



SPECIAL VARIATION APPLICATION FORM PART B FOR 2021-22

GEORGES RIVER COUNCIL



Application Form

December 2020

Local Government

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Council information

Council name	Georges River Council
Date submitted to IPART	8 February 2021
Primary Council contact person	Danielle Parker, Chief Financial Officer
Primary Council contact phone	
Primary Council contact email	

About this application form

IPART has revised the Application Form to be completed by councils applying to IPART for a special variation (SV) for 2021-22, either under s 508(2) or s 508A of the *Local Government Act 1993*. The application form is in two parts:

- ▼ Special Variation Application Form Part A (separate Excel spreadsheet)
- ▼ Special Variation Application Form Part B (this MS Word document)

The SV Application Form Part B consists of:

- ▼ Description and Context Questions
- ▼ Criterion 1: Need for the variation
- ▼ Criterion 2: Community awareness and engagement
- ▼ Criterion 3: Impact on ratepayers
- ▼ Criterion 4: IP&R documents
- ▼ Criterion 5: Productivity improvements and cost containment strategies
- ▼ Criterion 6: Other relevant matters
- ▼ Council certification and contact information
- ▼ List of attachments

When completing the SV Application Form for 2021-22, councils should refer to the following:

- ▼ [IPART's Application Guide for SV Application Form Part B.](#)
- ▼ [OLG's SV Guidelines issued in November 2020.](#)

Description and Context

To complete these questions, refer to the discussion in IPART's Application Guide for SV Application Form Part B, Description and Context.

Question 1: What is the type and size of the special variation the council is applying for?

Indicate the type of the proposed SV - s 508(2) or 508A the council is requesting, and specify the percentage increases in each of the years in which the SV is to apply, the cumulative increase for a s 508A SV, and whether the SV is to be permanent or temporary.

Provide the information **in the text box**, or alternatively, **complete Table 0.1**.

Section 508A of the Local Government Act 1993: Application for a special variation to the general income - it is intended that this would be a permanent increase which is retained within the rate base.

Section 548 of the Local Government Act 1993: Application to increase minimum rates above the statutory limit - it is intended that this would be a permanent increase which is retained within the rate base.

A multi-year permanent increase (equivalent to Council's previously proposed permanent 10.6% SV that included 8.1% SRV and 2.5% assumed rate pegging increase) that did not proceed, but was supported by the community.

The new proposal's total increase is equivalent to Council's 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SV) that did not proceed. The new proposal is a permanent multi-year SV spread over 5 years. The total Council rate income increase is 29% (inclusive of 16.5% SV and assumed rate pegs of 2.5% per year or total of 12.5%). The proposed SV will result in additional rate income of approximately \$23 million over 5 years.

Table 0.1 The council's proposed special variation

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Percentage increase	5.8%	5.8%	5.8%	5.8%	5.8%	Rate peg	Rate peg
Cumulative percentage increase for s 508A	29%						
Permanent or temporary?							Permanent

Question 2: What is the key purpose of the requested special variation?

In the text box summarise the key purpose (or purposes) of the SV the council is requesting.

Primary purposes:

- Ensure minimal disruption to existing services.
- Deliver key priorities outlined in the Community Strategic Plan 2018 - 2028 and the Delivery Program 2018 – 2022.
- Minimise the impact on Infrastructure renewal/maintenance due to operating deficit.

Enhance and ensure financial sustainability (Section 8B of the NSW Local Government Act 1993).

Question 3: Is the council proposing to increase minimum rates in conjunction with the special variation?

Refer to OLG's SV Guidelines Attachment 4 – Increasing minimum rates, and OLG's Guidelines for a Minimum Rate Increase.

If the increase applies to an ordinary rate, complete this section

Does the council have an ordinary rate(s) subject to a minimum amount? Yes No

Does the council propose to increase the minimum amount of its ordinary rate(s) above the statutory limit for the first time? Yes No

Which rates will the increases apply to? Residential Business Farmland

If the increase will apply to only some subcategories, specify which ___ Changes proposed to ordinary residential minimum (\$965.80), ordinary business minimum (\$1,100) and new business subcategory commercial strategic centres minimum (\$1,500).

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 percentage Various refer to excel application

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

For the first year changes proposed to ordinary residential minimum (\$965.80), ordinary business minimum (\$1,100) and new business subcategory commercial strategic centres minimum (\$1,500). In the following years the adopted rate peg will be applied, not the proposed SRV amount.

Has the council submitted an application for a minimum rate increase? Yes No

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

Does the council propose to increase the minimum amount of a special rate above the statutory limit? Yes No

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

Has the council submitted an application for minimum rate increase? Yes No

The council must ensure that it has submitted Minimum Rate (MR) Increase Application Form Parts A and Part B, if required.

Question 4: Does the council have an expiring special variation?

Refer to OLG's SV Guidelines Attachment 1 – Calculation of expiring special variations.

Does the council have an SV which is due to expire on 30 June 2021? Yes No

Does the council have an SV which is due to expire at some time during the period for which the new SV is being requested? Yes No

If Yes to either question:

a) When does the SV expire? 1 July 2021

b) What is the percentage to be removed from the council's general income? 3.3%

c) What is the dollar amount to be removed from the council's general income? \$2,300,950

Does the council have an SV which it proposes to terminate before the date which the instrument specifies as the date on which it expires? Yes No

If Yes:

a) When does the council propose it be terminated? _____

b) What is the percentage to be removed from the council's general income? _____

c) What is the dollar amount to be removed from the council's general income? _____

Has OLG confirmed the calculation of the amount to be removed? Yes No

**Attachments required:**

- ▼ Copy of the relevant instrument - **D19-240252**
- ▼ Copy of OLG advice confirming calculation of amount to be removed from the council's general income. **D19-240252**

Question 5: Does the council have an existing (ongoing) s 508A special variation which applies in 2021-22?

Refer to:

- ▼ OLG's SV Guidelines Section 5.2.
- ▼ IPART Fact sheet – *The Year Ahead – Special Variations in 2021-22.*

Does the council have a s 508A multi-year SV instrument that applies in 2021-22? Yes No

In the text box:

- ▼ Specify the percentage increase(s) and duration of the SV.
 - ▼ Outline the council's actions in complying with conditions in the instrument approving the original SV.
 - ▼ Describe any significant changes of relevance to the conditions in its instrument since it was issued.
-

N/A



Attachments required:

- ▼ Copy of the relevant instrument(s)
 - ▼ Declaration by the General Manager as to the council's compliance with the conditions applying to the SV included in the instrument of approval issued by IPART
 - ▼ Any supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s).
-

Question 6: Has IPART approved a special variation for the council in the past five years?

Refer also to OLG's SV Guidelines Section 6.

You do not need to respond to this question if all the relevant information has been provided in council's response to Question 5.

Does the council have a s 508(2) or s 508A SV which IPART has approved in the past five years? Yes No

In the text box, for each SV approved in the past five years, briefly:

- ▼ Specify the type of SV and the increase to general income approved.
 - ▼ Outline the council's actions in complying with conditions in the instrument approving the original SV.
 - ▼ Describe any *significant* changes of relevance to the conditions in its instrument since it was issued.
-

No.

Both former Councils have had a Special Rate Variation (SRV) approved in the past. Both were prior to 2014/15. Former Hurstville had a SRV approved in 2006 and former Kogarah had a SRV approved in 2013. Annual reports have included information to comply with SRV (Attachments **D19-303442** and **D20-310081**).



Attachments required:

- ▼ Copy of the relevant instrument(s) **D19-240252** and **D19-300536**
- ▼ Declaration by the General Manager as to the council's compliance with the conditions applying to the SV included in the instrument of approval issued by IPART.
- ▼ Any supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s). Annual Report 2018-19 (Attachment D19-303442) and Annual Report 2019/20 (D20-310081)

Question 7: Does a project to be funded by the special variation require a capital expenditure review?

Does the proposed SV require the 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

Question 8: Is the council a new council created by merger in 2016?

Refer also to OLG's SV Guidelines Section 4.

Is the council a new council created by merger in 2016? Yes No

Question 9: Does the council have deferred rate increases available to it?

Does the council have deferred rate increases available to it from one or more previous years under section 511 of the Local Government Act Yes No

If Yes, has the collection of these additional rates been included in the Council's LTFP Yes No



Criterion 1 Need for the variation

Criterion 1 in the SV 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.

To complete the questions for Criterion 1: Financial need refer to IPART's Application Guide for SV Application Form Part B.

Refer also to IPART Fact sheet – *The Year Ahead – Special Variations in 2021-22* and Information Paper – Special Variations in 2021-22 in relation to the interaction of financial need and willingness to pay.

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

1.1 Case for special variation – How did the council establish the need for the special variation?

In the text box explain how the council developed the proposal to apply for the proposed SV in the context of its IP&R processes.

Rate Freeze Expiration

On 12 May 2016, the operations of the former Hurstville and Kogarah City Councils were amalgamated to form Georges River Council.

The terms of the amalgamation specified the preservation of the rates structures of the former Hurstville and Kogarah City Councils for a period of four years. In addition, increases in income from rates were restricted to the annual rate peg approved by the Minister for Local Government and no requests for special rate variations were permitted.

The constraints in restructuring the organisation also extended to guaranteeing the employment of all personnel during the period up to May 2019 and the goal of merged councils not to reduce services but expand to the joining councils. This meant that any potential cost savings, as a consequence of streamlining the provision of services, had limitations.

Financial Need

Council, in preparing the LTFP, recognised a number of challenges it will face in the near future.

The challenges, if unaddressed, will have an adverse impact on the short and long term financial sustainability of Council. These challenges are summarised:

- Experiencing declining profitability, amplified by the loss of income of \$2.3m from the expiration of former Hurstville Council Special Rate Variation (SRV), due to stop on 1 July 2021.
- The compounded impact of the expiring SRV results in a forecast loss of \$19m from 2021/2022 to 2028/2029.
- Dramatic decline in the cash rate and the loss of investment income used to fund operations of \$4m in 5 years.
- Operating performance, net of capital grant income, remains negative with the deficit increasing each year.
- Increase in Council's Net Worth is dependent on the quantum of Capital Grants received and not on the operations being cost effective.

The operating results (actual and forecast); display a downward trend leading to increasingly negative results from 2021/22 onwards. There is a dramatic reduction in Rates income from 2021/22 onwards, due to the termination of the SRV that commenced over 10 years ago. The impact on the operating results is a loss of \$2.3m income in that year, compounded each year thereafter.

In addition, Council's operating results are augmented by the value of capital grants received. These grants are for exclusive use on capital expenditure and are not to be used to fund operating expenditure. When these funds are excluded, the Operating Results show increasing negative returns each year. This means that Council, in its current form, is unable to fund its operating expenditure from the operating income it receives.

It has also been demonstrated that there is an adverse widening gap between the increases to operating income and the increases to operating expenditure each year.

There are two fundamental problems facing Council's finances:

1. Council does not generate sufficient operating income to fund operating expenditure for its current service portfolio and program of works; AND
2. Each year, increases in operating income are less than the increases in operating expenditure.

When reviewing the actual results of Georges River Council so far, Council has generated surpluses each year since amalgamation. However, these actual results have been favourably impacted by additional operating and capital grants received from the State Government, to assist with the transition to functioning as an amalgamated council. Despite the receipt of these additional operating grants, when capital grants are excluded, the operating results show a negative outcome.

The COVID-19 pandemic has now presented fresh challenges to Council's efforts to improve its financial position, with the financial impact of the pandemic accelerating the financial deficits that were forecast in future years. At this stage, the economic effects of the pandemic are expected to be long lasting, with recovery of activities back to normal anticipated to be slow and gradual rather than an immediate bounce back.

Council has and will continue to find savings, efficiencies and implement improved operating models but without the rate income increase, deep cuts to services will be inevitable. Council's service portfolio is complex and diverse. It provides 200 services which our community members value and are essential to a thriving and growing community.

If the Council's total rate income does not increase over the next 5 years as proposed by this rate increase, we will be forced to reduce or cease many services. We will be unable to respond to the needs of future population growth which will continue to strain service quality. This will result in higher use/overuse of current assets and poorer condition standards.

In examining the financial statements relating to the former councils, the operating performance ratios in the 4 years leading up to 2014/15, are shown to be negative, with the exception of 2012/13 (for Hurstville) and 2014/15 (for Kogarah). In 2014/15, both Councils recorded depreciation charges which were considerably lower than the previous year. There were no statements or reasons provided for the lower depreciation charge, in either sets of financial statements.

Decision Process

Following extensive consultation with our community, as detailed below (question 4.1), Council adopted its Community Strategic Plan which specifies the community's aspirations for the Georges River Council area for the next 10 years.

The Plan highlights many community projects, programs, initiatives and events that require substantial funding to become a reality. These projects and programs are outlined in the Delivery Program 2018/19 to 2020/21 and the Operational Plan 2019/20 which can be viewed by visiting Council's website.

Council resolved in 2018/2019 to develop a program for the preparation of a new residential and business rates structure for the Georges River Council Local Government area (LGA),

which was also to include options that would strengthen Council's financial sustainability and replace the cessation of the former Hurstville City Council's Special Rate Variation (SRV) from July 2021.

At the Extraordinary Council Meeting held on Monday 10 February 2020, Council considered whether to proceed with an application to the Independent Pricing and Regulatory Tribunal (IPART) to introduce in 2020/21 a harmonised minimum rate, harmonised rate in the dollar and also a new Special Rate Variation (SRV) to improve Council's financial sustainability and replace the expiration of the former Hurstville Council SRV. The SRV application was prepared to reduce Council's operating deficit by \$8 million.

At that meeting, Council considered the results of the community consultation which outlined there were more than 6,000 responses received from residents. The consultation found that 78% of respondents were supportive of introducing a consistent minimum rate across the city and 66% supported a minimum rate increase to \$965.80. Additionally, 54% of respondents were supportive of Council applying to IPART for a SRV of 8.1% plus a rate peg of 2.5%.

Council resolved not to proceed with the application for the SRV or the harmonisation of rates in 2020/21 and instead, to investigate staff reductions and salary savings as part of future cost saving measures. Following the adoption of the budget in June 2020 and the presentation of the revised Long Term Financial Plan (LTFP), Council resolved to recommence consultation with the community on a New Rates 2021 proposal.

Council has approached the end of the "restricted" period and it is with the long-term vision for the Georges River Council area that Council has decided to apply to the Independent Pricing and Regulatory Tribunal (IPART) to change its rating structure and seek a special rate variation (SRV).

Along with addressing financial sustainability, there is inconsistency in the amount of rates paid across the former Kogarah and Hurstville Council areas, which Council needs to rectify to ensure a fairer approach for all ratepayers regardless of dwelling or business type.

As per Council's Financial Governance Principles within the LTFP and its obligations under Section 8B of the Local Government Act 1993 (NSW), Council recognised that several initiatives would need to be introduced and implemented, to prevent the otherwise inevitable deterioration of the organisation's financial sustainability.

At the 23 April 2018 meeting, Council resolved (CCL017-18):

"That the General Manager be delegated authority to explore options that will strengthen Council's financial sustainability from the impact of the cessation of the former Hurstville Council's Special Rate Variation from 2021/22."

At the 27 August 2018 meeting, Council resolved (NM072-18):

"(a) That the General Manager prepare a report to Council detailing the proposed program for preparation of new residential and business rates structures for the Georges River Local Government Area including:

- i. the necessary financial modelling studies;
-

- ii. community consultation framework; and
- iii. timeframes and costs for preparation of the new rates structures.

(b) That the General Manager investigates the scheduling of additional Councillor Workshop sessions during 2019-2020 for the purposes of formulating the new rating structures.”

Subsequently, at the 24 August 2020 meeting, Council resolved (CCL049-20):

“(a) That Council note the independent Audit Risk and Improvement Committee’s recommendation to immediately address key financial sustainability risks, including increasing revenues to secure Council’s immediate and long term future.

(b) That arising from consideration of the recommendation of the Audit Risk and Improvement Committee, Council endorse the 2021/2022 New Rates Program, which includes the Community Engagement Framework and proposed timeframe.

(c) That Council, in response to the community’s feedback for a fair and more equitable and uniform rating structure, eliminating the disparity between the Hurstville and Kogarah Minimum Rates and in compliance with the legislative requirement to harmonise Council’s rating structure, approve the General Manager to formally notify the Independent Pricing and Regulatory Tribunal (IPART) that following consideration of community engagement, Council’s intention is to submit an application to the IPART to establish a new Minimum Residential Rate of \$965.80 to take effect from the 2021/22 rating year.

(d) That Council, in response to the community’s feedback for a fairer and more equitable distribution of the rate burden between residential and business ratepayers and in compliance with the requirement to harmonise Council’s rate structure, Council approves the business properties within the Business sub-category “Major Commercial Centres of Hurstville and Kogarah” to have a higher Minimum Business Rate than other business sub-categories.

(e) That the General Manager formally notify IPART that following consideration of community engagement, Council’s intention is to submit an application to establish a new Minimum “Major Commercial Centres of Hurstville and Kogarah” Business Rate of \$1,500 to take effect from the 2021/22 rating year.

(f) That the General Manager formally notify IPART that following consideration of community engagement, Council’s intention is to submit an application to establish a new Minimum Business Rate for all other subcategories of \$1,100 to take effect from the 2021/22 rating year.

(g) That in the interest of having a harmonised, fairer and more equitable structure for Business Rates throughout the Georges River Council local government area, Council discontinues the use of the former Hurstville Town Improvement special rates across the Hurstville, Mortdale and Riverwood town centres, commencing in the 2021/22 rating year.

(h) That in response to overwhelming community support and feedback for a fairer and more equitable rating structure, Council approves the creation of a new business sub-

category named “Major Shopping Complex” and the implementation of a rate in the dollar comparable to shopping centre rates in other metropolitan councils in the 2021/22 rating year.

(i) That Council acknowledges it must comply with its statutory obligations pursuant to Section 8B of the NSW Local Government Act 1993 on the principles of sound financial management as detailed in the report.

(j) That in response to Council’s obligations under Section 8B of the NSW Local Government Act 1993, the General Manager formally notify the IPART that following consideration of Georges River Council – Minutes of Council Meeting - Monday, 24 August 2020 Page 18 community engagement, Council’s intention is to apply for a multi-year Special Variation (SV) of 5.8% to its rates in 2021/22 (3.3% Special Rate Variation (SRV) and 2.5% assumed rate peg) followed by 5.8% per year for 4 years (16.5% SRV and 12.5% assumed rate peg), in order to replace cessation of the former Hurstville City Council’s SV and to ensure Council’s long term financial sustainability.

(k) That Council acknowledge that the proposed SV will not resolve the current gap in Council’s forecast operating deficit, and an estimated \$8.7 million in favourable financial turnaround is required, either through other revenue increases and/or service reductions.”

Community Support - Update

Council conducted its largest, most extensive community program to date in order to provide the community ample opportunities to submit their views on the proposed harmonised minimum rates and the special rate variation options. The engagement program has been the largest in terms of respondents since the formation of Georges River Council.

Council resolved in 2018/2019 to develop a program for the preparation of a new residential and business rates structure for the Georges River Council Local Government area (LGA), which was also to include options that would strengthen Council’s financial sustainability and replace the cessation of the former Hurstville City Council’s Special Rate Variation (SRV) from July 2021.

Accordingly, a comprehensive and thorough community engagement program for the proposed Special Rate Variation (SRV) and proposed consistent minimum rate was undertaken in late 2019.

The outcome of the community engagement showed broad community support for the proposed increase to general rate income of 10.6% (inclusive of 8.1% SRV and 2.5% rate peg) and a consistent minimum rate for residential properties, a consistent minimum rate for business properties and a higher minimum business rate for the Kogarah and Hurstville commercial centres.

At the Extraordinary Council Meeting held on Monday 10 February 2020, Council considered whether to proceed with an application to Independent Pricing and Regulatory Tribunal (IPART) to introduce in 2020/21 a harmonised minimum rate, harmonised rate in

the dollar and also a new SRV to improve Council's financial sustainability and replace the expiration of the former Hurstville Council SRV. The SRV application was prepared to reduce Council's operating deficit by \$8 million.

At that meeting, Council considered the results of the community consultation which outlined there were more than 6,000 responses received from residents. The consultation found that 78% of respondents were supportive of introducing a consistent minimum rate across the city and 66% supported a minimum rate of \$965.80. Additionally, 54% of respondents were supportive of Council applying to IPART for a SRV of 8.1% plus a rate peg of 2.5%.

Council resolved not to proceed with the application for the SRV or the harmonisation of rates in 2020/21 and instead to investigate staff reductions and salary savings as part of future cost saving measures. Following the adoption of the budget in June 2020 and the presentation of the revised LTFP, Council resolved to recommence consultation with the community on a New Rates 2021 proposal.

Based on 2019 feedback, the 2021 proposal included the same residential and minimum rate harmonisation with a differential business minimum for the Kogarah and Hurstville business centres. The SRV was modified from the set of options tested in 2019, to propose a gradual increase in the total amount of rates collected over the five years equivalent to last year's preferred option as presented to the community.

Support for the harmonised minimum rate structure and a rate revenue increase was established in 2019. Feedback received in 2020 affirmed support for a single rating system and the minimum rate as proposed in 2019.

Increasing the rates revenue income base through a gradual five-year increase was strongly supported by all participants in the Citizens Advice Group (CAG), by nearly two thirds of webinar participants and (telephone survey) supported by the majority of residents under 50 years of age, residents in apartments and town houses and those who are tenants. Older people in single detached dwellings were less likely to support the proposal but it still achieved almost 40% support.

Information about the proposed changes to rates achieved a potential reach of over 1.5 million contacts across 54 activities or events in the engagement period.

There was a very high rate of community awareness about the New Rates 2021 project - 55% of residents were aware that Council was exploring community sentiment towards proposed rate changes – an increase since the 2019 community engagement where the awareness rate was already high, at 47% of residents.

There was a lower level of participation in active engagement in 2020 as compared with 2019, which may be indicative of a level of satisfaction around what is being proposed, or a level of consultation fatigue as many people participated in 2019.

Final Decision

At the 8 February 2021 Council Extraordinary meeting Council resolved the following:

“1. Financial Sustainability

- (a) That Council acknowledge the concerns expressed by the Audit Risk and Improvement Committee at its July 2020 meeting, over the projected operating and cash flow deficits and that the estimates indicate that Council will not be financially sustainable and this will expose Council to significant risks to service delivery, governance and reputation.
- (b) That Council note the Audit Risk and Improvement Committee has recommended that Council consider measures to immediately address the key financial sustainability risk, particularly in regard to increasing revenues to secure Council's immediate and long term future.
- (c) That Council notes the forecast operating financial sustainability issues have accelerated from original estimates due to COVID-19 higher than anticipated costs and reduced income in 2019/20 and 2020/21.
- (d) That Council note the findings of the NSW Productivity Commission December 2020 report, that the average rates per capita in NSW (\$591 in 2019) are significantly lower than the average for all other states (\$835) and for Georges River (\$454).

2. Community Engagement

- (a) That Council notes the outcome of the comprehensive and thorough community engagement program during 2019 and 2020 for the proposed New Rates 2021, which:
 - i. Affirmed strong community support for a single rating system including support for the minimum rates for business and residential as proposed in 2020, including 100% support by members of the Citizen Advice Group and 89% of webinar participants; and
 - ii. Demonstrated a multi-year Special Rate Variation of 5.8% in 2021/22 (3.3% Special Rate Variation and 2.5% assumed rate peg), followed by 5.8% per year for 4 years has considerable community support, including 100% support by members of the Citizen Advice Group and 65% of webinar participants in 2020.
- (b) That Council note the community's lack of support for a reduction in the level or standard of services provided by Council.
- (c) That Council adopt the revised Long Term Financial Plan within the Resourcing Strategy.

3. IPART Applications

- (a) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a Minimum Rate application to the
-

Independent Pricing and Regulatory Tribunal (IPART) to harmonise the residential minimum rates for rateable residential properties to \$965.80.

- (b) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a Minimum Rate application to IPART to harmonise the ordinary business minimum rates for rateable business properties to \$1,100.
 - (c) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a Minimum Rate application to IPART to harmonise the business subcategory minimum rate for the Strategic Centres of Kogarah and Hurstville to \$1,500.
 - (d) That consistent with community support and desire for a fairer and more equitable rate structure, Council submits a SRV application to IPART to seek a permanent increase to general permissible rate income of 5.8% per year for 5 years (comprising 3.3% SRV and an assumed IPART rate peg of 2.5% per year).
 - (e) That consistent with the adopted Budget Strategy since 2016, and in conjunction with the SRV application, Council continues to identify operating savings and/or additional operating income of \$12 million to establish a financially sustainable future for Georges River Council.
 - (f) That Council adopts the submissions to IPART, as attached to this report:
 - IPART Application form Part A Special Variation 2021/22;
 - IPART Application form Part B Special Variation 2021/22;
 - IPART Application form Part A Minimum Rate Increase 2021/22; and
 - IPART Application form Part B Minimum Rate Increase 2021/22.
 - (g) That the Council website is updated with a link for community members to continue to provide feedback on the proposed rating system application, while it is being assessed by IPART.
 - (h) That Council note that the IPART applications are required to be submitted before 9 February 2021.
 - (i) That the General Manager be delegated authority to undertake any necessary minor administrative or editorial changes, to the submission to IPART.
4. Service/Staff Reductions and Deletions
- (a) That should Council not proceed with the IPART application to increase the total rate income the General Manager immediately proceed with the reduction in services including the removal of 40 staff positions across the service areas identified in this report.
5. Exposure Draft Bill
- (a) That Council note the Exposure Draft of a Bill on the local government rating system does not include any options that would resolve Council's financial challenges.
-

- 2 (b) That the General Manager prepare a report to Council following the introduction of the Draft Bill to Parliament (estimated March/April 2021), on any financial options that may become available for inclusion in Council's draft 2021/22 Budget process."

Record of Voting:

For the Motion: The Mayor, Cr Greene, Deputy Mayor Councillor Agius and Councillors Badalati, Elmir, Grekas, Katris, Konjarski, Landsberry, Liu, Payor, Symington and Tegg.

Against the Motion: Councillors Hindi (abstained) and Kastanias

2.1 Financial sustainability of the council – What will be the impact of the proposed special variation?

In the text box explain how the proposed SV will:

a) Improve the council's underlying financial position for the General Fund

Following the decision of Council in February 2020 to defer the 2020 proposal, consultation recommenced in September 2020.

The new proposal is a permanent multi-year SRV spread over 5 years. The total Council rate income increase is 29% (inclusive of 16.5% SRV and assumed rate pegs of 2.5% per year or total of 12.5%). The proposed SRV will result in additional rate income of approximately \$21 million in 5 years.

All ratepayers were provided with a brochure ('New Rates 2021' 2020 brochure, Attachment D21-19459) outlining the proposed new rating system. The brochure (was comprehensive and was complimented by online videos, a rates calculator, webinars and frequently asked questions on Council's website.

If the Council's total rate income does not increase over the next 5 years as proposed by this rate increase, we will be forced to reduce or cease many services. We will be unable to respond to the needs of future population growth which will continue to strain service quality. This will result in higher use/overuse of current assets and poorer condition standards.

If the proposed new rating system is not approved, the average residential rate would be \$1,136, the average business rate would be \$3,074 and the minimum rate would be \$598.

Houses in the old Kogarah Council area will pay almost three times what an apartment currently pays (an average increase of \$300) and apartments will drop – broadening the inequity instead of addressing it.

Houses in the old Hurstville Council area will have an average decrease of \$25 and those who had a large rate increase in 2020/21 will not receive a reduction. Council has and will

continue to find savings, efficiencies and implement improved operating models but without the rate income increase, deep cuts to services will be inevitable.

The Baseline Scenario – **Model 1** (LTFP page 86) which shows the current status, without the benefit of the proposed SRV, shows reducing Surpluses (inclusive of Capital Grants) from \$10.1M in 2021/22 to a deficit of \$1.3M in 2029/30. The result, net of Capital Grants, deteriorates from a deficit of \$11.8M to a deficit of \$29.1M over the same period.

The SRV approved for the former Hurstville City Council terminates in June 2021 and consequently, rates revenue incurs a reduction of \$2.3 million from 2021/22 onwards. The cash position deteriorates from \$130.7 million at the end of June 2021 to \$87 million by 30 June 2030.

Model 2 (LTFP page 91) shows Council's financial performance and position after applying the proposed permanent SRV of 5.8% pa from 2021/22 to 2025/26. The Surplus (inclusive of Capital Grants) increases from \$10.1 in 2021/22 to \$13.1M in 2029/30. The result, net of Capital Grants, moves from a deficit of \$11.8M to a deficit of \$13.4M over the same period. The cash position during this period improves from \$130.7M to \$170.1M by 30 June 2030.

While the implementation of the SRV will help improve the net result of council, it alone is not sufficient to turn around the operating performance to a positive position. The operations therefore, need to identify additional savings to achieve a sustainable positive outcome. The implementation of the SRV gives Georges River Council time and space to identify the required savings in expenditure and/or increases in income, other than rates.

Model 3 (LTFP page 96) shows the impact of combining the SRV in Model 2 with expenditure savings of \$12M and/or increases in income, generated over 3 years from 2021/22. This results in the Net Surplus of \$18.2M increasing to a Net Surplus of \$33.0M in 2029/30. Importantly, the Operating Result, net of Capital Grants, turns positive from 2022/23 onwards.

