

Attachment J



**Council Report
to Planning
Committee,
feedback from
Community
engagement -
3 December 2013**

Miscellaneous Report No. M18/13



Subject: Seeking Council approval to apply to IPART for continuation of the environmental levy, 2014-2019

Folder No: F2013/00475

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Introduction

At Ordinary Council on 27 August 2013, the proposal and process for continuing Council's Environmental Levy Program was outlined and it was resolved (Moore/Stavrinos) that:

- Council approves the proposed community engagement process for the continuation of the special rates variation for the Sustaining our City environmental levy program;
- Council endorses the community engagement outline provided; and
- a report be brought back to Council with recommendations for resolution in respect of a continuation of a special rate variation for a five year environmental program in November 2013.

An extensive community engagement process was conducted between August and November 2013 aimed at enabling the community to provide feedback and views on the proposal to continue Council's environmental levy program for a further 5 years, from July 2014 to June 2019.

This report aims to provide Council with a broad summary of the outcomes of this consultation and engagement with the community on this proposal.

Issues

A key outcome adopted by Council in Randwick's 20-year strategic City Plan is a healthy environment. Over the past decade, Council has been responding to this key outcome and related community expectations through the implementation of our Sustaining our City initiative. Sustaining our City programs and projects are funded by the environment levy which over two five-year periods has been based on 6 per cent of residential and business rates collected.

The average ratepayer (with land valued at \$589,500) currently pays \$84.25 towards the environmental levy. If the levy is continued, the average ratepayer would pay an average of \$93.73 per year over the next five years. This equates to an average increase of \$9.43 per year over the next five years.

The priority areas of the environmental levy programs and projects align closely with the directions set out in Outcome 10, A healthy environment of our City Plan, particularly: fostering sustainable behavioural changes; protecting our bushland, open space and biodiversity; sustainably managing waste to maximise resource recovery; implementing a total water cycle management approach; improving energy conservation and efficiency, and managing environmental risks and their impacts. Over the past decade or so, Sustaining our City initiatives have delivered very positive outcomes and clear benefits to the community.

In preparation for a possible continuation of our Sustaining our City initiative, Council staff have prepared a five year environmental program to enable

further implementation of a long-term strategy to protect, enhance and improve our natural environment for future generations (see Figure 1).

Figure 1: Proposed project funding for Sustaining Our City, 2014 to 2019

Proposed Levy Program Activity	Project / Program	Budget / spend 2014 - 2019
Coastal Protection	Coastal Walkway Completion of future stages including: <ul style="list-style-type: none"> • Malabar Headland sections • Malabar to La Perouse (adjacent to golf courses) • South Coogee to North Maroubra (designs and costings) Installation of Gross Pollutant Traps (capturing street litter) Interpretive signage project for our coastline	\$6.85 million
Resource Conservation – Energy Savings	<ul style="list-style-type: none"> • Energy efficiency upgrades including lighting and air conditioning at Bowen Library and Community Centre and Council’s Administration Building. • Implementation of cogeneration technology at the Des Renford Leisure Centre and Council’s Administration Building. • Renewable energy / solar panel installations – Council sites including parks • LED energy efficient streetlight program for Council’s parks • Implementation of a range of energy efficiency measures at Council sites 	\$4.6 million
Resource Conservation – Water Savings	Stormwater harvesting and irrigation works: <ul style="list-style-type: none"> • Alison Park • Purcell Park • Frenchmans Bay • Randwick Environment Park Building / amenities upgrades at: <ul style="list-style-type: none"> • Administration Building • Bowen Library • Coogee beach facilities • Heffron Park sports centre 	\$1.61 million
Resource Conservation – Reducing greenhouse emissions	Cycle way implementation and pedestrian upgrades <ul style="list-style-type: none"> • Anzac Parade • Malabar Road • Matraville 	\$2.5 million
Resource Conservation – Materials	Investigating new recycled materials and sustainable processes for road and footpath upgrades	\$0.55 million
Biodiversity	Dune protection and restoration at South Maroubra and Yarra Bay Expanding our ‘Green Corridor’, street and park planting across public and private land and private land habitat planting (including Native Haven advice and support for schools and households) Native plant and animal monitoring via Bushland programs	\$1.8 million

