

Assessment of Rockdale City Council against DLG Guidelines for the preparation of an SRV application for 2014/15

Guidelines Requirement	RCC IP&R Document Reference	RCC Methodology 2013/14	IPART Findings June 2013	RCC Methodology 2014/15
The planning process should include an assessment of the community's capacity <i>and willingness to pay rates and whether there is the potential for changes in that capacity</i> (page 10).	<ul style="list-style-type: none"> 'What our community said about the proposed rate increase' – 813 or 43% voted for option 1, 414 or 22% voted for option 2 and 676 or 35% voted for option 3 (CSP page 30-31). 	<ul style="list-style-type: none"> Draft Report on Community Feedback SRV 2013 - February 2013. (Published on Council's website) 	<ul style="list-style-type: none"> "If the council proceeds with its foreshadowed 2014/15 multi-year special variation application, it is important that it clearly explains the cumulative impact of the special variation (including the rate peg) to ratepayers and carefully consider the community's capacity and willingness to pay)" (<u>page 7 IPART determination</u>). "To consider a further application in 2014/15 under s508A for the remaining 4 years, relying on the plans adopted in June 2013. This would allow the council sufficient time to consider and exhibit the plans and consult the community about their preferences (IPART letter 6 March 2013)". 	<ul style="list-style-type: none"> Rates calculator on the Rockdale City Council website - http://www.rockdale.nsw.gov.au/Pages/SRV/SRVRatesCalculator.htm (Published 6 December 2013) Renewing Rockdale Brochure What does the 6% rate increase consist of? and 'How could the proposed 6% rate rise affect you?' (page 7) distributed to households and businesses, available at Council events and Renewing Rockdale SRV Information Booths. Have Your Say... Renewing Rockdale Survey Rate rise information on the Rockdale City Council website http://haveyoursayrockdale.co.m.au/renewing-rockdale (Published 6 December 2013)

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<ul style="list-style-type: none"> 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 DP and LTFP (page 11). In demonstrating this need (evidence of community need/desire for service levels/project and limited council resourcing alternatives and the Council's financial sustainability) councils must indicate the financial impact in their LTFP applying the following scenarios <ol style="list-style-type: none"> Baseline scenario – revenue and expenditure forecasts which reflects the business as usual model, and exclude the special variation, and Special variation scenario – the result of approving the special variation in full is shown and reflected in the revenue forecast with the additional expenditure levels intended to be funded by the special variation (page 11). The proposed DP and LTFP 	<ul style="list-style-type: none"> Financial model scenarios: <ul style="list-style-type: none"> Scenario one - successful application for SRV each year for five years, includes efficiency gains and two major projects. Scenario two - efficiencies and major projects, unsuccessful SRV application. Scenario three - business as usual model. (LTFP page 16 – 21). LTFP financial models reference (CSP page 22). 'What Our Community Said' <ul style="list-style-type: none"> Community Outcomes Community Safety Harmonious Communities (CSP page 28-31). SRV program of works (CSP page 42-44). At its meeting on 6 March 2013 Council resolved to apply for a one off percentage increase to general income to replace the expiring 3% Community Buildings SRV in 2013/14, and apply for a multi-year Special Variation 	<ul style="list-style-type: none"> Information package for Media Briefing session 20 January 2013 (Draft Report on Community Feedback SRV 2013 - February 2013, page 47) Council's response to correspondence resulting from community engagement identified cumulative SRV increases (Draft Report on Community Feedback SRV 2013 - February 2013, page 55). Report on Community Survey Results 2010, 2012, 2013. Residential and business rates calculator (Your City – Your Assets – Your Rates newsletter page 4) distributed to 38,000 households and businesses. Community Services Plan developed by Elton Consulting on behalf of Council. 	<ul style="list-style-type: none"> The need was identified in the draft LTFP and draft CSP (page 4 IPART determination). Asset renewal spending reflects community priorities identified in surveys undertaken in 2010 and 2012 (page 4 IPART determination). Even under this scenario (scenario 1), the forecast operating deficit for 2013/14 is \$9.1m. Although the deficit decreases over the 12 years of the LTFP, it is forecast to be \$3.3m in 2024/25. This clearly indicates that the council does not have surplus funds to undertake asset renewals (page 5 IPART determination). The draft LFPT 2013-2025 shows realistic assumptions in forecasting various scenarios although the assumed rate peg of 3.5% for 2014/15 onwards appears to be a little high (page 5 IPART determination). Cost estimates have been prepared based on recent costings and industry benchmarks (page 5 IPART determination). 	<ul style="list-style-type: none"> Report on Community Survey Results 2010, 2012, 2013. Community Services Plan developed by Elton Consulting on behalf of Council. Rates calculator on the Rockdale City Council website - http://www.rockdale.nsw.gov.au/Pages/SRV/SRVRatesCalculator.htm (Published 6 December 2013) Renewing Rockdale Brochure distributed to households and businesses, available at Council events and Renewing Rockdale SRV Information Booths. Rate rise information on the Rockdale City Council website http://haveyoursayrockdale.co.m.au/renewing-rockdale (Published 6 December 2013)

