

# **Special Variation Application Form – Part B**

**For applications for 2014/15**

**Issued October 2013**

**Insert Name of Council**

Date Submitted to IPART: 24 February 2014

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# 1 Introduction

Each council must complete this application form (Part B) in order to apply for a special variation to general income. The same Part B form is to be used for applications made either under section 508A or under section 508(2) of the *Local Government Act 1993*.

IPART assesses each application against the criteria set out in the Division of Local Government (DLG) *Guidelines for the preparation of an application for a special variation to general income for 2014/2015* (the Guidelines). Councils should refer to these guidelines before completing this application form. They are available at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au).

We also publish Fact Sheets on our role in local government rate setting and special variations and on the nature of community engagement for special variation applications. The latest Fact Sheets on these topics are dated September 2013. They are available on our website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

Councils must complete this Part B form with a relevant Part A form, also posted on our website. The relevant Part A form is either:

- ▼ *Section 508(2) Special Variation Application Form 2014/15 – Part A* for a single percentage variation under section 508(2) or
- ▼ *Section 508A Special Variation Application Form 2014/15 – Part A* for more than one percentage variation under section 508A.

The amount of information to be provided is a matter for judgement, but it should be sufficient for us to make an evidence-based assessment of the council's application against each criterion. This form includes some questions that the application should address, and guidance on the information that we require. As a general rule, the higher the cumulative percentage increase requested, and the greater its complexity, the more detailed and extensive will be the information required.

## 1.1 Completing the application form

To complete this Part B form, insert the council's response in the boxes and the area which is highlighted, following each section or sub-section.

Councils may submit additional supporting documents as attachments to the application. The attachments should be clearly identified in Part B and cross-referenced. We prefer to receive relevant extracts rather than complete publications, unless the complete publication is relevant to the criteria. Please provide details of how we can access the complete publication should this be necessary.

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

This application form consists of:

- ▼ Section 2 - Focus on Integrated Planning and Reporting
- ▼ Section 3 – Assessment criterion 1
- ▼ Section 4–Assessment criterion 2
- ▼ Section 5–Assessment criterion 3
- ▼ Section 6 – Assessment criterion 4
- ▼ Section 7–Assessment criterion 5
- ▼ Section 8 - Other information
- ▼ Section 9 – Checklist of contents
- ▼ Section 10– Certification.

## 1.2 Submitting the application

IPART asks that all councils intending to apply for a special variation use the Council Portal on our website to register as an applicant council and to submit their application.

The Portal is at [http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt). A [User Guide](#) for the Portal will assist you with the registration and online submission process.

Councils intending to submit an application should notify us of their intention to apply by **cob Friday 13 December 2013**.

Councils should also submit their applications, both Part A and Part B and supporting documents, via the Portal. File size limits apply to each part of the application. For Part B the limit is 10MB. The limit for the supporting documents is 120MB in total, or 70MB for public documents and 50MB for confidential documents. These file limits should be sufficient for your application. Please contact us if they are not.

We also ask that councils also submit their application to us in hard copy (with a table of contents and appropriate cross referencing of attachments). Our address is:

Local Government Team  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

Level 17, 1 Market Street, Sydney NSW 2000.

We must receive your application via the Council Portal and in hard copy no later than **cob Monday 24 February 2014**.

We will post all applications (excluding confidential documents) on our website. Councils should also post their application on their own website for the community to read.

## 2 Focus on Integrated Planning and Reporting

How a council considers and consults and engages on a special variation as part of its Integrated Planning and Reporting (IP&R) processes is fundamental to our assessment of the application for a special rate variation. Such a focus is clear from DLG's September 2013 *Guidelines*.

The key relevant IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, Asset Management Plan.

A council's suite of IP&R documents may also include supplementary and/or background publications used within its IP&R processes. As appropriate, you should refer to these documents to support your application for a special variation.

Briefly outline how the council has incorporated the special variation into its IP&R processes. Include details of and dates for community consultation, key document revisions, exhibition period(s) and the date(s) that the council adopted the relevant IP&R documents.

In preparing this application, we have developed a document, *The Assessment of Rockdale City Council against DLG Guidelines for the Preparation of an SRV Application for 2014/15* which summarises in table form how and where we satisfy the 2014/15 Special Rate Variation assessment criteria through our adopted Integrated Planning and Reporting documentation, and more recently through our significant "Renewing Rockdale" Community Engagement Program.

This document is appended to the application (Appendix One)

## 3 Assessment criterion 1: Need for the variation

In the DLG Guidelines, criterion 1 is:

*The need for and purpose of a different revenue path (as requested through the special variation) is clearly articulated and identified through the council's IP&R documents, including its Delivery Program and Long Term Financial Plan. Evidence for this criterion could include evidence of community need/desire for service levels/project and limited council resourcing alternatives and the Council's financial sustainability conducted by the NSW Treasury Corporation. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:*

- *Baseline scenario – revenue and expenditure forecasts which reflects the business as usual model, and exclude the special variation, and*
- *Special variation scenario – the result of approving the special variation in full is shown and reflected in the revenue forecast with the additional expenditure levels intended to be funded by the special variation.*

The response in this section should summarise the council's case for the proposed special variation. It is necessary to show how the council has identified and considered its community's needs, alternative funding options and the state of its financial sustainability.

The criterion states that all these aspects must be identified and articulated in the council's IP&R documents.

At the highest level, please indicate the key purpose(s) of the special variation by marking one or more of the boxes below with an “x”.

- |                                      |                                     |
|--------------------------------------|-------------------------------------|
| Maintain existing services           | <input type="checkbox"/>            |
| Enhance financial sustainability     | <input type="checkbox"/>            |
| Environmental works                  | <input type="checkbox"/>            |
| Infrastructure maintenance / renewal | <input checked="" type="checkbox"/> |
| Reduce infrastructure backlogs       | <input checked="" type="checkbox"/> |
| New infrastructure investment        | <input type="checkbox"/>            |
| Other (specify)                      | <input type="checkbox"/>            |

Summarise below the council’s need for the special variation. Comment on how the need is captured in the IP&R documents, especially the Long Term Financial Plan (LTFP) and the Delivery Program, and, where appropriate, the Asset Management Plan (AMP). Note that the LTFP is to include both a ‘baseline scenario’ and an ‘SV scenario’ as defined in the *Guidelines*.

**The need for the Variation:**

Rockdale City Council's need for the Special Rate Variation was considered and established through Council's IP&R process and is well documented throughout Council's documents.

The variation is needed in order to secure funding for the maintenance and management of community assets as outlined in the Delivery Program 2013-17 in line with community expectations and the resourcing requirements set out in the Long Term Financial Plan, Asset Management Plans and Workforce Plan.

Further, the need for the SRV was documented and demonstrated in our successful 2013/14 SRV Application where we sought an initial 3% variation, to replace the expiring 3% Community Buildings SRV and indicated our intention to apply for a subsequent multi year Special Rate variation to general income commencing in 2014.

In preparing this application, we have developed a document, *The Assessment of Rockdale City Council against DLG Guidelines for the Preparation of an SRV Application for 2014/15* which summarises in table form how and where we satisfy the 2014/15 Special Rate Variation assessment criteria through our adopted Integrated Planning and Reporting documentation, and more recently through our significant “Renewing Rockdale” Community Engagement Program.

This document is appended to the application (Appendix One)

The Community Strategic Plan (Appendix 2) specifically details the challenges for Council of achieving financial sustainability, noting that while a successful SRV application would result in a big improvement in financial sustainability it does not completely solve the problem.

Like many other councils, Rockdale faces an income gap as cost increases outstrip income gains. Ageing infrastructure, a growing population and increased public expectations of service delivery create a structural financial problem, which if not addressed now will negatively affect our financial sustainability into the future.

Council manages over \$995 million of assets as well as continuing to provide the services identified as important to the community in the Community Strategic Plan. The total value of the infrastructure backlog was estimated at \$38.5 million in June 2013, and in 2012 we only reached 21% of renewal expenditure needed. A list of the assets Rockdale council manages can be found on page 23 of the Community Strategic Plan.

The biggest single issue facing Council is the need to repair and replace ageing assets, while providing new assets to meet the needs and expectations of the community. The importance the community places on this is demonstrated in the original round of SRV Community Engagement conducted as part of the City Plan Community Engagement Strategy, where 43% of residents surveyed completely supported Council’s application for a 3% SRV, and a further 22% “somewhat” supported the application.

The proposed SRV Works Program was developed based on feedback obtained from the community during the City Plan Community Engagement Strategy and adopted by Council in the Community Strategic Plan following public exhibition.

The benefits of that program in terms of the assets that will be renewed and how they contribute to achieving community outcomes are explained in the Delivery Program. The success of this SRV application combined with the strategies to reduce costs, increase revenue and implement service efficiencies detailed elsewhere in this document, will enable Council to deliver its responsibilities in the Delivery Program.

Council’s Long Term Financial Plan models three scenarios:



Scenario 1.	Business as usual, plus the two Major Projects approved to date (Bexley Swimming and Leisure Centre and Rockdale City Library) and the \$1.1 million loan taken each year, plus successful SRV applications, plus the productivity improvements and savings program of \$250,000 p.a.
Scenario 2	Scenario 1 without successful SRV applications
Scenario 3	Base case - Scenario 2 without the productivity improvements and savings program.

The financial benefits of the success of Council's SRV application(s) are explained in the Community Strategic Plan, in terms of the impact Scenario One has on Council's financial sustainability.

*'Over the twelve years of Scenario One, the operational deficit before capital grants and contributions reduces from \$10.2 million to \$2.5 million. The asset renewal ratio improves from 34% to 74% moving Council closer to financial sustainability.'*

If the special variation seeks funding for contributions plan costs above the development contributions cap, refer to Box 3.1.<sup>1</sup>

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### **Box 3.1 Special variations for development contributions plan costs above the developer cap**

For costs above the cap in contributions plans, a council must provide:

- ▼ a copy of the council's section 94 contributions plan
  - ▼ a copy of the Minister for Planning and Infrastructure's response to IPART's review and details of how the council has subsequently amended the contributions plan
  - ▼ details of any other funding sources that the council is proposing to seek to use
  - ▼ any reference to the proposed contributions (which were previously to be funded by developers) in the council's planning documents (eg, LTFP and Asset Management Plans (AMP))
  - ▼ any necessary revisions to financial projections contained in the LTFP and AMP to reflect the special variation.
- 

If the special variation seeks funding for contributions plan costs above the development contributions cap, set out below:

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<sup>1</sup> See Planning Circular 10-025 dated 24 November 2010 at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) and for the most recent Direction issued under section 94E of the *Environmental Planning and Assessment Act 1979*. See also Planning Circular PS 10-022 dated 16 September 2010.

- ▼ details explaining how the council has established the need for a special variation to meet the shortfall in development contributions, and
- ▼ how this is reflected in the council's IP&R documents.

### 3.1 Community needs

Indicate how the council has identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision in deciding to apply for a special variation. The application should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

#### Community Needs:

As part of its IP&R process Council undertook a range of engagement programs to explore and determine community aspirations, what was important to the community and their satisfaction with current Council service levels. As well, Council drove a broad community engagement program around the 2013/14 SRV application and the community was specifically asked to what extent is supported Councils application for an SRV. In the survey which accompanied that round of engagement 65% of resident surveyed indicated that they supported or somewhat supported Council's initial application for a 3% SRV. A copy of the report detailing the findings of that community engagement program is appended to this document.

The Asset Management Strategy states:

*'To identify the needs, outcomes and corresponding priorities of the community, Council undertook community surveys in 2001, 2003, 2005, 2010 and 2012. The information collected during 2001 to 2005 measured the relative importance of a number of Council Services, which included the management of key asset types'.*

The survey undertaken in 2010 formed Stage 1 of the Community Engagement Strategy for the City Plan 2011 – 2025, and involved a telephone survey of 500 residents (conducted by Micromex Research). The survey not only sought to re-establish (post 2005) the importance the community assigned to key Council services, but also to identify service performance gaps.

