Special Variation Application Form – Part B

For applications for 2014/15

Issued October 2013

Ku-ring-gai Council
Date Submitted to IPART: 24th February 2014
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1 Introduction

Each council must complete this application form (Part B) in order to apply for a special variation to general income. The same Part B form is to be used for applications made either under section 508A or under section 508(2) of the *Local Government Act 1993*.

IPART assesses each application against the criteria set out in the Division of Local Government (DLG) *Guidelines for the preparation of an application for a special variation to general income for 2014/2015* (the Guidelines). Councils should refer to these guidelines before completing this application form. They are available at www.dlg.nsw.gov.au.

We also publish Fact Sheets on our role in local government rate setting and special variations and on the nature of community engagement for special variation applications. The latest Fact Sheets on these topics are dated September 2013. They are available on our website at www.ipart.nsw.gov.au.

Councils must complete this Part B form with a relevant Part A form, also posted on our website. The relevant Part A form is either:

- *Section 508(2) Special Variation Application Form 2014/15 – Part A* for a single percentage variation under section 508(2) or
- *Section 508A Special Variation Application Form 2014/15 – Part A* for more than one percentage variation under section 508A.

The amount of information to be provided is a matter for judgement, but it should be sufficient for us to make an evidence-based assessment of the council's application against each criterion. This form includes some questions that the application should address, and guidance on the information that we require. As a general rule, the higher the cumulative percentage increase requested, and the greater its complexity, the more detailed and extensive will be the information required.

1.1 Completing the application form

To complete this Part B form, insert the council's response in the boxes and the area which is highlighted, following each section or sub-section.

Councils may submit additional supporting documents as attachments to the application. The attachments should be clearly identified in Part B and cross-referenced. We prefer to receive relevant extracts rather than complete publications, unless the complete publication is relevant to the criteria. Please provide details of how we can access the complete publication should this be necessary.

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

This application form consists of:

- Section 2 - Focus on Integrated Planning and Reporting
- Section 3 – Assessment criterion 1
- Section 4 – Assessment criterion 2
- Section 5 – Assessment criterion 3
- Section 6 – Assessment criterion 4
- Section 7 – Assessment criterion 5
- Section 8 - Other information
- Section 9 – Checklist of contents
- Section 10 – Certification.

1.2 Submitting the application

IPART asks that all councils intending to apply for a special variation use the Council Portal on our website to register as an applicant council and to submit their application.
The Portal is at http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt. A User Guide for the Portal will assist you with the registration and online submission process.

Councils intending to submit an application should notify us of their intention to apply by **cob Friday 13 December 2013.**

Councils should also submit their applications, both Part A and Part B and supporting documents, via the Portal. File size limits apply to each part of the application. For Part B the limit is 10MB. The limit for the supporting documents is 120MB in total or 70MB for public documents and 50MB for confidential documents. These file limits should be sufficient for your application. Please contact us if they are not.

We ask that councils submit their application to us in hard copy (with a table of contents and appropriate cross referencing of attachments). Our address is:

Local Government Team
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230
Level 17, 1 Market Street, Sydney NSW 2000.

We must receive your application via the Council Portal and in hard copy no later than **cob Monday 24 February 2014.**

We will post all applications (excluding confidential documents) on our website. Councils should also post their application on their own website for the community to read.

2 Focus on Integrated Planning and Reporting

How a council considers and consults and engages on a special variation as part of its Integrated Planning and Reporting (IP&R) processes is fundamental to our assessment of the application for a special rate variation. Such a focus is clear from DLG's September 2013 *Guidelines*.

The key relevant IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, Asset Management Plan.
A council's suite of IP&R documents may also include supplementary and/or background publications used within its IP&R processes. As appropriate, you should refer to these documents to support your application for a special variation.

Ku-ring-gai Council's response

In line with the NSW Government's Integrated Planning & Reporting (IP &R) framework Ku-ring-gai Council has in conjunction with our community undertaken a comprehensive engagement process to develop a full suite of IP & R documents as required under legislation. These documents are;

- *Community Strategic Plan 2030 Our Community – Our Future – adopted 25 June 2013*
- *Delivery Program 2013 -2017 & Operational Plan 2013-2014 – adopted 25 June 2013*
- *Resourcing Strategy – including Long Term Financial Plan, Asset Management Strategy & Workforce Strategy – adopted 24 February 2014*
- *Asset Management Plans for all infrastructure asset classes*

The community's long term objectives identified in our Community Strategic Plan 2030 *Our Community – Our Future* and translated into our Delivery Program 2013-2017 related to this application are summarised below under the relevant Theme;

Theme: Access, Traffic and Transport

Community Strategic Plan – Long Term Objective	**Delivery Program Term Achievement**
An accessible public transport and regional road network that meets the diverse and changing needs of the community.	A strategic access, traffic and transport plan is being implemented for the Northern Sydney Region. Council engages with the State government to upgrade regional roads and reduce congestion in the local road network.
The local road network is managed to achieve a safe and effective local road network	Road network safety and efficiency are improved and traffic congestion is reduced

Theme: Leadership and Governance

Community Strategic Plan Long Term Objective	**Delivery Program Term Achievement**
Council rigorously manages its financial resources and assets to maximise delivery of services.	Council maintains and improves its long term financial position and performance. Council's financial services provide accurate, timely, open and honest advice to the community Council expenditure satisfies the needs of the community Council has increased its commitment to infrastructure asset management priorities.
The organisation is recognised and distinguished by its ethical decision-making, efficient management, innovation and quality customer service	Council's integrity and operating effectiveness is continually being improved through its leadership, decision-making and policies. Council services and programs are provided on the basis of equity, community priorities, and best value for money within available resources.

Council's adopted IP & R documents clearly articulate Council's and the community's desire to increase its commitment to infrastructure asset management priorities, and it is in support of achieving the community's goals that the special rate variation application is submitted. The above references are identified in our adopted IP & R documents and ***extracts are attached – (Annexure 1)*** to the application.

Council's adopted IP & R documents have been developed in conjunction with the community as detailed in the Community Strategic Plan Discussion Paper ***copy attached – (Annexure 2)*** which provides further background on the trends, issues and policy settings that will influence the Ku-ring-gai Local Government Area into the future.

The Discussion Paper also provides information on the various community engagements and consultations undertaken by Council over the past four years which has been used as the basis for developing the Ku-ring-gai Community Strategic Plan 'Our Community – Our Future' 2030 and the Delivery Program & Operational Plan. This engagement has covered significant and diverse matters affecting the Ku-ring-gai local government area and is both relevant and contemporary.

Council's adopted Delivery Program 2013-2017 & Operational Plan 2013-2014, considered a range of funding options for the renewal and upgrade of all our community and infrastructure assets ***(Annexure 3)***

In addition, the Delivery Program 2013-2017 has been revised and a draft Operational Plan 2014-2015 developed. Council adopted these documents for public exhibition on 24 February 2014 ***(a link to Revised Delivery Program is included in the Appendices)***

As with all our adopted IP & R documents the revised documents reaffirm the need for the special rate variation to fund key infrastructure asset renewals.

As previously stated, Ku-ring-gai Council has ***completed and adopted*** the following IP & R documents:

- Community Strategic Plan 2030
- Delivery Program 2013-2017 & Operational Plan 2013-2014
- Resourcing Strategy 2014/15-2023/24 – incorporating the LTFP, AMS and WFS
- Long Term Financial Plan 2013 - 2014/15-2023/24
- Asset Management Strategy -2014/15-2023/24
- Workforce Strategy 2013-2017
- Annual Report 2012-2013

Council has adopted Asset Management Plans for the following asset classes:

- Roads & Transport
- Buildings
- Stormwater Drainage
- Recreation Facilities
- Fleet & Plant

3 Assessment criterion 1: Need for the variation

In the DLG Guidelines, criterion 1 is:

The need for and purpose of a different revenue path (as requested through the special variation) is clearly articulated and identified through the council's IP&R documents, including its Delivery Program and Long Term Financial Plan. Evidence for this criterion could include evidence of community need/desire for service levels/project and limited council resourcing alternatives and the Council's financial sustainability conducted by the NSW Treasury Corporation. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two (2) scenarios:

- 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.

The response in this section should summarise the council's case for the proposed special variation. It is necessary to show how the council has identified and considered its community's needs, alternative funding options and the state of its financial sustainability.

The criterion states that all these aspects must be identified and articulated in the council's IP&R documents.

At the highest level, please indicate the key purpose(s) of the special variation by marking one or more of the boxes below with an "x".

Maintain existing services	x
Enhance financial sustainability	x

Environmental works	☐
Infrastructure maintenance / renewal	x
Reduce infrastructure backlogs	x
New infrastructure investment	☐
Other (specify)	☐

Summarise below the council's need for the special variation. Comment on how the need is captured in the IP&R documents, especially the Long Term Financial Plan (LTFP) and the Delivery Program, and, where appropriate, the Asset Management Plan (AMP). Note that the LTFP is to include both a 'baseline scenario' and an 'SV scenario' as defined in the Guidelines.

Ku-ring-gai Council's response

Funding from the Special Rate Variation will be used entirely to fund Council's road renewal program. It is additional to the funding provided by Council, the Roads and Maritime Services and the Federal Government under the Roads to Recovery program.

Council's Delivery Program 2013-2017 & Operational Plan 2013-2014 (DP & OP), indicates the level of funding derived from the Special Rate Variation – Infrastructure. The adopted DP & OP assumes a continuation of the funding for four years ***(Annexure 4)*****.** Council's Long Term Financial Plan (LTFP) assumes a continuation of the funding for the levy for the life of the LTFP ***(Annexure 5).***

The Asset Management Strategy identifies 56% of Councils roads rated in a poor condition and the cost to bring these roads to an acceptable condition over a ten year period is estimated at $96 million ***(Annexure 6).***

Special Rate Variation will provide approximately $2.7 million[1] (2014/2015) per annum. This contributes to the overall renewal budget for roads of $9.6 million per annum. The projected funding required[2] equals the budgeted amount including the Special Rate Variation. This is shown in the Asset Management Strategy ***(Annexure 6).***

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1 Current Prices

2 Based on the cost to renew assets in a poor condition

Council's Asset Management Strategy ***(Annexure 6)*** confirms the need to continue the level of funding (including the Special Rate Variation) for roads renewal to address the infrastructure backlog. The Long Term Financial Plan also identifies the need to continue funding.

