



Independent Pricing and Regulatory Tribunal

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

under section 508A of *Local Government Act 1993*

Local Government — Determination
June 2014

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ISBN 978-1-925193-08-4

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

Paul Mather (02) 9113 7711

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).

Rockdale City Council applied for a multi-year special variation from 2014/15, under section 508A. The council requested annual increases of 6.0% for each of the four years from 2014/15 to 2017/18 inclusive, a cumulative increase over 4 years of 26.25%.

After assessing its application, we decided to approve the variation as requested. We made this decision under section 508A 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.

Our decision enables the council to increase its buildings and infrastructure renewal expenditure as identified in its Community Strategic Plan, which it adopted after extensive consultation on its Integrated Planning and Reporting (IP&R) documents and the proposed special variation.²

1.1 Our decision

We determined that Rockdale City Council may increase its general income by the annual percentages shown in Table 1.1. The annual increases incorporate the rate peg to which the council would otherwise be entitled (2.3% in 2014/15 and an assumed 3.0% in each of the following years). The cumulative increase of 26.25% is 14.46% more than the rate peg over these years.

After the last year of the special variation (2017/18), the increase will remain permanently in the council's rate base.

The annual increases in the dollar amounts reflect the percentage increases we have approved and any adjustments to the council's general income that occur as a result of various catch-up and valuation adjustments.

Table 1.1 IPART's determination on Rockdale City Council's special variation for 2014/15 to 2017/18

Year	Increase approved (%)	Cumulative increase approved (%)	Annual increase in general income (\$)	Permissible general income (\$)
Adjusted notional income 30 June 2014				42,296,300
2014/15	6.00	6.00	2,494,153 ^a	44,790,453
2015/16	6.00	12.36	2,687,427	47,477,880
2016/17	6.00	19.10	2,848,673	50,326,553
2017/18	6.00	26.25	3,019,593	53,346,146

^a Including adjustments of -\$43,625.

Source: Rockdale City Council, *Special Variation Application – Part A*, Worksheet 1.

We have attached conditions to this decision, including that the council use the income raised through the special variation for purposes consistent with those set out in its application. Box 1.2 lists these conditions.

² Rockdale City Council, *Special Variation Application – Part B* (Rockdale Application Part B), Appendix 2, *Community Strategic Plan 2013-2025*, pp 20-21.

Box 1.2 Conditions attached to the approved special variation

IPART's approval of Rockdale City Council's application for a special variation over the period from 2014/15 to 2017/18 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation for the purposes of renewal of capital expenditure on existing infrastructure assets and to enhance financial sustainability through the repayment of borrowings for infrastructure renewal, 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:
 - the actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance, as outlined in the Long Term Financial Plan provided in the council's application, and summarised in Appendix B
 - any significant variations from its proposed expenditure as forecast in the current Long Term Financial Plan and any corrective action taken or to be taken to address any such variation
 - expenditure consistent with the council's application and listed in Appendix A, 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.
-

2 What did the council request and why?

Rockdale City Council applied to increase its general income by a cumulative 26.25% over the 4-year period from 2014/15 to 2017/18, and to permanently incorporate this increase into its general income base.³

The council estimates that if its requested special variation is approved, its permissible general income will increase from \$42.3m in 2013/14 to \$53.3m in 2017/18. The special variation will generate additional revenue of \$15.1m above the rate peg increase over the 4 years.⁴

The council intends to use the additional revenue above the rate peg to support its Renewing Rockdale program of works, started in 2013/14 with support of a 6.4% special variation approval,⁵ and to enhance financial sustainability through

³ Rockdale City Council Application Part A, Worksheet 1.

⁴ Rockdale City Council Application Part A, Worksheet 1; IPART calculations.

⁵ IPART, *Rockdale City Council's application for a special variation for 2013/14*, June 2013 and Rockdale Application Part B, *Council Meeting Minute*, 6 March 2013. Rockdale City Council approved this current special variation application in March 2013, in conjunction with the 2013/14 special variation application, as a package to support the Renewing Rockdale program of works.

the repayment of borrowings for infrastructure renewal for the Rockdale Aquatic Centre redevelopment.

During the 4-year special variation period, the council will spend the \$15.1m additional revenue above the rate peg on the renewal of existing infrastructure assets (\$13.9m), and on repayment of borrowings (\$1.2m).⁶

More detail on the council's proposed program of expenditure to 2023/24 is provided in Appendices A and B.

