



Independent Pricing and Regulatory Tribunal

Liverpool City Council's application for a special variation for 2014/15

under section 508(2) of *Local Government Act 1993*

Local Government — Determination
June 2014



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The Tribunal members for this review are:

Dr Peter J. Boxall AO, Chairman

Dr Paul Paterson

Ms Catherine Jones

Inquiries regarding this document should be directed to a staff member:

Michael Seery (02) 9290 8421

Nick Singer (02) 9290 8459

Independent Pricing and Regulatory Tribunal of New South Wales

PO Box Q290, QVB Post Office NSW 1230

Level 8, 1 Market Street, Sydney NSW 2000

T (02) 9290 8400 F (02) 9290 2061

www.ipart.nsw.gov.au

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1 Determination

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for setting the amount by which councils may increase their general income, which mainly comprises rates income. Each year, we determine a standard increase that applies to all NSW councils, based on our assessment of the annual change in their costs and other factors. This increase is known as the rate peg.

Councils may apply to us for a special variation that allows them to increase their general income by more than the rate peg. We are required to assess these applications against criteria in the Guidelines set by the Office of Local Government (OLG),¹ and may allow special variations under either section 508A or 508(2) of the *Local Government Act 1993* (the Act).

Liverpool City Council applied for a special variation in 2014/15 of 12%, to replace an expiring special variation and retain it permanently in the rate base. After assessing the council's application, we decided to allow the special variation. We have made this decision under section 508(2) of the Act.

Box 1.1 The Guidelines for 2014/15

We assess applications for special variations using criteria in the *Guidelines for the preparation of an application for a special variation to general income*, issued by the Office of Local Government.

The Guidelines adopt the same criteria for applications for a special variation under either section 508A or 508(2) of the *Local Government Act 1993*.

The Guidelines emphasise the importance of the council's Integrated Planning and Reporting (IP&R) documents to the special variation process. Councils are expected to engage with the community about service levels and funding when preparing their strategic planning documents. As a result, for most criteria, the IP&R documents (eg, Delivery Program and Long Term Financial Plan) must contain evidence that supports a council's application for a special variation.

¹ Division of Local Government, Department of Premier and Cabinet, *Guidelines for the preparation of an application for a special variation to general income for 2014/15*, September 2013 (the Guidelines). Effective February 2014 the Division of Local Government became the Office of Local Government.

1.1 Our decision

We determined that Liverpool City Council may increase its general income by 12% in 2014/15. This includes the rate peg of 2.3% that is available to all councils and is applied after reducing its income by an expiring special variation. The increase can be retained in the council's general income base permanently.

Table 1.1 sets out our decision and Box 1.2 summarises the conditions attached to it.

Table 1.1 IPART's decision on Liverpool City Council's application for a special variation in 2014/15

Component	%
Increase (to replace an expiring special variation to address an infrastructure backlog)	9.7
Rate peg	2.3
Total increase	12.0

Source: Liverpool City Council, *Section 508(2) Special Variation Application - Part A*, 24 February 2014, (Liverpool City Application Part A)

Box 1.2 Conditions attached to the approved special variation

IPART's approval of Liverpool City Council's application for a special variation in 2014/15 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation for the purposes of asset maintenance and infrastructure related expenditure as outlined in the council's application and listed in Appendix A.
- ▼ The council reports in its annual report for each year from 2014/15 to 2023/24 on:
 - expenditure consistent with the council's application, and the reasons for any significant differences from the proposed expenditure
 - the outcomes achieved as a result of the actual program of expenditure.
- ▼ The council reports to the Office of Local Government by 30 November each year on its compliance with these conditions.

We note the council will reduce its general income for 2014/15 by \$6,335,225 (the value of the expiring special variation). This reduction shall take place before the council's general income is increased in 2014/15 in accordance with IPART's determination. The net result for 2014/15 will be an extra \$2,843,521 relative to 2013/14.