A follow up survey was also conducted by Micromex Research in 2012. Table 2 outlines the key findings of both the 2010 and 2012 surveys based on the apportionment of importance with identified performance gaps.

The main feedback in 2012 regarding assets was that there is a gap between the level of importance and community satisfaction with some assets, notably:

- Public toilets
- Local roads
- Parking facilities
- Footpaths
- Quality of town centres'

The table below shows the Importance that was placed on assets since 2010 by respondents as well as the recommendations that were derived from the surveys' analysis.

Table 2

Community Telephone Survey	Asset Importance	Recommendations
2010	<p><b>Extremely High</b> Condition and maintenance of local roads Quality and maintenance of footpaths</p> <p><b>Very High</b> Quality and maintenance of parking facilities Condition and maintenance of sporting fields, parks and gardens Provision and maintenance of public toilets</p> <p><b>High</b> Provision and maintenance of playgrounds Conditions of Council-owned facilities including libraries, Town Hall and Community Halls</p>	<p><b>RCC needs to improve:</b> Provision and maintenance of public toilets Condition and maintenance of local roads Quality and maintenance of footpaths</p> <p><b>RCC needs to:</b> Foster and maintain resident satisfaction with the condition and maintenance of sporting fields, parks and gardens.</p>
2012	<p><b>Very High</b> Condition of local roads Quality and maintenance of footpaths</p> <p><b>High</b> Condition and maintenance of sporting fields, parks and gardens Provision and maintenance of playgrounds Provision and maintenance of public toilets Quality of town centres and surrounding areas</p> <p><b>Moderately High</b> Condition of Council-owned facilities including libraries, Town Hall and community halls</p>	<p><b>Improve satisfaction</b> Provision and maintenance of public toilets Condition of local roads Quality and maintenance of footpaths</p> <p><b>RCC consider the following</b> Look for ways to improve the area's image and identity, as well as the sense of community in the city of Rockdale.</p> <p><b>RCC needs to improve:</b> Provision and maintenance of public toilets Condition of local roads Quality and maintenance of parking facilities Quality and maintenance of footpaths</p> <p><b>RCC needs to maintain:</b> Resident satisfaction with Condition and maintenance of sporting fields, parks and gardens</p>
2013	<p><b>Extremely High</b> Condition of local roads</p> <p><b>Very High</b> Quality and maintenance of footpaths Condition and maintenance of sporting fields, parks and gardens Quality and maintenance of parking facilities Provision and maintenance of public toilets</p> <p><b>High</b></p>	<p>Decline in residents level of satisfaction Maintaining healthy natural waterways Reporting to the community on Council activities, services and facilities Improve satisfaction Provision and maintenance of public toilets Condition of local roads Quality and maintenance of footpaths Maintain satisfaction Condition and maintenance of sporting fields, parks</p>

	Provision and maintenance of playgrounds Quality of town centres and surrounding areas Condition of Council-owned facilities including libraries, town hall and community halls	Provision and maintenance of playground
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The Asset Management Strategy considers the proposed level of service for assets in detail:

#### Current Level of Service:

Considerable effort has been invested by Council to establish Levels of Service for key corporate activities, to align with information collated through Community consultation. Currently limited Levels of Service have been established to guide the management of asset related activities.

High representations of asset work activities are reactionary based, and in most instances due to the scale of the asset portfolio are limited by available funds. The reactive nature of asset activities highlight the need to establish clear Levels of Service for all assets, beyond current Guarantees of Service which are generally focused on response times to customer requests.

#### Desired Level of Service:

As part of increasing engagement with the community and other asset stakeholders, it is likely that there will be areas where the desired level of service is greater than that which is currently provided, and vice versa. This can be readily seen in Table 3 where the "Performance Gap" column represents the difference between the importance residents place on a service and the satisfaction that the residents consider that service is providing. That is, the current level of service does not match the desired level of service.

Table 3

Ranking 2012	Ranking 2013	Service/Facility	Importance Mean	Satisfaction Mean	Performance Gap
1	1	Provision and maintenance of public toilets	4.30	2.91	1.39
5	2	Quality and maintenance of parking facilities	4.31	2.93	1.38
10	3	Council's financial management	4.30	3.02	1.28
2		Condition of local roads	4.52	3.24	1.28
6	5	Quality and maintenance of footpaths	4.42	3.17	1.25
4	6	Traffic management	4.55	3.31	1.24
16	7	Quality of new development	4.25	3.02	1.23
12	8	Appropriateness of town planning controls	4.25	3.04	1.21
9	9	Transparent and accountable Council activities	4.23	3.03	1.20
11	10	Maintaining healthy natural waterways	4.59	3.49	1.10
14	11	Public health food inspections	4.56	3.54	1.02
6	12	Community safety/Crime prevention	4.69	3.71	0.98
17	13	Opportunities to participate in Council decision making	3.95	3.02	0.93
22	14	Reporting to the community on Council activities, services and facilities	4.23	3.34	0.89
26	15▼	Access to public transport	4.58	3.74	0.84
3	16▲	Litter control and rubbish dumping	4.49	3.68	0.81
27	17▼	Support for youth	4.34	3.59	0.75
14	18	Support for the aged and people with disabilities	4.48	3.76	0.72

23	19	Condition and maintenance of sporting fields, parks and gardens	4.34	3.67	0.67
18	20	Advocacy role that benefits the community	3.94	3.37	0.57
8	21▲	Street cleaning/sweeping	4.18	3.69	0.49
29	22	Heritage conservation	3.91	3.45	0.46
18	23	Quality of town centres and surrounding areas	4.03	3.58	0.45
20	24	Restoration of natural bushland	4.04	3.60	0.44
28	25	Provision and maintenance of playgrounds	4.20	3.80	0.40
33		Management of the risk of sea level rise and the impact of climate change	3.76	3.36	0.40
23	27	Recycling	4.63	4.24	0.39
12	28▲	Foreshore/beachfront cleaning	4.11	3.73	0.38
20	29	General waste/garbage collection	4.61	4.27	0.34
23	30	Community engagement and participation opportunities	3.65	3.45	0.20
30	31	Condition of Council-owned facilities including libraries, Town Hall and community halls	3.96	3.79	0.17
32	32	Support for the multicultural community	4.04	3.91	0.13
30	33	Animal control	3.93	3.85	0.08
35	34	Provision of libraries	4.13	4.15	-0.02
34	35	Access to cycle paths and walking tracks	3.75	3.80	-0.05
36	36	Council's monthly Rockdale Review (community newsletter)	3.74	3.82	-0.08
37	37	Festivals and major events	3.48	3.86	-0.38

*Source – Rockdale City Council 2012 Community Survey, Micromex*

At this point in time, Council's strategy remains to continue to retain assets at 'satisfactory' condition resulting in assets that are fit for use. The long term financial projections are based on this assumption with the view of Council providing the best possible service to its residents while maintaining long term sustainability. However, through recent community engagement it is clear that the community has concern over the condition of certain assets, including community buildings and amenities

Future strategies will consider the full range of service level outcomes as well as the level of service desired by the community, and more specific community engagement will be undertaken to address asset conditions, which will feed into Council's future Plans.

The Division of Local Government recently audited Council's asset management capability. Preliminary feedback received was that Asset Management Strategy 2011 was good and had good linkages back to the community strategic plan and took a holistic approach to asset planning. The areas of weakness were identified as definition of existing and desired service levels. Service levels should drive asset management practices and renewal.

Future strategies will consider the full range of service level outcomes as well as the level of service desired by the community, and more specific community engagement will be undertaken to address asset conditions, which will feed into Council's future Plans.

As part of its refinement and review of its IP&R documents in 2014/15 Council will further explore the current and desired service levels with the community and an update of Council's Asset Management plans. This will inform a review of Council's Delivery Program in 2015/16. This will place ensure Council is better placed to ensure community service levels should drive asset management practices and renewal.

### 3.2 Alternative funding options

Explain how the decision to seek higher revenues was made after other options such as changing expenditure priorities or using alternative modes of service delivery were examined. Also explain the range of alternative revenue/financing options you considered and why the special variation is the most appropriate option. For example, typically these options would include introducing new or higher user charges and increase council borrowing, but may include private public partnerships or joint ventures.

Provide extracts from, or **references to, the IP&R document(s) which show how the council considered the alternatives.**

## Alternative Funding Options:

Council considers a range of funding options as a matter of course for all projects and carefully considered all other revenue options and productivity improvements and cost containment measures prior to the decision to apply for the special variation.

Councillor Workshops held in November and December 2012 discussed in detail a range of financing options, including:

### Efficiencies

- Productivity savings
- Service reviews/service cuts

### Revenue generation

- Investment working group – asset sales
- Outdoor advertising
- Parking meters
- Sydney Airport
- Leases/licenses and sports facilities

### Entrepreneurial activities

- Partnerships

### Subsidised loans and rate variations



The confidential presentation discussed with Councillors is attached to this application.

Different financing options are considered as a matter of course for all projects proposed. Joint ventures and Private, Public Partnerships were discussed in detail with Councillors with particular reference to funding Major Projects. These financing options were not considered appropriate for the Rockdale City Library or the Bexley Swimming and Leisure Centre. Problems that Council has encountered with previous partnerships were also discussed.

Revenue generation opportunities were also discussed and are being pursued. Paid parking is an issue raised during community engagement, and by Councillors, but current research suggests it is unlikely to produce significant revenue for council.

In November 2012 Council established an internal Investment Strategy Working Group to investigate and advise Council on opportunities to use its property portfolio to improve the Council's financial sustainability and create the capacity to increase the range of services and facilities provided to the community. This includes contributing to the funding of Major Projects. Indicative targets have been set for the Investment Strategy Working Group to achieve the funding proposals for the Major Projects.

The Working Group will also ensure that existing property assets are used more effectively in order to provide new or increased services to the community. Limits on rate income combined with consistent demands for increased community services and facilities require Councils to carefully and methodically consider opportunities to use their property portfolios more effectively.

#### State of financial sustainability

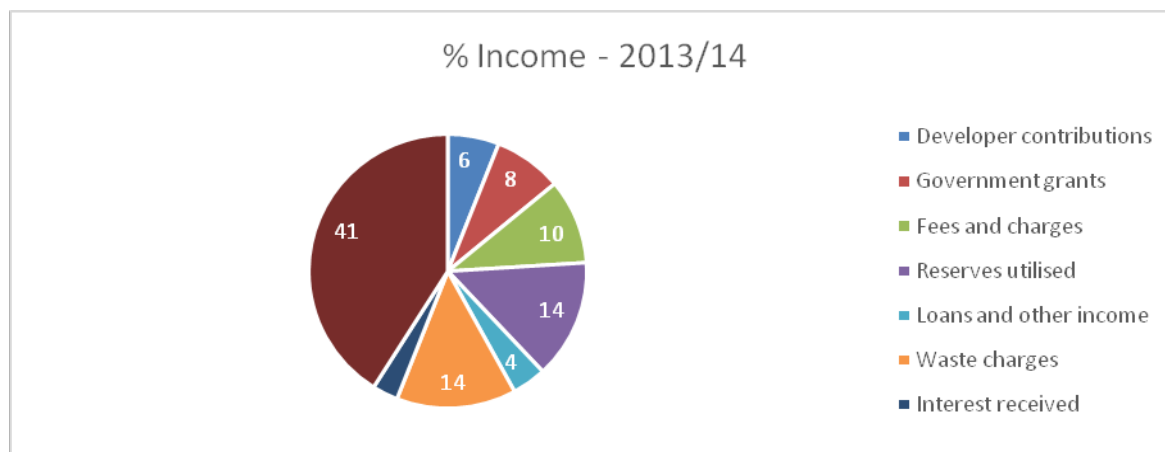
The special variation may be intended to improve the council's underlying financial position, or to fund specific projects or programs of expenditure, or a combination of the two. We will consider evidence about the council's current and future financial sustainability.