3 How did we reach our decision?

We assessed Rockdale City Council's application against the criteria in the Guidelines. In making our assessment we also considered the council's most recent IP&R documents, which support its application, as well as a range of comparative data about the council, set out in Appendix C.

Rockdale City Council has applied on the basis of its adopted IP&R documents, in particular its Community Strategic Plan 2013-2025, Delivery Program 2013-2017, Long Term Financial Plan 2013-2025 (LTFP) and Asset Management Strategy 2013-2025 (AMP).

The rate increases for which the council has applied are significant, and we carefully considered, among other things, the council's need for the increase, its consideration of the community's priorities and capacity and willingness to pay, and the impact of the rate increase on ratepayers.

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

1. Demonstrated the need for additional revenue to support asset renewal programs and to enhance financial sustainability through the council's IP&R documentation.⁷
2. Provided evidence that the community is aware of the need for and extent of the rates rises, but we consider that presentation of the special variation increases together with waste and stormwater charges could have been better explained and risked understating the percentage impact of the special variation.

⁶ Rockdale City Council Application Part A, Worksheet 6 and Rockdale City Council, *Special Variation Application 2014/15 - Part B* (Rockdale City Council Application Part B), p 22.

⁷ Rockdale City Council Application Part B, attachments: *Community Strategic Plan 2013-2025; Delivery Program 2013-2017; Operational Plan 2013-2014; Long Term Financial Plan 2013-2025* and Rockdale City Council, *Asset Management Strategy 2013-2025*, viewed 9 April 2014, <<http://www.rockdale.nsw.gov.au/pages/pdf/CityPlan2013AssetManagementPlan.pdf>>.

3. Provided evidence that the rates rises are affordable and that the community has the capacity to pay.
4. Made realistic assumptions concerning its projected service delivery and budget.
5. 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. Section 3.1 discusses criterion 2 in more detail.

Table 3.1 Summary of IPART’s assessment against criteria in the Guidelines

Criterion	IPART findings
<p>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). The LTFP must include scenarios both with and without the special variation.</p>	<p>The council’s IP&R documents established the need for and purpose of the special variation, which included identifying projects to benefit from the increased asset renewal funding based on feedback from a community survey.^a However, the IP&R documents could have more fully articulated the relevant information, including discussing the resourcing alternatives to a special variation and why the special variation was a preferred funding approach.^b TCorp observed the need for the council to increase its spending on asset maintenance and renewal, as well as identifying a deteriorating operating ratio.^c</p>
<p>2. Evidence that the community is aware of the need for, and the 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.</p>	<p>The council consulted broadly with the community around the proposed rates rises, engaging with ratepayers in a targeted and consistent manner over a reasonable time-frame.</p> <p>We have identified areas in the consultation where information could have been more clearly presented to the community, particularly around the inclusion of other fees and charges when presenting the dollar and percentage impact of the special variation to ratepayers. We assessed whether the impact of increases was substantially understated and concluded that it was not.</p> <p>We also considered how the council presented the special variation percentage increase when canvassing support for the special variation and exploring alternatives, and were satisfied with the approach adopted.</p>

Criterion	IPART findings
3. Impact on affected ratepayers must be reasonable, having regard to current rate levels, existing ratepayer base and the 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.	The impact on affected ratepayers is significant yet reasonable. The council has assessed the ability of ratepayers to pay for the special variation: ^d <ul style="list-style-type: none"> ▼ Average residential and business rates are below the average of the comparable council group. ▼ A high mid-range SEIFA ranking (114 out of 153), considered alongside the current relative rate level indicates capacity to pay.^e ▼ Vulnerable socio-economic groups, including pensioners, are covered under the council's hardship policy.^f
4. Delivery Program and LTFP must show evidence of realistic assumptions.	The business as usual case in the LTFP assumes a 3.5% per annum rate peg, which is higher than the 3.0% assumed in the application. ^g Otherwise, the assumptions for income and expenditure growth in the LTFP are reasonable. ^h
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.	Over recent years substantial productivity and cost savings have been achieved. ⁱ The council has approved an efficiency target of \$0.25m annually, with the savings to be used for asset renewal. ^j
6. Other relevant matters.	None

^a Rockdale Application Part B, Appendix 2, *Community Strategic Plan 2013-2025*, pp 21, 42–44 and Rockdale Application Part B, *Long Term Financial Plan*, pp 16–28 and 38–40.

^b Councillors considered other funding alternatives to the special variation in two confidential councillor workshops. While the existence of the workshops was disclosed in the IP&R documents, supporting information was not presented.