The 2020.21 Quarter 2 Financial and Budget and the Covering Report for the adoption of the New Rates 2021 proposal (both attached) highlight the financial position of Council and the accelerated deterioration COVID-19 has placed on Council. The length of time that has passed with operating deficits, compounded with the slow down in cash receipts has placed Council in a position of either radical service cuts, asset disposal and/or a rate revenue increase. Council is not in a position in which it could sustain the reduction of the former Hurstville Council SRV nor sustain current operations with the dramatic reduction in revenue. The community support the maintenance of services levels and acknowledge there must be a rate increase coupled with efficiencies identified, to close the gap.

The current NSW rating system, which does not allow for increased rate revenue in line with increased population growth, leaves councils with two options, these being service cuts with increase population or an application to IPART to achieve rate revenue growth.

Many in the community incorrectly believed that rate revenue increases in line with population growth or would prefer this to be the case. There is in principle support for rates revenue growth to support population growth.

The recent recommendations of the NSW Productivity Commission review into infrastructure contributions support a shift to rate revenue growth in line with population growth. The report further notes that average rates per capita in NSW (\$591 in 2019) are significantly lower than the average for all other states (\$835).

The Georges River Council per capita rate figure has been calculated at \$454 (or \$448 with the pensioner rebate) which is more than 20% lower than the current NSW average rate, further reinforcing the appropriateness of the New Rates 2021 proposal. Based on the proposed rate revenue increase over 5 years and assuming 7% population growth, the Georges River Council per capita projection will still be below the NSW average of \$591, with an increase from \$454 to \$545 projected in 5 years. The table below highlights the disparity between Georges River Council, even with the proposed SRV.

	Georges River Council current	Average Other States	Average NSW	Proposed with the SRV
Per Capita Rate Revenue	\$454	\$835	\$591	\$545

b) Fund specific projects or programs of expenditure, or

The SV is required to fund Council's unsustainable operations and not specific projects or programs of expenditure.

Refer to comments above in point a)

Council, through its Community Strategic Plan process, identified several projects that are required to address community needs. Enhancement of Council's operations will enable some of these projects to be completed, given Council's improved financial position. The primary goal of the SV, however, is to contribute to the recovery of Council's deteriorating financial position in the short to medium term.

c) Achieve both outcomes

The application for a SV is but one step in directing Georges River Council towards long term financial sustainability. In addition to the SV, Council has already started implementing initiatives to reduce expenditure and increase other streams of income. It is only through

the implementation of the proposed SV and Council initiatives, that the organisation will attain financial sustainability and the completion of desired projects.

Refer to comments above in a)

2.2 Financial indicators – What will be the impact of the proposed special variation on key financial indicators over the 10-year planning period?

- ▼ **In the text box** provide details on the council's key financial indicators and indicate if the proposed SV has been included in the Long Term Financial Plan.
 - ▼ You may **also/alternatively** provide the information for part a) by **populating Table 1.1**, for as many years as relevant for the council's proposed SV.
-

a) Explain how the proposed SV would affect the council's key financial indicators (General Fund) over the 10-year planning period.

Overview

A number of key performance indicators are used by the Office of Local Government to help determine the sustainability of NSW councils. These indicators, together with others that are in use in the commercial environment, are contained within the models of the Long Term Financial Plan. Each model has the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow, Assumptions and Key Performance Indicators.

- The Operating Performance, Unrestricted Current and Cash Coverage ratios highlight the essential ingredients for sustainable financial operations.
 - The Operating Performance Ratio measures the extent of Council' Revenue (net of Capital Grants) coverage of Expenditure. This needs to be a positive figure and ideally growing.
 - The Unrestricted Current Ratio measures Council's liquidity. The benchmark based on successful organisations is set at 1.5 to 2.0. An increasing ratio over time shows improve liquidity and an environment where there is sufficient coverage of Current Liabilities from Current Assets.
 - The Cash Coverage Ratio measures Council's cash coverage of expenditure. This shows the number of months that Council will be able to operate unhindered, in the event that Council is unable to generate any additional cash through its operations. The greater the number of months shown, the more comfortable the operating environment.
 - Council's Current Ratio is maintained at a healthy level throughout the 10-year period. While there is a projected decrease in Council's cash balances, there is sufficient buffer to maintain adequate (above benchmark) levels of working capital.
-

The indicators relevant to each stage of operations are shown. This is to provide a snapshot of the state of Council's current financial position and the comparative results relating to each model.

As is evident from the key performance indicators, the short and long term outlook for Council (based on the service portfolio) is not favourable. While surpluses are being generated over the short term, the 10 year trend, as projected in the Long Term Financial Plan, is downward.

Indicator Commentary: Baseline impact without the former and new SRV (Model 1)

Model 1 (LTFP) relates to the "Baseline" position and excludes income from the current Hurstville Special Variation from the projected figures from 2021/22 onwards.

The Operating Performance Ratio, which reflects the Net Results of Council without Capital Grant income, deteriorates from negative 2.9 at end June 2019 to negative 14.6 by end June 2029. The Unrestricted Current Ratio reduces from 3.7 to 0.3 and is reflective of the progressive reduction of the cash balance, over the same period. Similarly, the Cash Expense Cover Ratio reduces from 6.2 months to a negative 0.1 months.

These indicators represent an organisation that is gradually moving towards insolvency over a period of time.

Model 2 (LTFP) shows Council's financial performance and position after applying the proposed permanent SRV of 5.8% pa from 2021/22 to 2025/26. The Operating Performance Ratio, which reflects the Net Results of Council without Capital Grant income, improves from negative 2.9 at end June 2019 to negative 4.1 by end June 2029. The Unrestricted Current Ratio improves from 1.9 to 2.7 and is reflective of the progressive increase in the cash balance over the same period. Similarly, the Cash Expense Cover Ratio improves from 6.2 months to 6.8 months.

Model 3 (LTFP) reflects the desired financial position for council, with the implementation of the permanent SRV over a period of 5 years from 2021/22 and the reductions in expenditure and/or increases in income other than rates.

The resulting Operating Performance Ratio in 2029/30 stands at (positive) 4.3 and reflects the position where Council is no longer dependent on Capital Grant income to offset losses from its operations. The Unrestricted Current Ratio, at the same date, is projected to be at 5.8 and represents sound liquidity. The Cash Expense Cover Ratio is forecast to be at 15.7 months and gives Council significant coverage of its operating expenditure.

This is the desired outcome for Council to attain financial sustainability. The factors that lead to this position are summarised below.

- The application for a 5.8% pa over 5 years (inclusive of a rate peg of 2.5% each year) permanent increase in Rates income is approved and takes effect from 2021/22.

- Council identifies and implements measures to increase income and/or reduce expenditure over a period of 3 years from 2021/22, which result in an additional \$12 million permanently.

The detailed models are presented in the LTFP (within the Resourcing Strategy) commencing from page 86.

b) Indicate if this information has been included in the council's Long Term Financial Plan. Relevant key indicators could include those listed in Question 1.1.

Yes, the LTFP comprises the above information and is included in the Resourcing Strategy 2020/21.

Table 0.1 Council's key financial indicators

Ratio	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Operating performance ratio excluding capital items	-6.8	-5.9	-3.1	2.1	3.9	5.3
Own source revenue ratio	77.2	79.8	79.9	80.2	80.5	80.8
Building and asset renewal ratio	83.3	100.6	83.7	80.8	78.2	75.7
Infrastructure backlog ratio	1.5	1.5	1.5	1.4	1.3	1.2
Asset maintenance ratio	101.3	N/A	N/A	N/A	N/A	N/A
Debt service ratio	0.4	N/A	N/A	N/A	N/A	N/A
Unrestricted current ratio	2.4	1.8	1.9	2.3	2.8	3.4
Rates and annual charges ratio	4.3	13.3	8.5	6.3	3.9	2.9

2.3 Deferred rate increases available under section 511 of the Local Government Act

In the text box explain:

a) The quantum, rationale and timing of any deferred rates the council has incurred.

N/A

b) When council plans to include these deferred rates through the catch up provisions and whether this been included in the LTFP.

N/A

c) How do these deferred rates impact on the council's need for the special variation and its cumulative impact on ratepayers' capacity to pay

N/A



Attachments for Criterion 1

List attachments relevant to your response for Criterion 1 in **Table 1.2**. Use the council assigned number shown in Table 8.1.

Table 0.2 Attachments relevant to response for Criterion 1

Council- assigned number	Name of document	Page references ^a
D20/289823	Long Term Financial Plan	
D19/296317	Community Strategic Plan 2018-2028	
D20/144980	Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	
D21-19459	'New Rates 2021' 2020 brochure	
D21-19459	2019 Community Engagement brochure	

^a If document only relevant in part.



Criterion 2

Community engagement and awareness

Criterion 2 in the SV 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.

To complete the questions for Criterion 2: Community awareness and engagement refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Special Variations in 2021-22 – Fact sheet*
- ▼ *Special Variations in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Fact sheet*

Provide relevant extracts of the IP&R documents that set out the rate rises under the proposed SV and **attach** relevant samples of the council's consultation material.

3.1 How did the council engage with the community about the proposed special variation?

In the text box:

a) Outline the council's consultation strategy and timing.

Council's consultation strategy

Georges River Council implemented a comprehensive consultation and engagement strategy over a two year period, 2019 and 2020 on the Special Rate Variation (SRV) and changes to minimum rates project to inform the community and ratepayers about the full impact of the proposals and to provide them with numerous opportunities to be involved and provide their feedback to Council.

The consultation strategy for both the rates consultations in 2019 and 2020 followed existing Council policy and were consistent within Council's Community Engagement Strategy and Framework (Refer to Attachment D20-224016) and the IAP2 framework¹.

In 2019, Georges River Council ran an extensive community consultation on its proposals for rate harmonisation and three options for an increase in the total rate income, a Special Rate Variation, to begin in the 2020/2021 financial year. However, Council did not proceed with an application to IPART for approval of the proposals.

The 2019 consultation feedback enabled an updated proposal to be developed and tested in 2020.

An important learning from the 2019 consultation was the poor community understanding about how the NSW rating system works and the pervasiveness of a number of "myths" about rates.

2019 key outcomes

- There was strong support for one fair, equitable and consistent rating system for Georges River Council ratepayers with a single residential minimum rate
- There was good support for a higher business minimum rate and a greater differential for the main town centres at Kogarah and Hurstville
- There was a strong expectation that Council has efficient operating models with a focus on the services of Council, alongside increased user pay fees and charges
- The community believed it was unfair that Council's rate income is not permitted to increase in line with development and population growth.

New Rates 2021

The 2019 community consultation strategy and its outcomes built a good foundation for a robust but different consultation strategy in 2020. It enabled a new proposal, new Rates 2021, to be developed with the feedback received in the previous year. It enabled the 2020 consultation to be framed in a different way and enabled the asking of questions that hadn't been asked in the 2019 consultation. It allowed the testing of which services the community were willing to reduce or delete altogether, if the SRV did not proceed.

The 2020 consultation had a heavy emphasis on the Citizens Advice Group (CAG) to provide feedback on Council's proposal because the COVID-19 pandemic limited face to face workshops and events.

Goals of the 2021 new rating system

- Meet the mandatory NSW Government requirement for one rating system across
-

¹ https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf

the Georges River LGA

- Create better equity between houses and apartments
- Maintain service standards now and into the future.

Citizens Advice Group

Prior to developing the consultation and engagement strategy in 2020, Council formed a Citizen's Advice Group (CAG) to provide feedback on Council's proposal and key messages and engagement methods they believed to be important for the community and provide feedback on the SRV (and harmonisation).

The key structure of the 2020 communications based on CAG feedback was:

- What does it mean for me?
- What is the proposal?
- What happens if the proposal isn't approved?
- Where can I get more information?

The key messages communicated through the campaign in 2019 were:

- Who was impacted by the proposal;
- What was the extent of the impact (financial); and
- Why was a SRV being considered.

Over the two years, 2020 and 2019, the community engagement consultation strategy was designed to ensure a wide variety of engagement opportunities and information were made available to the community to ensure awareness and input and included:

2020:

- Citizens Advice Group to provide feedback on Council's proposals, key messages and engagement methods
 - A dedicated consultation website ("Your Say") and Council webpages with reports, FAQs, and videos
 - Community awareness letter from the Mayor, followed by a four page information brochure ('New Rates 2021' 2020 brochure, Attachment D21-19459) to all residential and business ratepayers in the LGA;
 - Community Webinars scheduled at different times of the day/evening to maximise participation
 - Services survey online and hard copy options for completion and opportunity to make individual submissions to Council;
 - Phone interaction with the customer services team; and
 - A randomised telephone survey of 600 households undertaken by IRIS Research in the period 14 November to Monday 30 November 2020. Details are attached as part of the Community Engagement Report 2020 – New Rates 2021 (Attachment D21-23549).
-

2019:

- A dedicated consultation website (“Your Say”) with reports, FAQs, and video;
- Mailout of a community awareness letter, followed by the mailout of a feedback pack including a second letter, four page information brochure (‘Changes to your rates’ 2019 Brochure, Attachment **D21-19459**) and survey to all households and businesses in the LGA;
- Face-to-face community information sessions and drop-in events scheduled at different times of the day/evening to maximise participation;
- Targeted information sessions for business ratepayers and the Chinese-speaking community;
- Surveys with an online option for completion and opportunity to make individual submissions to Council;
- One-to-one briefing of several local members of State Parliament; and
- A randomised telephone survey of 600 households was undertaken by Micromex Research in the period 21-31 October 2019.

Council employed many different methods to raise community awareness of the proposed changes to minimum rates and the SRV and to actively seek community feedback over the two year period – 2019 and 2020.

Over this two year period, the engagement strategy included ample opportunities for general public awareness, participation and specific communications including letters, brochures, videos, COVID-19 pandemic safe Citizens Advice Group, webinars, 2019 face-to-face public meetings, and online and telephone surveys in both 2019 and 2020. The engagement strategy was designed to include the broader community, as well as the ratepayers, both business and residential, directly affected. Material was produced in multiple languages in order to reach the diverse community of Georges River Council.

Timing

The 2020 round of community engagement for the *New Rates 2021* project commenced with community awareness through a Mayoral letter on 17 August 2020. The community engagement was then conducted over a six week period from 19 October 2020, and ran through to the 30 November 2020 (inclusive). The community engagement period was longer than that required by the Independent Pricing and Regulatory Tribunal (IPART) and the Office of Local Government Guidelines.

The 2019 community engagement period was over eight weeks from 18 September 2019 to 17 November 2019 (inclusive). This was double the minimum required period of consultation stipulated by the Independent Pricing and Regulatory Tribunal (IPART) and the Office of Local Government Guidelines.

3.2 How did the council present the impact of the proposed special variation in the consultation material?

- ▼ **In the text box** provide details of the information made available to the community during consultation about the proposed rate increases.
- ▼ **Attach** representative examples of the consultation material.

The 2019 community engagement feedback reinforced the difficulty in conveying complex financial rating information and demonstrated a lack of understanding of the NSW rating system within the community.

Citizens Advice Group

In order to improve the key 2020 engagement messages, 2020 consultation planning began with the establishment of a Citizens Advice Group (CAG) to test and explore ideas and proposals in detail with a group of residents.

The group was also used to test the broader messaging proposed through the production of a generic rates information video and a video specific to the 2021 proposals. Additionally, their advice was sought on possible service cuts and cost savings options.

Membership was voluntary and by invitation. Invitations were generated through a process of random selection from the Georges River Council ratepayer database and members of Council's community forums. Details of the recruitment process, terms of reference (TOR) and group profile are at Appendix 2 of the Community Engagement Report 2020 – New Rates 2021 in Attachment [D21-23549](#)

Key advice from the group was the need to dispel a number of myths about rates.

CAG activities

The CAG met on three occasions as detailed below. In light of COVID-19 pandemic concerns, the initial session was scheduled online. At the conclusion of the work of the CAG, members were sent a follow-up survey to collect feedback on how the CAG had worked from their perspective. Amongst those who responded, the effectiveness of the CAG was rated as 4.2 stars out of a possible 5.

Contact was maintained with the CAG members by the Coordinator, Communications and Engagement who provided updates at every stage of the consultation roll out.

CAG Meetings		
Meeting	Attendees	Details
Initial briefing 15 September 2020 - held online	11	Introductions, purpose of group, TOR, rates presentation, opportunity for questions and answers
Second meeting 22 September 2020 - face-to-face	10	Recap, detail of New rates 2021 proposal, group discussion of key messages
Third meeting 29 September 2020 - face-to-face	8	Recap, video feedback Discussion of savings options CAG support for proposal

Advice about key messages

The CAG provided feedback on the key messages they believed to be important for the community and identified the most useful slides in the presentations. This helped hone the presentations used for the community webinars and also to refine the text of the final 'New Rates 2021' 2020 brochure (Attachment D21-19459) provided to all ratepayers. The CAG group identified different key messages to those outlined in the IPART manual, therefore communications material on the 2020 proposal was based on CAG feedback as a primary and IPART requirements as a secondary.

The key structure of the communications based on CAG feedback was:

- What does it mean for me?
- What is the proposal?
- What happens if the proposal isn't approved?
- Where can I get more information?

Material presented to the community

In the 2020 *New Rates 2021* community engagement, Council commenced the engagement process with an awareness letter from the Mayor on 17 August 2020 which was included in the rates notice to 57,000 residential and business ratepayers.

Council then presented the proposal and the impact of the proposed changes to minimum rates and consultation opportunities in a brochure ('New Rates 2021' 2020 brochure,

Attachment D21-19459), included in the next rates notice to approximately 57,000 residential and business ratepayers.

The 'New Rates 2021' 2020 brochure (Attachment D21-19459) outlined:

- The need for the proposed SV and MR increase
- The proposed cumulative SV rate increases including the rate peg for each major rating category in both percentage and dollar terms
- The annual increase in average rates in both percentage and dollar terms that will result if the proposed SV is approved in full
- The size and impact on rates where an existing SV will expire and be replaced
- The rate levels that would apply without the proposed SV or MR increase, also clearly showing the impact of any expiring SV
- Cost containment undertaken and potential alternatives to the SV if it isn't approved

The brochure presented the information clearly via graphics, text, and tables in an easy to read design. The brochure clearly outlined where to get more information and how to have a say and addressed common misconceptions regarding rates income.

Working together for a better future
New rates 2021

This is an update on our plans for a new rating system from 1 July 2021 so we can

- meet the mandatory NSW Government requirement for one rating system across the Georges River local government area
- create better equity between houses and apartments
- maintain the service standards you value for future generations.

We will continue to be prudent in our spending; we have a history of strict budget management and service changes and efficiencies since amalgamation.

You told us
Our consultation with the community about possible changes to rates, as well as strategic planning revealed:

- You value the things that make Georges River special - green open spaces, our river, convenient location and transport, a diverse culture, a strong local services and a local and productive economy.
- You support one fair, equitable and operational rating system for Georges River Council ratepayers, in which the minimum rate pegs is the same across the entire local government area.
- You support a higher business minimum rate and a differential business rate between the main town centres at Kogarah and Hurville.
- You don't want to see reduced service levels, cut back on well valued operating needs and focus on the core services of Council alongside increased user pay approaches (fees and charges).
- You would support an increase in the MR rate in areas which Council can continue to provide the services the community value, meet the cost pressures of a growing population and address the loss of 32.5m sqm of housing in Council's income.
- You think it is unfair that Council's rate income is not permitted to increase consistent with development and population growth.

What is the proposal?
Meeting the mandatory requirement for one rating system
Currently the former Kogarah and Hurville Council areas have different rating systems, and your community level as it varies a single, consistent and more equitable approach to rates across the Georges River.
Council will create a new single minimum rate which will be offset increase the minimum rate in the former Hurville to the same level as the current Kogarah rate.
This would reduce the gap between rates charged for houses and apartments.
Sustainability
At the same time, Council is proposing to ensure service and financial sustainability by seeking permission to increase its local rate income to manage past and future population growth and increasing service demand. This is proposed as a gradual increase over 5 years.

What happens if the proposal isn't approved?
Council's service portfolio is complex and diverse. It provides 200 services within our community members' vital and are essential to a thriving and growing community.
If the Council's total rate income does not increase over the next 5 years as proposed by this rate increase, we will be forced to reduce or cease many services. We will be unable to respond to the needs of future population growth which will continue to strain service quality. This will result in higher costs over an of current assets and poorer standards.
Houses in the old Kogarah Council area will pay about three times what an apartment currently pays (an average increase of \$300) and apartments will stop - breaching the regulatory instead of decreasing it.
Houses in the old Hurville Council area will have an average decrease of 32% and those who had a large rate increase in 2020/21 will not receive a reduction.
Council has and will continue to find savings, efficiencies and implement improved operating models but without the rate income increases, stop costs to services will be inevitable.
Our previous consultations have told us that the majority of residents support maintaining current service standards but if you think there should be service reductions, we want you to have your say at journey.georgesriver.nsw.gov.au.

Category	Current average and minimum annual rates	Proposed 2021/22 average and minimum annual rates
Residential	<ul style="list-style-type: none"> House: \$586 Apartment: \$967 Georges River: \$1,139 	<ul style="list-style-type: none"> House: \$586 Apartment: \$967 Georges River: \$3,087
Business	<ul style="list-style-type: none"> Georges River: \$1,169 Georges River: \$3,311 	<ul style="list-style-type: none"> Georges River: \$965.80 Georges River: \$1,500 Business: \$1,100

Did you know that the rates do not increase as development and population increases?

For the average residential ratepayer, the proposed changes will mean around **60 cents extra per week** in the first year followed by **\$1.35 per week** increases each year for the following 4 years.

For the average business ratepayer, the proposed changes will mean **\$4.30 extra per week** in the first year followed by **\$5.50 per week** increases each year for the following 4 years.

SPECIAL VARIATION APPLICATION FORM PART B FOR 2021-22

I want more information

The tables below summarise the impact of the proposed rate increase and minimum changes.

Former council's average rate		Current Year	2021/22
Total council rate income increase %		2.6%	5.8%
Residential	Kogarah	\$1,221	\$1,281
	Hurstville	\$1,081	\$1,110
Business	Kogarah	\$3,167	\$3,008
	Hurstville	\$3,045	\$3,477

	Current Year	2021/22	2022/23	2023/24	2024/25	2025/26
Residential average	\$1,199	\$1,169	\$1,233	\$1,300	\$1,372	\$1,447
Residential minimum	Kogarah \$987 Hurstville \$586	\$666	\$660	\$1015	\$1,040	\$1,066
Business average	\$3,037	\$3,311	\$3,553	\$3,822	\$4,105	\$4,408
Minimum for Kogarah and Hurstville CBD	Kogarah \$987 Hurstville \$586	\$1,500	\$1,533	\$1,575	\$1,615	\$1,656
Business minimum other	Kogarah \$987 Hurstville \$586	\$1,100	\$1,123	\$1,155	\$1,185	\$1,214
Total council rate income increase %	2.6%	5.8%	5.8%	5.8%	5.8%	5.8%
Total council rate income increase \$		\$4.1 million	\$4.3 million	\$4.6 million	\$4.9 million	\$5.1 million

Note: The figures contained in the tables above are based on harmonisation of the rating system, new minimum rates and the application of a special rate variation (SRV) to increase Council's total rate income above the rate cap. The new proportional increase is equivalent to Council's 2018 proposal of a permanent rate of 10.0% increase (rate cap of 2.5% and 0.1% SRV) but did not exceed. The new proposal is a permanent multi-year SRV spread over 5 years. The total Council rate income increase is 20% (inclusive of 0.5% SRV and assumed rate cap of 2.5% per year or total of 12.5%). The proposed SRV will result in additional rate income of approximately \$23 million over 5 years. If the proposed new rating system is not approved the average residential rate would be \$1,136, the average business rate would be \$3,074 and the minimum rate would be \$596. For future year impacts please refer to our website www.georgesriver.nsw.gov.au/new-rates-2021.

Disclaimer: Houses and 2/3 apartments may be on the minimum, though the majority of minimum rate properties are apartments. The averages quoted within this document have been developed from financial modelling based on current property data and last valuations as of 1 July 2020. A new set of land values will be supplied by the NSW Valuer General and applied from 1 July 2023. The final 2021/22 rate levels may vary due to independent Pricing and Regulatory Tribunal (PART) decisions and marginal movements due to model sensitivity.

I want to have input

You can have your say at yoursay.georgesriver.nsw.gov.au

I want to know about the rating system and how rates are calculated

Our website contains more detailed information, a rates calculator, and FAQs. See how you may be affected by visiting www.georgesriver.nsw.gov.au/new-rates-2021

What if I can't pay my rates?

Council has a range of measures to assist individuals who have difficulty paying their rates. You will find details of Council's Debt Management and Hardship policy online.

I want to find out more about this proposal

There will be two webinars explaining the proposals on:

Wednesday 4 November 2020, 6.00pm-7.30pm
Saturday 7 November 2020, 10.00am-11.30am

Register here: www.georgesriver.nsw.gov.au/new-rates-2021

www.georgesriver.nsw.gov.au
@georgesrivercouncil
@grcouncil

Language services 131 450



Translated brochures (covers below – full version in Attachment [D21-19460](#)) in Simplified Chinese, Nepali, and Arabic were distributed through three libraries and the customer service centres and available on the Georges River website.

Videos

Two videos were produced for the New Rates 2021 project.

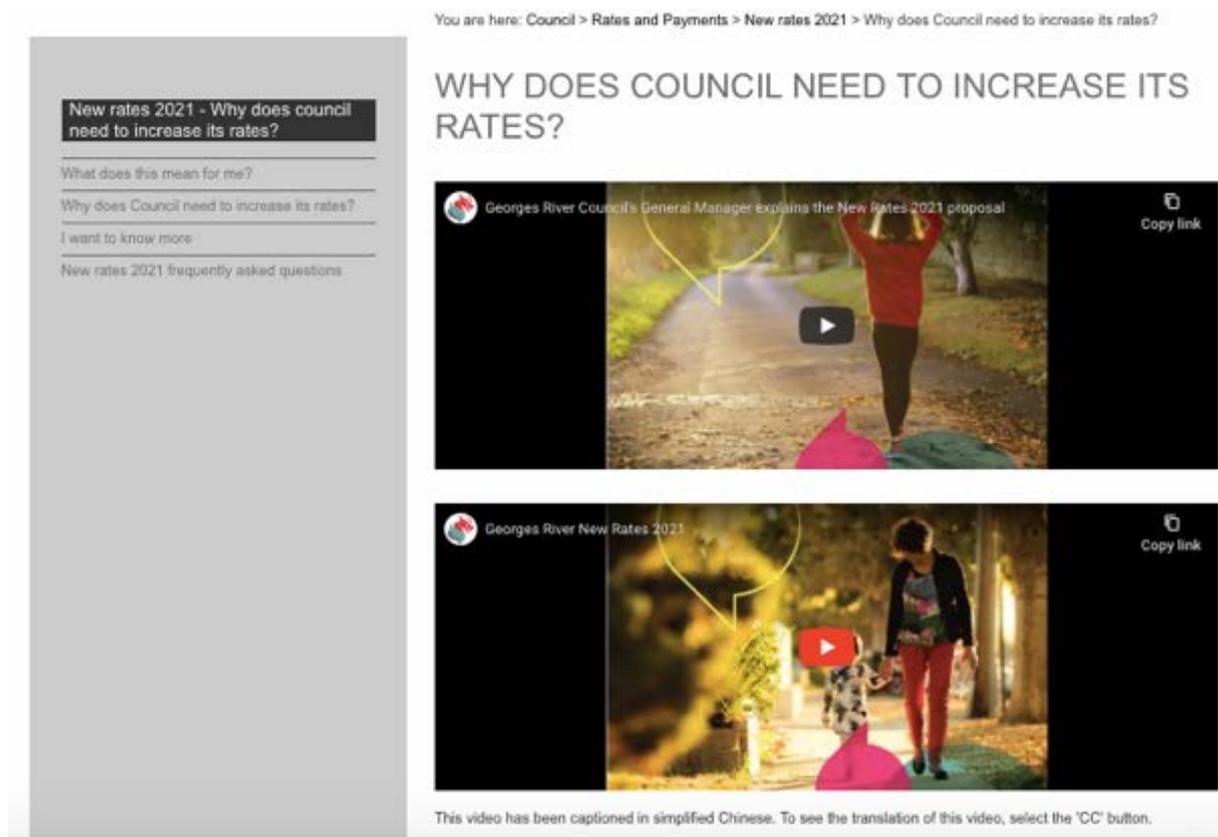
Video 1 is a general introduction to rates and provides information about how rates are calculated. It was designed to have a shelf-life beyond the specifics of the New Rates 2021 proposal and has been captioned in simplified Chinese.

Video 2 is a presentation by the General Manager of GRC describing the key elements of the proposal and its importance to the provision of services to the broader George River community.

A third video was also available on the Council website home page carousel. This was a shortened version of Video 1. This link is no longer available.

New Rates 2021 proposal <https://youtu.be/PdLvtxsOsBU>

Georges River New Rates 2021 <https://youtu.be/ttHmWLpDa6Y>



Screenshot of Video 1 (bottom) and Video 2 (top) on Council's website

Rates Calculator

As a result of the CAG feedback, a rates calculator was added to the GRC website rates page. This enabled individuals to enter their land valuation and test directly the impact of the new proposals on their own personal circumstances.

Proposed New Residential Rates Calculator

Residential Rate in the Dollar

0.0016401

Please enter your Land Value from you Current Rates Notice

Calculate

Disclaimer:

Please note the proposed new rates outlined in the calculator are to provide a guide to residents of the impact of the proposed new rating system.

The proposed new system is pending approval of Council and the State Government regulatory, Independent Pricing and Regulatory Tribunal (IPART).

Therefore the final 2021/22 rate levies may vary due to changes in internal policies, the final Council and IPART decision, along with marginal movements due to model sensitivity.

