

Independent Pricing and Regulatory Tribunal
New South Wales

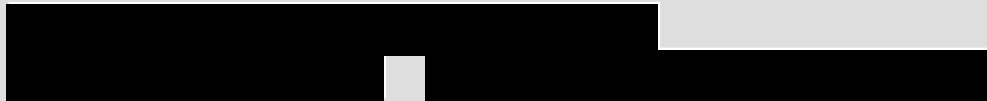
Special Variation Application Form – Part B

For 2019-20

Insert Name of Council: Randwick City Council

Date Submitted to IPART: 11 February 2019

Council Contact Person: Cherie Muir



2018

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Tribunal Members

The Tribunal members for this review are:

Dr Peter J Boxall AO, Chair

Mr Ed Willett

Ms Deborah Cope

Enquiries regarding this document should be directed to a staff member:

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1 Introduction

IPART will assess each application against the criteria set out in the Office of Local Government's (OLG) *Guidelines for the preparation of an application for a special variation to general income* (the [Guidelines](#)). Councils should refer to these Guidelines before completing this application form.

Each council must complete this Part B application form when applying for a special variation to general income either under section 508(2) or section 508A of the *Local Government Act 1993* (NSW).

In addition, councils must complete the Part B form with the Part A (spreadsheet) form for both section 508(2) or section 508A applications. The Guidelines also require the council to have resolved to apply for a special variation. You must attach a copy of the council's resolution. IPART's assessment of the application cannot commence without it.

If the proposed special variation includes increasing minimum rates above the statutory limit in the same rating year/s, the council may submit a combined special variation and minimum rate application (see Chapter 5 for circumstances where a combined application may be submitted). However, this must be clearly identified and addressed in the special variation application. A separate Minimum Rate application form (Part A and Part B) will need to be submitted where a council proposes increases to its minimum rates above the statutory limit for the first time, without increasing other ordinary rates in the same rating year. Councils are encouraged to discuss their proposed application with IPART as soon as possible.

As outlined in the Guidelines, new councils created in 2016 (apart from Mid-Coast Council) will be ineligible for special variations for the 2019-20 rating year.

1.1 Completing the application form

This form is structured to provide guidance on the information we consider is necessary for us to assess a special variation application. To complete the form, the council will need to respond to questions and insert text in the boxed area following each section or sub-section.

The amount of information that a council provides will be a matter of judgement for the council, but it should be sufficient for us to make an evidence-based assessment of the application. Generally, the extent of the evidence should reflect the size of the variation sought. More complex applications or requests for a high cumulative percentage increase should be supported by stronger, more extensive evidence.

Councils may submit additional supporting documents as attachments to the application (refer to section 8). These attachments should be clearly cross-referenced in Part B. We prefer to receive relevant extracts rather than complete publications, unless the complete publication is relevant to the criteria. If you provide complete documents when only an extract is relevant, we may ask you to resubmit the extract only. (You should provide details of how we can access the complete publication should this be necessary.)

We publish videos and fact sheets on how IPART assesses special variations and on the nature of community engagement for special variation applications. These will assist in preparing the application. The latest videos and fact sheets on these topics are available on [IPART's website](#).

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 – Preliminaries
- ▼ 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 – List of attachments
- ▼ Section 9 – Certification.

1.2 Notification and submission of the special variation application

Notification of intention to apply

Councils intending to submit an application under either section 508(2) or section 508A should have notified us of their intention to apply, via the Council Portal, by Friday 30 November 2018.

Any councils that did not notify but intend to apply for a special variation for 2019-20 should contact us as soon as possible.

Online submission of applications

All councils intending to apply for a minimum rate increase must use the [Council Portal](#) on IPART's website to register as an applicant council and to submit an application.

You are required to submit the application, via the Council Portal, by **Monday 11 February 2019**.

The [User Guide](#) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact:

▼ Arsh Suri - Arsh_Suri@ipart.nsw.gov.au or 02 9113 7730

File size limits apply on the Council Portal to each part of the application. For this Part B application form the limit is 10MB. The limit for supporting documents is 50MB for public documents and 50MB for confidential documents. We generally request supporting documents of the same type to be combined and most supporting document categories have a maximum number of 5 documents allowed. These file limits should be sufficient for your application. Please contact us if they are not.

We will post all applications (excluding confidential content) on the IPART website. Confidential content may include part of a document that discloses the personal identity or other personal information pertaining to a member of the public or whole documents such as a council working document and/or a document that includes commercial-in-confidence content. Councils should ensure that documents provided to IPART are redacted so that they do not expose confidential content.

Councils should also post their application on their own website for the community to access.

2 Preliminaries

2.1 Focus on Integrated Planning and Reporting

Councils must identify the need for a proposed special variation to their General Fund's rates revenue as part of their Integrated Planning and Reporting (IP&R) process. The IP&R documents will need to be publicly exhibited and adopted by the council prior to submitting an application to us. Also refer to section 6 for a more detailed explanation.

The key IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, the Asset Management Plan. A council's application may also include supplementary and/or background publications used within its IP&R processes. You should refer to these documents to support your application for a special variation where appropriate.

2.2 Key purpose of special variation

At the highest level, indicate the key purpose(s) of the proposed special variation by marking one or more of the boxes below with an "x". The purpose should be directly related to the special variation being sought and should be further detailed in the sections below.

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

You should summarise below the key aspects of the council's application, including the purpose and the steps undertaken in reaching a decision to make an application.

The Environmental Levy funds our Sustaining our City program which delivers innovative and award winning sustainability outcomes for Randwick City. The Environmental Levy has been subject to three separate SRV approvals, each temporary for a period of five years, in 2004, 2009 and 2014.

This application seeks approval to increase our general income by 5.90% temporarily, for a further five years from 1 July 2019 to 30 June 2024. This application is in addition to the current multi-year permanent SRV approval that Council was granted in May 2018, allowing for rate increases in 2018-19, 2019-20 and 2020-21, to fund a separate package of works and services known as Our Community our Future (OCOF).

Council reviewed its 20-year Community Strategic Plan, the Randwick City Plan, in 2017 with the then newly elected Council at the beginning of the current term. In preparing for this application, Council's Integrated Planning (IPR) documentation was updated and placed on public exhibition for 28 days from mid-December 2018 through mid-January 2019. The exhibition of updated IPR documentation, including; the Randwick City Plan, Long Term Financial Plan (LTFP) and the 2018-19 Operational Plan/Delivery Program, ran concurrently with an extensive community consultation known as "Environmental Levy" running from mid November 2018 to mid January 2019. Details of the community consultation activities undertaken are outlined in Section 4 of this application.

Resourcing options were communicated with the Councillors through Council meetings, a strategic planning workshop and other channels including briefing sessions.

The results of this community engagement process was reported to the Councillors for their endorsement (refer attachment 1).

2.3 Existing s508A multi-year special variation

You should complete this section if the council has an existing s508A multi-year special variation instrument that will continue to apply in the period for which the council is seeking further changes to its general income.

If IPART decides to approve an increase to the council's general income in response to this application, it will vary the existing s508A multi-year special variation instrument. Therefore, by completing this application form and seeking a further change to your revenue path, you are in effect applying for a variation to that instrument.

When addressing the assessment criteria in the remainder of this application form, please take care to be clear about whether the information you are providing is in relation to the incremental increase being sought by the council or the total cumulative increase that may be reflected in a varied instrument (this would include the aspects of the application that have previously been approved by IPART).

Does the council have a s508A multi-year special variation instrument that will continue to apply in the period for which the council is seeking further increases to its general income

Yes ☒ No ☐

If Yes:

- Over what period does the existing instrument apply? **From 1 July 2018 to 30 June 2021**
- What are the approved percentages for each year of the existing instrument? **Year 1 2018-19 = 7.64%, Year 2 2019-20 = 5.52%, and Year 3 2020-21= 5.52%** (refer attachment 2).
- Briefly describe any significant changes of relevance since you submitted the application for the existing instrument.

There have been no significant changes of relevance since our last s.508A multi-year SRV approval in May 2018 to fund OCOF.

The 30 June 2019 \$4.45m expiration of the Environmental Levy was flagged in our OCOF application (refer attachment 4) and is noted in our 2018-19 Operational Plan/Delivery Program (refer attachment 5). See attachment 6 for IPART instrument of approval from June 2014.

Current capital expenditure review – SRV approval – Our Community our Future

Our OCOF SRV submission approved in May 2018 required the submission of a Capital expenditure review and an accompanying Public Private Partnership (PPP) review, in relation to the Heffron Centre multipurpose sporting facility and gymnastics facility. This project forms part of the redevelopment of Heffron Park which is likely to occur as part of a PPP.

In May 2018, Council received advice from the OLG regarding Council's PPP proposal to jointly develop a Community and High Performance Centre (CHPC) at Heffron Park, in confirmation of their assessment of the proposal as 'not significant' and 'not high risk' (refer attachment 7, pages 41-42, Operational Plan 2018-19).

In June 2018, Council received OLG confirmation that our capital expenditure review submission satisfied the criteria set down within the OLG's Capital Expenditure Guidelines (refer attachment 8). It is important to delineate that this SRV application for the continuation of the Environmental Levy is not related to the above capital expenditure review and PPP.

2.4 Capital expenditure review

You should complete this section if the council intends to undertake major capital projects that are required to comply with the OLG's Capital Expenditure Guidelines, as outlined in OLG 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 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 council to do a capital expenditure review in accordance with OLG Circular to Councils, Circular No 10-34 dated 20 December 2010	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If Yes, has a review been done and submitted to OLG?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

3 Assessment Criterion 1: Need for the variation

Criterion 1 in the OLG Guidelines is:

The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvass alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:

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

The IP&R documents and the council's application should provide evidence to establish this criterion. This could include evidence of community need /desire for service levels/projects and limited council resourcing alternatives.

Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies.

The response to this criterion 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, as well as alternative funding options (to a rates rise).

The criterion states that the need for the proposed special variation must be identified and clearly articulated in the council's IP&R documents especially the Long Term Financial Plan and the Delivery Program, and, where appropriate, the Asset Management Plan. The purpose of the proposed special variation should also be consistent with the priorities of the Community Strategic Plan.

3.1 Case for special variation – community need

In its application, the council should summarise and explain:

- ▼ How it identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision.
- ▼ How the decision to seek higher revenues above the rate peg was made and which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery.
- ▼ Why the proposed special variation is the most appropriate option: for example, typically other options would include introducing new or higher user charges and/or an increase in loan borrowings, or private public partnerships or joint ventures.

- ▼ How the proposed special variation impacts the Long Term Financial Plan forecasts for the General Fund and how this relates to the need the council identified. Our assessment will also consider the assumptions which underpin the council's Long Term Financial Plan forecasts.

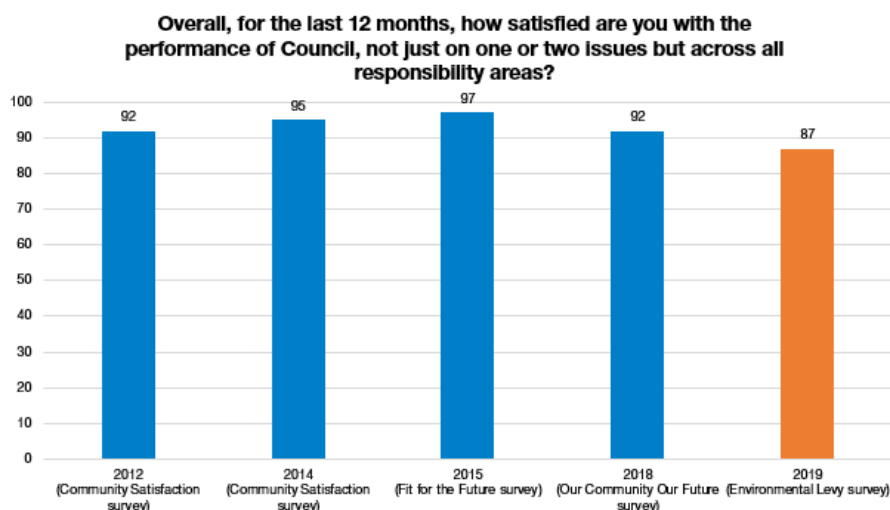
In addressing this criterion, you should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

In summary, the Randwick City community's need for the SRV (Environmental Levy) is based on:

- The community's continued support for the Sustaining our City program, and
- Council's responsibilities for maintaining and protecting its natural environment, and
- Randwick residents continue to rank the environment as an important issue, to which the Randwick City Plan responds with a dedicated environmental theme.
- The expiration of the existing Environmental Levy in June 2019 will reduce the funds available to Council by \$4.45m. This reduction, without a corresponding replacement, means that Council will have to find alternate sources of funding if it is to continue to deliver the environmental programs that the community expects.

Background

In September 2017 a new Council was elected for Randwick City Council. In the period subsequent to the elections the new Council held a workshop where Councillors reviewed all current service levels together with their current and forecasted costs and determined that they did not wish to change any current service levels or modify any current methods of service delivery. This is underpinned by consistently high levels of community satisfaction with the delivery of services provided by Council. The recent consultation and community survey regarding Environmental Levy replacement revealed a community satisfaction score of 87% as shown in the chart below.



The funding strategies used in the past by Randwick City Council have been very effective and have produced great outcomes for the community and for Council. In May 2018, Council received SRV approval for OCOF. The OCOF SRV proposal explored alternative funding paths thoroughly with the

community and as a result Council resolved to borrow \$27m to fund the delivery of capital works (refer attachment 9, pages 82-85, Operational Plan 2018-19). This SRV application is to replace an expiring SRV which funds an ongoing successful environmental program. It is not an increase as such but a continuation of a special rate that ratepayers have been paying for 15 years (refer attachment 10, pages 63-65 Op Plan/Delivery Program, Sustaining our City 2019-2024).

Historically Randwick Councillors have taken a deliberate approach to the Environmental Levy, utilising temporary funding via the SRV process every five years since 2004, ensuring the community is consulted at regular intervals in regard to the ongoing validity of the Sustaining our City program and the corresponding Environmental Levy funding path.

The Randwick City Plan, containing the community's aspirations for the future, is based on extensive research and input from ongoing and well thought out community engagement processes, therefore the plan reflects the changes in community expectations over time.

There are 10 key outcomes in the Randwick City Plan with one being a Healthy Environment, whereby 'the natural environment will be protected, enhanced and promoted for future generations' (refer attachment 11, pages 58-62 Delivery Program).

There are six directions for achieving this outcome including:

- 10a: Council's programs and partnerships foster sustainable behavioural changes and outcomes.
- 10b: Policies and programs are developed and implemented in response to environmental risks and their potential impacts.
- 10c: Bushland, open spaces and biodiversity are protected and enhanced for future generations.
- 10d: Waste is managed sustainably to ensure highest level of resource recovery.
- 10e: A total water cycle management approach including water conservation, re-use and water quality improvements is adopted.
- 10f: Energy conservation and efficiency programs are implemented.

Sustaining our City Program

The Sustaining our City Program focuses on fostering sustainable behavioural changes across five key areas:

- Protecting our coastal and marine environment.
- Conserving resources, particularly water and energy consumption, while reducing the amount of waste going to landfill.
- Tackling greenhouse gas emissions, with a focus on sustainable transportation such as cycling, walking and public transport.
- Protecting our biodiversity that provides the natural ecosystem services we rely on for clean air, clean water and clean soil.
- Community engagement and participation in a range of environmental sustainability opportunities for change, such as school and community food gardens and keeping bees and chickens.

The achievements associated with the Environment levy over the past 15 years were highlighted on page 4 of the eight-page community information booklet that was distributed as part of the recent community consultation activities and also shown in Table A below (refer attachment 12, page 96 Appendix A, the Randwick City Plan).

Table A Notable achievements of Sustaining our City over 15 years

Program area	High level achievement / benefit
Coastal protection	<ul style="list-style-type: none"> • 10-12km construction and upgrade of the coastal walkway – about a third of the entire walkway. • Gross Pollutant Traps for stormwater run-off, diverting tonnes of street litter from entering our beaches. • Around 20,000 residents engaged in our Marine and Coastal education programs, including the recent “Switch your Thinking on Plastics” community education program.
Conserving resources	<ul style="list-style-type: none"> • Council has significantly increased its use of recycled water by capturing, treating and re-using stormwater and in conjunction with the use of bore water, representing water savings of over 450 million litres across Randwick City each year. • Conduct regular energy audits and follow up with our top 4 energy consuming sites.
Tackling greenhouse	<ul style="list-style-type: none"> • 200 kilowatts of solar panels and a small-scale wind turbine installed over a dozen buildings. • Contribute to the construction of cycle ways and walk ways and a small fleet of hybrid vehicles and electric bikes.
Biodiversity	<ul style="list-style-type: none"> • Green Corridor Project, supporting schools and the community with native planting and community gardening. • First council to establish an apiary trail for native and honey bees. • Monitoring of flora and fauna within our critical habitats.
Community engagement	<ul style="list-style-type: none"> • Over 15,000 residents and students participate in our annual sustainability courses and workshops, provided across a wide range of subjects including; saving energy, composting, organic gardening, bee keeping, bike maintenance, living smart, etc. • Flagship annual environmental events: Eco Living Fair, Earth Hour and Best Gift Christmas campaign.