In 2012, Council consulted with the community in order to identify and inform their long term resourcing strategies for the local area. The broad objectives of this consultation were:

- To engage the community in the decision making process
- To identify community support for a range of different long term resourcing options to fund Council services and facilities into the future
- To provide an avenue for feedback in order for residents to express their views on the proposed long term resourcing options

The key findings from the 'Closing the Gap' survey identified that there was only a moderate satisfaction with the service level of local roads and that from a resident perspective, the highest priority asset groups are roads, drainage, parks & playgrounds, community buildings and footpaths ***(Annexure 7)***

The results from the 'Closing the Gap survey established community service levels for each asset class and informed the development of Council's adopted Asset Management Strategy. As part of the community engagement for the continuation of the existing Special Rate Variation Council undertook a further survey in 2013. The results mirrored earlier community consultation and demonstrated that 81% of ratepayers supported the continuation of the Special Rate Variation ***(Annexure 8)*****.** The report also indicated that there was an expectation of high quality roads, with more than half of all respondents considering the minimum acceptable condition of our roads to be 'good' ***(Annexure 9)***

The majority of the respondents also indicated that continuing to improve our roads was of high importance ***(Annexure 9).*** The complete report for the Special Rate Variation is included in the Report on Community Engagement Strategy.

Council's adopted Long Term Financial Plan (LTFP) considers scenarios for the funding of operating and capital expenditure. It includes detailed forecasts of all sources of operating revenue and expenditure to derive the maximum surplus available to apply to Council's program of capital investments in new or refurbished infrastructure. The adopted principle of the LTFP is to divert all surplus funds towards Council's asset renewal as a priority.

Each scenario in the LTFP is modelled for a period of 10 years and considers the impact on key financial indicators, current service levels and asset management.
These Scenarios are:

- Scenario 1 - Base Case Scenario without the Special Rate Variation for Infrastructure ***(Annexure 10)***

This scenario can be delivered without approval of the special rate variation application, however it does not address the asset renewal backlog and community concerns about the road network. It involves reduced rates collections compared to 2013/14 as the special rate variation component of Council's infrastructure levy, totalling approximately $2.7million per annum would be eliminated together with the associated road works that this funds. Without this additional funding for road works, the future impact on the funding shortfall will grow in a compound way over time. Council's Asset Management Strategy (AMS) outlines the renewal strategies for each asset class and quantifies the required renewal expenditure to close the assets renewal gap. The required renewal expenditure as per AMS is $16.5million per annum, which equates to $190million (future prices) for 10 years. Council's asset renewal gap with standard level of asset renewal expenditure and with the loss of funding from the SRV is $77million over 10 years.

- *Scenario 2 - Continuation of the Special Rate Variation for Infrastructure* ***(Annexure 10)***

This scenario requires approval of Council's special rate variation. It would mean that existing levels of rates income would be maintained and the existing level of funds available for road works be maintained. This amount is estimated at $2.7million for 2014/15 and grows in future years with estimated rates pegging and property growth. This scenario is Council's preferred one and is also considered sustainable. Council considers that this increase in funding is necessary to address the current renewal backlog and meet community expectations in regard to service levels and management of community assets.

The additional income from the SRV has a positive impact on the size of the future assets renewal gap, reducing it by the amount of the levy. The assets renewal gap under this scenario is $44.7million, this is a $32.4million decrease over 10 years compared to a gap of $77million if the SRV is not approved.

- Scenario 3 - "Closing the Gap Scenario" - Continuation of the Special Rate Variation for Infrastructure plus additional funding to Close the Infrastructure Gap ***(Annexure 10)***

The "Closing the Gap" Scenario represents Scenario 2 (the base case scenario plus additional income from the SRV for Infrastructure), and an additional $44.6million over 10 years capital investment required to renew our infrastructure assets to service levels identified in recent community consultation and to close the assets renewal gap. This scenario is unfunded as it does not meet most of the financial sustainability tests identified in Council's LTFP. This scenario is work in progress and requires significant financial analysis and modelling to determine future revenue streams and alternative funding sources to address the shortfall between required expenditure and current affordable expenditure.

Alternative funding sources to fund this scenario and the impact of all three scenarios on the LTFP are discussed in more detail in Council's LTFP.
If the special variation seeks funding for contributions plan costs above the development contributions cap, refer to Box 3.1.[3]

[3] See Planning Circular 10-025 dated 24 November 2010 at www.planning.nsw.gov.au and for the most recent Direction issued under section 94E of the *Environmental Planning and Assessment Act 1979*. See also Planning Circular PS 10-022 dated 16 September 2010.

Box 3.1 Special variations for development contributions plan costs above the developer cap

For costs above the cap in contributions plans, a council must provide:

- a copy of the council's section 94 contributions plan;
- a copy of the Minister for Planning and Infrastructure's response to IPART's review and details of how the council has subsequently amended the contributions plan;
- details of any other funding sources that the council is proposing to seek to use;
- any reference to the proposed contributions (which were previously to be funded by developers) in the council's planning documents (eg, LTFP and Asset Management Plans (AMP); and
- any necessary revisions to financial projections contained in the LTFP and AMP to reflect the special variation.

If the special variation seeks funding for contributions plan costs above the development contributions cap, set out below:

- details explaining how the council has established the need for a special variation to meet the shortfall in development contributions, and
- how this is reflected in the council's IP&R documents.

This application is not for a special variation for development contributions plan costs above the developer cap.

3.1 Community needs

Indicate how the council has identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision in deciding to apply for a special variation. The application should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

Ku-ring-gai Council's response

In 2011, Council completed a comprehensive review of our infrastructure assets and measured the condition of each asset group (good, fair or poor condition) to determine how much it would cost to improve all our assets.

As a result, we discovered that current funding levels were not sufficient. Some of our assets are in good condition, while others require improvement. The fair value or depreciated replacement cost of our assets is $590million and to replace them to a new standard would require an investment of $1 billion ***(Annexure 11)*****.** This is far beyond our reach. Each year we invest around $12.5million in renewing our infrastructure assets. The required amount of funding we should be spending on renewals is $16.5million. This results in a funding gap of $4 million annually***.***

Following the 2011 review, in 2012 Council initiated further community consultation on nine key community asset groups, their current condition levels and the required funding to 'close the gap' and improve our assets in poor condition to a fair and good standard **(Annexure 7).**

This body of work informed the development of Council's adopted Asset Management Strategy and established the platform for further discussions with our community for the continuation of the Special Rate Variation – Infrastructure for future years.

In 2013, Council completed a demographically representative community survey to ascertain the level of support for the continuation of an existing Special Rate Variation for the roads renewal program which was due to expire in June 2013. The results of this survey identified that 71% of the community supported Council's application ***(Annexure 12)***. However, IPART determined that the consultation was too narrow and that Council did not engage the broader community, which resulted in being granted a one year extension to the Special Rate Variation for Council's roads renewal program (due to expire 30 June 2014)

It is for this reason, Council's adopted Delivery Program 2013-2017 & Operational Plan 2013-2014, articulated the requirement for Council to consider options to fund the renewal and upgrade of all our community and infrastructure assets in consultation with our community.

Between October 2013 and February 2014, Council further engaged with the community about making an application for a Special Rate Variation to help fund roads and other infrastructure assets. That community consultation had two objectives. The primary objective was to measure the support for the continuation of the Special Rate Variation to fund the roads renewal program, and the secondary objective was to explore community opinions on expected levels of service and options for the future funding of other infrastructure assets.

The community consultation revealed that 81% of our ratepayers support Council's application for a Special Rate Variation to ensure the continuation of our roads renewal program, and 97% indicated that continuing to improve road conditions was of high importance. A copy of the report on the community engagement for the continuation of the Special Rate Variation ***(Annexure 8 and Annexure 9)***

After considering the community's feedback, the community's capacity to pay and other funding sources, Council is applying for a Special Rate Variation of a permanent one-off 5% increase in its rates for the roads renewal program.

In practical terms this will be a continuation of the existing 5% Special Rate Variation for the roads program which has been in place since 2001.

3.2 Alternative funding options

Explain how the decision to seek higher revenues was made after other options such as changing expenditure priorities or using alternative modes of service delivery were examined. Also explain the range of alternative revenue/financing options you considered and why the special variation is the most appropriate option. For example, typically these options would include introducing new or higher user charges and increase council borrowing, but may include private public partnerships or joint ventures.

Provide extracts from, or references to, the IP&R document(s) which show how the council considered the alternatives.

Ku-ring-gai Council's response

Since 2001, Council has had in place a Special Rate Variation – Infrastructure which contributes funding towards our roads renewal program.

Council's adopted Long term Financial Plan discusses a range of revenue/financing options ***(Annexure 13)***

Council's adopted Asset Management Strategy integrates with the Community Strategic Plan, Delivery Program & Operational Plan, and Long-term Financial Plan. This ensures the Strategy is adequately funded and maintenance and upgrades are scheduled into annual work programs.

As part of the development of the Asset Management Strategy, Council completed an audit of our infrastructure assets to determine their value, condition and remaining useful life. Based on this data and the existing budgets, it was estimated that Council needs to allocate an additional $4.5million (future prices) and towards asset improvements each year[4]. Without the

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4 Funding gap for all infrastructure assets

Special Rate Variation this shortfall would increase to $7.7million (future prices) each year ***(Annexure 11).***

To reduce this shortfall we have implemented a range of initiatives to redirect funding into roads footpath, drainage and building programs, these include:

- A rates restructure to provide an extra $36million over the next 20 years
- Operating efficiencies to redirect $18million over 10 years
- Redirecting funds from lower priority assets and services into our roads

Nevertheless, even with this additional funding, Council still has a funding shortfall for priority assets. This information is provided in Annual Report 2012/2013 which lists a number of improvements implemented to redirect expenditure into priority assets and the implementation of operational efficiencies as follows;

- Working with key stakeholders to develop funding opportunities for the revitalisation of our local centres and the delivery of key community facilities in Lindfield, Turramurra and Gordon.
- Reducing expenditure and broadening income streams to increase ongoing financial commitment to improving Council's roads, footpaths and other asset infrastructure.
- An organisational review of all our services, we identified options for improvements in service delivery to better meet community needs. Based on the review's findings, we reformed areas including development assessment, leisure and culture, libraries, community and recreation services, and building and property maintenance.
- Sale of surplus and under-utilised assets to fund borrowings for the new Civic & Administration Centre as the first step in the development of a new Civic & Community Hub in Gordon.

