

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

### **Insert Name of Council**

Date Submitted to IPART: 11 March 2013

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Mr James Cox PSM, Chief Executive Officer and Full Time Member

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# 1 Introduction

This form must be completed by councils when applying for a special variation to general income under either section 508A or section 508(2) of the *Local Government Act 1993*.

Councils should refer to the Division of Local Government (DLG), Department of Premier and Cabinet *Guidelines for the preparation of an application for a special variation to general income* (the Guidelines) in completing this application form. The Guidelines are available on the Division's website at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au).

In November, IPART will also publish Fact Sheets on our role in local government rate setting and special variations, and community engagement for special variation applications. The Fact Sheets will be available on our website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

This part of the application (Part B) must be completed in conjunction with the relevant Part A form—either:

- ▼ *Section 508(2) Special Variation Application Form 2013/14 – Part A* for single year applications under section 508(2) or
- ▼ *Section 508A Special Variation Application Form 2013/14 – Part A* for multi-year applications under section 508A.

This part of the application consists of:

- ▼ Section 2 - Focus on Integrated Planning and Reporting
- ▼ Section 3—Criterion 1: Need for the variation
- ▼ Section 4—Criterion 2: Community engagement
- ▼ Section 5—Criterion 3: Rating structure and impact on ratepayers
- ▼ Section 6—Criterion 4: Delivery Program and Long Term Financial Plan assumptions
- ▼ Section 7—Criterion 5: Productivity improvements and cost containment strategies
- ▼ Section 8 - Other information (past Instruments of Approval (if applicable), reporting arrangements and the council's resolutions)
- ▼ Section 9 - Checklist of application contents
- ▼ Section 10 - Certification by the General Manager and the Responsible Accounting Officer.

## 1.1 Information requirements

The spaces provided in each section of this application form may be extended as required to fit information. Each section must be completed before we can assess the application.

Please note that the amount of information to be provided under each criterion is a matter of judgment for the council.

In general, the level of information to be provided should be proportional to the size or complexity of the council's request. Therefore, for relatively small requested increases in general income, less information is necessary than for larger increases. However, you still need to provide enough information and evidence to enable the Tribunal to assess each criterion.

The council may also submit supporting documents, including confidential documents, as part of the application. Supporting information should be relevant extracts of existing publications, if any, rather than the full publication.

If necessary, we may seek further information from you.

## 1.2 Submitting your application

Both Part A and Part B of the application should be completed and submitted online via the Council Portal on IPART's website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au). A signed copy of the certification should be attached to the Part B form. We suggest that you access the User Guide for the Portal, also available on our website, to assist you in the online submission process.

Please note that file size limits apply to each part of the application in the online submission process. The limit for Part B forms is 10MB and the limit for all supporting documents together is 120MB (70MB for public documents and 50MB for confidential documents). This should generally be sufficient for the majority of council applications.

Please also submit your application to us in hard copy with a table of contents and appropriate cross referencing of attached plans and reports to:

Local Government Team  
The Independent Pricing and Regulatory Tribunal  
Level 17, 1 Market Street, Sydney NSW 2000 or  
PO Box Q290, QVB Post Office NSW 1230

**We will post all applications on our website. You should also make your application available to your community through your website.**

You are required to submit your application online via the Council Portal on our website and in hard copy by **cob Monday 11 March 2013**. We encourage you to submit your application as early as possible.

Councils intending to submit an application under section 508A are also required to notify IPART of this intention by **cob Friday 14 December 2012**.

Notification is not a requirement for councils intending to submit an application for a single-year increase under section 508(2), but it would help us in our planning if you did notify us of your intentions by this date.

## 2 Focus on Integrated Planning and Reporting (IP&R)

How a council has considered and consulted on a special variation in its Integrated Planning and Reporting (IP&R) process is fundamental to our assessment of a special variation application. This is consistent with DLG's October 2012 Guidelines.

As part of our assessment, we will examine whether the council's planning and consultation, as evidenced in its IP&R documents, meets the criteria for a special variation. For example, we will look closely at how the community's service priorities and feedback regarding various revenue options are reflected in the council's application for the special variation.

- ▼ Has the council completed its IP&R documents and relevant annual reviews of plans?

Yes ☐ No ☒

If the answer is *No* and your council still wishes to proceed with a special variation application, we advise you to discuss your IP&R progress and options with us.

The Guidelines provide for transitional arrangements in 2013/14 regarding IPART's assessment of criteria related to the IP&R process (see Box 2.1).

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### Box 2.1 Transitional arrangements for assessment in 2013/14

The Guidelines provide for transitional arrangements as follows:

In light of the 2012 local government elections and the requirement for councils to review the Community Strategic Plan and Delivery Program and develop an Operation Plan by 30 June 2013, it is recognised that the revised guidelines and application timing may create a difficulty for councils who wish to apply but have not yet completed the necessary IP&R review.

Therefore, for the 2013/14 rating year only, IPART will have the discretion to award a single year variation where it assesses that the general principles of need, community awareness, reasonable ratepayer impact, realistic financial planning assumptions and cost containment and productivity achievement related to the assessment criteria are met by a council, even though the evidence is not necessarily reflected within the councils IP&R documentation.

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### 2.1 Summary of relevant IP&R documentation

Expand the space below to briefly explain the council's IP&R process in the context of the special variation. Include when plans (e.g., Asset Management Plan (AMP) or Long Term Financial Plan (LTFP)) first identified the need for a special variation, and when all relevant IP&R documents were reviewed and finalised. If the council has not yet finalised all of the relevant reviews of plans, explain when this is likely to occur.

The following in quotation marks are extracts from the Draft Rockdale Community Strategic Plan, Long Term Financial Plan or Asset Management Strategy 2013 - 2025:

‘Rockdale City Council has included in its Management Plans and City Plans over a number of years the challenges of long term financial sustainability. In order to balance the budget some years ago, significant cuts were made to the budget allocated to maintain assets, rather than cutting back services. This means there is currently a financial backlog of \$38.5 million which is needed to bring these assets up to a satisfactory standard for the community.

As Council could not afford to do these works without cutting back services, Council successfully gained a Special Rate Variation of 5% per year in 2007/08. Four percent (4%) of this (approximately \$1.3 million p.a.) is used towards asset rehabilitation and upgrade works with the other one percent (1%) used to continue with the Safer Community Program.

In addition, Council applied for a 3% Special Rate Variation for 2010/11 for a 7 year program of renewals of community buildings and amenities. The NSW Government approved a 3 year Program which provides an additional \$1.1 million p.a. and that SRV expires on 30 June 2013.’

It was always expected that Council would consider applying for an extension to the Community Buildings SRV, and the preparation of the End of Term Report 2012 and start of the review of the Rockdale City Plan 2011 – 2025 (the Rockdale City Plan is the whole of the Integrated Planning and Reporting framework) made it clear that a 3 pronged approach was needed to financial sustainability challenges.

‘The new Council recognised the importance of Integrated Planning and Reporting and the need for improvements to the existing Rockdale City Plan. The new Council, on 7 November 2012, endorsed the recommendations of the previous Council’s ‘End of Term Report’ including:

- The review of City Plan undertaken by the incoming Council ensures that partners are identified and involved in the development, implementation, and measurement of the revised Plan.
- The incoming Council undertake a substantial review of City Plan with the community, going back to first principles and setting clear directions.
- The incoming Council to ensure better integration between the Community Strategic Plan and Delivery Program with the Long Term Resourcing Strategy of the Long Term Financial Plan, Long Term Asset Management Strategy, and Workforce Management Plan.

The incoming Council should consider priorities for the new term of Council so that Rockdale City Council can be the best Council we can be.’

These three 12 Year Plans have been prepared for approval by Council on 6 March for 28 day exhibition (7 March to 4 April 2013) and adoption of the final plans, after considering



submissions received, on 17 April 2013.

These are available on: <http://haveyoursayrockdale.com.au/draft-city-plan-2013-2025>

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

### 3 Criterion 1: Need for the variation

In this section, you should present a case for the proposed revenue increases by showing why the special variation is needed. The need must be identified and articulated in the council's IP&R documents, including the Delivery Program and LTFP, and AMP where relevant.

#### 3.1 Variations for capital expenditure

Does the purpose of the proposed special variation require the council to undertake a capital expenditure review in accordance with Council Circular 10-34? Yes ☐ No ☒

If Yes, has a review been undertaken? Yes ☐ No ☐

If Yes, has this been submitted to DLG? Yes ☐ No ☐

#### 3.2 Strategic planning information

In the section below, provide commentary on how the need for the special variation is reflected in the council's strategic planning documents (i.e., Community Strategic Plan and Delivery Program). Provide extracts from or references to the council's IP&R documents as relevant.

Explain the likely benefits of the project, works or other activity the council is proposing to undertake with the additional special variation funds, as outlined in the IP&R documents.

If you are seeking funding for contributions plan costs above the development contributions cap, see Box 3.1.<sup>1</sup>

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<sup>1</sup> See Planning Circular 10-025 at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) for the most recent Direction issued under section 94E of the *Environmental Planning and Assessment Act 1979*. See also Planning Circular PS10-022.

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

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

- ▼ a copy of the council's s94 contributions plan
  - ▼ a copy of the Minister for Planning and Infrastructure's response to IPART's review and details of how the council has subsequently amended the contributions plan
  - ▼ details of any other funding sources that the council is proposing to seek to use
  - ▼ any reference to the proposed contributions (which were previously to be funded by developers) in the council's planning documents (e.g. LTFP and AMP)
  - ▼ any necessary revisions to financial projections contained in the LTFP and AMP to reflect the special variation.
- 

The need for the special rate variation is set out in detail in the draft Community Strategic Plan pages 5 to 10 where the challenges for Council of achieving financial sustainability are explained in detail. The same information is summarised in the draft Delivery Program.

The benefits of successful SRV applications are explained in the Community Strategic Plan in terms of the impact the three pronged approach in Scenario One has on Council's financial sustainability. 'Over the twelve years of Scenario One, the operational deficit before capital grants and contributions reduces from \$10.2 million to \$2.5 million. The asset renewal ratio improves from 34% to 74% moving Council closer to financial sustainability.

The approved SRV Works Program is on pages 48 to 50 of the Community Strategic Plan, and the benefits of the Works Program will be described in more detail in the Delivery Program in terms of the assets that will be renewed and how they contribute to achieving the community outcomes.

### **3.3 Financial planning information**

The justification for the special variation and its timing must be based on the council's Long Term Financial Plan (LTFP). The LTFP needs to include various budget scenarios, including scenarios with and without the special variation, that are based on clear and reasonable assumptions (see Section 6).