^c New South Wales Treasury Corporation, *Rockdale City Council, Financial Assessment and Benchmarking Report*, 12 March 2013, pp 4, 13. The operating ratio, which excludes capital grants and contributions, declined from a deficit of 3.5% (2009/10) to a deficit of 15.6% (2012/13), and in the absence of the special variation is projected at a deficit of 9.2% in 2023/24 (IPART calculations and Rockdale City Council LTFP). The TCorp benchmark for the operating ratio is a deficit of 4%.

^d Rockdale Application Part B, section 5, pp 40-43.

^e ABS, *Socio-Economic Indexes for Areas (SEIFA) 2011*, March 2013.

^f Rockdale City Council, *Hardship Policy*, April 2013, viewed 9 April 2014, <<http://www.rockdale.nsw.gov.au/Pages/pdf/CityPlan2013HardshipPolicy.pdf>>.

^g Rockdale Application Part A, Worksheet 1.

^h Rockdale Application Part B, attachments, *Long Term Financial Plan*, pp 13–14. The special variation case is based on a 6% year-on-year general income increase and is therefore not impacted by the underlying 3.5% assumption in the base line case. However, for alignment of the base case with the special variation application, a 3.0% rate peg assumption would have been preferred.

ⁱ Rockdale Application Part B, section 7, pp 45-46.

^j Rockdale Application Part B, attachments, *Long Term Financial Plan*, pp 18, 28, 32; IPART calculations. The council's LTFP indicates \$0.3m in productivity savings in 2014/15 increasing to \$3.1m in savings in 2023/24. The total of the expected savings over the 10 years is \$16.0m.

3.1 Community awareness of the extent of the proposed rate rises

The council has consulted broadly with the community around the proposed rate rises, engaging with ratepayers in a targeted and consistent manner and over a reasonable time-frame. The consultation, *Renewing Rockdale*, included letterbox drops, a community forum, information booths, online engagement, on-hold messaging and an information line, a self-selecting survey and media coverage of the proposed rate rises.⁸

3.1.1 Presentation of the impact of the special variation on rates

We consider, as a result of this consultation process, that the community would have been generally aware that the council was requesting a 6.0% per annum increase over 4 years, by way of a special variation application. The council presented the special variation in a series of rates impact tables to demonstrate the year-on-year impact to ratepayers, which we have reviewed.

We note that in presenting the annual impact of the special variation on rates, the council has included the impact of waste and stormwater annual charges on residential rates without indicating that these do not form part of the special variation.⁹ We have found the impact on the rates increases of this approach is to reduce the percentage increase by an average 0.4% per annum at the minimum rate and by a reducing amount as land value increases. The limited impact on percentages is due to domestic waste charges increasing by a similar percentage to residential rates (6.0% per annum over the period of the special variation).¹⁰

We also note that in presenting the distribution of the rates increases across a range of residential and business land value scenarios, the percentage increases were not accurately calculated, presenting as a 6.0% increase when the calculated increases ranged from 5.4% through to 6.5%. Annual dollar amounts were presented (total rates and charges), which allowed ratepayers to verify the percentages.¹¹

⁸ Rockdale City Council Application Part B, attachments, *Draft Community Feedback Report*, February 2014.

⁹ Rockdale City Council Application Part B, attachments, *Renewing Rockdale Brochure*, p 7.

¹⁰ As part of the consultation the council provided a link to an online rates calculator which provided this information. At the minimum residential rate, waste charges contribute approximately 30% of the increase in total rates and annual charges over the special variation period. <<http://www.rockdale.nsw.gov.au/Pages/SRV/SRVRatesCalculator.htm>>, viewed on 9 April 2014.

¹¹ Rockdale City Council Application Part B, attachments, *Renewing Rockdale Brochure – rate band tables*, p 7 and IPART calculations. Residential rates increases vary from an average of 6.5% per annum at the minimum rate land value down to 6.0% per annum at high land values. Business rate increases vary from 6.2% at the minimum rate land value down to 5.4% at high land values. Average percentage is the compounding annual rates increase over the period 2013/14 to 2017/18.

We consider that while the consultation material could have been clearer in its presentation of the impact of the special variation on rates, this has not adversely affected the community's understanding, as:

- ▼ the dollar increase in rates presented to the community was higher than the impact of the special variation
- ▼ the percentage impact for residential rates (including the stormwater and waste charges) was within 0.4% of the special variation impact, the difference reducing as rates increased from minimum rates, and
- ▼ the presented impact of a uniform 6.0% across a range of rate scenarios was within a reasonable range, for informational purposes, of the actual impact.