Extracts from Council's Annual Report 2012/2013 are attached **– *(Annexure 14, 15 and 16)***

Borrowing Strategy ***(Annexure 17 and 18)***

The Borrowing and Debt Strategy is one of the major underlying principles incorporated into Council's Long Term Financial Plan. As per this Strategy, Council considers borrowings as a source of funding for:

- Building or purchase of infrastructure assets where a Capital Expenditure Review and detailed cash flow analysis shows that full funding costs can be recovered over the life of the asset
- Economic investments where a new asset or service decreases existing costs or provides new revenue in excess of their funding costs (positive NPV)

Using this strategy, the LTFP identifies a permissible level of borrowing in each year and sets a required level of borrowing below this level. This is a borrowing level that the Plan regards as sustainable, principally because:

- sources of debt repayment have been identified and modelled into overall cash flows, and
- the Debt Service Ratio (DSR) is within Council's target band of less than 4%.

Maintaining a maximum Debt Service Ratio of 4% in any one year is one of the key financial sustainability tests applied by the LTFP. During the current planning period, this test will not be satisfied due to Council borrowing for the LIRS (Local Infrastructure & Renewal Scheme) loan, and the special loan for the Services Relocation Strategy which will have major repayments of principle, in excess of required minimums, timed to co-inside with asset sales.

Due to the above borrowings, Council's Debt Service Ratio will exceed the sustainable borrowing level of 4%. The Debt Service Ratio for the current year and next 4 years is provided in the table below:

Financial Year	Debt Service Ratio
2013/14	4.0%
2014/15	13.2%
2015/16	16.6%
2016/17	12.6%
2017/18	0.8%

Council borrowed $28.4million in 2012/13 for the Services Relocation Strategy mentioned above and other capital projects. The repayment source for this debt is the sale of other Council properties no longer required following purchase of a new property for the service relocation. It is planned to discharge the debt and interest payments as the properties are sold over the next three years.

The use of borrowings to address an ongoing deterioration of roads is not only inappropriate at a time where Council's debt levels are very high, but is also in contravention of our borrowing strategy in that it has no significant future cash flow benefit and the debt could only be serviced by eliminating or curtailing other projects. This causes overall rate of infrastructure renewal to be lower over time and the average quality of infrastructure to deteriorate faster as the debt funding adds an interest burden.

A 'Financial Assessment and Benchmarking Report' was prepared by TCorp on 26 September 2012 to support Council's application for a $2million loan under the Local Infrastructure Renewal Scheme (LIRS). The report concluded that Council could service this loan and had, "based on a benchmark of [Debt Service Cover ratio] DSCR>2x except for 2015 and 2016 which include extraordinary debt repayments funded by asset sales, $44.4million could be borrowed in addition to the $2million borrowings proposed under LIRS in 2013". This extraordinary level of repayments has now been extended for a further year to 2016/17.

Council considered that this grossly overestimates its borrowing capacity, for several reasons:

1. Calculations based on broad ratios such as DSCR (or, more appropriately the Debt Service Ratio, normally used in the Local Government sector) are necessarily guidelines only as neither ratio considers all financial factors involved in Council's ability to service debt. Further, a benchmark of a DSCR of 2x being a standard for acceptability is also somewhat arbitrary. This standard means that half of Council's free cash flow would be devoted to servicing debt as compared to a historical average of around 15%. Ratios of 2x are more possible in the private sector where funds are borrowed to invest in projects which produce increased cash returns i.e. increase the DSCR above its current levels. Councillors and their constituents would certainly be uncomfortable with such a ratio benchmark.

2. In calculating DSCR, all revenue that is externally restricted needs to be eliminated as this is not free cash available for servicing debt. In Council's case this revenue averages $10.8million pa over the next 5 years. The following shows DSCR with all revenue included and a DSCR with restricted revenue excluded:

	Actual 2012/13	Budget 2013/14	Budget 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
Including Restricted Revenue	**8.2**	**3.6**	**1.5**	**1.2**	**1.7**	**28.2**	**32.4**	**39.8**
Excluding Restricted Revenue	**4.4**	**1.0**	**0.8**	**0.7**	**1.0**	**15.7**	**18.0**	**22.3**

Note there is also around $1million per annum in revenue that Council internally restricts to capital works not included in the above calculations.

3. Council's LTFP has accounted for much of the benefits of the improvement in the operating position by increasing the size of its capital expenditure in future years. This partly addresses the infrastructure backlog and also provides funding for the gap totalling a currently estimated $83million between liability for expenditure on new facilities and income from development contributions. This is why an approach described above, where individual project proposals are evaluated for their ability to enhance future cash flows to repay debt is much preferable to simply borrowing because a broad indicator shows this to be an acceptable strategy.

4. Over the next 4 years, Council considers that it has depleted all its borrowing capacity with major projects being funded largely by loans and consequent risks in being able to realise the full benefits of these projects to repay these loans. The Tcorp report has recognised this situation as it qualifies its assessment that Council is able to borrow $44.4million with the statement that "we would recommend a subsequent review of the Council's financial position nearer the time [2016] to confirm if [there is capacity to take on further borrowings]". (The stated year would now be 2017, based on updated Debt Service ratios.)

Council already considered and made every attempt to maximise income from other sources, but regulatory restrictions mean that Council has limited capacity to generate additional funds from fees and charges. There are also limits on the amount of grants we are able to receive and the level of return we are able to achieve on our investments (without taking unacceptable risk).

General rates provide Council with a source of income which provides greater certainty of future income and is a preferred method of raising income to meet the general needs of our community. This type of income security and regularity is considered essential as the funding shortfall to adequately maintain Council's infrastructure is also ongoing and regular.

3.3 State of financial sustainability

The special variation may be intended to improve the council's underlying financial position, or to fund specific projects or programs of expenditure, or a combination of the two. We will consider evidence about the council's current and future financial sustainability.

The application should set out the council's understanding of its current state of financial sustainability, as well as long-term projections based on alternative scenarios and assumptions about revenue and expenditure. Such evidence can be drawn from the LTFP and from any external assessment, e.g. by auditors or TCorp.

Explain the council's view of its financial sustainability as it relates to the application for a special variation.

Explain how TCorp's recent Report on the council's financial sustainability is relevant in supporting the decision to apply for a special variation.

Ku-ring-gai Council's response

Ku-ring-gai Council is in a sound financial position. Council's LTFP provides for operating surpluses after allowing for depreciation expense on Council's $474 million portfolio of depreciable assets such as roads, footpaths, drains and buildings. If capital grants, contributions and profit on asset sales are excluded, the average Operating result over the next 10 years is $4.7 million. Surpluses occur in all 10 years, with the exception of a small loss in 2014/15. The overall trend in operating result is improving over the forecast period due to:

- Revenue growth (averaging 4.3% p.a) outstripping expenditure growth (averaging 3.3%)
- Discharge of debt using asset sales
- Enhanced revenue and some cost reductions from recently purchased or renewed assets, such as the administration building, the West Pymble Aquatic Centre and the North Turramurra Development.

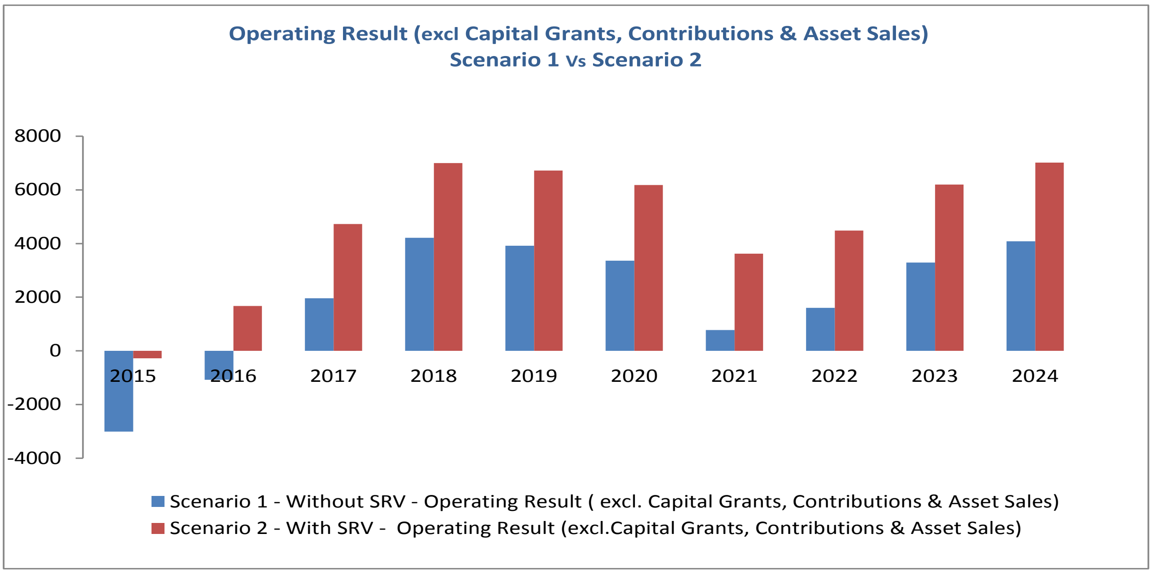
This is consistent with Council's Long Term Financial Plan which provides a framework to achieve continued Operating Surpluses. A key principle in developing the LTFP is to constrain operating expenses to have no real increase over the plan period. This maximises the operating surplus available for re-investment in Council's asset renewal program. The LTFP shows that this surplus is essential as other direct sources of capital income to fund the program are irregular, not totally under Council's control and inadequate.

