

Independent Pricing and Regulatory Tribunal
New South Wales

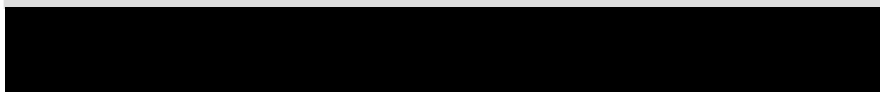
Special Variation Application Form – Part B

For 2019-20

Insert Name of Council: **Ku-ring-gai Council**

Date Submitted to IPART: **7 February 2019**

Council Contact Person: **Marnie Kikken**



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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:

Scott Chapman (02) 9290 8449

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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	X
Infrastructure maintenance / renewal	<input type="checkbox"/>
Reduce infrastructure backlogs	<input type="checkbox"/>
New infrastructure investment	<input type="checkbox"/>
Other (specify)	<input type="checkbox"/>

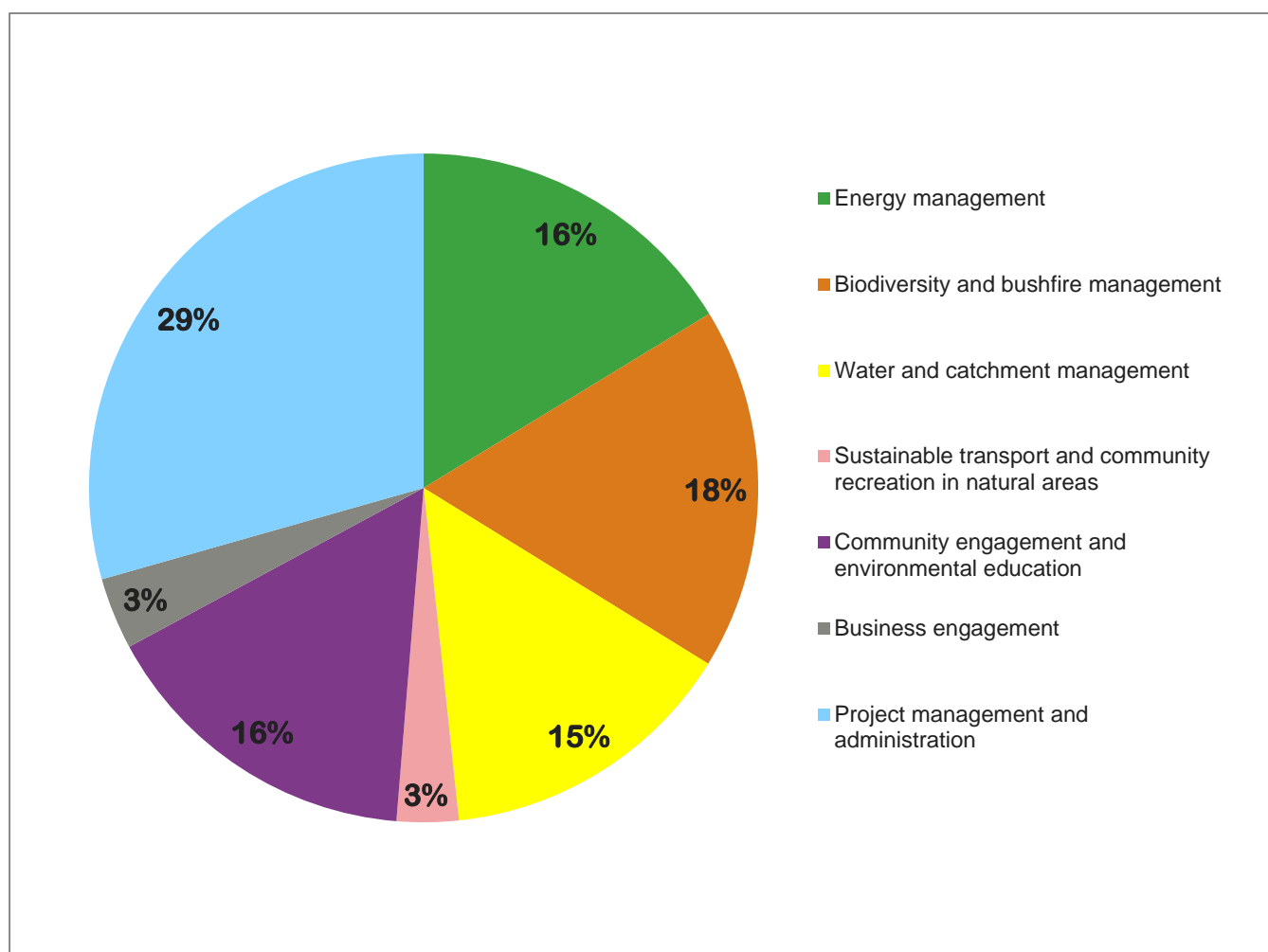
You should summarise below the key aspects of the council's application, including the purpose and the steps undertaken in reaching a decision to make an application.

The purpose of this Special Rate Variation (SRV), or Environmental Levy, application is to secure permanent funding to deliver a mix of capital works and operational programs that protect and enhance Ku-ring-gai's environment and help the community to live more sustainably; and to deliver a range of essential service functions to ensure best practice environmental management.

The environmental programs and works funded through the permanent SRV will build on those programs and works successfully delivered through Council's first Environmental Levy (2005-2011) and the current Environmental Levy (2012-2019) and respond to: the community's needs and priorities in *Our Ku-ring-gai 2038 Community Strategic Plan*; the national and NSW environmental agenda and regional planning priorities; Council's

environmental policies and strategies; feedback on the current Environmental Levy program; the results of Council's recent community satisfaction survey; and community consultation on the continuation of the Environmental Levy.

The Environmental Levy program will be delivered across the key areas of energy management; biodiversity and bushfire management; water and catchment management; community engagement and environmental education; business engagement; and sustainable transport and community recreation in natural areas, according to the pie chart below:



Environmental Levy program budget allocation (2019/20 – 2028/29)

A defined program has been developed that matches the predicted amount of income raised from the SRV from 2019/20 to 2028/29 (see Part A: Worksheet 6 – Expenditure Program).

Whilst there will be a need to be responsive and adaptive, the Environmental Levy program intends to fund:

- **Water and catchment management:** stormwater harvesting and reuse systems to conserve water and irrigate our sports fields and ovals; works to improve the quality of our creeks and waterways (such as sediment basins; biofilter systems; tree pits; gross pollutant traps and erosion control works); creek restoration projects; flood mitigation measures; condition reviews and renewals/upgrades of our Water

Sensitive Urban Design (WSUD) assets; water efficiency projects and monitoring of our buildings and facilities; and water quality monitoring.

- **Energy management and climate change:** solar panels; air conditioning upgrades; energy efficient lighting upgrades; plant and equipment upgrades; solar hot water systems; energy efficient street lighting upgrades; energy management systems; the procurement of renewable energy; a strategy to transition our fleet to electric vehicles; and a sustainability data management and reporting system.
- **Biodiversity management:** bush restoration in high value reserves; burns to replicate the natural fire cycle and promote biodiversity; pest species management; projects to enhance biodiversity corridors and Ku-ring-gai's urban forest; environmental planning and monitoring programs; and fauna monitoring and management.
- **Bush fire management:** fire trail and breaks construction and maintenance.
- **Community engagement and environmental education:** sustainability rebates; events and workshops; environmental volunteering programs; the EnviroTube YouTube channel; interpretive signs; advisory services; information campaigns; energy, water and waste audits; community grants; programs to help the community prepare for bushfire, floods and storms and heatwaves; dumping and encroachment prevention in bushland; and native bee hives for residents.
- **Business engagement:** advisory services; sustainability rebates; energy, water and waste audits; and plastic reduction programs.
- **Sustainable transport and community recreation in natural areas:** the creation of cycle ways; the construction and maintenance of walking tracks; and the provision of infrastructure for recreation in natural areas.

The Environmental Levy program will align with Council's capital works and operational programs; will have a strong focus on the delivery of on-ground outcomes to improve the condition of the natural environment and to address climate change; and will work closely with residents and businesses to facilitate behavioural change. The Environmental Levy program will be augmented with Council's asset maintenance activities and budgets, for example, in bushland restoration, fire trail maintenance and walking track maintenance; and includes funding for the maintenance of current Levy projects, for example, bush restoration in high value reserves and maintenance of biofilters, and the continuation of successful programs.

The expenditure and timing for the delivery of the Environmental Levy program has been derived from the experience of delivering the current Environmental Levy program; community feedback on funding priorities; Council staff feedback on funding priorities and associated costs; the expenditure from the delivery of similar projects (for example, stormwater harvesting systems); and unit rates (for example, bush restoration).

The Environmental Levy program fully or partly funds thirteen staff, incorporating all on-costs, with technical knowledge and specialist skills in a range of disciplines, including bushfire management, water and catchment management, natural areas management, land use planning, community engagement and volunteer management, biodiversity and

conservation management, building asset and energy management and environmental engineering. In addition to delivering projects and programs, Levy staff will fulfil a number of essential service functions of Council, ensuring best practice environmental management. Levy funded staff will develop and review a range of environmental policies and strategies; respond to federal and state policy directions and legislative changes affecting Ku-ring-gai; provide input into the preparation of Council's land use planning documents; provide expert environmental guidance and advice within Council and to the community; participate in research partnerships; and prepare and review environmental assessments for all Council projects, ensuring that Council's legislative requirements are met.

The majority of staff are funded through the project management budget line (7.5 FTE equivalent), however project specific staff are also funded through the 'renewable energy and energy efficiency projects' budget line (1.0 FTE equivalent); 'Wild Things program' (0.6 FTE equivalent), 'environmental volunteering programs' (0.6 FTE equivalent); and 'Climate Wise Communities and bush fire education programs' (0.8 FTE equivalent).

The proposed ten year (2019/20–2028/29) Environmental Levy program is presented in **Attachment 13** and includes how the Levy program aligns with the national and NSW environmental agenda, the community's long term objectives in *Our Ku-ring-gai 2038* Community Strategic Plan; the term achievements in Council's *Delivery Program 2018-2021 and Operational Plan 2018-2019*; and Council's environmental policies and strategies. The economic, social and environmental benefits of the Environmental Levy program are also included.

Since its inception, the Environmental Levy has successfully leveraged an additional \$12 million* through State and Federal Government grants, enabling a number of new and enhancing the range of environmental programs and works otherwise not possible within Council's ordinary budget. This demonstrates the financial leverage that will be possible as a result of having a dedicated special rate, particularly where many grants require a matching funding commitment. A summary of the grants leveraged by the Environmental Levy from 2005/06 – 2017/18 is included as **Attachment 15**.

* Please note that the SRV consultation materials convey an additional \$10 million of grants received, however a recent review identified a further \$2 million in grants received.

Alignment with national environmental agenda

The **National Climate Resilience and Adaptation Strategy 2015** aims to highlight resilience-building by governments, businesses and communities in Australia and our region; guide effective climate change adaptation with a set of principles; and establish priority areas for future consultation and action. The Strategy's guiding principles are:

- Shared responsibility: governments at all levels, businesses, communities and individuals all have important roles to play
- Factor climate risk into decisions: consider the current climate and future change in all our decisions
- Assist the vulnerable: support those who are vulnerable to disaster risk and climate change
- Evidence-based, risk management approach: apply the best available science

- Collaborative, values-based choices: respect the knowledge and experience of those affected, and involve them in decision-making
- Revisit decisions and outcomes over time: review actions regularly, look for flexible choices and opportunities

The delivery of the Climate Wise Communities and bushfire education programs and initiatives to reduce Council's vulnerability and build resilience to climate change, for example, through flood mitigation activities (WSUD projects), stormwater harvesting and water reuse projects, the bush restoration and environmental volunteering programs (adaptive management to build ecosystem resilience), fire trail construction and maintenance, projects to enhance Ku-ring-gai's urban forest (reducing the heat island effect) and projects to enhance biodiversity corridors (to facilitate species movement) align with this Strategy.

Australia has set a **national greenhouse gas emission reduction target** of 26-28% below 2005 levels by 2030, which builds on the 2020 target of reducing emissions by 5% below 2000 levels.

The delivery of the energy management program under the Environmental Levy will contribute to the achievement of these national targets. Ku-ring-gai Council's greenhouse gas emission reduction targets (from fixed assets, street lighting and vehicles) are a 20% reduction by 2020, a 50% reduction by 2030 and a 100% reduction by 2045, based on 2000 levels; far surpassing the Australian Government's reduction targets. The delivery of the Environmental Levy's energy management program is the key mechanism for Council to achieve its greenhouse gas emission reduction targets.

Australia's Biodiversity Conservation Strategy 2010–2030 acts as a guiding framework for conserving our nation's biodiversity over the coming decades for all sectors – government, business and the community. The vision of this Strategy is that Australia's biodiversity is healthy and resilient to threats, and valued both in its own right and for its essential contribution to our existence. Three national priorities for action to help stop the decline in Australia's biodiversity are identified in the Strategy:

1. Engaging all Australians in biodiversity conservation through:
 - mainstreaming biodiversity
 - increasing Indigenous engagement
 - enhancing strategic investments and partnerships
2. Building ecosystem resilience in a changing climate by:
 - protecting diversity
 - maintaining and re-establishing ecosystem functions
 - reducing threats to biodiversity
3. Getting measurable results through:
 - improving and sharing knowledge
 - delivering conservation initiatives efficiently
 - implementing robust national monitoring, reporting and evaluation

The delivery of the bushland restoration program, projects to enhance biodiversity corridors and Ku-ring-gai's urban forest, pest species management program, ecological conservation on Conservation Agreement land program, ecological burn program, environmental

management planning and monitoring program, Wild Things urban biodiversity program, Climate Wise Communities and bushfire education programs, community grants and environmental volunteering program all contribute to the priority actions and 10 national targets in this Strategy.

The **National Water Initiative (NWI)** is Australia's enduring blueprint for water reform. It sets out a framework for all governments across Australia to achieve a more cohesive national approach to the way Australia manages, measures, plans for, prices, and trades water.

Under the NWI, governments have made commitments to:

- prepare water plans with provision for the environment
- deal with over-allocated or stressed water systems
- introduce registers of water rights and standards for water accounting
- expand the trade in water
- improve pricing for water storage and delivery
- meet and manage urban water demands

The Environmental Levy program responds to the desired outcomes for the urban water reform area as follows:

1. Provide healthy, safe and reliable water supplies (through the continuation of the stormwater harvesting / water reuse and treatment program)
2. Increase water use efficiency in domestic and commercial settings (through the Water Smart rebate program and the buildings and facilities – water projects and water monitoring programs)
3. Encourage the re-use and recycling of wastewater where cost effective (through the continuation of the stormwater harvesting / water reuse and treatment program)
4. Encourage innovation in water supply sourcing, treatment, storage and discharge (through the continuation of the stormwater harvesting / water reuse and treatment program)

Living Sustainably: The Australian Government's National Action Plan for Education for Sustainability aims to equip all Australians with the knowledge and skills required to live sustainably. It sets out a framework for national action that adopts the following four strategies to respond to the needs and priorities of education for sustainability:

1. Demonstrating Australian Government leadership
2. Reorienting education systems to sustainability
3. Fostering sustainability in business and industry
4. Harnessing community spirit to act

The various programs that will be delivered through the Environmental Levy under the community engagement and environmental education and business engagement program areas, as outlined earlier in this application and in the proposed 10 year program, will directly respond to the aim and four strategies in this Action Plan.

The **National Sport and Active Recreation Policy Framework** provides a guide for the development and alignment of policies, strategies and programs by governments within their own jurisdictions in pursuit of a high performing sport and active recreation system that delivers increased participation; success in international competition; strong national sporting competition; and contributes to whole of government objectives, including improved health and education outcomes, enhanced social inclusion and community development.

Commonwealth and State and Territory Government expectations of local government in adhering to the policy framework are to:

- Facilitate a strategic approach to the provision of sporting and active recreation infrastructure including open space, and other needs
- Establish local management and access policies to sport and recreation facilities
- Support and coordinate local and regional service providers (venues and programs)
- Liaise and partner with state and territory governments on targeted program delivery
- Support and partner with non-government organisations that enable sport and active recreation participation
- Incorporate sport and recreation development and participation opportunities in Council plans
- Collaborate, engage and partner across government departments on shared policy agendas
- Invest in sport and active recreation infrastructure

The 'management of recreation in natural areas' program area in the Environmental Levy program includes investment in the construction and maintenance of recreational infrastructure and hence contributes to this policy framework.

Alignment with the NSW environmental agenda

The **NSW Climate Change Policy Framework** aims to maximise the economic, social and environmental wellbeing of NSW in the context of a changing climate and current and emerging international and national policy settings and actions to address climate change. It includes aspirational long term objectives to (i) achieve net-zero emissions by 2050; and (ii) make NSW more resilient to a changing climate. The Framework's policy directions are to:

- Create a certain investment environment by working with the Commonwealth to manage transition
- Boost energy productivity, put downward pressure on household and business energy bills
- Capture co-benefits and manage unintended impacts of external policies
- Take advantage of opportunities to grow new industries in NSW
- Reduce risks and damage to public and private assets in NSW arising from climate change
- Reduce climate change impacts on health and wellbeing
- Manage impacts on natural resources, ecosystems and communities

As described above, the Environmental Levy program contains a number of initiatives to reduce Council's, the community's and the natural and built environment's vulnerability and increase its resilience to the impacts of climate change, as well as an energy management program to reduce Council's greenhouse gas emissions above and beyond that of the NSW government's aspirational target of net-zero emissions by 2050.

The **Securing our water: NSW Government Water Reform Action Plan 2017** has been developed to ensure that the NSW Government delivers on its responsibility to the people of NSW and that NSW has an equitable and transparent approach to the management of our water for future generations. The four goals that provide the framework for the action plan are: (1) introduce best practice for water management; (2) build a compliance and

enforcement regime that ensures strong and certain regulation; (3) ensure transparency in how we share, allocate and manage water; and (4) build capability to support implementation of water reforms.

The Environmental Levy program supports a number of the management aims of the Action Plan, namely to:

- deliver efficient services with a focus on innovation, performance and affordability (through our building and facilities – water projects program)
- improve the health of priority waterways and their catchments to support our environmental, social, cultural and economic needs and values (through the continuation of the stormwater harvesting / water reuse and treatment program, biofilter and tree pit program and WSUD projects program)
- support the sustainable use of and access to water (through the continuation of the stormwater harvesting / water reuse and treatment program)
- enable farmers and all water users to achieve and improve water efficiency with the available water, while supporting regional communities to adjust to a changing climate (through our Water Smart rebate program and the buildings and facilities – water projects program)
- plan infrastructure that secures water supply and increases drought resilience across our communities (through the continuation of the stormwater harvesting / water reuse and treatment program)

The NSW Government's **Greater Sydney Services and Infrastructure Plan**, as part of the **Transport Strategy 2056**, is the 40 year plan for transport in Sydney. The Plan identifies a Principle Bicycle Network of major bike corridors across Greater Sydney. As part of the Plan, Transport NSW will work with local councils to investigate improvements to the network. The creation of local cycle networks, funded through the Environmental Levy, link to the Greater Sydney Principal Bicycle Network.

A Metropolis of Three Cities - The Greater Sydney Region Plan proposes to re-balance growth across Greater Sydney through better coordinated planning for a more productive, liveable and sustainable metropolitan Sydney. The **North District Plan**, covering the local government areas of Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Northern Beaches, Mosman, North Sydney, Ryde and Willoughby, is a guide for implementing the Greater Sydney Region Plan - A Metropolis of Three Cities at a district level, acting as a bridge between regional and local planning, and is structured around strategies for infrastructure and collaboration, liveability, productivity and sustainability.