In the section below, explain the need for the variation in the context of the LTFP and the various budget scenarios. Provide extracts from or references to the LTFP as necessary.

It may also be useful to comment on external assessments of the council's financial sustainability (e.g. by Treasury Corporation), or the council's recent revenue and

expenditure history and how this relates to the need for the additional funding from the special variation.

The draft Long Term Financial Plan models three scenarios:

**Scenario 1.** Business as usual, plus the two Major Projects approved to date (Bexley Swimming and Leisure Centre and Rockdale City Library) and the \$1.1 million loan taken each year, plus successful SRV applications, plus the productivity improvements and savings program of \$250,000 p.a.

**Scenario 2.** Scenario 1 without successful SRV applications.

**Scenario 3.** Base case - Scenario 2 without the productivity improvements and savings program.

‘In all three scenarios developed, Council meets one or two of the financial sustainability principles but not all four. To achieve financial sustainability Council must increase operational revenue or reduce operational expenditure or a mixture of both or reduce the value and number of assets held and maintained. So, successful SRV applications will result in a big improvement in Council’s financial sustainability, but does not completely solve the problem. Improvements proposed in the Asset Management Strategy including detailed conditions assessments and community engagement on service levels will further contribute to closing the gap.

Successful SRV applications, with the other elements of the 3 pronged approach, will allow Council to deliver its responsibilities in the Delivery Program, towards achieving the objectives of this Community Strategic Plan, and the work is yet to be completed on the reductions in services and asset condition that will need to be made if the application is unsuccessful.’

‘The NSW Treasury (T Corp) is undertaking financial sustainability assessments of Councils on behalf of the NSW Division of Local Government as part of their applications for Local Infrastructure Renewal Scheme (LIRS) loans. Rockdale City Council applied for a loan of \$1.7 million which was approved subject to this assessment. A draft report has been written on Rockdale City Council, and the final version is awaited following comments and discussion.

The draft T Corp report concludes that Rockdale City Council has the capacity to undertake the additional borrowing of \$1.7 million. It also says that Council has the capacity to undertake further borrowings.’

### **3.3.1 Prioritization of proposed spending**

If possible, also explain how the council has prioritized the proposed spending in its program of expenditure (incorporated into its LTFP and as indicated in Worksheet 6

of Part A of the application form). If a special variation application is approved for a lesser amount than requested, it is useful for the council to be able to indicate which projects would be funded first.

Council has prioritised the SRV Works Program by: considering the condition of individual and groups of assets; community survey results; day to day community feedback through Customer Service Requests; the draft Community Services Plan; the contribution of assets to the community outcomes developed through community engagement and detailed in the draft Community Strategic Plan and Delivery Program, and developed with Councillors at workshops in October, November and December.

Councillors' Aspirations are detailed in the Community Strategic Plan including:

'As part of preparing the new Rockdale City Plan the Councillors were involved in a series of workshops where they discussed what is important to achieve in the term ahead. A report was considered by Council on 7 November 2012 concerning the City Plan Community Engagement Strategy including consulting on the proposal for a 3% (above the rate peg) Special Rate Variation. Council resolved to hold a workshop in early December to consider financial issues and Councillors' aspirations further. Those workshops were held on 29 November and 8 December 2012. The outcomes were that Councillors had aspirations in a number of areas including asset renewals that could be funded through the Special Rate Variation proposal.

Councillor aspirations identified in Induction Workshops and the Workshops held in November and December include:

#### **Major Projects**

- Bexley Swimming and Leisure Centre
- New Rockdale City Library
- Youth Centre in Arncliffe.

Other projects identified included:

- Arncliffe Park Amenities Block
- Ramsgate Beach Thriving Town Centre
- Returfing Scarborough Park

These last 3 projects are included in the proposed 5 year SRV Works Program at Appendix 1. '

Council has developed a draft Community Services Plan with Elton Consulting. Its development has involved a Stakeholder Workshop and engagement at City Plan Community Forums. The development of the CSP has helped to inform the prioritisation of the SRV Works Program. The CSP includes a prioritised list of community buildings proposed for refurbishment.

### 3.3.2 Alternative options

In explaining why the special variation is needed, you should indicate how the council has considered a range of alternative financing options (e.g., borrowing, private public partnerships, joint ventures, user pays) and why the special variation is the most appropriate option. It is important that you explain how the decision to apply for the variation has been made after all other options (i.e., alternative revenue sources, changing expenditure priorities, alternative modes of service delivery) have been considered. Once again, provide extracts from, or references to, the LTFP which shows the council's consideration of alternative revenue options.

Councillor Workshops held in November and December 2012 discussed in detail a range of financing options. The confidential presentation discussed with Councillors is attached to this application.

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

Revenue generation opportunities were also discussed and are being pursued. Paid parking is an issue raised during community engagement, and by Councillors.

The draft Community Strategic Plan includes:

'One of the main issues discussed at workshops was paid parking, and this has been raised in recent community engagement as well in terms of traffic management, and alternatives to raising rates. Other spending aspirations are being considered in the development of the 4 year operational budget and capital program.'

The application for SRVs is part of a three pronged approach by Council described in the Community Strategic Plan:

'The Council is proposing a three pronged approach to meet the financial challenges that Rockdale City faces:

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

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

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

The draft Delivery Program describes the approach and:

### **‘Reviewing Council's property portfolio to optimise returns and value for money**

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

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

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

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

The report has important recommendations including: that Council's approach to leasing and licensing of its community facilities needs to reflect this emphasis on maximising utilisation and also on ensuring that organisations who utilise Council facilities are contributing to addressing broader community needs.

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

Council will implement a Productivity and Savings Program in 2013/14 to 2017/18 in addition to the significant savings that have been made over recent years.

As described above the rate peg set by IPART includes an imposed efficiency saving of 0.2% of rate income or \$76,000. The Program should consist of increasing income and reducing expenditure to achieve a net reduction in expenditure in addition to the imposed efficiency saving.

Service Reviews are proposed starting in July 2013. This process is needed to make

genuine changes that are in line with Council's priorities and strategic direction in the City Plan.

Service Reviews need to consider:

- What do we do?
- Why do we do it?
- Who else could do it?
- How should it be funded?
- How much of it do we do? Do we need to do more or less to achieve our objectives? Can we do it more efficiently?
- How well are we doing it?
- Is anyone better off?

Council has decided to apply for Special Rate Variations to replace the expiring 3% (on top of the 3.4% rate peg) Community Buildings SRV in 2013/14, followed by 4 years of a 6% rise (including the rate peg) in 2014/15, 2015/16, 2016/17, and 2017/18 after which the variations will be included in the rates base.

A further productivity improvement/savings target of some 0.5% p.a. will be imposed for the years 2014/15 to 2017/18 (and has been modelled in the LTFP throughout the 12 years) as the assumed rate peg is 3% where it is expected to be nearer to 3.5%. This will be a saving of \$250,000 p.a.

### **3.3.3 Impact of special variation on key financial indicators**

Outline below how the special variation impacts the council's key financial indicators over the 10 year planning period, as identified in the LTFP. This should include the impact on key indicators under the various budget scenarios (with and without the special variation).

Key indicators may include:

- ▼ Operating balance ratio (net operating result (excluding capital items) as a percentage of operating revenue (excluding capital items))

- ▼ Unrestricted current ratio (the unrestricted current assets divided by unrestricted current liabilities)
- ▼ Rates and annual charges ratio (rates and annual charges divided by operating revenue)
- ▼ Debt service ratio (net debt service cost divided by revenue from continuing operations)
- ▼ Broad liabilities ratio (total debt plus cost to clear infrastructure backlogs (Special Schedule 7) divided by operating revenue)
- ▼ Asset renewal ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses)

If the variation is to fund asset or infrastructure expenditure, the application should include an explanation of relevant asset replacement, renewal or repair expenses, and how the expenditure addresses backlogs over time.

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

In Scenario One:

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

In Scenario Two:

- The unrestricted current ratio increases from 3.84 in 2013/14 to 5.21 in 2024/25
- The rate coverage ratio rises from 0.65 in 2013/14 to 0.69 in 2024/25
- The debt services ratio rises from 0.014 in 2013/14 to 0.018 in 2024/25
- The building and infrastructure renewals ratio rises from 0.37 in 2013/14 to 0.42 in 2024/25



## Criterion 2: Community engagement

To meet this criterion, you must provide evidence from the council's IP&R documentation that the council has consulted on the proposed special variation and that the community is aware of the need for, and the extent of, the rate increases. You should also show that the council has sought to obtain community input on both the proposed spending area, the revenue path in the council's LTFF incorporating the council's proposal, and the community's willingness to pay the rate increases.

In assessing the evidence, we will consider how transparent the council's engagement with the community has been, and that the information provided to the community shows:

- ▼ the proposed rate increases including the rate peg;
- ▼ the alternative rate levels without the special variation;
- ▼ if the requested special variation includes an expiring special variation (see Box 4.1 below);
- ▼ rates on an annual increase basis (and not just on a weekly basis); and
- ▼ if the council is proposing increases for any of its other charges, for example, waste management, when these are likely to exceed CPI increases.

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### Box 2 Does the council seek to renew or replace an expiring special variation?

If so, this needs to be clearly explained to the community. Councils should explain:

- ▼ that there is a special variation due to expire during the time period covered by the current special variation application, or the time period immediately before
- ▼ that, if the special variation were not approved (i.e., only the rate peg were applied), the year-on-year increase in rates would not be as high, or there would be a rates decrease (whichever is applicable)
- ▼ if applicable, that the expiring special variation is being replaced with a permanent increase to the rate base.

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Refer to DLG's Guidelines, the IP&R manual, and IPART's fact sheet on community engagement for more information about how community engagement might best be approached.

### 3.4 The consultation strategy

In the section below, provide details of the consultation strategy undertaken, including the range of methods used to inform the community about the special variation proposal and to obtain community input on this option (e.g. media release,

mail out to ratepayers, focus group, survey, online discussion, town hall meeting, newspaper advertisement or public exhibition of documents). Provide relevant extracts from the IP&R documentation to explain the strategy, where possible.

The information should clearly identify:

- ▼ key stakeholders in the consultation process
- ▼ the information that was presented to the community regarding the special variation proposal
- ▼ methods of consultation and why these were selected
- ▼ timing of the consultations (including exhibition of Draft Community Strategic Plan, Draft Delivery Program and Draft Operational Plan as applicable).

Attach relevant samples of the council's consultation material to the application.