Community Engagement and Education	Community education <ul style="list-style-type: none"> • Sustainable workshops for residents • Schools initiatives and programs • Marine and coastal programs • Eco-living Fair • Council Open Days and events Community engagement <ul style="list-style-type: none"> • Community gardens • School food gardens 	\$2.46 million
Total		\$20.37 million

Overview of Consultation and Engagement Strategy

As agreed in the above resolution a specially designed consultation and communication strategy was implemented to engage the Randwick community on the proposal to continue our Sustaining our City program and possible funding options. This consultation strategy, provided as Attachment 1, was developed to meet the consultation level of "collaboration" as detailed in the DLG guidelines and to satisfy IPART submission requirements for special rate variation requests.

The consultative approach was transparent and well publicised. It sought to engage the wider local community as well as existing community and stakeholder groups. It made available accurate information and provided the opportunity for intensive in-depth discussion of issues and options. It provided a variety of different formats to communicate and collect information on the proposal to continue the environmental levy and gave the whole community the choice of how they could participate and give feedback to the Council.

The consultation and engagement strategy:

- acknowledged the diversity of our community by recognising that different people prefer to engage and give feedback in different ways
- was based on the Randwick City Council's Community Consultation Principles and Consultation Planning Guide
- focused on ensuring that the 'silent majority' had access to the information and were directly encouraged to provide feedback.

Information on the proposal was provided through:

- Council's website
- Information at Council's customer service centre and libraries
- Mayor's column, advertising and media coverage
- Two face-to-face community workshops
- An information package distribution to all ratepayers
- Community newsletter distributed to all households
- Online discussion
- Stall at our EcoLiving Fair.

(Media coverage and items are provided as Attachments 12 to 17).

The information given to the community outlined:

- the scope of environmental programs and their continuation
- proposed future projects and programs including costs
- cost of the special variation showing the cumulative impact
- financial impact of the preferred option –a range of examples based on different land values showed the varying impacts of the accumulated increase

- the compounding impact of the total increase shown in several tables.

Residents could engage in discussion of the issues and give feedback through:

- comment on *HaveYourSay* webpage
- two externally facilitated community workshops with randomly selected participants (see Attachment 11 for the report on these workshops)
- a survey distributed in hardcopy to all ratepayers and available online
- online web based discussion forum website
- letters and submissions
- face to face discussions or calls to Council staff.

A summary of the key consultation activities are outlined in Figure 2 below and includes a brief description of the technique and when and where it was used. A copy of all information provided during the consultation is provided in Attachments 2 to 10. While Council provided opportunities to read information, complete the survey and provide feedback online, it was also recognised that not every household has internet access, and that not all members of the public feel comfortable interacting via a computer, so a fact sheet and hard copy of the survey were provided to all ratepayers with a letter from the Mayor and a reply paid envelope to make it easier for responses to be returned to Council (see Attachments 7, 8 and 9).

Figure 2: Key elements of consultation and engagement strategy

Consultative Strategy	Date	Target group	Features
All Stops to Randwick	August	Council staff	Background provided at an information stall at the 4-day, All Council staff workshops
Randwick Community News	August	Randwick Community	55,000 copies of Council's newsletter were distributed to every household in August. This included a one page insert outlining recent projects and how residents could get more information and have their say. Included a link to Your Say Randwick
Randwick e-news	September	Online - Randwick community and other interested	Regular reminders on levy consultation via articles outlining projects, expenditure etc (also see Attachments 12 to 17 for media items distributed)
Information package	August- November	Randwick community and other interested	Provision of five key information documents covering: 1. Understanding your rates 2. General income/funding of levy 3. Efficiencies 4. Key achievements of the program 5. Future program/budget spending The package was available online and in all Council facilities such as customer service centre and libraries
Your Say Randwick website	September	Randwick community and other interested	Website with all documents and background material, and online survey