However, the TCorp report[5] (***Annexure 19)*** also determined specific risks to Council maintaining a sound financial position and those applicable to this application are as follows;

- Changing community service standards - Council undertakes community consultation to manage community expectations on service and asset standards
- Asset Backlog - Council has a sizeable asset backlog and is undertaking community consultation to ensure that Council is focusing on the appropriate asset standards for renewal and maintenance. Additionally, Council is reviewing the useful lives of assets to ensure that these are accurately reflected in their LTFP.

If the SRV is not approved, Council's operating surplus deteriorates significantly to an average of $1.9million over 10 years with losses in the first two years, totalling $4.1 million.

The following chart compares the operating Result (excluding Capital Grants, Contributions and Asset Sales) for two scenarios and illustrates the decline in Operating Result under Scenario 1 (without SRV)



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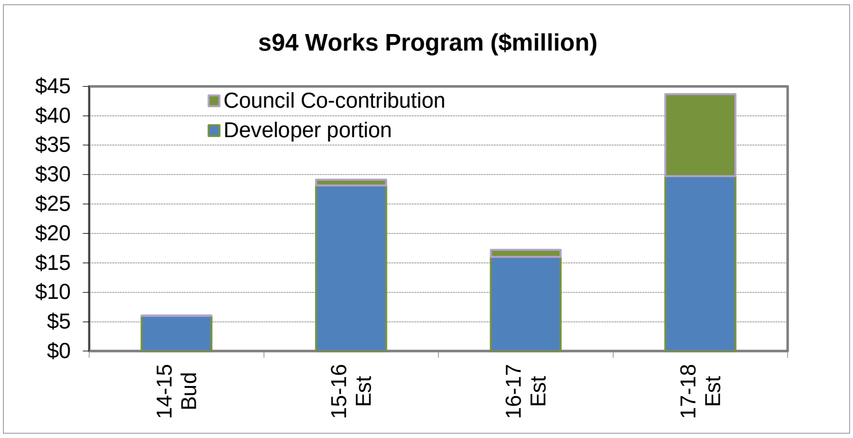
Borrowing

Council's 2014/15 budget provides for new loan borrowing of $930K and loan capital repayment of $12.3 million, resulting in a net repayment of loan borrowing of $11.3 million. Council's debt is projected to peak at $47.8 million in 2013/14 and be substantially repaid over the period 2014/15 to 2016/17 from sales of Council property assets.

Section 94 Contributions

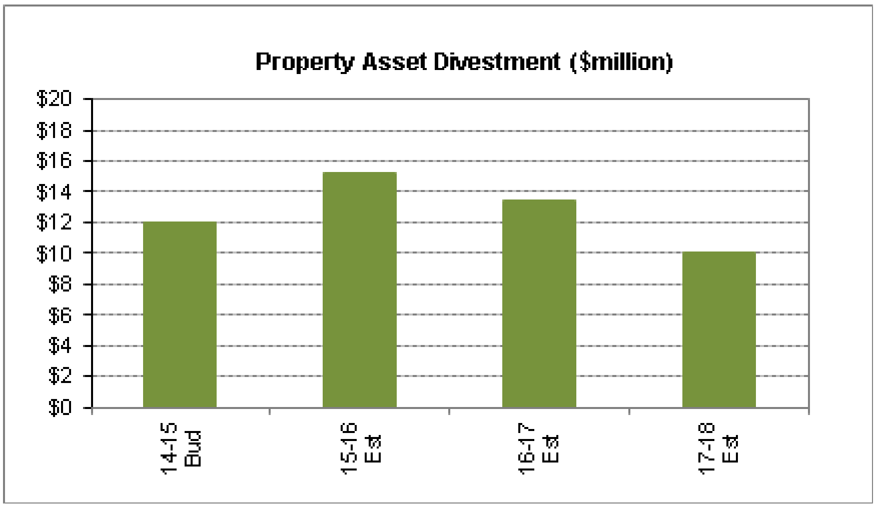
Council collects s.94 contributions from Developers to help pay for new infrastructure and facilities for the growing population of the area. Some of the works to be undertaken in the s.94 plan cater for the existing population and these works require a co-contribution from Council's general funds. The works programmed to be undertaken over the next four years are shown below:



All Council co-contributions during this period are anticipated to be from future asset sales, allowing the program to be achieved without funds from general revenue.

Property Divestment

Revenue from divestment of Council property assets will be used to repay loan borrowing and meet Council's commitment in its s.94 Developer Contributions Plans for co-contributions of general revenues to accompany developer contributions. The amount of funding required from property asset divestment over the next 4 years is shown below.



How will the special variation affect the council's key financial indicators over the 10-year planning period? Key indicators may include:

- Operating balance ratio excluding capital items (ie, net operating result before capital as percentage of operating revenue before capital grants and contributions)
- Unrestricted current ratio (the unrestricted current assets divided by unrestricted current liabilities)
- Rates and annual charges ratio (rates and annual charges divided by operating revenue)
- Debt service ratio (net debt service cost divided by revenue from continuing operations)
- Broad liabilities ratio (total debt plus cost to clear infrastructure backlogs (Special Schedule 7) divided by operating revenue)
- Asset renewal ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses).

Ku-ring-gai Council's response

Council's financial performance and position is measured against the following performance indicators ***(Annexure 20):***

- **Operating balance ratio** – assesses Council's ability to fund operations including asset renewals/upgrades (and depreciation).
- **Unrestricted current ratio** - the ability to meet short term financial obligations such as loans, payroll and leave entitlements (measures liquidity)
- **Rates and annual charges ratio** - assesses the degree of Council's dependence upon revenue from rates and annual charges and the security of Council's income
- **Debt service ratio** - assesses the impact of loan principal and interest repayment on the discretionary revenue of Council

- **Broad liabilities ratio** - assesses the impact of total debt plus infrastructure backlog (Special Schedule 7) relative to total operating revenue
- **Building & Infrastructure Renewal ratio** - assesses the rates at which assets are renewed relative to the rate at which they are depreciated (consumed)

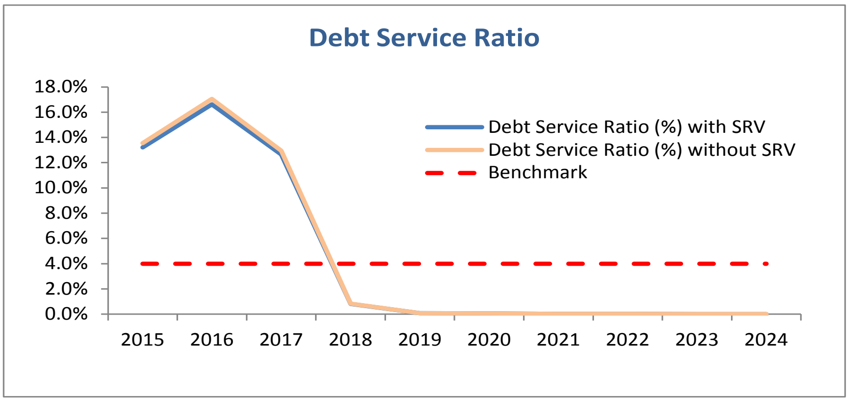
The table below provides Council's key financial indicators under the two LTFP scenarios: with and without continuation of the SRV.

Key Performance Indicators – with and without Special Rate Variation

Description	Target	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Unrestricted Current Ratio with SRV	>1.50x	2.16	2.03	2.03	2.04	2.00	2.13	2.08	2.13	2.04	2.10
Unrestricted Current Ratio without SRV	>1.50x	2.12	2.00	1.99	2.00	1.88	2.09	2.05	2.09	2.01	2.07
Rates & Annual Charges Ratio (%) with SRV	60%	58%	55%	54%	53%	57%	60%	59%	59%	60%	62%
Rates & Annual Charges Ratio (%) without SRV	60%	57%	54%	53%	52%	56%	59%	58%	58%	59%	61%
Operating Balance Ratio (%) with SRV	>(4.0%)	2.6%	8.4%	7.2%	9.7%	9.2%	5.5%	4.9%	4.9%	5.3%	5.6%
Operating Balance Ratio (%) without SRV		0.6%	6.6%	5.5%	8.2%	7.5%	3.7%	3.2%	3.2%	3.7%	4.0%
Debt Service Ratio (%) with SRV	<4.0%	13.2%	16.6%	12.6%	0.8%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Debt Service Ratio (%) without SRV	<4.0%	13.5%	17.0%	13.0%	0.8%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Broad Liabilities Ratio (%) with SRV		152%	131%	114%	116%	123%	122%	121%	119%	118%	121%
Broad Liabilities Ratio (%) without SRV		155%	133%	117%	118%	126%	124%	124%	122%	121%	123%
Building & Infrastructure Renewal Ratio (%) with SRV	> 1.00	71.5%	76.2%	89.5%	95.8%	97.4%	101.2%	96.7%	98.1%	103.4%	108.2%
Building & Infrastructure Renewal Ratio (%) without SRV	> 1.00	54.6%	58.4%	72.4%	78.7%	81.4%	85.3%	81.4%	82.8%	88.1%	93.0%

Unrestricted Current Ratio (UCR) – Council's long term financial plan and budget ensures that Council maintains adequate liquidity. This is demonstrated by the Unrestricted Current Ratio, for which the industry benchmark of greater than 1.5:1 is considered to be "Satisfactory" and greater than 2:1 to be "good". Council's UCR is maintained at over 2:1 with additional SRV funding, and slightly deteriorates without SRV.

Debt Service Ratio - is considerably high from 2014/15 to 2016/17 due to increased level of debt service costs (principal plus interest). The ratio remains well above Council's benchmark of 4% in the first three years of the plan with 13.2% (2014/15), 16.6% (2015/16) and 12.6% (2016/17) due to high debt service costs compared to income from continuing operations. This Ratio will drop in 2017/18. A more detailed assessment of borrowing costs is discussed in Section 3.2 - Alternative Funding Options. With no approval of additional funding the Debt Service Ratio will increase marginally.

