
Proposed Special Rate Variation Application 2014/15



Coffs Harbour City Council

Proposed Special Rate Variation Application – 2014/15

Community Engagement Strategy

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1. Executive Summary

As part of the requirements of the Independent Pricing and Regulatory Tribunal (IPART) for an application for a special rate variation, Council must address the following criteria:

- *The need for and purpose of a different revenue path (as requested through the special variation) is clearly articulated and identified through the council's IP&R documents, including its Delivery Program and Long Term Financial Plan. Evidence for this criterion could include. evidence of community need/desire for service levels/project and limited council resourcing alternatives and the Council's financial sustainability conducted by the NSW Treasury Corporation*
- *Evidence that the community is aware of the need for and extent of a rate rise. This should be clearly spelt out in IP&R documentation and the council must demonstrate an appropriate variety of engagement methods to ensure opportunity for community awareness/input. The IP&R documentation should canvas alternatives to a rate rise, the impact of any rises upon the community and the council's consideration of the community's capacity and willingness to pay rates.*
- *The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. Council's IP&R process should also establish that the proposed rate increases are affordable having regard to the local community's capacity to pay.*

This Community Engagement Strategy for establishing community views regarding a proposed special rate variation supports a range of actions by Council in developing the suite of IP&R documents. The Strategy seeks to ensure the community are informed so they can provide input into Council decision making.

2. Objectives

This Community Engagement Strategy has been prepared to assist Coffs Harbour City Council to decide if to make an application for a special rate variation for commencement in 2014/15 and if so what level and for what purposes.

The key objectives of this engagement strategy are:

- Ensure an “appropriate” level of community engagement is used considering an application for a special rate variation;
- Ensure the decision making reflects community expectations and has given due regard to Council's expected available resources;
- Ensure the engagement process adequately addresses Council's legislative requirements; and
- Develop understanding of the decision amongst the relevant stakeholders.

It is expected that Council will inform, consult and involve the community in relation to this decision. The following table adapted from Coffs Harbour City Councils Community Engagement Policy and based on the International Association for Public Participation (IAP2) framework provides a base description of each engagement level.

Inform	Giving information to the community
Consult	Obtaining community feedback
Involve	Participating directly with the community
Collaborate	Partnering with the community to create solutions
Empower	Placing final decision making in the hands of the community

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3. Social Justice Principles

Council's operations must be based on the social justice principles of equity, access, participation and rights. These principles guide the decision making regarding the proposed application for a special rate variation and all community engagement undertaken during these considerations.

The NSW Government's social justice strategy provides an explanation of these principles:

- **Equity** - there should be fairness in decision making, prioritising and allocation of resources, particularly for those in need. Everyone should have a fair opportunity to participate in the future of the community. The planning process should take particular care to involve and protect the interests of people in vulnerable circumstances.
- **Access** – all people should have fair access to services, resources and opportunities to improve their quality of life.
- **Participation** - everyone should have the maximum opportunity to genuinely participate in decisions which affect their lives.
- **Rights** – equal rights should be established and promoted, with opportunities provided for people from diverse linguistic, cultural and religious backgrounds to participate in community life.

The engagement processes implemented to consider the application will be based on these principles of Social Justice.

4. Driver for Engagement

Council's Resourcing Strategy makes it clear that Council's current financial position is unsustainable. This means that Council cannot continue to deliver the services it currently does to current standards, let alone achieve new objectives over and above these.

The Long Term Financial Plan (part of the Resourcing Strategy) and Delivery Program each identify a figure of \$8M being required to "bridge the gap" to a sustainable position.

