of the Tribunal's findings for each of the applications for re-categorisation is outlined in the following paragraphs.

Metropolitan Large Councils

36. Canterbury-Bankstown, Penrith and Blacktown have requested the creation of new categories into which they be re-categorised. Canterbury-Bankstown has requested a new category named 'Metropolitan Major'. Penrith and Blacktown have requested a new category named 'Metropolitan Large – Growth Centre'.

37. The Tribunal considers that Canterbury-Bankstown, Penrith and Blacktown are appropriately categorised as Metropolitan Large.

Metropolitan Medium Councils

38. Inner West has again sought to be re-categorised as Metropolitan Large. The Tribunal outlined in the 2019 determination that Inner West's June 2018 population of 198,024 was below the indicative population of other Metropolitan Large councils, but based on growth predictions it was likely Inner West would meet the minimum population threshold for inclusion in Metropolitan Large in 2020.

39. Inner West's June 2019 population is 200,811 and the council now meets the criteria to be categorised as Metropolitan Large.

40. Ryde has sought to be re-categorised as Metropolitan Large on the basis of the large non-resident working population in the Macquarie Park Business Park (MPBP) precinct, the economic output of the precinct and its array of significant regional services.

41. The Hills has requested the creation of a new category named 'Metropolitan Growth' and that it be categorised into it. Recognition is sought for councils experiencing significant growth. The submission also notes that while Ryde does not meet the residential population criteria for Metropolitan Large it meets the other relevant criteria.

42. As previously discussed, the Tribunal has reviewed the impact of large numbers of non-residents visitors and workers and revised the criteria for Metropolitan Large Councils. Ryde and The Hills have been assessed against the new revised criteria being - *Councils may also be categorised as Metropolitan Large if their residential population combined*



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with their non-resident working population exceeds 200,000. To satisfy this criteria the non-resident working population must exceed 50,000.

43. Both Ryde and The Hills have a non-resident working population of more than 50,000 and combined with their resident populations they meet the revised criteria for inclusion in the group of Metropolitan Large councils. Both councils also provide a sphere of economic influence and provide regional services considered akin to those of other metropolitan large councils.

Metropolitan Small Councils

44. Camden, Willoughby and North Sydney have sought to be re-categorised as Metropolitan Medium.
45. The Tribunal outlined in the 2019 determination that Camden's June 2018 population of 94,159 was below the indicative population of other Metropolitan Medium councils, but based on growth predictions it was likely Camden would meet the minimum population threshold for inclusion in Metropolitan Medium in 2020.
46. Camden's June 2019 population is 101,437 and the council now meets the criteria to be categorised as Metropolitan Medium.
47. The Tribunal has previously considered requests from Willoughby and North Sydney Councils to be re-categorised as Metropolitan Medium in 2018 and 2019. Both Councils have populations within the indicative population range for Metropolitan Small councils but well below that of Metropolitan Medium. Both Councils have argued that their scale of operations, degree of regional servicing and high number of non-resident visitors and workers more closely align with the characteristics of Metropolitan Medium Councils.
48. As previously discussed, the Tribunal has reviewed the impact of large numbers of non-resident workers and revised the criteria for Metropolitan Medium Councils. Willoughby and North Sydney have been assessed against the new revised criteria being - *Councils may also be categorised as Metropolitan Medium if their residential population combined with their non-resident working population exceeds 100,000. To satisfy this criteria the non-resident working population must exceed 50,000.*
49. Both Willoughby and North Sydney have a non-resident working population of more than 50,000 and combined with their resident populations they meet the revised criteria for inclusion in the group of Metropolitan Medium councils. Both councils also meet the



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other criteria having: a significant regional role as the third and fourth biggest CBDs in Sydney after Sydney City and Parramatta; strategic significance as either transport hubs, business, cultural or employment centres.

50. Both North Sydney and Willoughby meet the criteria for re-categorisation as Metropolitan Medium.

Regional City Councils

51. Newcastle and Wollongong have proposed new categories into which they have sought to be re-categorised. Newcastle has proposed a new category named 'Gateway City' and Wollongong a new category named 'Nationally Significant Regional City'.
52. The Tribunal's revised categorisation model re-named the existing category of Regional City to Major Regional City and found no case to adopt the new categories proposed by Newcastle and Wollongong. The Tribunal considers that both councils are appropriately categorised as Major Regional City.

Regional Strategic Area Councils

53. Central Coast has again sought to be re-categorised as Regional City. The council submits that its characteristics are more like Newcastle and Wollongong (Regional City) and substantially different to Lake Macquarie (Regional Strategic Area).
54. Central Coast does not meet the broader criteria applicable to other councils in the category of Major Regional City - being Newcastle and Wollongong. As previously discussed a new category - Major Strategic Area - has been created to recognise the scale and unique position of Central Coast Council to both the Sydney and Hunter regions.



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Regional Rural Councils

55. Bathurst, Maitland, and Shoalhaven noted that under the Tribunal's proposed allocation of councils they would be allocated to the new Regional Centre category, however the three councils sought to be re-categorised as Regional Strategic Area.
56. Bathurst's June 2019 population of 43,618, Maitland's June 2019 population of 85,166 and Shoalhaven's June 2019 population of 105,648 are below the indicative population of Regional Strategic Area councils. The Tribunal considers that Bathurst, Maitland and Shoalhaven are all appropriately categorised as Regional Centre.
57. Bega, Byron and Eurobodalla have sought to be re-categorised to the new Regional Centre category. Bega's June 2019 population of 34,476, Byron's June 2019 population of 35,081 and Eurobodalla's June 2019 population of 38,473 are significantly below the indicative population of Regional Centre councils. These councils have not demonstrated the additional criteria to warrant inclusion in the Regional Centre group.

Rural Councils

58. Muswellbrook and Federation have again sought to be re-categorised as Regional Rural. Muswellbrook's June 2019 population of 16,377 and Federation's June 2019 population of 12,437 are well below the indicative population of Regional Rural councils. Both councils have not demonstrated the additional criteria to warrant inclusion in the Regional Rural group.

Section 4 Fees

59. In determining the maximum and minimum fees payable in each of the categories, the Tribunal is required, pursuant to section 242A of the LG Act, to give effect to the same policies on increases in remuneration as those that the Industrial Relations Commission is required to give effect to under section 146C of the *Industrial Relations Act 1996* (IR Act), when making or varying awards or orders relating to the conditions of employment of public sector employees.
60. The current policy on wages pursuant to section 146C(1)(a) of the IR Act is articulated in the *Industrial Relations (Public Sector Conditions of Employment) Regulation 2014* (IR Regulation 2014). When the Tribunal undertook the annual review the effect of the IR Regulation 2014



Local Government Remuneration Tribunal

was that public sector wages could not increase by more than 2.5 per cent, and this includes the maximum and minimum fees payable to councillors and mayors and chairpersons and members of county councils.

61. The Tribunal received submissions for consideration during the annual review in late 2019. Those submissions were made prior to the pandemic and overwhelmingly supported a 2.5 per cent increase in the ranges of fees which was consistent with the Government's wages policy at the time. A summary of those submissions is outlined in the paragraphs 62 and 63.
62. The LGNSW submission requested that the Tribunal increase fees by the allowable maximum of 2.5 per cent. The submission also reiterated the long-held view that fees for mayors and councillors are well behind, the current fee structure fails to recognise the work of elected representatives and is inadequate to attract and retain individuals with the necessary skills and experience. Comparative information was again presented in respect to board fees, fees paid to mayors and councillors of councils in Queensland, and salaries for members of Parliament. The LGNSW submission also noted the Tribunal's previous observations that it does not have jurisdiction on the matter of non-payment of superannuation but again invited the Tribunal to make a recommendation to the NSW State Government for councillor remuneration to include a payment for superannuation equivalent to the Superannuation Guarantee.
63. Several submissions sought an increase to the allowable maximum of 2.5 per cent acknowledging the restrictions on the Tribunal from the Government's wages policy. Several submissions sought an increase greater than 2.5 per cent by requesting that fees be aligned to councillor fees in Victoria and Queensland or to NSW members of Parliament.
64. Since receiving and considering those submissions there have been a number of factors which have influenced the Tribunal's views in regard to the annual increase. These include the impact of the bushfires and the current COVID-19 pandemic on the state and federal economies and the wellbeing of our communities.
65. To ensure the Tribunal had sufficient time to consider the COVID-19 pandemic the Minister for Local Government, the Hon Shelley Hancock MP, made the *Local Government*



Local Government Remuneration Tribunal

(General) Amendment (COVID-19) Regulation 2020 which extends the time for the making of this determination to no later than 1 July 2020.

66. On 29 May 2020 the Premier, the Hon Gladys Berejiklian MP, made the *Industrial Relations (Public Sector Conditions of Employment) Amendment (Temporary Wages Policy) Regulation 2020*. That regulation amended the IR Regulation 2014 to implement a temporary wages policy, being a 12-month pause on wage increases for public sector employees covered by the IR Act.
67. On 2 June 2020 the amending regulation was disallowed by the Legislative Council. The effect of that disallowance is that the Government's wages policy which provides for increases of up to 2.5 per cent continues to apply.
68. While the Tribunal is required to give effect to the Government's wages policy in the making of this determination, it is open to the Tribunal to determine an increase of up to 2.5 per cent or no increase at all. Given the current economic and social circumstances, the Tribunal has determined that there be no increase in the minimum and maximum fees applicable to each existing category.
69. The minimum and maximum fees for the two new categories of Major Strategic Area and Regional Centre have been set having regard to relevant relativities. The new category of Major Strategic Area has equivalent annual fees to Major Regional City. The new category of Regional Centre has annual fees between those applicable to Regional Strategic Area and Regional Rural. In accordance with the LG Act councils can be placed in a new category with a higher range of fees without breaching the Government's wages policy.

Section 5 Other matters

70. The Tribunal addressed the matter of non-payment of superannuation in the 2019 Determination:

"40. The submission from LGNSW and several councils have again raised the matter of the non-payment of superannuation. The Tribunal addressed this matter in the 2018 determination as outline below and will make no further comment:



Local Government Remuneration Tribunal

“54. The matter of the non-payment of superannuation has been previously raised in submissions to the Tribunal and is not a matter for the Tribunal to determine. Section 251 of the LG Act confirms that councillors are not employees of the council and the fee paid does not constitute a salary under the Act. The Tribunal notes that the Australian Tax Office has made a definitive ruling (ATO ID 2007/205) that allows councillors to redirect their annual fees into superannuation on a pre-tax basis and is a matter for councils (Ref: Councillor Handbook, Oct 2017, Office of Local Government p.69).”

71. By way of clarification, the amount redirected under this ruling is funded from the annual fees as determined by Tribunal – it is not an additional amount funded by the council.
72. The Tribunal notes that the Hon Shelly Hancock MP, Minister for Local Government released the *Councillor superannuation discussion paper* in March 2020, to seek the views of councils and their communities on whether councillors should receive superannuation payments. The deadline for submissions was Friday 8 May 2020.

Conclusion

73. The Tribunal’s determinations have been made with the assistance of the two Assessors - Mr Brian Bell and Mr Tim Hurst. The allocation of councils into each of the categories, pursuant to section 239 of the LG Act, is outlined in Determination No. 1. The maximum and minimum fees paid to councillors and mayors and members and chairpersons of county councils, pursuant to section 241 of the LG Act, are outlined in Determination No. 2.

The Local Government Remuneration Tribunal

Signed

Dr Robert Lang

Dated: 10 June 2020



Local Government Remuneration Tribunal

Section 6 Determinations

Determination No. 1- Determination Pursuant to Section 239 of Categories of Councils and County Councils Effective From 1 July 2020

Table 1: General Purpose Councils - Metropolitan

Principal CBD (1)	Major CBD (1)
Sydney	Parramatta
Metropolitan Large (11)	Metropolitan Medium (9)
Blacktown	Bayside
Canterbury-Bankstown	Campbelltown
Cumberland	Camden
Fairfield	Georges River
Inner West	Hornsby
Liverpool	Ku-ring-gai
Northern Beaches	North Sydney
Penrith	Randwick
Ryde	Willoughby
Sutherland	
The Hills	
Metropolitan Small (8)	
Burwood	
Canada Bay	
Hunters Hill	
Lane Cove	
Mosman	
Strathfield	
Waverley	
Woollahra	



Local Government Remuneration Tribunal

Table 2: General Purpose Councils – Non-Metropolitan

Major Regional City (2)		Major Strategic Area (1)		Regional Strategic Area (1)	
Newcastle		Central Coast		Lake Macquarie	
Wollongong					

Regional Centre (24)		Regional Rural (13)	
Albury	Mid-Coast	Bega	
Armidale	Orange	Broken Hill	
Ballina	Port Macquarie-Hastings	Byron	
Bathurst	Port Stephens	Eurobodalla	
Blue Mountains	Queanbeyan-Palerang	Goulburn Mulwaree	
Cessnock	Shellharbour	Griffith	
Clarence Valley	Shoalhaven	Kempsey	
Coffs Harbour	Tamworth	Kiama	
Dubbo	Tweed	Lithgow	
Hawkesbury	Wagga Wagga	Mid-Western	
Lismore	Wingecarribee	Richmond Valley Council	
Maitland	Wollondilly	Singleton	
		Snowy Monaro	

Rural (57)			
Balranald	Cootamundra-Gundagai	Junee	Oberon
Bellingen	Cowra	Kyogle	Parkes
Berrigan	Dungog	Lachlan	Snowy Valleys
Bland	Edward River	Leeton	Temora
Blayney	Federation	Liverpool Plains	Tenterfield
Bogan	Forbes	Lockhart	Upper Hunter
Bourke	Gilgandra	Moree Plains	Upper Lachlan
Brewarrina	Glen Innes Severn	Murray River	Uralla
Cabonne	Greater Hume	Murrumbidgee	Walcha
Carrathool	Gunnedah	Muswellbrook	Walgett
Central Darling	Gwydir	Nambucca	Warren
Cobar	Hay	Narrabri	Warrumbungle
Coolamon	Hilltops	Narrandera	Weddin
Coonamble	Inverell	Narromine	Wentworth
			Yass

Table 3: County Councils

Water (4)		Other (6)	
Central Tablelands		Castlereagh-Macquarie	
Goldenfields Water		Central Murray	
Riverina Water		Hawkesbury River	
Rous		New England Tablelands	
		Upper Hunter	
		Upper Macquarie	



Local Government Remuneration Tribunal

Determination No. 2- Determination Pursuant to Section 241 of Fees for Councillors and Mayors

Pursuant to s.241 of the *Local Government Act 1993*, the annual fees to be paid in each of the categories to Councillors, Mayors, Members and Chairpersons of County Councils effective on and from 1 July 2020 are determined as follows:

Table 4: Fees for General Purpose and County Councils

Category		Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*	
		Minimum	Maximum	Minimum	Maximum
General Purpose Councils - Metropolitan	Principal CBD	27,640	40,530	169,100	222,510
	Major CBD	18,430	34,140	39,160	110,310
	Metropolitan Large	18,430	30,410	39,160	88,600
	Metropolitan Medium	13,820	25,790	29,360	68,530
	Metropolitan Small	9,190	20,280	19,580	44,230
General Purpose Councils - Non-metropolitan	Major Regional City	18,430	32,040	39,160	99,800
	Major Strategic Area	18,430	32,040	39,160	99,800
	Regional Strategic Area	18,430	30,410	39,160	88,600
	Regional Centre	13,820	24,320	28,750	60,080
	Regional Rural	9,190	20,280	19,580	44,250
	Rural	9,190	12,160	9,780	26,530
County Councils	Water	1,820	10,140	3,920	16,660
	Other	1,820	6,060	3,920	11,060

*This fee must be paid in addition to the fee paid to the Mayor/Chairperson as a Councillor/Member (s.249(2)).

The Local Government Remuneration Tribunal

Signed

Dr Robert Lang

Dated: 10 June 2020



Local Government Remuneration Tribunal

Appendices

Appendix 1 Criteria that apply to categories

Principal CBD

The Council of the City of Sydney (the City of Sydney) is the principal central business district (CBD) in the Sydney Metropolitan area. The City of Sydney is home to Sydney's primary commercial office district with the largest concentration of businesses and retailers in Sydney. The City of Sydney's sphere of economic influence is the greatest of any local government area in Australia.

The CBD is also host to some of the city's most significant transport infrastructure including Central Station, Circular Quay and International Overseas Passenger Terminal. Sydney is recognised globally with its iconic harbour setting and the City of Sydney is host to the city's historical, cultural and ceremonial precincts. The City of Sydney attracts significant visitor numbers and is home to 60 per cent of metropolitan Sydney's hotels.

The role of Lord Mayor of the City of Sydney has significant prominence reflecting the CBD's importance as home to the country's major business centres and public facilities of state and national importance. The Lord Mayor's responsibilities in developing and maintaining relationships with stakeholders, including other councils, state and federal governments, community and business groups, and the media are considered greater than other mayoral roles in NSW.

Major CBD

The Council of the City of Parramatta (City of Parramatta) is the economic capital of Greater Western Sydney and the geographic and demographic centre of Greater Sydney. Parramatta is the second largest economy in NSW (after Sydney CBD) and the sixth largest in Australia.

As a secondary CBD to metropolitan Sydney the Parramatta local government area is a major provider of business and government services with a significant number of organisations relocating their head offices to Parramatta. Public administration and safety have been a growth sector for Parramatta as the State Government has promoted a policy of moving government agencies westward to support economic development beyond the Sydney CBD.

The City of Parramatta provides a broad range of regional services across the Sydney Metropolitan area with a significant transport hub and hospital and educational facilities. The City of Parramatta is home to the Westmead Health and Medical Research precinct which represents the largest concentration of hospital and health services in Australia, servicing Western Sydney and providing other specialised services for the rest of NSW.

The City of Parramatta is also home to a significant number of cultural and sporting facilities (including Sydney Olympic Park) which draw significant domestic and international visitors to the region.



Local Government Remuneration Tribunal

Metropolitan Large

Councils categorised as Metropolitan Large will typically have a minimum residential population of 200,000.

Councils may also be categorised as Metropolitan Large if their residential population combined with their non-resident working population exceeds 200,000. To satisfy this criteria the non-resident working population must exceed 50,000.

Other features may include:

- total operating revenue exceeding \$200M per annum
- the provision of significant regional services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- significant industrial, commercial and residential centres and development corridors
- high population growth.

Councils categorised as Metropolitan Large will have a sphere of economic influence and provide regional services considered to be greater than those of other metropolitan councils.

Metropolitan Medium

Councils categorised as Metropolitan Medium will typically have a minimum residential population of 100,000

Councils may also be categorised as Metropolitan Medium if their residential population combined with their non-resident working population exceeds 100,000. To satisfy this criteria the non-resident working population must exceed 50,000

Other features may include:

- total operating revenue exceeding \$100M per annum
- services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- industrial, commercial and residential centres and development corridors
- high population growth.

The sphere of economic influence, the scale of council operations and the extent of regional servicing would be below that of Metropolitan Large councils.

Metropolitan Small

Councils categorised as Metropolitan Small will typically have a residential population less than 100,000.

Other features which distinguish them from other metropolitan councils include:

- total operating revenue less than \$150M per annum.

While these councils may include some of the facilities and characteristics of both Metropolitan Large and Metropolitan Medium councils the overall sphere of economic influence, the scale of council operations and the extent of regional servicing would be below that of Metropolitan Medium councils.



Local Government Remuneration Tribunal

Major Regional City

Newcastle City Council and Wollongong City Councils are categorised as Major Regional City. These councils:

- are metropolitan in nature with major residential, commercial and industrial areas
- typically host government departments, major tertiary education and health facilities and incorporate high density commercial and residential development
- provide a full range of higher order services and activities along with arts, culture, recreation, sporting and entertainment facilities to service the wider community and broader region
- have significant transport and freight infrastructure servicing international markets, the capital city and regional areas
- have significant natural and man-made assets to support diverse economic activity, trade and future investment
- typically contain ventures which have a broader State and national focus which impact upon the operations of the council.

Major Strategic Area

Councils categorised as Major Strategic Area will have a minimum population of 300,000.

Other features may include:

- health services, tertiary education services and major regional airports which service the surrounding and wider regional community
- a full range of high-order services including business, office and retail uses with arts, culture, recreation and entertainment centres
- total operating revenue exceeding \$250M per annum
- significant visitor numbers to established tourism ventures and major events that attract state and national attention
- a proximity to Sydney which generates economic opportunities.

Currently, only Central Coast Council meets the criteria to be categorised as a Major Strategic Area. Its population, predicted population growth, and scale of the Council's operations warrant that it be differentiated from other non-metropolitan councils. Central Coast Council is also a significant contributor to the regional economy associated with proximity to and connections with Sydney and the Hunter Region.

Regional Strategic Area

Councils categorised as Regional Strategic Area are differentiated from councils in the Regional Centre category on the basis of their significant population and will typically have a residential population above 200,000.

Other features may include:

- health services, tertiary education services and major regional airports which service the surrounding and wider regional community
- a full range of high-order services including business, office and retail uses with arts, culture, recreation and entertainment centres
- total operating revenue exceeding \$250M per annum
- significant visitor numbers to established tourism ventures and major events that attract state and national attention
- a proximity to Sydney which generates economic opportunities.

Currently, only Lake Macquarie Council meets the criteria to be categorised as a Regional Strategic Area. Its population and overall scale of council operations will be greater than Regional Centre councils.



Local Government Remuneration Tribunal

Regional Centre

Councils categorised as Regional Centre will typically have a minimum residential population of 40,000. Other features may include:

- a large city or town providing a significant proportion of the region's housing and employment
- health services, tertiary education services and major regional airports which service the surrounding and wider regional community
- a full range of high-order services including business, office and retail uses with arts, culture, recreation and entertainment centres
- total operating revenue exceeding \$100M per annum
- the highest rates of population growth in regional NSW
- significant visitor numbers to established tourism ventures and major events that attract state and national attention
- a proximity to Sydney which generates economic opportunities.

Councils in the category of Regional Centre are often considered the geographic centre of the region providing services to their immediate and wider catchment communities.

Regional Rural

Councils categorised as Regional Rural will typically have a minimum residential population of 20,000. Other features may include:

- a large urban population existing alongside a traditional farming sector, and are surrounded by smaller towns and villages
- health services, tertiary education services and regional airports which service a regional community
- a broad range of industries including agricultural, educational, health, professional, government and retail services
- large visitor numbers to established tourism ventures and events.
- Councils in the category of Regional Rural provide a degree of regional servicing below that of a Regional Centre.

Rural

Councils categorised as Rural will typically have a residential population less than 20,000.

Other features may include:

- one or two significant townships combined with a considerable dispersed population spread over a large area and a long distance from a major regional centre
- a limited range of services, facilities and employment opportunities compared to Regional Rural councils
- local economies based on agricultural/resource industries.

County Councils - Water

County councils that provide water and/or sewerage functions with a joint approach in planning and installing large water reticulation and sewerage systems.

County Councils - Other

County councils that administer, control and eradicate declared noxious weeds as a specified Local Control Authority under the *Biosecurity Act 2015*.