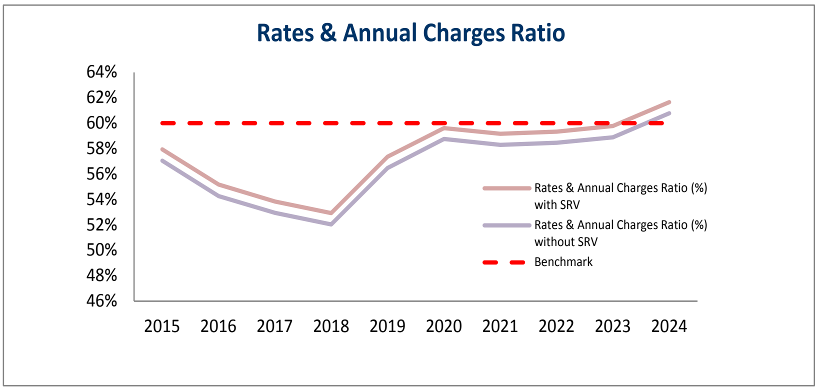


Operating Balance Ratio - is an important financial indicator for Council. Council's long term financial sustainability is dependent upon ensuring that on average over time this indicator is positive, making sure that Council's expenses are below its associated revenue (excluding capital income). The overall trend in this ratio is improving over the forecast period due to revenue growth (averaging 4.3% p.a) outstripping expenditure growth (averaging 3.3% p.a).

Revenue growth is driven by rates and annual charges, in particular the revenue from SRV as well as other user fees and charges. Council's Operating Balance Ratio for the year 2014/15 is projected at 2.6% with the continuation of the SRV but improves from then on with factors described above enhancing projected operating surpluses. From 2019/20 onwards, whilst dollar value of the operating surplus is still high, the operating balance ratio declines due to larger provisions for depreciation from new assets. Council will run an operating deficit in 2014/15 before capital grants and contributions and asset sales due to increased borrowing expense, after which an operating surplus is projected from 2015/16 onwards.

If Council does not receive an approval for continuation of the SRV and makes no other accommodating adjustments to its spending or revenue raising policies, the operating balance ratio will deteriorate. On average over the 10 year LTFP period this result would see a 2.2 % decrease on average in Council's operating balance ratio.

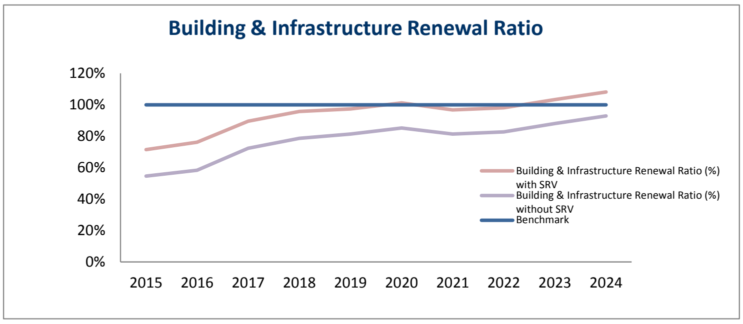
Rates & Annual Charges Outstanding – Council's Rates & Annual Charges Ratio falls below the benchmark of 60% due to lower dependence upon revenue from rates and annual charges in the first couple of years of the plan. This is on a downward trend mainly in 2016/17 to 2017/18 due to increased income from asset sales in those years. The ratio decreases by 1% per annum on average if SRV income is not factored in. Council would like to see this ratio increase as this source of revenue is relatively stable from year to year and allows Council to plan and use sound financial budgeting methods to achieve its objectives.



Broad Liabilities Ratio - This ratio shows a decline until 2018/19 only due to reduction in Council's debt. It is not considered that any significant improvement in the backlog of infrastructure renewal expenditure will make an impact to this point. Without the SRV, the ratio is between 2% and 4% worse than with the SRV. However, it is considered that this ratio is not directly relevant to the subject of this application, which is to improve funding for infrastructure renewal. Below the Broad Liabilities Ratio is recalculated without the inclusion of restricted revenue as this is not available for either asset renewal or debt servicing (if debt was obtained for asset renewal). This ratio is much higher in all years and shows a similar pattern, both with and without *the SRV.*

Broad Liabilities Ratio % - Ex Restricted Funds										
	Budget 2014/15	**Projected 2015/16**	**Projected 2016/17**	**Projected 2017/18**	**Projected 2018/19**	**Projected 2019/20**	**Projected 2020/21**	**Projected 2021/22**	**Projected 2022/23**	**Projected 2023/24**
With SRV	194.1%	173.2%	155.1%	152.9%	151.0%	148.5%	146.9%	144.8%	142.7%	144.6%
Without SRV	199.3%	177.9%	159.3%	157.0%	155.1%	152.6%	150.9%	148.8%	146.6%	148.7%

Building & Infrastructure Renewal Ratio – This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration measured by the depreciation. A ratio of 1: 1 indicates that the amount spent on asset renewal equals the amount of depreciation. The Ratio is well below benchmark even with additional funding from the SRV which identifies a significant assets renewal gap. Additional funding from the SRV will improve the ratio, as these funds will be reinvested in asset renewals which will help address the current renewal backlog.



3.4 Capital expenditure review

Councils undertaking major capital projects are required to comply with the DLG's Capital Expenditure Guidelines, as outlined in DLG Circular 10-34. A capital expenditure review is required for projects that are not exempt and cost in excess of 10% of council's annual ordinary rates revenue or $1 million (GST exclusive), whichever is the greater. A capital expenditure review is a necessary part of a council's capital budgeting process and as such should have been undertaken as part of the Integrated Planning and Reporting requirements in the preparation of the Community Strategic Plan and Resourcing Strategy.

Does the proposed special variation require you to do a capital Expenditure review in accordance with DLG Circular to Councils, Circular No 10-34 dated 20 December 2010?	Yes ☐ **No X**
If *Yes*, has a review been done and submitted to DLG?	Yes ☐ No ☐

4 Assessment criterion 2: Community awareness and engagement

In the DLG Guidelines, criterion 2 is:

Evidence that the community is aware of the need for and extent of a rate rise. This must be clearly spelt out in IP&R documentation and the council must demonstrate an appropriate variety of engagement methods to ensure opportunity for community awareness/input. The IP&R documentation should canvas alternatives to a rate rise, the impact of any rises upon the community and the council's consideration of the community's capacity and willingness to pay rates. The 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.

To meet this criterion, councils must provide evidence from the IP&R documents[6] that the council has:

- Consulted and engaged the community about the special variation using a variety of engagement methods and that the community is aware of the need for, and extent of, the requested rate increases.
- Considered and canvassed alternatives to the special variation.
- Provided opportunities for input and gathered input/feedback from the community about the proposal.
- Considered the impact of rate rises on the community.
- Considered the community's capacity and willingness to pay.

In assessing the evidence, we will consider how transparent the engagement with the community has been, especially in relation to explaining:

- Proposed cumulative rate increases including the rate peg (including in both percentage and dollar terms).
- Annual increase in rates that will result if the special variation is approved in full (and not just the increase in daily or weekly terms).
- Size of any expiring special variation (see Box 4.1 below).
- Alternative rate levels that would apply without the special variation.
- Proposed increases in any other council charges (eg, waste management, water and sewer), especially if these are likely to exceed the increase in the CPI.

Box 4.1 Where a council is renewing or replacing an expiring special variation

The council should have explained to its community:

- that there is a special variation due to expire at the end of this financial year or during the period covered by the proposed special variation.
- that, if the special variation were not approved so that only the rate peg applied, the year-on-year change in rates would be lower, or that rates may fall
- if applicable, that the expiring special variation is being continued (in full or in part), in the sense that it is being replaced with another that may be either temporary or permanent, or that the value is included in the percentage increase being requested in the following year.

6 The relevant documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, Asset Management Plan

More information about how community engagement might best be approached may be found in the DLG *Guidelines*, the IP&R manual, and our Fact Sheet *Community Awareness and Engagement*, September 2013.

4.1 The consultation strategy

Provide details of the consultation strategy undertaken, including the range of methods used to inform the community about the proposed special variation and to engage with the community and obtain community input and feedback on it. The range of engagement activities could include media releases, mail outs, focus groups, random or opt-in surveys, online discussions, public meetings, newspaper advertisements and public exhibition of documents.

Please provide relevant extracts of the IP&R documents that explain the council's engagement strategy and attach relevant samples of the council's consultation material.

Ku-ring-gai Council's response

Council has conducted a comprehensive community engagement and communications campaign to gauge support for a continuation of the special rate variation for infrastructure assets.

The communications and engagement campaign was far reaching using a range of channels to build awareness, engage all rate-payers and provide opportunities for community participation and feedback.

The communications and engagement campaign built on prior consultation to develop our revised Community Strategic Plan 2030, Delivery Program & Operational Plan and Resourcing Strategy (LTFP, AMS and WFS) and this is discussed in ***Section 2 Focus on Integrated Planning & Reporting.***

In addition, Ku-ring-gai Council had consulted extensively on asset priorities and funding options which is detailed in ***Section 3.1 Community Needs.***

The Report on the Community Engagement Strategy for the continuation of the Special Rate Variation for Infrastructure Assets includes all communication and consultation activities conducted from October 2013 through to February 2014 **(Annexure 21)**

Council's intention to apply for a continuation of the Special Rate Variation is documented in the General Manager's message of the adopted Delivery Program 2013-2017[7] and in the Annual Report 2012/2013[8]. ***(Annexure 22)*** and Annual Report ***(Annexure 15)***

4.2 Alternatives to the special variation

Indicate the range of alternatives to the requested special variation that the council considered and how you engaged your community about the various options.

Ku-ring-gai Council's Response

Council has undertaken a review of all its services and this resulted in a savings of $1.8 million. This included reduction of staff and reallocating these savings into asset renewals for roads, footpaths and public toilets. This is covered in a report on the organisation's structure that was adopted by Council at its meeting of 30 April 2013 **(Confidential Annexure 23)**

As previously explained, Council did not consider that borrowings were appropriate given the significant extent of asset renewal required, but we have obtained subsidised borrowings through the LIRS Program for asset upgrade and renewal works for Gordon Library and our public toilets renewal program.

Given the extent of the backlog the continuation of the Special Rate Variation is considered to be the only reliable funding strategy to improve the condition of Council's assets over time.