Consultative Strategy	Date	Target group	Features
Survey	September - November	Randwick ratepayers and residents	<ul style="list-style-type: none"> • On <i>Your Say Randwick</i> website • Included in letter to ratepayers with reply paid envelope. • Available in libraries etc
Stall at the Eco-living fair	September	Randwick community and visitors	On-line and print copies available
Posters	September - October	Randwick community	Posters for libraries, customer service centres and bus shelters
Mayors letter to all ratepayers	October	Randwick ratepayers	Letter from Mayor addressed to ratepayers which provided a fact sheet and invited people to make comment via survey with a reply paid envelope included.
Community engagement workshops	October	Randwick ratepayers- randomly selected	Two workshops held- October 29 and 30

Results of Community Consultation

1. Survey

A short survey was prepared to ascertain:

- Awareness of sustainability programs undertaken since 2009
- Support for continuation of levy
- Support for continuation of environmental projects and programs.

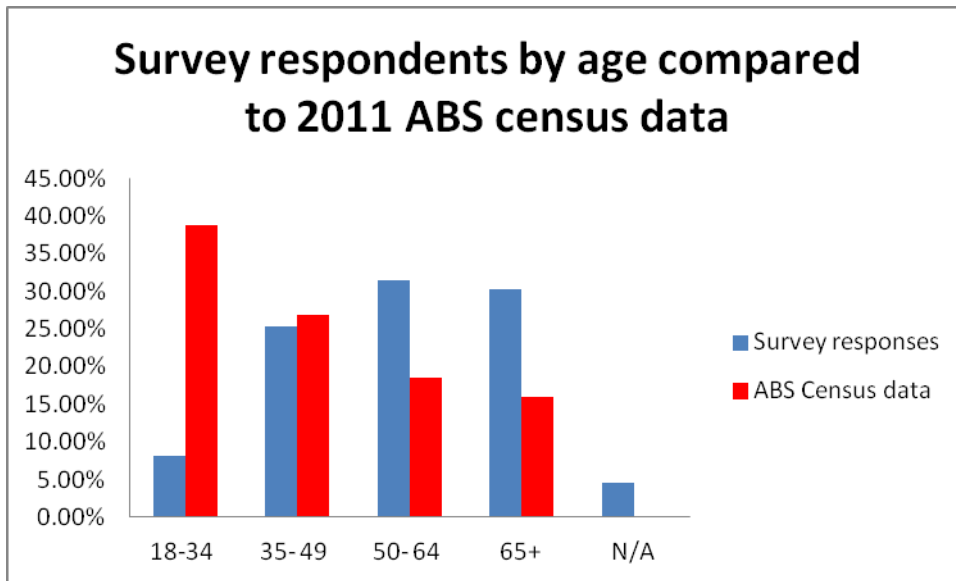
The survey was included in a letter sent by the Mayor to all ratepayers and was also available on *YourSay Randwick* website.

A total of 6,700 surveys were completed and returned by the closing date with the majority being paper surveys.

A number of demographic questions were asked to determine that the respondent demographics closely reflected that of the community.

Figure 3 shows that the age of the respondents does not correlate with the age distribution across the LGA. According to the 2011 ABS census data 34.4 per cent of the City's population is aged 50 years or older, but 61.6% of the respondents to this survey were in this age group (see Figure 3 below). This is partly due to the fact that the survey went to ratepayers and younger age groups are often renters rather than property owners.