The application should set out the council's understanding of its current state of financial sustainability, as well as long-term projections based on alternative scenarios and assumptions about revenue and expenditure. Such evidence can be drawn from the LTFP and from any external assessment, eg by auditors or TCorp.

Explain the council's view of its financial sustainability as it relates to the application for a special variation.

## State of financial sustainability

Rates and annual represent approximately 55% of total operating revenue. The breakdown of Council's revenue sources is illustrated below.



On 19 June 2013 a report was submitted to council which noted that "Rockdale City Council was successful in its application for funding under the Local Infrastructure Renewals Scheme. The approval was subject to a financial assessment to be completed by NSW Treasury Corporation (TCorp). For Council's to be successful in an application for LIRS subsidised loan funding, a favourable financial assessment by TCorp was required. TCorp has completed the financial assessment and benchmark comparisons for Rockdale City Council and has concluded that Council is able to fund the loan repayments for the approved LIRS subsidised loan and has capacity to borrow a further \$27 million, although this may not take account of the impact the cost of borrowing will have on Council's expenditure and ability to achieve a surplus".

The Long Term Financial Plan models three scenarios:

Scenario 1.	Business as usual, plus the two Major Projects approved to date (Bexley Swimming and Leisure Centre and Rockdale City Library) and the \$1.1 million loan taken each year, plus successful SRV applications, plus the productivity improvements and savings program of \$250,000 p.a.
Scenario 2	Scenario 1 without successful SRV applications
Scenario 3	Base case - Scenario 2 without the productivity improvements and savings program.

In all three scenarios developed, Council meets one or two of the four key financial sustainability principles but not all four.

To achieve financial sustainability Council must increase operational revenue and/or reduce operational expenditure. Alternatively it could reduce the value and number of assets held and maintained.

The benefits of successful SRV applications are explained in the Community Strategic Plan in terms of the impact the approach in Scenario One has on Council's financial sustainability.

*'Over the twelve years of Scenario One, the operational deficit before capital grants and contributions reduces from \$10.2 million to \$2.5 million. The asset renewal ratio improves from 34% to 74% moving Council closer to financial sustainability.'*

While the success of this SRV application will result in a significant improvement in Council's financial sustainability, it does not completely solve the problem. Improvements proposed in the Asset Management Strategy including detailed conditions assessments and community engagement on service levels will further contribute to closing the gap.

The financial ratios for each of the three scenarios are in the Appendix to the LTTP for the 12 years to 2024/25.

In Scenario One:

- The unrestricted current ratio increases from 3.84 in 2013/14 to 5.69 in 2024/25
- The rate coverage ratio rises from 0.65 in 2013/14 to 0.71 in 2024/25
- The debt services ratio rises from 0.013 in 2013/14 to 0.017 in 2024/25
- The building and infrastructure renewals ratio rises from 0.44 in 2013/14 to 0.75 in 2024/25

In Scenario Two:

- The unrestricted current ratio increases from 3.84 in 2013/14 to 5.21 in 2024/25
- The rate coverage ratio rises from 0.65 in 2013/14 to 0.69 in 2024/25
- The debt services ratio rises from 0.014 in 2013/14 to 0.018 in 2024/25

The building and infrastructure renewals ratio rises from 0.37 in 2013/14 to 0.42 in 2024/25

Explain how TCorp's recent Report on the council's financial sustainability is relevant in supporting the decision to apply for a special variation.

In 2012, the Division of Local Government engaged TCorp to undertake a financial sustainability review of all general purpose councils in NSW. TCorp's report is the first time a comprehensive, independent analysis has been undertaken into the financial sustainability of every council in NSW. In undertaking its review, TCorp defined financial sustainability in the following terms:

*"A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community"*

TCorp has completed assessments and benchmark comparisons of all councils in NSW and Rockdale City Council has been assessed as Financial Sustainability Rating (FSR) - moderate and Outlook - neutral.

How will the special variation affect the council's key financial indicators over the 10-year planning period? Key indicators may include:

- ▼ Operating balance ratio excluding capital items (ie, net operating result before capital as percentage of operating revenue before capital grants and contributions)
- ▼ Unrestricted current ratio (the unrestricted current assets divided by unrestricted current liabilities)
- ▼ Rates and annual charges ratio (rates and annual charges divided by operating revenue)
- ▼ Debt service ratio (net debt service cost divided by revenue from continuing operations)
- ▼ Broad liabilities ratio (total debt plus cost to clear infrastructure backlogs (Special Schedule 7) divided by operating revenue)
- ▼ Asset renewal ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses).

While the success of this SRV application will result in a significant improvement in Council's financial sustainability, it does not completely solve the problem. Improvements proposed in the Asset Management Strategy including detailed conditions assessments and community engagement on service levels will further contribute to closing the gap.

The financial ratios for each of the three scenarios are in the Appendix to the LTFP for the 12 years to 2024/25.

In Scenario One:

- The unrestricted current ratio increases from 3.84 in 2013/14 to 5.69 in 2024/25
- The rate coverage ratio rises from 0.65 in 2013/14 to 0.71 in 2024/25
- The debt services ratio rises from 0.013 in 2013/14 to 0.017 in 2024/25
- The building and infrastructure renewals ratio rises from 0.44 in 2013/14 to 0.75 in 2024/25

In Scenario Two:

- The unrestricted current ratio increases from 3.84 in 2013/14 to 5.21 in 2024/25
- The rate coverage ratio rises from 0.65 in 2013/14 to 0.69 in 2024/25
- The debt services ratio rises from 0.014 in 2013/14 to 0.018 in 2024/25

The building and infrastructure renewals ratio rises from 0.37 in 2013/14 to 0.42 in 2024/25

### 3.3 Capital expenditure review

Councils undertaking major capital projects are required to comply with the DLG's Capital Expenditure Guidelines, as outlined in DLG Circular 10-34. A capital expenditure review is required for projects that are not exempt and cost in excess of 10% of council's annual ordinary rates revenue or \$1 million (GST exclusive), whichever is the greater. A capital expenditure review is a necessary part of a council's capital budgeting process and as such should have been

undertaken as part of the Integrated Planning and Reporting requirements in the preparation of the Community Strategic Plan and Resourcing Strategy.

Does the proposed special variation require you to do a capital expenditure review in accordance with DLG Circular to Councils, Circular No10-34 dated 20 December 2010?

Yes ☐ No ☒

If Yes, has a review been done and submitted to DLG?

Yes ☐ No ☐

## 4 Assessment criterion 2: Community awareness and engagement

In the DLG Guidelines, criterion 2 is:

*Evidence that the community is aware of the need for and extent of a rate rise. This must be clearly spelt out in IP&R documentation and the council must demonstrate an appropriate variety of engagement methods to ensure opportunity for community awareness/input. The IP&R documentation should canvas alternatives to a rate rise, the impact of any rises upon the community and the council's consideration of the community's capacity and willingness to pay rates. The relevant IP&R documents must be approved and adopted by the council before the council seeks IPART's approval for a special variation to its general revenue.*

To meet this criterion, councils must provide evidence from the IP&R documents<sup>2</sup> that the council has:

- ▼ Consulted and engaged the community **about the special variation** using a variety of engagement methods and that the community is aware of the need for, and extent of, the requested rate increases
- ▼ considered and canvassed alternatives to the special variation
- ▼ provided opportunities for input and gathered input/feedback from the community about the proposal
- ▼ considered the impact of rate rises on the community
- ▼ considered the community's capacity and willingness to pay.

In assessing the evidence, we will consider how transparent the engagement with the community has been, especially in relation to explaining:

- ▼ the proposed cumulative rate increases including the rate peg (including in both percentage and dollar terms)
- ▼ the annual increase in rates that will result if the special variation is approved in full (and not just the increase in daily or weekly terms)
- ▼ the size of any expiring special variation (see Box 4.1 below)
- ▼ alternative rate levels that would apply without the special variation

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<sup>2</sup> The relevant documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, Asset Management Plan

- ▼ proposed increases in any other council charges (eg, waste management, water and sewer), especially if these are likely to exceed the increase in the CPI.

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#### **Box 4.1 Where a council is renewing or replacing an expiring special variation**

The council should have explained to its community:

- ▼ that there is a special variation due to expire at the end of this financial year or during the period covered by the proposed special variation
  - ▼ that, if the special variation were not approved so that only the rate peg applied, the year-on-year change in rates would be lower, or that rates may fall
  - ▼ if applicable, that the expiring special variation is being continued (in full or in part), in the sense that it is being replaced with another that may be either temporary or permanent, or that the value is included in the percentage increase being requested in the following year.
- 

More information about how community engagement might best be approached may be found in the DLG *Guidelines*, the IP&R manual, and our Fact Sheet *Community Awareness and Engagement*, September 2013.

## **4.1 The consultation strategy**

Provide details of the consultation strategy undertaken, including the range of methods used to inform the community about the proposed special variation and to engage with the community and obtain community input and feedback on it. The range of engagement activities could include media releases, mail outs, focus groups, random or opt-in surveys, online discussions, public meetings, newspaper advertisements and public exhibition of documents.

Please provide relevant extracts of the IP&R documents that explain the council's engagement strategy and attach relevant samples of the council's consultation material.

As part of its IP&R process Council undertook a range of engagement programs to explore and determine community aspirations, what was important to the community and their satisfaction with current Council service levels. As well, Council drove a broad community engagement program around the 2013/14 SRV application and the community was specifically asked to what extent is supported Councils application for an SRV. In the survey which accompanied that round of engagement 65% of resident surveyed indicated that they supported or somewhat supported

Council's initial application for a 3% SRV. A copy of the report detailing the findings of that community engagement program is appended to this document.

This year, council has re-engaged with the community with a comprehensive "Renewing Rockdale" Communication and Engagement strategy. The key objectives of this strategy were to:

- Fully communicate the likely impact of the proposed SRV to all residents
- Seek feedback on the proposed program of works to be funded through the SRV
- Show the works already undertaken through previous SRV funding
- Provide residents with an opportunity to question Council's activities and indicate their level of support for the 2014/15 SRV application

Prior to finalising the Renewing Rockdale Engagement Strategy Council held a focus group with residents, specifically designed to test the wording to be used in communicating the impact of the SRV over the 4 years. A number of alternative explanations were tested and group participants were quizzed as to their understanding of the explanations. The final wording explaining the SRV, including the fact that it compounds over the 4 years and stays in the rates at the end of the 4 years was the wording that testing proved was most easily understood by residents unlikely to be familiar with complex financial concepts.

The Renewing Rockdale Engagement program consisted of a number of activities designed to provide residents with opportunities to engage with Council, seek information and have their say. Specifically, the program included:

Engagement Methodology	
To Involve	Dates
Renewing Rockdale Survey (self select) - online via Council's website - online Speak Up Hub (young people) - hardcopy distributed to 38,000 households and businesses via letterbox drop with Information Brochure - available at Information Boards in the Customer Service Centre and branch libraries	Open 22 January to 19 February 2014
Community Forum, Rockdale Town Hall	11 February 2014, 6.00pm to 8.00pm
Workshop to test language that would be used to promote the proposed Renewing Rockdale Program of works	Monday 25 November 2013, 6.00pm to 7.00pm
To Inform	Dates
Information Booths:  1. Carols by The Sea Event, Brighton Le Sands Lady Robinsons Beach 2. Bexley North Nairn Garden 3. Arncliffe Town Centre 4. Carlton Stell Reserve 5. Ramsgate Organic Foodies Market	7 December to 30 January 1. Saturday 7 December 2013, 6.00pm to 9.00pm 2. Tuesday 10 December 2013, 3.00pm to 6.00pm 3. Tuesday 14 January 2014, 3.00pm to 6.00pm 4. Tuesday 21 January 2014,



Ramsgate Public School 6. Australia Day Event Dolls Point, Peter Depena 7. Rockdale Plaza	3.00pm to 6.00pm 5. Saturday 25 January 2014, 8.00am to 1.00pm 6. Saturday 26 January 2014, 10.00am to 1.00pm 7. Thursday 30 January 2014, 3.00pm to 7.00pm
Renewing Rockdale Information Brochure with survey distributed to 38,000 households and businesses via letterbox drop.	22 January 2013 to 19 February 2014
Council's website	6 December 2013 to 19 February 2014
Information Board, Brochure, surveys and response box	20 January to 19 February 2014
St George & Sutherland Leader advertisement (s)	12 December 2013
Media release(s)	30 January 2014
On hold message for people phoning into Council	20 January to 19 February 2014
Renewing Rockdale Information Line	20 January to 19 February 2014
Speak Up Hub (to target young people)	20 January to 19 February 2014
<p>To access specific groups in our community we provided the Information Brochure and survey to:</p> <ul style="list-style-type: none"> <li>• St George &amp; Sutherland Migrant Resource Centre (to target Non-English speaking, particularly emerging communities)</li> <li>• Chambers of Commerce and their members</li> <li>• St George Youth Centre</li> <li>• Rockdale City Youth Council.</li> </ul> <p>Community members who have been involved in previous SRV and City Plan engagement programs were also provided with information via email.</p>	

All households and businesses in Rockdale were informed of Council's intention to apply for the SRV through the distribution of the Renewing Rockdale Brochure and Self Completion Survey, and provided with very explicit explanations of the likely impact on their rates over the 4 years of the variation and beyond.