The directions for sustainability in the North District Plan are: a city in its landscape; an efficient city; and a resilient city. The Environmental Levy program supports a number of the Planning Priorities under the sustainability direction in the North District Plan, as follows:

- N15: Protecting and improving the health and enjoyment of Sydney Harbour and the District's waterways (through the continuation of the stormwater harvesting / water reuse and treatment program, biofilter and tree pit program and WSUD projects program)
- N16: Protecting and enhancing bushland and biodiversity (through the bushland restoration program, projects to enhance biodiversity corridors and Ku-ring-gai's urban forest, pest species management program, ecological conservation on

Conservation Agreement land program, ecological burn program and environmental management and monitoring program)

- N17: Protecting and enhancing scenic and cultural landscapes (through the Aboriginal heritage management program delivered by Environmental Levy funded staff)
- N19: Increasing urban tree canopy cover and delivering Green Grid connections (through projects to enhance biodiversity corridors and Ku-ring-gai's urban forest, the provision of cycle ways and the management of recreation in natural areas)
- N21: Reducing carbon emissions and managing energy, water and waste efficiently (through the energy efficient outdoor and sports field / court lighting program, operational energy management program, renewable energy and energy efficiency projects program, sustainability data management and reporting system, building and facilities – water projects and water monitoring programs and sustainability rebates program)
- N22: Adapting to the impacts of urban and natural hazards and climate change (through the Climate Wise Communities and bushfire education programs and WSUD projects program).

In considering the importance the community places on programs and works that improve Ku-ring-gai's natural environment and the importance the community places on Council continuing to fund and deliver environmental programs and works that protect and improve the natural environment (as outlined in section 3.1); the benefits of the Environmental Levy program (as outlined in Attachment 13 and 14); the community's strong support for a permanent Environmental Levy to maintain Council's environmental programs and works at current service levels (as outlined in section 4.2); the community's ongoing capacity and willingness to pay for an Environmental Levy (as outlined in section 4.2 and 5.2); and limited resourcing alternatives to deliver the Environmental Levy program (as outlined in section 3.1), an SRV is sought.

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:

- a) Over what period does the existing instrument apply? From _____ to _____
b) What are the approved percentages for each year of the existing instrument? _____
c) Briefly describe any significant changes of relevance since you submitted the application for the existing instrument.

Not applicable

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 ☐ No ☒

If Yes, has a review been done and submitted to OLG? Yes ☐ No ☐

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.

Consideration of community needs around environmental management

In 2004, Council commissioned a Ku-ring-gai Community Environment Survey, to determine the level of support and willingness to pay for an Environmental Levy and to assess the environmental values and attitudes of the local community. Council commissioned a more specific Environmental Levy survey in 2005 to explore the local community's needs further and to help determine priorities for an Environmental Levy program. These surveys were administered with support from the University of New South Wales and Monash University and received respectively 1,143 and 1,332 valid responses (over 2.2% of Council's population at the time). Data from these surveys was analysed and validated through a series of group interviews and focus groups and Council also undertook various consultations with relevant Council Advisory Committees at the time. The results of the initial survey indicated that community support for an Environmental Levy was approximately 60%.

In 2005, the Minister for Local Government approved a seven year, five per cent (5%) Special Rate Variation to fund a range of environmental works and programs. The Environmental Levy commenced on 1 July 2005 and was due to expire on 30 June 2012.

Council conducted another Environmental Levy survey in 2009 to measure the level of community satisfaction with the Environmental Levy program and to gauge the validity of the Levy programs' current priorities against the current needs of the local community. Feedback was sought from a random, representative sample of 2,500 Ku-ring-gai residents and three focus groups were used to validate the survey responses. The survey results reinforced the priority residents placed on environmental works and programs and the focus for program delivery in the coming years.

In 2011, an Environmental Levy Continuation Survey was conducted with Ku-ring-gai residents to again gauge the level of community satisfaction with the Environmental Levy program and to determine the importance allocated to environmental programs and works; the need to continue funding such programs and works; and the willingness of residents to support the continuation of the Environmental Levy through to 2019. A random telephone survey was conducted with 400 Ku-ring-gai residents aged 18 years and above. The majority of respondents (88%) supported the continuation of the Environmental Levy, with 86% of respondents believing it was important for Council to undertake projects that preserve and improve the natural environment.

In 2011, Council was successful in obtaining approval from the Independent Pricing and Regulatory Tribunal (IPART) under section 508(2) of the *Local Government Act 1993* for a Special Rate Variation to continue the Environmental Levy for eight years at a rate of five per cent (5%) above the ordinary rate, commencing 1 July 2011. This incorporated the final year of the 2005-2012 Environmental Levy and the seven year works program proposed under the new Environmental Levy (see **Attachment 10**).

Extensive community consultation and engagement has been undertaken over the period of the current Environmental Levy (2012-present), to determine community satisfaction with the current Levy program and Levy program outcomes; and whether there is ongoing community support for the programs funded through the Levy, as outlined below:

Annual ‘Loving Living Ku-ring-gai’ community surveys

An annual survey is undertaken for residents who participate in Council’s Loving Living Ku-ring-gai event program and ‘Greenstyle’ program, both funded through the Environmental Levy, to determine satisfaction levels with the delivery of these programs and to identify actions residents are taking as a result of their participation in these programs.

Key results for the 2016/17 survey (95 respondents) are as follows:

Impact of attendance at an event/s

- 76% of respondents experienced a moderate or significant change in their knowledge of environmental or sustainability issues as a result of attending an event;
- 62% of respondents experienced a moderate or significant change in the awareness of the impacts of their actions as a result of attending an event;
- 56% of respondents experienced a moderate or significant change in the way they talk to other people about sustainability issues as a result of attending an event;
- 66% of respondents experienced a moderate or significant change in their wellbeing through a connection to nature, as a result of attending an event; and
- 51% of respondents experienced a moderate or significant change in their connectedness to their community by meeting other like-minded people, as a result of attending an event.

Actions taken as a result of attendance at an event/s

- The top three actions taken by respondents to improve biodiversity, as a result of attending an event, were: (1) added more native plants to my garden - 40%; (2) identified and removed noxious weeds from my garden – 30%; and (3) reduced chemical use in garden – 24%.
- The top three actions taken by respondents to reduce energy use, as a result of attending an event, were: (1) using less energy in general – 43%; (2) changed my lights to compact fluorescents or LEDs – 37%; and (3) reduced appliances on standby or added timers – 14%.
- The top three actions taken by respondents to reduce water use, as a result of attending an event, were: (1) using less water in general – 31%; (2) installed a rainwater tank – 10%; and (3) switched to water efficient irrigation – 8%.
- The top three actions taken by respondents as a result of attending an event on bushfire or extreme weather were: (1) prepared my home for bushfire - 57%; (2) checked if my property is on bushfire prone land – 48%; and (3) completed a bushfire survival plan – 26%.
- The top three actions taken by respondents as a result of attending one of the lifestyle or general sustainability events were: (1) recycling more in general – 43%; (2) reducing the use of single-use plastics – 33%; and (3) reducing food waste at home – 30%.

In total, residents who participated in Council's Loving Living Ku-ring-gai event program completed 592 different actions to benefit the local environment, as a result of attending one or more events, or participating in Council's 'Greenstyle' home and garden sustainability assessment program, specifically:

- 72 biodiversity related actions;
- 102 energy related actions;
- 38 water related actions;
- 161 general lifestyle related actions;
- 29 bushfire/extreme weather related actions; and
- 190 actions as a result of participating in a Greenstyle assessment.

Key results for the 2017/18 survey (133 respondents) are as follows:

Impact of attendance at an event/s

- 77% of respondents experienced a moderate or significant change in their knowledge of environmental or sustainability issues as a result of attending an event;
- 77% of respondents experienced a moderate or significant change in the awareness of the impacts of their actions as a result of attending an event;
- 71% of respondents experienced a moderate or significant change in the way they talk to other people about sustainability issues as a result of attending an event;
- 60% of respondents experienced a moderate or significant change in their wellbeing through a connection to nature, as a result of attending an event; and
- 63% of respondents experienced a moderate or significant change in their connectedness to their community by meeting other like-minded people, as a result of attending an event.

Actions taken as a result of attendance at an event/s

- The top three actions taken by respondents to improve biodiversity, as a result of attending an event, were: (1) added more native plants to my garden - 53%; (2) identified and removed noxious weeds from my garden – 50%; and (3) planted an edible garden – 30%.
- The top three actions taken by respondents to reduce energy use, as a result of attending an event, were: (1) using less energy in general – 42%; (2) changed my lights to compact fluorescents or LEDs – 36%; and (3) reduced appliances on standby or added timers – 32%.
- The top three actions taken by respondents to reduce water use, as a result of attending an event, were: (1) using less water in general – 58%; (2) installed a rainwater tank – 23%; and (3) switched to water efficient irrigation – 16%.
- The top three actions taken by respondents as a result of attending an event on bushfire or extreme weather were: (1) prepared my home for bushfire - 57%; (2) checked if my property is on bushfire prone land – 48%; and (3) completed a bushfire survival plan – 26%.
- The top three actions taken by respondents as a result of attending one of the lifestyle or general sustainability events were: (1) recycling more in general – 63%; (2) reducing the use of single-use plastics – 48%; and (3) reducing food waste at home – 42%.

In total, residents who participate in Council's Loving Living Ku-ring-gai event program completed 507* different actions to benefit the local environment, as a result of attending one or more events, specifically:

- 128 biodiversity related actions;
- 112 energy related actions;
- 37 water related actions;
- 191 general lifestyle related actions; and
- 39 bushfire/extreme weather related actions.

**At the time of writing this application the 17/18 Greenstyle survey was yet to be conducted – this is likely to increase the total number of actions by approximately 200)*

Evaluation of Environmental Levy 2012-2015

In 2016, Inca Consulting was commissioned to conduct an evaluation of the Environmental Levy program, specifically an evaluation of: (i) the degree to which initiatives funded by the Levy aligns with Council's broader environmental objectives; (ii) the contribution of the Environmental Levy towards achieving these objectives; (iii) the degree to which Council's role in the administration and governance of the Environmental Levy is effective; and (iv) the degree of transparency around the administration and achievements of the Levy and the initiatives funded. The evaluation was undertaken through a desk top review, staff interviews, and interviews with and / or written feedback from, community members who have participated in a Levy program.

Key findings were:

- There is a high level of alignment of Environmental Levy activities and projects with Council's broader environmental and sustainability goals;
- The Levy has facilitated a range of environmental achievements in its second phase, including regeneration of nearly 60 hectares of bushland each year, permanent preservation of 99 hectares of bushland containing threatened species, funding of 58 community projects, support of more than 700 Bushcare/Parkcare/Streetcare volunteers, installation of 112 kilowatts of solar PV and 150 LED lights in Council facilities, installation of close to 6km kilometres of bike paths and maintenance of 17 biofilter gardens and 15 stormwater water harvesting sites;
- The Levy is helping Council to meet its environmental targets and obligations, such as its targets for reducing greenhouse gas emissions and obligations to protect threatened species;
- The Levy funds a wide range of programs and projects that not only help, but in some areas solely facilitate, Council's progress towards meeting its environmental targets. The Levy has funded environmental projects that would otherwise not have been funded or might have been funded at a significantly lower level. The use of Levy funds for some projects has also avoided the need to divert general Council funds from other projects and program areas;
- The Levy has enabled Council to secure significant external funding from the NSW Government and other funding sources. The Levy raises about \$2.5 million per year, but has leveraged over \$3.2 million in grant funding in 2012-15, and over \$9.4 million since 2005. This has enabled Council to fund significant projects that have long-term sustainability benefits;

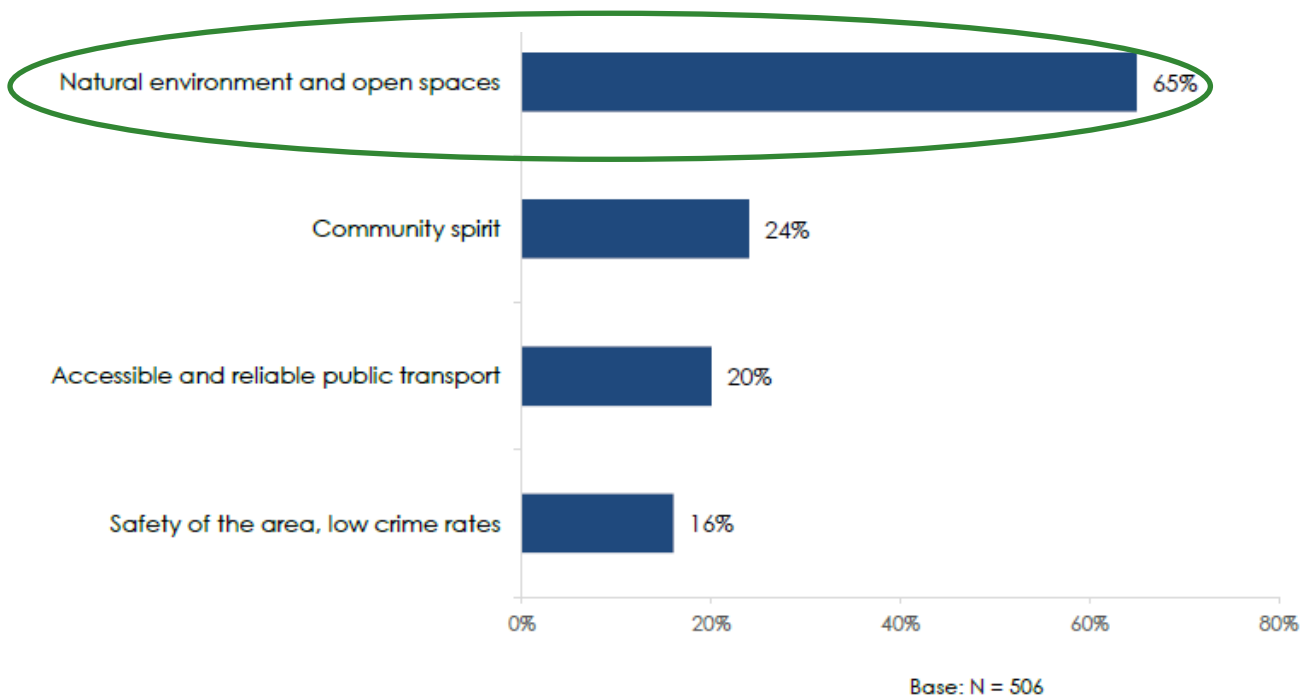
- The Levy has enabled Council to effectively project manage and resource programs through the employment of staff to focus on these programs. Levy 2 has provided funding for 6 full time staff, 9 part-time staff and 2 casual staff to manage and deliver programs;
- Many key environmental outcomes are down to the financial boost provided by the Levy. The Levy has enabled Council to make improvements more sustainable, by funding the cost difference between standard upgrades and more efficient and sustainable upgrades (eg in air conditioning systems);
- There is good evidence of Levy administration and governance being both effective and transparent and there are clear processes for decision making, budgeting, management, reporting and accountability.

Community satisfaction survey

In February 2017, a community satisfaction survey was conducted with 506 residents, to examine community attitudes and perceptions towards current and future services and facilities provided by Council. The sample was weighted by age and gender to reflect the 2011 ABS census data.

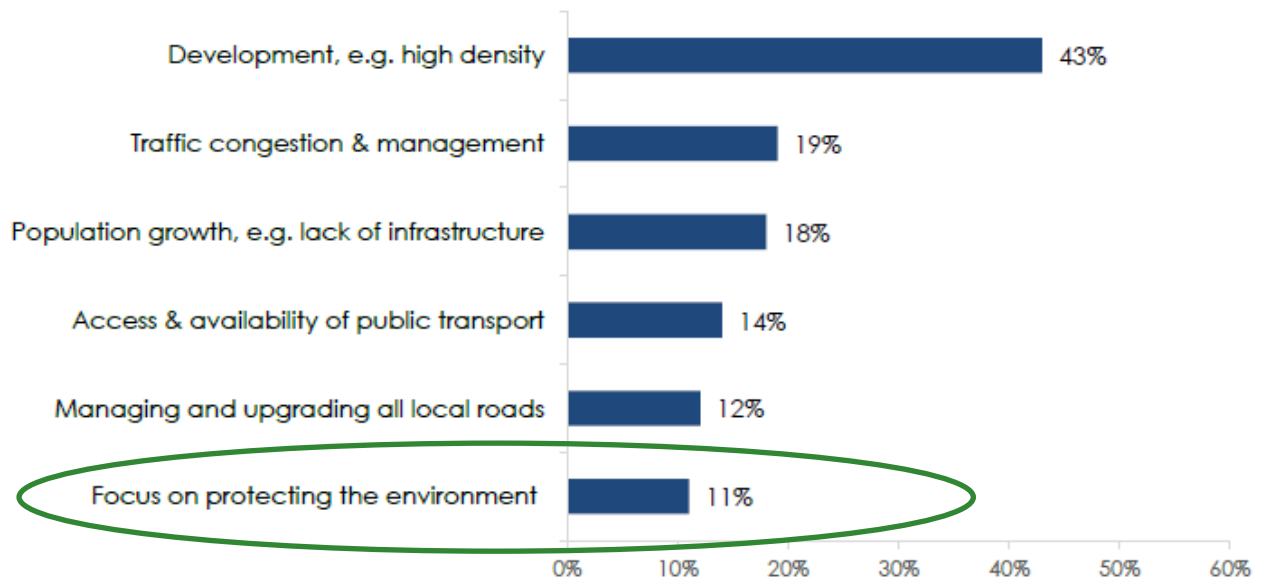
Some key findings from the survey are as follows:

- 65% of residents believe the 'natural environment and open spaces' are a strength of the local area, with this also being ranked as the biggest strength of the area.