Council has considered assets sales, and is utilising revenue from the sale of surplus property assets to fund the renewal and upgrade of two major facilities, being the new Civic & Administration Centre, the Ku-ring-gai Aquatic Centre and to fund the implementation of the Lindfield Village Green project which will initiate revitalisation within the Lindfield Local Centre in line with adopted LEPS, CSP & DPOP.

Council constantly reviews it fees & charges and has increased the rental of properties for childcare centres and usage of sporting fields. Fees and charges are reviewed annually but realistically this source of revenue will never be enough to address deficiencies in infrastructure funding.

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[7] Delivery Program 2013-2017 & Operational Plan 2013-2014 Pages 6 and 65 – Annexure 22
[8] Annual Report 2012/2013 Pages 18, 22 and 24 – Annexure 15

The Special Rate Variation is considered to be an affordable amount that is already being paid by ratepayers, and it is a reliable income stream equitably charged across a wide base of ratepayers.

4.3 Feedback from the community consultations

Summarise the outcomes of, and feedback from, your community engagement activities. Such outcomes could include the number of attendees at events and participants in online forums, as well as evidence of media reports and other indicators of public awareness of the council's intentions. Where applicable, provide evidence of responses to surveys, particularly the level of support for specific programs or projects, levels and types of services, investment in assets, as well as the options proposed for funding them by rate increases.

Where the council has received submissions from the community relevant to the special variation during the engagement process, the application should set out the views expressed in those submissions. It should also identify and document any action the council has taken, or will take, to address issues of common concern.

Ku-ring-gai Council's response

In summary Council engaged rate-payers, residents and interested stakeholders which included:

- Resident's letter issued on the proposed special rate application in a mailout to 33,000 ratepayers
- Conducting a representative telephone survey of 400 rate-payers in the Ku-ring-gai LGA
- EngagementHQ 'Have Your Say' online guestbook and poll on Council's website with 447 visitors and 32 comments
- Media releases in local metropolitan newspaper with approximately 70,000 circulation
- E-Newsletter distributed to approximately 6,500 residents
- Public Notices requesting written submissions in local metropolitan newspaper with approximately 70,000 circulation

A Residents' Engagement Forum held at Council Chambers where information was presented on:

- Council's financial position
- How income is distributed
- Allocation of income to assets and services

- How Council have explored all options to fund asset improvements and implemented efficiencies
- Explanation why special rate is preferred to alternative funding options
- The need for road improvements and total funding required
- State of the roads with and without the special rate shown on LGA map
- Presentation of four funding Options and how they would impact financially on the average rate-paying household

A full copy of the Report on the Community Engagement Strategy which details the consultation process undertaken, attendees and participation, including all communication and consultation activities and council's responses **is attached as *(Annexure 21)***

4.4 Considering the impact on ratepayers

Indicate how the council assessed the impact of the special variation on ratepayers, and where this was addressed within the community awareness and engagement processes. Where the impact will vary across different categories and/or sub-categories of ratepayers, the council should consider the circumstances of the various different groups.

Ku-ring-gai Council's response

The change in rates will not be evenly distributed across all ratepayers. The table in Section 5.1.1 shows changes from actual rates levied in 2013/14 to 2014/15 for five different categories of ratepayers with different property valuations.

4.5 Considering the community's capacity and willingness to pay

Indicate how the council has assessed the community's capacity to pay for the rate increases being proposed, and also assessed its willingness to pay.

Evidence on capacity to pay could include a discussion of such indicators as SEIFA rankings, land values, average rates, disposable incomes, the outstanding rates ratio and rates as a proportion of household/business/farmland income and expenditure, and how these measures relate to those in comparable council areas. As many of these measures are highly aggregated, it may also be useful to discuss other factors that could better explain the impact on ratepayers affected by the proposed rate increases, particularly if the impact varies across different categories of ratepayers.

Ku-ring-gai Council's response

The Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics. It is a good place to start to get a general view of the relative level of disadvantage in one area compared to others.

The SEIFA Index confirms that residents of the Ku-ring-gai Council area are one of the Greater Sydney Region least disadvantage.

In Ku-ring-gai Council area, 44% of households earned an income of $2,500 or more per week[9]. Refer to table below;

Weekly household income

Ku-ring-gai Council area	**2011**		
Weekly income	**Number**	**%**	**Greater Sydney**
Negative Income/Nil Income	560	1.6	1.6
$1-$199	384	1.1	1.5
$200-$299	362	1.0	2.5
$300-$399	847	2.3	5.1
$400-$599	1,537	4.3	7.6
$600-$799	1,521	4.2	7.1
$800-$999	1,786	4.9	6.8
$1000-$1249	1,701	4.7	7.3
$1250-$1499	1,851	5.1	6.8
$1500-$1999	3,008	8.3	11.3
$2000-$2499	2,263	6.3	8.4
$2500-$2999	5,633	15.6	9.5
$3000-$3499	3,406	9.4	5.7
$3500-$3999	2,025	5.6	2.9
$4000-$4999	2,024	5.6	2.8
$5000 or more	2,842	7.9	2.7
Not stated	4,339	12.0	10.5
Total households	**36,089**	**100.0**	**100.0**

In the Ku-ring-gai Council area 50,306 people living in the area are employed, of which 61% are working full time and 38% part time[10]. Refer to table below;

[9] Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2011.

[10] Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2011

Employment status

Ku-ring-gai Council area	2011			2006			Change
Employment status	**Number**	**%**	**Greater Sydney**	**Number**	**%**	**Greater Sydney**	**2006 to 2011**
Employed	50,306	95.6	94.3	47,071	96.8	94.7	+3,235
Employed full-time	30,597	58.1	62.0	28,358	58.3	63.0	+2,239
Employed part-time	18,966	36.0	30.1	17,590	36.2	28.9	+1,376
Hours worked not stated	743	1.4	2.1	1,123	2.3	2.8	-380
Unemployed	2,328	4.4	5.7	1,550	3.2	5.3	+778
Looking for full-time work	1,147	2.2	3.3	716	1.5	3.3	+431
Looking for part-time work	1,181	2.2	2.4	834	1.7	2.1	+347
Total Labour Force	**52,634**	**100.0**	**100.0**	**48,621**	**100.0**	**100.0**	**+4,013**

In the Ku-ring-gai Council area 46,847 people in Ku-ring-gai Council area have a tertiary qualification[11]. Refer to table below;

Highest qualification achieved

Ku-ring-gai Council area	2011			2006			Change
Qualification level	**Number**	**%**	**Greater Sydney**	**Number**	**%**	**Greater Sydney**	**2006 to 2011**
Bachelor or Higher degree	37,544	43.3	24.1	31,393	39.2	20.0	+6,151
Advanced Diploma or Diploma	9,303	10.7	9.0	9,100	11.4	8.1	+203
Vocational	6,641	7.7	15.1	6,590	8.2	14.9	+51
No qualification	26,073	30.0	40.5	25,506	31.8	42.7	+567
Not stated	7,220	8.3	11.3	7,584	9.5	14.3	-364
Total persons aged 15+	**86,781**	**100.0**	**100.0**	**80,173**	**100.0**	**100.0**	**+6,608**

5 Assessment criterion 3: Impact on ratepayers

In the DLG Guidelines, criterion 3 is:

[11] [11] Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2011.

The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. Council's IP&R process should also establish that the proposed rate increases are affordable having regard to the local community's capacity to pay.

We are required to assess whether the impact on ratepayers of the council's proposed special variation is reasonable. To do this, we are required to take into account current rate levels, the existing ratepayer base and the purpose of the special variation. We must also assess whether the council's IP&R process established that the community could afford the proposed rate rises.

5.1 Impact on rates

Much of the quantitative information we need on the impact of the special variation on rate levels will already be contained in Worksheet 5 of Part A of the application.
To assist us further, the application should set out the rating structure under the proposed special variation, and how this differs from the current rating structure, which would apply if the special variation is not approved.

We recognise that a council may choose to apply an increase differentially among categories of ratepayers. However, you should explain the rationale for applying the increase differentially among different categories and/or subcategories of ratepayers, particularly in light of the purpose of the special variation. This will be relevant to our assessment of the reasonableness of the impact on ratepayers.

Ku-ring-gai Council's response

Two (2) scenarios with and without the infrastructure – Special Variation are demonstrated below. The proposed rating structure is discussed further in item 5.2 Impact on Rates.

Proposed rating structure should it not be approved Rate pegging increase of 2.3%				
Rate Type	**Category**	**Rate in $**	**Minimum/ Base Amount $**	**Yield $**
General	Residential	0.00087292	485	$24,055,755
General	Business	0.0063379	485	$3,786,199
Special	Environmental – Special Variation	0.00011133		$2,664,100
Special	Infrastructure - Primary	0.00049878		$11,935,727
Special	Infrastructure - Primary		285	$11,781,330
Special	New Facilities – Special Variation	0.00007030		$1,682,262

Proposed rating structure if approved Rate pegging increase of 7.3%				
Rate Type	**Category**	**Rate in $**	**Minimum/ Base Amount $**	**Yield $**
General	Residential	0.00099452	485	$26,418,866
General	Business	0.00670648	485	$4,000,974
Special	Environmental – Special Variation	0.00011133		2,664,100
Special	Infrastructure - Primary	0.00044288		$10,597,927
Special	Infrastructure - Primary		255	$10,541,190
Special	Infrastructure – Special Variation	0.00006236		$1,492,281
Special	Infrastructure – Special Variation		30	$1,240,140
Special	New Facilities – Special Variation	0.00007030		$1,682,262

5.1.1 Minimum Rates

The special variation may affect ordinary rates, special rates and minimum rates.

Does the council have minimum rates? Yes **X** No ☐

If **Yes**, explain how the proposed special variation will apply to the minimum rate of any ordinary and special rate, and any change to the proportion of ratepayers on the minimum rate for all relevant categories that will occur as a result.

So that we can assess the reasonableness of the impact on minimum ratepayers, briefly explain the types of ratepayers that are on minimum rates, and the rationale for the proposed impact of the special variation on minimum rate levels.