Who Cares about the Environment survey

Over a three month period from mid-2017, Council conducted its 3-yearly survey of Randwick residents on environmental attitudes and actions.

Randwick’s Who Cares about the Environment survey (Who Cares) has been undertaken in years 2005, 2008, 2011, 2014 and 2017. The survey attempts to drill down in some detail to establish useful baseline information and data on the issues of concern and resultant environmental actions of Randwick residents in relation to the current environmental views of our community.

A presentation of key results are show in the next three charts. The full survey report by Taverner Research is attached for added information and insight (refer attachment 13).

The NSW Government also conducts a regular Who Cares survey of NSW residents, the most recent in 2015.

Chart 1 below reveals overtime that Randwick residents have a high level of concern about environmental problems, especially in comparison to the rest of NSW. The 2017 results shows Randwick's level of concern at 83%, with NSW considerably less at 65% (ie; sum of A Great Deal + A Fair Amount).

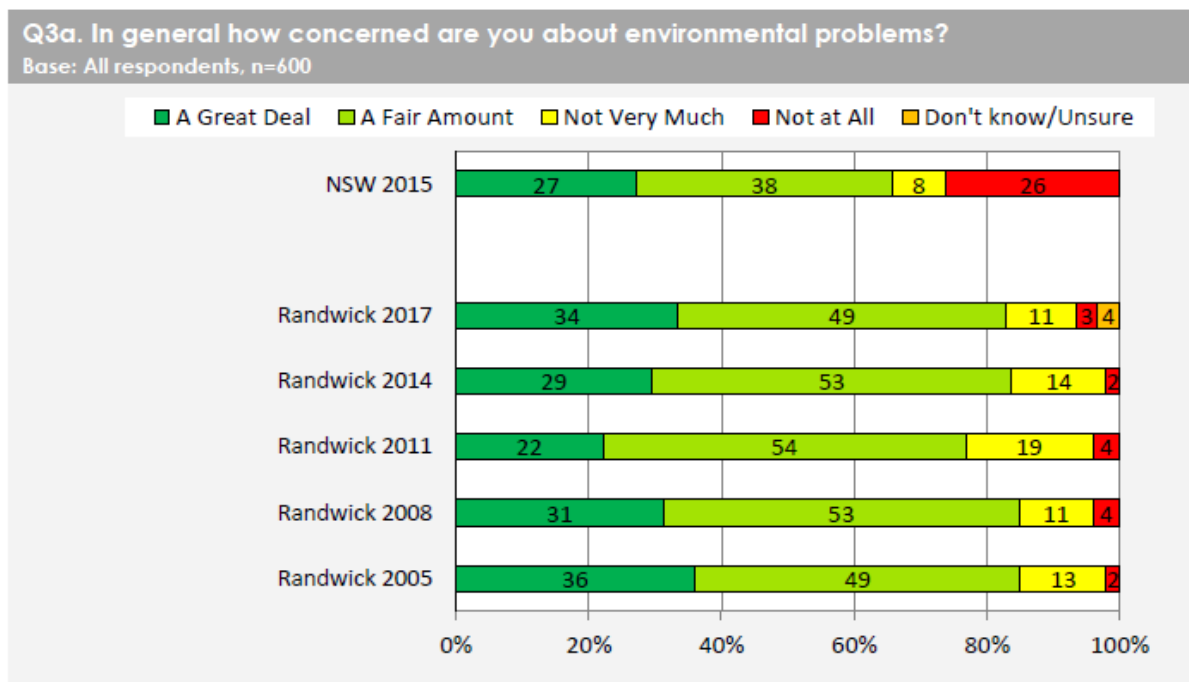


Chart 1: 2017 Who Cares about the Environment survey – Level of concern about Environmental problems.

The Who Cares survey consistently asks residents to rank their most important issues for Council's attention. Chart 2 below shows that the 'Environment' sits in third place behind the typical local government issues of Roads/Traffic and Infrastructure/Urban development.

Residents are also asked to rate the Council's care for the Environment with consistently strong results reported overtime. Chart 3 shows 67% rated Council's care as Good or Very Good in 2007.

Chart 2: 2017 Who Cares about the Environment survey – Most important issues (refer attachment x).

Q1a. What would you consider to be the two most important issues for attention by Randwick City Council at present?

Base: All respondents n=600

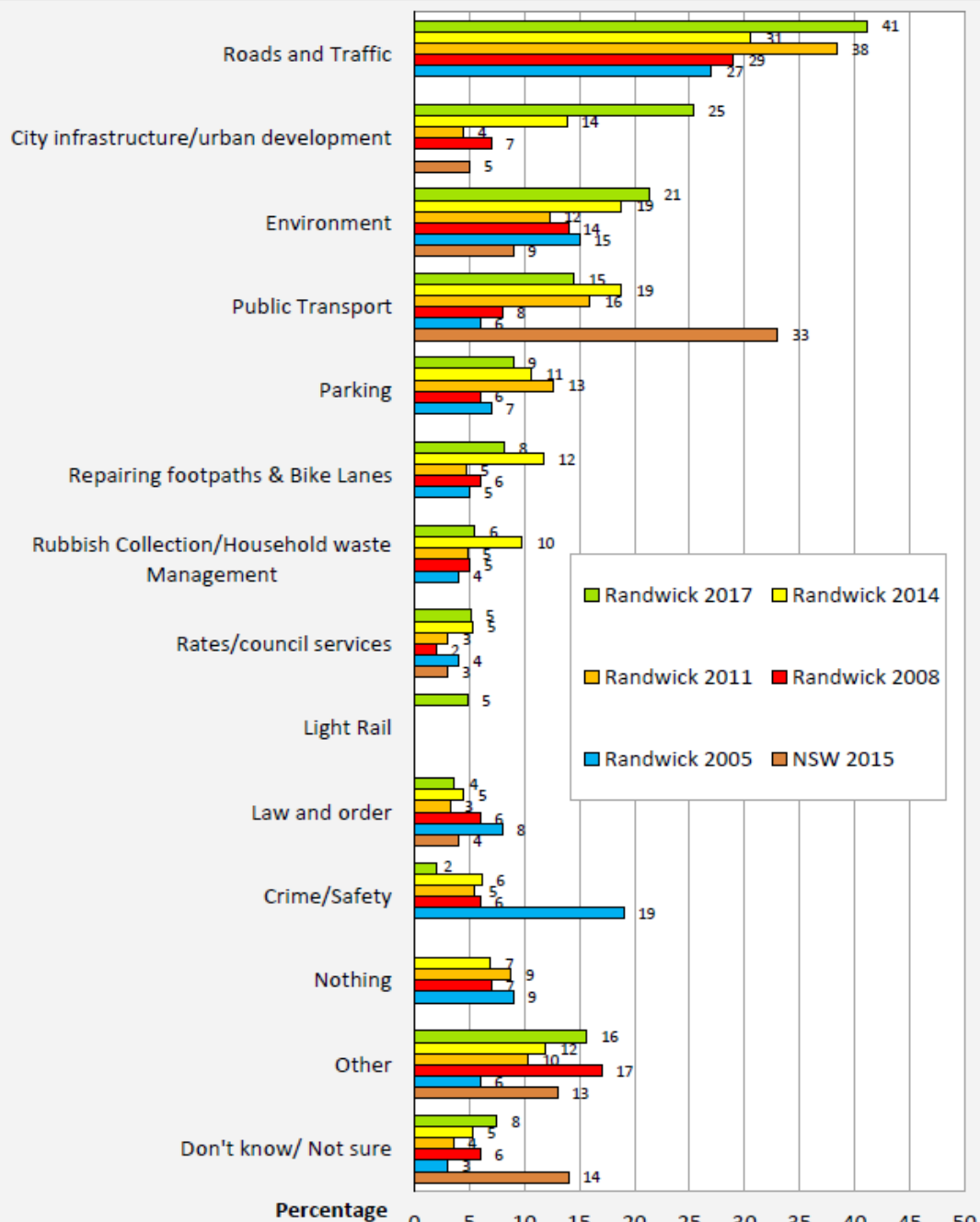
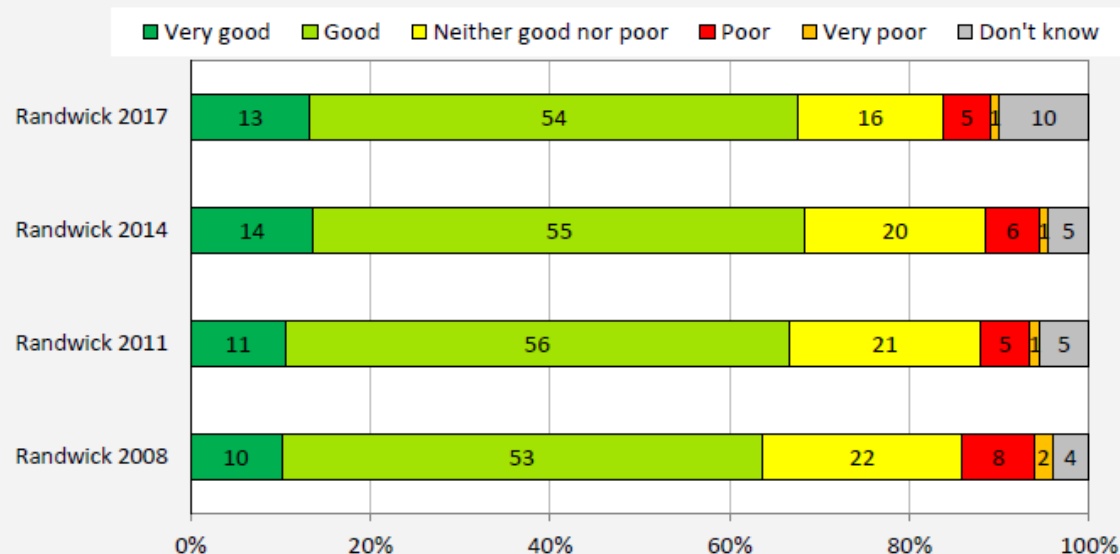


Table 3: Who cares about the Environment survey – Randwick City Council's care for Environment

Q79. In general, would you say Council's care for the environment is...?

Base: All respondents, n=600



Continued community support

Council has comprehensively engaged the community to gauge the level of support for the continuation of the Environmental Levy. Engagement methods and results are discussed in detail in Section 4 of this application.

In general the results showed a strong level of awareness of the proposal to continue the Environmental Levy and based on the detailed comments, respondents show a good level of understanding of the proposed projects, costs and impact on rates. Support for the levy continuing amongst the general community is at 72%, as measured by a telephone survey and support at 54% of ratepayers who responded to the ratepayer survey.

External and industry recognition

Finally, in the last five year cycle of the Environmental Levy, Council has been awarded 19 awards which can be directly attributed to the Sustaining our City Program as funded by the Environmental Levy, including:

2014 - Coogee Beach Foreshore Water Management – Winner
Sydney Water Sustainable Water Award (Clean Beaches Award 2014)

2016 - Randwick City Council Honey and Native Bee Apiary Trail – Winner
Keep NSW Beautiful Blue Star Sustainability Awards - Habitat and Wildlife Guardianship Award

2018 - Randwick's Best Gift in the World Christmas Campaign and Market - Winner
Local Government RH Dougherty Awards - Innovation in special events Award

(Refer attachment 14 for full list of associated Awards)

3.2 Financial sustainability

The proposed special variation may be intended to improve the council's underlying financial position for the General Fund, 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 and the assumptions it has made in coming to a view on its financial sustainability.

You should explain below:

- ▼ The council's understanding of its current state of financial sustainability, its long-term projections based on alternative scenarios and assumptions about revenue and expenditure.
- ▼ Any external assessment of the council's financial sustainability (eg, by auditors, NSW Treasury Corporation). Indicate how such assessments of the council's financial sustainability are relevant to supporting the decision to apply for a special variation.
- ▼ The council's view of the impact of the proposed special variation on its financial sustainability.

Council's primary financial planning instrument, its Long Term Financial Plan (LTFP), has been developed to ensure the ongoing financial sustainability of Randwick City Council. The objectives of the LTFP are to deliver operating surpluses, fund existing service levels, fund infrastructure renewals, ensure financial stability and create a financial legacy. The modelling contained within the LTFP demonstrates that to successfully meet these objectives and deliver the new works and services contained within the Sustaining Our City program, while also ensuring Council's financial sustainability, continuing the Environmental Levy via a SRV is required.

The intent of the continuing special variation, as stated above, is to preserve and maintain Council's financial sustainability whilst specifically delivering existing service levels to the Randwick City community under the banner of the Sustaining our City program, including; Council's Coastal Walkway, Water Conservation Works, Green Corridor Program , Energy Efficiency Program and sustainability themed events and workshops.

Randwick City Council is currently in a financially sustainable position, due largely to the fact that its financial planning and management over the past decade has been prudent and responsible. Over the past decade Council has operated under a SRV for nine of the last 10 years - successfully aligning resourcing needs with the delivery program with backing of the community.

Table B Rate increases over past 10 years

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
9.48%*	5.29%	6.24%	6.28%	3.59%	9.59%*	3.59%	3.59%	1.50%	7.64%
SRV	SRV	SRV	SRV	SRV	SRV	SRV	SRV	PEG	SRV

* SRV including Environmental Levy

These special variations have enabled Council to deliver service levels that the community expects and infrastructure to the standard that is required as well as sustainability initiatives expected by the community. This has been through both operating and capital expenditure programs over this period, with both these forms of expenditure being managed to ensure that financial sustainability is being achieved.

In May 2014 NSW Treasury Corporation (T-Corp) conducted an assessment into the Financial Sustainability of New South Wales Local Government Sector, during which Randwick City Council was assessed as having a Financial Sustainability Rating (FSR) of “Sound” with an outlook of “Positive” for the subsequent three years. Based on the financial results that Randwick City Council produced in those subsequent four years it would be expected that a new assessment would result in an FSR of “Strong” (refer attachment 15).

The 2013 Local Government Infrastructure Audit undertaken by the NSW Office of Local Government assessed Randwick City Council has having “Very Strong” infrastructure management. This assessment was based on infrastructure management processes and practices, and also historical financial information.

At the time subject to a proposed merger, Council was not permitted to apply for a special variation to rates in 2017-18. Consequently, with the exception of the financial year 2017-18, Randwick City Council has not operated under the rate peg since the financial year commencing July 2009. The financial results and data used in both the T-Corp assessment and Infrastructure Audit were from financial years where Randwick City Council was operating under a special variation.

This illustrates that the financial planning that Council uses in determining the size of the special variations necessary has been appropriate. It illustrates that the use of these special variations has placed the financial sustainability of Council in a strong position. And it also illustrates that Council understands the funding necessary to provide the current level of services to the Randwick City community that they expect, and the funding required to appropriately manage its infrastructure. The results of the external assessments have proven that the use of responsible SRVs has been pivotal in ensuring the ongoing financial sustainability of Randwick City Council.

The modelling that has been undertaken incorporating the revised funding strategy, including a continuing Environmental special variation and utilisation of loan borrowings, has illustrated that Council can achieve its objectives and also remain financially sustainable.

The modelling option 2A in the LTFP shows that without a continued Environmental Levy SRV, not only will Council not be able to undertake the Sustaining Our City capital projects it has planned, but its financial sustainability will be compromised.

It is the view of Council that failure to obtain the Environmental Levy SRV will have a detrimental impact on Council’s financial sustainability. It is also the view that without the SRV, the Sustaining Our City projects that have been planned will not proceed in the foreseeable future which will have a detrimental effect on Randwick City.

3.3 Financial indicators

How will the proposed special variation affect the council's key financial indicators (General Fund) over the 10-year planning period? Please provide, as an addendum to the Long Term Financial Plan, an analysis of council's performance based on key indicators (current and forecast) which may include:

- ▼ Operating performance ratio excluding capital items (ie, net operating result excluding capital grants and contributions as percentage of operating revenue excluding capital grants and contributions).
- ▼ Own source revenue ratio (ie, total operating revenue excluding capital items as a percentage of total operating revenue including capital items).
- ▼ Building and asset renewal ratio (ie, building and infrastructure asset renewals as a percentage of building and infrastructure depreciation, amortisation and impairment)
- ▼ Infrastructure backlog ratio (ie, estimated cost to bring assets to satisfactory condition as a percentage of total (written down value) of infrastructure, buildings, other structures, depreciable land and improvement assets)
- ▼ Asset maintenance ratio (ie, actual asset maintenance as a percentage of required asset maintenance).
- ▼ Debt service ratio (principal and interest debt service costs divided by operating revenue excluding 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).