The brochure (appended to this application) contained a link to an interactive rates calculator, which, when residents typed in the amount of rates in their last rate notice, accurately modelled the impact of the SRV on their own specific circumstances, including changes to waste and stormwater levies.

Council manned 7 information booths across the LGA, attending two of council's largest events (Carols by the Sea and Australia Day), and the Ramsgate Growers Market as well as smaller shopping centres within each ward. General feedback received while manning the information



booths was that many residents felt they had already supported the SRV application and didn't feel they should be required to support it again.

Interestingly, those same residents often commented generally on how impressed they had been with the work they had seen council doing – but this feedback was given in passing and has not been included in the formal analysis of the community engagement.

As well, and the information booths, Council took out advertisements in the local paper, and issued a media release on 30 January, as well as providing comprehensive information to local community groups and support organisations. The SRV was the subject of some letters to the local paper (St George and Sutherland Leader) and some discussion of Facebook.

Council held a Community Forum at which the Mayor presented the SRV proposal and answered questions from the approximately 50 residents who attended.

Council's 2014 Renewing Rockdale community engagement program incorporated an opportunity for the community to consider and respond to the proposed Program of works. People were able to express their opinions through a variety of formats and were also asked to indicate their level of support for the proposed Program of works as well as the proposed SRV.

In both the 2013 engagement and the 2013/14 Renewing Rockdale Engagement strategy, residents were asked to comment on alternative approaches to the complete SRV. As described earlier in the document, and made clear in the LTFP, there are no alternative sources of income which could be used to pay for the extensive program of infrastructure renewal identified as a priority by the community.

The alternatives presented to the community therefore were to a) proceed with the full SRV application and implement the entire Renewing Rockdale program as detailed in the CSP and the Renewing Rockdale brochure and communication material; b) to apply for a partial SRV and therefore only achieve a portion of the works described in the Renewing Rockdale program or c) not proceed with an SRV at all.

#### Feedback from the community consultations

Summarise the outcomes of, and feedback from, your community engagement activities. Such outcomes could include the number of attendees at events and participants in online forums, as well as evidence of media reports and other indicators of public awareness of the council's intentions. Where applicable, provide evidence of responses to surveys, particularly the level of support for specific programs or projects, levels and types of services, investment in assets, as well as the options proposed for funding them by rate increases.

Where the council has received submissions from the community relevant to the special variation during the engagement process, the application should set out the views expressed in those submissions. It should also identify and document any action the council has taken, or will take, to address issues of common concern.

## Renewing Rockdale 2014 Community Engagement Program

### Community Engagement Reach

Total number of people Council heard from during the Engagement period was 808. Below is a snapshot of the method participants chose to express their views. The majority of participants were both residents and ratepayers.

Method	Number
Focus Group	10
Community Forum (residents)	44
Information Line	21
Information Booths	200
Total Survey respondents	533
Survey hardcopy	516
Survey online	17
Total Participants	808

Council's intention was to ensure that the information of the Renewing Rockdale Program of works and the proposed SRV was extended had a broad reach across and within the community. Although it is unclear how many people we successfully made aware of our proposal we do know the following:

	Engagement Method	Numbers
Electronic	Renewing Rockdale Have Your Say webpage	753 Document Downloads
	Renewing Rockdale Have Your Say	1,012 visitors who viewed 2,079 pages and spent an average of 2min 27sec per visit.
	Rockdale City Mayoral Community Forum email invitation with links to Renewing Rockdale Have Your Say webpage	657 community members
	Rockdale City Council Facebook Renewing Rockdale post boost	Reached 32,555 people within 5 mile radius of Rockdale, Kogarah and Sans Souci
Face to Face	Australia Day Event	Council spoke to 60 community members and an estimated 600-700 people attended the event.
	Carols by the Sea Event	Council spoke to 30 community members and an estimated 2000 people attended the event.
	Ramsgate Organic Foodies Market	Council spoke to 100 community members and an estimated 3000 people attended the event.

## Community Engagement results

Full results of the Engagement Program are contained in the appended report. This includes copies of all awareness raising material and the survey. It also documents all community responses and gives greater insight into community opinion. An overview is presented here.

## All participants

Amongst all participants of the Community Engagement there was a positive response to Council's intention to continue to renew assets and in particular the Renewing Rockdale Program of works. An overview of the main reasons for supporting/not supporting the proposal are shown below.

Support for Program of Works & SRV

No support for Program of works & SRV

Renewal will increase amenity, maintain/increase residential and business value	Rates are too high as it is and/Council receives enough money from rates to undertake the required works.
The area is in need of renewal and a facelift and we need to rectify past mistakes not to undertake work	Affordability was the biggest issue and connected to other increasing costs of Sydney living. Particular concern was expressed for pensioners, self funded retirees and low income earners
Renewal will benefit all demographics and areas	The proposed 6% annual rise is too high
Renewal needed to support present and future generations	Inequity amongst different demographic groups with a sense that people should not be funding improvements they will not directly benefit from
There was evidence that Council had already spent existing SRV's well and was improving the area. The proposed Program would continue to do this.	Inequity across LGA of spread of proposed works

Council received suggestions to modify the rate rise, amend the Program of works or increase the timeframe for implementation – designed to alleviate the financial burden on ratepayers.

Participants also indicated Council could look at alternative means to fund both the proposed works Program and also its operations in general. The main suggestions were:

Make productivity and efficiency improvements in its operations

Manage its finances more efficiently and responsibly

Introduce user pays for users of specific assets and non-residents using local infrastructure.

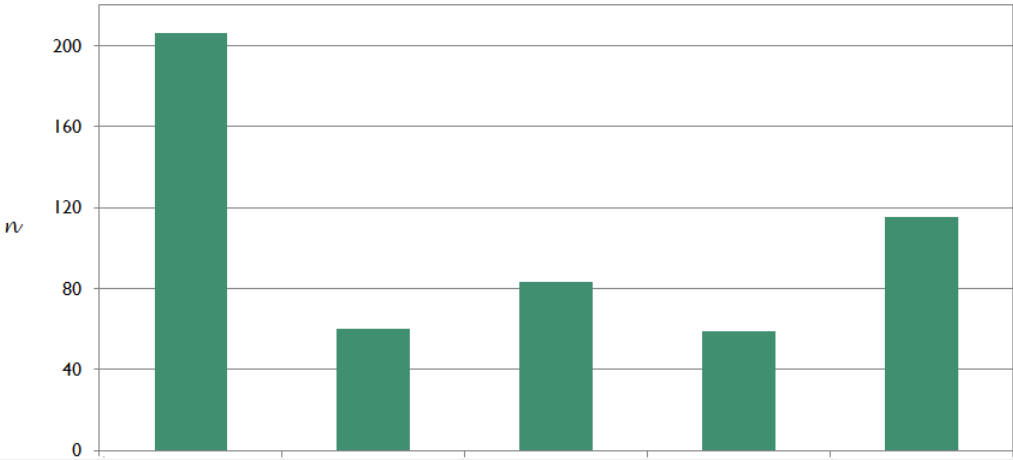
## Survey results

The survey was designed to provide the community with an opportunity to tell Council how they felt about both the Renewing Rockdale Program of works and Council's intention to fund the works with a proposed SRV.

Respondents were what extent they supported the Renewing Rockdale Program of works to improve the City's infrastructure assets. They were asked to indicate their level of support by circling the number on a scale of 1-5, where 1 is don't support at all and 5 is strongly support. They were also asked to provide comment on why their decision was made.

Overall, amongst respondents there was a reasonable level of support for the proposed Program of works.

Level of Support For the Proposed Renewing Rockdale Program of Works



Don't support	1	2	3	4	5	Support
Number	206	60	83	59	115	523
%	39	12	16	11	22	100

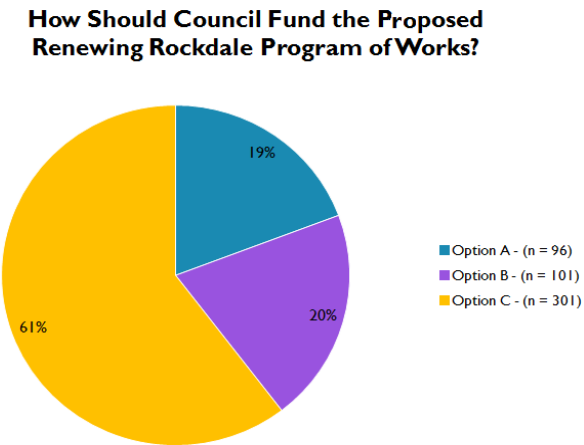
Survey respondents were also asked to indicate how they preferred Council fund the Renewing Rockdale program of works. They were given three options to choose from and an opportunity to comment further.

Option A: Rates increase by the full 6% each year for four years and after that remain at the new level as a base for the standard rate peg. Renewing Rockdale Program of works will proceed as planned and in full.

Option B: Rates increase but not as much as 6%.

Option C: Rates do not increase at all beyond the IPART rate peg.

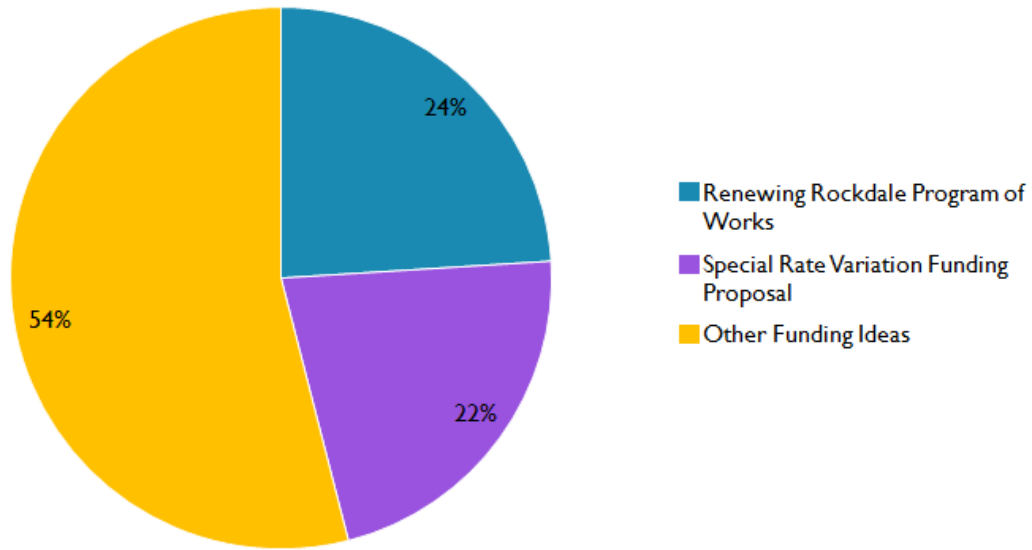
Most (61%), preferred that the works not be funded by the any increase beyond the IPART rate peg. 39% indicated they were happy for an SRV to fund the works either by the full amount proposed or a lesser increase.