The Community Engagement Strategy, Community Engagement Feedback Report on the development of the Rockdale City Plan 2013 – 2025 and the Report on Community Feedback on the proposed Special Rate variation 2013 will be uploaded with this application. The feedback reports include the materials used and they are available on Council's Have Your Say site at <http://haveyoursayrockdale.com.au/cityplan2013-25>

The 2012 Community Survey results are at:

<http://www.rockdale.nsw.gov.au/pages/pdf/ReportCommunitySurveyMarch2012.PDF>

The community engagement is summarised in the Community Strategic Plan:

## **'Community Engagement**

Council is committed to building partnerships with the community and a range of stakeholders, and seeking greater involvement in the activities and decision making processes of Council. It believes that quality engagement with the community and various stakeholders are essential foundations of good governance.

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

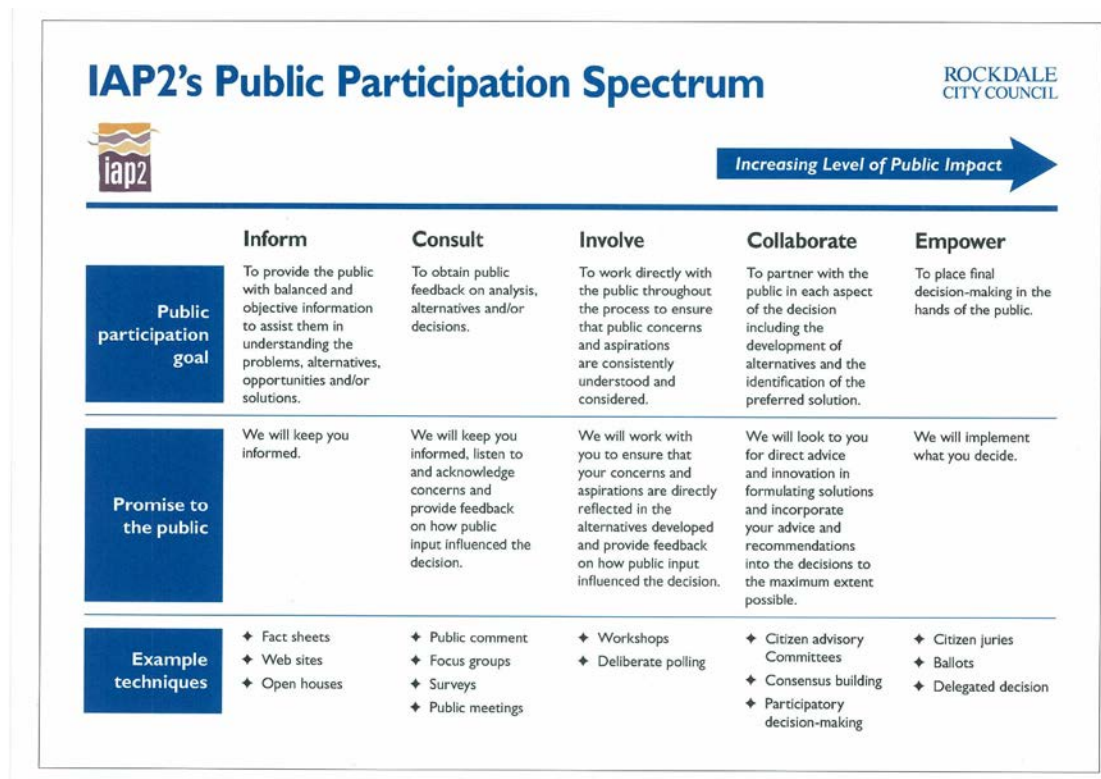
The objectives of the Community Engagement Strategy included:

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

Council's community engagement was based on the International Association of Public Participation (IAP2) spectrum of levels - inform, consult, involve, collaborate and empower.

To engage with the community effectively Council undertook a range of engagement tools in order to "involve" the community effectively.

INVOLVE means that Council was committed to working directly with the community throughout the process of developing the City Plan to ensure that community aspirations, concerns and issues were consistently represented, considered and understood.



What engagement tools were used?

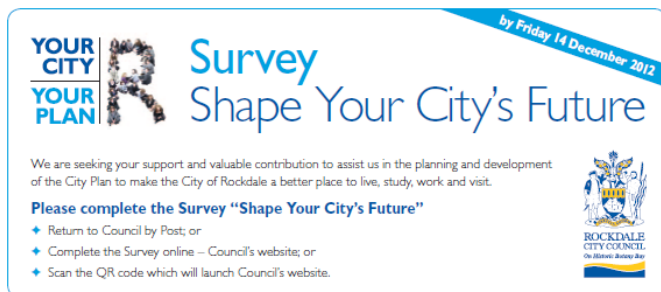
### 1) 'Have Your Say' - Online Engagement:



In association with 'Bang the Table' Council created an online moderated engagement hub 'Your City: Your Plan 2013 – 2025' which encouraged stakeholders to take initiative in staying informed

on current as well as upcoming projects.

## 2) Survey 'Shape Your City's Future' - Online and Hard Copy:



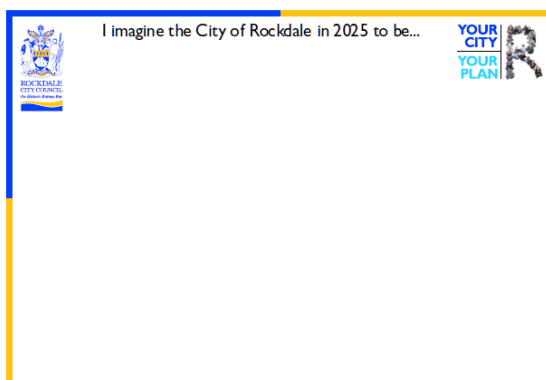
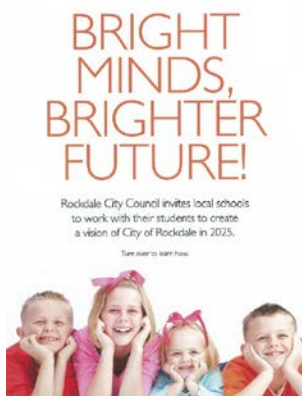
The 'Shape Your City's Future Survey was uploaded on the Have Your Say – Your City Your Plan 2013 – 2025 online hub and hard copy versions were available in all Council Libraries, Customer Service Centre, special meeting groups, Information Booths and

## Community Forums.

### 3)Competitions

Held competitions to encourage the specified age group to envision and creatively depict the City of Rockdale in 2025. Listed below are the names and specified age groups for each competition:

- Bright Minds, Brighter Future Competition - Local Schools
- Children's Postcard Art Competition - Children aged 5 to 11 years
- Snap, Explore and Express Competition - Young People 12 – 24 years



#### 4) Working in Partnership with the State Government

Council is committed to working in partnership to increase the health and well being of the local community. This includes promoting active living as well as encouraging behaviour change to prevent ill health. A Health Partnership meeting was held in Rockdale on 5 February between Council officers and



high level representatives from the South Eastern Sydney Local Health District, the South Eastern Medicare Local and the Office of Communities.

### 5) Forums

Three community forums provided an opportunity for detailed conversation on what the community would like the City of Rockdale to be in 2025 and the proposed rate increase. The forums were structured to facilitate discussion on aspirations, needs, improvements, Council's roles and the financial implications to the community in small groups.

Council held three community forums in Stage 1 - Community Strategic Plan and proposal for a rate increase.



### 6) Information Booths



An Information Booth was held in each of the five wards. Councillors were invited to attend every Information Booth and several Council officers and partners from community organisations were present at each location. The Information Booths created the opportunity for people to ask questions, share ideas and find out more information on the City Plan and Engagement Strategy in an informal manner. People were invited to the Community Forums, and filled out questionnaires.

### 7) Community Events

Council officers attended a number of community events and festivals to talk to the community about their vision for the City of Rockdale in 2025, to inform on the City Plan and to answer questions. The events that were covered include:

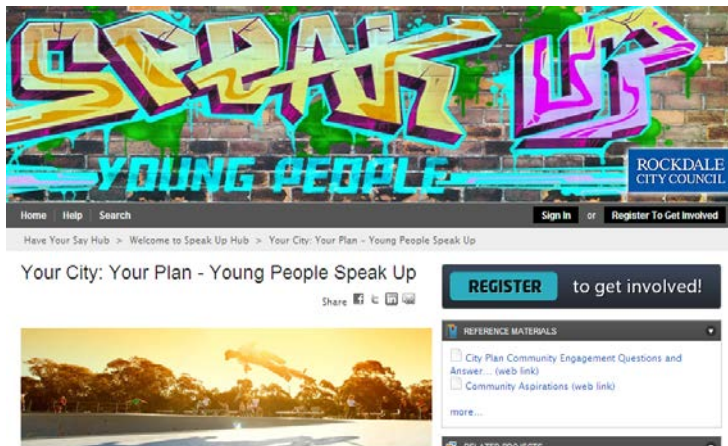
- Food 'n' Groove
- St George Migrant Information Day
- Spring into Summer – Bexley North

### 8) Interagency Meetings

Council liaised with community organisations to assist in addressing the needs representative in the diverse community members residing in the City of Rockdale. The



aim of the interagency meetings was to unite local community services through partnerships to assist in the planning, development and implementation of the City Plan.



Council recognises the importance of liaising with local community service providers that deliver services to young people. Council collaborated with Arncliffe Community Centre, MTC Work Solutions, PCYC St George, Rockdale Community Services,

Rockdale City Youth Council, Shopfront and St George Youth Services to develop a young people specific online hub and assist in promoting the ideas of the community's young people. As a result of two meetings held and a moderated online hub for young people was created called 'Speak Up'.

## 9) Rockdale City Youth Council

Council met with Rockdale City Youth Council to discuss how Council can engage young people in the City of Rockdale. Rockdale City Youth Council members were invited and encouraged to attend the meetings on developing the 'Speak Up' young people online hub with community services providers. Youth Council presented ideas of how Council can effectively engage young people through online page design, regular page updates and prizes such as vouchers for completion of questionnaires.

## 10) Senior Citizens' Groups

Rockdale City Council values the contributions of older community members, Council officers visited four senior citizens groups to capture the ideas of our community's senior members. Listed below are the group meetings that Council attended:

- Australian Macedonian Pensioners Association
- Greek Seniors
- Italian Seniors
- Macedonian Women 'Dobro Utro'.

### Stage 2 of Community Engagement for City Plan is:

Exhibition of the Draft Community Strategic Plan, Long Term Financial Plan and Asset Management Strategy from 7 March to 4 April 2013.