Figure 3: Percentage of respondents by age versus ABS 2011 census data



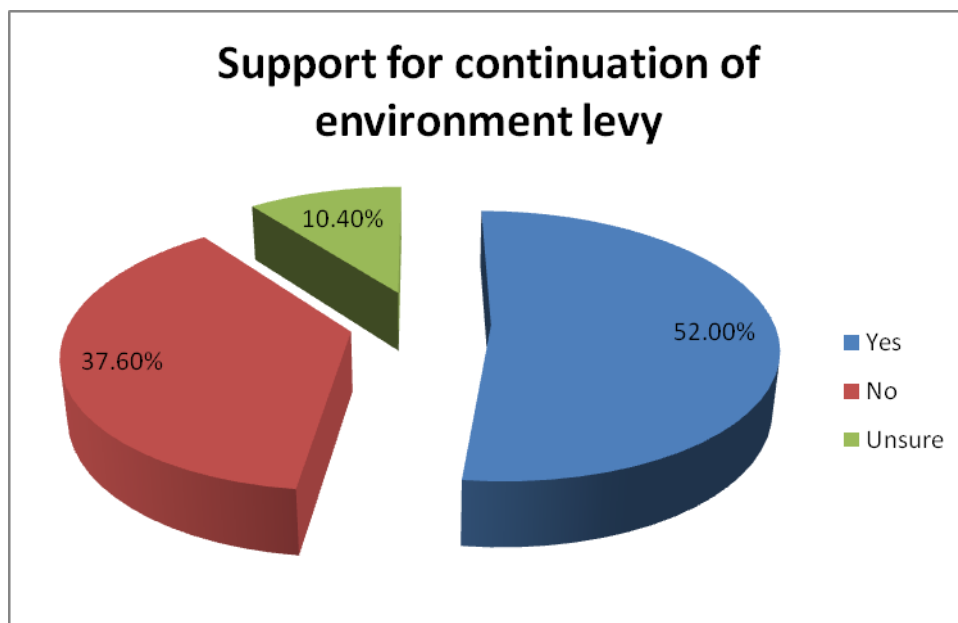
Survey - Key Findings

Support for continuation of the environmental levy

In total, 52% of respondents supported the continuation of the environmental levy, compared with 10.4% who were unsure and 37.6% who did not want the levy to continue (see Figure 4 below).

As can be seen in the discussion below regarding the community workshops, the support for the continuation of the environmental levy reached 75% when staff had the ability to explain the projects and programs funded via the environmental levy and how they have added to better environmental outcomes for the community.

Figure 4: Support for continuation of environment levy

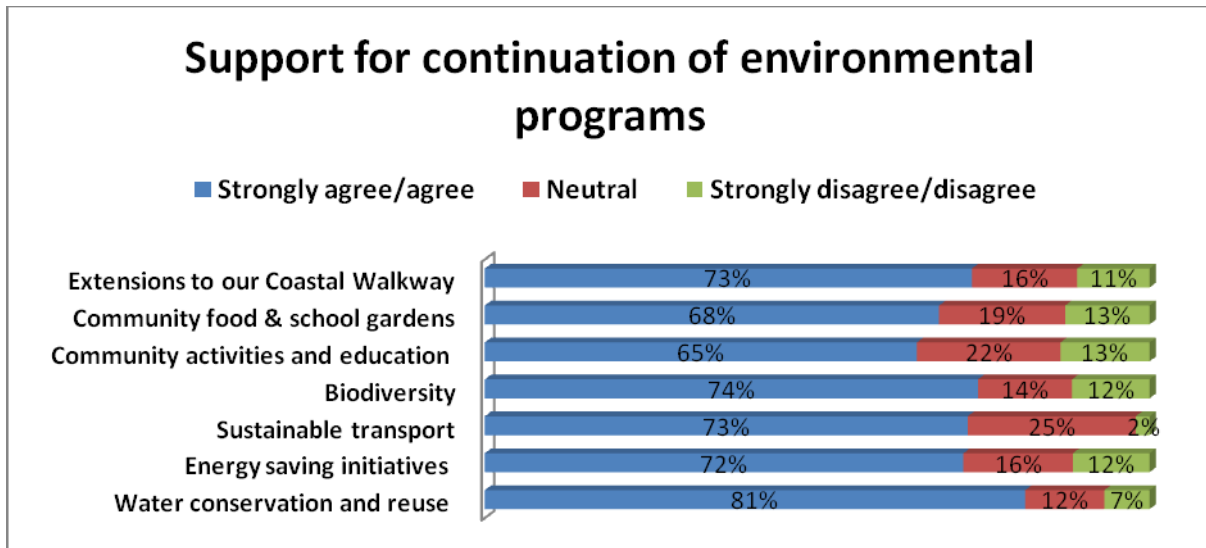


Overall, 22% of the respondents to their survey provided comments or feedback on the answer they provided (i.e. Yes, No or Unsure). Feedback that related to other ways of funding or setting the levy are addressed in a later section of this report.