ATTACHMENTS TO REPORT

Item 12.8

Draft Southern Highlands Destination Plan 2020-2030

Attachment 1

Draft Southern Highlands Destination Plan 2020-2030 - Exhibition Draft

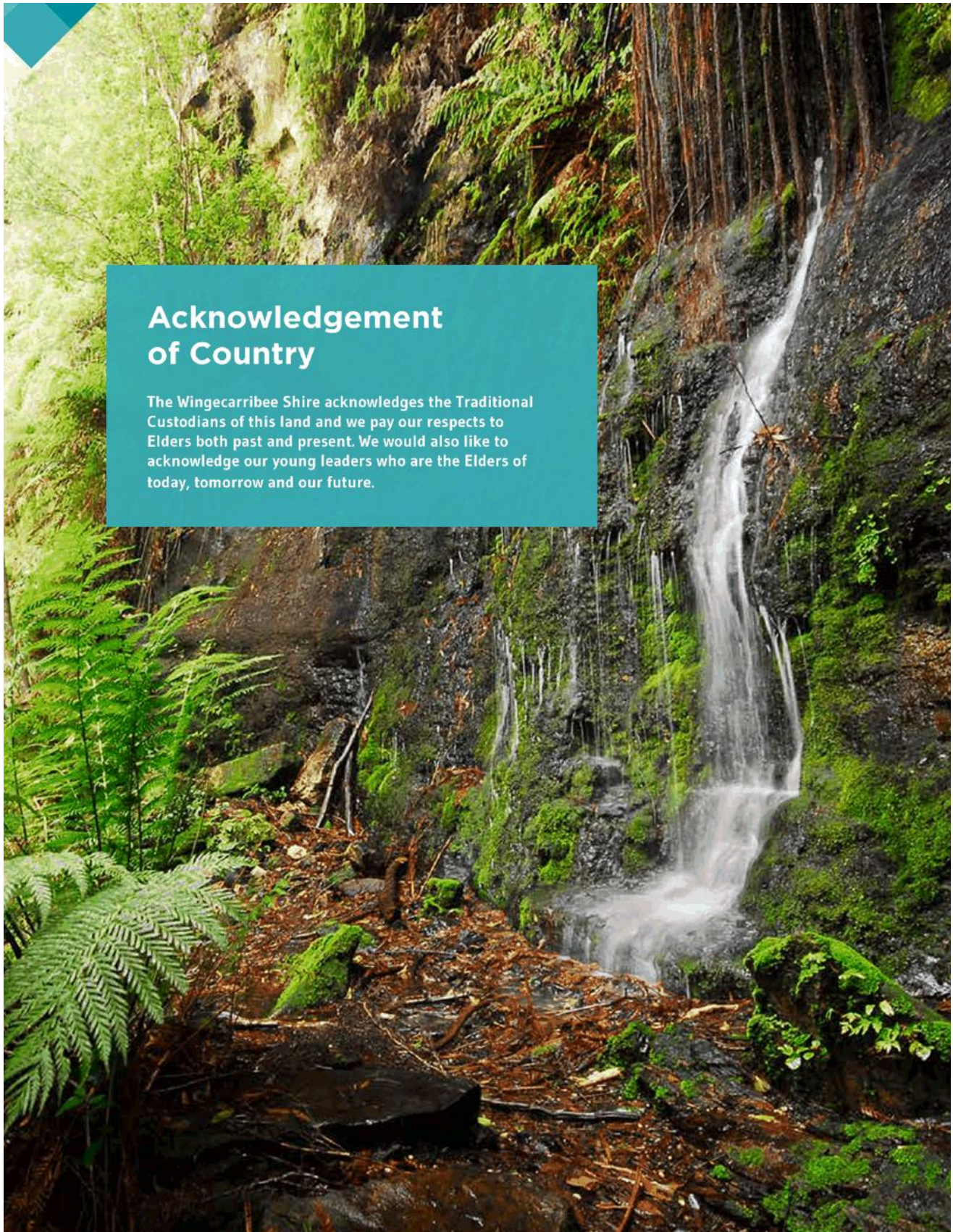
Attachment 2

Draft Southern Highlands Destination Plan 2020-2030 Background Report -
Exhibition Draft



DRAFT Southern Highlands Destination Plan 2020-2030





Acknowledgement of Country

The Wingecarribee Shire acknowledges the Traditional Custodians of this land and we pay our respects to Elders both past and present. We would also like to acknowledge our young leaders who are the Elders of today, tomorrow and our future.



Executive Summary

The Southern Highlands is a special place, sitting atop the Great Dividing Range, enjoying a cool climate with four distinct seasons, a natural landscape of gorges, waterfalls and rolling hills, our distinct towns and villages; and most importantly, our people.

Wingecarribee 2031 Community Strategic Plan, describes an area with thriving primary industries, a diverse and sustainable economy attracting (and retaining) people in the area. However, with no intervention, our region is on a path to a different type of future. By 2041, based on the current trajectory, half of the population is expected to be over the age of 55, which will mean fewer, diversified community groups, smaller schools, less choice in our local retail and quite specifically, a community that 'looks' very different to today.

However, 2041 is a long way off and we have time to adjust our course, to move towards a more desirable future. In order to achieve this, we must start today. We must start doing things differently.

The Southern Highlands Destination Plan 2020-2030 charts a new course towards a future we can be proud of - a future that protects our special place. This Plan is built on the foundation of four pillars: People, Place, Prosperity and Partnerships. This is how we will enact change.

We are fortunate that our region has numerous competitive advantages in our strategic location, pristine natural environment, local lifestyle and

amenity. There are significant opportunities in some traditional industries as well as some new and emerging sectors, including:

- Tourism and Attractions
- Agribusiness
- Equine
- Professional Business Services
- Creative Industries
- Healthcare
- Advanced Manufacturing
- Education

Through these combined opportunities, our region can create new jobs, which will attract young families to the area and help to rebalance our demographics into the future. As these jobs are created and new families move to the region, our economy will become more diverse, we will enable our local agriculture, equine and tourism industries to flourish and new industries to emerge. We will grow, protecting the unique character of our special place.

Changing the current course will not be easy; and direct, intentional and meaningful actions are required of Council. There are numerous challenges that we face, which we must overcome. On the strong foundation of our four pillars, the priority actions can effect change and we will achieve our desired future.



Figure 1.1. Southern Highlands Destination Plan

PILLAR	1. PEOPLE	2. PLACE	3. PROSPERITY	4. PARTNERSHIPS
GOAL	We will attract new jobs/residents and ensure we have the required local training	We will enable our towns and villages to strengthen as vibrant and active places respecting the heritage	We will focus on key industries that can add jobs and value to our economy	We will work with industry partners to deliver our new future
COUNCIL ROLE	<ul style="list-style-type: none"> • Leader • Partner • Supporter • Promoter 	<ul style="list-style-type: none"> • Leader • Provider • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Partner • Promoter
PRIORITY ACTIONS	<ul style="list-style-type: none"> • Encourage local training and workforce development outcomes • Create new jobs through promotion of the area for new and expanding businesses • Attract and support new residents 	<ul style="list-style-type: none"> • Conduct place activation initiatives in key towns • Support local events in towns and villages • Ensure local planning controls support investment and vibrancy of our towns and villages 	<ul style="list-style-type: none"> • Focus on key Industries: <ul style="list-style-type: none"> • Tourism and Attractions • Agribusiness • Equine • Professional Business Services • Creative Industries • Healthcare • Advanced Manufacturing • Education • Ensure efficient and transparent planning and development process for investors 	<ul style="list-style-type: none"> • Partner with industry to deliver key catalytic projects • Create a local environment that is conducive to economic and investment growth



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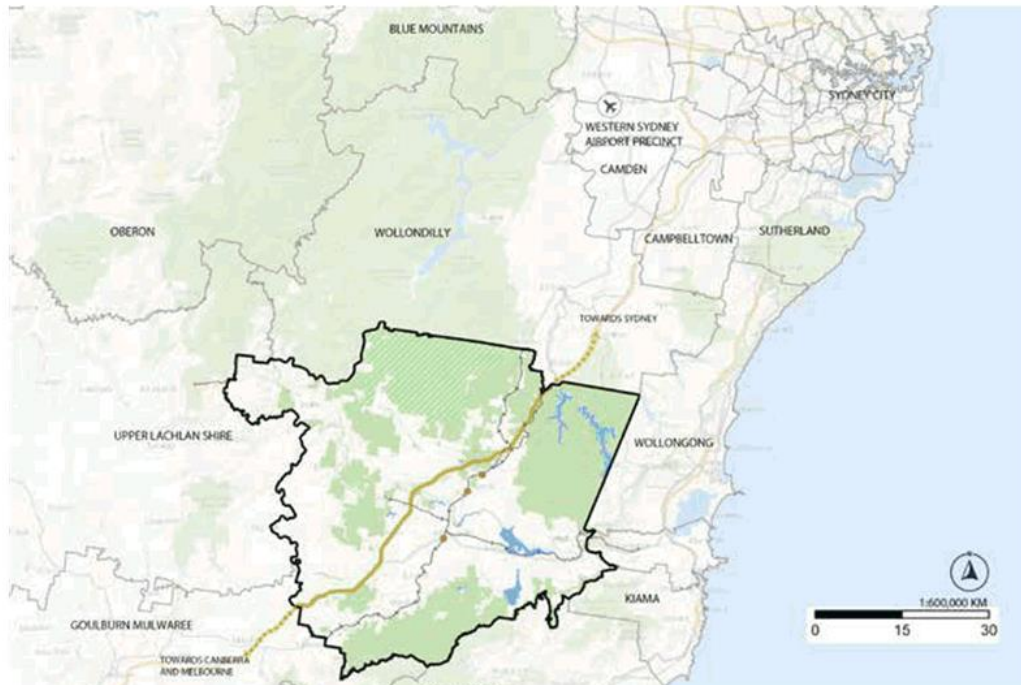
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1. Background

The Wingecarribee Shire (the Southern Highlands) is located 75 kilometres from the south-western fringe of Sydney and 110 kilometres from Sydney’s central business district (Figure 1.1). The Shire is predominantly rural in character with agricultural lands separating towns and villages, characterised by unique landscape and aesthetic appeal. Wingecarribee Shire Council (WSC) has until now had separate strategies for tourism and economic development.

Figurer 1.1: Wingecarribee Local Government Area (LGA)



Source: Wingecarribee Shire



While a common practice amongst local governments, there is a strong connection between tourism and economic development. Tourism, like other industry sectors has the opportunity to contribute to a vibrant and growing economy, so it is only rational that economic development and tourism be combined into a single Destination Plan. This whole of destination approach positions the Southern Highlands as an attractive investment destination; a place to live, work, learn, play and visit.

The main guiding document for this Plan is Council’s Community Strategic Plan, Wingecarribee 2031 (adopted June 2017); for which social justice and environmental sustainability are guiding principles. Council embraces the principle of sustainability defined as ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’ (Our Common Future, Brundtland 1987). Further, in February 2020, Council made a Climate Emergency Declaration. The declaration recognises the latest climate change science from the Intergovernmental Panel on Climate Change and the Australian Climate Council. Council is currently working on its Climate Emergency Action Plan in response to this declaration.

Our Community Vision (from the Community Strategic Plan):

In 2031 we will be... A healthy and productive community, learning and living in harmony, proud of our heritage and nurturing our environment.

To achieve this vision, Wingecarribee 2031 is structured around the themes of Leadership, People, Places, Environment and Economy. We want to maintain our rural landscape and the unique characteristics of our towns and villages. We want to protect and enrich our natural environment and ensure that a strong economy works in harmony with, and in support of, our community and environment.

This Destination Plan was developed to provide the blueprint to achieve the 2031 vision for the Wingecarribee economy over the next 10 years. Council recognises that only the private sector can create jobs, so Council will seek to influence future economic and tourism development by providing an environment that is conducive and supportive of future growth.

Destination plan development process



Bushfire Season 2019-20 and COVID-19 Pandemic

During the development of this plan, the Southern Highlands experienced one of the worst bushfire seasons on record and as the rebuilding process began the COVID-19 pandemic emerged.

The bushfires interrupted one of the business tourism periods for the region and the restrictions brought in by the Commonwealth and State Governments to manage the spread of COVID-19 caused further disruptions to all businesses in the region. The restrictions created an economic crisis that has impacted every business in some way

and many businesses (and industries) have been severely impacted.

The COVID-19 crisis will have a lasting effect on the Australian economy and society. It will likely become a defining element of the current generation, similar to the Great Depression or World War II.



2. About the Southern Highlands

Our current context and situation

The Southern Highlands is a well-known tourist destination with the three main towns - Moss Vale, Mittagong and Bowral, many villages - including Berrima, Robertson and Bundanoon; numerous wineries and natural beauty. At the same time, agriculture and a number of large-scale industries also contribute meaningfully to the local economy.

The region's proximity to Sydney combined with our emphatically rural lifestyle, also encourages a movement of residents from 'the City' to our countryside as well as hosting a large number of holiday homes for Sydney-based residents. Visitors to the Destination Southern Highlands website will know that... 'We're so close, yet world's away!'

An in-depth analysis of the Southern Highlands economy and its tourism sector provides a critical snapshot of the Southern Highlands, and identifies the key trends, projections, opportunities and challenges for our region over the next 10 years.

2.1 Strategic Location

The Southern Highlands is strategically located within an easy drive from Sydney, Canberra and Wollongong, and only an hour from the ocean (Figure 2.1). The region benefits greatly from having such a significant population of people so close that can act as visitors and/or consumers. The region is well connected via the Hume Highway, Illawarra Highway and the Main Southern Rail Line (even though some upgrades would improve accessibility).

The Southern Highlands sits atop the Great Dividing range, providing a cool climate with four distinct seasons. This geography also provides a natural landscape of gorges, waterfalls and rolling hills, which the area is renowned for.

The development of the Western Sydney Airport and Aerotropolis by 2026 will present a number of opportunities for the Southern Highlands, including tourism, with the potential to tap into a more lucrative international visitor market.

A detailed Background Report was completed that has formed the foundation for this Plan. The following pages are a summary of this Background Report.



Figure 2.1 Wingecarribee shire Strategic Location



Source: Wingecarribee Shire





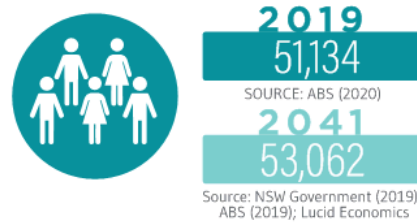
2.2 Regional Population and Demographics

Population growth in the Southern Highlands and the broader region has accelerated in recent years, though our rate of growth remains below the broader regional average and is expected to weaken out to the year 2041. By 2041, our region is expected to have a population of 53,062, an increase of 3.7% or almost 2,000 people.

Our population is older and ageing faster than the Sydney Metropolitan region and the State. Currently one in every three Southern Highlands residents is over the age of 55. On current trends, by 2041 one in every two people will be aged 55 years and older – i.e. half the population.

POPULATION

Population 2019-41 projected to add just 1,928 people (Average annual growth of 0.2%)



MEDIAN HOUSEHOLD INCOME

Sources: ABS (2017), ABS (2012), ABS (2007).



Unchecked, these trends will change the structure of the local economy, shifting expenditure patterns towards older residents who spend less than other age cohorts, and revealing the inadequacy of current housing types

An important measure for standard of living, median household income in the Southern Highlands has increased over time; however not as quickly as it has increased at the state level. It has also remained below Sydney Metropolitan and New South Wales levels, which is based on the structure of the local economy.

A significant challenge for the region is to maintain its current character and appeal, while at the same time manage future population growth and demographic mix



2.3 Economic Overview

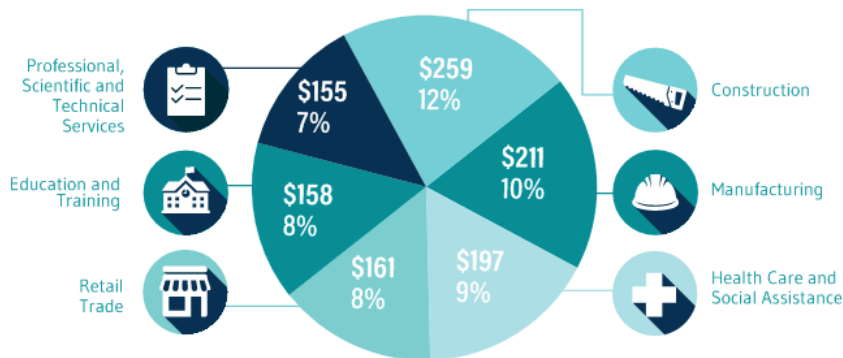
The Southern Highlands economy has grown broadly in line with the NSW average over the past 10 years, with Gross Regional Product (GRP) at \$2.9 billion in 2018-19, up 3.2% from the

previous year. However, growth in the Southern Highlands has been more volatile than the broader NSW economy, primarily due to our two largest industries, construction and manufacturing, which typically experience volatility. There has also been volatility in the agricultural industry.

TOP 6 INDUSTRIES

Source: NIEIR (2020)

ECONOMIC CONTRIBUTION 2019 (\$M)



The manufacturing industry in the Southern Highlands is significant and is proportionally 60% larger than it is at the State level. The sector is dominated by the Boral Cement Works and Komatsu as well as a handful of other large manufacturing businesses.

While it does not appear in the top six industry sectors by economic contribution or employment, agriculture is still an important industry for the Southern Highlands, where we enjoy high quality soils and ample water.

Local strengths in healthcare and education demonstrate that the Southern Highlands is a strong service hub for the broader region, providing services that are required by a large population. This is further supported by our relative strength in retail which, together with the Accommodation and Food Services industry sector, also demonstrates the strength of tourism in our area.



98.5%
 of all businesses
 are small business.
 (<20 employees)

Source: ABS (2020)

Like most local economies in Australia, the Southern Highlands economy is dominated by small businesses (98.6%). This is typical of our top four industries (by number of businesses) - construction, professional services, agriculture, and rental, hiring and real estate - where there are a number of individual traders and small businesses.

Our community greatly values its pristine rural environment and wants this lifestyle preserved, including farmlands and local agricultural production.



Currently, the region’s agricultural activities are based on beef and dairy cattle, horses, flowers and a wide variety of other smaller crops.

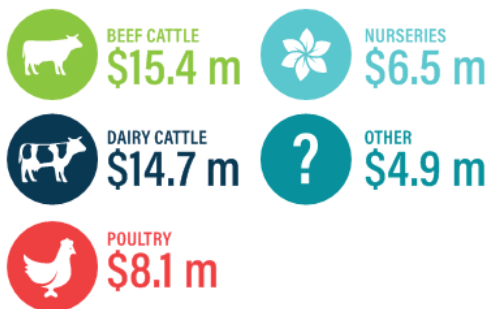
However, the region is dominated by small farms, reducing opportunities for economies of scale and making it increasingly difficult for local farms to remain profitable and viable.

We have already seen many small family farms converted to weekend retreats or hobby farms, which reduces their productive capacity and impairs their ability to generate economic outcomes for the region.

Development pressures are significant and include subdivision for residential and lifestyle purposes, for infrastructure, industry and agriculture.

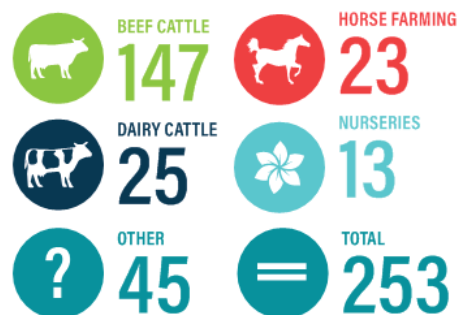
VALUE OF PRODUCTION

Source: ABS (2017)



NUMBER OF FARMS

Source: ABS (2017)



Local Strategic Planning Statement (LSPS)

The LSPS sets out the 20-year land use vision for our Shire and provides a long-term planning framework to meet the economic, housing, social and environmental needs of our community.

The Statement builds on the community’s priorities outlined in the Community Strategic Plan and Local Planning Strategy to outline how our Shire will continue to evolve in a way that protects our local character, natural areas and rural landscapes in accordance with our community’s expectations.

There are six key land use themes, including our environment and sustainability, our rural lands, our economy, our housing, our infrastructure and our place. Each land use theme includes a set of planning priorities and actions to achieve the community’s vision for the Wingecarribee.

The Destination Plan aligns to the LSPS and effects an implementation plan for many elements highlighted in the Economy section, supporting others as well.



The industry make-up of the Southern Highlands has undergone significant change over the decade to 2019. The public sector is a key employer in the region, with the Healthcare and Social Assistance, and Education and Training industries two of the six leading employers in 2019.

Tourism is also a key employer in the region, with Retail Trade together with Accommodation and Food Services providing almost a quarter of total employment. It is the seventh largest employment sector behind manufacturing and ahead of Professional Services.

The region’s manufacturing industry has been in decline, employing fewer and fewer people. Though consistent with state and national trends, this

decline has had a relatively lower impact on the Southern Highlands than many other regions.

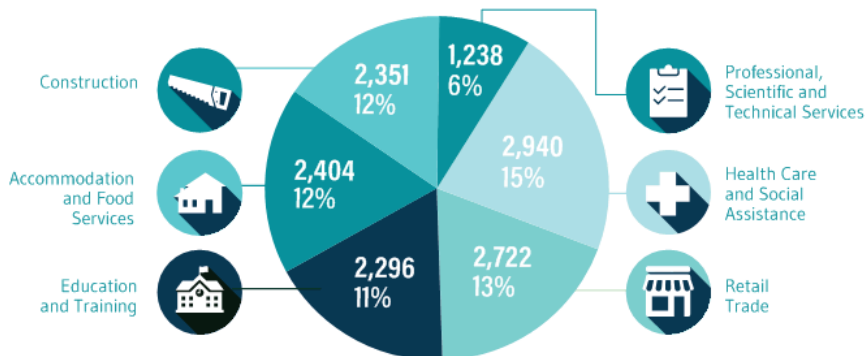
Almost 3,000 more Southern Highlands residents are employed than there are jobs in the Shire, which means that some residents have to look outside the region for work. That some of our residents choose to travel to get to work if it means they can live in the region, is indicative of our high quality of life.

This is further supported by the fact that Southern Highlands residents who work outside of the Shire tend to work in neighbouring regions. Conversely, most of the local jobs in the Southern Highlands that are not filled by residents are occupied by residents from neighbouring shires.

TOP 6 EMPLOYMENT SECTORS

Source: NIEIR (2020)

EMPLOYMENT 2019







2.4 Housing Affordability

The Southern Highlands’ median house price is by far the highest amongst the broader region, over \$100,000 more than the next highest shire in the region (Wollondilly, median of \$665,000).

Locals value the Shire for its country lifestyle, characterised by a pristine landscape, natural beauty, ‘urban villages’, and sense of both space and community, and all of this so close to Australia’s biggest metropolis.

The relatively high median house price demonstrates the attractiveness of the area for people choosing to trade a rural lifestyle over an urban one; often moving out of Sydney and thereby capitalising on relatively high housing prices to afford a lifestyle in the beautiful Southern Highlands.

This is juxtaposed by typically low-wage industries dominant in the region (for example, tourism-related businesses), meaning that residents experience a higher cost of living than might be expected ordinarily in regional NSW.

MEDIAN HOUSE PRICE

JUNE 2019



Source: FACS (2020)

The pressure on housing affordability needs to be balanced with maintaining the country lifestyle that is precisely what creates the demand for housing, thereby pushing up house prices.

Wingecarribee Local Housing Strategy – Housing our Community

This Strategy provides a long-term planning framework to meet the housing needs of our community. The Strategy will guide the decisions that Council, the private sector and our community will make to deliver new living areas and a greater diversity of housing types to accommodate our growing population and changing demographics.

The Strategy has a number of specific objectives:

- Ensure that our housing stock meets the needs of our community, both now and into the future
- Ensure that our residents have equity in access to housing, services and infrastructure
- Ensure population growth is managed in a manner which endorses and promotes community values
- Ensure new living areas enhance lifestyle quality and choice for our residents

- Promote sustainable communities that build on and utilise existing services and infrastructure
- Provide greater certainty to the community, development industry and Council in the location of new development areas to facilitate informed investment decisions.

Housing affordability is an issue in the community. Increasing the local supply of housing and providing a range of different types of housing (e.g. detached dwelling, medium density, etc.) will assist in making the area more affordable and accessible for a range of young families. Additionally, many businesses have highlighted issues accessing local labour markets, so increasing the housing supply could also bring new workers to the area.