Ku-ring-gai Council's response

Council is seeking an extension of an existing Infrastructure – Special Variation that has been in place since 2001. As such, in aggregate, no significant additional financial costs will be imposed on the community, although rates for individual households will vary as shown in the table below.
If the Special Variation is approved, it is intended to levy it as a separate rate for 2014/15, following Community feedback that the rates structure needs to clearly identify this component. At present, this component is part of Council's total Infrastructure levy.

If the SRV is not approved, Council will transfer a sufficient amount from General rates to maintain the total amount of the Infrastructure – Primary rate of $23.7M. This will allow maintaining a base amount of $285 (being approximately 50% of the total amount). There are two (2) central reasons for this:

- The total levy for infrastructure (whether split as Primary and Special Variation or not) approximates Council's expenditure on infrastructure renewal and maintenance, and
- The total levy for infrastructure incorporates a base charge component of approximately 50% of the levy which maximises Council's total rates income from growth in numbers of properties into the future. This rates growth has been incorporated into our LTFP and, if it were to be reduced, Council's capacity to maintain an adequate level of infrastructure works would reduce.

The change in rates will not be evenly distributed across all residents. The following table shows changes from actual rates levied in 2013/14 to 2014/15 for five different categories of ratepayers with different property valuations:

GROUP	Typical Valuation	Actual	WITH Special Variation		WITHOUT Special Variation	
		2013/14	2014/15	Change	2014/15	Change
Minimum Rates	250,000	921	942	21	940	19
Average Rates	750,000	1,511	1,546	35	1,450	(61)
Pensioner Minimum Rates	250,000	569	588	19	620	51
Pensioner Average Rates	750,000	1,095	1,126	31	1,092	(3)
Top 200 Ratepayers	2,000,000	3,561	3,648	87	3,392	(169)

If the Infrastructure – Special Variation is not renewed, the residents in the most disadvantaged categories – pensioners on minimum or average rates - are most disadvantaged and will have to pay increased rates as indicated in the table above. This is because these ratepayers are currently granted a voluntary Council rebate of the whole Infrastructure – Special Variation and this component of their total rebate will be withdrawn as it will no longer be charged. The voluntary rebate will be reduced from 11% to 8% to account for this.

At the other extreme, households in the top 200 properties, by valuation, will receive an average reduction in total rates of $169.

The Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. SEIFA confirms that residents of the Ku-ring-gai Council local government area are one of the Greater Sydney Region least disadvantage. In 2006, household income for the Ku-ring-gai LGA stated that 51.2% of persons household income was in the highest income bracket versus the Sydney average of 25%[12].

The reduction in total income from non-continuation of the Infrastructure – Special Variation and Council's consequent transfer of this amount from general rates to its Infrastructure – Primary rate means that total general rates are reduced whilst the statutory minimum rate ($485) remains the same, causing more ratepayers to pay minimum rates.

Proposed Increase	Category	No of Ass	Land Value	Total $	Total %
Without Special Variation					
2.30%	Residential	17,179	$5,325783,592	$7,552,409	32%
2.30%	Business	199	$8,780,759	$61,095	0.26%
With Special Variation					
7.3%	Residential	12,439	$2,840,538,392	$550,306	20%
7.3%	Business	188	$7,955,122	$6,136	0.22%

5.2 Affordability and community capacity to pay

Show how your IP&R processes have established that the proposed rate rises are affordable for your community, and that affected ratepayers have the capacity to pay the higher rate levels. (Indicators considered in this context may be similar to those cited under criterion 2.)

[12] *Delivery Program and Operational Plan 2012-2013- page 15*

Ku-ring-gai Council's response

As previously stated in **section 4.5** of this application residents of the Ku-ring-gai Council local government area are one of the least disadvantage in the Greater Sydney Region.

The Special Rate Variation - Infrastructure which contributes funding towards Council's roads renewal program has been in place since 2001. The continuation of the Special Variation will not, in aggregate, create hardship given it has been in place since 2001, and the community has indicated support for its continuation.

This application seeks to continue the Special Rate Variaition – Infrastructure at its current level. This would result in approximately $66 year for each ratepaying household or $1.30 per week.

Special rate variations are included within Council rates and charges policy for eligible pensioners. The financial modelling undertaken as part of the income anticipated from the continuation of the special rate variation has considered and included exemptions for pensioners.

Council's rating policy grants a voluntary pensioner rebate of 11% of the total rates and charges levied. This rebate amount was originally determined to eliminate, on average for all pensioners, the requirement for them to pay any of Council's special rates and the Stormwater Management Charge.

However, if the existing Special Variation is not continued, the infrastructure component of this pensioner rate rebate, 3%, will need to be subtracted, producing a reduced rebate of 8% for 2014/15 and this may cause some hardship to pensioners on or close to minimum rates.

5.3 Other factors in considering reasonable impact

In assessing whether the overall impact of the rate increases is reasonable we may use some of the same indicators that you cite in section 5.2 above. In general, we will consider indicators such as the local government area's SEIFA index rankings, average income, and current rate levels as they relate to those in comparable councils. We may also consider how the council's hardship policy might reduce the impact on ratepayers.

5.3.1 Addressing hardship

In addition to the statutory requirement for pensioner rebates, most councils have a policy, formal or otherwise.

Does the council have a Hardship Policy?	
Hardship Policy is available on Council's website	Yes X No ☐
If Yes, is it identified in the council's IP&R documents?	Yes X No ☐
Please attach a copy of the Policy and explain who the potential beneficiaries are and how they are addressed.	
Does the council propose to introduce any measures to limit the impact of the proposed special variation on various groups?	Yes X No ☐

Provide details of the measures to be adopted, or alternatively, explain why no measures are proposed.

Ku-ring-gai Council's response

Since this application is a continuation of the existing SRV, Council proposes to continue with the existing measures which are explained below.

Council has a Rates and Charges Recovery Policy (Hardship Policy) (***Annexure 24)*** which addresses the following objectives:

- To ensure a fair, consistent and accountable approach to Council's debt management and collection decisions and practices;
- To be sympathetic and helpful to those ratepayers suffering genuine financial hardship;
- To fulfil the statutory requirements of the Local Government Act and associated Local Government Regulations with respect to the recovery of rates and charges;
- To assist in the efficient management of Council assets through the timely collection of outstanding monies.

Special rate variations are included within Council rates and charges policy for eligible pensioners. The financial modelling undertaken as part of the income anticipated from the renewal of the levy has considered and included exemptions for pensioners. Council's rating policy grants a voluntary pensioner rebate of 11% of the total rates and charges levied. This rebate amount was originally determined to eliminate, on average for all pensioners, the requirement for them to pay any of Council's special rates and the Stormwater Management Levy.

The continuation of the levy will not create hardship as the levy has been in place since 2001 and the community has indicated support for its continuation. However, as discussed in section 5.2, if the existing SRV for Infrastructure is not continued, the infrastructure component of this pensioner rate rebate, estimated at 3%, will need to be subtracted, producing a reduced rebate of 8% for 2014/15. This may cause some hardship to pensioners on or close to minimum rates.

6 Assessment criterion 4: Assumptions in Delivery Program and LTFP

The DLG Guidelines state this criterion as follows:

The proposed Delivery Program and Long Term Financial Plan must show evidence of realistic assumptions.

Summarise below the key assumptions adopted by the council and indicate where they are set out in your Delivery Plan and LTFP. We will need to assess whether the assumptions are realistic. For your information, we will consider such matters as:

- Proposed scope and level of service delivery given the council's financial outlook and the community's priorities.
- Estimates of specific program or project costs.
- Projections of the various revenue and cost components.

To also assist us, identify any in-house feasibility work, industry benchmarks or independent reviews that have been used to develop assumptions in the Delivery Program and LTFP if these are not stated in those documents.

Ku-ring-gai Council's response

The LTFP contains a series of assumptions designed to ensure that Council remains financially sound and has the capacity to withstand the impact of unexpected events. The major assumptions for the first five (5) years underpinning the LTFP are shown in the table below:

LTFP FORECASTS AND ASSUMPTIONS

	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19
FORECASTS - ACCESS ECONOMICS					
CPI (Underlying - Fin Yr)	2.4%	2.2%	2.6%	2.8%	2.6%
Average Weekly Ord Time Earnings	2.6%	2.7%	3.7%	4.6%	4.7%
BBSW - 90 Day	2.7%	2.7%	2.7%	2.7%	2.7%
NEW LOANS	930,000	0	0	0	0
COUNCIL INCOME - ASSUMPTIONS					
Rates					
Rates Pegging Forecast	2.3%	2.9%	3.3%	3.4%	3.2%
+ Rates Growth (enhanced by 0.5% from Rates Restructure)	0.7%	0.7%	0.7%	0.7%	0.7%
Total Rates Change	3.0%	3.6%	4.0%	4.1%	3.9%
Domestic Waste Price Increase	10.0%	10.0%	10.0%	2.0%	0.0%
Pensioner Rebate Growth	1.7%	1.7%	1.7%	1.6%	1.6%
Stormwater Management Charge	0.7%	0.7%	0.7%	0.7%	0.7%
User Fees & Charges - average	2.8%	2.6%	2.8%	2.7%	2.6%
Trade Waste	10.0%	10.0%	10.0%	2.0%	0.0%
Interest Income	3.9%	4.4%	5.3%	5.4%	5.4%
Recurrent Grants (CPI)	2.2%	2.6%	2.8%	2.6%	2.6%
Capital Grants (CPI)	2.2%	2.6%	2.8%	2.6%	2.6%
Asset Sales ($000)	12,083	15,338	13,464	10,152	10,097
COUNCIL EXPENDITURE - ASSUMPTIONS					
Labour Costs	3.05%	2.30%	3.30%	3.40%	3.20%
Super - new scheme compulsory increase phased in. [Old Scheme employees at set rates]	9.25%	9.25%	9.50%	10.00%	10.50%
Training (CPI)	2.2%	2.6%	2.8%	2.6%	2.6%
Operating Expenses (CPI - unless special forecast applies)	2.2%	2.6%	2.8%	2.6%	2.6%
Materials & Contracts & Project Costs (ABS Infrastructure index forecast)	2.5%	2.2%	2.8%	2.8%	2.6%
Loan Rate	4.70%	5.70%	6.60%	6.70%	6.70%

Major forecasts affecting Council's significant revenue and cost items are based on forecasts supplied by Access Economics. Council estimates specialised forecasts for movements in some specific cost and revenue items in the following ways:

a) Specific works or services or policy relating to user fees and rebates to special community groups for particular services, Labour Award increases.

b) Relationships between historic price movements and Access Economics forecasts e.g. forecasts of labour cost increase beyond the period of negotiated Award increase relate the historic trend in Council labour costs to movements in Average Weekly Ordinary Time earnings.

c) Use of Access Economics forecasts only.