Support for continuation of environmental programs

Whether survey respondents indicated 'yes', 'no' or 'unsure', there was overall support for the continuation of these programs and projects indicating the extent that these programs are highly valued by the community (see Figure 5).

Figure 5: Support for continuation of environmental programs



While Figure 5 indicates the overall support indicated by respondents for the continuation of Council’s environmental programs, the strongest support was for water conservation and water re-use programs. **On average, 96% of all respondents responded positively to the questions relating to continuing specific programs and projects, including those not supporting the environmental levy itself as well as those supporting continuation of the levy.**

Feedback in surveys

An analysis of the comments provided by 22% of the respondents showed that there were many and varying suggestions to fund the levy including:

- existing Council budget
- savings achieved from environmental initiatives such as water conservation
- increased support from State and Federal governments
- Department of Education and/or parents to fund anything to do with schools
- projects such as the coastal walkway to be funded from infrastructure/capital works budget
- using Council reserves
- a flat levy of \$75 or \$100 per annum.

The responses to these comments are shown in Figure 6 below.

Figure 6: Analysis of suggested funding options

Other funding options	Commentary
Existing budget	<p>The Council's current budget allocations reflect the priorities identified by the community and if they were to be reallocated from the budget it would significantly impact on the services and programs already approved.</p> <p>For example, if projects such as water re-use and water quality improvements were to continue, then the funding may be taken from budgets intended for street and beach cleaning, park mowing, maintenance of our roads and footpaths and/or library and community programs.</p>
Council Reserves	Randwick City Council did have in excess of \$62 million cash and investments at the end of the 2012-13 financial year.

Other funding options	Commentary
	<p>However, these funds are restricted funds. This means that there is either legislation, primarily the <i>Local Government Act 1993</i> or a particular Council resolution restricting what those funds can be used for.</p> <p>The restricted funds also include Section 94 contributions which are governed by the <i>Environmental Planning and Assessment Act 1979</i>. Section 94 contributions are payments made by Developers where the development will result in an increase in the demand for public amenities and public services. These funds must be used to satisfy that demand.</p>
Applying a flat levy	A flat levy is not permitted under the legislation. A flat 'charge' bears no relationship with land value and rates are meant to be tied to value. The average Randwick ratepayer will contribute \$93.73 from the rates payable as their component of the environmental levy .
Savings achieved from environmental initiatives such as water conservation	It may be possible in the future to identify annual savings achieved and reallocate them to the environment budget. This is an option that needs to be explored in more detail.
Increased support from State and Federal governments	Council is currently feeling the impact of cost shifting from the State and Federal Governments and it is unlikely that there will be additional funding from this area. However whenever possible Council does apply for any grants and/or funding offered from other sources but in many cases this funding is tied and cannot be applied to other projects.
Department of Education and/or parents to fund anything to do with schools	Project support of local school initiatives are aimed at fostering partnerships with local students, their families and community education networks. They tend to relate to local improvements usually outside the level of DET funding or support.
Projects such as the coastal walkway being funded from infrastructure / capital works budget	While this may be possible it would take much longer to complete the projects. Moreover, they need to compete with other projects under the annual capital works program, hence much longer lead and completion times are likely. If the \$6.85 million funding for the next 5 years for the coastal walkway is to be funded from capital works then this money would need to be taken from the parks and recreation and roads and footpaths capital works program.

Many other suggestions were also put forward on alternative ways to spend the levy money e.g constructing more roads and footpaths. However, re-directing environmental levy funds to many of these areas is not an option as this is a levy for a specific purpose. The comments were wide ranging and often provided feedback on other Council services and even on services provided by State and Federal government.

It is intended to analyse the full range of feedback provided from the surveys and where comments are relevant to Council's provision of services and programs, the

feedback will be provided to relevant Council staff with a focus on improving service provision.