Note: Only responses ≥ 16% are shown. For other responses, see Appendix A

- 11% of residents believe that protecting the environment is the key priority issue for the next 10 years, with this issue ranking in the top 6 issues for Ku-ring-gai



Base: N = 506

Note: Only responses $\geq 11\%$ are shown. For other responses, see Appendix A

- Residents rated the importance of the protection of natural areas and bushland, initiatives to reduce waste and improve recycling and the condition of waterways and creeks as very high and initiatives to reduce energy use and to reduce water use as high;
- Residents rated their satisfaction with Council's efforts to protect natural areas and bushland and reduce waste and improve recycling as moderately high and initiatives to reduce water use and energy use as moderate
- Compared to the previous research conducted in 2014, there were significant increases in residents' levels of importance for 15 of the comparable 44 services and facilities provided by Council, including services and facilities that are delivered by the Environmental Levy, below:

	2014	2017
Protection of natural areas and bushland	4.34	4.49
Council advocacy on matters impacting on Ku-ring-gai	4.18	4.35
Council provision of information to residents	4.10	4.32
Initiatives to reduce energy use	3.84	4.09
Initiatives to reduce water use	3.81	4.04
Support for people from diverse cultural and language backgrounds	3.68	3.99
Access to cycle ways, footpaths, walking tracks	3.77	3.94
Festivals and major events	3.13	3.37

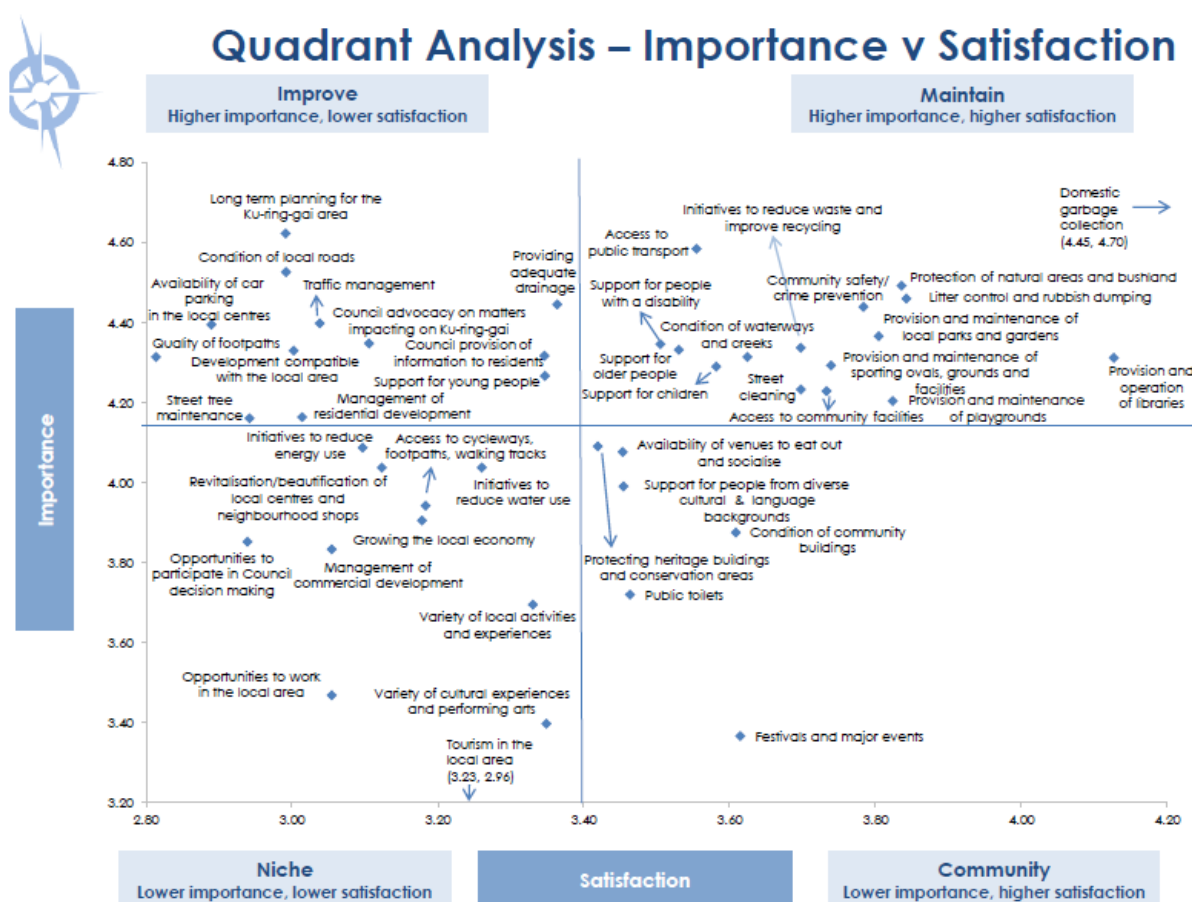
Scale: 1 = not at all important, 5 = very important

- Over the same period there were increases in residents' levels of satisfaction across 29 of the comparable 44 services and facilities provided by Council, including services and facilities that are delivered by the Environmental Levy, below:

	2014	2017
Litter control and rubbish dumping	3.69	3.84
Protection of natural areas and bushland	3.59	3.84
Initiatives to reduce waste and improve recycling	3.52	3.70
Condition of waterways and creeks	3.44	3.62
Support for people from diverse cultural and language backgrounds	3.26	3.45
Council provision of information to residents	3.07	3.35
Council advocacy on matters impacting on Ku-ring-gai	2.68	3.11
Initiatives to reduce energy use	2.88	3.10

Scale: 1 = not at all satisfied, 5 = very satisfied

- The survey's quadrant analysis (below) plotted: (i) initiatives to reduce waste and improve recycling; (ii) protection of natural areas and bushland; and (iii) improved condition of waterways and creeks as services to maintain (higher importance and higher satisfaction), all initiatives delivered by the Environmental Levy. The position of initiatives to (i) reduce energy use; (ii) provide access to cycle ways, footpaths and walking tracks; and (iii) reduce water use on the quadrant (lower satisfaction and moderate importance) indicate that the Environmental Levy program could facilitate improvements in these service areas.



The results in the chart below identify what the key drivers are of community satisfaction in Ku-ring-gai. The top 13 services / facilities account for over 60% overall satisfaction with Council and are the key community priorities. The score assigned to each area indicates the percentage of influence each attribute contributes to overall satisfaction with Council.



The protection of natural areas and bushland is a key community priority and contributes to 3.3% of overall community satisfaction with Council.

Community consultation on *Our Ku-ring-gai 2038 and Delivery Program 2018-2021 and Operational Plan 2018-19*

Community engagement and consultation for the review and development of the *Our Ku-ring-gai 2038 Community Strategic Plan, Delivery Program 2018-2021 and Operational Plan 2018-19* and *Resourcing Strategy 2018-2028* (including the Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy) was guided by a Community Engagement Strategy, presented to Council in October 2017. Details of the community engagement and consultation activities and a summary of the community feedback from these activities are provided in Assessment Criterion 4 of this application.

The results of the community engagement and consultation activities reaffirmed the community's priorities reflected in the issues and long term objectives of the previous Community Strategic Plan. Accordingly, those issues and long term objectives were restated in the *Our Ku-ring-gai 2038 Community Strategic Plan*. The results of the community engagement and consultation activities led to the addition and / or revision of a number of term achievements and operational plan tasks, reflected in the *Delivery Program 2018-2021 and Operational Plan 2018-19*.

The Environmental Levy program directly responds to, and facilitates the achievement of, a number of the community's long term objectives in the *Our Ku-ring-gai 2038 Community Strategic Plan*, namely:

Community, People and Culture

- **C3.1** A community where opportunities are provided for all voices to be heard and where community stewardship, participation and engagement is supported and promoted
- **C4.1** A community that embraces healthier lifestyle choices and practices.
- **C7.1** An aware community able to prepare and respond to the risk to life and property from emergency events

Natural Environment

- **N1.1** A community empowered with knowledge, learning and information that benefits the environment
- **N2.1** Our bushland is rich with native flora and fauna
- **N3.1** Our natural waterways and riparian areas are enhanced and protected
- **N4.1** A community addressing and responding to the impacts of climate change and extreme weather events
- **N5.1** A community progressively reducing its consumption of resources and leading in recycling and reuse

Places, Spaces and Infrastructure

- **P1.1** Ku-ring-gai's unique visual character and identity is maintained
- **P6.1** Recreation, sporting and leisure facilities are available to meet the community's diverse and changing needs
- **P7.1** Multipurpose community buildings and facilities are available to meet the community's diverse and changing needs

Access, Traffic and Transport

- **T1.1** A range of integrated transport choices are available to enable effective movement to, from and around Ku-ring-gai

Leadership and Governance

- **L3.1** The organisation is recognised and distinguished by its ethical decision making, efficient management, innovation and quality customer service
- **L4.1** The community is informed and engaged in decision-making processes for community outcomes

The Environmental Levy program also directly responds to, and facilitates the achievement of, a number of the term achievements in the *Delivery Program 2018-2021 and Operational Plan 2018-2019*, namely:

Community, People and Culture

- **C3.1.1** Enhance opportunities for social interaction to foster community participation, connectedness and a sense of pride in the community and local areas
- **C4.1.1** A range of cultural, recreational and leisure facilities and activities are available to encourage social interaction and stimulate everyday wellbeing
- **C7.1.1** Emergency Response Plans are developed and implemented, in partnership with emergency service agencies and key stakeholders

Natural Environment

- **N1.1.1** Increased community understanding of the value of the natural environment and local environmental issues and impacts
- **N1.1.2** Increased community action that benefits the natural environment
- **N2.1.1** The condition of bushland and the conservation of native flora and fauna have improved
- **N2.1.2** Ecological protection and understanding is integrated into land use planning
- **N4.1.1** The community is effectively informed and engaged on climate change impacts and responses
- **N4.1.2** Council's vulnerability to climate change is reduced
- **N3.1.1** The condition of natural waterways and riparian areas has improved
- **N3.1.2** Utilisation of water harvesting and reuse has increased at Council owned facilities
- **N5.1.1** The community is effectively engaged in improved waste reduction, reuse and recycling
- **N5.1.2** The community is effectively engaged in energy and water conservation and efficiency programs

Places, Spaces and Infrastructure

- **P1.1.1** Strategies, plans and processes are in place to protect and enhance Ku-ring-gai's unique visual and landscape character
- **P6.1.1** A program is being implemented to improve existing recreation, sporting and leisure facilities and facilitate the establishment of new facilities
- **P7.1.1** The condition and functionality of existing and new assets is improved

Access, Traffic and Transport

- **T1.1.2** A network of safe and convenient links to local centres, major land uses and recreation opportunities is being progressively implemented

Leadership and Governance

- **L3.1.3** Sustainability is integrated into Council's business framework
- **L4.1.1** Innovative and effective community engagement fosters community participation and a better understanding of Council services, programs and facilities

Community consultation on continuation of Environmental Levy

With the current Environmental Levy due to expire in June 2019, and compelling evidence over a number of years as to the importance placed on the protection of the environment by the Ku-ring-gai community, as well as the ongoing support for the environmental programs and works that the Environmental Levy delivers, in June 2017 Council resolved to undertake community consultation for the permanent continuation of the Environmental Levy at the rate (5%) currently paid by Ku-ring-gai ratepayers.

Results for all three of the main engagement methods, namely the: (i) recruited survey; (ii) community consultation workshop; and (iii) online and printed survey, show strong community support for the permanent continuation of the Environmental Levy at the current rate (5%), with:

- 97% of recruited survey respondents indicating they felt it was important for Council to continue to deliver programs and works that improve Ku-ring-gai's natural environment, with 73% of respondents indicating that it was 'very important' for this to continue
- 92% of online and printed survey respondents indicating they felt it was important for Council to continue to deliver programs and works that improve Ku-ring-gai's natural environment, with 83% of respondents indicating that it was 'very important' for this to continue
- 78% of recruited survey respondents supporting the continuation of the Environmental Levy at the current rate;
- 89% of community consultation workshop participants supporting the continuation of the Environmental Levy at the current rate;
- 74% of online and printed survey respondents supporting the continuation of the Environmental Levy at the current rate;
- 83% of recruited survey respondents who supported the continuation of the Environmental Levy at the current rate (78%) supporting a permanent Environmental Levy;
- 78% of recruited survey respondents who supported the continuation of the Environmental Levy at the current or a reduced rate (89%) supporting a permanent Environmental Levy;
- 66% of community consultation workshop participants supporting a permanent Environmental Levy either out right or with a three year program review;
- 91% of online and printed survey respondents who supported the continuation of the Environmental Levy at the current rate (74%) supporting a permanent Environmental Levy;
- 84% of online and printed survey respondents who supported the continuation of the Environmental Levy at the current or a reduced rate (87%) supporting a permanent Environmental Levy.

The extensive community consultation conducted and outlined in this section, spanning 15 years, clearly and consistently demonstrates:

- Satisfaction within the Ku-ring-gai community with the programs and works funded and delivered by the Environmental Levy;
- The importance the Ku-ring-gai community places on the protection and improvement of the natural environment as a key priority issue;
- The importance the Ku-ring-gai community places on, and the need for, Council continuing to fund and deliver environmental programs and works that protect and improve the natural environment; and
- Strong community support for a temporary (5%) Environmental Levy, in 2005 and 2011, and a permanent (5%) Environmental Levy, in 2018; indicating a strong case for a community need to maintain Council's environmental programs and works at current service levels through a Special Rate Variation.

The current Environmental Levy program responds directly to the community's long term objectives in the Community Strategic Plan and has delivered a number of environmental and social benefits for Ku-ring-gai's environment and community that directly respond to the community's expectations and priorities, including but not limited to:

- the protection of bushland and local biodiversity
- a reduction in the urban impacts of stormwater on riparian areas
- a reduction in potable water use
- a reduction in waste to landfill
- improvements to the condition of waterways
- the provision of cycle ways and recreational facilities in natural areas
- the control of dumping and encroachment into bushland
- a reduction in energy use and greenhouse gas emissions
- our community and local businesses living and operating more sustainably
- our community feeling more connected to nature and with others; and
- increased community well being

Attachment 14 provides full details of the outstanding achievements of the Environmental Levy for the benefit of Ku-ring-gai's environment and its community up until 30 June 2018.

Consideration of alternative funding sources for the Environmental Levy

Council recently undertook a review of Council's future financial sustainability and the state of its infrastructure assets and adopted a "Road to Sustainability" funding strategy. This strategy looks to address the sizable infrastructure backlog and invests additional funding in infrastructure renewal as a priority. As part of this process, Council also undertook a horizontal service review to identify additional sources of revenue and reductions in operational expenditure to provide extra funding for infrastructure renewal. Due to the large funding gap required for the renewal of infrastructure assets, the additional funding uncovered through the review is not sufficient to also fund future environmental programs and works. The Road to Sustainability funding strategy is further discussed in this application and forms part of Council's Long Term Financial Plan (LTFP).

In addition to the initiatives undertaken as part of the Road to Sustainability review, Council also considered other alternative financing options to a Special Rate Variation, including:

1. **Funding the required increase from its general revenue** – Council's LTFP has already accounted for the improvement in its operating position by increasing the size of its future capital expenditure on infrastructure assets renewal in future years as a priority. The use of general revenue has already been reviewed as part of the horizontal service review and additional revenue and cuts to expenditure have been identified and reinvested back into infrastructure renewal to address the future backlog. Additional funds from general revenue to fund the environmental programs and works currently funded by the Environmental Levy would require substantial cuts or the elimination of services in other areas.
2. **User fees and charges** – have been reviewed for a number of years and revenue identified from increases in fees and charges diverted towards infrastructure renewal as a priority. Additional revenue to fund environmental programs and works from increasing fees and charges would not be sufficient and is not considered feasible.

3. **Borrowings** – The borrowing and debt strategy is one of the major underlying principles incorporated into Council's LTFP. Council considers borrowing as a source of funding mainly for building or other assets where the sources of repayment are clearly identified and reflected in overall future cash flows over the life of the asset. Council already has a moderate debt which funded the acquisition of an investment property and is being discharged over time from net revenue received from this property. The use of additional borrowing for environmental programs and works is not appropriate as it would not align with Council's debt strategy due to the largely recurrent nature of the Levy program and the absence of a source of repayments other than by eliminating or curtailing other services and projects.

4. **Reserves** – Council has a number of internal and external cash reserves which are held for specific reasons. Council already maintains an internal infrastructure projects cash reserve in the LTFP which solely provides for infrastructure renewal and upgrade capital expenditure. Therefore, additional funding for environmental programs and works from cash reserves is not available. In addition, running down Council's cash reserves for environmental programs and works would compromise benchmark liquidity ratios.

5. **Grant funds** – Council is regularly seeking to obtain grants for various programs, however, there are no grant programs that fund the ongoing delivery of a suite of environmental programs and works, such as those funded by the Environmental Levy.

Alternative financing options are, therefore, not sustainable and will not allow Council to manage its extensive natural and built environment utilising a strategic and responsible management approach.

How the proposed SRV impacts the Long Term Financial Plan forecasts

The continuation of the Environmental Levy beyond the expiry date of June 2019 has been reflected in Council's LTFP for a number of years. This aligns with Council's intention to apply for a permanent Environmental Levy due to the highly successful environmental programs and works delivered over the last 14 years and the economic, social and environmental benefits provided to the community via these programs and works.

Two key priorities have been identified by Council in recent years:

- Increased funding for infrastructure renewal; and
- Continuation of the existing Environmental Levy

These priorities form part of the current adopted funding strategy outlined in the LTFP. The current strategy is based on the principle that all available surplus funds are directed towards Council's infrastructure assets renewal, in the first instance. In the past Council recognised a sizable infrastructure backlog and an annual shortfall of funding for infrastructure assets renewal and maintenance. If this shortfall is not addressed it is likely that the infrastructure backlog will continue to increase in future years. In the last 10 years Council has been steadily reducing its infrastructure backlog by careful financial management and innovative strategies, with a strong focus on infrastructure renewal across the board, including roads and transport. As a result, the backlog is being gradually reduced and is expected to be eliminated by 2022/23.

Since Council is already allocating increased funding towards infrastructure assets renewal additional funds from general revenue are not available for ongoing environmental programs and works in the future. Should the Environmental Levy cease, Council will either fully or

partly discontinue the environmental programs and works currently funded by the Environmental Levy. The expenditure associated with the Environmental Levy will either be eliminated to offset the loss of income, or Council will assess whether or not to continue with some components of the Environmental Levy program and divert funding from other services, or reduce the current funding allocated to infrastructure assets renewal. This will result in a damaging long term effect on our infrastructure assets and an unfavourable result on some future forecasts in the LTFP. More detailed discussions around the impact of the proposed SRV on Council's general funds, financial ratios and assets are covered further in the application.

Two main scenarios are outlined in detail in Council's LTFP: scenarios with and without the SRV for environmental programs and works, which are further analysed in this application.

The preferred scenario for Council (Scenario 2) is the one that best addresses its infrastructure assets renewal requirements and continues with the SRV. In this scenario income earned from the SRV (approximately \$3 million per annum in current year prices) forms part of Council's operational income and is included in the Income Statement. The expenditure associated with it is mainly operational in nature, and is part of "Other Operational Projects Expenditure" within the Income Statement. The capital component will be capitalised as incurred. The scenario without the SRV eliminates the income and the operational expenditure associated with it. This is to demonstrate that without the SRV funding, it will not be possible to continue funding the environmental programs and works from general revenue, as these funds are already fully allocated to maintaining and renewing Council's infrastructure assets.

Key LTFP assumptions

The LTFP contains a series of assumptions that underpin the long term financial forecasts. These assumptions are designed to ensure that Council remains financially sustainable and has the capacity to withstand the impact of unexpected events. Adjustments will have to be made to operating revenue and expenditure in the Income Statement should the SRV not be approved.

More specific income and expenditure assumptions are listed in the LTFP. Key assumptions include:

- Inflation (CPI) at 2.4% for expenditure and income in line with Access Economics;
- The annual rates increase is limited to the rates pegging amount of 2.5% across all years of the LTFP, however the rate peg is adjusted to 2.7% for 2019/20 in Council's application (Part A) and remains at 2.5% onwards;
- Rates growth is expected to increase by 0.7% per annum in earlier years and 0.8% per annum in the last two years through increased development;
- User charges and fees are expected to increase by an average of 2.4% per annum;
- New infrastructure to support population growth will be funded by Development Contributions (\$ 7.11), where possible;
- Significant asset sales over the next ten years will be used for the following purposes:
 - To fund infrastructure assets renewal
 - To fund Council's co-contribution for development contribution funded works

- For a Property Development Reserve for major local centre projects;
- Existing outstanding debt for the acquisition of the investment property will be repaid from net revenue generated through leasing out the building; and
- Employee cost estimates are based on agreed award increases and performance increases. No volume increases are projected.

A suite of information on the SRV application for the permanent continuation of the Environmental Levy, in accordance with the *Guidelines for the preparation of an application for a special variation to general income* and which demonstrates how Council meets this criterion, was included in the draft *Our Ku-ring-gai 2038 Community Strategic Plan* (see extract in **Attachment 1**), draft *Delivery Program 2018-2021 and Operational Plan 2018-2019* (see extract in **Attachment 2**), and draft *Resourcing Strategy 2018 – 2028* (see extract in **Attachment 12**).

The full *Our Ku-ring-gai 2038 Community Strategic Plan*, *Delivery Program 2018-2021 and Operational Plan 2018-2019* and *Resourcing Strategy 2018 – 2028* can be found at:

http://www.kmc.nsw.gov.au/Your_Council/Organisation/Integrated_Planning_and_Reporting_framework

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 is in a sound financial position and will remain sustainable over the long term. The overall sustainability rating of Ku-ring-gai Council has been assessed by T-Corp as 'sound with a neutral outlook' (*T-Corp - Financial Sustainability of the New South Wales Local Government Sector – Findings, Recommendations and Analysis, March 2013, p 18* – see **Attachment 4**). This places Ku-ring-gai in the top 16 Councils in NSW who have achieved the same or a better rating.

Council continues to achieve operating surpluses after allowing for the depreciation expense on depreciable assets. If capital grants and contributions are excluded, the operating result remains in surplus throughout the future years of the LTFP. Council has a strong level of own source revenue, maintains healthy levels of working capital and cash reserves, and has a strategy in place to fund the renewal of infrastructure assets and major projects via

identified sources of repayment. Over the next 2–10 years continued improvements are expected to Council's current strong operating result, revenue base and discretionary spending.