Ensuring that the local population can expand (by accessing increased housing) is important for the future economic development of the Shire, because creating local jobs without the ability to attract a young family to fulfill that job will not be creating local value and will not address local weaknesses in the demography.



2.5 Tourism Overview

The Southern Highlands attracted almost 2.1 million visitors in the year ending December 2019, which is similar to the number of visitors to Byron Bay. Most tourists are day-trippers (70% of total visitation in 2019), predominantly from Sydney and other parts of New South Wales.

Most people visit our region for holiday and leisure purposes or to visit friends and relatives. While all visitor types have grown strongly since 2014, holiday and business visitors to the region

have more than doubled over the past five years. Estimated total visitor expenditure in the Southern Highlands region was \$362 million in the year ending December 2019, making an important contribution to the local visitor economy.

Many visitors are attracted to the region for special events such as Tulip Time, Pie Time, Brigadoon, Bong Bong Picnic Races and Bowral Classic; but most engaged in just relaxing, either in a local café or restaurant or through enjoying the copious amount of natural attractions and experiences the region has to offer.

TOURISM

YE December 2019



OVER 2 MILLION VISITORS



OVER 1.5 MILLION VISITOR NIGHTS



\$362 MILLION IN VISITOR EXPENDITURE

Source: TRA (2020); Lucid Economics

TOURISM CONTRIBUTION



8% TO GROSS REGIONAL PRODUCT



10% TO LOCAL EMPLOYMENT

Source: Lucid Economics; NIEIR (2020)

ACCOMMODATION



875 COMMERCIAL ACCOMMODATION ROOMS

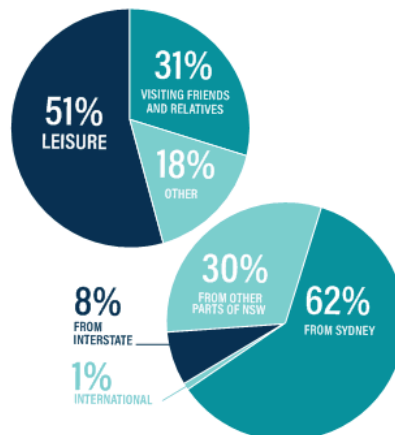


763 AIRBNB LISTINGS

Source: Tripadvisor (2020); Booking.com (2020); AirDNA (2020)

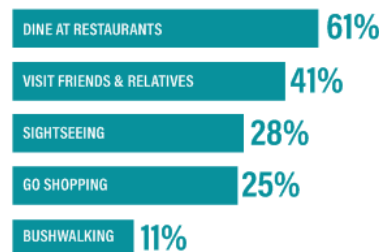
VISITORS

Source: TRA (2020)



TOP VISITOR ACTIVITIES

(% of visitors participating)



Source: TRA (2020)



3. Determining Our Future

We can determine our own future destiny

There are a number of key characteristics and trends that are currently taking place, which can, and will, determine the future make-up and nature of the Southern Highlands community.

If these trends continue unchecked, the Southern Highlands will become a very different region to the place we love and treasure today.

Our ageing demographic will change the make-up of our community. Beyond the simple fact of people getting older, current projections show a large increase in older people and an actual decline in younger people. There will simply be fewer young families here and more older people.

Our schools and many community organisations will shrink. The retail offering we currently enjoy may change dramatically as local expenditure reduces greatly.

Furthermore, our economy is likely to become more and more dependent upon tourism, leaving us more exposed to seasonal variations, competition from cheap overseas destinations and a potential lack of mid-week visitation. As such, our business community will become very dependent on weekend trade and will be vulnerable to any shocks (i.e. economic, bushfires, pandemics, etc.).

The look and feel of the region will change, as more and more family farms are sold off to become weekend homes or hobby farms. The country feel of the area will change. Housing affordability will become worse as the community becomes more elitist. The community will begin to shift, creating a significant divide between

those generally older residents that can afford to purchase and live in the area, and those younger residents who simply cannot leave and wind up serving the older residents in the cafes and restaurants.

But it does not have to be that way. We have another option. We can focus on and embrace our region’s strengths, protecting what makes the area special, while still driving economic growth and vitality in a sustainable and resilient manner. We have opportunities that we can pursue over the next ten years that will change our current course towards the expected future (Figure 3.1).

This Southern Highlands Destination Plan 2020-2030 provides a 10 year roadmap for the journey to the Desired Future of 2041. In order to achieve this alternate future, we must change course today, and this Destination Plan outlines the actions that are required. It is about establishing a strong foundation for action and creating an environment that is going to be conducive to sustainable economic and tourism growth in our special place.

Key Characteristics and Trends

- The Southern Highlands’ population is ageing rapidly
- Tourism is growing rapidly
- Conversion of local farming land to ‘unproductive’ luxury weekenders
- A significant manufacturing industry that is concentrated across a handful of businesses
- Unaffordable housing, driving up the local cost of living
- Potential conflict with development and unique character of the area



Figure 3.1. Our Expected 2041 versus the Desired Future 2041



Source: Lucid Economics



4. Competitive Position

What do we have to work with? What areas are going to generate jobs?

The regional economic analysis and broad stakeholder engagement helped us to map out a way to our Desired Future 2041 for the Southern Highlands, based on our region's key economic strengths, challenges and opportunities. The Background Report associated with this Plan provides the detailed economic analysis that is the basis for this Plan. This information and data were then also 'ground truthed' and refined through engagement with stakeholders.





4.1 Our Strengths

The Southern Highlands has a number of key economic strengths:

- **Strategic location:** the Southern Highlands region provides proximity to Sydney, Canberra, Wollongong and the new Western Sydney Airport and Aerotropolis. The area has good transport access in and out of the region through the Hume and Illawarra Highways and fixed rail.
- **Natural beauty:** the Southern Highlands provides a pristine natural environment with numerous vistas, gorges, waterfalls and a picturesque rural landscape experiencing four distinct seasons.
- **Local lifestyle and amenity:** our towns and villages all have their own distinct character, heritage and unique features. Our lifestyle is relaxed with a rural feel, but provides all the creature comforts of the city. We have good schools, hospitals, allied health professionals; and other services that we need.
- **Strong local agriculture and equine industry:** we have a strong tradition in agriculture and while today our agriculture sector is predominantly beef cattle, dairy cattle and horse properties, we grow a wide range of fresh produce. Our vineyards benefit greatly from our cool climate, allowing production of unique wines that are appreciated across the country and world.
- **Strong tourism sector:** we are a recognised tourist destination, receiving over 2 million visitors per year who are attracted to our wineries, our towns and our landscapes. We have a strong brand and we are busy almost every weekend, with these visitors injecting \$362 million into our local visitor economy.
- **Existing strengths across variety of industries:** we also have a number of sectors that make an important existing contribution to the economy, with potential for growth, including:
 - Advanced manufacturing
 - Healthcare
 - Professional business services
 - Creative industries

- **Southern Highlands Innovation Park:** provides a unique opportunity for large scale industrial development conveniently close to Sydney, and good distribution to most of the country. The Moss Vale Enterprise Corridor (MVEC) and adjacent industrial zoned land total 1,023 hectares, with a vacant area of 652 hectares. Together, this industrial area will be referred to ongoing as the Southern Highlands Innovation Park (SHIP)
- **Extractive resources:** the Southern Highlands has a range of extractive resources.

"This is a great place for manufacturing, we are so centrally located that we can reach 2/3 of Australian population within 10 hours."

"We're an hour from anywhere you could ever want to be."

"We are fully booked, nearly every weekend."

"The value of our farms is over and above just what they produce, it's the ambience the farms contribute to the area, it's why people want to come here."

"It's just so beautiful here, it's like waking up every day in paradise."

"There is so much art and culture here."



4.2 Our Challenges

The Southern Highlands has a number of key challenges:

- **Council planning:** based on historical planning decisions, there is a perception that the Shire is ‘closed for business’ and investment.
- **Lack of local jobs and training opportunities:** there are not enough local jobs, particularly non-tourism and high paying jobs. At the same time, there is a lack of quality and skilled labour locally and insufficient local training opportunities for existing staff and local residents.
- **Affordability:** the region has a very high cost of living and housing, which is compounded by relatively low wages locally. There is also anecdotal evidence of very high retail and commercial rents. There is a widening gap between the advantaged and disadvantaged.
- **Utilities and transport infrastructure:** the region has a number of mobile phone and internet blackspots and other areas with insufficient power infrastructure. There are issues with inter-regional transport and connectivity and wastewater treatment will become a barrier to growth in the near future.
- **Relatively small-scale nature of agriculture:** most farms are relatively small, which makes it difficult to generate economies of scale and maintain sufficient levels of profitability; putting added pressure on older farmers to simply sell the land to someone interested in a weekend home or hobby farm. The region has lost a lot of its agricultural production due to this transition.
- **Lack of mid-week visitation:** there is a lack of mid-week visitation and most weekends are full, creating traffic issues and a sense of crowding, which works against the regional brand.
- **Low level of international visitors:** the region currently receives less than 2% of total visitation from international visitors and very few local tourism businesses are prepared for international markets and wholesalers.
- **Lack of visitor activities and experiences:** there is a lack of commissionable tourism product in the region and the existing offering is not very sophisticated (i.e. mobile and online engagement, international market ready, etc.).

- **Lack of awareness of the brand:** there is a lack of awareness regarding the full extent of visitor activities available in the region and the regional brand/identity is not clear enough. While the tourism destination Southern Highlands has an existing brand, the value of this brand does not spread across the entire region and other facets of the economy.
- **Lack of purpose built function space:** while weddings and other celebrations are on the rise, there is a lack of a multi-purpose function space capable of hosting up to 1,000 visitors, which limits the opportunity for business events and performing arts.

“We have a TAFE campus, we have a university campus, but somehow there is no training available.”

“There is a growing divide between the ‘haves’ and ‘have nots’. A lot of people don’t see it, but it’s there.”

“We need more local jobs.”

“Our internet connection is woeful, it’s a joke, it’s like we are on a dial up connection.”

“All of our farms are small, we need to get everyone working together to build some scale.”

“Our existing tourism operators are just not ready for the international market. Some businesses don’t even open up for current visitors.”

“Events and weddings are a huge opportunity for us, but we don’t have any facilities that can host large events.”

“We need to protect our existing farms by allowing them to succeed, so they don’t become someone’s weekend home.”



4.3 Our Opportunities

Based on the region's competitive advantages and input from stakeholders, the following future opportunities have been identified (Table 4.1).

Table 4.1. Future Economic Opportunities, Southern Highlands

Industry	Description	Considerations
Tourism and Attractions	<ul style="list-style-type: none"> • Agritourism - farm stays, farm tours, events, café/restaurant • Events - more events embracing local food, wine, arts culture and heritage; business events and weddings • Nature-based experiences - eco tourism and accommodation, hiking, mountain biking, adventure tourism etc. • Wellness - health and wellbeing experiences and services • Internationalisation of tourism product - getting existing products and experiences international ready • Additional marketing and promotion - increased targeted marketing to drive demand 	<ul style="list-style-type: none"> • Proximity to Sydney region (source market) • Adjacent to National Parks and State Forests • Proximity to new Western Sydney Airport and Aerotropolis, improving access to international visitors and export markets • Strong existing brand/reputation • Local wineries, restaurants, cafes and associated amenity
Agribusiness	<ul style="list-style-type: none"> • More intensive agriculture - intensive crop growing and production, nurseries • High value, niche production - more high value and niche products, capable of commanding a higher price and supporting lower levels of production • Value-adding processing - increased products from local production • Southern Highlands produce 'brand' • Agritourism - farm stays, farm tours, events, café/restaurant • Food and beverage production - wine, spirits, beer production as well as various food products utilising local production • Wildlife protection 	<ul style="list-style-type: none"> • Strong local agricultural sector • Existing supply chain linkages • Proximity to large consumer markets of Sydney, Canberra and Wollongong • Existing brand • Tap into global interest in meeting the maker/producer • Contribution to Australian food security • Strong existing tourism market • Reliable climate and soil conditions • Strong local interest in creating a regional native animal medical treatment centre



Industry	Description	Considerations
Equine	<ul style="list-style-type: none"> Expansion of local equine industry and events 	<ul style="list-style-type: none"> Strong existing local sector Existing supply chain linkages Displacement of equine industry from other areas Availability of rural land Proximity to Sydney Region Access to national and international transport routes
Professional Business Services	<ul style="list-style-type: none"> Range of professional business services - legal, accounting, insurance, financial advisory, IT, etc. 	<ul style="list-style-type: none"> Strong existing local sector Proximity to Sydney Attractiveness of region
Creative Industries	<ul style="list-style-type: none"> Arts and culture - range of performance and visual arts, theatre, etc. Professional creatives - architects, graphic designers and other professional, media and other professional creatives 	<ul style="list-style-type: none"> Attractiveness of the region Strong existing arts and culture sector Proximity to Sydney Resident artist population, many of national and international renown
Healthcare	<ul style="list-style-type: none"> Aged care and retirement village Ageing in place 	<ul style="list-style-type: none"> Ageing population Attractiveness of the region Existing medical services Proximity to Sydney A healthy environment
Advanced Manufacturing	<ul style="list-style-type: none"> Renewable metals/materials/recycling/waste to energy Building components and construction materials Food and food product manufacturing Defence Other advanced manufacturing and processing 	<ul style="list-style-type: none"> Southern Highlands Innovation Park Proximity and access to large Australian populations Access to Hume and Illawarra Highways Access to Main Southern Railway Direct rail connection to Port Kembla
Education	<ul style="list-style-type: none"> Local and specialised education and training opportunities 	<ul style="list-style-type: none"> Seven high schools, including boarding TAFE and University of Wollongong campus Strong U3A membership Commitment to lifelong learning

Source: Lucid Economics



4.4 Key Catalytic Projects

Through the analysis and engagement with stakeholders, a number of catalytic projects were identified:

- Agribusiness Hub
- Equine Centre of Excellence
- Local Education Precinct
- Multi-purpose Function Centre
- Southern Highlands Innovation Park Infrastructure

These projects have the ability to significantly enhance local business capability and to encourage economic growth, both in terms of attracting new investment and jobs as well as supporting the expansion of local businesses. These projects are highlighted in the table below (Table 4.2).

Table 4.2. Key Catalytic Projects

Industry	Description
Agribusiness Hub	The region has a large number of smaller farms, which combined would create greater scale and capability. The development of a central hub that could be used by many local growers to value-add their production would provide immense value to the local industry and assist in ensuring the industry’s financial future. Beyond the processing and value-adding capability, the hub may allow for aggregation of products under a single brand, which could provide opportunities in Sydney and other domestic markets, and potentially overseas.
Equine Centre of Excellence	Southern Highlands is optimally positioned to become the equine centre for NSW (or Southern hemisphere). The equine industry is currently looking for a national centre and the Racing NSW Strategic Plan identifies the Southern Highlands as a site for an equine centre of excellence. Many equine farms elsewhere are being forced to relocate due to encroachment from residential and other urban development and mining activities; which creates further potential growth for the Southern Highlands.
Local Education Precinct	Many of the region’s key industries have difficulty accessing staff with the skills and training they need and at the same time the local TAFE and University campuses are underutilised. Repurposing the local TAFE building and establishing a training precinct to deliver a wide range of skills and training the region needs is a fundamental opportunity to support local business growth.
Multi-purpose Function Centre	The Southern Highlands community has identified performing arts and events as a key avenue to bolster the region’s tourism industry and attract more people to come and visit. However, the region lacks a large, multi-purpose function centre that would be capable of hosting larger corporate events, conferences/exhibitions, entertainment, celebrations, performing arts, etc.
Southern Highlands Innovation Park Infrastructure	The Southern Highlands Innovation Park (SHIP) was identified as a local competitive advantage. During consultation, stakeholders identified that there is a range of infrastructure issues in the area, including a lack of internet connectivity, water/ wastewater, power and transport infrastructure. Additionally, it was noted that the current infrastructure charging regime is very expensive and becomes cost prohibitive for large-scale industrial developments. Increasing the local infrastructure provision will increase the attractiveness of the area for industrial investment.

Source: Lucid Economics



5. Destination Plan

How are we going to get to our Desired Future 2041?

Wingecarribee Shire Council Bushfire and COVID-19 Response and Recovery

This plan provides a long-term vision and a framework to achieve this vision over time. Given the bushfire and COVID-19 crisis, the immediate requirement focuses on recovery from these adverse events.

Council has engaged in a number of economic response and recovery initiatives for both the bushfire recovery effort and to deal with the COVID-19 crisis. Many elements of this plan can further support the recovery process and aid in building greater resilience to future economic shocks from natural disasters or other adverse events such as a pandemic.

5.1 Role of Council

Wingecarribee Shire Council has a responsibility to address economic, social, environmental, cultural, civic leadership and land use issues in an integrated manner. The work of state and federal government provides the legislative frameworks and financial resources within which local authorities operate. We have control over our core business including statutory responsibility, service provision and management of facilities, buildings and other assets. We can influence in areas of partial or shared responsibility; and have concern for a wide range of issues which involve us as educators and advocates.

The following roles of the Council have been highlighted in our Community Strategic Plan and they have been confirmed through the consultation conducted for this Plan. These roles include:

- **Leader:** Strategic planning and direction through policy and practices; providing an environment conducive to economic and tourism growth; encouraging private industry to invest, grow and create new jobs
- **Provider:** Council provides essential services, facilities, buildings and other assets which contribute to Council's whole-of-council approach to economic sustainability. Council is also a major provider of local jobs
- **Regulator:** Responsible for planning and development approval and services; including inspections, licensing, certification and enforcement in the interests of community health and safety and the environment
- **Partner:** Creating governance structures, partnerships and forums to foster opportunities for collaboration with community, private and government organisations, business and industry
- **Supporter:** Education, communication, advocacy and lobbying for and on behalf of the community and places Council represents
- **Promoter:** The Southern Highlands attracts investors and is a great place to live, work, learn, play and visit.



5.2 Future Vision

The aspiration for the Southern Highlands economy theme is defined in the Council’s Strategic Community Plan 2031 as follows:

Our Economy In 2031...

We harness the economic potential of the area by building on the intrinsic advantages of the Shire. Our primary industries are thriving through the protection of good quality agricultural land, water and the environment. We broaden our economic base to provide a variety of jobs locally while embracing and capitalising on technological

advancements. Our sustainable economy attracts and retains people to live and work in the area.

We encourage creativity and innovation in the expansion of ‘clean’ industries in the Shire. Local training and development opportunities are tailored to complement the skillsets required by current and future local employers.

This vision further supports the Desired Future 2041 described above and sets the scene for the changes that are required between 2020 and 2030 in order to reach the Desired Future 2041.

The Destination Plan sets the foundation for Council’s actions over the next 10 years and will start to facilitate change over the short-term.

5.3 Destination Plan Overview

In order to provide a wholistic approach to economic and tourism development in the Southern Highlands, to achieve the vision and progress towards the Desired Future 2041, this Destination Plan has its foundation on the four pillars of People, Place, Prosperity and Partnerships (Figure 5.1).

Figure 5.1. Foundation Pillars, Southern Highlands Destination Plan



Source: Lucid Economics



Figure 5.2. Southern Highlands Destination Plan

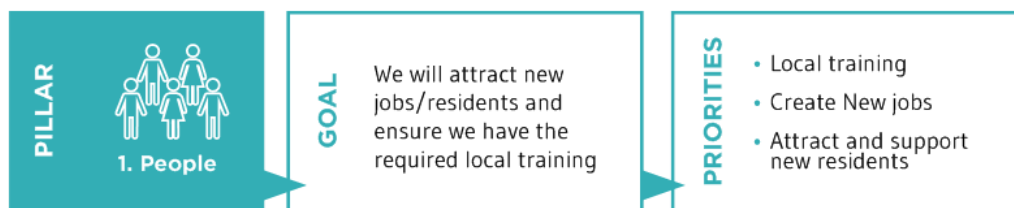
PILLAR	1. PEOPLE	2. PLACE	3. PROSPERITY	4. PARTNERSHIPS
GOAL	We will attract new jobs/residents and ensure we have the required local training	We will enable our towns and villages to strengthen as vibrant and active places respecting the heritage	We will focus on key industries that can add jobs and value to our economy	We will work with industry partners to deliver our new future
COUNCIL ROLE	<ul style="list-style-type: none"> • Leader • Partner • Supporter • Promoter 	<ul style="list-style-type: none"> • Leader • Provider • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Regulator • Promoter 	<ul style="list-style-type: none"> • Leader • Partner • Promoter
PRIORITY ACTIONS	<ul style="list-style-type: none"> • Encourage local training and workforce development outcomes • Create new jobs through promotion of the area for new and expanding businesses • Attract and support new residents 	<ul style="list-style-type: none"> • Conduct place activation initiatives in key towns • Support local events in towns and villages • Ensure local planning controls support investment and vibrancy of our towns and villages 	<ul style="list-style-type: none"> • Focus on key Industries: <ul style="list-style-type: none"> • Tourism and Attractions • Agribusiness • Equine • Professional Business Services • Creative Industries • Healthcare • Advanced Manufacturing • Education • Ensure efficient and transparent planning and development process for investors 	<ul style="list-style-type: none"> • Partner with industry to deliver key catalytic projects • Create a local environment that is conducive to economic and investment growth

Source: Lucid Economics



5.4 Destination Plan Detail

PRIORITY ACTIVITIES - PEOPLE



1.1. Local Training

- 1.1.1. Work with local industry leaders to identify courses that will provide the professional and VET skills the region needs
- 1.1.2. Investigate options to establish an Education Precinct (e.g. at the Moss Vale TAFE campus) to deliver local training courses critical to the regional economy

1.2. Create new jobs

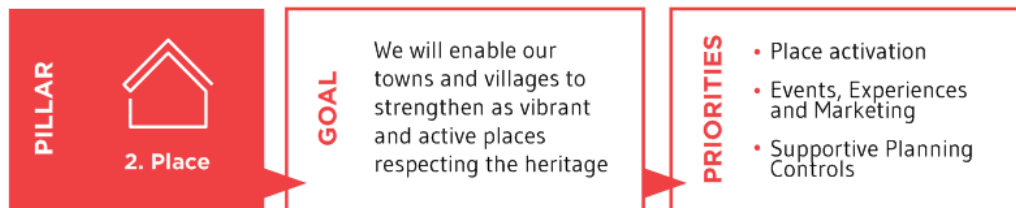
- 1.2.1. Broaden and promote a range of business opportunities across the identified key industries
- 1.2.2. Promote the Southern Highlands as a business destination

1.3. Attract and support new residents

- 1.3.1. Promote the Southern Highlands as a place to live and work, attracting working age population and encouraging young families to relocate to the region
- 1.3.2. Provide opportunities for young people
- 1.3.3. Develop new mechanisms to connect new residents settling in the region with the 'Welcome to the Southern Highlands' program (including broadening promotion of the program)



PRIORITY ACTIVITIES - PLACE



2.1. Place Activation

- 2.1.1. Identify and promote the commercial corridor of Mittagong, Bowral and Moss Vale as the Greater Southern Highlands Commercial Business District
- 2.1.2. Engage meaningfully with key towns and villages to develop local committees and place activation initiatives that reflect the unique character, history and culture of each town; maintaining ‘the green between’
- 2.1.3. Work with the State and Federal Governments to secure funding for key enabling infrastructure across the Shire

2.2. Events, Experiences and Marketing

- 2.2.1. Work with community organisations and towns to develop additional local events that can attract visitors
- 2.2.2. Ensure the permit process for events is clear, transparent and very efficient, in order to support the development and operations of additional events
- 2.2.3. Work with community, local owners and government to establish unique attractions and experiences in the Southern Highlands
- 2.2.4. Conduct on-going, targeted destination marketing in conjunction with various partners

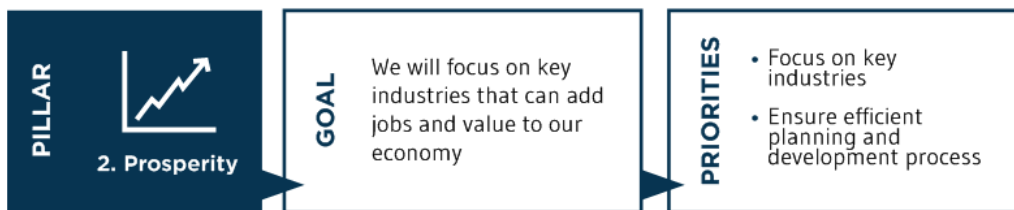
2.3. Supportive Local Planning Controls

- 2.3.1. Review Council’s planning controls to provide a balance between allowing for appropriate tourism development, affordable housing, profitable primary production, and preserving the highly valued Southern Highlands rural lifestyle
- 2.3.2. Ensure that planning controls are adhered to and developments that can contribute positively to the economy, in a manner that is respectful to the character of the area, can proceed





PRIORITY ACTIVITIES - PROSPERITY



3.1. Focus on key industries

- 3.1.1. Continue to provide a high level of concierge and visitor servicing through the Welcome Centre and other avenues
- 3.1.2. Continue to engage with key stakeholder and industry groups and individual businesses
- 3.1.3. Maintain regular communication and engagement with key businesses and industries to identify opportunities to support local industry development
- 3.1.4. Support and facilitate local partnerships with industry, businesses and the Council, State and Federal Governments
- 3.1.5. Review Council’s procurement processes and identify ways to maximise expenditure with local businesses
- 3.1.6. Review Council land holdings and assets to identify opportunities to encourage key industries to grow

3.2. Ensure efficient planning and development process

- 3.2.1. Ensure the planning framework facilitates new and innovative business opportunities through providing flexibility across rural lands to allow appropriate ancillary activities to primary production as well as flexibility in other zonings to encourage and facilitate development
- 3.2.2. Create a priority development approval process for projects that create local employment, which proponents have access to:
 - Case manager from Council (concierge)
 - Information regarding the process to ensure it is clear and transparent
 - Fast track development assessment process



PRIORITY ACTIVITIES - PARTNERSHIPS



Forging Partnerships

Council recognises that it can only seek to influence future economic development by providing an environment and facilitating processes that are conducive to future growth. It is the private sector and industry that must grow in order to create new jobs and attract future business and investment. As such, the Council will partner with industry to deliver key catalytic projects that not only provide economic value and jobs directly, but those that can create a stimulus for further growth, investment and jobs.