Two main factors, common to Local Government, are the key contributors to the situation:

- A widening gap between expenditure and revenues (a \$1.8M operating deficit)
- A deterioration of infrastructure (a \$6.2M shortfall in maintenance and renewal)

The funding options Council has available to bridge the \$8M gap, a combination of which it is expected will be necessary, include:

- Productivity improvements (changing the way services are delivered)
- New revenue opportunities (e.g. commercialisation of council services)
- Reductions in current levels of service delivery
- Additional Rate income

Council has already commenced work on developing and implementing a continuous improvement program to determine and monitor 'Opportunities for Improvement'. In 2012 a community survey was conducted where input from the community was sought regarding the importance of and satisfaction with current services Council delivers.

The Resourcing Strategy sets out actions to facilitate community engagement regarding options for service level reductions and / or opportunities for additional rate income. Central to this engagement will

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be the use of a “Budget Allocator” tool that will enable the community to consider for themselves the trade-offs - between levels of service and the cost to the community of delivering these.

The Resourcing Strategy identifies the following actions in regard to developing and rolling out a “Budget Allocator” as part of a broader community engagement program:

1. Refinement of the “minimum” option of Councils service delivery model, where \$6M is cut from existing budgets in order to address Council’s sustainability challenge, with a focus on clear level of service descriptions for each service; and
2. Finalisation of interactive program modelling (the Budget Allocator) to facilitate understanding of the interaction between service levels and rates; and
3. Develop community engagement strategy regarding the sustainability challenges Council faces and the need to have the “right debate” about service levels and rates. Ensure there is a balance between understanding the needs of particular stakeholders with a focus on individual services and the desires of the broader community.

5. Stakeholders

For the purposes of the Community Engagement Strategy regarding the proposed application for a special rate variation the stakeholders have been identified in the table below. Their role in the process has been included:

Mayor and Councillors	<ul style="list-style-type: none"> • Promote the activities and actions in relation to the strategy • Ensure decision making is in accordance with the legislation and guidelines. • Provide input into planned ‘tools’ for engagement as required. • Approve the Community Engagement Strategy.
General Manager	<ul style="list-style-type: none"> • Ensure the Community Engagement Strategy is prepared and approved by Council. • Ensure that the community are given sufficient information to participate in the planning process in a meaningful way • Spokesperson for the process.
Executive Leadership Team	<ul style="list-style-type: none"> • Champion the engagement process and participate when required • Ensure staff provide appropriate input into the process
Community	<ul style="list-style-type: none"> • Utilise the engagement mechanisms to provide input into Council’s decision making.
Specific Interest Groups	<ul style="list-style-type: none"> • Utilise the engagement mechanisms to provide input into Council’s decision making.
Service Owners	<ul style="list-style-type: none"> • Participate in the development of the ‘tools’ required for the community engagement processes
Leadership Team	<ul style="list-style-type: none"> • Provide input into the engagement process in a timely and professional manner • Champion the engagement process and participate when required
Staff	<ul style="list-style-type: none"> • Provide input into the engagement process as required.

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6. Engagement Implementation

6.1 *Community Engagement Undertaken*

Coffs Harbour City Council has already undertaken some significant community engagement to review the Coffs Harbour 2030 Community Strategic Plan. In part the long term financial position of Council has been outlined to the community as part of that process. The detail in relation to the consultation and engagement already undertaken can be seen in the community engagement strategy adopted by Council for the review of the Community Strategic Plan.

6.2 *Proposed Community Engagement*

The proposed community engagement is in two parts. The first part (Steps 1 to 5 below) has a focus on receiving feedback from the community in regards to preferred 'levels of service' and a willingness to pay 'more rates' if necessary. In the interest of ensuring cost-effective use of Council's scarce resources, and also the need for timely responses, much of this part of engagement will focus on using online tools.

Should Council resolve to notify IPART of an 'intention' to apply for a Special Rate Variation for 2014-2015, Part 2 (Steps 6 to 9 below) will be actioned. This part of the engagement process will involve greater detail in relation to options around levels of service and additional rate funding for the community to consider.

The following outlines the proposed engagement that will be completed to inform stakeholders about, and gain input from stakeholders regarding levels of service the additional rate funding. Appendix A provides some detail about the steps below.