Key highlights and projections of the LTFP are:

- **Operating result** after accounting for capital items remains in surplus for all projected years:
 - Revenue growth (averaging 2.8%) outstripping expenditure growth (averaging 2.5%).
- **Special Rate Variations (SRVs)** - two SRVs are included in the LTFP:
 - The SRV for infrastructure – permanent levy granted by IPART in 2013/14
 - The SRV for environmental programs and works - included in Scenario 2.Through this application Council is seeking a permanent renewal of this levy.
- **Development contributions income** is projected to fund works listed in the Ku-ring-gai Contribution Plan 2010.
- **Income from asset sales** (a total of \$107million) is planned from rationalisation of property assets over 10 years for the following purposes:
 - To fund infrastructure assets renewal
 - To fund Council's co-contribution for development contribution funded works
 - For a Property Development Reserve for major local centre projects.
- **Projected capital expenditure** – the LTFP forecasts the delivery of total capital works and other major projects over 10 years of \$623 million. A range of major capital works initiatives are listed in the LTFP.
- **Working capital and cash reserves** – healthy working capital (5.5% of operating expenditure) and internal discretionary cash reserve targets (10% of operating revenue) are projected in the LTFP.
- **Debt management** – sustainable debt level is maintained in the long term with identified sources of repayments. Council's total debt of \$23 million will be substantially repaid over the life of the plan from net revenue generated from leasing out the investment property at 828 Pacific Highway, Gordon.
- **Key financial indicators** – all key financial indicators identified in the LTFP are meeting current industry benchmarks in forecast years. Two assets ratios are not being met in the early years of the LTFP, however with the new funding strategy for assets renewal these indicators will meet and outperform benchmarks in the latter years of the LTFP.

Council's funding strategy

As previously outlined, in the past Council has identified a sizable infrastructure backlog and an annual shortfall of funding for assets renewal. This shortfall must be addressed to make sure that the infrastructure backlog will not continue to increase in future years. To address the infrastructure backlog and renewal gap, in 2017-18 Council adopted a "Roads to Sustainability" funding strategy for infrastructure assets renewals which is based on the principle that all available surplus funds will be diverted towards Council's asset renewals as a priority. Additional funding is assumed to be generated from operational savings and income realised from a recent horizontal service review, as well as proceeds from asset sales, which will be reinvested into Council's renewal program for infrastructure assets. The new funding strategy was reinforced by an independent review undertaken by external consultants on Council's future financial sustainability and the state of its infrastructure

assets. More details about the assets funding strategy can be found in Council's LTFP. Further information on the horizontal service review is presented in Assessment Criterion 5: productivity improvements and cost containment strategies.

In addition to increased infrastructure renewal funding, another key priority for Council is the continuation of the existing Environmental Levy. As referred to earlier, two main scenarios are outlined in detail in Council's LTFP for consideration:

- Scenario 1 - Base Case Scenario without the Special Rate Variation (SRV) for Environment (Environmental Levy);
- Scenario 2 - Scenario with the continuation of the Special Rate Variation (SRV) for Environment (Environmental Levy)

The scenario that Council adopted best addresses its infrastructure renewal requirements and includes the permanent continuation of the Special Rate Variation (SRV) for Environment. If the continuation of the SRV is approved, Council will raise approximately \$34.5 million in the next 10 years to continue funding its environmental programs and works into the future.

The variance between both scenarios is the level of funding allocated to Council's environmental programs and works, in accordance with the community's expectations and priorities for environmental protection and management in Ku-ring-gai.

If IPART does not support the continuation of the SRV there will be a need to significantly review Council's long term financial plan and service delivery across many areas. Council would need to assess whether or not to continue with some components of the Environmental Levy program and would then need to determine a funding source from other critical service areas should it be determined that some components of the current Levy program will continue. The operational cost savings realised through Levy initiatives would fall; and the essential service functions provided by Levy funded staff would be significantly compromised.

The modelling without the Levy involves reduced rates collections compared to 2018/19 as the SRV income, totalling approximately \$3.08 million in 2019/20 and increasing in future years, is eliminated, together with the associated environmental programs and works that this funds. Without the SRV funding, Council will be unable to undertake the environmental programs and works it has planned (as described above), but also the future impact on the funding shortfall may grow over time as some environmental programs and works will have to be funded from Council's general revenue. All surplus funds from general revenue are already dedicated to fixing Council's infrastructure assets in the long term; therefore redirecting funds towards environmental programs and works from general revenue will not only impact other services but also have a detrimental effect on the state of our assets in the future. The most likely scenario in this case would be a reduction in current funding allocated to Council's roads network (including footpath and other road structures), as other asset classes have limited funding available. Currently approximately \$10 million per annum (growing in the future) is allocated to the roads and transport renewal program and \$3.8 million per annum to maintenance. This funding will drop to approximately \$7million per annum for renewal if the entire expenditure for environmental programs and works is sourced from roads. Over a 10 year period this will create a funding shortfall of

approximately \$34.5million for roads which will result in an unfavourable impact on the condition of our roads and deterioration in service levels for this asset class as a whole.

Council's current Asset Management Strategy (AMS) confirms the need to continue the current allocated level of funding and quantifies the required renewal expenditure to close the infrastructure gap. The infrastructure backlog ratio with the current and future estimated level of funding, as per the AMS, will be eliminated by 2022/23. In the case that the current allocation of funds is reduced by the equivalent amount of the Environmental Levy, that is, approximately \$3 million per annum in current year prices, the infrastructure backlog will not be eliminated in the current 10 years of the LTFP and will stand at \$6.3 million in 2029. With reduced levels of funding it will take significantly longer to eliminate the backlog entirely and further analyses will have to be undertaken to determine the full impact on Council's assets beyond the duration of the current LTFP.

The analyses below show the unfavourable impact on the roads program if funds were to be redirected to environmental programs and works. This will result in a permanent decrease of funding in renewal, which will cause significant delays in reducing and eliminating the infrastructure backlog. The renewal ratio will also decline by about 36%. Even though the renewal ratio is over benchmark, it must be noted that these funds are required to address the backlog in future years and maintain all our assets to a satisfactory level.

ROADS DATA

Roads & Transport Assets (including Footpath, Kerb & Gutter and Other Road Structures)

Ratio Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Renewal Ratio Impact										
Depreciation	8,301,399	8,640,052	8,944,066	9,223,355	9,493,775	9,750,391	9,995,362	10,252,898	10,510,493	10,773,256
Renewal expenditure	10,181,896	12,000,829	12,384,681	13,224,524	14,727,328	14,986,077	14,956,572	15,450,378	16,003,303	13,642,257
Total Renewal over Depreciation	1,880,497	3,360,777	3,440,615	4,001,169	5,233,554	5,235,687	4,961,209	5,197,480	5,492,810	2,869,001
Renewal Ratio with current funding*	123%	139%	138%	143%	155%	154%	150%	151%	152%	127%
Less: Funding for EL programs (if SRV expires) -	3,080,260	3,157,266	3,236,198	3,317,103	3,400,030	3,485,031	3,572,157	3,661,461	3,752,997	3,846,822
Renewal exp. with reduced funding	7,101,636	8,843,563	9,148,483	9,907,421	11,327,298	11,501,046	11,384,415	11,788,917	12,250,306	9,795,435
Total Renewal (-gap)/overfunding	- 1,199,763	203,511	204,417	684,066	1,833,523	1,750,656	1,389,052	1,536,020	1,739,813	- 977,821
Renewal Ratio with reduced funding**	86%	102%	102%	107%	119%	118%	114%	115%	117%	91%
Impact on Renewal Ratio	-37%	-37%	-36%	-36%	-36%	-36%	-36%	-36%	-36%	-36%
Estimated Cost to bring to Satisfactory / Backlog Ratio Impact										
Cost to satisfactory current funding	11,678,941	8,318,164	4,877,549	876,380	-	-	-	-	-	-
Backlog Ratio current funding	3.81%	2.61%	1.49%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost to satisfactory reduced funding	14,759,201	14,555,690	14,351,273	13,667,207	11,833,684	10,083,028	8,693,976	7,157,956	5,418,144	6,395,964
Backlog Ratio reduced funding	4.82%	4.57%	4.39%	4.10%	3.48%	2.93%	2.51%	2.05%	1.54%	1.80%

*current funding assumes current allocated funding to Roads in the LTFP

**reduced funding assumes reduction in funding by the equivalent amount of the SRV. This amount will be redirected to fund the environmental programs.

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).

Impact on Key financial indicators – scenario without SRV

Council's current and future financial performance and position is measured against standard Fit for the Future (FFTF) financial indicators. All FFTF financial indicators are meeting current industry benchmarks in forecast years. Two assets ratios are not currently being met (cost to bring assets to a satisfactory standard and cost to bring assets to agreed levels of service), however Council's new funding strategy addresses this issue and ensures these ratios are significantly reduced in future years and achieved by 2022/23.

There is no significant impact on financial sustainability ratios if the Environmental Levy is not continued due to its size (around \$3 million per annum based on current year prices) compared to overall income and the partial offsetting of operating expenditure associated with it, however, there is still deterioration with the main indicators. Most expenditure associated with the Environmental Levy is operational in nature therefore there is no impact on the infrastructure assets ratios if the environmental programs and works funded by the Levy are totally discontinued. With that being said, if the Levy is not continued and alternative funding to continue environmental programs and works is not available from general funds, the funding will have to be sourced from the renewal of infrastructure assets which will see a negative impact on some asset ratios and will significantly delay the "closing the infrastructure gap" already planned in the LTFP. This was discussed in more detail in Section 3.2.

Impact on key financial indicators - scenario with SRV

All financial sustainability indicators will improve due to the additional revenue of around \$3 million per annum (in current prices) from the Environmental Levy, totalling \$34.5million for 10 years; however there is no significant impact on the Operating Performance Ratio due to the additional expenditure associated with the Levy offsetting the revenue. The expenditure associated with the Environmental Levy is mainly operational in nature and is equivalent to the amount of revenue.

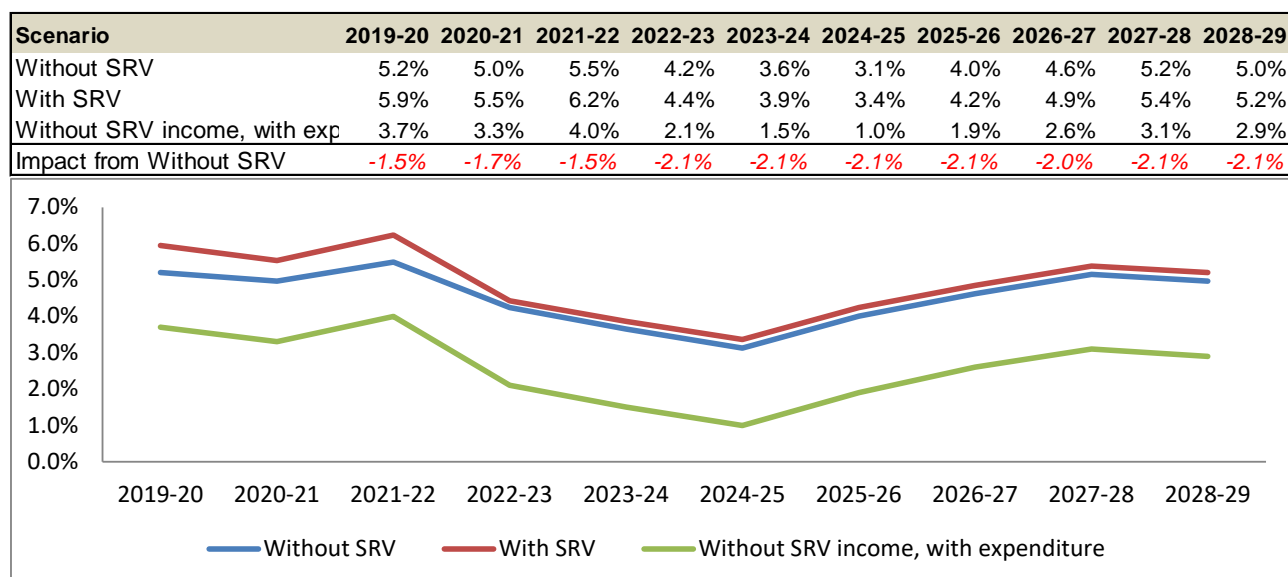
The Operating Performance Ratio will see a permanent improvement of around 0.2% per annum, on average, and the own Source Operating Revenue Ratio of around 0.4% per annum, on average, with the Levy continued.

Operating Performance Ratio

The Operating Performance Ratio is one of the most important financial indicators for Council. It measures Council's ability to contain operating expenditure within operating revenue. Council's long term financial sustainability is dependent upon ensuring that, on average, over time this indicator is positive, making sure that Council's expenses are below its associated revenue. Council's Operating Performance Ratio is expected to permanently drop, on average, by 0.7% in the first three years and by 0.2% afterwards if the Environmental Levy is not continued. This is due to reduced operating revenue from eliminating the Levy of approximately \$3million per annum (in current year prices). It must be noted that partial operating expenditure associated with the Levy has been eliminated as well.

A further scenario has been developed to show the impact on the ratio if income is not received but environmental expenditure continues. This will require funding from other sources. The Operating Performance Ratio declines even further by approximately 1.5% to 2%. The operating surpluses in this scenario decrease by the amount of the SRV income.

Operating Performance Ratio (three scenarios)



Own Source Operating Revenue Ratio

This ratio assesses the degree of Council's dependence upon grants and contributions. Council's Own Source Operating Revenue Ratio remains above the benchmark of >60% in all future years at around 80%, however if the Levy discontinues this indicator will also permanently deteriorate by approximately 0.3% per annum.

Scenario	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Without SRV	71.7%	81.1%	78.7%	77.7%	83.1%	83.0%	83.3%	83.0%	82.8%	77.4%
With SRV	72.2%	81.4%	79.1%	78.2%	83.5%	83.4%	83.6%	83.3%	83.2%	77.9%
Impact	-0.5%	-0.3%	-0.4%	-0.4%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.4%

If Council does not receive an approval for the continuation of the Environmental Levy and makes no other accommodating adjustments to its spending or revenue raising policies, the Operating Performance Ratio as well as the Own Source Operating Revenue Ratio will both continue to deteriorate in future years.

Impact on assets financial indicators

Expenditure associated with the Environmental Levy is mostly operational in nature therefore there is no impact on infrastructure assets ratios if the Levy is eliminated, together with its associated operational expenditure. If this occurs, Council would need to assess whether or not to continue with some components of the Levy program and determine a funding source from other critical service areas. A significant review would be required to the LTFP and service delivery across many areas, to source the required funding to continue the environmental programs and works currently funded by the Levy.

Surplus funds from general revenue are already allocated to infrastructure renewal and “closing the infrastructure gap” in the LTFP. If funds are to be diverted from infrastructure to environmental programs and works this will result in a negative impact on some asset ratios and delays in “closing the infrastructure gap” already planned in the LTFP. The impact is estimated to amount to a reduction in renewal funding of approximately \$34.5 million over 10 years. This will in turn result in closing the infrastructure gap significantly later than what is currently forecasted in the LTFP. The current LTFP assumes that the cost to bring infrastructure to satisfactory levels will be eliminated by 2022/23, however with reduced funding this will not be achieved in the timeframe of this LTFP.

Infrastructure Renewal Ratio – All Infrastructure Assets

Scenario	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Without SRV income but with exp	111.7%	109.7%	111.3%	109.0%	132.8%	119.8%	116.5%	119.4%	119.2%	119.0%
With SRV	130.6%	128.4%	129.8%	127.3%	151.1%	137.9%	134.6%	137.4%	137.1%	136.0%
Impact	-18.9%	-18.7%	-18.5%	-18.3%	-18.2%	-18.1%	-18.1%	-18.0%	-17.9%	-17.0%

Infrastructure Backlog Ratio – All Infrastructure Assets

Scenario	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Without SRV income but with exp.	2.6%	2.5%	2.4%	2.2%	1.7%	1.4%	1.2%	1.0%	0.7%	0.7%
With SRV	2.2%	1.6%	1.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Impact	-0.5%	-0.9%	-1.4%	-1.8%	-1.6%	-1.4%	-1.2%	-1.0%	-0.7%	-0.7%

Other financial ratios are not directly relevant to the subject of this application therefore they have not been mentioned. It must also be noted that the result of some ratios for the two scenarios differ slightly to those presented in the current adopted LTFP due to timing variations and changes in various assumptions.

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.

In accordance with IPART requirements, a *Communication and Engagement Strategy for the Special Rate Variation - Continuation of the Environmental Levy (July 2018)* was developed and is included as **Attachment 16**.

The purpose of the Communication and Engagement Strategy was to:

1. **Inform** the Ku-ring-gai community about the proposed extension of the Environmental Levy, including:
 - What the Levy has funded and could fund in the future
 - Why the Levy is needed
 - Where the Levy has helped support environmental outcomes in Ku-ring-gai
 - The impact on services and rates with a continued Levy, a reduced Levy and no Levy
2. **Consult** the community:
 - To gauge support for a continuing Levy, reduced Levy or no Levy
 - To gauge support for a permanent Levy, should there be support for a continuing Levy
 - Ensure the level of the proposed Levy is appropriate
3. **Involve** the community:
 - To help Council prioritise environmental works and programs that should be funded by the Levy, should it continue

In summary, the community consultation program involved:

Exhibition and adoption of Integrated Planning and Reporting (IP & R) documents

A suite of information on the SRV application for the permanent continuation of the Environmental Levy, in accordance with the *Guidelines for the preparation of an application for a special variation to general income*, was included in the draft *Our Ku-ring-gai 2038 Community Strategic Plan* (see extract in **Attachment 1**), draft *Delivery Program 2018-2021 and Operational Plan 2018-2019* (see extract in **Attachment 2**), and draft *Resourcing Strategy 2018 – 2028* (see extract in **Attachment 12**), which were publicly exhibited for 29 days from 11 May to 8 June 2018. Council adopted all the Plans at its Ordinary Meeting of 26 June 2018 (see resolution – **Attachment 11**). No submissions were received from the community on the sections of the Plans containing information on the SRV application for the permanent continuation of the Environmental Levy.

Pre consultation information campaign

This purpose of this phase was to increase awareness of the Environmental Levy in advance of the consultation phase and the opportunities available for the community to provide feedback on the continuation of the Levy. This involved:

- Excerpt on the SRV application in the July rates notice, sent to 43,986 households
- Environmental Levy display and information sessions at:
 - Wildflower Garden Festival on 26 August 2018
 - Gordon Shopping Centre on 29 August, 8 September and 19 September 2018
 - That Great Market, East Lindfield on 16 September 2018
 - Turramurra Fresh Produce and Gourmet Market on 7 November 2018
 - Turramurra Library (display only) for one week in October 2018
 - Gordon Library (display only) for three weeks in October 2018
- Digital communication campaign including a promotional Environmental Levy video, website information (reaching 250 people) and social media posts (5 Facebook

posts reaching 13,697 people), promoting what the Environmental Levy delivers and how the community could get involved in the subsequent community consultation.

Direct engagement

The purpose of this phase of engagement was to gauge community support for the continuation of a permanent Environmental Levy and secure feedback the community regarding priorities for future Levy funded programs and works, should it continue. This involved:

- Recruited representative survey - a sample of 495 randomly selected residential ratepayers were recruited and surveyed by an independent market research company (via a phone, online or street intercept survey) between September and November 2018, to gauge support for the permanent extension of the Environmental Levy and to obtain feedback on the priorities for future Levy funded programs and works, should it continue. Participants were provided with an information pack regarding the Levy prior to the completion of the survey, to ensure they had some degree of knowledge when providing their opinion.
- Recruited community consultation workshop – 29 residential ratepayers who participated in the representative survey attended a consultation workshop facilitated by an independent consultant on Thursday, 18 October 2018 from 6–9pm. The three hour workshop covered:
 - A presentation of current Environmental Levy programs and works and their outcome
 - A presentation on options for the future of the Levy, namely, a continued or reduced Levy and no Levy, including the impacts on rates under these scenarios and the implications on service levels / programs
 - A presentation on the permanency of the Environmental Levy
 - A vote on the attendee's preferred option (continuation of Levy / reduced Levy or no continuation of the Levy) and the permanency of the Levy
 - A prioritisation exercise to inform Council's plan for future Levy programs and works, should the Levy continue
- Online engagement platform – using Council's 'OurSay' online engagement facility, a consultation page was created to gain further (resident and business) ratepayer feedback between Friday, 5 October 2018 and Sunday, 4 November 2018, with:
 - A suite of information on the Environmental Levy and the Special Rate Variation application
 - an online survey (based on the representative survey)
 - an opportunity to provide an email submission
 - registration for an opt-in consultation workshop on Tuesday 23 October 2018
- Printed survey – based on the online survey, a printed copy of the survey was available for completion and return at Council's Customer Service desk, St Ives library, Gordon library and Lindfield library between Friday 5 October 2018 and Sunday 4 November 2018, designed for those without access or skills to complete the online survey.