Digital Information and Ethnic Media Advertisements

The 'New Rates 2021' 2020 brochure (Attachment D21-19459), videos, rates calculator, FAQs and further information were made available through Council's website and Your Say pages. Information about the proposal directing people to Council's website and Your Say pages was sent through emails to Council's database lists and social media channels, paid media in local newspapers and CALD media and promotional banners.

lists and social media channels, on the Your Say Georges River consultation website with FAQs, paid media in local newspapers and CALD media and promotional banners. Information was provided in the top four community languages for Georges River local government area – Simplified Chinese, Greek, Arabic and Nepali. Translation of information occurred to specifically reach these target groups.

Mail to households – Letter 1: generating community awareness across the local government area

On 11 September 2019, a letter to all households was sent advising that community consultation was coming soon for a Special Rate Variation (SRV) and a new standard minimum rate across all rateable properties in Georges River.

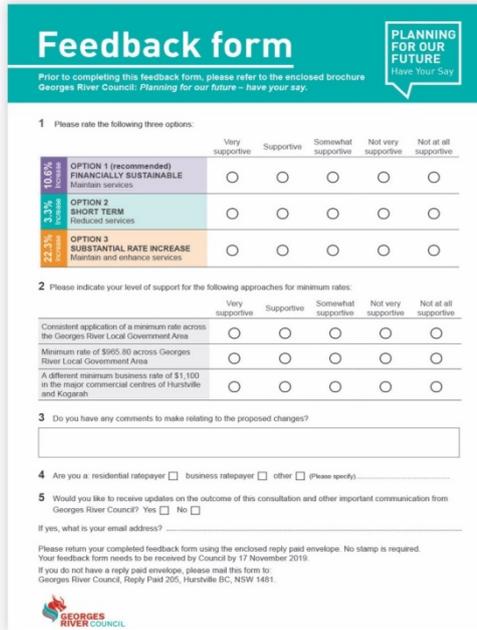
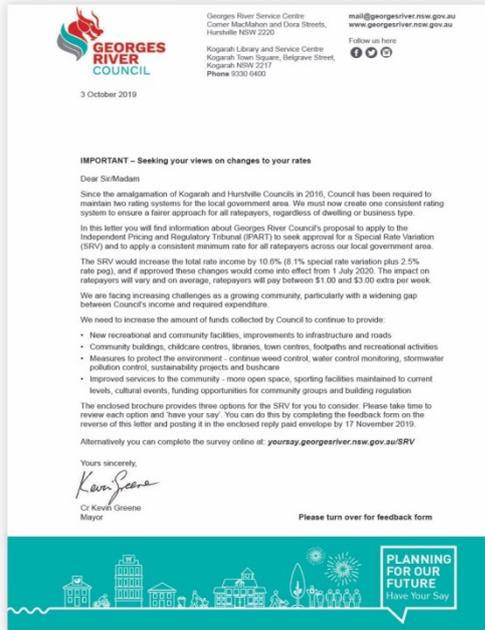
Translated letters (below) in Simplified Chinese, Nepali, Arabic and Greek were distributed through community development networks and also available at the information and drop-in sessions, from Council’s service centre and on the Your Say Georges River website.



Translated Letter 1 to residents in Nepali, Arabic, Simplified Chinese and Greek

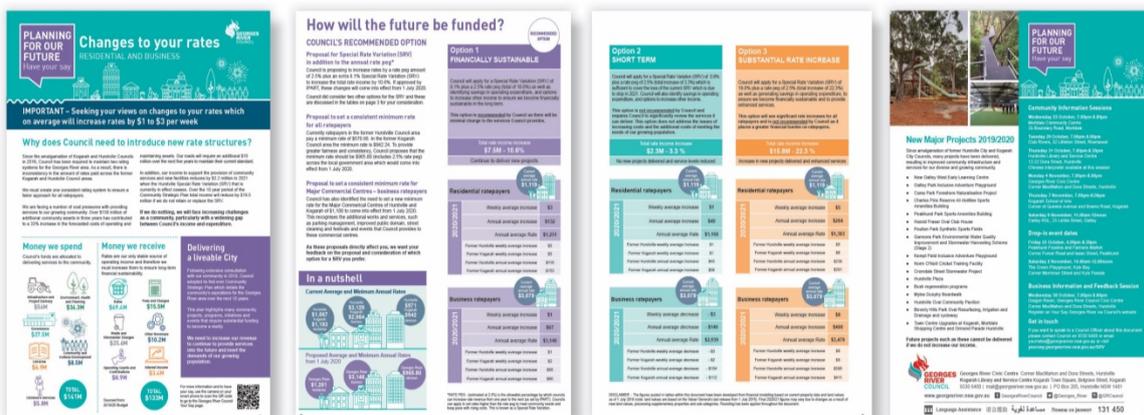
Mail to households – Feedback pack: Letter 2, survey and brochure sent to ratepayers

This was followed up by a direct mailout of feedback packs on 30 September 2019 to 53,646 residential and business ratepayers, including a second letter (Letter 2), brochure, rates restructuring survey and reply-paid envelope (48,819 via Australia Post and 4,827 sent via digital channels). Letter 2 and the feedback survey are shown below.



Of the digital channels, 1,802 letters were sent by BPay View and 3,025 sent by email to ratepayers who prefer their information delivered this way. 260 real estate agents received copies in respect of rental properties in the LGA.

The image below shows the accompanying brochure (Changes to your rates' 2019 Brochure, Attachment **D21-19459**) distributed as part of the feedback pack. This is a key document as it explains the rationale for Council's proposals, including the full cumulative increase of the proposed special variation options, rate restructure and changes to minimum rates in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.



The 'Changes to your rates' 2019 Brochure was also translated into Simplified Chinese.

Council also placed translated advertisements in community language newspapers:



Translated advertisements in Chinese Daily 23 October 2019, 30 October 2019 and 2 November 2019
 EI Telegraph 2 October 2019 and Greek Herald 1 November 2019

The feedback pack presented the proposed new residential minimum rate for 2020/21 of \$965.80, which was the former Kogarah minimum with an assumed rate peg increase of 2.5%, to the community for consideration.

In addition, the new average residential rate with the harmonised rate in the dollar for business and residential was also communicated (excerpt from brochure overleaf), as was the higher business rate for Hurstville and Kogarah. The images included in the Changes to your rates' 2019 brochure (Attachment D21-19459) that was sent to all rateable properties, clearly outlined the pre and post harmonisation and minimum rate change, both in text format and in graphics to assist with understanding of the information.

Full versions of all 2019 engagement materials are available in Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate in Attachment D20-20729.

3.3 How effectively did the council's various consultation strategies engage the community about the proposed special variation?

- ▼ In the text box provide details on the level of community involvement, consultation strategies used and feedback from the community.
- ▼ Attach survey results and other examples of feedback from the community.

a) Indicate the level of community involvement in, and response to, the various consultation strategies the council used, eg, number of participants in meetings, number of submissions received.

Council's various consultation strategies to engage the community about the proposed special variation were extremely successful, with high rates of awareness, community involvement and response to the strategies.

Awareness of the proposal to make changes to rates increased significantly from 47% of residents in 2019 to 55% in 2020. The cumulative impact of a two year consultation and engagement program no doubt contributed to this very high level of awareness.

The 2020 information about the proposed changes to rates achieved a potential reach of over 1.5 million contacts across 54 activities or events in the two month consultation period.

Over the two years, the community's feedback was obtained through multiple channels and a variety of engagement methods. The feedback and response rates from the community were good in 2020 considering the impact of Covid-19 pandemic and extensive previous community engagement around changes to rates in 2019.

2020 consultation:

1. Citizens Advice Group feedback – 11 active participants
2. A randomised telephone survey of 600 households was undertaken by IRIS Research in the period 14 November to Monday 30 November 2020.
3. Webinar questions and answers from participants to presenters and polls – four webinars were conducted at various times of the week and weekend, with a total of 75 registrations and 30 participants.
4. Online follow-up survey sent to all webinar participants.
5. Have your say online survey and submission option. Online surveys were completed by 63 people. Feedback submissions were provided online by 80 people
6. Phone interaction with customer service team. 196 rates related enquiries were received in the period 19 October – 30 November 2020. This figure covers all rates related matters (not just new rates consultation).
7. Dedicated New Rates 2021 email.

Council's various consultation strategies to engage the community about the proposed special variation were successful, with high rates of awareness, community involvement and response to the strategies.

The variety of communication and feedback channels ensured that as many local people as possible were both aware and able to provide feedback.

Information about the proposed changes to rates achieved a potential reach of over 1.5million contacts across 54 activities or events in the engagement period.

CAG activities

The CAG met on three occasions as detailed below. In light of COVID-19 pandemic concerns, the initial session was scheduled online. At the conclusion of the work of the CAG, members were sent a follow-up survey to collect feedback on how the CAG had worked from their perspective. Amongst those who responded, the effectiveness of the CAG was rated as 4.2 stars out of a possible 5.

Contact was maintained with the CAG members by the Coordinator, Communications and Engagement who provided updates at every stage of the consultation roll out.

CAG meetings		
Meeting	Attendance	Details
Initial briefing 15 September 2020 - held online	11	Introductions, purpose of group, TOR, rates presentation, opportunity for questions and answers
Second meeting 22 September 2020 - face-to-face	10	Recap, detail of New rates 2021 proposal, group discussion of key messages
Third meeting 29 September 2020 - face-to-face	8	Recap, video feedback Discussion of savings options CAG support for proposal

Advice about the proposals and key messages

The CAG provided feedback on the proposals and key messages they believed to be important for the community and identified the most useful slides in the presentations. This helped hone the presentations used for the community webinars and also to refine the text of the final 'New Rates 2021' 2020 brochure (Attachment D21-19459) provided to all ratepayers. The CAG group identified different key messages to those outlined in the IPART manual, therefore communications material on the 2020 proposal was based on CAG feedback as a primary and IPART requirements as a secondary.

The key structure of the communications based on CAG feedback was:

- What does it mean for me?
- What is the proposal?
- What happens if the proposal isn't approved?
- Where can I get more information?

Videos

Two videos were produced for the New Rates 2021 project.

Video 1 is a general introduction to rates and provides information about how rates are calculated. It was designed to have a shelf-life beyond the specifics of the New Rates 2021 proposal and has been captioned in simplified Chinese. This video had 67 views during the consultation period.

Video 2 is a presentation by the General Manager of GRC describing the key elements of the proposal and its importance to the provision of services to the broader George River community. This video had 26 views during the consultation period.

A third video was also available on the Council website home page carousel. This was a shortened version of Video 1. This link is no longer available.

The screenshot shows a webpage titled "WHY DOES COUNCIL NEED TO INCREASE ITS RATES?". The breadcrumb trail reads: "You are here: Council > Rates and Payments > New rates 2021 > Why does Council need to increase its rates?". On the left, a sidebar contains links: "New rates 2021 - Why does council need to increase its rates?", "What does this mean for me?", "Why does Council need to increase its rates?", "I want to know more", and "New rates 2021 frequently asked questions". The main content area features two video thumbnails. The top video is titled "Georges River Council's General Manager explains the New Rates 2021 proposal" and shows a person in a red shirt walking on a path. The bottom video is titled "Georges River New Rates 2021" and shows a person in a dark jacket walking on a path. Both videos have a "Copy link" button. Below the videos, a caption reads: "This video has been captioned in simplified Chinese. To see the translation of this video, select the 'CC' button."

Videos on Council website

Rates Calculator

As a result of the CAG feedback, a rates calculator was added to the GRC website rates page. This enabled individuals to enter their land valuation and test directly the impact of the new proposals (both changes to minimum rates and SRV) on their own



personal circumstances. Figures for the use of the rates calculator are not available.



GEORGES RIVER COUNCIL
RATES AND CHARGES NOTICE
1 July 2020 to 30 June 2021

Georges River Civic Centre
Corner MacMahon and
Dora Streets, HURSTVILLE
02 9330 6400
mail@georgesriver.nsw.gov.au
www.georgesriver.nsw.gov.au
ABN 57 789 014 855

Customer Reference No.
123456

Posting date
26/07/2020

Instalment due date
31/08/2020

Deduct payments made since
17/07/2020

Rating Category
Residential

Property location and description
ADDRESS

Interest on overdue rates is 7.5% pa

LOT DP LV \$600,000
Base Date: 1 July 2019

Rate Type	Value/No of Services	Rate/charge	Total
Ordinary Residential Rate	XX	\$XX	1251.00*
Stormwater Residential Charge	1.00		25.00
Domestic Waste Service	1.00		464.88*
Less Mandatory Pensioner Rebate*			250.00CR
Less Council Voluntary Pensioner Rebate*			150.00CR

* Eligible pensioners only (For details refer to Council's website)
* Indicates proposed charges

Please turn over for information on changes for credit card payments and additional rebate for eligible pensioners.

Overdue	1st instalment 31/08/2020	2nd instalment 30/11/2020	3rd instalment 28/02/2021	4th instalment 31/05/2021	TOTAL
NIL	\$XXXX.XX	\$XXXX.XX	\$XXXX.XX	\$XXXX.XX	\$XXXX.XX

Pay by phone
1300 378 689
or online www.georgesriver.nsw.gov.au/RatePaymentOptions
Bill Code: 34465
Payments via AMEX attract a 1.4% surcharge

Direct Debit
Complete and submit
form online at
www.georgesriver.nsw.gov.au/RatesDirectDebitForm

BPAY Bill Code: 34465
Ref: 123456
BPAY® this payment via internet or phone banking.
BPAY® Web® View and pay this bill using
internet banking
BPAY® View Registration No: 12345

Receive your rates notice via email
Complete and submit form online at
www.georgesriver.nsw.gov.au/RatesViaEmail

In Person
Georges River Civic Centre,
Hurstville Library or
Kogarah Library and Service Centre

Pay at Post Office 1234 123456
Pay by cash, cheque or EFTPOS at any Post Office

Customer Reference No.	Overdue	Instalment	TOTAL	Notes
123456	NIL	\$XXXX.XX	\$XXXX.XX	Payments via AMEX attract a 1.4% surcharge

Proposed New Residential Rates Calculator

Residential Rate in the Dollar

Please enter your Land Value from you Current Rates Notice

Phone survey

As part of the 2019 consultations, an independent random telephone survey was conducted of 600 residents. This was undertaken and reported on by Micromex research. The 2019 survey measured satisfaction with Council and the quality of community assets, awareness

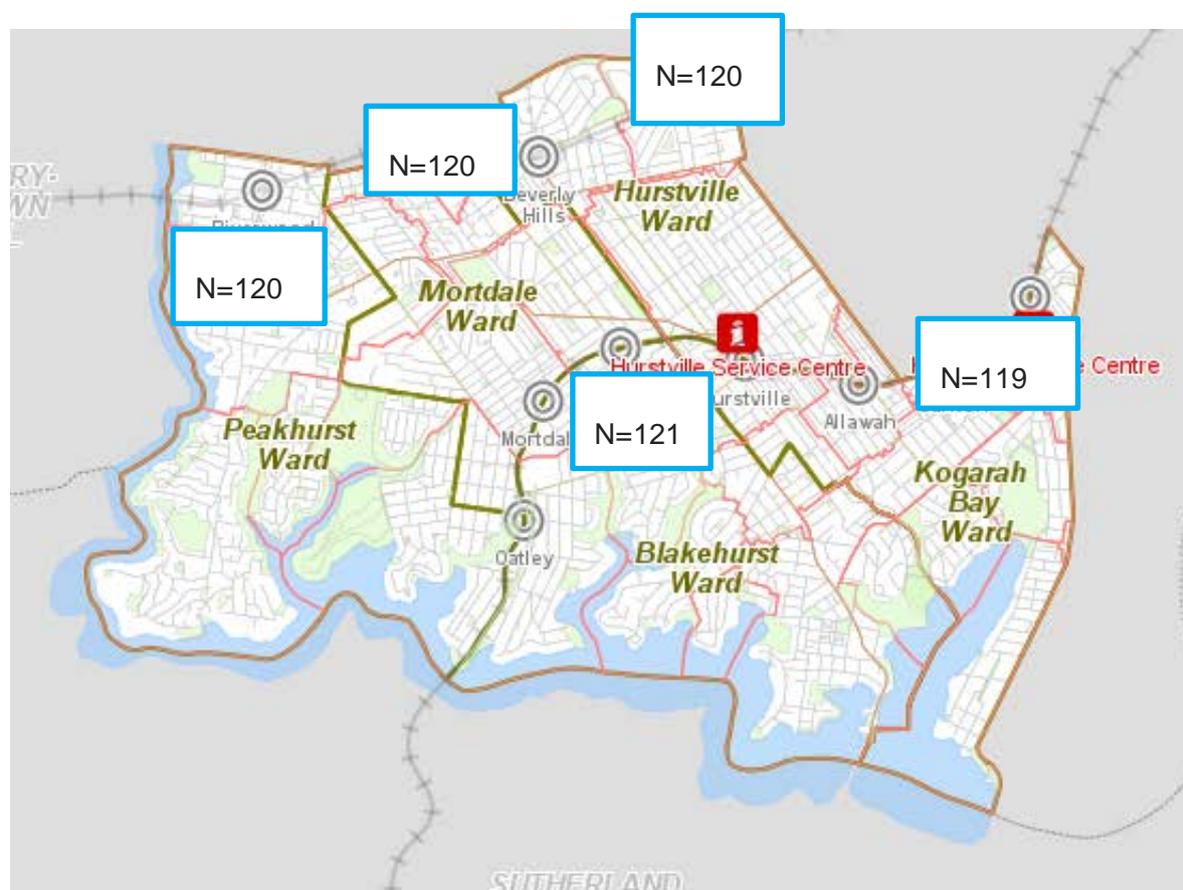
of the Council's proposals and levels of support for a harmonised residential minimum rate of \$965.80, and the 2019 SRV options.

It was decided to include another random phone survey of 600 residents in the 2020 consultation activities. The 2020 survey was designed to explore three topics:

- The level of awareness of the New Rates 2021 campaign
- Level of support for the New Rates 2021 proposed increase over 5 years
- Preferred service areas to be targeted for savings

The 2020 telephone survey was undertaken by IRIS Research² in the period Saturday 14 November 2020 to Monday 30 November 2020.

Participants were randomly selected across the five council wards, weighted by age and gender to reflect the 2016 ABS data profile of GRC. 35% of those interviewed spoke a language other than English at home.



The analysis of the phone survey data was completed by ASK Insight. The detailed questionnaire, and more detailed results are in Appendix 3 of the Community Engagement Report 2020 – New Rates 2021 (Attachment [D21-23549](#))

² <https://irisresearch.com.au/about-us/>

Webinars

Four webinars were conducted. The webinars provided an opportunity for participants to hear about Council's proposals in detail and ask questions and have these answered. As part of the webinar presentations, two videos produced for the New Rates 2021 were also screened.

Details of dates, registration and participant numbers are in the table below.

Date	Registrations	Participants
04-Nov	19	9
07-Nov	14	8
12-Nov	25	9
21-Nov	17	4
TOTAL	75	30

There were many positive responses from webinar participants:

"Thanks for being transparent. Much better than pushing this through without consultation".

The webinars also changed the opinions of participants, once they heard and understood the proposal and the implications for the community.

Three polls were conducted during the webinars. The first poll asked if people believe that rate income increases as population grows. Some 73% of participants agreed with this statement, demonstrating the lack of knowledge of the rating system within the broader community. This means that people don't understand why Council must apply for an SRV to increase the overall rates 'pie' in line with population increases.

The second poll asked specifically if participants support a consistent minimum rate, with 89% agreeing that they support a consistent minimum rate across Georges River local government area.

The third poll asked if participants support the proposed SRV increase. The result was a 65% yes vote from participants.

All webinar participants were sent an online survey following their session. There were nine (9) responses to the survey.

GRC website

The rates and payments pages provided information about the proposal. This included:

- Access to the Amalgamation Journey report describing Council's savings and

efficiencies post amalgamation

- Planned changes and their relationship to the 2019 consultations
- Summary of 2019 feedback
- Proposal details
- What happens if the proposal isn't approved?
- Council's hardship policy

There were links to four (4) associated pages:

- What does this mean for me? (Online rate calculator) – 167 page views
- Why does Council need to increase its rates? (Access to the brochure online in English, Chinese, Arabic and Nepalese; access to the two videos produced for the project – 155 page views
- New rates 2021 FAQs - Over 50 questions were posted (Questions were added as the project rolled out, beginning with questions from the CAG, and also sourced from the webinars and phone calls and submissions). A full list of the FAQs can be found at Appendix 5 of the Community Engagement Report 2020 – New Rates 2021 (Attachment [D21-23549](#)) – 16 page views
- I want to know more (details of webinar opportunities and how to make a submission to IPART) – 447 page views

GRC Your Say Page

The New Rates 2021 Your Say consultation ran from 19 October to 30 November 2020.

It provided:

- Online bookings for the webinar
- Option to complete an online survey about cost savings
- Online lodgement of a submission
- Links to the videos, rates calculator and FAQs
- Contact details for customer service phone input

A recording of the webinar presentation for 7 November 2020 was posted to the website for general viewing. As at 22 December, there had been 30 views.

At the conclusion of the consultation period, the Your Say statistics revealed 906 page views and 190 informed visitors (people who had open links, documents etc).

You are here: Council > Rates and Payments > New rates 2021 > New rates 2021 frequently asked questions

New rates 2021

What does this mean for me?

Why does Council need to increase its rates?

I want to know more

New rates 2021 frequently asked questions

NEW RATES 2021 FREQUENTLY ASKED QUESTIONS

Why are these rate changes required?	+
Why is the Hurstville variation finishing – what was the reason?	+
What is the current Hurstville rate variation?	+
How much additional income will Council get from the Special Rate Variation?	+
What will happen if Council doesn't change the rates? What will it mean for residents?	+
What happened to the money Council received from the State Government when we merged?	+
Do population increases provide an increase in the rates collected by Council?	+
Does Council's rates income increase as new units are built?	+
Why are so many high rises then built in the LGA if the council doesn't get more money via rates but will then have to spend more for services as the population increases?	+
With all the large unit development in the area, why don't the rates for each unit cover the shortfall?	+
Why was the decision deferred last year if consultation was done then and the community agreed?	+
How likely or unlikely is it that the Council defers the proposal again?	+
How many residents (percentage) responded to the surveys last year?	+
Will the presentations / webinars be undertaken in other languages?	+
How will I benefit from paying the increase?	+

Website FAQ page

More detail is available in the Georges River Council Community Engagement Report 2020 – New Rates 2021 (Attachment [D21-23549](#)).

2019 consultation:

1. Face-to-face comments and questions to the General Manager and Senior Managers at information sessions held in each ward and at the two drop-in events. 288 people were reached across seven events. All questions and Council's responses were logged and subsequently listed on the Your Say website.
2. Surveys – a paper survey was mailed to each household and business in the LGA with an explanatory brochure (Changes to your rates' 2019 brochure, Attachment [D21-19459](#)). 5,734 survey responses were received by Council. The survey was also available to complete online (599 responses) and at each face-to-face and drop-in session (30 responses). A response rate of 11.86% was achieved based on 53,646 feedback packs (Letter 2, brochure and survey) sent out.
3. Feedback submissions were also provided by 50 people online using Council's Your Say consultation website and a further 50 people made submissions in writing direct to Council by email and mail.

A randomised telephone survey of 600 households was undertaken by Micromex Research in the period 21-31 October 2019.

The variety of communication and feedback channels ensured that as many local people as possible were both aware and able to provide feedback. This was successfully achieved, demonstrated by the high survey response rate of 12% of residential ratepayers and 8% of business ratepayers across all channels.

Information about the proposed changes to rates achieved a potential reach of over 2.3 million contacts across 79 activities or events in the two month consultation period.

This resulted in a very high rate of community awareness about the *Changes to your Rates* project. The Micromex telephone survey found that 47% of residents were aware that Council was exploring community sentiment towards a proposed SRV. This is consistent with the norm for other similar rate change consultations across NSW.

At the conclusion of the consultation period, Council's Your Say consultation website statistics revealed:

Contact	Number
Number of website visits	2,780
Online feedback (survey)	599
Number of document downloads or views	511
Online submissions	50

Community Information Sessions

Council held five ward-based (one per ward) community information sessions, plus an additional interpreted session in Hurstville. The information sessions were designed for Council to provide a detailed presentation of the proposed rates changes and to provide an opportunity for people to ask questions and receive answers.



Hurstville Library community information session

Breakdown of participants at Community Information Sessions:

Session #	Attendance	Location	Date
1	17	Mortdale	23 October 2019
2	15	Riverwood	29 October 2019
3	25	Hurstville Library (Chinese interpreted session)	31 October 2019
4	10	Hurstville Civic Centre	4 November 2019
5	23	Kogarah	7 November 2019
6	28	Oatley	9 November 2019
	118	Total attendees	

At the conclusion of the Community Information Sessions, a short evaluation was given to participants. 20% said their questions were completely answered, with another 55% indicating that their questions were mostly answered.

Drop-In Sessions

Two drop-in sessions were held at events which attracted significant community participation. The drop-in sessions gave an opportunity for one-to-one conversation with Council staff about the proposed changes and strengthened Council's visibility in the community. Information materials and surveys were distributed. Face painting provided an attraction for families to stop and chat with the Council team.

Drop-In Session Location	Date (Time)	# of people engaged
Peakhurst Market	25 October 2019 (4.00pm-8.30pm)	93
Kyle Bay (the Green Playground)	2 November 2019(10.00am-12.00pm)	77
Total engaged in drop-in sessions		170



Drop-In Session at Peakhurst Market



Drop-In Session at Kyle Bay

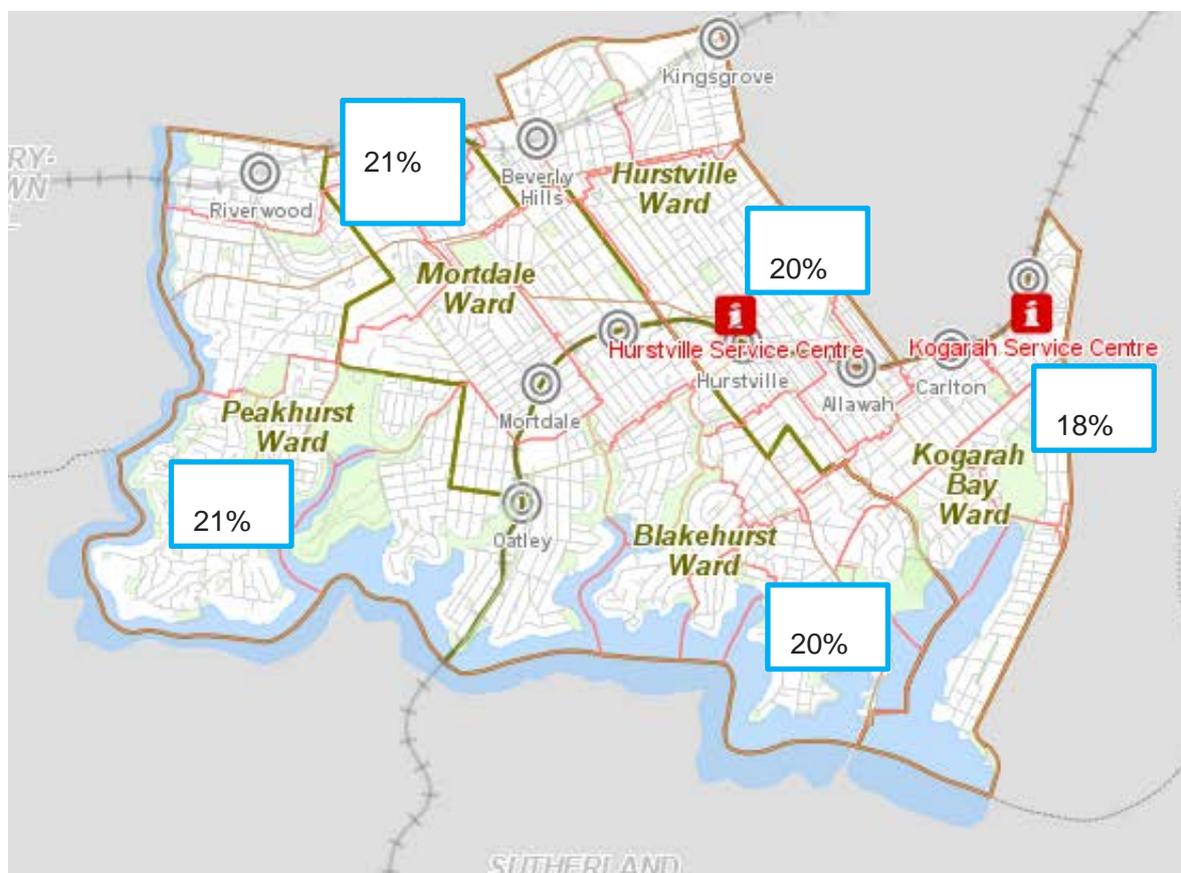
Submissions and Comments

Throughout the consultation period, comments and submissions were made by the community online and direct to the General Manager/Mayor. 50 online submissions and a further 50 letters or emails were received. All the comments made were analysed.

The survey contained space to make comments relating to the proposed changes (SRV and minimum rate). Approximately one-third of print copy respondents made a comment and half of online respondents. 2,725 comments were received in mailed surveys. Comments/submissions were also received online through Your Say, in the 50 surveys completed online and 50 via emails/letters direct to Council, with a total of 3,220 comments. Some comments included more than one subject, hence the total number of comments is greater than the number of individuals who commented.