Council's baseline scenario for this application is not a rate-peg scenario because the first two years of the five-year SRV period are subject to an existing SRV. Base case rate increases over the period of the application are shown in table C below, and further detailed in Part A of the application.

Table C – Rate increases for base case

Yr 1 2019-20	Yr 2 2020-21	Yr 3 2021-22	Yr 4 2022-23	Yr 5 2023-24
5.52% SRV	5.52% SRV	2.5% peg	2.5% peg	2.5% peg

Worksheet 8 of Part A, compares Council's base case with the case of a continued Environmental Levy (ie; SRV approval). The base case shown in Worksheet 8 is based on the increases shown in Table C above and assumes a discontinued Environmental Levy (no additional revenue) as well as discontinued Sustaining our City program (no expenditure), ie; the base case assumes the program ceases in its entirety. This scenario is reflected in Council's LTFP as Model 2 – no SRV, no program (refer attachment 16).

Should this SRV not be approved however, the base case scenario would not be the reality case for Randwick. This is because the operational expenses associated with the Sustaining our City Program would continue from 1 July 2019, even though the corresponding source of revenue is no longer available.

At the time of preparing this application Council is concurrently drafting the 2019-20 Operational Plan and Budget based on a continued Environmental Levy - Option 1 Primary Model in the LTFP – funding the Sustaining our City Program for the next five years 2019-2024, in reflection of our community's continued support (refer attachment 17 – Option 1 – Primary model).

Should this SRV application not be approved in May 2019, the Council would need to revisit the draft Budget and Operational Plan, to reflect a discontinuation of the Sustaining our City program from its current format. This does not mean that the works and services currently covered by the Sustaining our City program would not go ahead in the long-term, but in the short-term would mean an end to the program as we know it and a redistribution / reprioritisation of related works and services. The result being that some elements wouldn't happen, while some would take longer to implement, and others would likely affect the timing and scope of other capital works and operating programs.

The **reality case of a discontinued levy** is therefore Option 2A in the LTFP, which assumes that the Environmental Levy is no longer collected (no additional revenue) although the operational program (operational expenditure) continues (refer attachment 18, LTFP pages 24-28).

The following discussion of financial indicators focuses first on the base case scenario as required (LTFP Option 2), but culminates with a glance at key indicators for the reality case (LTFP Option 2A).

Base Case Option 2 – Model 2 LTFP

Operating performance ratio

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	3.89	3.78	3.95	3.93	3.80	3.01	2.86	2.40	2.20	2.02
SRV	4.99	4.85	5.00	4.97	4.83	2.93	2.78	2.32	2.11	1.95

Without the additional revenue yielded through the Environmental special variation, the operating performance ratio of Randwick City Council will start to deteriorate in the foreseeable future. The ratio currently sits above zero because of the OCOF SRV approval, allowing for rate increases of 5.52% in both 2020 and 2021 (instead of a much lower rate peg). This has a corresponding impact on the asset renewal ratio as surplus operating funds are used to fund those renewal works.

Own source revenue ratio

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	92.56	92.83	92.98	93.12	93.27	93.42	93.55	93.67	93.80	93.95
SRV	92.77	93.03	93.17	93.32	93.46	93.42	93.55	93.67	93.80	93.95

This illustrates that Randwick City Council remains well in excess of the 60% benchmark, with the Council's reliance on external funding being one of the lowest of all Council in NSW.

Building and asset renewal ratio

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	117.1	119.1	109.1	99.7	99.3	108.9	105.1	106.7	114.8	102.4
SRV	119.2	121.0	110.7	101.2	100.5	110.4	106.6	108.2	116.2	104.0

Under the base case scenario, the levels of surplus operating cash that would normally be funding asset renewals, are decreasing below the benchmarking 100% in the 2023 and 2024 financial years as they are required to fund the existing operating service levels.

Infrastructure backlog ratio

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	0.60	0.59	0.57	0.56	0.54	0.53	0.53	0.52	0.53	0.52
SRV	0.60	0.58	0.57	0.56	0.53	0.53	0.52	0.52	0.52	0.52

Randwick City Council has a relatively low infrastructure backlog when compared to other councils in NSW. Under the Environmental Levy SRV, the ratio will remain relative lower comparing with the base case scenario.

Asset maintenance ratio

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	1.53	1.54	1.56	1.59	1.61	1.63	1.65	1.67	1.69	1.70
SRV	1.53	1.54	1.56	1.59	1.61	1.63	1.65	1.67	1.69	1.70

Under both scenarios, Randwick City Council aims to maintain the operating service (maintenance) at the same level, that's why the asset maintenance ratio within the three scenarios contained in the LTFP Financial Plan are same. A ratio of above 1.0 benchmarking indicates that Randwick City Council will invest enough funds each year to halt the infrastructure backlog from growing.

Debt service ratio

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	15.12x	15.74x	16.29x	16.83x	17.46x	17.46x	18.02x	18.32x	18.53x	19.15x
SRV	16.05x	16.70x	17.28x	17.86x	18.52x	17.48x	18.05x	18.35x	18.56x	19.18x

Randwick City Council approved the utilisation of loan borrowings in 2018-19 for the Our Community Our Future (OCOF) Capital Works. This ratio illustrates that Council has enough capacity to service debt under both scenarios.

Unrestricted current ratio

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	2.91	2.35	2.16	2.12	2.14	2.05	1.97	1.86	1.89	1.89
SRV	2.91	2.35	2.16	2.12	2.15	2.07	1.99	1.88	1.92	1.92

Council's approval to utilise loan borrowings creates a new current liability. This will impact the unrestricted current ratio decreasing under both scenarios.

Rates and annual charges ratio

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
SRV	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4

Randwick City Council has one of the lowest outstanding rates and annual charges ratios in NSW. Over the last 10 years (during which nine saw Council operating under a special variation) Council had an average ratio of 2.45%. This is a good indicator in relation to the capacity to pay of Randwick City ratepayers. This ratio has been forecast to remain steady.

Base Case Option 2A – Reality case

Operating Performance Ratio - operational program continues LTFP Model 2A

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Reality	2.13	1.93	2.06	2.00	1.86	1.1	1.00	0.59	0.43	0.28
Base	3.89	3.78	3.95	3.93	3.80	3.01	2.86	2.40	2.20	2.02
SRV	4.99	4.85	5.00	4.97	4.83	2.93	2.78	2.32	2.11	1.95

Model 2A assumes that the operational components of Sustaining our City program continue even though the revenue source does not – which is the reality case. Should the Environmental Levy not continue, Randwick Council may not choose to reduce service levels, hence the reality case assumes existing service levels would be maintained, whereas the base case assumes that service levels would be reduced.

The above table, comparing the reality case, base case and SRV case shows the deterioration of the operating performance ratio of Randwick City Council is realised sooner under the reality case than under the base case.

This effect is also evident with the Building and Asset Renewal ratio, see below.

Building and Asset Renewal Ratio - operational program continues LTFP Model 2A

%	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Reality	117.1	119.1	109.1	92.2	91.2	94.5	89.1	92	97.9	98.3
Base	117.1	119.1	109.1	99.7	99.3	108.9	105.1	106.7	114.8	102.4
SRV	119.2	121.0	110.7	101.2	100.5	110.4	106.6	108.2	116.2	104.0

4 Assessment criterion 2: Community awareness and engagement

Criterion 2 in the Guidelines is:

Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. In particular, councils need to communicate the full cumulative increase of the proposed special variation in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur. The IPART fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations.

Our fact sheet on the requirements for community awareness and engagement is available on the IPART website.¹

In responding to this criterion, the council must provide evidence that:

- ▼ it has consulted and engaged the community about the proposed 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
- ▼ it provided opportunities for input and gathered input/feedback from the community about the proposal, and
- ▼ the IP&R documents clearly set out the extent of the requested rate increases.

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

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

More information about how the council may engage the community is to be found in the Guidelines, the IP&R manual and our fact sheet.

¹ <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/For-Councils/Apply-for-a-special-variation-or-minimum-rate-increase>

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

The council's application should show how it has explained to its community:

- ▼ There is a special variation due to expire at the end of the current financial year or during the period covered by the proposed special variation. This needs to include when the expiring special variation was originally approved, for what purpose and the percentage of (General Fund) general income originally approved.
- ▼ The corresponding percentage of general income that the expiring special variation represents for the relevant year.
- ▼ Whether the temporary expiring special variation is being replaced with another temporary or a permanent increase to the rate base.
- ▼ The percentage value of any additional variation amount, above the rate peg, for which the council is applying through a special variation.
- ▼ If the proposed special variation was not approved (ie, only the rate peg applies), the year-on-year change in rates would be lower, or that rates may fall.

The council also must attach, to its application to IPART, a copy of the Instrument of Approval that has been signed by the Minister or IPART Chair.

Box 4.2 Where a council has an existing s508A special variation and is applying for an additional s508(2) special variation

The council's application should demonstrate that it has explained to its community:

- ▼ There is a special variation already in place for the current year and the size of that special variation.
- ▼ The size and impact of the additional special variation proposed and its purpose.
- ▼ The cumulative annual increase in rates from the existing and proposed special variation together.

4.1 The consultation strategy

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

The council is to provide relevant extracts of the IP&R documents that explain the rate rises under the proposed special variation and attach relevant samples of the council's consultation material.

Introduction

In October 2018, Council resolved to deliberately engage the community to gauge the level of support for a continued Environmental Levy. Consultation activities took place over a seven week period November 2018 through January 2019. At the same time updated IPR documents were exhibited for public comment.

The communication materials and the updated IPR documents clearly showed the extent of the proposed rates increases. In particular the 8-page Community Information Booklet included a comprehensive table headed “Impact of continuing Environmental Levy” which demonstrated the proposed cumulative special variation rate increases inclusive of the existing OCOF SRV for each rating category, and also the average annual increase that would result from this SRV application being approved. Finally, the overall 5-year cumulative impact of 19.91% was reiterated in the table and also in FAQ format (refer attachment 19, pages 6 - 7 Community Information booklet).

The booklet also included a table showing the value of the Environmental Levy based on a range of land values, see image below.

Estimated Environmental Levy based on land value

Land value	2018/19 Current	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5
50,000	\$5	\$6	\$6	\$6	\$6	\$7
150,000	\$16	\$17	\$18	\$19	\$19	\$20
250,000	\$27	\$29	\$30	\$31	\$32	\$33
350,000	\$38	\$40	\$42	\$43	\$45	\$46
450,000	\$49	\$52	\$55	\$56	\$57	\$59
550,000	\$60	\$63	\$67	\$68	\$70	\$72
650,000	\$71	\$75	\$79	\$81	\$83	\$85
750,000	\$82	\$86	\$91	\$93	\$95	\$98
850,000	\$93	\$98	\$103	\$106	\$108	\$111
950,000	\$103	\$109	\$115	\$118	\$121	\$124
1,250,000	\$136	\$144	\$151	\$155	\$159	\$163
1,750,000	\$190	\$201	\$212	\$217	\$223	\$228
2,500,000	\$272	\$287	\$303	\$311	\$318	\$326
3,000,000	\$327	\$345	\$364	\$373	\$382	\$392
4,000,000	\$435	\$459	\$485	\$497	\$509	\$522

58% of
ratepayers
pay an
Environmental
Levy in this
range.

The community Information Booklet was appended to our key IPR documents; the Randwick City Plan, LTFP and the 2018-19 Operational Plan/Delivery Program.

More about Council’s IPR documents and how they evidence the need for, and impact of, a continued Environmental Levy is detailed in Part 6 of this application.

Consultation strategy

Randwick City Council conducted a comprehensive engagement program on the proposed continuation of the Environmental Levy to openly and constructively engage with the Randwick City community about the Environment Levy, in line with Council's Community Consultation Principles and Planning Guidelines and IPART's requirements for consulting with the community about an SRV.

The objectives of the consultation were to:

- Inform the community about Council's proposal to continue the Environmental Levy and its impact.
- Provide the community with the opportunity to contribute meaningfully.
- Engage in a genuine and open dialogue with the community and take on board suggestions and feedback.
- Communicate what the Environmental Levy has achieved in the past 15 years in terms of environmental benefits and savings for Council.
- Communicate what is proposed to be funded by the Environmental Levy in the future.
- Obtain a measure of the community's willingness to continue paying the Environmental Levy.
- Determine levels of support for the proposed projects under the Environmental Levy.

Consultation period

The consultation was initially open for 28 days from 20 November 2018 to 18 December 2018. It was subsequently extended for a further 21 days to 9 January 2019 taking the total exhibition and submission period to seven weeks.

The community was asked to specify whether or not they supported the continuation of the Environmental Levy, and to rate the importance of a number of key environmental projects. They were also given the opportunity to comment in general.

The consultation included the exhibition of updated Integrated Planning & Reporting documents including the Long Term Financial Plan, Randwick City Plan and 2018-19 Operational Plan and Delivery Program. The documents were available in hard copy at all Randwick City Council Libraries, at the Customer Service Centre and online at www.yoursay.randwick.nsw.gov.au/EnviroLevy2019

Using Randwick City Council's adopted Community Consultation Principles and Planning Guide which is modelled on the IAP2 Engagement Spectrum, this project is assessed as having a higher level, City Wide impact. This is because the project affects all ratepayers and relates to a financial impact. It is important to understand the level of impact as this influences the extent and nature of the consultation activities.

Consultation activities

The engagement strategy included open opportunities for general public participation and targeted communications.

Community engagement activities undertaken:

- A dedicated consultation website including submission function
- An information booklet

- A letter, information booklet and reply paid survey (with online option) mailed to every ratepayer in Randwick City
- Two full page advertisements in local newspaper The Southern Courier on: 20 November 2018 and 18 December 2018
- A full page advertisement in local magazine The Beast in the December 2018 edition
- Public information sessions: Wednesday 28 November 2018, 6.30pm at Randwick Community Centre, 6 December 2018, 6.30pm at Lionel Bowen Library, Maroubra, and 12 December 2018, 6.30pm at Prince Henry Centre, Little Bay 6.30-7.30pm
- Representative Telephone Survey of 600 local residents conducted by Taverner Research
- Content in Council's Randwick News email sent weekly to 43,000 subscribers on: 21 November 2018, 28 November 2018, 5 December 2018 and 12 December 2018
- Media release issued 20 November 2018
- Randwick Council 'weekly; advertisement in Southern Courier on 20 and 27 November and 4 and 11 December 2018.
- Posters displayed at 30 bus stops in Randwick City and at Council facilities including the Administration Building, Libraries at Randwick, Maroubra and Malabar, Des Renford Leisure Centre in Maroubra and Community Nursery in Kingsford
- Digital communication including content on Council's website and posts on Council's Facebook and Twitter accounts.

Examples of community engagement material

Ratepayer mailout



Image: Letter, survey and information booklet sent to every ratepayer in Randwick City (refer attachment 20, ratepayer letter and survey).

Advertising



Image: Full page advertisements in The Southern Courier 11 and 18 December 2018

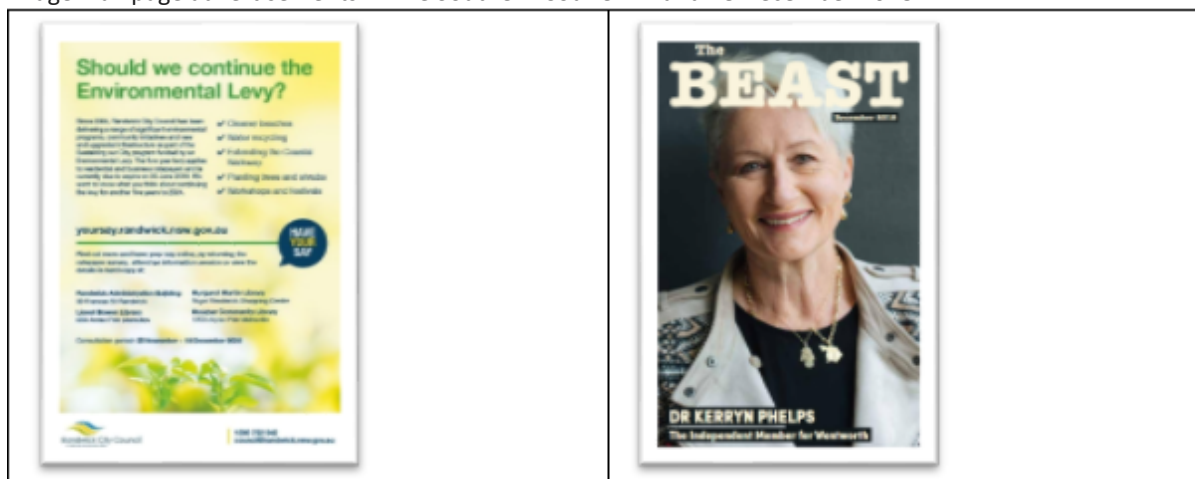


Image: Full page advertisement in *The Beast* December 2018 edition (refer attachment 21, newspaper advertisements).