There were a total of 1,146 visits (page views) to the 'OurSay' page over the period 5 October 2018 to 4 November 2018. A total of 197 responses were gathered through the online and printed survey.

The opt-in workshop planned for Tuesday, 23 October 2018, intended to follow the same structure and content as the recruited workshop but open to any interested community or business ratepayers, was cancelled due to lack of registrations.

The online engagement platform and opt-in consultation workshop was promoted widely through Council's various communication channels, namely:

- Advertisements in the North Shore Times, Hornsby Advocate and Sydney Observer
- Direct mail out to 773 business ratepayers, considering business ratepayers were not surveyed through the recruited, representative survey
- Six Facebook posts, reaching 10,591 people
- Two tweets, reaching 533 people
- Email notifications to email subscriber lists, reaching 2,073 subscribers
- Notification in sustainability E-news (2,882 subscribers) and Ku-ring-gai E-news (9,336 subscribers)

Internal consultation took the form of:

- Staff consultation on a draft 10 year Environmental Levy program - a series of staff workshops were conducted to inform the development of a draft 10 year Environmental Levy program, to be presented to the community and Councillors for their feedback as part of the consultation process; across the themes of energy, biodiversity and bushfire, water and catchments, community engagement and community education, and sustainable transport and community recreation.
- Councillor briefing – Councillors were provided with an overview of the staff and community consultation process and a summary of the community consultation results; and were provided with an opportunity to give feedback on the draft 10 year Environmental Levy program; based on the outcomes of staff and community consultation.

The full suite of community consultation materials is included as **Attachment 5**.

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.

Demographic profiles

Recruited survey (n = 495)

Council contracted an independent market research company to conduct the recruited survey of at least 400 randomly selected Ku-ring-gai residential ratepayers. The sample size obtained for the survey (495) provides a maximum sampling error of approximately +/-4.5% at 95% confidence. The use of random selection methods and valid statistical survey techniques and survey analysis provides Council with research findings that they can confidently assert reflect the attitude of the broader Ku-ring-gai community.

The recruitment of respondents for the survey was conducted with quotas (by ward) in accordance with population estimates. It was not possible to set age and gender quotas due to the fact that in order to satisfy IPART requirements, respondents to the survey needed to be Ku-ring-gai Council rate payers, and there were no available demographic details for this sub-set of the overall community. Hence, recruitment was conducted to establish broad representation (by age and gender) of Ku-ring-gai ratepayers.

To maintain the demographic proportions required in the final survey results, a standard practice of post-weighting the results (by age and gender only) was applied in accordance with the profile of the representative sample initially recruited.

The demographic profile of the recruited survey respondents (after the post weighting) is as follows:

Ward		Age group		Gender	
Comenarra	21%	18-34	4%	Female	54%
Roseville	19%	35-54	30%	Male	46%
Gordon	19%	55+	66%		
Wahroonga	19%				
St Ives	22%				

For a survey of this nature a relatively good gender balance was achieved. In terms of the respondents' age profile, as a comparison, the age demographics of Ku-ring-gai's population

(with the total population base being those residents 19 years and older, considering we were targeting ratepayers, or 84,894 residents) are 20-34 year olds (19.2%); 35-55 year olds (39.5%); and 55+ years (41.2%), based on the Ku-ring-gai Council area Community Profile, 2016. It was assumed, however, that due to the high property prices in Ku-ring-gai, a lower proportion of 20-34 year olds would be ratepayers.

Recruited community consultation workshop (n = 29)

Quotas on survey responses (using the question relating to the three options for the continuation of the Levy and the question relating to the permanency of the Levy) were prioritised when recruiting for the community consultation workshop so that attendees reflected the outcomes of the survey attitudinally.

The demographic profile of the community consultation workshop attendees is as follows:

Ward		Age group		Gender	
Comenarra	24%	35-54	20%	Female	45%
Roseville	18%	55+	80%	Male	55%
Gordon	17%				
Wahroonga	24%				
St Ives	17%				

Online and printed surveys (n = 197)

The demographic profile of the online and printed survey respondents is as follows:

Suburb		Age group		Gender		Ratepayer category	
St Ives	13%	Under 18	5%	Female	60%	Residential ratepayer	84%
St Ives Chase	1%	18-35	10%	Male	39%	Business ratepayer	3%
Gordon	14%	36-50	30%	Other	1%	Residential & business ratepayer	4%
Pymble	11%	51-70	38%			Local business (non-ratepayer)	1%
West Pymble	5%	70+	17%			Local resident (non-ratepayer)	4%
Roseville	4%					None of the above	4%
Wahroonga	15%						
North Wahroonga	1%						
Killara	7%						
Lindfield	7%						
East Lindfield	5%						
Turramurra	10%						
North Turramurra	2%						
South Turramurra	1%						
Warrawee	2%						
Outside LGA	2%						

Consultation results

Importance of environmental programs and works

Recruited survey

Almost all respondents (97%) indicated they felt it was important for Council to continue to deliver programs and works that improve Ku-ring-gai's natural environment. Just under three

quarters of respondents (73%) indicated that it was 'very important' for this to continue (n = 495).

Online and printed surveys

A total of 92% respondents indicated they felt it was important for Council to continue to deliver programs and works that improve Ku-ring-gai's natural environment. A total of 83% of respondents indicated that it was 'very important' for this to continue (n = 197).

Satisfaction with Environmental Levy programs

Recruited survey

More than eight in ten respondents (with prior awareness of the Environmental Levy) indicated a level of satisfaction with the current funding program (84%), with almost three in ten (29%) being 'very satisfied' (n = 303).

Online and printed surveys

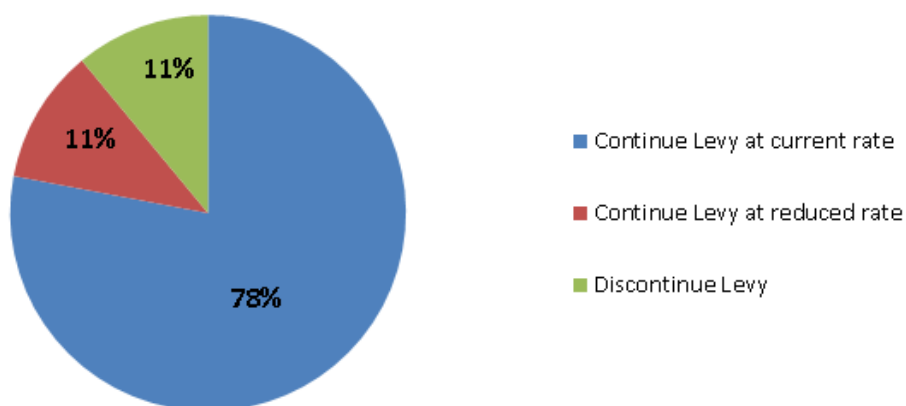
A total of 75% of respondents (with prior awareness of the Environmental Levy) indicated a level of satisfaction with the current funding program, with 39% being 'very satisfied' (n = 170).

Options in relation to the future of the Environmental Levy

When asked to choose one of the following three options:

- Continue the Environmental Levy at the existing rate (around \$80 a year for the average residential ratepayer and \$65 a year for the average business ratepayer);
- Continue the Environmental Levy at a reduced rate – and reduce the environmental services and programs offered; or
- Discontinue the Environmental Levy – fund environmental programs and works from base rates and reduce other Council services, the results were:

Recruited survey



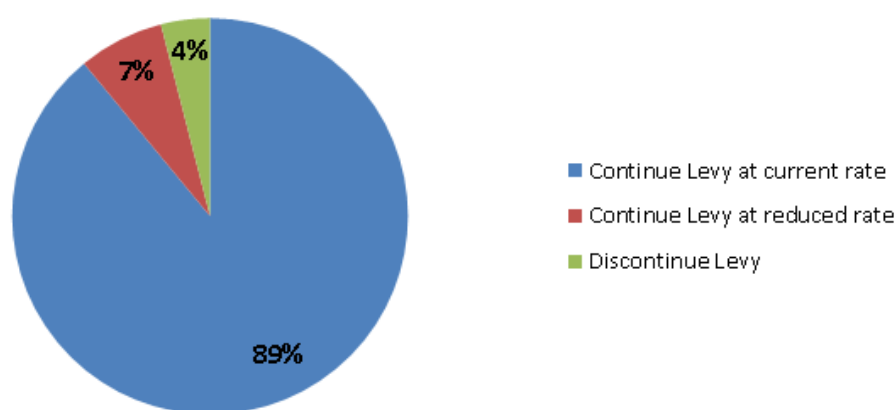
n = 495

Those who indicated a preference for the discontinuation of the Levy (n=56 respondents) were then asked to indicate why this was their preference.

The most common reason given for wanting to discontinue the current Environmental Levy was that 'the rates should be covering the Levy' (38%) i.e. that the environmental works should be covered under the general revenue collected through Council rates.

Some also felt that there was waste in the general expenditure of funds by indicating that "if they didn't spend money on stupid things they would have enough money without the levy" (17%). A similar proportion opted for the discontinuation because they hadn't seen evidence of what has been achieved to date (15%). Relatively few were objecting for financial reasons (9% indicated that it was "too expensive").

Community consultation workshop



n = 28

Even though a measure of this had already been captured in the main survey, participants at the community forum were asked to discuss the advantages and disadvantages of each potential outcome so that we would have a better understanding of why rate payers had made the choices that they made within the main survey (i.e. to explore the reasoning further).

The main advantages of continuing with the Levy at the same rate tended to relate to the fact that most were very happy with what Council had been doing to date in relation to the environment. They felt that there were a range of valuable programs in place that should be continued. A few of the participants even went as far as suggesting that the Levy could potentially even be increased in order to expand the program of works possible through the Levy. In terms of the monetary value, most felt it was not a large sum of money, and the benefits that they would draw from the program of works would more than make up for the expense involved. Participants were strongly in favour of the natural setting of their place of residence being maintained and potentially enhanced.

Another line of discussion was that this was the only option that will give Council the opportunity for certainty in what they are doing – and allow them to plan a full set of environmental programs. To this end it was felt to offer both Council and ratepayers some certainty.

In terms of potential disadvantages to continuing with the Environmental Levy at the current rate, some of the forum participants were sceptical of Council generally, and weren't sure that they could 'trust' that Council would spend all of the money on the environment, or that it would be efficiently managed. Cost was raised as a potential issue for some ratepayers.

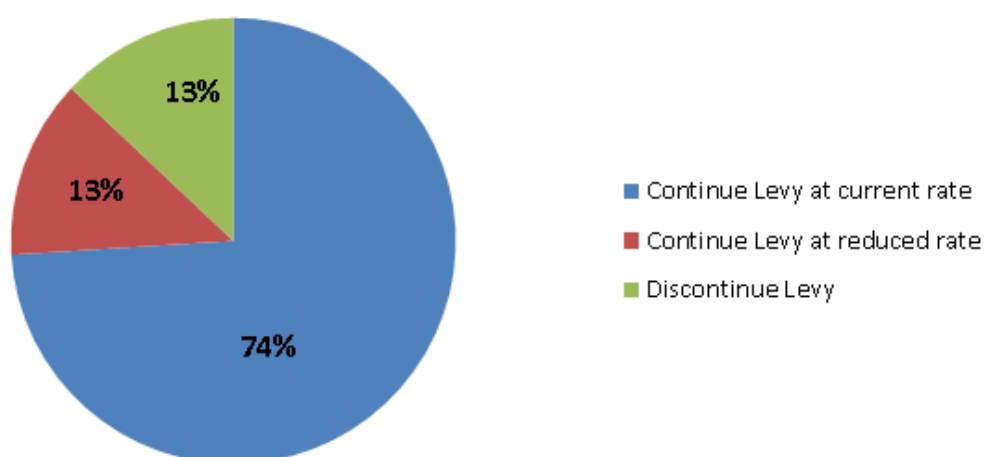
Overall, the only advantage of the option of continuing with the Environmental Levy at a reduced rate was seen to be that rate payers would be paying less for their rates each year. In terms of potential disadvantages of this option, the main concerns related to the idea of cutting back on the current set of services offered in this area. Some participants also raised specific implications such as the impact that this would have on the Council's ability to attract matched funding grants from other levels of Government, or the direct implication on (for example) reducing the number of staff that they could employ to work in this area. A few participants were also concerned about how the decisions would be made as to which services to keep and which ones to do away with.

The participants struggled to see what advantages there would be under the option to discontinue the Environmental Levy. The monetary saving was seen to be obvious, though not significant, and beyond that the forum participants were unable to provide any other potential advantages.

The disadvantages were seen to be more severe (than the option of continuing with the Levy but at a reduced rate) under this option. While they weren't sure which environmental services would be maintained, they also felt that other 'basic' Council services would be impacted if this option were to be selected.

In terms of disadvantages, the main one mentioned was the potential loss of current services. Some thought that this was quite short-sighted; suggesting that the environment needed to be enhanced not degraded.

Online and printed surveys



n = 197

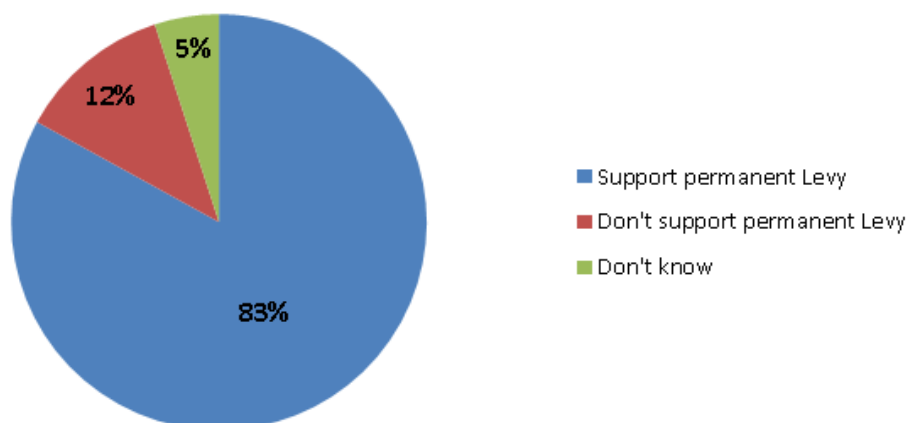
No reasons were given in the online and printed survey responses as to why respondents did not support the continuation of the Environmental Levy.

Support for the permanent continuation of the Environmental Levy

When asked the question do you support the permanent continuation of the Environmental Levy, the results were:

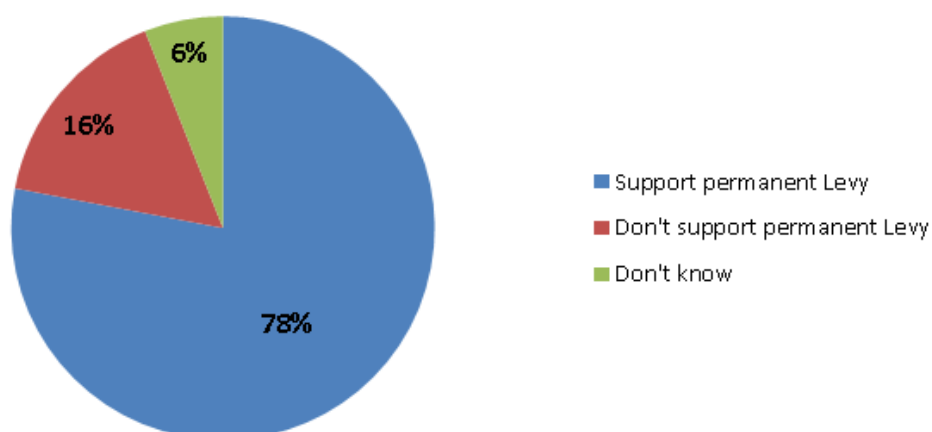
Recruited survey

Amongst those supporting the continuation of the Levy at the current rate (78%):



n = 388

Amongst those supporting the continuation of the Levy at the current or a reduced rate (89%):

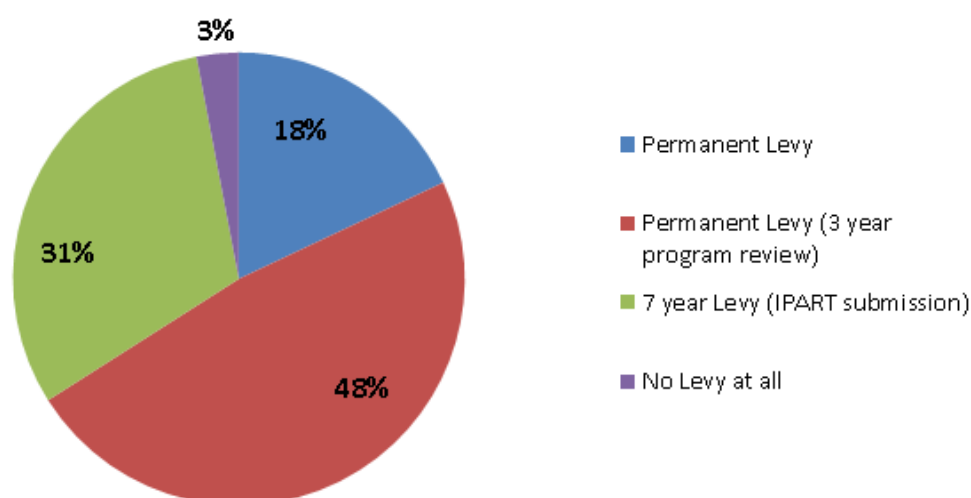


n = 442

The survey respondents who were in favour of the continuation of the Environmental Levy at the current or a reduced rate but did not support the permanent aspect of the Levy were asked to indicate why they were not in support of the Levy being in place on a permanent basis.

While based on a relatively small number of respondents, the most common reason given for not supporting the permanency of the Levy was that they liked the idea of Council having a review process in place every 7 years (59%). Some also believed that permanent programs can 'slack-off' and become 'inefficient' (22%).

Community consultation workshop



n = 28

The participants at the consultation workshop were asked to discuss the advantages and disadvantages of having a permanent Levy in place.

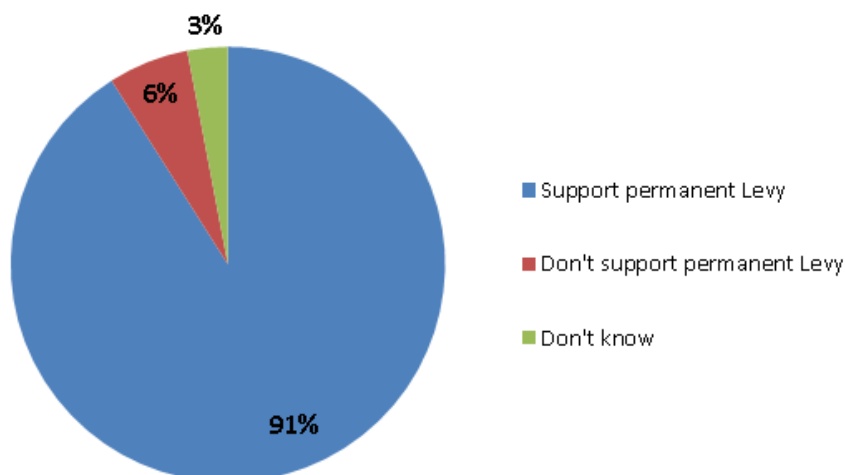
In terms of advantages, some participants simply referred to the good work that Council had been doing to date, and felt that it made sense that this was continued into the future. More specifically, there was discussion around the advantages that having an assured budget would have to the formulation of their long term plans.