Council will partner with industry through sourcing of government grants to support the advancement of the following Key Catalytic Projects. (Also at Table 4.2)

Some of these projects are currently well advanced in their planning, while others are just beginning. It is imperative that industry champion these projects and be responsible for their completion. Council will support these efforts through various funding contributions and source grants; however, the industry will drive these projects forward.

For each project, Council must investigate the most suitable model to partner with industry and all tiers of government.

4.1. Partner with industry to deliver key initiatives

4.1.1. Partner with local industry to deliver key catalytic projects:

- Agribusiness Hub
- Equine Centre of Excellence
- Local Education Precinct
- Multi-purpose Function Centre
- Southern Highlands Innovation Park Infrastructure

4.2. Create a conducive local environment

4.2.1. Ensure alignment across Council of strategic planning, statutory planning, economic development, community development and other Council services to support economic growth and success of the Plan



6. Measuring Progress

How can we be sure we are changing and progressing towards our goals?

We are seeking the Desired Future 2041 and will need to track progress towards this goal over the next 10 years. We need to change direction and change now. As such, the Destination Plan will be implemented on an annual basis through an action plan that is based on the structure above. To ensure progress towards our goals, we will track the following metrics on an annual basis:

- Place – use a community wellbeing monitoring tool to track the health of our places
- People – monitoring of population growth and employment
- Prosperity – tracking of industry contribution to Gross Regional Product as well as major industry developments
- Partnerships – monitoring of annual milestones with key catalytic and other projects.

At the same time, it will be important to recognise that Council can only control outcomes that are related directly to its role in economic development. Council does not control business decisions to invest or expand. As such, it will be important to measure Council’s achievement of its annual action plan and recognise that while Council is not solely responsible for the metrics outlined above, its actions should support and contribute to the growth across these metrics.

The Destination Plan Actions complement those outlined in the Local Strategic Planning Statement, and will also be monitored through the organisation’s annual reporting process outlined below.

Council’s Integrated Planning and Reporting framework strategically links Council plans and policies to the aspirations of the community articulated in the Community Strategic Plan (CSP), Wingecarribee 2031. The CSP is supported by a four year Delivery Program (DP) that outlines the actions Council will undertake to achieve the goals of the CSP. A one year Operational Plan (OP) specifically details the activities to be performed in that financial year and the budget for doing so. Council’s annual achievements are outlined within each of the key themes of the CSP – Leadership, People, Places, Environment and Economy – and the relevant DP and OP strategies are reported on in Council’s annual report.



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Appendix A: Review of Plans and Strategies

The following documents were reviewed and included in the development process of this Plan:

- Wingecarribee 2031 Community Strategic Plan (2017)
- Wingecarribee Draft Local Strategic Planning Statement (2020)
- Wingecarribee Draft Housing Strategy (2020)
- Wingecarribee Regional Economic Development Strategy 2018-2022
- Wingecarribee Arts and Culture Strategic Plan 2015-2031
- Southern Highlands Tourism Strategy 2012-2016
- NSW 20 year Regional Economic Vision (2018)
- South East and Tablelands Regional Plan 2036 (2017)
- NSW Government Statewide Destination Management Plan (2019)
- Destination Sydney Surrounds South Destination Management Plan 2018-2022
- Economic Opportunities and Infrastructure Review - Wingecarribee LGA, prepared by Cardno for Illawarra First
- The Big Movers: Understanding Population Mobility in Regional Australia, Regional Australia Institute (2020)



Appendix B: Consultation and Engagement

On completion of the Background Report, it was essential to present key findings to key stakeholders to ‘ground-truth’ the findings in lived experience within the Southern Highlands. In preference to larger presentation formats, a series of engagement forums were devised which created an environment conducive to interactive discussion. Seven two-hour forums were conducted in February 2020 with representatives from key industry sectors, peak business organisations,

Council’s group managers and Councillors. Over 100 people participated.

The engagement forums were hosted by Council and facilitated by Lucid Economics.

Wingecarribee Shire Council acknowledges and thanks the contribution made by all those who attended; and looks forward to collaborating on delivering outcomes.

How to Contact Us

In Person	The Civic Centre 68 Elizabeth Street Moss Vale NSW 2577 8.30am to 4.30 pm
	The Welcome Centre 62-70 Main Street Mittagong NSW 2575
Phone	02 4868 0888 (24 hrs) Fax 02 4869 1203
Mail	The General Manager Wingecarribee Shire Council PO Box 141 Moss Vale NSW 2577
Email	business@wsc.nsw.gov.au mail@wsc.nsw.gov.au
Web	www.wsc.nsw.gov.au Councillors see contact details on our website



www.wsc.nsw.gov.au



Southern Highlands Destination Plan 2020-2030

Background Report

Report prepared for



June 2020





lucid
/ˈluːsɪd/
adjective

1. expressed clearly; easy to understand
2. bright or luminous

LUCID ECONOMICS

Document Control

Job Name: Southern Highlands Destination Plan
 Client: Wingecarribee Shire Council
 Client Contact: Jan Campbell

Version Control

Version	Date	Authorisation
Draft v1	31/1/20	MC
Draft v2	23/2/20	MC
Final Draft	26/6/20	MC

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Executive Summary

Introduction

Lucid Economics Pty Ltd (Lucid Economics) has been engaged to deliver the Southern Highlands Destination Plan on behalf of the Wingecarribee Shire Council.

Population

Population growth in the Southern Highlands has accelerated in recent years, peaking at 1.8% in 2016, up from a recent low of 0.7% in 2012. Population growth has been broadly in line with the NSW average in recent years, having been below the NSW average for the majority of the decade prior.

The Southern Highlands has an older population than the NSW median, with the ageing of the local population forecast to continue out to the year 2041.

Economy

The Southern Highlands Gross Regional Product (GRP) was \$2.9 billion in 2018-19, up 3.2% from the previous year (Figure 3.1). The council's economy has grown broadly in line with the New South Wales average over the past five (2.9% per annum in Southern Highlands, compared to 2.8% across NSW) and ten (2.4% per annum for both Southern Highlands and NSW) years.

The largest industries by Industry Value-Add (IVA) in the Southern Highlands in 2018-19 were:

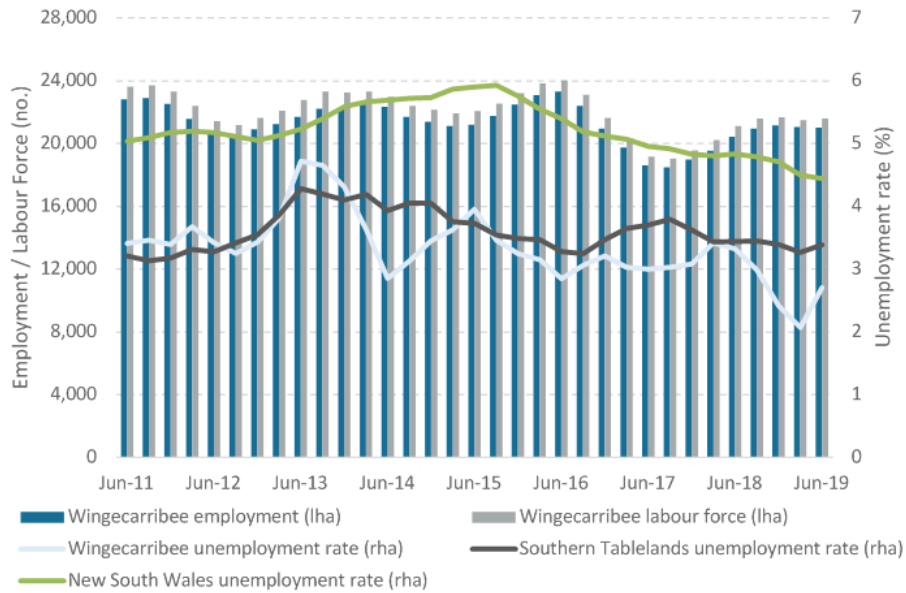
- Construction
- Manufacturing
- Health care and social assistance
- Retail trade
- Education and training

Labour Force

The Southern Highlands unemployment rate was 2.7% in June quarter 2019. The region's unemployment rate has trended lower over the past six years, however total employment and labour force has actually declined over this period. With population growing at around 1.5% per annum since 2013, this suggests a sharp decline in the region's participation rate in recent years. The ageing of the region's population over the past decade would also be placing downward pressure on the region's participation rate.



Figure E.1. Labour Force and Unemployment Rates



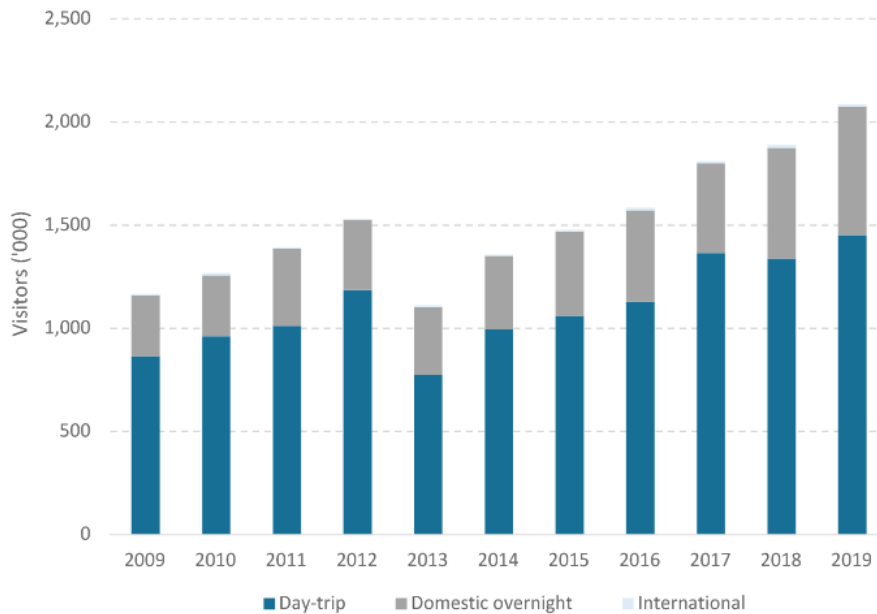
Source: DJSB (2019).

Tourism

Tourism is a key industry in the region, both in terms of industry value-add and employment. Visitation has risen by more than 50% since 2014, with the growth in visitor numbers primarily driven by strong growth in domestic visitation. The region is dominated by domestic visitors, with day-trip visitors accounting for 70% of total visitation in 2019, while domestic overnight visitors accounted for 30% of total visitation over the period. International visitors represent less than 1% of total visitors to the area.



Figure E.2. Visitors by Type, Southern Highlands



Source: TRA (2020).

Key Risks

There are a number of risks that the current structure of the economy and existing trends provide:

- **Changing Demographics:** the population of the Southern Highlands is aging rapidly. By 2041, every second person living in the region will be aged 55+, which will dramatically change the structure of local expenditure patterns, particularly as the working age is set for a net decline during the period.
- **Growing Role of Tourism:** tourism has grown rapidly over the recent past, adding considerable value to the economy and somewhat offsetting the changing demographic structure and its impact on the economy. Tourism is a volatile industry that is often impacted by a myriad of factors that are beyond the control of the local industry.
- **Weakness in Significant Economic Drivers:** many traditional economic drivers, such as manufacturing, have been in decline in recent years and the structure of the local economy has become more geared towards population driven industries such as construction, education, healthcare and retail. While these sectors have been growing and providing value to the local economy, the lack of locally based economic drivers could present potential future issues for the economy, leaving it susceptible to future shocks.

Key Opportunities

The analysis has highlighted a number of future growth opportunities:

- **Tourism:** expansion of existing markets and deepening of diversity around the year.
- **Professional Business Services:** leveraging the attraction of the area and proximity to Sydney as well as changing workplace trends to attract professional business services (i.e. lawyers, financial planners, finance investors, financial services, insurance, engineering, etc.).



- **Creative Industries:** leveraging the area's beauty and attraction for residents, increase the local creative industries (i.e. arts, culture, services, architecture, design, etc.).
- **Agriculture and Food/Beverage:** leveraging local agricultural crops and future expansion potential, expand locally grown and produced food and beverage products, including augmenting existing wine offer with spirits and beer.

Additional opportunities, including large, heavy industry based in the Moss Vale Enterprise Precinct may also emerge through this strategy planning process.



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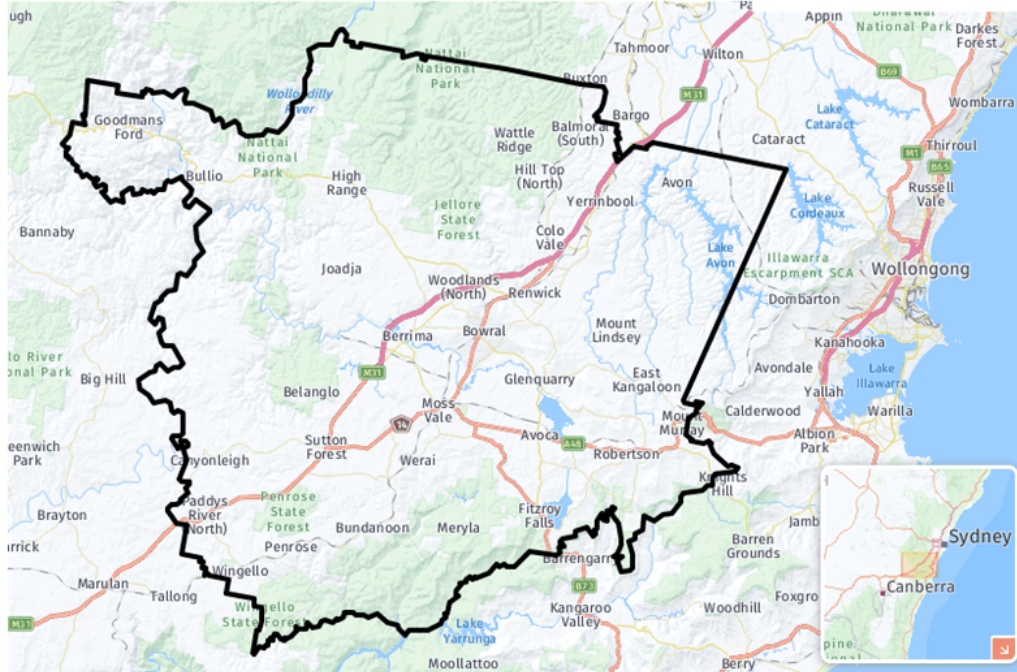
1. Introduction

Lucid Economics Pty Ltd (Lucid Economics) has been engaged to deliver the Southern Highlands Destination Plan on behalf of the Wingecarribee Shire Council.

The Southern Highlands region is located approximately 1.5 hours' drive from Sydney and Canberra, directly inland from Wollongong. The area is mainly rural, with the towns of Mittagong, Bowral and Moss Vale and main villages including Robertson and Bundanoon and Berrima.

The Southern Highlands region encompasses all of the Wingecarribee Shire Council area, which consists of 2,700 square kilometres. The region is an important water catchment area for the Macarthur and Illawarra regions, as well as metropolitan Sydney, with the Avon and Nepean Dams in the area.

Figure 1.1. Wingecarribee Shire Local Government Area (LGA)



Source: Economy.ID (2018).

This report provides an in-depth analysis of the local economy and its tourism sector. It will be used as a basis for the consultation and strategy development phase of the project.



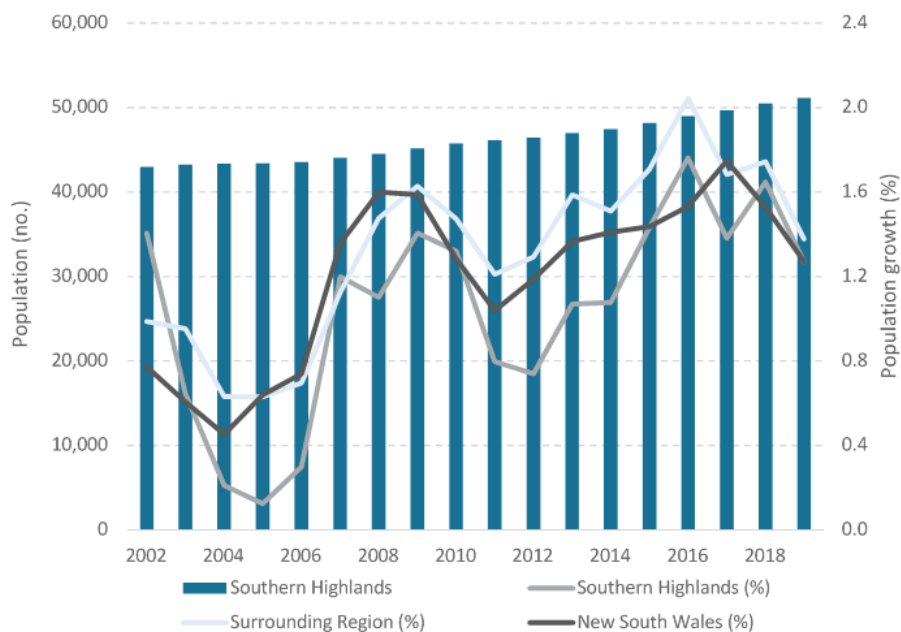
2. Population and Demographics

2.1 Population

The Southern Highlands had an estimated resident population of just over 51,000 in 2019 (Figure 2.1). Population growth in the region has accelerated in recent years, peaking at 1.8% in 2016, up from a recent low of 0.7% in 2012. The recent acceleration in population growth may likely be related to the more affordable housing in the Southern Highlands at a time when strong price growth in Sydney was creating the temptation for many Sydney residents to leverage the high property prices to transition to an alternative lifestyle.

The Southern Highlands population growth has been broadly in line with the New South Wales (NSW) average in recent years, having been below the NSW average for the majority of the decade prior. However, despite the recent acceleration in population in the Southern Highlands, the region's population growth has remained in line with but below the broader regional average, which includes the Shire of Wollondilly and the Shire of Goulburn Mulwaree.

Figure 2.1. Historical Population, Southern Highlands

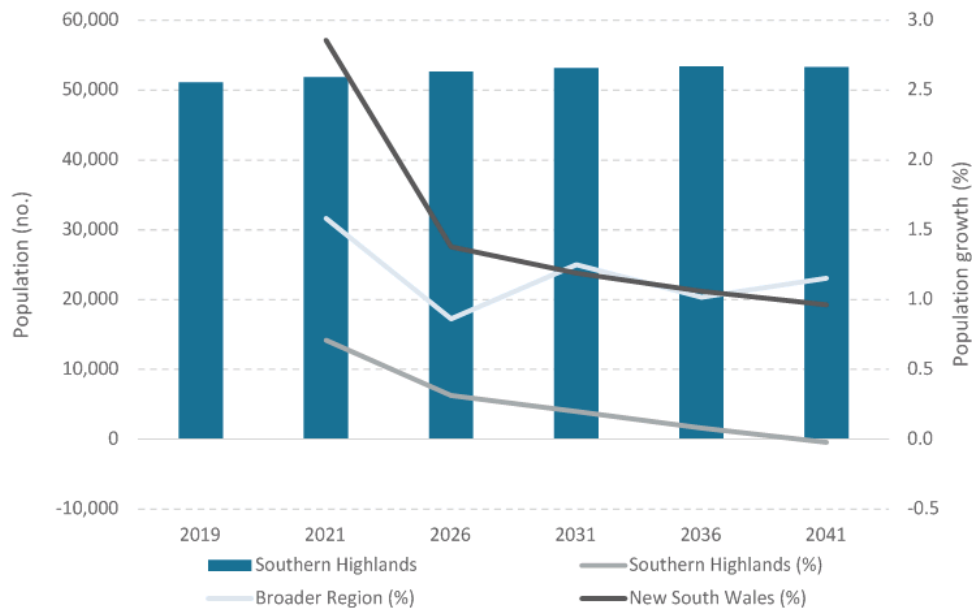


Note: ERP at 30 June of each year.
 Source: ABS (2020a).



The NSW Department of Planning, Industry and Environment projects the Southern Highlands population growth to weaken out to the year 2041, and also be below the broader region and NSW population growth averages through to the year 2041 (Figure 2.2). By this time, the State Government expects the local population to stop growing and decrease in size.

Figure 2.2. Projected Population



Sources: ABS (2020a), NSW Government (2019), Lucid Economics.

2.2 Age

The Southern Highlands median age has been significantly higher than the Sydney and NSW medians since 2006 (Table 2.1). Further, the rate of ageing in the Southern Highlands has been significantly faster than the comparison regions.

Table 2.1. Median Age

	2006	2011	2016
Southern Highlands	42	45	47
Greater Sydney	35	36	36
New South Wales	37	38	38

Source: ABS (2017).

Consistent with the rising median age in the Southern Highlands over the past 10 years, the Southern Highlands is projected to see a significant increase in the proportion of residents aged 65 years and over in the next 20 years, moving from 25% of the total population in 2016 to 35% by 2041 (Figure 2.3). This equates to residents aged 65 years and over increasing between 2016 and 2041 by more than 6,000 residents, an increase of almost 50% over 2016 levels. Over the same period, the working age population (residents aged 15-64) is expected to decline by almost 2,000 residents.