Information sessions



Image: Information sessions held 28 November, 6 and 12 December 2018

Dedicated consultation website

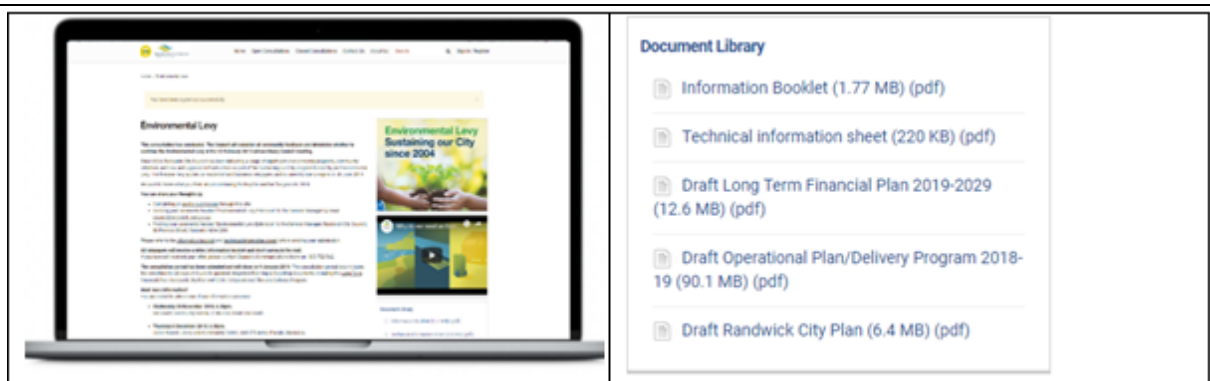


Image: YourSay Randwick website

Bus stop posters



Image: Example of bus stop advertisements. (note: image digital representation)

Digital communications



Image: Article in Randwick News (digital newsletter) 28 November and 12 December 2018. Facebook post 29 November 2018.

4.2 Feedback from the community consultations

Summarise the outcomes and feedback from the council's community engagement activities. 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 special variation 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 proposed special variation, the application should set out the views expressed in those submissions. Please refer to Section 1.2 concerning how the council should handle confidential content in feedback received from the community. The council should also identify and document any action that it has taken, or will take, to address issues of common concern within the community.

Executive summary

This section provides a summary of the community consultation outcomes of Council's ratepayer survey, telephone survey, information sessions and submissions received.

Consultation activity	Level of support	Summary and notes	Random and representative?	Conducted by
Telephone survey	72%	A random and representative survey of 600 Randwick City residents with $\pm 4\%$ error margin. Surveys of this type are statistically considered a reliable indicator of community sentiment. (n = 600 respondents)	Yes	Taverner Research
Ratepayer survey	54%	Opt-in survey open to Randwick City ratepayers. (n = 5,823 respondents)	No	WebSurvey
Information sessions	NA	Three sessions held with 15 attendees.	No	Randwick Council
Submissions	40%	Submissions provide the opportunity for interested community members, groups and businesses to provide feedback. (n = 164 submissions)	No	Randwick Council

Table D: Executive summary of main consultation activities showing level of support for continuing levy.

The results show a strong level of awareness of the proposal to continue the Environmental Levy and based on the detailed comments, respondents show a good level of understanding of the proposed projects, costs and impact to rates.

Generally there is support for the levy continuing. This support amongst the general community is 72% as measured by the telephone survey and 65% amongst ratepayers sampled in the telephone survey. Of those ratepayers who responded to the ratepayer survey, support is at 54%. Support amongst those who lodged submissions is at 40%.

The telephone survey, ratepayer survey and submissions provide three different measures. Opt-in surveys like the ratepayer survey and submissions are representative of those who chose to respond and consequently tend to be more reflective of the views of motivated respondents with stronger views. Randomly conducted and representative surveys, such as telephone surveys, are generally considered a more reliable indicator of typical community sentiment.

Telephone Survey

Background

Randwick Council engaged independent research agency Taverner Research to undertake a representative telephone survey of the community (refer attachment 22, telephone survey report).

The survey aimed to:

- measure support for continuing or discontinuing the environmental levy
- identify reasons for support for continuing or discontinuing the environmental levy
- identify the importance of different programs and initiatives that could be funded by the environmental levy

Methodology

The research was conducted amongst residents of the Randwick City Council Local Government Area (LGA) by Computer Assisted Telephone Interviewing (CATI).

A selected respondent in each cooperative household was contacted from a list of Random Digit Dial (RDD) residential mobile and landline telephone numbers expected to fall within the Randwick City Council LGA.

All households reached were screened to ensure that they fell within the Randwick City Council area. The sample size was 600 and was based upon achieving a fairly representative sample of the population aged 18+.

The sample error variance for the survey results at a 95% confidence interval is approximately +/- 4.0 %.

This implies that for a response figure of 50%, the true population figure will be between 46% and 54% in 19 samples out of 20.

On this basis the survey results can be deemed to be an accurate account of the views of Randwick City Council residents.

Results – overall telephone survey

Q9a. Given what you have read about the proposed continuation of the Environmental Levy do you support....

Q9b/Q10. Given what I have just read to you about the proposed continuation of the Environmental Levy do you support...

Base: All respondents, n=600

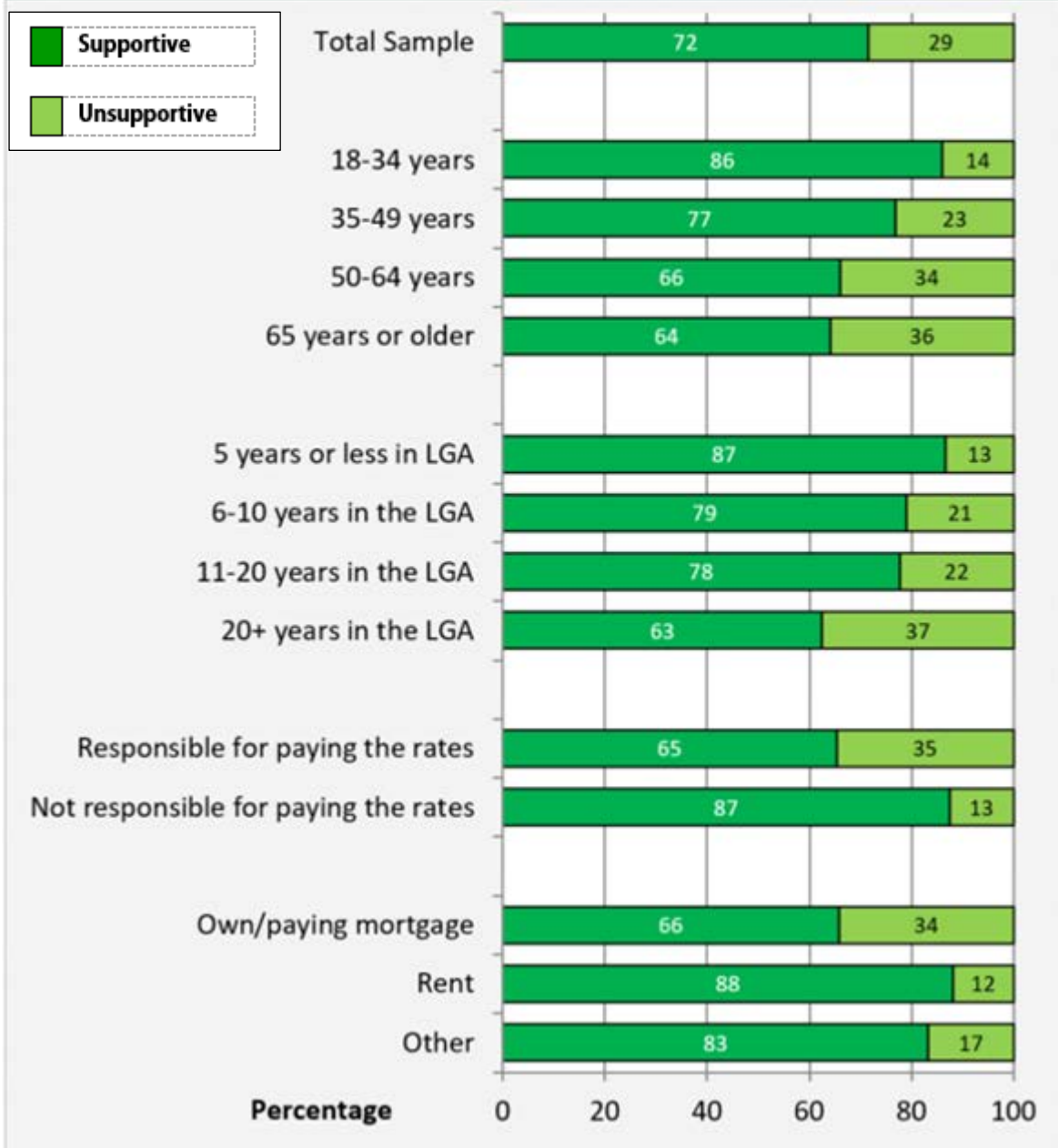


Table E: Summary of results for telephone survey. Source: Taverner Research.

The above table shows that of the 600 people interviewed in the telephone survey, 72% were supportive of continuing the Environmental Levy and 29% were unsupportive (note figures have been rounded).

Support for the levy was stronger among people aged 18-34 years (86% support) than people aged 65 years or older (64%).

Those who had lived in the LGA for five years were also relatively more supportive than those who have lived in the LGA for 20+ years.

Also of note is that support for the levy amongst people not responsible for paying the rates was 87% compared with 65% for those responsible for paying rates.

There was also a strong relationship between being satisfied with Council's performance in a range of areas and support for continuing the environmental levy.

There was also a strong relationship between a respondent's concern for the environment and their support for continuing the levy. Four out of five (80%) of those who indicated they had a great deal of concern for environmental problems supported continuing the levy while those who said they had not very much or no concern at all for environmental problems were more likely to support discontinuing the levy (80%) as opposed to continuing the levy (20%).

Amongst those residents who supported continuing the levy the main reasons given were:

- I support specific projects/necessary work that the levy funds (41%)
- It's important to support the environment (40%)
- Projects are beneficial to the community (12%)
- It is a reasonable amount/not too much to pay (10%)
- Can see improvements the levy has funded (9%)
- I support the Council in what they are trying to achieve (8%)
- I support the levy in general/it's a good idea (5%)

Amongst those who supported discontinuing the levy the main reasons given were:

- Rates are too high already/rates or other funds should pay for projects (38%)
- High cost of living already/I can't afford it (20%)
- It is a waste of money/projects are not value for money/money is wasted (18%)
- Can't see any benefits/improvements the levy has funded (16%)
- Don't like how Council spends money (8%)
- Not everyone/I don't benefit from the projects the levy funds (8%)
- Council should spend on other things (7%)
- Need more information on projects completed/benefits (6%)
- Don't think it is necessary/don't care about the environment (5%)

Results – importance of projects telephone survey

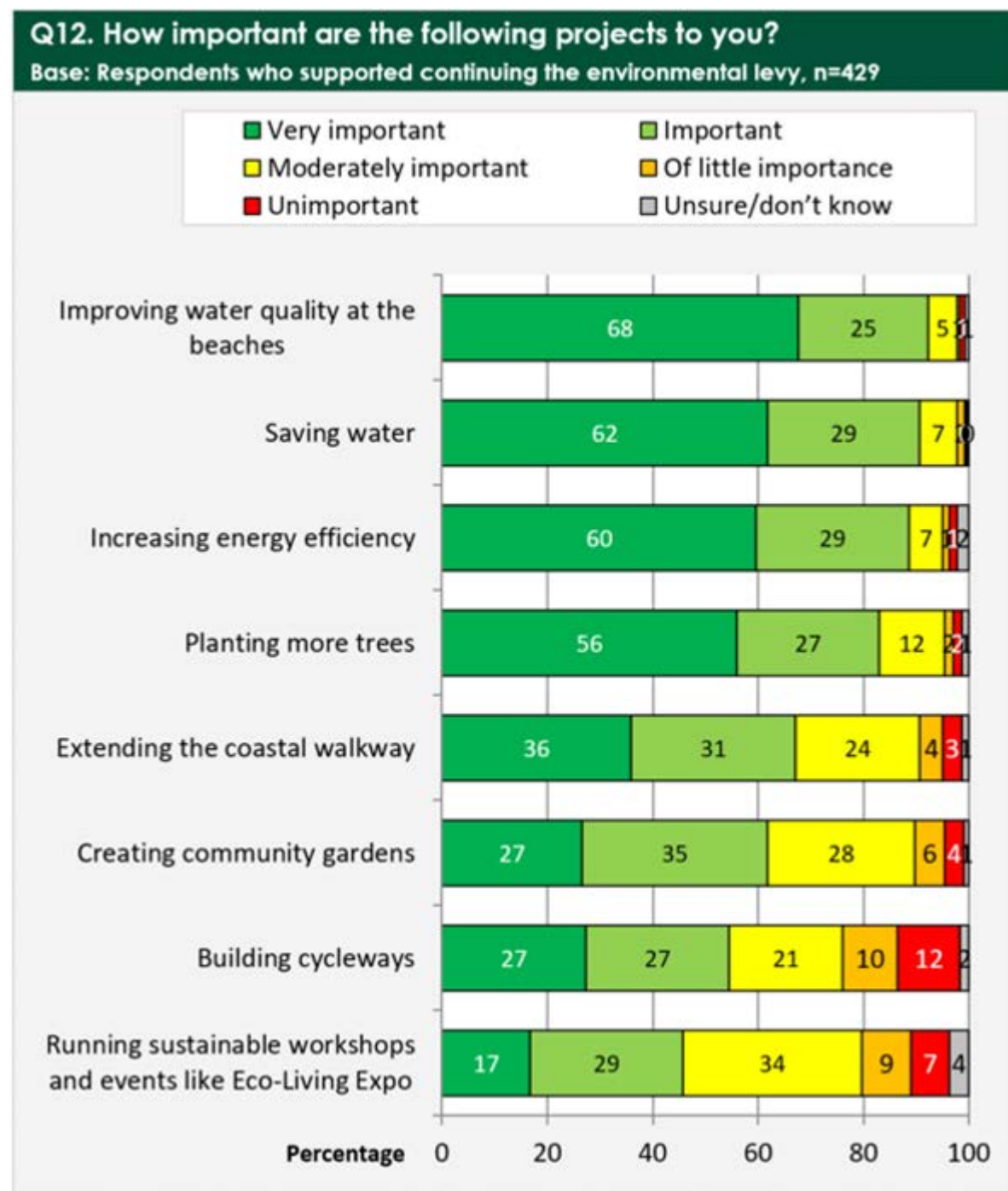


Table F: Importance of projects. Source: Taverner Research.

The main areas of significant difference were:

- Building cycleways were significantly more important to:

Those living in the Randwick City LGA for 5 years or less (49% very important) compared to those living in the LGA for 6 years or longer (23% very important).

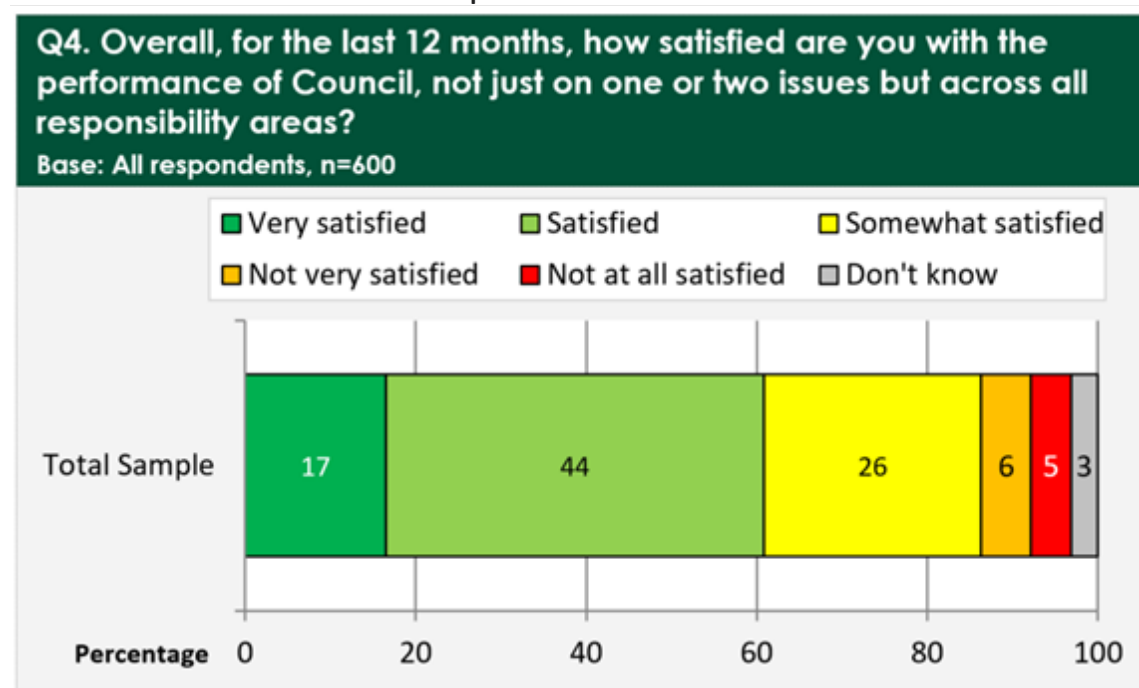
Those renting the property they live in (40% very important) compared to those who own/have a mortgage (22% very important)

Couples with children (37% very important) compared to other household types (21% very important)

- Running sustainable workshops and events like Eco-Living Expo was significantly more likely to be of little importance or unimportant to males (24%) compared to females (10%)

Results – satisfaction with Council performance telephone survey

Table G: Overall satisfaction with Council performance. Source: Taverner Research.