Telephone Survey

Micromex Research undertook a telephone survey of 600 households in the Georges River LGA. Participants were called between 4:30pm and 8:30pm (Monday to Friday) during the period 21-31 October 2019. The sample was weighted by age and gender to match the profile of Georges River LGA in the 2016 ABS Census. Participants were drawn across each of the Council Wards. 37% of those interviewed spoke a language other than English. 20 interviews were conducted in Cantonese, Mandarin, Greek and Arabic using multilingual interviewers. Participation by Ward is summarised in the map below. 79% of informants were ratepayers, and 21% rent their homes.



Telephone survey participation by Ward

More detail is available in the Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate (Attachment [D20-20729](#)).

b) Outline the nature of the feedback the community provided on the proposed SV.

Increasing the rates revenue income base through a gradual five-year increase was strongly supported by all participants in the Citizens Advice Group (CAG), by nearly two thirds of webinar participants and (telephone survey) supported by the majority of residents under 50 years of age, residents in apartments and town houses and those who are tenants. Older people in single detached dwellings were less likely to support the proposal but it still achieved almost 40% support.

The level of support for the Council's proposal (SRV and minimum rate) increased with the level of engagement and understanding of the proposals. This was consistent with last year's results.

In 2020, there were a range of channels of information and feedback opportunities available to the community. The following table maps the key questions for the community engagement to the source of feedback and summarises the results.

Key question feedback by channel

Key question	CAG	PHONE	WEBINAR POLL	POST WEBINAR SURVEY	2019 engagement
What is the awareness level in the community about the New Rates 2021 proposal?		55%			47%
Do you believe that rate income increases as population grows?(<i>myth</i>)			73% AGREE		
Did you know that the total amount of money Council can collect in rates is fixed by the State Government?		34% YES 66% NO		67% YES 33% NO	
Should the total amount of rates that Council collects increase in line with population growth and new development?	100% YES	44% YES		78% YES	
Do you support a consistent minimum rate?	100% YES		89% YES		78% supportive 61% supportive of proposed rate (\$965.80)
Do you support the proposed SRV increase?	100% YES	42% YES	65% YES		54% supportive of the 2019 recommended option (changed

					approach in 2020)
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Level of support for Council's proposal

CAG

There was 100% support for the proposed rate increase and the proposed minimum rates.

The CAG were asked as part of the workshop "should the total amount of rates that Council collects increase in line with population growth and new development?" The response from participants was 100% agreement that total amount of rates should increase with population growth.

They were also asked if they support a consistent minimum rate. The response was 100% supportive of a consistent minimum rate.

They were also asked if they support the proposed SRV increase. Again, the response was 100% yes, that they support the proposed SRV increase.

Phone survey

Both the phone survey and the post-webinar survey asked:

"Using a 1 to 5 scale, where 1 means "not at all supportive" and 5 means "very supportive", how supportive are you of the Council's proposal?"

Ratings of 3 or higher have been considered as support for the proposal.

Amongst the phone survey respondents, there is more support for Council's proposal from younger age groups. 60% of those under 35 years of age are supportive and almost half of those under 50.

Property type is influential, with more than half of those in apartments, flats, units or townhouses and villas supportive (53%) compared to free-standing houses at 38% support.

Gender influences support with overall support levels from females at 45% compared to males at 39%.

The suburbs which experienced a significant increase in land values in the 2020 NSW Valuer General assessment (Oatley and Mortdale) showed less support for the Council's proposal (34% when compared to all other suburbs 46%)

Renters are more supportive at 69% than those who are homeowners (39%).

Webinars

Three polls were conducted during the webinars. The first poll asked if people believe that rate income increases as population grows. Some 73% of participants agreed with this statement, demonstrating that the rating 'myths' are still consistently believed in the community. This means that people don't understand why Council must apply for an SRV to increase the overall rates 'pie' in line with population increases.

The second poll asked specifically if participants support a consistent minimum rate, with 89% agreeing that they support a consistent minimum rate across Georges River local government area.

The third poll asked if participants support the proposed SRV increase. The result was a 65% yes vote from participants.

All webinar participants were sent an online survey following their session. There were 6 (6) responses to the survey.

Post-webinar survey

Both the phone survey and the post-webinar survey asked:

“Using a 1 to 5 scale, where 1 means “not at all supportive” and 5 means “very supportive”, how supportive are you of the Council’s proposal?”

Ratings of 3 or higher have been considered as support for the proposal.

Nearly 80% of post-webinar respondents were very supportive or supportive of Council's proposal for a single residential minimum rate and 61% supported the proposal of \$965.80.

Nearly two thirds of respondents supported the proposed SRV.

Comments included:

- Extra funds are needed to cover inflation and a growing population which needs extra infrastructure
- I believe it's a fairer system by increasing the minimum rates level as people whether in a unit or a detached house enjoy a similar level of council services
- I think it inevitable even though I would be paying more than the average in rates because of the VG on my property which does NOT generate income. I already had a huge increase this year (Oatley resident). I would like to have been warned of that increase. It came as a shock as it was a VERY large increase.
- The proposal continues to be constrained by land and not population which is the primary user of council services.

Online submissions

A total of 80 online submissions were received, but of these four made no substantive comments, instead registering to be updated.

A summary of the key theme in each submission can be found at Appendix 4 of the Community Engagement Report 2020 – New Rates 2021 in Attachment [D21-23549](#).

Responses have been classified into object, neutral or support, either specifically in respect of the SRV or harmonised minimum rate proposal or more generally. Most submission writers spoke generally about Council's proposal without differentiating the minimum rates harmonisation from the SRV.

Amongst the 76 substantive submissions, nine were specifically supportive of the harmonised minimum rate proposal with four objections. There were seven specific objections to the SRV proposal.

General objections were evident in 44 submissions while 21 were neutral or supportive.

Key themes are summarised in the table below.

Key themes in submissions

Theme	Example
Support the proposal	Support consistent rates Supportive of increasing equity of minimum rates
Financial stress	Impact of COVID-19 economic downturn Concern for low income residents Proposes a minimum that is between Kogarah and Hurstville if rates need to harmonise.
Amalgamation was supposed to make Council more financially efficient and reduce rates	Rates increasing faster than inflation Amalgamation should have resulted in cost saving Services have declined since amalgamation
Queries about Council's financial management	Improve management efficiencies and effectiveness
Why isn't Council reducing staff/services/costs in line with economic downturn	Suggest that services are restricted Specific projects unnecessary e/g sporting facilities

SAVINGS OPTIONS

One of the objectives of the 2020 community engagement was to test community sentiment around preferred areas of savings, should services need to be cut to meet budget needs.

Input around preferred savings was gathered from four sources:

- The CAG
- Online survey on Your Say
- Follow-up survey to webinar participants
- Phone survey respondents

Overall, there is a strong sentiment in the community in favour of service maintenance and there are similarities in the key areas for preservation as well as those which could be potentially targeted for savings across the four groups.

However, response numbers vary from 600 in the phone survey, 63 in the online survey, 9 in the post-webinar survey and 8 from the CAG.

In addition, the way the savings views were collected from the CAG was slightly different as a group-based process was used. For these reasons, the detailed findings from each of these four sources is provided separately below.

CAG views

Amongst the CAG, the top priority areas which were important to maintain were:

- Parks
- Street cleaning
- Street lighting and other amenities
- Libraries, art and cultural services and economic activity
- Youth, aged person, disabled and community support

Areas that the CAG felt could be reviewed for savings were:

- Community centres and halls
- Aquatic sport and recreation
- Children's services
- Parking
- Development and buildings

Phone respondent views

Overall, the phone survey showed strong support for keeping services.

The areas that people most wish to keep are:

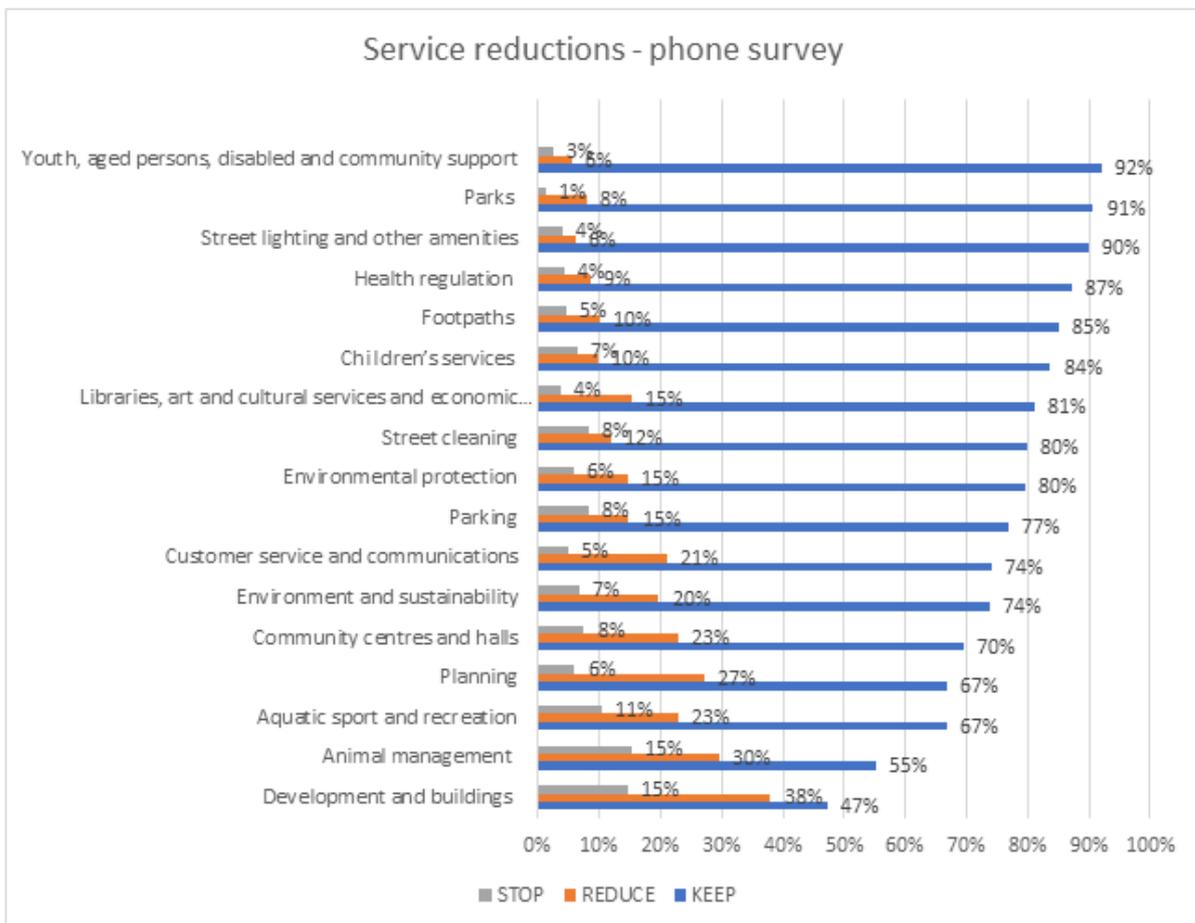
- Youth, aged persons, disabled and community support (92%)³
- Parks (91%)
- Street lighting and amenities (90%)
- Health regulation (87%)

³ % shown is the proportion of people indicating service reduction

- Footpaths (85%)

Areas most preferred for savings are:

- Development and buildings (38%)
- Animal management (30%)
- Aquatic and recreation (23%)
- Planning (27%)
- Community centres and halls (23%)



Online survey results

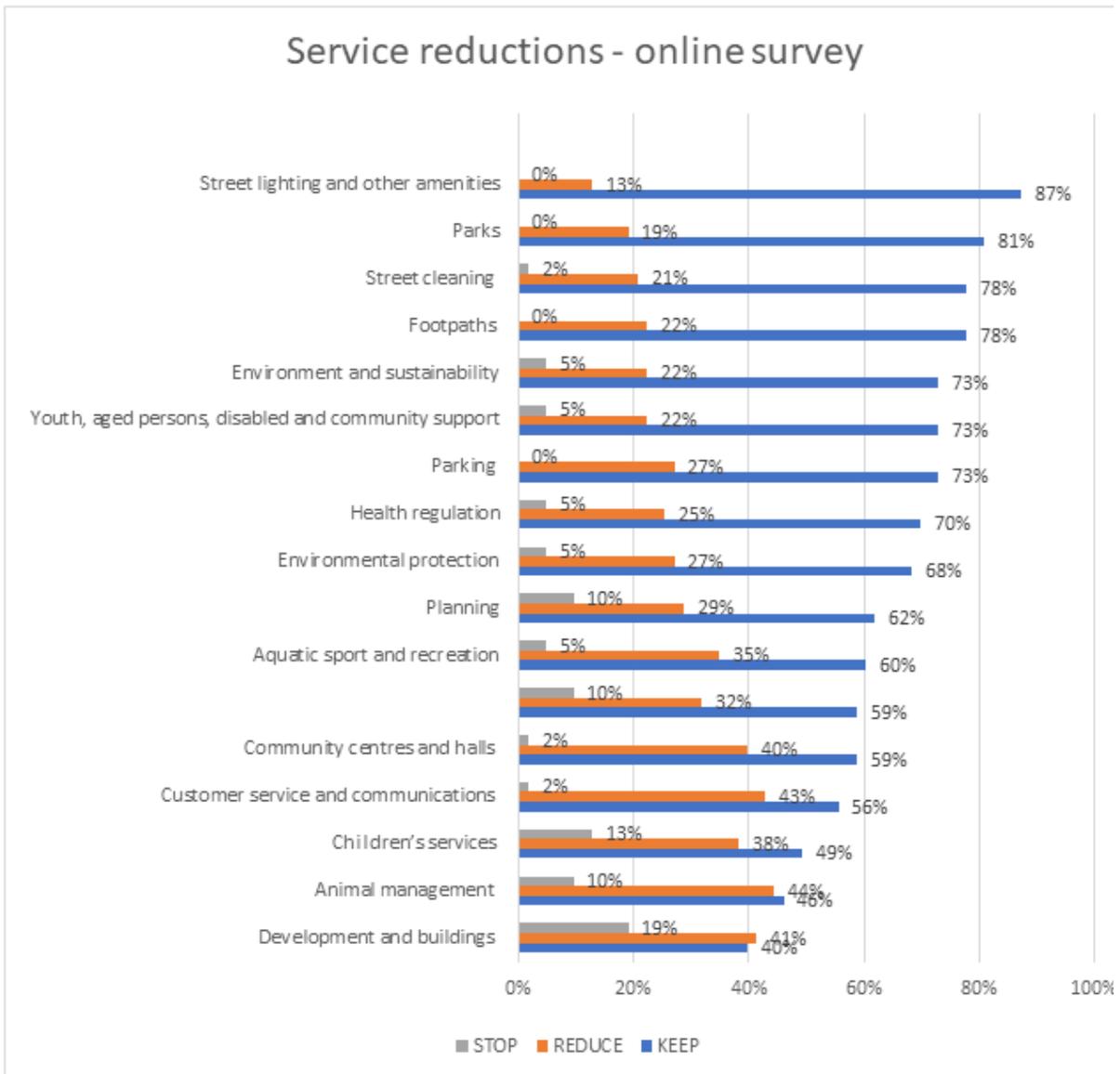
The same trends are evident in the online survey results as the phone survey, with a similar pattern of types of services which are priorities for keeping or for savings, but with a higher proportion of people indicating that savings could be made in some areas.

The areas that people most wish to keep are:

- Street lighting and amenities (87%)
- Parks (81%)
- Street cleaning (78%)
- Footpaths (78%)
- Environment and sustainability (73%)

Areas most preferred for savings are:

- Development and buildings (41%)
- Animal management (44%)
- Children's services (38%)
- Customer service and communications (43%)
- Community centres and halls (40%)



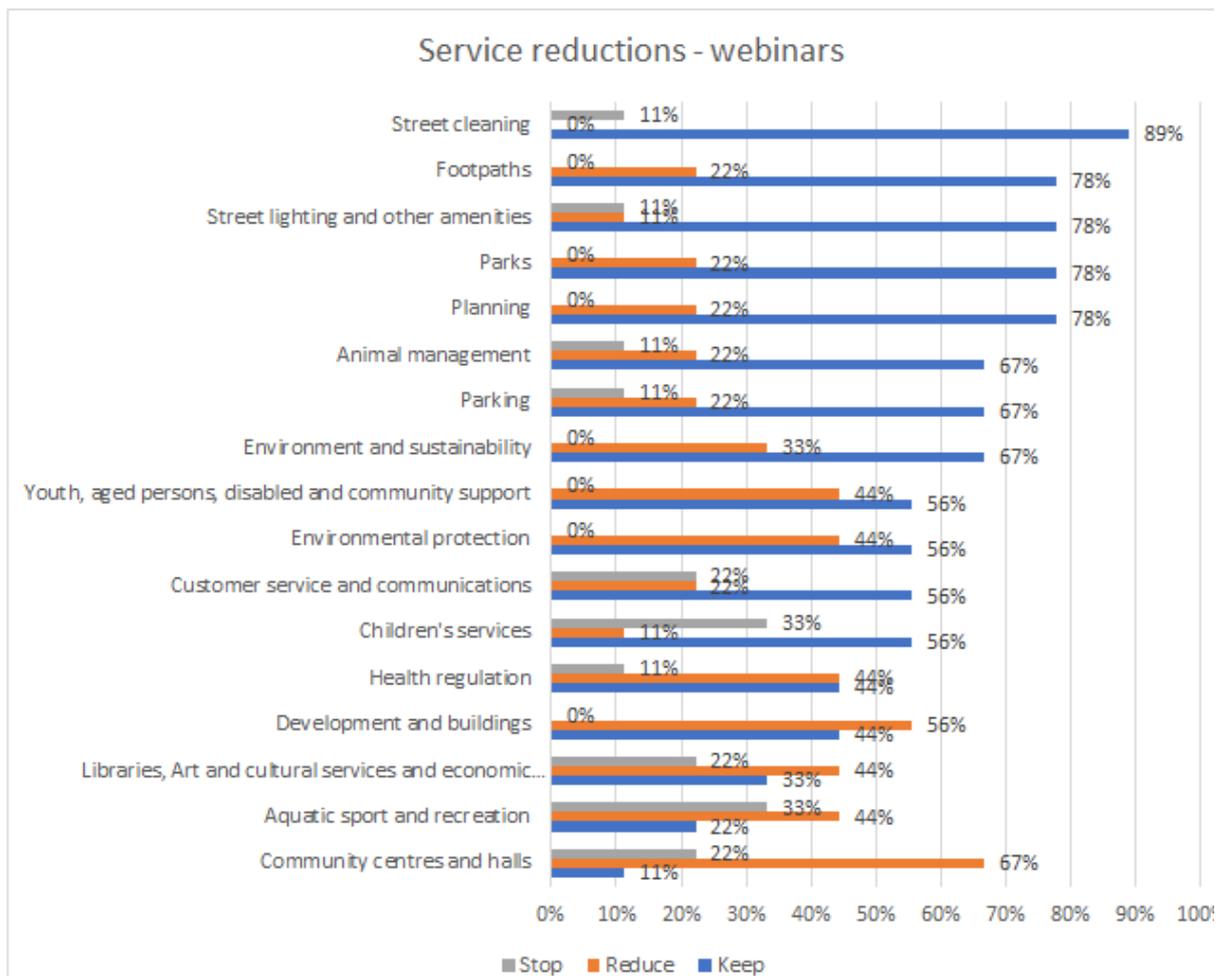
Webinar results

The areas that people most wish to keep are:

- Street cleaning (89%)
- Footpaths (78%)
- Street lighting and amenities (78%)
- Parks (78%)
- Planning (78%)

Areas most preferred for savings are:

- Community centres and halls (67%)
- Aquatic sport and recreation (44%)
- Libraries, art and cultural services and economic development (44%)
- Development and buildings (56%)
- Health regulation (44%)



Additional savings areas

Phone survey respondents were also asked for any additional savings areas which had not been covered by the list presented. Around 20% made some additional saving suggestions.

The major categories of additional suggestions and some examples are included in the table below.

Category	Examples
Reduce councillor costs	<ul style="list-style-type: none"> ▪ Councillor costs to be reviewed/ cost benefit analysis ▪ Reduce the number of paid councillors ▪ Less council meetings and less councillors
Less staff/wages	<ul style="list-style-type: none"> ▪ Look at restructuring of staff at all levels ▪ They could reduce the number on customer services as most of it is done online ▪ Save some money by not paying managers so much
User pays	<ul style="list-style-type: none"> ▪ Get people who do the graffiti to clean it up instead of paid council employees ▪ Maybe council can charge out some costs to the sporting bodies that use their facilities ▪ We could make savings by having bike riders /Uber riders pay some sort of rego/insurance ▪ The Oatley Park a fee or parking fee there ▪ Charge commercial rates for use of sporting grounds
IT	<ul style="list-style-type: none"> ▪ Newsletters don't need to be printed - send them by email ▪ Online work instead of face to face
Outsourcing	<ul style="list-style-type: none"> ▪ Tree management should be outsourced to someone with more knowledge. I think that council are a little out of their depth ▪ Less use of council recommended contractors when a cheaper quote from another contractor could have been employed.
Festivals/events	<ul style="list-style-type: none"> ▪ A lot of festivals and events should be left to the private sector. ▪ Eliminate sister cities ▪ Why are we running art competitions and grants?
Development	<ul style="list-style-type: none"> ▪ Get rid of the bureaucracy... Too many restrictions on buildings when you want to make an extension ▪ Stop refinishing car parks that don't need it, don't demolish the pool. Unnecessary public building developments
Efficiency	<ul style="list-style-type: none"> ▪ Council should be efficient in what they are undertaking ▪ Have more experience in what they do and not take so long to make decision

Online survey respondents made five suggestions:

-
- Maybe utilise a volunteer service for some services.
 - Services that are better run centrally by Service NSW are better handed over.
 - The entire community should not be paying for the minority, those services if wanted must be user pays. Centralise resources with other councils
 - Services of a personal nature (as opposed to services for the general public) should be "user pays". e.g. library membership should cost
 - The Council does not need to be in childcare, there are plenty of private operators in this space

More detail is available in the Georges River Council Community Engagement Report – New Rates 2021 – Dec 2020 [Attachment D21-23549](#).

2019 consultation

In 2019, feedback on the SRV from the community indicated support for Option 1 (recommended by Council). Under Option 1, Council would apply for a SRV of 8.1% plus a rate peg of 2.5% (total 10.6% increase to general rate income). The proportion of respondents supportive of Option 1 varied between the different channels. In total 3,590 people across all channels were at least somewhat supportive (54% n=6601). It appears that the opportunity to discuss the rationale behind the three options presented by Council resulted in a much higher proportion of people supportive of Council's recommended option, 93% of respondents at Information and drop-in sessions were supportive of this option.

Option 2, described as a short term solution suggested Council apply for an SRV of 0.8% plus a rate peg of 2.5% (Total increase of 3.3%). In total 3,696 people (58%, n=6,362) of respondents across all channels were supportive of Option 2. This option was favoured by just under 60% of people who mailed surveys or submitted online; those who had an opportunity to discuss the rationale for the changes to rates were much less supportive (43% indicating some support for Option 2).

Option 3 proposed a SRV of 19.8% plus rate peg of 2.5% (total 22.3%) to fund enhanced services. It was clearly not preferred. Just 892 people (15% of respondents across all channels, n=6,167) were supportive of Option 3. About 90% of online and mailed survey respondents were not supportive of the substantial increase option.

Rate Restructure Surveys

There were four channels available to complete the survey. At 5734 responses, the largest category was mailed survey responses. This was followed by the online survey, telephone survey and finally, surveys completed at either an information session or drop-in event.

Survey respondents were asked to indicate their ratepayer status.

As can be seen from the table below, the majority of respondents (93%) who returned mailed surveys were residential ratepayers. This percentage was even higher amongst the online and face-to-face event respondents. Approximately 5% of mailed survey respondents were business ratepayers, including some who also had residential property.

Examples of other respondent types included relative of a ratepayer, former resident, and other tenant types e.g. Church, pensioner, and renter. Some people identified as landlord rather than ratepayer.

5,734 surveys were mailed back to Council. The survey was also available to complete online (599 responses) and at each face-to-face and drop-in session (30 responses). A response rate of 11.86% was achieved based on 53,646 feedback packs (Letter 2, brochure and survey) sent out.

Response rates by survey channel and ratepayer status

Channel	Residential ratepayers		Business ratepayers		Both		Other/not known		TOTAL	
	#	%	#	%	#	%	#	%	#	% of all surveys
Mailed surveys	5334	93%	178	3%	97	2%	125	2%	5734	90%
Online survey	582	97%	12	.02%	0	0%	5	.01%	599	9%
Info/Drop-in survey	29	97%	0	0%	1	3%	0	0%	30	1%
Total surveys									6363	
Total feedback packs									53,646	
Response rate									11.86%	

Support for Options - SRV

The rates restructure survey and the telephone survey asked for feedback on the three SRV options suggested by Council.⁴

The findings were examined by four subsets of respondents, mailed back paper survey, online completion, telephone and completed at an information session or drop-in.

A comparison of business and residential respondents did not generally reveal any major differences considering options 1, 2 and 3.

⁴ Please note that not all respondents answered all questions. Analysis has been completed on the numbers who responded for each individual question. 5% of mail respondents did not give their views about option one.

The tables and graphs following present the feedback by option from each engagement activity.

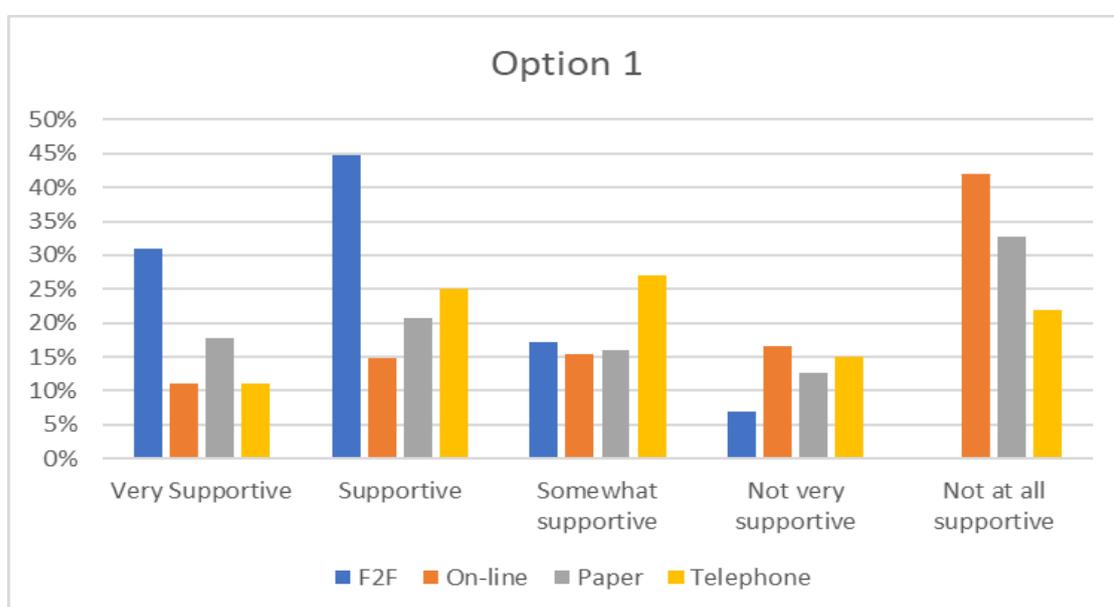
Option 1 – financially sustainable (recommended option)

This Option was Council’s recommended Option: an increase to general rate income of 10.6% (inclusive of 8.1% SRV and 2.5% rate peg). A working hypothesis was that individuals who had attended a drop-in or information session had more opportunity to have their questions answered and might therefore show an increased level of support for the recommended Council option (Option 1) compared to other respondents.

The findings supported this hypothesis. 93% of survey respondents at face-to-face sessions were at least somewhat supportive, compared with 63% of telephone survey respondents and just over half of the mailed survey respondents. Only 41% of online respondents were at least somewhat supportive of the recommended option.

OPTION 1 (Recommended)	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	9	31%	13	45%	5	17%	2	7%	0	0%	29	93%	7%
On-line respondents	64	11%	86	15%	89	15%	96	17%	243	42%	578	41%	59%
Mail survey respondents	962	18%	1123	21%	861	16%	680	13%	1768	33%	5394	55%	45%
Telephone	66	11%	150	25%	162	27%	90	15%	132	22%	600	63%	37%

Table of Option 1 feedback



Graph of Option 1 feedback

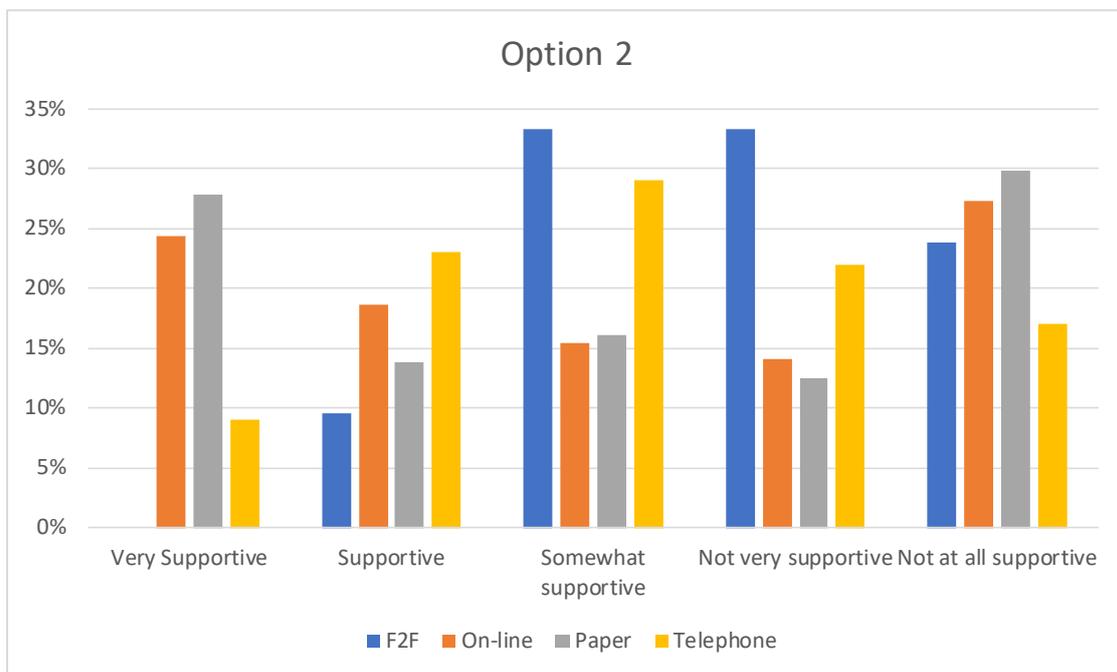
Option 2 – short term

Option 2 suggested a short term approach to cutting costs and limiting any rate increase to 3.3%.