Of the comments received to both questions, the majority (54%) believed that Council should source other means of funding the proposed works, 24% commented on the actual proposed Program of works and 22% were specific to the SRV proposal.

The majority of comments received from survey respondents were grouped into three distinct themes.

## Renewing Rockdale Survey Feedback By Theme



The following table provides an outline of all the responses received within these three themes. All comments are documented in the feedback report appendix .

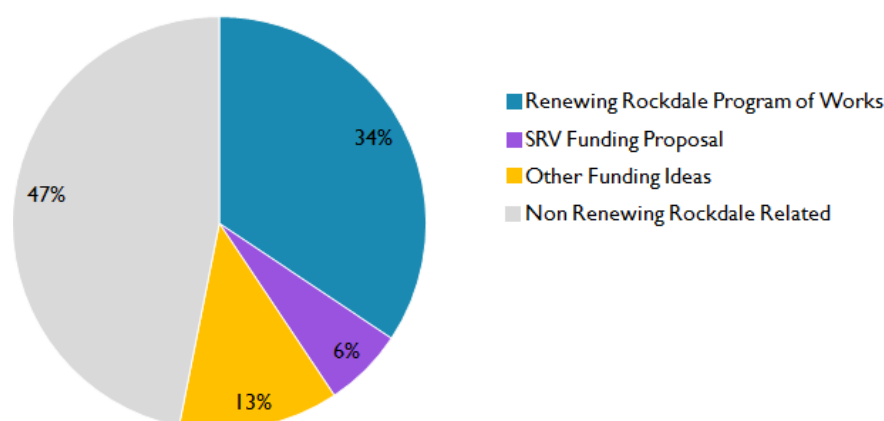
Theme	Topic	%
Renewing Rockdale Program of Works (24% of all comments)	Renewal is needed	22
	Modify Renewing Rockdale Program of Works	45
	Inequity across Rockdale City	10
	Benefits the Community	7
	Support the Renewing Rockdale Program of works	16
Total		100
SRV Funding Proposal (22% of all comments)	Affordability (increasing costs)	9
	Affordability (low income earners)	18
	Affordability (6% too high)	26
	Support SRV proposal	5
	Modify SRV proposal	20
	Proposed costs excessive	22
Total		100
Other Funding Ideas (54% of all comments)	Better financial management	18
	Introduce user pays	16
	Increase revenue with fines and tax	8

	Back to local government basics (rubbish and roads)	6
	Reduce administration costs	6
	Productivity/efficiency improvements	25
	Seek partnerships (business and Government)	5
	Other	13
	Developer contributions	1
	Amalgamation	2
Total		100

## Information Booths

Council held 7 Information Booths across the Rockdale Local Government Area (LGA) and spoke with an estimated 260 community members. Community feedback was generally positive with comments on approved SRV projects, the need as well as desire for the proposed program of works and general feedback on Council projects. The following is a brief summary of the feedback received, the complete list of feedback noted is also provided in the appended report.

### Information Booth Feedback



- Of the feedback received 34% of the comments were on the proposed works ranging from support for the program of works to suggestions for community education programs and additional works. Overall community feedback on the program of works was generally positive.
- Only 6% of the total feedback provided at Information Booths was on the SRV funding proposal. Two members of the community stated they had completed the survey in support of the funding proposal and a member of the community was against the funding proposal stating "I'd rather have my 6% stay in my pocket".
- Other funding ideas represented a small number (13%) of the total feedback at the Information Booths.

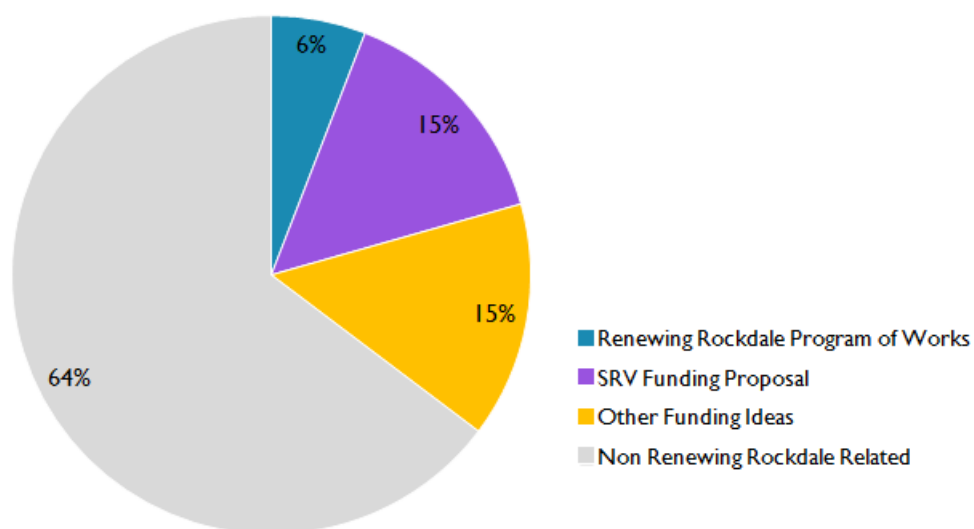


- All of the noted funding suggestions were focused on issuing fines for litter on the beach and illegal parking

### Community Forum

The Forum was an opportunity for community members and rate payers to find out more information and discuss the proposed Renewing Rockdale program of works as well as the SRV application. Forum attendees were encouraged to ask questions and provide feedback on the Renewing Rockdale proposal. Overall Forum participants discussed the SRV funding proposal, shared alternative options to fund the program of works and were interested in non Renewing Rockdale related topics. The following is a brief summary of the Forum questions and feedback collected from the evening.

### Community Forum Feedback



The SRV Funding Proposal theme received a reasonable amount (15%) of questions and comments. Forum participants were interested in the SRV application process questioning the probability of Council receiving approval for the SRV application. 15% of the discussion was around productivity improvements, amalgamation, developer contributions and user pays. All suggestions for alternative funding ideas.

A detailed response is currently being prepared to all questions received at the Community Forum (on 11February) and will be provided to all participants.

### Action Council will take in response to community feedback

The draft Community Engagement report will be reported to council and areas of common concern as well as the community's ideas for efficiency and improved performance will be considered. Councillors can then consider both the community sentiment and merit of ideas put forward.

Any action decided on will be incorporated into the review of Council's Operational and or Delivery Program as they are updated.

### 2013 Community Engagement Program

The City Plan Community Engagement Strategy involved broad community engagement for developing the Rockdale City Plan 2013-2025.

The objectives of the Community Engagement Strategy included:

- Validate what the community told us in 2011 in the development of the Rockdale City Plan 2011-2025.
- Identify and verify the community outcomes for the Rockdale City Plan 2013-2025.
- Collect any additional information from the community – their needs, aspirations and expected levels of service
- Seek community acceptance and support for a rate increase.

As a result of the extensive engagement program the Rockdale City Plan 2013-2025 was developed and adopted in 2013.

Engagement period

8 November 2012 to Friday 14 December 2012

Engagement activities

- Online and paper copy 'Shape Your City's Future survey discussion
- Online Have Your Say forum
- Community forums
- Information booths
- Interagency meetings
- Meeting with senior citizen groups
- Meeting with Rockdale City Youth Council
- Community events

Project Theme	Asset	Service
Civil Infrastructure (kerb, gutters, footpath, local roads)	<ul style="list-style-type: none"> <li>- Footpaths need to be maintained /repaired to encourage walking and prams etc.</li> <li>- Bad roads and footpaths.</li> <li>- Footpath - trees on the footpath dangerous. Needs improvement between Bryant and Gibbs Street</li> <li>- A few people have fallen on footpath outside Coles Sans Souci</li> </ul>	<ul style="list-style-type: none"> <li>- Bay Street has many nice new footpaths which are filthy.</li> </ul>
Thriving Town Centres Program	<ul style="list-style-type: none"> <li>- Each village/centre to have a public meeting place/square to encourage walking and connecting with people in your local community</li> </ul>	
Sport and Recreation	<ul style="list-style-type: none"> <li>- Not enough sports fields.</li> <li>- 'Well-designed parks and sports fields'. Extend to include recreational facilities (including pool)</li> <li>- More sporting fields</li> <li>- Outdoor Gyms in western parks</li> <li>- Outdoor gyms in parks</li> <li>- Basketball court in Brighton Le Sands - suggested site is in the park between the Endeavour Bridge (Cooks River) and the carpark near C Cide Restaurant</li> <li>- Gilchrist Park for flying fox suggested as lots of kids in area, another location suggested 'Oswald Scholed Reserve' on Coveney Street Bexley North.</li> </ul>	<ul style="list-style-type: none"> <li>- There is a lack of sports programs for women in the area</li> <li>- The importance of sport and recreation to women. Providing facilities and activities to cater for the lack of women participating in sport and seek to work closely with sporting clubs and state sporting organisations to help achieve and deliver this.</li> <li>- Upgrade of Bexley Pool urgently needed for health, well-being and recreation of all age groups.</li> </ul>

Project Theme	Asset	Service
Playground and Park Improvements	<ul style="list-style-type: none"> <li>- Bexley North Park playground outdated and broken example playgrounds Mascot (Corner King and Sutherland Street "L'Estrange Park").</li> <li>- Rockdale has good parks and open spaces but the children's playgrounds are in desperate need of an upgrade. They are rundown, the equipment is broken and is old.</li> <li>- The area needs new modern playgrounds.</li> <li>- Budgets should be reallocated from other less important initiatives (like the New Year's Eve fireworks) to upgrade our parks.</li> <li>- Upgrade of local parks, particularly Gilchrist Park – should be fenced and the area flattened.</li> </ul> <p>Gilchrist Park needs work. Play equipment has been broken since at least 2005 and the toilets there are a disgrace.</p> <ul style="list-style-type: none"> <li>- More lights needed across Gilchrist Park too dark Bexley North amongst the trees</li> <li>- Parks - play areas run down in Bexley North Bexley area</li> <li>- Soil Erosion at Yamba Woorra Reserve</li> <li>- Better playgrounds/upgrade playgrounds</li> <li>- Playgrounds – invest and uplift</li> <li>- Seating in parks optimizing summer and winter positions</li> <li>- Seating in parks</li> <li>- Water bubblers in parks</li> <li>- Upgrade local parks, particularly Benches resident went to take children to the park and bench had been removed but no replacement</li> <li>- Variety in playground equipment to suit children 8+</li> <li>- More shade covered playgrounds</li> <li>- Natural materials at playgrounds</li> <li>- Seating / benches for grandparents</li> <li>- Nice parks and playgrounds</li> <li>- Provision of Playgrounds (too many, need more bush)</li> <li>- Please provide more playground equipment and less grassy bushes within the playground</li> <li>- Variety of playing areas required</li> <li>- Kids play area in Bexley North run down</li> </ul>	<ul style="list-style-type: none"> <li>- Rubbish bins at Tindale Reserve</li> <li>- Protection of green space, minimize high rise</li> <li>- Improving environment of wetlands</li> <li>- Increased bins at parks</li> </ul>

Project Theme	Asset	Service
Community Buildings	<ul style="list-style-type: none"> <li>- What is going on with Sid Frost Hall?</li> <li>- Built heritage needs to be protected no demolition of pre 1940's houses</li> <li>- Update community halls to be used with parking, lighting, and technology access</li> <li>- Unequal distribution of community halls.</li> <li>- Safe access between transport hub and community hall.</li> <li>- Multi-purpose – bigger, better, more functional hub for the community.</li> <li>- Rationalisation of assets, New development and services in the City Centre at Rockdale and replacement of old community buildings.</li> </ul>	<ul style="list-style-type: none"> <li>- Information on the hire of community halls/issues of access.</li> <li>- Rent free / less charge Childcare is fine but Council should have childcare centres</li> <li>- Rockdale Library and Civic Centre – develop to all improvement to community literacy, interaction and education.</li> <li>- Aged care facilities built/renewed.</li> <li>- Open to community functions/activities at local halls.</li> <li>- Lack of advertisement for community activities, more information.</li> <li>- Libraries must have current software programs e.g. docx &amp; .xlsx</li> </ul>

## 4.2 Considering the impact on ratepayers

Indicate how the council assessed the impact of the special variation on ratepayers, and where this was addressed within the community awareness and engagement processes. Where the impact will vary across different categories and/or sub-categories of ratepayers, the council should consider the circumstances of the various different groups.