2. Sustaining our City Community Workshops

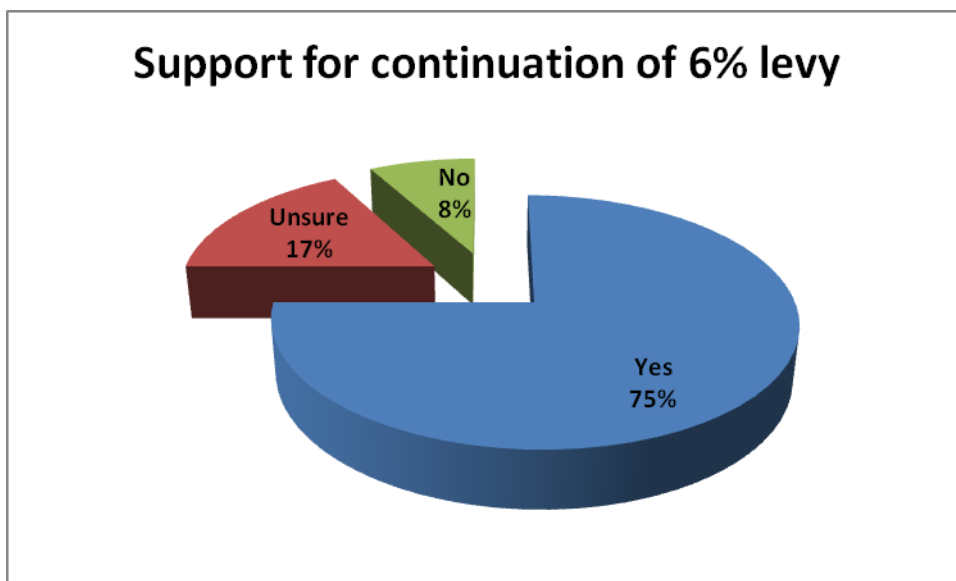
An external independent facilitator ran two community workshops as part of the broader consultation process (see Attachment 11 for the workshop report). Thirty seven people participated in the workshops which were held on Tuesday 29 October and Wednesday 30 October. The participants were randomly selected by Taverner Research and were broadly representative of the demographic profile of Randwick LGA in terms of age, gender and suburb of residence to ensure a cross section of views in terms of environmental awareness, interest and attitude. As mentioned above, younger people were under-represented due largely to the fact that the focus was on ratepayers and younger people tend to be renters rather than owners.

Participants were presented with information on the levy and funding implications as well as the environment programs funded by the levy.

Across both workshops there was general consensus that the highest priority for future environmental projects related to water savings, energy conservation and community activities and education.

As can be seen in Figure 7, 75% of workshop participants supported the continuation of the environment levy, 17% were unsure and 8% did not support the levy.

Figure 7: Community workshops- support for continuation of environment levy



Participants provided strong feedback that Council needed to:

- be more accountable and demonstrate transparency in terms of how levy funds were spent
- communicate more actively to increase community awareness and promotion of the environmental projects and programs funded through the levy.

This reflects feedback provided by respondents to the survey.

3. Council website

There were 1,432 unique visits to the site with 15,238 page views during the period of consultation (9 September to 15 November). The most significant period for page views occurred after the Mayoral letter was sent out. A total of 264 documents (Information Sheets – see Attachments 2 to 6) were downloaded showing a strong interest in finding out more information.

General feedback

Both the survey responses and the community workshop participants raised the need to increase community awareness as well as the promotion of environmental projects and programs funded by the environmental levy. Many commented that they did not know that the Council did all these things and there was a suggestion that a sign be placed at work sites to indicate that the projects were being funded as part of the environment levy.

There were also many comments that a paper based survey is a waste of money, however the high response from the printed survey indicated in this case, the importance of this option being provided in conjunction with an online survey.

There were a number of comments (2.9% of all respondents) where the respondent expressed concerns about their capacity to pay the levy. In nearly all cases the respondents were on some form of pension or were self funded retirees. Many of these comments stated that there has been no increase in the maximum rebate of \$250 to pensioners since 1993. The total value of these rebates to eligible Randwick ratepayers is just over \$1.3 million per annum. The State Government provides 55% and the current cost to Council is approximately \$590,000 per annum.