- Have Your Say website – exhibition of Plans and requests for submissions
- Emails to 680 community members and stakeholders to inform them of the exhibition
- Customer Service Centre and Libraries – hard copy plans available, flyers and posters seeking submissions
- Newspaper advertisement in The St. George and Sutherland Leader on 14 March seeking submissions
- Ethnic media informed of exhibition and seeking submissions
- A presentation will be made to the Rockdale Youth Council to discuss proposals and seek submissions
- Engagement with the Aboriginal community is ongoing and submissions will be sought specifically in terms of actions to be included in the Operational Plans to achieve the objectives in the Community Strategic Plan
- Flyers distributed at interagency meetings seeking submission
- Flyers distributed at Community Events seeking submissions during the exhibition period
  - Rockdale Art Festival - various activities - 12 to 24 March
  - CreArtvity and Harmony Day - 17 March
  - Seniors' Week - various activities - 17 to 24 March
  - Citizenship Ceremony - 23 March
  - Dungeons and Dragons - 16 March
- Liveable Communities Workshop on the development of a Rockdale Ageing Strategy to be held on 3 April 2013 to seek submissions and to assist in the development of the Delivery Program and Operational Plans.

### **Stage 3 of Community Engagement for City Plan:**

Exhibition of draft Delivery Program 2013-2017, the Workforce Management Plan 2013 - 2017, and the Operational Plan 2013-14 (including the Statement of Revenue Policy and Fees and Charges 2013-14) be considered at Council's Meeting of 17 April 2013 for approval for public exhibition from 18 April to 12 May 2013:

- Have Your Say website – exhibition of Plans and requests for submissions
- Emails to 680 community members and stakeholders to inform them of the exhibition
- Customer Service Centre and Libraries – hard copy plans available, flyers and posters seeking submissions
- Newspaper advertisement in The St. George and Sutherland Leader
- Ethnic media informed of exhibition and seeking submissions
- Flyers distributed at interagency meetings seeking submission
- A presentation will be made to the Rockdale Youth Council to discuss proposals and seek submissions
- Partners' Summit and Community Services Plan feedback Workshop will be held within the exhibition period to seek submissions on the draft Community Services Plan, Delivery Program and Operational Plans.

### 3.5 Outcomes from community consultations

In this section provide a summary of the outcomes from the council's community engagement activities, as presented in the council's IP&R documentation (e.g., number of attendees at events, percentage of responses indicating support for certain services/projects or rate increases, overall sentiment of representations, results of surveys).

Also provide a summary of submissions received in response to the exhibition of the Draft Operational Plan where they relate to the proposed special variation. Identify the nature of the feedback related to the proposal (including by relevant stakeholder group) and any action proposed by the council to address issues of common concern.

Attach copies of relevant documentation e.g., survey reports to the council.

The results of the two stages of community engagement so far are summarized in the Community Strategic Plan:

#### **'What our community said**

Feedback from **young people** was generally positive. They were asked **'What are the top 3 things you like about the City of Rockdale?** And the top 3 responses were:

1. I like how Rockdale City Council has improved at consulting with the community.
2. Rockdale's proximity to Sydney CBD.
3. Rockdale's multicultural population and the Council's embracing of this.

The top three responses to question two **'What are the top 3 improvements you would like to see happen across the City of Rockdale?'** have been summarised and listed below:

1. Upgrade Bexley Swimming Pool
2. Build the new central library.
3. Reopen the Town Hall as soon as possible

The following conclusions have been developed from the feedback received during the three **Community Forum sessions** which has been used in the development of the City Plan.

Rockdale's **Community Safety** Program was developed in 2003/4 and the City Plan engagement sought specific feedback on safety matters, and on harmonious communities.

In discussion of the community issues and aspirations and the outcome – **Rockdale is a City with healthy, active, safe and inclusive communities** the following safety comments were made:



- Continue to fix up toilets and sports amenities to provide safety.
- Safety influences economy (nobody will come) security camera → better infrastructure All aspiration bullet points are important especially people of all ages feel safe and equitable and affordable access.
- Put up a speed camera on Grand Parade
- Bring back the police station in Rockdale (and Kingsgrove) policing a key asset to ensure safe communities **(safety)**.
- Safety in city supports growth in the economy.
- Safe access between transport hub and community hall.
- Hoons on Moate Avenue Brighton-Le-Sands.
- Cars and motorbikes noise.
- Advocate for more police.
- New Years Eve – needs to be a larger police presence along Grand Parade Brighton.
- Lack of station managers. (Safety)
- People of all ages feel safe and secure at home and in the community → because they can actually see police on the streets.
- Night beach lights (e.g. beach in Townsville Queensland)
  - To promote night beach activities e.g. beach volleyball.
  - To improve surveillance on night vandalism.
- (Shared Cycle Ways) We need safe cycle and pedestrians and also seniors who ride scooters, all children, all families through Rockdale City Council Suburbs.
- Lighting in Cahill Park (Mugging).
- (Safety) Businesses held up in Wolli Creek. Better police presence.

### **Community Safety**

#### **1. What makes you feel safe when you're out and about?**

- Community members.
- More people on the streets – lack of walking means less people out.
- Too many people jump in the car.
- Less reporting and sensationalizing on crime
- Publicise opening hours and community activities.

#### **2. How can we work together to make the community feel safer?**

- Community members looking out for one another.
- Walking kids to school, initiate 'Walking Bus' for school.

#### **3. What more could be done? What can the community do?**

- Lack of street lighting.
- Community to look out for each other.
- Confidence to notify police with information.
- Bexley Road **(safety issue)**
- Junction that connects to railway.
- Safety – Barriers (safety fence)
- Foot bridges?

- Community orientated development.
- Bowling club (Bexley)
- Redeveloped/updated
- POLICE STATIONS

### **Harmonious Communities**

#### **1. Do you know your neighbours?**

- Yes
- Yes I know my neighbours. One said no as he is new to the area

#### **2. Do you feel part of the community?**

- Yes
- Yes feel part of the community. They ranged from living in the area from 1 year to 45 years

#### **3. Is it a welcoming place?**

- Sort of – no more or less welcoming than anywhere else but it is a city its normal.
- Need to promote community facilities more as they seem to be under used
- “I feel Rockdale is a welcoming place but no more or less than anywhere else. It is a city after all”

#### **4. What can members of the community do to make a difference?**

- Be invited in community activities –
- respect neighbours, smile, there are lots of community centres and halls that seem unused
- maybe hold more events like movie nights.
- Pride, contribute, local shops supported, be welcoming, keep smile and an eye out for your neighbour.
- We need public space in each area – to encourage knowing each other.
- Greater community involvement.
- Greater knowledge of community facilities.
- Community members should get involved in community activities like this.
- “Respect each other, smile
- Maybe hold more community events such as movie nights

When the community engagement process commenced six outcomes were used as a basis of conversation. These outcomes were:

- Rockdale is a City with healthy, active, safe and inclusive communities
- Rockdale is a City with a high quality natural and built environment that reflects the aspirations of the community now and for future generations.
- Rockdale is a City with culturally rich and creative communities and lifelong learning

- Rockdale is a City that is easy to get around and has good links to other parts of Sydney and beyond
- Rockdale is a City with a thriving economy, jobs for local people and affordable housing
- Rockdale is a City with engaged communities, effective leadership and access to decision-making

As the engagement process evolved and the community identified their aspirations, issues and concerns the six outcomes were merged into four outcomes reflecting the areas of priority for the community.

The revised outcomes are outlined below with a summary of what the community said.

***Outcome 1 - Rockdale is a welcoming and creative City with active, healthy and safe communities.***

- Like clean streets and attractive streetscapes
- Address illegal dumping
- Upgrade local parks and playgrounds
- Services and activities for young people e.g. basketball court
- Pool and recreation centre in Bexley
- Outdoor gyms in western parks
- Fix up facilities in community centres
- Well designed parks and sports fields
- Celebrate cultural diversity
- Plan for elderly and provide aged housing
- Advocate for more police
- Better lighting at bus stops
- Beach activities such as beach volleyball

***Outcome 2 - Rockdale is a City with a high quality natural and built environment and valued heritage in liveable neighbourhoods. A City that is easy to get around and has good links and connections to other parts of Sydney and beyond.***

- Address pollution particularly around waterways and from trucks
- Reduce waste and increase use of renewable energy
- Plant more trees
- Community gardens
- Improved public transport
- Improvement and maintenance of footpaths
- Ensuring high quality developments
- Protect and celebrate all our heritage
- Install public art
- Bush care regeneration programs
- Public spaces for people to get together

- Better connected cycleways
- Address traffic in the suburbs

***Outcome 3 - Rockdale is a City with a thriving economy that provides jobs for local people and opportunities for lifelong learning.***

- More shops and greater variety of shops
- Quality cafes and restaurants
- Markets across the City
- New central library
- Diverse experience for tourists
- Parking to support development
- More parking at train stations
- Business parks to attract more diverse employment market
- Create a 'modern' City with modern places to attract more talent (e.g. free WIFI)

***Outcome 4 - Rockdale is a City with engaged communities, effective leadership and access to decision making.***

- Support from State Government to help Council deliver its services
- Council work smarter
- More opportunities for community input into decision making
- Promote Council facilities and services better
- Look at reducing assets
- Better customer service i.e. provision of information and response to letters

**What our community said about the proposed rate increase**

The Community Engagement Plan for the Special Rate Variation (SRV) was an addendum to the City Plan Community Engagement Strategy and built on the discussions of financial sustainability in the development of City Plan. The Plan included:

- Special Newsletter Your City – Your Assets – Your Rates that provided a sound awareness of the special rate increase and reply paid questionnaire were delivered to 38,000 households and local business in the City of Rockdale)
- A special formatted Special Newsletter, Your City – Your Asset – Your Rates, was available on Council's website under Have Your Say and Updates and promoted to 491 users of the website, together with the questionnaire
- A reply paid questionnaire with the Rate Notices was posted to 32,000 rate payers along with their rate reminder notices in January 2013. The questionnaire incorporated brief information on the special rate variation and council web address along with the QR code (an option for people to just scan

the code and directly takes them to the Your City – Your Asset – Your Rates online page)

- Letter to local members of NSW Parliament
- Reply paid questionnaire and Special newsletter was distributed at Council's event organised during engagement period i.e. Australia Day. A pack including the Newsletter and questionnaire was given to new citizens and the Newsletter and questionnaire were handed out to guests
- The Community Forum was held on Thursday 7 February 2013. The Mayor made a presentation and the Mayor and senior staff answered questions and discussed issues with the participants. The forum was attended by 30 people including 4 other Councillors.