In our communication to our residents we used the example of Peter's Story – An example of how the proposed SRV could affect ratepayers

The land value of Peter's property is \$347,362 and his rates in 2013/14 were \$1,156.43. The effect of the 'Renewing Rockdale' levy on Peter's rates in 2014/15 will be an estimated \$1.48 per week and a total estimated increase of \$76.97 (including the IPART rate peg of around 3%). At the end of the four year period in 2017/18 Peter's rates are estimated to be \$1,489.31. As the special variation remains in Council's rates base Peter's rate payment in 2018/19 will remain at the estimated \$1,489.31 plus the ongoing IPART rate peg.

At the highest level of rating, on properties valued at \$2 million and over (fewer than 100 properties) the increase over the four years, including the IPART rate peg, would be \$2016.00.

The impact of the proposed SRV was explained in detail in the Renewing Rockdale Brochure distributed to all households in the Rockdale LGA in January.

### 4.3 Considering the community's capacity and willingness to pay

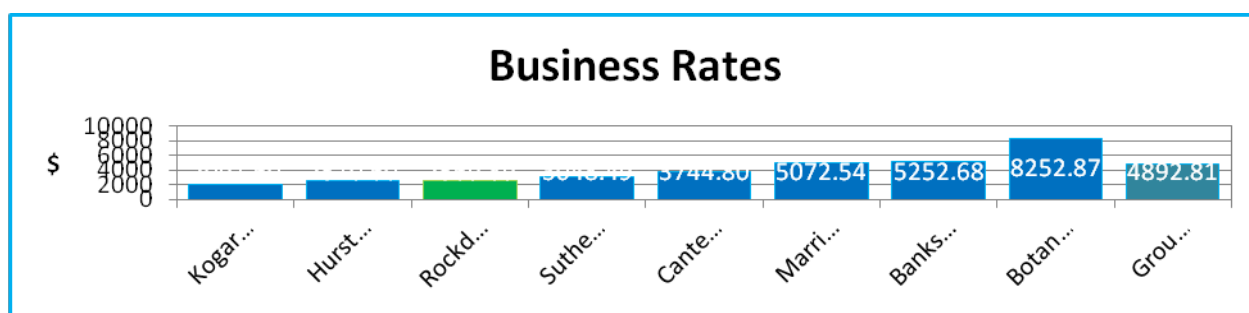
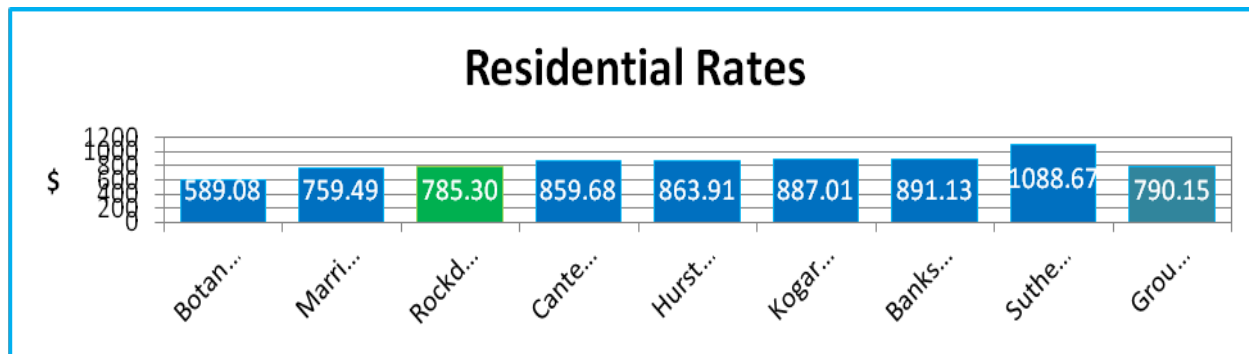
Indicate how the council has assessed the community's capacity to pay for the rate increases being proposed, and also assessed its willingness to pay.

Evidence on capacity to pay could include a discussion of such indicators as SEIFA rankings, land values, average rates, disposable incomes, the outstanding rates ratio and rates as a proportion of household/business/farmland income and expenditure, and how these measures relate to those in comparable council areas. As many of these measures are highly aggregated, it may also be useful to discuss other factors that could better explain the impact on ratepayers affected by the proposed rate increases, particularly if the impact varies across different categories of ratepayers.

IPART requires that Council considers the community's capacity and willingness to pay rates.

Capacity to pay:

Residential rates in the City of Rockdale are average against our surrounding councils as a group, but significantly lower than those charged by most other councils. Botany Bay and Marrickville Councils are able to set low residential rates because of the high business rate income they achieve.



Source: The Division of Local Government (Department of Premier and Cabinet) published 'Comparative Information on NSW Local Government: Measuring Local Government Performance 2011/12'.

The Socio-Economic Indexes for Areas (SEIFA) are produced by the ABS using data collected through the Census of Population and Housing. The Index of Relative Socio-Economic Disadvantage (IRSED) is especially useful in identifying geographic areas that are relatively disadvantaged. An area with an IRSED index of 1,000 is considered average while an index of 600 or below is considered to be experiencing high levels of disadvantage. Rockdale scores 991 on the 2011 SEIFA Index which measures Relative Socio-Economic Disadvantage.

According to the 2011 Census, 61.9% of all households were owned or being purchased, and would therefore be directly affected by the rate increase – this compares with 62.3% of all households that were owned or being purchased in the Greater Sydney area.

A further 27% were renting privately and would expect to be indirectly affected by the rate rise as rate rises are passed on through increases in rent.

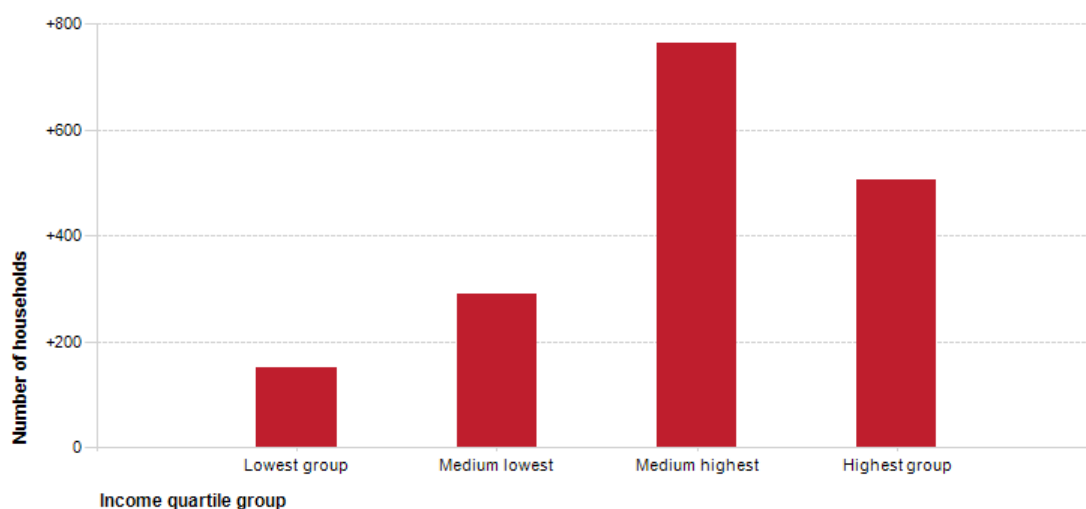
Housing loan quartiles					
Rockdale City	2011		2006		Change
Loan repayment quartile group	%	Greater Sydney	%	Greater Sydney	2006 to 2011
Lowest group	17.7	19.0	16.1	17.9	+478
Medium lowest	21.3	21.8	21.3	21.7	+424
Medium highest	29.2	27.3	29.6	27.9	+545
Highest group	31.7	31.8	33.0	32.5	+521
Total households with a mortgage	100.0	100.0	100.0	100.0	+1,968

At the 2011 Census, 51.3% of households in the Rockdale LGA had income in the medium high/highest quartiles.

As the following chart illustrates, the most significant change in Rockdale City between 2006 and 2011 was in the medium highest quartile which showed an increase of 763 households. This suggests a capacity to pay, in general, the relatively small increases proposed.

### Change in household income quartile, 2006 to 2011

Rockdale City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2011 (Enumerated data)  
Compiled and presented in profile.id by .id, the population experts.

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Housing Stress is defined as per the NATSEM (National Centre for Social and Economic Modelling) model as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs.

At the time of the 2011 Census 12.7% of households were experiencing housing stress, compared with 12.8% of households in the St George Area, and 11.5% across Greater Sydney.

Willingness to pay has been addressed in section 4.3 Feedback from Community Consultations

## 5 Assessment criterion 3: Impact on ratepayers

In the DLG Guidelines, criterion 3 is:

*The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. Council's IP&R process should also establish that the proposed rate increases are affordable having regard to the local community's capacity to pay.*

We are required to assess whether the impact on ratepayers of the council's proposed special variation is reasonable. To do this, we are required to take into account current rate levels, the existing ratepayer base and the purpose of the special variation. We must also assess whether the council's IP&R process established that the community could afford the proposed rate rises.

### 5.1 Impact on rates

Much of the quantitative information we need on the impact of the special variation on rate levels will already be contained in Worksheet 5 of Part A of the application.

To assist us further, the application should set out the rating structure under the proposed special variation, and how this differs from the current rating structure, which would apply if the special variation is not approved.

We recognise that a council may choose to apply an increase differentially among categories of ratepayers. However, you should explain the rationale for applying the increase differentially among different categories and/or subcategories of ratepayers, particularly in light of the purpose of the special variation. This will be relevant to our assessment of the reasonableness of the impact on ratepayers.



To simplify the proposed rate increase the following table was created to demonstrate the total proposed rate rise as a cumulative increase of 6% every year for 4 years. The table includes a breakdown of the IPART rate peg plus the SRV component of the rate increase, and shows the rate increase will remain in the rate base beyond 2018.

As the table illustrates the SRV applied for is a total of 6% per year for 4 years, including the IPART rate peg, and will remain in the rate base beyond 2018

SRV Application	Length of Levy		% Rate Rise First Year of SRV		
Proposed	Start	End	Rate Peg	SRV	Total
Renewing Rockdale	2014/2015	Remains in rate base	2.3%	3.7%	6.0%
Renewing Rockdale	2015/2016	Remains in rate base	3%*	3%*	6.0%
Renewing Rockdale	2016/2017	Remains in rate base	3%*	3%*	6.0%
Renewing Rockdale	2017/2018	Remains in rate base	3%*	3%*	6.0%

In our communication to our residents we used the example of Peter's Story – An example of how the proposed SRV could affect ratepayers

The land value of Peter's property is \$347,362 and his rates in 2013/14 were \$1,156.43. The effect of the 'Renewing Rockdale' levy on Peter's rates in 2014/15 will be an estimated \$1.48 per week and a total estimated increase of \$76.97. At the end of the four year period in 2017/18 Peter's rates are estimated to be \$1,489.31. As the special variation remains in Council's rates base Peter's rate payment in 2018/19 will remain at the estimated \$1,489.31 plus the ongoing IPART rate peg.