7 Assessment criterion 5: Productivity improvements and cost containment strategies

The DLG Guidelines state this criterion as follows:

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.

In this section, provide details of any productivity improvements and cost containment strategies that you have implemented in the last 2 years (or longer) and any plans for productivity improvements and cost containment during the period of the special variation. These plans, capital or recurrent in nature, must be aimed at reducing costs. Please also indicate any initiatives to increase revenue eg, user charges. Identify how and where the proposed initiatives have been factored into the council's resourcing strategy (eg, LTFP and AMP).

Where possible, quantify in dollar terms the past and future productivity improvements and savings. You may also use indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and the DLG Group data provided to us.

Ku-ring-gai Council's response

Council for about 10 years has developed a strict control of operational expenditure with a focus to provide funding for capital improvement works. This requires the various departments to manage recurrent expenditure within the annual budgetary framework by ensuring costs are controlled within the rate capping amounts. This has been difficult to achieve due to external constraints such as increased costs for services outside Council's control such as street lighting charges and rural fire service levies. Council has had to manage these significant increases of over $1 million through organisational efficiencies without impacting on the capital expenditure budget **(Confidential *Annexures 23 and 25)***

With the introduction of water recycling treatments such a sewer mining plants at both Gordon and North Turramurra Golf courses and stormwater harvesting devices at a number of sports fields, this has resulted in savings of approximately 40% of potable water usage. Likewise, Council has introduced a number of energy efficiencies such a solar power and improved lighting at its major building sites. This has resulted in a decrease of 5% in the total of kilowatt hours ***(Annexures 26 and 27)***

Council has also changed the majority of its fleet over time from 6 cylinder vehicles to 4 cylinder vehicles using diesel fuel to help reduce fuel costs.

Services such as tree works, street cleaning and grass mowing have been contracted out due to their seasonal nature and this has saved Council approximately $350,000 per annum. A copy a memorandum relating to the contracting of tree works is attached to the application ***(Annexure 28).***

A contract was also called for the installation of bus shelters throughout the Council area and this resulted in a $315,000 revenue stream for Council over a 15 year contract period.

Below is a summary of the actions undertaken by Council:
In April 2013 Council reduced spending in a range of areas and allocated an extra $1.8M to assets - for the next 10 years

- Reduced staff & savings from Workers Compensation from improved safety
- External Review of Services – Morrison Low
- Energy saving improvements in major civic & community facilities
- Street sweeping contract resulting savings of approximately $80,000.
- Procurement – electricity contracts providing savings
- Stormwater harvesting
- Changes to operating fleet

8 Other information

8.1 Previous Instruments of Approval

If you have a special variation which is due to expire at the end of this financial year or during the period of the proposed special variation, when was it approved and what was its purpose? Please attach a copy of the Instrument of Approval that has been signed by the Minister or IPART Chairman. See (***Annexure 29)***

8.2 Reporting to your community

The Guidelines set out reporting mechanisms that show your accountability to your community. Please tell us how you will go about transparently reporting to the community on the proposed special variation, should it be approved. Also indicate the performance measures you will use to demonstrate how you have used the additional funds (above the rate peg) generated by the special variation.

Ku-ring-gai Council's response

Council takes a proactive approach to consulting and engaging with local community, community groups and service providers on important social and economic plans and strategies.

Our Consultation Policy ***(Annexure 30)*** ensures all engagement with the community is equitable and accessible. We employ a range of methods to connect with our local stakeholders.

If Council's application is successful for the special rate continuation, Council will report back to the community via the following methods:

- Proactive communications and reporting through the Delivery Program and Annual Report
- Information updated on Council website, web based online forums and Enewsletters
- Direct mail to ratepayers, survey and Residents Forum participants
- Media release in North Shore Times
- Councillor briefing

Further reporting on the progress of the Delivery Program is conducted quarterly, and reported externally to the community bi-annually and annually through the Annual Report.

The performance of Council against the delivery of activities is measured through two levels of indicators. Key performance indicators (KPIs) represent a measure of the standard or outcome of an organisation's services or activities. The KPIs are designed to encapsulate the performance and outcomes of Council and are reported on every six months.

Tied to this reporting, Council also receives quarterly budget reports which provide data on the financial position of Council in terms of its income and expenditure as well as the status of its adopted capital works program. Council also assigns each indicator to social, environmental, economic and civic leadership themes reflecting its dominant aspect or influence.

An example of KPIs specifically related to the Special Rate Variation – Infrastructure are contained in the Community Strategic Plan 2030[13] and the Delivery Program 2013-2017[14], and are listed below;

Performance Indicator	**Baseline (and data source)**	**Target**
Capital works programs for roads, footpaths and drains.	Completion of capital works programs within timeframes and budgets. (Data source: Council)	95%
Rates and Annual Charges Coverage Percentage	Annual target less than or equal to 60% dependence on rates income. (Data source: Council Financial Statements	60%
Working Capital.	Annual target greater than or equal to $4 million. (Data source: Council's Financial Statements)	$4Million
Building and Infrastructure Renewals Funding Ratio.	In 2012/2013 Council's Building and Infrastructure Renewals Ratio was 95.45%. (Data source: Council's Financial Statements)	100%
Statutory financial reports are prepared and reported to Council in compliance with legislative requirements	In 2012/2013 all statutory financial reports were reported to Council within statutory timeframes and to legislative standards. (Data source: Council)	100%

13 Community Strategic Plan 2030 Pages 43 & 62
14 Delivery Program 2013-2014 Pages 45 & 60

8.3 Council resolution to apply to IPART

The Guidelines require the council to have resolved to apply for a special variation. Please attach a copy of the council's resolution to make a special variation application. Our assessment of the application cannot commence without it.

The following documents are included as attachments to this application:

Section 10 Certification - executed

Annexure 1 - Community Strategic Plan 2030 extracts

Annexure 2 – Community Strategic Plan Discussion Paper

Annexure 3 – Delivery Program extract

Annexure 4 – Delivery Program extract

Annexure 5 – Long Term Financial Plan extract

Annexure 6 – Asset Management Strategy extracts

Annexure 7 - Closing the gap report extracts

Annexure 8 – Special Rate Variation Report 2014 extracts

Annexure 9 - Special Rate Variation Report 2014 extracts

Annexure 10 – Long Term Financial Plan extracts

Annexure 11 – Asset Management Strategy extracts

Annexure 12 – Special Rate Variation Report 2013

Annexure 13 – Long Term Financial Plan extract

Annexure 14 – Annual Report extract

Annexure 15 – Annual Report extract

Annexure 16 – Annual Report extract

Annexure 17 – Long Term Financial Plan extract

Annexure 18 – Long Term Financial Plan extract

Annexure 19 – T-Corp Report

Annexure 20 – Long Term Financial Plan extract

Annexure 21 – Report on the Community Engagement Strategy

Annexure 22 – Delivery Program extract

Annexure 23 – Confidential - Report on organisational structure

Annexure 24 – Rates and Charges Recovery Policy (Hardship Policy)

Annexure 25 – Confidential - Organisational efficiencies

Annexure 26 – Energy use – Annual snapshot

Annexure 27 – Sustainability snapshot – Energy and water

Annexure 28 – Memo on tree contract

Annexure 29 – Instrument of approval

Annexure 30 – Consultation Policy

Annexure 31 – Council Report to apply for SRV July 2013

Annexure 32 – Council resolution to apply for the SRV July 2013

Annexure 33 – Council Report to apply for SRV November 2013

Annexure 34 – Council resolution to apply for SRV November 2013

Annexure 35 – Resolution to adopt Delivery Program 2013

Annexure 36 – Resolution to adopt Resourcing Strategy and resolution to adopt Delivery Program for public exhibition

Annexure 37 – Community Strategic Plan 2030

Annexure 38 – Delivery Program 2013- 2017 and Operational Plan 2013- 2014

Annexure 39 – Adopted Long Term Financial Plan 2015 – 2024

Annexure 40 – Asset Management Strategy 2015 – 2024

Annexure 41 – Resourcing Strategy 2015 – 2024

Annexure 42 – Annual Report 2012/2013

Annexure 43 – Revised Delivery Program – Adopted for public exhibition 24 February

Annexure 44 – Roads and Transport Asset Management Plan

Annexure 45 – Projects funded by the Special Rate Variation

Annexure 46 – Workforce Strategy 2013 – 2017

Annexure 47 – List of Annexures & Website Addresses

9 Checklist of contents

The following is a checklist of the supporting documents to include with your Part B application:

Item	Included?
Relevant extracts from the Community Strategic Plan	Yes
Delivery Program	Yes
Long Term Financial Plan	Yes
Relevant extracts from the Asset Management Plan	Yes
TCorp report on financial sustainability	Yes
Contributions Plan documents (if applicable)	NA
Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and special variation	Yes
Community feedback (including surveys and results if applicable)	Yes
Hardship Policy	Yes
Past Instruments of Approval (if applicable)	Yes
Resolution to apply for the special variation	Yes
Resolution to adopt the Delivery Program	Yes

10 Certification

APPLICATION FOR A SPECIAL RATE VARIATION

To be completed by General Manager and Responsible Accounting Officer

Name of council: **KU-RING-GAI COUNCIL**

We certify that to the best of our knowledge the information provided in this application is correct and complete.

REFER TO ANNEXURES

General Manager (name): **John McKee**

Signature and Date:

Responsible Accounting Officer (name): **Angela Apostol**

Signature and Date:

Once completed, please scan the signed certification and attach it to the Part B form before submitting your application online via the Council Portal on our website.