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must show evidence of realistic assumptions (page 11).	<p>to general income commencing from 2014, 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. (DP/OP page 12).</p> <ul style="list-style-type: none"> Identified SRV projects/works in DP/OP <ul style="list-style-type: none"> Operational Plan Action 1.2.1.A.3 Undertake playground upgrades with SRV funding – Aqua Flora Reserve, Sandringham and Dowsett Park, Kingsgrove (DP/OP page 21). Operational Plan Action 1.4.1.B.1 Implement the Community Buildings Program including with SRV funding <ul style="list-style-type: none"> Asbestos removal from community buildings Cook park Scarborough Street Public Amenities Arncliffe Park Amenities Gardner Park 		<ul style="list-style-type: none"> Regular community surveys capture the importance of council services and determine appropriate levels of service (page 5 IPART determination). 	

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	<p>Amenities</p> <ul style="list-style-type: none"> - Cook Park Amenities opposite Emmaline Street - Sans Souci Library refurbishment (DP/OP page 25) - Operational Plan Action 2.5.1.A.2 Implement SRV funded Civil Infrastructure Program. In 2013/14 Kerb and guttering rehabilitation (DP/OP page 33) • 'What Engagement methods were used? <ul style="list-style-type: none"> - 'Have Your Say' – Online Engagement - Newsletter and reply paid survey 'Your City – Your Assets – Your Rates'- online and hardcopy - Community forum held on 7 February 2013, with a presentation by the Mayor (CSP page 30-31) • 'Your Councillor's Aspirations' <ul style="list-style-type: none"> - Major projects including Bexley Swimming and Leisure Centre, new Rockdale 			

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	<p>City Library and Youth Centre in Arncliffe.</p> <ul style="list-style-type: none"> - Other projects identified include Arncliffe Park Amenities block, Ramsgate Beach Thriving Town Centre and returfing Scarborough Park - Council develops partnerships and works with the community, stakeholders, non government organisations and varying levels of government. (CSP page 12 – 15). 			

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Evidence that the community is aware of the need for the extent of a rate rise. This must be clearly spelt out in IP&R documentation (page 11).	<ul style="list-style-type: none"> • 'What Engagement methods were used? <ul style="list-style-type: none"> - 'Have Your Say' – Online Engagement - Newsletter and reply paid survey 'Your City – Your Assets – Your Rates' - online and hardcopy - Community forum held on 7 February 2013, with a presentation by the Mayor (CSP page 30-31) • At its meeting on 6 March 2013 Council resolved to apply for a one off percentage increase to general income to replace the expiring 3% Community Buildings SRV in 2013/14, and apply for a multi-year Special Variation to general income commencing from 2014, 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. (DP/OP page 12). 	<ul style="list-style-type: none"> • Draft Report on Community Feedback SRV 2013 - February 2013, published on Council website. 	<ul style="list-style-type: none"> • The council used a variety of engagement methods to make the community aware of the need for a rate rise of 3% pa above the rate peg for 5 years (<u>page 4 IPART determination</u>). 	<ul style="list-style-type: none"> • SRV Information Booth program currently under way in each ward. <ul style="list-style-type: none"> - Renewing Rockdale brochure with information on Council's infrastructure challenge, Council's approved SRV applications, the proposed Renewing Rockdale SRV demonstrating cumulative increases of 6% every year for four years and the proposed program of works with costings and renewal details. - Have Your Say...Renewing Rockdale Survey - An ordinary day... Council services flyer • SRV Community Forum to be held 11 February 2014, with a presentation by the Mayor. • Renewing Rockdale brochure available on Council's website, distributed to households and businesses and available at Council events and SRV Information

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	<ul style="list-style-type: none"> Council's existing rating policy will be varied: <ol style="list-style-type: none"> As the existing Community Building levy will cease as of the 30th June 2013. Council has been successful in its application for a S508(2) SRV of 3% above the 3.4% rate peg, and will apply for a multi year S508(A) SR to help fund improvements to sports fields, playgrounds, small community buildings, public toilets, roads, playgrounds and foreshore assets (DP/OP page 62). 			<p>Booths.</p> <ul style="list-style-type: none"> Rates calculator on the Rockdale City Council website - http://www.rockdale.nsw.gov.au/Pages/SRV/SRVRatesCalculator.htm (Published 6 December 2013) Rate rise information on the Rockdale City Council website http://haveyoursayrockdale.co.m.au/renewing-rockdale (Published 6 December 2013) Community focus group held on Monday 25 November 2013 to gain feedback on SRV communication strategy.