**Option 1 - I support a 3% Special Rate Variation to renew the following types of assets:**

- Amenities Blocks Upgrades (sports amenities buildings and toilets)
- Community Building Upgrades
- Sports Fields Refurbishments
- Road Renewals
- Playground Upgrades
- Foreshore Infrastructure Upgrades
- Branch Library Upgrades

**Option 2 - I somewhat support a 3% Special Rate Variation but suggest cuts such as (indicate 5 you would cut):**

- ☐ Reduce the frequency of road renewals and repairs.
- ☐ Close a number of public toilets as they become unusable.
- ☐ Remove playground equipment when it becomes unsafe.
- ☐ Do not renew sports fields and only allow playing and training on two days a week during the season.
- ☐ Stop subsidising rents for community groups using community facilities that provide services such as child care, aged care, and services for people with disabilities (which will make those services more expensive).
- ☐ Close Bexley Swimming Pool in the winter.
- ☐ Increase usage charges for hiring Community Halls and Sports Fields and swimming.
- ☐ Do not hold community events like Food 'n' Groove, Chinese New Year, CreARTivity, New Year's Eve Fireworks and Carols by the Sea.
- ☐ Other – please give details

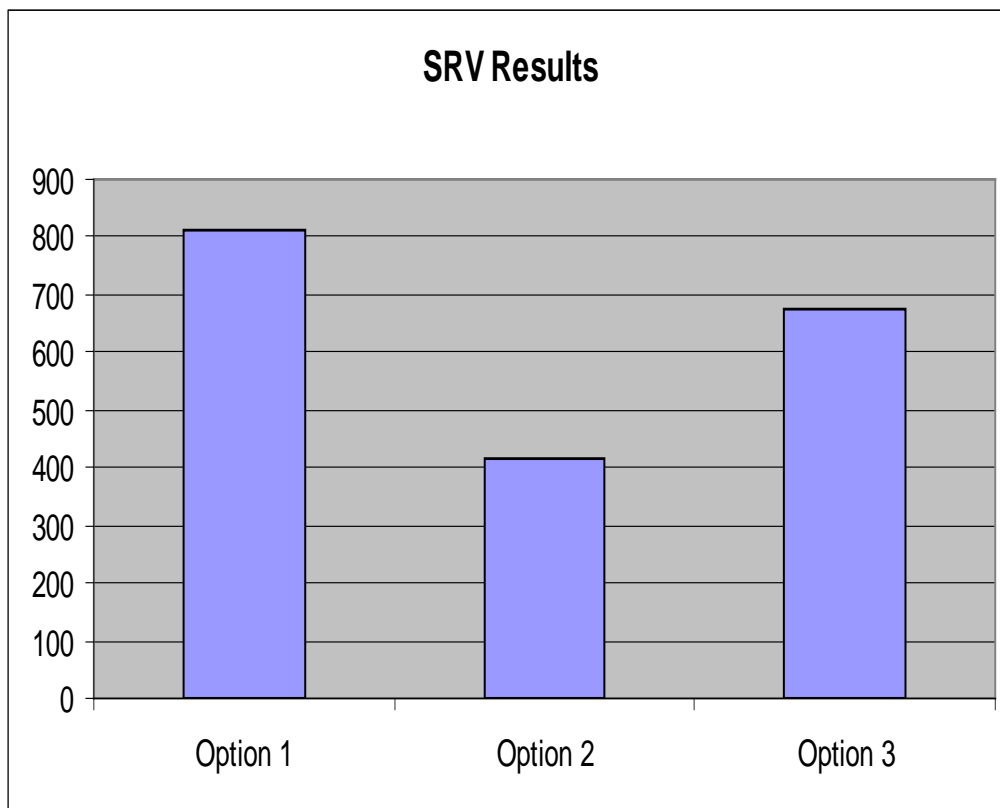
**Option 3 - I do not support a Special Rate Variation and accept that this means the following type of cuts:**

- Reduce the frequency of road renewals and repairs.
- Close a number of public toilets as they become unusable.
- Remove playground equipment when it becomes unsafe.
- Do not renew sports fields and only allow playing and training on two days a week during the season.

- Stop subsidising rents for community groups using community facilities that provide services such as child care, aged care, and services for people with disabilities (which will make those services more expensive).
- Close Bexley Swimming Pool in the winter.
- Increase useage charges for hiring Community Halls and Sports Fields and swimming.
- Do not hold community events like Food 'n' Groove, Chinese New Year, CreARTivity, New Year's Eve Fireworks and Carols by the Sea

The results from both online and hard copy questionnaires were:

Option 1 813 43%  
 Option 2 414 22%  
 Option 3 676 35%  
**1903**



## **4 Criterion 3: Rating structure and the impact on ratepayers**

Councils must also fill in the worksheets in Part A of the application in order to provide the information and calculations underpinning the proposed rating structure, the impact of the special variation and rate increases.

### **4.1 Proposed rating structure**

In the section below, provide an explanation of the proposed rating structure for the variation under two scenarios – the proposed rating structure if approved and the proposed structure should it not be approved.

The proposed rating structure is in Part A of the application in Worksheet 5. The proposed SRV is added on to the existing Infrastructure Levy.

### **4.2 Impact on rates**

Comment on the cumulative impact of the proposed increases on different rating types and categories, as detailed in Worksheet 5 of Part A of the application, and explain why the rate increases are reasonable.

Include an explanation of any differences between the requested percentage increases of different rating types or categories.

Also include commentary on average rates (defined as Notional Income Yield divided by the number of assessments for each rating category, sub-category or special rate) and the impact of the proposed rate increases across the rates distribution.

Provide references from the relevant pages in the council's IP&R documents to demonstrate reasonableness.

The reasonableness of the proposed SRVs was explained in the Special Newsletter delivered to 38,000 households and businesses in the City of Rockdale. A copy of the Newsletter is included in the Community Feedback report, and a hard copy will be sent with the application. It is also available on line at: <http://haveyoursayrockdale.com.au/document/show/127>

The following are extracts from the Special Newsletter and will be included in the draft Delivery Program.

#### Residential Rates – Impact of SRV

- The minimum residential rate is paid by half of the households in Rockdale City (18,605)
- In 2013/14 minimum ratepayers will pay an extra \$22 attributable to the existing 3% SRV
- In 2014/15 minimum ratepayers will pay an extra \$46 attributable to the SRV
- By 2020 the additional payment attributable to the SRV is \$139 a year - \$2.67 per week
- In the seven years to 2020 half of the City's households will pay an average annual increase of \$92.14 attributable to the SRV – which is an average of \$1.77 per week over 7 years
- In the seven years to 2020 another 31% of the City's households will pay an average annual increase of \$119 attributable to the SRV – which is an average of \$2.29 per week over 7 years

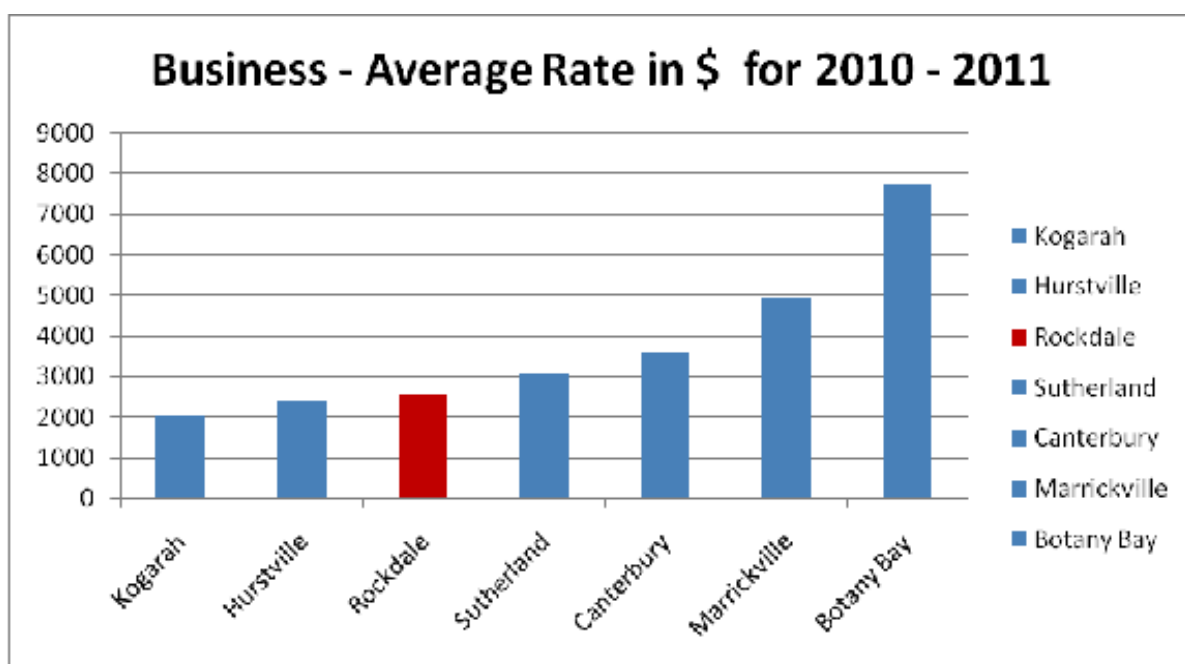
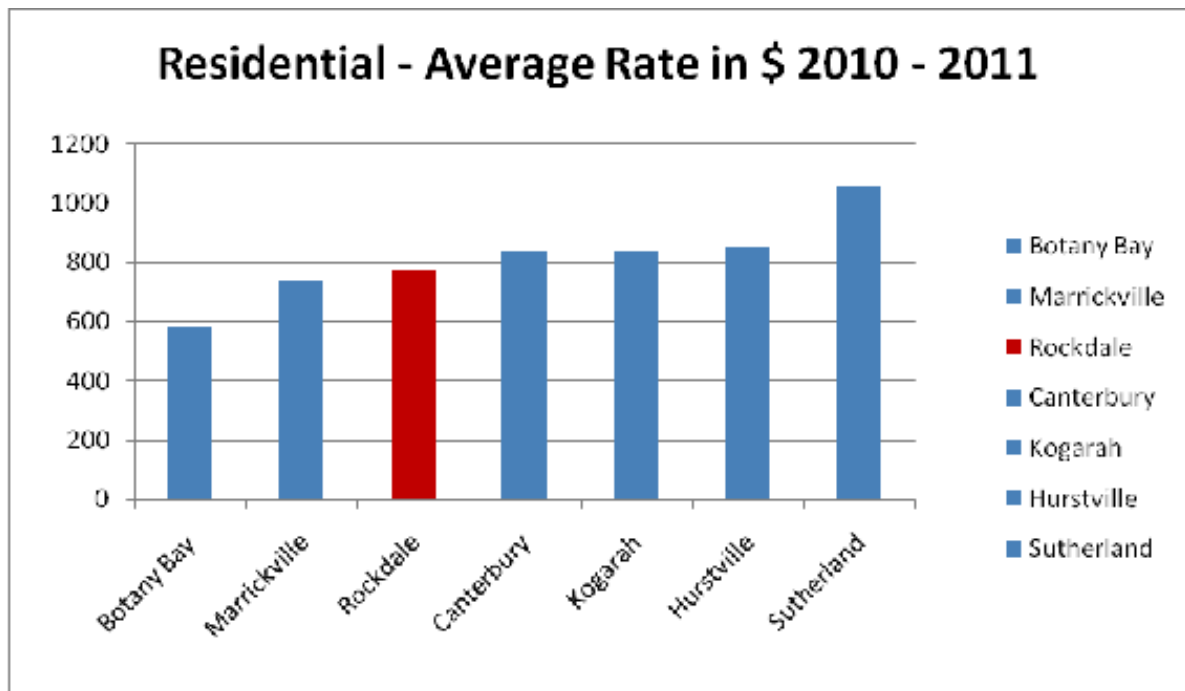
Rates shown exclude waste and stormwater levies.