2 What did the council request and why?

Liverpool City Council requested a special variation of 12% in 2014/15, comprising 2 components:

- ▼ a 9.7% increase that replaces an expiring special variation which will allow the council to maintain existing levels of maintenance, renewal and new asset spending
- ▼ the rate peg of 2.3%.²

The council estimates that the 9.7% increase above the rate peg will generate \$7.4m in additional revenue in 2014/15, and \$85m over 10 years.³ The increase is to replace an expiring special variation which will reduce the council's permissible general income by \$6.3m at the end of 2013/14.⁴ The expiring special variation was approved in 2009/10 for 12.5% (or 9% above the rate peg) for 5 years and for similar purposes to those noted above.⁵

The council has indicated that over 10 years to 2023/24, it will use all of this additional revenue to help fund asset maintenance and infrastructure spending. The council's full program of expenditure and its funding are set out in Appendix A.

3 How did we reach our decision?

We assessed Liverpool City Council's application against the criteria in the Guidelines. In making our assessment we also considered a range of comparative data about the council.

Liverpool City Council has applied on the basis of its adopted Integrated Planning and Reporting (IP&R) documents, in particular its Delivery Program, Long Term Financial Plan (LTFP) and Asset Management Plans.

On balance, we found that the application met the criteria. In particular, we found that:

1. The need for the proposed revenue is demonstrated in the council's IP&R documents, and reflects community priorities.
2. The council provided evidence that the community is aware of the need for the rate rise and that it has considered the community's capacity and willingness to pay the proposed rate rises.

² Liverpool City Application Part A, Worksheet 4.

³ Liverpool City Application Part A, Worksheet 6.

⁴ Liverpool City Council, *Section 508(2) Special Variation Application - Part B*, 24 February 2014, (Liverpool City Application Part B), p 2.

⁵ DLG, unpublished data.

3. The impact of the proposed rate rises on ratepayers is reasonable given the purpose of the special variation and that the council has taken account of ratepayers' willingness and capacity to pay.
4. The council made realistic assumptions concerning its projected service delivery and budget in its IP&R documentation.
5. The council reported productivity savings in past years, and indicated its intention to realise further savings during the period of the special variation.

Table 3.1 summarises our assessment against the criteria.

Table 3.1 IPART's assessment against the criteria in the Guidelines

Criterion	IPART findings
1. Need for and purpose of the special variation must be clearly articulated in the council's IP&R documents. Evidence could include community need/desire for service levels/projects and limited council resourcing alternatives, and the assessment of the council's financial sustainability made by the NSW Treasury Corporation (TCorp). LTFP must include scenarios both with and without the special variation.	<ul style="list-style-type: none"> ▼ The need for and purpose of the requested special variation is clearly set out in the council's IP&R documents. However, we requested further financial modelling from the council, after the application was received, to more accurately determine the need. ▼ The need for the special variation is to fund a program of renewal and capital expenditure which will maintain the current asset base and continue to address the council's infrastructure backlog.
2. Evidence that the community is aware of the need for, and extent of, the proposed rate rises. The IP&R documents should clearly explain the rate rise, canvas alternatives to the rate rise, the impact of any rises on the community, and the council's consideration of community capacity and willingness to pay higher rates. The council should demonstrate use of an appropriate variety of engagement methods to raise community awareness and provide opportunities for input.	<ul style="list-style-type: none"> ▼ The council provided evidence that the community is aware of the need for the rate rise and that it has considered the community's capacity and willingness to pay the proposed rate rises.
3. Impact on affected ratepayers must be reasonable, having regard to current rate levels, existing ratepayer base and proposed purpose of the variation. The council's IP&R process should establish that proposed rate rises are affordable, having regard to the community's capacity to pay.	<ul style="list-style-type: none"> ▼ The increase is replacing an expiring special variation; therefore the year on year increase is modest and reasonable. ▼ The special variation means a year on year increase of 3.42% to 3.44% (a marginal 1.12% to 1.14% above the rate peg) across all categories. ▼ The council commissioned an independent report on affordability and considered submissions from ratepayers. ▼ The Council decided on a lower increase than that recommended by its staff.

Criterion	IPART findings
4. Delivery Program and LTFP must show evidence of realistic assumptions.	▼ The council's IP&R documents, including the LTFP, contain realistic assumptions regarding costs and revenues.
5. Productivity improvements and cost containment strategies realised in past years must be explained, as well as plans to realise savings over the proposed special variation period.	▼ The council reported productivity savings in recent years however the savings were not quantified.
6. IPART's assessment of the size and resources of the council, the size of the increase, current rate levels and previous increases, the purpose of the special variation and other relevant matters.	▼ No relevant matters.