A couple of participants also pointed to the fact that if the Levy was permanent there would be less 'hassle' for the Council, and they wouldn't have to go through another community consultation phase in another 7 years (which they assumed was an expensive process). There was also the suggestion that having a permanent Levy would show that the Council is committed to the environment.

However, at each of the tables, the idea of including a review in the process was raised, and this was ultimately seen to be important to most participants. While they had faith in Council based on their record to date (in this area), they didn't necessarily feel as though the Levy should continue on without any form of accountability and community review or input. To this end most agreed that forums (such as the one they were participating in) were a good way for detailed information to be delivered – thereby allowing the community to give feedback and express preferences moving forward. As such, a vote was undertaken on four potential options, as above.

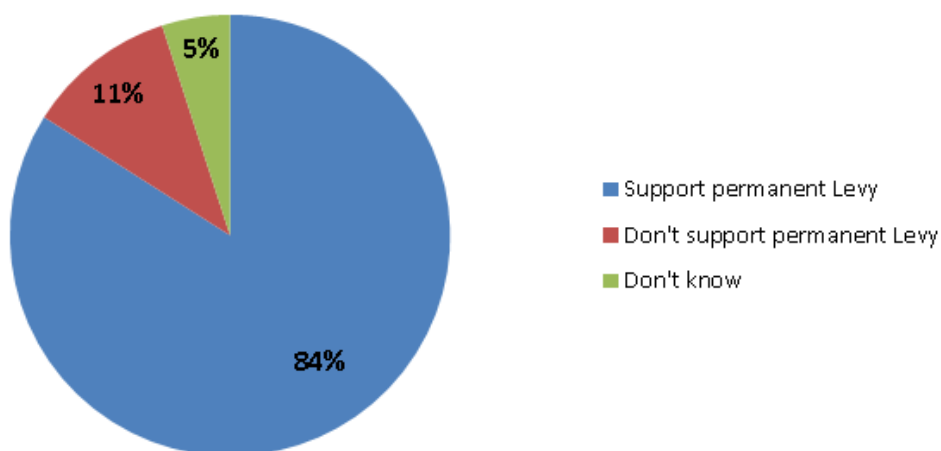
Online and printed surveys

Amongst those supporting the continuation of the Levy at the current rate (74%):



n = 147

Amongst those supporting the continuation of the Levy at the current or a reduced rate (87%):



n = 170

Of the 11% of respondents who didn't support a permanent Levy (n = 19 respondents) the reasons given were:

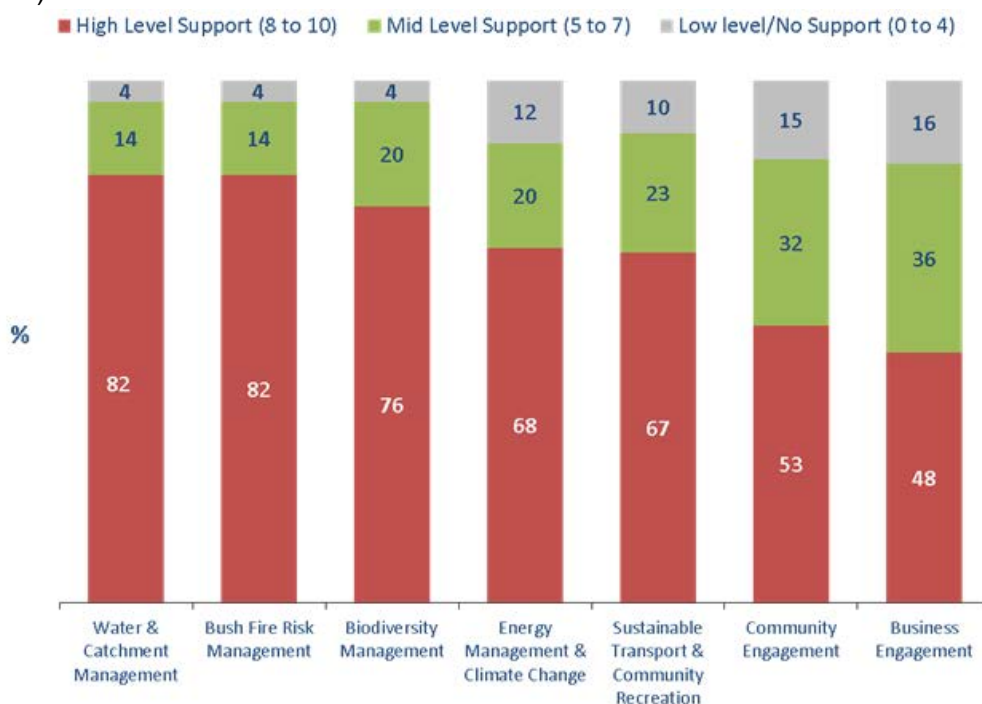
- Prevent misuse and wasting of these funds
- Create accountability
- 7 years is a reasonable framework for planning purposes and it may not be needed at the same rate forever
- Allows continuous monitoring on how effectively the money is being spent
- Might just become part of the rates collected and would no longer be ring fenced for special projects
- Good to reassess

Future Environmental Levy program priorities

When asked to rank their level of support for funding each program area on a scale of 0 (do not support at all) to 10 (very strong support), the results were:

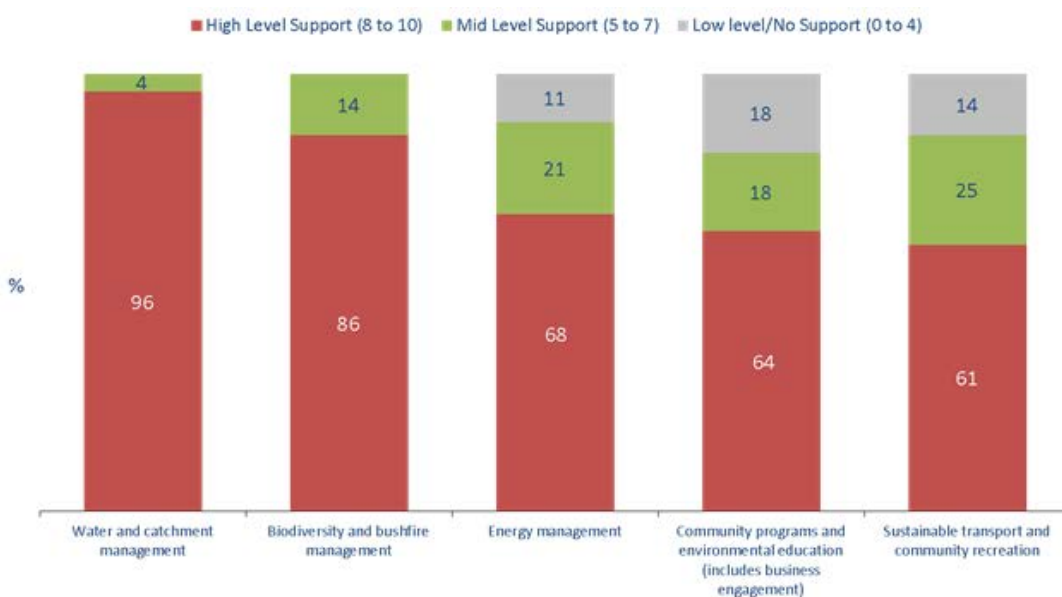
Recruited survey

Amongst those supporting the continuation of the Levy at the current or a reduced rate (89%):



n = 442

Community consultation workshop



n = 28

In overall terms, the consultation workshop participants were very positive in their feedback on the program areas. They felt that Council was tackling a wide range of environmental issues – to the extent that some were surprised at the variety of programs that Council was currently undertaking.

When asked why they thought the budget distribution was different to the pattern of support shown in the community survey results, some simply suggested that this could be due to some activities costing more than others.

Feedback in relation to energy management

Some of the aspects included in this program area were not what the participants would have expected the Levy to be covering. Upon further investigation it became clear that some participants had made the assumption that the funds from the Levy would be primarily used to enhance the natural environment around them (with projects that may enhance the biodiversity of the area or eradicate pest species for example), so they were somewhat surprised to see that within this program area there was money spent on initiatives such as data management systems and electric vehicles.

Some felt that these types of initiatives should be standard for a Council like Ku-ring-gai, and as such the money for these initiatives should come out of the general expenditure budget. Even so, most participants expressed support in relation to the overall plan of works outlined to them.

Feedback in relation to biodiversity and bushfire management

The type of projects outlined in this program area seemed to be much more in keeping with the prior expectations that participants had in relation to the Levy fund expenditure. They described them as projects that would enhance and maintain the natural environment – which fitted better with what they had been thinking of in relation to the Levy. It follows that overall there appeared to be a great deal of support for this program of works, and most agreed that these were high priority initiatives. However, at two of the three tables there were calls for Council to do more about the rabbit situation in the area.

Feedback in relation to water and catchment management

Again there was positive feedback obtained at each table in relation to this program area – particularly the projects related to waterway health. The issue of flooding was also a common point of discussion, stating that flooding is likely to become more prevalent with climate change, and that this area of work will become increasingly important.

The reference to stormwater also raised comment, as many felt that stormwater was a resource that was currently underutilised. A few participants also indicated that more could be done to clear stormwater pits and drains in order to prevent localised flooding when there were significant downpours.

Forum feedback in relation to sustainable transport and community recreation

While the initiatives listed in this program area were also seen as being important, there was again some discussion as to whether they should be funded through the Environmental

Levy. For example, cycle-ways did not necessarily fit with what participants had initially understood the Levy to cover – but were still seen to be important in outright terms. There was also support for more to be done with walking tracks – with the separation of these from cycle ways.

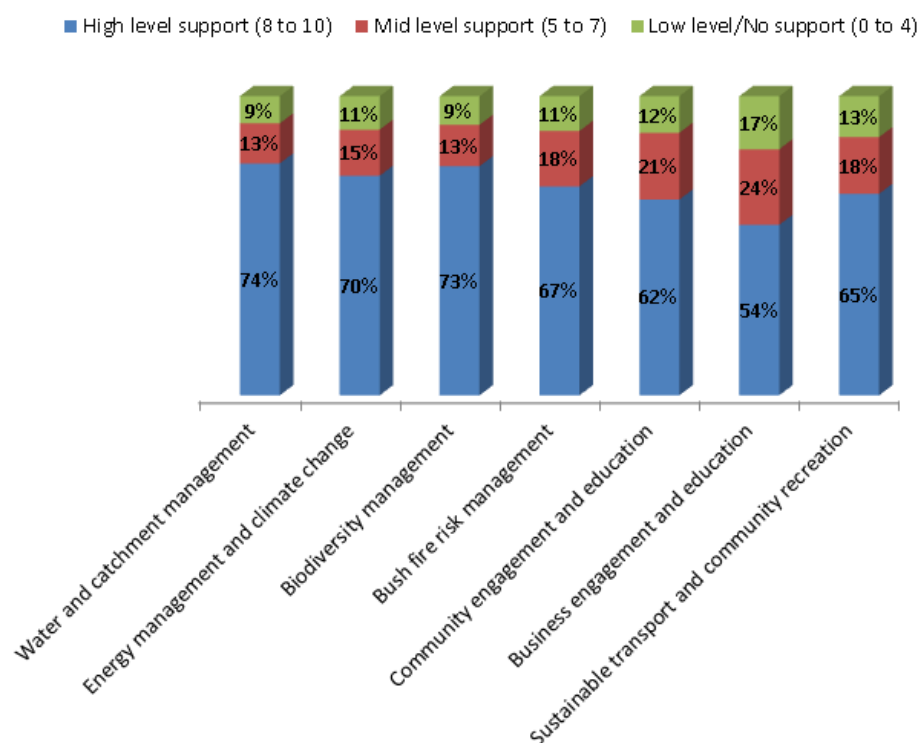
In terms of other suggestions, there was a call by a few participants for Council to look into ride sharing transport options, and transport on demand services.

The budget proportion attributed to this area was also a point of discussion at two of the three tables. Despite the reservations by some about these initiatives being funded by the Levy, they still felt that the projects were worthwhile, and wondered if more should be spent in this area, feeling that it was not a high enough proportion of the budget to result in significant infrastructure for more cycle ways and walking tracks.

Forum feedback in relation to community engagement and environmental education

The aspect of education resonated with most participants. They felt that it was important for the ‘average resident’ to be aware of the impact of their actions, and their ability to live more sustainably. Interestingly, however, the discussion at each table turned to education of the youth – with questions and suggestions that a schools program was required. In addition, the aspect of awareness was raised at each table. While participants felt that most of the projects that had been outlined to them in the presentation sounded good, but that they needed to be more broadly promoted.

Online and printed surveys



n = 197

Incorporating community feedback into the Environmental Levy program

The results of the community consultation demonstrate broad support for the proposed 10 year Environmental Levy program. In summary:

- There is 84% or more mid or high level support for all program areas presented in the 10 year Environmental Levy program amongst the recruited survey respondents;
- There is 82% or more mid or high level support for all program areas presented in the 10 year Environmental Levy program amongst the recruited community consultation workshop respondents; and
- There is 78% or more mid or high level support for all program areas presented in the 10 year Environmental Levy program amongst the online and printed survey respondents.

Community feedback on the levels of support for funding each program area from the recruited survey show an extremely high level of support for the water and catchment management and bush fire risk management programs; high levels of support for the biodiversity management program; slightly lower levels of support, relatively, for the energy management and climate change and sustainable transport and community recreation programs; and the lowest level of support, relatively, for the community and business engagement programs.

Community feedback on the levels of support for funding each program area from the community consultation workshop show an extremely high level of support for the water and catchment management program; high levels of support for the biodiversity and bush fire risk management programs; slightly lower levels of support, relatively, for the energy management and community and business engagement programs; and programs; and the lowest level of support, relatively, for the sustainable transport and community recreation programs.

The online and printed survey results indicated a more even spread of strong funding support for the water and catchment management, energy management and climate change and biodiversity management programs, with slightly lower levels of support, relatively, for the bush fire risk management, sustainable transport and community recreation, and community engagement programs. The business engagement program received the lowest level of support, relatively.

As a result of the community feedback received on the draft Levy program *:

- A 'pest species management in key reserves' budget line has been added; in accordance with the same feedback received by staff in developing the draft program
- The Levy auditing budget line has been expanded to include community consultation, to ensure that a three year program review is conducted with the community, in accordance with a key recommendation from the community consultation workshop
- Water and catchment management program funding has been increased in the final program, in comparison to the funding amounts identified by Council staff in developing the draft program
- Community engagement and education program funding has been decreased in the final program, in comparison to the funding amounts identified by Council staff in developing the draft program

- Funding for sustainable transport and community recreation in natural areas represents a smaller proportion of the overall program budget. Funding for recreation in natural areas (including walking tracks) has been increased and funding for cycle ways has been decreased, compared to the Environmental Levy budget for 2011/12 – 2018/19
- Funding for business engagement represents a smaller proportion of the overall program budget (noting the business engagement program transitions from a partly funded to a fully funded Levy program from 2020/21 onwards)
- The community engagement and environmental education program incorporates a proportion of funding for the delivery of programs to achieve positive biodiversity, bush fire risk and water and catchment management outcomes, namely, the Climate Wise Communities program; Wild Things urban biodiversity program; 'Water Smart' rebate program; and environmental volunteering program, in response to the high priority the community places on the water and catchment management, biodiversity and bush fire risk management program areas

* Please note that a 10 year (2019/20 – 2028/29) Environmental Levy program was presented to Council on 27 November 2018, based on (i) the results of the staff consultation conducted to inform the program and the feedback received through community consultation; and (ii) current year prices (with an estimated income of \$3 million a year). The 10 year Environmental Levy program supporting this application has been revised to match the predicted amount of income raised from the SRV from 2019/20 to 2028-29 (see Part A: Worksheet 6 – Expenditure Program). The allocation of funding across programs and the total budget allocation to each program area in the revised program continues to align with (in fact, more closely aligns with) community priorities and the feedback obtained through the staff consultation and community consultation process (as described above). The large proportion of changes in the revised program simply reflects the rate peg (2.5%) increase in future funding years.

Email submissions

In addition, four email submissions were received throughout the community consultation period. A summary of these submissions and Council's response is provided below:

Submission number	Submission content	Council response
1	We are not opposed to renewing the environmental levy in 2019 as proposed as long as it is reviewed for its efficacy. Governments always seem to believe that they are spending our money to our advantage, but to verify those assertions, taxation needs return-on-investment review periodically to ensure value/validity of the taxation; permanence will lessen if not eliminate those review cycles (i.e. taken for granted by Ku-ring-gai Council by those who administer the program (i.e. efficiency concerns). Please place us in the “NO” to permanence but “YES” to renewal in 2019 IF independent auditing validates its necessity and real value for renewal for another period as was the last one.	The Levy auditing budget line has been expanded to include community consultation, to ensure that a three year program review is conducted with feedback from the community (including a community consultation workshop). Extensive community consultation has been conducted to ensure validation of the Environmental Levy's necessity and value.
2	2 million in the can..... scratch me happy if it pays more we could all do with car parks.	Comment noted
3	Would like funding for: 1. Safety on our bush tracks. I lead senior bushwalks for 2 groups and many of our steps are too eroded and steep for most of us, for example Seven Little Australians and parts of the STEP track 2. Weeding some of the spectacular cliff faces beside our roads, for example, Milton Rd off Ravenhill South Turrumurra. Some require minimum help although many are large projects.	Funding has been allocated to recreation in natural areas, which will include the maintenance and renewal of walking tracks. Funding has also been allocated to the environmental volunteering program, which could include supporting groups conduct weeding in areas identified as a priority by the community.
4	I would like the Levy to be continued for: Bushcare, school environment 'hand on education', for street landscapes with native plants and replacing all the trees that have been removed; for public education on recycling, for Council to execute the latest technology for the ultimate disposal of all the waste.	The initiatives in this submission are in accordance with the proposed 10 year Environmental Levy program.

A full summary of the results for the recruited survey and recruited community consultation workshop is included as **Attachment 6a**. A full summary of the results for the online and printed surveys is included as **Attachment 6b**.

The importance the community places on programs and works that improve Ku-ring-gai's natural environment; the community's strong support for a permanent Special Rate Variation for the continuation of the Environmental Levy at the current rate (5%); and the community's ongoing willingness to pay for the environmental programs and works funded by the Environmental Levy have been clearly demonstrated by the community consultation results outlined in this section of the application.

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.

Council's current rating structure is outlined in the tables below. Two scenarios, with and without the SRV for environmental programs and works, are demonstrated. There is no impact on minimum rates as a result of this application.

The current SRV is expiring at the end of 2018/19 and if the proposed SRV is not approved Council will reflect the current expiring Levy and then increase the total rates each year by the rate peg only.

If the proposed SRV is approved, the additional revenue generated from the SRV will permanently form part of Council's revenue base. It must be noted that if Council's application is successful there is no change to the status quo as the ratepayers will continue

to pay the Environmental Levy at current rates. The increase in rates will be mainly due to the rate peg.

Council's current rating structure for both scenarios is presented in the tables below.

Rates structure with Special Rate Variation

Rate Pegging increase of 7.70%					
Type	Category	Rate in \$	Min/Base Amount (\$)	% of Revenue from Base for each rate	Yield \$
Ordinary	Residential	0.00067642	540		\$31,017,862
Ordinary	Business	0.00473420	540		\$4,561,000
Special	Infrastructure - Primary Rate	0.00031542			\$12,401,841
Special	Infrastructure - Primary Rate		278	49.84%	\$12,322,350
Special	Infrastructure - Special Rate Variation	0.00003791			\$1,490,708
Special	Infrastructure - Special Rate Variation		33	49.53%	\$1,462,725
Special	Environmental - Special Rate Variation	0.00007834			\$3,080,192

Rates structure without Special Rate Variation

Rate Pegging increase of 2.70%					
Type	Category	Rate in \$	Min/Base Amount (\$)	% of Revenue from Base for each rate	Yield \$
Ordinary	Residential	0.00068159	540		\$31,189,804
Ordinary	Business	0.00455041	540		\$4,389,056
Special	Infrastructure - Primary Rate	0.00031542			\$12,401,840
Special	Infrastructure - Primary Rate		278	49.84%	\$12,322,350
Special	Infrastructure - Special Rate Variation	0.00003791			\$1,490,708
Special	Infrastructure - Special Rate Variation		33	49.53%	\$1,462,725

Impact on ratepayers

The impact on the average ratepayer (residential and business) for the two scenarios is modelled in Part A of this application. The modelling assumes an average residential rate of \$1,370 and an average business rate of \$4,740 per annum. A summary of the impact on average residential and business ratepayers for both scenarios was extracted from Part A and is presented below.