PART 1

STEP 1 – COUNCILLOR WORKSHOPS – September 2013.

STEP 2 – REPORT TO COUNCIL – 26 September 2013.

STEP 3 – 'BUDGET ALLOCATOR' OPEN TO IDENTIFIED GROUP – October 2013.

STEP 4 – 'BUDGET ALLOCATOR' OPEN TO PUBLIC – October 2013

STEP 5 – REPORT TO COUNCIL – 28 November 2013

PART 2

STEP 6 – DEVELOPMENT OF ENGAGEMENT STRATEGY FOR DETAILED OPTIONS – Late November 2013

STEP 7 – IMPLEMENT OF ENGAGEMENT STRATEGY FOR DETAILED OPTIONS– January & February 2014

STEP 8 – REPORT TO COUNCIL COLLATING REPONSES – prior to 24 February 2014

STEP 9 – FORWARD APPLICATION TO IPART – 24 February 2014

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Appendix A – Details of Steps for Engagement

PART 1

STEP 1 – COUNCILLOR WORKSHOPS – September 2013

Councillors Workshop on 4 September to discuss:

- The Community Engagement Strategy.
- IPART requirements for a Special Rate Variation application.
- “Minimum level of service” option (i.e. the option whereby levels of service are reduced rather than a Special Rate Variation being sought) across all possible services that can be reduced.
- How the ‘Budget Allocator’ will work and what will it measure.
- Options for “Aspirational” projects to be included in the engagement process.

Councillors Workshop on 16 September to discuss:

- A working prototype of the Budget Allocator to be released to the public.
- The Community Engagement Strategy.

STEP 2 – REPORT TO COUNCIL – 26 September 2013

Following the workshops, the Community Engagement Strategy, “minimum level of service” option and other levels of service options would be recommended for endorsement by Council at the 26 September 2013 Ordinary Meeting.

STEPS 3 & 4 – ‘BUDGET ALLOCATOR’ OPEN TO IDENTIFIED GROUP & PUBLIC –October 2013

It is envisaged that Community feedback through the ‘Budget Allocator’ tool would be sought for three weeks, ending on 18 October 2013.

STEP 5 – REPORT TO COUNCIL – 28 November 2013

Council will then need to resolve, based on the results of the community engagement to date, whether or not to submit an application for a Special Rate Variation to IPART. Council will need to signal its intention to do this by 13 December 2013. The actual application for a Special Variation is required to be submitted to IPART by 24 February 2014.

Information from the engagement would then be collated based on the results of the community engagement, with a “preferred Sustainable Resourcing Strategy” being prepared for Council consideration at its meeting of 28 November 2013. If Council resolves to adopt a “preferred sustainable Resourcing Strategy” that includes some level of Special Rate Variation, Council would then need to notify IPART of its intention to apply for this variation.

At the same time, Council would need to adopt a Community Engagement Strategy that seeks community input to the “preferred sustainable Resourcing Strategy”, with feedback to be sought up until early February 2014.

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PART 2

STEPS 6 & 7 – DEVELOPMENT & IMPLEMENTATION OF ENGAGEMENT STRATEGY FOR DETAILED OPTIONS – Late November 2013 through to February 2014

Should Council resolve to make an application for a Special rate Variation the following will be used through a co-ordinated and clearly documented engagement process:

- A Mail out to all ratepayers clearly and transparently outlining the impact of the proposed rate variation.
- Preparation of fact sheets which will include the implications if no rate variation to current asset base.
- Issuing of relevant media releases & undertaking media events
- Holding online and 'face to face' discussion forums for hearing views and clarifying information.

STEP 8 – REPORT TO COUNCIL – prior to 24 February 2014

This report will be prepared following the collation of the information received from the variety of activities during the implementation of the engagement strategy.

STEP 9 – FORWARD APPLICATION TO IPART – 24 February 2014

This will be further expanded once specific information is received regarding the process for rate variation applications for 2014/15.