Option 2 was not favoured by those who had an opportunity to discuss the alternatives with only 10% of these individuals supportive. 57% did not support Option 2. Amongst the mail and online respondents, while support for option two was higher, approximately 40% of people were not supportive of this option.

OPTION 2 (Short term)	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	0	0%	2	10%	7	33%	7	33%	5	24%	21	43%	57%
On-line respondents	142	24%	108	19%	90	15%	82	14%	159	27%	581	59%	41%
Mail survey respondents	1438	28%	712	14%	831	16%	642	12%	1537	30%	5160 ⁴	58%	42%
Telephone	54	9%	138	23%	174	29%	132	22%	102	17%	600	61%	39%

Table of Option 2 feedback



Graph of Option 2 feedback

Option 3 – substantial increase

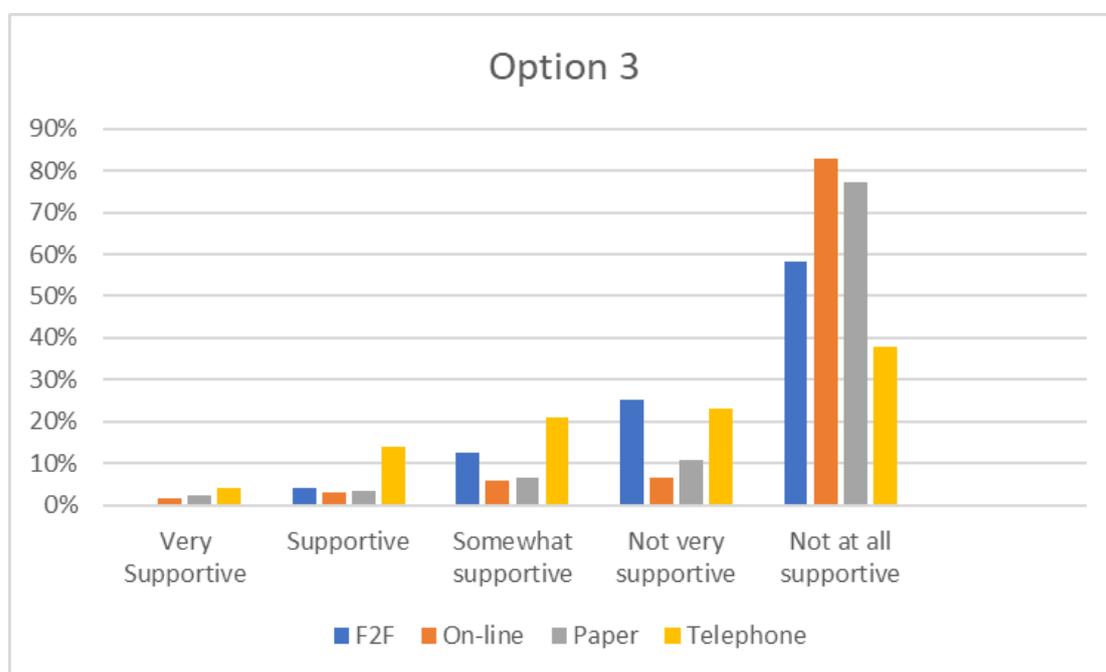
This option proposed a substantial rate increase of 22.3% and was the least supported of the three options.

83% of face-to-face respondents, 90% of online and 88% of mail replies were neither not very or not at all supportive. 12-17% of people in these three groups (face-to-face, online or mail) were at least somewhat supportive.

In contrast, the support levels of the telephone respondents for Option 3 were much higher, with almost 40% supportive of Option 3.

OPTION 3 (Substantial increase)	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	0	0%	1	4%	3	13%	6	25%	14	58%	24	17%	83%
On-line respondents	8	1%	17	3%	32	6%	37	7%	459	83%	553	10%	90%
Mail survey respondents	111	2%	168	3%	318	6%	542	11%	3851	77%	4990	12%	88%
Telephone	24	4%	84	14%	126	21%	138	23%	228	38%	600	39%	61%

Table of Option 3 feedback



Graph of Option 3 feedback

Consistent application of minimum rates across the GRC LGA	Very Supportive		Supportive		Somewhat supportive		Not very supportive		Not at all supportive		Total	% at least somewhat supportive	% not supportive
	#	%	#	%	#	%	#	%	#	%			
Drop in and information session respondents	10	34%	12	40%	4	13%	4	13%	0	0%	30	87%	13%
On-line respondents	159	28%	164	28%	113	20%	48	8%	93	16%	577	76%	24%
Mail survey respondents	1796	33%	1522	28%	910	17%	337	6%	835	15%	5400	78%	22%
Telephone	138	23%	198	33%	132	22%	60	10%	72	12%	600	78%	22%

Table of feedback on consistent minimum rate

Survey comments

The survey contained space to make comments relating to the proposed changes (SRV and minimum rate). Approximately one-third of print copy respondents made a comment and half of online respondents. 2,725 comments were received in mailed surveys. Comments and/or submissions were also received online through Your Say, in surveys completed online and via emails/mail direct to Council.

All comments were reviewed. Nine major categories emerged from the 3,220 comments received.

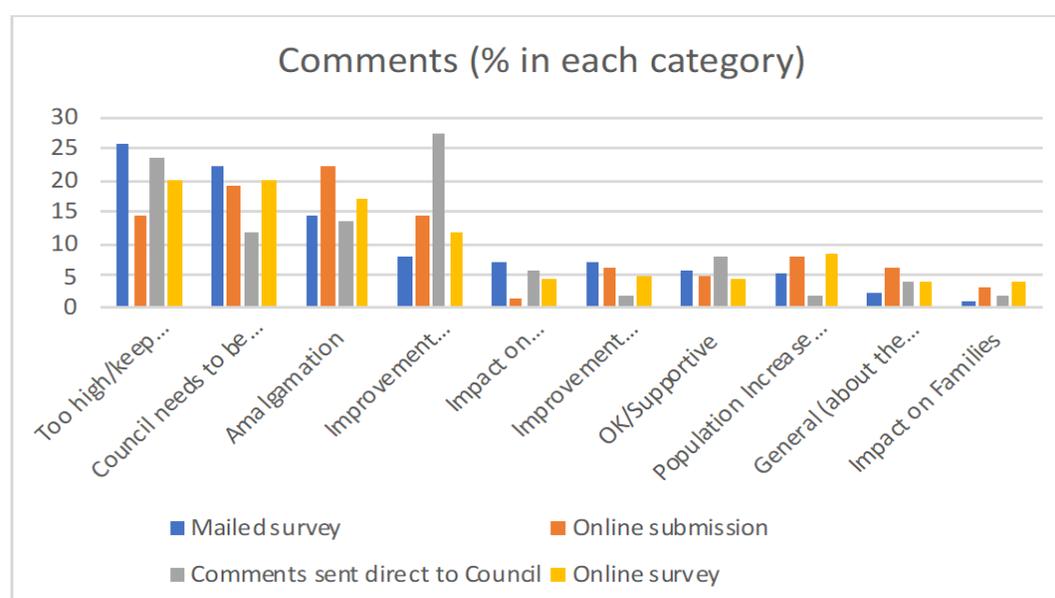
- Amalgamation
- Council should increase efficiency
- General (about information leaflet /survey)
- Impact on families
- Impact on pensioners
- Improvement suggestions
- Population increase results in increased income
- Supportive of the changes
- Too high/reduce services

The most frequently occurring comments related to:

- the proposed increases being too high (25%)
- the need for Council to make efficiencies (22%)
- expectations of cost savings as a result of council amalgamations (15%)

In several comments, it was clear that respondents held the misconception that a population increase meant a corresponding increase in rates revenue. This myth was also raised and addressed at each information session and is discussed earlier in this report.

Examples across the nine categories are provided in the table below. The graph indicates the number of comments in each category as percentages of the total received through each method. Community concern about pavements and roads was raised in several information sessions and in some survey responses. The cost of governance was also queried in each information session and it was important for the General Manager to explain how the figure was derived and the inclusion of mandatory items such as the Fire and Emergency Services Levy. Some respondents were keen to see user-pays models introduced, or a review of fees and charges, and there appears to be an opportunity for Council to increase awareness across the LGA of new facilities and infrastructure.



Graph of Comments (% in each category)

Comment	Mailed survey	Online submission	Comments direct to Council	Online survey	Total
Too high/keep down/min services	706	9	12	76	803
Council needs to be more efficient	608	12	6	77	703
Amalgamation	400	14	7	65	486

Improvement suggestions B: Service improvements (Roads/footpaths/pool)	222	9	14	46	291
Impact on pensioners/ self- funded retirees	198	1	3	18	220
Improvement suggestions A: structure of rates	193	4	1	19	217
OK/Supportive	155	3	4	17	179
Population Increase = Revenue Increase	151	5	1	32	189
General (about the information/form)	59	4	2	15	80
Impact on Families	33	2	1	16	52
Total	2725	63	51	381	3220

Table of Comments received

Note: Most respondents' comments were able to be categorised into one theme but where comments covered multiple categories, they were logged in each category.

Examples of comments

Too high/keep down/min services

Already really expensive – only for rubbish and general clean!

We choose to pay the minimum. Do not wish an increase due to the amalgamation of councils

Increased rate doesn't mean improved services

Keep rates as low as possible. No worker gets a 10.6% pay rise any time! Charge more for developments and builders

We pay plenty enough

Our economy is down and there is hardly increases in salaries so why raise rates by 10.6%

No increases to existing rates

Council needs to be more efficient

We are finding it difficult to keep up with the current rate charges. Increasing them further is not recommended

The less money paid the better

Council should maintain current rate structure and reduce unnecessary expenditure and wasteful spending. Expenditure should be based on your income and not the other way round.

To control \$\$ costs, cutbacks are needed in services and HR, avoid overpriced service providers, tender out and manage costs

Maybe you should make savings, starting with council staff

Work within budget like the rest of us – review non-essential capital works

You don't need more money, look internally to cost save and improve efficiencies

Cut down on governance costs (\$27.5m!), community and cultural development and libraries

Council needs to cut back on councillor perks

Council needs to tighten its belt the same as the ratepayers have to

It's time council got back to what it's supposed to do "Maintenance". 27.5m governance, 36m on environment. NOT YOUR JOB

With the current inflation rate of 1.6%, I think it is time the council looked at reducing its internal costs

Amalgamation

The main purpose of council amalgamation was to achieve reduced costs. Why was this not achieved resulting in lower rates?

No one wanted the amalgamation. Why are we paying for other ratepayer needs?

Since the amalgamation in 2016 council rates have increased. We were told they would decrease due to

<p>Impact on pensioners</p>	<p>amalgamation. In our opinion services have not changed, just the rates!</p> <p>I thought the amalgamation of councils was to reduce costs, the rates should be going down!!! Not up!!! Why is this?</p> <p>We were told amalgamating the councils would save money, not make things more expensive. Little consideration is given to the older residents who have built up the community, the major projects are geared toward the younger and newer residents.</p> <p>Surprised to see these proposals. There should have been substantial savings due to merging of 2 councils and at least for a few years there should have not been any rate increase.</p> <p>We should have economies of scale due to the merger</p> <p>I'm a self-funded retiree. My income has not increased it has decreased. I have got to live within my means, so should council</p> <p>Give concessions to pensioners</p> <p>Too much for pensioners, this takes away their pension rise.</p> <p>Pensioner discount must be maintained!</p> <p>As a pensioner, it is hard enough paying these rates</p>
<p>Improvement suggestions</p>	<p>Where have the development contributions disappeared? They generally fund those projects. Developers should foot the bill and council manage money carefully, not recklessly</p> <p>It doesn't make sense – Increase of \$3 per week for residents and business owners only \$1 per week????</p> <p>High rise apartments are creating the pressure on our services and environmental and recreation – so need to pay much more. Also hit developers hard with higher contributions to the council to compensate</p> <p>Businesses should be charged at a much higher rate than residential</p>

A poll tax – everyone who lives and votes in the council area pay the same rate.

Charge medium and high-density developers who are the cause of the infrastructure shortages

Council should not put so much into childcare – it should be a business particularly as currently council centres charge the same as everyone else

Sports facilities should be paid for by users

Find cheaper tradesmen to do roads, footpaths and services. There are plenty of cheap tradespeople in country areas.

Would have liked a 4th option of 6% (between 1 & 2)

Developers should pay for infrastructure and parking. Roads congested.

Size of land should represent the rates

Allow a discount to pay for a full year in advance

Stop allowing so many residential buildings

Please consider that not everyone has unlimited funds and a user pay system seems fair

Supportive

The new parks for kids are excellent!

Important projects are inevitable, Council is doing a good job.

Cough up now or it only gets harder down the track. Just don't waste our money please 😊

Thank you for well-presented options

If you want services, you have to be prepared to pay for them as long as council is financially accountable.

Hopefully the increase will not be wasted and will support the community

Happy for the harmonising of rates

**Population
Increase =
Revenue Increase**

We need to increase the amount of funds collected by Council to continue to provide services to the growing community...We support Council's Option 1 (recommended) FINANCIALLY SUSTAINABLE to increase our rates

I support council in raising funds to continue it's current level of service and would even consider a higher rate

The leaflet mentioned increased population, may I say the thousands of units built therefore thousands of more people paying rates. Council is rich

Your income is increasing automatically by increasing the number of ratepayers

Council receives extra rates from more developments

Have you even considered the increase in rates revenue you have enjoyed from all the multi-story apartments you have approved? Still not enough?

I don't understand how an increase in population necessitates an increase in rates given each new person pays rates so there is a positive correlation between revenue & expenses.

Each block of high rise has contributed a lot more rates for the Council

The information in the brochure didn't mention the increased rate income from apartments

Impact on Families

In this extremely difficult economic environment, families do not need an increase in charges

Run a council budget just as a family budget

As a family, budgets are squeezed so should the council budget. Families are struggling! This is not the time to be introducing higher rates as more and more people struggle paying for food on the table.

Families are experiencing great financial stress. Adding to the cost of living will cause hardship.

Comments were also made relating to the information provided, such as “Don’t have enough information on ‘savings in operating expenditure’”; Not enough detail given [on the form] to provide accurate feedback”. Some people commented that question 2 (relating to the minimum rate) was difficult to understand.

Myths

The face-to face-information sessions provided important insights to Council. It became clear that three significant “myths” or misunderstandings of the NSW rating system were widespread.

The myths are:

- a. An increase in the population means there is an increase in rates revenue for Council
- b. An increase in the number of dwellings means that there is an increase in rates revenue for Council
- c. An increase in land value means there is an increase in rates revenue for Council

By addressing these myths, Council was able to assist the community to understand that the total rate income of local government is capped by the State government and does not increase automatically as the myths might suggest. Rather, Council needs to make formal applications to IPART to secure any increase in rate income above the rate peg (an annual adjustment for inflation set by IPART).

The information sessions explained that the total amount of rate income is fixed so the variables above affect the distribution of rates. More ratepayers mean each one needs to contribute slightly less. These impacts are small because the number of new dwellings compared to total dwelling numbers is small; the growth in population is a small percentage and land values growth relates to the unimproved land value. It is another misunderstanding that the value of a building impacts on rate charges.

Review of the comments made in submissions, mailed and online surveys indicate that many people responded to Council without understanding the NSW rating system and holding the “myths” to be true.

Hardship

Georges River Council’s Debt Management and Hardship Policy (Attachment [D19/201537](#)) was also outlined in the presentation. The purpose of this policy is to provide a consistent, fair and transparent framework that outlines Council’s position on how it will collect monies owing, assess hardship claims, provide assistance to those ratepayers who suffer genuine financial hardship and, where necessary, recover overdue payments to manage debt.

Questions in small groups

At each information session, a small group format with each group hosted by senior council personnel was chosen to maximise the opportunities for all individuals attending to express their views following the presentation. Council staff were also available to discuss individual matters of concern or interest to residents, whether or not these were related to rates.

All questions raised in the information session groups were logged and subsequently listed, with responses, as FAQs on Council's Your Say consultation website.

Individuals who had not otherwise completed the rates restructure survey were able to do so at the information session if they chose.

Participants in the Community Information Sessions were asked to complete a short evaluation at the end of the session. Some 20% said their questions were completely answered, with another 55% indicating that their questions were mostly answered.

More detail is available in the Community Engagement Report – Special Rate Variation Options and Minimum Rate – Dec 2019 in Attachment [D20-20729](#).

3.4 How did the council respond to feedback from community consultation?

In the text box explain the action, if any, the council took in response to feedback from the community.

As Council conducted a two year community engagement program, Council was able to respond to many issues of concern arised in 2019 and developed the proposal for consultation for the *New Rates 2021* project in 2020.

The CAG also provided valuable feedback on Council's proposals and the key messages they believed to be important for the community and identified the most useful slides in the presentation. This helped to hone the consultation strategy, presentations used for the community webinars as well as refining the text of the final 'New Rates 2021' 2020 brochure (Attachment D21-19459) provided to all ratepayers.

Council responded to concerns about the permanent one-off increase of 10.6% rise in rates proposed in 2019 and developed a permanent multi-year SRV spread over 5 years in the *New Rates 2021* proposal. The *New Rates 2021* proposal's total increase is equivalent to Councils 2019 proposal, but spread out, reducing the impact on the community.

Council also responded to the feedback from 2019 that the business rates are too low and the overall minimum rate for business should be higher than the residential minimum rate.

Council reviewed the business minimum rates and the subcategories following the community consultation process and identified that the rate in the dollar for business subcategories was set higher than residential though the business minimum was the same. Therefore, for the *New Rates 2021* proposal, the business minimum was amended to be \$1,100 (residential minimum proposed at \$965.80) and a new subcategory set for businesses within the Major Commercial Centres of \$1,500.

Council responded to all questions raised by the community both in 2020 and 2019. These questions were added to the lists of FAQs, available in the Attachments.



Attachments for Criterion 2

List attachments relevant to your response for Criterion 2 in **Table 2.1**. Use the council assigned number shown in Table 8.1.

Table 2.11 Attachments relevant to response for Criterion 2

Council-assigned number	Name of document	Page references ^a
D21-23549	Community Engagement Report – New Rates 2021 – Dec 2020	
D20-20729	Community Engagement Report – Special Rate Variation Options and Minimum Rate – Dec 2019	
D20-224016	Community Engagement Strategy 2018-2028	
D21-19453	Community Engagement Summary of Reach New Rates 2021 Consultation	
D21-19459	'New Rates 2021' 2020 brochure	
D21-19460	'New Rate 2021' 2020 brochure - Translated Arabic Simplified Chinese Nepali	
D21-19459	'Changes to your rates' 2019 brochure	
D19-201537	Debt Management and Hardship Policy (July 2020)	

^a If document only relevant in part.



Criterion 3

Impact on ratepayers

Criterion 3 in the SV 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.

To complete the questions for Criterion 3: Impact on ratepayers refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Special Variations in 2021-22 – Fact sheet*
- ▼ *Special Variations in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

4.1 What is the impact on rates of the proposed special variation?

In the text box provide information about the impact on rates of all affected ratepayer categories.

Merge Background – Starting Point

One of the conditions of the amalgamation was that the rating structure was to be left undisturbed for a period of four years from the date of merger. Currently under legislation, Council is required to harmonise its rates by 2020/21. The existing provisions of the Local Government Act 1993 (NSW) limit the ability for metropolitan and urban councils to apply differential residential rates.

Council currently levies two different ordinary and special rates based on the former Councils' rating systems.

At the time of proclamation, Kogarah maintained only an ordinary rate structure, whereas Hurstville maintained an ordinary and special rate structure along with a time-bound special rate variation.

Current Ordinary Rates

The tables below highlight the former Councils' ordinary rate structure that is being levied in the 2020-21 financial year (as per Council's Delivery Program):

2020/21 Rate Structure	Rate in \$	No. of Properties	2020/21 Rate Revenue (\$'000)
Residential			
Former Kogarah - Ordinary Ad-valorem	0.0015759	11,350	16,652
Former Kogarah - Ordinary Minimum	966.73	10,989	10,623
Former Hurstville - Ordinary Ad-valorem	0.0019774	20,652	27,611
Former Hurstville - Ordinary Minimum	585.72	10,656	6,241
Subtotal Residential		53,647	61,127
Business			
Former Kogarah - Ordinary Ad-valorem	0.0034159	138	704
Former Kogarah - Ordinary Minimum	966.73	94	91
Former Kogarah - Commercial Ad-valorem	0.0039472	223	2,216
Former Kogarah - Commercial Minimum	966.73	239	386
Former Kogarah - Industrial Ad-valorem	0.0039472	245	195
Former Kogarah - Industrial Minimum	966.73	326	54
Former Hurstville - Ordinary Ad-valorem	0.0033145	1,673	6,589
Former Hurstville - Ordinary Minimum	585.72	655	384
Subtotal Business		3,593	10,619
Special Rates			
Former Hurstville - Hurstville Town Improvement	0.00047246	3,838	590
Former Hurstville - Mortdale Town Improvement	0.00059588	130	45
Former Hurstville - Riverwood Town Improvement	0.00057580	137	60
Subtotal Special Rates		4,105	695
Total			\$72,441

Proposed Changes

- Minimum rates:
 - creation of a new single minimum residential rate of \$965.80
 - increase the minimum rate in the former Hurstville to the same level as the current Kogarah rate
 - creation of a single business minimum rate of \$1,100
 - introduce a higher business minimum of \$1,500 in the Kogarah and Hurstville strategic centres
- Increase to total rates income (SV):
 - seek permission from the NSW government for a gradual increase to the total rates income over the next 5 years of 5.8% per year.

The new proposal's total increase of 29% (inclusive of 16.5% SV and assumed rate pegs of 2.5% per year or total of 12.5%) is equivalent to Council's 2019 proposal of a permanent one-off 10.6% increase (rate peg of 2.5% and 8.1% SV) that did not proceed.

- The proposed SV will result in additional rate income of approximately \$23 million over 5 years.

The economic centres within the draft Local Strategic Planning Statement (LSPS) have been used to develop the new Georges River Council business subcategories. The following business subcategories are proposed:

- Major Shopping Complex (greater than 150 shops)
- Major Commercial Centres of Hurstville and Kogarah
- Local Centres
- Neighbourhood Centres/Small Village
- Industrial

Impact of the Proposed Changes



For the average residential ratepayer, the proposed changes will mean around **60 cents extra per week** in the first year **followed by \$1.35 per week** increases each year for the following 4 years.



For the average business ratepayer, the proposed changes will mean **\$4.30 extra per week** in the first year **followed by \$5.50 per week** increases each year for the following 4 years.

Former council's average rate		Current Year	2021/22
Total council rate income increase %		2.6%	5.8%
Residential 	Kogarah	\$1,221	\$1,251
	Hurstville	\$1,081	\$1,110
Business 	Kogarah	\$3,167	\$3,008
	Hurstville	\$3,043	\$3,477

	Current Year	2021/22	2022/23	2023/24	2024/25	2025/26
Residential average	\$1,139	\$1,169	\$1,233	\$1,300	\$1,372	\$1,447
Residential minimum	Kogarah \$967	\$966	\$990	\$1,015	\$1,040	\$1,066
	Hurstville \$586					
Business average	\$3,087	\$3,311	\$3,558	\$3,822	\$4,105	\$4,408
Minimum for Kogarah and Hurstville CBD	Kogarah \$967	\$1,500	\$1,538	\$1,576	\$1,615	\$1,656
	Hurstville \$586					
Business minimum other	Kogarah \$967	\$1,100	\$1,128	\$1,156	\$1,185	\$1,214
	Hurstville \$586					
Total council rate income increase %	2.6%	5.8%	5.8%	5.8%	5.8%	5.8%
Total council rate income increase \$		\$4.1 million	\$4.3 million	\$4.6 million	\$4.9 million	\$5.1 million

The SV and minimum application are recommended to be reviewed in partnership, as the proposed changes to the residential and business minimum contribute to the proposed SV but also deliver an equitable rating system across the LGA.

Communication on the LTFP, SV and minimum rate changes has been extensive with not only the community, but in the planning phase, through workshops with councillors and briefings running since 2018 extending to 2021. Councillor workshops and briefings have covered a variety of topics, which have provided the background for Council to develop the preferred option for the community and the application to IPART. These are:

- 10 Year Long Term Financial Plan and the impact of the cessation of the former Hurstville City Council's SRV from July 2021
- Legislated rate calculation options
- Council's current income split by residential and business rates
- Comparison of average unit and average single dwelling rates
- The impact of different minimum rates scenarios
- Comparisons of metropolitan Council rate structures
- Business sub-category development based on centres of activity
- Rate income yield split across categories and sub-categories
- Outcome and consideration of options based on community feedback
- Refinement of the Long-Term Financial Plan based on 2018/2019 results
- IPART application submission timeframes
- Rating reform updates
- Target rate revenue required to assist in resolving Council's financial sustainability challenges
- Service reduction figures and corresponding rate revenue increases
- Historical information of operating deficits prior to amalgamation
- Options of a lower SRV and the impact on sustainability
- Differences between a one-off and multiyear SRV
- Different minimums and their impact on different groups
- Updates on the consequences of any proposed rating system legislative changes
- Community consultation approach for the past two years
- Community consultation outcomes for the past two years.

Communication methods on the impact are outlined in the relevant section and attachments.

Impact without SRV

The impact of harmonising without the SRV results in higher volatility average increases and decreases. By implementing the SRV at the same time as harmonising the rate

structure, setting new minimum rates and developing new business subcategories, minimises the scale and volatility of the change.

Complexity of the SRV, Minimums and Harmonising

The figures quoted in tables within this document have been developed from financial modelling based on current property data and land values as of 1 July 2020 (note: land values are based on the Valuer General's last release which was effective from 1 July 2019). Final 2021/22 figures may vary due to changes as a result of new land values, processing supplementary properties and subcategories. Rounding has been applied throughout the document.

Business Subcategories

The business and residential rating structures are different with business having multiple layers by centres of activity. In addition, the rate in the dollar (ad valorem) and the Minimum Rates are different based on centres of activity.

To ensure equity in the rates and annual charges across the Council LGA, a harmonised and equity based minimum rates and rate in the dollar are being proposed, for business categories, along with a different minimum rate for a new Commercial/Strategic Centre subcategory. These changes are based on the LGA's centres of activity.

The economic centres within the draft Local Strategic Planning Statement (LSPS) have been used to develop the new Georges River Council business subcategories.

To identify the new centres, the Strategic Planning team undertook a comprehensive land use and floor space audit of all business-zoned land in the LGA. The Commercial Centres Strategy conducted a review of the existing economic activity and performance of each centre. In light of this review, each centre's ability to support the community's access to goods and services is considered through the development of an existing retail hierarchy where all 48 centres are categorised based on the existing amount of retail floor space and facilities accommodated. The centres hierarchy is comprised of a six-tiered classification system: strategic centre, local centre, village, small village, neighbourhood centre, and enterprise corridor.

For the purpose of the draft business rating structures and as per the requirement to harmonise Council's business rate structure, the following business subcategories are proposed:

- Major Shopping Complex (greater than 150 shops)
- Major Commercial Centres of Hurstville and Kogarah
- Local Centres
- Neighbourhood Centres/Small Village
- Industrial

4.2 How has the council considered affordability and the community's capacity and willingness to pay?

In the text box explain how the council considered whether the rate increases would be affordable for the community, including any socioeconomic data referred to in making its assessment.

Willingness to Pay – Community Engagement Summary

Council conducted its largest, most extensive community program to date in order to provide the community ample opportunities to submit their views on the proposed harmonised minimum rates and the special rate variation options. The engagement program has been the largest in terms of respondents since the formation of Georges River Council.

An overwhelming majority (78%) of respondents are supportive of a consistent application of a minimum rate across the LGA. This ranged from almost 90% of drop-in and information session respondents to more than 75% of the other groups.

There was also strong support (66%) for the proposed minimum rate of \$965.80.

Information about the proposed changes to rates achieved a potential reach of over 2.3 million contacts across 79 activities or events in the two month consultation period.

With 6,363 total surveys received back by Council, a response rate of 12% was achieved of all 53,646 feedback packs sent to owners of rateable properties. (Note that there are more rateable properties than packs sent out as there are owners of multiple properties with the same address for correspondence).