Unabated, these trends will change the structure of the local economy, shifting expenditure patterns towards older residents (who spend less than other age cohorts).



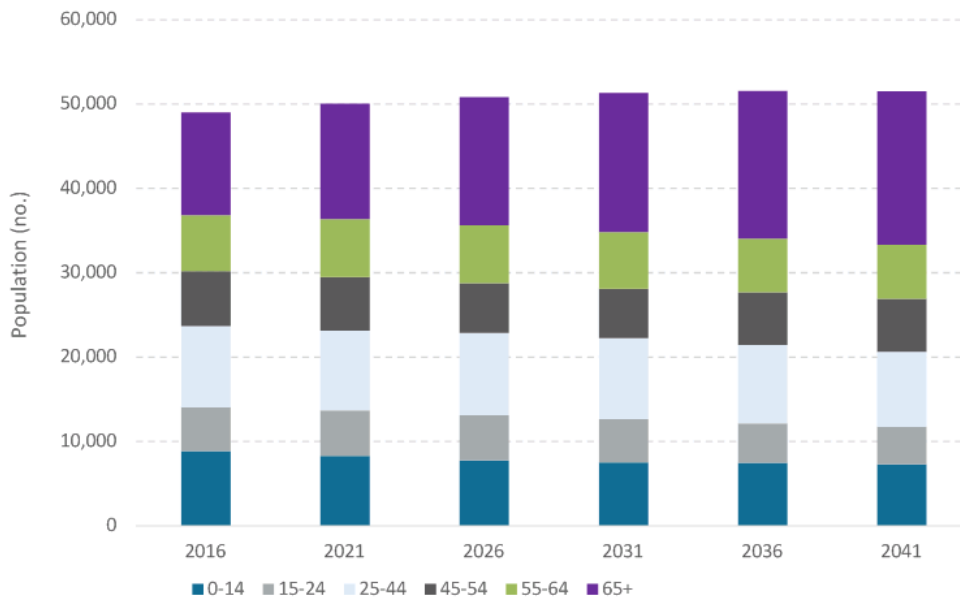
Changing Demographics Will Change the Community

The aging of the Southern Highlands population has the ability to drastically change the nature, structure and shape of the community (and the economy). Currently one out of every three people is over the age of 55. If the current trends continue, by 2041, one out of every two people (half the population) will be aged 55+.

While on the surface this trend would likely represent increasing demand for aged care services and additional future demand for infrastructure. However, the impacts would be far greater and further reaching. The expenditure profile of older residents is much lower than other cohorts, particularly the family cohorts. As such, there will be less available expenditure in the economy, which will lead to fewer shops and fewer retail options.

Furthermore, many community organisations and sporting clubs may suffer as many members are children or other young people and many of the leadership positions are held by parent volunteers. As the working age population declines in absolute terms, there will be fewer and fewer members and volunteers, which will put pressure on the viability of many community groups. Additionally, as there are fewer children in the community, the schools will likely get smaller.

Figure 2.3. Projected Age Structure, Southern Highlands



Source: NSW Government (2019).



2.3 Income

The Southern Highlands median weekly personal income has been broadly in line with the NSW average since 2006, while the region’s median weekly household income has been slightly lower than the state medians over the same period (Table 2.2).

Median household income is an important measure for standard of living and while this indicator has increased for the Southern Highlands over time, it has risen faster at the state level. While this situation is not ideal, household income levels in the Southern Highlands have increased at a faster rate than inflation, providing real income gains for residents.

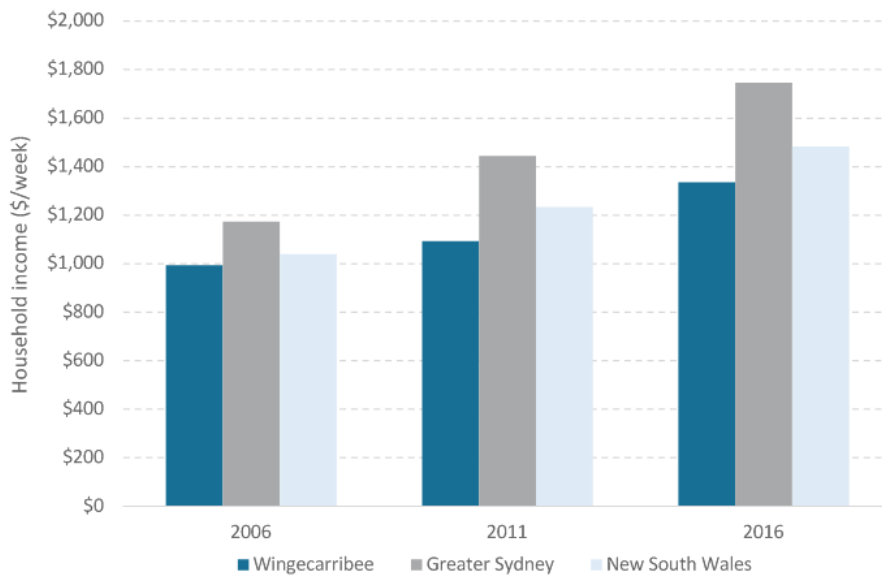
Table 2.2. Median Income

	2006	2011	2016
<i>Personal income (\$/week)</i>			
Southern Highlands	\$462	\$548	\$645
Greater Sydney	\$518	\$619	\$719
New South Wales	\$461	\$561	\$664
<i>Household income (\$/week)</i>			
Southern Highlands	\$993	\$1,093	\$1,335
Greater Sydney	\$1,173	\$1,444	\$1,746
New South Wales	\$1,039	\$1,233	\$1,482

Note: Southern Highlands median age estimates were not available from the ABS.
 Sources: ABS (2017), ABS (2012), ABS (2007).

The slower growth in median income levels is likely due to the changing dynamics of the local economy, with shifts in different industries that pay varying degrees of income as well as the shifting demographics including higher proportions of older residents (who spend less in the economy).

Figure 2.4. Median Household Income



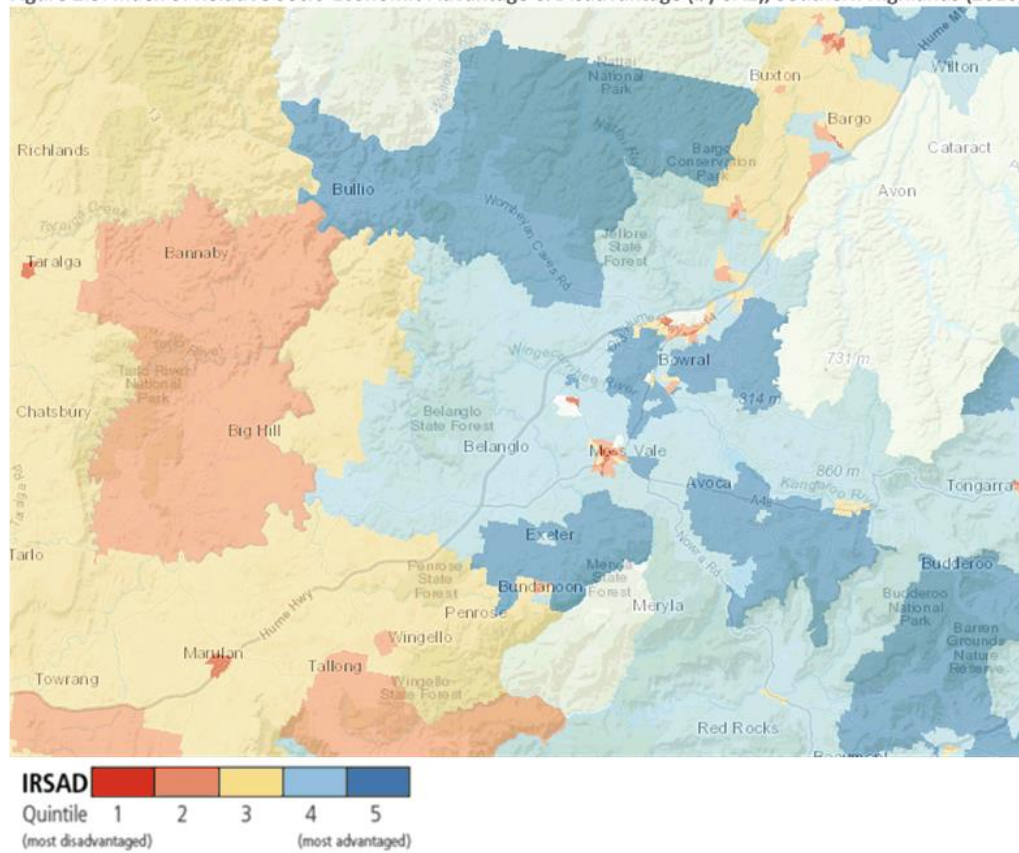
Sources: ABS (2017), ABS (2012), ABS (2007).



2.4 SEIFA

The image below (Figure 2.5) shows a high proportion of areas within the Southern Highlands in the top two quintiles of the ABS's Index of Relative Socio-Economic Advantage and Disadvantage. Areas within the Council surrounding Bowral, Bullio and Exeter experience the highest levels of socio-economic advantage. However, there are areas around Moss Vale and northern Bowral which are listed in the two bottom quintiles of the index, which creates a mix of communities across the Southern Highlands.

Figure 2.5. Index of Relative Socio-Economic Advantage & Disadvantage (by SA1), Southern Highlands (2016)



Source: ABS (2018).



3. Economy

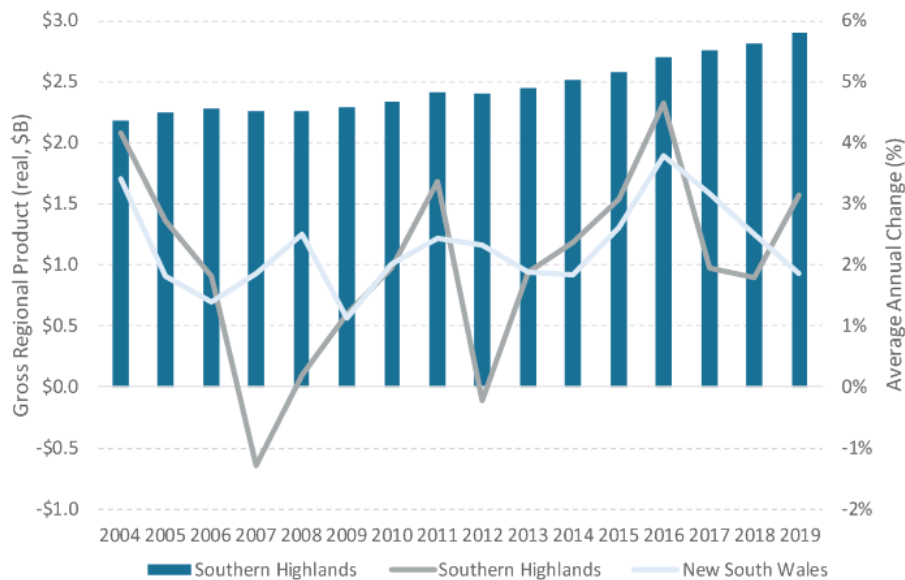
3.1 Size and Structure of the Economy

The Southern Highlands Gross Regional Product (GRP) was \$2.9 billion in 2018-19, up 3.2% from the previous year (Figure 3.1). The region’s economy has grown broadly in line with the New South Wales average over the past five year (2.9% per annum in the Southern Highlands, compared to 2.8% across NSW) and ten year (2.4% per annum for both the Southern Highlands and NSW).

However, growth in the Southern Highlands has been more volatile. The volatility is primarily based on the region’s two largest industries, construction and manufacturing, however there has also been volatility in the agricultural industry. Sub-industry analysis shows the ‘manufacturing nfd’¹ industry has been in long-term decline, however this has been partially offset by strong growth in ‘fabricated metal product manufacturing’ since 2012-13. ‘Manufacturing nfd’ likely represents the Boral Cement works in Moss Vale.

Consistent with strong growth in domestic tourism visitation in recent years (supported by the lower Australian dollar), the accommodation and food services industry has experienced strong growth.

Figure 3.1. Gross Regional Product, Southern Highlands



Source: NIEIR (2020).

The largest industries by Industry Value-Add (IVA) in the Southern Highlands in 2018-19 were:

- Construction
- Manufacturing
- Health care and social assistance
- Retail trade
- Education and training

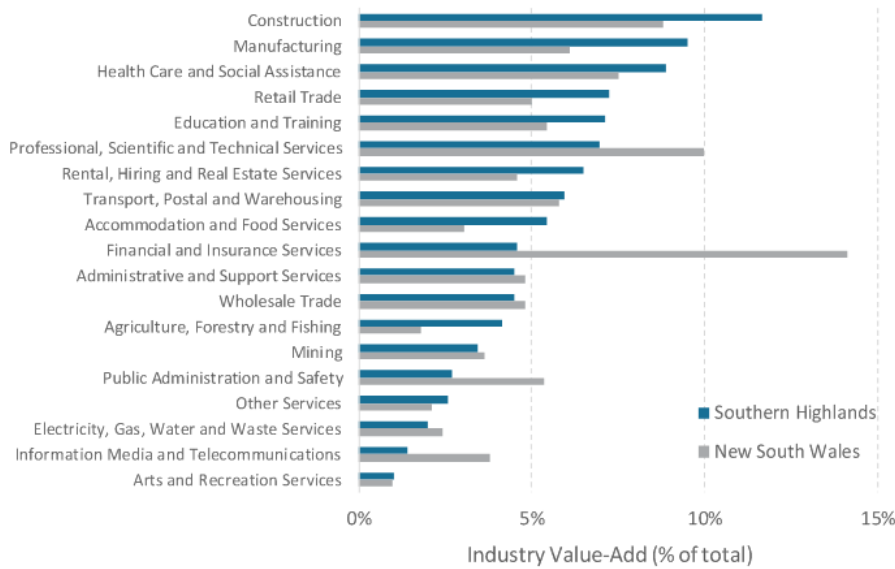
¹ Manufacturing nfd is an ABS defined industry of manufacturing not further defined.



Relative to New South Wales, the local strengths in healthcare and education demonstrate that the Southern Highlands is a strong service hub for the broader region, providing services that are required by a large population (Figure 3.2). The relative strength in retail is partly a function of being a service centre but also demonstrates the strength of tourism in the area (together with the Southern Highlands accommodation and food services industry).

Construction is the largest sector in the Southern Highlands, which is not typical, given population growth is not overly strong (1.5% in 2018), with most growth areas around the country that have construction as the largest sector often experiencing population growth above 3%. Historical analysis also shows that the industry grew strongly from 2012-13 to 2015-16 during the housing boom in NSW. Growth in the industry has been more volatile since 2015-16, consistent with the re-adjustment in the housing market as dwelling prices fell.

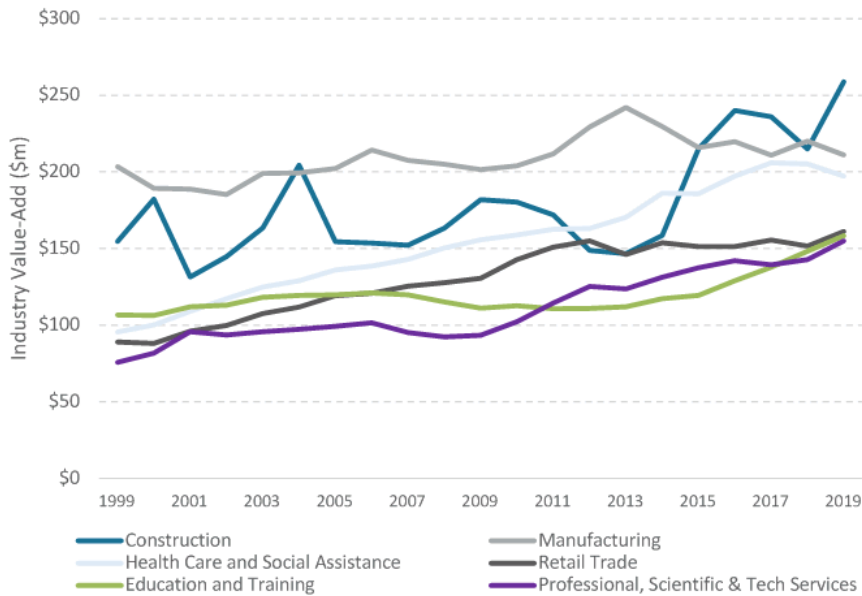
Figure 3.2. Industry Value-Add, 2018-19



Source: NIEIR (2020).

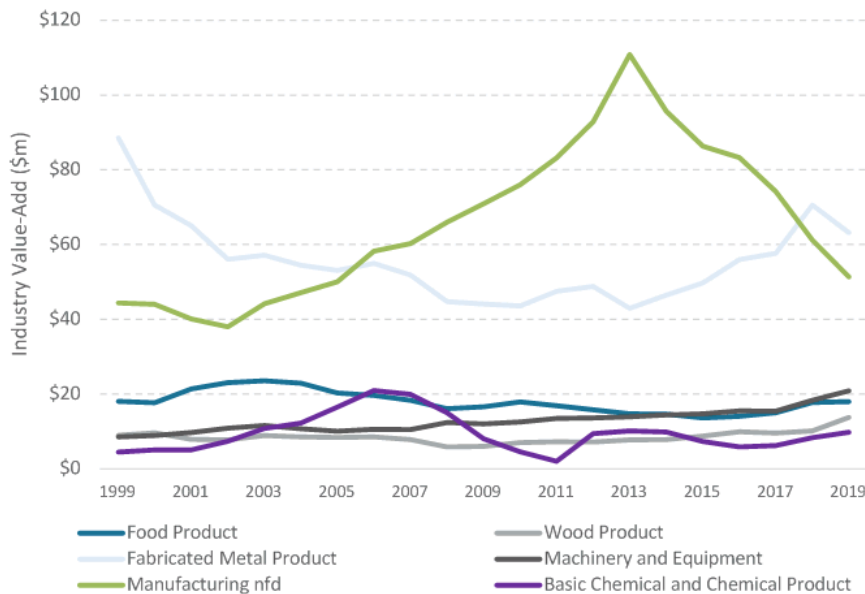


Figure 3.3. Industry Value-Add, Top Six Industries, Southern Highlands



Source: NIEIR (2020).

Figure 3.4. Industry Value-Add by Top 5 Manufacturing Sub-Industries, Southern Highlands



Source: NIEIR (2020).

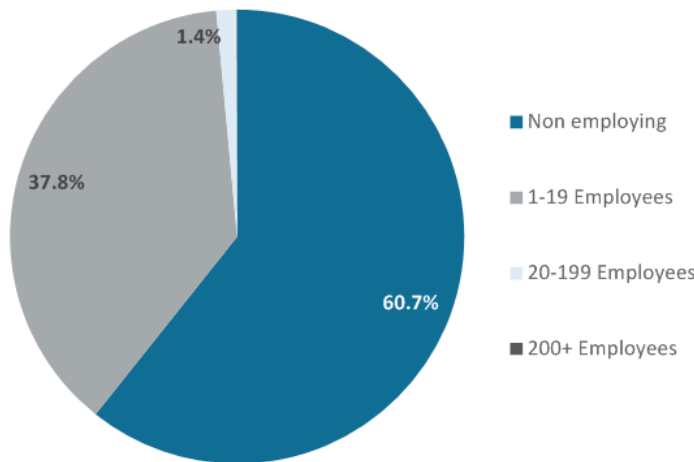
The Southern Highlands economy is dominated by small businesses (98.6% of all businesses have 19 employees or fewer) (Figure 3.5). This structure is similar to most local economies in Australia. The top four industries by number of businesses (i.e. construction, professional services, agriculture and rental, hiring and real estate) are typical industries where there is a great number of individual traders and small businesses (Figure 3.6).



Business Counts from the ABS

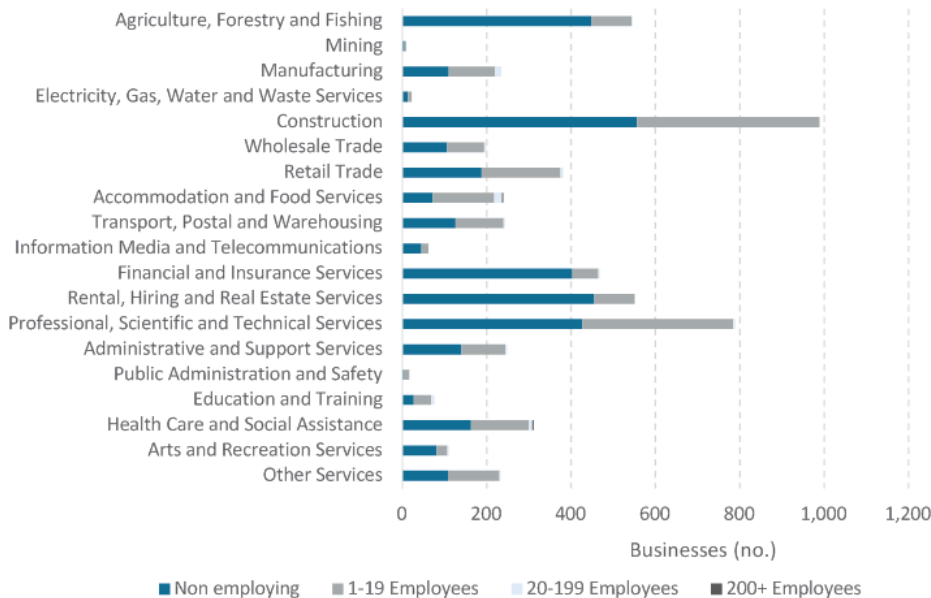
It is important to keep in mind that this data reflects the registered business address of companies (only), so larger businesses such as Coles, Woolworths and other major retail businesses may not be captured in the data. Furthermore, the ABS excludes sole traders and focuses on businesses with active ABNs that are registered for GST. This methodology usually underestimates the total number of businesses in a local economy, specifically many of the sole traders and/or home-based businesses.

Figure 3.5. Business Counts, Southern Highlands, 2019



Note: Location based on registered address of businesses.
 Source: ABS (2020b).

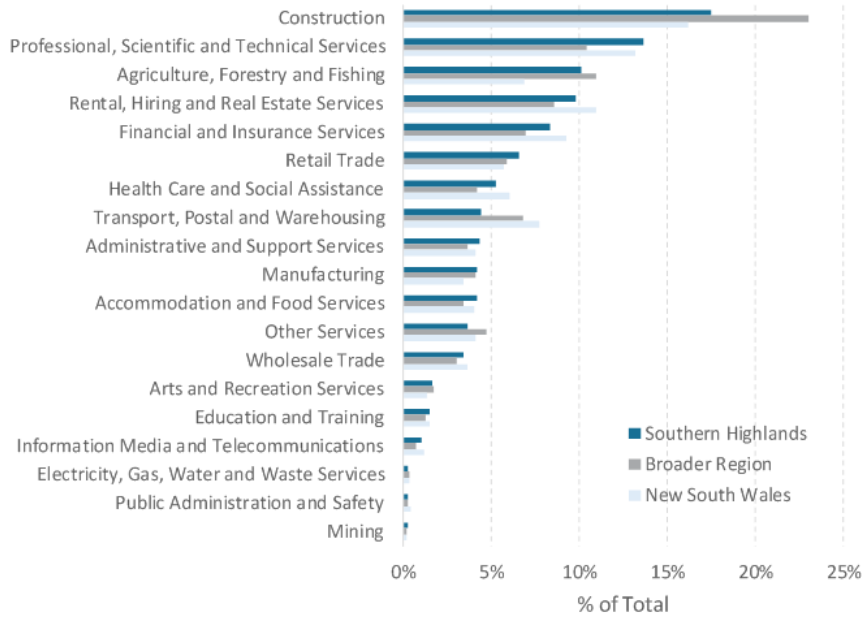
Figure 3.6. Business Counts, by Industry, Southern Highlands, 2019



Source: ABS (2020b).