The impact of the proposed SRV was explained in detail in the Renewing Rockdale Brochure distributed to all households in the Rockdale LGA in January. Via the following tables, community members could see projected values of how residential and business rates may increase if the proposed SRV rate rise is approved. They were used in our material so that community members and rate payers could easily ascertain how their rates could increase if Council's SRV application was successful

IPART + SRV							
			2013/14	2014/15	2015/16	2016/17	2017/18
Increase on Previous Year				6.0%	6.0%	6.0%	6.0%
Rateable Value	Number of Properties	Land Value for rates calc.					
minimum rate (assumed to be strata)	443	171,971	777.65	826.53	877.60	932.12	989.92
\$2 to \$399,999	424	300,000	1,321.59	1,397.54	1,480.68	1,567.92	1,660.20
\$400,000 to \$599,999	351	500,000	2,171.31	2,290.74	2,422.80	2,561.14	2,707.30
\$600,000 to \$799,999	171	700,000	3,021.03	3,183.94	3,364.92	3,554.36	3,754.40
\$800,000 to \$999,999	65	900,000	3,870.75	4,077.14	4,307.04	4,547.58	4,801.50
\$1,000,000 to \$1,999,999	183	1,500,000	6,419.91	6,756.74	7,133.40	7,527.24	7,942.80
\$2,000,000 and greater	97	2,000,001	8,544.21	8,989.74	9,488.70	10,010.29	10,560.55
	1,734						



Note: 171,971 is the maximum rateable value allowed for minimum rates to apply for the 2013/2014 year.

IPART + SRV							
			2013/14	2014/15	2015/16	2016/17	2017/18
Increase on Previous Year				6.0%	6.0%	6.0%	6.0%
Rateable Value	Number of Properties	Land Value for rates calc.					
minimum rate (assumed to be strata)	18,692	347,362	1,168.93	1,245.90	1,326.08	1,411.29	1,501.81
\$347,363 to \$449,999	4,088	400,000	1,281.05	1,362.90	1,451.76	1,544.38	1,642.73
\$450,000 to \$599,999	9,889	525,000	1,547.32	1,644.23	1,750.21	1,860.42	1,977.39
\$600,000 to \$749,999	3,482	675,000	1,866.83	1,981.82	2,108.36	2,239.67	2,378.99
\$750,000 to \$899,999	1,126	825,000	2,186.35	2,319.41	2,466.49	2,618.91	2,780.58
\$900,000 to \$1,999,999	260	975,000	2,505.86	2,657.00	2,824.64	2,998.16	3,182.18
\$2,000,000 and greater	36	2,000,000	4,689.21	4,963.86	5,271.92	5,589.66	5,926.41
	37,573						
Note: 347,362 is the maximum rateable value allowed for minimum rates to apply for the 2013/2014 year.							

The Renewing Rockdale Newsletter also included link to an interactive residential and business rates calculator so people could understand the impact on their own circumstances.

The calculator can be found at <http://rockdale.nsw.gov.au/SRV/SRVratesCalculator.htm>

### 5.1.2 Minimum Rates

The special variation may affect ordinary rates, special rates and minimum rates.

Does the council have minimum rates? Yes ☒ No ☐

If Yes, explain how the proposed special variation will apply to the minimum rate of any ordinary and special rate, and any change to the proportion of ratepayers on the minimum rate for all relevant categories that will occur as a result.

So that we can assess the reasonableness of the impact on minimum ratepayers, briefly explain the types of ratepayers that are on minimum rates, and the rationale for the proposed impact of the special variation on minimum rate levels.

The details of minimum rates are in Part A of the application in Worksheet 5. They are also in the Renewing Rockdale Newsletter as described above, and are included in the Delivery Program. Minimum rates are as follows and are expected to increase in line with the SRV/IPART rate peg.

In Rockdale LGA, minimum rates are payable only on apartments/high or medium density living.

## RESIDENTIAL

2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
\$347,362	\$348,087	\$348,087	\$347,363	\$347,361	\$347,359

## BUSINESS

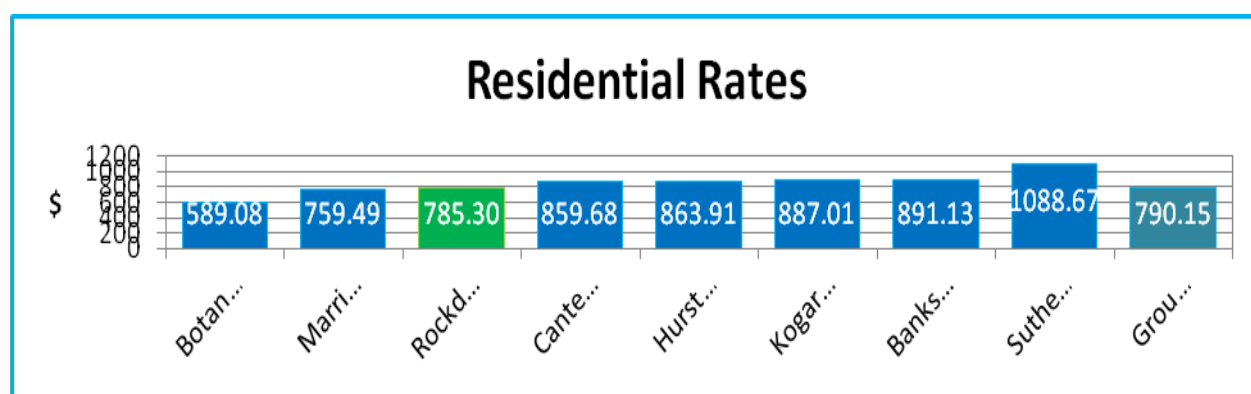
2013/2014	2014/2015	2014/2015	2015/2016	2016/2017	2017/2018
\$171,971	\$172,159	\$172,159	\$171,972	\$171,973	\$171,975

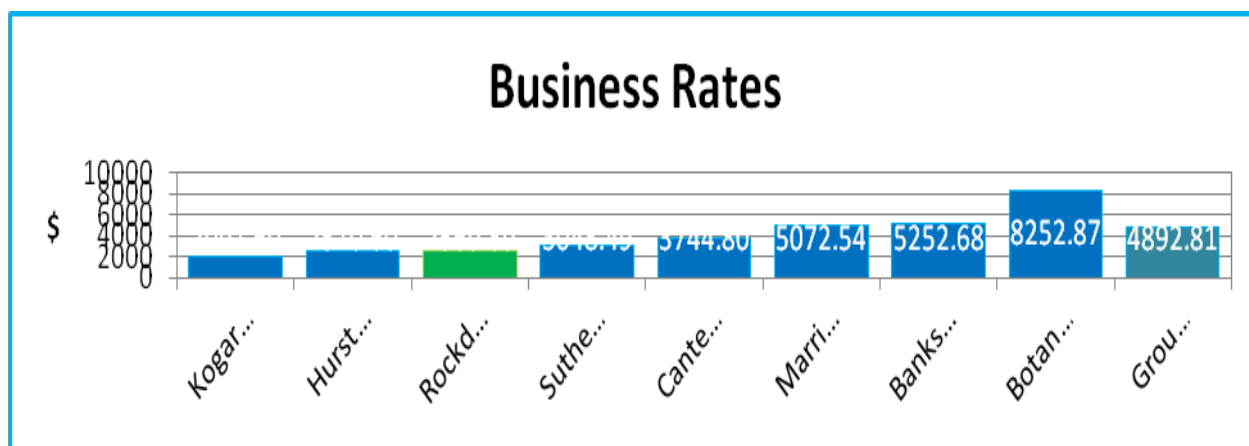
## 5.2 Affordability and community capacity to pay

Show how your IP&R processes have established that the proposed rate rises are affordable for your community, and that affected ratepayers have the capacity to pay the higher rate levels. (Indicators considered in this context may be similar to those cited under criterion 2.)

### Affordability and community capacity to pay

Residential rates in the City of Rockdale are average against our surrounding councils as a group, but significantly lower than those charged by most other councils. Botany Bay and Marrickville Councils are able to set low residential rates because of the high business rate income they achieve.





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According to the 2011 Census, 61.9% of all households were owned or being purchased, and would therefore be directly affected by the rate increase – this compares with 62.3% of all households that were owned or being purchased in the Greater Sydney area.

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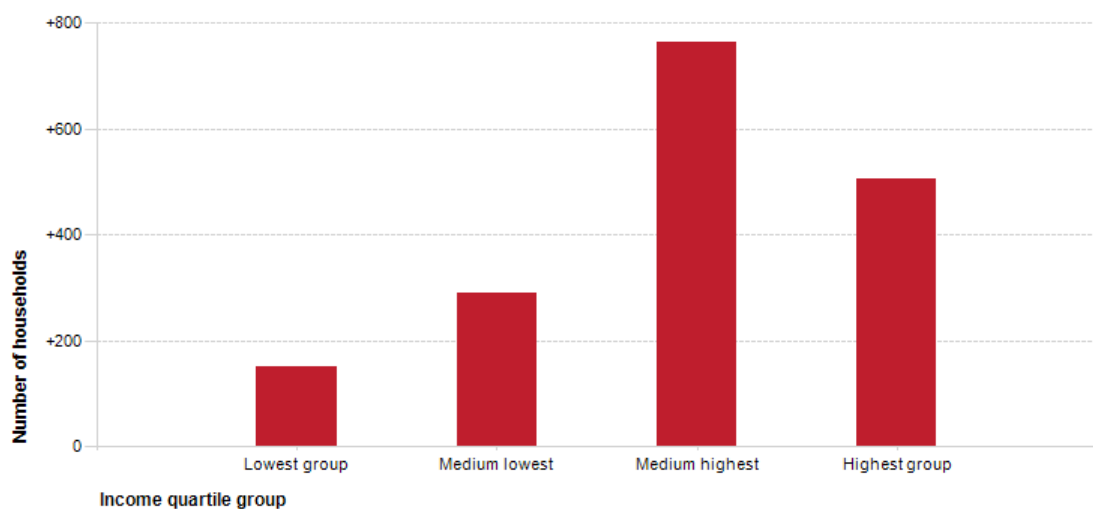
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## Change in household income quartile, 2006 to 2011

Rockdale City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2011 (Enumerated data)  
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Housing Stress is defined as per the NATSEM (National Centre for Social and Economic Modelling) model as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs.

At the time of the 2011 Census 12.7% of households were experiencing housing stress, compared with 12.8% of households in the St George Area, and 11.5% across Greater Sydney.

### 5.3 Other factors in considering reasonable impact

In assessing whether the overall impact of the rate increases is reasonable we may use some of the same indicators that you cite in section 5.2 above. In general, we will consider indicators such as the local government area's SEIFA index rankings, average income, and current rate levels as they relate to those in comparable councils. We may also consider how the council's hardship policy might reduce the impact on ratepayers.

#### 5.3.1 Addressing hardship

In addition to the statutory requirement for pensioner rebates, most councils have a policy, formal or otherwise.

Doe the council have a Hardship Policy? Yes ☒ No ☐

If Yes, is it identified in the council's IP&R documents? Yes ☒ No ☐

Please attach a copy of the Policy and explain who the potential beneficiaries are and how they are addressed.

Does the council propose to introduce any measures to limit the impact of the proposed special variation on various groups? Yes ☐ No ☐

Provide details of the measures to be adopted, or alternatively, explain why no measures are proposed.

Council has approved a draft Hardship Policy for exhibition (appended), and will adopt the policy at its meeting at 5 March 2014. The policy formalises procedures that have been in place at Council to provide assistance to ratepayers having difficulty in paying their rates, depending on their circumstances.

The Hardship Policy includes Council's existing policies towards pensioner ratepayers (those in receipt of a pension rebate on their rate account) who are allowed to defer payment of rates until their property is sold under circumstances detailed in the draft policy. The draft Policy also contains arrangements for writing off of accrued interest and costs.

Council's outstanding 2012 rates ratio is 6.24, somewhat higher than the industry benchmark of 5%. In 2011 rates outstanding ratio was 6.1%.