Data sources: Liverpool City Council Application Part A; Liverpool City Council Application Part B; Liverpool City Council, email dated 31 March 2014; Liverpool City Council, Special Purpose Financial Statements for the financial year ended 30 June 2013; Liverpool City Council Application Attachments 10, 12 and 14: SRV double page advertisement, SRV Newsletter; and SRV website screenshots; Liverpool City Council, Attachment 3, *10 year Long Term Financial Plan*; Liverpool City Council, *Chief Executive Officer Report 01*, Ordinary Meeting 5 February 2014; Liverpool City Council Application, Attachment 13, *Summary of Submissions*; and IPART calculations.

3.1 Need for and purpose of the special variation

Did the IP&R documents articulate the need?

The need and purpose for the special variation was set out in the council's IP&R documentation and community consultation. However, initial financial modelling of the base case in the council's LTFP was not consistent with the rest of the IP&R documentation or the special variation related community consultation. The council provided an updated base case, upon our request, after the application was received.

The application, with additional updated financial modelling, met the criteria.⁶

What is the need?

The need for the special variation is to continue renewal and new capital spending which will maintain the current asset base and continue to address the council's infrastructure backlog.⁷

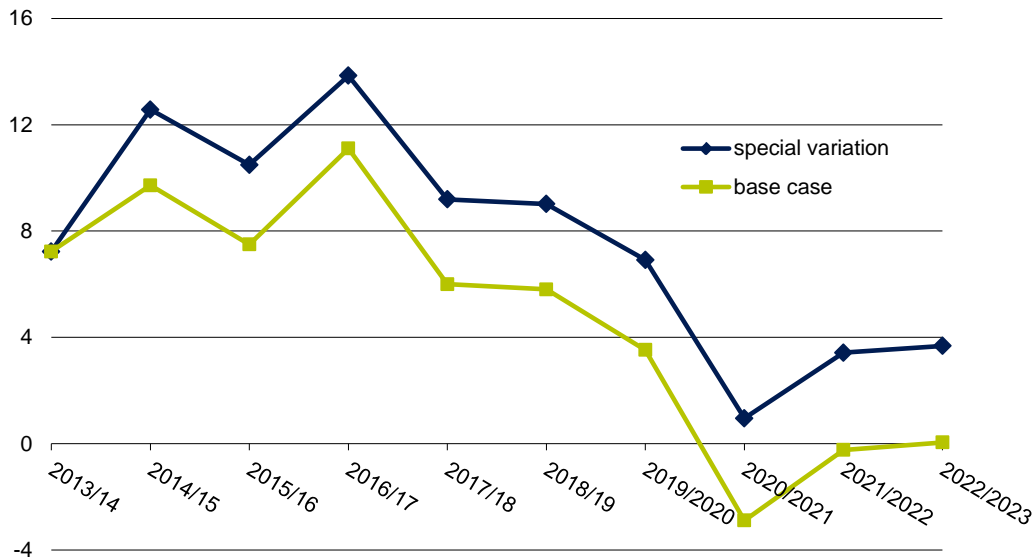
The council's application states that part of the increase is for maintenance spending. However, the council has forecast ongoing operating surpluses until 2020/21. This suggests the council is capable of funding existing operating expenditure from surpluses for a further 6 years. This means the extra funding will, in practice, be used to address the backlog through renewals and new capex.

⁶ The Guidelines, p 4, and Liverpool City Council, email dated 31 March 2014.

⁷ Liverpool City Council Application Part B, pp 5-6, and Liverpool City Council, email dated 31 March 2014, and IPART calculations.

Figure 3.1 shows the council’s forecast operating ratio under the special variation and base case scenarios.⁸ With a special variation the council forecasts increasing operating surpluses until 2016/17 (a surplus of \$26.7m), after which surpluses decline until 2020/21 (a surplus of \$1.8m). The decline is mainly due to increased borrowing expenses and decreasing investment income.⁹ Without the special variation the council will experience lower surpluses (on average \$6.6m lower per year) over the next 10 years, and deficits of \$5.2m and \$0.5m in 2020/21 and 2021/22 (Figure 3.1). This suggests that the special variation is, in part, contributing towards the councils forecast operating balance.

Figure 3.1 Liverpool City Council, operating ratio (excluding capital) (%)



Data source: Liverpool City Council, email dated 31 March 2014, and IPART calculations.