Figure 3.7. Business Counts, by Industry, 2019



Note: Broader region represents Wingecarribee Shire, Wollondilly Shire and the Goulburn Mulwaree Shire.
 Source: ABS (2020b).



4. Employment and Skills

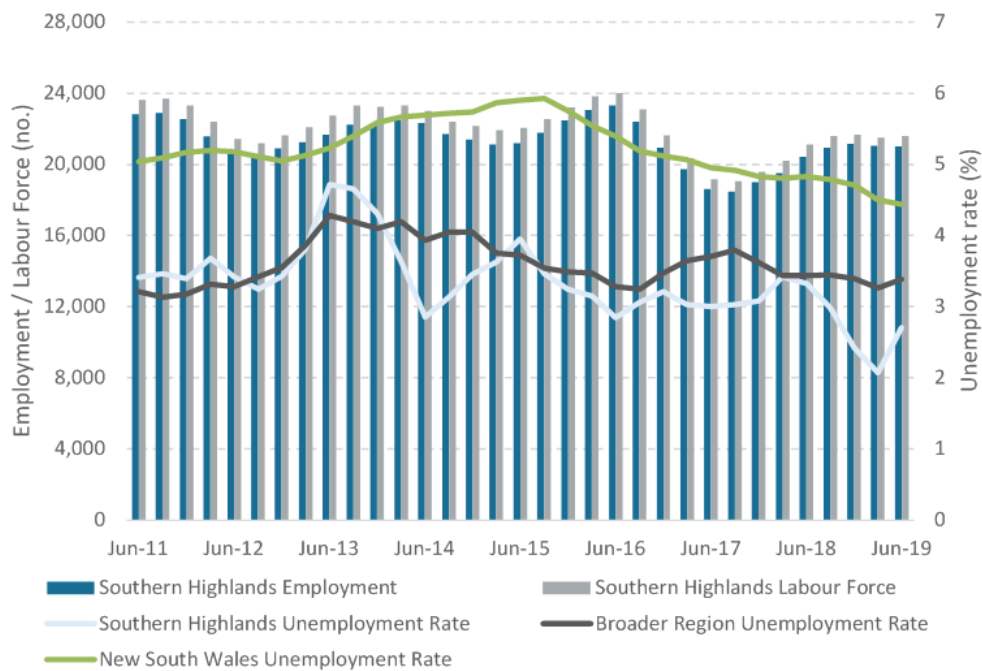
4.1 Labour Force and Unemployment

The Southern Highlands unemployment rate was 2.7% in June quarter 2019, well below the broader region (3.7%) and New South Wales (5.0%) averages. The region’s unemployment rate has trended lower over the past six years, however total employment and labour force has actually declined over this period. With population growing at around 1.5% per annum since 2013, this suggests a sharp decline in the region’s participation rate in recent years. The ageing of the region’s population over the past decade would also be placing downward pressure on the region’s participation rate.

Labour Force and Unemployment Data

These data sets are from the Department of Jobs and Small Business (DJSB) and track the number of people in the labour force (total), employed and unemployed. This data is based on place of residence, which differs from the analysis above regarding Gross Regional Product/Industry Value Add as well as the analysis below regarding employment, which focuses on data based on place of work. For the labour force survey, the definition of ‘employed’ includes all persons aged 15 years and over who worked for one hour or more during the reference week.

Figure 4.1. Labour Force and Unemployment Rates



Source: DJSB (2019).

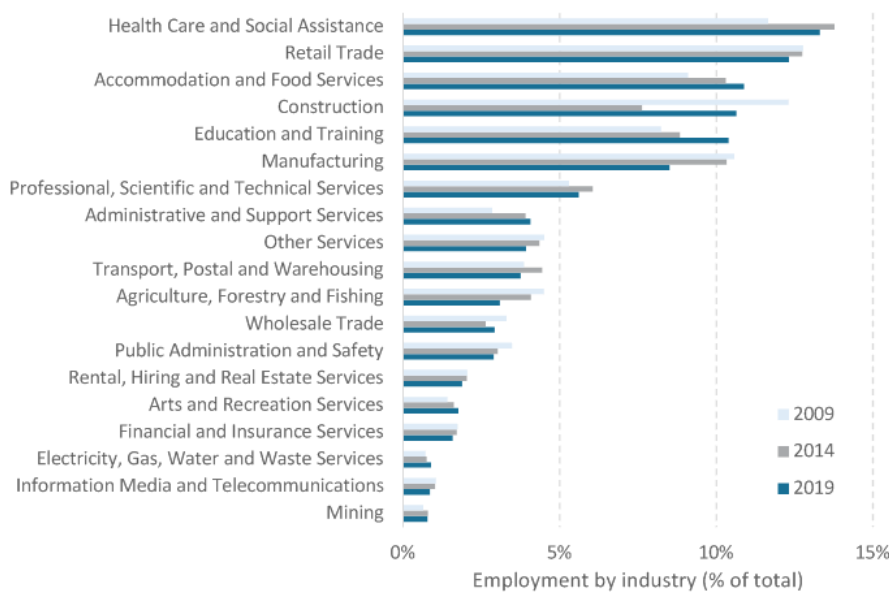


4.2 Employment

The industry make-up of the Southern Highlands has undergone significant change over the decade to 2019. The public sector is a key employer within the Southern Highlands, with the healthcare and social assistance (13.3% of total employment) and education and training (10.4%) industries two of the five leading employers in the region in 2019 (Figure 4.2). Tourism is also a key employer within the region, with retail trade comprising 12.3% of total employment and accommodation and food services comprising 10.9%. Further, these public sector industries, with the addition of the accommodation and food services industry, were the leading industries by total employment growth over both the 5-year and 10-year periods to 2019 (Figure 4.3).

In contrast, the region’s manufacturing industry has been in decline, with employment in the industry having fallen by 187 persons in the five years to 2019. This decline has meant the industry has gone from 10.3% of total employment in 2014, to accounting for 8.5% of total employment in 2019. The decline in manufacturing employment is consistent with state and national trends and the loss experienced in the Southern Highlands is relatively lower than experienced in many other regions in Australia.

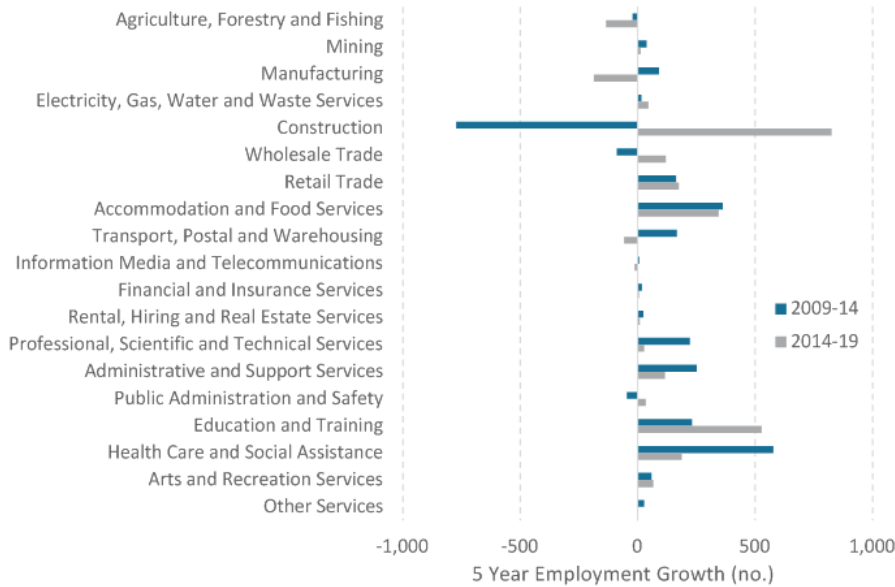
Figure 4.2. Employment by Industry, Southern Highlands, 2018-19



Note: Place of work data.
 Sources: NIEIR (2020).

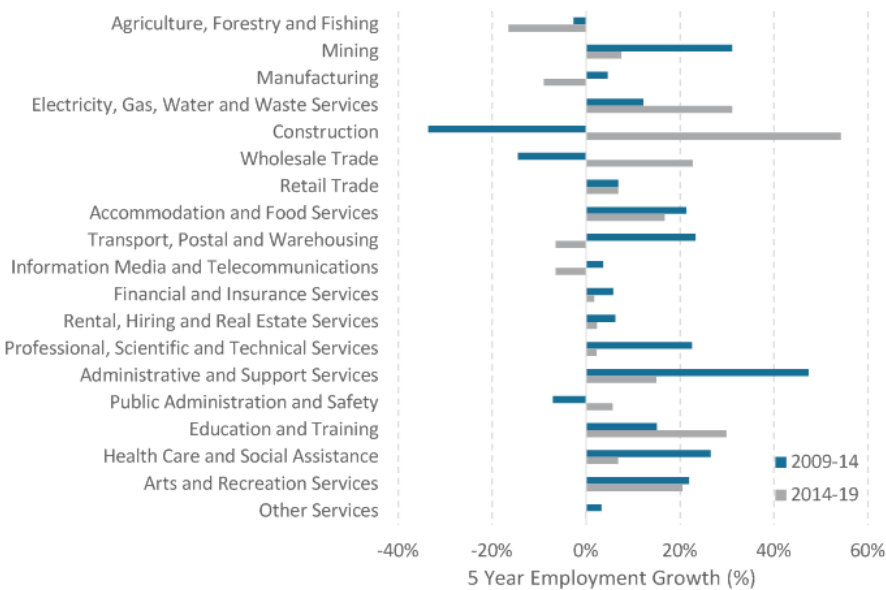


Figure 4.3. Employment growth (no.), Southern Highlands



Source: NIEIR (2020).

Figure 4.4. Employment growth (%), Southern Highlands



Source: NIEIR (2020).



4.3 Journey to Work

Analysis of journey to work data from the 2016 Census shows that 23% of local residents (4,731) leave the Southern Highlands every day to go to work, while 71% of employed residents (or 14,538) live and work in the region. With 20,599 employed residents in the region in 2016, and only 17,872 jobs in the region, this demonstrates that there are simply not enough jobs within the Southern Highlands for all the local resident workers, which means that some have to look outside the region for work. This situation represents the high quality of life in the region and that some residents choose to travel for employment for the privilege to live in the region.

Most of the local jobs in the Southern Highlands that are not filled by resident workers are occupied by residents from adjoining local government areas (Table 4.2). This is also the case in terms of the employment locations of residents leaving the shire for work. This analysis demonstrates that the resident workers still prefer to work closer to home (as opposed to traveling to Sydney), but have decided where they want to live as a priority. -

In terms of industry, there is a significant migration of workers into and out of the Southern Highlands every day for work. Construction, education and healthcare all have relatively high proportions of local resident workers who work outside of the Southern Highlands.

Table 4.1. Journey to Work, Southern Highlands, 2016

Location	Number	%
Employed residents in the area		
Live and work in the area	14,538	71%
Live in the area, but work outside	4,731	23%
No fixed place of work	1,330	6%
Total employed residents in the area	20,599	100%
Workers in the area		
Live and work in the area	14,538	81%
Work in the area, but live outside	3,334	19%
Total workers in the area	17,872	100%

Source: ABS (2017).

Table 4.2. Journey to Work, by LGA, Southern Highlands, 2016

Top 10 employment locations of resident workers by Council			Top 10 residential location of local workers by Council		
Council	No.	%	Council	No.	%
Southern Highlands	14,538	70.6%	Southern Highlands	14,538	81.3%
No Fixed Address (NSW)	1,326	6.4%	Wollondilly (A)	1,058	5.9%
Sydney (C)	663	3.2%	Wollongong (C)	417	2.3%
Campbelltown (C) (NSW)	525	2.5%	Goulburn Mulwaree (A)	387	2.2%
Wollondilly (A)	498	2.4%	Shellharbour (C)	228	1.3%
Wollongong (C)	375	1.8%	Campbelltown (C) (NSW)	163	0.9%
Camden (A)	307	1.5%	Shoalhaven (C)	161	0.9%
Goulburn Mulwaree (A)	296	1.4%	Camden (A)	148	0.8%
Liverpool (C)	275	1.3%	Kiama (A)	85	0.5%
Canterbury-Bankstown (A)	156	0.8%	Central Coast (C) (NSW)	56	0.3%

Source: ABS (2017).



Table 4.3. Journey to Work by Industry of Employment, 2016

Top 10 employment industries of resident workers who work outside the Southern Highlands		Top 10 employment industries of outside residents who work in the Southern Highlands	
Industry	%	Industry	%
Construction	16.6%	Health Care & Social Assistance	16.8%
Education & Training	10.4%	Retail Trade	12.8%
Health Care & Social Assistance	10.0%	Manufacturing	10.0%
Public Administration & Safety	8.4%	Construction	8.9%
Manufacturing	7.5%	Accommodation & Food Services	8.3%
Transport, Postal & Warehousing	7.4%	Education & Training	7.5%
Professional, Scientific & Technical Services	6.3%	Public Administration & Safety	5.8%
Retail Trade	5.5%	Transport, Postal & Warehousing	5.5%
Administrative & Support Services	5.2%	Other Services	4.9%
Other Services	3.8%	Professional, Scientific & Technical Services	4.6%

Source: ABS (2017).

4.4 Skills

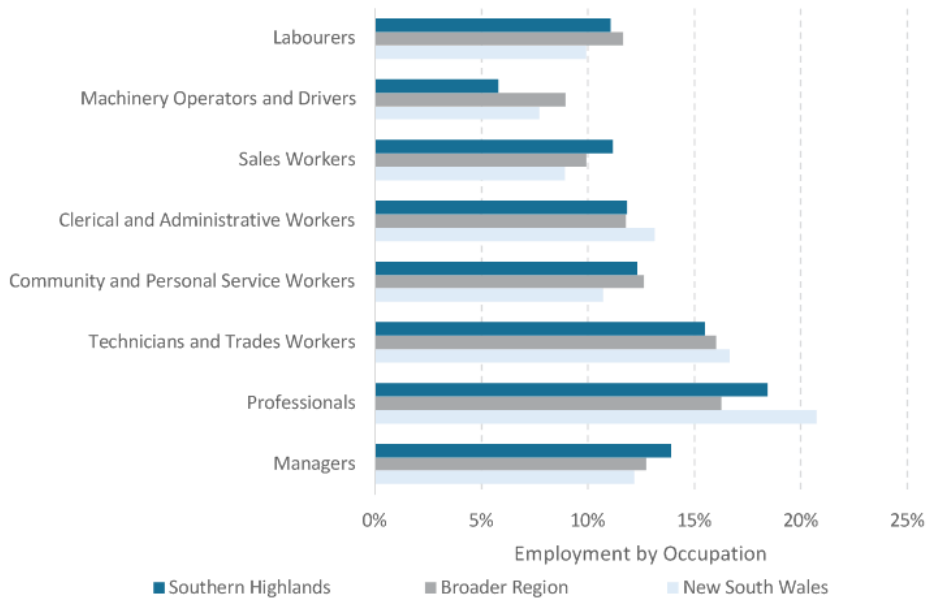
Workforce and Skills

The skills in an economy can be considered in terms of its local resident workforce (i.e. the people who reside in the area and their associated skills) as well as in terms of the local workers (i.e. the people who work locally). Because 81% of local jobs are filled by local people, these two perspectives will align to a certain degree. A shortage or surplus in any area will help to understand any existing skills gaps in the local resident workforce.

The Southern Highlands had a significantly lower proportion of professionals and machinery operators and drivers working in the area than the New South Wales average in 2016. However, the region had a higher proportion of sales workers and managers than both the Southern Tablelands and New South Wales comparison regions. It is worth noting that by place of residence, the Southern Highlands has a comparable proportion of professionals to the New South Wales average, indicating that a large share of the professionals living within the Southern Highlands work outside of the region. These statistics demonstrate the quality of life and amenity in the area that attracts residents, who are happy to tolerate the journey in order to facilitate living in the region.

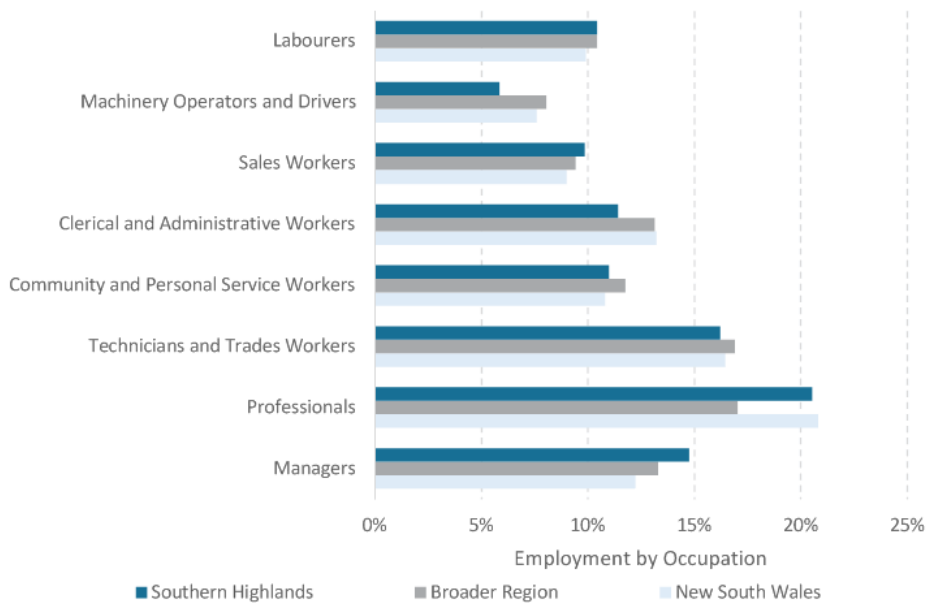


Figure 4.5. Employment by Occupation (Place of Work), 2016



Source: ABS (2017).

Figure 4.6. Employment by Occupation (Place of Residence), 2016

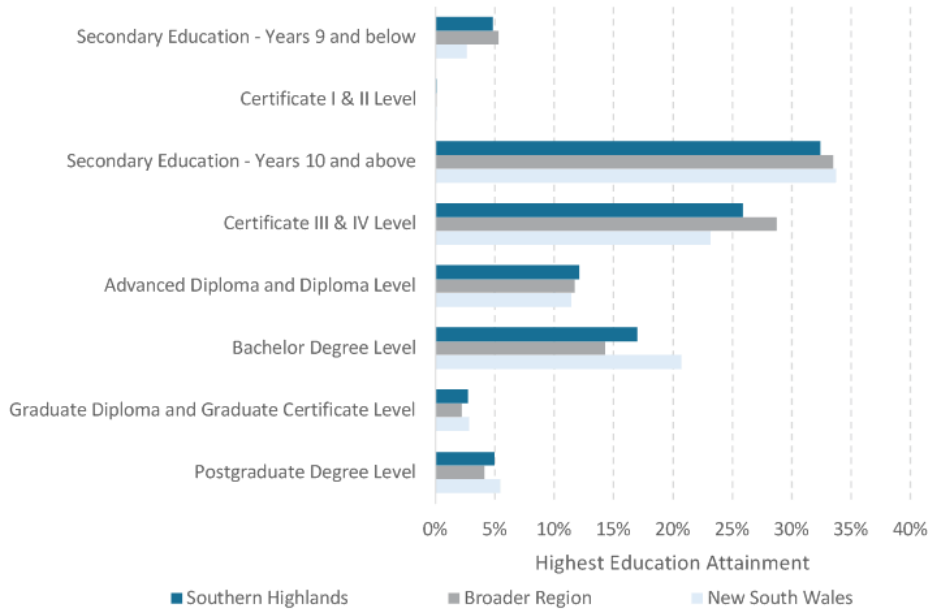


Source: ABS (2017).



The Southern Highlands has a higher proportion of residents listing 'Secondary Education – years 9 and below', 'Certificate III & IV Level' and 'Advanced Diploma and Diploma level' as their highest education attainment in 2016 compared to New South Wales. However, the region also has a comparable proportion of residents with 'Bachelor Degree level' and 'Postgraduate Degree level' qualifications to New South Wales.

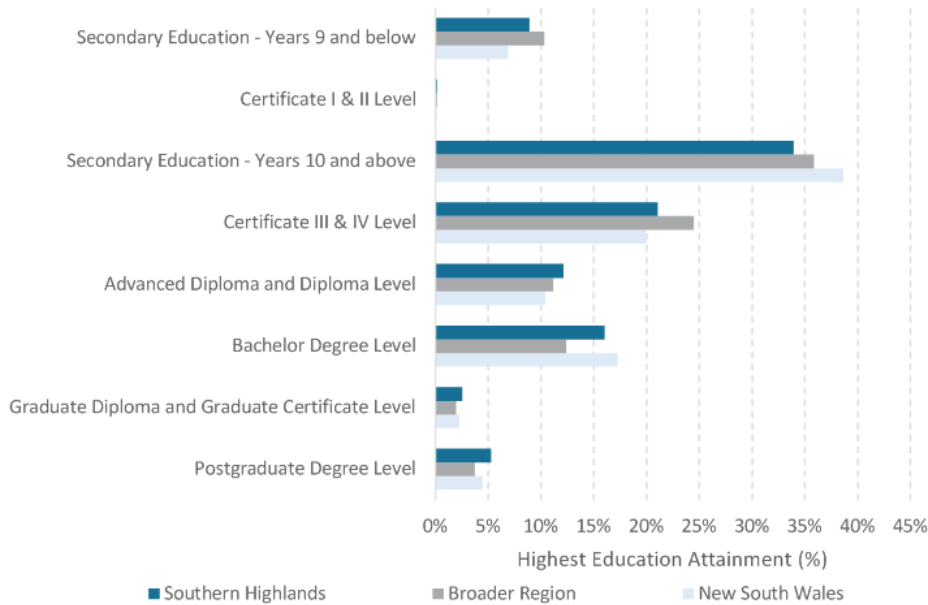
Figure 4.7. Highest Education Attainment, 2016



Note: Place of work data.
 Source: ABS (2017).



Figure 4.8. Highest Education Attainment, 2016



Note: Place of usual residence data.
 Source: ABS (2017).

4.5 Value of Employment

Different industries contribute varying degrees of value to the local economy based on a variety of factors including supply chains, price of goods sold and overall position in the economy. As highlighted below, mining, rental, hiring and real estate services and financial services are amongst the highest value-adding industries in the local economy. Retail trade, arts and recreation as well as accommodation and food services are amongst the lowest value-adding sectors in the local economy. It should be noted that retail trade, and accommodation and food services are most closely linked with the tourism sector.

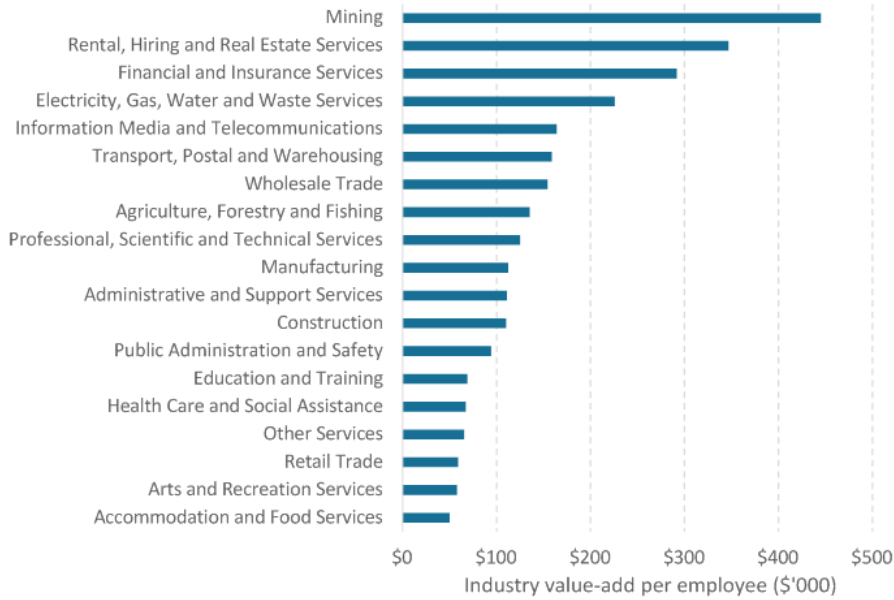
High Value-Adding Jobs

In terms of economic development, growing high value-adding jobs will have greater benefits to the overall economy than increases in low value-adding jobs. The core difference is related to the relevant supply chains of these industries as well as the wages that are often paid across those industries. High value-adding jobs will provide a greater ability for workers to spend more in the local economy, which will create a greater flow-on benefit locally. Additionally, businesses that have more local supply chains (or the opportunity for them) will have the ability to support additional businesses, creating more value in the local economy.