3.1.2 Community willingness to pay the proposed rate increases

In approving council's request for a special variation for 2013/14, IPART commented:

If the council proceeds with its foreshadowed 2014/15 multi-year special variation application, it is important that it ... carefully considers the community's capacity and willingness to pay.

This was partly in response to a self-selecting survey which asked ratepayers if they supported a 3% special variation, which only referred to the amount above the rate peg.¹²

The council redressed the question in the December 2013 to February 2014 community consultation, referencing the full 6% special variation and integrating the new findings into its community consultation feedback report.¹³

4 What does our decision mean for the council?

Our decision means that Rockdale City Council may increase its general income over the 4-year period from \$42.3m in 2013/14 to \$53.3m in 2017/18 (see Table 1.1).¹⁴ After 2017/18, all other things being equal, the council's permissible general income will increase by the annual rate peg unless we approve a further special variation.¹⁵

¹² IPART, *Rockdale City Council's application for a special variation for 2013/14 – LG Determination*, June 2013, p 6.

¹³ Rockdale City Council Application Part B, attachments, *Draft Community Feedback Report*, February 2014.

¹⁴ Rockdale City Council Application Part A, Worksheet 1.

¹⁵ General income in future years cannot be determined with precision because it will be influenced by several factors apart from the rate peg. Those factors include changes in the number of rateable properties and adjustments for previous under-collection or over-collection of rates. The OLG is responsible for monitoring and ensuring compliance.

The council estimates that over these 4 years, the additional rates revenue will be \$26.8m, or \$15.1m above the rate peg.¹⁶ This extra income is at the level the council requested, allowing it to fund increased renewal requirements on existing infrastructure assets as well as to enhance financial sustainability through the repayment of borrowings for infrastructure renewal for the Rockdale Aquatic Centre redevelopment.

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.

In its application, Rockdale City Council indicated that it intended to allocate the special variation to rates through applying any increases above the rate peg to the existing infrastructure levy, with ordinary rates and the community safety levy increasing by the rate peg over the period of the special variation. The indicated impact on average rates is:¹⁷

- ▼ Residential rates will increase by a cumulative 26.7%, or \$59 in the first year, and \$258 over 4 years.
- ▼ Farmland rates will increase by a cumulative 27.1%, or \$85 in the first year, and \$371 over 4 years.
- ▼ Business rates will increase by a cumulative 24.2%, or \$153 in the first year, and \$676 over 4 years.

Table 5.1 shows the expected increase to average rates in each main ratepayer category. The actual impact of our determination on rates is a matter for the council to decide, however, but the overall impact across the ratepayer base will be consistent with our determination.

¹⁶ Rockdale City Council Application Part A, Worksheet 1 and IPART calculations.

¹⁷ Rockdale City Council Application Part A, Worksheet 5a and IPART calculations. These calculations include ordinary rates, an infrastructure levy and community safety levy that all ratepayers pay. They exclude special rates on business sub-categories.

Table 5.1 Indicative annual increases in average rates as a result of the determination

Year	Residential		Farmland		Business ^a	
	%	\$	%	\$	%	\$
2014/15	6.1	59	6.2	85	5.5	153
2015/16	6.0	62	6.2	90	5.6	164
2016/17	6.2	67	6.2	95	5.6	175
2017/18	6.1	70	6.2	101	5.6	184

^a Excludes special rates on business sub-categories.

Source: Rockdale Application Part A and IPART calculations.



Appendices

A Expenditures to be funded from the special variation above the rate peg

Tables A.1 and A.2 show Rockdale City Council's proposed expenditure of the special variation funds over the next 10 years, as reflected in Part A of Rockdale City Council's special variation application.

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

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	Total
Special variation income above rate peg	1,565	2,950	4,463	6,105	6,105	6,105	6,105	6,105	6,105	6,105	51,715
Funding for interest payment operating expenditure	–	242	223	201	178	155	131	105	78	49	1,362
Funding for asset renewal capital expenditure	1,815	2,312	4,057	5,665	5,629	5,592	5,553	5,513	5,470	5,425	47,033
Funding for loan capital repayment	–	396	415	437	460	483	507	533	560	589	4,380
Balance of funding	(250)	–	(232)	(198)	(162)	(125)	(86)	(46)	(3)	42	(1,060)

Note: This table does not include figures related to program indexation after 2017/18.