Long Term Financial Plan (LTFFP) – Socio-Economic Snapshot (page 88)

When preparing the Financial Strategy and LTFFP, a key factor taken into consideration was the socio-economic profile of the Georges River Council Local Government Area (LGA). With rates, annual charges, and user fees & charges making up the majority of Council's total revenue, it is important that the capacity to pay is one of those factors that need to be taken into account.

The Socio-Economic Index for Areas (SEIFA) measures the relative level of socio-economic disadvantage based on a range of Census characteristics. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. It is useful in identifying geographic areas that are relatively disadvantaged.

An area with a SEIFA of 1000 is considered average, while a lower score indicates that the area is experiencing disadvantage. The SEIFA index by suburb is outlined below. Whilst there are some variations across the LGA, the overall Georges River Council Local Government Area index (1020) is above the NSW (1001) and Greater Sydney (1018) index.

SEIFA Index 2016

Connells Point - Kyle Bay	1,101.00
Oatley	1,098.80
Lugarno	1,097.20
Hurstville Grove	1,082.90
Blakehurst	1,078.00
Kogarah Bay - Carss Park	1,071.90
Peakhurst Heights	1,066.40
Sans Souci	1,063.30
Beverley Park - Ramsgate	1,057.50
Mortdale	1,039.60
SSROC	1,023.70
Georges River Council area	1,020.00
Greater Sydney	1,018.00
Kogarah	1,015.10
Penshurst	1,014.40
St George Region	1,012.30
Peakhurst	1,008.80
Carlton	1,002.40
Kingsgrove	1,002.20
Australia	1,001.90
New South Wales	1,001.00
South Hurstville	998.7
Beverly Hills - Narwee	992
Allawah	989.4
Hurstville (City Centre)	972.1
Hurstville (total)	970.1
Hurstville (Remainder)	969.5
Riverwood	967.7

Council understands that ratepayers may experience financial hardship and has options available under relevant legislation to provide support.

Hardship Policy

Council adopted a new Debt Management and Hardship Policy on 16 December 2019 (Attachment **D19-201537**). The new policy outlines options to those ratepayers who suffer genuine financial hardship.

Council is committed to assisting customers who are experiencing adverse financial hardship, and offer payment arrangements such as interest free extensions and interest free payment plans to ease the burden. There are three types of payment arrangements available:

- **Payment extension and lump sum payment** - When payments are placed on hold for a period of time, and the full outstanding amount is paid in a lump sum on a specific date. A payment can be extended by up to six months.
- **Payment extension and payment plan** - When payments are placed on hold for a period of time, and upon an agreed date, commence payment of your rates in smaller, regular instalments (weekly, fortnightly or monthly) over a period of time, up to 12 months. You don't have to pay a lump sum fee. You need to consider how much you can pay so you can meet each ongoing payment amount, and future obligations.
- **Payment plan only** - A payment plan allows you to gradually pay your rates in smaller, regular instalments (weekly, fortnightly or monthly) over a period of time, up to 12 months. You don't have to pay a lump sum fee. You need to consider how much you can pay so you can meet each ongoing payment amount, and future obligations.

Council also provides the mandatory rebate to eligible pensioners under Section 575 of the Local Government Act 1993 (NSW), up to a maximum of \$250 per assessment.

Council has adopted the following changes to the Debt Management and Hardship Policy to provide additional assistance to eligible pensioner ratepayers. The new assistance includes the option for eligible pensioners to:

- pay their rates in monthly instalments at no additional cost
- defer payment of rates until the sale of their property without being charged penalty interest.

4.3 How does the council intend to address hardship?

Does the council have a Hardship Policy?

Yes No

If Yes, is an interest charge applied to late rate payments? Unless a payment arrangement is approved Yes No

In the text box:

a) Explain the measures the council proposes to use to reduce the impact of the proposed SV on vulnerable ratepayers, or alternatively, explain why no measures are proposed.

Council adopted a new Debt Management and Hardship Policy on 16 December 2019 (Attachment **D19-201537**), following a 28 day public exhibition period. No public submissions were received during the community consultation period.

The purpose of developing this policy is to provide a consistent, fair and transparent framework that outlines Council's position on how it will collect monies owing, assess hardship claims, provide assistance to those ratepayers who suffer genuine financial hardship and where necessary, recover overdue payments to manage debt.

The policy was developed based on the Debt Management and Hardship Guidelines, published by the Office of Local Government in November 2018, and relevant legislation and regulations.

The Debt Management and Hardship Guidelines outline best practice approaches for councils to better manage ratepayer debt and respond to genuine hardship. The Guidelines promote a range of strategies and actions councils can use to help ratepayers pay on time including:

- simplified rates notices including information in relevant languages;
- options for ratepayers to receive their rates notice by email and pay electronically;
- flexible payment options including weekly, fortnightly and monthly instalments as well as tailored plans;
- discounts to provide incentives for prompt payment in full;
- use of Centrepay as a voluntary way for people to pay their rates directly from their Centrelink payments;
- greater discounts for pensioners facing hardship; and
- a 'stop the clock' approach to suspend debt recovery, legal action and interest accrual while a ratepayer's hardship application is awaiting determination or while they are complying with a payment plan.

Council's Policy has been developed in consideration of the above. A number of the above items will take time to implement but are all considered worthwhile initiatives for Council to aim to implement. A high-level summary of major items include, but are not limited to:

- New hardship options;
-

- Introduction of 'stop the clock', which is an approach to suspend debt recovery, legal action and interest accrual while a ratepayer's hardship application is awaiting determination or while they are complying with a payment arrangement.
- Defined responsibilities of relevant Council officers;
- 30 day credit term, unless bound by relevant legislation;
- Performance expectation for the issuing of invoices within 3 business days after the provision of service;
- Interest charge or late fee for all overdue debts, as per the annual Fees and Charges;
- Introduction of a reminder notice for non-rate debts, in lieu of a statements; and
- Legal recovery processes with clear timeframes and escalation points.

Council provides the mandatory rebate to eligible pensioners under Section 575 of the Local Government Act 1993 (NSW), up to a maximum of \$250 per assessment. The NSW Government grants a subsidy of 55% on rate rebates. Council's share of the mandatory subsidy equates to approximately \$900,000 of lost income.

For 2018/19 financial year, Council received approximately \$130,000 in interest income from overdue rates and annual charges. Introduction of this Policy and the 'stop the clock' initiative will impact income, though the impact of this initiative is not anticipated to be of material proportions. The timing of the implementation of the new rate structure and the new policy is essential to support those who may require additional support.

Council is committed to assisting customers who are experiencing adverse financial hardship, and offer payment arrangements such as interest free extensions and interest free payment plans to ease the burden. There are three types of payment arrangements available:

- **Payment extension and lump sum payment** - When payments are placed on hold for a period of time, and the full outstanding amount is paid in a lump sum on a specific date. A payment can be extended by up to six months.
 - **Payment extension and payment plan** - When payments are placed on hold for a period of time, and upon an agreed date, commence payment of your rates in smaller, regular instalments (weekly, fortnightly or monthly) over a period of time, up to 12 months. You don't have to pay a lump sum fee. You need to consider how much you can pay so you can meet each ongoing payment amount, and future obligations.
 - **Payment plan only** - A payment plan allows you to gradually pay your rates in smaller, regular instalments (weekly, fortnightly or monthly) over a period of time, up to 12 months. You don't have to pay a lump sum fee. You need to consider how much you can pay so you can meet each ongoing payment amount, and future obligations.
-

Council also provides the mandatory rebate to eligible pensioners under Section 575 of the Local Government Act 1993 (NSW), up to a maximum of \$250 per assessment.

Council has adopted the following changes to the Debt Management and Hardship Policy to provide additional assistance to eligible pensioner ratepayers. The new assistance includes the option for eligible pensioners to:

- pay their rates in monthly instalments at no additional cost
- defer payment of rates until the sale of their property without being charged penalty interest.

b) Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

Debt Management and Hardship Policy

Within Council's Community Strategic Plan (Attachment **D19-201537**) Pillar 6 – 'Leadership and Transparency', 4 year program of works, the following action 6.4.2 – ci, outlines:

"Develop a Georges River Council Revenue Management Policy for public exhibition and Council adoption."

The Revenue Management Policy Referred to above was re-titled the "Debt Management and Hardship Policy" prior to adoption, to align with the Office of Local Government released guidelines.

The Debt Management and Hardship Policy provisions have been heavily promoted on the rates notice, council website and in letter to overdue accounts. Take up to date has been positive and is anticipated to continue into 2021/22 financial year.

Rating and Revenue Policy (within the Delivery Program and Operation Plan)

In addition to the point above, Council 's Rating and Revenue Policy outlines Council's Pensioner Rebate Policy, which includes details of Council's annual rates and charges rebate for eligible pensioners of up to \$250.



Attachments for Criterion 3

List attachments relevant to your response for Criterion 3 in **Table 3.1**. Use the council assigned number shown in Table 8.1.

Table 8.11 Attachments relevant to response for Criterion 3

Council- assigned number	Name of document	Page references ^a
D19-201537	Georges River Council Debt Management and Hardship Policy	
D20-144980	Georges River Council Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	pp. 62, 77
D20-289823	Long Term Financial Plan (Within Resourcing Strategy) – Socio Analysis Page	page. 88
D19/296317	Community Strategic Plan 2018-2028	

^a If document only relevant in part.



Criterion 4 Exhibition of IP&R documents

Criterion 4 in the SV 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.

To complete the questions for Criterion 4: Exhibition of IP&R documents refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART Information Paper – *Special Variations in 2021-22*.

5.1 What IP&R processes did the council use in determining to apply for a special variation?

In the text box outline the council's IP&R processes as they relate to public exhibition and adoption of the IP&R documents relevant to the council's application for the SV.

Georges River Council's first Community Strategic Plan and other IP&R documents

In 2017, Council adopted a Community Strategic Plan Engagement Policy to ensure its first CSP reflected the community's aspirations and priorities for the Georges River Council area.

An extensive community engagement program, underpinned by Council's Community Engagement Policy, was carried out prior to Council adopting the IP&R documents. This consultation included pop-up stalls across the Georges River Council area, community visioning workshops, telephone surveys, postcard and youth surveys, consultation with CALD (Culturally and Linguistically Diverse) and ATSI (Aboriginal and Torres Strait Islander) representatives, a government agency representatives workshop, and staff workshops. The business community was also engaged by way of surveys and economic development strategy workshops.

The following engagement activities were carried out for the Community Strategic Plan and more than 3000 responses were received:

- Ten pop-up stalls across five Wards between 19 and 26 August 2017 – 761 comments received from 355 people;
- A pop-up stall at the Lugarno Spring Festival on 17 September 2017 – 1,400 comments from approximately 280 residents;
- Two community visioning workshops at Kogarah (7 September 2017) and Mortdale (12 September 2017) – 70 participants;

- A telephone survey of 603 across the whole Council area (19% - 21% of the sample in each of the Wards) in August 2017;
- A postcard survey with 470 responses;
- An online Youth Survey with 158 responses;
- Consultation and two advisory committee workshops with CALD (Culturally and Linguistically Diverse) and ATSI (Aboriginal and Torres Strait Islander) representatives
- Government agency representatives workshop on 13 February 2018 – 12 representatives with comments provided on draft goals and strategies developed from community engagement; and
- Two staff workshops and one staff drop-in session were held to commence drafting content for the CSP that reflected the aspirations expressed by the community during the various engagement activities.

In addition, the business community was engaged regarding their priorities through two surveys. In September 2017 Placescore, on behalf of Council, collected town centre care factor assessments of five Wards via online and face-to-face surveys.

After the extensive engagement program, the draft Integrated Planning and Reporting documents were adopted by Council for public exhibition. These documents included the Draft Community Strategic Plan 2018-2028, Draft Delivery Program 2018-2021, Draft Operational Plan including the 2018-19 Draft Budget, Fees and Charges and Draft Resourcing Strategy.

Public exhibition of the draft IP&R documents ran from 2 May 2018 to 31 May 2018. Notification of the public exhibition, including invitations to provide comment, occurred as follows:

- Information and copies of the documents were placed on Council's website under the Your Say and Public Exhibitions pages;
 - The scrolling carousel on Council's home page linked to Council's new Your Say page where people could view the documents and submit comments. The page also included links to all the various consultation reports prepared in the lead-up to adoption of the draft IP&R documents;
 - Advertisements were placed in the St George Leader under the Public Notices section on 2 May 2018, 16 May 2018 and 23 May 2018;
 - Information and hard copies of all documents were available for viewing in Council's Service Centres and libraries;
 - Two Community eNewsletters – 3 May 2018 and 17 May 2018;
 - Members of Council's Your Say Committee were notified of the public exhibition;
 - Information and a feedback invitation was emailed to individuals and organisations on Council's business community database;
 - Promoted as part of a Customer Service pop-up stall in Westfield Hurstville;
-

- Staff newsletter encouraged staff to provide feedback;
- One media release; and
- Two social media posts.

At the close of the exhibition period, 29 public submissions had been received from 26 individuals or organisations covering 98 topics. Following consideration of public submissions, internal reviews and Councillor feedback the final IP&R documents were adopted.

Rate Restructure and Special Rate Variation Decision Process

After the extensive program in developing the Council's first suite of IP&R documents, Council and the community considered the Integrated Planning and Reporting documents, including the Long Term Financial Plan prepared for 2019/20 to 2028/29, which forecasts a number of challenges that may impact long term financial sustainability and require corrective action. Based on this process, and Council's obligation under Section 8B of the Local Government Act 1993 (NSW), Council resolved:

At 23 April 2018 meeting, (CCL017-18):

"That the General Manager be delegated authority to explore options that will strengthen Council's financial sustainability from the impact of the cessation of the former Hurstville Council's Special Rate Variation from 2021/22."

Subsequently, at 27 August 2018 meeting, (NM072-18):

"(a) That the General Manager prepare a report to Council detailing the proposed program for preparation of new residential and business rates structures for the Georges River Local Government Area including:

- i. the necessary financial modelling studies;*
- ii. community consultation framework; and*
- iii. timeframes and costs for preparation of the new rates structures.*

(b) That the General Manager investigate the scheduling of additional Councillor Workshop sessions during 2019-2020 for the purposes of formulating the new rating structures."

At the Extraordinary Council Meeting held on Monday 10 February 2020, Council considered the results of the community consultation which outlined there were more than 6,000 responses received from residents. The consultation found that 78% of respondents were supportive of introducing a consistent minimum rate across the city and 66% supported a minimum rate increase to \$965.80. Additionally, 54% of respondents were supportive of Council applying to IPART for a SRV to improve Council's financial sustainability and replace the expiration of the former Hurstville Council SRV. The SRV application was prepared to reduce Council's operating deficit by \$8 million.

At that meeting, Council resolved not to proceed with the application for the SRV or the harmonisation of rates in 2020/21 and instead to investigate staff reductions and salary savings as part of future cost saving measures. Following the adoption of the budget in June 2020 and the presentation of the revised LTFFP, Council resolved to recommence consultation with the community on a New Rates 2021 proposal.

Subsequently, at the 24 August 2020 meeting, Council resolved (CCL049-20):

“(a) That Council note the independent Audit Risk and Improvement Committee’s recommendation to immediately address key financial sustainability risks, including increasing revenues to secure Council’s immediate and long term future.

(b) That arising from consideration of the recommendation of the Audit Risk and Improvement Committee, Council endorse the 2021/2022 New Rates Program, which includes the Community Engagement Framework and proposed timeframe.

(c) That Council, in response to the community’s feedback for a fair and more equitable and uniform rating structure, eliminating the disparity between the Hurstville and Kogarah Minimum Rates and in compliance with the legislative requirement to harmonise Council’s rating structure, approve the General Manager to formally notify the Independent Pricing and Regulatory Tribunal (IPART) that following consideration of community engagement, Council’s intention is to submit an application to the IPART to establish a new Minimum Residential Rate of \$965.80 to take effect from the 2021/22 rating year.

(d) That Council, in response to the community’s feedback for a fairer and more equitable distribution of the rate burden between residential and business ratepayers and in compliance with the requirement to harmonise Council’s rate structure, Council approves the business properties within the Business sub-category “Major Commercial Centres of Hurstville and Kogarah” to have a higher Minimum Business Rate than other business sub-categories.

(e) That the General Manager formally notify IPART that following consideration of community engagement, Council’s intention is to submit an application to establish a new Minimum “Major Commercial Centres of Hurstville and Kogarah” Business Rate of \$1,500 to take effect from the 2021/22 rating year.

(f) That the General Manager formally notify IPART that following consideration of community engagement, Council’s intention is to submit an application to establish a new Minimum Business Rate for all other subcategories of \$1,100 to take effect from the 2021/22 rating year.

(g) That in the interest of having a harmonised, fairer and more equitable structure for Business Rates throughout the Georges River Council local government area, Council discontinues the use of the former Hurstville Town Improvement special rates across the Hurstville, Mortdale and Riverwood town centres, commencing in the 2021/22 rating year.

(h) That in response to overwhelming community support and feedback for a fairer and more equitable rating structure, Council approves the creation of a new business sub-category named “Major Shopping Complex” and the implementation of a rate in the dollar

comparable to shopping centre rates in other metropolitan councils in the 2021/22 rating year.

(i) That Council acknowledges it must comply with its statutory obligations pursuant to Section 8B of the NSW Local Government Act 1993 on the principles of sound financial management as detailed in the report.

(j) That in response to Council's obligations under Section 8B of the NSW Local Government Act 1993, the General Manager formally notify the IPART that following consideration of Georges River Council – Minutes of Council Meeting - Monday, 24 August 2020 Page 18 community engagement, Council's intention is to apply for a multi-year Special Variation (SV) of 5.8% to its rates in 2021/22 (3.3% Special Rate Variation (SRV) and 2.5% assumed rate peg) followed by 5.8% per year for 4 years (16.5% SRV and 12.5% assumed rate peg), in order to replace cessation of the former Hurstville City Council's SV and to ensure Council's long term financial sustainability. (k) That Council acknowledge that the proposed SV will not resolve the current gap in Council's forecast operating deficit, and an estimated \$8.7 million in favourable financial turnaround is required, either through other revenue increases and/or service reductions."

Communication on the LTFP, SRV and Minimum rate changes has been extensive, with the councillors receiving workshops and briefings from 2018 to 2021. During this time, the community engagement process also took place. This has resulted in the largest reach in an engagement activity undertaken by Georges River Council.

2019/20 Integrated Planning and Reporting documents exhibition

Public exhibition of the draft documents ran from 1 May 2019 to 5 June 2019 (35 days). Notification of the public exhibition including invitations to provide comment occurred as follows:

- Information and copies of the documents were placed on Council's website under the 'Your Say' and 'Public Exhibitions' pages.
- Advertisements were placed in the St George Leader under the Public Exhibitions section on 8 May 2019, 15 May 2019 and 22 May 2019.
- Information and hard copies of all documents were available for viewing in Council's Service Centres and Council's libraries.
- Members of Council's 'Your Say' site were notified of the public exhibition through – two eNewsletters – 14 and 28 May 2019.
- Promoted at the Community Open Day - Meet Your Ward Councillors at Mortdale Community Centre on Saturday 4 May 2019.
- Three social media posts across Council's Facebook channel.

17 unique submissions were received from 14 individuals and community groups. 4 of these submissions were received from the same individual.

Councillors were provided with a full copy of the submissions following the 13 June 2019 Councillor Briefing.

2020/21 Integrated Planning and Reporting documents exhibition

Public exhibition of the draft Delivery Program 2018/19 to 2020/21 and Operational Plan 2021 ran from 11 May 2020 to 8 June 2020 (28 days) and updated Resourcing Strategy from 14 May 2020 to 11 June 2020 (28 days). Notification of the public exhibition including invitations to provide comment occurred as follows:

- Information and copies of the documents were placed on Council's website under the 'Have Your Say' page.
- 2,057 registered members of Council's 'Your Say' site were notified of the public exhibition through two eNewsletters – 13 May 2020 and 5 June 2020.
- Social media posts (5,615 followers)
- Advertisement in the St George Leader - 27 May 2020.
- Community e-news posts distributed to 16,500 contacts.

Eight unique submissions were received from seven individuals and community groups, two of these submissions were received from the same individual.

Councillors were provided with a full copy of the submissions on 15 June 2020 via the Councillor Portal.

Amendments to the IP&R Documents

Based on Council's adoption of the New Rates 2021 proposal on 24 August 2020, the Long Term Financial Plan was revised and included three new models, they are as follows:

- Model 1: Current situation - forecast outlook is no action is taken to resolve council's operating deficits. Note: this forecast does not include COVID-19 impact.
- Model 2: Special Rate Variation (SRV) of 5.8% each year over a 5 year period commencing in 2021/22
- Model 3: This model includes the model 2 SRV and \$12 million savings target to be identified over a number of years.

The amended Draft Long Term Financial Plan within the Resourcing Strategy was placed on public exhibition from 15 December 2020 until 4 February 2021 allowing the community to comment on the amended content of these documents relating to the New Rates 2021 proposal. No submissions were received.

Extensive Community Engagement – Changes to Your Rates

In 2019, the council consulted with the community on options for a new residential and business rates structure for the local government area to begin in 2020/2021. The proposals

addressed both equity and sustainability goals. However, Council did not proceed with an application to IPART for approval of the proposals.

A revised proposal was taken to the community in 2020. Based on 2019 feedback, the proposal included the same residential and minimum rate harmonisation with a differential business minimum for the Kogarah and Hurstville business centres. The service and financial sustainability measure (Special Rates Variation -SRV) was modified from the set of options tested in 2019, to propose a gradual increase in the total amount of rates collected over the five years to 2024.

Support for the harmonised minimum rate structure and a rate revenue increase was established in 2019. 2020 feedback affirmed support for a single rating system and minimums as proposed. Increasing the rates revenue base through a gradual five-year increase was supported by the majority of residents under 50 years of age, residents in apartments and town houses and those who are tenants. Older people in single detached dwellings were less likely to support the proposal but it still achieved almost 40% support.

More broadly, the engagement process affirmed Council's learning in 2019 that the NSW rates system is not understood by many ratepayers. The myth that increased population means increased rates income to councils is widespread.

The community is supportive of change to see a closer alignment of population and the rates income required by council to provide services. This is also a finding of the Productivity Commission

Community Satisfaction Surveys

Council conducts regular Community Satisfaction Surveys and the most recent survey, undertaken by Mircromex Research in September 2017, found that: "overall, Georges River Council has performed well, with 89% of residents at least somewhat satisfied with the performance of Council."

5.2 When did the council meet the formal requirements for all relevant IP&R documents?

Complete Table 4.1 for the mandatory IP&R documents. If other IP&R documents are relevant to the council's application, also complete Table 4.2.

As required by Section 7 of the SV Guidelines, councils should provide web links to all relevant IP&R documents in Table 4.3.

Table 4.1 Mandatory IP&R documents

Document	Date(s)
Community Strategic Plan	
Exhibition	28 Days
Adoption by council	25 June 2018 CCL034-18
Placed on council website	10 June 2019 (v2)
Delivery Program	
Exhibition	35 days (11 May – 8 June 2020 inclusive)
Adoption by council	25 June 2018 CCL034-18, 24 June 2019 CCL036-19, 25 November 2019 CCL073-19 and 22 June 2020 CCL043-20
Placed on council website	6 July 2020
Long Term Financial Plan	
Exhibition	35 days (14 May – 11 June 2020 inclusive) Revised (15 December 2020- 4 February 2021)
Revised LTFP endorsed by council	25 June 2018 CCL034-18, 24 June 2019 CCL036-19, 25 November 2019 CCL073-19 and 22 June 2020 CCL043-20
Placed on council website	6 July 2020

Table 4.1 Other IP&R documents (if relevant)

Document	Date(s)
Asset Management Strategy / Plan(s)	
Exhibition	35 days (14 May – 11 June 2020 inclusive)
Adoption by council	25 June 2018 CCL034-18, 24 June 2019 CCL036-19, 25 November 2019 CCL073-19 and 22 June 2020 CCL043-20
Placed on council website	6 July 2020
Operational Plan for 2020-21	
Endorsed by council	25 June 2018 CCL034-18, 24 June 2019 CCL036-19, 25 November 2019 CCL073-19 and 22 June 2020 CCL043-20
Placed on council website	6 July 2020
Community Engagement Strategy 2018-2028	
Exhibition	24 July to 1 September 2019
Endorsed by council	28 October 19 CCL066-19
Placed on council website	29 October 2019

Table 4.2 Website links for council's IP&R documents

Document	Website link
Community Strategic Plan	http://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Plans%20and%20Documents/GRC-CSP-2018-2028_ONLINE-v2.pdf
Delivery Program	https://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Publications/GRC-DELIVERY-AND-OPS-PLAN-2020_21_FINALV3_low-res-FOR-WEB(2).pdf
Long Term Financial Plan Workforce Management Plan Asset Management Strategy (all within the Resourcing Strategy)	https://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Publications/GRC-RESOURCING-STRATEGY-2020-21-FINAL-FOR-WEB.PDF
Community Engagement Strategy 2018-2028	https://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Governance/Codes%20and%20Policies/Community_Engagement_Strategy_-_Adopted_October_2019.pdf

5.3 What, if any, relevant issues arose in the public exhibition of the IP&R documents?

In the text box explain any issues arising from the council's IP&R processes and documentation associated with the proposed SV which you consider are relevant factors for IPART to take into account in assessing the council's application, including responses to public exhibition.

In June 2017, Council adopted the Community Engagement Strategy 2018-2028 (Attachment D20-224016) for Council to commence the IP&R process as a merged Council. Georges River Council made a commitment to increase opportunities for consultation and participation. Comprehensive details of this process are outlined above in question 4.1.

Public exhibition of the draft Delivery Program 2018/19 to 2020/21 and Operational Plan 2021 ran from 11 May 2020 to 8 June 2020 (28 days) and updated Resourcing Strategy from 14 May 2020 to 11 June 2020 (28 days). Notification of the public exhibition including invitations to provide comment occurred as follows:

- Information and copies of the documents were placed on Council's website under the 'Have Your Say' page.
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- Social media posts (5,615 followers)
- Advertisement in the St George Leader - 27 May 2020.
- Community e-news posts distributed to 16,500 contacts.

Eight unique submissions were received from seven individuals and community groups, two of these submissions were received from the same individual.

Councillors were provided with a full copy of the submissions on 15 June 2020 via the Councillor Portal.

Summary of issues raised were reported to Council in June 2020 and are outlined below:

Financial estimates – one submission questioning whether Council plans to reduce materials and contracts expenditure and if Council would be actively renegotiating supplier contracts to rationalise and/or consolidate suppliers where appropriate?

Response – As per the draft 2020/21 Budget report to Council, over \$9 million worth of programs were deleted or deferred in order to reduce Council's operating deficit down from \$13 million. Council annually reviews the material and contracts budget to prioritise key spending items. The majority of the materials and contract budget is the Domestic Waste Management Service which costs Council annually \$25 million. In terms of supplier contracts these are reviewed regularly to ensure they meet business needs and are consistent with Council's procurement policy.

One submission regarding rates income, capital projects and service provision:

Rates income – regarding preparatory actions to reflect the future significant decline in rates income from 2021. Suggestions of organisational and strategy downsizing would be required and should be reflected in the Plan. This submission also addresses Council's proposal to increase rates as the mechanism to maintain the status quo.

Response – The meeting of 27 April 2020, Council resolved that Council seek guidance from the Minister for Local Government on the process required to maintain the expiring former Hurstville Special Rate Variation in the event that Council harmonises the rate structure in 2021/22. If Council is not able to retain the former Hurstville Special Rate Variation, Council will consider this financial implication in its consideration of the 2021/22 budget and strategies.

Schedule of capital projects – addressing the list of capital projects which, the submitter believes, the majority of which are highly optional and not driven by a need but rather a want and the community would not suffer adversely if they were deferred or deleted.

Response – The capital program is formulated based on a number of drivers. The drivers for a capital project can be strategic, asset renewal, plans of management due to increase population or local studies, community demand and or safety compliance. As outlined on page 71 the Capital program is funded from a variety of sources. The main being developer contributions, which are collected with new development applications and are restricted to only be spent on specific projects in adopted plans. The second most significant funding source is external grants. Council aims to annually minimise the amount of funding from general revenue.

A number of the projects, such as the Hurstville Golf Course Club House and Hurstville Oval Community Pavilion, are being funded from the State Government's Stronger Community grant fund program. Other projects, such as the remediation of Poulton Park and Oatley Bowling Club Sites, are proposed to be funded from the waste reserve due to their previous land uses.

The construction of Penshurst Park Sporting Hub Stage 2 is the major project for 2020/21 and was identified in the master plan for this precinct and is predominantly funded from Developer Contributions.

Other projects such as stormwater, roads, footpath, playground, and building maintenance are part of our critical safety and asset renewal program which are important in order to ensure community assets value and safety quality. Maintaining our community assets to a satisfactory standard is integral to Council's operations and is

supported throughout our corporate strategic plans and asset renewal ratio benchmarks provided by the Office of Local Government.

Service provision – one submission received relating to service provision suggesting a radical approach is required to ensure that basic services are provided whilst improving Council's financial position, including withdrawing from service provision those services which are available on the open market from private providers.

Response – Council reviews its budget and long term financial plan annually and also has its financial statements externally audited each year. Council has been advised on its deteriorating financial position over the past three years and the NSW Audit Office has also highlighted the decline in Council's operating performance ratio in the 2018/19 Financial Statements. As outlined above, Council resolved to defer the SRV application on 10 February 2020 and there has been no decision yet on whether it will proceed in the future.