#### Business Rates – Impact of SRV

- 507 (31%) of the business ratepayers are small businesses paying the minimum business rate.
- In 2013/14 minimum business ratepayers will pay an extra \$22 because of keeping the existing 3% SRV
- In 2014/15 minimum ratepayers will pay an extra \$46 attributable to the SRV
- By 2020 the additional payment attributable to the SRV is \$140 a year - \$2.69 per week
- In the seven years to 2020 31% of the City's business ratepayers will pay an average annual increase of \$92.85 attributable to the SRV – which is an average of \$1.79 per week over 7 years

The Special Newsletter also included a residential and business rates calculator so people could understand the impact on their own circumstances, and information about the residential and business rates levels of neighbouring Councils.





Source - the Division of Local Government (Department of Premier and Cabinet) published '*Comparative Information on NSW Local Government 2010/11*'

Botany Bay and Marrickville Councils are able to set low residential rates because of the high business rate income they achieve.

#### 4.2.1 Minimum Rates

Does the council have minimum rates?

Yes X ☒ No ☐

If *Yes*, provide details of the proposed increase in minimum rates and the proposed share of ratepayers on the minimum rate for the relevant category, with and without the special variation.

The details of minimum rates are in Part A of the application in Worksheet 5. They are also in the Special Newsletter as described above, and will be included in the draft Delivery Program. The proposed SRV is added on to the existing Infrastructure Levy.

#### 4.3 Community's capacity to pay proposed rate increases

Discuss the capacity of ratepayers (in each sub-category) to pay for the rate increases. Provide relevant supporting information from the council's IP&R documentation, in particular any reference to the "affordability" of the proposed increases. Examples of supporting evidence could include discussion of affordability measures such as SEIFA rankings, land values, average rates and disposable incomes, or the outstanding rates ratio. It could also include comparisons of socioeconomic indicators or rate levels with peer group councils. Remember that the amount of information required is generally proportionate to the size and complexity of the proposed increase.

IPART may consider indicators such as the SEIFA index rankings and income levels, as well as the council's current average rate levels, as part of its assessment of capacity to pay in the LGA, even if the council does not provide this information in its application.

The community's capacity to pay was addressed in the report to Council on 6 March 2013:

IPART requires that Council considers the community's capacity and willingness to pay rates. A Hardship Policy has been prepared for Council to consider for adoption that formalises procedures that have been in place at Council to provide assistance to ratepayers having difficulty in paying their rates, depending on their circumstances. The draft Hardship Policy includes Council's existing policies towards pensioner ratepayers (those in receipt of a pension rebate on their rate account) who are allowed to defer payment of rates until their property is sold under circumstances detailed in the draft policy. The draft Policy also contains arrangements for writing off of accrued interest and costs.

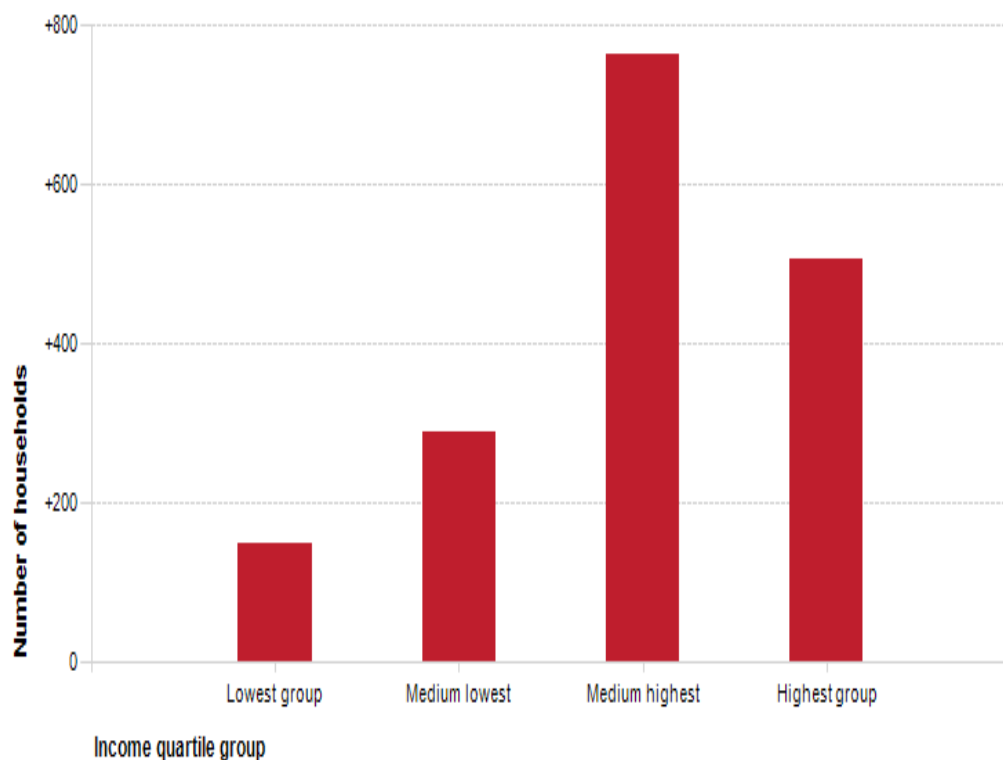
Currently Rockdale City Council has a higher than industry norm level of outstanding rates because it has been informally pursuing the Hardship Policy that will now be

formalised. In 2011 and 2012 the rates outstanding ratio was 6.1% and is higher than the industry benchmark of 5%.

With regard to ability to pay: in 2006 Rockdale ranked as the 12<sup>th</sup> most disadvantaged Local Government Area of the 43 in Sydney on the SEIFA Index which measures Relative Socio-Economic Disadvantage. The update of the SEIFA Index from the information in the 2011 census will be available at the end of March; however, census information already available is detailed in the Community Strategic Plan, and shows trends that suggest the community of Rockdale is becoming wealthier. The following graph shows that there has been a significant increase in the number of households in Rockdale that have medium highest and highest levels of weekly income. This suggests a capacity to pay, in general, the relatively small increases proposed.

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

Rockdale City



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



The community's willingness to pay is addressed in 4.2 above.

## 4.4 Addressing hardship

Does the council have a Hardship Policy in place? Yes ☒ No ☐

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

Please attach a copy of the Policy to the application.

Does the council propose to introduce any measures to limit the impact of the proposed special variation on vulnerable groups such as pensioners? Yes ☐ No ☒

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

Council has had an informal Hardship Policy for many years, and has now formalised it for the purpose of transparency. The draft Hardship Policy is attached and was approved by Council for 28 day submission on 6 March 2013. The Policy is to provide assistance to ratepayers having difficulty in paying their rates, depending on their circumstances. The draft Hardship Policy includes Council's existing policies towards pensioner ratepayers (those in receipt of a pension rebate on their rate account) who are allowed to defer payment of rates until their property is sold under circumstances detailed in the draft policy. The draft Policy also contains arrangements for writing off accrued interest and costs.

Currently Rockdale City Council has a higher than industry recommended level of outstanding rates because it has been informally accommodating hardship provisions. In 2011 and 2012 the rates outstanding ratio was 6.1%, largely as a result of addressing hardship claims. This is higher than the industry benchmark of 5%.

The Hardship Policy will be outlined in the Financial Plan in the Delivery Program 2013 – 2017.

## 5 Criterion 4: Delivery Program and Long Term Financial Plan assumptions

The council's planned service delivery and budgeting must be based on realistic assumptions in order for an application to be approved by IPART.

Given the importance of the Delivery Program and LTFP in providing the strategic and financial justification for a special variation, it is critical that the assumptions underpinning these plans, in particular, are realistic. Questions that we will consider in assessing this criterion include:

- ▼ Is the proposed scope and level of service delivery in the Delivery Program appropriate given the council's financial outlook and the community's priorities?
- ▼ Are the council's estimates of specific program or project costs which have been incorporated into the LTFP feasible and based on an efficient allocation of resources?
- ▼ Are the council's projected cost components (including labour costs) in the LTFP based on realistic assumptions?
- ▼ Has the council incorporated other realistic assumptions about the expected rate of growth in the LGA?

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

## 5.1 Delivery Program assumptions

Explain the key assumptions underpinning the council's Delivery Program and why they are realistic. For example, assumptions will relate to:

- ▼ the community's priorities and expectations, in order of importance
- ▼ proposed level of service for assets
- ▼ speed at which asset backlogs are to be addressed
- ▼ speed at which other identified gaps in service provision are addressed.

- **Is the proposed scope and level of service delivery in the Delivery Program appropriate given the council's financial outlook and the community's priorities?**

The Delivery Program is under development for exhibition from 18 April to 12 May, and it will have a realistic scope and level of service delivery based on two different scenarios – One and Two – with and without successful SRV applications (and both including the \$250,000 savings and productivity improvements).

The Delivery Program will detail the service delivery under Scenario One and which projects and programs will not take place, and which service levels be reduced in Scenario Two.

- **Are the council's estimates of specific program or project costs which have been incorporated into the LTFP feasible and based on an efficient allocation of resources? Are the council's projected cost components (including labour costs) in the LTFP based on realistic assumptions?**

As the program is largely a renewals and enhancement program, there is a relatively low risk associated with feasibility of the program of works. Detailed feasibility will be undertaken as part of the project investigations.