Because one job may offer greater value than another, this does not mean that lower value-adding jobs are not important. These jobs often provide employment for youth and offer an entry point into the workforce for many residents. Rather, understanding the value of employment should guide the balance of effort and resources in terms of various industry development and investment attraction activities.



Figure 4.9. Industry Value-Add per Employee, Southern Highlands, 2018-19



Source: NIEIR (2020).



5. Tourism

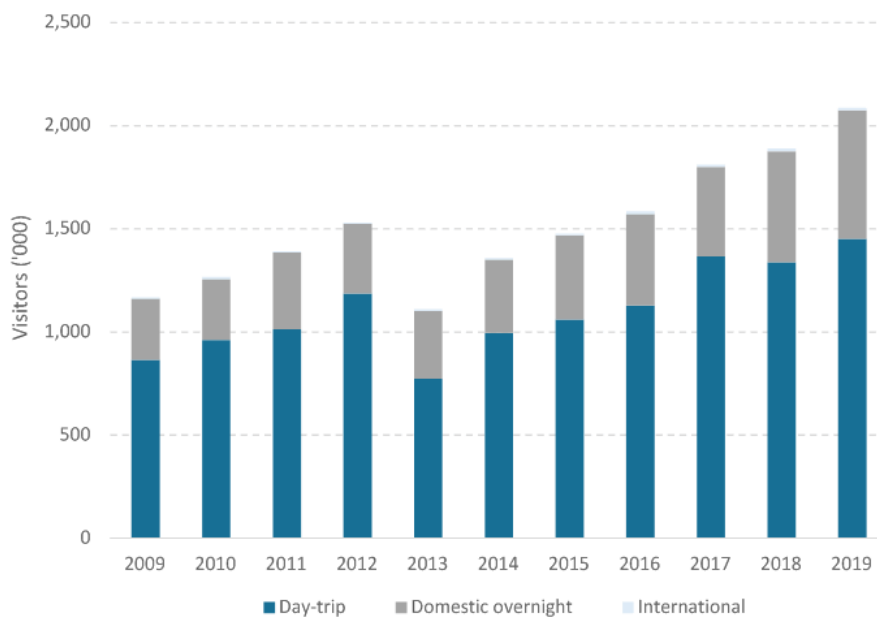
5.1 Visitation

Tourism visitation to the Southern Highlands was estimated to be just under 2.1 million in the year ending December 2019, which is in line with the volume of visitors to Byron Bay. Visitation (both visitors and visitor nights) to the region has risen by over 50% since 2014, with the growth in visitor numbers primarily driven by strong growth in domestic visitation. The region is dominated by domestic visitors, with day-trip visitors accounting for 70% of total visitation in 2019, while domestic overnight visitors accounted for 30% of total visitation over the period. International visitors are less than 1% of all visitors to the region.

Visitation to the region is primarily for holiday and leisure purposes (51% of total). While all visitor types have grown strongly since 2014, business visitation to the region has more grown the most over the past five years.

The majority of visitors to the region come from Sydney (62% in the year to December 2019) and 'other NSW' (30%), consistent with day-trip visitors being the primary visitor type to the region. Increasing interstate and international visitation is an area of opportunity for the region, with these visitor types typically having the highest average trip spend.

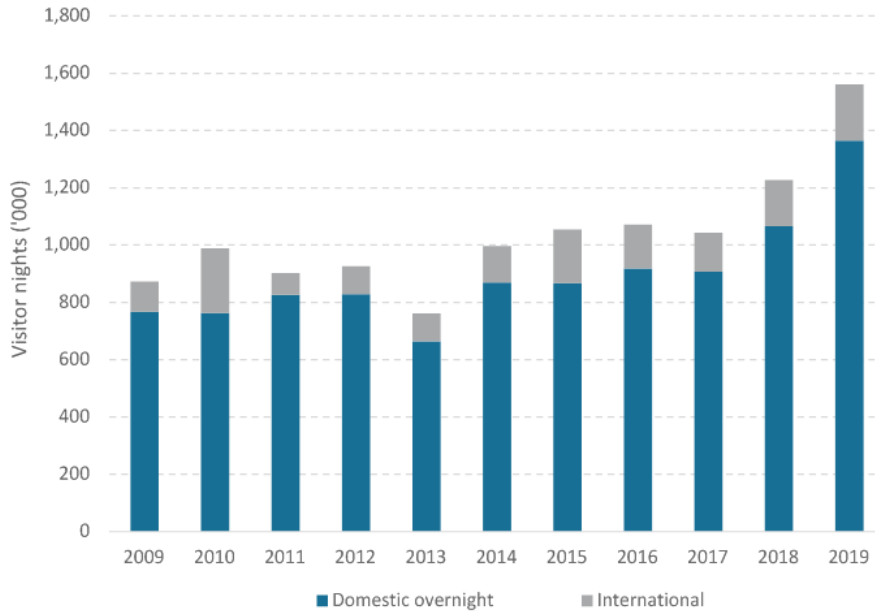
Figure 5.1. Visitors by Type, Southern Highlands



Note: Year Ending December.
 Source: TRA (2020).

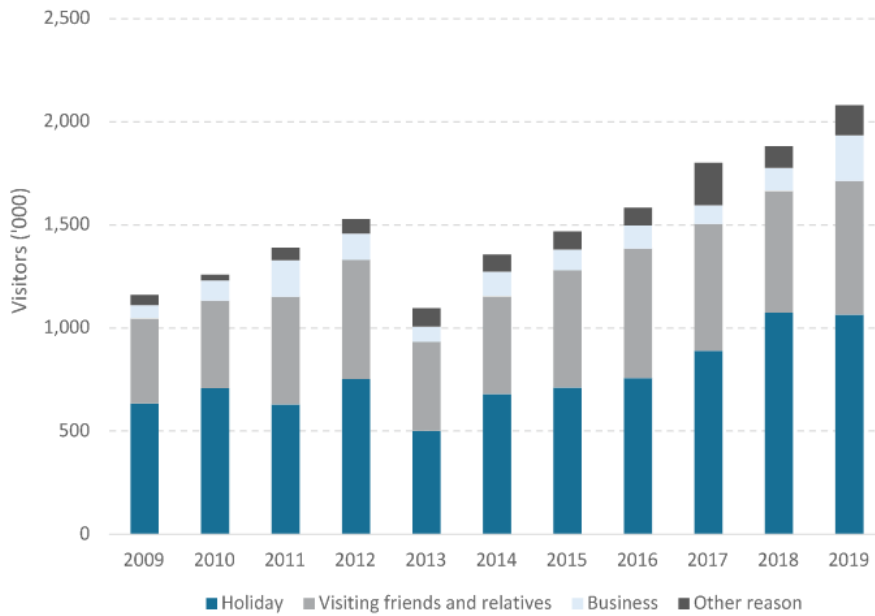


Figure 5.2. Visitor Nights by Type, Southern Highlands



Note: Year Ending December.
 Source: TRA (2020).

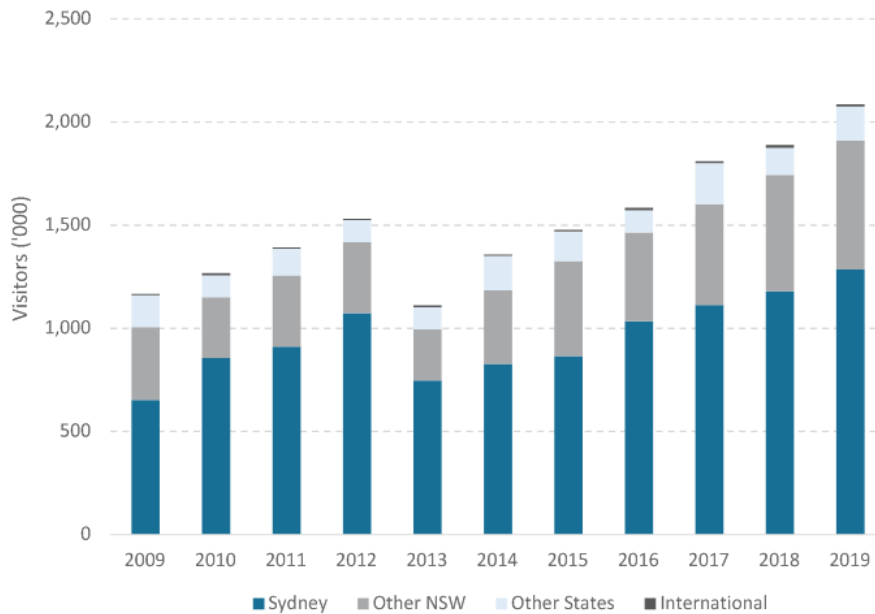
Figure 5.3. Visitors by Purpose of Visit, Southern Highlands



Note: Year Ending December.
 Source: TRA (2020).



Figure 5.4. Visitors by Source, Southern Highlands



Note: Year Ending December.
 Source: TRA (2020).

Figure 5.5. Top 20 Visitor Activities, Southern Highlands



Note: 10-year average used due to low sample sizes. Year ending December data.
 Source: TRA (2020).



5.2 Accommodation Profile

There are a wide range of accommodation options in the Southern Highlands, including hotels, bed and breakfasts and caravan parks. Most accommodation options are located in Bowral and Mittagong, with both home to a number of wineries and vineyards. The Bradman Museum and International Hall of Fame in Bowral are also local tourist attractions.

Historical data shows the Southern Highlands accommodation providers on average enjoy only moderate occupancy rates and the average daily rate (ADR) had been in decline in the few years leading up to 2015-16. Combined 875 rooms were identified across the Southern Highlands.

Table 5.1: Tourist Accommodation

Financial year	Rooms	Room Nights Occupied	Occupancy (%)	Average Daily Rate (\$)	Revenue per Available Room (\$)
2013-14	421	77,707	50.6%	\$157.56	\$79.72
2014-15	626	116,549	51.0%	\$152.86	\$77.93
2015-16	623	115,341	50.6%	\$141.35	\$71.52

Note: 2013-14 data only available for Bowral and Mittagong SA2s. 2014-15 and 2015-16 includes data for Bowral, Mittagong, Moss Vale – Berrima and Southern Highlands SA2s. Only includes establishments with 15 or more rooms.

Source: ABS (2016).

Table 5.2: Accommodation Audit, Southern Highlands

Name	Location	Type	Rooms	Star Rating	Advertised Price / Night		
					Low	High	Average
Peppers Craigieburn Bowral	Bowral	Hotel	72	4	\$164	\$420	\$292
The Sebel Bowral Heritage Park	Bowral	Hotel	26	4	\$220	\$510	\$365
Gibraltar Hotel Bowral	Bowral	Hotel	76	4.5	\$196	\$374	\$285
Bowral Hotel	Bowral	B&B / Inn	10		\$149	\$206	\$178
Links House	Bowral	Hotel	17	4	\$160	\$284	\$222
Oxley Motel	Bowral	Motel	5	3	\$139	\$215	\$177
The Imperial Motel	Bowral	Motel	20	4	\$136	\$201	\$169
Milton Park Country House Hotel & Spa	Bowral	Hotel	44	5	\$333	\$556	\$445
Briars Country Lodge & Inn	Bowral	Hotel	31	4	\$132	\$286	\$209
Berida Hotel	Bowral	Hotel	42	4	\$130	\$381	\$256
Clubbe Cottage	Bowral	Specialty Lodging	2		\$241	\$260	\$251
Golfview Lodge Motel	Bowral	B&B / Inn	23		\$102	\$191	\$147



Name	Location	Type	Rooms	Star Rating	Advertised Price / Night		
					Low	High	Average
Biota Rooms	Bowral	B&B / Inn	12	3.5	\$105	\$217	\$161
Grand Mercure Apartments Heritage Park	Bowral	Specialty Lodging	26		\$321	\$624	\$473
Springs Resorts Mittagong RSL Motel	Mittagong	Hotel	71	4	\$191	\$218	\$205
Lion Rampant Hotel	Mittagong	Hotel	13		\$87	\$123	\$105
Grand Country Lodge Motel	Mittagong	Hotel	23	4	\$134	\$204	\$169
Poplars Inn Mittagong	Mittagong	Hotel	15	4	\$96	\$166	\$131
The Old Bank Hotel	Mittagong	Hotel	8	3.5	\$253	\$301	\$277
Motel Melrose	Mittagong	Motel	15	3	\$93	\$112	\$103
Fitzroy Inn	Mittagong	Inn	10	4	\$139	\$263	\$201
Bowral Road Bed and Breakfast	Mittagong	B&B / Inn	2	4	\$152	\$257	\$205
Mittagong Hotel	Mittagong	B&B / Inn	17		\$55	\$155	\$105
Berrima Bakehouse Motel	Berrima	Motel	19	3	\$131	\$241	\$186
Bendooley Estate Cottages	Berrima	Specialty Lodging	7		\$209	\$1,293	\$751
Peppers Manor House	Sutton Forest	Hotel	43	4	\$167	\$354	\$261
Eling Forest Estate	Sutton Forest	B&B / Inn	9		\$132	\$227	\$180
Hillview Heritage Hotel	Sutton Forest	B&B / Inn	8	3	\$128	\$207	\$168
Bundanoon Hotel	Bundanoon	Hotel	44	2.5	\$66	\$108	\$87
Bundanoon Country Inn Motel	Bundanoon	Motel	21	3	\$99	\$191	\$145
Bundanoon Lodge	Bundanoon	B&B / Inn	6	4	\$158	\$241	\$200
Bundanoon Guesthouse	Bundanoon	Guesthouse	16	3	\$161	\$227	\$194
Yallambee	Bundanoon	B&B / Inn	3	4	\$164	\$191	\$178
The Old Nunnery B&B Moss Vale	Moss Vale	B&B / Inn	4		\$179	\$269	\$224
The Dormie House	Moss Vale	Guesthouse	32	3	\$121	\$194	\$158
The Argyle Hotel	Moss Vale	Hotel	15		\$89	\$128	\$109
Moss Vale Village Park	Moss Vale	Caravan Park	60	3.5	\$28	\$145	\$87
Greengate Bed and Breakfast	Robertson	Inn	2		\$141	\$202	\$172
Robertson Country Motel	Robertson	B&B / Inn	6		\$90	\$138	\$114

Source: TripAdvisor (2020).



A review of the Airbnb listings in the Southern Highlands shows that there is an extensive array of Airbnb listings in the region. While average daily rates for private rooms are in line with historical data for hotel rooms in the region, average daily rates for entire homes greatly exceeds the historical rate for hotels in the region.

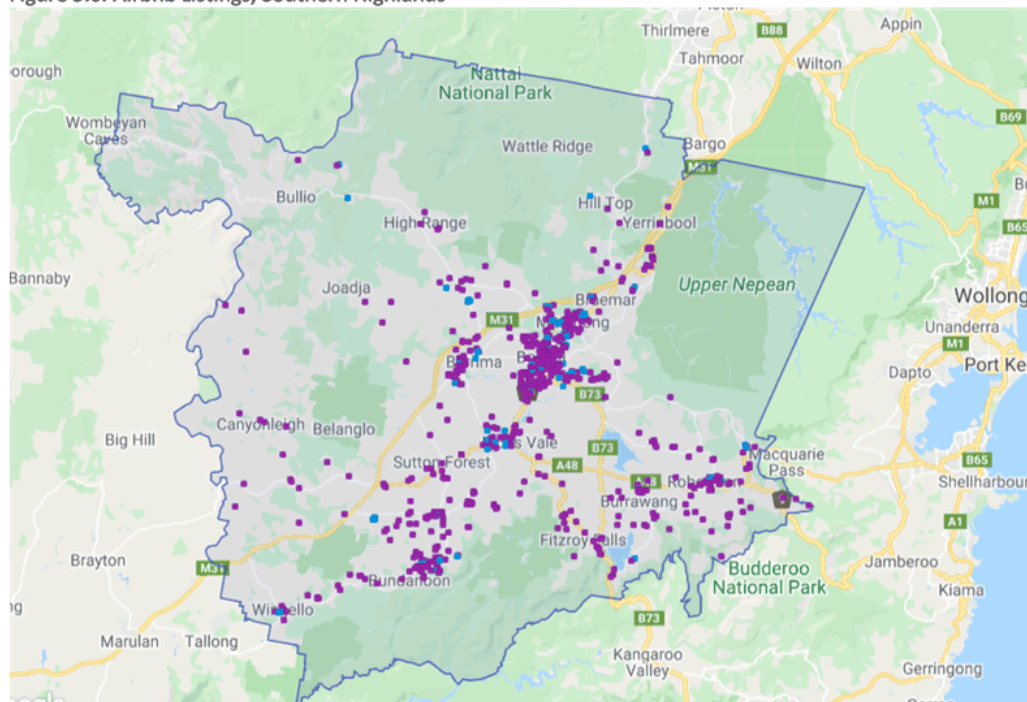
Table 5.3. Southern Highlands Airbnb Profile

	Active Listings	Listing Nights Booked	Occupancy Rate (%)	Average Daily Rate (\$)
Entire Home				
2018	410	39,020	26.1%	\$316.41
2019	608	55,336	24.9%	\$317.79
2020	683	84,019	33.7%	\$327.31
Private Room				
2018	74	7,365	27.2%	\$132.93
2019	72	7,902	30.1%	\$150.13
2020	80	10,695	36.7%	\$147.55
Total				
2018	485	46,385	26.2%	\$242.91
2019	680	63,238	25.5%	\$267.39
2020	763	94,714	34.0%	\$281.42

Note: Annual occupancy rates have been calculated by dividing listing nights booked by listing nights available (active listings in any given month X days per month, then summed for the year). As such, the occupancy rate is likely lower than what was experienced in the market.

Source: AirDNA (2020)

Figure 5.6. Airbnb Listings, Southern Highlands



Source: AirDNA (2020)



5.3 Value of Tourism

Visitation and average expenditure per trip data from Tourism Research Australia shows that an estimated total visitor expenditure of \$365.2 million in the Southern Highlands region in the year ending September 2019.

This expenditure level equates to the local tourism industry contributing an estimated \$208.4 million (\$107.0 million directly and \$101.5 million indirectly) in gross value-added (GVA) activity to the Southern Highlands economy. Tourism directly represents 5.3% of total industry value added, making it the tenth largest industry sector, in Gross Regional Product terms.

In terms of employment, the local tourism industry directly employs an estimated 1,565 workers, while indirectly supporting a further 623 employees (Table 5.5). Directly, it is the seventh largest employment sector behind manufacturing and in front of professional services, responsible for 7.1% of all direct jobs.

Table 5.4: Southern Highlands Tourism Metrics, Year Ending September 2019

Visitor Type	Day-Trip	Domestic Overnight	International
Visitors ('000)	1,453.0	628.0	12.5
Average Spend / Trip	\$96	\$343	\$849
Visitor Spend (\$m)	\$138.8	\$215.7	\$10.8

Source: ABS (2019b), TRA (2019), TRA (2019a), TRA (2019b).

Table 5.5: Southern Highlands Tourism Economic Contribution

Metric	Contribution
Tourist Spend (\$M)	\$365.2
Gross Value-Added (\$M)	
Direct	\$107.0
Indirect	\$101.5
<i>Total</i>	<i>\$208.4</i>
Persons Employed (no.)	
Direct	1,565
Indirect	623
<i>Total</i>	<i>2,189</i>

Source: ABS (2019b), TRA (2019), TRA (2019a), TRA (2019b).

5.4 Tourism Market Analysis

5.4.1 Experience Matrix

The Experience Matrix shown in Table 5.6 shows the intersection of the top 10 visitor activities by lifecycle group in the Southern Highlands (denoted by 'X') and the top visitor activities by lifecycle group across New South Wales (denoted by the different colours). The Matrix is helpful in showing where there may be an activity gap locally that is popular amongst a lifecycle group state-wide.

The Matrix generally shows a reasonable alignment between popular activities in the Southern Highlands and New South Wales.



However, potential gaps in the activities offered in the Southern Highlands include:

- Picnics or BBQs
- Attend an organised sporting event
- Visit wildlife parks / zoos / aquariums
- Attend theatre, concerts or other performing arts
- Exercise, gym or swimming.

The lifecycle group key for Table 5.6 is:

- A: Young single living at home
- B: Young single living alone or in shared accommodation
- C: Midlife single
- D: Young/midlife couple, no kids
- E: Parent with youngest child aged 5 or less
- F: Parent with youngest child aged 6-14
- G: Parent with youngest child aged 15+ still living at home
- H: Older working single
- I: Older non-working single
- J: Older working married person
- K: Older non-working married person



Table 5.6: Experience Matrix, Southern Highlands vs New South Wales, Year Ending December 2019

Activity	Lifecycle Groups										
	A	B	C	D	E	F	G	H	I	J	K
Go to the beach					X						
Visit national parks / state parks	X	X	X	X	X	X		X			
Visit botanical or other public gardens	X	X				X				X	X
Go whale or dolphin watching											
Visit farms											
Bushwalking / rainforest walks		X	X	X	X	X		X		X	
Visit the reef											
Birdwatching											
Other outdoor activities nfd	X		X					X			
Fishing		X									
Golf							X				
Scuba diving											
Snorkelling											
Water activities / sports											
Surfing											
Snow skiing											
Cycling											
Exercise, gym or swimming		X			X				X	X	
Play other sports					X			X		X	
Attend theatre, concerts or other performing arts											
Visit museums or art galleries		X	X				X	X	X	X	
Visit art / craft workshops / studios											
Attend festivals / fairs or cultural events	X								X		X
Visit history / heritage buildings, sites or monuments	X		X		X	X	X		X		X
Experience aboriginal art / craft and cultural displays											
Visit an aboriginal site / community											
Visit amusements / theme parks											
Visit wildlife parks / zoos / aquariums											
Go on guided tours or excursions		X									X
Go to markets	X	X		X	X	X	X		X		X
Tourist trains											
Visit industrial tourist attractions / mines / breweries											
Visit wineries		X	X	X			X			X	
Charter boat / cruise / ferry											
Visit a health spa / sanctuary / well-being centre											
Visit or stay on an island											
Visit breweries or distilleries											
Visit farmgates											
Visit food markets				X							
Visit breweries											
Visit distilleries											
Visit friends & relatives	X	X	X	X	X	X	X	X	X	X	X
Pubs, clubs, discos etc		X	X	X	X	X	X	X	X		X
Visit casinos											
Attend an organised sporting event											
Go shopping for pleasure		X	X	X		X	X	X	X	X	X
Eat out / dine at a restaurant and/or cafe	X	X	X	X	X	X	X	X	X	X	X
Sightseeing/looking around	X	X	X	X	X	X	X	X	X	X	X
Movies/videos											
Go on a daytrip to another place		X									
Picnics or BBQs		X			X						
Attend movies/cinema											

	Top 5 New South Wales Activity
	Top 6-10 New South Wales Activity
	Top 11-20 New South Wales Activity
	Remainder of New South Wales Activity
X	Top 10 Wingecarribee LGA Activity

Source: TRA (2020).