Outdoor Licensing – one submission received relating to outdoor licensing/dining and impacts of COVID-19 on retailers, requesting Council revert back to the original outdoor licence rate, implement a fee free period of at least 24 months and introduce a separate rate for the commercial lease of strata/airspace over community land.

Response – Council has recently implemented a range of COVID-19 and other incentives in relation to outdoor dining. Specific concerns regarding leasing or licencing require individual management and an associated agreement with Council.

Bush Regeneration Program – one submission relating to the Bush Regeneration Program and what it was doing to save Todd Park and protect Council's open green spaces.

Response - The Georges River area has a large amount of bushland with an abundance of native plant species. These bushland localities also support a number of native mammals, birds and reptiles, including ring-tail and brush-tail possums. Residents interested in caring for local bushland, can get involved with one of our bushcare groups.

Council has maintained an active Bush Regeneration Program within the Carss Bush Park precinct for the past 20 years or more. This includes annual works to reduce and remove weeds, maintain bush tracks and planting of native trees and understory species. The land which forms Todd Park is primarily comprised of open turf sporting fields.

One submission covering several areas; Tree Management Policy, Canopy Enhancement Program, tree canopy, street trees, bushcare, tree removal, tree replacement, wetlands studies, plans of management and performance indicators.

Canopy Enhancement Program, Tree Management Policy and tree canopy – querying the status and meaning of each and why “completed 2019/20” is stated for the Tree Management Policy and whether the canopy cover target includes mangroves.

Response - The Canopy Enhancement Program incorporates the Tree Management Policy. Funding provided by the 5M Trees Grant is being used to complete the following projects: Canopy Corridors Project (\$115,000) is 60% completed with 194 trees installed and being maintained in the Kogarah Bay Corridor. Two grants of \$20,000 each have been successfully obtained through which approximately 850 trees (>3m mature height) will be planted at Beverly Hills Park and Riverwood Park in winter 2020. As the above projects will carry over into the next financial year, “completed 2019/20” will be removed from the action against this item. The 40% canopy cover target by 2038 does include mangroves.

The incorporation of short and medium term goals has merit in achieving the overall long term target and will be considered for inclusion into the Tree Management Policy. This matter will be included in a report to Council to incorporate a Significant Tree Register into the Tree Management Policy.

Street Trees – querying the rationale for the performance indicator target of number of street trees planted each year.

Response - The rationale target for number of street trees planted each year is over and above the number of street trees actually removed in a year and will make a net contribution. The target was developed based on a combination of factors; previous historical budgets, current available funds and staff resources. Council adopts a strategic approach to new street tree planting with additional work involved in underground service searches for all new plantings and extensive establishment periods. The planning program hopes to plant “better trees in better locations” for the long term benefit of the community. Identifying suitable locations requires considerable staff resources.

Bushcare – suggesting the bushcare volunteer hours target is hardly a challenging target and proposing the volunteer hours be increased by 10% per year until 2030.

Response - Council has a Communications Strategy for “Volunteer with Bushcare” in place, with the intent to increase the promotion of Bushcare in the community over the next 12 months and into the future. The Plan addresses a number of suggestions as part of the Bushcare Program. These include letter boxing, media articles in The St George Leader and on social media, video content and advertising. Council acknowledges other proposed suggestions, currently not included in the Plan. They will be considered when the Communications Strategy is reviewed and may be included if determined to be a suitable measureable outcome, in line with the Plan.

The extension of Bushcare activities into new sites will be considered each year, however, a number of considerations need to be factored in when establishing a new site and/or group - high sustained interest by community or local residents to join the new group and participate in Bushcare activities on a regular basis, available Council

resources to supervise new group and measurable outcomes (biodiversity and community engagement). Bushcare does already have a volunteer group in Oatley Pleasure Grounds who works once each month and has been a long term group.

The target for volunteer Bushcare hours is an achievable target for the current Bushcare program. It is equivalent to one new volunteer working three hours weekly or four new volunteers working three hours monthly. In the last five months there has been seven new volunteers register for Bushcare, with the majority joining during the months of COVID-19 restrictions and after recent promotion of Bushcare.

Monitoring Tree Removal – suggesting Council establish a tracking system for monitoring tree removal and tree planting numbers and suggested framework provided.

Response - The suggested framework for a tracking system is noted and new processes have been commenced to enable more efficient reporting on a number of tree removal and planting statistics.

Audit of Tree Replacement – suggesting an audit be undertaken of tree replacement and offset outcomes to date to determine whether Tree Management Policy has been complied with i.e. maintaining tree canopy cover by regulating tree removal and replacement.

Response - An audit of tree replacement and offset outcomes to date is being conducted, the results of which will be incorporated into a future report to Council. This report is scheduled to be provided to Council in September 2020.

Wetlands Studies – suggesting the Lime Kiln Bay Wetland Study and Moore Reserve Study be included in the Operational Plan.

Response - The brief for Lime Kiln Bay Wetland has been completed and is expected to be advertised in July 2020 subject to funding in the 2020/21 budget. This report will assess the health of the wetland and update the existing operation and maintenance plan.

Moore Reserve Wetland was constructed in 2001 and an extensive review / report was completed in 2011. Council implemented a variety of the actions from this report, including adjustments to the water levels and re-establishment of wetland species in 2011/2012. Monitoring of the wetland continues as part of Council's site specific bush regeneration contract for Moore Reserve. A further review of the wetland system will be recommended as an action in the Moore Reserve Plan of Management which is currently being developed by Council.

Plans of Management – suggesting that Plans of Management for sporting fields, parks, open space and bushland include annual specific tree planting targets.

Response - Council will consider the request for Plans of Management for sporting fields to include annual targets for tree planting when reviewing future Plans of Management.

Performance Indicators - The performance indicators in Pillar 1 for kilometres of roads swept and number of potholes repaired do not align correctly with Pillar 1.

Response - The indicator for potholes repaired has been moved to within Pillar 3. The kilometres of roads swept will remain in Pillar 1 as an indicator of preserving waterways.

One submission received regarding Resilience Strategy, Energy and Water Management Plan, Climate Change Adaption Plan, Waste Minimisation Strategy.

Resilience Strategy – querying the delay to develop a Resilience Strategy and whether a Request for Quotation has been prepared for the development of one.

Response: Following a Request for Quotation process, a consultant was engaged on 5 June 2020 to prepare an Environmental Resilience Strategy which is scheduled to be reported to Council in November 2020.

Energy and Water Management Plan – querying why this Plan hasn't been taken to Council for review and endorsement when 60% of recommendations have been implemented and also where the water half of the Plan is.

Response - A report on this Plan 'ENV018-20 Working towards Net Zero Emissions and Energy and Water Management Plan' was provided to the Environment and Planning Committee on 9 June 2020.

Climate Change Adaptation Plan – querying why this is an action when Council's insurer already identified actions which Council should take to minimise the impacts of climate change back in 2019?

Response - In July 2019, a Climate Change Risk Assessment was conducted by Council's Insurer, Statewide Mutual which identified actions which Council should take to minimise the impacts of climate change. A further workshop facilitated by Statewide was conducted on 12 March 2020 to assist Council with the development of a Climate Change Adaptation Plan, which will help to inform the Environmental Resilience Strategy.

Waste Minimisation Strategy – querying why there isn't a reference to a Waste Minimisation Strategy in the Draft Operational Plan when the Half Yearly Report makes various references to the Strategy.

Response - The consultant preparing the Waste Minimisation Strategy provided a briefing to Councillors on 3 March 2020 and the final Strategy is scheduled to be reported to Council in August 2020. Actions to report on the finalisation of this Strategy and implementing recommendations has now been included in the draft Operational Plan 2020/21.

Budget – one submission with regard to operating expenditure querying how much money Council has allocated in the budget to street and gutter cleaning; enforcement of local government regulations, with a breakdown including but not limited to environmental compliance; environment science and sustainability; bushland

management; and parks, gardens and reserves, with a breakdown including but not limited to Oatley Park.

Response – The following items outline the 2020/21 budget allocation:

Various parks, Sports Fields and Reserves - \$9 million

Street & Gutter Cleaning - \$3 million

Bushland Management - \$760,000

Oatley Park - \$210,000

Leadership and Transparency – one submission regarding the performance targets proposed for Council decisions made at meetings closed to the public and public participation. The submitter comments that as the draft now stands, the indicators reflect a steep decline in government transparency and community participation.

Council decisions made at meetings closed to the public

Response - based on previous results, the baseline for this measure is 8%. Meaning that an average of 8% of all decisions of Council, over previous years, have been made in a closed confidential session of Council. This translates to 92% of all decisions of Council being made in the open session.

Pursuant to Section 13 of Council's Code of Meeting Practice, Council is permitted to close a meeting of Council to deliberate on matters classified as confidential in accordance with Section 10(A)(1) and 10(A)(2) of the *Local Government Act 1993*.

All resolutions that are made in a closed session of Council are made publically available during the same meeting, when the meeting returns to open session, as per Section 13.22 of Council's Code of Meeting Practice.

Council's proposed target of less than 25% of decisions to be made in closed confidential session, is a measure that has not changed for a number of years and remains relevant.

Open and transparent interaction at Council and committee meetings (public participation)

Response - this is a new measure, replacing the previous measure of live streaming of Council meetings. Your submission has identified an error in the draft document. The Baseline should be 'New Measure' not '10'. This error has been rectified in the document.

The proposed target of '2 speakers' has been set as a minimum measure. Clause 3.6 of Council's Code of Meeting Practice provides a limit of 3 speakers for and 3 speakers against any item on the agenda. Council does not limit overall number of speakers, only the number of speakers per item.

Georges River Council encourages all members of the public to address Council on any matter of interest to them.

Internal submissions: the following requests to amend the Operational Plan received from staff during the public exhibition period have been incorporated into the draft document.

Amendment to wording in 3.1.2 Draft and Integrated Transport and Land Use Plan, including a 20 year precinct plan, as part of Future Transport 2036, for public exhibition – remove “including 20 year precinct plan” as a precinct plan is not proposed.

Addition of 6.1.3 “Deliver and report on the Financial Assistance Program including community grants, community leases, microgrants, venue hire program, heritage grants, heritage publication grants, donations, Councillor Discretionary Ward Fund, COVID recovery program, sponsorship program”.

2019/20 INTEGRATED PLANNING AND REPORTING DOCUMENTS

17 unique submissions were received from 14 individuals and community groups. Four of these submissions were received from the same individual.

Councillors were provided with a full copy of the submissions following the 13 June 2019 Councillor Briefing.

Amendments to the IP&R Documents

The amended Draft Long Term Financial Plan within the Resourcing Strategy was placed on public exhibition from 15 December 2020 until 4 February 2021 allowing the community to comment on the amended content of these documents relating to the New Rates 2021 proposal. No submissions were received.

5.4 Where is the proposed special variation referred to in the council’s IP&R documents?

Complete Table 4.4 with all relevant page (or section) references in the mandatory IP&R documents for material related to each criterion. Add rows for other IP&R documents if necessary.

IP&R document	Page reference(s)
Criterion 1: Financial need	
Georges River Council Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	Page 54
Long Term Financial Plan (within Resourcing Strategy 2019/20)	Pages 8-9 and 16-75
Criterion 2: Community awareness and engagement	

Georges River Council Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	Page 54 and addendum 172 to be added
Long Term Financial Plan (within Resourcing Strategy 2019/20)	Pages 14-15

Criterion 3: Impact on ratepayers

Long Term Financial Plan (within Resourcing Strategy 2019/20)	Pages 14-15
Georges River Council Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	



Attachments for Criterion 4

List attachments relevant to your response for Criterion 4 in **Table 4.5**. Use the council assigned number shown in Table 8.1.

Table 4.15 Attachments relevant to response for Criterion 4

Council- assigned number	Name of document	Page references ^a
D19-296317	Community Strategic Plan 2018 - 2028	
D20-144980	Georges River Council Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	
D20-289823	Long Term Financial Plan (within Resourcing Strategy 2019/20)	
D20-289823	Asset Management Strategy / Plan(s) (within Resourcing Strategy 2019/20)	
D20-224016	Community Engagement Strategy 2018-2028	

^a If document only relevant in part.



Criterion 5

Productivity improvements and cost containment strategies

Criterion 5 in the SV 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.

To complete the questions for Criterion 5: Productivity improvements and cost containment strategies refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART publication *Special Variations in 2021-22 – Information Paper*

6.1 What is the council's strategic approach to improving productivity in its operations and asset management?

In the text box explain the council's overall approach to improving productivity, containing costs, increasing own source revenue in the context of its operations and IP&R resource planning.

Introduction

As outlined in more detail in question 5.2 below, Georges River Council has embraced the fresh start that the merger of the former Hurstville City and Kogarah City Councils presented; building the foundations for a strong and sustainable organisation that will deliver outstanding results to our community and city.

Council's leadership team has been rejuvenated, with clear strategic direction that has enabled Council to deliver larger capital programs, improved services, greater transparency, capacity and consistency in decision-making.

Our focus has been on expanding services across the whole area and harmonising inconsistent services, as well as developing the framework necessary for open and transparent governance, and evidence-based, sustainable decision-making.

Council has, for many years, been developing efficiencies through process improvement and the implementation of cost containment strategies. Strong foundations have been built with a governance framework established to ensure effective implementation of priorities and sound management of resources. Since the merger, strategic decisions have placed Council in a strong position to generate additional revenue, to reduce the reliance on rates. These include the acquisition of the Netstrata Jubilee Stadium, contract negotiations, digital resource consolidation (digital hardware, software and services), commercial property expansion and advertising. In addition, Council values the investment in its workforce, by increasing funding to learning and development initiatives that have improved job satisfaction and performance of staff and therefore, productivity. Council will continue on this path into the future, in order to identify the \$12 million in saving as presented to the community in its

recommended option for a special rate variation. Further details of past and future initiatives are outlined below.

Based on the challenges presented in the Long Term Financial Plan, Council committed to the following strategic actions (Attachment [D20/289823](#)):

- Establish a Financial Sustainability Working Group
- Engage with the community on Council's discretionary service portfolio and the level of support to maintain service levels.
- Review the rates structure to bring equity of rates charged to ratepayers
- Seek the views of the community in applying for a Special Rate Variation that will maintain the expiring SRV and contribute towards reducing operating losses
- Explore potential avenues to raise new streams of income and increase current income levels through a wider application of the user pays model
- Explore potential savings in operating expenditure by reviewing operating processes
- Apply strategic assets management principles, ensuring compliance with relevant legislation
- Continue to benchmark activities and align operations where necessary, to yield optimum results
- Introduce and implement changes in focus, to view activities as "commercial" or "non-commercial"
- Evaluate affordability of capital projects from a "long term operating impact" point of view
- Continue to identify and implement initiatives that improve service efficiency and productivity
- Evaluate the feasibility of major projects from a cost/benefit perspective and understand the affordability pay-back period in respect of each
- Focus on bridging the gap between increases in income and expenditure
- Mitigate the impact of external factors on Council's financial sustainability
- Provide financial hardship support to those adversely impacted
- Focus on works projects that are funded from externally restricted reserves.

More specifically, the items within the following categories, are in progress (further details of these items are addressed in question 5.3):

- **COST CONTAINMENT - Target Reviews/ Service Delivery Reviews**
 - Expansion of the Service Delivery Reviews Program
 - Customer Service Experience Model
 - Children Services Portfolio Review
 - Library Service Model
 - Extensive Budget Development and Management Process
 - Night Shift Resourcing Model
-

- Promapp - Process Mapping Program Continuation
 - Procurement Improvement Program
 - Automation of Financial Processes
 - Audit Risk and Improvement Program
 - **EXPANDING ALTERNATE REVENUE STREAMS AND ASSET MANAGEMENT**
 - Commercial Property
 - Premium Facilities Portfolio Management
 - Commercial Parking Strategy
 - Advertising Income
 - User Pays model
 - **PRODUCTIVITY AND STRATEGIC ALIGNMENT**
 - Community Satisfaction Survey
 - Strategic Planning Focus to Align Priorities
 - Continuation of the Workforce Investment
 - New City Strategy and Innovation Directorate established
 - Budget Training
-

6.2 What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?

In the text box:

a) Explain initiatives undertaken in the past few years to improve productivity and contain costs.

MERGER RELATED ACHIEVEMENTS

- On 12 May, 2016 Georges River Council was proclaimed. Georges River Council is comprised of the former Hurstville City Council and the former Kogarah City Council. These Councils worked together prior to proclamation to develop a detailed Day 1 and Week 1 plan to facilitate the transition which was fully implemented. In June 2016 a 24 month Transformation and Change Implementation Plan (Attachment **D19-307137**) was adopted to:
 - Provide Council with a framework to guide the amalgamation of services
 - Assist Council in reviewing and improving services
 - Ensure key requirements from the NSW Department of the Premier and Cabinet were met
-

- Undertake work in line with the approved principles of change.
- The Amalgamation Journey Final Report (Attachment [D19-195782](#)) adopted by Council in February 2019, is the final report from the Transformation and Change Implementation Plan (Attachment [D19-307137](#)) that outlines the complex task of amalgamating two organisations whilst maintaining everyday services. The report specifically highlights how Council has successfully delivered benefits to the organisation and the community, aligned with the enduring characteristics of a strong council, defined by the Department Premier and Cabinet (DPC) as: strategic capacity, outstanding service provision, robust community relationships, strong performance and sound organisational health.

GOVERNANCE

- Our goal to become more open and transparent was enhanced with a new website, council app, public meetings, digital engagement, and supporting policies and procedures. We focused on our staff, their health and wellbeing, improving job satisfaction and up-skilling for customer experience and delivery of services. Services were brought in-house to ensure performance, and expanded where there was an identified community need. We have been recognised by the Amalgamated Metropolitan Councils Group for our achievements and community satisfaction ratings have significantly improved.
- In 2018-19, we adopted an Update Enterprise Risk Management Framework. An independent Risk and Audit Maturity Benchmarking Report ([Attachment D20-28248](#)) indicates that Council is in the top 3 of 28 Statewide Mutual member councils. We completed an independent review of Council's Business Continuity Management and Fraud and Corruption Control related policies and plans including strategic risk profiling exercises.
- Establishment of a new Internal Audit role has supported our Audit, Risk and Improvement Committee to successfully oversee a comprehensive program including audits of Development Assessment, Procurement, S7.11 & 7.12 (S94) income and others. Our investment in internal audit increased from approximately \$40,000 in FY16 to approximately \$280,000 in FY19. Internal audit has also been active in internal improvement taskforces including cash handling and bonds management which aim to ensure effective allocation of resources.

WORK HEALTH AND SAFETY

- Introduction of a WHS Strategic Plan has provided a road map for Council to increase targeted education and interventions resulting in a reduction in Lost Time Injury (LTI) claims of almost 40%, with our LTI rate being the lowest of all 157
-

councils who participate in the LG Performance Excellence Program at 5.6 days/100 employees while the average is 26.5 days.

- Our WHS operating model was realigned to further enhance a safety culture and to position Council for future self-insurance compliance. Employee involvement has been extended through projects such as our WHS Innovation Grants that invites employees to propose projects to improve safety at work. Some initiatives in 18/19 include lone worker devices, LED headlamps for night work, mapped roof anchor points, telescopic sampling rods and hydraulic change tables.
- Following the review of our WHS Risk Management program and implementation of Council's Incident Management and Reporting Procedure, we have achieved improved risk assessment processes and safety systems at work, a 24% increase in positive safety reporting, a reduction in workplace injuries and a reduction in the costs associated with workers compensation claims.
- The implementation and success of the WHS Strategic Plan has resulted in the significant reduction in insurance premiums, as outlined below:

Period	Insurance Premium
2016/17	\$1.76 m (for 15 months)
2017/18	\$1.47 m
2018/19	\$770,000
2019/20	\$760,000

ENVIRONMENTAL AND ENGERGY EFFICIENCY

- The Hurstville Aquatic and Leisure Centre offers 3 pools, gymnasium, 2 indoor multi-purpose sports courts, spa and sauna facilities supported by a crèche and café. The centre provides a wide range of swim programs, community sports programs, gym classes, and caters for specific cultural preferences of our diverse local area. The attendance rate for the venue is 1.2 million visitors each year, putting us consistently in the top 2 aquatic venues in NSW. Council has installed a world-first water collection system using a completely self-sufficient and off-grid method of obtaining clean drinking water at a facility. The Hydropanel Program incorporates solar Photovoltaic Cells and a small battery which enables water production when the sun shines and water delivery on cloudy days or at night. Council's long-term vision is

that we can help to improve the product which has the potential to alleviate water-poverty across the world. This technology is expected to have enormous social and environmental benefit for sustainable development, providing safe drinking water to water-poor communities in remote Australia and in developing countries as well as busy urban hubs. Each panel creates, on average, 2-5 litres of water per day and provides a sustainable alternative to bottled water by extracting water vapour from the air.

- Council has adopted a 4 year Energy and Water Management Plan 2018-2022 and developed a priority list with internal stakeholders. To assist with funding these projects Council has developed a Revolving Energy Fund Guideline and a Retrofit Energy Guideline. Through this work, Council's assets teams can monitor electricity uses on a daily basis to determine where savings can be made.

WORKFORCE MANAGEMENT

- In December 2016, Council began implementing the new Georges River Council organisation structure. Georges River was the first merged Council to embark on this process. Since amalgamation, 47 staff left Council through voluntary redundancy. This includes 5 senior staff voluntary redundancies. There are a further 15 staff voluntary redundancies approved but yet to take effect.
- Council has financially invested in the learning and development of its employees to raise the capability of the workforce by increasing efficiency and quality of service delivery through a combination of knowledge build, skill development and growing technology competence. Learning and development activities focus on increasing technical expertise and values based behaviour to provide accurate and customer centric services that is supported by effective management of systems and processes as well as responsive interpersonal service delivery. Appropriate training is an implemented risk strategy that ensures Council employees maintain compliance with all legislative requirements in order to provide beneficial community services through safe, efficient and professional practices. Council implements leading people practices to create a high performing, capable and resilient workforce. Our innovations in since 2018/19 include:
 - Skills and Performance Review (SPR) development plan data has now been analysed and roll-out of the learning program is underway (with programs currently being customised and scheduled). The learning program has been communicated to all staff
 - Highlights of SPR data: 1799 courses selected, 158 employees interested in volunteering at River Run (All staff conference)
 - New streamlined processes will ensure that compliance training, Continuing Professional Development (CPD), conference attendance and business critical training is efficiently managed and equitably provided to relevant staff

- In addition to the Captain's Collective (program for business unit managers), Captain's Circle (program for Coordinators) and River Run (all staff conference), 19 professional development learning programs will be scheduled throughout 2020
 - Shine Bright Recognition and Rewards Program that supports rewards such as volunteering opportunities, charity donations and environmental support.
 - Developed a Wellbeing and Belonging Policy that includes Domestic Violence support
 - L&D Programs including the River Run all staff conference held over four days to support collaboration, learning and wellbeing.
 - 5 distinct Leadership courses attended by 210 staff in 2018/19
 - Implementation of employee driven Design Thinking co-creation opportunities
 - Establishment of an internal Diversity and Inclusion Committee
 - A new on-boarding program including Welcome Champions resulted in a very low turnover rate of staff during 2018/19 of 8.1% (NSW average is 21.2%)
- On proclamation of the former Hurstville and Kogarah Councils, Council operated three pay cycles. They were as follows:
 - Fortnightly pay in arrears (new employees and employees of the former Hurstville City Council);
 - Weekly pay in arrears (outdoor employees of the former Kogarah City Council); and
 - Weekly pay in advance (indoor employees of the former Kogarah City Council).

Operating three pay cycles was inefficient. Council needed to employ additional part-time and casual labour on a weekly basis and paid payroll staff for additional hours of overtime. There was an additional cost of approximately \$85,000 to Council of approximately \$85,000.

In 2017 Council went live with one pay cycle, resulting in a reduction of processing errors, time in attendance adjustments and paper leave applications. By consolidating payroll, all indoor staff were moved onto the electronic time management tool.

EFFICIENT INFORMATION AND COMMUNICATIONS TECHNOLOGY

- The Amalgamation Journey report highlights specific initiatives taken to reduce costs and consolidate services. An overview of these include:
 - Property and Rating integration;
 - ICT Strategy;
 - Intranet development (Rivernet);
 - Intra map system rollout;
 - Consolidation and upgrade of records management system including archives;
 - Information security framework established;
 - Active Directory enhancements;
 - Council reporting system including the Councillor Portal

- Council has been committed to improving internal innovation and digital capability since 2018/19. This will culminate in the release of our Innovation Strategy that provides the foundational elements critical to fostering a culture of innovation. A focus on our Digital Future is supported by our adopted Digital Resource Strategy to inspire and support process improvement and digital transformation. Projects implemented in 2018-19 include DA pre-lodgement booking service, Omni-channel contact centre technology with web-chat capability, and rollout of the new online Customer Relationship Management (CRM) system.

CUSTOMER EXPERIENCE (CX) TRANSFORMATION PROJECT

- Council recognises that its relationship with its customers is one of the most important driving factors of success. Our Customer Service Strategy provides a framework for building and embedding successful, appropriate and sustainable customer service delivery across Council. Developed from a Service Delivery Review and utilising Customer Journey Mapping, our Customer Experience (CX) Transformation Project was launched in July 2018. An agglomeration of customer service centres to two purpose-built, technologically-savvy and comfortable spaces. Council has improved the customer experience with the following initiatives:
 - Council reinvigorated its Service Centre at the Georges River Civic Centre to a fresh, contemporary and welcoming space for customers
 - A vertical garden wall will set a tranquil setting for customers as they enter.
 - A concierge will greet customers and triage enquiries to minimise customer waiting periods. The new waiting area provides comfortable lounges, informational display monitors, and self-service computers for public use. Additional meeting rooms have been built, equipped with smart boards and internet access, providing a

technologically modern space for presentations and events. The two meeting rooms will have capacity for 20 persons and 10 persons respectively.

- Kogarah Library and Service Centre opened in December 2019.
 - Community access to quality and responsive services, and the refurbishments, will result in a flexible, multi-use space.
- Customer journey-mapping to improve back office processes and response times
- Delivery of a concierge service, web chat, and the provision of Customer Advocates to support customer needs and efficiently resolve customer complaints.

FINANCES

- Improvement programs for active grant acquisition and developer contributions have included reviews of calculations and strategy to generate income for increased expenditure on community facilities aligned to existing strategies. As a result, our grants income improved by 35% on 2017/18 and S7.11 & S7.12 contributions are more effectively allocated to priorities.
- Reduction in consultancy costs through efficiencies gained from the investment in the training and development of finance staff which has led to improved procedural documentation, process mapping, project planning, process improvements, and a higher utilisation of corporate systems.
- Budgeted Employee Costs have been contained for the past three years at the same level as the previous financial year. This is expected to realise savings of approximately \$1-2 million per year. A review of Fees and Charges continues to be undertaken to identify potential increases to those fees and charges which are not restricted by regulations.
- Enterprise Budgeting (Decentralized Automated Budget Management Tool) was implemented in 2018/19 which has developed financial awareness and improved the understanding of sound budgeting principles across Council. This has led to a reduction in staff in the Finance department.

PROCUREMENT IMPROVEMENT PROGRAM / SHARED SERVICES

- From 1st July 2018, Council's electricity contract has been delivering a fixed load of renewable energy each year that was equivalent to 20% of electricity load in 2017/18. This will be purchased from the Moree Solar Farm project until the end of 2030 with the ability to increase over time. Council was part of this innovative, low risk approach and ground-breaking Power Purchase Agreement (PPA⁺) coordinated by SSROC with 20 other NSW councils. The bulk purchase offers

attractive and fixed rates to councils. The agreement is a NSW first and an award winner for the Innovation Leadership and Management category at the recent Local Government Professional Awards Night. The renewable energy PPA will provide Georges River Council with significant cost savings compared to the current market whilst reducing our carbon emission.

- The Procurement Improvement project commenced in 2017 with a goal to overhaul the procurement process to support the new procurement policy. The project team was made up of key stakeholders across the organisation from Procurement, Governance, Information Technology, Finance, and Customer service. The outcome of this project was one streamlined and more efficient procurement process with easy to access information to support staff in their procurement of goods and services. Key outcomes of the project are listed below:
 - Refined current systems to support the new procurement policy
 - Vendor review- deactivation of unused vendors, email campaign to all vendors to review Councils purchase order conditions, linked all active contracts to Vendors, Vendor creation form updated
 - Spend analysis reporting
 - Creation of a suite of procurement policy documents
 - Implementation of the contracts module in Council's ERM System
 - Staff Training Plan including Organisation Development Communication
 - Accounts Payable automation (future initiative)

COMMUNITY VENUE MANAGEMENT

- Netstrata Jubilee Stadium has tripled the professional content on offer in 2 years after Council resumed management post-merge and boosted the local economy by an estimated \$1.7 million (Goal 4.3). Our anchor tenant, St George Illawarra Dragons Rugby League Club was joined by Sydney Football Club for a total of 17 events in 18/19. In addition, the stadium hosted 3 Asian Champion League home games, an A-League Semi Final featuring Sydney FC and Melbourne Victory, and the Westfield W-League Grand Final featuring Sydney FC and Perth Glory. Throughout the 2018/19 financial year, we hosted a total of over 100,000 patrons at major events, an increase from the 2017/18 figure of 45,000. This is forecast to double in the coming year due to additional rugby league and football content currently under negotiation.

COMMUNITY ENGAGEMENT AND PLANNING

- Every four years, following extensive consultation with our community, Council adopts its Community Strategic Plan which details the community's aspirations for
-

the Georges River area for the next 10 years. The Community Strategic Plan can be viewed [here](#)⁵ or by visiting Council's website.