The estimates provided have been prepared based on a number of assumptions using lessons learned over the last three years in delivering a program of similar works. The program will be delivered using a combination of internal resources, external consultants and contractors, primarily based upon the availability of resources and expertise. Further opportunities for efficiencies are explored throughout the project development phase, such as packaging similar works into contracts to gain economies of scale; using a range of procurement methods including purchasing through State Government supply contracts and other combined purchasing agreements (e.g. South Sydney Regional Organisation of Councils, Local Government Procurement); and competitive tendering. Council has already used these practices to obtain best value for the community by packaging designs (three amenities projects); using standardised design modules where possible (sport field amenities), packaging construction works and comparing quantity survey reports to tendered prices.

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

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

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

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

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

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

▼ the community's priorities and expectations, in order of importance

The results of the Community Forums held for City Plan, and the online engagement concerning the prioritisation of community aspirations are detailed in the Draft Community Engagement Feedback Report – Your City: Your Plan 2013 – 2025:

**‘Prioritise Aspirations:**

**Forum Group Activity 4**

Each Community Forum group were asked to prioritise the aspirations by adding a dollar value to the importance of each aspiration. The money represented the desired amount of effort that Council should invest in a particular aspiration to achieve the community's aspirations for the City of Rockdale. The money allocations have been calculated and tabulated on the right.

Aspirations	Bexley	Brighton	Arncliffe	Total
Rockdale is a City with a thriving economy, jobs for local people and affordable housing	90	100	50	240
Rockdale is a City with culturally rich and creative communities and lifelong learning	150	60	90	300
Rockdale is a City with healthy, active, safe and inclusive communities	270	230	200	700
Rockdale is a City with engaged communities, effective leadership and access to decision making	60	100	50	210
Rockdale is a City with a high quality natural and built environment that reflects the aspirations of the community now and for future generations	160	150	150	460
Rockdale is a City that is easy to get around and has good links to other parts of Sydney and beyond	70	160	60	290
	800	800	600	



Rockdale Aspiration Money

The top three priority aspirations were:

1. Rockdale is a City with healthy, active, safe and inclusive communities.
2. Rockdale is a City with a high quality natural and built environment that reflects the aspirations of the community now and for future generations.
3. Rockdale is a City with culturally rich and creative communities and lifelong learning.

**Online Forum**

The online Your City: Your Plan 2013 – 2025 had a forum feedback tool which encouraged registered members to prioritise the community aspirations. The image on the right is part of the feedback report from the online consultation and

Question	
1. This was the order that the aspirations were prioritised by community forums. How would you prioritise the aspirations?	
Ranked Options	Score
1 Rockdale is a City with a high quality natural and built environment that reflects the aspirations of the community now and for future generations.	(13)
2 Rockdale is a City with engaged communities, effective leadership and access to decision making.	(12)
3 Rockdale is a City that is easy to get around and has good links to other parts of Sydney and beyond.	(6)
4 Rockdale is a City with a thriving economy, jobs for local people and affordable.	(5)
5 Rockdale is a City with healthy, active, safe and inclusive communities.	(5)
6 Rockdale is a City with culturally rich and creative communities and lifelong learning.	(4)

demonstrated the final order of the prioritised aspirations.

The priority orders of the aspirations from the online forum feedback and forum group activity feedback demonstrate a significant difference in priority order. The aspirations that were allocated as first and third in the forum group activity were prioritised as fifth and sixth in the online forum. Similarly the aspirations that were prioritised as second and third on the online forum were prioritised as fourth and sixth at the group activity forum. The most valued priority that is reflected in the feedback results is *“Rockdale is a City with a high quality natural and built environment that reflects the aspirations of the community now and for future generations”* placing first in the online forum and second in the forum group activity.

The draft Asset Management Strategy states:

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

The survey undertaken in 2010 formed Stage 1 of the Community Engagement Strategy for the City Plan 2011 – 2025, and involved a telephone survey of 500 residents (conducted by Micromex Research). The survey not only sought to re-establish (post 2005) the importance the community assigned to key Council services, but also sought to identify service performance gaps. A follow up survey was also conducted by Micromex Research in 2012. Table 3.2.1 (on page 19) outlines the key findings of both the 2010 and 2012 surveys based on the apportionment of importance with identified performance gaps.

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

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

A wealth of community feedback was received during the two engagement exercises so far, and some of it remains to be examined in detail in the development of Council’s future Plans, including Operational Plans, Service Plans, and individual and team performance plans.

#### ▼ **proposed level of service for assets**

The draft Asset Management Strategy considers the proposed level of service for assets in detail:



### **‘Current Level of Service**

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

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

### **Desired Level of Service**

As part of increasing engagement with the community and other asset stakeholders, it is likely that there will be areas where the desired level of service is greater than that which is currently provided, and vice versa. This can be readily seen in Table 3.2 where the “Performance Gap’ column represents the difference between the importance residents place on a service and the satisfaction that the residents consider that service is providing. That is, the current level of service does not match the desired level of service.

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

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

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

### **▼ speed at which asset backlogs are to be addressed**

The definition of the asset backlog is not an exact science. In the draft Asset Management Strategy it is estimated at 38.5 million in 2013 and described as ‘Cost to bring to a Satisfactory Condition’ as also described in Special Schedule 7 in Council’s

financial statements as ‘satisfactory refers to estimated cost to bring the asset to satisfactory condition as deemed by Council.’

The Council acknowledges in the draft Asset Management Strategy that further work is needed to define what is meant by a Satisfactory Conditions. Improvements proposed in the Strategy include detailed conditions assessments and community engagement on service levels.

Scenario One is based on the current known financial position and incorporates successful SRV applications; a self imposed efficiency improvement program and the completion of two major projects Rockdale City Library and the Bexley Pool redevelopment and investigation into a third major project: the Arncliffe Youth Centre.

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

Scenario Two is based on the current known financial position and incorporates the two major capital works projects and the operational efficiency gains transferred to asset renewals but does not include SRV proposals. The assets renewal ratio only reaches 45% by 2024/25.

▼ **speed at which other identified gaps in service provision are addressed**

In making productivity improvements over recent years council has addressed some gaps in service provision by reinvesting savings in improved service levels. For example the Parks Mowing Review increased mowing by 18.3% 430,000 m2 of additional mowing and detailing, equating to a \$274,500 worth of additional productivity.

Two Service Reviews have been undertaken recently, of Council’s Information and Communications Technology, and the Building Control Service. The changes proposed from these two reviews will be incorporated into the Delivery Program to address the service gaps identified.

Council has approved a Productivity Improvements and Savings Program that will realise \$250,000 p.a. of increasing income and reducing expenditure to achieve a net reduction in expenditure. Service Reviews are proposed starting in July 2013.

This process is needed to make genuine changes that are in line with Council's priorities and strategic direction in the City Plan, and will address service gaps. The proposals that arise from the Service Reviews will be included in the annual Operational Plans with a view to all services going through at least one review during the period of the Delivery Program 2014 – 2017 that will consider service gaps as well as productivity improvements and savings.

Service Reviews need to consider:

- What do we do?
- Why do we do it?
- Who else could do it?
- How should it be funded?
- How much of it do we do? Do we need to do more or less to achieve our objectives? Can we do it more efficiently?
- How well are we doing it?
- Is anyone better off?

## **5.2 Long Term Financial Plan assumptions**

Explain the key assumptions underpinning the LTFP and why they are realistic. For example, assumptions will relate to:

- ▼ the rate peg (if different from 3%)
- ▼ rate of growth in labour costs
- ▼ rate of growth in non-labour costs
- ▼ cost of service provision in the council's proposed program of expenditure (as per Part A)
- ▼ level of cost recovery for provision of services (e.g., full or partial cost recovery)
- ▼ expenditure growth rate
- ▼ major asset disposals/investments/capital commitments
- ▼ population and rate assessment growth rate

- ▼ major borrowings/repayments
- ▼ grants and other revenue.

The LTFP assumptions are included in the LTFP part 3.4 [Long Term Financial Plan Assumptions](#) on pages 15 to 17.

## 6 Criterion 5: Productivity improvements and cost containment strategies

In this section, provide details of any productivity improvements and cost containment strategies that the council has undertaken in the last 2 years (or longer), before considering an increase in rates.

Also provide details of plans for productivity improvements and cost containment strategies during the period of the special variation. These proposed initiatives, which may be capital or recurrent, must be to reduce costs.

Where possible, all productivity improvements and savings (including forward plans) should be quantified in dollar terms. The council may also wish to identify its current and/or projected financial position without the (savings) initiatives.

Productivity improvements should include consideration of:

- ▼ levels of service provision (e.g., utilisation rates of community halls and number of service enquiries per FTE)
- ▼ measures of input (e.g., FTE levels, contracting costs)
- ▼ reviews of organisational structures or service delivery.

Identify how and where the proposed initiatives have been factored into the council's resourcing strategy (e.g., LTFP and AMP).

As additional supportive information, the council may wish to provide evidence of improvements in its performance on key indicators that measure productivity or efficiency. This information is not essential for this criterion to be met. However, we will be reviewing the council's labour costs against the DLG Group average, to help assess the council's costs.

**Productivity Improvements achieved over recent years are detailed in the attached presentation to the Councillor Workshops of 29 November and 8 December and include:**

- ▼ **Parks Mowing Review** - increased mowing by 18.3% 430,000 m2 of additional mowing and detailing, equating to a \$274,500 worth of additional productivity.
- ▼ Increased number of **food inspections** by an additional 945 per year, and reduced the net cost of operations by \$200,000 per annum.
- ▼ **Review of existing leases and licences** – additional revenue and cost savings of \$196k
- ▼ **SSROC joint contracts** resulted in approximate savings of \$20.7 million in 2011/12 and over \$105 million in 10 years for 16 SSROC councils
- ▼ **Workers Compensation premium** reduction of \$348,000
- ▼ The development of **Council's Commercial Waste Business**, has resulted in a \$587,000 cash net profit increase in 2012-13 from the original base loss of \$125,000 base in 2008-9.
- ▼ Review of **street cleansing**, delivered a 45% increase in service level, equating to an additional 65,000 sq. m. cleaned, producing a productivity value of \$166,668 per annum.
- ▼ **Review of Overtime payments**, in 2009-10 Operational overtime was reduced by \$115,121 due to work rescheduling.
- ▼ **SES building extension** through a Joint Venture Alliance, savings \$60,000.
- ▼ **Commercial street sweeping** of Veolia and WSN transfer stations - free disposal of pre-collected waste, reducing in dry waste disposal costs totalling \$110,768.
- ▼ This saving was utilised for increasing the level of service as 30 **Gross Pollutant Traps** (GPTs) across the City were now able to be cleaned twice per annum, increasing the environmental benefit
- ▼ Participation in extensive road restoration on a commercial basis resulted in total costs savings of just over \$1.6m over a three year period.