Scenario With SRV (Extract from Part A)

	2018/19	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cummulative Increase
Residential Rate	1,371	1,411	1,446	1,483	1,520	1,558	1,597	1,637	
Annual Increase (%)		2.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	19.38%
Annual Increase (\$)		40	35	36	37	38	39	40	266

	2018/19	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cummulative Increase
Business Rate	4,743	4,918	5,041	5,167	5,297	5,429	5,565	5,704	
Annual Increase (%)		3.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	20.27%
Annual Increase (\$)		176	123	126	129	132	136	139	961

If the continuation of the SRV is approved, the average residential ratepayer will continue to pay the existing Levy into the future. In 2019/20 the annual increase will be around \$40 (or a 2.9% increase) on an average residential rate of \$1,370, due to the impact of the expiring SRV in 2018/19 and its replacement with the permanent increase to the rate base, as well as the impact of the assumed rate peg. From Year 1 rates will increase by the rate peg only. The cumulative rate increase by Year 6 will be \$266 or 19.38%.

Average business rates will see a similar movement, with a cumulative increase of \$961 or 20.27% by Year 6.

Scenario Without SRV (Extract from Part A)

	2018/19	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cummulative Increase
Residential Rate	1,371	1,346	1,380	1,414	1,450	1,486	1,523	1,561	
Annual Increase (%)		-1.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	13.88%
Annual Increase (\$)		- 25	34	34	35	36	37	38	190

	2018/19	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Cummulative Increase
Business Rate	4,743	4,690	4,807	4,927	5,051	5,177	5,306	5,439	
Annual Increase (%)		-1.1%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	14.69%
Annual Increase (\$)		- 53	117	120	123	126	129	133	696

If the continuation of the SRV is not approved, the average residential ratepayer will see a slight reduction in their rates in 2019/20, due to the expiring SRV (by approximately \$25 or 1.8%). The reduced average rate will form the basis for future increases as the rate peg is applied. The cumulative rate increase by Year 6 in this scenario is \$190 or 13.88%

Average business rates will see a similar movement, with a cumulative increase of \$696 or 14.69% by Year 6.

The two scenarios above highlight that the permanent SRV will contribute to a cumulative variation of \$76 by Year 6 for the average residential rate and \$265 by Year 6 for the average business rate (with SRV – without SRV). Council considers this to be an affordable increase which will have no major impact on ratepayers.

The current Environmental Levy is \$63 per annum on an average residential rate of \$1,370. Due to strong support from the community and the factors described above it is reasonable to ask the ratepayers to continue to pay this Levy into the future, to secure the ongoing delivery of Council's environmental program.

Change in rates by category of ratepayer

The change in rates will not be evenly distributed across all ratepayers. The following table shows changes from actual rates levied in 2018/19 to 2019/20 for five different categories of ratepayers with different property valuations:

Impact on assessments with and without the Special Rate Variation

Group	Typical Valuation	Actual	With - Special variation		Without - Special variation	
		2018/2019	2019/2020	Change	2019/2020	Change
Minimum Rates	325,000	1,372	1,399	27	1,373	1
Average Rates	1,210,000	2,084	2,132	48	2,043	-40
Pensioner - Minimum Rates	325,000	1,005	1,030	24	1,055	49
Pensioner - Average Rates	1,210,000	1,657	1,701	44	1,691	35
Top 200 Ratepayers	3,500,000	4,543	4,669	126	4,413	-130

If the SRV is not renewed, the ratepayers in the most disadvantaged categories – pensioners on minimum or average rates - are most disadvantaged and will have to pay increased rates, as indicated in the table above. This is because these ratepayers are currently granted a voluntary Council rebate of the whole SRV and this component of their total rebate will be withdrawn as it will no longer be charged. The voluntary rebate will be reduced from 8.5% to 5% to account for this. At the other extreme, households in the top 200 properties, by valuation, will receive an average reduction in total rates of \$130.

In conclusion, Council considers that the proposed SRV is reasonable on ratepayers and Council's Delivery Program and LTFP clearly show the two scenarios, with and without the SRV, the impact on ratepayers and a consideration of the community's capacity and willingness to continue to pay the SRV. It must be noted that the assumptions in the LTFP are slightly different to the current assumptions due to timing differences and changes in various assumptions behind the modelling (that is, changes to rate peg etc).

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.

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

What will the minimum amount of the special rate be after the proposed increase? \$ _____

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.

Not applicable

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 (%) _____ (\$)

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

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.

Council is seeking a permanent continuation of an existing Environmental Levy that has been in place since 2005. Given the size of the proposed SRV and the fact that the SRV is already being paid by the ratepayers, no significant additional financial costs will be imposed on the community or the ratepayer's capacity to pay. Strong community support for the permanent continuation of the Environmental Levy also indicates the community's capacity and willingness to pay. To establish further the affordability of the SRV and the community's capacity to pay, Council referred to such indicators as the Socio – Economic Indexes for Areas (SEIFA), household income, employment status and the rates & annual charges outstanding percentage. These are discussed in turn, below.

- **Index of disadvantage**

SEIFA is an aggregate measure that takes into account aspects of disadvantage, such as high unemployment, low skilled occupations, low education levels and incomes, to score each area on a continuum from very disadvantaged to highly advantaged. The SEIFA index confirms that residents of the Ku-ring-gai area are the least disadvantaged in the Greater Sydney Region. The average for Australia is approximately 1,000, with lower numbers indicating more disadvantage and higher numbers less disadvantage. The score for the Ku-ring-gai area is above the Australian average.

- **Household income**

Household income is one of the most important indicators of socio-economic status. Along with other indicators, such as qualifications and occupation, it helps reveal economic opportunities and socio-economic status. In 2016, Ku-ring-gai Council reported the highest median income of any Local Government Area (LGA) in NSW, with 46% of households earning an income of \$2,500 or more per week compared to 28% for the Greater Sydney Region, as per the table below:

Ku-ring-gai Council LGA 2016			
Weekly household Income	Number	%	Greater Sydney %
Negative/ Nil income	688	1.8%	1.9%
\$1-\$149 (\$1-\$7,799)	255	0.7%	0.7%
\$150-\$299 (\$7,800-\$15,599)	392	1.0%	1.8%
\$300-\$399 (\$15,600-\$20,799)	389	1.0%	2.4%
\$400-\$499 (\$20,800-\$25,999)	969	2.5%	4.9%
\$500-\$649 (\$26,000-\$33,799)	942	2.4%	3.4%
\$650-\$799 (\$33,800-\$41,599)	1,193	3.1%	5.5%
\$800-\$999 (\$41,600-\$51,999)	1,409	3.6%	5.4%
\$1,000-\$1,249 (\$52,000-\$64,999)	1,885	4.9%	6.9%
\$1,250-\$1,499 (\$65,000-\$77,999)	1,792	4.6%	6.4%
\$1,500-\$1,749 (\$78,000-\$90,999)	1,609	4.1%	5.6%
\$1,750-\$1,999 (\$91,000-\$103,999)	1,634	4.2%	5.5%
\$2,000-\$2,499 (\$104,000-\$129,999)	3,417	8.8%	11.1%
\$2,500-\$2,999 (\$130,000-\$155,999)	2,368	6.1%	7.1%
\$3,000-\$3,499 (\$156,000-\$181,999)	1,999	5.2%	5.1%
\$3,500-\$3,999 (\$182,000-\$207,999)	3,126	8.1%	5.3%
\$4,000-\$4,499 (\$208,000-\$233,999)	2,051	5.3%	2.7%
\$4,500-\$4,999 (\$234,000-\$259,999)	2,253	5.8%	2.6%
\$5,000-\$5,999 (\$260,000-\$311,999)	2,556	6.6%	2.7%
\$6,000-\$7,999 (\$312,000-\$415,999)	3,011	7.8%	2.5%
\$8,000 or more (\$416,000 or more)	473	1.2%	0.3%
Partial income stated	3,715	9.6%	7.8%
All incomes not stated	651	1.7%	2.3%
Total Households	38,777	100.0%	100.0%

(Source: Australia Bureau of Statistics, Census of Population and Housing 2016)

- **Employment status**

Ku-ring-gai Council has high labour force participation and a very low unemployment rate. In 2016 a total of 54,924 (95%) people living in the area were employed, out of which 62% were employed full time and 34% part time, as per the table below:

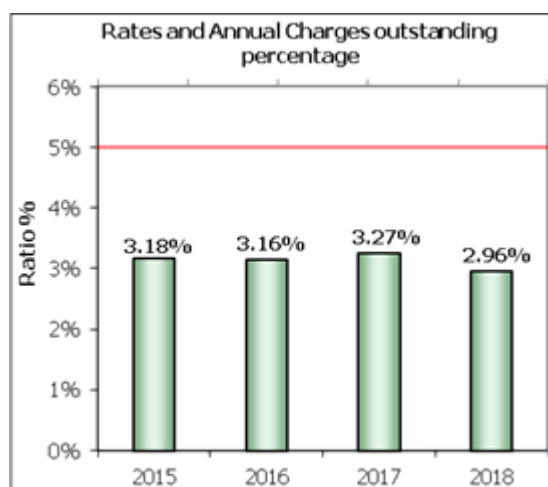
Ku-ring-gai LGA		2016	
Employment Status	Number	%	Greater Sydney %
Employed, worked full-time	34,304	60%	61%
Employed, worked part-time	18,484	32%	28%
Employed, away from work	2,136	4%	5%
Unemployed, looking for work	2,704	5%	6%
Total Labour Force	57,628	100%	100%

(Source: Australia Bureau of Statistics, Census of Population and Housing 2016)

- **Rates and Annual Charge Outstanding Ratio**

Evidence of capacity and affordability to pay is also demonstrated by a low Rates and Annual Charge Outstanding Ratio for a number of years. The "Rates and Annual Charges Outstanding Ratio" assesses the impact of the percentage of rates and annual charges that are unpaid at the end of the financial year. This is a measure of how well Council is managing debt recovery and how well the community is complying with the rates and charges payment terms.

Rates collection has remained stable over the last 4 years and Council has exceeded the benchmark of less than 5% for the last 4 years, with only 2.96% of outstanding rates and charges at the end of last financial year, an improvement of 0.7% from the year before.



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 X	No <input type="checkbox"/>
If Yes, is an interest charge applied to late rate payments?	Yes X	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 X *	No <input type="checkbox"/>

* Please note that Council does not propose to introduce any new measures - the measures are already in place since this is a continuation of an existing Environmental Levy.

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).

Since this application is a continuation of an existing SRV, Council proposes to continue with its existing measures to address hardships, which are explained below.

Council has a Rates and Charges Recovery Policy (Hardship Policy) (see **Attachment 7**) with the following objectives:

- To ensure a fair, consistent and accountable approach to Council's debt management and collection decisions and practices;

-
- To be sympathetic and helpful to those ratepayers suffering genuine financial hardship
 - To fulfil the statutory requirements of the Local Government Act and associated Local Government Regulations with respect to the recovery of rates and charges; and
 - To assist in the efficient management of Council assets through the timely collection of outstanding monies.

Special rate variations are included within Council Rates and Charges Recovery Policy for eligible pensioners. The financial modelling undertaken as part of the income anticipated from the renewal of the Environmental Levy has considered and included exemptions for pensioners. Council's Rates and Charges Recovery Policy grants a voluntary pensioner rebate of 8.5% of the total rates and charges levied. This rebate amount was originally determined to eliminate, on average, for all pensioners, the requirement for them to pay any of Council's special rate variations and the Stormwater Management Levy.

However, if the existing SRV for environmental programs and works is not continued, the component of this SRV's pensioner rate rebate, estimated at 3%, will need to be subtracted, producing a reduced rebate of 5% for 2019/20. This may cause some hardship to pensioners on or close to minimum rates. The continuation of the Levy is unlikely to create financial stress or hardship as the Levy has been in place since 2005 and the community has indicated strong support for its permanent continuation.

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.

Community engagement and consultation for the review and development of the *Our Ku-ring-gai 2038 Community Strategic Plan, Delivery Program 2018-2021 and Operational Plan 2018-19 and Resourcing Strategy 2018-2028* (including the Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy) was guided by a Community Engagement Strategy, presented to Council in October 2017.

Phase 1 of the community consultation program (conducted in late 2017 and early 2018) involved:

- Community research survey into community issues, priorities, wellbeing indicators and satisfaction with Council services
- Community needs research and analysis with community organisations
- Local business survey
- Seniors' wellbeing survey
- Youth workshops
- Community planning workshops with residents from five council wards
- Opt-in online survey for all Ku-ring-gai residents and businesses
- Hardcopy surveys for library users

The Community Engagement Strategy, a summary of social and economic trends and state and regional policies affecting Ku-ring-gai into the future and a summary of community

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.

feedback from phase 1 of engagement and consultation activities is provided in the *Our Ku-ring-gai 2038 Discussion Paper* (**Attachment 17**).

The results of the phase 1 community engagement and consultation activities was a reaffirmation of the community's priorities reflected in the issues and long term objectives in the previous Community Strategic Plan. The Natural Environment theme continued to be a strong priority for the community. Accordingly, those issues and long term objectives were restated in the draft *Our Ku-ring-gai 2038 Community Strategic Plan* and updates were only made to the social and economic profile of Ku-ring-gai going forward; local, regional and state government policy settings; and indicators of progress for the long term objectives.

The results of the phase 1 community engagement and consultation activities led to the addition and / or revision of a number of term achievements and operational plan tasks, reflected in the draft *Delivery Program 2018-2021 and Operational Plan 2018-19*.

The Environmental Levy program directly responds to, and facilitates the achievement of, the community's long term objectives in the draft *Our Ku-ring-gai 2038 Community Strategic Plan* and the term achievements in the draft *Delivery Program 2018-2021 and Operational Plan 2018-2019* in response to phase 1 of the community engagement and consultation activities.

A suite of information on the SRV application for the permanent continuation of the Environmental Levy, in accordance with the *Guidelines for the preparation of an application for a special variation to general income*, was included in the draft *Our Ku-ring-gai 2038 Community Strategic Plan* (see extract in **Attachment 1**, draft *Delivery Program 2018-2021 and Operational Plan 2018-2019* (see extract in **Attachment 2**), and draft *Resourcing Strategy 2018 – 2028* (see extract in **Attachment 12**).

Phase 2 of the community consultation program involved the public exhibition of the draft *Our Ku-ring-gai 2038 Community Strategic Plan*; *Our Ku-ring-gai 2038 Discussion Paper*; draft *Delivery Program 2018-2021 and Operational Plan 2018-19* (including the proposed budget for the capital works program and operational projects to be funded by the Environmental Levy from 2018/19 -2020/21); and draft *Resourcing Strategy 2018-2028* (including the Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy), for 29 days from 11 May to 8 June 2018. Copies of the exhibition documents were made available at Council's Customer Service Centre at Chambers and Council's four (4) libraries, as well as being available on Council's website.

Notification of the exhibition included a local newspaper advertisement within Council's dedicated corporate advertisement section as well as information on Council's website homepage with direct links to a dedicated page explaining the exhibition and documents. The following table provides a summary of the advertising and notifications undertaken as part of the exhibition of the draft *Our Ku-ring-gai 2038 Community Strategic Plan*, *Delivery Program 2018-2021 and Operational Plan 2018-19* and *Resourcing Strategy 2018-2028*:

Action	Stakeholders	Details
Newspaper advertisement	All stakeholders	North Shore Times – information on exhibition details and how to comment

Action	Stakeholders	Details
Digital advertising	All stakeholders	North Shore Times and NewsCorp – advertising via mobile devices and personal computers for the duration of the exhibition period
Council website	All stakeholders	Exhibition information, copies of exhibition plans and online submission form
Council libraries and customer service centre	All stakeholders	Hard copies of all plans available
Council E-news	Subscribed stakeholders	Informing stakeholders of exhibition and how to comment
Social media – Facebook, Twitter, Instagram and LinkedIn	Subscribed stakeholders	Informing stakeholders of exhibition and how to comment
Digital signage	All stakeholders	Customer Service Bus shelters Informing stakeholders of exhibition and how to comment
Email, phone, brochure or letter notifications – direct to residents	2017 Ward community planning workshop registrants	260
	Seniors programs participants	188
	Residents requiring assistance	Librarius - 70 people using the Home Library Service; 154 registered users; 72 institutions
Email notifications – community organisations and groups	Sporting organisations	110
	Environmental organisations and groups	10
	Youth organisations	Posted on Hornsby Ku-ring-gai Youth network (HKYN0 and emailed to 3 youth development agencies - for advertising to users of these services
	Non- government organisations and service providers	14
	Council child care - Thomas Carlyle Centre, Vacation Care and Family Day Care	Distributed to all users of these services
	Disability service organisations and groups	89
	Community organisations and groups - other	381
	Volunteer groups and contacts	78
Email notifications and e-news – business	Local businesses	689

Action	Stakeholders	Details
Translated brochures	CALD groups - Korean, Simplified Chinese and Traditional Chinese languages	300 brochures distributed to library and customer service centre
Email notifications	Government departments and agencies	77 - groups or contacts
	Council Committees	4
Letter notifications	Federal and State Local Members	3

No submissions were received from the community, as a result of the public exhibition process, on the sections within any of the documents containing information on the SRV application for the permanent continuation of the Environmental Levy. The public exhibition process also reaffirmed the community's support for the long term objectives in the *Our Ku-ring-gai 2038 Community Strategic Plan* and the term achievements in the *Delivery Program 2018-2021 and Operational Plan 2018-19*; which the Environmental Levy program directly responds to and supports; and the proposed budget for the capital works program and operational projects to be funded by the Environmental Levy from 2018/19 -2020/21.

The *Our Ku-ring-gai 2038 Community Strategic Plan*; *Delivery Program 2018-2021 and Operational Plan 2018-19*; and *Resourcing Strategy 2018-2028* were adopted by Council on 26 June 2018 (**see Attachment 11**).

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.

Council has demonstrated financial discipline over a long period of time, containing the cost of providing services within a culture of continuous productivity improvement. When T-Corp undertook financial assessments in 2013 Council was rated as Sound with a Neutral outlook, placing Council in the top 16 Councils in NSW who have achieved the same or a better rating. Subsequently, when IPART undertook a further assessment under the Fit for the Future program, Council was assessed as fit on all financial indicators.

IPART has referred to what might be considered a high level measure of efficiency as being the trend over time of a council's operating expenses per capita. Based on Council's LTFFP and population forecasts, over the next 10 years the operating expenses per capita will decrease by approximately 1% per year.

Another measure that may indicate efficiency is the council's employee costs as a percentage of total operating expenses. In the 2017/18 financial year, Ku-ring-gai Council's employee costs as a percentage of total operating expenses was 32%, compared to the average of urban metropolitan councils of 41%. This reflects Ku-ring-gai Council's strategy of outsourcing the provision of services where it is cost effective to do so.

Council has developed a financial sustainability roadmap and initiated a process to review services and identify opportunities for savings, efficiencies and additional revenue within the organisation. In 2017/18 Council initiated a service review process throughout the

organisation which was identified as a horizontal service review. The service review engaged the whole organisation to identify and explore improvement opportunities. The intention of this process was to look broadly across the organisation, with a focus on opportunities that would generate revenue or cost savings, whether immediately or through efficiency improvements over time. As a result of the service review \$23 million (2017/18 prices) was identified over the next 10 years of the LTFP.

Council's current funding strategy is based on the principle that all available surplus funds will be diverted towards Council's infrastructure asset renewals as a priority. As a result, the additional funding from the horizontal service review (\$23 million over the next 10 years) was allocated to infrastructure renewal. Other funding sources (other than the horizontal service review) were identified for infrastructure assets renewal via various other initiatives and sources and are reflected and explained in more detail in Council's LTFP.