5.4.2 Cluster Mapping

The following cluster maps help to understand the relative competitive advantages for the Southern Highlands in terms of the activity offerings that attract visitors to the region.

Cluster Mapping

Cluster mapping is an analytical tool to consider future tourism growth opportunities and to show the importance and growth opportunities for various visitor activities within a region. The cluster maps for the Southern Highlands show the significance and importance of general tourism activities including visiting friends and relatives, going shopping and eating out / dining at a restaurant or cafe.

Interpreting the Cluster Map

Cluster mapping is an analytical tool that can simultaneously present the size and scale of a location's competitive advantages compared with State level growth trends by visitor activity. In cluster mapping, a location's competitive advantage is viewed through activity specialisation (i.e. the relative scale of visitors participating in the activity compared to the State average). There are three main components to the cluster map:

- **Location quotient:** the community's location quotients are presented along the vertical axis and these points represent the proportion of visitors participating in the activity in the region versus a comparison, in this instance New South Wales (i.e. compared with NSW, how many visitors participated in the activity during their visit; 1 = the same, 1.2 = 20% more than NSW, etc.).
- **Historical Growth:** Growth in the activity at the State level over the decade to the year ending September 2019 forms the horizontal axis and shows if the region has missed out on recent visitor growth activities.
- **The Cluster:** or the 'bubble' represents the size of local visitor activity participation, which shows the significance of the activity locally.

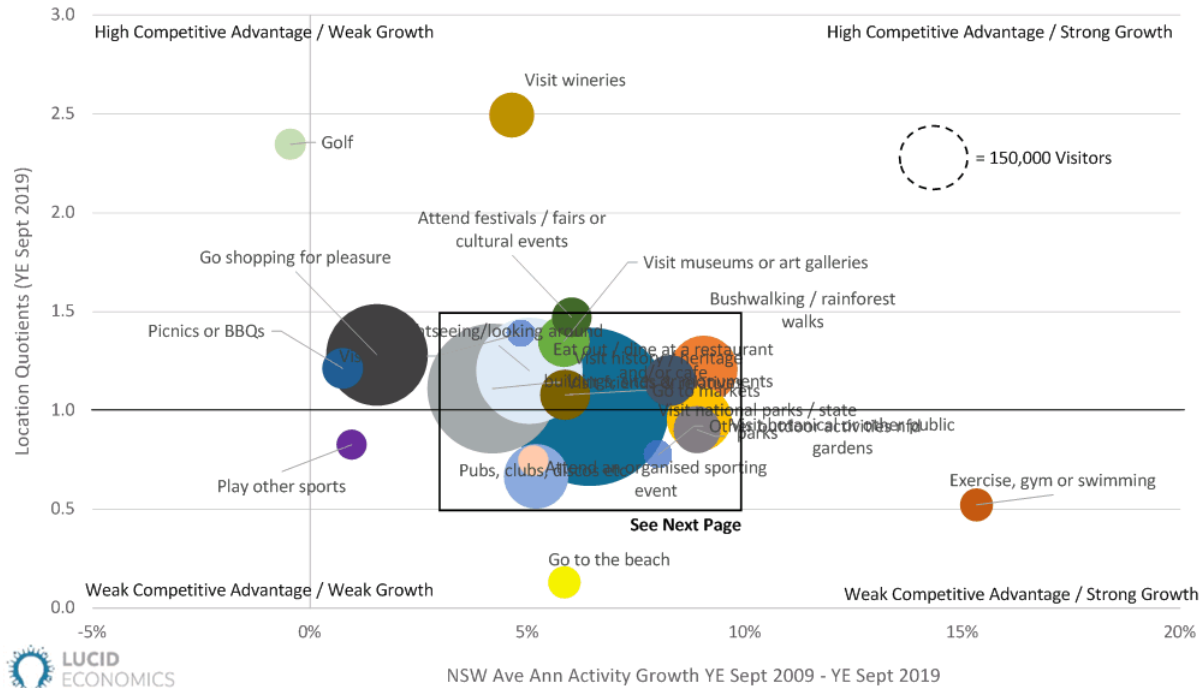
Overall, cluster mapping helps to identify visitor activity areas of focus for further development in the future.

The Southern Highlands recorded a location quotient above 1 for activities including visiting wineries, golf, visiting farms and attending fairs.

However, the analysis also highlighted location quotients of below 1 for exercise, gym or swimming, pubs, clubs or discos and attending and organised sporting event.



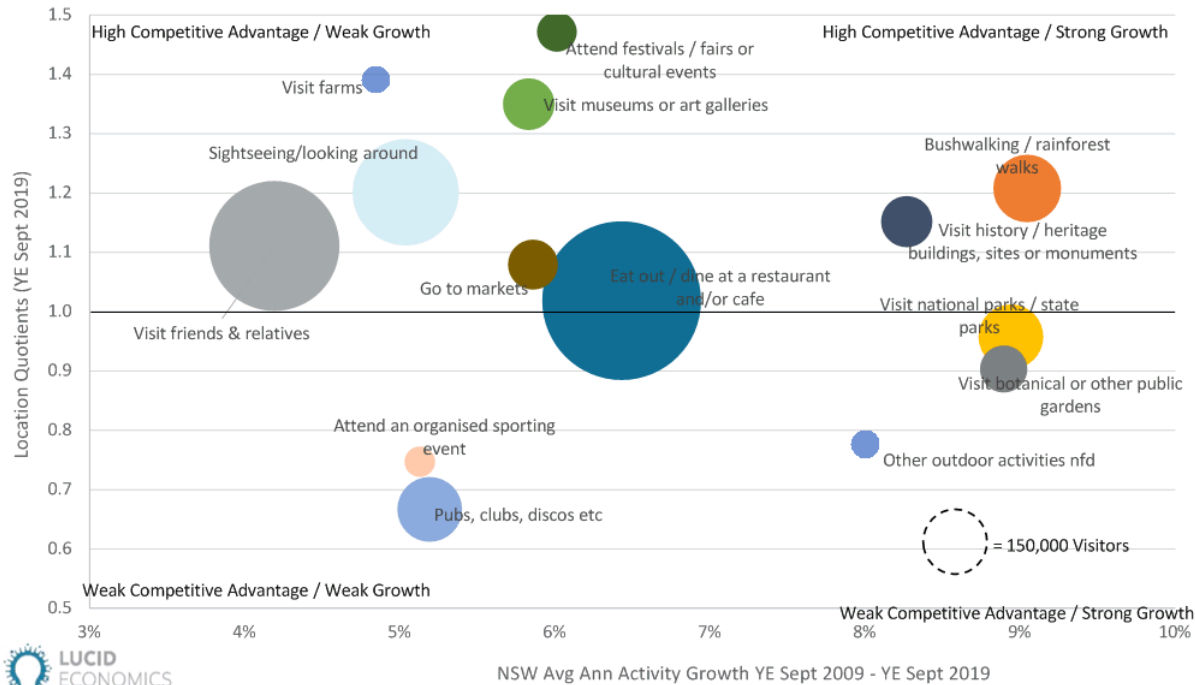
Figure 5.7. Tourist Visitor Top 20 Activity Cluster Map, Southern Highlands (benchmarked to New South Wales), Year Ending September 2019



Note: Location quotient calculated by proportion of the Southern Highlands visitors engaging in the activity during visit divided by proportion of New South Wales visitors engaging in the activity. A location quotient of greater than 1 indicates a greater proportion of the Southern Highlands visitors engage in the activity than the New South Wales average. 10-year average to year ending December 2019 data.
Source: TRA (2020).



Figure 5.8. Tourist Visitor Top 20 Activity Cluster Map, Southern Highlands (benchmarked to New South Wales), Year Ending September 2019, Zoomed Section



Note: Location quotient calculated by proportion of the Southern Highlands visitors engaging in the activity during visit divided by proportion of New South Wales visitors engaging in the activity. A location quotient of greater than 1 indicates a greater proportion of the Southern Highlands visitors engage in the activity than the New South Wales average. 10-year average to 2018-19 data.
Source: TRA (2020).



6. Agriculture

Agriculture has been a strong traditional industry in the Southern Highlands for many decades and the sector continues to make a valuable contribution to the local economy. The local agricultural sector includes beef cattle, dairy cattle, poultry and nurseries as well as a wide variety of other smaller crops.

Table 6.1: Agricultural Production, Southern Highlands (2015-16)

	Gross Value (\$m)
Beef Cattle	\$15.4
Dairy Cattle	\$14.7
Poultry	\$8.1
Nurseries	\$6.5
Other	\$4.9
Total	\$49.5

Source: ABS (2017a)

Table 6.2: Number of Agricultural Businesses, Southern Highlands (2015-16)

	Number of Businesses
Beef Cattle	147
Dairy Cattle	25
Horse Farms	23
Nurseries	13
Other	45
Total	253

Source: ABS (2017b)



7. Property

At \$765,000 in June quarter 2019, Southern Highlands median house price is by far the highest of the amongst the broader region, more than \$100,000 more than the next highest council area in the region (Wollondilly, median of \$663,000). Further, the median house price in the Southern Highlands has declined over the past year, consistent with other areas on the New South Wales over this period. The relatively high median house price demonstrates the attractiveness of the area for people choosing to make a ‘tree change’, often moving out of Sydney and capitalising on relatively high housing prices to purchase a lifestyle in the Southern Highlands.

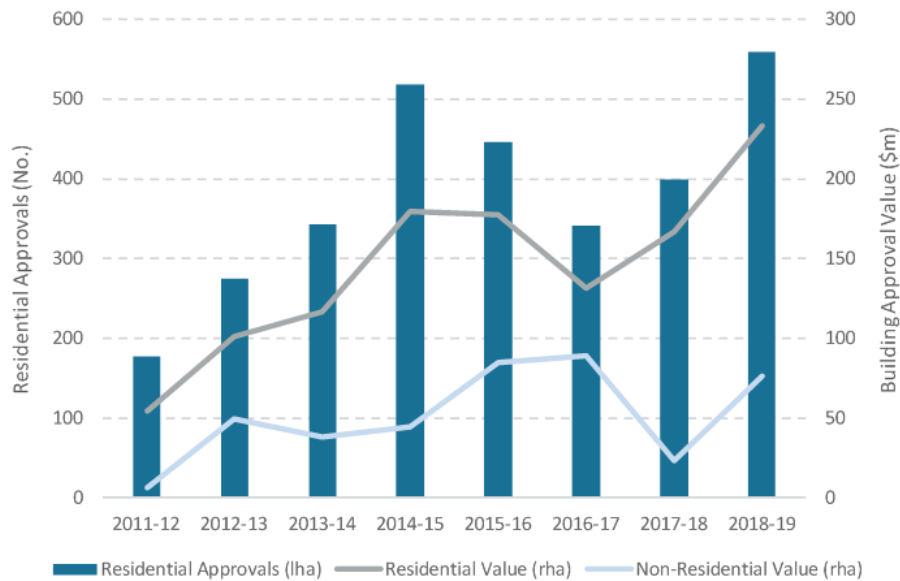
Despite falling house prices in the region in recent years, the value of residential building approvals and building activity in the Southern Highlands has risen strongly over the past two years.

Table 7.1. Median House Price by Council Area

	Jun-17	Jun-18	Jun-19
Southern Highlands	\$870,000	\$775,000	\$765,000
Wollondilly	\$766,250	\$815,000	\$663,000
Goulburn Mulwaree	\$430,000	\$445,000	\$418,000
Greater Sydney	\$1,075,000	\$950,000	\$900,000
NSW	\$700,000	\$655,000	\$650,000

Source: FACS (2020).

Figure 7.1. Building Approvals, Southern Highlands



Source: ABS (2019a).



8. Competitive Advantages and Opportunities

Identifying Competitive Advantages

Identifying and leveraging competitive advantages is important for successful economic development efforts at the local level. Competitive advantages can exist in many forms including location, natural resources, industry specialisation and/or infrastructure. This section seeks to identify the unique competitive advantages of the Southern Highlands using various analytical techniques, including:

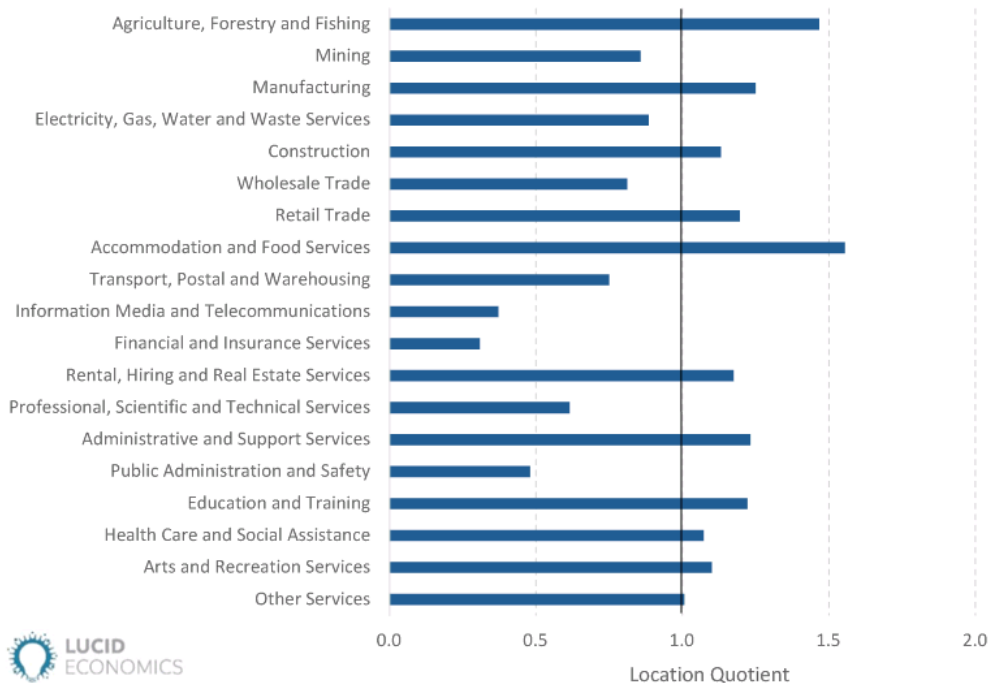
- Location quotient analysis
- Cluster mapping

This analysis will identify various industry opportunities for the Southern Highlands to be tested and verified through consultation.

The following graph shows the Southern Highlands competitive advantages by industry due to local employment specialisation. Essentially, the location quotients show the proportion of workers in individual industries with the '1' line representing parity with New South Wales. Industries showing a specialisation above the '1' line indicate areas of natural competitive advantage.

The analysis shows the natural competitive advantages for the Southern Highlands in tourism (retail/accommodation and food services), agriculture, manufacturing, construction and rental, hiring and real estate services.

Figure 8.1. Employment Location Quotients, Southern Highlands (benchmarked to New South Wales), 2018-19



 LUCID ECONOMICS
 Note: Place of work data.
 Source: NIEIR (2020).



It is important to understand that the construction industry relies on population and other factors for growth and vitality. As such, as population (and business) grows, so too will construction, so while there is a relative competitive advantage in these sectors, it is not something that the Southern Highlands can trade on.

The following cluster maps help us to understand the relative competitive advantage against a backdrop of future expected employment growth, as well as existing local employment strengths.

Cluster Mapping

Cluster mapping is an analytical tool to consider future economic growth opportunities and to show the importance and growth opportunities for various clusters or industries within the economy. The cluster maps for the Southern Highlands (Figure 8.2 and Figure 8.3) show the significance and importance of the existing tourism (accommodation and food services and retail trade industries) and public sector industries including health care and education. The mapping also shows the growth potential of various other clusters such as the professional, scientific and technical services industry.

Interpreting the Cluster Map

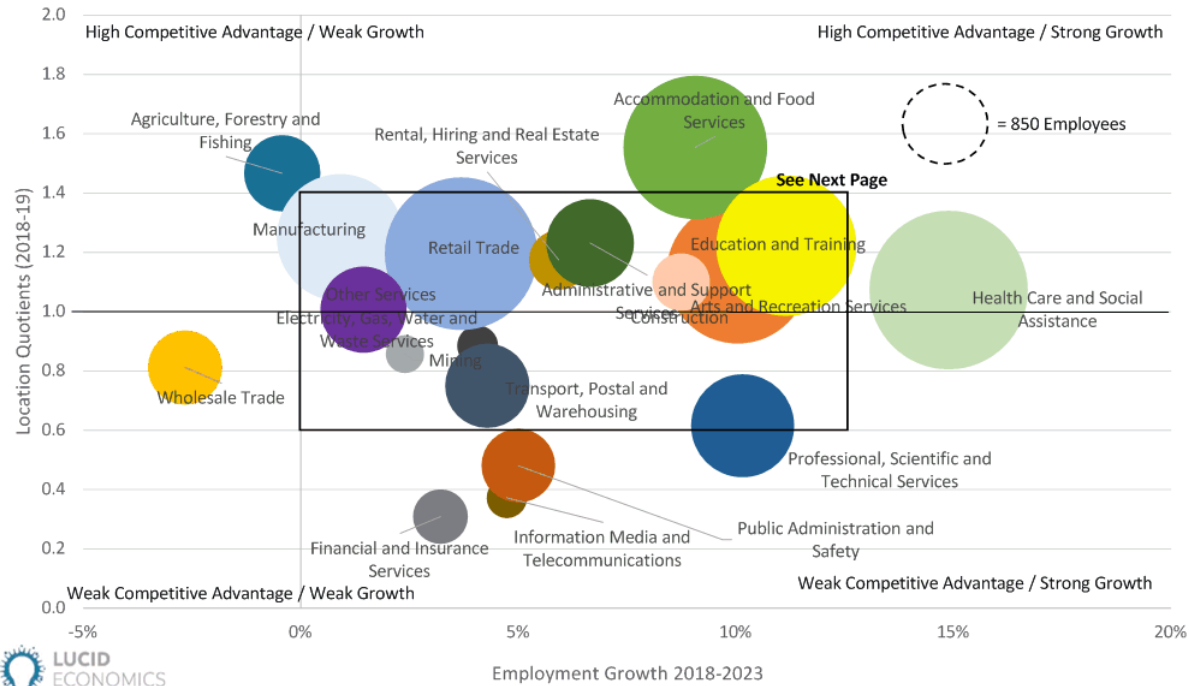
Cluster mapping is an analytical tool that can simultaneously present the size and scale of a location's competitive advantages with future anticipated growth trends by industry. In cluster mapping, a location's competitive advantage is viewed through labour specialisation (i.e. the relative scale of employment in specific industries). There are three main components to the cluster map:

- **Location quotient:** the community's location quotients are presented along the vertical axis and these points represent the proportional employment in the community versus a comparison, in this instance New South Wales (i.e. compared with NSW, how many people are employed in the sector; 1 = the same, 1.2 = 20% more than the state, etc.).
- **Employment Growth:** future employment growth expectations per industry, from 2017 to 2023, form the horizontal axis and tell us the percentage growth expected for a sector. In this instance, projections from the Department of Jobs and Small Business have been used.
- **The Cluster:** or the 'bubble' represents the size of local employment in that given sector, which shows the significance of the sector locally.

Overall, cluster mapping helps to identify industry areas of focus for further development in the future.



Figure 8.2. Cluster Map (1-digit), Southern Highlands



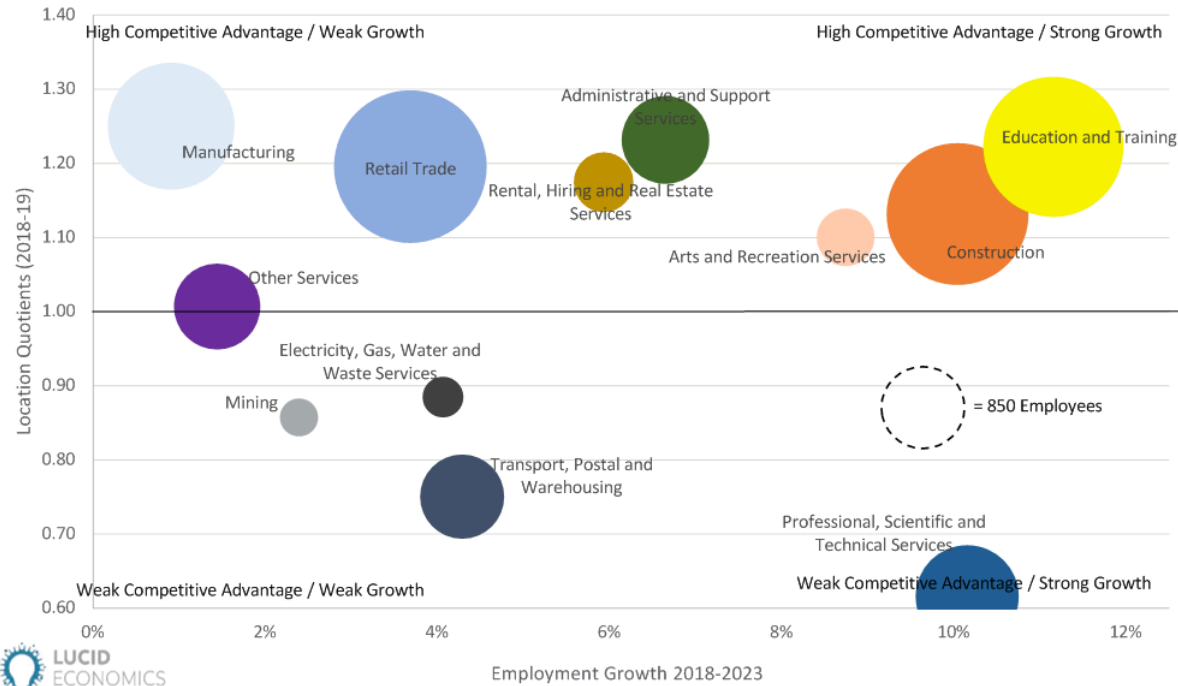
Note: Location quotient calculated by proportion of the Southern Highlands employment divided by proportion of New South Wales employment. Location quotient of greater than 1 indicates industry makes up larger proportion of the Southern Highlands employment than it does across New South Wales.

Note: Place of work data.

Sources: Economy.ID (2019), DJSB (2018).



Figure 8.3. Cluster Map (1-digit) Inset, Southern Highlands



Note: Location quotient calculated by proportion of the Southern Highlands employment divided by proportion of New South Wales employment. Location quotient of greater than 1 indicates industry makes up larger proportion of the Southern Highlands employment than it does across New South Wales.

Note: Place of work data.

Sources: Economy.ID (2019), DJSB (2018).



9. Summary

This analysis has revealed numerous elements of the local economy as well as various areas for economic expansion and diversification.

The Southern Highlands has an older population than the NSW average, with the region's population forecast to continue ageing over the next two decades. This has provided some issues for the local labour market, which has experienced falling employment in recent years while at the same time maintaining a low (and falling) unemployment rate. This indicates that the Southern Highlands participation rate has been in decline in recent years.

Key industries in the region (both in terms of industry value-add and employment) include the tourism (retail trade and accommodation and food services industries), construction, manufacturing and the public sector (primarily healthcare and education). However, growth in the construction and manufacturing industries has been volatile, with employment within the manufacturing industry declining over the past five years, while the construction industry has been impacted by a volatile dwelling price cycle in recent years. Further, these industries tend not to have the strongest industry-add per employee, with the highest value jobs generally found within the mining, rental, hiring and real estate services and financial services industries.

The local tourism industry has seen growing visitation numbers in recent years, supported by the lower Australian dollar in recent years. However, the area receives only a small proportion of total visitation from international visitors. Growing this visitor base is an area of opportunity for the council moving forward.

The increasing level of visitation (and the contribution that visitors make to the local economy) have somewhat offset the changing demographics in the area and the impact this has on the local economy.



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