Details of Council's three pronged approach to meet the financial challenges that Rockdale City faces are included in the Community Strategic Plan and Long Term Financial Plan:

- 1) **Productivity improvements and savings in service delivery** (this is discussed in more detail in the Long Term Financial Plan and draft Delivery Program and a saving target of 0.5% has been set which means a saving of \$250,000 p.a.).
- 2) **Reviewing Council's property portfolio to optimise returns and value for money** (this is discussed further in the draft Delivery Program and Long Term Financial Plan).
- 3) **A special rate variation specifically for expenditure on the renewal of our community assets.'**

The full details of the proposed Productivity Improvements and Savings in Service Delivery Program, and the work of the Investment Strategy Working Group to optimise returns and value for money from Council's property portfolio are described in section 3.3.2 on pages 12 and 13 above. This includes utilisation of community halls.

Methods of raising income being reviewed are:

### **Outdoor advertising**

Council is party to a bus shelter advertising contract generating \$110,000 per annum. The agreement expires 30 June 2013. It is expected that a new contract will be entered into from 1 July which will yield greater income.

Additionally, Council officers are also exploring outdoor advertising opportunities in some strategic locations. The additional revenue generated from this project has not been estimated to date and will be governed by factors such as industry rates, legislation and new and existing party agreements.

Key milestones for the project will be communicated via the Investment Strategy Working Group.

### **Parking Meters**

Paid parking is used to manage parking demand, not revenue raising. Therefore it is recommended that it be applied where the parking demand exceeds supply. Paid parking is one tool that can be used to manage demand. Demand can also be managed through timed parking, resident parking schemes, better line marking/signage and enforcement (fines).

Paid parking was considered as part of a city wide transport strategy. A separate proposal was considered for Wolli Creek/residential streets.

### **Sydney Airport**

Council resolved in April 2012 to identify Sydney Airport as a 'centre of activity' to bring the basis of the Airport's payment into alignment with the payments made by the Rockdale business community. For the 2012/13 year this meant an increased payment from around \$600,000 to \$1.1 million.

To achieve competitive neutrality the payment in lieu of rates from Sydney Airport has now been calculated to be between \$2.6 million and \$4.6 million annually.

Council's organisation structure is being reviewed and the General Manager's report on structure changes to Council on 20 February includes the following explanation:

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

### **Service Reviews**

Council is currently undertaking two service reviews. These relate to our Information Technology and Information Services section and the Building Certification and Compliance areas.

In terms of Certification and Compliance, Councillors will be aware that regulatory enforcement has become an increasingly complex area of Council operations. In 2012 a number of issues pointed to the need to review the Certification and Compliance area with a view to separating the contestable certification function from the regulatory role, to clarify roles and responsibilities and to improve service delivery. Working with staff, the consultant responsible for the review has collated 32 recommendations around structure, internal communications, systems and processes. The recommended improvements are applicable to all of Council's regulatory functions and it is intended to bring these together into the City Planning Department. A number of workshops are currently being held with compliance staff from across the organisation and Council will receive a more detailed briefing on the proposed improvements in these areas shortly.

Rockdale has a history of separately managing its Information Technology (hardware) and Information Systems (software). While there may have been valid reasons for this in the past, contemporary thinking is that information, communications and technology should be managed in an integrated way. Compared to other Southern Sydney Councils in SSROC, this is an area where we can make improvements in performance and value for investment. An extensive review has been undertaken and Council staff are currently developing an action plan to implement the recommendations of the review.

### **Other areas of change**

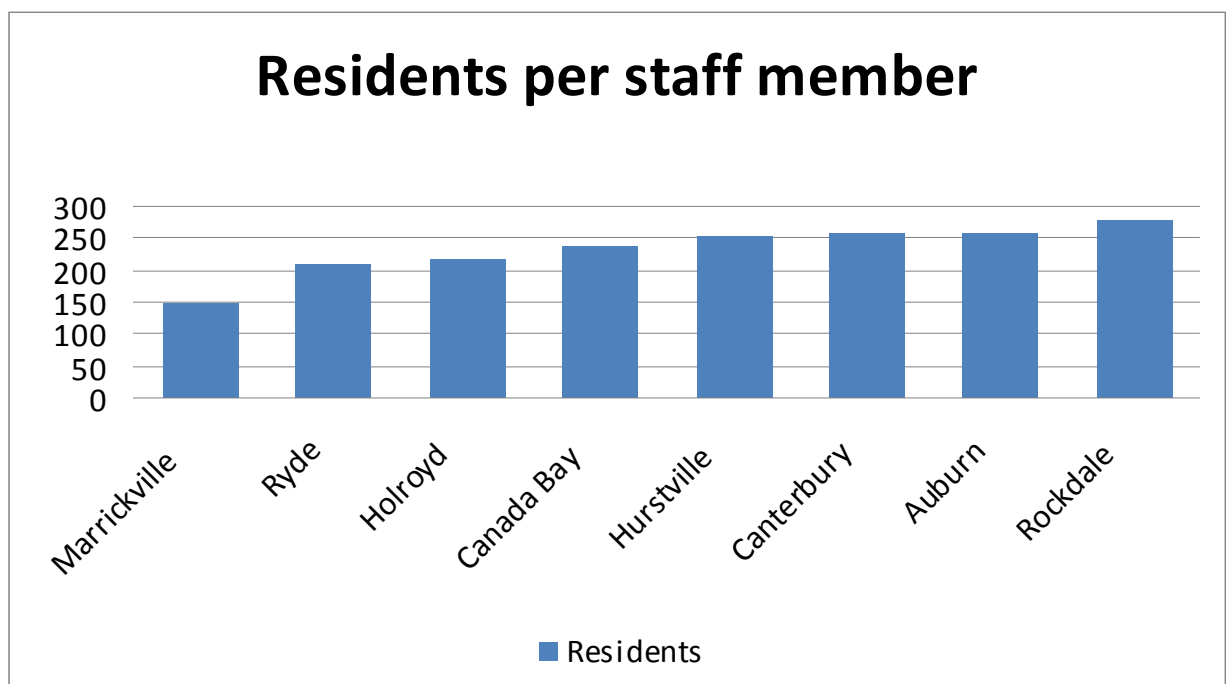
Council has obligations emanating from the introduction of the Integrated Planning and Reporting Framework. Corporate Planning has evolved and the requirements related to community engagement, long term community planning, measurement and reporting to the community on performance have increased. To accommodate this new focus it is planned to create a team within the corporate area, drawing together staff from across

the organisation. They will have responsibility for community planning in its broadest sense, including recreational planning, cultural planning, planning for our multicultural community, young people and older residents.

Over the coming months there will also be a rolling series of small adjustments to structure in a number of areas, including Document Management, Financial Services, Strategic Asset Management, Governance and Technical Services. For the most part the changes will facilitate improved working relationships between staff and teams that need to work closely together. For example it is planned to move Risk Management from Human Resources and put it, along with Internal Audit, into the General Manager's Unit under a reshaped Governance function.'

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

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





## Other information

### 6.1 Previous Instruments of Approval for expiring special variations

If your council has an existing special variation which is due to expire in the proposed special variation period, we request that you attach a copy of the Instrument of Approval for this variation, which has been signed by the Minister or IPART Chairman.

### 6.2 Reporting

Provide details of the mechanisms that the council will put in place to transparently report to the community on the special variation (being applied for).

Indicate how the council proposes to report this information to the community and what performance measures it will be putting in place to measure the success of the projects or activities funded from the variation.

As specified in the Guidelines, reporting information should clearly identify:

- ▼ the additional income obtained through the variation
- ▼ the productivity offsets outlined through the variation
- ▼ the projects or activities funded from the variation
- ▼ details of any changes to the projects or activities funded from the variation compared with the council's initial proposal (noting such changes must be consistent with the terms of the Instrument of Approval)
- ▼ the outcomes achieved as a result of the projects or activities.

Council will report to the community in accordance with the Guidelines in the 6 monthly reports on the progress of the Delivery Program and the Annual Report.

Council's End of Term Report is attached to this application and available at:

<http://www.rockdale.nsw.gov.au/pages/pdf/CouncilTermReport2012.pdf>

Pages 38 and 39 of the End of Term Report gave visual information on the progress of the Community Buildings SRV, showing Community Buildings and Public Amenities funded by the SRV:

- ▼ Completed
- ▼ At design stage
- ▼ At planning stage
- ▼ At tender stage

- ▼ On hold, and
- ▼ Pending

The Operational Plan 2012/13 included on pages 34 to 37 the City Projects Program with 6 month and 12 month milestone targets and is available at:

<http://haveyoursayrockdale.com.au/document/show/39>

The 6 month progress report was reported to Council on 20 February 2013, and a this process of reporting will continue and include a section specifically on progress of the SRV Works Program. The report is attached to this application.

The Delivery Program will include measures so that the outcomes achieved can be reported back to the community on a 6 monthly basis.

### 6.3 Council resolution

Attach a copy of the council's resolution to apply to IPART for the special variation.

Note that IPART's assessment of the application cannot commence without a copy of this resolution.

Council's resolution on 6 March 2013 was:

'1 That Council apply for:

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

2 That the draft Community Strategic Plan, Long Term Financial Plan and Asset Management Strategy 2013 - 2025 be approved for public exhibition from 7 March to 4 April 2013 with a view to considering submissions received and adopting the final documents at Council's meeting on 17 April 2013.

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

4 That Council approve the proposed Special Rate Variation Program of works

attached, on the understanding that the funds collected from the SRV will be quarantined, used only for the proposed works, and reported to the community.

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

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

### Checklist of application contents

Item	Included?
Community Engagement Strategy, Community Strategic Plan, Delivery Program& Draft Operational Plan extracts	X <input type="checkbox"/>
Long Term Financial Plan extracts	X <input type="checkbox"/>
Asset Management Plan extracts	X <input type="checkbox"/>
Contributions Plan documents (if applicable)	<input type="checkbox"/>
Community feedback (including surveys and results if applicable)	X <input type="checkbox"/>
Hardship Policy (if applicable)	X <input type="checkbox"/>
Productivity/cost containment examples	X <input type="checkbox"/>
Past Instruments of Approval (if applicable)	X <input type="checkbox"/>
Reporting mechanisms	X <input type="checkbox"/>
Resolution to apply for the special variation	X <input type="checkbox"/>

It is the responsibility of the council to provide all relevant information as part of this application.

## **7 Certification by the General Manager and the Responsible Accounting Officer**

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

See separate signed sheet.

General Manager: Meredith Wallace

Signature Date:

Responsible Accounting Officer: Alister Duncan

Signature Date:

Once signed, this certification must be scanned and submitted with the council's application.