## 6 Assessment criterion 4: Assumptions in Delivery Program and LTFP

The DLG Guidelines state this criterion as follows:

*The proposed Delivery Program and Long Term Financial Plan must show evidence of realistic assumptions.*

Summarise below the key assumptions adopted by the council and indicate where they are set out in your Delivery Plan and LTFP. We will need to assess whether the assumptions are realistic. For your information, we will consider such matters as:

- ▼ the proposed scope and level of service delivery given the council's financial outlook and the community's priorities
- ▼ estimates of specific program or project costs
- ▼ projections of the various revenue and cost components.

To also assist us, identify any in-house feasibility work, industry benchmarks or independent reviews that have been used to develop assumptions in the Delivery Program and LTFP if these are not stated in those documents.

Council's Delivery Program 2013 – 2017 was adopted by council on 19 June 2013.

The Delivery Program is a commitment to the community from Council and details the principal activities Council will undertake against the objectives established in the Community Strategic Plan 2011 – 2015.

The delivery program details service delivery based on two different scenarios - One and Two – with and without successful SRV applications (and both including the \$250,000 savings and productivity improvements).

The Delivery Program details the proposed service delivery under Scenario One, assuming the application for the SRV is successful. Scenario Two details which programs and project would be reduced should the SRV application not succeed.

The estimates provided have been prepared based on a number of assumptions using lessons learned over the last three years in delivering a program of similar works. The program will be delivered using a combination of internal resources, external consultants and contractors, primarily based upon the availability of resources and expertise.

Further opportunities for efficiencies are explored throughout the project development phase, such as packaging similar works into contracts to gain economies of scale; using a range of procurement methods including purchasing through State Government supply contracts and other combined purchasing agreements (e.g. South Sydney Regional Organisation of Councils, Local Government Procurement); and competitive tendering. Council has already used these practices to obtain best value for the community by packaging designs (three amenities projects); using standardised design modules where possible (sport field amenities), packaging construction works and comparing quantity survey reports to tendered prices.

A number of measures have been included in the design of projects to improve the operational efficiency of facilities and reduce the consumption of resources. Measures used to date include improved natural ventilation to eliminate the need for mechanical systems; improved solar orientation to reduce the amount of artificial light required; installation of rainwater harvesting and water efficient devices; and, automatic timed locking and unlocking systems to reduce the cost of manual locking.

In explaining the council's assumptions, identify any industry benchmarks or independent cost assessments that have been utilised by the council in developing them. Also include details of any relevant research or feasibility work undertaken e.g., related to new program or project costs.

The cost assumptions have been based on an average construction cost per square metre of community buildings. To develop the average cost per square metre council used the following sources of information: building costs per square metre from Rawlinson Australian Construction Handbook; quantity survey reports; and, a history of actual project costs. A standardised building size estimate was prepared dependant upon the building usage.

Where council has limited recent project knowledge of the proposed program, industry contractors were consulted in determining appropriate component costs.

All program costs include allocations for preliminaries (investigation, design and approvals), project management, and a construction contingency.

In developing feasibility, council has consulted with a number of user groups to determine the desired levels of service for a range of infrastructure and building renewals and enhancements.

Elton Consulting has developed a Community Services Plan that provides a framework to facilitate a coordinated approach for the planning and development of services and facilities for the Rockdale community. The focus of the plan is not asset rationalisation or reduction of service levels, rather it is intended to assist Council to plan, deliver and support an effective and efficient network of facilities and services that collectively meet community needs.

The plan also proposes recommendations for improvements in Council's current facility management including policies that seek to maximise facility utilisation, provide access to a wide range of user groups (by encouraging shared use) and include a robust process of monitoring and evaluation of facility use to ensure they consistently and effectively address the needs of the community.

## **7 Assessment criterion 5: Productivity improvements and cost containment strategies**

The DLG Guidelines state this criterion as follows:

*An explanation of the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.*

In this section, provide details of any productivity improvements and cost containment strategies that you have implemented in the last 2 years (or longer) and any plans for productivity improvements and cost containment during the period of the special variation. These plans, capital or recurrent in nature, must be aimed at reducing costs. Please also indicate any initiatives to increase revenue eg, user charges. Identify how and where the proposed initiatives have been factored into the council's resourcing strategy (eg, LTFP and AMP).

Where possible, quantify in dollar terms the past and future productivity improvements and savings.

You may also use indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and the DLG Group data provided to us.

### **Productivity Improvements and Savings Program**

The rate peg set by IPART includes an imposed efficiency saving of 0.2% of rate income.

Council has implemented a Productivity and Savings Program (2013/14 to 2017/18) which aims to increase income and reduce expenditure to achieve a net reduction in expenditure over and above the imposed efficiency saving.

Council's approach to meet the financial challenges that Rockdale City faces falls in to three main areas, which are detailed in the Community Strategic Plan and Long Term Financial Plan:

1) Productivity improvements and savings in service delivery (this is discussed in more detail in the Long Term Financial Plan and Delivery Program and a saving target of 0.5% has been set which means a saving of \$250,000 p.a.).

#### Energy and Water Savings Action Plans 2012

- Audits identify Council's energy, water, greenhouse data so we can measure consumption, costs and emissions – save up to \$2,000 per site

#### Bus Shelter Advertising Contract

- Council has established a 5 year contract with a 333% increase in revenue to Council from \$109,200 to \$364,000 per annum (= \$1.3 million increase in revenue over 5 years);

#### Footway Trading

- A 57% increase in revenue to Council to \$125,200 (YTD) for the 2013/14 financial year.

#### Reduction in graffiti removal costs

- Our anti-graffiti program has resulted in the significant reduction of graffiti removal costs from a budgeted \$180,000 in 2012/13 to \$100,000 in 2013/14.

#### Council has reduced its spending on:

- \$259,976 - software licenses
- \$88,000 - community newsletter
- \$41,651 - advertising
- \$27,776 - staff recruitment advertising
- \$14,403 - animal pound charges
- \$264,750 - external consultancies

2) Reviewing Council's property portfolio to optimise returns and value for money (this is discussed further in the draft Delivery Program and Long Term Financial Plan).

Council continues to pursue the disposal of under-utilised properties and development of under-capitalised properties

3) A special rate variation specifically for expenditure on the renewal of our community assets.'



Council's organisation structure has been reviewed. In her report to Council in February 2013 the General Manager said:

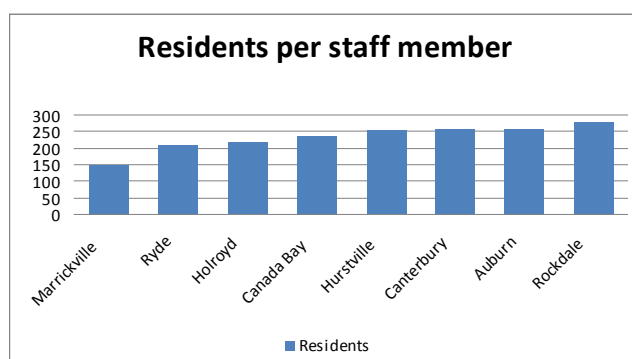
'There are a number of drivers for change in Local Government, arising from State Government policy, community expectation, and from within the industry sector itself. All Councils are required to implement efficiency measures as part of the annual productivity savings mandated by the Independent Pricing and Regulatory Tribunal (IPART). Additionally, our city planning framework, the Integrated Planning and Reporting Framework, ensures that council aligns its services and allocates resources in accordance with community expectations as captured and expressed in City Plan. Responding to emerging and changing community expectations requires an organisation to be flexible and to review and fine tune its capability and resourcing levels on an ongoing basis.

## Service Reviews

Council has undertaken two service reviews, in Information Management Technology and the Building Certification and Compliance areas. Those service reviews have achieved efficiency savings which are reflected in more effective delivery of services.

Rockdale City Council has traditionally had, and continues to have low staff numbers compared with other similar Councils (Group 3 DLG Comparative Information 2010/11).

- EFT of 349
- 3rd lowest employee costs of Group 3 councils
- 3rd lowest total continuing operating costs
- Total FTE reduced from 370 to 349 between 2007 and 2012



## 8 Other information

### 8.1 Previous Instruments of Approval

If you have a special variation which is due to expire at the end of this financial year or during the period of the proposed special variation, when was it approved and what was its purpose?

Please attach a copy of the Instrument of Approval that has been signed by the Minister or IPART Chairman.

## 8.2 Reporting to your community

The *Guidelines* set out reporting mechanisms that show your accountability to your community. Please tell us how you will go about transparently reporting to the community on the proposed special variation, should it be approved. Also indicate the performance measures you will use to demonstrate how you have used the additional funds (above the rate peg) generated by the special variation.

Council reports to the community on the progress of the Delivery Program every six months in accordance with the DLG IP&R Guidelines, and produces a comprehensive Annual Report each year.

Further, the Mayor holds two forums each year, where the community are brought up to date on our progress against the delivery plan and given the opportunity to ask questions of both Councillors and relevant council officers.

The six monthly reports contain specific updates about the status of work undertaken as part of the SRV program of works, including:

- Completed
- At design stage
- At planning stage
- At tender stage
- On hold, and
- Pending

## 8.3 Council resolution to apply to IPART

The Guidelines require the council to have resolved to apply for a special variation. Please attach a copy of the council's resolution to make a special variation application. Our assessment of the application cannot commence without it.

Council's resolution on 6 March 2013 was:

'1 That Council apply for:

- a one-off percentage increase to general income under S508 (2) to replace the expiring 3% Community Buildings SRV in 2013/14, by the deadline of 11 March 2013, and
- a multi year Special Variation to general income under S508A commencing from 2014 based on the community engagement that has been undertaken for a multi year Special Rate Variation (consisting of a 3% increase (on top of an estimated rate peg of 3%) in each of the years 2014/15, 2015/16, 2016/17 and 2017/18 after which the Special Variation would be included in the rates base).

2 That the draft Community Strategic Plan, Long Term Financial Plan and Asset Management Strategy

2013 - 2025 be approved for public exhibition from 7 March to 4 April 2013 with a view to considering submissions received and adopting the final documents at Council's meeting on 17 April 2013.

3 That the draft Delivery Program 2013-2017, the Workforce Management Plan 2013-2017, and the Operational Plan 2013-14 (including the Statement of Revenue Policy and Fees and Charges 2013-14) be considered at Council's Meeting of 17 April 2013 for approval for public exhibition from 18 April to 12 May 2013, with a view to considering submissions received and adopting the final documents at Council's meeting of 19 June 2013.

4 That Council approve the proposed Special Rate Variation Program of works attached, on the understanding that the funds collected from the SRV will be quarantined, used only for the proposed works, and reported to the community.

5 That Council approve the proposed Productivity Improvements and Savings Program of \$250,000 p.a. for the period of the Delivery Program 2013-2017.'

This resolution is included in the Council report that has been uploaded as a supporting document to this application.

## Checklist of contents

The following is a checklist of the supporting documents to include with your Part B application:

Item	Included?
Relevant extracts from the Community Strategic Plan	<input type="checkbox"/>
Delivery Program	<input type="checkbox"/>
Long Term Financial Plan	<input type="checkbox"/>
Relevant extracts from the Asset Management Plan	<input type="checkbox"/>
TCorp report on financial sustainability	<input type="checkbox"/>
Contributions Plan documents (if applicable)	<input type="checkbox"/>
Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and special variation	<input type="checkbox"/>
Community feedback (including surveys and results if applicable)	<input type="checkbox"/>
Hardship Policy	<input type="checkbox"/>
Past Instruments of Approval (if applicable)	<input type="checkbox"/>
Resolution to apply for the special variation	<input type="checkbox"/>
Resolution to adopt the Delivery Program	<input type="checkbox"/>

## 10 Certification

### APPLICATION FOR A SPECIAL RATE VARIATION

**To be completed by General Manager and Responsible Accounting Officer**

Name of council:

We certify that to the best of our knowledge the information provided in this application is correct and complete.

General Manager (name):

Signature and Date:

Responsible Accounting Officer(name):

Signature and Date:

Once completed, please scan the signed certification and attach it to the Part B form before submitting your application online via the Council Portal on our website.