Relationship to City Plan

The relationship with the City Plan is as follows:

- Outcome 1: Leadership in Sustainability.
- Direction 1(a): Council has a long term vision based on sustainability.

Financial impact statement

The financial impact of a continuation of the environmental levy on ratepayers will vary from property to property depending on the land value as determined by the Valuer general. The approval of the environment levy will raise approximately \$20 million over the five year period, 2014-2019 for Council to continue to provide the environmental programs and projects that have been established.

Conclusion

An extensive community consultation was undertaken commencing in August 2013 and concluding in November 2013. Randwick used both qualitative (two community workshops) and quantitative (survey) means to elicit feedback from the community on the proposed continuation of the levy and the programs and projects that it funds.

The consultation met the "collaboration level" expected as it used multiple forms of communication for the community to access the information, identify preferred options and provide input on the range of programs and projects to be funded. The community were engaged as demonstrated by the high number of surveys returned and the number of visits to the website. The number of documents downloaded showed that residents were interested and were able to access the information they needed to become more aware of the issues related to a continuation of the environmental levy program for a further 5 years from July 2014.

The survey showed majority support, 52 per cent for continuing the levy while 75 per cent of the participants in the community workshops wanted to continue with the levy. The survey results showed strong support for continuing the programs and projects with 72 per cent in agreement or strong agreement to continue to deliver the environmental programs, with 18 per cent undecided and 10 per cent not in favour of continuing with these programs.

It is proposed that the five year continuation of this 6% variation to fund Council's Sustaining our City environmental program will have minimal impact on the ratepayers and residents. Importantly, as the 6% rate variation has been in place for nine years, approving the continuation does not represent an actual increase in rate payments for rate payers.

In summary, an average Randwick ratepayer in 2014-15 (land value at \$589,500) will contribute \$84.25 per year (\$1.62 per week) increasing marginally over future years in keeping with the allowable rate increase. However, there is a broad range of housing types across the City of Randwick and almost half of Randwick's ratepayers own strata units where the rateable land value is often significantly less than the overall average. As a result these ratepayers will pay a much smaller environmental levy than the average of \$1.62 per week. There are also many residents who live in properties along the coastline where the land value is in excess of \$1 million. Where the land valuation of a property is \$1.1 million, the total environmental levy component will be \$157.21 per annum or \$3.02 per week.

The issue of capacity to pay for pensioners and those on fixed incomes was considered. The impact on pensioners varies depending on the land value of their properties and it is acknowledged that those who live in properties with high land values would fall into the category of asset rich/cash poor. The NSW rating system follows the principles of capacity to pay, implying that owners of properties with higher land values have a higher capacity to pay than owners of properties with lower land values. Council recently made submissions to the Local Government Acts Taskforce and the Independent Local Government Review Panel regarding necessary changes to the rating system.

Council recognises that increasing the level of pensioner concessions would be of great assistance to all pensioners. However any such increase needs to come as a result of change to the legislative provisions contained in the *Local Government Act, NSW 1993*. The issue of the pensioner rebates has previously been reported to Council and Council has made representations to the State Government.

Recommendation

That Council:

- a) apply to IPART for a 6% special variation to rates for five years to fund environment programs and projects;
- b) endorse the broad list of programs and projects outlined above for the continuation of the environmental levy program for 2014 to 2019; and
- c) write to the State Government and continue to lobby for an increase in the maximum pensioner rebate.

Attachment/s:

1. Community Consultation Plan

2. Information Sheet 1 - Understanding your rates
3. Information Sheet 2 - Funding Options
4. Information Sheet 3 - Productivity Improvements
5. Information Sheet 4 - Achievements (current levy program)
6. Information Sheet 5 - Future Projects (potentially new levy program)
7. Fact Sheet - Why continue the Environmental Levy
8. Mayor's letter to residents
9. Print and Online Survey
10. Advertising Poster
11. Community Workshop report
12. Media Release
13. Media Item 2 - media coverage
14. Media Item 3 - facebook report
15. Media Item 4 - eNews 18 September 2013
16. Media Item 5 - eNews 30 October 2013
17. Media Item 6 - eNews 6 November 2013