The above table shows 87% of respondents were at least somewhat satisfied with Council's overall performance across all areas of responsibility.

Ratepayer survey

Background

Randwick City Council mailed a letter, information booklet, survey and reply paid envelope to every ratepayer (approximately 50,000) in mid-November 2018. The purpose of the mailout was to inform ratepayers of the proposal to apply for a continuation of the Environmental Levy and to measure their level of support for the levy continuing as well as the level of support for proposed programs.

Ratepayers could elect to return the completed survey via the reply paid envelope or complete the survey online using a supplied unique login and password.

Randwick Council engaged WebSurvey – a specialist Australia research firm – to scan and data enter returned postal surveys as well as host the online survey.

Survey responses were accepted up until close of business 9 January 2019.

Results – overall

In total, 5,823 surveys were completed with 5,605 valid responses (218 responses were blank, indecipherable or ticked both options). Of the total surveys completed, 86% were paper surveys and 14% online.

	Count	Per cent
Continue levy	3031	54%
Discontinue levy	2574	46%
	5605	100%

Table H: Results of ratepayer survey. Source: WebSurvey.

The results show of those ratepayers who chose to respond to the survey, 54% were supportive of the levy continuing.

Reasons for supporting levy

Of the 3,031 respondents who supported the levy continuing, 2,125 provided a comment to support their position. Each response was read and coded to assist in better understanding people's reasons for supporting the levy continuing.

Reason for support	Count	Per cent
Green values and a philosophical value for environmental sustainability <i>These respondents generally refer to the importance of the environment for both current and future generations often citing that they feel it's everyone's responsibility to chip in to ensure a sustainable future for the greater Randwick area.</i> Commonly used phrases: <ul style="list-style-type: none"> - "Environment is important" - "Everyone's responsibility to look after environment" - "Improve the environment" - "Happy to support the environment" 	1,051	49.5%
Project specific issues <i>These respondents generally refer to the current or past projects undertaken by Randwick Council they've seen come to fruition, and the benefits of the projects to both them personally and the community as a whole.</i> Commonly used phrases: <ul style="list-style-type: none"> - "Council has done a good job" - "Noticed the improvements" - "Don't want these projects to be delayed" 	359	16.9%
Values ongoing projects and the continued improvement of the area <i>These respondents generally refer to philosophically believing that constantly improving the local environment through a variety of projects and initiatives holds great value to them personally and the community as a whole</i>	206	9.7%

Reason for support	Count	Per cent
<p>Commonly used phrases:</p> <ul style="list-style-type: none"> - "Believe in improving my community" - "Support environmental causes being funded by Levy" - "levy making positive difference" 		
<p>Accustomed to levy and the way things are going</p> <p><i>These respondents classified generally refer to being accustomed or content with the levy and subsequent projects</i></p> <p>Commonly used phrases:</p> <ul style="list-style-type: none"> - "Satisfied with works" - "Used to paying the levy" - "Good for community" - "Levy is worthwhile" 	205	9.6%
<p>Appropriateness of Council taking action (other levels of Government won't)</p> <p><i>These respondents generally feel other levels of government don't do enough for the environment and appreciate Council taking responsibility for local environment and reducing emissions and pollutants.</i></p> <p>Commonly used phrases:</p> <ul style="list-style-type: none"> - "Appreciate local council taking responsibility" - "Local council does a good job" - "Federal and state government dropping the ball" 	193	9.1%
<p>Values past and current projects and satisfied with the progression of projects undertaken to date</p> <p><i>These respondents generally refer to the current or past projects undertaken by Randwick Council they've seen come to fruition, and the benefits of aforementioned projects to both them personally and the community as a whole.</i></p> <p>Commonly used phrases:</p> <ul style="list-style-type: none"> - "Council has done a good job" - "Noticed the improvements" - "Don't want these projects to be delayed" 	187	8.8%

<p>Miscellaneous issues not directly addressed</p> <p><i>These respondents refer to various issues they have with local government and the community but don't refer to a specific project or wrote a reason that does not align with any other theme.</i></p> <p>Examples of comments:</p> <ul style="list-style-type: none"> - Council's support of developers runs adverse to environmental projects - "No more high rise developments" 	157	7.4%
<p>Good value reasonable price</p> <p><i>These respondents refer to feeling the cost of the levy is reasonable and inexpensive.</i></p> <p>Commonly used phrases:</p> <ul style="list-style-type: none"> - "Environment is worth the cost" - "Not much to pay" - "Low cost if we all contribute" 	62	2.9%
	2,420	113.9%¹

Reasons for not supporting the levy

Of the 2,574 respondents who did not support the levy continuing, 1,745 provided a comment to support their position. Each response was read and coded to assist in better understanding people's reasons for not supporting the levy continuing.

Reason for not supporting levy	Count	Per cent
Levy is expensive and unfair <i>These respondents generally refer to non-specific financial restraints or claim the levy is unfair for a wide variety of reasons</i> Commonly used quotes: <ul style="list-style-type: none"> - "Financial reasons" - "Need a break" - "Rate reduction" Quotes that typify this reason code are: <ul style="list-style-type: none"> - "Can't have SRV (Our Community Our Future) and this levy at the same time" 	804	46.1%
Scepticism about the use of funds by council <i>These respondents exhibit a general suspicion of the use of funds by Council or government in general</i> Commonly used quotes: <ul style="list-style-type: none"> - "Waste of money" - "Rates are too high" (noticeably frequently used phrase) - "We pay enough" - "No transparency" 	329	18.9%
Believes these projects should be council's core business without requiring a levy <i>These respondents generally refer to feeling the council should be providing these projects and services within the core budget.</i> Commonly used phrases: <ul style="list-style-type: none"> - "Pay enough rates" - "Fund from normal rates" - "reduce administration costs" Quotes that typify this reason code are: <ul style="list-style-type: none"> - "This service should be something that the council does and pays for, without a levy." - "Increased dwellings and high rises approved by council can afford to continue the same direction without the levy." 	283	16.2%

<p>Not seeing value of increase</p> <p><i>These respondents refer to not seeing the value of the increase to them personally or for the community as a whole</i></p> <p>Commonly used quotes:</p> <ul style="list-style-type: none"> - "Do not see value" - "No benefit" <p>Quotes that typify this reason code are:</p> <ul style="list-style-type: none"> - "Happy with current environment" - "These programmes will not make any difference" 	204	11.7%
<p>Ratepayer specific concerns regarding various financial constraints (Pensioner, sole parent, self-funded retiree)</p> <p><i>These respondents generally refer to specific financial constraints such as being a pensioner, sole parent or self-funded retiree etc.</i></p> <p>Commonly used quotes:</p> <ul style="list-style-type: none"> - "Only income is the pension." (noticeably frequently used phrase) - "Single parent" - "Struggling to make ends meet" <p>Quotes that typify this reason code are:</p> <ul style="list-style-type: none"> - "As a self-funded retiree I can't afford more increases to rates." - "\$90 might not mean much to you but it does to me." - "Rates have been increased above CPI for this year." 	194	11.1%
<p>Project specific concerns</p> <p><i>These respondents classified under this reason code have project specific concerns.</i></p> <p>Commonly used quotes:</p> <ul style="list-style-type: none"> - "I do not agree with removing the trees along <u>Bundock St.</u>" - "Cycleway a waste of money." - "Coastal walkway is good enough." 	104	6.0%
<p>Miscellaneous</p> <p><i>Respondents classified under this reason code have miscellaneous issues or comments that do not fit within the other codes.</i></p> <p>Quotes that typify this reason code are:</p> <ul style="list-style-type: none"> - "I choose not to." - "You are too far to the left." - "Climate change not real." 	101	5.8%

<p>Hasn't seen the benefit or progression of previous and current projects</p> <p><i>These respondents generally do not see the progression or benefit of the undertaken projects</i></p> <p>Quotes that typify this reason code are:</p> <ul style="list-style-type: none"> - "We never asked for it in the first place and Coogee beach still a sewer." - "Honestly never seen any of those environmental programs been implemented." - "Overpaid yet underperforming." 	80	4.6%
<p>Doesn't believe projects are council's concern or part of their core business</p> <p><i>These respondents generally refer to feeling the Council has more pressing concerns and these matters are better left to higher jurisdictions of government (state or federal)</i></p> <p>Commonly used phrases / quotes that typify this code:</p> <ul style="list-style-type: none"> - "Just pick up my rubbish" - "Just stick to core business" - "Do not regard these council initiatives as ultimate priority" - "None of the items listed below are of any benefit to ratepayers" 	49	2.8%
	2148	123.1%²

Results – by suburb and ownership ratepayer survey

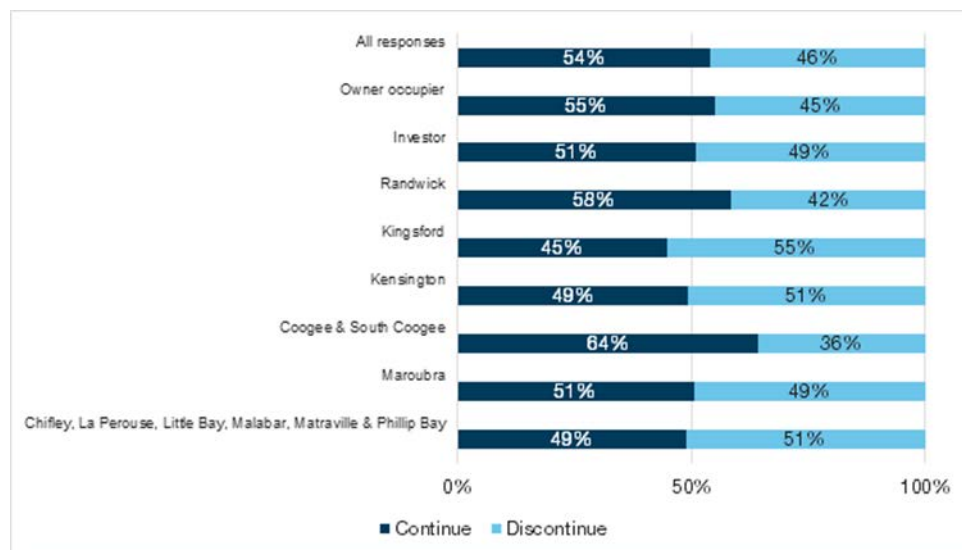


Chart I: Support for Environmental Levy by suburb and ownership.

The above table breaks down the level of support for the Environmental Levy. It shows there's marginally more support for the Levy amongst owner occupiers (55%) compared with investors (51%). Also of interest it shows some suburbs such as Coogee and South Coogee (64%) and Randwick (58%) have a significantly higher level of support for the Levy and suburbs such as Kingsford (45%) and Kensington (49%) have a statistically lower level of support compared to the average.

Results – Importance of proposed projects ratepayer survey

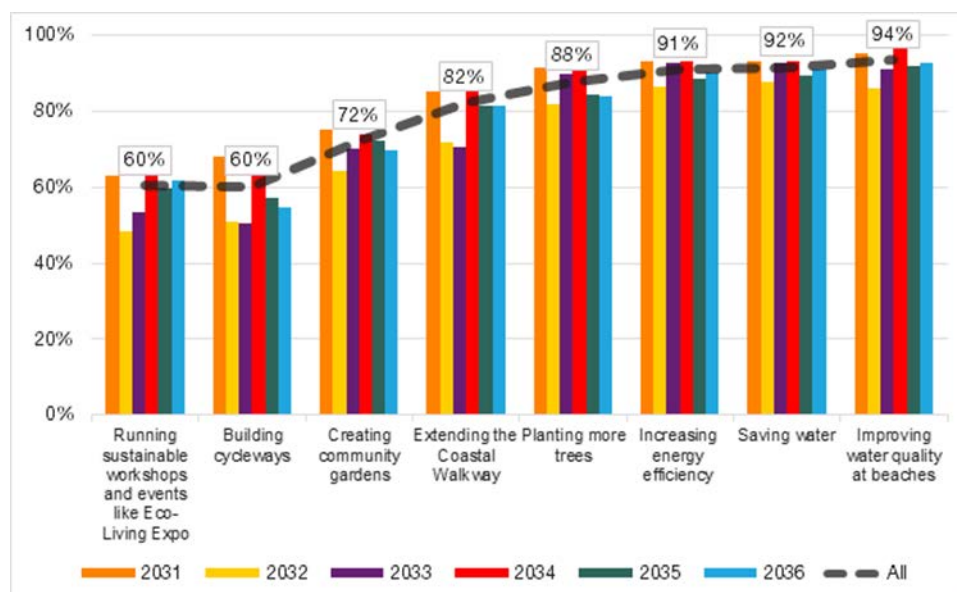


Chart J: Importance of proposed Environmental Levy projects by postcode.

The above chart shows the level of importance for the proposed Environmental Levy projects. The figures are the tally of respondents who said a project was “very important”, “important” or “moderately important”.

It shows improving water quality at beaches (94%), saving water (92%), increasing energy efficiency (91%) and planting more trees (88%) are considered most important.

Projects like sustainable workshops and events and cycleways are still considered important, but at 60%, they are seen relatively as less important than other projects.

Coogee and South Coogee (2034) ratepayers tended to rate the importance of projects higher with improving water quality at beaches rated at 97% - the highest of any suburb and higher than the average (94%).

Randwick (2031) ratepayers also tended to rate most projects as higher importance – particularly extending the Coastal Walkway and planting more trees.

Statistically Kingsford (2032) and Kensington (2033) ratepayers tended to rate the importance of projects relatively lower than other ratepayers.

Information sessions

Council hosted three information sessions at locations across Randwick City on 28 November, 6 and 12 December 2018; at the Randwick Community Centre Randwick, Lionel Bowen Library Maroubra, Prince Henry Centre Little Bay respectively. The sessions were open to all Randwick City residents and were advertised in the information booklet, local newspaper (The Southern Courier) and on the Your Say Randwick and Randwick City Council websites.

Approximately 15 residents attended the three information sessions which were designed to inform residents about the Environmental Levy; what it has funded over the past 15 years, what it will continue to fund and how the levy will impact on their rates.

The sessions were facilitated by Council’s Sustainability, Rates and Communications teams and provided residents with the opportunity to speak one on one with Council staff.

Attendees were able to find out what effect continuing the Environmental Levy would have on rates for their property as well as speaking to officers about the consultation opportunities, achievements of the Levy to date and proposed future projects.

Dedicated consultation website

A dedicated Your Say Randwick website was created to help inform residents of the consultation and all the ways they could be involved and have their say:
www.yoursay.randwick.nsw.gov.au/EnviroLevy2019

A number of documents were available on the website to download, including the information booklet sent to all ratepayers and a Technical Information Sheet. The consultation included the exhibition of updated Integrated Planning & Reporting documents including the Long Term Financial

Plan, Randwick City Plan and 2018-19 Operational Plan and Delivery Program. A short video on the Environmental Levy was also available online.

The website was launched on 20 November 2018 and was open for 49 days, closing at 9am on 9 January 2019.

During this time, the site experienced the following:

- 1,006 visits to the YourSay Randwick webpage
- 141 submissions
- 127 document downloads

Document	Downloads
Information Booklet	109
Technical information sheet	11
Draft Operational Plan/Delivery Program 2018-19	2
Draft Long Term Financial Plan 2019-2029	3
Draft Randwick City Plan	2

Table K: Documents downloaded via consultation website.

Public exhibition of physical documents

In addition to publicly exhibiting the Environmental Levy material and Integrated Planning documents on our website, Council also put paper copies of the documents for public viewing at our most popular locations. These documents were available at:

- Randwick Council Administration Building, Randwick
- Lionel Bowen Library, Maroubra
- Margaret Martin Library, Randwick
- Malabar Community Library, Matraville

Paper versions of the submission form were also available for completion by members of the public.