⁸ Operating ratio is net operating result divided by operating income (excluding capital grants and contributions).

⁹ The council operating surplus deteriorates after 2018/19 due to forecast falling investment revenue and increasing borrowing costs.

The NSW Treasury Corporation (TCorp) considered the council's current financial position 'sound', but its outlook 'negative', in its 2013 assessment.¹⁰ TCorp noted the council had a large backlog and the council "is not investing sufficient funds on asset renewals to maintain their assets in their current condition and this may cause the backlog to increase".¹¹ TCorp concluded that the council is spending enough to maintain existing assets but was unable to significantly reduce the current backlog. TCorp recommended the council replace the revenue from the expiring special variation in 2014/15 so it can continue current infrastructure renewals.¹²

As at 30 June 2013 the backlog was \$207m or 18.6% of all council assets.¹³ The special variation will allow the council to maintain a capex to depreciation ratio above 1 for all but 1 of the next 10 years and continue to reduce its asset backlog.¹⁴

In summary, the council needs the special variation to continue to address its large infrastructure backlog by continuing renewals and new asset spending. We conclude that a need for the special variation does exist, and that this was clearly articulated in updated LTFP modelling and other IP&R documents.

3.2 Community engagement and awareness

The council has shown that it took reasonable steps to make the community aware of the need for the special variation, including using a variety of engagement methods and providing opportunities for feedback. We considered that the consultation for business and farmland ratepayers could have been more direct.

¹⁰ New South Wales Treasury Corporation, *Financial Sustainability of the New South Wales Local Government Sector*, April 2013, p 18.

¹¹ New South Wales Treasury Corporation, *Liverpool City Council – Financial Assessment and Benchmarking Report* (TCorp Report), 22 March 2013, p 4.

¹² TCorp Report, March 2013, p 33.

¹³ Liverpool City Council, *Special Purpose Financial Statements for the financial year ended 30 June 2013*, Special Schedule 7, p 6, and IPART calculations.

¹⁴ Liverpool City Council, email dated 31 March 2014 and IPART calculations.

Community engagement

The council resolved to consult the community on 3 options on 30 October 2013¹⁵ and adopted a revised Delivery Program and LTFP on 5 February 2014.¹⁶ Consultation methods included:

- ▼ a letter, newsletter and survey sent to all ratepayers
- ▼ information on the council's website , including an online survey
- ▼ a single page advertisement on 2 occasions in one local paper, and a double page advertisement in 3 other local papers
- ▼ a 4-hour information kiosk at 3 local shopping centres
- ▼ 4 social media updates directing subscribers to the online survey and information kiosks.¹⁷

The 3 options were:

- ▼ Option 1 - a special variation increase of 12%, of which 9% is above the council assumed 3% rate peg, to permanently replace an expiring special variation. The funds will be used to maintain services at their current levels.
- ▼ Option 2 - a rate peg only increase which would result in a reduction of rates in 2014/15 and also adversely affect services and infrastructure delivery to the community.
- ▼ Option 3 - a special variation increase of 12%, of which 9% is above the council assumed 3% rate peg, in 2014/15 and another increase of 5.5%, which is 2.5% above the council assumed 3% rate peg, the following year. The funds would be used to increase services and infrastructure.¹⁸

The Council decided to apply for Option 1.

¹⁵ Liverpool City Council, *Chief Executive Officer Report 01*, 5 February 2014, p 1.

¹⁶ Liverpool City Council, *Minutes of the Ordinary Council Meeting 5 February 2014*, resolution on report CEO01.

¹⁷ Liverpool City Council Application Part B, p 9.

¹⁸ Liverpool Application Part B, p 3, and Liverpool City Council Application, Attachment 11, *Letter to residents*, 28 November 2013.

The consultation materials discussed the impact on residential ratepayers only.¹⁹ The council has indicated that this was a deliberate decision that avoided confusion for the majority of ratepayers (of 61,426 ratepayers 94.6% are residential ratepayers), and that the impact of the increase was the same for the 156 farmland ratepayers. A contact number was included in a letter to all ratepayers for enquiries. Of 3,150 business ratepayers the council responded to approximately 50 phone enquiries from business ratepayers regarding the increase.²⁰ We consider that under this criterion a more direct approach would have been appropriate for farmland and business ratepayers.