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The council must demonstrate an appropriate variety of engagement methods to ensure opportunity for community awareness (page 11).	<ul style="list-style-type: none"> • 'What Engagement methods were used? <ul style="list-style-type: none"> - 'Have Your Say' – Online Engagement - Newsletter and reply paid survey 'Your City – Your Assets – Your Rates' - online and hardcopy - Community forum held on 7 February 2013, with a presentation by the Mayor (CSP page 30-31) 	<ul style="list-style-type: none"> • City Plan Community Engagement Strategy November 2012. 	<ul style="list-style-type: none"> • The council sought feedback and considered willingness to pay by: <ul style="list-style-type: none"> • Distributing the "Your City – Your Assets – Your Rates" newsletter with a reply paid-paid questionnaire to 38,000 households and local businesses. • Making this newsletter and questionnaire available on the council's website and at council events during the engagement period. • Holding a Community Forum on 7 February 2013, with a presentation by the Mayor. (page 4 IPART determination) 	<ul style="list-style-type: none"> • SRV Information Booth program currently under way in each ward and at Council events. • SRV Community Forum to be held 11 February 2014, with a presentation by the Mayor. • Renewing Rockdale brochure available on Council's website, distributed to households and businesses, available at Council and SRV Information Booths. • Rates calculator on the Rockdale City Council website - http://www.rockdale.nsw.gov.au/Pages/SRV/SRVRatesCalculator.htm (Published 6 December 2013) • Rate rise information on the Rockdale City Council website http://haveyoursayrockdale.co.m.au/renewing-rockdale (Published 6 December 2013) • Community focus group held on Monday 25 November 2013 to gain feedback on SRV

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				communication strategy.
<p>The IP&R documentation should canvas alternatives to a rate rise, <i>the impact of any rises upon the community and the council's consideration of the community's capacity and willingness to pay rates (page 11).</i></p>	<ul style="list-style-type: none"> Financial model scenarios: <ul style="list-style-type: none"> Scenario one - successful application for SRV each year for five years, includes efficiency gains and two major projects. Scenario two - efficiencies and major projects, unsuccessful SRV application. Scenario three - business as usual model. (LTFP page 16 – 21). In November 2012 Council established an internal Investment Strategy Working Group to investigate 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 (LTFP page 10-11). 'What our community said about the proposed rate increase' – 813 or 43% voted for option 1, 414 or 			

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	<p>22% voted for option 2 and 676 or 35% voted for option 3 (CSP page 30-31).</p> <ul style="list-style-type: none"> Financial Sustainability Strategy, Council is proposing a three pronged approach to meet the financial challenges that Rockdale City faces: <ol style="list-style-type: none"> Productivity improvements and savings in service delivery. Reviewing Council's property portfolio to optimise returns and value for money. A SRV specifically for expenditure on the renewal of our community assets (CSP page 21-23). 			
The relevant IP&R documents must be approved and adopted by the council before the council seeks IPART's approval for a special variation to its general revenue (page 11).		<ul style="list-style-type: none"> CSP adopted 17 April 2013. DP/OP adopted 19 June 2013. Resourcing Strategy adopted 17 April 2013. 		

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<ul style="list-style-type: none"> 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 (page 11). 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 (page 11). 	<ul style="list-style-type: none"> Table – 2013/14 Rate Revenue with 3.4% Rate Capping increase, expiry of 3% Community Buildings Special Variation and addition of new 3% Infrastructure Levy (DP/OP page 63). Special rate variation program of works (CSP page 42 – 44). 		<p>The special variation will have a reasonable impact on ratepayers given that:</p> <ul style="list-style-type: none"> ratepayers are already paying the existing Community Building Levy it will result in a modest increase in the combined value of the Community Building and Infrastructure Levies there appears to be a capacity to pay these increases, based upon the LGA's relatively high SEIFA ranking (114 here 153 is the least disadvantaged) the council has recently formalised a financial hardship policy (page 4 IPART determination) 	<ul style="list-style-type: none"> Rate rise information on Rockdale Council website http://haveyoursayrockdale.com.au/renewing-rockdale (Published 6 December 2013) Renewing Rockdale Brochure available on Council's website, distributed to households and businesses, available at Council events and Information Booths. Have Your Say... Renewing Rockdale Survey available on Council's website, distributed to households and businesses, available at Council events and information booths.

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<i>An explanation of the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period (page 11).</i>	<ul style="list-style-type: none"> • Council will implement a Productivity and Savings Program in 201/14 to 2017/18. <ul style="list-style-type: none"> - The Program should consist if 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. (DP/OP page 13). • In November 2012 Council established an internal Investment Strategy Working Group to investigate 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 	<ul style="list-style-type: none"> • Productivity and Savings Program 2013/14 to 2017/18. • Service reviews starting in July 2013 • Internal Investment Strategy Working Group established in November 2012. 	<ul style="list-style-type: none"> • Over recent years productivity and cost savings have occurred across many areas. • The council is planning an efficiency target of 0.5% pa with the savings to be used for asset renewals. • Further service reviews are aimed at achieving efficiencies. <u>(page 5 IPART determination)</u> 	<ul style="list-style-type: none"> • Productivity and Savings Program 2013/14 to 2017/18. • Service reviews starting in July 2013 • Internal Investment Strategy Working Group established in November 2012.

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	community. The Investment Strategy Working Group will also ensure the existing property assets are managed more effectively in order to provide new or increased services to the community (LTFP page 10-11).			