Source: Rockdale Application Part A, Worksheet 6.

Table A.2 Proposed capital program related to the special variation income (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Sport and Recreation Renewal	100	1,667	2,026	2,025	2,025	2,025	2,025	2,025	2,025	2,025	17,968
Parks and playground renewal	1,405	635	635	650	650	650	650	650	650	650	7,226
Community buildings & public amenities renewal	300	–	231	1,824	604	567	528	488	445	400	5,385
Civil infrastructure renewal	10	10	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	9,343
Foreshore renewal	–	–	–	–	1,185	1,185	1,185	1,185	1,185	1,185	7,110
Asset renewal	1,815	2,312	4,057	5,665	5,629	5,592	5,553	5,513	5,470	5,425	47,033

Note: This table does not include figures related to program indexation after 2016/17.

Source: IPART calculations.

B Rockdale City Council's projected revenue, expenses and operating balance

The council will also report annually against its projected revenue, expenses and operating result as classified in its Annual Financial Statements and shown in Table B.1.

Revenues and the operating result in the annual accounts are reported inclusive of capital grants and contributions and asset sales.

In order to isolate ongoing trends in operating revenues and expenses, our analysis of the council's operating account in the body of this report excluded all items of a capital nature. When they are included in the council's public reports, total revenue will be higher and the operating deficit lower (or the operating surplus higher).

Table B.1 Summary of projected operating statement for Rockdale City Council, 2014/15 to 2023/24 (\$000)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Total revenue	88,731	92,612	97,564	102,499	106,190	110,267	114,292	118,471	122,810	127,316
Total expenses	87,732	91,242	95,077	97,826	101,300	104,931	109,256	112,621	116,686	120,922
Operating result from continuing operations	1,000	1,370	2,487	4,673	4,891	5,335	5,036	5,850	6,124	6,394

Source: Rockdale Application Part B, attachments, *Long Term Financial Plan 2013-25*, adopted 17 April 2013, p 24.

C 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 C.1 we show how selected indicators for Rockdale City Council have changed over the 3 years to 2011/12.

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

Productivity (labour input) indicators^a	2009/10	2010/11	2011/12	Average Change
FTE staff (number)	331	351	349	2.7%
Ratio of population to FTE	309	291	295	-2.3%
Average cost per FTE (\$)	82,375	79,647	85,570	1.9%
Employee costs as % operating expenditure (General Fund only) (%)	42.3	38.7	36.6	
Consultancy/contractor expenses (\$m)	3.5	3.2	3.6	1.3%
Consultancy/contractor expenses as % operating expenditure (%)	5.4	4.4	4.4	

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

Source: OLG, unpublished data.

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

Table C.2 Select comparative indicators for Rockdale City Council, 2011/12

	Council	OLG Group 3 average ^a	NSW average
General profile indicators			
Area (km ²)	28		
Population	102,843		
General Fund operating expenditure (\$m)	81.4		
General Fund operating revenue per capita (\$)	736	847	2,011
Rates revenue as % total General Fund income (%)	64.2	55.4	45.7
Average rate indicators^b			
Average rate – residential (\$)	785	790	685
Average rate – business (\$)	2,570	4,935	2,552
Average rate – farmland (\$)	1,200	2,124	2,123
Socio-economic/capacity to pay indicators^c			
Average annual income for individuals, 2010 (\$)	45,130	52,899	44,140
Growth in average annual income, 2006-2010 (% pa)	3.1	3.1	3.0
Ratio of average residential rates 2011/12, to average annual income, 2010 (%)	1.7	1.6	1.6
SEIFA, 2011 (NSW rank; 153 is least disadvantaged)	114		
Outstanding rates and annual charges ratio (incl water and sewerage charges) (%)	5.6	3.3	7.0
Productivity indicators^d			
FTE staff (number)	349	571	293
Ratio of population to FTE	295	247	126
Average cost per FTE (\$)	85,570	85,525	74,438
Employee costs as % operating expenditure (General Fund only) (%)	36.6	41.6	36.8
Consultancy/contractor expenses (\$m)	3.6	16.0	6.9
Consultancy/contractor expenses as % operating expenditure (%)	4.4	14.9	9.3

^a OLG Group 3 Local Government Area is classified Metropolitan Developed with a population exceeding 70,000. The group comprises sixteen (16) councils. Comparable Group 3 councils include Canada Bay City, Holroyd City and Marrickville councils.

^b Average rates equal total Ordinary Rates revenue per category 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.