We also note that, apart from a letter to residents dated 28 November 2013, consultation materials generally quoted the percentage increase exclusive of an assumed rate peg. Overall, we considered consultation materials meet the criteria. However, we recommend that in the future the council is more consistent and clear in its communication with the community regarding rate increases.

Capacity to pay

The community's capacity to pay is briefly discussed in the council's LTFP.²¹ The council also commissioned an independent report into the impact of the special variation increase on ratepayers which was presented to the councillors on 5 February 2014, before a decision was made to apply for the special variation.²²

The council also discussed alternatives to a rate increase in its LTFP, options included:

- ▼ Ongoing organisational reviews to save cost.
- ▼ Efficiency gains from information technology investment.
- ▼ Improved buying practices.
- ▼ Shared services arrangements with other councils.
- ▼ Use loan interest subsidies to help finance new infrastructure and reduce the cost of borrowing.
- ▼ Investment in property to generate ongoing recurrent income, reducing the need for increased rates income.²³

¹⁹ Liverpool City Council Application, Attachments 10, 12 and 14: SRV double page advertisement, SRV Newsletter, and SRV website screenshots.

²⁰ Liverpool City Council Application Part A, and Liverpool City Council, email dated 31 March 2014.

²¹ Liverpool City Council Application, Attachment 3, *10 Year Long Term Financial Plan*, p 12.

²² Liverpool City Council, Ordinary Meeting Minutes 5 February 2014, *Chief Executive Officer Report 01*, p 2, and Western Research Institute, *Report on Proposed Special Variation for Liverpool City Council*, December 2013.

²³ Liverpool City Council Application, Attachment 3, *10 year Long Term Financial Plan*, pp 14, 15 and 17.

Although the criterion does not require councils to demonstrate community support for the special variation, the council provided survey evidence of support for an increase in rates above the rate peg.

The council also received 18 submissions from ratepayers.²⁴ We are satisfied that the council considered the issues raised in these submissions when they were presented to the council on 5 February 2014.²⁵

Outcome of community consultation on the increase

The council conducted an online survey as well as calling for submissions from the community. The online survey, which was self-selective, received 3,627 responses. In 3 questions (1 for each option), 53.3% of respondents indicated they were supportive of the continuation of the expiring special variation (the 'maintain', option), and 22.8% indicated they were supportive of an increase higher than the amount of the expiring special variation (the 'increase', option). This result suggests a level of support for the increase.

The council also received 18 written submissions from the community of which 2 supported the special variation application, 5 supported an increase greater than the application amount and 4 did not support the special variation. The issues raised were:

- ▼ the council should further investigate efficiency improvements and cost savings
- ▼ concern of rubbish dumping and general cleanliness
- ▼ lack of services to rural parts of Liverpool
- ▼ expressions of appreciation
- ▼ a specific request or enquiry.²⁶

A summary of the submissions and survey responses was presented the Council on 5 February 2014 in a CEO Report.²⁷ The council subsequently decided to apply for a lesser amount than recommended in the report.²⁸

²⁴ Liverpool City Council Application, Attachment 13, *Summary of Submissions*.

²⁵ Liverpool City Council Meeting Agenda 5 February 2014 and Liverpool City Council Application, Attachment 13, *Summary of Submissions*.

²⁶ Liverpool City Council Application, Attachment 13, *Summary of Submissions*.

²⁷ Liverpool City Council, *Chief Executive Officer Report 01*, Ordinary Meeting 5 February 2014, p 5.

²⁸ Liverpool City Council, *Chief Executive Officer Report 01*, Ordinary Meeting 5 February 2014, p 5.

Submissions to IPART

We received 7 submissions regarding the application. The issues raised in the submissions were council incompetence, that the council does not need the increase, that the proposed increase is unaffordable and that the community consultation was inaccurate. We have considered these submissions before reaching our decision. Overall, the number of submissions was low, and the council provided evidence of community support for the application. Given this, and the impact of the decision is only marginally greater than the rate peg, we considered that the application has met this criteria.