During the exhibition period, Council received seven (7) enquiries about the Environmental Levy (note these are in addition to the submissions tallied in section 9 and interactions at the Information Sessions). The majority of these enquiries related to technical issues completing online and paper surveys or not receiving a letter. Some enquiries were to seek information about their levy amount while one phone call was opposed to the levy and two phone calls supportive of the levy projects.

Submissions

Randwick Council actively encouraged the community throughout November, December 2018 and January 2019 to tell Council what they thought about continuing the levy.

In addition to specific engagement activities such as a ratepayer survey and telephone survey, Council welcomed submissions via its consultation website and via letter and email. In total **163** submissions were received.

Of these submissions, 85% were received through Council's Your Say Randwick consultation website, 15% were via email and 1% through letters (note: percentages do not add up to 100% due to rounding).

All submissions received were accepted. Submissions may have come from ratepayers, businesses, community groups and renters.

Some people may have lodged a submission as well as completing the ratepayer survey.

Of the 163 submissions received, 66 were in favour of continuing the levy and 93 did not want to continue the levy.

	Count	Per cent
Continue levy	66	40%
Discontinue levy	94	57%
Position unclear	4	2%
	164	100%

Table L: Views of residents and ratepayers who lodged submissions

The main reasons cited for supporting the levy were:

- General support for environment and sustainability (15 mentions)
- Valuing achievements of project to date (10 mentions)
- Valuing continuation of projects and support for future project (10 mentions)

The main reasons cited for not supporting the levy were:

- Project should be funded through normal Council budget / core business (27 mentions)
- Levy is too expensive / paying too much / unfair (18 mentions)
- Not an efficient use of money (10 mentions)
- Levy not needed after recent Our Community Our Future SRV (8 mentions)
- Projects not valued / not needed (8 mentions)
- Too expensive for pensioners, sole parents, self-funded retirees, etc (5 mentions)
- Levy should not be based on land value (5 mentions)
- Not Council's main/core business (3 mentions)

Refer attachment 27 for Community Engagement Report – Environmental Levy 2019.

Examples of submissions supportive of continuing levy

I'm very positive about the outcomes of the council's environmental Levy and would like to see it continue in future.

I support continuation of the Environmental Levy - The coastal walks need to be completed, water saving needs to be improved and annual events such as the eco-living fair are great for the community. A bit more going to improving safe cycling would also be appreciated.

Please continue with the levy for the greater good of our community and environment.

I support the continuation of the Environmental Levy. The community should support these Environmental initiatives and I'm happy and proud of Randwick Council's ongoing progress in this space. I hope some of the budget can also be used to facilitate / encourage active travel / cycling.

The levy seems very suitable as long as the money is being used efficiently. i.e., cut out the ridiculous amounts of red-tape around projects like cycleways and get on with the job!

I would love to see the Environmental Levy continued for another 5 years. We've seen so much important work done with the funds from the levy that are still as pressing as they were when it began. Very necessary to continue on with in the future.

Examples of submissions opposed to continuing levy

This proposal comes after the increase in rates due to the approval of the Special Rate Variation (SRV) in 2017. The projects proposed under the continued Environmental Levy should be prioritised with those of the Special Rate Variation and funded by the Special Rate Variation. If the Environmental Levy is not continued, then the financial impact of the SRV on the ratepayers will be reduced. I believe that councils must provide basic services to ratepayers and that expenditures on projects however laudable that benefit only minority groups should be minimised. Consequently I object to the continuation of the Environmental Levy.

Do not continue the Environmental levy. The recent massive rates increase should be used for such programs, with other "non-core council business" programs such as arts and women's' refuges/safe houses scrapped.

No, I do not support the continuation of the environmental levy. We have experienced a massive increase in council rates already. In a time of increasing cost of living pressures, and low wage growth, this is unacceptable. Council should prioritise projects to work within its means.

The charging of an Environmental Levy is ridiculous in light of the amount of residential development being allowed in the Randwick LGA.

I oppose the continuation in what are difficult times, with many cost of living increases especially for self-funded retirees who have saved to look after themselves in their old age, often on far reduced incomes. The Council rate is high enough as mandated by the State government. The Council must learn to live within its means and remove all the levies.

I think council gets enough rates each year, and if the budget does not extend to extra environmental works then so be it. I am also against an environmental levy based on land values. I think that is too socialist and is not in accordance with Australian values.

[1] Note figure does not tally 100% as respondents may have given more than one reason.

[2] Note figure does not tally 100% as respondents may have given more than one reason.

5 Assessment criterion 3: Impact on ratepayers

Criterion 3 in the Guidelines 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. The Delivery Program and Long Term Financial Plan should:

- *clearly show the impact of any rises upon the community*
- *include the council's consideration of the community's capacity and willingness to pay rates and*
- *establish that the proposed rate increases are affordable having regard to the community's capacity to pay.*

The impact of the council's proposed special variation on ratepayers must be reasonable. To do this, we take into account current rate levels, the existing ratepayer base and the purpose of the proposed special variation. We also review how the council has assessed whether the proposed rate rises are affordable, having regard to the community's capacity and willingness to pay.

5.1 Impact on rates

Much of the quantitative information we need on the impact of the proposed special variation on rate levels will already be contained in Worksheet 5a and 5b 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 may differ from the current rating structure, or that 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. If so, you should explain the rationale for applying the increase differentially among different categories and/or subcategories of ratepayers, and how this was communicated to the community. This will be relevant to our assessment of the reasonableness of the impact on ratepayers.

Councils should also indicate the impact of any other anticipated changes (eg, receipt of new valuations) in the rating structure.

In reviewing the Resourcing Strategy the Council has balanced the service needs of the community relative to their capacity and willingness to pay rates. In addition to the activities, the Council has assessed its rating policy and analysed the community's median household income and socio-economic index.

Existing Rating Structure

Randwick Council's current rating structure is applied on an ad valorem basis with two categories, Residential and Business. In 2018-19, a Business sub-category known as "Port Botany Business" was added to the structure. For each category and sub-category, a minimum rate applies.

Environmental Levy

In addition to the ordinary rates, Randwick Council has a special rate known as the "Environmental Levy" which is applied to all rateable properties on an ad valorem basis. This special rate is currently funded by a 508(2) special variation approved by IPART in June 2014 and is the basis of this application as the approval will expire at the end of 2019.

Charges

Council's rating structure also includes two charges; the Domestic Waste Management Charge and the Stormwater Management Charge.

Charges are applied annually to properties in accordance with the Local Government Act and Regulations. The Domestic Waste Management Charge is adjusted each year in relation to the Domestic Waste Strategy in compliance with the 'reasonable cost' calculation for service delivery. The current 2018-19 Domestic Waste Management Charge is \$567.85 and the proposed 2019-20 charge is \$586.00.

The Stormwater Management Charge is applied to occupied Residential and Business properties. The annual charge is nominal residentially at \$25 for each dwelling and \$12.50 for each strata unit. The Business charge is calculated at \$25 per 350m² of land area. The value of the stormwater charge has remained the same since its adoption in 2008-09 and the charge will remain unchanged throughout the special variation period.

Application for a special variation

This application seeks approval to continue the "Environmental Levy" special rate via temporary SRV funding for a further five years. In the first year, this special rate will represent 5.9% of the Notional General Income after expiry of the previous temporary Environmental Levy (see Part A, WK1-Identification).

The continuation of the Environmental Levy special rate, in conjunction with the existing OCOF SRV approval granted last year, will result in overall increases of 11.42% in year 1, and 5.52% in year 2, and the rate peg of 2.5% in years 3 – 5.

The 2018-19 average Residential Environment Levy is \$81 while the Residential average in 2019-20 will be approximately \$85.00. See Part A for further detail.

Randwick ratepayers have been paying the Environmental Levy for the past 15 years. Should this application not be approved, ratepayers would experience a reduction in their rates and charges account from 2019-20, as ordinary rates will follow the existing OCOF rate path, although rate notices would no longer show a separate line item for the "Environmental Levy".

The concept of rates going down should the Environmental Levy not continue, was clearly communicated with the community in the engagement materials, refer image below as per page 6 of the community Information Booklet (refer attachment 19).

Image: Extract from Community Information Booklet (refer page 6, attachment 19).

Major: Extract from Community Information Booklet (over page 3, attachment 15).

Option 1 Continue Levy

	2018/19 Current	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5
% rates increase		5.52%*	5.52%*	2.5%**	2.5%**	2.5%**
Average annual rate		\$1,214	\$1,281	\$1,352	\$1,386	\$1,421
Annual rate increase		\$67	\$71	\$34	\$35	\$36
Total rates	\$1,214	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457
Environmental Levy	\$81	\$85	\$90	\$92	\$94	\$96
Total rates and Environmental Levy	\$1,295	\$1,366	\$1,442	\$1,478	\$1,515	\$1,553

Option 2 Discontinue Levy

	Current 2018/19	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Year 4 2022/23	Year 5 2023/24
% rates increase		5.52%*	5.52%*	2.5%**	2.5%**	2.5%**
Average annual rate		\$1,214	\$1,281	\$1,352	\$1,386	\$1,421
Annual rate increase		\$67	\$71	\$34	\$35	\$36
Total rates	\$1,214	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457
Environmental Levy	\$81	X	X	X	X	X
Total rates and Environmental Levy	\$1,295	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457

A Technical Information sheet was also available on the dedicated consultation website, which was prepared to provide clarity in a complex situation where an expiring SRV reduced the rate base before either the existing SRV or this proposed SRV could increase the rate base.

Image: Extract from Technical Information sheet (refer attachment 23).

IMPACT OF THE EXPIRING VARIATION + EXISTING SPECIAL VARIATION+ PROPOSED CONTINUED LEVY

		BASE YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	CUMULATIVE INCREASE
Expiring current Environmental Levy	Average Residential rates under the existing SRV path of 5.52% going forward with and expired Environmental levy of 5.38% end of 2018-19	\$1,295	\$1,281	\$1,352	\$1,386	\$1,421	\$1,457	12.44%*
	Annual increase (%)		-1.10%	5.52%	2.50%	2.50%	2.50%	
Expiring current Environmental Levy before replacing with a continued Environmental Levy + existing SRV	Average Residential rate with a 5.38% expiring Environmental levy + existing approved SRV of 5.52% (in years 1 and 2) + a continued Environment levy of 5.9% commencing in 2019-20	\$1,295	\$1,366	\$1,442	\$1,478	\$1,515	\$1,553	19.91%*
	Annual increase (%)		5.52%	5.52%	2.50%	2.50%	2.50%	

A continued Environment Levy will provide Council with the funds to deliver environment projects across the council within the Sustaining our City program. All ratepayers received a letter, and an Information booklet that canvassed two funding models, while showing the cumulative impact of continuing the special rate over five years from 2019-20 to 2023-24, incorporating the existing OCOF SRV.

5.1.1 Minimum Rates

The proposed special variation may affect ordinary rates, special rates and/or minimum rates.

For minimum rate increases, a council must seek approval via an instrument when it:

- ▼ proposes to increase its minimum rates above the statutory limit for the first time with or without increasing its general income above the rate peg limit;
- ▼ it is already imposing an ordinary minimum rate above the statutory limit and it seeks to increase that rate by more than the rate peg or the percentage allowed by a special variation; or
- ▼ is seeking to increase the minimum amount of its **special rates** above the statutory limit.

Under these scenarios, where the council is also proposing a special variation in the same rating year, it may submit a combined special variation and minimum rate application.

This scenario not relevant to Randwick City Council 2019-20

Complete this section if the council is seeking approval to increase the minimum amount of an ordinary rate or special rate via an instrument as outlined above.

Does the council have an ordinary rate subject to a minimum amount? Yes ☐ No ☐

Does the council propose to increase the minimum amount of its ordinary rates above the statutory limit for the first time? Yes ☐ No ☐

Which rates will the increases apply to? Residential ☐ Business ☐ Farmland ☐

Does the council propose to increase the minimum amount of its ordinary rate/s by:

- The rate peg percentage ☐
- The special variation percentage ☐
- A different amount ☐ indicate this amount (%) (\$)

What will the minimum amount of the ordinary rate/s be after the proposed increase?

If the increase applies to a special rate, complete this section

This scenario not relevant to Randwick City Council 2019-20

What will the minimum amount of the special rate be after the proposed increase? **\$N/A**

IPART will assess applications for minimum rates above the statutory limit against the following set of criteria (in addition to any other matters which IPART considers relevant):

- ▼ the rationale for increasing minimum rates above the statutory amount,
- ▼ the impact on ratepayers, including the level of the proposed minimum rates and the number and proportion of ratepayers that will be on the minimum rates, by rating category or sub-category, and
- ▼ the consultation the council has undertaken to obtain the community's views on the proposal.

See the separate **Minimum Rate Application Form Part B** for more detail on how IPART will assess applications against each of these criteria. It is the council's responsibility to provide enough evidence in its application to justify the increase. Where applicable, councils should

make reference to the relevant parts of its Integrated Planning and Reporting documentation to demonstrate how the criteria have been met.

The council must explain how the proposed special variation will apply to the minimum amount of any ordinary and special rate, and any change to the proportion of ratepayers on the minimum rate for all relevant rating categories that will occur as a result (refer to Part A of the application as necessary).

You should also explain the types of ratepayers or properties currently paying minimum rates, and the rationale for the application of the special variation to minimum rate levels.

There is no impact to the minimum rates for ordinary rates as they will remain in line with the current OCOF SRV that was approved for 2018-19 and the ensuing two years. The IPART approved Minimum rates for the OCOF SRV period are shown below (refer attachment 2, IPART Instrument of Approval, May 2018).

	Year	Minimum ordinary rate - Residential (\$)	Minimum ordinary rate – Business (\$)	Minimum ordinary rate – Port Botany (\$)
Y1	2018-19	805.68	1,298.32	1,298.32
Y2	2019-20	850.15	1,369.99	1,369.99
Y3	2020-21	897.08	1,445.61	1,445.61

The special rate known as the “Environmental Levy” is calculated as a straight line ad valorem rate and is not subject to a minimum amount (or a base amount).

The Technical Information sheet discussed the impact (or lack thereof) of this SRV application on the Minimum rate, under the question headed: **Does the Environmental Levy affect the Minimum rate?** The following explanation and table was shown to reiterate that the amount of minimum rates are unaffected by the Environmental Levy special rate, ie; unaffected whether the Environmental Levy is continued or not (refer attachment 23 – Technical Information sheet).

Does the Environmental Levy affect the Minimum rate?

No – the Environmental levy bears no relationship to the ‘minimum rate’. Council’s rating structure is subject to minimum rates for both residential and business properties. Rates are determined by multiplying the land value of a property by a rate-in-the-dollar amount. The minimum rate is applied when the rate-in-the-dollar calculation does not reach a predetermined (or ‘minimum’) amount. Just over half of all residential ratepayers paid the minimum rate in 2018-19 of \$805.68.

The Environmental Levy is a special rate which must be shown as a separate line item on the Rates Notice. If the Environmental Levy is not replaced the line for the Environmental Levy will disappear from rate notices in 2019-20. Irrespective of whether the levy is continued or not minimum rates will remain unchanged, unaffected by the expiration of the existing levy or by a continuation of the levy.

Council will increase the minimum rate each year in line with the annual increase percentage. Council already has approval to increase rates by 5.52 percent for the next two years 2019-20 and 2020-21.

The table below shows minimum rate amounts for this next five years, assuming a rate-peg of 2.5 per cent in years 3 – 5.

MINIMUM RATES FOR NEXT FIVE YEARS				
	INCREASE %	RESIDENTIAL	BUSINESS	PORT BOTANY
Year 0 2018-19		\$805.68	\$1,298.32	\$1,298.32
Year 1 2019-20	5.52%	\$850.15	\$1,369.99	\$1,369.99
Year 2 2020-21	5.52%	\$897.08	\$1,445.61	\$1,445.61
Year 3 2021-22	2.5%*	\$919.51	\$1,481.75	\$1,481.75
Year 4 2022-23	2.5%*	\$942.50	\$1,518.79	\$1,518.79
Year 5 2023-24	2.5%*	\$966.06	\$1,556.76	\$1,556.76

It is not necessary for a council to apply to IPART for an increase in minimum rates when the council:

- ▼ is seeking to increase its ordinary minimum rates to any level at or below the statutory limit (even if the increase is by more than the rate peg); or
- ▼ has previously had an increase to its ordinary minimum rate above the statutory limit approved by IPART, and is seeking further increases by the rate peg or the percentage applied for in a special variation application (see section 548(4) and (5) of the Act).

Complete this section for information only if the proposed increase to the minimum amount is not above the statutory limit or if above the statutory limit, the council has previously been granted approval for an increase above the statutory limit (see section 548(4) and (5) of the Act).