- This Plan highlights many community projects, programs, initiatives and events that require substantial funding to become a reality. These projects and programs are then outlined in the Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20 which can be viewed [here](#)⁶ (external link) or by visiting Council's website. The final decision to approve projects rests with the elected Council. Council meetings are open to the public and can be live streamed
- Community satisfaction surveys have been used to measure success in improving service delivery and have shown a significant improvement of 51% between our first survey in September 2016 and our latest results as a result of targeted improvements and the addition of new services. Most recently we have launched a pre-lodgement development advisory service and community adoption of Voluntary Planning Agreement Policy.
- The Your Say Georges River portal was introduced as a new way for residents to give online feedback on consultations and public exhibitions, which contribute to Council's decision-making on important projects that shape the future of the Georges River area. Residents receive regular updates on new projects and Your Say subscribers are automatically notified of updates. The current number of signed up members is 1,736.

EFFICIENCY

- Council has a Service Delivery Review (SDR) program that undertakes programmed efficiency, delivery and satisfaction reviews of the 54 defined services in our portfolio in conjunction with our community and customers to ensure fit for purpose and responsiveness to changing characteristics of the LGA. In 2018/19 11 SDRs were completed including accounts payable, events, and library services, delivering improved service levels, enhanced customer experience and efficiencies valued at approximately \$1.2 million.
- Promapp – Council has utilised this online process improvement toolset to create a library of Council processes that are tailored to every staff member's role – ensuring we provide consistency to our customers and make it easy for everyone to share, collaborate, innovate and improve what we do. Council has experienced the following benefits: capturing corporate knowledge and enhancing risk management; reduced time required to induct new staff; easy for internal customers to find and follow processes; and more staff engaged and empowered to own their processes

⁵http://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Plans%20and%20Documents/GRC-CSP-2018-2028_ONLINE-v2.pdf

⁶[https://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Publications/GRC-DELIVERY-AND-OPS-PLAN-2020_21_FINALV3_low-res-FOR-WEB\(2\).pdf](https://www.georgesriver.nsw.gov.au/StGeorge/media/Documents/Council/Publications/GRC-DELIVERY-AND-OPS-PLAN-2020_21_FINALV3_low-res-FOR-WEB(2).pdf)

and collaborate across areas to improve the quality and currency of process documentation and drive improvements

OTHER ITEMS

Council's achievements and reinvestments are many, and include:

- establishment of the Independent Hearing and Assessment Panel (IHAP);
- extension of customer service centres hours of operation and harmonisation of services and products;
- significant reduction in legal costs and insurance premiums;
- additional road repairs and re-sheeting through improved purchasing capacity;
- new and expanded community events such as Starlight Cinema and the White Ribbon Walk;
- implementation works to kick-start the Disability Inclusion Action Plan;
- St George Business Chamber – provision of free office premises and annual grant funding to provide city-wide programs;
- increase in Community Grants from \$147,000 to \$400,000 per year;
- expanded graffiti removal services;
- pensioner rate rebate program was extended to Kogarah pensioners for a number of years;
- sustainability and waste minimisation education programs;
- \$65 million Capital Works Program for 2018/19;
- co-location of staff to Georges River (Hurstville) Civic Centre;
- resumption of direct management of Netstrata Jubilee Oval and Carss Park War Memorial Pool including creation of asset maintenance and renewal budget; and appointment of an Internal Auditor and establishment of external Audit Risk and Improvement Committee.

b) Outline the outcomes which have been achieved.

Outcomes achieved have been discussed in 5.1(a) above. For additional examples, refer to **Attachment D19-279729** 'Rate Application Past and Future Productivity Items' for specific details.

c) Where possible, quantify the gains these past initiatives have realised.

Outcomes achieved have been discussed in 5.1(a) above. For additional examples, refer to **Attachment D19-279729** 'Rate Application Past and Future Productivity Items' for specific details.

Council is confident of achieving the projected savings of \$12 million.

Prior to the events of COVID-19, Council had an adopted forecast operating deficit for 2020/21 of \$13 million.

Therefore, in order to minimise Council's projected operating deficit, protect cash reserves and weather any adverse impact of COVID-19, programs, services and projects have been reduced, deferred or deleted. The approach to these decisions has been balanced, in that they have been made across all areas of Council's operations, including employee costs, Councillor costs and community assets.

Reductions include \$9 million worth of operational programs and services for 2020/21 and \$350 million worth of capital works over the next 10 years being deferred, reduced or deleted from the works program. Major items include:

- Reduction in employee costs, i.e. no increase budgeted for the mandated annual Award increase, increased vacancy rate, extensions to vacancy holding periods
- Removal of staff benefits such as the all-staff conference, Learning and Development program
- Removal of the Councillor Discretionary Ward fund
- Removal of the additional voluntary Pensioner Rebate
- Deferral of capital projects such as the new skate park, public art program, synthetic fields program, San Souci Bathers Pavilion construction, Hurstville Civic Precinct development, etc.)

The 2020/21 budget also included \$5 million in budgeted income from net gain of the sale of assets. It was proposed that during the 2020/21 financial year, Council sell assets contained within the Commercial Property strategy that are under performing.

6.3 What productivity improvements and cost containment strategies are planned for future years?

In the text box summarise the council's ongoing efficiency measures.

a) Explain the initiatives which the council intends to implement.

Items from Criterion 5.1

COST CONTAINMENT - Target Reviews/ Service Delivery Reviews

Expansion of the Service Delivery Reviews Program

- A requirement of the merger included a review of all of the services delivered by the former councils to determine why the service was delivered, key activities and costs of delivery, how the performance of the service was rated and whether it needed to be continued.
- The Transformation and Change Directorate commenced this work with an audit of 56 Council services being undertaken in late 2017- early 2018.
- Two critical service reviews have progressed to the next stage with a strategic review of Customer Service and Communications being completed. Both reviews have recommended important short and long-term improvements that should be introduced to provide an enhanced service to the community, e.g.: extending the hours of the duty planner, introduce customer advocates, increase the level of self-service options available to customers, etc.
- It was important that this work continued after the Transformation and Change Directorate dissolved. Whilst it could have been incorporated into the 'business as usual' work plans of each Directorate, it was likely that it would not progress with the same urgency and focus (due to competing priorities) as if it were being undertaken by a central unit of Council.
- The new Directorate is responsible for completing the service delivery reviews in a targeted and prioritised manner with the review of child care services, DA assessment, venue hire system and library services requiring immediate attention.

Customer Service Experience Model

- The Customer Service Experience (CX) model has been in progress for a couple of years following an independent service review. The overall aim is to improve the opportunities for customers to have multiple channels of communication and service access along with ease of conducting business. Future initiatives will include a payment bar at service centres for all customers to experience the ease of not having to wait in queues, online lodgement of development assessments, expansion of payment gateways, further automation of Council's key services and development of an online service for anywhere/anytime management of customer issues.

Children Services Portfolio Review

- In November 2017, Council adopted the Childcare Strategic Plan. As childcare is a discretionary service under the Local Government Act 1993 (NSW), the operation of childcare services needs to stand alone as a financial entity, and should not be subsidised by residents or ratepayers. Long term financial sustainability is the key to the continued success of the service, and the service should be operated in a manner that allows annual operating costs, and the ongoing maintenance and renewal of the centres, to occur without cost to ratepayers. Council has expanded the service to include a new childcare centre in Oatley. The review in 2020 and

implementation will aim to improve utilisation and operating hours of childcare centres across the LGA to ensure continued financial sustainability.

Library Service Model

- Library Services are a mandatory service councils must provide under the Local Government Act 1993 (NSW) . In 2019/20 the operating expenditure budget for Library services was over \$6 million. The review in 2020 and implementation will aim to assess the alternate operating model options in order to not only meet the demands of the community and comply with legislative obligations, but also aim to reduce the cost of the service.

Extensive Budget Development and Management Process

- Over the last 3 years Council has frozen employee costs, via initiatives such as the Christmas shut down period and vacancy/recruitment management. Council has committed to the ongoing management of employee costs with a target of 40% of operating expenditure as a key performance indicator.
- Council will continue refining its budget management process. The annual budget development takes just over 8 months. This involves workshops with the management team and Councillors. The process is essential in identifying annual cost containment strategies and/or introducing new user fees or alternate revenue stream initiatives. The financial training program is continually being enhanced to improve financial literacy of staff to manage resources more effectively.
- The management team must report on the quarterly performance of their budget throughout the year, with opportunities for efficiencies being presented during these meetings. Council will continue managing by budget performance on a quarterly basis to identify savings or alternate revenue streams.
- Council resolved to establish a Financial Sustainability Working Group to enable Council officials and councillors to work collaboratively on matters that may include entrepreneurial activities, enhancement and expansion of the commercial property portfolio, refining service delivery models and the rating structure. This approach is targeted at enhancing knowledge of staff to more effectively manage council funds and plan for long term resource management and sustainability through in-house staff training.

Night Shift Resourcing Model

- Night shift resourcing model is a service review being conducted to understand the appropriate resourcing approach to operate the night shift cleansing service within the Hurstville and Kogarah CBDs. The review is assessing the alternate resourcing and associated cost models in performing the service in-house or via external contractors. If Council decides to use external contractors there is an opportunity of annual savings in employee costs to be realised.

Promapp Process Mapping Program Continuation

- Phase 2 of the roll out will involve targeted process mapping following service reviews. The customer experience review has established priority areas and with further reviews being undertaken in 2021, the documentation and improvement of processes will continue. Expected benefits include: capturing corporate knowledge and enhancing risk management; reduced time required to induct new staff and easy for internal customers to find and follow processes; and more staff engaged and empowered to own their processes and collaborate across areas to improve the quality and currency of process documentation and drive improvements.

Procurement Improvement Program

- Council commenced a Procurement Improvement Program early in 2019. The improvement work is well underway with a new suite of policies covering both procurement and contract management. Further initiatives include a procurement intranet platform and easy templates to further enhance Council's decentralised procurement program. Council acknowledges that effective processes not only ensure compliance with legislation but also enable delivery of community benefits and value.

Automation of Financial Processes

- Council has invested in the key corporate information management systems and has moved onto automated management of accounting records. In 2020/21, Council will be reviewing the potential of automating the scanning of invoices to minimise the amount of data entry, and risk for error, in the accounts payable process. In addition, the accounts receivable and debt recovery processes have been reviewed with the recommendation to align them to the rating process, which has expanded payment options, email delivery, and the printing of rates notices now being generated and delivered by a contractor. This enables greater time for staff to manage customer queries and database management. Along with the invoice distribution, Council will be reviewing the external suppliers in debt collection for low value high volume invoice management, as the current in-house option is not feasible given the limited resources and tools available.

Audit Risk and Improvement Program

- Following amalgamation, Council made the decision to introduce an Audit, Risk and Improvement Committee. Although this is currently not a mandatory function, though Council identifies the importance of transparency, governance and control improvements for ensuring the effective use of public resources. Council has and will continue to deliver the annual audit program in 2020/21, which will include but is not limited to, the following audits:
 - Sundry Creditors Audit;
 - Revenue Controls Audit;
 - Grants Management Audit;
 - Enterprise Risk Management Audit;

- Facility Management Audit;
- Use of Agency Staff Audit;
- Bond Refunds Audit; and
- Swimming Pool Compliance Audit.

EXPANDING ALTERNATE REVENUE STREAMS AND ASSET MANAGEMENT

Commercial Property

- Council has developed a strategy to guide the disposal, utilisation and acquisition of its commercial property portfolio. In recent months, Council has been disposing of small value lots that do not have development potential and reinvesting in acquiring property/land that has commercial rent and/or development opportunities.
- The commercial property portfolio contributes \$5 million annually in income which reduces Council's reliance on rate income. Further potential and return was highlighted as an opportunity in the strategy which Council has committed to exploring.

Premium Facilities Portfolio Management

- Following the successful acquisition of the Netstrata Jubilee Stadium and the leading performance of the Hurstville Leisure Centre, Council will continue to apply these approaches to key facilities across the LGA to ensure optimum performance and versatility of usage.

Commercial Parking Strategy

- Council commissioned an external expert to review Council's car park portfolio and identify opportunities to improve utilisation and revenue generation. The study highlighted sites across the LGA that, after minimal infrastructure investment, could generate significant revenue annually. Council implementation of the strategy is due in 2020/21.

Advertising Income

- Council has a high number of sites across the LGA that are managed by an external company to attract advertising campaigns. In 2020/21 Council will review the return on the current sites and the contract with the current external provider to assess the quality of return. In addition, Council will conduct a site audit to verify whether additional sites are available to incorporate into the portfolio.

User Pays model

- Council's revenue policy outlines the pricing for goods and services principles, as below:

“Each fee that we charge is in accordance with one of the following principles and revised each year by the Executive and the elected Council. The following factors are considered by Council when setting fees and charges:

- Reasonable percentage increase in-line with costs increases
- Cash handling and rounding of amounts
- Cost of the service and operations
- Other revenue sources that may fund this service
- Laws and regulations
- Ability of the people using the service to pay
- Benefit to the community (possible subsidy)
- Benchmarking with like services

The pricing principles currently applied include:

<i>Cost Recovery</i>	<i>Includes the recovery of employee and material costs directly related to the provision of the service</i>
<i>External Cost</i>	<i>Price is determined by an external party carrying out the service or works</i>
<i>Subsidised (Partial Cost) Pricing</i>	<i>Council elects to recover only a portion of the costs of providing the service</i>
<i>Rate of Return Pricing</i>	<i>Prices are set to recover a surplus that can be directed into capital improvements or other services</i>
<i>Market Pricing</i>	<i>Prices are set at a similar amount to like services within the community</i>
<i>Legislated Pricing</i>	<i>Prices are set to comply with legislation"</i>

- In 2019/20 Council introduced a 3% increase which was above CPI, to all eligible fees and charges. The purpose was to assist in reducing Council's reliance on rate income. In addition, Council introduced new Development Assessment and Building Management Fees and agreed on a new Childcare fee model that results in progressive increases over a number of years. In 2020/21 Council aims to review the user fee structure of playing fields, to ensure a portion of cost recovery and replacement cost, after the extensive capital improvements made to sporting grounds.

PRODUCTIVITY AND STRATEGIC ALIGNMENT

Community Satisfaction Survey

- Council conducts community satisfaction surveys every 2-3 years. This is a process used to ensure service levels are aligned to community expectations and to ensure

the priorities of Council are aligned to community interests. These surveys also can provide insights into areas requiring a service delivery review. The last community satisfaction survey resulted in the customer service and communications service delivery review being initiated.

Strategic Planning Focus to Align Priorities

- Council is committed to maintaining strong and positive relationships with the local community and has adopted a Community Engagement Strategy (Attachment D20-224016). In early 2019, we extended our online engagement capability to include geolocation mapping interaction. Beyond standard public exhibition requirements, over the year we engaged on 91 individual projects and completed 127 different surveys, interacting with approximately 25,300 people.
- Council is committed to continue community engagement and to ensuring extensive consultation of long-term plans/projects. This ensures Council's priorities and spending are aligned to future growth, community aspirations and where feasible independent expert advice. The focus for the year ahead will include implementation and planning on the following, but is not limited to:
 - Georges River Cultural Strategy
 - Open Space, Recreation and Community Facilities Strategy
 - Resilience Strategy for Council services
 - Energy and Water Management Plan
 - Beverly Hills Master Plan
 - Car Parking Strategy
 - Work with State agencies to improve transport in the Hurstville City Centre area based on the Hurstville CBD
 - Transport Management and Accessibility Plan (TMAP)
 - Develop and implement the annual Infrastructure Works Program, including a Town Centres Public Domain Program
 - Develop the Performance Excellence Framework
 - Develop an online service for anywhere/anytime management of customer issues
 - Community Property Strategy
 - Review Children's Services
 - Media lab in Hurstville Library and Service Centre
 - Penshurst Park Master Plan Stage 2
 - Management of Synthetic Sports Field
 - Smart Cities Initiative
 - Work with the NSW Government to provide crisis accommodation in the LGA
 - Georges River Local Environment Plan (LEP) 2020, Development Control Plan (DCP) and Section 7.11 and Section 7.12 Development Contributions Plans

- Move towards the 100% renewable energy target by 2025 and net zero emissions by 2027 to Council operations.

Continuation of the Workforce Investment

- As highlighted above, Council has committed to the investment on its workforce to ensure staff have the skills and development opportunities to deliver high service quality. In 2020/21, Council will be developing an improved Performance Excellence Framework that aligns to Council's key IP&R objectives and the Office of Local Government's Capability framework.

New City Strategy and Innovation Directorate established

- With an outwards focus concentrating on positioning the Georges River area and the Council as a strong and influential entity in both the Sydney metropolitan region and in NSW, the new City Strategy and Innovation Directorate will deliver on critical outcomes in driving vitalisation, health and prosperity of the City and will continue to build and improve the City's reputation and brand. Key Priorities include:
 - Improve Council's ability to position itself for Federal and State grants;
 - 30 Year City Vision;
 - City Reputation Strategy;
 - Hurstville Heart of the City;
 - Kogarah Health and Research Hub;
 - Smart Cities;
 - Cool Places: Urban Oasis;
 - Service Delivery Reviews;
 - Legislative Reform;
 - Grant Funding; and
 - Advocacy.
 - In the 2017/18 financial year, Council received \$23.8 million in grants for capital works and \$8.4 million for operational grants (e.g.: Financial Assistance and Roads and Maritime Services grants). In 2018/19 Council received \$36.3 million and \$10.1 million, respectively.
 - The amount of capital grant funding in both years has allowed Council to deliver an ambitious capital works program across the city. However, the loss of Stronger Communities grant funding next year will result in a substantially smaller capital works program for the city.
-

- At the moment, Council relies on officers throughout various departments to individually apply for grant funding and collaborate with each other to ensure consistency of applications and approaches and to prevent duplication.
- The new Directorate will centralise and coordinate grant applications across all departments of Council and across all state and national jurisdictions. A coordinated and targeted approach will also enable Council to seek out similar levels of grant funding as has been enjoyed this year to ensure that our capital program does not diminish to a level where our 5 year program will take 10-15 years to deliver.

Budget Training

All departments have been instructed to identify potential reductions in raw materials and consumables costs, reduce the use of consultants, be strategic in incurring legal costs, monitor the use of electricity and identify alternate energy solutions, explore possibilities of increasing rental returns from commercial property, increase vigilance on illegal parking etc. These are areas of focus that have been currently identified. The “Financial Sustainability Committee” will meet regularly to monitor progress in this regard and also explore additional avenues to raise additional income and extract expenditure savings without affecting the quality and levels of service.

b) Estimate their financial impact.

The desired financial impact on the operations is projected savings and/or additional income to be realised of \$4.5, \$4.5 and \$3.0 million in 2020/21, 2021/22 and 2022/23 respectively. For additional examples, refer to Attachment **D19-279729** ‘Rate Application Past and Future Productivity Items’ for specific details

c) Indicate whether these have been incorporated in the council’s Long Term Financial Plan.

Yes. There has been an assumption of \$12 million in savings, incorporated into Model 3 of the LTFP, within the first three years of Council receiving the increase to general rate income. Specific location of where these saving are going to come from is still to be determined in line with the ‘Rate Application Past and Future Productivity Items’.

A number of the initiatives outlined above have also been incorporated into the General Manager’s performance plan and relevant Integrated Planning and Reporting information.

6.4 How have the council’s levels of productivity and efficiency changed over time, and compare with those of similar councils?

In the text box summarise data which demonstrates how the council has improved productivity over time, and indicates its performance against that of comparable councils.

Georges River Council was formed in May 2016 through the amalgamation of former Hurstville and Kogarah City Councils. An analysis of the financial statements for each former Council's last year of independent operations (2015/16) adjusted for a 12 month period, revealed that these two councils, when operating separately experienced financial hardship as shown in the Table below.

Operating Surplus/(Deficit) net of Grants & One-offs	Kogarah	Hurstville	Combined
Net Surplus	4.784	42.976	47.760
Less: Capital Grants	(3.313)	(10.706)	(14.019)
Less Operating Grants	(4.036)	(5.983)	(10.019)
Less: Valuation Adjustments	0	(24.939)	(24.939)
Less: (Profit)/Loss on Sale of Assets	309	(5.558)	(5.249)
Adjusted Net Surplus/(Deficit)	(2.256)	(4.210)	(6.466)

*All figures in millions

The terms of amalgamation specified the preservation of the rates structures of Hurstville and Kogarah City Councils for a period of four years. In addition, increases in income from Rates were restricted to the annual Rate Peg approved by the Minister for Local Government and no requests for Special Rate Variations were permitted.

The constraints in restructuring the organisation also extended to guaranteeing the employment of all personnel during the period up to May 2019. This meant that any potential cost savings as a consequence of streamlining the provision of services had severe limitations.

Consequently, while the two former Hurstville and Kogarah Councils ceased to exist, the merged Georges River Council merely combined the operations, without being in a position to render any economic advantages to the community.

The absence of historical data of the merged council under normal operating conditions makes any comparison with other established councils invalid.

However, since the merger, Council have developed many efficiencies through the implementation of process improvements, cost containment strategies, and the introduction of new revenue streams. Details of these can be found in the "Amalgamation Journey Final Report" (Attachment [D19-195782](#)) and the "Rate Application Past and Future Productivity Items" (Attachment [D19-279729](#)).

Within the updated LTFP, Council has included an assumption of \$12 million in savings, through cost containment/reduction and additional income streams, within the first three years of Council receiving the increase to general rate income.

New and existing cost containment strategies and revenue stream initiatives will continue to be discussed at future Financial Sustainability Working Group meetings.

Currently, there is a lack of information available to compare to other merged Councils, therefore Council cannot go into too much detail in this area. Refer to Attachment **D20-17172**, which is an article from Government News that covers merger related issues that were identified in a review by the NSW Audit Office. We have added a comment to show how Georges River Council has overcome some of these issues.



Attachments for Criterion 5

List attachments relevant to your response for Criterion 5 in **Table 5.1**. Use the council assigned number shown in Table 8.1.

Table 5.11 Attachments relevant to response for Criterion 5

Council- assigned number	Name of document	Page references ^a
D19-279729	Rate Application Past and Future Productivity Items	
D19-307137	Transformation and Change Implementation Plan	
D19-195782	Amalgamation Journey Final Report	
D20-28248	Risk and Audit Maturity Benchmarking Report	
D20-17172	Government News Article - Comparison With Other Merged Councils	

^a If document only relevant in part.



Criterion 6 Other relevant matters

Criterion 6 in the SV Guidelines is:

Any other matter that IPART considers relevant.

7.1 Reporting requirements SV compliance

In the text box propose additional SV compliance community awareness in addition to the requirements in the IP&R documentation.

The outcome of the SRV application will be communicated to ratepayers in 2021/22. Items will also be included in the Long Term Financial Plan and actions will be monitored in quarterly reporting processes.

The Guidelines provide further that:

IPART will assess each application based on its merits against the assessment criteria. In doing so, IPART may consider:

- size of the council
- resources of a council
- size (both actual \$ and %) of increase requested
- current rate levels and previous rate rises
- purpose of the special variation
- compliance with this or any other applicable guideline
- compliance with the conditions of any previous special variations, and
- any other matter considered relevant in the assessment of a special variation application.

To complete the question for Criterion 6: Other relevant matters refer to IPART's Application Guide for SV Application Form Part B.

In the text box the council **may** provide information in addition to that provided elsewhere in the Application Form which it would like IPART to consider when assessing its proposed SV.

In late December 2020, the NSW Government released an exposure draft of a Bill on the local government rating system. A section of the exposure draft relates to the possibility of allowing merged councils to gradually harmonise residential rates over 4 years. The exposure draft does not propose any changes that would assist in resolving Council's financial challenges. The timing and outcome of the proposed draft bill is unknown.

The current NSW rating system, which does not allow for increased rate revenue in line with increased population growth, leaves councils with two options, these being service cuts with increase population or an application to IPART to achieve rate revenue growth. Many in the community incorrectly believed that rate revenue increases in line with population growth or would prefer this to be the case. There is in principle support for rates revenue growth to support population growth.

The recent recommendations of the NSW Productivity Commission review into infrastructure contributions support a shift to rate revenue growth in line with population growth. The report further notes that average rates per capita in NSW (\$591 in 2019) are significantly lower than the average for all other states (\$835).

The Georges River Council per capita rate figure has been calculated at \$454 (or \$448 with the pensioner rebate) which is more than 20% lower than the current NSW average rate, further reinforcing the appropriateness of the New Rates 2021 proposal.

Based on the proposed rate revenue increase over 5 years and assuming 7% population growth, the Georges River Council per capita projection will still be below the NSW average of \$591, with an increase from \$454 to \$545 projected in 5 years.

Based on the outcomes of the community consultation, there was strong community sentiments for maintaining services levels rather than reduction.



Attachments for Criterion 6

List attachments relevant to your response for Criterion 6 in **Table 6.1**. Use the council assigned number shown in Table 8.1.

Table 6.11 Attachments relevant to response for Criterion 6

Council- assigned number	Name of document	Page references ^a

a If document only relevant in part.

List of attachments

To prepare the List of attachments refer to IPART's Application Guide for SV Application Form Part B.

Table 8.1 is the list of all attachments to the council's SV Application Form Part B.

To complete Table 8.1 (adding rows as necessary):

1. Assign an identifying number and/or letter to each document.
2. Name each document.
3. Check the box to indicate that it is being submitted with the application.

Table 6.3 List of Attachments to the council's application

Council-assigned number	Name of Attachment	Is the document included in the application as submitted?
Mandatory forms/attachments		
D20-287112	IPART Application Form Part A – Special Variation 2021-22(Excel spreadsheet)	<input type="checkbox"/>
D20-287113	IPART Application Form Part B – Special Variation 2021-22(this Word document)	<input type="checkbox"/>
	Council resolution to apply for the proposed special variation	<input type="checkbox"/>
D21-20446	Certification - Application for a Special Rate Variation 2021-22	
If applicable for Description and Context Question 4		
D19-240252	Instrument of Approval from IPART for former Hurstville 2006	<input type="checkbox"/>
D20-258435	Hurstville SRV expiring rate reduction directive from OLG 2021-22	<input type="checkbox"/>
If applicable for Description and Context Questions 5 and 6		
	Declaration of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>
	Relevant instrument(s) for past special variations (if applicable):	<input type="checkbox"/>
D19-240252	Instrument of Approval from IPART for former Hurstville 2006	
D19-300536	Instrument of Approval from IPART for former Kogarah 2013	
	Evidence of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>
D19-303442	Annual Report 2018-19	<input type="checkbox"/>
D20-310081	Annual Report 2019-20	<input type="checkbox"/>
Mandatory public supporting material (ie, to be published on IPART's website)		
	Community Strategic Plan – Relevant extracts	<input type="checkbox"/>

Council-assigned number	Name of Attachment	Is the document included in the application as submitted?
	Delivery Program – Relevant extracts	<input type="checkbox"/>
	Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format	<input type="checkbox"/>
	Consultation material, eg copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation	<input type="checkbox"/>
D21-23549	Community Engagement Report 2020 – New Rates 2021	
D20-20729	Community Engagement Report 2019 – Special Rate Variation Options and Minimum Rate	
D21-19453	Community Engagement Summary of Reach New Rates 2021 Consultation	
D21-19459	'New Rates 2021' 2020 brochure	
D21-19460	'New Rates 2021' brochure - Translated Arabic Simplified Chinese Nepali	
D21-19459	Changes to your rates' 2019 brochure	
	Translated Community feedback (including surveys and results if applicable)	<input type="checkbox"/>
	Willingness to pay study (if applicable)	<input type="checkbox"/>
D19-201537	Debt Management and Hardship Policy (July 2020)	<input type="checkbox"/>
Other public supporting material		
D20/28982 3	Resourcing Strategy (containing Workforce Management Plan and Asset Management Strategy and Long Term Financial Plan)	<input type="checkbox"/>
	Operational Plan for 2020-21 (ie, not for 2021-22) (if applicable)	<input type="checkbox"/>
	NSW Treasury Corporation report on financial sustainability (if applicable)	<input type="checkbox"/>
D20/14498 0	Delivery Program 2018/19 to 2020/21 and Operational Plan 2019/20	<input type="checkbox"/>
D19/29631 7	Community Strategic Plan 2018-2028	<input type="checkbox"/>
D20- 224016	Community Engagement Strategy 2018-2028	<input type="checkbox"/>
D19-279729	Rate Application Past and Future Productivity Items	<input type="checkbox"/>
D19-307137	Transformation and Change Implementation Plan	
D19-195782	Amalgamation Journey Final Report	<input type="checkbox"/>

Council- assigned number	Name of Attachment	Is the document included in the application as submitted?
D20-28248	Risk and Audit Maturity Benchmarking Report	<input type="checkbox"/>
D20-17172	Government News Article - Comparison With Other Merged Councils	<input type="checkbox"/>
D19-306763	LTFP for Rates Consultation in 2019	<input type="checkbox"/>
	8 February 2021 Council Resolution	
	2020.21 Qtr 2 Financial and Budget	<input type="checkbox"/>
	Confidential supporting material (ie, not to be published on IPART's website)	
		<input type="checkbox"/>

Important information for completing and submitting Special Variation Application Form Part B for 2021-22

Submitting the application online

Applications must be submitted through the Council portal by Monday, 8 February 2021.

- ▼ A file size limit of 10MB applies to the Part B Application Form.
- ▼ For supporting documents (Attachments) a file size limit of 70MB applies to public documents, and another 50MB to confidential documents.

Confidential content in applications

IPART will post all applications (excluding confidential content) on the IPART website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as CONFIDENTIAL.

Publishing the council's application

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