The following improvement opportunities were identified through the horizontal service review process:

- **Review of management of community and recreation facilities** – in 2017/18 an assessment was undertaken into the management, access and utilisation of Council's community facilities, to ensure fair and equitable access to Council's community facilities for user groups, with a view to maximise the utilisation of community assets and review the revenue, along with the rebates and subsidies provided by Council. Through this process all subsidy levels were assessed against set criteria and adjusted where appropriate. This review resulted in additional income to Council of approximately \$50 to 150k per annum within three years, gradually increasing to \$450k per annum within five years.
- **Review of subsidies to achieve a break-even result for various services** - Various other services and programs were reviewed where Council provides services or runs programs on a less than cost recovery basis. Programs run by the art centre and vacation care programs were assessed in detail in terms of cost drivers and the fee associated with providing the service. This review resulted in a net saving of \$120k pa in the first year rising to \$220k pa within three years.
- **Compliance Levy** - additional income was identified from introducing a new Compliance Levy on new development applications. With the increase in population and development in the Ku-ring-gai Council area, there are greater demands on Council to ensure compliance with legislation. There is also an expectation in the community that Council officers are available to take effective action. The Compliance Levy allows Council to engage additional resources and also ensures the reimbursement of the costs incurred by Council in investigating and enforcing compliance with the requirements of the *Environmental Planning and Assessment Act 1979*. Additional income from the Compliance Levy is estimated to raise more than \$500k per annum.
- **Domestic waste internal charges review** – Council undertook a detailed review of its domestic waste internal charges to ensure all costs associated with domestic waste management are correctly identified and are used to calculate the reasonable cost of providing the service. The domestic waste charge covers the cost for waste and recycling services and any other costs associated with effectively managing the domestic waste management services provided by Council. As a result of this review

approximately \$300k per annum was released from general funds and redirected towards asset renewal and maintenance.

- **Parking management revenue** – Council recognised that it did not have sufficient staff resources to adequately monitor car parking compliance. An additional parking officer was employed to meet the demand and is estimated to generate additional net revenue of \$200k pa.
- **Other service review items** – a range of other initiatives have been introduced to reduce the cost of providing services. This includes reducing budgets where possible, introducing or changing some fees for services, reviewing rebates, introducing new revenue generating activities and renting out surplus properties. These other initiatives amount to \$515k per annum within 3 years.

Other productivity improvements and cost containment strategies Council has implemented in recent years include:

- Completion of a benchmark review of fees for the hire of sports ovals and facilities, quantifying the true cost of providing the service through full cost recovery, which provided additional revenue of \$900K over the last 4 years and is ongoing. This review commenced in 2014/15.
- The supply and installation of a new suite of printers, multifunction devices and a print management solution across Council which has had significant environmental benefits, namely reduced paper and consumables wastage and the associated reduction in energy use resulting from machines not operating to print unwanted print jobs. For the period June 2017 to March 2018, usage charges dropped by \$44,924, a 58% reduction compared to the period June 2016 to March 2017, and page counts dropped by 119,965, representing a 6% reduction.
- In collaboration with SSROC and 17 other councils, the procurement of renewable energy for 30% of the Council's needs. This outcome is a significant step forward for Council, as it seeks to achieve its goal of net zero emissions. With a fixed price over 11.5 years, the contract also provides Council with protection from future electricity price rises, and net savings conservatively estimated at \$396,000.
- A 13% reduction in annual energy use and a reduction in annual electricity costs of \$150,000 across all of Council's buildings and facilities (since their peak in 2015/16) as a result of Council's energy management program, primarily funded through the Environmental Levy
- The reuse of 651,157 kL of water has from Council's stormwater harvesting, leachate reuse and sewer mining systems since 2012, with 137,847kL of water harvested / reused in 17/18, equivalent to water used by 813 households and \$275,694 worth of potable water.
- Approximately \$500,000 of savings in electricity costs since 2009 due to lower consumption from more efficient street lighting being installed (relative to when consumption peaked in 2009). Annual electricity cost savings for 2018 were \$100,000. An additional annual saving of \$50,000 / year is expected with planned upgrades of residential street lighting (including electricity and maintenance cost savings and the cost of finance). An upgrade of all remaining street lighting, including the main road lights, is expected to lead to additional electricity cost savings of \$180,000 / year (note: this figure excludes maintenance cost savings, or any relevant financing costs).

- Council facilitates and participates in joint procurement activities with other Councils, such as for road maintenance contracts, electricity and waste management.
- Council hosts and manages a shared internal audit service which provides services for six Councils. This enables economies of scale in the provision of internal audit services and improved efficiency. The recent transition of the North Shore Internal Audit function to Ku-ring-gai Council, involving the negotiation of a new agreement between the participating councils and the addition of a new Council, has resulted in a decreased contribution for each Council of \$15,000 per annum under the new arrangements.
- The electronic lodgement of 90% of development applications (DAs) and related applications, with the remaining 10% likely to be lodged electronically by mid-2019, including large scale developments such as DAs for residential flat buildings, town houses, SEPP Seniors Living, commercial and mixed-use developments. The electronic lodgement of DAs reduces the printing and associated costs for applicants by approximately \$300k per annum, based on the number of DA applications Council processes each year.
- The introduction of a wide range of new technologies to improve productivity while at the same time improving service levels to the community. This includes:
 - Introducing a range of online services for customers, including lodgement of applications for building and compliance matters, tree applications and outdoor dining applications. Process improvements have been implemented concurrently with automatic generation of documents and correspondence.
 - Automating and issuing common certificates electronically such as planning certificates and rates certificates.
 - Introducing online customer service requests so that customers can now lodge requests online at any time. These requests are automatically routed to the appropriate officer.
 - Introducing a web portal to provide public access to Council's mapping information.
 - Introducing and expanding online payments so that any invoice or notice generated from Council's property and rating system can now be paid online via BPay and credit cards, including rates, debtors and regulatory fees such as notices and certificates.
 - Implementing and expanding an online bookings system for all Council halls, classes and events.
 - The introduction of mobile devices, such as iPads, for use by staff for various purposes such as for inspections and to complete daily operational checklists. This improves processing times and reduces manual paperwork.
 - The development of a risk management application that is integrated into the corporate IT software.
 - The introduction of online systems to facilitate the procurement process, such as supplier gateways, to manage requests for quotations and tenders.
 - An electronic system for the management of Council policies to improve document control, monitoring and review.
- Council has introduced the Franklin Covey program suite as part of its Leadership Development Program. This has been delivered in-house by Council's Learning and Development Coordinator who successfully achieved accreditation as a 7 Habits of Highly Effective People facilitator, resulting in cost savings for Council of

approximately \$108,000 to date, with an estimated \$21,600 per annum of savings ongoing.

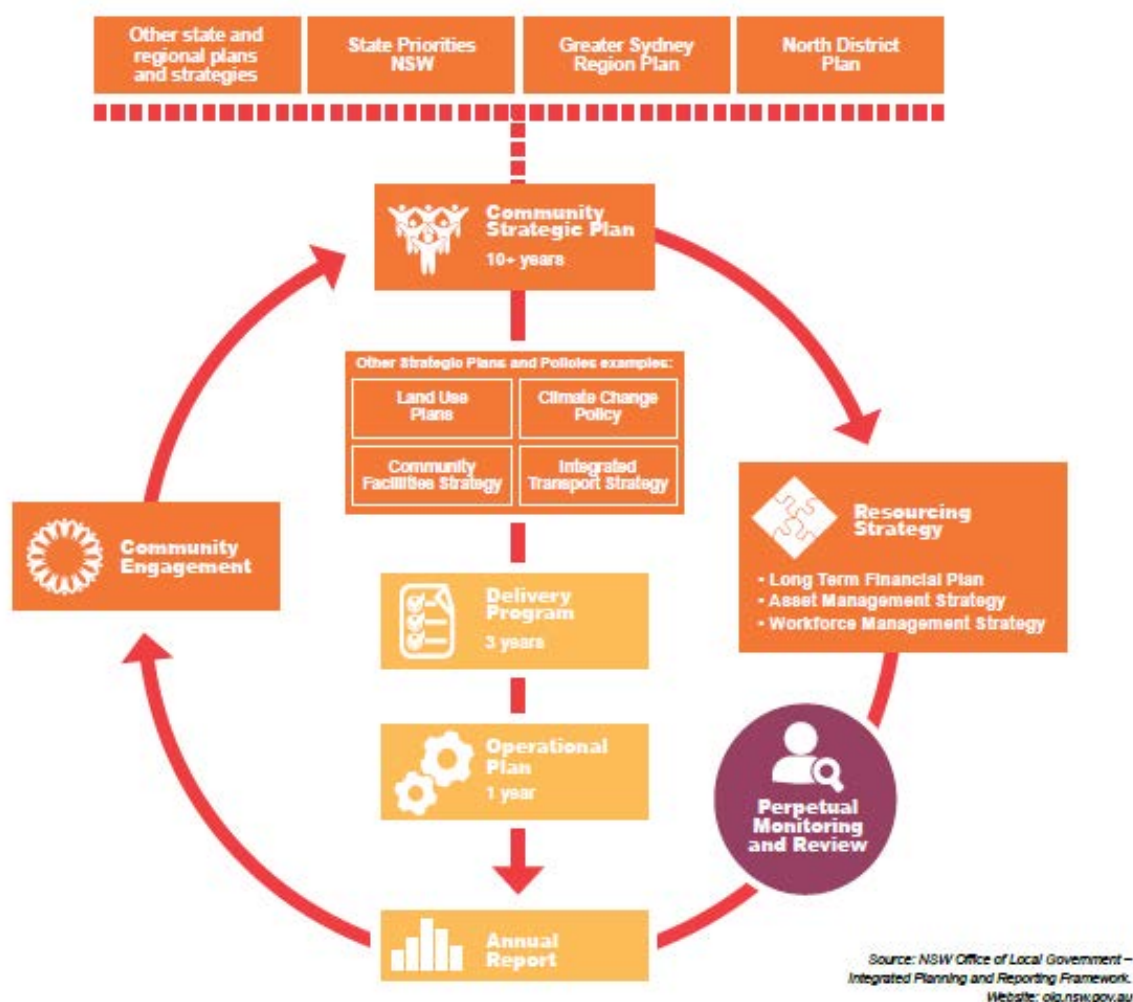
- The introduction of an e-learning system to provide cost effective training to staff.
- The digitisation of Council minute books and the commencement of a program to digitise all other historical files.

8 Other

8.1 Reporting mechanisms

The planning and reporting framework for the Environmental Levy will align with Council's Integrated Planning and Reporting (IP&R) framework.

At present, the Environmental Levy represents the key mechanism for the achievement of a number of long term objectives in the Community Strategic Plan; a number of term achievements and operational plan tasks in the *Delivery Program 2018-21 and Operational Plan 2018-19*; and a number of key performance indicators contained in these plans, and this will continue in the future, should the SRV be approved. Reporting on the Environmental Levy is therefore intrinsically linked to the reporting processes undertaken as part of the IP&R framework, presented below:



The reporting mechanisms, and their frequency, for the future Environmental Levy program are provided in the table below:

Reporting mechanism	Frequency	Purpose
Progress reports on Council's annual budget and (internal) progress reports on operational plan tasks	Quarterly	<ul style="list-style-type: none"> Expenditure on capital projects and operational programs and budget adjustments (including those delivered by the Environmental Levy) Performance progress against operational plan tasks (including those relating to the Environmental Levy)
Progress reports (presented to Council)	Biannually	<ul style="list-style-type: none"> Performance progress against operational plan tasks, delivery program term achievements and key performance indicators (including those relating to the Environmental Levy)
Annual Report	Annually (financial year cycle)	<ul style="list-style-type: none"> Audited financial statements (including those relating to the Environmental Levy) Summary of the projects and programs completed during the financial year (including those delivered by the Environmental Levy) Key achievements, outcomes and challenges (including those relating to the delivery of the Environmental Levy) Council's performance against a set of key performance indicators (including those relating to the delivery of the Environmental Levy)
End of Term Report	Year of an ordinary Councillor election	<ul style="list-style-type: none"> Performance progress against long term objectives in the Community Strategic Plan (including those relating to the Environmental Levy) Performance progress against completion of term achievements in Delivery Program (including those relating to the Environmental Levy) Performance progress against achievement of key performance indicators (including those relating to the delivery of the Environmental Levy) Discussion of key issues and challenges affecting Ku-ring-gai and how they have been addressed (including those relating to the Environmental Levy)
Environmental Levy community review	Every 3 years	<ul style="list-style-type: none"> Outline of the current Environmental Levy program and its outcomes and the direction of the future Environmental Levy program for community review.
Environmental Levy program report	Annually	<ul style="list-style-type: none"> Outline of the Environmental Levy programs and works and their outcomes (on Environmental Levy webpage) – see Attachment 14 for current version. An Environmental Levy monitoring and evaluation plan collates all the data used for the annual reporting and for the key performance indicators in Council's strategic documents.

Reporting across Council's communication channels and social media (including Council's website, local newspapers and publications, rates notices, e-newsletters, Facebook and Twitter)	Weekly	<ul style="list-style-type: none"> Promote participation in, the delivery of, or the outcomes of Environmental Levy programs and works Up-to-date webpages with information on Environmental Levy programs and works, current expenditure and Environmental Levy benefits and outcomes
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The proposed ten year Environmental Levy program (**Attachment 13**) shows the relationship between the delivery of the Environmental Levy program with the achievement of the long term objectives in the *Our Ku-ring-gai 2038 Community Strategic Plan*; and the term achievements in the *Delivery Program 2018-2021* and *Operation Plan 2018-19*.

The KPIs relating to the Environmental Levy contained in the *Our Ku-ring-gai 2038 Community Strategic Plan* and the *Delivery Program 2018-21* and *Operational Plan 2018-19* are listed below:

Theme 1: Community, People and Culture – key performance indicators

Our Ku-ring-gai 2038 Community Strategic Plan
Number of volunteers in the community
Delivery Program 2018-2021 and Operational Plan 2018-2019
Percentage completion of fire trail improvement program

Theme 2: Natural Environment – key performance indicators

Our Ku-ring-gai 2038 Community Strategic Plan
Number of residents involved in community environmental programs
Number of residents at an individual or household level who carried out actions to benefit the environment as a result of participation in Council programs
Resident satisfaction with the protection of natural areas and bushland.
Resident satisfaction with the condition of waterways and creeks.
Number of residents involved in climate change adaptation activities
Resident satisfaction with Council initiatives to reduce water use
Resident satisfaction with Council initiatives to reduce energy use
Percentage of household waste diverted from landfill
Kilograms of waste generated per resident
Resident satisfaction with Council initiatives to reduce waste and improve recycling
Delivery Program 2018-2021 and Operational Plan 2018-2019
Number of residents involved in community environmental programs
Number of residents at a household or individual level who carried out actions to benefit the environment as a result of participation in Council programs
Number of hectares of bushland / habitat regenerated
Percentage of creeks tested that maintain or improve their stream health score
Number of residents involved in climate change adaptation activities
Tonnes of rubbish diverted from our waterways
Percentage of harvested/reused water of total irrigation demand utilised at harvested/reuse sites
Percentage household waste diverted from landfill
Kilograms of waste generated per resident

Household potable water consumption per capita
Household electricity consumption per capita

Theme 3: Places, Spaces and Infrastructure – key performance indicators

Our Ku-ring-gai 2038 Community Strategic Plan
Resident satisfaction with the provision and maintenance of sporting ovals, grounds and leisure facilities
Delivery Program 2018-2021 and Operational Plan 2018-2019
Potable water consumption (kL) from Council operations
Water reuse/recycling (kL) used by Council operations
Electricity consumption (MWh) of Council's fixed assets
Greenhouse gas emissions (tonnes CO ₂ -e) from Council operations
Number of trees planted across Ku-ring-gai to support the establishment of green corridors

Theme 4: Access, Traffic and Transport – key performance indicators

Our Ku-ring-gai 2038 Community Strategic Plan
Resident satisfaction with access to cycle ways, footpaths and walking tracks
Delivery Program 2018-2021 and Operational Plan 2018-2019
Kilometres of additional cycleway network established
Number of new and upgraded bicycle facilities installed

Theme 5: Local Economy and Employment – key performance indicators

Our Ku-ring-gai 2038 Community Strategic Plan
Business satisfaction with Council's initiatives to partner and support local business
Delivery Program 2018-2021 and Operational Plan 2018-2019
Number of participants involved in business engagement forums, workshops and initiatives facilitated by Council

Theme 6: Leadership and Governance – key performance indicators

Our Ku-ring-gai 2038 Community Strategic Plan
Resident satisfaction with Council's consultation and engagement
Resident satisfaction with Council's provision of information about events, services, programs and facilities
Delivery Program 2018-2021 and Operational Plan 2018-2019
Number of participants in community engagement activities facilitated by Council
Number of people subscribed to Council newsletters

8.2 Program review and evaluation

The Environmental Levy will continually be reviewed and evaluated through the following mechanisms:

Annual Loving Living Ku-ring-gai surveys

Annual survey will be undertaken for residents who participate in Council's Loving Living Ku-ring-gai community programs, funded through the Environmental Levy, to determine

satisfaction levels with the delivery of these community programs (for future improvements) and to evaluate the actions residents are taking as a result of their participation in these community programs.

Environmental Levy satisfaction survey

It is proposed to periodically undertake a satisfaction survey on the Environmental Levy to measure the level of community satisfaction with the Environmental Levy program and to gauge the validity of the Levy programs' current priorities against the current needs of the local community. Feedback will also be sought on the areas of importance to the community for program delivery in future years.

Environmental Levy audit

It is proposed to periodically commission Environmental Levy audits to conduct an evaluation of the Environmental Levy program, specifically an evaluation of: (i) the degree to which initiatives funded by the Levy aligns with Council's broader environmental objectives; (ii) the contribution of the Environmental Levy towards achieving these objectives; (iii) the degree to which Council's role in the administration and governance of the Environmental Levy is effective; and (iv) the degree of transparency around the administration and achievements of the Levy and the initiatives funded.

Environmental Levy three year program review

Based on feedback obtained from the community consultation on the continuation of the Environmental Levy, Council will conduct an Environmental Levy program review with the community every three years. A community consultation program will be designed to facilitate this program review.

IP&R and Council program review and evaluation processes

The above program review and evaluation mechanisms complement those that will be conducted as part of the IP&R framework and Council's review and evaluation processes, including:

- Community satisfaction surveys
- Reviews of the Community Strategic Plan; Resourcing Strategy and Delivery Program and Operational Plan (incorporating the review of long term community objectives, term achievements, operational plan tasks, key performance indicators and the proposed budget for the capital works program and operational projects to be funded by the Environmental Levy).

9 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)	X
Part B: Application form (Word document) – this document	X
Attachment 1: Relevant extracts from the Community Strategic Plan	X
Attachment 2: Relevant extracts from Delivery Program / Operational Plan	X
Attachment 3: Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format	X
Attachment 4: NSW Treasury Corporation report on financial sustainability	X
Attachment 5: Community consultation materials	X
Attachment 6a: Results from recruited survey and recruited community consultation workshop	X
Attachment 6b: Results from online and printed surveys	X
Attachment 7: Rates and Charges Recovery Policy (Hardship Policy)	X
Attachment 8: Resolutions to apply for the proposed special variation	X
Attachment 9: Certification	X
OTHER ATTACHMENTS	
Attachment 10: Past Instrument of Approval	X
Attachment 11: Resolutions to adopt the Community Strategic Plan, Delivery Program and Operational Plan and Resourcing Strategy	X
Attachment 12: Relevant extracts from Resourcing Strategy	X
Attachment 13: Proposed 10 year Environmental Levy program	X
Attachment 14: Environmental Levy achievements to 30 June 2018	X
Attachment 15: Grants leveraged by the Environmental Levy (2005-2018)	X

Attachment 16: Communication and Engagement Strategy for the Special Rate Variation - Continuation of the Environmental Levy (July 2018)	X
Attachment 17: Our Ku-ring-gai 2038 Discussion Paper	X