4 What does our decision mean for the council?

Our decision means that Liverpool City Council will increase its general income by an estimated \$9.2m in 2014/15 as indicated by Table 4.1. This increase will be permanently retained in the council's rate base. After 2014/15, general income will increase by the annual rate peg unless we approve further special variations.²⁹

Table 4.1 Impact of approval of special variation on Liverpool City Council income in 2014/15

Notional general income 2013/14 (\$)	Adjustment: expiring special variation^a	Increase in general income (%)	Annual increase in general income (\$)	Adjustments: Catch-ups, valuations^a	Permissible general income 2014/15 (\$)
82,824,772	-6,335,225	12.0	9,178,746	3,894	85,672,187

^a For Liverpool City Council, there is a catch-up adjustment of \$3,894 in 2014/15.

Source: Liverpool City Council Application Part A, Worksheet 4.

5 What does our decision mean for ratepayers?

We set the allowable increase in general income, but it is a matter for each individual council to determine how it allocates any increase across different categories of ratepayer, consistent with our determination.

²⁹ General income in future years cannot be determined with precision, as it will be influenced by several factors apart from the rate peg. These factors include changes in the number of rateable properties and adjustments for previous under- or over-collection of rates. The OLG is responsible for monitoring and ensuring compliance.

If the council changes its rates across all categories, as indicated in its application, average ordinary rates would increase in 2014/15 (including the rate peg) as follows:

- ▼ average residential rates will increase by 3.44% or \$36
- ▼ average business rates will increase by 3.42% or \$205
- ▼ average farmland rates will increase by 3.42% or \$102.³⁰

Table 5.1 sets out the proposed impact of rate increases on all affected ratepayer categories. The increases in average rates are less than the increase in general income because the 2014/15 special variation includes continuing an existing variation, which is already being paid by ratepayers.

Table 5.1 Indicative rate increases under the approved special variation

Rate Category ^a	Average rate 2013/14 (\$)	Increase (\$)	Increase (%)	Average rate 2014/15 (\$)
Residential	1,043	36	3.44	1,079
Business - Prestons Industrial	3,421	117	3.42	3,537
Business - Moorebank Military Park	1,012,601	34,639	3.42	1,047,240
Business - Warwick Farm	5,989	205	3.42	6,194
Business - Moorebank/Liverpool Industrial	5,267	180	3.42	5,447
Business - Miller St	9,709	332	3.42	10,041
Business - Chipping Norton Industrial	2,595	89	3.42	2,684
Business - Moorebank	3,813	130	3.42	3,943
Business - Warwick Farm Industrial South	5,090	174	3.42	5,264
Business - Casula	139,700	4,775	3.42	144,475
Business - Warwick Farm Industrial North	41,297	1,414	3.42	42,711
Business - Liverpool CBD	7,539	258	3.42	7,797
Business - Warwick Farm Industrial West	4,358	149	3.42	4,506
Business - CBD Central	463,130	15,827	3.42	478,957
Business - General	4,831	165	3.42	4,997
Business - Liverpool	10,267	351	3.42	10,618
Farmland	2,980	102	3.42	3,082

^a Average rates include all applicable ordinary and special rates rounded to the nearest dollar.

Source: Liverpool City Application Part A, Worksheet 2, Worksheet 3 and Worksheet 5, and IPART calculations.

³⁰ Liverpool City Application Part A, Worksheet 5, and IPART calculations.



Appendices

A Expenditure to be funded from the special variation

Tables A.1 and A.2 show how the council intends to spend the extra special variation income that it receives above the rate peg.

The council will use the additional special variation revenue of \$85m over 10 years) to fund:

- ▼ \$8m in higher operating expenditure (Table A.1), and
- ▼ \$77m in extra capital expenditure (Table A.1).

The council indicated what types of infrastructure spending would be funded by the special variation in the first 4 years. There are differences in the total amount for each year, due to changes in grant funding received and project cost savings identified since the original special variation application was received.³¹

The council will indicate in its Annual Reports how its actual expenditure has evolved relative to its proposed program of expenditure.

³¹ Liverpool City Council, email dated 31 March 2014.

Table A.1 Income and proposed expenditure related to the special variation (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Special variation income above rate peg	7,419	7,642	7,871	8,107	8,351	8,601	8,859	9,125	9,399	9,681
Funding for increased operating expenditures	694	715	736	759	781	805	829	854	879	906
Funding for capital expenditure	6,725	6,927	7,135	7,349	7,569	7,796	8,030	8,271	8,519	8,775

Note: Funding for capital expenditure in the first 4 years of this table is \$28.1m. This is \$3.1m less than the capital program detailed in Table A.2 below. The council did not supply a detailed program of expenditure relating to the special variation and we have not been able to reconcile this amount.