Does the council have ordinary rates subject to a minimum amount? Yes ☒ No ☐

Which ordinary rate will the proposed increase apply to? Residential ☒ Business ☒ Farmland ☐

Does the council propose to increase the minimum amount of its ordinary rate/s by:

- The rate peg percentage ☐
- The special variation percentage ☐
- A different amount ☒ Indicate this amount **5.52%**

What will the minimum amount of the ordinary rate/s be after the proposed increase?

\$850.15 (Residential) and \$1,369.99 (Business and Port Botany) as approved by IPART May 2018 (refer attachment 2).

Where the minimum rate increase is proposed without a corresponding variation to ordinary rates, a separate Minimum Rate application is required. See the separate Minimum Rate Application Forms Part A and Part B for 2019-20.

5.2 Consideration of affordability and the community's capacity and willingness to pay

The council is required to provide evidence through its IP&R processes, and in its application, of how it assessed the community's capacity and willingness to pay the proposed rate increases. This is to include an explanation of how the council established that the proposed rate rises are affordable for the community.

Evidence about 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 or neighbouring 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.

We may also consider how the council's hardship policy (see Section 5.3 below) might reduce the impact on socio-economically disadvantaged ratepayers.

Randwick Council reviews its rating structure annually within the confines of the Local Government Act and Regulations to ensure equitable distribution among ratepayers.

Land Values

Land values for rating within the LGA are spread over a significant range, reflecting the varied mix of properties across Randwick City, including a housing profile of low, medium and high density.

There are major health and education precincts surrounding Prince of Wales Hospital and the UNSW, much of which is non-rateable. Distinct pockets of industrial land also exist, including heavy industrial and some working waterfront. Commercial properties are distributed throughout.

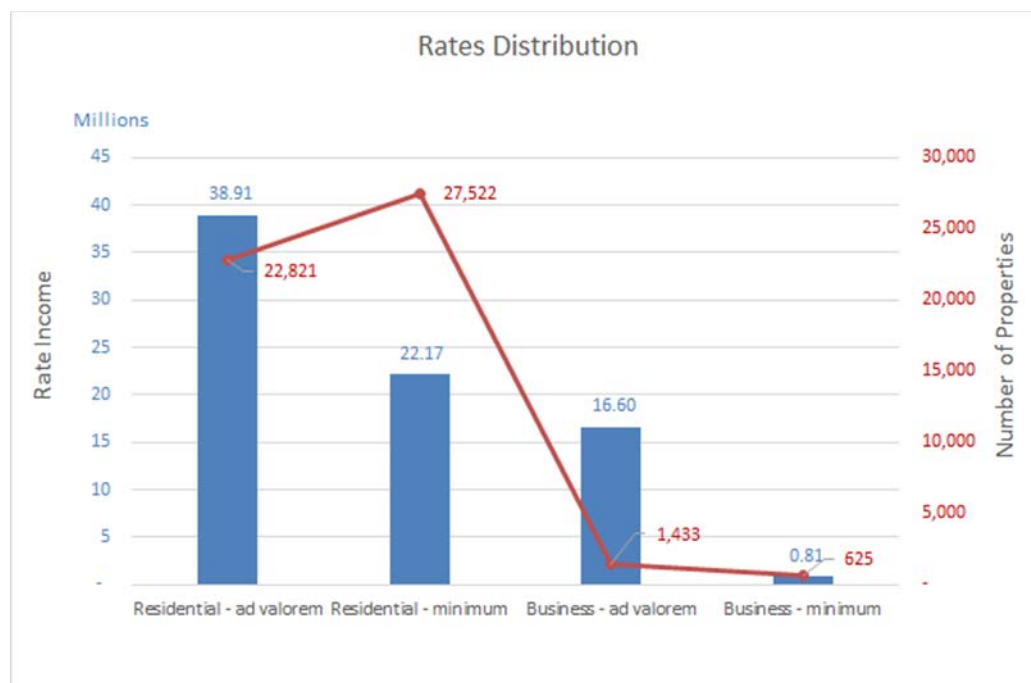
The current land value base date for all councils in NSW is 1 July 2016. The 2016 land values were used for rating in 2018-19 and will be used for 2019-20. In accordance with the three-yearly land valuation schedule for councils, the Valuer General will release new values in late 2019, for use in rating from 1 July 2020. This means that the distribution of rates will change across ratepayers in financial year 2020-21.

More than 50% of all rateable properties in the LGA are residential strata units, while the majority of approvals for all new housing is for the construction of more multi-unit housing. This trend is consistent with the State's Greater Sydney Region Plan to increase the supply of housing in metropolitan Sydney.

Land value ranges and property count - 2016 base date			
Rateable land value range	# Residential prop's	# Business prop's	# Port Botany prop's
\$0 to \$99,999	1,586	260	1
\$100,000 to \$199,999	5,984	273	
\$200,000 to \$299,999	8,801	177	1
\$300,000 to \$399,999	6,856	102	
\$400,000 to \$499,999	2,772	102	
\$500,000 to \$599,999	1,381	118	
\$600,000 to \$699,999	1,324	110	
\$700,000 to \$799,999	1,344	84	
\$800,000 to \$899,999	1,914	80	
\$900,000 to \$999,999	2,491	79	
\$1,000,000 to \$1,500,000	11,238	273	3
\$1,500,000 to \$1,999,999	3,007	135	
\$2,000,000 to \$2,999,999	1,272	100	
\$3,000,000 and greater	375	142	22
Total Properties	50,342	2,031	27
Average land value	739,898	1,227,303	20,672,911
Median land value	453,750	595,200	14,700,000

Table M – Distribution of land values in Randwick City Council

The following graph illustrates the existing rates distribution across Randwick City. Whilst the majority of residential properties attract the minimum rate (strata units) this group only contributes 36% of overall residential yield.



The capacity to pay principle that underpins the ad valorem rating system results in properties with higher rateable land values attracting a higher rate. The land value of a LGA is considered a reflection of the revenue raising capacity of a council. Randwick City has one of the highest average land values in the state and as a result receives the lowest Financial Assistance Grant per capita in Australia. Properties with high land values are concentrated towards the north and coastal areas of the City. These areas tend to also have higher household incomes.

Outstanding rates ratio

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the efficiency of a council's debt recovery effort. The industry benchmark for metropolitan councils is to achieve an annual ratio of less than 5%, ie; at the end of the year, of all the rates and charges levied for the year, less than 5% should remain as uncollected.

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Ratio	2.48%	2.11%	2.26%	2.27%	2.84%	2.41%

The efficiency of rates recovery at Randwick City Council is highlighted in the table above. This has been achieved with a cooperative approach to rates recovery as very few matters are pursued via the courts. Council's preference is to talk to customers and to establish payment arrangements, which are monitored and followed-up. Evidence suggests that this approach is working.

Affordability and ratepayer's capacity and willingness to pay

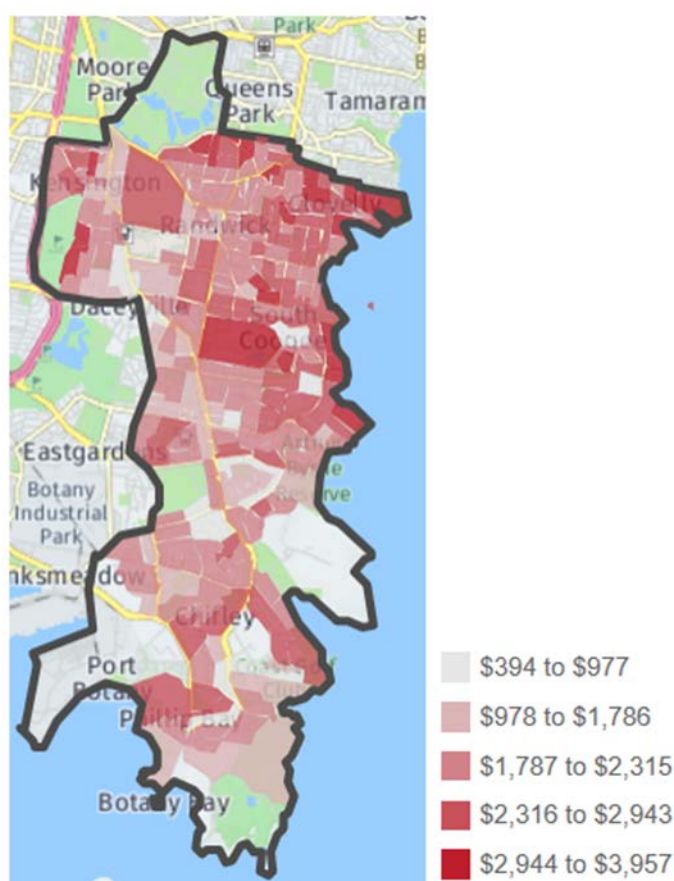
The proposed SRV sees the continuation of the Environment Levy that has been part of the rates structure for the past 15 years. The continuation of the Environment Levy for a further five years, is effectively maintaining the status quo, ie; asking ratepayers to continue to pay a level of rates that they are already paying.

It is not considered that the continuation of the Environment Levy will create a significant rate burden. The community consultation results outlined in the previous section, reflect the strong support for the continuation of the Environment Levy.

Median weekly household income

According to the 2016 Census the median weekly income of households across Randwick City was \$1,916, being \$166 more than the Greater Sydney area. Within the City, median household weekly incomes ranged from a low of \$1,374 in Kingsford to a high of \$2,768 in Clovelly. The wide range of incomes is reflective of the City's population mix, while the Kingsford low can be attributed to the many students, who are generally not ratepayers, living and studying in proximity of the UNSW.

Median weekly household income in Randwick City Council



In the 2016 census, compared to the Sydney average, Randwick City's population had a higher proportion of young adults, people who rent and people living alone. There are also several public housing estates located in the City, with rate charges paid by Housing NSW.

Randwick's median of \$1,916 compares well to greater Sydney's median of \$1,750 – and the whole of NSW of \$1,486.

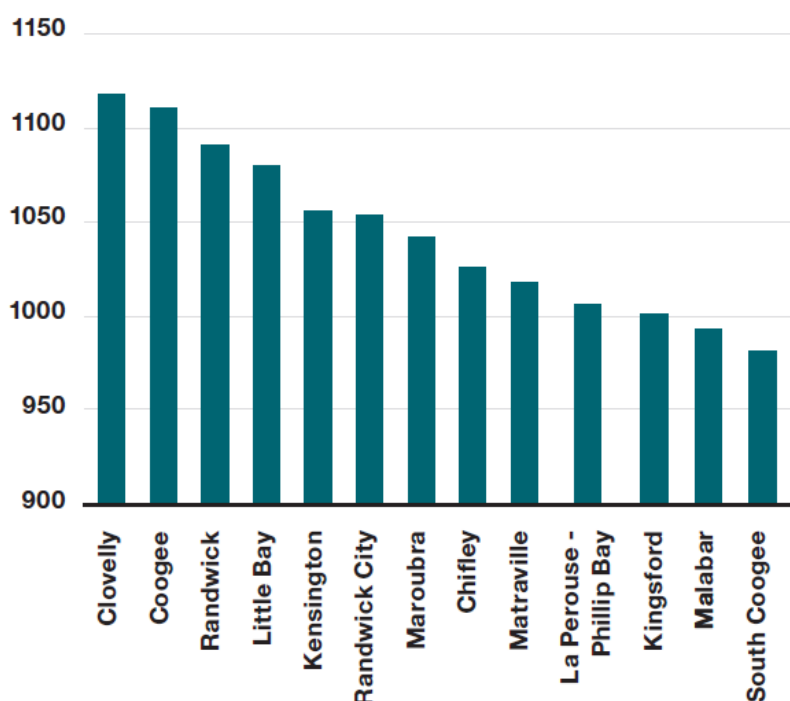
The number of residents receiving government pensions and allowances is decreasing over time and this correlates with the reducing number of rates rebates that are being granted by Council each year.

The Socio-economic Indexes for Areas

The Social-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 based on the 2016 Census and is useful in identifying geographic areas that are relatively disadvantaged. An area with an IRSED of 1,000 is considered average while a lower score indicates that the area is experiencing high levels of disadvantage.

With an average IRSED of 1052.0 Randwick City as a whole is considered to have a slightly higher than average level of socio-economic advantage. The graph below shows the SEIFA Index for each of Randwick City's 12 suburbs based on the 2016 Census. The majority of the population is relatively advantaged when compared to the overall Sydney population. The areas experiencing socio-economic disadvantage are the southern suburbs of Malabar, Chifley, South Coogee and La Perouse. The three largest pockets of disadvantage within the LGA are located in and around the City's public housing estates.

Chart N: Randwick City, Index of Relative Socio-economic Disadvantage, 2016



5.3 Addressing hardship

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

Does the council have a Hardship Policy?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If Yes, is an interest charge applied to late rate payments?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Does the council propose to introduce any measures to reduce the impact of the proposed special variation on specific groups in the community?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

You should attach a copy of the Hardship Policy and explain below who the potential beneficiaries are and how they are assisted.

Please provide details of any other measures addressing hardship to be adopted, or alternatively, explain why no measures are proposed.

The council is also to indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

Additional \$75 rebate introduced after OCOF approval

Although specific assistance is not being offered to reduce the impact on specific groups of ratepayers in the community as part of this SRV, it is important to note that Council introduced an additional pensioner rebate of \$75 in July 2018. This voluntary rebate, in addition to the mandatory \$250 rebate, was introduced to relieve the rate burden on pensioner ratepayers. The additional rebate is a \$75 reduction against the annual domestic waste charge (refer attachment 3, page 92, Operational Plan 2018-19).

Council also has the following policies in place to assist ratepayers that may be facing financial difficulty in keeping up with their rates payments.

Pensioner Rates Policy

All pensioners are offered flexibility in negotiating alternative payment arrangements to suit their financial situation. Council introduced a fully funded additional \$75 rebate for all eligible pensioners in 2018-19, on top of the mandatory \$250 pensioner concession, which is partially funded by the state government (55%) and has not been increased since 1989.

Council may write-off any accrued interest at the end of the arrangement period if the arrangement has been adhered to.

Aged pensioners have an alternative and may wish to apply to Council to have their rates and charges (including interest) accrue against their estate for payment when their property is eventually transferred. Under this option the pensioner is encouraged to make payments for as much or as little as they can afford in order to minimise interest charges (refer attachment 24, page 6 Pensioner Rates Policy).

Council's Debt Recovery and Financial Hardship Policy provides that 'legal proceedings will not be taken against pensioners', refer page 6 of Debt Recovery and Hardship policy, attachment 25).

Debt Recovery and Financial Hardship Policy

Council's preference is always to work with the ratepayers, especially at times when they may be facing financial difficulty.

Council offers flexibility in establishing payment plans for all ratepayers, such as extension of time to due date, or regular manageable payments. At the end of the arrangement, Council may waive or reduce interest if the negotiated agreement has been complied with.

Hardship assistance is available to all ratepayers. This may be in the form of an extension of time to the due date, an affordable payment arrangement or the writing-off or reducing accrued interest. The policy is published on the Council's web site and also referenced on page 7 of Council's LTFP (refer attachments 25 and 26).

Council's website, rate, instalment and reminder notices consistently encourage the ratepayer to make contact with our Rates Team if they are experiencing difficulty in paying, in order to discuss alternative payment arrangements. See image below from the back page of all notices.

PAYMENT OPTIONS

- **Instalments:** The Council offers the convenience of paying your rates quarterly. There is no additional charge to pay your rates quarterly and we will issue a notice to remind you of the due date for each instalment (Section 562).
- **Full payment:** If you wish to pay the full year amount, payment must be made by the due date of the first instalment, 31 August (Section 562).
- **Arrangements:** The Council is flexible and will negotiate alternative payment arrangements if you are unable to pay as per the normal quarterly instalment schedule (Section 564).

The existing policy provisions provide sufficient capacity and flexibility for Council to negotiate with any ratepayer who may experience financial difficulty with the continuation of the Environmental Levy.

6 Assessment criterion 4: Public exhibition of relevant IP&R documents

Criterion 4 in the Guidelines is:

The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.

Briefly outline the significant IP&R processes the council has undertaken to reach the decision to apply for a special variation. Include the details of and dates for key document revisions, public exhibition period(s) and the date(s) that the council adopted the relevant IP&R documents.²

You should also include extracts from council minutes as evidence that the documents were adopted.

The council is reminded that the Community Strategic Plan and Delivery Program (if amended), require public exhibition for at least 28 days prior to adoption. Amendments to the Long Term Financial Plan and Asset Management Plan do not require public exhibition.³ However, it would be expected that the Long Term Financial Plan would be posted, in a prominent location, on the council's website.

Response in two parts. 1. Discussion of IPR processes up to and including application to IPART for our existing multi-year s508A approved in May 2018 (Our Community our Future), and 2. IPR processes undertaken since our last approval leading up to this application (for the temporary continuation of the Environmental Levy).

1. Review of IPR documentation

The Randwick City Plan, our 20-year community strategic plan established in 2006, was prepared by Council through engagement and collaboration with residents, local community groups, local businesses, other levels of government and major institutions within the City. The City Plan was significantly reviewed and updated in 2009, 2012 and in November 2017. The 2017 review was undertaken with information derived from 36 major and city-wide consultations and 23 local consultations, balancing the relevance of the information in the City Plan against the current and future needs of our community. The 2017 review took the outcomes of these 59 consultations and incorporated the issues identified into the draft three-year delivery program 2018-21.

The Randwick City Plan and Resourcing Strategies 2018-28 were publicly exhibited from 1 December 2017 until 1 February 2018. The exhibition included the display of each of these documents on Council's dedicated Your Say website, alongside extensive community consultation materials which discussed funding options for Our Community Our Future.

² The relevant IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and where applicable, the Asset Management Plan.

³ Office of Local Government (then Division of Local Government), *Integrated Planning and Reporting Manual for local government in NSW*, March 2013, pp 5-6.

The 2017 review of the Randwick City Plan and associated Resourcing Strategies 2018-28 were adopted by Council at their ordinary meeting of 28 November 2017. The suite of IPR documents developed at that time included:

- 20-Year Randwick City Plan
- Resourcing Strategy Executive Summary 2018-28
- Long Term Financial Plan 2018-28
- Asset Management Strategy 2018-28
- Asset Management Plans 2018-28
- Workforce Plan 2018-28
- Digital Strategy 2018-28

In February 2018, following community consultation and IPR adoption the Council sought and later secured IPART approval for a 3-year permanent SRV to fund the 2018-23 Delivery Program.

2. Update of IPR documentation

On 26 June 2018, Council adopted the 2018-19 Operational Plan and 2018-21 Delivery Program, which noted the impending expiration of the current Environmental Levy, and the expiring amount (refer attachment 5, page 94, 2018-19 Operational Plan), while flagging a 1-Year Action to “undertake consultation to gauge community support for a continuation of the Environmental Levy” (refer attachment 28, page 36, 2018-19 Operational Plan).


At its ordinary meeting on 22 October 2018, the Council resolved to commence community engagement activities around the continuation of the Environmental Levy. Community consultation activities launched on 20 November 2018 and concluded on 9 January 2019.

In conjunction with the Environmental Levy community consultation, the Council at its ordinary meeting of 11 December 2018 resolved to exhibit updated integrated planning documentation, specifically updated financial modelling within the LTFP, and subsequent corresponding minor updates to the Randwick City Plan and the 2018-19 Operational Plan/Delivery Program.

The minor update of IPR documentation was encased with the Environmental Levy consultation materials appended to the Randwick City Plan, the LTFP, and the 2018-19 Operational Plan/Delivery Program. The appendices include the eight-page community consultation booklet titled: ‘Environmental Levy Sustaining our City since 2004 - Proposed continuation of levy for environmental projects’, as well as the accompanying ‘Technical Information Sheet’.

The public exhibition of IPR documentation was hosted online alongside the Environmental Levy consultation, starting on 12 December 2018 and ending on 9 January 2019.

Details of the Council’s intention to apply for a special variation to temporarily continue the Environmental Levy are provided in the Randwick City Plan (refer pages 79, 92-102, attachments 29 and 30), in the 2018-19 Operational Plan/Delivery Program (refer pages 36, 63-65, 94, and 106-116, refer attachments 28, 10, 5 and 31), and in the LTFP (refer pages 9, 14-18, 30-38, and 42-43, refer attachments 32, 17 and 33).



The update to the Randwick City Plan, LTFP and 2017-18 Operational Plan/Delivery Program will be considered by Councillors at the 12 February 2019 extraordinary meeting.

Council's IPR documents are published on our website.

7 Assessment criterion 5: Productivity improvements and cost containment strategies

Criterion 5 in the Guidelines is:

The IP&R documents or the council's application must explain 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, you must provide details of any productivity improvements and cost containment strategies that you have implemented during the last two years (or longer) and any plans for productivity improvements and cost containment over the duration of the proposed special variation.

The council should quantify in dollar terms its past and future productivity improvements and cost savings and present these as a percentage of operating expenditure where possible.

These strategies, which may be capital or operational in nature, must be aimed at reducing costs and/or improving efficiency. Indicate if any initiatives are to increase revenue eg, user charges. Please include below whether the proposed initiatives (ie, cost savings) have been factored into the council's Long Term Financial Plan.

The council may also provide indicators of efficiency, either over time or in comparison to other relevant councils (eg, it may provide trends for its operating expenditure as a percentage of population). We will make similar comparisons using various indicators and OLG data provided to us.

In the last four years the productivity factor calculated by IPART has been: 0.0% in 2018-19, 0.001% in 2017-18, 0.05% in 2016-17 and 0.04% in 2015-16.

The Randwick City Council 2019-29 Long Term Financial Plan includes a productivity improvement factor of 0.1% for employee costs and 0.1% for materials, contracts and other expenses.

Although the productivity factor calculated by IPART is now 0%, Council believes that it can achieve productivity improvements and continue to contain costs.

Current and Past

Below is a summary of the current and past productivity improvements and cost containment initiatives implemented by Randwick City Council:

- A process improvement toolset, Promapp, was implemented in 2018. Benefits include: capturing corporate knowledge and enhancing risk management; reduced time required to induct new staff and easy for internal customers to find and follow processes; and more staff engaged and empowered to own their processes and collaborate across areas to improve the quality and currency of process

documentation and drive improvements. In less than 12 months the Council has 538 processes mapped (367 published) and 227 improvement ideas captured.

- Finance and management system improvements including: Improvements to the procurement system to strengthen management of amended and standing purchase orders; Management tool for tracking staff excess leave management plans and introduction of Pathway dashboard dials for service requests.
- Online DA Lodgment portal– offers significant efficiency improvements, convenience and environmental benefits with more than 20% of all development applications lodged online (from less than 5% four years ago). Customers can lodge applications whenever and wherever they want, workloads are reduced for our information management staff, and an estimated 20,000- 30,000 sheets of paper saved each year (PIA award for our suite of online planning tools – DA lodgments, ePlanning, DA tracking – 2017).
- Development application hardcopy folders for public viewing replaced with an online kiosk, reducing paper, saving staff time and improving customer service.
- Integration between Council's Purchasing and Contracts systems to instantly track spend by contract and/or supplier, ensuring compliance, accountability and improving the accessibility and flexibility of reports.
- An online library registration form was implemented, with library staff only required to check ID and issue the library card. This improvement to the joining procedure made the process more efficient by saving staff time and improving the quality of the data entered into the system. Potential saving of staff time is up to 500 hours per year.
- Improvements to the process for issuing planning certificates relating to Title Descriptions, saved an estimated 65 hours in staff time per year. This time is being invested in further planned improvements to the systems and processes in this team.
- Online invoicing system to streamline the payment of suppliers and completely eradicate duplicate payments.
- Implemented an annual Procurement Activity Plan which results in savings for Council through a system of planning and strategic procurement across the organisation.
- Undertook a complete Service Delivery Review of the Stores function at the Depot with recommendations improving processes.
- Implementation of Legislative Compliance software to track compliance across the entire organisation.
- Development of Council's business paper system to include an automatic electronic approval process
- Implementation of The Hub Dashboard software to instantly push Council business papers, budget documentation and other important documents to Councillors.

- Development and introduction of online video tutorials to Council which have greatly enhanced the ability to train staff on an ongoing basis.
- Electronic archiving and destruction of TRIM documents has been introduced in accordance with the State Records Act and is a real innovation in local government, along with saving storage space on the document servers.
- Major wide area network upgrade interconnecting 21 sites to deliver improved performance of staff computer systems and public access library systems.
- Network switching replacement to deliver high speed networks to all staff and public computers to remove performance bottlenecks and improve reliability.
- Installation of a new phone system with a modern call centre, video desk to desk calling, free outbound calls to all Australian numbers and portable extensions allowing staff to work from any location as needed.
- Deployment of up to date computer hardware and the Windows 10 operating system, reducing the complexity and support requirements for staff and IT.
- Consolidation and repurposing of Council's datacentre computational and storage systems into two locations, driving efficiency from existing investments and allowing for significant growth to be accommodated within the existing capacity, deferring the need for investment for the last two years.
- Implementation of a thorough and tested backup system and replication to provide substantial business continuity capabilities for the first time, reducing risk and providing assurance that Council's information will be protected.
- Full review of all active mobile services across Council to reduce costs.
- Rationalisation of IT systems through ongoing assessments. For eg removal of the application 'Postman' has saved \$10,000 per annum.
- Rationalisation of the technology devices fleet will result in a cost reduction as the organisation phases out mobile staff having three devices (iPad, desktop and mobile phone) to two devices (Surface Pro/laptop and mobile phone) and productivity improvements providing remote access to Council's systems using the specially coded SIM cards, allowing access to the corporate information systems from anywhere with mobile signal.
- Finalising the deployment of single staff identification card across six different systems (building access, keywatcher, datafuel pump, training registrations, time and attendance and printing release) and expanding the security system to 485 doors to reduce the cost and complexity of managing keys.
- Major investment in security and identity systems for the organisation, including deployment of 465 swipe card access control points, issuing of photographic ID to staff (currently underway) and integration of swipe card system with other systems such as fuel pumps, key lockers, print release systems and attendance systems, all of which reduce risk of theft or misuse of Council resources and allows staff accountable yet flexible access to all Council premises.

- Rolled out tap to release printing to reduce uncollected printouts and provides accountability for printer usage across the organisation. Data is being collected on print volume and will be displayed via digital display screens.
- Deployment of 220 CCTV cameras throughout public spaces and Council premises to provide security and reassurance to staff and members of the public accessing Council facilities.
- Improved the Traffic Committee process has resulted in time savings of approximately 90 minutes / month x 15 attendees (internal and external).
- Payslips now emailed to staff saving printing and distribution of approx. 600 payslips fortnightly.
- Established mobile health inspections, improving levels of service and efficiency – reports are emailed with photos replacing triplicate handwritten forms, scoring methodology implemented, systems instantly updated and other service improvements – will save \$2k per year plus approx. 15 hours staff time per week.
- On call clean up – reduction in the service level agreement from 9 days to 2 days, \$20k saving per year plus 20 hours staff time per week.
- Resident parking processes – reduction in process time for a rollout from 18 weeks to 9 weeks and an improved process for applying for a permit for customers.
- StaffHub for DRLC lifeguards – improved communication and management of roster, saving time, engaging staff and reducing the risk of inappropriate shift swaps.
- Replacing internal paper forms with O365 Forms and Flow.
- Development of a PowerBi dashboard for data insights into crash statistics to improve grant applications and make reporting easier.
- Installed new outdoor pool heaters (4) – increased efficiency of heaters and reduced electricity usage and cost, at Des Renford Leisure Centre (DRLC).
- Installed a new roof over Training Pool with insulation (previously roof had no insulation and was translucent). This has reduced heat loss to this area and reduced pool heating costs, DRLC.
- Installed automatic Sodium Bicarbonate dosing system – increases efficiency in chemical usage and reduces costs, DRLC.
- Installed new functional training equipment for the gym to increase income and provide new service to community, DRLC.
- Installed new virtual spin bike equipment to enable the community to access classes at any time, DRLC.
- Introduced online planning tool for customers to understand what development can be undertaken on their property.

- Improved the use of automated timesheet pay rules throughout the organisation reducing time spent on administration of timesheets.
- Re-engineered the Depot mobility integrations, reducing downtime and improving responsiveness for all operational areas.
- Implemented eNotices, allowing customers and ratepayers to receive their rates notices online.
- Implemented new emailed receipts for online transactions, improving service to customers and reducing operational administration of payment processing.
- Released new version of myRandwick, improving the customer experience and introducing notifications and alerts for DAs, waste dates and events.
- Upgraded seven key business systems to improve performance and reliability.
- Introduced mobile technology for compliance staff, reducing the time to process requests and improving the customer experience.
- Library PCs and print management system upgrade - Full self-service of all payments through Kiosks at every branch, as well as online payments of fines has resulted in less cash handling tasks for staff on the desk, as well as eliminating banking reconciliations on a daily basis.
- Website printing has been enabled, allowing users of the public Wi-Fi network, and members from home to upload and send their documents to the library for printing.
- Self-service PC booking system, and self-made booking extensions has reduced time required for staff for these tasks and empowered users.
- Implementation of online booking system for events.
- Online Forms - online InterLibrary loan form and membership form for the public to fill out, which has streamlined the system, reduced paperwork and increased staff productivity.
- Randwick City Library, through the Library.Link Network now have made our library's holdings visible to search engines on the web.
- A data integrity is underway to move towards automated production of planning certificates. Transition from the hand written sign off of planning certificates to electronic digital signatures. This will initially save approximately \$2,200 in print costs and 280 hours of staff time per year along with nearly 20,000 sheets of paper – approximately four trees.

Future plans

A large proportion of Council's future productivity and cost containment strategies will be born out of the Digital Strategy 2018-28. Major projects listed in there include:

- CRM consolidation and Customer Portal: The new CRM system will provide customer relationship management with support for many channels of communication including SMS, email and notifications. All dealings with customers will be automatically routed to the record keeping system which will significantly reduce the overhead of the current customer communication methods.
- Service request management system for facilities maintenance requests to streamline management of tasks for trades staff and reduce the duplication of requests.
- Mobile Workforce: There are in the order of 150 employees at Council that undertake field activities requiring access to Council's systems, such as health inspectors, engineers, works gangs, etc. To increase the efficiency of these employees and to make our services better for our customers, we will enable mobile workers with the equipment and apps they need to do what is required in the field without returning to the office to enter their work details.
- Location based Business Intelligence: reporting and the way we visualise data on maps are merging. To provide our employees with the information they require to make informed decisions, "location" should not be ignored. By integrating our reporting systems into our GIS system, we will be able to create and deliver "location intelligence" based dashboards and reports to employees that will allow smarter and more informed decisions about where to better target service delivery and how to increase efficiencies.
- In the process of implementing a new datacentre strategy through colocation of Council systems into professionally managed datacentres remote from Council's main sites, reducing energy consumption from running two server rooms onsite and providing productivity benefits through simpler management and retirement of outdated and complex infrastructure; as well as a consolidation of virtual machine infrastructure to reduce management overheads.
- Development of an online venue availability viewer and venue booking system for use by the community.

As for achievements/savings specific to the Sustaining our City program over the past 15 years, refer page 4 of the Environmental Levy Community Information booklet, attachment 19.

8 List of attachments

The following is a list of the supporting documents to include with your application.

Some of these attachments will be mandatory to all special variation applications (eg, extracts from the Community Strategic Plan).

Other attachments will be required from some, but not all, councils. For example, extracts from the Asset Management Plan would be required from a council seeking approval of a special variation to fund infrastructure.

Councils should submit their application forms and attachments online through the Council Portal in the following order. Councils may number the attachments as they see fit.

Item	Included?
Mandatory forms and Attachments	
Part A Section 508A and Section 508(2) Application form (Excel spreadsheet)	<input checked="" type="checkbox"/>
Part B Application form (Word document) – this document	<input checked="" type="checkbox"/>
Relevant extracts from the Community Strategic Plan	<input checked="" type="checkbox"/>
Delivery Program	<input checked="" type="checkbox"/>
Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format	<input checked="" type="checkbox"/>
NSW Treasury Corporation report on financial sustainability (if available)	<input checked="" type="checkbox"/>
Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and proposed special variation	<input checked="" type="checkbox"/>
Community feedback (including surveys and results if applicable)	<input checked="" type="checkbox"/>
Hardship Policy	<input checked="" type="checkbox"/>
Resolution to apply for the proposed special variation (to be provided Wednesday 14 February 2019)	<input type="checkbox"/>
Certification (see Section 9)	<input checked="" type="checkbox"/>
Other Attachments	
Relevant extracts from the Asset Management Plan	<input type="checkbox"/>
Past Instruments of Approval (if applicable)	<input checked="" type="checkbox"/>
Resolution to adopt the revised Community Strategic Plan (if necessary) and/or Delivery Program (to be provided Wednesday 14 February 2019)	<input type="checkbox"/>
Other (please specify) – See Attachments Index	<input checked="" type="checkbox"/>

9 Certification

APPLICATION FOR A SPECIAL RATE VARIATION

To be completed by General Manager and Responsible Accounting Officer

Name of council: **Randwick City Council**

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

General Manager (name): **Therese Manns**

Signature and Date: refer attachment 36

Responsible Accounting Officer (name): **Jeff Smith**

Signature and Date: refer attachment 36

Once completed, please scan the signed certification and attach it as a public supporting document online via the Council Portal on IPART's website.