Source: Liverpool City Council Application Part A, Worksheet 6.

Table A.2 Proposed capital program related to the special variation during the Delivery Program forecast period (\$000)

Type of infrastructure	2014/15	2015/16	2016/17	2017/18	Total
Community Centres and facilities	823	2,083	3,003	3,284	9,193
Drainage	382	915	537	936	2,770
Parks and sportsgrounds	922	1,197	1,058	1,448	4,625
Roads	2,838	2,953	4,018	4,839	14,649
Total SRV infrastructure spending	4,965	7,148	8,616	10,507	31,237

Source: Liverpool City Council, email dated 31 March 2014.

B Comparative indicators

Indicators of council performance may be considered across time, either for one council or across similar councils, or by comparing similar councils at a point in time.

In Table B.1 we show how selected indicators for Liverpool City Council have changed over the 3 years to 2011/12.

Table B.1 Trends in selected indicators for Liverpool City Council, 2009/10 to 2011/12

	2009/10	2010/11	2011/12	Average Change (%)
Productivity (labour input) indicators^a				
FTE staff (number)	614	613	656	3.4
Ratio of population to FTE	297	297	287	-1.7
Average cost per FTE (\$)	73,990	74,145	74,537	0.4
Employee costs as % operating expenditure (General Fund only) (%)	39.8	31.2	36.0	
Consultancy/contractor expenses (\$m)	24.6	27.7	30.4	11.0
Consultancy/contractor expenses as % operating expenditure (%)	21.6	19.0	22.3	

^a Based upon total council operations that include General Fund, Water & Sewer and other funds, if applicable.

Source: OLG, unpublished data.

In Table B.2 we compare the latest selected published data on Liverpool City Council with the average of the councils in the OLG Group and with NSW councils as a whole.

Table B.2 Select comparative indicators for Liverpool City Council, 2011/12

	Liverpool City Council	OLG Group 7 average ^a	NSW average
General profile			
Area (km ²)	305		
Population	188,083		
General Fund operating expenditure (\$m)	135.8		
General Fund operating revenue per capita (\$)	756	897	2,011
Rates revenue as % General Fund income (%)	46.9	51.9	45.7
Average ordinary rate indicators^b			
Average rate – residential (\$)	929	912	685
Average rate – business (\$)	5,624	3,591	2,552
Average rate – farmland (\$)	3,007	2,407	2,123
Socio-economic/capacity to pay indicators^c			
Average annual income for individuals, 2010 (\$)	44,407	47,762	44,140
Growth in average annual income, 2006-2010 (% pa)	3.6	3.1	3.0
Average residential rates 2011/12/ average annual income, 2010 (%)	2.1	1.9	1.6
SEIFA, 2011 (NSW rank; 153 is least disadvantaged)	88		
Outstanding rates & annual charges ratio (incl. water & sewerage charges) (%)	5.2	4.5	7.0
Productivity (labour input) indicators^d			
FTE staff (number)	656	754	293
Ratio of population to FTE	287	222	126
Average cost per FTE (\$)	74,537	78,420	74,438
Employee costs as % operating expenditure (General Fund only) (%)	36.0	39.3	36.8
Consultancy/contractor expenses (\$m)	30.4	24.0	6.9
Consultancy/contractor expenses as % operating expenditure (%)	22.3	15.0	9.3

a. OLG Group 7 is classified 'urban large/very large fringe' with a population of greater than 70,000. The group comprises 8 councils of which the most comparable to Liverpool City Council include: Penrith City Council and Campbelltown City Council.

b. Average rates equal total ordinary rates revenue divided by the number of assessments in each category.

c. Average annual income includes income from all sources excluding government pensions and allowances.

d. Based upon total council operations. There are difficulties in comparing councils using this data because councils' activities differ widely in scope and they may be defined and measured differently between councils.

Source: OLG, unpublished data; ABS, National Regional Profiles, NSW, November 2011; ABS, Regional Population Growth, July 2012; ABS, Estimates of Personal Income for Small Areas, 2005-06 to 2009-10, February 2013, ABS, Socio-Economic Indexes for Areas (SEIFA) 2011, March 2013.